PUBLIC NOTICE is hereby given that there will be a Public Meeting held in Heber City, Utah of the:

Military Installation Development Authority

July 18, 2012 10:00 a.m. Wasatch County Administration Building 25 North Main, Heber City, Utah 84032

MIDA Board Agenda

- 1. Welcome
- 2. Approval of minutes for June 5, 2012
- 3. Public Meeting to Consider and Discuss the Draft Plan for the Military Recreation Facility Project Area Plan Part 1
- 4. Other Business
- 5. The next regular meeting Tuesday, August 7, 2012, at 9:00 a.m.

NOTICES

The Military Installation Development Authority does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services. If you are planning to attend this meeting and, due to a disability, need assistance in understanding or participating in the meeting, please notify the Authority eight or more hours in advance of the meeting and we will try to provide assistance. Please contact the Authority at the above address or telephone numbers (801) 593-2241.

Authority Board Members may participate in the meeting *via* telephonic communication. If a Board Member does participate *via* telephonic communication, the Board Member will be on speaker phone. The speaker phone will be amplified so that the other Board Members and all other persons present in the Board Meeting will be able to hear all discussions. In the event of an absence of a majority quorum, agenda items will be continued to the next regularly scheduled meeting. By motion of a member of the Authority Board, the Board may vote to hold a closed meeting for any of the purposes allowed by law, Utah Code §§ 52-4-204, 52-4-205, 52-4-206.

Posted before 17 July 2012 at 10:00 a.m., a copy of the above was posted in conspicuous view in the Wasatch County Administration Building in Heber City, Utah. A copy of this was placed on the Utah State Webpage.

Detlef Galke, on behalf of the Military Installation Development Authority



Military Installation Development Authority

Minutes of the MIDA Board Meeting

Held: June 5, 2012

- 1. Welcome Stuart Adams, Chairman
- 2. Approval of Minutes for April 3, 2012: Motion to approve: Joe Ritchie, 2nd Derk Timothy, the vote was unanimous.
- 1. Consideration of Resolution 2012-04 Approving a Development Agreement and Property Owner Project Area Consent with Blue Ledge Resort, LLC for Property in Wasatch County: In order for MIDA to develop a Project Area in Wasatch County permission needs to be given by individual private property owners. Van Hemeyer, property owner, Blue Ledge Resort, LLC presented his intent to develop his property to provide a major ski lift for the Deer Valley Resort. David Williamsen (Air Force Representative) stated that the Air Force is very committed to see the Hotel being built and having a true four season resort. Mike Kohler (Wasatch County Councilman) said that the Jordanelle area has been stagnated for a long time and that this would be a jump start, and indicated that Wasatch County is very supportive of the Development and indicated they are willing to do whatever it takes to make it happen now rather than later. Mike Davis (Wasatch County Manager) echoed what councilman Kohler had said and noted that they have invested millions of dollars into water treatment facilities and sewer treatment facilities to facilitate the growth in Wasatch County area. Motion to approve: Joe Ritchie, 2nd Mike Ostermiller, the vote was unanimous.
- 2. Public Hearing on the FY 2012-13 Budget: Ron Richins presented the Budget for fiscal year 2013. All anticipated items of Revenue and Expense were review by the Board. MIDA is in total compliance with all regulations required by law.
- 3. Motion to close the Public Hearing: Don Wood, 2nd Gary Harter, the vote was unanimous.
- 4. Consideration of Resolution 12-06 Approving the Fiscal Year 2012-2013 Annual Budget: Motion to approve: Mike Ostermiller, 2nd Derk Timothy, the vote was unanimous.
- 5. Other Business: None
- 6. Motion to adjourn: Don Wood, the vote was unanimous.
- 7. The next regular meeting is scheduled for Tuesday, July 18, 2012, @ 10:00am in the Heber City Council Chambers.

Those in attendance: Rick Mayfield, Don Wood, Detlef Galke, Ron Richins, David Williamsen, Mark Holt, Cory Shupe, Paul Morris, Gary Harter, Joe Ritchie, Derk Timothy, Stuart Adams, Mike Ostermiller, Jerry Stevenson, Stephen Capson, Mike Kohler, Steve Farrell, Mike Davis, Greg McPhie, Van Hemeyer, Brooke Hontz.

Draft Plan

MILITARY RECREATION FACILITY PROJECT AREA PLAN – PART 1

JUNE 2012

Introduction

The Military Installation Development Authority ("MIDA") was created by the Utah Legislature in 2007 to facilitate the development of military land in Utah. MIDA is working closely with the United States Air Force and Hill Air Force Base (collectively "HAFB") to develop an Air Force morale, welfare and recreation facility and related amenities in Wasatch County, Utah ("Recreation Facility"). In order to facilitate this development, MIDA proposes to create the Military Recreation Facility Project Area ("Project Area") which may eventually include all of the land shown in Exhibit A. Development of the land within the Project Area will be critical to creating the recreational opportunities desired and to generating tax increment to assist in the development and operation of the Recreation Facility ("Development Project"). However, the purpose of this draft plan ("Draft Plan") is to create a project area that initially includes the Blue Ledge parcel in Wasatch County ("Blue Ledge Parcel") and a military land parcel in Summit County ("Red Maple Parcel"). This initial project area will be Part 1 of the Project Area ("Part 1 Project Area") and it is shown in Exhibit A. The development focus for the Part 1 Project Area is the construction of a Deer Valley Ski Lift and related improvements ("Ski Lift") and development of the Blue Ledge Parcel ("Part 1 Development Project").

Because the Project Area, including the Part 1 Project Area, will include non-military land, the law governing MIDA found in Chapter 1 of Title 63H, Utah Code Annotated 1953, as amended, ("MIDA Act") requires the consent of Wasatch County and each non-military landowner. Wasatch County granted its consent on February 16, 2011. The owner of Blue Ledge granted consent on June 5, 2012.

Section 2862 of the 2002 Department of Defense Authorization Act ("Authorization Act"), attached as Exhibit B, effectuated a transfer of the Red Maple Parcel to the Secretary of the Air Force and provided legislative intent regarding the use and disposition of the property for the development of the Recreation Facility. Pursuant to the Authorization Act, HAFB intends to convey the Red Maple Parcel for a property interest in Wasatch County within the Project Area. MIDA WILL NOT USE ITS LAND USE AUTHOIRTY TO PERMIT ANY CONSTRUCTION ON THE RED MAPLE PARCEL. ITS INCLUSION IN THE PART 1 PROJECT AREA IS ONLY SO THAT IT CAN BE CREATED. ONCE THE MILITARY LAND PROPERTY INTEREST IN WASATCH COUNTY IS IDENTIFIED AND THE PART 1 PROJECT AREA IS AMENDED TO INCLUDE THE PROPERTY, THE RED MAPLE PARCEL WILL BE REMOVED FROM THE PROJECT AREA.

As part of the MIDA Act, a necessary step in the process of creating a project area is the preparation of the Draft Plan. The Draft Plan is to be given to each taxing entity that levies a property tax for review and comment and the Draft Plan is to be the subject of at least one public meeting held by the MIDA Board. After public input is received and evaluated, the MIDA Board may proceed with the adoption of the Project Area Plan. The public meeting is scheduled for July 18, 2012 at 10:00 am at 25 North Main, Heber, Utah in the Wasatch County Council Chambers.

Legal Description of Project Area

The Part 1 Project Area consists of approximately 66.5 acres. The Blue Ledge Parcel is approximately 40 acres and the Red Maple Parcel is 26.5 acres.

A legal description of the Part 1 Project Area is attached as Exhibit C.

Purposes and Intent

For many years, HAFB owned hospitality units at Snow Basin, Utah for use by military personnel. As part of the reconfiguration of Snow Basin for the 2002 Salt Lake City Winter Olympics the units were demolished. Congress recognized the need for an expanded replacement facility and transferred the Red Maple Parcel already owned by the Bureau of Land Management to the Secretary of the Air Force as part of the Authorization Act. Since then HAFB has worked to find the best location for the Recreation Facility by working with the local jurisdictions. It desires a year-round four-season, high-quality resort experience for Department of Defense employees and retirees. The Recreation Facility will not be exclusively for military personnel only but may be open to the public. Military personnel will have a reservation priority and discounted room rates. Amenities that facilitate the resort experience, such as ski lifts, will be part of the Project Development.

After several years of analysis and discussions, the competitively selected Air Force developer, Wadman Corporation, conducted a Request for Proposals for a site selection process which concluded that locating the Recreation Facility in Wasatch County was the best option, which the Air Force agreed to consider. The proposed Project Area is located in an area known as the Resort Specially Planned Area ("RSPA") which is west of the Jordanelle Reservoir.

HAFB and its selected developers have not completed their work to definitively identify where the Recreation Facility will be located within the proposed Project Area. However, the owner of the Blue Ledge Parcel is prepared to move forward with the development of a hotel and other compatible uses. Development of the Ski Lift will open up skiable areas within the RSPA. While it is not contemplated that the Recreation Facility will be on the Blue Ledge Parcel, the development of this property will generate tax increment that can assist in the development of the Recreation Facility and the construction of the Ski Lift will be beneficial to the military recreational experience.

The Part 1 Development Project funding is contingent on MIDA moving forward and creating the Part 1 Project Area in the summer of 2012. Any delay could jeopardize the development. Therefore, MIDA is planning to create the Part 1 Project Area using the Red Maple Parcel and Blue Ledge Parcel. Nevertheless, it is not the purpose or intent of MIDA to allow any development on the Red Maple Parcel. To that end, MIDA will not fund, study, or assist in any development of the Red Maple Parcel. Park City has requested that the property remain as open space and is willing to purchase the Red Maple Parcel for \$2 million. MIDA will remove the Red Maple Parcel from the Project Area when it has identified the replacement military land that will be located in the Project Area.

Pursuant to the MIDA Act, MIDA can assist in a variety of ways, including the collection and use of tax increment funding, and other funding sources to facilitate the development of the Recreation Facility. As part of this Part 1 Project Area, MIDA will assist in the development of the Ski Lift. MIDA also intends to contract with Wasatch County and its local districts for the provision of municipal services and use tax revenues it collects to pay for those services.

Thus, it is the purposes and intent of MIDA, with the assistance and participation of HAFB, Wasatch County, the local districts, and the landowners to encourage new development within the Project Area, starting with the Part 1 Project Area, which will promote the development and operation of the Recreation Facility, and otherwise fulfill the objectives set forth in the MIDA Act. Specifically, the purposes and intent of MIDA, with respect to the Part 1 Project Area is to:

- A. Encourage and assist in the development of the Blue Ledge Parcel.
- B. Create additional jobs.
- C. Provide for the strengthening of the tax base and economic health of the Wasatch County and the State of Utah.
- D. Implement the tax increment financing provisions of the MIDA Act to assist in the development of the ski lift and leave the remainder to assist in the development of the Recreation Facility.
- E. Use tax revenues to pay Wasatch County for services provided.
- F. Provide for compatible relationships among land uses and quality standards and insure that the Part 1 Development Project will be compatible and complementary with the development within the future Project Area.
- G. Removal of impediments to development through a streamlined development review.
- H. Insure that the Part 1 Project Area has the necessary public utilities and infrastructure improvements.
- Achievement of an environment reflecting an appropriate level of concern for architectural, landscape and design principles, developed through encouragement, guidance, and appropriate controls.
- J. Insure that the Red Maple Parcel stays undeveloped and is removed from the Project Area when the substitute military land is identified.

Development Process

MIDA intends to substantially use the RSPA land use regulations when it adopts its own standards and guidelines. The MIDA Board will create a Development Review Committee ("DRC") which will consist of members appointed by the MIDA Board from individuals recommended by Wasatch County and the MIDA Executive Director. DRC's purpose is to assist with the creation of the

development guidelines, processes, and procedures and to make recommendations to the MIDA Board regarding submittals from landowners of specific development proposals within the Project Area.

No Development of the Red Maple Parcel

As part of the land use standards and guidelines adopted by the MIDA Board, a prohibition of development of the Red Maple Parcel will be included.

Findings and Determination

Pursuant to §63H-1-401(2)(c), the MIDA Board makes the following findings and determinations:

1. Public Purpose

"there is a need to effectuate a public purpose"

MIDA was created by the Utah Legislature for the specific public purpose of facilitating the development of military land in the State of Utah. The MIDA Act was specifically amended to provide tools for MIDA to assist HAFB in developing and operating a Recreation Facility, including allowing a project area to have non-contiguous non-military land included, allowing tax increment to be used for ongoing operations, and allowing tax increment to be used to develop ski lifts. The MIDA Board has determined and found that use of its authority under the MIDA Act will be needed to develop the Project Area, including the Part 1 Project Area, and fulfill its public purpose.

2. Public Benefit

"there is a public benefit to the proposed development project"

The MIDA Board determines and finds that there are public benefits that will result from the Part 1 Development Project. Specifically, the support and accomplishment of HAFB's goals under the Authorization Act and assist in the start of development in the RSPA which has been requested and encouraged by Wasatch County; the creation of new employment opportunities; and the increased tax base of the State and Wasatch County.

3. Economic Soundness and Feasibility

"it is economically sound and feasible to adopt and carry out the project area plan"

The MIDA Board determines and finds that development of the Part 1 Project Area as contemplated by the Blue Ledge landowner will be economically sound and feasible. One of the key components of the Part 1 Development Project's economic feasibility is MIDA's ability to use tax increment funds of 75% of the property taxes for up to 25 years, the point of sale portion of the local option sales and use tax, and the resort community tax to assist in the funding of the Ski Lift. In addition, MIDA can collect and use other fees and tax revenues normally associated with the provision of municipal services, such as the transient room tax, the municipal energy sales and use tax, and the telecommunications license tax. The tax increment funds and other revenues may be used to pay for the Ski Lift, fund MIDA's operating costs, pay for the provision of municipal services within the Part 1 Project

Area, and otherwise assist in the Development Project that promotes the Recreation Facility. The analysis thus far indicates it is economically sound and feasible to adopt and carry out the Part 1 Project Area Plan.

Initial analysis of some of the potential tax revenues associated with the Part 1 Development Project include:

A. High Level of Investment

The Part 1 Development Project will have an exceptionally high level of investment, on a per acre basis, when compared with the existing taxable value of the surrounding communities shown below. Based on information provided by Blue Ledge as of June 2012, Part 1 Project Area will include an investment of \$176 million in real property and an additional \$8.6 million in personal property value over the next 25 years. Assuming 40.84 developed acres, this represents an average investment of \$4.5 million per acre for the project. In comparison, the average value per acre (of all property — both developed and undeveloped) is shown in the following table for a sample of surrounding communities. Part 1 Project Area will therefore add significantly to the property tax base.

Comparison of Investment Value					
	Taxable Value	Acres \	Value per Acre		
Summit County	\$14,040,456,824	1,183,360	\$11,865		
Park City					
(including Wasatch Co. value)	\$7,266,896,239	11,264	\$645,143		
Wasatch County	\$3,796,303,370	762,240	\$4,980		
Heber	\$778,590,346	2,240	\$347,585		
MIDA Part 1 (Current Value)	\$102,100	40.84	\$2,500		
MIDA Part 1 (Projected Value-2018)	\$182,320,220	40.84	\$4,464,256		
Source: Utah Certified Tax Rates Databa	se; Municipal Websites;	: LYRB			

B. Generation of Tax Increment

Part 1 Project Area will gain revenue from multiple taxes, including property tax (real and personal) sales tax, resort community tax, transient room tax, energy tax, and telecommunications tax. The charts below outline the estimated taxable value as a result of Part 1 Project Area and the corresponding tax revenue that will be generated for the development fund and MIDA municipal revenue fund. 2011 property tax rates were used in the calculations. Through the 25 years, Part 1 Project Area is expected to generate over \$61.3 million (\$33.3 million NPV¹) for the development fund and \$7.8 million (\$4.3 million NPV) for the municipal revenue fund. Initially the Blue Ledge landowner intends to build the Hotel A.

¹ A 5% discount rate was used for all net present value (NPV) analysis.

REVENUES TO DEVELOPMENT FUND PART 1 PROJECT AREA					
	Estimated Taxable Value (over 25 Years)	Estimated **. 75% Tax Generated (over 25 Years)	NPV @ 5%		
Real Property Investments		And the second s			
Hotel A	\$66,489,348	\$12,823,691	\$7,229,455		
Hotel B	53,381,455	9,501,125	5,053,993		
Retail A	13,933,570	2,695,623	1,519,679		
Retail B	14,676,772	2,612,253	1,389,552		
Condos	27,788,500	4,838,429	2,538,050		
Subtotal	176,269,645	32,471,121,	17,730,729		
Personal Property Investments	1				
Hotel A	\$5,432,500	\$290,072	\$207,348		
Hotel B	3,205,000	164,685	109,186		
Subtotal	8,637,500	<i>454,756</i>	316,534		
e diese gip om die en de generalie. Se diese generalie	Estimated Gross Taxable Sales (over 25 years)	Estimated Tax Generated (over 25 years)	NPV @ 5%		
Other Tax Revenues	in the circumstance of the second section of the second of the second is a single section of the second section of the section of the second section of the section of the second section of the section of				
Sales Tax	#4 774 050 040	\$8,870,280	\$4,753,195		
Resort Tax	\$1,774,056,046	19,514,617	10,457,030		
Subtotal	1,774,056,046	28,384,897	15,210,225		
Total	\$1,958,963,191	\$61,310,774	\$33,257,487		

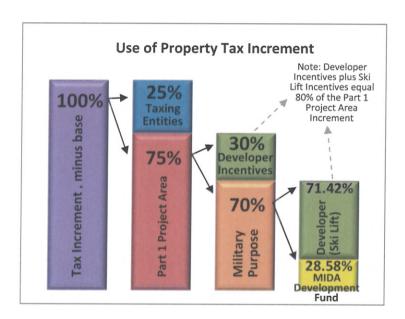
REVENUES TO MIDA MUNICIPAL REVENUE FUND PART 1 PROJECT AREA					
	Estimated Taxable Value (over 25 Years)	Estimated Wasatch County 25% Portion of Tax Generated (over 25 Years)	NPV @ 5%		
Real Property Investments					
Hotel A	\$66,489,348	\$853,421	\$481,123		
Hotel B	53,381,455	632,303	336,345		
Retail A	13,933,570	179,395	101,135		
Retail B	14,676,772	173,846	92,475		
Condos	27,788,500	321,999	168,908		
Subtotal	176,269,645	2,160,965	1,179,986		
Personal Property Investments			J		
Hotel A	\$5,432,500	\$19,304	\$13,799		
Hotel B	3,205,000	10,960	7,266		
Subtotal	8,637,500	30,264	21,065		
	Estimated Gross Taxable Sales (over 25 years)	Estimated Tax Generated (over 25 years)	NPV @ 5%		
Other Tax Revenues					
Transient Room Tax	\$713,200,689	\$3,566,003	\$1,947,692		
Energy Tax	34,020,775	2,061,739	1,124,758		
Subtotal	747,221,463	5,627,743	3,072,450		
Total	\$962,128,608	\$7,818,972	\$4,273,502		

^{*}Telecommunications Tax deemed too insignificant to calculate.

C. Property Tax Revenue

Property Tax Increment will be collected for 25 years. Of the total increment, 75% will be used for the Project Area and 25% will be passed back to the taxing entities except Wasatch County. MIDA will receive its portion of the remaining 25% which will be placed in MIDA's municipal revenue fund. It is MIDA's intention to use the muncipal revenue fund to contract with Wasatch County and its districts to provide municipal services to the Part 1 Project Area.

As pictured below, of the 75% allocated to Part 1 Project Area from property tax increment, 30% will be earmarked for developer incentives and 70% for projects that meet a military purpose, as defined by MIDA. In the specific case of Part 1 Project Area, MIDA intends to use 71.42% of the funds designated for a military purpose to help construct the Ski Lift. When combined with the 30% of developer incentives, a total of 80% of the Part 1 Project Area Property Tax Increment funds will be available to support the Blue Ledge Ski Lift. Incentive money will only be used to help finance the Ski Lift; all other hotel, retail, and condominium structures will be financed without finanical help from MIDA. The remaining 20% of Part 1 Project Area funds will be used for a military purpose within the MIDA development fund. The chart below is a visual representation of this breakout.



According to current investment projections, the Part 1 Project area tax increment will be \$32.9 million (\$18.0 million NPV), which means there will be \$26.3 million (\$14.4 million NPV) available for the Ski Lift and \$5.3 million (\$2.9 million NPV) remaining in the MIDA development fund.

D. Sales Tax and Resort Community Tax Revenue

It is projected that two hotels, each with a retail component, will be built in Part 1 Project Area. From the information provided by Blue Ledge, it is anticipated that \$1.8 billion in taxable sales will be

generated over the life of the project. Only 0.5%, which represents the point of sale portion of sales tax was used in calculations to estimate a total tax generation of \$8.9 million (\$4.8 million NPV) for the Project Area.

As a resort community, the Project Area would also be able to charge an additional 1.1% on retail sales. This would generate an additional \$19.5 million (\$10.5 million NPV).

E. Transient Room Tax

Blue Ledge intends to build two hotels with roughly 300 and 160 units respectively. A tax of 0.5% can be charged on room rentals. It is estimated that this transient room tax would generate \$3.6 million (\$1.9 million NPV).

F. Energy and Telecommunications Fees and Taxes

Energy and telecommunications fees and taxes may be collected based on the level of energy and telecommunications use, as well as the number of phone lines. The energy tax is 6% of gas and electric utility bills. According to Blue Ledge estimates, \$34 million will be spent on energy usage in Part 1 Project Area over 25 years. This will produce \$2.1 million (\$1.1 million NPV) in energy use taxes for the Project Area.

The telecommunications tax is 3.5% charged on the provider, not the consumer. For the purposes of this analysis, the telecommunications tax was deemed too insignificant to calculate, although MIDA does intend to collect it.

G. Jobs and Wages

The Part 1 Development Project will generate significant jobs and wages; wages will then be spent in the local communities, creating multiplier effects. Blue Ledge predicts 1,000 new construction and operations jobs will be generated in Part 1 Project Area. The Bureau of Labor Statistics estimated that during the first quarter of 2011, Wasatch County had 5,675 employed persons². The staff needed to run two hotels and unknown retail establishments, in addition to the construction jobs generated, will have a significant and positive impact on employment in the County.

In 2011, nationally the average annual wages for maids and housekeeping cleaners were \$21,440; baggage porters and bellhops were \$23,910; Concierges were \$29,030; and retail salespersons were \$25,130³. In comparison, the average annual wage in Utah in 2011 was \$39,811⁴. But, Wasatch

² Bureau of Labor Statistics News Release "County Employment and Wages in Utah – First Quarter 2011," October 24, 2011.

³ Bureau of Labor Statistics, May 2011 National Occupational Employment and Wage Estimates.

⁴ Governor's Office of Planning and Budget, 2012 Economic Summary dated May 2012.

County wages are typically lower than the state average, at \$557 per week (\$28,964 per year)⁵. This puts the anticipated job types in line with the average County salary. Hotel and retail management positions in the area will increase the average wage for the Project Area.

H. Expanded Tourism

Part 1 Project Area includes the construction of a ski lift which will connect the Blue Ledge property and the Deer Valley Ski Resort. This will make the Blue Ledge property a ski-in/ski-out facility and open additional skiable acreage at Deer Valley. The combination of recreational skiing, hotel infrastructure, retail development, and condominium housing will substantially improve Wasatch County's tourism industry and create a destination point for interested travelers.

4. Local Community

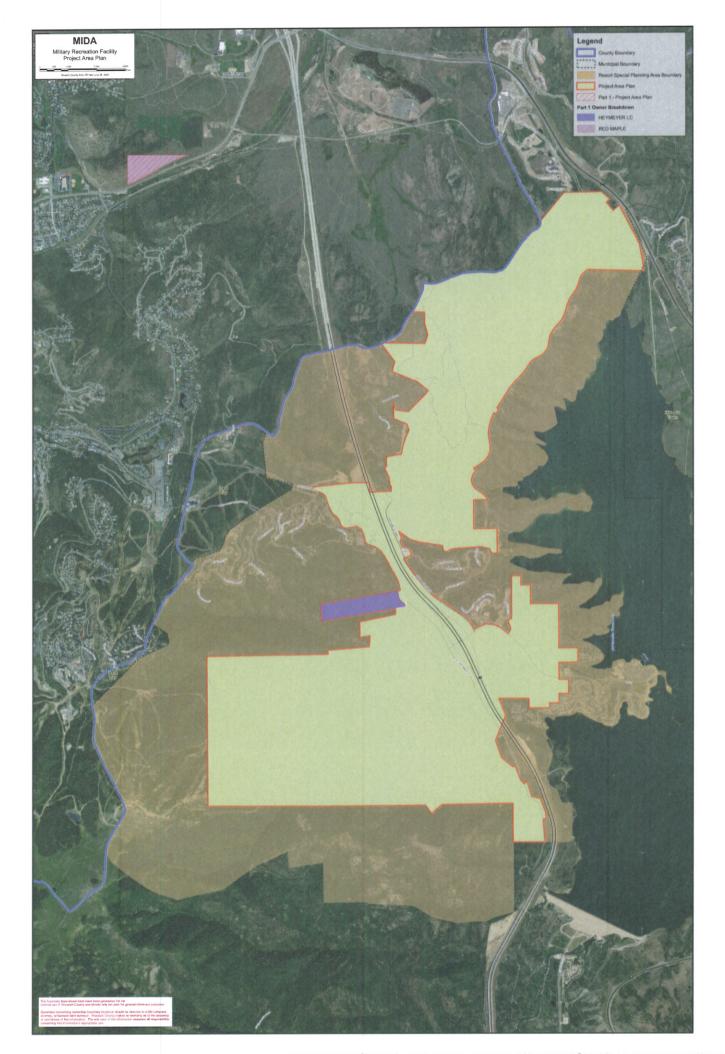
"carrying out the project area plan will promote the public peace, health, safety, and welfare of the community in which the project area is located."

The MIDA Board determines and finds that fulfilling the Project Area Plan will be a real asset to Wasatch County as they will directly benefit from the economic growth described above. Wasatch County formally authorized MIDA to create the Project Area and has encouraged MIDA to begin the development by creating the Part 1 Project Area. MIDA and the Wasatch County will enter into an interlocal cooperation agreement for Wasatch County to be the primary provider of municipal services in the Part 1 Project Area.

⁵ Bureau of Labor Statistics News Release "County Employment and Wages in Utah – First Quarter 2011," October 24, 2011.

Ехнівіт А

MAP OF PROJECT AREA INCLUDING PART 1



Ехнівіт В

AUTHORIZATION ACT

Treasury purchases new obligations of at least \$80,000,000 issued by the Trust under section 104(d)(2). In the event that this condition is not satisfied, the existing agreement referred to in subsection (a) shall be renewed on the same terms and conditions for an

additional five years.".

(b) Increased Borrowing Authority and Technical Correc-TIONS.—Paragraphs (2) and (3) of section 104(d) of title I of division I of the Omnibus Parks and Public Lands Management Act of 1996, as amended by section 334 of appendix C of Public Law 106-113 (113 Stat. 1501A-198) and amended and redesignated by section 101(13) of Public Law 106-176 (114 Stat. 25), are amended-

16 USC 460bb

(1) in paragraph (2), by striking "including a review of the creditworthiness of the loan and establishment of a repayment schedule," the second place it appears; and

(2) in paragraph (3)—
(A) by striking
"\$150,000,000"; and "\$50,000,000" and inserting (B) by striking "paragraph (3) of".

SEC. 2862. TRANSFER OF JURISDICTION FOR DEVELOPMENT OF AIR FORCE MORALE, WELFARE, AND RECREATION FACILITY, PARK CITY, UTAH.

(a) TRANSFER AUTHORIZED.—(1) The Secretary of the Interior may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Air Force a parcel of real property in Park City, Utah, including any improvements thereon, that consists of approximately 35 acres, is located on the north side of State highway 248 in township 2 south, range 4 east, Salt Lake meridian, and is designated as parcel 3 by the Bureau of Land Management. The real property to be transferred under this paragraph does not include any lands located on the south side of State highway 248.

(2) The transfer shall be subject to existing rights, except that

the Secretary of the Interior shall terminate any lease with respect to the parcel issued under the Act of June 14, 1926 (commonly known as the Recreation and Public Purposes Act; 43 U.S.C. 689 et seq.), and still in effect as of the date of the enactment of

(b) USE OF TRANSFERRED LAND.—(1) The Secretary of the Air Force may use the real property transferred under subsection (a) as the location for an Air Force morale, welfare, and recreation

facility to be developed using nonappropriated funds.

(2) The Secretary of the Air Force may return the transferred property (or property acquired in exchange for the transferred property under subsection (c)) to the administrative jurisdiction of the Secretary of the Interior at any time upon certifying that development of the morale, welfare, and recreation facility would not be in the best interests of the Government.

(c) Subsequent Conveyance Authority.--(1) In lieu of developing the Air Force morale, welfare, and recreation facility on the real property transferred under subsection (a), the Secretary of the Air Force may convey or lease the property to the State of Utah, a local government, or a private entity in exchange for other property to be used as the site of the facility.

(2) The values of the properties exchanged by the Secretary under this subsection either shall be equal, or if they are not

equal, the values shall be equalized by the payment of money to the grantor or to the Secretary as the circumstances require. The conveyance or lease shall be on such other terms as the Secretary of the Air Force considers to be advantageous to the develop-

ment of the facility.

d) ALTERNATIVE DEVELOPMENT AUTHORITY.—The Secretary of the Air Force may lease the real property transferred under subsection (a), or any property acquired pursuant to subsection (c), to another party and may enter into a contract with the party for the design, construction, and operation of the Air Force morale, welfare, and recreation facility. The Secretary of the Air Force may authorize the contractor to operate the facility as both a military and a commercial operation if the Secretary determines that such an authorization is a necessary incentive for the contractor to agree to design, construct, and operate the facility.

(e) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under subsection (a) shall be determined by a survey. The cost of the survey shall be borne by the Secretary of the Air Force.

SEC. 2863. ALTERNATE SITE FOR UNITED STATES AIR FORCE MEMO-RIAL, PRESERVATION OF OPEN SPACE ON ARLINGTON RIDGE TRACT, AND RELATED LAND TRANSFER AT ARLINGTON NATIONAL CEMETERY, VIRGINIA.

40 USC 1003 note.

(a) DEFINITIONS.—In this section:

(1) The term "Arlington Naval Annex" means the parcel of Federal land located in Arlington County, Virginia, that is subject to transfer to the administrative jurisdiction of the Secretary of the Army under section 2881 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106-65; 113 Stat. 879).

) The term "Foundation" means the Air Force Memorial Foundation, which was authorized in Public Law 103-163 (107 Stat. 1973; 40 U.S.C. 1003 note) to establish a memorial in the District of Columbia or its environs to honor the men and women who have served in the United States Air Force and its predecessors.

(3) The term "Air Force Memorial" means the United States

Air Force Memorial to be established by the Foundation.
(4) The term "Arlington Ridge tract" means the parcel of Federal land in Arlington County, Virginia, known as the Nevius Tract and transferred to the Department of the Interior in 1953, that is bounded generally by

(A) Arlington Boulevard (United States Route 50) to

the north; (B) Jefferson Davis Highway (Virginia Route 110) to the east;

(C) Marshall Drive to the south; and (D) North Meade Street to the west.

(5) The term "Section 29" means a parcel of Federal land in Arlington County, Virginia, that is currently administered by the Secretary of the Interior within the boundaries of Arlington National Cemetery and is identified as "Section 29". (b) USE OF ARLINGTON NAVAL ANNEX AS SITE FOR AIR FORCE

40 USC 1003

MEMORIAL. (1) AVAILABILITY OF SITE.—The Secretary of Defense shall make available to the Foundation, without reimbursement, up

Ехнівіт С

LEGAL DESCRIPTION OF PART 1 PROJECT AREA

RED MAPLE PARCEL

THE ENTIRE PORTION OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, LYING NORTH OF HIGHWAY 248.

ALSO DESCRIBED AS:

LOT 8 AND LOT 10 AS FOUND ON THE SUPPLEMENTAL PLAT OF SECTION 3 & 10, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, ONE HUNDRED SEVENTH CONGRESS OF THE UNITED STATES OF AMERICA, BY ACT OF JANUARY 3, 2001, UNDER SECTION 2862.

CONTAINS: 26.5 ARCES, MORE OR LESS

BLUE LEDGE PARCEL

THE FOLLOWING PATENTED LODE MINING CLAIMS LOCATED IN THE BLUE LEDGE AND SNAKE CREEK MINING DISTRICTS AND SITUATED IN WASATCH COUNTY, UTAH AS THE SAME ARE DESCRIBED AND DELINEATED IN THEIR RESPECTIVE PATENTS AND MINERAL SURVEYS: PIOCHE LOT 210 PIOCHE NO. 6 LOT 210

ALSO EXCEPTING ANY PORTION LYING WITHIN THE LANDS DESCRIBED IN THE AMENDED COMPLAINT IN CONDEMNATION RECORDED JULY 18, 1996, AS ENTRY NO. 188229, IN BOOK 327, AT PAGE 270, WASATCH COUNTY RECORDER'S OFFICE.

ALSO EXCEPTING ANY PORTION LYING WITHIN THE TRACTS CONVEYED TO USA BY WARRANTY DEED DATED SEPTEMBER 25, 1991, AS ENTRY NO. 157498, IN BOOK 233, AT PAGE 645, WASATCH COUNTY RECORDER'S OFFICE.

ALSO EXCEPTING THEREFROM ANY PORTION OF THE HEREIN DECRIBED LAND LYING WITHIN THE PARCEL DECRIBED AS THE POCATELLO GULCH SITE IN THE SPECAIL WARRANTY DEED FROM UNITED PARK CITY MINES CO. TO JORDANELLE SPECIAL SERVICE DISTRICT RECORD AUGUST 27, 2002 AS ENTRY NO. 248029, IN BOOK 573 AT PAGE 720.