

Daggett County Land Exchange

Committee Findings & Recommendations

February 28, 2012

Committee Members

Miles Rademan (Facilitator)

Allen Browning

Craig Collett

Norm Dahle

Rex Falkenrath

John Rauch

Steve Scoville

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Jerry Taylor

Mark Wilson



Introduction

Daggett County, in concert with the State of Utah’s School & Institutional Trust Lands Administration (“SITLA”), has the opportunity of obtaining ownership and control of a very small, yet to be determined, parcel of land through an exchange with the United States of America. To advise the County on the most appropriate parcel to exchange, the Daggett County Board of Commissioners (“Commission”) appointed and retained the services of the following individuals to serve as members of the Selection Committee (“Committee”): David McDonald, John Rauch, Craig Collett, Mark Wilson, Jerry Taylor, Allen Browning, Craig Smith, Esq., Steve Scoville, Rex Falkenrath, Myles Rademan (Facilitator), and Norm Dahle. The Committee was instructed to evaluate six sites and make its recommendation to the Commission regarding which parcel the Committee believes is best suited for the exchange in support of the County’s effort to promote economic development within Daggett County.



As the Trustee for lands granted to the State for the financial support of Utah schools, SITLA is responsible to enhance the market value of its land holdings through the sale, development or exchange of property at its highest and best use. SITLA has extensive land holdings within the State of Utah that are contiguous to or surrounded by land, which is owned by the Federal Government. Any site proposed by Daggett County for exchange must meet with SITLA's approval and fit within its legislative mandate.

Federal land is managed by various agencies, (Forest Service, Bureau of Land Management, Bureau of Reclamation etc.) of the United States Government in accordance with specific land management priorities and plans, which provide guidelines for the use, development, management and disposal of the government's land holdings. The Federal Government and SITLA maintain an ongoing relationship as each agency discharges its responsibility to manage its respective land holdings. On occasion, the two agencies find it

advantageous to exchange land, in support of their respective management goals and objectives. With few exceptions, the Congress of the United States must approve such land exchanges.

Committee Purpose

The Committee's purpose is to provide the Commission with a recommendation regarding land parcels within Daggett County that will enhance the opportunity for economic development within the County, provide SITLA with the opportunity of increasing the value and development potential of its holdings and create a favorable climate for an exchange of land with the Federal Government.

The overriding charge of the Committee is to determine which parcels of land would create above average opportunity for economic development and entice an individual or individuals to invest millions of dollars, developing a resort in an area that has limited population and infrastructure. The site must create a sense of arrival worth the effort of bypassing developments closer to the large population centers like Salt Lake or Denver and traveling to the Flaming Gorge Recreation area. It is recognized that five of the six sites are located within the National Recreation Area (NRA) requiring exceptional effort to garner support from the Forest Service. To that end, the Committee presents to the Commission its findings. The Committee evaluated the following sites:

1. Mustang Ridge
2. Cedar Springs
3. Red Canyon
4. Sheep Creek
5. Linwood Bay
6. Lucerne Valley



(The sites are shown on the map and aerial photograph following the report)

The Committee's review consisted of assessing each site based on the general criteria listed below. Each category was divided into subcategories providing the detailed information required by the Committee to make an informed recommendation to the Commission:

1. Geographic Location
2. Environmental / Buildability Issues
3. Existing Infrastructure

4. Community Benefits
5. Adverse Community Issues

Mustang Ridge:

Mustang Ridge is located north of the Flaming Gorge Dam and, northwest of Dutch John. While any private development in the Mustang Ridge area would be visible to the public campgrounds located along the shoreline area of the reservoir, the campgrounds would remain and be otherwise undisturbed, with development of the resort taking place in the hills north and west of the campgrounds. The site is accessed from Highway 191, with development of a resort including the required amenities occurring in the hills above the reservoir and campgrounds.

Construction of a resort clubhouse, lodging, resort amenities and the potential for development of a cross section of mid level to high-end multi and single-family housing could be easily designed to enhance and area that already receives considerable annual use. Furthermore,

upscale homes could be tucked away in the hills above the resort allowing for greater control of the visual impact resort development would have on the area. Access to the site, and access from the site to Flaming Gorge and the Green River is superior to that of the other five sites. The site is positioned across the reservoir from the Cedar Springs Marina allowing development of this site to take advantage of existing access



points to the reservoir. Development of Mustang Ridge would likely support increased use of the Cedar Springs marina, resulting in minimal additional impact on the reservoir, other than increased use. Moreover, increased development in the Mustang Ridge area would likely encourage expanded development within the Cedar Springs permit area. The availability and close proximity of existing infrastructure (sewer, water, natural gas, electrical power) within the nearby Dutch John community makes this site a superior selection. Additionally, SITLA owns 320 acres of land east of Highway 191, which is a short distance from the proposed site making this an attractive option for SITLA. Support for the exchange of this site by the Forest Service will probably be the most challenging to obtain; however, if properly presented with a sensitivity to the existing public use of the area, the Mustang Ridge site could provide a high level of

interest and when developed create a sense of “arriving” at something unique and worth the effort and investment. Development of the Mustang Ridge site could have an impact on the development of nearby properties within the Dutch John community; however, it is likely that the time required to complete an exchange of land and develop the Mustang Ridge site will be lengthy. With proper planning and the right investors, the Mustang Ridge area and Dutch John property can be developed to support rather than compete with, delay or hinder development within the Dutch John community. The Mustang Ridge site was ranked 1st of the 6 sites that were inspected and assessed.



Cedar Springs:

Cedar Springs is located west of Flaming Gorge Dam, south of the reservoir and is accessed from Highway 191. The site has no direct access to the reservoir and provides limited views of the lake. The site’s topography, lack of any infrastructure, other than electrical power, and limited access to developable land would not support the economic development of a resort. The site is situated in close proximity to the Cedar Springs marina, which is located west of the proposed site. Cedar Springs was ranked 5th of the 6 sites evaluated.



Red Canyon:

Red Canyon is contiguous to the existing Red Canyon Lodge development, which is accessed from Highway 44. Mark Wilson is the The Red Canyon Lodge permittee and controls just less than 80 acres of Forest Service land, under the terms of a renewable, 30-year permit. The area does not have direct access to the Flaming Gorge Reservoir but does provide a spectacular overlook of a section of the reservoir. The site has limited infrastructure increasing the cost of development for the site. The areas terrain is relatively flat and wooded allowing for the construction of resort amenities that do not require access to or views of the water. The site would support expanded development of cabin type lodging. Conversion of the existing visitors center to a restaurant and a hotel would add to the desirability of this site. However, due to its distance from the main attractions of the Green River and Flaming Gorge Reservoir, development of a resort would present a challenge. This site was ranked 4th of the 6 sites evaluated.



Sheep Creek:

Sheep Creek is situated on the west side of the reservoir with access from Highway 44. Its isolated and remote location, steep terrain and lack of amenities would not support any type of resort development. It does have limited access to the reservoir allowing for minimal lake activity. This site was ranked

6th of the 6 sites evaluated, generating little excitement from Committee members.

Linwood Bay:

Linwood Bay generated a cross section of reactions relating to the development of the site as a resort. It ranked 2nd of the 6 sites but did not elicit any real excitement for the type of development being considered for the area. The site lacked a superior visual impact desired to create a unique experience necessary to establish a resort community. The site's access to the reservoir and development of beachfront property is exceptional, provided water levels of the reservoir are consistently maintained. Additionally, significant adjacent private land provides ample room for expansion. Access to the water and use of the beachfront will be negatively impacted during years of draught and any dramatic change in water withdrawals affecting the level of water in the reservoir. Aside from the inlet located on the extreme southeast area of the proposed site, there is little variation in the terrain that is attractive to the eye or would support development of high-end housing. The site could accommodate the development of a golf course, and walking paths, which would add to the desirability. Development of a new marina is possible, however, due to easy access to the Lucerne Valley marina across the bay, development of a fully equipped marina may not be required. Development of the proposed site would provide additional incentive for expansion of the Lucerne Valley marina and its campsites. Additionally, development of resort lodging and mid-range housing could be sustained as the resort matures and gains acceptance. It is the Committee's opinion that development of this site would not support the construction of high-end housing. There appears to be some question

regarding the availability and capacity of nearby existing infrastructure, owned by the town of Manila necessary to meet the demands of a large resort development in the area. Assessment of this aspect of development will require further discussion with the leaders of Manila and examination by the Commission. Linwood Bay provides the closest resort site to the Salt Lake metropolitan area. This site was ranked 2nd of the six sites evaluated.

Lucerne Valley:

Lucerne Valley is controlled and operated by Jerry Taylor who holds a permit with the Forest Service for the existing marina and campgrounds. Development of this site will most likely be limited to construction of a hotel, restaurant, tavern, convention center and other amenities that do not require large amounts of acreage. Some of these amenities could be built within the demised area of the existing permit. Where some infrastructure is available; expansion of the existing utilities will be required to accommodate the construction and operations of new amenities. This site ranked 3rd.

Conclusion and Recommendation:

The Committee ranked the 6 sites it visited and evaluated in the following order:

1. Mustang Ridge (13,822 points)
2. Linwood Bay (11,171 points)
3. Lucerne Valley (11,099 points)
4. Red Canyon (9,699 points)
5. Cedar Springs (8,893 points)
6. Sheep Creek (5842 points)



The Mustang Ridge site received unanimous approval as the site having the most desirable visual appeal and other

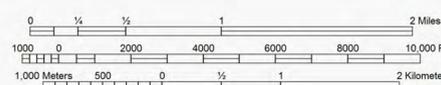
development benefits needed to capture the attention and interest of developers and investors.

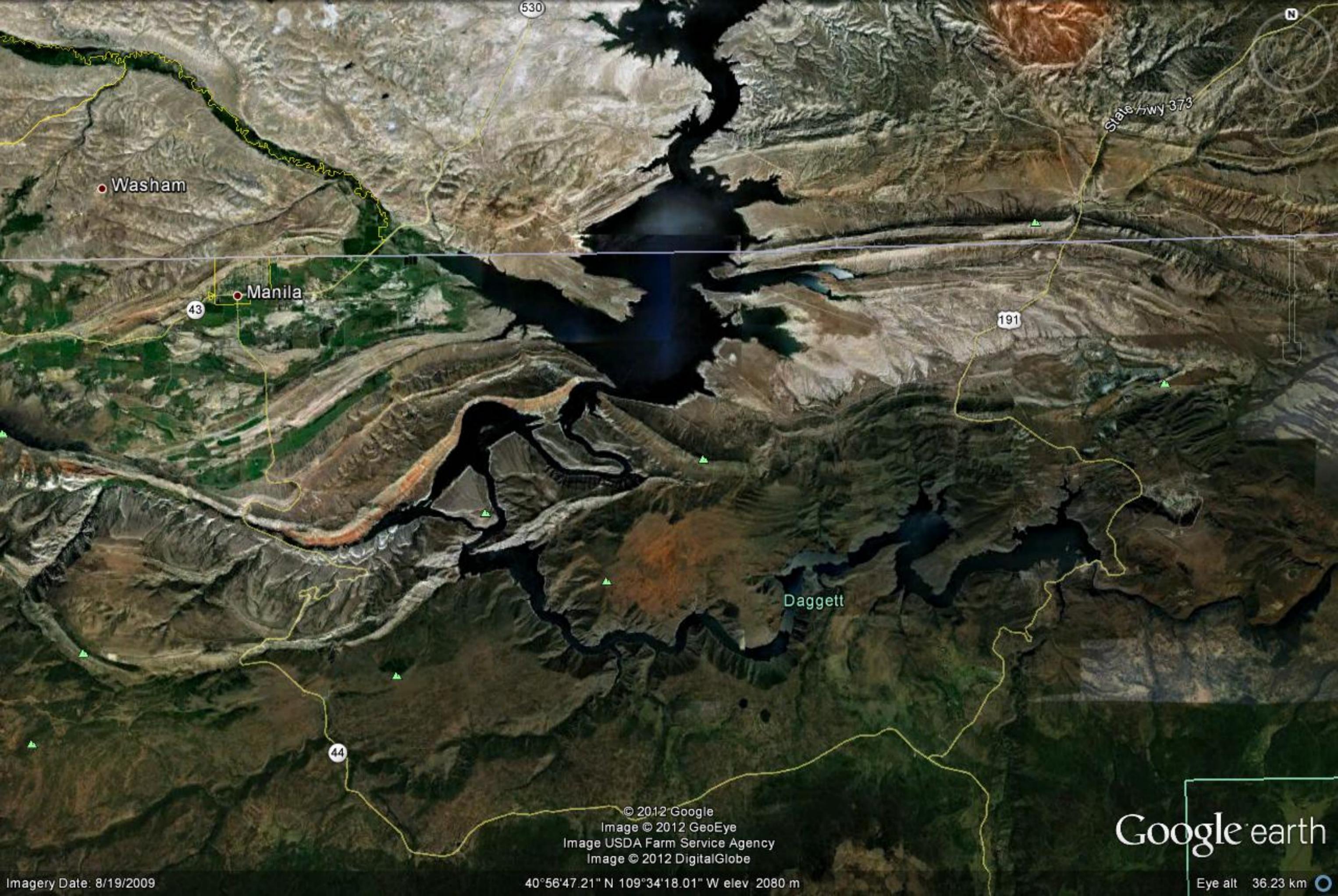
The availability of infrastructure, including the only site with the availability of natural gas and its close proximity to existing SITLA holdings strengthened its position as the number one site. It is the Committee's conclusion that Mustang Ridge will provide the greatest opportunity for success in developing a resort within the Flaming Gorge area. Linwood Bay and Lucerne Valley were ranked within 72 points of each other, essentially rendering the sites equal in desirability. A particular challenge to completing any exchange with the Federal Government is gaining a positive recommendation from the Forest Service. Therefore, it is recommended by the Committee that the Commission vets the top three sites, as it assesses the information contained

herein, and makes its decision regarding the site selected for exchange. It is also recommended that after the Commission has vetted the top three sites they meet with SITLA to discuss the County's findings and its support of the site selected for exchange.

Finally, it is the Committee's recommendation that after the Commission receives the Committee's findings, this report be posted on the County's website with copies available at the County offices for public review and comment for a period of, at least, two weeks. It is further recommended that the Commission receive written public comments until the Friday prior to the meeting in which the Commission plans to render a decision. Following this process will allow for robust public input and provide a defensible public process in reaching the ultimate decision.







Washam

Manila

Daggett

State Hwy 373

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Google earth

Imagery Date: 8/19/2009

40°56'47.21" N 109°34'18.01" W elev 2080 m

Eye alt 36.23 km