

MODIFIED FEASIBILITY REQUEST FOR THE CREATION
OF A PRELIMINARY MUNICIPALITY

Lieutenant Governor's Office
350 State St. #220,
Salt Lake City, UT, 84103

The undersigned (the "**Applicants**") hereby apply for the creation of a new Preliminary Municipality ("**City of Nine Springs**") pursuant to the Utah Code, Title 10, Chapter 2a, Utah Code annotated 1953 (Utah Code § 10-2a-502(1)).

I. Applicants; Contact Sponsor

Applicants / Owners:

Spring Mountain Ranch LLC, a Utah limited liability company
2316 E 5950 S.
Ogden, Ut 84403
Phone No. 801-721-9603
Email: nelson4242@gmail.com

SISO LLC, a Utah limited liability company
2316 E 5950 S.
Ogden, Ut 84403
Phone No. 801-721-9603
Email: nelson4242@gmail.com

Primary Contact / Sponsor:

Structure 9 Development Group
Brach Nelson
2471 Woodland Dr.
Ogden, UT 84403
Phone No. 801-888-5528
Email: brachnelson@gmail.com

With a copy to:

Bruce R. Baird, PLLC
Attn: Bruce Baird
2150 S. 1300 E., Suite 500
Salt Lake City, UT 84106
Phone No. 801-647-1400
Email: bbaird@difficultdirt.com

The above and undersigned Applicants represent 100% of the surface property owners within the proposed boundaries of the Preliminary Municipality (Utah Code § 10-2a-502(5)(a)).

BRUCE R. BAIRD PLLC

ATTORNEY AND COUNSELOR

2150 SOUTH 1300 EAST, FIFTH FLOOR

SALT LAKE CITY, UTAH 84106

TELEPHONE (801) 328-1400

BBAIRD@DIFFICULTDIRT.COM

January 9, 2025

VIA EMAIL ONLY

Office of the Lieutenant Governor

Attn.: Mr. Jordan Schwanke

Re: City Nine Springs

Preliminary City Application

Response to Feasibility Study Determination Notice, October 15, 2025

Modified Feasibility Request

Dear Schwanke:

I am counsel for Spring Mountain Ranch, LLC, and SISO, LLC, the applicants regarding the above referenced application for the creation of a preliminary city pursuant to the provisions of the Utah Code, Section 10-2a-501, *et seq.*. This letter accompanies an analysis from Ms. Susie Becker of Zions Public Finance regarding the Preliminary Feasibility Study conducted by Lewis Robertson Burningham dated 14th October 2025.

I have reviewed the Zions Public Finance as well as the analysis by LRB and the applicable provisions of the Code. In my opinion, the analysis by Zions Public Finance conclusively establishes that the proposed preliminary city easily clears the 105% feasibility requirement of Section 504(5) the Code and is at least very close to the range of 118%-132% number in the Zions Public Finance analysis.

It is further my understanding that the application for the City of Nine Springs has already been determined to be complete and compliant with all of the other requirements of the Code.

I look forward to the approval of the application. If you have any questions or if I can be of any further assistance please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to be 'BR Baird', with a long horizontal flourish extending to the right.

Bruce R. Baird

cc: Client

Zions Public Finance, Inc. was asked to conduct an independent and objective review of the LRB Supplemental Feasibility Study for 9 Springs as well as the concerns raised by the Morgan County Commission with LRB’s initial feasibility study. The information presented herein is based on our research of data and understanding of Utah Code requirements.

REVIEW OF LRB REPORT

ZPFI has reviewed the LRB report and notes the following major concerns, which are discussed in more detail in the body of this memorandum.

- The LRB report assumes that 80 percent of multi-family residential units are second homes, with the remaining 20 percent being primary homes. The ratio should be the inverse: 80 percent of multi-family units are considered to be primary residences. The LRB reduction of primary multi-family units serves to understate the projected sales and road fund revenues, which are calculated on the primary population only.
- Public safety services will continue to be provided through the property taxes paid by the new city to the County’s General Fund and therefore public safety costs to a new city would be negligible.
- Road cost research shows that the projected FY2026 (not actual) cost of expenses for Wasatch Peaks Ranch (WPR) are extraordinarily high compared to similar mountainous locations already receiving services and with a verified track record of actual costs.

I. ADJUSTMENT TO POPULATION PROJECTIONS (80% PRIMARY & 20% SECOND HOME UNITS)

Revenues are understated in the LRB report because the report assumes that only 20 percent of multi-family units will be primary units. Actually, the Sponsor projects that about 80 percent of multi-family units will be primary units. This is in accord with a review of the Morgan County Assessor’s office which shows that over 76 percent of units in areas such as Quail Hollow, Meadow Park West and Cottonwood Spring View are primary residences. Using the correct projected number of primary units, the population for sales tax distribution should increase by about 695 persons by Year 5 (from 1,970 persons to 2,665 persons).

Table 1: LRB Population Projections

	Year 1	Year 2	Year 3	Year 4	Year 5
Primary Population	162	850	1,532	1,729	1,970
Second Home Population	292	591	896	1,020	1,118

Table 2: 9 Springs Corrected Population Projections

	Year 1	Year 2	Year 3	Year 4	Year 5
Primary Population	362	1,255	2,141	2,396	2,665
Second Home Population	91	188	292	356	423

II. SALES TAX REVENUE ADJUSTMENT – Per Capita Distribution Comparison

Sales Tax Revenue - Population Distribution

The added population of 695 persons in primary residence pursuant to the adjustment above will generate about \$500,000 in additional revenue over 5 years from the per capita distribution. The LRB report uses a per capita distribution of \$164.23 in Year 1, increasing at 3 percent annually. Table 3 uses the LRB per capita distribution amounts and multiplies them by the corrected primary population.

Table 3: Population Sales Tax Distribution Comparison

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
LRB Report						
Sales Tax Distribution per Capita – per LRB	\$164.23	\$176.02	\$188.65	\$202.19	\$216.71	NA
LRB Primary Population	162	850	1,532	1,729	1,970	NA
LRB Population Distribution	\$26,606	\$149,618	\$289,019	\$349,595	\$426,912	\$1,241,750
ZPFI Adjustment						
9 Springs Primary Population	362	1,255	2,141	2,396	2,665	
9 Springs Population Distribution	\$59,526	\$220,934	\$403,930	\$484,491	\$577,468	\$1,746,348

Sales Tax Revenue – e-commerce Distribution Comparison

The e-commerce distribution will increase from the added primary population and should include some revenue from the second home population. However, besides using a smaller primary population number than anticipated, LRB does not include any revenues at all from the second home population. That decision by LRB understates their impact. While the exact impact from second homeowners of e-commerce distribution tax is unknown, second homeowners generally have high disposable incomes and will buy furnishings and other items online for their residences in Morgan County. Assuming their purchases at only 50 percent of the rate of primary homeowners, plus the added primary population, results in about \$64,000 in additional revenue over 5 years from the e-commerce distribution. This increase uses the same per capita distribution amount as shown in the LRB report. The only changes below are the added population and the 50% contribution of the secondary home users.

Table 4: Sales Tax Revenue – e-commerce Sales Revenue Comparison

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
E-Commerce Sales per Capita	\$3,649	\$3,758	\$3,871	\$3,987	\$4,107	\$3,649
LRB e-commerce Distribution	\$2,956	\$15,972	\$29,652	\$34,468	\$40,454	\$123,501
9 Springs e-commerce Distribution*	\$7,440	\$25,350	\$44,268	\$51,314	\$59,061	\$187,433
*Sales per capita are multiplied by the total primary population (and 50% for the second home population) and the local option point of sale (0.5%) to project e-commerce revenues.						

Sales Tax Revenue – Road Funds

The same logic applies to the Class B/C road funds population distribution where the added primary population gains about \$91,000 over 5 years. This increase uses the same per capita distribution amount as shown in the LRB report. The only change is in the added primary population.

Table 5: Class B/C Road Funds Population Distribution Comparison

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
LRB per Capita Distribution	\$35.07	\$36.61	\$38.21	\$39.89	\$41.64	
LRB Class B/C Population Distribution	\$15,459	\$31,116	\$58,540	\$68,965	\$82,023	\$256,103
9 Springs B/C Population Distribution	\$12,711	\$45,951	\$81,814	\$95,585	\$110,958	\$347,020

The following table is taken directly from the LRB report:

Table 6: LRB Revenues Summary

	Year 1	Year 2	Year 3	Year 4	Year 5	Average
Sales - Population Distribution	\$26,606	\$149,618	\$289,019	\$349,595	\$426,912	\$248,350
Pt of Sale Distribution	\$0	\$89,438	\$135,300	\$183,425	\$247,950	\$131,223
E-Commerce	\$2,956	\$15,972	\$29,652	\$34,468	\$40,454	\$24,700
Lodging	\$0	\$174,105	\$197,297	\$203,440	\$400,113	\$194,991
Class B/C Miles	\$4,557	\$9,584	\$15,119	\$21,200	\$27,869	\$15,666
Class B/C Population	\$15,459	\$31,116	\$58,540	\$68,965	\$82,023	\$51,221
Licenses and Permits	\$15,012	\$81,128	\$150,607	\$175,073	\$205,461	\$125,456
TOTAL Revenues	\$64,590	\$550,960	\$875,534	\$1,036,166	\$1,430,782	\$791,606

Revenue items which change, as noted above, are highlighted in the summary table below. It could also be argued that the revenue from licenses and permits is low as LRB explains that they are only calculated at 85 percent of actual expenses. It is highly unlikely that the County is subsidizing 15 percent of developer costs on an ongoing basis. Building permit and license revenues have been adjusted to meet expenses.

Table 7: 9 Springs Corrected Revenues Summary

	Year 1	Year 2	Year 3	Year 4	Year 5	Average
Sales - Population Distribution	\$59,526	\$220,934	\$403,930	\$484,491	\$577,468	\$349,270
Pt of Sale Distribution	\$0	\$89,438	\$135,300	\$183,425	\$247,950	\$131,223

	Year 1	Year 2	Year 3	Year 4	Year 5	Average
E-Commerce	\$7,440	\$25,350	\$44,268	\$51,314	\$59,061	\$37,487
Lodging	\$0	\$174,105	\$197,297	\$203,440	\$400,113	\$194,991
Class B/C Miles	\$4,557	\$9,584	\$15,119	\$21,200	\$27,869	\$15,666
Class B/C Population	\$12,711	\$45,951	\$81,814	\$95,585	\$110,958	\$69,404
Licenses and Permits	\$17,661	\$95,445	\$177,185	\$205,968	\$241,719	\$147,596
TOTAL Revenues	\$101,895	\$660,806	\$1,054,912	\$1,245,424	\$1,665,138	\$945,635

These changes improve the revenues-to-expenses ratio considerably – from 84 percent in the LRB report to 103 percent before an evaluation of expenses (see Table 8 below).

Table 8: LRB Ratio Summary

Ratio Comparison	LRB	9 Springs
Average 5-Year Revenues	\$789,643	\$945,635
Average 5-Year Expenses	\$917,986	\$917,986 Before 9 Springs Adjustment of Expenses (see following section)
Ratio	86.0%	103.0%

Table 5.1 in LRB’s report shows that the County received nearly \$1 million in revenues from “Charges for Services” in 2024. This is a separate line item from “Licenses and Permits.” The LRB report shows no revenues, however, from charges for services. This is concerning because the LRB report makes no reduction for the costs accompanying these services. Either revenues for charges for services must be included or expenses must be reduced. Under applicable Utah law, the fees charged for providing these services should be roughly equal to the cost of providing these services.

In short, the lack of revenue from charges for services serves to understate the true revenues from 9 Springs. This is further complicated by the fact that expenses, *as admitted and stated by LRB*, are overstated in the LRB analysis. This is discussed in the following section.

EXPENSES

General Government

LRB states that it has removed purely County functions such as assessor, courthouse and non-departmental functions from its analysis of general government expenses but then goes on to admit, **“Without a separate MSF,¹ the true cost of service provided to unincorporated areas in Morgan County is difficult to quantify. It is important to note that the remaining cost**

¹ Municipal Services Fund

categories included in Table 4.3 may still be overstated, as they represent services that will be provided to the Study Area if it incorporates.” LRB used a per capita cost of \$155.35 in its incorporation feasibility study for the Ogden Valley. For some inexplicable (and unexplained) reason, LRB used a general government cost of \$328 in Morgan County for the purposes of the LRB report at issue here. In other words, more than double the cost in Ogden Valley. The most likely answer is that Weber County (Ogden Valley) has a separate municipal services fund and so duplicate costs are removed from the General Fund. These duplicate costs have not been removed in Morgan County as admitted in LRB’s statement quoted previously in this paragraph.

At this point in our analysis, ZPFI has used the higher general government costs, but has reduced costs for public safety and roads in the sections below. However, we note that if the \$155.35 per capita cost is used, rather than the \$328, general government expenses in the LRB report would decrease by 53 percent. This would amount to a cost savings of \$1.2 million over 5 years. Considering that LRB’s Year 5 expenses total \$1.2 million (for all expenses), this is significant. There needs to be a greater effort on the part of LRB to dissect the General Government costs for Morgan County in order to have reliable cost projections.

Public Safety

Morgan County does not have a separate Municipal Services Fund and therefore provides its municipal-type services, such as law enforcement, to the unincorporated areas of the County through its General Fund. Property taxes from the new city will continue to pay into the County’s General Fund for municipal-type services such as law enforcement. Therefore, the County is required to provide a base level of service for law enforcement since it charges for this service through its General Fund.

The LRB report argues that a cost will be incurred for the new city because Morgan City pays for police services. The LRB report states, “Morgan, a nearby municipality, contracts with the Sheriff’s Office for service at a rate of \$132,330 per year.” LRB then states that the County said the contract amount for 9 Springs would be the same and uses this amount, plus costs for animal control, in its analysis.

However, according to Ty Bailey, Morgan City Manager, “The only reason Morgan City pays for additional law enforcement is we get ‘enhanced service,’ which we have defined as a dedicated officer.”² It is not appropriate to budget, as LRB does, for enhanced services. Current service levels must be used as stated clearly in Utah Code.

Since a feasibility study only requires measuring the current level of service, which the County is required to continue to provide, all public safety costs have been removed from the analysis. If a new city chooses to have an added level of service, then additional costs would be incurred.

² E-mail from Ty Bailey dated October 14, 2025

Roads

One paved road mile is the equivalent of five weighted miles. UDOT uses a weighted road mile calculation in its distribution of road funds and is likely the reason that LRB uses weighted road miles in its analysis. LRB uses a cost of \$19,316 per weighted road mile (LRB p. 20) apparently based solely on WPR's Road and Fire District's road operating budget for FY 2026. Note that these are hypothetical numbers for a projected budget (not actual costs). LRB's budget equates to \$96,580 per road mile (unweighted). Assumptions also include a total of 23.30 weighted road miles by 2026 (a total of 4.66 miles).³ The road miles were provided by the Sponsor.

In using the WPR budgeted road costs, LRB states that "due to the vast difference in cost between the two surrounding areas [Mountain Green and WPR], the study defaults to the County's recommendation of using Scenario 2 [WPR]." No backup or research of costs in other mountainous areas was undertaken to verify costs or understand why such a disparity in cost.

Further, WPR is a self-proclaimed playground for billionaires that proudly presents itself as, essentially, a perfect place to live and which severely restricts which persons can even apply to live there on an invitation-only basis. 9 Springs does not pretend to be that level of perfection and it is normal humans, with normal expectations of public (as opposed to private) services, who will live in 9 Springs.

Therefore, the following research is included to demonstrate that road costs are vastly overstated in the LRB report.

First, LRB used a cost of \$8,506 per weighted road mile for Ogden Valley (not including Ogden Canyon or Powder Mtn). The cost of \$19,316 per weighted road mile (more than double Ogden Valley) was used for 9 Springs. This cost is more than four times greater than the road costs for Mountain Green (\$4,767 per weighted road mile) which is mentioned in the LRB study.

Therefore, with such differing costs it is truly concerning that the WPR budget projections were used rather than researching road costs in other mountainous areas. ZPFI reached out to Draper City as the Suncrest area is felt to be very comparable with public, as opposed to private services. Based on this research on actual historical costs of service, road costs in the mountainous areas of Draper are approximately \$4,000 annually per road mile. Please see Appendix A for letter from Draper City Public Works. Draper City has 25 years of experience servicing the Suncrest area and its numbers are based on actual costs and its years of experience.

Maintenance costs (other than snow removal) were calculated based on a cost of 18 cents per square foot every five years as indicated by Draper City in a phone conversation with them. This is a conservative assumption as it is highly unlikely that there would be road maintenance costs in the first five years for new roads.

³ LRB, p. 19

Table 9: Draper Road Costs in Suncrest

Description	Amount
Snow Removal	\$443,637
Maintenance Total	\$179,977
Total Cost	\$623,614
Miles in Mountainous Area	32.65
Cost per Mile	\$19,100
Cost per Weighted Mile	\$3,820

Using the Draper cost of \$3,820 this incorporation study is easily feasible as shown in the two tables below.

Table 10: 9 Springs Adjusted Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5	Average
Incorporation Costs	\$58,836	\$6,000	\$9,372	\$6,000	\$10,600	\$18,162
General Government	\$122,509	\$436,796	\$768,676	\$884,204	\$1,012,587	\$644,955
Law Enforcement						
Roads	\$17,801	\$35,602	\$53,404	\$71,205	\$89,006	\$53,404
Total Expenses	\$199,146	\$478,399	\$831,451	\$961,409	\$1,112,193	\$716,520

Table 11: 9 Springs Adjusted Ratio with Draper Road Costs

Ratio Comparison	LRB	9 Springs
Average 5-Year Revenues	\$789,643	\$945,635
Average 5-Year Expenses	\$917,986	\$716,520
Ratio of Revenues to Expenses	86.0%	132.0%

As another example of the highly overstated road costs in the LRB report, Action Snowplow and Lawncare submitted a bid for snow removal for 9 Springs. Action Snowplow is a highly experienced company with a track record of providing services for clients such as Red Ledges, Victory Ranch, Hideout, Park City and Heber City.

Table 12: Summary of Action Snowplow Costs

Description	Amount
Cost for 4.66 miles	\$203,119
Cost per mile	\$43,588
Cost per weighted mile - snowplow	\$8,718
Maintenance cost per mile	\$5,512
Total cost per mile	\$49,100
Cost per weighted mile - maintenance	\$1,102

Total cost per weighted mile	\$9,820
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Table 13: 9 Springs Adjusted Ratio with Action Snowplow Road Costs

Ratio Comparison	LRB	9 Springs
Average 5-Year Revenues	\$789,643	\$945,635
Average 5-Year Expenses	\$917,986	\$800,400
Ratio of Revenues to Expenses	86.0%	118.1%

The proposed incorporation of 9 Springs is clearly feasible with a revenue to cost ratio ranging between 118 percent and 132 percent.

REVIEW OF MORGAN COUNTY COMMISSION LETTER

Item 1 – Financing Requirement

Page 2, 1st paragraph of Commission Letter

Morgan County states, “While certain developer-funded capital improvements may not be booked as municipal outlays, the feasibility analysis must still consider how those improvements will be financed and how it impacts the projected tax burden per household within the municipality (§ 10-2a-504(3)(a)(ii)(E)).”

This section of the Code actually states that the feasibility study shall include an analysis of the following, determined as if, at the time of the analysis, the proposed preliminary municipality area is incorporated as a town with a population of 100 people:

“New revenue sources that may be available to the proposed preliminary municipality area that are not available before the area incorporates, including an analysis of the amount of revenues the proposed preliminary municipality area might obtain from those revenue sources.”

The Code requirement is for new revenue sources and not an analysis of how improvements will be financed as stated by Morgan County. The LRB analysis fulfills the requirement of Utah Code by identifying new revenue sources in Section 7 of its report. Therefore, the point that the County tries to raise is irrelevant.

Item 2 – Backup for Road Costs

The County complains there is no backup for the \$6,685 per mile used in the first LRB feasibility study but then it fails to provide any backup for the \$19,316 per mile other than a projected (not actual costs) FY2026 budget for WPR. No backup from comparable communities is provided. As noted above, WPR is a luxury resort with levels of (private) service that are inapplicable to 9 Springs and unsubstantiated historical costs, and is not comparable in this analysis.

The average home price in WPR, based on 35 developed units at Wasatch Peak Ranch (which commenced construction no later than 2024) and a combined total market value of \$253,932,274,⁴ is \$7,255,207.83 – a billionaire’s club. No unit is valued at less than \$3 million. In comparison, residential unit prices in 9 Springs range from \$500,000 to \$3 million.

Item 3 – Calculation of Road Costs

Page 2, paragraph 3 – Morgan County states, “Reliance on the Class B & C Roads apportionment formula (Utah Code § 72-2-108) is misplaced; that statute governs distribution of state funds, not a local jurisdiction’s actual construction or maintenance expense. Excluding real-world costs, or failing to disclose the financing mechanism and taxpayer exposure, renders the fiscal model unreliable and non-compliant.”

LRB never relies on the Class B&C road revenues as the mechanism for road costs. As stated previously, it uses the hypothetical FY2026 budget for WPR.

Item 4 – Requirement for Independent Market Analysis

Page 3, 2nd paragraph – Morgan County states, “Because projected revenues rely heavily on commercial and lodging activity, § 10-2a-504(3)(a)(ii)(C) and (D) require credible, independently verified evidence supporting those assumptions. No independent market analysis was performed. This omission is significant.”

This is what the Code actually states which does not appear to require a market study.

(C) assuming the same tax categories and tax rates as imposed by the county and all other current service providers at the time during which the feasibility consultant prepares the feasibility study, the initial and five-year projected revenue for the proposed preliminary municipality area;

(D) the risks and opportunities that might affect the actual costs described in Subsection (3)(a)(ii)(B) or the revenues described in Subsection (3)(a)(ii)(C) of the proposed preliminary municipality area;

Section 6 of the LRB report addresses risks and opportunities associated with the proposed preliminary incorporation. Therefore, this issue was addressed in accordance with Utah Code in the LRB report.

Item 5 – Commercial Absorption Concerns

Page 3, 2nd paragraph, County states, “Commercial Absorption: County economic development staff note that current County population levels (“rooftops”) are insufficient to support the roughly 95,000 commercial square footage proposed within five years.”

⁴ Morgan County Assessor’s Office

Morgan County’s population was 13,223 persons in 2025 (LRB Report, p. 9). According to ICSC,⁵ a highly respected and premiere global marketplace association, there is an average of 23.8 retail sf per capita nationally. This results in 311,613 supportable square feet in Morgan County – more than three times that planned for 9 Springs. Morgan County’s population is expected to reach 15,868 persons by 2030 which could support 377,658 square feet. Therefore, it appears that there is plenty of buying power in the County currently, and with future growth, to support 95,000 sf of retail.

Item 6 – Hotel Lodging Rates

Page 3, Middle Paragraph

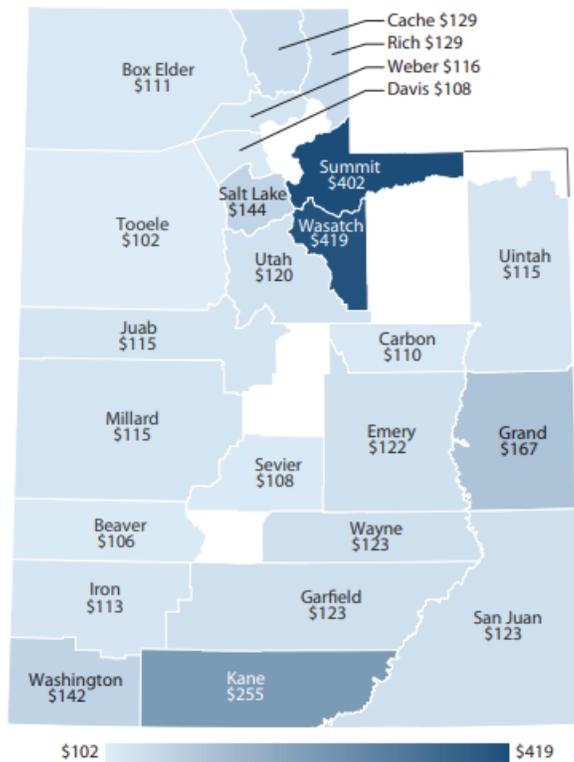
Morgan County states: “The County’s only hotel recently underwent bankruptcy proceedings and averages roughly \$120 per night. LRB’s assumption of a \$600 average daily rate (“ADR”) exaggerates local performance by a factor of five and is not accompanied by a reasonable occupancy rate assumption.”

The resort areas of Wasatch and Summit counties have rates far higher than \$120 based on the Utah Travel & Tourism Report, April 2025, Kem C. Gardner Policy Institute. Plus, 9 Springs is projecting a resort hotel, at the upper end of rates, not the average rate.

⁵ International Council of Shopping Centers. International Council of Shopping Centers (ICSC)

ICSCn-nhttps://www.icsc.com/uploads/press/INFOGRAPHICFOR_MOBILE.pdf

Figure 41: Average Daily Room Rate (ADR) by County, 2024



Note: No data exists for counties shaded white.
Source: Kem C. Gardner Policy Institute analysis of STR, Inc. data. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.

Item 7 – Growth Rates and Sales Tax Distribution

Page 3 – bottom of page

Morgan County states that the study assumes:

- Population Growth: 1% annually
- Household Income Growth: 3% annually
- Sales Tax Growth: 9% annually

And then the County goes on to state: “These assumptions are internally inconsistent. Modest growth in population and income cannot reasonably sustain sales tax revenues tripling income growth rates. Sustained sales tax growth triple the rate of income growth is implausible in a small, partially secondary home market. Utah Code § 59-12-205 allocates local option sales tax 50% by point of sale and 50% by population. Because secondary homes do not increase the population-based distribution, the model materially overstates revenues.”

There are two incorrect statements in the above paragraph.

1. Historically, the County’s population growth rate has been 1.58 percent while sales tax growth has been 13.72 percent. So, the historical record is consistent with the assumptions in the LRB study.

	CY2019	CY2020	CY2021	CY2022	CY 2023	CY2024	AAGR*
Morgan County Sales	\$139,896,267	\$186,370,581	\$202,728,140	\$224,545,955	\$235,721,923	\$266,049,917	13.72%
Morgan County Population	12,115	12,462	12,657	12,860	13,004	13,093	1.56%
Sales per Capita	\$11,547.36	\$14,955.11	\$16,017.08	\$17,460.81	\$18,126.88	\$20,320.01	11.97%

*AAGR = average annual growth rate

2. The County states that second homes do not increase the population sales tax distribution. That is correct and LRB did not include second homes in its population sales tax distribution. Therefore, the County’s statement, “Because secondary homes do not increase the population-based distribution, the model materially overstates revenues” is a misstatement. Second homes were never included in the sales tax population distribution by LRB.

Item 8 – Public Infrastructure Districts

P.4, bottom, PID – has nothing to do with incorporation feasibility study and one has to wonder why this section was even included by the County.

Item 9 – Second Home Sales Tax Distribution

p. 5 – Section VII, #4 – The County states that the feasibility study needs to, “Re-align sales tax projections with the statutory formula in § 59-12-205, properly excluding secondary home populations from the population-based distribution.”

While the County’s statement infers that second homes were included in the feasibility study, as stated previously in this memorandum, second homes were never included in the population distribution.

Item 10 – Sensitivity Analysis

Section VII-6. The County states that a downside sensitivity analysis needs to be performed for infrastructure and revenue assumptions to demonstrate that five-year average revenues continue to exceed costs by more than 5% as required by §10-2a-504(5).

The Code actually says in §10-2a-504:

- (5) (a) Except as provided in Subsection (5)(b), if the results of the feasibility study, or a supplemental feasibility study described in Section [10-2a-505](#), show that the average annual amount of revenue calculated under Subsection (3)(a)(ii)(C) does not exceed the average annual cost calculated under Subsection (3)(a)(ii)(B) by more than 5%, the process to incorporate the area that is the subject of the feasibility study or supplemental feasibility study may not proceed.
- (b) Except as provided in Subsection [10-2a-505](#)(3), the process to incorporate an area described in Subsection (5)(a) may proceed if a subsequent supplemental feasibility study conducted under Section [10-2a-505](#) for the proposed incorporation demonstrates compliance with Subsection (5)(a).

There is no requirement here for the study to analyze revenues and expenses for a period beyond five years.

Conclusion about the County's comments. None of the County's comments have any actual effect on the required economic feasibility analysis.

ACTION SNOWPLOW AND LAWN CARE, INC.

BOX 698

KAMAS, UTAH 84036

435-640-3488(PHONE) 435-783-6951 (Fax)

SNOW REMOVAL BID/CONTRACT

Property Address: 9 Springs Morgan County Development

Billing Address:

Phone Number: Susie Becker 801-540-8679

Email: susan.becker@zionbancorp.com

Dates of Service: Oct 15, 2026 to May 15, 2032

Service to begin after .5 or more inches of snow has accumulated in the client's roadways.

\$ 29017 Per month for 4.66 miles of road or \$6226.82 per mile per month will be charged to plow roadways, salt and any push back of banks.

ADDITIONAL Fees: (with owner approval)

Loader Work	\$ 225	per hour
Tractor Work	\$ 125	per hour
Snow Blower	\$ 125	per hour
Dump Truck	\$ 130	per hour
Dump Fee	\$ 55	per load
Shoveling	\$ 55	Per man hour

Action will push back snow in times of heavy snow accumulations per Action's discretion.

Billing will be sent on the **FIRST** day of every month for the following month's service. Payment is due on the **30TH** of the month. **A late fee of \$25.00 or 15% of the monthly payment, whichever is greater, will be assessed to any payment received after the due date.**

Client acknowledges and agrees that **Action** assumes **no responsibility or liability** for the damage to Client's property, ie: driveway, sidewalk, garage, fence, window, deck, or landscaped areas as a result of any snow removal. **(When pushing snow onto landscaped areas to avoid extra off-site removal costs, we will be careful, but not responsible.)** Action assumes no liability for slip and falls as we do not monitor the property 24 hours a day.

Action also uses studded snow tires, some damage may occur.

I, the undersigned, fully understand and agree to the terms of the above contract. I agree to pay the full amount of this contract, due on the 30th of each month. I also **agree to pay for additional snow removal services** which are performed by *Action*. I will also pay any applicable late fee charges. In the event of any collection proceedings undertaken by *Action* for the amounts owed under this contract, *Action* shall be entitled to all costs incurred, including Attorney's fees. In the event that the Client does not timely remit payment pursuant to the terms of this contract, *Action* reserves the express right to immediately void this contract at its sole discretion. **A Fuel surcharge may be assessed to the contract if fuel prices exceed at the following rates.**

\$5.00 per gallon 7%

\$6.00 per gallon 10%

\$7.00 per gallon 13%

\$8.00 per gallon 16%

\$9.00 per gallon 19%

\$10.00 per gallon 22% (cap)

I, the undersigned, fully understand and agree to the terms of the above contract.

AGREED & ACCEPTED: _____ DATE: _____

ACTION REPRESENTATIVE: _____