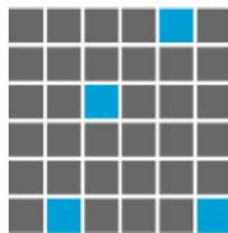


REAL ESTATE DEVELOPMENT

Request for Qualifications and Statement of Interest For the Sand Hollow Block



State of Utah
School and Institutional
TRUST LANDS ADMINISTRATION
Planning and Development Group
2303 North Coral Canyon Blvd, Suite 100-A
Washington, Utah 84780
435-652-2950

REQUEST FOR QUALIFICATIONS AND STATEMENT OF INTEREST

The State of Utah, School and Institutional Trust Lands Administration (“Trust”) has 463.5 +/- acres of vacant land in Hurricane (“City”), Utah known as the Sand Hollow Block (“Project”), in Washington County, Utah.

INTENT

The Trust is soliciting statements of interest and qualifications for development and/or purchase of the Project. 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. *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 properly plan, entitle, and develop the Project. It is intended that the selected developer will implement a development plan in a phased approach that responds to market conditions and results in a high quality, balanced mixed-use community.

While purchase offers will be considered, the Trust’s preference is 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) a “land developer” intending to wholesale “ready to build” lots to builders; B) a “land developer-builder” selling buildings at retail; or C) a combination of A and B.

Compensation structures 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 Project at this time in the market place.

EXPECTATION

The Trust anticipates the Project to be developed as a high-quality mixed-use master planned community. Proposals for smaller developments within the Project will also be considered.

TIMING

With the right proposal, the Trust anticipates entering 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 with the selected developer. At that time, the selected developer would assume full responsibility for the Project. Depending upon the specific agreement reached with the Trust, the Trust may retain partial prior approval authority for subsequent submittals to the City made in the normal course of development. It is expected that the developer would be able to commence development in 2019 or 2020. The Trust anticipates that the Project will be governed by

appropriate design guidelines, CC&Rs, HOAs, etc., and that the selected developer would enter into a development agreement with the City regarding a number of these and other matters.

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 not represent the true conditions of the property. It is the developer's responsibility to collect and use the correct information for its statement of interest.

LOCATION

The Project is located off Sand Hollow Road, just west of Dixie Springs and northwest of the Sand Hollow State Park and northeast of Sand Hollow Resort (see Figure 1), within Sections 11, 14, and 23 Township 42 South, Range 14 West, SLB&M.

GENERAL DESCRIPTION

The Project is located on flat to gently sloping terrain, which the City considers to be suitable and appropriate for development. Attractive sandstone rocks and formations enrich the Project. It is anticipated the Project will support a variety of mixed uses ranging from low-, medium- and high-density residential products to commercial, institutional and civic facilities.

MASTER CONCEPT PLAN AND VISION

The Trust has not produced any conceptual designs for the Project, but anticipates the Project will have residential roads, lots within development parcels, religious/civic sites, neighborhood parks, or commercial uses, and other elements that will be finished as planning is refined. These elements leave the developer with considerable latitude to size lots and vary density within development parcels in response to the market.

The Trust's highest priority continues to be the financial return to the Trust from the Project. The Trust encourages developers to respond frankly to this vision in their statements of interest, and is open to alternative development concepts if a developer can demonstrate a higher return to the Trust from a variation or alternative. That said, if the Trust determines that a particular developer has a lower probability of performing, it may be in the Trust's best interest to skip over that developer in favor of selecting one more likely to succeed with the proposed Project.

Phasing Concept – The Trust believes that developers should consider a phasing plan that works with the probable absorption rates of the area. The Trust can be as patient or as frenzied as the market and will look for a development partner with the ability to speed up and slow down with the market in order to develop the Project on pace with true market demand.

Trails and open space – An integral part of the Project should include a network of trails, open spaces, and other amenities that will enhance the overall Project.

PROPERTY DISCLOSURES

Acreage – The Project has 463.5 +/- acres.

Soils – The Trust has not gathered extensive soil data. The USDA Natural Resources Conservation Service Web Soil Survey indicates a mixture of well-drained sandy loams on alluvial fans and valleys, specifically with Harrisburg fine sandy loam and Pintura loamy fine sand hummocky. Typical vegetation includes shadscale, sagebrush, bursage, creosotebrush, and blackbrush.

IMPROVEMENTS

Access – The Project is accessed from Sand Hollow Road (which runs along the east border of the Project). Sand Hollow Road connects SR-9 to the Southern Parkway. Turf Sod Road cuts along the north border of the Project.

Infrastructure – All utilities are presumed to be located in Sand Hollow Road. Existing storm sewer and sanitary sewer pipes run through the Project from Sand Hollow Resort. There is also an existing easement with Dixie Power cutting through the northern section of the Project, which is presumed to provide overhead distribution. The developer would be responsible for all costs associated with bringing adequate infrastructure within the Project.

PROPERTY CONDITION

The Project consists of vacant land in an as-is undeveloped condition. Prospective developers are encouraged to visit the property, which is readily accessible by automobile. An old farming lease was on the north 40 acres of the Project, but that has since been removed and discontinued.

DEVELOPER OBLIGATIONS

The developer selected to develop the Project will be responsible for all aspects of the Project including capital investment, full execution of the Project including obtaining all City approvals, resolving any offsite and onsite issues including utilities, and performing all additional testing, engineering, planning, marketing, construction, and managing of contractors.

ADDITIONAL INFORMATION

For additional information about the Project:

Contact Aaron Langston at 435-652-2950 or email at aaronlangston@utah.gov

PHOTOS



Photo looking south with Sand Mountain and the sand dunes in the background.

Photo looking southeast showing Dixie Springs in the background.



Photo looking northwest showing some of the unique natural landscapes within the Project.

SUBMISSION REQUIREMENTS

Any developer wishing to receive consideration should submit the following (*Substance in the response will carry more weight than form or manner of presentation*):

A. Qualifications

1. **History** – The Trust seeks to partner with experienced and well capitalized 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 of master-planned residential land/lots developed and sold, and commercial and/or industrial land developed and leased or sold.
2. **Personnel** – Identify and provide resumes for all principals and key personnel who will be involved with the Trust and the Project. Provide contact information for the primary individual(s) representing the developer.
3. **Relevant Developer Experience** – An overview of large-scale mixed-use project 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. **Financials*** – The Trust seeks to partner with well capitalized developers. Those who provide the following financial information for the developer will be taken seriously:
 - 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.
 - The following information for the development entity or, in the case of a specifically formed company, for each of its guarantors:
 - Three (3) most recent years of audited financial statements.
 - Two (2) credit references, preferably involved in projects of similar scope.
 - The development entity’s ability to commit capital to the Project.
 - A statement of willingness to contribute unsecured capital to the Project (the Trust believes it will take a minimum of \$5-10 million to initiate the Project).

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:

* 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.

- Interest in developing all or a portion of the Project, and
 - Developer’s depth of involvement in the development, e.g. A) “land developer” intending to wholesale “ready to build” lots to builders; B) “land developer-builder” selling or leasing buildings at retail; or C) a combination of A and B.
3. Transaction – Proposed transaction style: purchase, development-lease structure or another type of transaction.
 4. Compensation – Proposed compensation structure 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 Tuesday, November 20, 2018.

Format: Electronic file (PDF preferred) *or* two (2) paper copies.

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

Submission Method/Location:

Electronic: aaronlangston@utah.gov

Paper: School and Institutional Trust Lands Administration
Attn: Sand Hollow RFQ
2303 North Coral Canyon Blvd Suite 100-A
Washington, Utah 84780
435-652-2950

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.

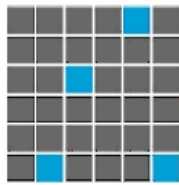
Any proposal may be withdrawn at any time prior to the scheduled submission closing time.

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).

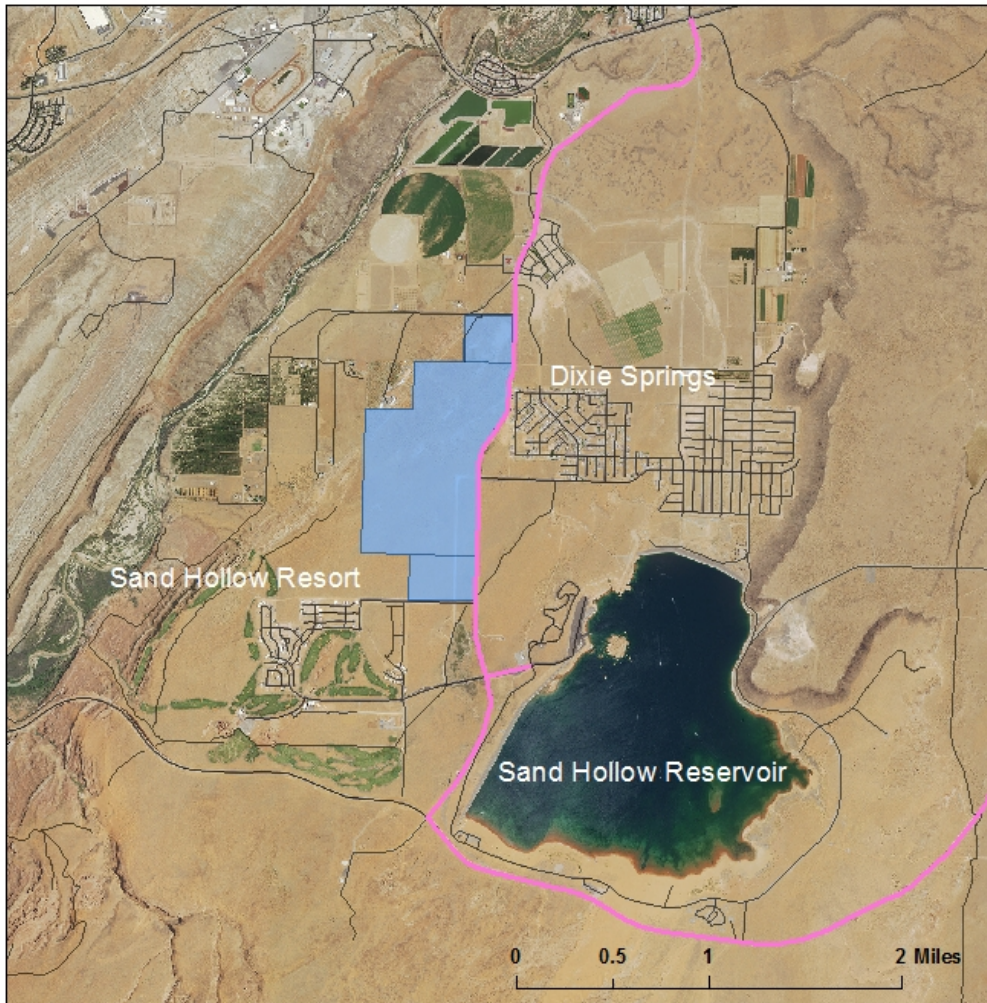
Proposals will not be publicly opened.

Figure 1: Location map for the Sand Hollow Project.









Sand Hollow Development Block

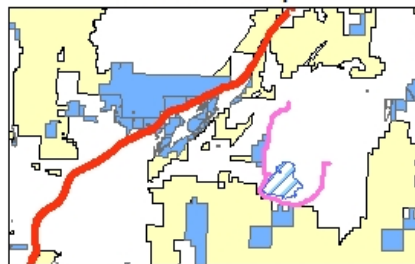
T42S R14W within Sections 11, 14, 23, SLBM
Washington County



Legend

-  Sand Hollow Block
-  Sand Hollow Rd
-  I-15
-  Reservoir
-  School Trust Lands
-  Federal Lands

Locator Map



Map is for reference purposes only. Created on 8/27/2018 by Aaron Langston. All data provided by SITLA.