



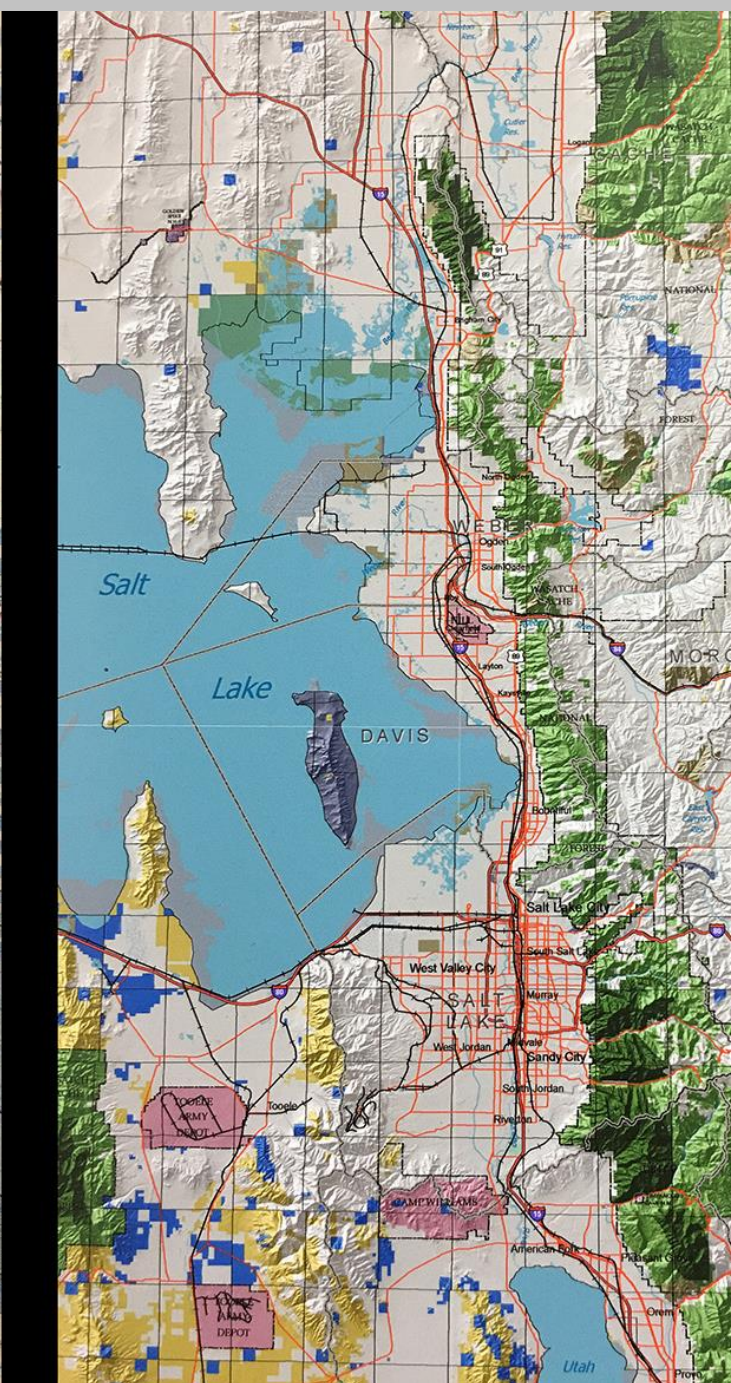
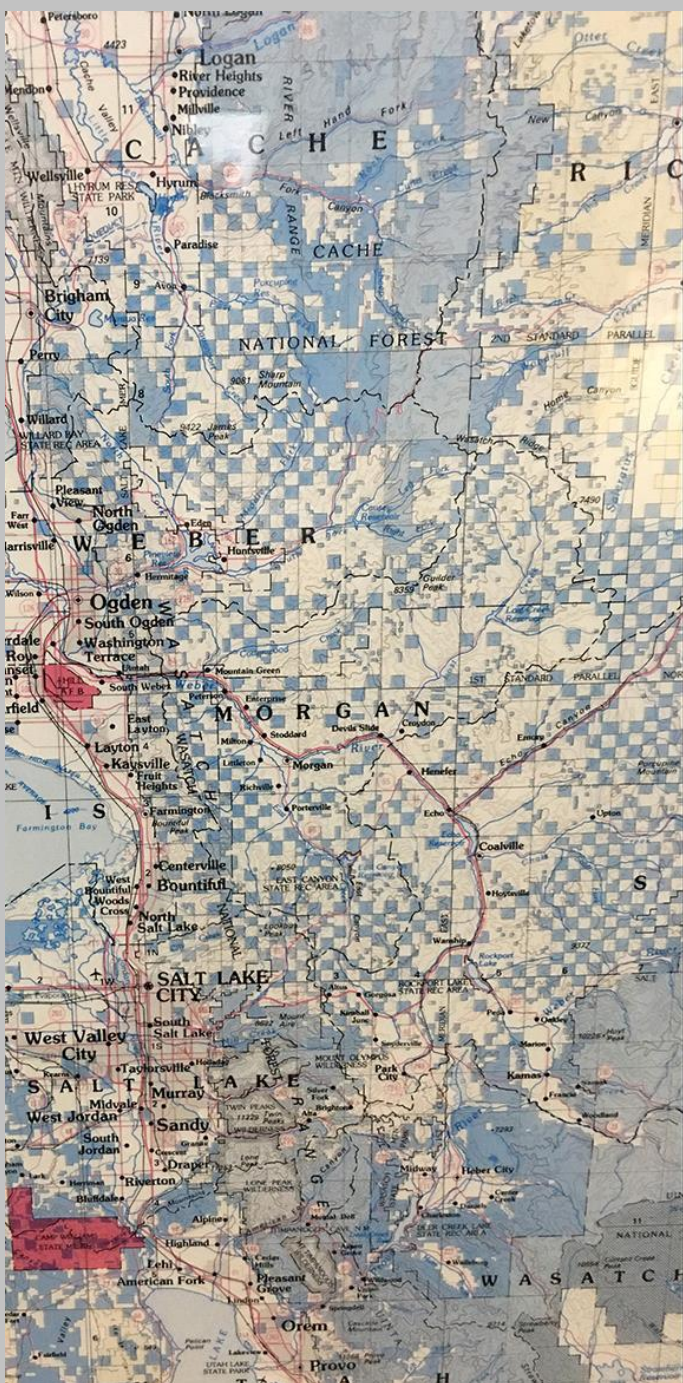
UTAH TRUST LANDS

SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION

HISTORY OF TRUST LANDS

CASE LAW & EARLY MANAGEMENT

- Utah granted approximately 7 million acres at Statehood
- The nature and purpose of the school grant from the U.S., and the spirit of the acceptance in the Utah Constitution created a trust. Van Wagoner v. Whitmore, 58 Utah 418, 199 P. 670 (1921).
- Trust principles:
 - Duty to receive fair market value for use and sale
 - Duty to manage in most prudent and profitable manner



WASATCH FRONT

1896 map
Compared to
today

1896-1930
several million
acres sold

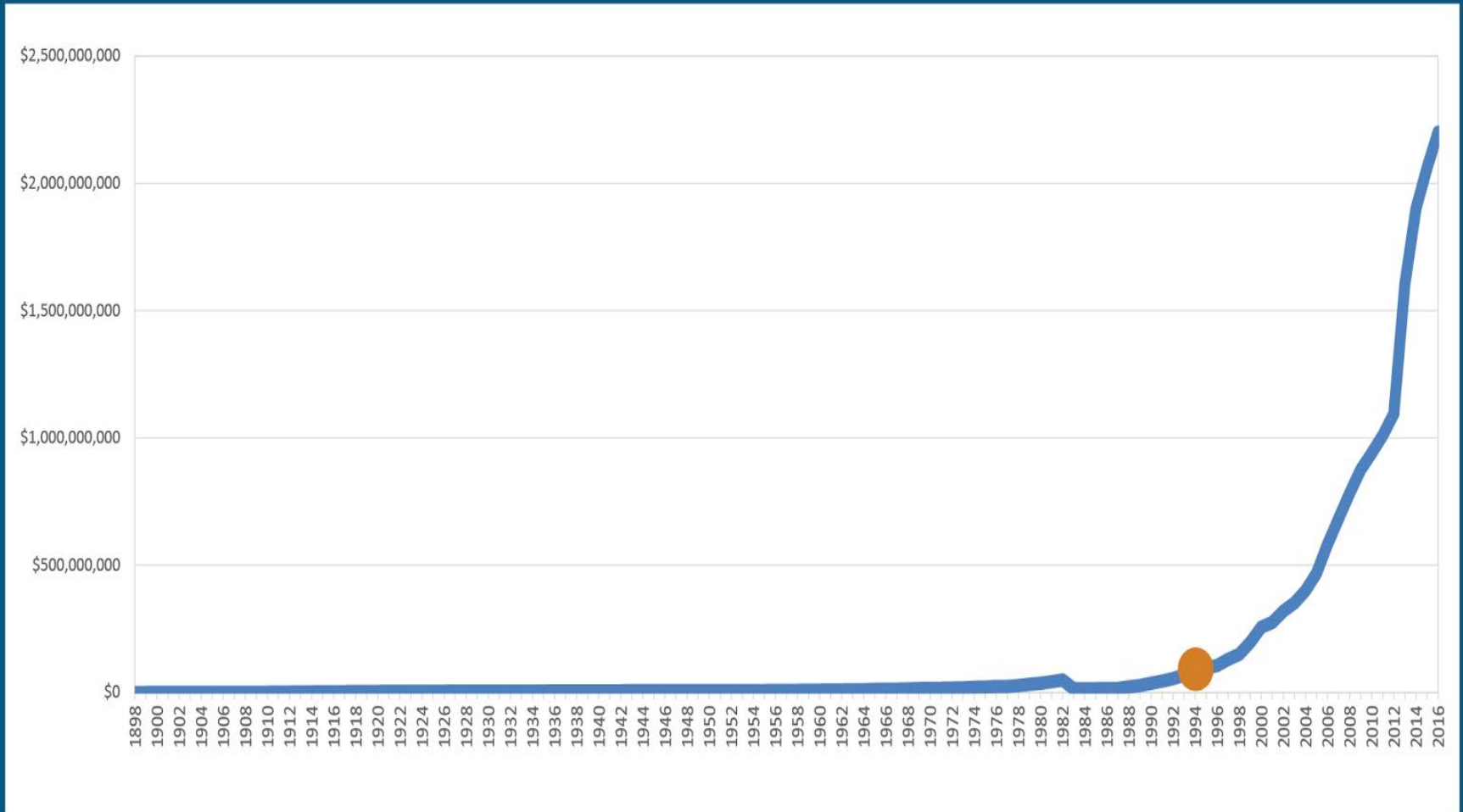
Includes large
parts of South
Jordan, Kearns,
Herriman, Eagle
Mountain, Cedar
City and St.
George

LEGISLATURE CREATES SITLA

- Historic management was conservative and bureaucratic
- SITLA created in 1994 to manage trust lands independently from state government
- Agency should operate more like a business, with a strict adherence to the trust principles



Utah Permanent School Fund Balance 1896 - 2016



REVENUE FROM TRUST LANDS

■ BUSINESS GROUPS

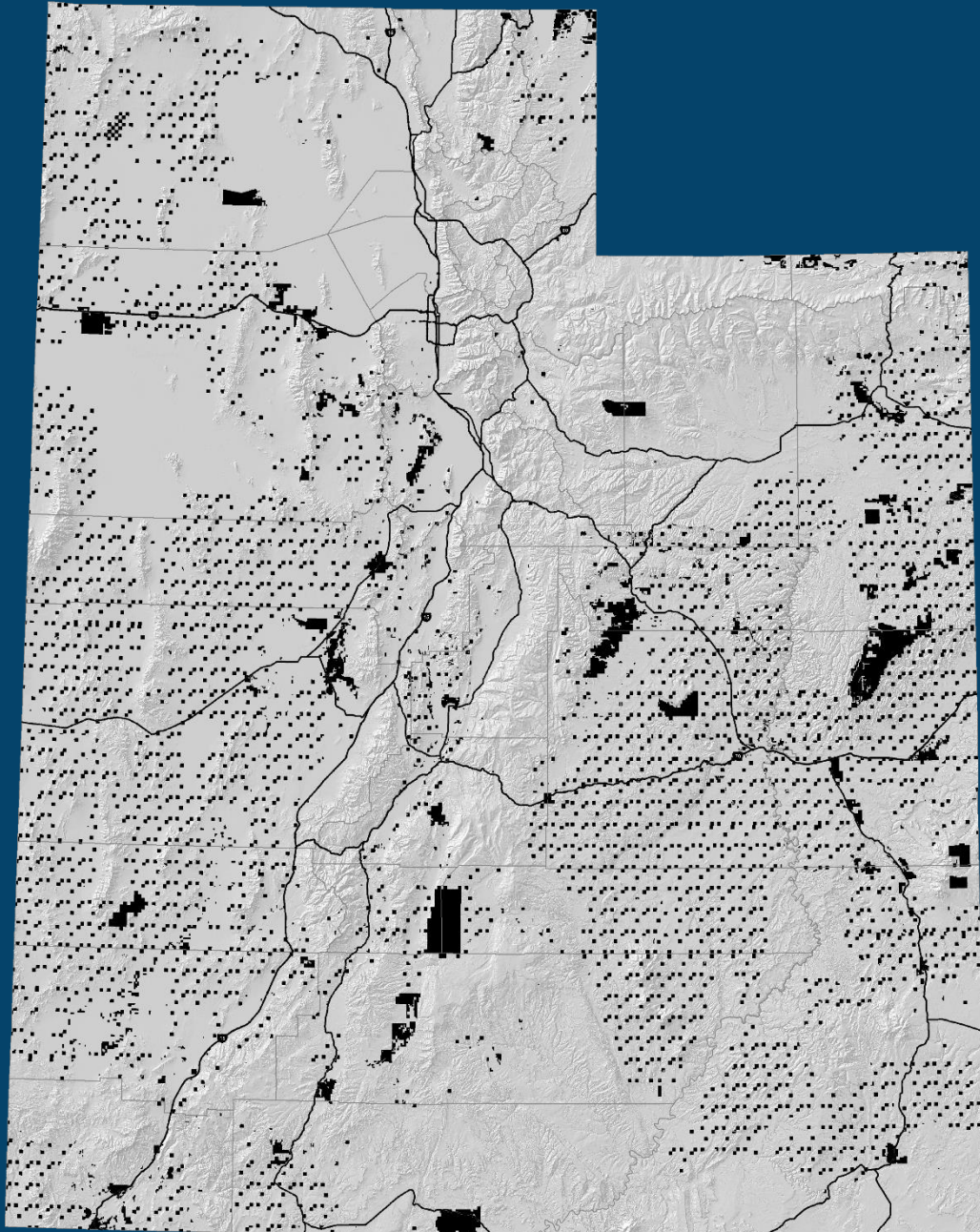
- Oil and gas
- Mining
- Surface
- Real estate development



GOVERNING STATUTE

- Provisions of School and Institutional Trust Lands Management Act (53C-1-101 et seq):
 - Must administer trust for exclusive benefit of beneficiaries/undivided loyalty
 - Manage lands in most prudent and profitable manner
 - Take into account short-term and long-term interests
 - Obtain fair market value
 - Beneficiaries do not include other governmental institutions or agencies, the public at large, or the general welfare of the state





Today, SITLA
manages:

3.4 million
surface acres

4.4 million
mineral acres

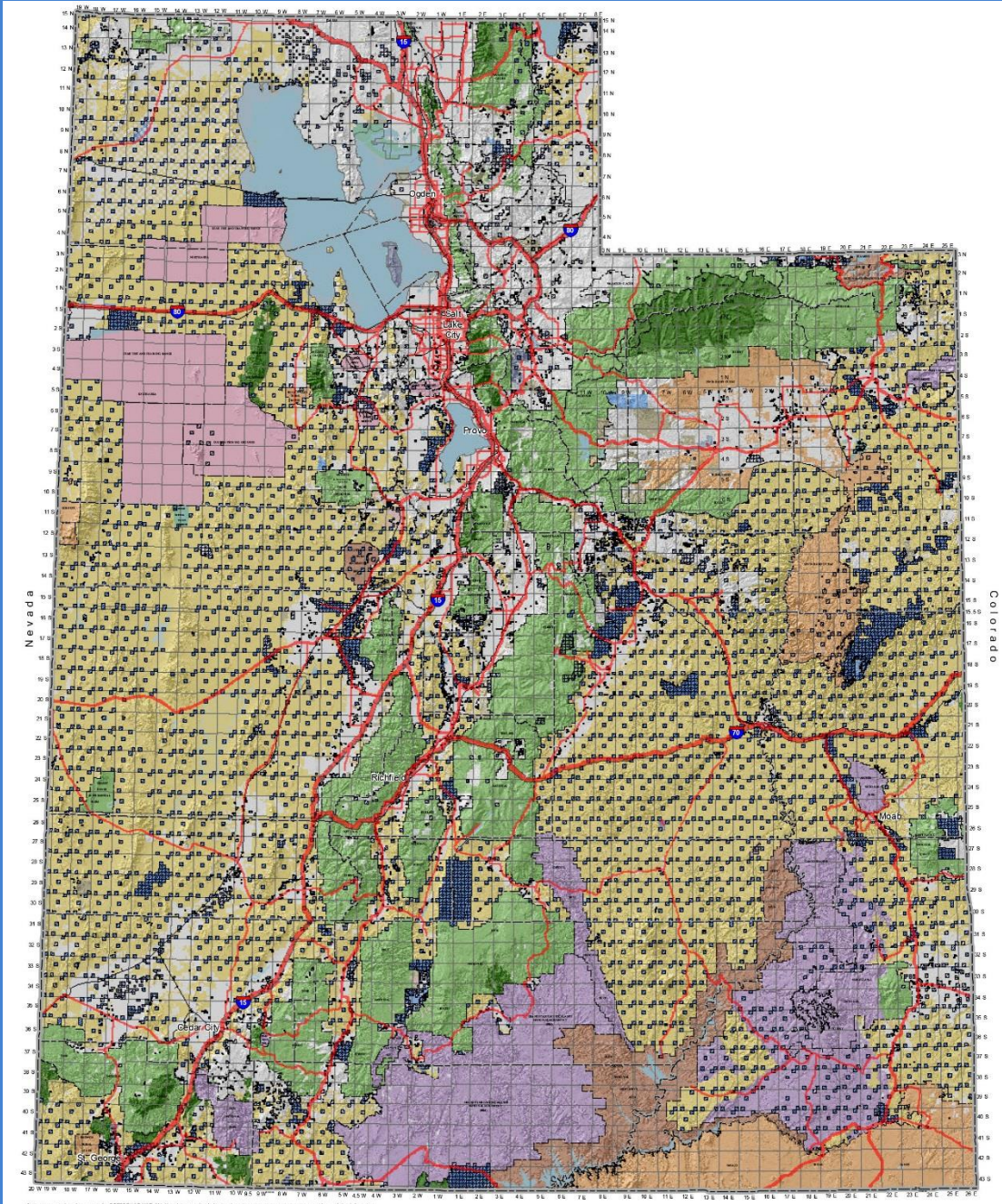
6% of Utah

No taxpayer funds

SITLA LAND EXCHANGES

*Past
Successes and
Current
Challenges*





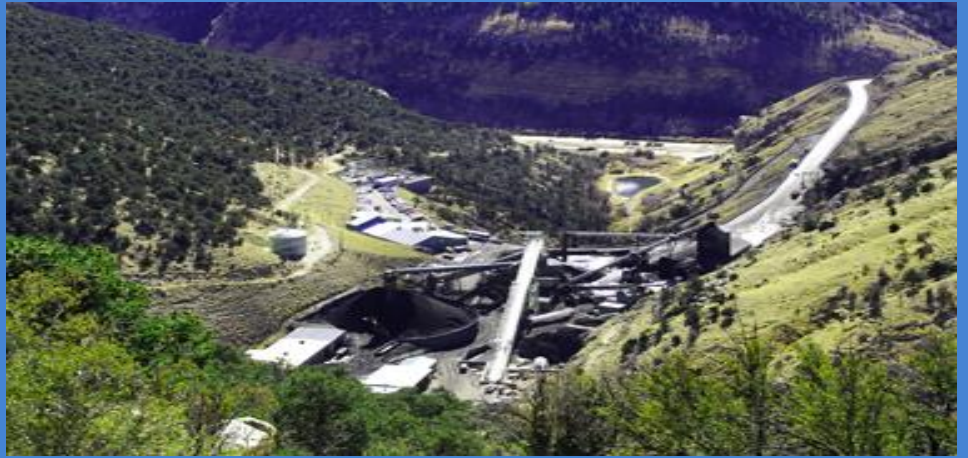
LAND EXCHANGE BACKGROUND

- Why does SITLA spend so much time on land exchanges?
 - The “checkerboard” doesn’t work for anyone.
 - We are paying more attention to return on our asset base – we can trade up in asset quality.
 - Half-century of federal law – and public attitudes - moving towards conservation over extraction – makes use of trust lands difficult and controversial.
- Historic land exchanges have brought a huge amount of money into the school trust, and major economic development to many rural counties



**CORONA
ARCH,
GRAND
COUNTY**

Transferred to
BLM, 2014





MAKING Life BETTER
Cedar City, Utah

MW MARK WILSON ARCHITECTS
PRACTICAL INNOVATION IN ARCHITECTURE

Water Design Inc.

DM ENGINEERS
Your Partner for Sustainable Engineering

LESLIE & ASSOCIATES, INC.
THE DESIGNERS OF THE 21ST CENTURY
STRUCTURAL ENGINEERS AND ARCHITECTS

IRE
REGIONAL ENGINEERS

FA French & Associates
Landscape Architects

CARTER
CONSTRUCTION, INC.

Cedar City Aquatic Center

Family Aquatic Center
PASSES AVAILABLE
435-865-9223

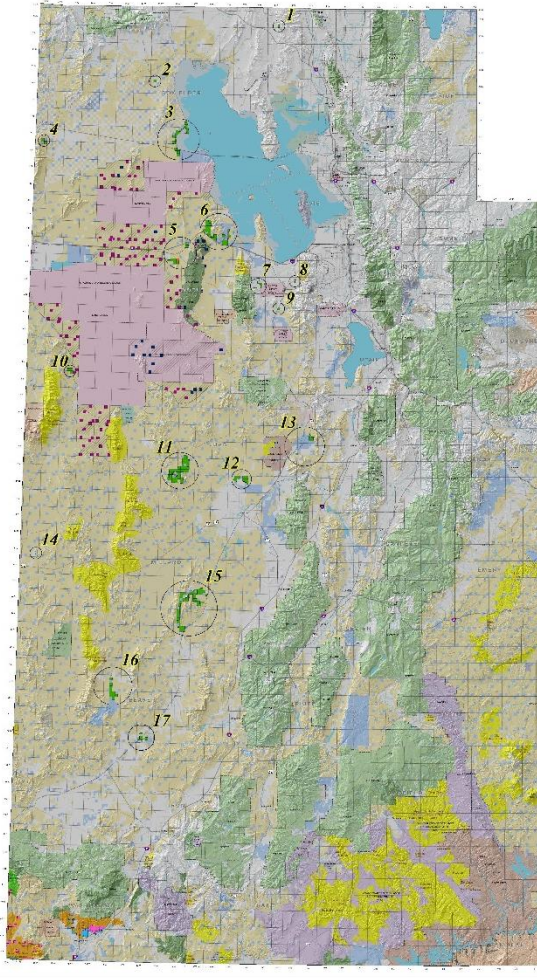
SITLA LAND EXCHANGES

- **Grand Staircase-Escalante - 1999**
 - Included prior “Inholdings” in National Parks, Indian Reservations, and National Forests
 - By far the most financially lucrative to the trust
- **Utah West Desert – 2001**
 - West Desert wilderness study areas (WSAs)
- **San Rafael Swell (failed in Congress, terminated)**
- **Utah Recreation Land Exchange - 2013**
- **Utah Test and Training Range – 2016 (in process)**
 - Numerous specific mineral properties to be acquired.

FINANCIAL SNAPSHOT – GSENM & WEST DESERT EXCHANGES

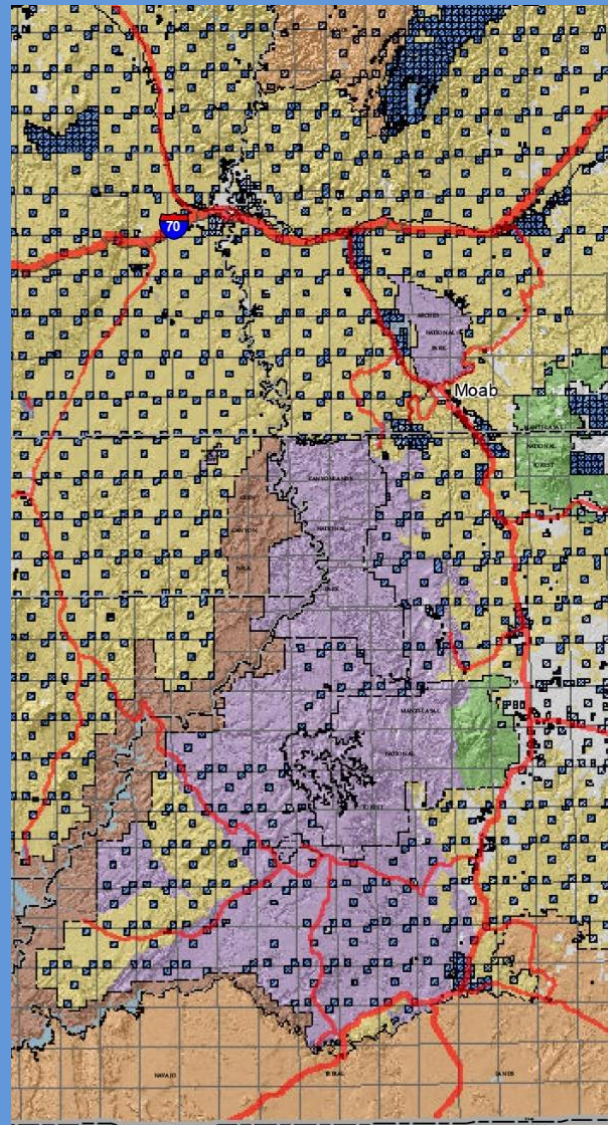
- GRAND STAIRCASE (1999)
 - \$50 MILLION PAID TO TRUST AT CLOSING
 - \$340,590,079 FROM OIL & GAS, COAL ALONE
 - \$135,692,388 TO SCHOOL TRUST
 - \$163,977,458 TO LEDA (COUNTIES)
- WEST DESERT (2001)
 - 106,000 ACRES OF EXCHANGED LANDS = \$60,000 P.A.
 - SINCE EXCHANGE:
 - Wasatch Landfill - \$7,471,325
 - Materion beryllium - \$2,092,326
 - Graymont limestone \$1,207,676
 - IPP gas caverns, Utah Alunite coming online...

Figure 13, 2015



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Figure 13, 2015



NEW PROJECTS

UTTR Expansion

Bears Ears Nat'l Monument

Public Lands Initiative (?)

COMPETING CHALLENGES

- LAND EXCHANGES INVOLVE A HUGE NUMBER OF COMPETING INTERESTS AND OBSTACLES
- THE FIRST AND HIGHEST OBSTACLE IS CONGRESS
 - SLOW AND NOT CONTROLLABLE PROCESS
 - BUBGET “SCORING” IS AN ISSUE
 - WE CANNOT “ROLL” COMPETING INTEREST GROUPS
 - ENVIRONMENTAL NGOs HAVE A SEAT AT THE TABLE
 - CAN’T ACQUIRE UNDULY SENSITIVE LAND
 - EXCHANGE LEGISLATION MANDATES NEPA, APPRAISALS
- LAND EXCHANGES ALSO NEED UTAH LEGISLATIVE APPROVAL

AT THE STATE LEVEL

■ LEGISLATIVE CONCERNS

- NO NET INCREASE IN FEDERAL LAND
- NO SIGNIFICANT IMPACT ON COUNTY REVENUES
- USING SCATTERED SECTIONS AS TOEHOLD TO AFFECT FEDERAL GRAZING PRACTICES

■ WHAT SITLA HAS DONE

- USE HIGH-VALUE ST. GEORGE LANDS TO BALANCE ACREAGE
- LAND EXCHANGE DISTRIBUTION ACCOUNT
- SITLA GRAZING EXCHANGE POLICY

■ WHERE WE HAVE PROBLEMS

- CBO REQUIRES BOTH EQUAL VALUE AND EQUAL CASH FLOW
- HARD TO UPGRADE ASSETS AND KEEP ACREAGE EQUAL
- WE CAN'T ALWAYS BALANCE ACREAGE WITHIN COUNTIES

QUESTIONS?

Thank You