

RESORT DEVELOPMENT

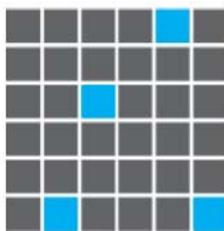
Request for Qualifications and Statement of Interest

Bullfrog Resort Parcel

700 Acres +/-



Garfield County, UT



State of Utah
School and Institutional
TRUST LANDS ADMINISTRATION
Planning and Development Group
675 East 500 South
Salt Lake City, Utah 84102
801-538-5100

REQUEST FOR QUALIFICATIONS AND STATEMENT OF INTEREST

The State of Utah, School and Institutional Trust Lands Administration (the “Trust”) owns an approximately 700 acre parcel, suitable for the development of an upscale resort community and ancillary amenities (the “Project”). The parcel is located in Garfield County at the Bullfrog Marina entrance to the Glen Canyon National Recreation Area (the “Site”). It is situated along Highway 276 at the intersection with the Burr Trail Scenic Byway, in the midst of a stunning and unspoiled landscape, with expansive views and limitless recreational opportunities.

This RFQ seeks a partner to develop the approximately 700 acres based on the preferred option 3, as outlined in Master Plan Concepts for the Bullfrog Resort or an alternative plan (the “Plan”).

INTENT

The Trust is soliciting statements of interest and qualifications for development of the Project and/or purchase of the Site. The purpose of this request is to allow the Trust to ascertain the experience, compensation structure, and resource commitment of developers interested in working with the Trust on the Project. *Substance in the response will carry more weight than form or manner of presentation.*

The Trust anticipates selecting a master developer and entering into a contract wherein the selected developer will provide all resources to execute a phased development plan that is largely in conformance with the Plan and the vision of the Trust. It is intended that the selected developer will implement the development plan in a phased approach that responds to market conditions and results in a high quality, balanced resort community.

The Trust anticipates preference for a transaction in which the Trust will act as a non-subordinated land partner in a development-lease structure. In this scenario, the selected developer would bring all capital and operate as either a) “land developer” intending to wholesale “ready to build” lots/parcels to builders/; b) “land developer-builder” selling or leasing buildings to end users; c) “land developer-builder-operator” constructing and operating resort facilities; or d) a combination of a, b and c.

Compensation structure(s) to the Trust should reflect the level at which the developer intends to operate. The Trust desires to be compensated at a gross price point so it will not be obligated to audit developer expenses. The Trust encourages additional and/or other compensation structures that could include performance-based bonus payments, profit participation, and percentage rents of revenue-producing improvements.

REQUEST

The Trust requests statements of interest and qualifications from developers to implement the Project. In their statements of interest and qualifications, developers are encouraged to provide their views on the viability of the Plan and to propose alternatives if such would improve the development of the community and the Trust's economic returns. The Trust will also consider proposals for development of only the Retail village or the Resort portion of the Plan.

EXPECTATION

The Trust anticipates a high-quality, sustainable resort community to be developed on the Site. It is expected that the Project will generally conform to the Plan prepared by the Trust and outside planning firm of IBI.

TIMING

The Trust expects to enter into negotiations with one or more qualified developers, depending on the nature of qualifications and statements received. The Trust expects to conclude a development lease, development agreement or purchase agreement in the summer of 2017 with the selected developer. At that time, the selected developer would assume full responsibility for the completion of the Project.

PROPERTY AND DISCLOSURES

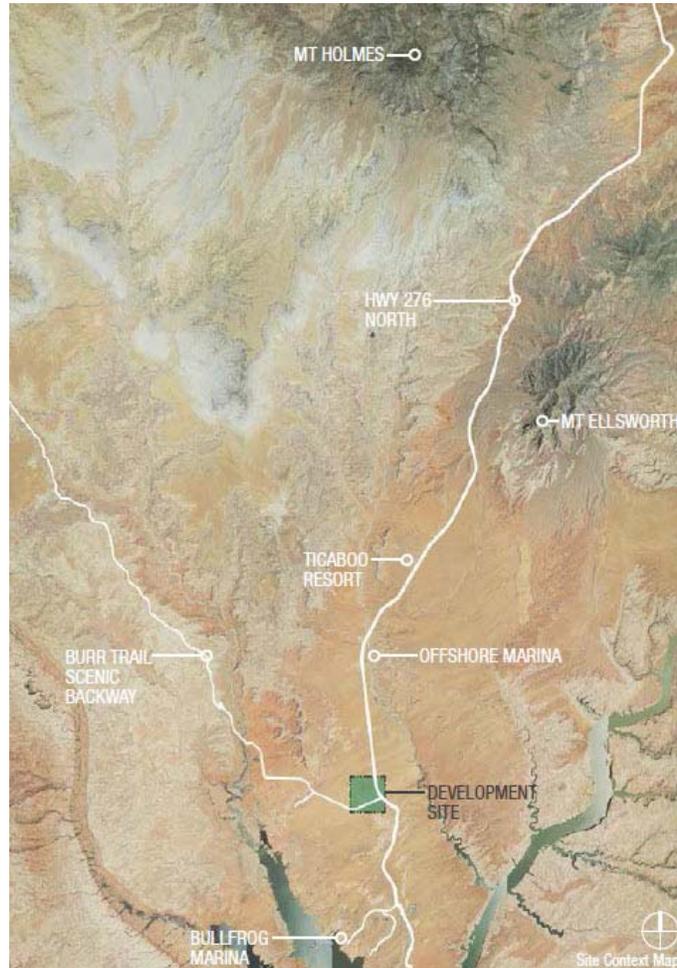
The following information about the Project, including disclosures, is believed to be accurate but is not warranted by the Trust. The information, in this document and separate files on the Trust's website, is presented for convenience only, and may or may not represent the true conditions of the Site. It is the developer's responsibility to collect and use the correct information for its statement of interest.

LOCATION

The Project is located along Highway 276 (see Figure 1), within Sections 20 and 17, Township 37 South, Range 11 East, SLB&M, Garfield County, Utah, in the southern portion of the Trust's Bullfrog Block. Generally it consists of the southern portion of the three-section block of land owned by the Trust.

GENERAL DESCRIPTION

Located five miles north of the Bullfrog Marina where Highway 276 intersects with the Burr Trail Scenic Backway, the Site offers developable land, outstanding views, unique geography, and prime access to Lake Powell and the Glen Canyon National Recreation Area. Interstate 70 is 102 miles north of the Site. The Site's remoteness means that business may be mostly seasonal and dependent on people who are recreating at Lake Powell.



The geography and location of the Site provides unique opportunities. It is easily visible and accessible from the highway for those traveling to Bullfrog Marina. Slopes and natural features within the Site also hide certain areas from the highway, making them ideal for uses that call for a more remote and isolated environment. Most of the terrain is covered by rolling hills flat enough for development with exception of the steeper area around sandstone outcroppings. Vegetation consists mostly of sage brush, mormon tea, cactus, and short grasses native to the area.

MASTER PLAN CONCEPTS AND VISION

The Trust has prepared several development concepts. The Trust anticipates that the developer will present a plan that largely conforms to the preferred development option No. 3 or will present a well thought out alternative plan. The full document is available at: <http://trustlands.utah.gov/wp-content/uploads/2016/09/Master-Plan-Concepts-Bullfrog.pdf>

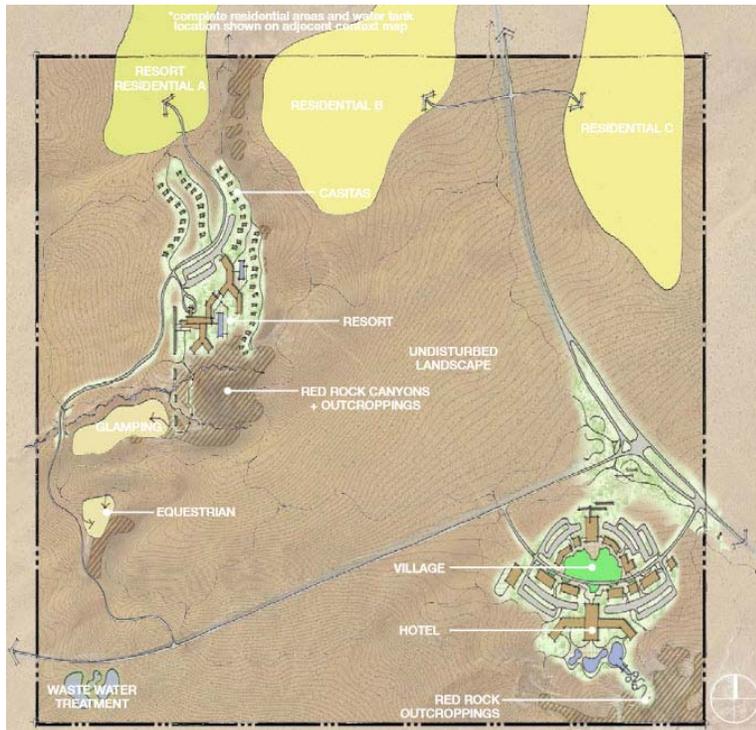
Vision – Bullfrog Resort is a convenient gateway to outdoor recreation, as well as a destination in itself. It entices visitors to come more often and stay longer. The architecture works with the topography and geological features of the landscape to create unique settings that allow visitors to experience remoteness while enjoying all modern comforts.

Parcel Characteristics – Outward views from the site are exceptional displays of the Southern Utah desert landscape. The setting is rich with the Henry Mountains visible to the north, Lake Powell to the west and south, and red rock formations, vistas and canyons in every direction.

With access to Lake Powell and Glen Canyon National Recreation Area, the Henry Mountains, and the Burr Trail Scenic Backway leading to Capitol Reef National Park and Grand Staircase-Escalante National Monument, the Site is an ideal location for Bullfrog Resort. Access and visibility from Highway 276 make for a convenient location for services and a retail/hotel village. The Bullfrog Basin Airport is located less than 3 miles south of the Site. Topography on site is elevated toward the center of the parcel, providing 360 degree views and concealing areas from the highway for a more secluded and natural setting. Unique geological features, the desert landscape, and fantastic western views are prominent in these secluded areas, making them even more striking and appropriate for luxury camping (glamping), resort, and spa type uses. The Site's remote location poses significant utility service challenges, but is also an asset in establishing a distinct brand and experience for the development and its users.

Nearby Facilities – Possibilities for employee housing are available in Ticaboo Townsite, 8 miles north of the Site. Boat storage is currently present at Ticaboo Townsite as well as at the Offshore Marina four miles north.

Plan Components – A summary of the Plan’s components follows:



- **Retail Village and Hotel:** The southeast corner of the parcel has high visibility for traffic coming from the north along Highway 276 on the way to Lake Powell and Glen Canyon National Recreation Area. A high end retail village and hotel would entice a portion of the traffic going south to stop and, maybe, stay.
- **Resort:** The main resort facilities are located in a lower visibility area, with magnificent views to the west, creating a feeling of solitude and remoteness. They are separated from the highway and the retail village by a wide swath of undisturbed landscape and red rock

outcroppings. Resort facilities include an upscale resort hotel and casitas, as well as equestrian and luxury camping (glamping) areas. The entrance off the Burr Trail enhances the feeling of solitude.

- **Residential Development:** The resort residential parcels will introduce comfort to the harsh desert environment. Careful placement, clustering and massing of the units will maximize the sense of remoteness.

PROPERTY DISCLOSURES

Acreage – The Project contains 700 +/- acres.

Entitlements – The property is zoned for Multiple Use (MU), a zone intended to protect undeveloped land and open space, and limit unreasonable requirements for public services and utilities. Garfield County uses a PUD overlay zone, which allows flexibility in making development decisions that vary from standard zoning requirements. Refer to the Garfield County Zoning Ordinance for further details about the MU zone and PUD overlay.

Soils – No preliminary or final soils investigation have been completed for the Project.

Current Uses – The Site has two grazing leases, which the Trust can cancel with a 30-day notice.

IMPROVEMENTS

The site currently has no utility infrastructure. Water and power supply, and sanitary sewage management must be addressed on site. The Site is located within the potential service area of the Ticaboo Utility Improvement District (Power, Water, Wastewater, Solid waste). However, at present no infrastructure is available outside the Ticaboo town site, 8 miles to the north.

Access – Current access to the Site is by an unpaved County Road off the Burr Trail. A viable project most likely includes additional access points off Highway 276 and the Burr Trail. Several options for the highway enhancements are presented on page 14 of the Plan. The Trust has not contacted UDOT to discuss access from the highway to the Site.

Culinary Water – The Trust owns one water right associated with the Bullfrog Block, which may be used for the Project (Water Right 92-646). For any development to occur, adequate water rights will be needed to service the property. No hydrological studies have been done to determine the accessibility of wet water on the Site. There is currently no water infrastructure on the parcel.

Sanitary Sewer –The developer will be responsible to install all sanitary sewer improvements. Options with the least impact on the visitor-experienced environment are preferred, in keeping with the vision for the resort.

Electrical Power –There is no access to a power grid on the parcel. The developer is responsible for either creating off-grid power supply, by using photovoltaic power or other modern sustainable technologies, or bringing power from Ticaboo or Bullfrog Marina to the parcel. During the start-up period, the use of a diesel generator may be necessary.

Storm Drainage –No storm drainage and hydrology studies for the parcel have been completed. It is anticipated that the future developer will perform drainage studies to match the vision and address the impact of all future development.

PROPERTY CONDITION

The project parcel is largely pristine and unimproved.

DEVELOPER OBLIGATIONS

The developer selected to develop the Project will be responsible for all aspects of the Project including future capital investment, full execution of the Project including obtaining all further County approvals, resolving any offsite and onsite issues including utilities, and performing all additional testing, engineering, planning, marketing, construction, managing of contractors, and if applicable, post-construction management of the Project. Furthermore it is anticipated that the selected development partner will adhere to master plan concepts; any changes will be subject to Trust approval.

ADDITIONAL INFORMATION

Additional information about the Project is located on the following web locations:

Trust Document – <http://trustlands.utah.gov/wp-content/uploads/2016/09/Master-Plan-Concepts-Bullfrog.pdf>

Other Questions – Contact Alexa Wilson at 801-538-5177 or alexawilson@utah.gov.
Information in response to questions will be posted at the following url:
<http://trustlands.utah.gov/wp-content/uploads/2016/09/QA-1.pdf>.

SUBMISSION REQUIREMENTS

Any developer wishing to receive consideration should submit the following:

A. Qualifications

1. History – The Trust seeks to partner with experienced real estate developers. Provide background information such as a brief history of the developer, years in business and any other information communicating capabilities including numbers developed, leased and/or sold of i) hospitality units, ii) master-planned residential land/lots, and iii) commercial land.
2. Personnel – Identify and provide resumes for all principals and key personnel who will be involved with the Trust. Provide contact information for the primary individual(s) representing the developer.
3. Relevant Developer Experience – An overview of large-scale mixed-use project and resort development experience over the last 10 years. The overview should outline the type(s) of transaction, position in the transaction(s), and the services provided by the principals and key personnel identified above.
4. References – Names and contact information for at least 3 current or recent-past references to demonstrate general professional integrity and reputation of the developer held within the business/public community.
5. Financials¹ – The Trust seeks to partner with well capitalized developers. Provide the following financial information for the developer:
 - The guarantee relationship that will exist between the development entity and its sponsors or participants if the entity undertaking the development will be specifically formed for this Project or represents a subsidiary or joint venture; and provide the following information for the development entity or, in the case of a specifically formed company, for each of the guarantors:
 - Two (2) most recent years of financial statements.
 - Two (2) credit references, preferably involved in projects of similar scope.
 - The development entity’s demonstrated ability to commit capital to the Project.
 - A statement of willingness to contribute unsecured capital to invest in the Project.

¹ The Trust recognizes the sensitive nature of the financial information request. Financial information should be labeled “*Confidential*” and submitted in a separate electronic file or under separate cover. This information will be used by the Trust for evaluation purposes only and will be kept confidential.

B. Statement of Interest

1. Vision – Summarize developer’s vision for the Project. Drawings and/or plans may be submitted to support the respondent’s vision; however, the respondent is not required to submit any plans or drawings.
2. Strategy – Outline developer’s strategy for developing the Project including
 - Interest in developing all or one of the plan components of the Project, and
 - Developer’s depth of involvement in the development, i.e. a) “land developer” intending to wholesale “ready to build” lots/parcels to builders;/ b) “land developer-builder” selling or leasing buildings at retail; c) “land developer –builder-operator” operating resort facilities; or d) a combination of a, b and c.
3. Transaction – Proposed transaction style: purchase, development-lease structure or another type of transaction.
4. Compensation – Proposed compensation structure to the Trust that dovetails with the proposed transaction style identified above.
5. Other Information – Identify and discuss any other information that you believe the Trust should be aware of or should take into consideration when reviewing your submission.

SUBMISSION INFORMATION

Date and Time: By 3:00 pm Mountain Standard Time on Thursday, January 26, 2017.

Format: Electronic file (PDF **preferred**) *or* three (3) paper copies.

Financial Information:

Financial information should be labeled “*Confidential*” and submitted in a separate electronic file or under separate cover.

Submission Method/Location:

Electronic: alexawilson@utah.gov **(Preferred)**

Paper: School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, UT 84780
Re: Bullfrog Resort RFQ
Phone: 801-538-5177

GENERAL CONDITIONS`

Brokers are encouraged to work with prospective clients to make them aware of this offering. The Trust will not compensate brokers for their work; brokers must seek compensation from their client. Brokers will be required to submit a copy of their client agreement to become involved in the selection process.

The selection of entities for negotiation and the modification of any resulting proposal are at the sole discretion of the Trust. Selection decisions will be based primarily on financial capacity, development experience, qualifications of key personnel, and transaction proposal; however, a subjective component is likely in the selection process.

The Trust may consider all information available to it in reference to the qualification and ability of the submitting entity, including past performance with the Trust.

The Trust reserves the right in its sole discretion to waive irregularities of any kind in responsive submissions, to reject any and all submissions, to accept any submission it feels serves the Trust's and Project's interest, and to extend submission deadlines.

No right whatsoever shall inure in the respondent by virtue of its selection, until such time as a contract has been fully executed.

All expenses incurred in preparing submittals are the sole responsibility of the respondent.

Any proposal may be withdrawn at any time prior to the scheduled submission closing time.

The Trust will not return any copies of submitted proposals and will retain each submission.

Financial information that is specifically labeled "*Confidential*" by the respondent will be held confidential by the Trust. All other portions of submitted proposals will be public after the Project developer is selected and contract documents are signed, pursuant to the Government Records Access and Management Act (Utah Code Title 63G subsection 2).

Proposals will not be publicly opened.

Figure 1: RFQ Subject Area.

Regional Map

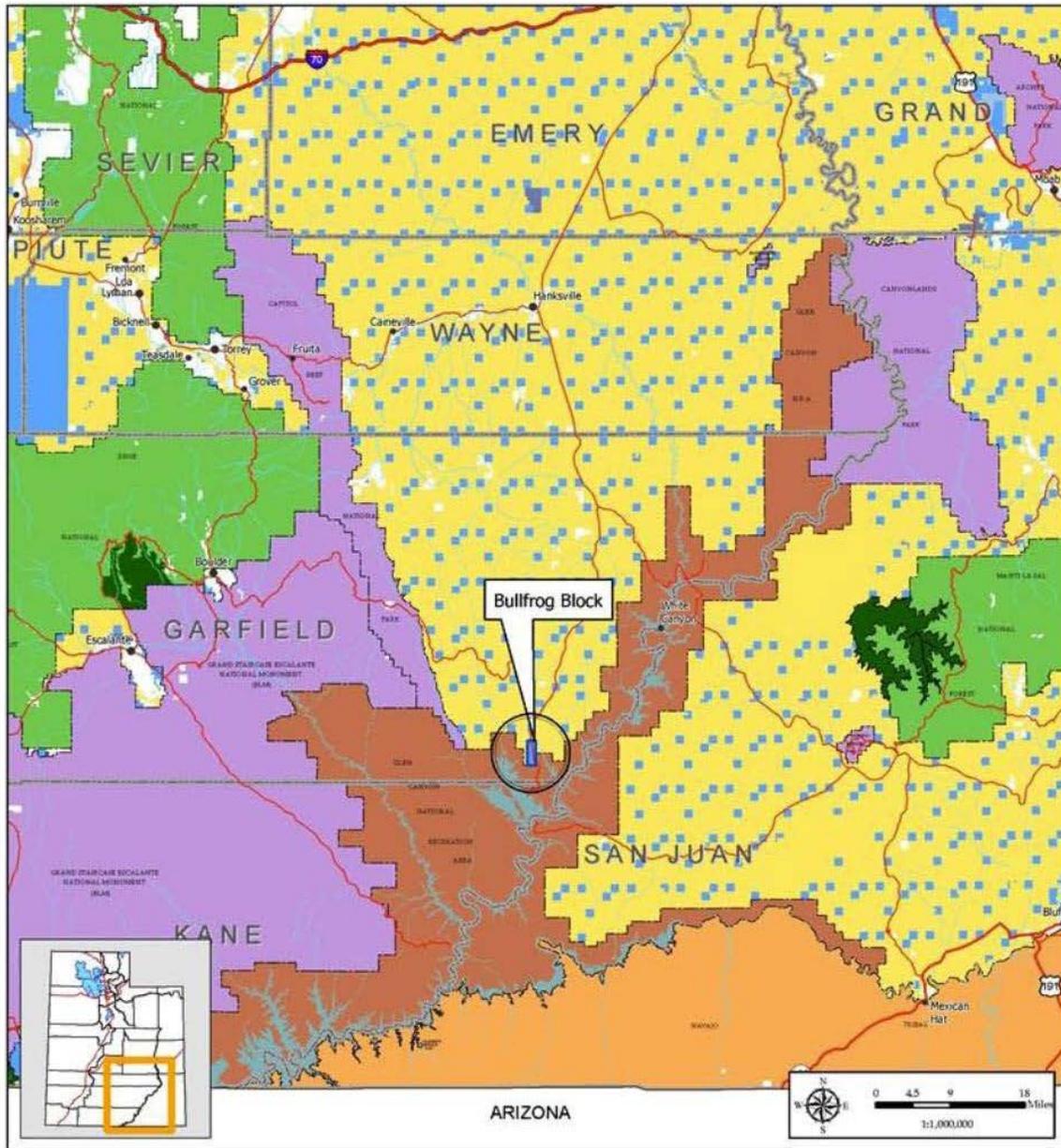


Figure 2: Screenshot of Current Garfield Zoning

