



FOR IMMEDIATE RELEASE

Date: May 1, 2020

Kane County Objection to Sale of Trust Lands North of Kanab

The School and Institutional Trust Lands Administration (SITLA) is currently under contract with Best Friends Animal Society (BFAS) to purchase three Sections of Trust Lands located north of Kanab for \$6.3 million. These three Sections include land located in Kanab Canyon, a portion of which is currently leased by BFAS for part of their sanctuary, and a portion of which is leased by Kanab City for one of its largest producing culinary water wells (Section 32). The other two Sections are located further north. To the south of highway 89, the second Section contains Red Knoll and the site that was previously leased by Southern Red Sands for the operation of a sand mine (Section 16). To the north of the highway, the third Section contains land east of Dianna's Throne (Section 2). Kane County strongly objects to this sale of Trust Lands.

Although SITLA began the process of selling these Trust Lands as early as February, the Kane County Commission and other local leaders only became fully aware of the proposed sale a few weeks ago. On April 22, the Kane County Commission sent a letter to SITLA objecting to the sale. A full copy of the letter can be read [here](#). In summary, the Commission requested that SITLA cancel the sale or at a minimum, postpone the sale to ensure the protection of Kanab City's well and water rights, and to ensure historical access to these Trust Lands for ranching, hunting, tourism, ATV use, and other recreational activities. So far, SITLA's response has been to confirm that the sale is proceeding as planned explaining that they could not pass up the opportunity for such a large amount of revenue. After receiving the letter from the County, instead of taking the time to address local concerns, SITLA forged ahead to ensure that BFAS submitted earnest money of 30% toward the purchase of the Trust Lands by Friday April 24. A complete closing on the sale remains pending for the next few weeks while an archeology study is completed.

Kane County was unaware of the contract signing and transfer of earnest money. On that same day, Kane County sent a letter to BFAS objecting to their purchase of these Trust Lands. The letter was signed by every Elected Official of Kane County, every Mayor in the county, and the entire Kanab City Council. A full copy of the letter can be read [here](#). The letter asks BFAS to forgo this major land purchase. If they are unwilling to cancel the sale, the letter further requests that BFAS meet with a group of elected officials to ensure that public access to these precious lands will remain open as it has in the past. The response from BFAS can be read [here](#).

Kane County is also concerned that BFAS may have used or is attempting to use a portion of the proceeds of the \$25,000,000 conduit bond approved by the County last year. For reference, the conduit bond is a mechanism for non-profit organizations like BFAS to obtain

loans at a lower interest rate. The conduit bond is not associated in anyway with tax payer funds, did not obligate the County in any way, and does not prevent the County from assisting other entities in a similar way. Federal law required the approval of the County for this type of bond after conducting a public hearing. After receiving the concerns of many local residents, the County approved the conduit bond only if BFAS agreed to and was prohibited from using the bond proceeds to purchase land.

Many residents may be concerned about a legal notice in the local paper last week regarding a potential amendment to the conduit bond. On April 20, without the consent or knowledge of the County, BFAS contacted the County's bond counsel, informed him that the County was willing to amend the conduit bond, and asked him to prepare and publish the notice in the local newspaper to start the process of amending the conduit bond. That notice was published in the Southern Utah News on April 23. The purpose of the public hearing would have been to allow the County to amend the conduit bond and allow BFAS to use the bond proceeds to purchase land. As soon as the County Commission became aware of the attempts to amend the conduit bond they immediately informed BFAS that this would not be allowed. However, it was too late to remove the notice from the newspaper.

The County is currently working with our bond counsel, the trustee over the conduit bond, and BFAS to ensure that no bond proceeds have been used to pay for any portion of the proposed sale or the earnest money already transferred to SITLA. Earlier this week, the Kane County Commission authorized the Kane County Attorney to file an injunction if necessary to prevent any bond proceeds from being used towards the sale.

Kane County strongly objects to the sale of these Trust Lands, particularly if it were to involve any conduit bond proceeds. County Officials have requested that SITLA and BFAS consider the local economy and historical access to these lands and cancel the sale. There are other ways to ensure that SITLA is adequately compensated and to ensure that BFAS is allowed to prevent the perceived harm of the extraction industry, while at the same time maintaining all of the historical public access to these precious lands. The County looks forward to working with SITLA and BFAS to meet these goals. Kane County invites local residents to provide comments regarding the proposed sale to SITLA (State Director David Ure, dure@utah.gov) and BFAS (CEO Julie Castle, Julie@bestfriends.org).
