

Lands, Legacy, and Livelihood: Utah's Trust Lands and How They Can Benefit Communities



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LANDS, LEGACY, AND LIVELIHOOD: UTAH'S TRUST LANDS AND HOW THEY CAN BENEFIT COMMUNITIES

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Since 1945, leaders, legislators, and community members have relied upon the **illuminating, independent, and nonpartisan public-policy research** produced by the Utah Foundation to support informed decision-making on topics that matter most. As a 501(c)(3) with broad community support and a 60-member board, the Utah Foundation exists to empower **civic engagement as the foundation for enhanced quality of life for Utahns.**

Photo credits: All photos are courtesy of the Trust Lands Administration.

Cover: Oil and gas operations on Utah's trust lands.



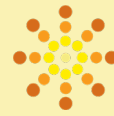
The Trust Lands Administration commissioned the Utah Foundation to highlight how the economic activities that generate revenue for designated institutions can also benefit the community as a whole.

Utah trust lands were reserved at the state's founding to benefit specific state institutions. The vast majority of the lands and their mineral rights were meant to benefit Utah's public schools. However, Utah's trust lands administrators from 1897 to 1993 often made decisions that benefited local communities at the expense of the intended beneficiaries. After reforms in the 1990s, many of Utah's communities continue to benefit economically, but along with, rather than instead of, Utah's schools and other trust lands beneficiaries.

The Trust Lands Administration commissioned the Utah Foundation to conduct case studies on oil & gas, coal, residential real estate, commercial real estate, and innovative energy development. As part of those case studies, the Utah Foundation estimates the economic benefits of these activities to the state and local communities. (See Figures A, B, and C on page iii for an overview of these benefits.)

The purpose of this study is to provide an overview of Utah's trust lands, their history, and the livelihoods they support.

HIGHLIGHTS OF THE STUDY



- Utah's early trust lands administration (pre-1990s) systematically prioritized general public and political interests over beneficiaries. (Chapter 1.)
- The School and Institutional Trust Lands Administration was created in 1994 to refocus land management to benefit trust beneficiaries. (Chapter 1.)
- The Uinta Basin has long been the dominant source of mineral revenue; by fiscal year 1991, oil, gas, and coal represented nearly 88% of all trust lands income, totaling approximately \$10 million annually. (Chapter 2.)
- The Drunkards Wash coalbed methane field in Carbon and Emery counties has generated an estimated \$750 million for the Trust Lands Administration since 1998, making it one of the trust's most valuable assets. (Chapter 2.)
- Real estate development as a trust lands revenue source was essentially nonexistent before the Trust Lands Administration's creation in the 1990s. (Chapter 3.)
- Washington County served as the proving ground for new real estate transaction models, with major master-planned projects including Coral Canyon, Sienna Hills, Green Springs, and Desert Color. (Chapter 3.)
- Fort Pierce Business Park, launched in 1999 with just 160 acres and two tenants, has expanded to more than 140 owners across 1,200 acres and has generated over \$50 million in net revenue to the Trust Lands Administration. (Chapter 4.)
- The Trust Lands Administration's real estate development model relies on a three-way partnership: the trust provides land, private developers supply capital, and local government entities provide entitlements, infrastructure funding, and incentives. (Chapter 4.)
- Solar energy dominates the Trust Lands Administration's renewable portfolio, accounting for 70% of all renewable revenue in 2025. (Chapter 5.)
- The Trust Lands Administration currently has 62,000 acres under geothermal lease, with potential areas totaling 300,000 acres. (Chapter 5.)

Across the five case studies, Utah's trust lands may account for more than 2,100 jobs.

Figure A: Overview of Direct, Indirect, and Induced Jobs on Utah's Trust Lands, by Case Study

	Low	High
Oil and gas extraction	165	257
Coal mining	206	296
Desert Color development	647	1,089
St. George airport development	154	262
Intermountain Power Plant	194	243

Across the five case studies, Utah's trust lands may generate up to \$127 million in household earnings annually.

Figure B: Overview of Projected Household Earnings from the Increase in Jobs on Utah's Trust Lands, by Case Study, Annually

	Low	High
Oil and gas extraction	\$15,200,000	\$24,100,000
Coal mining	\$14,000,000	\$19,900,000
Desert Color development	\$32,000,000	\$54,000,000
St. George airport development	\$9,200,000	\$15,400,000
Intermountain Power Plant	\$10,800,000	\$13,400,000

Across the five case studies, Utah's trust lands may generate up to \$49 million in state and local taxes annually.

Figure C: Overview of Projected Taxes and Fees from Utah's Trust Lands, by Case Study, Annually

	Low	High
Oil and gas extraction	\$10,040,000	\$15,760,000
Coal mining	\$830,000	\$1,200,000
Desert Color development	\$4,690,000	\$6,790,000
St. George airport development	\$430,000	\$720,000
Intermountain Power Plant	\$17,540,000	\$24,170,000

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INTRODUCTION TO THE STUDY

Utah's trust lands are set aside to support designated beneficiaries. However, for much of Utah's history, the state used these trust lands to benefit specific constituencies, communities, and the public at large, at the expense of these beneficiaries. This largely changed with the overhaul of trust lands management in the 1990s.

The School and Institutional Trust Lands Administration was created in 1994 to manage Utah's trust lands. This entity is now referred to as the Trust Lands Administration.

This study includes several case studies of the uses of Utah's trust lands. The case studies include the sale, lease, and development of these lands. The cases highlight how the development of trust lands can continue to benefit local and state economies even as the Trust Lands Administration focuses on its legal and fiduciary mandate to the designated beneficiaries.

Purpose and Limitations of this Study

The Trust Lands Administration commissioned the Utah Foundation to provide a brief introduction and history of the administration of trust lands in Utah, and to highlight the current economic benefits that trust lands provide to these local communities.¹ These benefits primarily focus on oil and gas production, coal mining, real estate development, and alternative energy development.

This study is not intended to be an audit, critical review, or cost-benefit analysis, but an estimate of the local economic benefits associated with these specific economic activities on trust lands.²

1 This study was funded by the Trust Lands Administration, but the Utah Foundation retained full editorial discretion.

2 This study is not a complete analysis of the management of the trust lands under the Trust Lands Administration. For example, it does not evaluate or supersede any comprehensive evaluations or audits completed since the creation of the Trust Lands Administration. Further, this study does not attempt to evaluate limitations of the Trust Lands Administration's institutional design, propose alternative governance frameworks, or assess the tradeoffs inherent in land management. Nor does it examine the environmental, social, or other opportunity costs associated with the development or sale of trust lands. Additionally, the Utah Foundation acknowledges that externalities associated with land development – including environmental impacts, foregone conservation value, and other non-market costs – are important. However, these are outside the scope of this analysis. These considerations have not been evaluated in terms of monetary opportunity costs and would require a separate analytical framework beyond the scope of this study.

KEY TERMS

Trust: A legal arrangement where money, assets, land, or other property are managed by a trustee for the express benefit of a beneficiary. In this case, the federal government granted land to the State of Utah to be held in trust for specific beneficiaries. It also specified that the proceeds of that land should be held in trust.

Trustee: A person or entity who manages a trust for the benefit of a beneficiary. In this case, the state agreed to serve as the trustee upon the adoption of the Utah Constitution.

Beneficiary: The designated individual or entity that benefits from the actions of a legal arrangement (often a trust). In this case, over 90% of trust lands held are for Utah's K-12 public schools. Additional beneficiaries include:

- Reservoirs / water resources
- Utah State University
- University of Utah
- College of Mines & Earth Sciences
- Miners Hospital
- Schools for the Deaf
- Colleges of Education
- Schools for the Blind
- Juvenile Justice Services
- Utah State Hospital

Fiduciary duty: A legal obligation requiring a trustee to act in the best interests of the beneficiary. This includes acting loyally and without conflicts of interest, managing assets professionally and prudently, and treating current and future beneficiaries with equal regard.



Agriculture on Utah's trust lands.

CHAPTER 1:

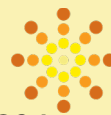
AN INTRODUCTION

TO TRUST LANDS

WHAT ARE TRUST LANDS?

State trust lands are a unique category of land in the United States. Much of the federal and state land is public land held for public purposes. The U.S. Forest Service, the National Park Service, the Bureau of Land Management, the Utah Division of Wildlife Resources, or the Utah Division of Forestry, Fire, and State Lands often manage these lands. By contrast, state trust lands are not held for these general purposes. Instead, they are managed as fiduciary assets intended to maximize revenue for specific public beneficiaries.

HIGHLIGHTS OF CHAPTER 1



- Utah's trust lands originated from the Utah Enabling Act of 1894, which granted approximately 7.5 million acres of federal land to the state to benefit public institutions, most of which were reserved for K-12 schools. (See page 5.)
- Trust lands are distinct from general public lands; they are managed as fiduciary assets to maximize revenue for 12 specific beneficiaries, not for the public at large. (See page 5.)
- Utah's early trust lands administration (pre-1990s) periodically prioritized general public and political interests over beneficiaries. (See pages 7-8.)
- The Utah Supreme Court ultimately affirmed that trust lands exist solely for the financial benefit of designated beneficiaries, not for the general public welfare. (See page 8.)
- The School and Institutional Trust Lands Administration was created in 1994 to refocus land management to benefit trust beneficiaries. (See page 9.)

The idea that land could be reserved to support public education dates to the earliest years of the American republic.³ Beginning with the General Land Ordinance of 1785, Congress adopted the practice of reserving certain sections of federal land in newly surveyed territories for the support of schools. Under the rectangular survey system created by the ordinance, land was divided up into squares that measured six miles by six miles, creating a 36-square-mile “township.” Each township was divided into 36 one-square mile “sections.” The ordinance designated one specific section, Section 16, “for the maintenance of public schools.”⁴

This model expanded significantly during the nineteenth century as the United States admitted new Western states. By the mid-to-late nineteenth century, Congress had developed a more structured system requiring new states to hold granted lands in trust and manage the proceeds for designated beneficiaries in perpetuity. Congress also increased the number of trust lands sections from one in 36 to four in 36. Utah’s trust lands were created within this federal framework.⁵

3 U.S. Congress, “Land Ordinance of 1785,” 1785, Records of the U.S. House of Representatives, Record Group 233, <https://docsteach.org/document/land-ordinance-of-1785/>

4 Ibid.

5 Souder, Jon. A. and Sally K. Fairfax, 1996, “State trust lands: History, management, and sustainable use.” *University Press of Kansas*, chapter 1, <https://search.worldcat.org/title/32853489>.



Petroglyphs on Utah's trust lands.

UTAH'S TRUST LANDS AT STATEHOOD

Utah joined the United States two years after Congress passed the Utah Enabling Act of 1894, which granted approximately 7.5 million acres of federal land to the state for the benefit of “common schools” and other select public institutions.⁶ The largest of these grants (over 90%) were the school sections: Sections 2, 16, 32, and 36 in every township.⁷ This designation of school sections reserved specific areas of land for the benefit of common schools.

The trust land grants created a “checkerboard” pattern across Utah, which is still visible in many rural areas that have not been developed, sold, or exchanged with the federal government in the intervening years.⁸ (See Figure 1 on the following page.)

The remaining land grants were more flexible in nature. They were to be selections made by the State of Utah for specified acreage amounts from unappropriated federal land to benefit the other public institutions.⁹

The Enabling Act required that “the proceeds of lands herein granted for educational purposes... shall constitute a permanent school fund, the interest of which only shall be expended for the support of said schools.” The state would act as trustee of the lands and funds, while a number of institutions would be the beneficiaries.

This structure was reinforced by the Utah Constitution of 1896, which required that proceeds from the sale of granted lands be placed in permanent funds whose principal would remain intact.¹⁰ These provisions created a financial structure designed to preserve wealth for both present and future generations of students.

6 Paula Plant, 2024, “School trust lands in Utah,” *School Children’s Trust – Utah State Board of Education*, https://schools.utah.gov/schoollandtrust/_trustsystem/2024.SchoolTrustLandsInUtah.pdf.

7 Because Utah became a state so long after the pioneers arrived, significant arable lands, typically along waterways and in valleys, were privately owned before statehood. Consequently, not all sections 2, 16, 32, and 36 were still in federal ownership for granting, leaving a balance of ungranted acreage that was eventually granted from other federal land selections in Utah (also known as Clear Lists). The other beneficiaries were granted acreage that was then selected from the federal land portfolio and granted by other Clear Lists. Utah Foundation interview with Elise Erler, Analytics Director at Trust Lands Administration.

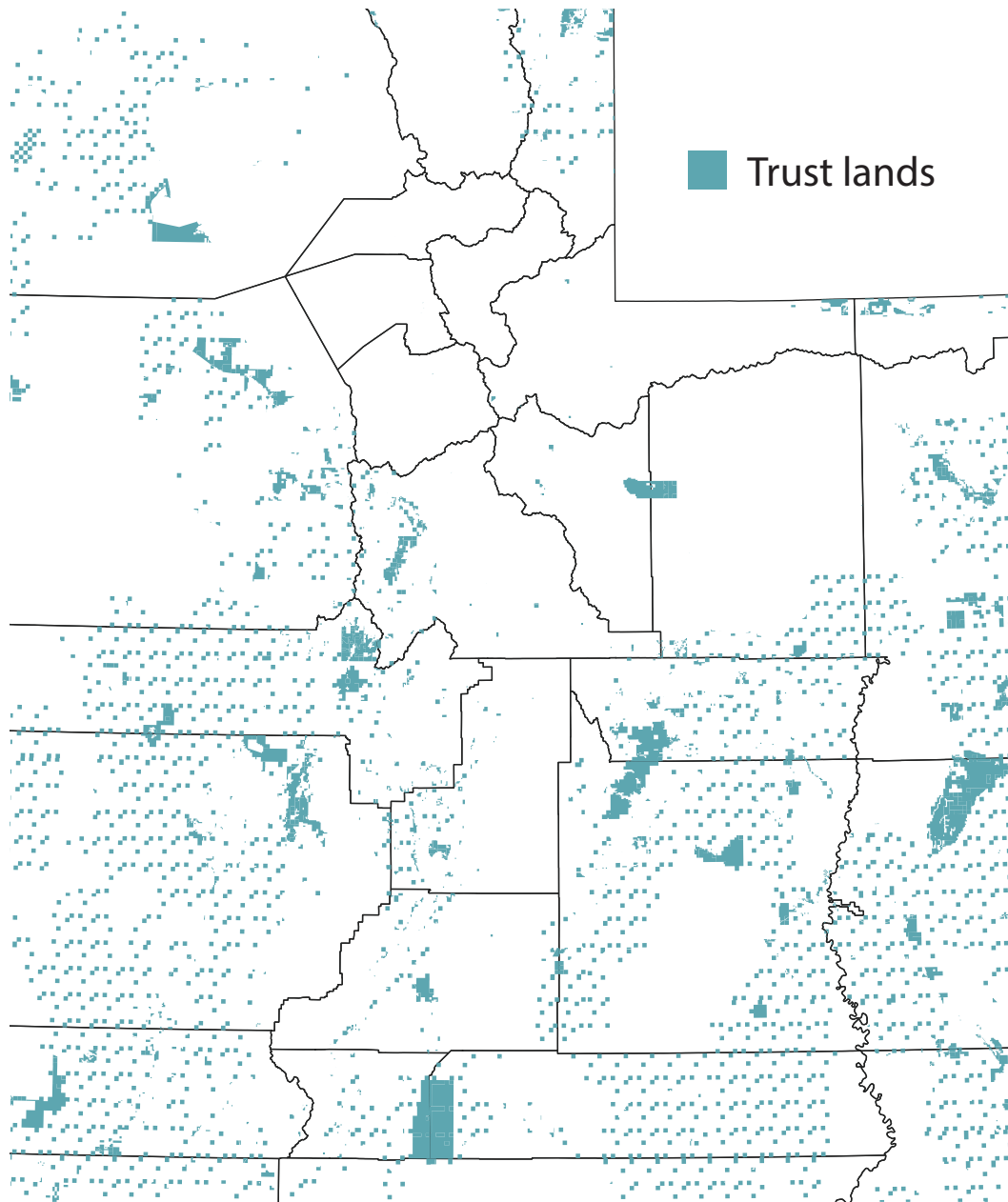
8 Trust Lands Administration, 2023 “Land transfers & exchanges,” section “Grand Staircase-Escalante/Inholdings Exchange,” <https://trustlands.utah.gov/about-us/care-preservation/land-transfers-exchanges/>.

9 U.S. Congress, 1894, “Utah Enabling Act,” *Utah State Archives*, sec. 10, <https://archives.utah.gov/wp-content/uploads/Enabling-Act.txt>.

10 Utah Constitution, Article X, §5, “State School Fund and Uniform School Fund -- Establishment and use -- Debt guaranty,” *Utah State Legislature*, https://le.utah.gov/xcode/ArticleX/Article_X,_Section_5.html.

Comprehensive development of trust lands is limited by the scattered, checkered pattern across the state.

Figure 1: Trust Lands, 2025



Source: Trust Lands Administration and Utah Geographic Reference Center.

A BRIEF HISTORY OF TRUST LANDS

Utah's early management of trust lands frequently prioritized the interests of the general public, political constituencies, and special interests over the designated beneficiaries of the trust.¹¹ This pattern helps explain why later reforms focused on strengthening fiduciary oversight and separating trust management from broader public policy objectives.

In the first decades of statehood, the state rapidly sold off trust lands. By 1916, nearly 3 million of Utah's 7.5 million granted trust acres had been sold, representing 40% of the original endowment.¹² These sales often occurred at below fair market value, reducing the long-term value available to beneficiaries.¹³

During the 1920s and 1930s, critics described the trust funds as a "politically controlled bank" because elected officials managed them, while responding to broader public constituencies.¹⁴ Legislative actions explicitly favored public economic relief over trust returns. A 1933 law gave defaulting mortgage holders the right of first refusal to foreclosed property. This allowed distressed borrowers to default and repurchase assets at reduced values, effectively shifting losses onto the trust.¹⁵ However, the state was not required to sell the land – it could have just folded foreclosed assets into the permanent trust.

Similarly, after failed reservoir investments, the Utah Legislature wrote off large debts owed to the permanent fund.¹⁶ A 1937 audit concluded that legislative decisions had prioritized economic relief for the public and special interests above fiduciary obligations to beneficiaries.¹⁷

11 This becomes evident with an examination of the history of the administration of state trust lands. This section highlights some of the most salient details, but there is much more that is omitted as a detailed history is outside the scope of this report.

12 Hardy, Howard R., 1958, "The place of public lands in financing schools in Utah," *Utah Education Association*, Research Bulletin, vol. IV, no. 1, page 12, https://archive.org/details/utah_education_association-the_place_of_public_land_in_financing_schools_in_uta.

13 Utah Foundation, 1977, "Revenue from state and federal land in Utah," *Utah Foundation*, Research Report No. 365, page 59.

14 Henry Aldous Dixon, 1935, "Project 273: The administration of permanent school funds in Utah" *Federal Emergency Relief Administration*, HathiTrust Digital Library, [https://babel.hathitrust.org/cgi/pt?id=uc1.\\$b17561&seq=6](https://babel.hathitrust.org/cgi/pt?id=uc1.$b17561&seq=6).

15 Senate Bill 99, 1933 "An act relating to the sale and lease of farm lands acquired by the state of Utah by virtue of mortgage foreclosures or otherwise," <https://images.archives.utah.gov/digital/collection/428/id/32167/rec/18>;

Henry Aldous Dixon, 1935, "Project 273: The administration of permanent school funds in Utah" *Federal Emergency Relief Administration*, HathiTrust Digital Library, [https://babel.hathitrust.org/cgi/pt?id=uc1.\\$b17561&seq=6](https://babel.hathitrust.org/cgi/pt?id=uc1.$b17561&seq=6).

16 Henry Aldous Dixon, 1935, "Project 273: The administration of permanent school funds in Utah" *Federal Emergency Relief Administration*, HathiTrust Digital Library, [https://babel.hathitrust.org/cgi/pt?id=uc1.\\$b17561&seq=6](https://babel.hathitrust.org/cgi/pt?id=uc1.$b17561&seq=6).

17 Ibid.

Throughout the mid-twentieth century, repeated reorganizations of trust administration reflected changing political priorities rather than consistent trust management. Audits in later decades found that lands and leases were often sold or leased without adequate procedures to ensure fair market value.¹⁸ Low mineral lease rates favored speculators and failed to maximize returns for beneficiaries.¹⁹

These examples demonstrated that trust assets were frequently managed inefficiently or used in ways that benefited parties other than the beneficiaries.

By the 1990s, reform advocates argued that Utah had treated trust lands as a short-term resource rather than a permanent endowment for public schools.²⁰ The Utah Supreme Court ultimately reaffirmed that trust lands exist for the financial benefit of beneficiaries and that “Beneficiaries do not include other governmental institutions, the public at large, or the general welfare of the state.”²¹ This principle became the foundation for major reforms that reoriented trust lands management toward beneficiary-focused fiduciary responsibility.

18 Office of the Utah Legislative Auditor General, 1977, “Performance Audit of the Division of State Lands,” *Office of the Utah Legislative Auditor General*, II-1–II-2, Utah State Archives.

19 Ibid.

20 Utah Foundation interview with Paula Plant, Director of the School Land Trust with the Utah State Board of Education on February 19, 2026.

21 Utah Code §53C-1-102, <https://le.utah.gov/xcode/Title53c/Chapter1/53c-1-S102.html>; *National Parks and Conservation Association v. Board of State Lands*, 1993, *Utah Supreme Court*, <https://law.justia.com/cases/utah/supreme-court/1993/880022.html>.



Utah's trust lands.

THE TRUST LANDS ADMINISTRATION TODAY

Trust lands and funds have been administered in various forms. In 1994, the Utah Legislature created the School and Institutional Trust Lands Administration, which this report refers to as the Trust Lands Administration.

In 2026, Utah's trust-land management system separates land management, investment, and school-level spending. The Trust Lands Administration generates revenue through sales, mineral-estate royalties, leases, development, and surface uses of trust lands. After allowable administrative costs, the remaining revenue is credited to the beneficiary's permanent endowment associated with the land or mineral estate.

For public-school trust lands, that revenue flows into the "Permanent State School Fund." The School and Institutional Trust Funds Office invests the permanent fund amounts.²² A calculated annual distribution is then made through the School LAND (Learning and Nurturing Development) Trust Program to districts, charter schools, and individual public schools, where School Community Councils decide how to allocate the funds to meet local academic needs.²³

For other beneficiaries, their trust lands revenues flow into their respective permanent funds for investment by the School and Institutional Trust Funds Office, which also makes annual distributions to the respective beneficiaries.

22 Utah Code §53C-3-101(1)–(5), <https://le.utah.gov/xcode/Title53C/Chapter3/53C-3-S101.html>; Utah Code §53C-3-102(2)–(3), <https://le.utah.gov/xcode/Title53C/Chapter3/53C-3-S102.html>.

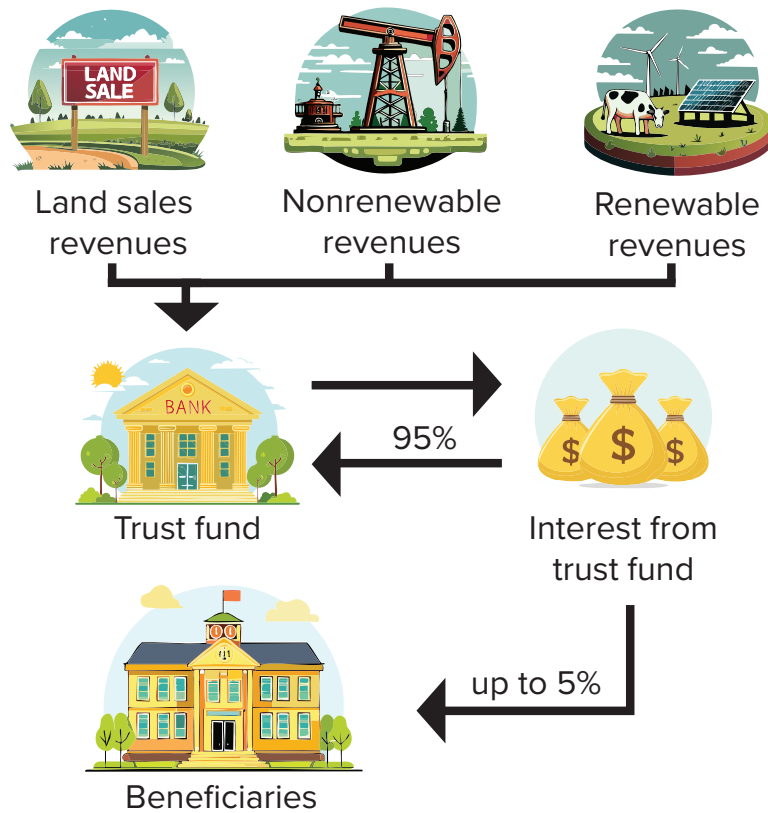
23 Utah State Board of Education, "School LAND Trust," *Utah State Board of Education*, <https://schoolandtrust.schools.utah.gov/>; Utah State Board of Education, "R277-477. Distributions of Funds from the Trust Distribution Account and Administration of the School LAND Trust Program," *Utah State Board of Education*, <https://schools.utah.gov/adminrules/R277-477.php>.



Utah's trust lands.

Revenues flow to the trust fund and interest flows to the beneficiaries.

Figure 2: Flow Chart Illustrating Revenue Paths

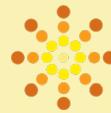


Source: The Utah Foundation.

CHAPTER 2:

OIL, GAS, AND COAL

HIGHLIGHTS OF CHAPTER 2



- The Uinta Basin has long been the dominant source of mineral revenue; by fiscal year 1991, oil, gas, and coal represented nearly 88% of all trust lands income, totaling approximately \$10 million annually. (See page 12.)
- Oil and gas leases on trust lands support an estimated 165-257 total jobs annually in Uintah, Duchesne, and Grand counties, with \$15–\$24 million in household earnings. (See page 15.)
- Oil and gas extraction may generate more than \$15 million annually in taxes, including income, sales, property, and severance taxes, with the latter making up the vast majority of this figure. (See page 17.)
- The Drunkards Wash coalbed methane field in Carbon and Emery counties has generated an estimated \$750 million for the Trust Lands Administration since 1998, making it one of the trust's most valuable assets. (See page 19.)
- Coal mining on trust lands may support 206-296 jobs annually in Emery, Carbon, Sevier, and Sanpete counties, contributing \$14–\$20 million in household earnings and around \$1 million in state and local taxes. (See pages 24-25.)

OIL AND GAS IN THE UINTA BASIN

The Uinta Basin has played an important role in trust lands revenues and the larger Utah oil and gas economy for decades. World War II and the postwar economic boom accelerated exploration for oil and other minerals across the Intermountain West.²⁴ During this time, the first commercial oil well in Utah was discovered in the Uinta Basin.²⁵

By 1948, mineral leases and royalties generated from trust lands in the Uinta Basin were approximately \$237,305, accounting for 38% of the trust's total revenue.²⁶ By 1958, mineral revenue had grown to more than \$1 million and represented roughly 75% of total trust income.²⁷

Oil and gas development expanded across eastern Utah, and by the 1970s, mineral development had arrived at scale.²⁸ By 1977, revenues for trust lands from mineral leases and royalties had reached nearly \$7 million annually.²⁹

24 Harline, Osmond L., 1963, "Utah's Black Gold: The Petroleum Industry," *Utah Historical Quarterly*, volume 31, number 3, page 291-311, <https://historytogo.utah.gov/utahs-black-gold/> or https://issuu.com/utah10/docs/uhq_volume31_1963_number3.

25 Ibid.

26 Utah Foundation, 1949, "Utah State Land Board," *Utah Foundation*, Research Report No. 54.

27 Utah Foundation, 1958, "Administration of State Lands and Investments in Utah," *Utah Foundation*, Research Report No. 154.

28 Harline, Osmond L., 1963, "Utah's Black Gold: The Petroleum Industry," *Utah Historical Quarterly*, volume 31, number 3, page 291-311, <https://historytogo.utah.gov/utahs-black-gold/> or https://issuu.com/utah10/docs/uhq_volume31_1963_number3.

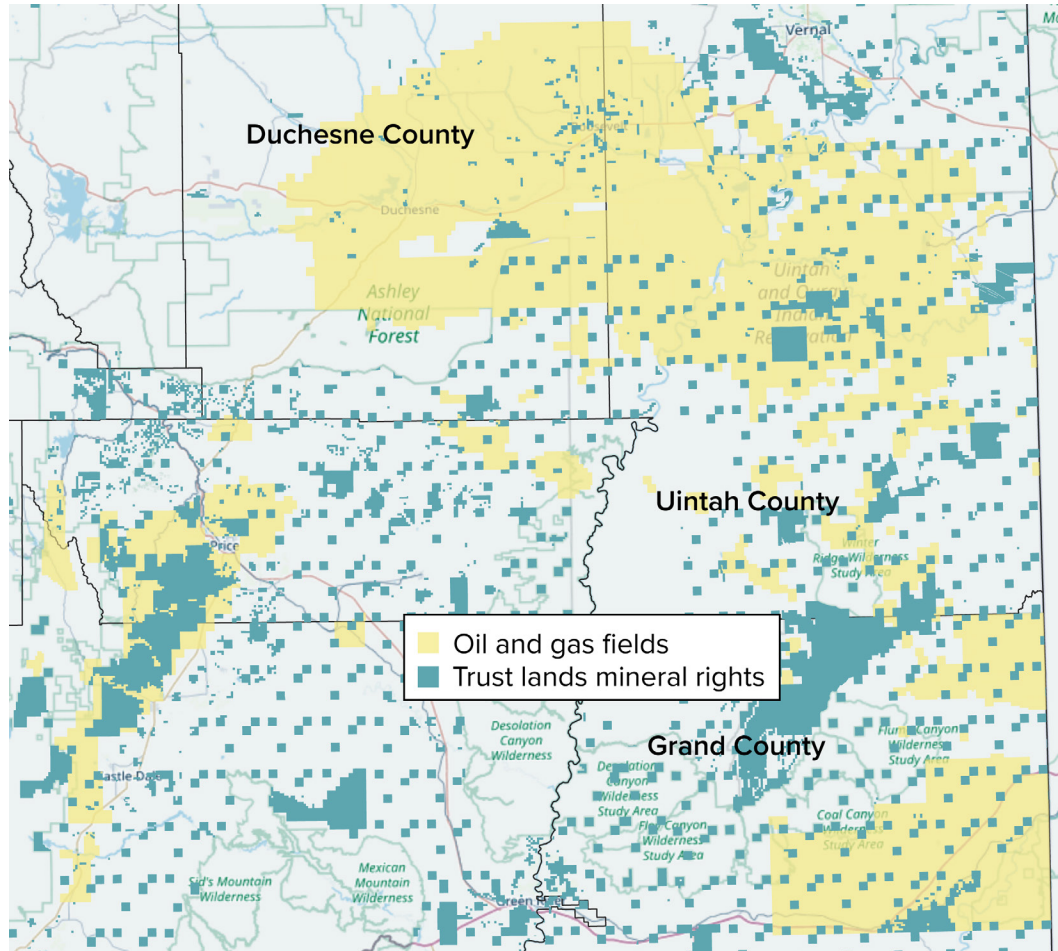
29 Utah Foundation, 1977, "Revenue from state and federal land in Utah," *Utah Foundation*, Research Report No. 365, page 59.



Oil and gas operations on Utah's trust lands.

Trust lands often overlap with the Uinta Basin's oil and gas fields.

Figure 3: Land Ownership Map of the Uinta Basin with Oil and Gas Fields, 2026.



Source: Trust Lands Administration; the Utah Geographic Resource Center; the Utah Division of Oil, Gas and Mining; and OpenStreetMap contributors.

By fiscal year 1991, mineral revenue dominated trust income. The trust's annual revenue reached approximately \$10 million, with nearly 88% derived from mineral activities, including oil, gas, and coal.³⁰

The Uinta Basin remains a major source of oil and gas revenue from trust lands. This is due in part to the rise of horizontal drilling, which dramatically changed the economics of Uinta Basin production beginning around 2010. Earlier development relied on vertical wells, which recovered oil and gas from relatively small areas underground. Horizontal drilling, combined with hydraulic fracturing, allowed operators to access much larger portions of underground formations, increasing production.³¹

Because modern oil and gas development often crosses state, federal, tribal, and private mineral lands through horizontal drilling, the Trust Lands Administration usually does not control entire projects.³² Instead, it earns revenue by participating in pooled production units in which it holds scattered mineral rights. This is especially true in Duchesne County, where the Trust Lands Administration owns little surface land but still holds valuable mineral rights that generate royalties from wells crossing multiple ownership boundaries.³³

Existing operators continue to develop known formations, while newer companies are exploring deeper, previously unproven formations that could unlock substantial additional reserves for years to come.³⁴ The region's economy remains heavily dependent on oil and gas activity, with workers commuting across Uintah, Duchesne, Carbon, Emery, and Grand counties to support drilling and production operations.³⁵

30 Utah Foundation, 1991, "Education Funding and the State Trust Lands," *Utah Foundation*, Research Report No. 542.

31 Utah Foundation interview with Andy Bedingfield, Managing Director of Energy and Minerals, Heather Murray, Lease Manager, and Rachel Boyack, Lease Manager of the Trust Lands Administration on April 22, 2026.

32 Ibid.

33 Utah Foundation interview with Chanse Rinderknecht, Geoscientist and Lease Manager, Heather Murray, Lease Manager, and Rachel Boyack, Lease Manager of the Trust Lands Administration on April 2, 2026.

34 Utah Foundation interview with Andy Bedingfield, Managing Director of Energy and Minerals, Heather Murray, Lease Manager, and Rachel Boyack, Lease Manager of the Trust Lands Administration on April 22, 2026.

35 Ibid.

CASE STUDY – OIL AND GAS

Oil and Gas Economic Impact Findings

The most complex part of an economic impact analysis is the counterfactual. The question is: If the Trust Lands Administration did not permit oil and gas development on trust lands, would a similar level of oil and gas development occur elsewhere in the region? Oil and gas development on trust lands only accounts for around 10% of the state's total oil and gas production. If trust lands were not available, it is quite feasible that production could easily shift to federal, tribal, or private lands. After all, there are over two million acres of federal lands leased for oil and gas extraction in Utah, but only one million are actively being developed.³⁶ Admittedly, much of this land may be exhausted or unproven. In the end, it is quite feasible that without the availability of trust lands, there would be a similar level of oil and gas development elsewhere in the region, but this study assumes that not to be the case.

An economic impact analysis of this oil and gas extraction on trust lands in Uintah, Duchesne, and Grand counties suggests that surrounding communities also benefit from the economic activity.

36 Bureau of Land Management, 2025, "Oil and gas statistics," specifically "Table 2 – Acreage in Effect" and "Table 6 – Acreage of Producing Leases," *Bureau of Land Management*, <https://www.blm.gov/programs-energy-and-minerals-oil-and-gas-oil-and-gas-statistics>.

Methodology – Oil and Gas

The Utah Foundation produced an economic impact analysis of oil and gas extraction on trust lands using analysis inputs from SM Energy (the largest oil and gas operator on trust lands), the Trust Lands Administration, the Utah Division of Oil, Gas, and Mining, the Utah Division of Workforce Services, and the U.S. Bureau of Economic Analysis. See the appendix for additional data sources and assumptions.

While most of these data reflect past extraction, these levels could change based on the amount of known oil and gas on trust lands. Extraction levels can also change with technological advances, as innovations make previously unavailable minerals cost-effective to extract.

Economic impact analyses examine job creation, higher wages, and ripple effects as people spend their wages in their communities, supporting jobs in retail, entertainment, and other consumer sectors. It also often includes expected government revenue from economic activity. However, it does not account for any costs to governments or communities, or for externalities associated with economic activity.

Based on historical extraction data, the Utah Foundation estimates that trust lands are responsible for between 8% and 12% of the total oil and gas extraction in the state. This results in an estimated direct economic impact of 88 to 137 oil and gas extraction industry jobs. The average wage in the oil and gas extraction industry is just over \$114,000 per year. Accordingly, these workers will likely earn between \$10 million and \$16 million annually in aggregate.

The estimated number of oil and gas extraction jobs supports an additional average of 77 to 120 spinoff jobs annually. These jobs are concentrated in communities that provide oil and gas extraction equipment and in the communities where oil and gas crews live and work. This provides an additional average of \$5.2 million to \$8.1 million in household earnings annually to employees in the relevant communities.

This estimate is based on 2024 data. Oil and gas activity is closely tied to commodity prices and may vary from year to year based on global and local market trends.

Oil and gas extraction on trust lands may support up to 257 jobs annually in the Uinta Basin community.

Figure 4: Projected Annual Employment and Wage Impacts from Oil and Gas Extraction

	Low	High
Direct jobs	88	137
Indirect jobs	45	70
Induced jobs	32	50
Total effect jobs	165	257
Direct employee household income	\$10,000,000	\$16,000,000
Indirect and induced household income	\$5,200,000	\$8,100,000
Total household earnings	\$15,200,000	\$24,100,000

Oil and Gas Benefits to the State and Local Governments

Oil and gas operations produce four revenue streams in state and local taxes. Employees pay income tax to the state government. This equates to between \$410,000 and \$640,000 annually.

Employees pay sales tax on applicable goods and services purchased. This equates to between \$330,000 and \$520,000 annually.

A third revenue stream is property taxes on extraction equipment. The Utah Foundation estimates that property tax on that equipment could generate between \$3.1 million and \$4.9 million annually for local governments.

The extraction companies would also pay between \$6.2 and \$9.7 million in severance taxes to the state.

For the assumptions that inform these estimates, please see the appendix.

Oil and gas extraction on trust lands may generate up to \$16 million in annual taxes.

Figure 5: Projected Annual Taxes Related to Oil and Gas Operations

	Low	High
Income	\$410,000	\$640,000
Sales	\$330,000	\$520,000
Property	\$3,100,000	\$4,900,000
Severance	\$6,200,000	\$9,700,000
Total taxes	\$10,040,000	\$15,760,000



Oil and gas operations on Utah's trust lands.

DRUNKARDS WASH: A LESSON IN ADAPTABILITY

Drunkards Wash is an important asset to the Trust Lands Administration, having generated an estimated \$750 million for the trust since its acquisition through a 1998 land exchange with the federal government.³⁷ It is a large coalbed methane field in Carbon and Emery counties near Price, Utah.

The area is a part of “coal country.” In traditional coal extraction, miners physically remove solid coal from underground and transport it to a coal-fired power plant. Coalbed methane is a type of natural gas that forms naturally within underground coal seams. Instead of mining and removing the coal itself, companies drill wells deep underground to capture the methane gas released from the coal.³⁸

Texaco was involved in the discovery of the field, and coalbed methane drilling began there in 1993.³⁹ The discovery of an alternative, adjacent energy source and successful gas production in the 1990s created an opportunity during the 1998 Grand Staircase Escalante land exchange with the federal government for the Trust Lands Administration to acquire contiguous blocks of land in Drunkards Wash.⁴⁰

Coalbed methane production in Drunkards Wash requires removing large amounts of non-potable water from the coal formations and injecting it into the deeper and porous Navajo Sandstone formation for indefinite storage. The field is currently believed to be in the plateau phase of its production cycle.⁴¹

The field contains extensive well infrastructure and electrical transmission corridors linked to nearby power plants, which have supported emerging opportunities for alternative energy sources to coal. These transmission corridors have attracted interest from solar developers, as well as from companies exploring for natural gas and nuclear generation projects in the area.⁴²

37 Trust Lands Administration, 2023 “Land transfers & exchanges,” section “Grand Staircase-Escalante/Inholdings Exchange,” <https://trustlands.utah.gov/about-us/care-preservation/land-transfers-exchanges/>.

38 American Geosciences Institute, 2025, “What Is Coalbed Methane?” *American Geosciences Institute*, <https://profession.americangeosciences.org/society/intersections/faq/what-coalbed-methane/>.

39 Utah Foundation interview with Rachel Boyack, Lease Manager of the Trust Lands Administration on March 12, 2026.

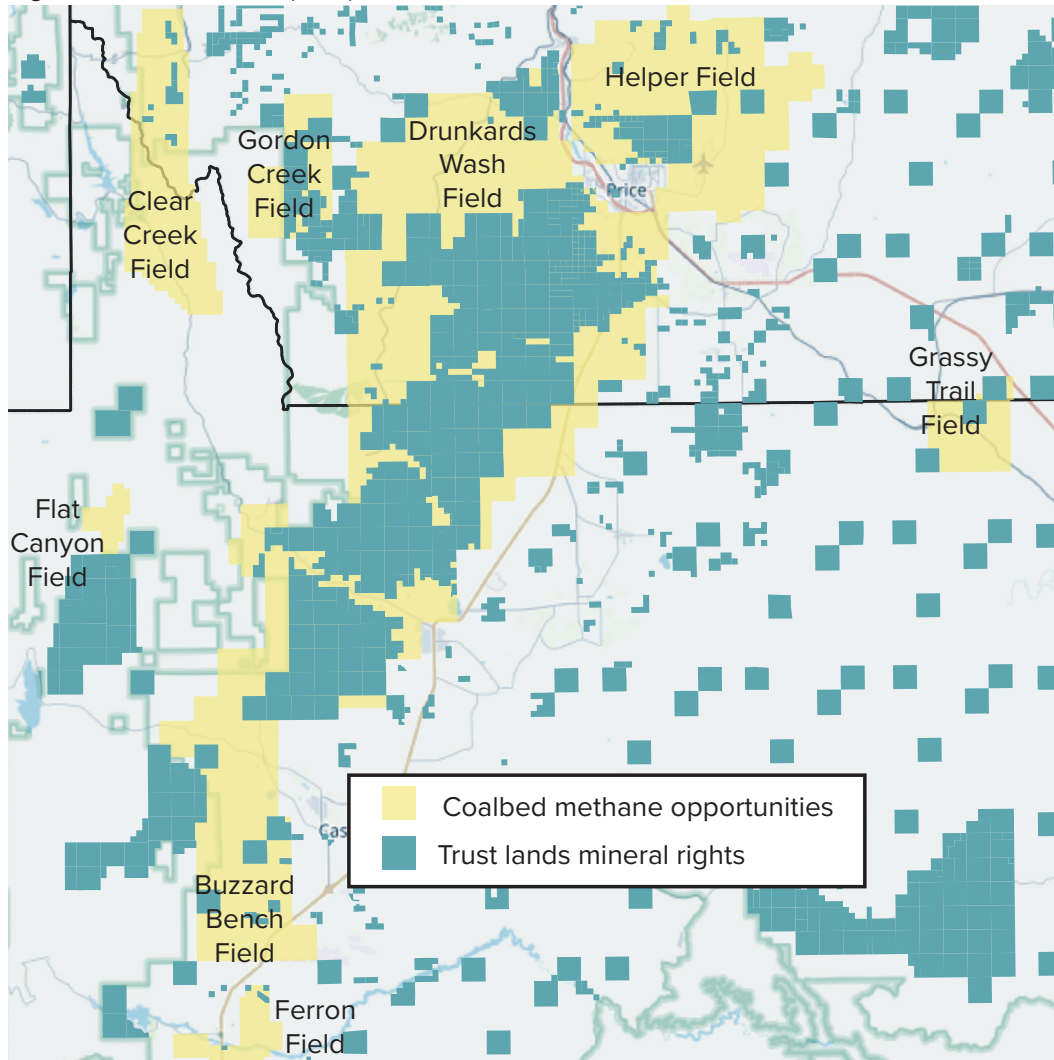
40 Trust Lands Administration, 2023 “Land transfers & exchanges,” <https://trustlands.utah.gov/about-us/care-preservation/land-transfers-exchanges/>.

41 Utah Foundation interview with Rachel Boyack, Lease Manager of the Trust Lands Administration on March 12, 2026.

42 Ibid.

Much of the Drunkards Wash coalbed methane field is on trust lands.

Figure 6: Land Ownership Map of Drunkards Wash, 2026.



Source: Trust Lands Administration; the Utah Geographic Resource Center; the Utah Division of Oil, Gas and Mining; and OpenStreetMap contributors.

In 2024, Urban Oil and Gas acquired the field from ConocoPhillips and began investigating whether the site could support carbon sequestration by storing CO₂ in the Navajo Sandstone formation.⁴³ The proposal would capture CO₂ from methane gas production and, potentially, from nearby industrial facilities, and permanently store it underground. If successful, the project could extend the life of the field and allow the gas to be sold as lower-emission or “green” gas at a premium price. The project holds promise but is in the early stages of development.

Drunkards Wash illustrates how existing energy infrastructure can create long-term development opportunities on trust lands.

⁴³ Utah Foundation interview with Rachel Boyack, Lease Manager of the Trust Lands Administration on March 12, 2026.

COAL IN UTAH

In the Southwest, Ancestral Puebloans used coal's high combustion temperatures to create pottery. Over 600 years later, in the 1850s, settlers found coal in southwestern and central Utah. Coal mining expanded rapidly across the state, particularly with the expansion of railroads, the use of immigrant labor, and improved mining productivity methods.⁴⁴

Between 1870 and 1959, Utah mines produced over 270 million tons of coal. Over the next 30 years, Utah's mines produced 500 million tons.⁴⁵ While production has been declining since 2006, Utah has seen the extraction of another 700 million tons since 1990.⁴⁶

New mining techniques bolstered production increases. In the early days of coal extraction, miners working underground employed blast mining – using dynamite, picks, and shovels – and then hand-loading the coal to the surface. Modern, high-productivity longwall mining began replacing this type of room-and-pillar underground mining in the 1970s.⁴⁷

Coal mining has shaped the economies and identities of several rural Utah counties, providing high-paying jobs, tax revenue, and support for local businesses. Today, most Utah coal production is concentrated in a handful of counties and tied closely to coal-fired power plants.

However, the industry has entered a long-term decline due to competition from inexpensive natural gas, environmental regulations, and the growing affordability of renewable energy sources.⁴⁸ Employment in coal mining and coal-fueled electricity generation steadily decreased even as production technology improved. As a result, many coal-dependent communities face economic uncertainty and have begun exploring diversification strategies to prepare for a future with reduced reliance on coal.⁴⁹

44 Teigen, Shawn, 2017, "Utah's coal counties, Part II: Coal mines, jobs and economic benefits", *Utah Foundation*, <https://www.utahfoundation.org/wp-content/uploads/rr745.pdf>.

45 Ibid.

46 Utah Office of Energy Development and Utah Geological Survey, 2024, Coal Production, *Utah Office of Energy Development and Utah Geological Survey*, <https://geology.utah.gov/apps/energy-resources/coal/?page=Coal-Production>.

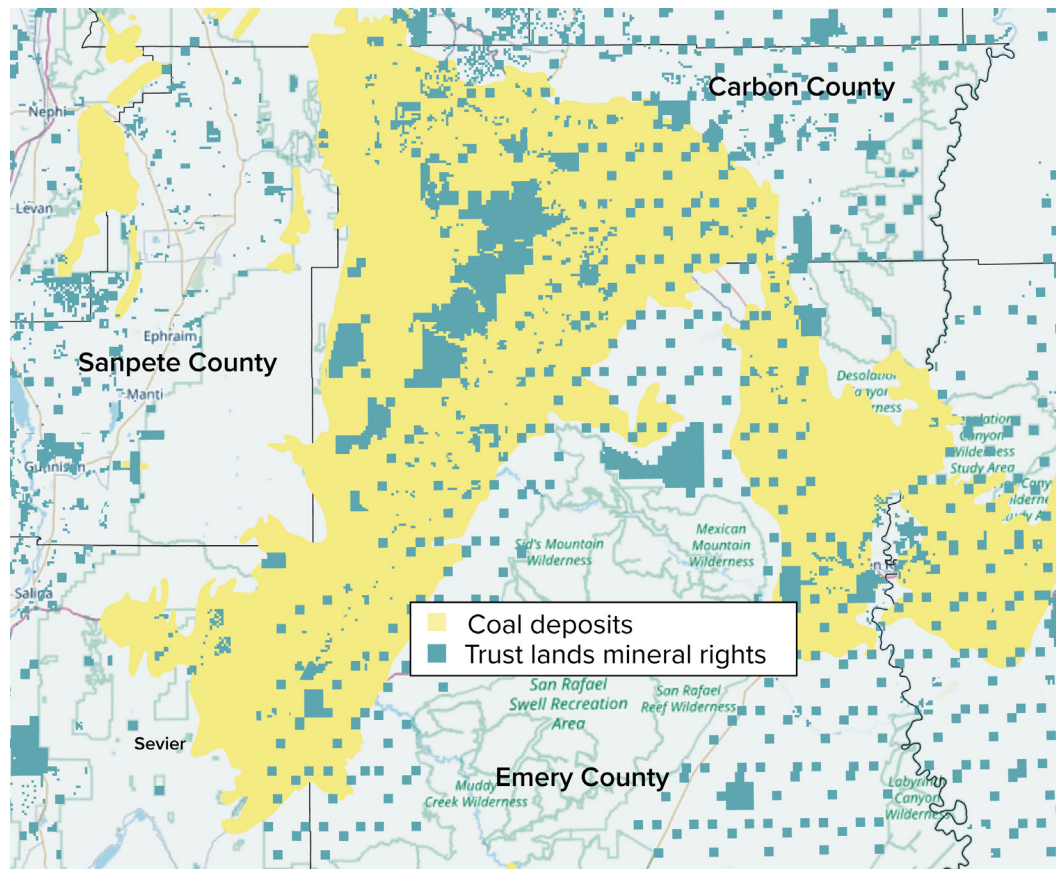
47 Teigen, Shawn, 2017, "Utah's coal counties, Part II: Coal mines, jobs and economic benefits", *Utah Foundation*, <https://www.utahfoundation.org/wp-content/uploads/rr745.pdf>.

48 Ibid.

49 Teigen, Shawn and Thulasi Seshan, 2017, "Utah's coal counties, Part III: Coal communities", *Utah Foundation*, <https://www.utahfoundation.org/wp-content/uploads/rr747.pdf>.

Trust land mineral rights overlap with many of Utah coal country's coal deposits.

Figure 7: Land Ownership Map and Coal Deposits in Utah's Coal Country, 2026.



Source: Trust Lands Administration; the Utah Geographic Resource Center; the Utah Division of Oil, Gas and Mining; and OpenStreetMap contributors.

CASE STUDY – COAL

Coal Economic Impact Findings

The most complex part of an economic impact analysis is the counterfactual. If the Trust Lands Administration did not permit coal extraction on trust lands, would a similar level of coal extraction occur elsewhere in the region? Coal mining on trust lands has accounted for around 8% of the state's total coal production. If trust lands were not available, it is quite feasible that production could shift to federal, tribal, or private lands. The Utah Department of Natural Resources has highlighted how miners at the recently idled Lila Canyon and Coal Hollow mines were able to transition to other mines, creating stable employment levels.⁵⁰ Admittedly, this may not always be the case. Still, it is quite feasible that without the availability of trust lands, there would be a similar level of coal mining elsewhere in the region, but this study assumes that not to be the case.

50 Mills, Stephanie, Andrew Rupke, Michael D. Vanden Berg and Taylor Boden, 2025, "Utah mining 2024: Metals, industrial minerals, uranium, and coal," *Utah Geological Survey – Utah Department of Natural Resources*, page 17, <https://ugspub.nr.utah.gov/publications/circular/c-139.pdf>.

Methodology – Coal

The Utah Foundation produced an economic impact analysis of coal extraction on trust lands using analysis inputs from Wolverine (a coal operator on trust lands), the Utah Trust Lands Administration, the Utah Division of Oil, Gas, and Mining, the Utah Geological Survey, the Utah Division of Workforce Services, and the Bureau of Economic Analysis. See the appendix for additional data sources and assumptions.

While much of this data reflects past extraction, these levels could change based on the amount of known coal on state lands. Extraction on trust lands would ramp up when an extraction company works on a mineral seam that crosses trust lands, and drop back down when the available coal from trust lands has been extracted.

Economic impact analyses examine job creation, wages, and ripple effects as people spend their wages in their communities, supporting jobs in retail, entertainment, and other consumer sectors. It also often includes expected government revenue from economic activity. However, it does not account for any costs to governments or communities, or for externalities associated with economic activity.

Based on historical mining data, the Utah Foundation estimates that trust lands are responsible for between 7% and 9% of the state’s coal mining.⁵¹ This equates to a direct economic impact of 92 to 132 jobs in the coal mining industry. The average wage in the coal mining industry is almost \$93,000 per year. Accordingly, these workers likely earn between \$8.5 and \$12 million in aggregate.

The estimated number of coal mining jobs supports an additional average of 104 to 164 spinoff jobs annually. These jobs are concentrated in communities that provide mining equipment and in the communities where miners live and work. This provides an additional \$5.5 million to \$7.9 million in household earnings annually for Utahns.

This estimate is based on 2024 data. This impact may fluctuate based on the geographic location of coal seams and the broader economic demand for coal.

⁵¹ The estimate comes from historical job numbers and estimates of expanded operations on trust lands. Mills, Stephanie, Andrew Rupke, Michael D. Vanden Berg and Taylor Boden, 2025, “Utah mining 2024: Metals, industrial minerals, uranium, and coal,” Utah Geological Survey – Utah Department of Natural Resources, page 17, <https://ugspub.nr.utah.gov/publications/circular/c-139.pdf>.

Coal extraction on trust lands may support as many as 296 jobs annually in the community.

Figure 8: Projected Annual Employment and Wage Impacts from Coal Extraction

	Low	High
Direct jobs	92	132
Indirect jobs	54	77
Induced jobs	60	87
Total effect jobs	206	296
Direct employee household income	\$8,500,000	\$12,000,000
Indirect and induced household income	\$5,500,000	\$7,900,000
Total household earnings	\$14,000,000	\$19,900,000

Coal's Benefits to the State and Local Governments

Coal mining produces three revenue streams in state and local taxes. Employees pay income tax to the state government. This equates to between \$380,000 and \$550,000 annually.

Employees pay sales tax on applicable goods and services purchased. This equates to between \$290,000 and \$420,000 annually.

A third revenue stream is property taxes on mining equipment. The Utah Foundation estimates that property tax on mining equipment generates between \$160,000 and \$240,000 annually for local governments.

For the assumptions that inform these estimates, please see the appendix.

Coal extraction on trust lands may support up to \$1.2 million annually in taxes.

Figure 9: Projected Annual Taxes Related to Coal Extraction

	Low	High
Income	\$380,000	\$550,000
Sales	\$290,000	\$420,000
Property	\$160,000	\$240,000
Total taxes	\$830,000	\$1,210,000



Coal extraction on Utah's trust lands.



Coal extraction on Utah's trust lands.

CHAPTER 3:

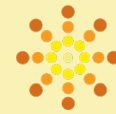
RESIDENTIAL REAL

ESTATE DEVELOPMENT

A HISTORY OF RESIDENTIAL REAL ESTATE DEVELOPMENT

Real estate development as a revenue source was negligible or nonexistent for most of the trust lands' history. The current practices of residential real estate development have been pioneered entirely under the Trust Lands Administration since its creation in the 1990s.

HIGHLIGHTS OF CHAPTER 3



- Real estate development as a trust lands revenue source was essentially nonexistent before the Trust Lands Administration's creation in the 1990s. (See page 27.)
- Washington County served as the proving ground for new real estate transaction models, with major master-planned projects including Coral Canyon, Sienna Hills, Green Springs, and Desert Color. (See page 29.)
- The Desert Color development, launched in 2017, spans over 3,000 acres and has generated \$71 million in net revenues for the trust. (See page 30.)
- Residential development on trust lands at Desert Color supports an estimated 646–1,089 total jobs annually during the construction period, with \$32–\$54 million in household earnings. (See page 33.)
- Trust lands residential construction at Desert Color may generate up to \$6.8 million in annual taxes. (See page 34.)

While there have been other real estate developments on trust lands, Washington County was ground zero for experimenting with different transaction models to maximize revenue, and it has certainly been the largest revenue driver among such projects over the last 20 years.⁵² Additionally, because land exchanges allowed strategic selection of federal parcels to create contiguous tracts, the Trust Lands Administration has been able to develop larger, master-planned projects through cohesive land use, no longer needing to navigate around federal lands.⁵³

52 Utah Foundation interview with Aaron Langston, Managing Director of Residential and Commercial Development of the Trust Lands Administration on February 26, 2026.

53 Ibid.



Desert Color.

RESIDENTIAL REAL ESTATE IN WASHINGTON COUNTY

Washington County illustrates one of the earliest and most consequential shifts in trust lands management following the move to a fiduciary-driven framework. What had been deemed “special use” ground leasing, untested and unused at scale, would become an important driver of trust lands revenue under the Trust Lands Administration, maximizing opportunities in surface leasing of trust lands.⁵⁴

As growth in the St. George area accelerated, the Trust Lands Administration increasingly prioritized large master-planned developments such as Coral Canyon, Sienna Hills, and Green Springs. Desert Color emerged later under a more mature version of this model.

Coral Canyon marked an early application of development leasing. Rather than selling land outright, the Trust Lands Administration retained ownership while a private developer financed infrastructure, secured entitlements, and built housing for sale to third-party buyers. When the project was disrupted during the Great Recession in 2008 and the developer withdrew, the Trust Lands Administration stepped in to stabilize operations and self-develop the land where no acceptable offers were received from other developers. The Trust Lands Administration maintained ownership and entitlements until the project ultimately proceeded with a new developer, demonstrating its adaptability as needed until market conditions improved.⁵⁵

Subsequent projects refined this approach. At Sienna Hills, the Trust Lands Administration experimented with a more capital-intensive model, directly funding infrastructure before selling lots. While this allowed greater control, it required significant upfront investment and staffing and delayed returns.

In response, the Trust Lands Administration shifted toward development partnerships in which private developers supplied capital and expertise while the trust retained ownership until purchased by third-parties, allowing the trust to share in long-term revenues.⁵⁶ This allows the Trust Lands Administration to reduce risk while preserving upside.

Green Springs provides a clear comparison between strategies. One parcel was sold outright, generating immediate but limited revenue. A nearby, comparable parcel was developed under a lease, producing slower but ultimately higher total returns. This side-by-side outcome reinforced a central lesson: in high-growth markets, retaining longer-term interests through leasing can outperform outright land sales at market value, even when accounting for delayed revenue and added complexity.⁵⁷

⁵⁴ Ibid.

⁵⁵ Utah Foundation interview with Aaron Langston, Managing Director of Residential and Commercial Development of the Trust Lands Administration on February 26, 2026.

⁵⁶ Ibid.

⁵⁷ Ibid.

DESERT COLOR OVERVIEW

Desert Color is one of the largest real estate development projects undertaken by the Trust Lands Administration. Refined through the previously mentioned projects, Desert Color was and continues to be developed under the longer-term developer partnership model, receiving ongoing revenue as homes and lots are sold over time to third-party buyers.

The Desert Color development lease encompasses just over 3,000 acres, with approximately 1,711 acres currently under the primary South Block project structure. As of mid-2025, roughly 566 acres had been developed.⁵⁸ The project began in 2017 and was designed as a highly amenitized master-planned community centered around lagoons, recreational water features, and resort-style amenities.⁵⁹

Financial performance to date has been significant. The Trust Lands Administration reports approximately \$82.6 million in gross revenue and roughly \$71.3 million in net revenue after expenses.⁶⁰

58 Utah Foundation interview with Aaron Langston, Managing Director of Residential and Commercial Development of the Trust Lands Administration on March 5, 2026.

59 Desert Color, 2026, "Desert Color - Southern Utah's master-planned community unlike any other," *Desert Color*, <https://desertcolor.com/>.

60 Trust Lands Administration, *State of Utah School and Institutional Trust Lands Administration Planning and Development Group as of July 1st 2025* Utah Foundation interview with Eric Baim, Senior Financial Analyst at the Trust Lands Administration.

Methodology – Desert Color

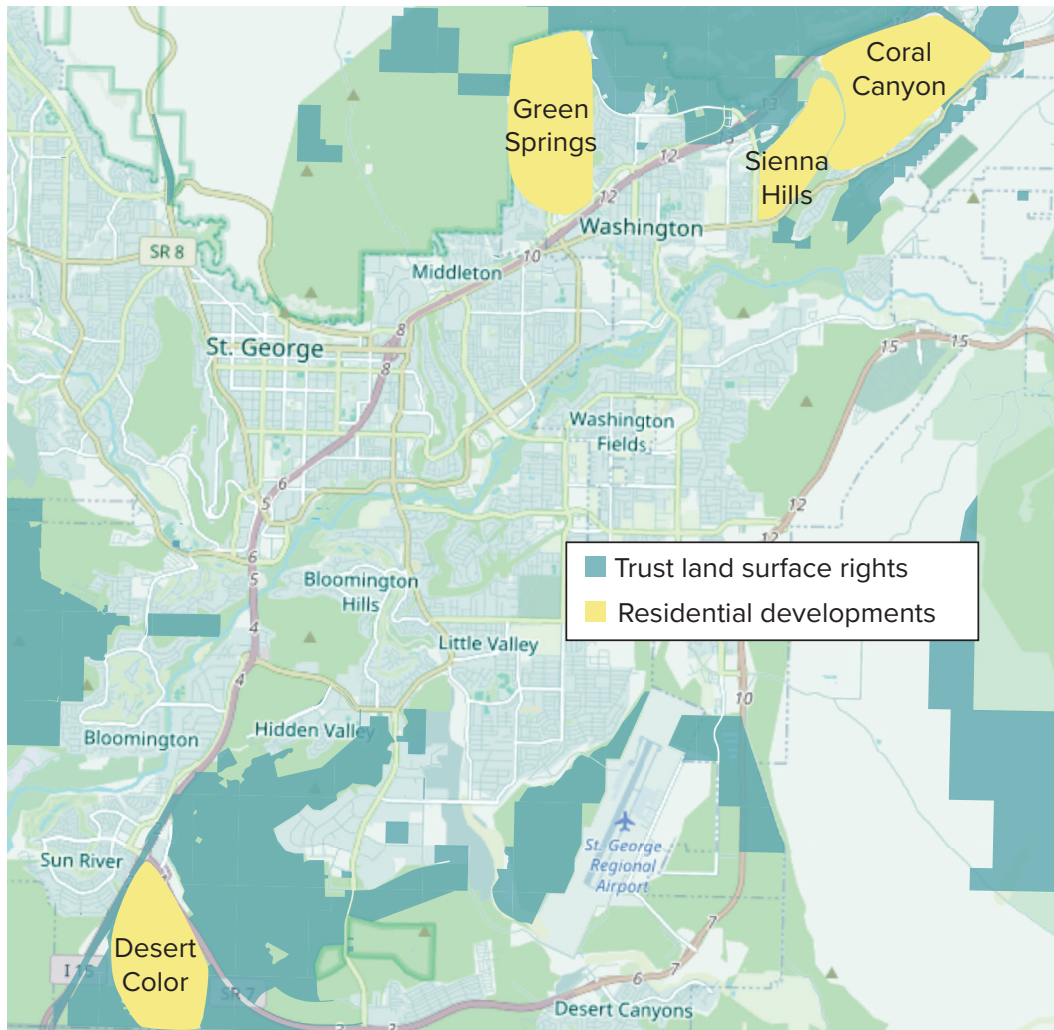
The Utah Foundation produced an economic impact analysis of residential real estate on trust lands, using information from Clyde Capital Group (the community developer), the Ivory-Boyer Construction Database, the Utah Department of Workforce Services, the U.S. Bureau of Labor Statistics, and the Bureau of Economic Analysis. See the appendix for additional data sources and assumptions.

While much of this data reflects past construction, some of these numbers are projections, and details are subject to change. Many economic impact analyses examine ongoing effects, but because this is residential construction, the only economic impact is during the construction period.

This economic impact analysis examines job creation, higher wages, and the economic ripple effects as people spend their wages in their communities, supporting other jobs in retail, entertainment, and other consumer sectors. It also often includes expected government revenue from economic activity. However, it does not account for any costs to governments or communities, or for externalities associated with economic activity.

The Trust Lands Administration has helped develop large portions of St. George.

Figure 10: Land Ownership Map of St. George, Highlighting Residential Developments, 2026.



Source: Trust Lands Administration and OpenStreetMap contributors.



Desert Color.

CASE STUDY – RESIDENTIAL REAL ESTATE DEVELOPMENT

Economic Impact Analysis Findings

The most complex part of an economic impact analysis is the counterfactual. If the Trust Lands Administration did not permit residential development on trust lands, would a similar level of residential development occur elsewhere in the county? The share of private (as opposed to government-owned) property is quite low. People have argued that without trust lands, there would not be enough privately owned land to support the same level of residential development. The Utah Foundation has not been able to vet these claims. Even if private undeveloped land is scarce in Washington County, there remains potential for agricultural conversions or redevelopment opportunities. In the end, it is quite feasible that without the availability of trust lands, there would be a similar level of residential development elsewhere in the county.

The current level of residential development (in terms of building permits and development value) from 2017 to 2025 is similar to that of 2001 to 2007. In fact, the one-year peak in 2005 has yet to be surpassed. However, the level of building from 2017 to 2025 has been 44%-74% higher than in the previous 23 years (1994-2016). While admitting that the true economic impact could be insignificant, the Utah Foundation will operate under the assumption that 44%-74% of the impact would be lost if residential development were not permitted on trust lands.



Desert Color.

Based on building permits, local area construction history, and past construction history reported by the developer, the Utah Foundation estimates a direct economic impact of between 338 and 569 construction jobs annually, during the Desert Color construction period. Actual job numbers may be higher, but this could also come at the expense of other local real estate projects. This estimate is between 22% and 37% of all Washington County’s residential construction-industry jobs. The average wage for a construction job is almost \$63,000 per year. Accordingly, these construction workers likely earn annually between \$21 million and \$36 million in aggregate.

Construction jobs support an additional average of 309 to 520 spinoff jobs annually. These jobs are concentrated in communities that provide construction inputs for the new infrastructure, as well as in areas where construction workers live and work. This activity provides an additional average of between \$11 and \$19 million in household earnings annually for these spinoff workers.

These are projections based on historical data. To the extent that construction workers or specialized engineers for sensitive equipment are hired or brought in from outside the state, estimates may overstate the true impact. These economic effects would last only during the construction period.

Residential real estate development at Desert Color may support up to 1,089 jobs annually in the community through the construction period.

Figure 11: Projected Annual Employment and Wage Impacts from Trust lands Development Around the Desert Color Development

	Low	High
Direct jobs	338	569
Indirect jobs	202	340
Induced jobs	107	180
Total effect jobs	647	1,089
Direct employee household income	\$21,000,000	\$36,000,000
Indirect and induced household income	\$11,000,000	\$19,000,000
Total household earnings	\$32,000,000	\$54,000,000

Benefits to the State and Local Governments

The new construction at Desert Color produces four revenue streams in state and local taxes. Employees pay income tax to the state government. This equates to between \$800,000 and \$1.3 million annually during the construction period.

Employees also pay sales tax on applicable goods and services purchased in Utah. This equates to between \$700,000 and \$1.2 million annually during construction.

A third revenue stream is property taxes on newly constructed buildings. This generates up to \$3,600,000 annually for local governments. This will increase after the project is completely built out.

A fourth revenue stream is state and local taxes on short-term rentals (such as rentals listed on VRBO or Airbnb). This equates to between \$590,000 and \$690,000 annually and may continue to grow as more houses are developed in the project.

For the assumptions that inform these estimates, please see the appendix.

Residential real estate development at Desert Color may generate up to \$6.8 million in annual taxes.

Figure 12: Projected Annual Taxes Related to Construction on Trust Lands Around the Desert Color Development

	Low	High
Income	\$800,000	\$1,300,000
Sales	\$700,000	\$1,200,000
Property	\$2,600,000	\$3,600,000
Transient room	\$590,000	\$690,000
Total taxes	\$4,690,000	\$6,790,000

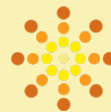
Note: Once this project is complete, it will generate much less in income and sales taxes but much more in property taxes.

CHAPTER 4:

COMMERCIAL REAL

ESTATE DEVELOPMENT

HIGHLIGHTS OF CHAPTER 4



- Fort Pierce Business Park, launched in 1999 with just 160 acres and two tenants, has expanded to more than 140 owners across 1,200 acres and has generated over \$50 million in net revenue to the Trust Lands Administration. (See page 36.)
- The Trust Lands Administration's real estate development model relies on a three-way partnership: the trust provides land, private developers supply capital, and local government entities provide entitlements, infrastructure funding, and incentives. (See page 36.)
- Approximately 1,400 acres of trust lands surrounding the St. George Regional Airport remain undeveloped and are anticipated to become another commercial hub comparable to Fort Pierce. (See page 36.)
- Future commercial development at the St. George airport tract is projected to support 154–262 total jobs annually during the construction period. (See page 39.)
- Commercial development near the airport could generate up to \$720 thousand in annual taxes during the construction, with additional property tax revenues expected once the project begins. (See page 40.)

FORT PIERCE BUSINESS PARK

Concurrent with the residential real estate projects in Washington County in the late 1990s and early 2000s that experimented with the lease-partnership model to maximize revenue, Fort Pierce Business Park served as the commercial side of that model. The business model for the Trust Lands Administration was largely the same as for the residential projects: the Trust Lands Administration provided the land, private developers provided the capital, and, in this case, St. George City lent money for some infrastructure and provided incentives for new jobs.⁶¹ The regional electrical association, Dixie Power, also lent money and provided power-rate incentives for industrial development.⁶²

The location of Fort Pierce was attractive to businesses because it provided a central location with access to various markets: Las Vegas, Salt Lake City, Phoenix, Los Angeles, and San Diego are all within an eight-hour drive.⁶³ In 1999, the park started with only 160 acres and two tenants. Within 10 years, local, regional, and national companies began locating their distribution centers on the site, and the project has continued to expand. In 2026, after over \$50 million in net revenue to the Trust Lands Administration to date, there are more than 140 owners on 1,200 acres, and the park is still developing and selling trust lands, with revenues projected to continue over the next 10 years.⁶⁴

ST. GEORGE AIRPORT TRACT

There are about 1,400 acres of trust lands around the St. George Airport that are currently undeveloped but of deep interest to surrounding communities and business interests throughout the St. George area. While there have been many offers and ideas for how the land will benefit the city and community, the Trust Lands Administration anticipates that it will be another commercial hub, with the potential to create the same kind of economic impacts as Fort Pierce. Because this land has not been developed and is not currently under contract for development, the Utah Foundation relies on adjacent examples, such as Fort Pierce, to anticipate the economic impact of development.

61 School & Institutional Trust Lands Administration, 2008, "Fiscal Year 2008: 14th Annual Report," *School & Institutional Trust Lands Administration*, <https://api.trustlands.utah.gov/sitla-public-server/document/byid?id=2467b703-87af-4edf-9685-410525a7d42c-1.0>.

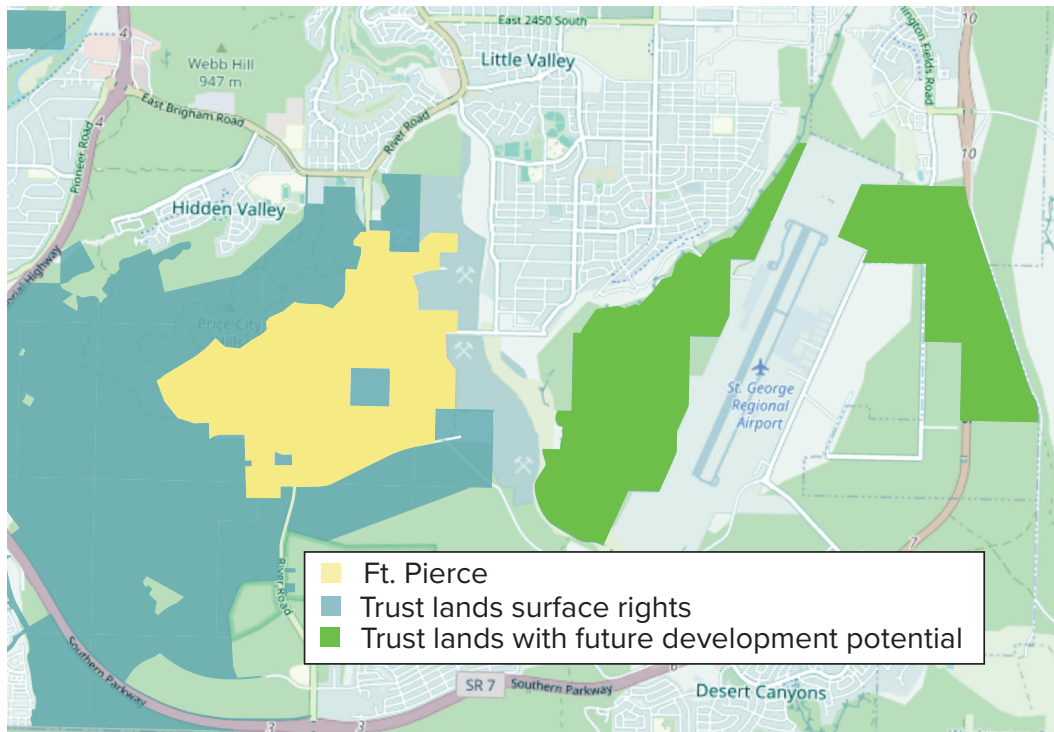
62 Ibid.

63 Ibid.

64 Trust Lands Administration revenue performance document.

Like Ft. Pierce, the trust lands around the St. George airport might see robust commercial development.

Figure 13: Land Ownership Map of St. George Airport Area, 2026.



Source: Trust Lands Administration and OpenStreetMap contributors.



Fort Pierce.

Methodology – Commercial Real Estate Development

The Utah Foundation produced an economic impact analysis of commercial real estate on trust lands, using data from the Ivory-Boyer Construction Database, the Utah Department of Workforce Services, the U.S. Bureau of Labor Statistics, and the Bureau of Economic Analysis. See the appendix for additional data sources and assumptions.

This analysis only considers the temporary effects of construction. It attempts to exclude the level of construction that would have happened elsewhere in the community had trust lands not been available.

This economic impact analysis examines job creation, higher wages, and the economic ripple effects as people spend their wages in their communities, supporting jobs in retail, entertainment, and other consumer sectors. It also often includes expected government revenue from economic activity. However, it does not account for any costs to governments or communities, or for externalities associated with economic activity.

CASE STUDY – COMMERCIAL

Economic Impact Analysis Findings of the Airport Tract

The most complex part of an economic impact analysis is the counterfactual. If the Trust Lands Administration did not permit commercial development on trust lands, would a similar level of commercial development occur elsewhere in the county? The share of private (as opposed to government-owned) property is quite low. People have argued that without trust lands, there would not be enough privately owned land to support the same level of commercial development. The Utah Foundation has not been able to vet these claims. Even if private undeveloped land is scarce in Washington County, there remains potential for agricultural conversions or redevelopment opportunities. In the end, it is quite feasible that, without the availability of trust land, there would be a similar level of commercial development elsewhere in the county.

Because this project is in its preliminary stages, there is no clear estimate of how many jobs would be created, what the wages would be, or the project's duration. To make a reasonable estimate, the Utah Foundation uses limited data from the Fort Pierce project, with construction data from the Desert Color project, and job counts and wage estimates from the U.S. Bureau of Labor Statistics.

From 2014 to 2025, there has been an average of one commercial construction worker for every four residential construction workers. For the rest of this analysis, the Utah Foundation assumes a proportional rate of construction on the Desert Color project, with 44-74% representing construction that would not have otherwise occurred.

Based on building permits and local construction history, the Utah Foundation estimates an additional 84 to 142 construction jobs annually, during the construction period on trust lands. Actual job numbers may be higher, but this could also come at the expense of other local commercial real estate projects. This estimate is between 26% and 45% of all commercial construction-industry jobs in Washington County. The average wage for a construction job is almost \$63,000 per year. Accordingly, these construction workers will likely earn between \$6 million and \$10 million in aggregate.

The expected construction jobs would support an additional average of 70 to 120 spinoff jobs annually. These jobs will be concentrated in communities that provide the construction inputs for the new infrastructure, as well as the construction workers' residential and work areas. This will provide an additional \$3.2 million to \$5.4 million in average annual household earnings to employees and relevant communities.

These are projections based on hypothetical estimates. To the extent that construction workers or specialized engineers for sensitive equipment are hired or brought in from outside the state, estimates may overstate the true impact. These economic effects would last only during the construction period.

Commercial real estate development on St. George airport trust lands may support up to 262 jobs annually in the community.

Figure 14: Projected Annual Employment and Wage Impacts from Trust lands Development Around the St. George Airport

	Low	High
Direct jobs	84	142
Indirect jobs	48	82
Induced jobs	22	38
Total effect jobs	154	262
Direct employee household income	\$6,000,000	\$10,000,000
Indirect and induced household income	\$3,200,000	\$5,400,000
Total household earnings	\$9,200,000	\$15,400,000

Benefits to the State and Local Governments

The new construction on trust lands would produce three revenue streams in state and local taxes. Employees will pay income tax to the state government. This will amount to up to \$380,000 annually during the construction period.

Employees will pay sales tax on applicable goods and services purchased. This will equate to about \$200,000 to \$340,000 annually during construction.

A third revenue stream will be property taxes on newly constructed buildings. As this project is built out, it will also contribute property taxes to the local governments.

For the assumptions that inform these estimates, please see the appendix.

Commercial real estate development on St. George airport trust lands may support up to \$720,000 annually in taxes.

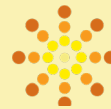
Figure 15: Projected Annual Taxes Related to Construction on Trust Lands Around the St. George Airport

	Low	High
Income	\$230,000	\$380,000
Sales	\$200,000	\$340,000
Property*	\$0	\$0
Total taxes	\$430,000	\$720,000

* This project does not currently generate property taxes, but will as the project develops.

CHAPTER 5: INNOVATIVE ENERGY DEVELOPMENT

HIGHLIGHTS OF CHAPTER 5



- Solar energy dominates the Trust Lands Administration's renewable portfolio, accounting for 70% of all renewable revenue in 2025. (See page 42.)
- The Trust Lands Administration currently has 62,000 acres under geothermal lease, with potential geothermal resource areas totaling 300,000 acres and broader mapping suggesting up to 700,000 acres may eventually have geothermal potential. (See page 46.)
- The Intermountain Power Project (IPP) in Millard County is transitioning from coal-fired generation to a hydrogen-capable facility, with a goal of reaching 100% hydrogen fuel by 2045. (See page 48.)
- The Advanced Clean Energy Storage (ACES) hub uses surplus renewable electricity to produce hydrogen stored in massive underground salt caverns, representing one of the nation's most ambitious clean energy infrastructure projects. (See page 48.)
- Projects on trust lands associated with IPP Renewed are projected to support 194–243 total jobs annually and contribute \$17.5–\$24.2 million in state and local tax revenue each year, with hydrogen royalties alone potentially generating up to \$10 million annually for the trust. (See pages 51-52.)

INTRODUCTION

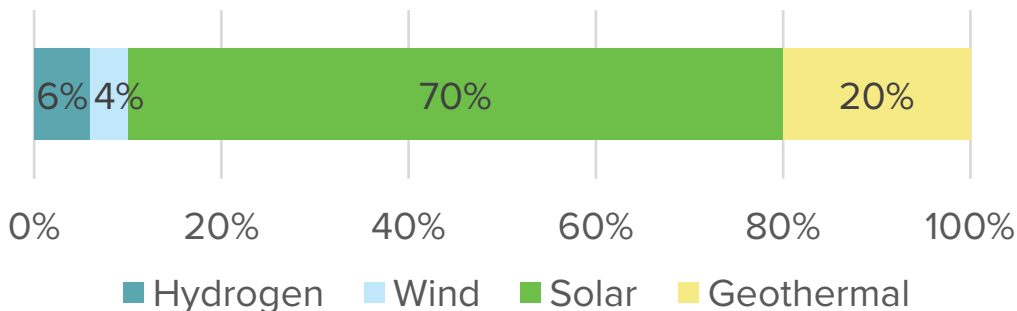
Oil, gas, and coal have historically generated significant revenue for Utah’s trust beneficiaries. However, the Trust Lands Administration has also leveraged its large, strategically located landholdings to support emerging energy industries, particularly solar, geothermal, hydrogen, and advanced energy storage.

For instance, solar development has expanded rapidly across trust lands in recent years, especially in central and southwestern Utah. Here, high solar irradiance, existing transmission corridors, and large contiguous acreage make utility-scale projects attractive. (See Figure 16, which shows the share of solar leases.)

The Trust Lands Administration has increasingly structured renewable projects around long-term lease revenue and strategic partnerships designed to preserve future value while generating stable income streams. Carbon capture and sequestration exploration in Drunkards Wash is an example. (See Chapter 2.)

Most trust lands renewable energy revenue is from solar, with geothermal becoming more important.

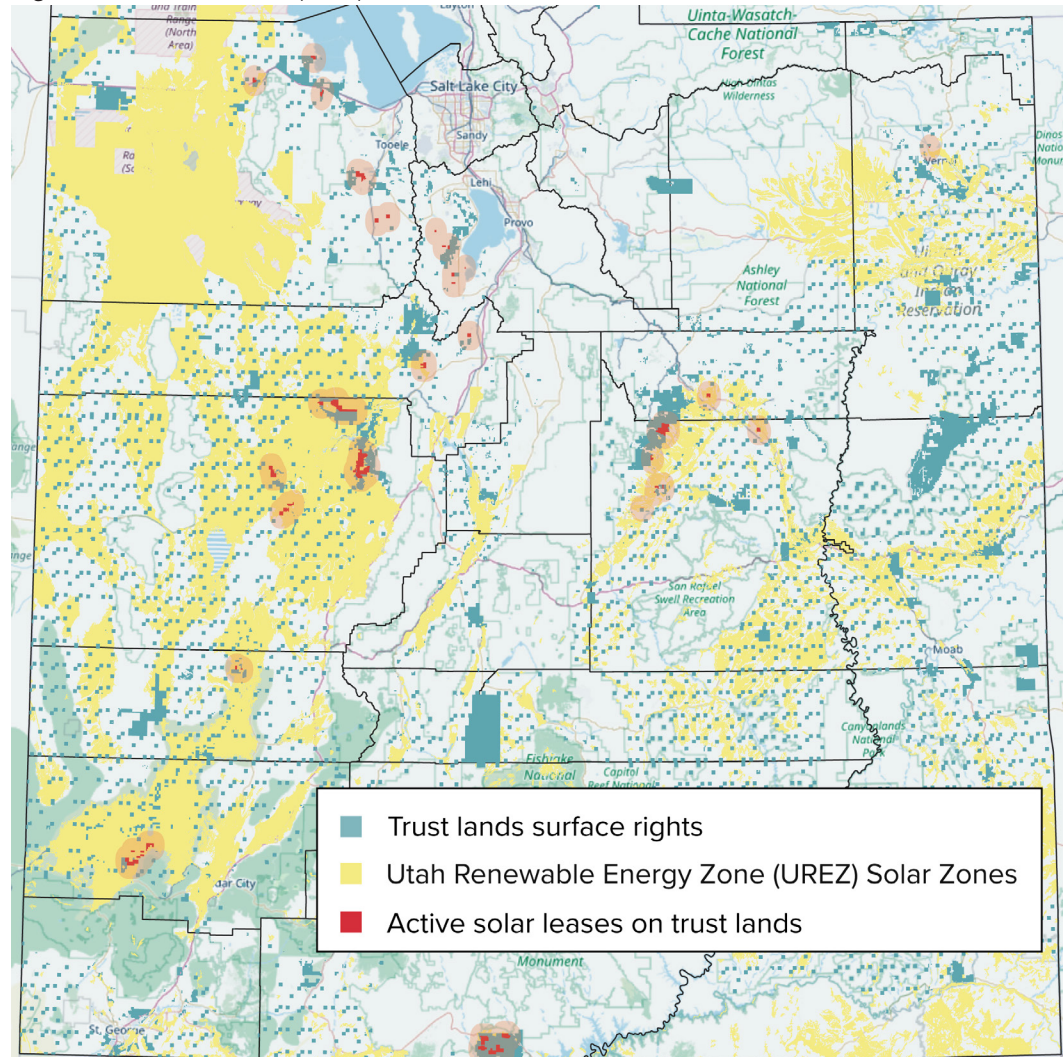
Figure 16: Renewables Revenue from Trust Lands, Fiscal Year 2025



Source: Trust Lands Administration.

Solar opportunities on trust lands cover most of the state.

Figure 17: Land Ownership Map of Trust Lands and Utah's Solar Zones, 2026.



Source: Trust Lands Administration, the Utah Geographic Resource Center, and the Utah Renewable Energy Zone (UREZ) Task Force.

Two of the most prominent renewable and alternative energy initiatives , fully or partially on trust lands, illustrate this shift at scale:

- The Frontier Observatory for Research in Geothermal Energy (FORGE) and adjacent Fervo Energy projects in southwest Utah position trust lands at the forefront of enhanced geothermal system research and commercial deployment.
- The Intermountain Power Project (IPP) and the adjacent Advanced Clean Energy Storage (ACES) project, which represent one of the nation's most ambitious transitions from coal-fired electricity generation toward hydrogen-capable energy infrastructure, pairing renewable-powered electrolysis with underground hydrogen storage in salt caverns.

Together, these projects demonstrate how trust lands are increasingly being used not only for traditional extraction but also as critical sites for next-generation energy production, storage, transmission, and research.

Wind

Wind development has played a relatively limited role on trust lands compared to other energy sectors. It has generated only 4% of all renewable energy income in 2025. (See Figure 16 for the share of renewable revenues.) Utah has fewer commercially viable wind resources than neighboring states such as Wyoming, with only a handful of areas identified as having consistent wind potential.* One of the primary wind development areas involving trust lands is near Milford in Beaver County, where a small number of turbines were constructed on Trust Lands Administration leases alongside larger developments on adjacent private and federal lands beginning in the late 1990s. There have been some efforts to expand wind power, but it has not yet reached a meaningful scale. In contrast, the Trust Lands Administration has recently seen increasing interest and greater revenue opportunities in solar development, as solar technology has improved and is generating more revenue.†

* U.S. Department of Energy, WINDEXchange, Site Selection, <https://www.energy.gov/cmei/systems/windexchange/site-selection>.

† Trust Lands Administration staff interviews.



Wind turbines on Utah's trust lands.

GEOTHERMAL AT FORGE/FERVO

Geothermal projects centered around Utah FORGE and Fervo Energy have made geothermal energy one of the most important emerging renewable opportunities on Utah trust lands.

FORGE, a federally funded research project led by the University of Utah's Energy & Geoscience Institute since 2018 and located near Milford, helped prove that enhanced geothermal systems could work by drilling into hot granite, fracturing the rock, and circulating water underground rather than relying on rare natural hot-water reservoirs, which are otherwise hard to find. The FORGE research site includes roughly six geothermal wells on about 600 acres.⁶⁵

The Fervo Energy Cape Station project recently moved toward commercial development on adjacent trust, BLM, and private lands.

While FORGE is funded through federal research grants, Fervo is funded entirely by private capital, indicating that the technology is advancing to the point where it is expected to reach scale. Fervo's first production phase is expected to cover about 320 acres.⁶⁶ Fervo's projected output has grown from about 300 megawatts to as much as 500 megawatts as drilling results have improved, far exceeding Utah's existing conventional geothermal plants, which generally produce around 20–30 megawatts. A key breakthrough has been faster, cheaper drilling: Fervo reportedly reduced drilling times from about 60 days to 23 days per well, potentially cutting costs from roughly \$16 million to closer to \$6 million per well.⁶⁷

Like most energy leases on trust lands, geothermal leases begin with exploration agreements that include annual performance benchmarks and escalating rental rates; if projects reach production, trust lands receive royalties based on electricity generation—2.5% for the first five years and 3.5% thereafter. The Trust Lands Administration now has about 62,000 acres under geothermal lease, with potential geothermal resource areas totaling roughly 300,000 acres, and broader mapping suggests that up to 700,000 acres may eventually have geothermal potential.⁶⁸

65 Utah Foundation interview with Chansé Rinderknecht, Geoscientist and Lease Manager, Andy Bedingfield, Managing Director of Energy and Minerals, and Chris Fausett Deputy Director of Energy and Land of the Trust Lands Administration on February 24, 2026.

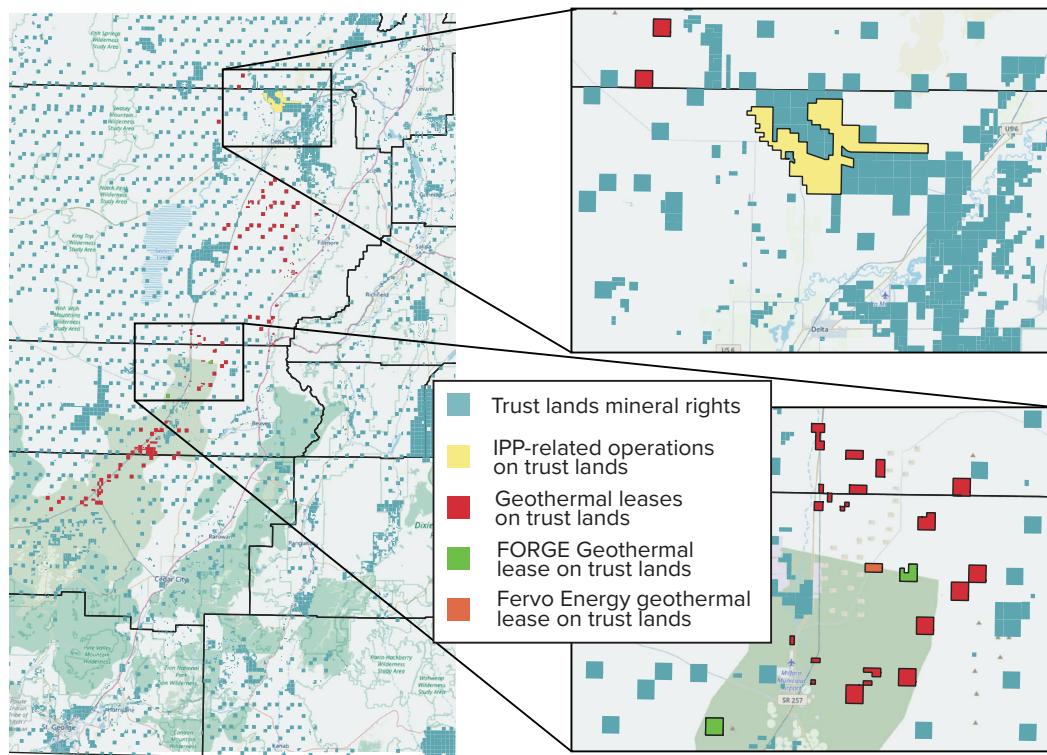
66 Ibid.

67 Ibid.

68 Ibid.

The Delta area is awash in innovative energy development.

Figure 18: Land Ownership Map of Innovative Energy Development in Western Utah, 2026.



Source: Trust Lands Administration and OpenStreetMap contributors.



Geothermal operations and wind turbines on Utah's trust lands.

INTERMOUNTAIN POWER PLANT (IPP)

The Intermountain Power Project (IPP) in Millard County was a traditional coal-fired power plant site for decades. The coal-fired power plant, located on private land, was shut down in late 2025, though a buyer is being sought to purchase the plant and restart operations.⁶⁹

The original coal facility primarily served Southern California utilities. Environmental regulations and changing energy markets pushed the site toward new technologies, including two combined-cycle natural gas plants that can ramp up and down to support intermittent wind and solar power.⁷⁰ This transition is critical to preserving jobs, maintaining existing grid infrastructure, and avoiding economic disruption in the Delta area.⁷¹

The current IPP development block of trust lands includes roughly 21,560 acres, surrounding the power plant property, much of it assembled through major federal land exchanges, including the 2001 West Desert Exchange and the 2021 Utah Test and Training Range exchange. These exchanges consolidated fragmented land into a large property site capable of supporting major infrastructure.

A major driver of the site's potential is a large underground salt dome south of the IPP facility, discovered in the 1980s.⁷² The dome begins about 3,500 feet underground and is roughly a mile deep, allowing developers to use solution mining to create massive underground caverns for high-pressure gas storage. Another significant project tied to the underground salt dome is the Sawtooth Caverns project, which stores natural gas liquids and refined petroleum products in five purpose-built caverns.

In addition, the Advanced Clean Energy Storage hub (ACES) Delta is a hydrogen storage project involving Chevron and Mitsubishi Power.⁷³ Surplus renewable electricity powers electrolyzers that split water into hydrogen and oxygen; the hydrogen is stored underground and later used in IPP's turbines to generate electricity with lower direct emissions.⁷⁴ The IPP project is expected to begin with a 30% hydrogen-70% natural gas blend and has a goal of 100% hydrogen by 2045.⁷⁵

69 Tim Vandenack, 2025, "IPP Coal-Fired Units Are No Longer Operating as State Government Searches for Buyers," *Standard-Examiner*, December 5, <https://www.standard.net/news/2025/dec/05/ipp-coal-fired-units-are-no-longer-operating-as-state-government-searches-for-buyers/>.

70 Utah Foundation interview with Troy Herold, Planning Director of the Trust Lands Administration on March 26, 2026.

71 Ibid.

72 Ibid.

73 Chevron Corporation, "Chevron Acquires Majority Stake in Advanced Clean Energy Storage Project in Delta, Utah," September 12, 2023, <https://www.chevron.com/newsroom/2023/q3/chevron-acquires-majority-stake-in-advanced-clean-energy-storage-project-delta-utah>; ACES Delta, LLC, 2026, "Advanced clean energy storage site," *ACES Delta, LLC*, <https://aces-delta.com/>.

74 Utah Foundation interview with Troy Herold, Planning Director of the Trust Lands Administration on March 26, 2026.

75 Ibid.

The IPP block of trust lands also includes large-scale solar, transmission, and industrial development. Utah Solar One and Utah Solar Two are planned at roughly 300 and 400 megawatts, while existing and planned major transmission line projects strengthen the area's role as a western energy corridor.⁷⁶

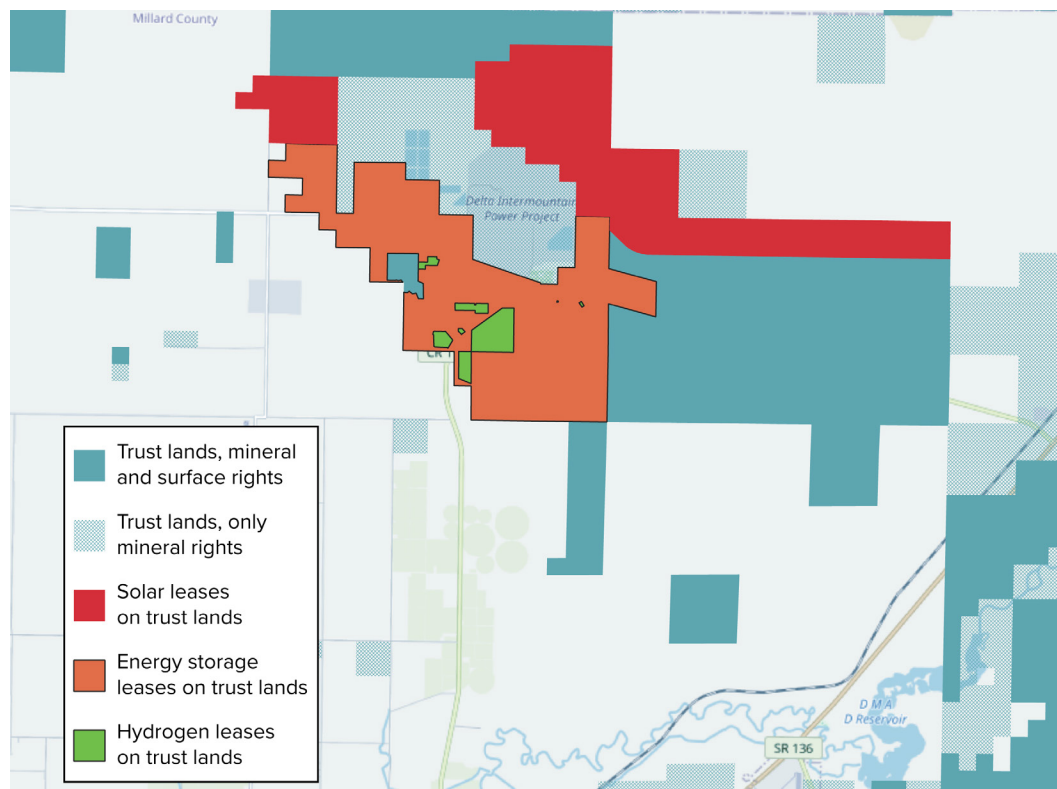
The Trust Lands Administration estimated that hydrogen royalties alone could eventually generate up to \$10 million annually for the trust, along with the full project generating substantial additional revenue.⁷⁷ Overall, the IPP project illustrates a “layered” trust lands strategy in which energy generation, storage, transmission, industrial uses, and long-term leasing reinforce one another on the same land base.

76 Utah Foundation interview with Troy Herold, Planning Director of the Trust Lands Administration on March 26, 2026; TransWest Express, TransWest Express LLC, 2026, "TransWest Express Transmission Project," *TransWest Express LLC*, <https://www.transwestexpress.net/>.

77 Utah Foundation interview with Troy Herold, Planning Director of the Trust Lands Administration on March 26, 2026.

IPP's essential support operations are on trust lands.

Figure 19: Land Ownership Map of Trust Lands and the Intermountain Power Plant, 2026.



Source: Trust Lands Administration and OpenStreetMap contributors.

Methodology – Intermountain Power Plant

The Utah Foundation produced an economic impact analysis of alternative energy on trust lands using information provided by the Intermountain Power Agency regarding its investment in the IPP gas-fired power plant and economic multipliers from the Bureau of Economic Analysis' RIMS II model. See the appendix for additional data sources and assumptions.

Because IPP is among the first to integrate these technologies at utility scale for energy storage and electricity generation, some future costs and outcomes cannot yet be determined. To the degree that the Intermountain Power Agency estimates change over the course of this project, the results of this study may overstate or understate the true economic impact of the project.

This economic impact analysis examines job creation, higher wages, and the economic ripple effects as people spend their wages in their communities, supporting other jobs in retail, entertainment, and other consumer sectors. It also often includes expected government revenue from economic activity. However, it does not account for any costs to governments or communities, or for externalities associated with economic activity.

This report provides estimates of the impact of the IPP's construction and of the combined-cycle gas power plant's ongoing electricity production, which began commercial operations in 2025. This report frames the economic impact of the development and operation of the IPP gas plant against an alternative baseline of no development or operation.

CASE STUDY – INNOVATIVE ENERGY DEVELOPMENT

IPP Economic Impact Analysis Findings

The most complex part of an economic impact analysis is the counterfactual. If the Trust Lands Administration did not permit innovative energy development on trust lands, would a similar level of development occur elsewhere in the region? To the extent that the project relies on unique geological features that can reasonably be accessed only through surface and mineral rights held by the Trust Lands Administration, it would be difficult to carry out without trust lands. This project, particularly the salt-dome storage accessible only through trust lands, suggests that a similar level of innovative energy development would not be possible elsewhere in the county.

The economic impact analysis focuses on the gas-fired electricity generation and indirectly includes supply-chain jobs such as hydrogen storage, solar infrastructure, and related energy projects.

The 89-112 ongoing jobs at IPP will support an additional 105-131 jobs in the supply chain. Once IPP has fully transitioned from natural gas to hydrogen fuel, most, if not all, of the hydrogen is expected to be produced in Utah. Natural gas, however, is usually obtained from a regional hub (a middleman), and the geographic location of production is unclear, meaning it could vary as markets change.

Ongoing annual household earnings associated with IPP operations are estimated at approximately \$10.8 million to \$13.4 million.

IPP Renewed's ongoing operations may support up to 243 additional jobs annually.

Figure 20: Projected Annual Direct, Indirect, and Induced Jobs of IPP Renewed, and resulting Household Earnings

	Low	High
Direct jobs	89	112
Indirect jobs	42	53
Induced jobs	63	78
Total effect jobs	194	243
Direct employee household income	\$7,400,000	\$9,200,000
Indirect and induced household income	\$3,400,000	\$4,200,000
Total household earnings	\$10,800,000	\$13,400,000

IPP's Benefits to the State and Local Governments

Both the construction phase and ongoing operations generate substantial state and local tax revenue, including income, sales, property, severance, and gross receipts taxes associated with construction activity, energy production, and related economic activity. Ongoing operations generate particularly large gross receipts tax impacts, reflecting the scale of energy production and infrastructure associated with the evolving IPP site.

Employees pay income tax to the state government. This amounts to about \$290,000 to \$360,000 annually.

Employees pay sales tax on applicable goods and services purchased. This amounts to \$250,000 to \$310,000 annually.

The new combined-cycle gas power plant produces four avenues of economic activity in the state. First, Intermountain Power Agency, the operator of IPP, pays a gross receipts tax to the state government. This is likely to be between \$2 and \$5.5 million annually.

Intermountain Power Agency also pays a fee in lieu of ad valorem tax (in place of property tax) on IPP infrastructure to local governments, amounting to about \$15 to \$18 million annually.

All told, IPP and its induced impact contribute to between \$17.5 and \$24.2 million annually. For the assumptions that inform these estimates, please see the appendix.

IPP Renewed may generate up to \$24.2 million annually in state and local tax revenue.

Figure 21: Projected Annual Taxes and Fees Related to IPP Renewed

	Low	High
Income	\$290,000	\$360,000
Sales	\$250,000	\$310,000
Gross Receipts	\$2,000,000	\$5,500,000
Ad valorem	\$15,000,000	\$18,000,000
Total taxes	\$17,540,000	\$24,170,000

APPENDIX: ECONOMIC IMPACT ANALYSIS ASSUMPTIONS

Primary Data Sources

Data from private or semi-private entities

The Utah Foundation used job, wage, and investment data from the following entities in estimating the economic impact analysis of the following projects

- Clyde Capital for the residential real estate analysis.
- Red Rock Companies for the residential real estate analysis.
- The Intermountain Power Agency for the Intermountain Power Plant project analysis.
- SM Energy for the oil and gas analysis.
- Wolverine for the coal analysis.

Multipliers were purchased from the U.S. Bureau of Economic Analysis. The multipliers for the specific geographies and industries have been included below.

Public Data Sources

The Utah Foundation also used the data from the following sources:

- Permit data from the Ivory-Boyer Construction Database.⁷⁸
- Construction job numbers from the QCEW dataset produced by the U.S. Bureau of Labor Statistics.⁷⁹
- Occupation and wage data from the Occupational Employment and Wage Statistics dataset produced by the U.S. Bureau of Labor Statistics.⁸⁰
- Income tax rates from the Utah State Tax Commission.⁸¹
- Sales tax rates from the Utah State Tax Commission.⁸²
- Property tax data from the Utah State Tax Commission.⁸³
- Severance tax data from the Utah Department of Natural Resources.⁸⁴

78 Kem C. Gardner Policy Institute and Ivory-Boyer Real Estate Center, 2026, "Ivory-Boyer Construction Database" *Kem C. Gardner Policy Institute*, <https://gardner.utah.edu/public-policy/housing-construction-real-estate/ivory-boyer-construction-database/>.

79 U.S. Bureau of Labor Statistics, 2025, "Employment and Wages Data Viewer," https://data.bls.gov/cew/apps/data_views/data_views.htm#tab=Tables.

80 U.S. Bureau of Labor Statistics, 2025, "Occupational Employment and Wage Statistics," *U.S. Bureau of Labor Statistics*, https://www.bls.gov/oes/2022/may/naics4_236100.htm.

81 Utah State Tax Commission, 2024, "State Income Tax Return Data," *Utah State Tax Commission*, <https://tax.utah.gov/commission/econstats/income/state-returns/>.

82 Utah State Tax Commission, 2026, "Sales & use tax rates," *Utah State Tax Commission*, <https://tax.utah.gov/business/sales-tax/sales/rates/>.

83 Utah State Tax Commission, 2024, "2024 Property tax annual statistical report," *Utah State Tax Commission*, <https://files.tax.utah.gov/propertytax/annual-reports/2024annual.pdf>.

84 Mills, Stephanie, Andrew Rupke, Michael D. Vanden Berg and Taylor Boden, 2025, "Utah mining 2024: Metals, industrial minerals, uranium, and coal," *Utah Geological Survey – Utah Department of Natural Resources*, page 17, <https://ugspub.nr.utah.gov/publications/circular/c-139.pdf>.

Estimate Assumptions

Income Tax Estimates

As of 2026, Utah has a flat income tax of 4.45%. However, data from the Utah State Tax Commission show that after accounting for tax breaks, the statewide median effective tax rate is 2.47%. The Utah Foundation used the median effective tax rate in its estimates of state income tax revenue.

Sales Tax Estimates

The Utah Foundation used the Bureau of Labor Statistics' Consumer Expenditure Survey for the Western region to calculate the share of income spent on items that would be taxable in Utah. This falls between 26% and 32% of an individual's income. The Utah Foundation used the sales tax rates posted by the Utah State Tax Commission to estimate the weighted average sales tax rate for the county or counties in each analysis. These sales tax rates were weighted by population.

Gross Sales Estimates

State statute sets a gross receipts tax (a tax on the sales an entity makes) of 0.625% for entities collecting between \$10 million and \$500 million and 0.9375% for entities collecting between \$500 million and \$1 billion.⁸⁵ There are many uncertainties around how much power will be produced and the price that will be charged. Preliminary estimates indicate that between 4,000 and 7,000 gigawatt-hours will be produced annually. The cost of energy is also not clear. The U.S. Energy Information Administration (EIA) has developed a value known as the levelized avoided cost of electricity (LACE). This value provides a proxy measure for potential revenue from the sale of electricity.⁸⁶ Based on the EIA's estimates, a combined-cycle gas power plant would receive similar revenue to a supercritical coal plant. Because hydrogen is such a new technology, EIA does not have any estimates regarding its potential revenues. However, it may help non-dispatchable energy (solar) that sells at a discount reach higher revenue levels by overcoming the dispatchability problem. The Utah Foundation, therefore, makes estimates of gross sales based on the assumption that IPP will be able to obtain equivalent revenue per unit of electricity generated.

85 Utah State Code §59-8-104(1), <https://le.utah.gov/xcode/Title59/Chapter8/59-8-S104.html>.

86 U.S. Energy Information Administration, 2021 "Levelized Costs of New Generation Resources in the Annual Energy Outlook 2021," <http://large.stanford.edu/courses/2021/ph240/patapati2/docs/eia-21.pdf>.

Fees in Lieu of Ad Valorem Tax and Property Tax Estimates

It is difficult to estimate the future assessed value of a property. Unlike home sales, which trade often, there are few comparable sales of power plants to evaluate. It is somewhat more feasible to evaluate the property's value based on the income it generates; however, as a special-purpose government entity, Intermountain Power Agency does not retain profits, and income alone may underestimate the property's value. The clearest method is the cost method – the value of the property based on how much it would cost to replace it. In this case, the property value should be similar to the infrastructure investment.

IPP Calculations: As the majority of the taxed property will be in Millard County, the Utah Foundation used the 2020 tax rate for the primary Intermountain Power Agency property. The Intermountain Power Agency reports in its publicly available annual disclosure documents that it is currently disputing the size of its “Municipal Exclusion” (an exclusion to the fee base equal to the share of power purchased by Utah municipal purchasers) with Millard County and the Utah State Tax Commission.⁸⁷ Depending on the outcome of current litigation, the municipal exclusion could range from 0% to 14.04%. These ranges were used in calculating the estimated property tax payments.

Personal Property

Personal property taxes for coal mining and oil & gas extraction were estimated using data reported by the Utah Geological Survey.⁸⁸

Severance Taxes

Severance taxes for oil & gas extraction were estimated using the data reported by the Utah Geological Survey.⁸⁹

87 Intermountain Power Agency, 2020, “Annual disclosure report for fiscal year 2019-2020,” *Municipal Securities Rulemaking Board*, <https://emma.msrb.org/P21517559.pdf>.

88 Mills, Stephanie, Andrew Rupke, Michael D. Vanden Berg and Taylor Boden, 2025, “Utah mining 2024: Metals, industrial minerals, uranium, and coal,” Utah Geological Survey – Utah Department of Natural Resources, page 5, <https://ugspub.nr.utah.gov/publications/circular/c-139.pdf>.

89 Ibid.

Notes on the Economic Impact Analysis Multiplier Methodology

The Utah Foundation used multiplier analysis for this report. Multiplier analysis examines direct inputs in the economy and calculates how those inputs will support higher demand for inputs (natural gas and hydrogen in this case). It also looks at the additional demand in other sectors of the economy generated by workers using their wages to purchase goods and services in the local economy. These purchases, in turn, have their own economic echoes. The inputs – with all their economic echoes – are a multiplier effect.

Multiplier analysis is a common method for assessing the economic impact of a new installation, ongoing economic activity, and the negative impact of the loss of a local business. In this case, the Utah Foundation is assessing the ongoing and projected future impact of the economic activity generated by one project in the electricity generation industry: Intermountain Power Plant.

The Utah Foundation used RIMS for its analysis. RIMS is produced by the Bureau of Economic Analysis (BEA) using an open-source model that uses publicly available data.

The Utah Foundation used multipliers calculated by the regional geographies of interest. A general issue in economic analysis is that using state-level multipliers in lieu of regional multipliers may overstate the true economic benefit.

Analytic Approach – Identifying the Affected Industries

There are various ways to approach the question of industries affected by the multiplier effect. The first is to assess the multiplier effect of all specific industry-level spending undertaken by the project. This is referred to as the bill-of-goods approach and is generally used when there are multiple, varying business models within a specific industry. In this instance, the bill-of-goods approach is considered more accurate because it captures the particular nuances of the spending patterns of the organizations or projects under study. However, the bill-of-goods approach is also more data- and computationally intensive. A separate multiplier would be applied to each category of spending (fuel purchases, insurance, maintenance, etc.), and then each separate multiplier effect would be combined into a total effect.

Because such data were not available, the Utah Foundation used a change in the final-demand multiplier for the construction period. For ongoing operations, the final demand change was unavailable but could be estimated from the expected ongoing jobs.

Static vs Dynamic Effects

RIMS II multipliers are derived from a static equilibrium model. Static equilibrium models imply no time dimension. However, because the multipliers are derived from annual national income data, most studies assume that the multiplier effects are fully realized within a one-year period. The Utah Foundation broke out construction annually to address this. If it takes longer than one year for the impacts to be fully felt in the Utah economy, the annual multiplier analysis will slightly overstate the true economic impact.

Multiplier effects only occur when infusions, or revenue earned from outside the regional economy, are recirculated within that economy. Infrastructure investments are generally considered such an infusion. Similarly, construction is generally considered a final demand. However, the Utah Foundation attempted to account for construction that would have occurred even without access to state trust lands. Exports are also considered final demand. Production of electricity, coal, oil, and gas were all discounted to represent the amount exported rather than simply generated.



Utah's trust lands.



Utah's trust lands.



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