

*The Board of Trustees
of the
School and Institutional Trust Lands Administration*

Subject: Written determinations concerning May 13, 2021 Board Meeting

Don Foot, as Vice Chairman of the Board of Trustees (the "Board") of the School and Institutional Trust Lands Administration, pursuant to Utah Code Section 52-4-207(4), hereby makes the following determinations concerning the need to hold an electronic meeting of the Board, without an anchor location, on May 13, 2021.

Facts upon which determination is based:

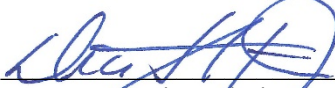
- Federal, State and local authorities have recommended that individuals limit public gatherings and that individuals experiencing symptoms of COVID-19 self-isolate to prevent and control the continuing spread of COVID-19.
- The public monitoring and participation requirements, and the anchor location requirement, in the Open and Public Meetings Act, Utah Code Section 52-4-101 et seq. will gather interested persons, members of the public, and members of a public body in a single, confined location where the risks of further spreading COVID-19 are far greater.

Determination concerning conduct of April 15, 2021 Board meeting:

- In light of the facts referenced above, conducting the May 13, 2021 meeting with an anchor location at which the public and other interested parties are permitted to attend presents a substantial risk to the health and safety of those who may be present at the anchor location;
- The Board will therefore hold an electronic meeting without an anchor location, and will provide an electronic means by which the public may hear the open portions of the meeting, as well as an electronic means by which members of the public may provide comment to the Board;
- The above findings will be included within the public notice of the May 13, 2021 meeting, and will be read into the record at the beginning of that meeting.

Entered this 3rd day of May 2021.

BOARD OF TRUSTEES, FOR THE UTAH
SCHOOL AND INSTITUTIONAL TRUST
LANDS ADMINISTRATION



Don Foot, Vice Chairman

Agenda



Board of Trustees Special Meeting Agenda

Thursday, May 13, 2021

9:30 a.m. (NOTE: later start time)

VIRTUAL ELECTRONIC MEETING

Notice regarding special restrictions for this electronic meeting.

In light of federal, state and local COVID-19 guidelines, and consistent with the Board chairperson's written determination dated May 3, 2021, this Board of Trustees meeting will be held utilizing electronic means. No anchor location at which the public may gather will be used, and members of the public will not be allowed to attend this meeting in person. Board members, and a limited number of presenters, will be assembled in a location large enough to permit appropriate distancing. Board members and other attendees may be monitored electronically by non-essential SITLA staff, the public, and any other interested parties according to the procedures outlined below. The Board chairperson's May 3, 2021 determination concerning the conduct of the May 13, 2021 meeting included the following:

Facts upon which determination of need to hold an electronic meeting of the Board, without an anchor location, on May 13, 2021, is based:

Federal, State, and local authorities have recommended that individuals limit public gatherings and that individuals experiencing symptoms of COVID-19 self-isolate to prevent and control the continuing spread of COVID-19.

The public monitoring and participation requirements in the Open and Public Meetings Act, Utah Code Section 52-4-101 et seq. will gather interested persons, members of the public, and members of a public body in a single, confined location where the risks of further spreading COVID-19 are far greater.

Determination concerning conduct of March Board meeting:

In light of the facts referenced above, conducting the May 13, 2021 meeting with an anchor location at which the public may gather presents a substantial risk to the health and safety of those who may be present at the anchor location;

The Board will therefore hold an electronic meeting without an anchor location, and will provide an electronic means by which the public may hear the open portions of the meeting, as well as an electronic means by which members of the public may provide comment to the Board;

The above findings will be included within the public notice of the May 13, 2021 meeting, and will be read into the record at the beginning of that meeting.

Electronic participation in this meeting will be conducted via Zoom. Interested parties, including members of the public, non-essential SITLA staff, or representatives of county governments or Utah Tribes, may attend the meeting through the following registration link:

https://zoom.us/webinar/register/WN_5QKh3_kwRbqAMLp_514qBQ. We recommend registering by 9:20 a.m. to avoid missing the beginning of the meeting.

Those wishing to provide public comment will be asked at the beginning of the period designated for such comment to use the "raise hand" feature at the bottom of the screen within the Zoom meeting so they may be called upon to provide comment. Please call Lisa Jones at 801-538-5110 or email lsjones@utah.gov any time before 8:30 a.m. on May 13, 2021 with questions.

1. Welcome

2. Approval of Minutes

April 15, 2021

3. Confirmation of Upcoming Meeting Dates

May 20, 2021 Board Tour to Kanab / Big Water

June 17, 2021 Regular Meeting

July 15, 2021 NO Scheduled Meeting

4. Public Comments

SITLA welcomes comments from the public on item 5 only. Public comment will not be accepted on item 6, the EOG v. SITLA formal adjudication matter.

The Board sets aside 15 minutes at each Board meeting to hear from anyone wishing to speak. Each presenter is allowed one opportunity to speak and, depending on the number of commenters, has up to three (3) minutes for remarks. Any member of the public who desires to make a comment shall use the "raise hand" feature during the Zoom meeting. The public comment segment of the Board meeting is not the time for a question-and-answer discussion. SITLA staff are available for dialogue outside of Board meetings.

5. Board Action regarding the new Utahraptor State Park Land Sale in Grand County

--- Michelle McConkie, Assistant Director, Surface

6. Board Adjudication Hearing – EOG v SITLA Oil and Gas Royalty Audit Appeal

--- Geoffrey Heath, Hearing Examiner

--- EOG Legal Counsel

--- SITLA Legal Counsel

7. Closed Session. Pursuant to Utah Code Section 52-4-205(1)(c), the Board will hold a closed strategy session to discuss and deliberate about the pending EOG Adjudication litigation matter.

8. Board Action, if any, regarding the EOG Adjudication matter.

9. Adjourn

Items may be heard in any order, at any time, at the Board's discretion.

Please be aware that the public portions of this meeting may be broadcast live over the Internet. Also, be aware that an audio recording of the public portions of this meeting, along with any materials presented or distributed in the public portions of this meeting, will be posted on Utah's public notice website. Witnesses with questions, concerns, or handouts should contact staff.

In accordance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for this meeting should contact Lisa Jones at 801-538-5110, or by email at lsjones@utah.gov, at least three (3) days in advance.

I, Lisa Jones, SITLA Board of Trustees' Executive Assistant, hereby certify the foregoing agenda was emailed to the Salt Lake Tribune, was posted on the Utah State Public Notice website, <https://www.utah.gov/pmn/index.html>. SITLA's website at <http://trustlands.utah.gov>, and was posted at SITLA's Offices, 675 East 500 South, Suite 500, SLC, Utah 84102. Posted and dated on Monday, May 3, 2021.

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Major Development
Transaction;
Land Sale to State
Parks for Inclusion
in Utahraptor State
Park

MEMORANDUM

DATE: April 27, 2021

TO: Board of Trustees, School and Institutional Trust Lands Administration

FROM: Michelle McConkie, Assistant Director; Bryan Torgerson, Resource Specialist

SUBJECT: Approval of Major Development Transaction; Land Sale to State Parks for Inclusion in Utahraptor State Park

FUND: Schools

INTRODUCTION

SITLA has received a proposal from the State of Utah, Division of Parks and Recreation (“**State Parks**”) for the purchase of trust lands located south of Crescent Junction and north of Moab in Grand County (the “**Subject Lands**”) for incorporation into the recently approved Utahraptor State Park. The Subject Lands include areas referred to as the Willow Springs and Dalton Wells areas.

The Subject Lands are administered and managed by the Surface Group but have undergone the administrative process to be designated for potential development. Due to this designation, the proposed sale of these lands is subject to the rules regarding development lands and is considered a “major development transaction” under Utah Administrative Rule 850-140-600 since the projected value of the trust lands will exceed \$5,000,000.

The proposed Subject Lands are generally depicted in the attached map. The size and configuration of the Subject Lands may be adjusted based on appraised value, for those reasons described in this Memorandum. The purchase price for the Subject Lands will be fair market value, as determined by appraisal, not to exceed \$7,500,000.

BACKGROUND INFORMATION

In the 2021 legislative session, the Utah legislature enacted HB 257 providing for the creation of the Utahraptor State Park in Grand County as well as Lost Creek State Park in Morgan County. HB 257 included a one-time appropriation in the amount of \$36,500,000 for renovation and development of both parks, with \$7,500,000 of this amount earmarked for land acquisition.

The proposed boundaries for Utahraptor State Park encompass lands managed as state sovereign lands as well as approximately 3,270 acres of state trust lands. State Parks has proposed using the entirety of the \$7,500,000 appropriation available under HB 257 for land acquisition to purchase these trust lands.

The Trust acquired the Subject Lands as well as other trust lands in the 1960s as part of an exchange with the federal government associated with the creation of Canyonlands National Park.

The portions of the Subject Lands known as the Dalton Wells and Willow Springs areas are heavily used for camping and other recreational purposes by the public, including OHV use, hiking, and mountain biking. These areas have presented management challenges to the Trust for years, and these challenges are increasing as tourism in the Moab area continues to rapidly grow.

SITLA staff has worked with OHV groups to create designated trails to rein in undisciplined OHV use, has installed and maintains vault toilets to improve hygienic conditions in the area, and even attempted to exchange the more heavily used lands for less used sovereign lands in the area that are managed by Forestry, Fire and State Lands. This exchange was unsuccessful because there were not enough sovereign lands available to make such an effort economically viable.

In addition to the large amount of recreational use of the land, this area has paleontological and historical significance that pose challenges to future development of the Subject Lands. Thirteen new species of dinosaurs, including the previously undiscovered dinosaur now known as the Utahraptor, were discovered in the area. During World War II there was an internment camp for Japanese-Americans in the Dalton Wells area and, prior to that time, a Civilian Conservation Corps camp was located on the lands during the Great Depression. If the land were sold to a private party, State law would require restrictive covenants limiting development to be placed on large portions of the Subject Lands in order to protect these paleontological and cultural/historic resources.

The Subject Lands are also within the Arches National Park water protection zone. This makes development of water in the area particularly difficult.

The Trust owns additional lands south of the proposed Utahraptor Park that are currently undergoing master planning (the "Remaining Trust Lands"). The SITLA Development Group has indicated that the values of the Remaining Trust Lands would be enhanced if the Subject Lands were included in Utahraptor State Park. In addition, the Development Group has indicated that they would not want the Subject Lands to be developed in a way that would compete with development of the Remaining Trust Land (which are anticipated to be developed in about 15-20 years).

There was previously an agricultural lease in the area that terminated earlier this year. This lease brought in a nominal amount of money, approximately \$41,000 over the last 20 years. The area also generated some minimal revenue from grazing and right of entry permits.

The mineral estate of the property would be reserved in a sale pursuant to State law. Both the SITLA Mining and Oil and Gas Groups have reviewed the proposed sale, and the mineral potential of the lands appears to be low. These Groups have therefore indicated that they have no concerns with the sale of the surface estate of the Subject Lands.

APPRAISAL

Pursuant to State law, State Parks may not pay more than fair market value for land it acquires, as determined by an appraisal. SITLA is required to receive no less than fair market value for land it sells. SITLA and State Parks have therefore jointly commissioned Gordon Lowe of The Appraisers, Inc. to appraise the Subject Lands to determine fair market value. The appraisal report is due in early June.

If the appraisal of the 3,270 acres of trust lands within the proposed Utahraptor Park boundary establishes the fair market value of the land as more than the \$7,500,000 appropriated by the legislature, then SITLA and State Parks would adjust the boundaries of the sale parcel so the value of the lands sold does not exceed \$7,500,000. If the appraisal of the entire 3,270 acres of trust lands within the proposed Utahraptor park boundary establishes the fair market value of the land as equal to or less than \$7,500,000, then SITLA proposes selling all the trust lands within the boundary to State Parks for appraised value.

NOTICE/ADVERTISING

The Subject Lands were advertised locally for competing interest. The advertising period ended April 30, 2021. No competing offers were received.

ANALYSIS

The Subject Lands have presented ongoing management challenges and expenses to the Trust. These challenges are increasing as recreational activities in the Moab area grow. The Subject Lands have historically brought in little revenue to the Trust.

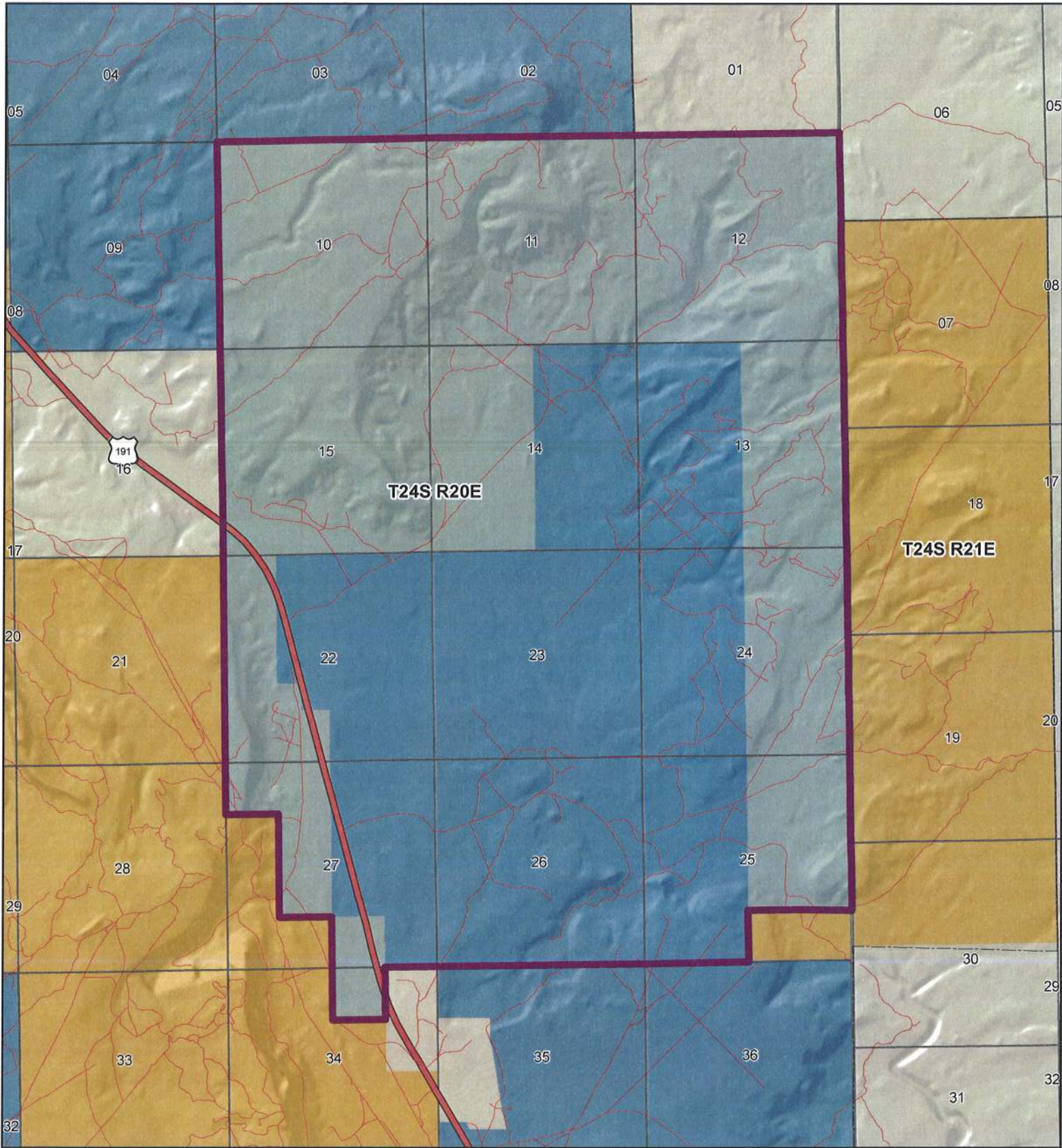
In addition, future development of the Subject Lands is limited due to the extensive paleontological specimens and cultural/historical artifacts on the lands and the inclusion of the lands in the Arches National Park water protection zone. SITLA's Development Group also believes the development of the Subject Lands as a State Park will enhance the value of the Remaining Trust Lands.

The agency completed a financial analysis to determine the net present value if the Subject Lands were: (1) held and sold at a later date at an appreciated value; (2) leased for a number of years; or (3) leased, and then sold at a later date at an appreciated value. The financial analysis supports selling the Subject Lands under the proposed terms, even if a long-term lease for the Subject Lands could be entered into. It should be noted that SITLA has not been able to secure such a lease.

The sale of the Subject Lands to State Parks would allow SITLA to monetize lands that have traditionally brought in little value to the Trust. In addition, it would no longer necessitate time and money to be spent on managing the lands and would likely increase the value of lands retained by SITLA in the area.

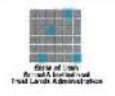
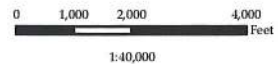
RECOMMENDATION

The agency recommends the sale of the Subject Lands for fair market value, as determined by appraisal, not to exceed \$7,500,000. The exact acreage and configuration of the lands to be sold will not be finalized until the appraisal is complete, due to the appropriation limitation of \$7,500,000 available to State Parks.



Proposed Utah Raptor State Park Boundary Land Ownership

-  Proposed Park Boundary
-  Bureau of Land Management
-  Private
-  State Trust Lands
-  State Sovereign Land



Data represented on this map is for REFERENCE USE ONLY and is not suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. SITLA provides this data in good faith and shall in no event be liable for any incorrect results, or any special, indirect or consequential damages to any party, arising out of or in connection with the use of the inability to use the data hereon.

Land parcels, lease boundaries and associated SITLA data layers may have been adjusted to allow for visual "best fit." The Surface Ownership Land Status data (if present) are maintained by SITLA to reflect current trust land status and surface ownership. Lakes, rivers, streams, highways, roads, county and state boundaries are distributed by the Utah Automated Geographic Reference Center and/or other sources as specified. Contour lines (if present) were generated from USGS 10 meter DEM.

Please Note: While SITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Acquiring the most updated SITLA ownership GIS data may require contacting the GIS staff directly 801-538-5100 or TLA-GIS@utah.gov. The SITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention.
Produced: April 13, 2021 - lbblediger