

REAL ESTATE DEVELOPMENT

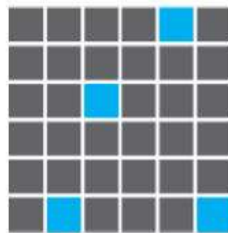
Request for Qualifications and Statement of Interest

For

Master Developer

Saratoga Springs, Utah

Issued April 13, 2022



State of Utah
School and Institutional
TRUST LANDS ADMINISTRATION
Planning and Development Group
675 East 500 South, Suite 500
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 (“SITLA”) has master planned a mixed-use residential community (“Project”) just outside of Saratoga Springs, Utah. The Project encompasses approximately 1,200+/- acres of mostly gently sloping developable land that has the strong potential to become a prominent neighborhood within Saratoga Springs.

INTENT

SITLA is soliciting statements of interest and proposals for a Master Developer to partner on the Project. The purpose of this request is to allow SITLA to ascertain the experience, compensation structure and resource commitment of developers interested in working on this Project with SITLA. *Substance in the response will carry more weight than form or manner of presentation.*

SITLA anticipates selecting a Master Developer and entering into a contract wherein the selected developer will provide all resources to execute the planned vision for the Project or an alternate plan approved by the City of Saratoga Springs (“City”) and SITLA. It is intended that the selected developer will implement the plan in a phased approach that responds to market conditions and results in a high quality, balanced, mixed-use residential community.

While purchase offers will be considered, SITLA anticipates preference for a transaction in which SITLA 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 i) a “land developer” intending to wholesale “ready to build” lots to builders; ii) a “land developer-builder” selling buildings at retail; or iii) a combination of i and ii. Additionally, the selected developer should propose an optional transaction structure for SITLA’s long-term participation as a part owner in the commercial/office segments of the Project.

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

REQUEST

SITLA 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 Concept Master Plan (*Exhibit 1*) and to propose alternatives if such would improve the developed Project and SITLA’s economic returns.

EXPECTATION

SITLA anticipates the Project to be developed as a high-quality mixed-use master planned community in keeping with, or surpassing, the Concept Master Plan prepared to date.

TIMING

SITLA expects to enter into negotiations with one or more qualified developers, depending on

the nature of qualifications and statements received. SITLA anticipates concluding a development lease, development agreement or purchase agreement with the selected developer in the fall of 2022. At that time, the selected developer would assume full responsibility for the Project. Depending upon the specific agreement reached with SITLA, SITLA 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 immediately. SITLA anticipates that the Project will be governed by appropriate design guidelines, CC&Rs, community associations, 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 SITLA. The information, in this document and supporting exhibits on SITLA'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 west of the south-west side of Saratoga Springs at the ends of Grandview Blvd and Stillwater Drive (*Figure A*), within Sections 3 and 11, Township 6 South, Range 1 West, SLB&M, Utah County, Utah. The Project is situated south of the "city center" of Saratoga Springs (*Figure B*) and is currently in Utah County jurisdiction. The Project would require annexation into the City.

GENERAL DESCRIPTION

The Project is located on generally sloping terrain, with a few hazards and development challenges due to legacy activities and major planned utility and transportation corridors. The selected Master Developer, in coordination with SITLA, would be required to take the lead in negotiating annexation and development agreements with the City.

MASTER CONCEPT PLAN AND VISION

A number of conceptual master plans have been prepared over the years for the property with a variety of overall densities and development patterns. SITLA has discussed several of these concepts with City staff over the years, but none of the concepts have been presented to the City's Planning Commission or City Council for approval. The most recent concept (*Exhibit 1*) is what SITLA considers a 'base' concept using the City's existing zoning and long range Master Plan as a guide. The selected Master Developer could use this concept as a starting point but would be expected to refine this concept and amend the vision to their own for approval by the City and SITLA.

SITLA has not laid out the more detailed residential roads or lots within development parcels, parks, or other elements that will be finalized as planning is refined. These elements leave the developer with latitude to size lots and building units and to vary density within development parcels in response to the market and the Master Developer's vision.

It is anticipated that the selected Master Developer partner would take the lead on finalizing this concept and prepare all necessary studies and documents to secure the required pre-annexation and development agreements with the City.

While SITLA values this vision for the Project, SITLA is open to alternative development concepts if a developer can demonstrate a higher return to SITLA and a better project from a variation to the vision.

PROPERTY DISCLOSURES

Acreage – The Project contains approximately 1,200 acres, broken down as follows in the Concept Master Plan (*Exhibit 1*) and based on preliminary topographic analysis (*Exhibit 2*):

SARATOGA SPRINGS CONCEPT MASTER PLAN	ACRES
Total Acreage	1,200
Developable Acreage (less than 30% slope)	975
Neighborhood Commercial (Pod 12)	7.8
Office Park/Institutional (Pod 24)	21.2
Residential Uses (Pods 1-11 and 13-23) *	533.5
Other uses: parks, trails, open space, and major road corridors	637.5

* Assumes overall residential density of 3.0 units/acre.

Phasing – Due to access and utility considerations, the Master Developer will most likely need to begin the initial development phases in Pods 1, 2 and 3 where the property can be served by existing utilities and access. Then, development will likely need to move to Pods 17, 19 and 20 before working south and ‘uphill’ in order to accommodate the requirements for additional water and sewer infrastructure. The Master Developer will need to be patient to fully build out the Project.

Open Space – The Project will have significant open space areas that include hillsides, washes and debris basins; natural trails; and developed parks and developed walking paths. There are existing trails on the property as well as established OHV routes and multi-use pathways that either exist or are planned for the property. The Master Developer should supplement the existing trails and routes where needed in the Project. In addition, the Master Developer may adjust, accommodate or modify existing washes, debris basins and public access to BLM lands and public-use areas to the west of the Project in Israel Canyon (*Figure B*).

IMPROVEMENTS

The Master Developer will be responsible for supplying all on-site and off-site improvements

related to the Project. SITLA expects interested developers to perform their own investigations regarding all aspects of the Project, including requirements and opportunities for on-site and off-site infrastructure and amenities. *Exhibit 6* summarizes the existing and anticipated improvements on-site and off-site. SITLA anticipates that the statements of interest will highlight the developer's thoughts about the following:

Access and Foothill Corridor– The City's Transportation Master Plan defines the major collector and arterial roads. The City and the Mountainland Association of Governments (a.k.a. MAG) have established the Foothill Blvd/Fwy Corridor ("Foothill Corridor") which traverses the Project and provides interchanges at both Grandview Blvd and the extension of Stillwater Drive. Existing and proposed utilities (natural gas, City culinary water, etc.) currently follow this alignment. The final width and detailed alignment of Foothill Corridor around the proposed interchanges will need to be negotiated and coordinated as final engineering and subdivision platting proceed. SITLA has established the eastern edge of the Foothill Corridor with the City and utility agencies that have installed facilities to date. SITLA's preferred Foothill Corridor and interchange design incorporates 'lowering' the freeway as much as possible to allow for eastward sight lines from the neighborhoods to the west and above the Foothill Corridor while allowing for cross connections between the east and west sides of the Foothill Corridor. The proposed roundabouts would be for traffic calming from the interchanges into the residential neighborhoods.

Culinary Water and Sanitary Sewer – The Project is bisected by three different water zones within the City, the lowest of which generally follows the Foothill Corridor. Pods 1, 2 and 3 should have access to the existing water infrastructure and existing sewer connections. The remaining development pods will need to be phased from north to south and east to west, going uphill through the utility zones, as sewer infrastructure can be developed (both on-site and off-site) from the City Center projects to the north of the Project, and as culinary water infrastructure (tanks and booster pumps) can be developed to extend the City's existing culinary water infrastructure. SITLA has been negotiating with the development directly to the north of the Project and the City to locate the first of several water tanks on the Project. The Master Developer will need to quickly finalize this location and associated infrastructure upsizing.

Parks and Trails – The Concept Master Plan (*Exhibit 1*) calls for significant open space as both natural and improved park space. SITLA encourages the Master Developer to work closely with the City in planning all parks and trail connections. The Master Developer will be responsible for the design and construction of neighborhood trail systems throughout the Project and continued public-road access to Israel Canyon (*Figure B*) as well as access to the various easements and utilities that currently exist on the property (*Exhibit 5*). With careful planning and coordination, the existing clay pits and future closure of the landfill will allow for significant open space areas that can be developed as amenities to the Project.

Storm Drainage – The City will require a storm drainage plan prior to substantial development, particularly as this site has had significant debris flows due to previous off-property wildfires. The City holds easements for debris flow basins, debris flow channels and debris flow infrastructure (*Exhibit 5*). These debris flow facilities will need to remain and/or be adjusted as the Project develops, with approval from the City.

Existing Leases On-site – There are currently 6 existing leases on the northern portion of the Project site. These leases are anticipated to expire or terminate over the next several years and their locations are shown in *Exhibit 4*:

- SULA 1204 – Peck Class IV Landfill
 - Earliest anticipated termination – April 29, 2027.
 - This lease is for the construction and demolition debris (“C&D”) landfill currently operating on the northern end of the site at the end of Grandview Blvd.
 - It is anticipated that once closed and capped, the property can be used as open space within the Project. Reuse of the capped landfill surface would require approval and coordination from the Utah Department of Environmental Quality.
 - The landfill operator and SITLA have held preliminary discussions about keeping the C&D landfill operating as the overall Project is developed. It is anticipated that the Master Developer would be included in these discussions to find the right timing for the ultimate capping and closure of the landfill while balancing the advantage of having a C&D landfill adjacent to the Project.
- SULA 1465 – Southwest Energy Explosives Plant
 - Anticipated termination – March 30, 2024.
 - The lessee is required to remove all equipment, buildings, and any surface improvements.
- MP 611 – Peck Rock Products
 - Anticipated termination – March 30, 2023.
 - Sand/Gravel permit.
- ML 46231 – Peck Limestone Lease
 - Anticipated termination – December 30, 2023.
- ML 17806 – Pabco Building Products
 - Anticipated termination – December 30, 2024.
 - Existing clay mine.
- ML 44800 – Pabco Building Products
 - Anticipated termination – December 30, 2024.
 - Existing clay mine.

It is anticipated that the Master Developer will become involved in coordination and discussions with the existing lessees to find a mutually beneficial way to phase the closures of these leases with the development schedule and overall master plan for the Project. For example:

- If there are benefits to keep the existing C&D landfill operating, that lease could be extended and the lease boundary reduced to just the landfill boundary.
- Coordination on the final mass grading and reclamation of the clay mines.

Existing Easements On-site – There are currently several existing easements on the Project site. Their locations are shown in *Exhibit 5*:

- ESMT 649 – PacifiCorp dba Rocky Mountain Power
 - Distribution power line; perpetual term.
- ESMT 1169 – PacifiCorp dba Rocky Mountain Power
 - Transmission power line; expires October 22, 2036 (de facto perpetual term).
- ESMT 1256 – City of Saratoga Springs
 - Culinary water pipeline; perpetual term.
- ESMT 1819 – City of Saratoga Springs
 - Dump Fire drainage channel; perpetual term.
- ESMT 1880 – City of Saratoga Springs
 - Drainage control, stormwater and debris storage improvements; perpetual term.
- ESMT 2118 – City of Saratoga Spring
 - Secondary water pipeline; perpetual term.
- ESMT 2271 – Dominion Energy
 - Natural gas pipeline; perpetual term.
- ESMT 2282 – City of Saratoga Spring
 - Drainage easement
- ESMT 2283 – PacifiCorp dba Rocky Mountain Power
 - 138kV transmission power line; perpetual term.
- ESMT 2297 – Dominion Energy
 - Natural gas pipeline; perpetual term.
- ESMT 2403 – Craig Wayman
 - Access road for neighbor; expires the earlier of March 18, 2051 or when alternative access is available.
- ESMT 2297 – Dominion Energy
 - Natural gas pipeline; perpetual term.
- PRED 784 – Utah County
 - Class B Road to Israel Canyon; perpetual term.
- PRED 793 – Eagle Mountain City
 - OHV trail to Israel Canyon; “at-will” term.
- ROW 414 – PacifiCorp dba Rocky Mountain Power
 - Transmission power, distribution power and telephone lines; perpetual term.
- ROW 662 – Mtn States Telephone Company
 - Construction telephone line; perpetual term.
- ROW 3135 – PacifiCorp dba Rocky Mountain Power
 - 12.5 kV distribution power line; perpetual term.

BLM PARCEL (EAST ½ OF NE ¼ SECTION 10)

SITLA and BLM are in the final stages of completing a quantity grant selection for SITLA to acquire 80 acres shown in *Exhibit 3*. This action should be complete by the end of 2022, however any delay will not impact the first several phases of development or any planning for the Project.

PROPERTY CONDITION

SITLA's property in this land offering is vacant land in an as-is undeveloped condition and will not be improved further by SITLA. Prospective developers are encouraged to visit the property, which is readily accessible by automobile and 4-wheel drive vehicle.

DEVELOPER OBLIGATIONS

The selected developer for the Project will be responsible for all aspects of the Project including capital investment, full execution of annexation, an approved Master Plan including obtaining all further City approvals, resolving any off-site and on-site issues and conflicts including utilities, and performing all additional testing, engineering, planning, marketing, construction, and managing of contractors.

ADDITIONAL INFORMATION

For additional information about the Project:

- Included with this RFQ are the following PDF exhibits as separate documents:
 - Exhibit 1 - Concept Master Plan (October 2020; Langvardt Design Group)
 - Exhibit 2 - Preliminary Slope Analysis
 - Exhibit 3 - BLM parcel
 - Exhibit 4 - Existing Leases
 - Exhibit 5 – Existing Easements
 - Exhibit 6 - Utility Feasibility Study (April 4, 2022, Hansen, Allen, & Luce)
 - *Information in this study should be independently verified and confirmed*

Check this RFQ website for updated information before submitting your qualifications and statement of interest: <https://trustlands.utah.gov/?p=18595>

- *City Documents* – City development code, as well as land use, zoning and transportation maps can be accessed on the City website: <http://www.saratogaspringscity.com/>
 - Additional questions regarding City codes and/or process can be directed to Saratoga Springs City Staff at (801) 766-9793
 - City Planning Director: David Stroud
 - City Engineer & Public Works Director: Jeremy Lapin
- *Other Questions* – Contact Troy Herold at (801) 538-5170 or therold@utah.gov. Answers to all questions will be posted on the RFQ website and available to all interested parties.

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 – SITLA 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 SITLA and the Project. Provide contact information for the primary individual(s) representing the developer.
3. Relevant Developer Experience – An overview of the developer’s master planned community experience in the last 10 years. The overview should outline the type(s) of transactions, 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* – SITLA 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.
 - Provide 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 (SITLA believes it will take a minimum of \$10-15 million to initiate the Project).

* SITLA 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 SITLA 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 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” land 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 SITLA should be aware of or should take into consideration when reviewing your submission.

SUBMISSION INFORMATION

Date and Time: By 3:00 pm Mountain Time on Friday June 3, 2022; no exceptions.

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

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

Submission Method/Location:

Electronic: therold@utah.gov

Paper: School and Institutional Trust Lands Administration
Attn: Troy Herold
675 E. 500 South, Suite 500
Salt Lake City, UT 84102
801-538-5100

GENERAL CONDITIONS

Brokers are encouraged to work with prospective clients to make them aware of this offering. SITLA 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 SITLA. 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.

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

SITLA 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 SITLA's and the 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.

SITLA 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 SITLA. 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 A: Location map for the Saratoga Springs Project.

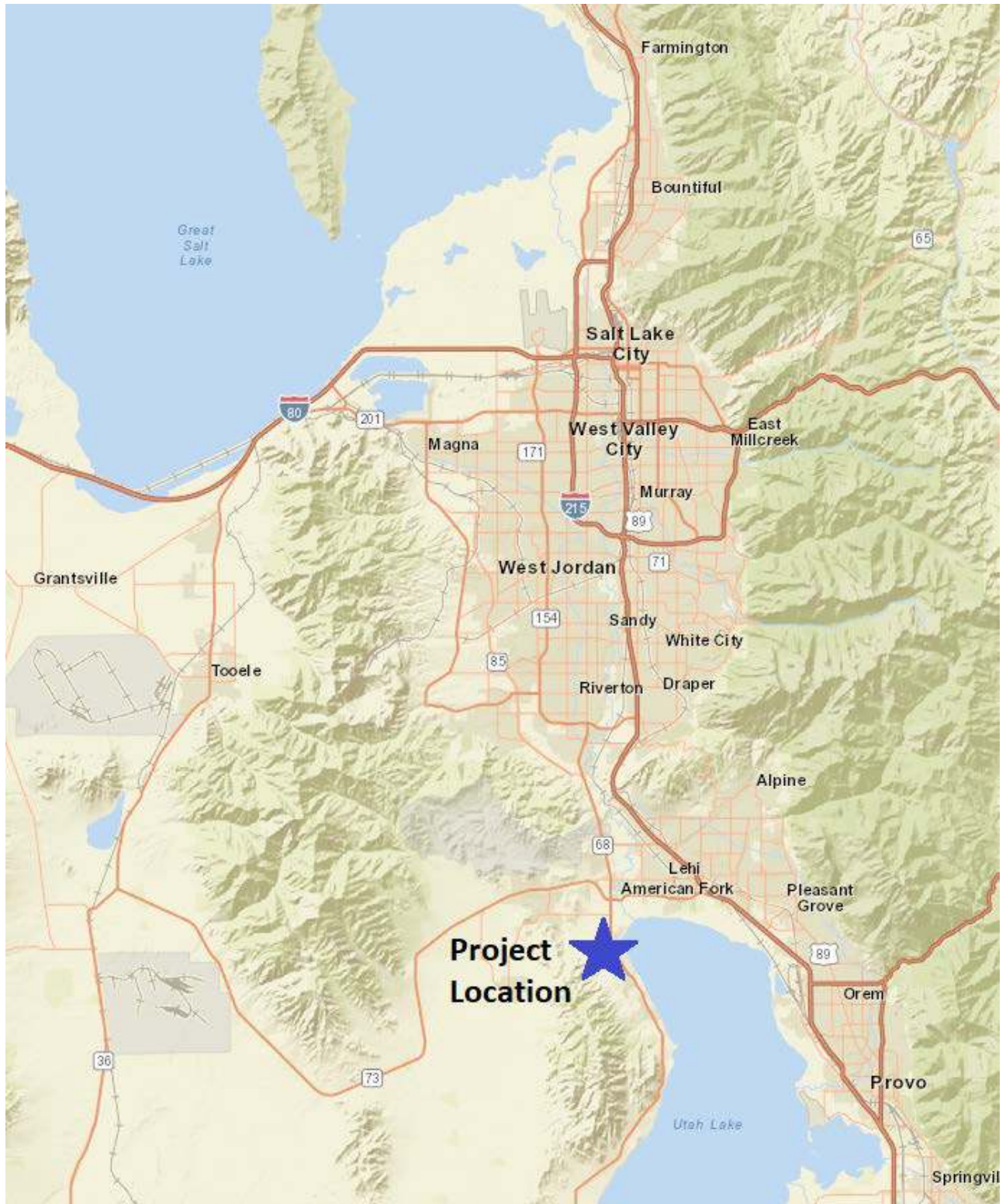


Figure B: Project location in the Saratoga Springs area.

