

**PETITION FOR INCORPORATION  
OF WILLOW, A PRELIMINARY MUNICIPALITY**

July 22, 2026

Hon. Deidre Henderson  
Lieutenant Governor of Utah  
350 State St. #220  
Salt Lake City, UT 84114

**Received**  
AUG 3 2026  
Deidre M. Henderson  
Lieutenant Governor

The undersigned (the “**Applicant**” or “**Initial Landowner**”) hereby submits this Petition for Incorporation of Willow, a Preliminary Municipality (the “**Petition**”) pursuant to Utah Code Section 10-2a-507(1).

## **I. Applicant; Contact Sponsor**

### **Applicant / Initial Landowner:**

Kanab 600 LLC, a Utah limited liability company  
2901 Bluegrass Blvd., #410  
Lehi, UT 84043  
Phone No. 801-203-0231  
Email: greg@philo.ventures

### **Primary Contact / Sponsor:**

Greg Whitehead  
2901 Bluegrass Blvd., #410  
Lehi, UT 84043  
Phone No. 801-203-0231  
Email: greg@philo.ventures

With a copy to:

Snell & Wilmer LLP  
Attn: Craig Jensen  
15 West South Temple, Suite 1200  
Salt Lake City, UT 84101  
Phone No. 801-257-1900  
Email: cjensen@swlaw.com

The above and undersigned Applicant and Initial Landowner represent 100% of the surface property owners within the proposed boundaries of the Willow Preliminary Municipality (“**Preliminary Municipality**”) and is the same owner who filed the Feasibility Request for the Creation of a Preliminary Municipality (Amended) on March 3, 2025, pursuant to Utah Code § 10-2a-502 (a copy of the “**Feasibility Request**” is attached hereto as **Exhibit A**). (Utah Code §§ 10-2a-507(1) and 10-2a-507(1)(a) and (e)).

## **II. Timeliness of Petition**

This Petition is timely under Utah Code Section 10-2a-507(a). The hearing required by Utah Code § 10-2a-506 was completed on January 7, 2026.

## **III. Proposed Preliminary Municipal Boundaries**

Pursuant to Utah Code § 10-2a-507(1)(b), the Applicant provides the following description of the Preliminary Municipality area which is consistent with the description

provided in its Feasibility Request, pursuant to Utah Code Section 10-2a-502(5)(d). The Applicant requests the initial boundaries of the proposed Preliminary Municipality include all of the real property described in **Exhibit B** which is unaltered from the Feasibility Request (Utah Code § 10-2a- 502(5)(e)(i)). (Utah Code § 10-2a-507(1)(b)).

The Preliminary Municipality will be located approximately 1.36 miles outside of Kanab, Utah, in unincorporated Kane County, Utah, and is comprised of approximately 595.15 acres. The Preliminary Municipality is planned to include a varied mix of uses including open space and parks, a nightly rental resort, a hotel, civic buildings, commercial areas, and a mix of residential unit types, including affordable housing, apartments, condominiums, townhomes, and a wide range of single-family home lots from 0.2 to 5 acres, along with the necessary public and private infrastructure to facilitate the Preliminary Municipality's development. A portion of the Preliminary Municipality will also be used for municipal building space. (*See Feasibility Request at p. 2 and Exhibit A-2 to Feasibility Request*).

Phase 1 of the Preliminary Municipality is planned to include approximately 98 townhomes and approximately 40,000 square feet of commercial/hotel space spread over approximately 29.97 acres as depicted in the Feasibility Request.

Phase 2 of the Preliminary Municipality is planned to include 69 vacation rental units and seven single family homes within approximately 44.80 acres as depicted in the Feasibility Request.

Phase 3 of the Preliminary Municipality is planned to include 78 single family homes and approximately 25,000 square feet of commercial space on approximately 58.05 acres as depicted in the Feasibility Request.

Phase 4 of the Preliminary Municipality is planned to include 60 townhome units and approximately 30,000 square feet of commercial space on approximately 25.11 acres as depicted in the Feasibility Request.

Phase 5 of the Preliminary Municipality is planned to include 168 multifamily apartment units within seven buildings on approximately 8.10 acres as depicted in the Feasibility Request.

Phase 6 of the Preliminary Municipality is planned to include 55 single family homes on approximately 10.19 acres as depicted in the Feasibility Request.

Phase 7 of the Preliminary Municipality is planned to include 48 townhome units, 39 for-rent residential units, and six single family homes on approximately 31.20 acres as depicted in the Feasibility Request.

Phase 8 of the Preliminary Municipality is planned to include 64 single family homes on approximately 10.84 acres as depicted in the Feasibility Request.

Phase 9 of the Preliminary Municipality is planned to include 95 single family homes on approximately 21.33 acres as depicted in the Feasibility Request.

Phase 10 of the Preliminary Municipality is planned to include 42 single family homes on approximately 64.61 acres as depicted in the Feasibility Request.

Phase 11 of the Preliminary Municipality is planned to include 139 single family homes on approximately 32.69 acres as depicted in the Feasibility Request.

Phase 12 of the Preliminary Municipality is planned to include 147 single family homes on approximately 34.62 acres as depicted in the Feasibility Request.

Phase 13 of the Preliminary Municipality is planned to include 86 single family homes on approximately 84.11 acres as depicted in the Feasibility Request.

Phase 14 of the Preliminary Municipality is planned to include 77 single family homes on approximately 94.85 acres as depicted in the Feasibility Request.

Phase 15 of the Preliminary Municipality is planned to include a church/religious building parcel, community park, and 50 single family homes spread over approximately 44.64 acres as depicted in the Feasibility Request.

#### **IV. Feasibility Study Compliance**

This Petition complies with the requirements of Utah Code §§ 10-2a-504(4) and 10-2a-507(1)(c) as demonstrated by the final published Preliminary Feasibility Study for the Proposed Incorporation of Willow prepared by LRB Public Finance Advisors on November 12, 2025. A copy of the “**Feasibility Study**” is attached hereto as **Exhibit C**. Utah Code Section 10-2a-504(4) states that:

If the five-year projected revenues calculated under Subsection (3)(a)(ii)(C) exceed the five-year projected costs calculated under Subsection (3)(a)(ii)(B) by more than 5%, the feasibility consultant shall project and report the expected annual revenue surplus to the primary sponsor contact and the lieutenant governor.

The Feasibility Study found the Preliminary Municipality would meet a five-year average revenue margin of 12.4%, far exceeding the 5% threshold (*See Feasibility Study at p. 4*). Accordingly, the incorporation may proceed. (Utah Code § 10-2a-507(c)).

#### **V. Name of the Preliminary Municipality**

The Initial Landowner proposes the Preliminary Municipality be named:

**Willow**

(Utah Code § 10-2a-507(1)(d))

#### **VI. Preliminary Municipality Board Appointments, Chair and Three Members**

Pursuant to Utah Code Section 10-2a-507(1)(f), the following shall serve as the Chair and three of the four members of the “**Board**” who, along with the Board member appointed by Kane County, will serve as a five-member council form of government for the Preliminary Municipality:

Board Chair:                      Greg Whitehead



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## **I. Applicant; Contact Sponsor**

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Kanab 600 LLC, a Utah limited liability company  
2901 Bluegrass Blvd., #410  
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Email: greg@philo.ventures

### **Primary Contact / Sponsor:**

Greg Whitehead  
2901 Bluegrass Blvd., #410  
Lehi, UT 84043  
Phone No. 801-203-0231  
Email: greg@philo.ventures

With a copy to:

Snell & Wilmer LLP  
Attn: Craig Jensen  
15 West South Temple, Suite 1200  
Salt Lake City, UT 84101  
Phone No. 801-257-1900  
Email: cjensen@swlaw.com

The above and undersigned Applicant and Initial Landowner represent 100% of the surface property owners within the proposed boundaries of the Willow Preliminary Municipality (“**Preliminary Municipality**”) and is the same owner who filed the Feasibility Request for the Creation of a Preliminary Municipality (Amended) on March 3, 2025, pursuant to Utah Code § 10-2a-502 (a copy of the “**Feasibility Request**” is attached hereto as **Exhibit A**). (Utah Code §§ 10-2a-507(1) and 10-2a-507(1)(a) and (e)).

## **II. Timeliness of Petition**

This Petition is timely under Utah Code Section 10-2a-507(a). The hearing required by Utah Code § 10-2a-506 was completed on January 7, 2026.

## **III. Proposed Preliminary Municipal Boundaries**

Pursuant to Utah Code § 10-2a-507(1)(b), the Applicant provides the following description of the Preliminary Municipality area which is consistent with the description

provided in its Feasibility Request, pursuant to Utah Code Section 10-2a-502(5)(d). The Applicant requests the initial boundaries of the proposed Preliminary Municipality include all of the real property described in **Exhibit B** which is unaltered from the Feasibility Request (Utah Code § 10-2a- 502(5)(e)(i)). (Utah Code § 10-2a-507(1)(b)).

The Preliminary Municipality will be located approximately 1.36 miles outside of Kanab, Utah, in unincorporated Kane County, Utah, and is comprised of approximately 595.15 acres. The Preliminary Municipality is planned to include a varied mix of uses including open space and parks, a nightly rental resort, a hotel, civic buildings, commercial areas, and a mix of residential unit types, including affordable housing, apartments, condominiums, townhomes, and a wide range of single-family home lots from 0.2 to 5 acres, along with the necessary public and private infrastructure to facilitate the Preliminary Municipality's development. A portion of the Preliminary Municipality will also be used for municipal building space. (*See Feasibility Request at p. 2 and Exhibit A-2 to Feasibility Request*).

Phase 1 of the Preliminary Municipality is planned to include approximately 98 townhomes and approximately 40,000 square feet of commercial/hotel space spread over approximately 29.97 acres as depicted in the Feasibility Request.

Phase 2 of the Preliminary Municipality is planned to include 69 vacation rental units and seven single family homes within approximately 44.80 acres as depicted in the Feasibility Request.

Phase 3 of the Preliminary Municipality is planned to include 78 single family homes and approximately 25,000 square feet of commercial space on approximately 58.05 acres as depicted in the Feasibility Request.

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This Petition complies with the requirements of Utah Code §§ 10-2a-504(4) and 10-2a-507(1)(c) as demonstrated by the final published Preliminary Feasibility Study for the Proposed Incorporation of Willow prepared by LRB Public Finance Advisors on November 12, 2025. A copy of the “**Feasibility Study**” is attached hereto as **Exhibit C**. Utah Code Section 10-2a-504(4) states that:

If the five-year projected revenues calculated under Subsection (3)(a)(ii)(C) exceed the five-year projected costs calculated under Subsection (3)(a)(ii)(B) by more than 5%, the feasibility consultant shall project and report the expected annual revenue surplus to the primary sponsor contact and the lieutenant governor.

The Feasibility Study found the Preliminary Municipality would meet a five-year average revenue margin of 12.4%, far exceeding the 5% threshold (*See Feasibility Study at p. 4*). Accordingly, the incorporation may proceed. (Utah Code § 10-2a-507(c)).

#### **V. Name of the Preliminary Municipality**

The Initial Landowner proposes the Preliminary Municipality be named:

**Willow**

(Utah Code § 10-2a-507(1)(d))

#### **VI. Preliminary Municipality Board Appointments, Chair and Three Members**

Pursuant to Utah Code Section 10-2a-507(1)(f), the following shall serve as the Chair and three of the four members of the “**Board**” who, along with the Board member appointed by Kane County, will serve as a five-member council form of government for the Preliminary Municipality:

Board Chair:                      Greg Whitehead



Board Member 1: S. Tracy Stratton

Board Member 2: Brett Keenan

Board Member 3: M. Chad Staheli

Kane County is required to appoint the fourth and last member of the Board within thirty days following the creation of the Preliminary Municipality pursuant to Utah Code Section 10-2a-509(1)(a).

## **VII. Map of Preliminary Municipality**

An accurate map prepared by a licensed surveyor of the Preliminary Municipality and other supporting documents are attached hereto as **Exhibit D** and show:

- A depiction of the legal description of the boundaries of the Preliminary Municipality area and each phase of the proposed Preliminary Municipality area (Utah Code § 10-2a-507(1)(g)(i)); and
- All development planned for the proposed Preliminary Municipality area in a single development plan, depicting each phase of the development (Utah Code § 10-2a-507(1)(g)(ii)).

## **VIII. Performance Bond**

Pursuant to Utah Code Section 10-2a-507(1)(h), the Applicant and Initial Landowner submits a performance bond (the “**Bond**”) in the amount of Two Million Four Hundred Forty-Nine Thousand, Five Hundred Sixty Dollars (\$2,449,560), issued by KC Gardner Company, L.C., a Utah limited liability company, as surety, on behalf of the Initial Landowner, as principal, and in favor of and for the benefit of the Preliminary Municipality, attached as **Exhibit E**. Because the Preliminary Municipality does not yet legally exist, the Bond names [INTERIM OBLIGEE NAME]<sup>1</sup> as interim obligee to hold the Bond pending the Preliminary Municipality’s formation; upon the Lieutenant Governor’s certification of incorporation of Willow, Utah, Willow, Utah shall automatically, and without further act by any party, be substituted as obligee under the Bond. The Bond is:

- (i) provided by the Initial Landowner;
- (ii) in favor of the Preliminary Municipality and/or the Interim Obligee;
- (iii) guarantees that the Initial Landowner will complete the System Infrastructure (as defined in Utah Code Section 10-2a-501(13)) for the Preliminary Municipality no later than six years after the date of this Petition; and
- (iv) provides for periodic reduction of the Bond Amount in percentages that reflect the progress toward completing the System Infrastructure, as further described in Exhibit E.

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<sup>1</sup> Intentionally left blank. To be formed upon approval of this Petition.

The Bond procedures described in Exhibit E follow the completion assurance provisions applicable for infrastructure improvements within existing municipalities under Utah Municipal Code.

#### **IX. Costs of the Office of the Lieutenant Governor**

Pursuant to Utah Code Section 10-2a-507(1)(i), the Applicant concurrently remits payment of the costs incurred by the Office of the Lieutenant Governor for the Feasibility Study and other expenses. In consultation with Arden Cook, Local Entity Specialist, in the Office of the Lieutenant Governor, the only qualifying costs are the consulting fee for the Feasibility Study submitted by LRB Public Finance Advisors, Inc., in the total amount of \$24,970.00, and the Kanab Center rental for the hearing required by Utah Code § 10-2a-506 that was completed on January 7, 2026, in the total amount of \$338.45, for a total amount of \$25,308.45. A copy of the cost detail and invoice is attached as **Exhibit F**. A check in the amount of \$25,308.45 to the Lieutenant Governor is submitted herewith, and a copy of the check included as **Exhibit G**.

#### **X. Applicant'/Initial Landowner' Statements**

The Applicant hereby states:

- (a) Those individuals signing on behalf of the entity Applicant/Initial Landowner are authorized to do so;
- (b) The Applicant is the owner of all the real property included within the Preliminary Municipality (Utah Code § 10-2a-502(5)(a));
- (c) This Petition is signed by 100% of the property owners of real property within the Preliminary Municipality (Utah Code § 10-2a-502(2)(d)(i));
- (d) The land comprising the Preliminary Municipality is contiguous (Utah Code § 10-2a-502(2)(a));

- (e) None of the land comprising the Preliminary Municipality is located within a county of the first or second class (Utah Code § 10-2a-502(2)(b));
- (f) None of the land comprising the Preliminary Municipality is located within 0.25 miles of an existing municipality. The Preliminary Municipality is at least 1.36 miles from the closest municipality, the City of Kanab (Utah Code § 10-2a-502(2)(c));
- (g) The area comprising the Preliminary Municipality is not owned by more than three persons and at least 50% of the area is undeveloped (Utah Code § 10-2a-502(2)(d));
- (h) The Applicant intend to develop the Preliminary Municipality to the point that at least 100 individuals will reside in the area, the area will have an average population density of no less than seven individuals per square mile, and at least 10% of the housing within the Preliminary Municipality will be affordable housing, as defined by Utah Code § 10-2a-501(1) (Utah Code § 10-2a-502(2)(e));
- (i) The area comprising the Preliminary Municipality does not include any land owned by the United States government (Utah Code § 10-2a-502(2)(f));
- (j) The area comprising the Preliminary Municipality is located entirely within Kane County (Utah Code § 10-2a-502(2)(g)); and
- (k) The area comprising the Preliminary Municipality is not included in a pending annexation area (Utah Code § 10-2a-502(3)(a)).

#### **XI. Applicant'/Initial Landowner' Consent**

The Applicant/Initial Landowner, as the owner of 100% of the land comprising the Preliminary Municipality, hereby consents to the creation of a Preliminary Municipality. (Utah Code §§ 10-2a-502(2)(d)(i) and 10-2a-502(5)(a))

#### **XII. Petition for Incorporation of Willow, a Preliminary Municipality**

Pursuant to Utah Code § 10-2a-507(1), the Applicant hereby petitions the Hon. Deidre Henderson, Lieutenant Governor of Utah, to incorporate Willow as a Preliminary Municipality as identified in this Petition. The Applicant stands ready and willing to provide any further information necessary for Lieutenant Governor Henderson to cause the incorporation of Willow as a Preliminary Municipality as petitioned herein.

#### **XIII. Electronic Means; Counterparts**

This Petition may be circulated by electronic means and executed in several counterparts, including by electronic signature, all or any of which may be treated for all purposes as an original and shall constitute and be one and the same document.

**IN WITNESS WHEREOF**, the Applicant has executed this Petition for Incorporation of a Preliminary Municipality as of the date indicated above.

KANAB 600, LLC,  
a Utah limited liability company

By: Philo Venture Partners, LLC (f/k/a Mountain  
Venture Partners, LLC), a Delaware limited liability  
company



Name: Greg Whitehead  
Its: Manager

**THE UNDERSIGNED**, as Manager of Philo Venture Partners, LLC (f/k/a Mountain Venture Partners, LLC), a Delaware limited liability company, the Manager of Kanab 600, LLC, a Utah limited liability company, consents to be the “primary sponsor contact” as defined in Utah Code Section 10-2a-501(10) for this Petition for Incorporation.



Greg Whitehead, an individual



[EXHIBITS]

Received

AUG 03 2026

Deidre M. Henderson  
Lieutenant Governor

**Exhibit A**

**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 "**Applicant**") hereby applies for the creation of a new Preliminary Municipality ("**Preliminary Municipality**") pursuant to the Utah Code, Title 10, Chapter 2a, Part 5, Utah Code annotated 1953 (Utah Code § 10-2a-502(1)).

**I. Applicant; Contact Sponsor**

**Applicant / Owner:**

Kanab 600 LLC, a Utah limited liability company  
2901 Bluegrass Blvd, #410  
Lehi, UT 84043  
Phone No. 435-632-2883

**Primary Contact / Sponsor:**

Greg Whitehead  
2901 Bluegrass Blvd. #410  
Lehi, UT 84043  
Phone No. 435-632-2883  
Email: greg@philo.ventures

With a copy to:

Snell & Wilmer LLP  
Attn: Craig Jensen  
15 West South Temple, Suite 1200  
Salt Lake City, UT 84101  
Phone No. 801-257-1881  
Email: cjensen@swlaw.com

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

**II. Proposed Preliminary Municipal Boundaries**

The Applicant requests that the initial boundaries of the proposed Preliminary Municipality include all of the real property depicted and described in Exhibit A-1 (Utah Code § 10-2a-502(5)(e)(i)).

### III. Description of the Preliminary Municipality

Pursuant to Utah Code § 10-2a-502(5)(d), the Applicant provides the following description of the Preliminary Municipality area. The Preliminary Municipality will be located approximately three miles outside of Kanab, Utah, and is comprised of approximately 596.591 acres. The Preliminary Municipality will include a varied mix of uses including open space and parks, a nightly rental resort, a hotel, civic buildings, commercial areas, and a mix of residential unit types, including affordable housing, apartments, condominiums, townhomes, and a wide range of single-family home lots from 0.2 to 5 acres, along with the necessary public and private infrastructure to facilitate the Preliminary Municipality's development. A portion of the Preliminary Municipality will also be used for municipal building space. A depiction of the planned development and phasing thereof is attached hereto as Exhibit A-2 and Exhibit A-3.

Phase 1 will include approximately 98 townhomes and approximately 40,000 square feet of commercial/hotel space spread over approximately 29.97 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 2 will include 69 vacation rental units within approximately 44.80 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 3 will include 78 single family homes and approximately 25,000 square feet of commercial space on approximately 58.05 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 4 will include 60 townhome units and approximately 30,000 square feet of commercial space on approximately 25.11 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 5 will include 168 multifamily apartment units within seven buildings on approximately 8.10 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 6 will include 55 single family homes on approximately 10.19 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 7 will include 48 townhome units and 39 for-rent residential units on approximately 31.20 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 8 will include 64 single family homes on approximately 10.84 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 9 will include 95 single family homes on approximately 21.33 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 10 will include 42 single family homes on approximately 64.61 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 11 will include 139 single family homes on approximately 32.69 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 12 will include 147 single family homes on approximately 34.62 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 13 will include 86 single family homes on approximately 84.11 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 14 will include 77 single family homes on approximately 94.85 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 15 will include a church/religious building parcel, community park, and 50 single family homes spread over approximately 44.64 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2.

### IV. Map of Preliminary Municipality

An accurate map and other supporting documents, prepared by a licensed surveyor are attached hereto as Exhibit A-1, Exhibit A-2, Exhibit A-3 and show:

- A depiction of the legal description of the boundaries of the Preliminary Municipality area and each phase of the proposed Preliminary Municipality area (Utah Code § 10-2a-502(5)(e)(i));



- All development planned for the proposed Preliminary Municipality area (Utah Code § 10-2a-502(5)(e)(ii)); and
- That the first phase of the proposed Preliminary Municipality area is projected to have at least 100 residents when completed, as depicted on Exhibit A-2 and on the attached Exhibit B (Utah Code § 10-2a-502(5)(e)(iii)).

## **V. Applicant's Statements**

The Applicant hereby states that:

- (a) Those signing on behalf of the entity owner(s) are authorized to do so;
- (b) The Applicant is the owner of all the real property included within the Preliminary Municipality (Utah Code § 10-2a-502(5)(a));
- (c) This Feasibility Request is signed by 100% of the property owners of real property within the Preliminary Municipality (Utah Code § 10-2a-502(2)(d)(i));
- (d) The land comprising the Preliminary Municipality is contiguous (Utah Code § 10-2a-502(2)(a));
- (e) None of the land comprising the Preliminary Municipality is located within a county of the first or second class (Utah Code § 10-2a-502(2)(b));
- (f) None of the land comprising the Preliminary Municipality is located within .25 miles of an existing municipality. The Preliminary Municipality is at least 1.25 miles away from the closest municipality, the City of Kanab, as depicted on the attached Exhibit C (Utah Code § 10-2a-502(2)(c));
- (g) The area comprising the Preliminary Municipality is not owned by more than three persons and at least 50% of the area is undeveloped (Utah Code § 10-2a-502(2)(d));
- (h) The Applicant intends to develop the Preliminary Municipality to the point that at least 100 individuals will reside in the area, the area will have an average population density of no less than seven individuals per square mile, and at least 10% of the housing within the Preliminary Municipality will be affordable housing, as defined by Utah Code § 10-2a-501(1) (Utah Code § 10-2a-502(2)(e));
- (i) The area comprising the Preliminary Municipality does not include any land owned by the United States government (Utah Code § 10-2a-502(2)(f));
- (j) The area comprising the Preliminary Municipality is located entirely within Kane County (Utah Code § 10-2a-502(2)(g));
- (k) The area comprising the Preliminary Municipality is not included in a pending annexation area (Utah Code § 10-2a-502(3)(a));
- (l) The area comprising the Preliminary Municipality is not the subject of a completed feasibility study or supplemental feasibility study (Utah Code § 10-2a-502(3)(b)); and
- (m) The area comprising the Preliminary Municipality does not include all or part of an area that is the subject of a completed feasibility study or supplemental feasibility study whose results comply with Utah Code § 10-2a-507(1) (Utah Code § 10-2a-502(3)(c)).



## **VI. Applicant's Consent**

The Applicant, as the owner of 100% of the land comprising the Preliminary Municipality, hereby consents to the creation of a Preliminary Municipality (Utah Code §§ 10-2a-502(2)(d)(i) and 10-2a-502(5)(a).

## **VII. Feasibility Study Request**

Pursuant to Utah Code § 10-2a-502(5)(f), the Applicant hereby requests that the Lieutenant Governor commission a study to determine the feasibility of incorporating the Preliminary Municipality. The Applicant stands ready and willing to provide any further information necessary to perform the feasibility study.

## **VIII. Electronic Means; Counterparts**

This Feasibility Request may be circulated by electronic means and executed in several counterparts, including by electronic signature, all or any of which may be treated for all purposes as an original and shall constitute and be one and the same document.

**IN WITNESS WHEREOF**, the Applicant has executed this Feasibility Request as of the date indicated above.

KANAB 600, LLC,  
a Utah limited liability company

By: Philo Venture Partners, LLC (f/k/a Mountain  
Venture Partners, LLC), a Delaware limited liability  
company  
Its: Manager



Name: Greg Whitehead  
Its: Manager

**THE UNDERSIGNED**, as Manager of Philo Venture Partners, LLC (f/k/a Mountain  
Venture Partners, LLC), a Delaware limited liability company, the Manager of Kanab 600, LLC,  
a Utah limited liability company, consents to be the primary sponsor contact for this Feasibility  
Request.



Greg Whitehead, an individual

## **EXHIBIT A-1**

### **Legal Description and Boundary Map**

#### **Record Description**

**Parcel 1:**

The West Half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, Utah, Less and Excepting the North 40 feet;

**Parcel 2:**

The Northeast Quarter and the North Half of the Southeast Quarter and the North Half of the South Half of the Southeast Quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, Together With the following described parcel:

Beginning at the Center of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, and running thence West 160 rods, more or less, to the West Quarter Corner of said Section 6; thence South 15.67 rods; thence North 34°26' East 17.79 rods; thence East 149.94 rods; thence North 1 rod to the point of beginning.

#### **As-Surveyed Description**

A parcel of land, situate in Section 6, and in the West Half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the found 3" aluminum Talbot Land Surveyors monument, stamped RLS 165634, dated 1997, at the South Quarter Corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, and running:

thence North 88°00'26" West 2633.05 feet along the measured Section line, following, more or less, an existing fence line, to the found 3" aluminum Talbot Land Surveyors monument, stamped RLS 165634, dated 2007, at the Corner of Sections 5, 6, 7, and 8;

thence North 0°48'25" East 661.17 feet along the measured Section line, to the South-South 64<sup>th</sup> Corner of Sections 5 and 6;

thence North 89°09'03" West 2639.55 feet along the 64<sup>th</sup> Section line, to the Center-South-South 64<sup>th</sup> Corner of Section 6;

thence North 0°55'06" East 1966.27 feet along the measured Quarter Section line, to a found 5/8" rebar and cap, stamped Iron Rock PLS 5661917;

thence North 89°03'40" West 2438.83 feet, running parallel with and 16.50 feet perpendicularly distant southerly from the measured Quarter Section line, to another found rebar and Iron Rock cap;

thence South 34°55'44" West 291.93 feet, to another found rebar and Iron Rock cap, lying on the Section line;

thence North 0°30'59" East 258.55 feet along the Section line, to another found rebar and Iron Rock cap at the West Quarter Corner of Section 6;

thence South 89°03'40" East 2603.94 feet along the measured Quarter Section line, and the south line of the Crimson Estates Subdivision, Phases 1, 2, and 3, to the found 3" aluminum Alpha Engineering monument, stamped PLS 174919, with no date, at the Center Quarter Corner of Section 6;



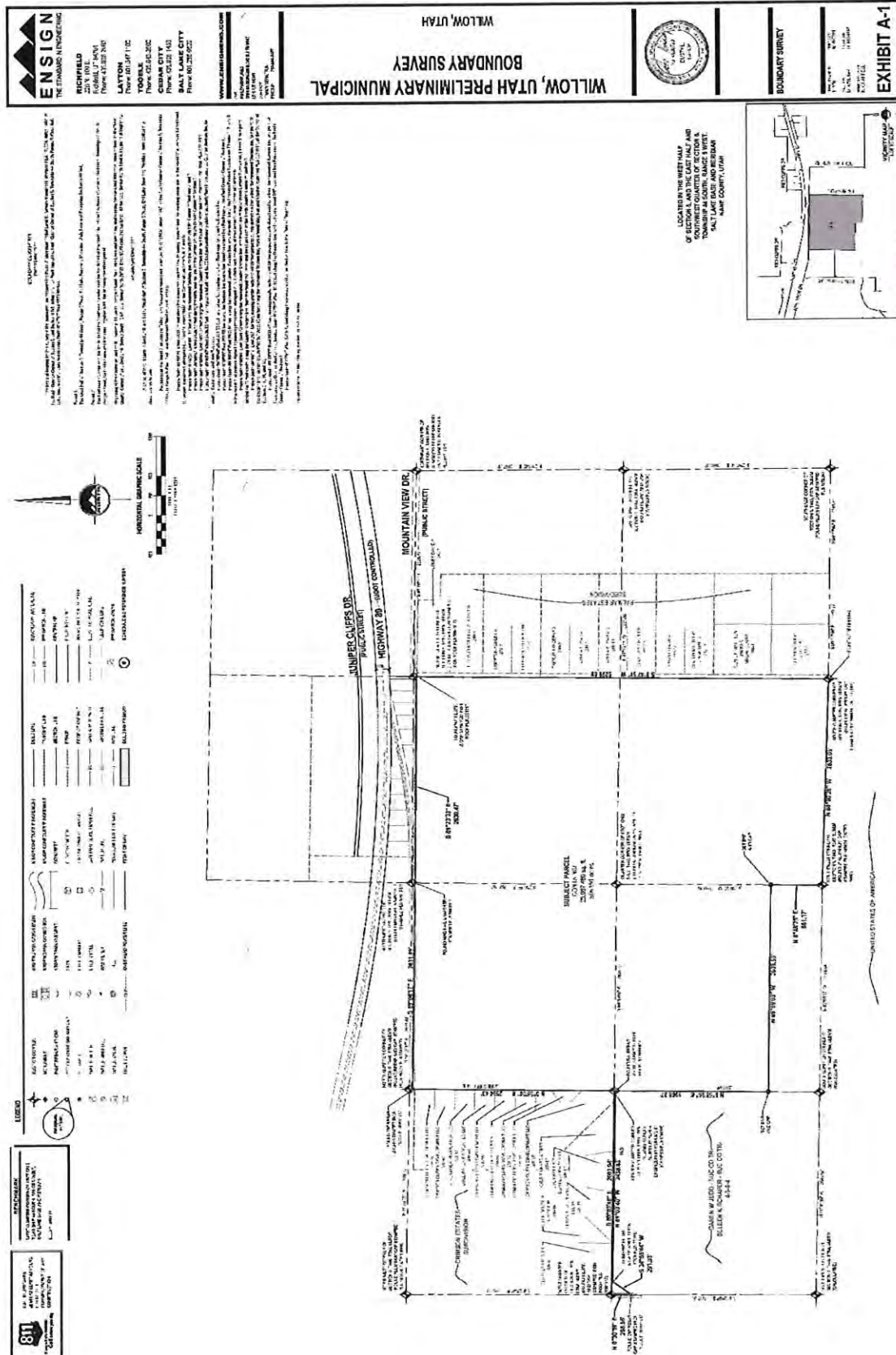
thence North 0°55'00" East 2594.43 feet along the measured Quarter Section line, and the east line of the Crimson Estates Subdivision, Phase 3, to a point located 40.00 feet south, along the Quarter Section line, from the found 5/8" rebar and Iron Rock cap at the North Quarter Corner of Section 6;

thence South 89°06'17" East 2631.89 feet, running parallel with and 40.00 feet perpendicularly distant southerly from the measured Section line, to a point on the Section line, located South 0°49'58" West 40.00 feet along the measured Section line, from a found Mag Nail and Washer, stamped PLS 5561917, at the Corner of Sections 5, 6, 31, and 32;

thence South 89°23'33" East 2630.47 feet, running parallel with and 40.00 feet perpendicularly distant southerly from the measured Section line, to a point on the measured Quarter Section line, located South 0°47'51" West 40.00 feet along the Quarter Section line from a found 5/8" rebar and Iron Rock cap at the North Quarter Corner of Section 5;

thence South 0°47'51" West 5299.89 feet along the measured Quarter Section line, to the Point of Beginning.

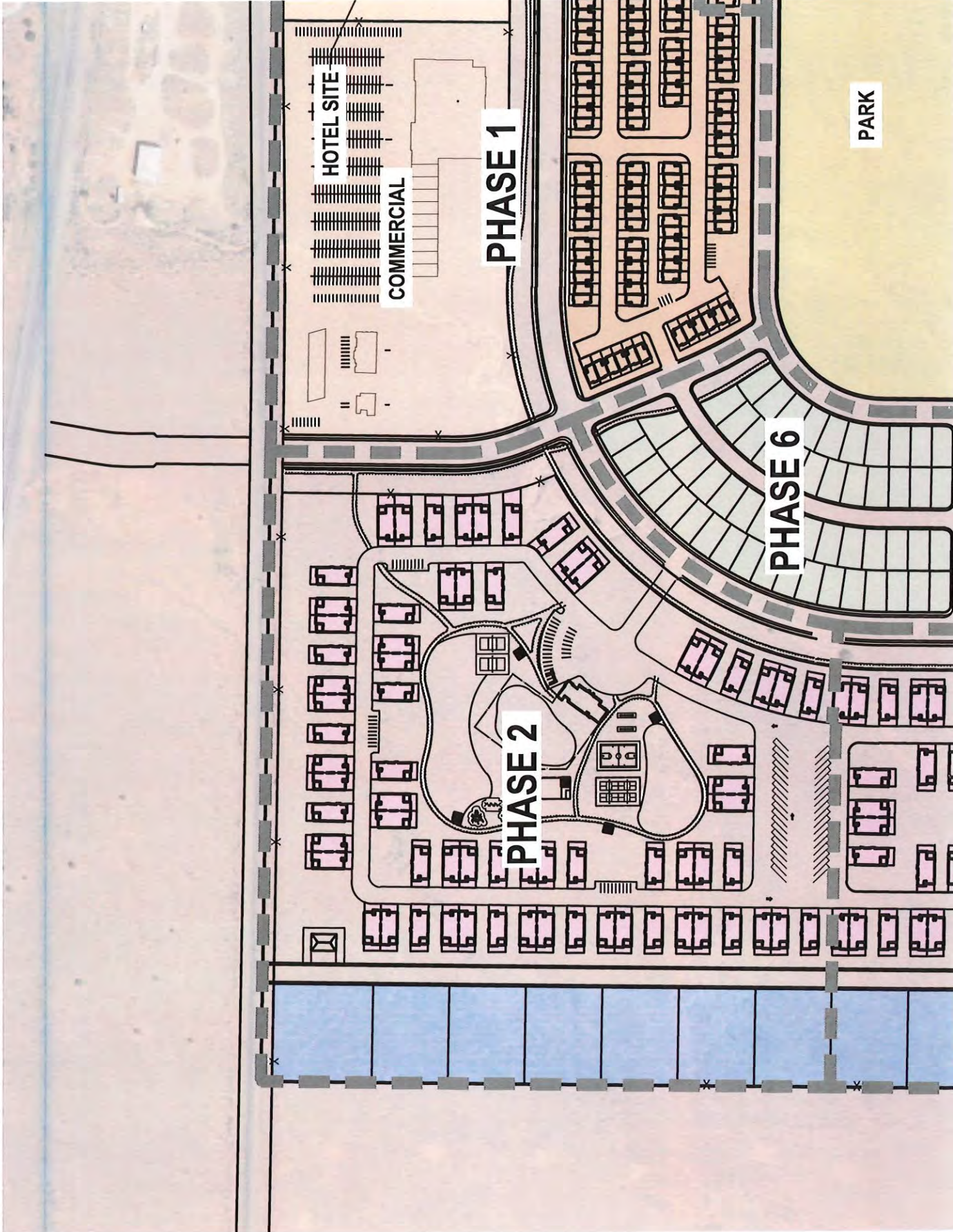
Parcel contains: 25,987,486 square feet, or 596.591 acres.



**EXHIBIT A-2**

Site Plan with Phasing

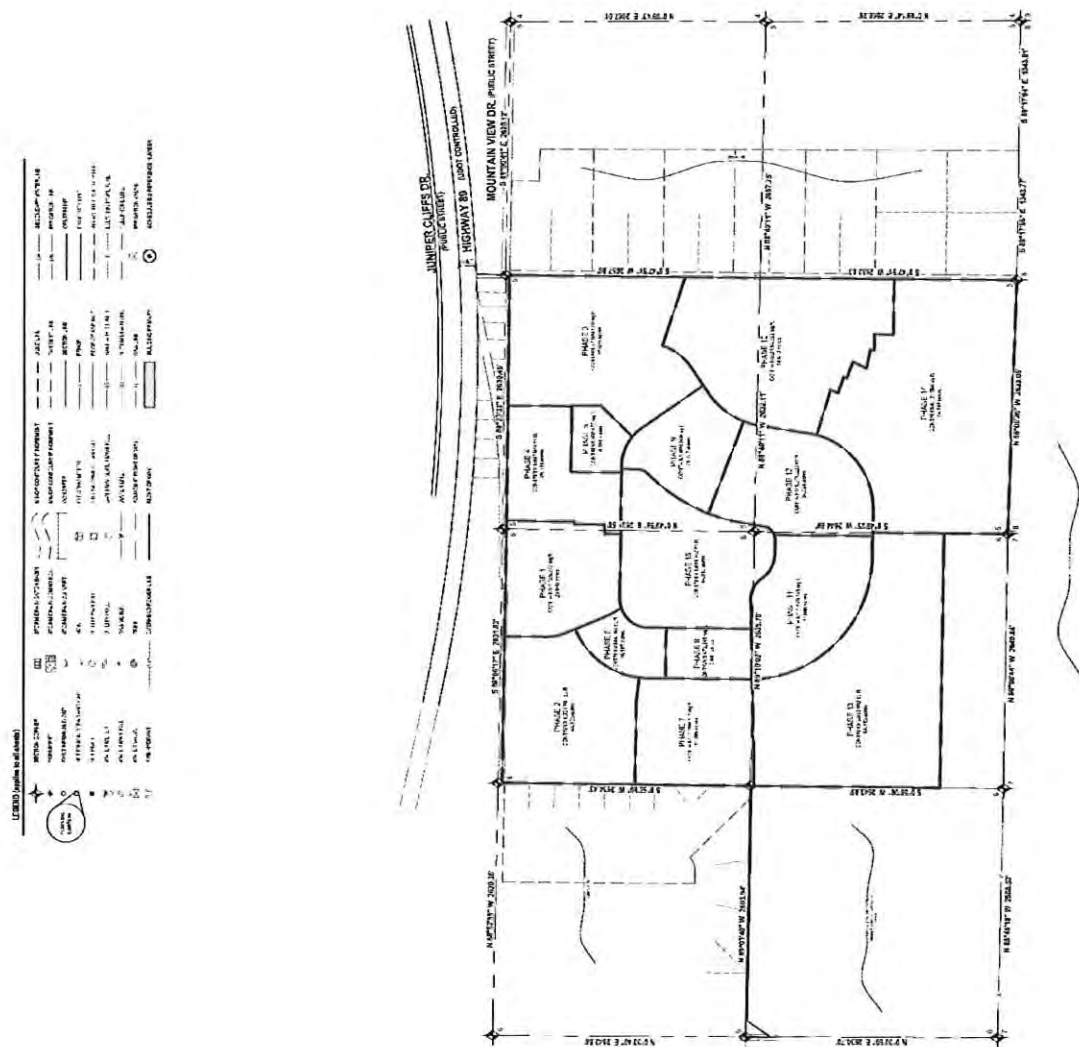


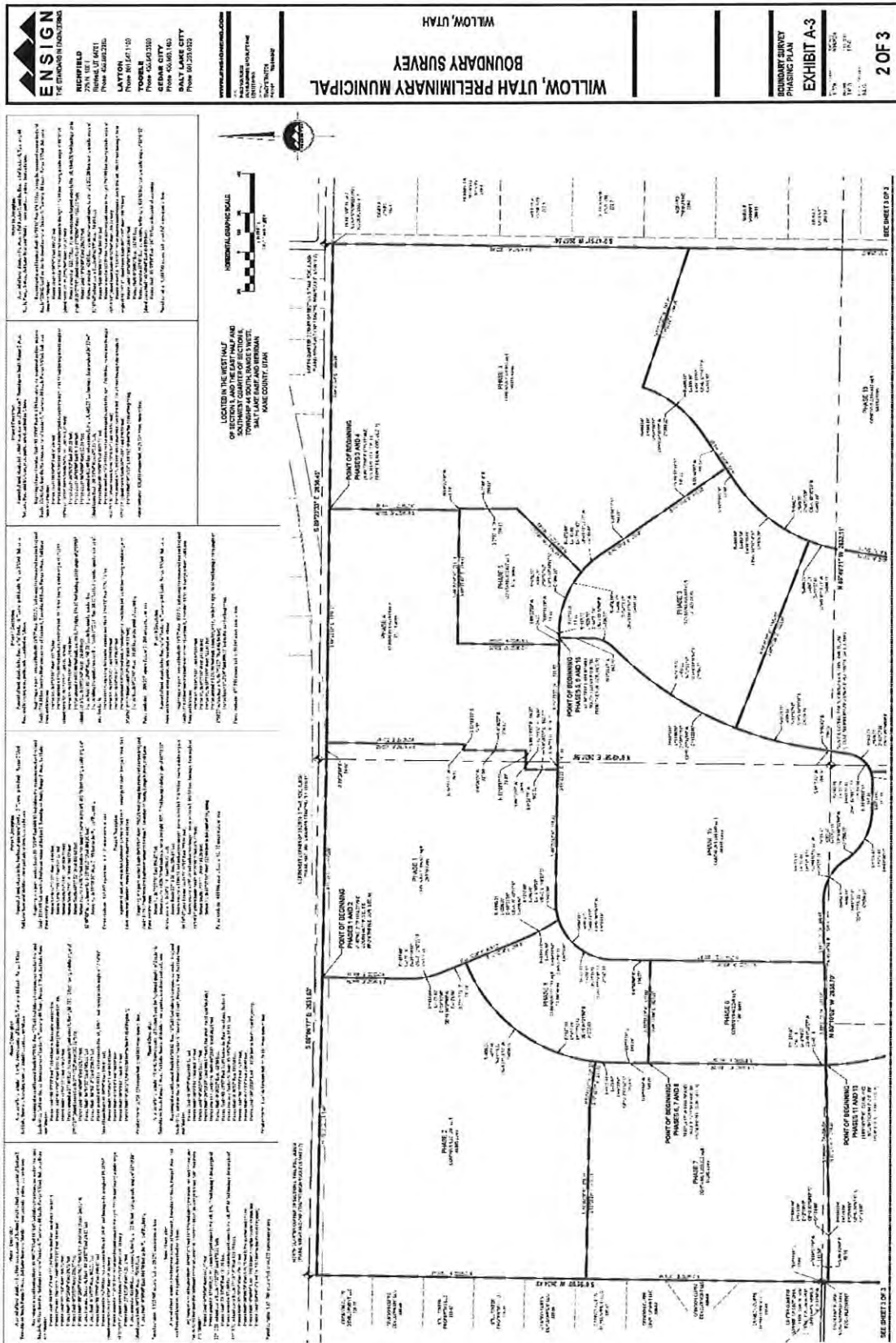




## **EXHIBIT A-3**

### **Phasing Plan with Legal Descriptions**









#### Phase 1 Description

A parcel of land, situate in the Northwest quarter of Section 5 and the Northeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1113.65 feet (along the measured section line) and South 40.00 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 89°06'17" East 1113.07 feet to the East line of said Section 6;  
thence into said Section 5, South 89°23'33" East 84.07 feet;  
thence South 0°47'18" West 706.62 feet;  
thence North 89°23'33" West 29.52 feet;  
thence South 0°36'27" West 320.50 feet  
thence North 89°23'37" West 56.35 feet to the West line of said Section 5;  
thence into said Section 6, North 89°23'37" West 39.85 feet;  
thence South 0°36'27" West 162.50 feet;  
thence North 89°23'33" West 669.42 feet;  
thence around a 297.00 foot radius curve to the left, 96.41 feet having a delta angle of 18°35'55" (chord bears South 81°18'30" West 95.99 feet);  
thence around a 1195.31 foot radius non-tangent curve to the right, 228.39 feet having a delta angle of 10°56'51" (chord bears North 27°42'11" West 228.04 feet);  
thence North 22°12'28" West 428.12 feet;  
thence around a 433.00 foot radius curve to the right, 175.16 feet having a delta angle of 23°10'38" (chord bears North 10°37'09" West 173.96 feet);  
thence North 0°59'35" East 444.70 feet to the Point of Beginning.

Parcel contains: 1,305,507 square feet, or 29.970 acres more or less.

#### Phase 2 Description

A parcel of land, situate in the Northeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1113.65 feet (along the measured section line) and South 40.00 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 0°59'35" West 444.70 feet  
thence around a 433.00 foot radius non-tangent curve to the left, 175.16 feet having a delta angle of 23°10'38" (chord bears South 10°37'09" East 173.96 feet);  
thence South 22°12'28" East 131.31 feet;  
thence around a 820.00 foot radius non-tangent curve to the left, 877.46 feet having a delta angle of 61°18'39" (chord bears South 37°08'13" West 836.19 feet);  
thence North 82°48'27" West 235.22 feet;  
thence North 89°05'23" West 876.68 feet to the quarter section line;  
thence North 0°55'00" East 1384.33 feet along the quarter section line;  
thence South 89°06'17" East 1518.82 feet to the Point of Beginning.

Parcel contains: 1,951,701 square feet, or 44.805 acres more or less.

#### Phase 3 Description

A parcel of land, situate in the Northwest quarter of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 1275.85 feet (along the measured section line) and South 40.00 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 89°23'33" East 1354.04 feet to the quarter section line;  
thence South 0°47'51" West 1833.80 feet along the quarter section line;  
thence North 71°27'22" West 749.25 feet;  
thence around a 600.00 foot radius non-tangent curve to the right, 390.16 feet having a delta angle of 37°15'27" (chord bears South 37°10'22" West 383.32 feet);

thence South 55°48'05" West 221.37 feet;  
thence North 34°11'55" West 515.00 feet;  
thence North 34°16'12" West 250.21 feet;  
thence around a 478.00 foot radius curve to the left, 149.02 feet having a delta angle of 17°51'45" (chord bears North 41°03'23" West 148.42 feet);  
thence North 44°30'52" East 460.63 feet;  
thence North 0°30'14" East 299.82 feet;  
thence North 89°23'40" West 8.18 feet;  
thence North 0°36'27" East 666.59 feet to the Point of Beginning.

Parcel contains: 2,529,223 square feet, or 58.063 acres more or less.

#### Phase 4 Description

A parcel of land, situate in the Northwest quarter of Section 5 and the Northeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 1275.85 feet (along the measured section line) and South 40.00 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 0°36'27" West 666.59 feet;  
thence North 89°23'40" West 681.14 feet;  
thence South 0°36'27" West 523.00 feet;  
thence North 89°23'33" West 599.97 feet to the West line of said Section 5;  
thence into said Section 6, North 89°23'33" West 39.21 feet;  
thence North 0°36'27" East 162.50 feet;  
thence South 89°23'37" East 39.85 feet to the East line of said Section 6;  
thence into said Section 5, South 89°23'37" East 56.35 feet;  
thence North 0°36'27" East 320.50 feet;  
thence South 89°23'33" East 29.52 feet;  
thence North 0°47'18" East 706.62 feet;  
thence South 89°23'33" East 1192.37 feet to the Point of Beginning.

Parcel contains: 1,093,974 square feet, or 25.114 acres more or less.

#### Phase 5 Description

A parcel of land, situate in the Northwest quarter of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 616.10 feet (along the measured section line) and South 1229.69 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence North 89°23'33" West 34.00 feet;  
thence North 0°36'27" East 523.00 feet;  
thence South 89°23'40" East 689.33 feet;  
thence South 0°30'14" West 299.82 feet;  
thence South 44°30'52" West 460.63 feet;  
thence around a 478.00 foot radius non-tangent curve to the left, 309.75 feet having a delta angle of 37°07'42" (chord bears North 68°33'07" West 304.36 feet);  
thence North 88°58'36" West 51.99 feet to the Point of Beginning.

Parcel contains: 352,877 square feet, or 8.101 acres more or less.

#### Phase 6 Description

A parcel of land, situate in the Northeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1552.79 feet (along the measured section line) and South 1724.34 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;

thence North 0°55'00" East 194.25 feet;  
thence around a 820.00 foot radius curve to the right, 957.10 feet having a delta angle of 66°52'32" (chord bears North 34°21'16" East 903.69 feet);  
thence South 22°12'28" East 296.81 feet;  
thence around a 1195.31 foot radius non-tangent curve to the left, 228.39 feet having a delta angle of 10°56'51" (chord bears South 27°42'11" East 228.04 feet);  
thence around a 297.00 foot radius non-tangent curve to the left, 368.52 feet, having a delta angle of 71°05'32" (chord bears South 36°27'46" West 345.33 feet);  
thence South 0°55'00" West 194.25 feet;  
thence North 89°05'00" West 523.00 feet to the point of beginning.

Parcel contains: 444,166 square feet, or 10.197 acres more or less.

#### Phase 7 Description

A parcel of land, situate in the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1552.79 feet (along the measured section line) and South 1724.34 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 0°55'00" West 866.25 feet;  
thence around a 1280.00 foot radius curve to the left, 46.14 feet having a delta angle of 2°03'55" (chord bears South 0°06'57" East 46.14 feet);  
thence South 88°51'05" West 784.59 feet;  
thence around a 4800.00 foot radius curve to the right, 174.89 feet having a delta angle of 2°05'15" (chord bears South 89°53'43" West 174.88 feet);  
thence North 89°03'40" West 148.53 feet to the quarter section line;  
thence along the quarter section line, North 0°55'06" East 33.00 feet to the center quarter corner of said Section 6;  
thence continuing along the quarter section line, North 0°55'00" East 1210.10 feet;  
thence South 89°05'23" East 876.68 feet;  
thence South 82°48'27" East 235.22 feet;  
thence around a 820.00 foot radius non-tangent curve to the left, 79.64 feet having a delta angle of 5°33'52" (chord bears South 3°41'57" West 79.61 feet)  
thence South 0°55'00" West 194.25 feet to the point of beginning.

Parcel contains: 1,359,307 square feet, or 31.205 acres more or less.

#### Phase 8 Description

A parcel of land, situate in the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1552.79 feet (along the measured section line) and South 1724.34 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 89°05'00" East 523.00 feet;  
thence South 0°55'00" West 893.55 feet;  
thence South 88°51'05" West 522.51 feet  
thence around a 1280.00 foot radius non-tangent curve to the right, 46.14 feet having a delta angle of 2°03'55" (chord bears North 0°06'57" West 46.14 feet);  
thence North 0°05'00" East 866.25 feet to the point of beginning.

Parcel contains: 472,248 square feet, or 10.841 acres more or less.

#### Phase 9 Description

A parcel of land, situate in the Northwest quarter of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 616.10 feet (along the measured section line) and South 1229.69

feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 88°58'36" East 51.99 feet;  
thence around a 478.00 foot radius non-tangent curve to the right, 458.77 feet having a delta angle of 54°59'27" (chord bears South 59°37'14" East 441.36 feet);  
thence South 34°16'12" East 250.21 feet;  
thence South 34°11'55" East 515.00 feet;  
thence South 55°48'05" West 93.59 feet;  
thence around a 800.00 foot radius curve to the left, 482.58 feet having a delta angle of 34°33'44" (chord bears South 38°31'14" West 475.29 feet);  
thence North 68°45'38" West 1023.00 feet;  
thence around an 1823.00 foot radius non-tangent curve to the right, 759.99 feet having a delta angle of 23°53'10" (chord bears North 33°10'57" East 754.50 feet);  
thence around a 167.00 foot radius reverse curve to the left, 129.76 feet having a delta angle of 44°31'04" (chord bears North 22°52'00" East 126.52 feet);  
thence North 0°36'27" East 162.70 feet to the point of beginning.

Parcel contains: 928,999 square feet, or 21.327 acres more or less.

#### Phase 10 Description

A parcel of land, situate in the West half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 959.28 feet (along the measured section line) and South 3271.35 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence around a 800.00 foot radius non-tangent curve to the left, 80.62 feet having a delta angle of 5°46'26" (chord bears North 12°09'54" East 80.59 feet);  
thence North 9°16'40" East 531.31 feet;  
thence around a 800.00 foot radius curve to the right, 649.59 feet having a delta angle of 46°31'25" (chord bears North 32°32'23" East 631.89 feet);  
thence North 55°48'05" East 314.96 feet;  
thence around a 600.00 foot radius curve to the left, 390.16 feet having a delta angle of 37°15'27" (chord bears North 37°10'22" East 383.32 feet);  
thence South 71°27'22" East 749.25 feet to the quarter section line;  
thence along the quarter section line, South 0°47'51" West 2188.17 feet;  
thence North 89°12'09" West 578.00 feet;  
thence North 0°47'51" East 195.67 feet;  
thence North 89°12'09" West 161.00 feet;  
thence North 0°47'51" East 21.45 feet;  
thence around a 100.00 foot radius curve to the right, 22.23 feet having a delta angle of 12°44'14" (chord bears North 7°09'58" East 22.18 feet);  
thence North 78°28'04" West 189.50 feet;  
thence around a 130.00 foot radius non-tangent curve to the right, 31.25 feet having a delta angle of 13°46'19" (chord bears North 18°25'06" East 31.17 feet);  
thence North 23°06'03" East 125.73 feet;  
thence North 69°06'10" West 175.00 feet;  
thence North 20°15'11" East 32.83 feet;  
thence North 70°23'29" West 175.00 feet;  
thence around a 1285.00 foot radius non-tangent curve to the left, 84.00 feet having a delta angle of 3°44'44" (chord bears North 17°44'09" East 83.99 feet);  
thence North 72°47'57" West 485.21 feet to the point of beginning.

Parcel contains: 2,814,522 square feet, or 64.613 acres more or less.

#### Phase 11 Description

A parcel of land, situate in the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:



Beginning at a point located North 89°06'17" West 1566.56 feet (along the measured section line) and South 2636.84 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence North 88°51'05" East 828.91 feet;  
thence around a 251.53 foot radius non-tangent curve to the right, 268.86 feet having a delta angle of 61°14'31" (chord bears South 60°37'22" East 256.24 feet);  
thence around a 309.92 foot radius reverse non-tangent curve to the left, 262.90 feet having a delta angle of 48°36'11" (chord bears South 61°22'09" East 255.09 feet);  
thence South 89°09'03" East 167.48 feet;  
thence around a 142.03 foot radius non-tangent curve to the left, 51.23 feet having a delta angle of 20°40'05" (chord bears North 79°44'06" East 50.96 feet);  
thence South 0°50'57" West 1032.82 feet;  
thence North 89°09'03" West 217.48 feet;  
thence around a 1280.00 foot radius curve to the right, 1965.99 feet having a delta angle of 88°00'09" (chord bears North 45°08'59" West 1778.36 feet) to the point of beginning.

Parcel contains: 1,423,894 square feet, or 32.688 acres more or less.

#### Phase 12 Description

A parcel of land, situate in the West half of Section 5 and the Southeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 959.28 feet (along the measured section line) and South 3271.35 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence around a 800.00 foot radius non-tangent curve to the right, 1058.33 feet having a delta angle of 75°47'50" (chord bears South 52°57'02" West 982.83 feet);  
thence North 89°09'03" West 262.99 feet;  
thence North 0°50'57" East 1032.82 feet;  
thence around a 142.03 foot radius non-tangent curve to the left, 149.05 feet having a delta angle of 60°07'38" (chord bears North 39°20'15" East 142.30 feet);  
thence North 9°16'40" East 216.39 feet;  
thence around a 1823.00 foot radius curve to the right, 380.58 feet having a delta angle of 11°57'41" (chord bears North 15°15'31" East 379.89 feet);  
thence South 68°45'38" East 1023.00 feet;  
thence around a 800.00 foot radius non-tangent curve to the left, 167.01 feet having a delta angle of 11°57'41" (chord bears South 15°15'31" West 166.71 feet);  
thence South 9°16'40" West 531.31 feet;  
thence around a 800.00 foot radius curve to the right, 80.62 feet having a delta angle of 5°46'26" (chord bears North 12°09'54" East 80.59 feet) to the point of beginning.

Parcel contains: 1,508,220 square feet, or 34.624 acres more or less.

#### Phase 13 Description

A parcel of land, situate in the Southwest quarter of Section 5 and the Southeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1566.56 feet (along the measured section line) and South 2636.84 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence around a 1280.00 foot radius non-tangent curve to the left, 1965.99 feet having a delta angle of 88°00'09" (chord bears South 45°08'59" East 1778.36 feet);  
thence South 89°09'03" East 250.48 feet to the East line of said Section 6;  
thence along the East line of said Section 6, South 0°50'57" West 744.42 feet;  
thence North 89°09'03" West 2639.55 feet to the quarter section line;  
thence along the quarter section line, North 0°55'06" East 1949.77 feet;  
thence South 89°03'40" East 148.53 feet;  
thence around a 4800.00 foot radius curve to the left, 174.89 feet having a delta angle of 2°05'15" (chord bears North

89°53'43" East 174.88 feet);  
thence North 88°51'05" East 784.59 feet to the point of beginning.

Parcel contains: 3,663,952 square feet, or 84.113 acres more or less.

#### Phase 14 Description

A parcel of land, situate in the Southwest quarter of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the South quarter corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence along the south line of said Section 5, North 88°00'26" West 2633.05 feet to the Southwest corner of said  
Section 5;  
thence along the West line of said Section 5, North 0°48'25" East 661.17 feet;  
thence North 0°50'57" East 744.42 feet;  
thence South 89°09'03" East 229.99 feet;  
thence around a 800.00 foot radius curve to the left, 1058.33 feet having a delta angle of 75°47'50" (chord bears North  
52°57'02" East 982.83 feet);  
thence South 72°47'57" East 485.21 feet  
thence around a 1285.00 foot radius non-tangent curve to the right, 84.00 feet having a delta angle of 3°44'44" (chord  
bears South 17°44'09" West 83.99 feet);  
thence South 70°23'29" East 175.00 feet;  
thence South 20°15'11" West 32.83 feet;  
thence South 69°06'10" East 175.00 feet;  
thence South 23°06'03" West 125.73 feet;  
thence around a 130.00 foot radius non-tangent curve to the left, 31.25 feet having a delta angle of 13°46'19" (chord  
bears South 18°25'06" West 31.17 feet);  
thence South 78°28'04" East 189.50 feet;  
thence around a 100.00 foot radius non-tangent curve to the left, 22.23 feet having a delta angle of 12°44'14" (chord  
bears South 7°09'58" West 22.18 feet)  
thence South 0°47'51" West 21.45 feet;  
thence South 89°12'09" East 161.00 feet;  
thence South 0°47'51" West 195.67 feet;  
thence South 89°12'09" East 578.00 feet to the quarter section line;  
thence along the quarter section line, South 0°47'51" West 1277.92 feet to the point of beginning.

Parcel contains: 4,131,586 square feet, or 94.848 acres more or less.

#### Phase 15 Description

A parcel of land, situate in the West half of Section 5, and the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 616.10 feet (along the measured section line) and South 1229.69 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 0°36'27" West 162.70 feet;  
thence around a 167.00 foot radius curve to the right, 129.76 feet having a delta angle of 44°31'04" (chord bears South  
22°52'00" West 126.52 feet);  
thence around a 1823.00 foot radius reverse non-tangent curve to the left, 1140.58 feet having a delta angle of  
35°50'51" (chord bears South 27°12'06" West 1122.06 feet);  
thence South 9°16'40" West 216.39 feet;  
thence around a 142.03 foot radius non-tangent curve to the right, 200.28 feet having a delta angle of 80°47'43" (chord  
bears South 49°40'17" West 184.09 feet);  
thence North 89°09'03" West 167.48 feet;  
thence around a 309.92 foot radius non-tangent curve to the right, 262.90 feet having a delta angle of 48°36'11" (chord  
bears North 61°22'09" West 255.09 feet);  
thence around a 251.53 foot radius reverse non-tangent curve to the left, 268.86 feet having a delta angle of 61°14'31" (chord bears North 60°37'22" West 256.24 feet);

thence South 88°51'05" West 306.41 feet;  
thence North 0°55'00" East 1087.81 feet;  
thence around a 297.00 foot radius curve to the right, 464.92 feet having a delta angle of 89°41'27" (chord bears North 45°45'44" East 418.89 feet);  
thence South 89°23'33" East 1342.59 feet to the point of beginning.

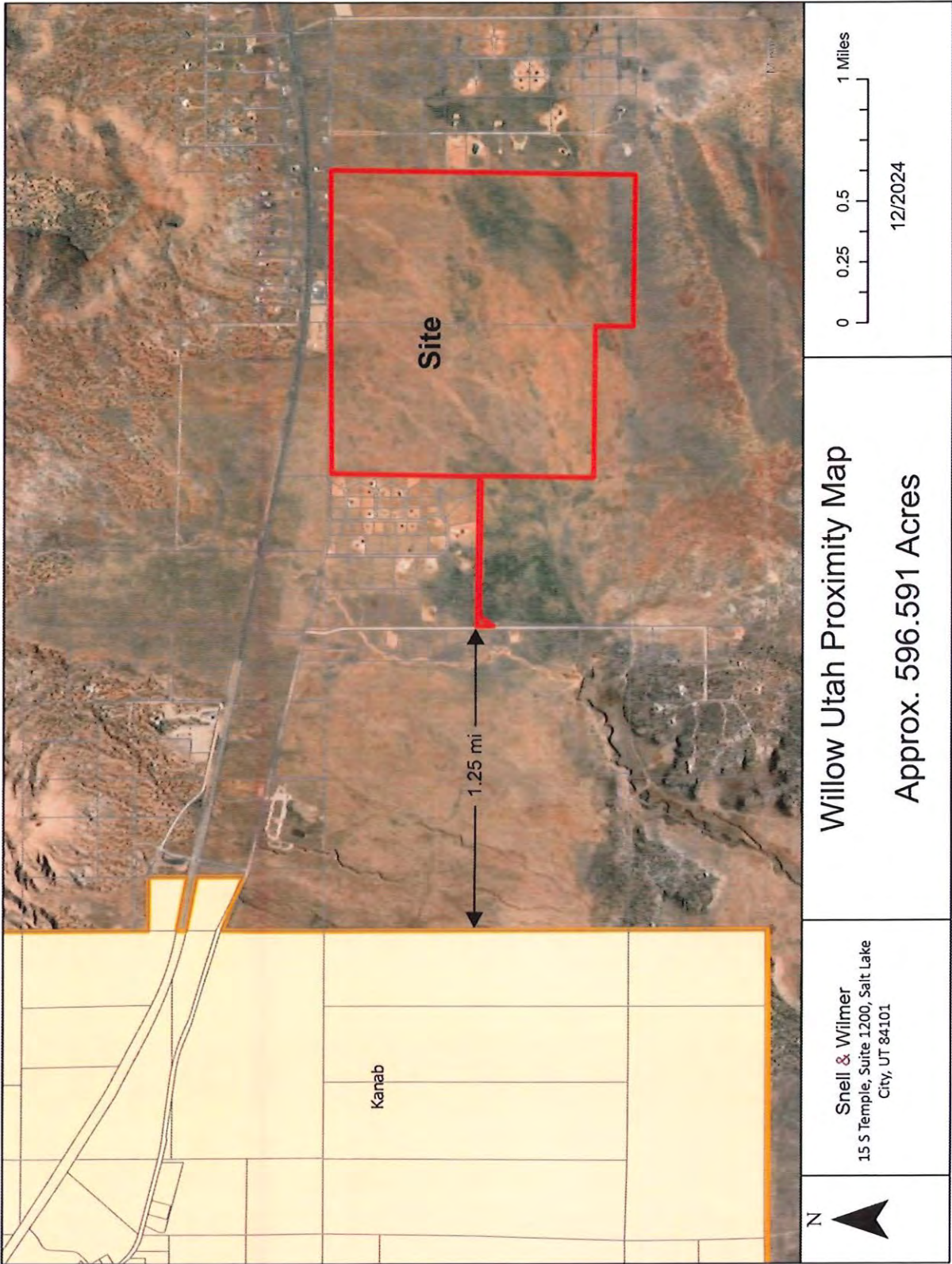
Parcel contains: 1,944,742 square feet, or 44.645 acres more or less.

| PHASE | UNITS / LOTS                                                                         | APPROX. ACREAGE |
|-------|--------------------------------------------------------------------------------------|-----------------|
| 1     | (98) TOWNHOMES<br>COMMERCIAL / HOTEL                                                 | 29.97           |
| 2     | (69) VACATION UNITS<br>(7) 1.0 ACRE LOTS                                             | 44.80           |
| 3     | (8) EQUESTRIAN LOTS<br>(70) .14 ACRE LOTS<br>COMMERCIAL SPACE                        | 58.05           |
| 4     | (60) TOWNHOMES<br>COMMERCIAL SPACE                                                   | 25.11           |
| 5     | (7) APARTMENT<br>BUILDINGS (168 UNITS)                                               | 8.10            |
| 6     | (55) .11 ACRE LOTS                                                                   | 10.19           |
| 7     | (48) TOWNHOMES<br>(39) RENTAL UNITS<br>(6) 1.0 ACRE LOTS                             | 31.20           |
| 8     | (64) .11 ACRE LOTS                                                                   | 10.84           |
| 9     | (33) .11 ACRE LOTS<br>(39) .14 ACRE LOTS<br>(17) .16 ACRE LOTS<br>(6) .18 ACRE LOTS  | 21.33           |
| 10    | (8) EQUESTRIAN LOTS<br>(34) .5 ACRE LOTS                                             | 64.61           |
| 11    | (55) .11 ACRE LOTS<br>(47) .14 ACRE LOTS<br>(12) .16 ACRE LOTS<br>(25) .18 ACRE LOTS | 32.69           |
| 12    | (32) .11 ACRE LOTS<br>(58) .14 ACRE LOTS<br>(38) .16 ACRE LOTS<br>(19) .18 ACRE LOTS | 34.62           |
| 13    | (41) .33 ACRE LOTS<br>(45) .5 ACRE LOTS                                              | 84.11           |
| 14    | (11) EQUESTRIAN LOTS<br>(66) .5 ACRE LOTS                                            | 94.85           |
| 15    | CHURCH SITE/ PARK<br>(50) .25 ACRE LOTS                                              | 44.64           |



## **EXHIBIT C**

### **Municipality Proximity Map**



**Exhibit B**

**EXHIBIT A-1**

**Legal Description and Boundary Map**

**Record Description**

**Parcel 1:**

The West Half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, Utah, Less and Excepting the North 40 feet;

**Parcel 2:**

The Northeast Quarter and the North Half of the Southeast Quarter and the North Half of the South Half of the Southeast Quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, Together With the following described parcel:

Beginning at the Center of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, and running thence West 160 rods, more or less, to the West Quarter Corner of said Section 6; thence South 15.67 rods; thence North 34°26' East 17.79 rods; thence East 149.94 rods; thence North 1 rod to the point of beginning.

**As-Surveyed Description**

A parcel of land, situate in Section 6, and in the West Half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the found 3" aluminum Talbot Land Surveyors monument, stamped RLS 165634, dated 1997, at the South Quarter Corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, and running:

thence North 88°00'26" West 2633.05 feet along the measured Section line, following, more or less, an existing fence line, to the found 3" aluminum Talbot Land Surveyors monument, stamped RLS 165634, dated 2007, at the Corner of Sections 5, 6, 7, and 8;

thence North 0°48'25" East 661.17 feet along the measured Section line, to the South-South 64<sup>th</sup> Corner of Sections 5 and 6;

thence North 89°09'03" West 2639.55 feet along the 64<sup>th</sup> Section line, to the Center-South-South 64<sup>th</sup> Corner of Section 6;

thence North 0°55'06" East 1966.27 feet along the measured Quarter Section line, to a found 5/8" rebar and cap, stamped Iron Rock PLS 5661917;

thence North 89°03'40" West 2438.83 feet, running parallel with and 16.50 feet perpendicularly distant southerly from the measured Quarter Section line, to another found rebar and Iron Rock cap;

thence South 34°55'44" West 291.93 feet, to another found rebar and Iron Rock cap, lying on the Section line;

thence North 0°30'59" East 258.55 feet along the Section line, to another found rebar and Iron Rock cap at the West Quarter Corner of Section 6;

thence South 89°03'40" East 2603.94 feet along the measured Quarter Section line, and the south line of the Crimson Estates Subdivision, Phases 1, 2, and 3, to the found 3" aluminum Alpha Engineering monument, stamped PLS 174919, with no date, at the Center Quarter Corner of Section 6;



thence North 0°55'00" East 2594.43 feet along the measured Quarter Section line, and the east line of the Crimson Estates Subdivision, Phase 3, to a point located 40.00 feet south, along the Quarter Section line, from the found 5/8" rebar and Iron Rock cap at the North Quarter Corner of Section 6;

thence South 89°06'17" East 2631.89 feet, running parallel with and 40.00 feet perpendicularly distant southerly from the measured Section line, to a point on the Section line, located South 0°49'58" West 40.00 feet along the measured Section line, from a found Mag Nail and Washer, stamped PLS 5561917, at the Corner of Sections 5, 6, 31, and 32;

thence South 89°23'33" East 2630.47 feet, running parallel with and 40.00 feet perpendicularly distant southerly from the measured Section line, to a point on the measured Quarter Section line, located South 0°47'51" West 40.00 feet along the Quarter Section line from a found 5/8" rebar and Iron Rock cap at the North Quarter Corner of Section 5;

thence South 0°47'51" West 5299.89 feet along the measured Quarter Section line, to the Point of Beginning.

Parcel contains: 25,987,486 square feet, or 596.591 acres.





PUBLIC  
FINANCE  
ADVISORS

LEWIS | ROBERTSON | BURNINGHAM



KANE  
COUNTY,  
UTAH

NOVEMBER 2025

PRELIMINARY FEASIBILITY STUDY FOR  
THE PROPOSED INCORPORATION  
OF WILLOW

PREPARED BY:

**LRB PUBLIC FINANCE ADVISORS**

FORMERLY LEWIS YOUNG ROBERTSON & BURNINGHAM INC.



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## DEFINITIONS

|                 |                                                      |
|-----------------|------------------------------------------------------|
| <b>AAGR:</b>    | Average Annual Growth Rate                           |
| <b>ACS:</b>     | American Community Survey                            |
| <b>CIP:</b>     | Capital Improvement Plan                             |
| <b>CY:</b>      | Calendar Year                                        |
| <b>FY:</b>      | Fiscal Year                                          |
| <b>GF:</b>      | General Fund                                         |
| <b>HU:</b>      | Housing Unit                                         |
| <b>LOS:</b>     | Level of Service                                     |
| <b>KCHRSSD:</b> | Kane County Human Resources Special Service District |
| <b>KCWCD:</b>   | Kane County Water Conservancy District               |
| <b>MSF:</b>     | Municipal Services Fund                              |
| <b>OLG:</b>     | Office of the Lieutenant Governor                    |
| <b>PPH:</b>     | Persons per Household                                |
| <b>SF:</b>      | Square Foot                                          |
| <b>UPC:</b>     | Utah Population Committee                            |
| <b>VCSSD:</b>   | Vermillion Cliffs Special Service District           |
| <b>WKCSSD:</b>  | Western Kane County Special Service District #1      |





## SECTION 1: EXECUTIVE SUMMARY

LRB Public Finance Advisors (LRB) was retained by the Office of the Lieutenant Governor (OLG) to complete a preliminary feasibility study related to incorporation of an unincorporated area within Kane County (the County) as outlined in Utah Code §10-2a-504. The purpose of the Executive Summary is to fulfill the requirements established in §10-2a-504(2)(c)(iii) which requires the feasibility consultant to submit a completed feasibility study, including a one-page summary of the results. The purpose of this study is to compare the fiscal impact to the residents of Willow (Town or Study Area) if the County continues to provide services through the General Fund (GF) or if a newly incorporated Town provides services at a similar quality and level of service (LOS) that are provided to the area surrounding it. Assuming the Town incorporates, the results show the **five-year average revenue margin is at 12.4 percent, which allows the incorporation process to proceed** pursuant to §10-2a-504(4).

**TABLE 1.1: FISCAL IMPACT TO STUDY AREA SUMMARY**

|                              | YEAR 1          | YEAR 2          | YEAR 3           | YEAR 4           | YEAR 5          | AVERAGE         |
|------------------------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|
| Total Revenue                | \$370,563       | \$512,903       | \$790,671        | \$997,032        | \$1,245,992     | \$783,432       |
| Total Expense                | \$343,456       | \$429,532       | \$618,052        | \$854,073        | \$1,184,646     | \$685,952       |
| <b>NET REVENUE (EXPENSE)</b> | <b>\$27,107</b> | <b>\$83,371</b> | <b>\$172,619</b> | <b>\$142,959</b> | <b>\$61,346</b> | <b>\$97,480</b> |
| <b>Revenue Margin</b>        |                 |                 |                  |                  |                 | <b>12.4%</b>    |

**Table 1.2** provides a summary of the tax impact to a median home (\$475,000) in the Study Area if incorporation occurs. The amounts shown represent the new tax needed to balance the Town's budget. Based on an estimated tax rate that is proportionate to municipal service levels provided in other Counties, an additional Willow rate above the County's calculated proportionate rate is not necessary to provide sufficient funding for the Study Area.

**TABLE 1.2: TAX IMPACT TO STUDY AREA SUMMARY**

|                                                 | YEAR 1          | YEAR 2          | YEAR 3          | YEAR 4          | YEAR 5          |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>PROPORTIONATE MSF COUNTY RATE</b>            | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |
| Additional Levy to Balance Budget               | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        |
| <b>TOTAL TOWN RATE (COUNTY &amp; TOWN LEVY)</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |
| <b>NET IMPACT ON MEDIAN HOME (\$475K)</b>       | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      |

Because Kane County does not charge a separate municipal services tax rate, the County will not experience any impact in revenues from property taxes as new residents will continue to pay taxes to the County's GF if incorporation occurs. In the event of incorporation, the County would likely experience:

- A **revenue loss** for municipal services (modeled as the projected revenue for the Town) and
- A **revenue gain** through both the Sheriff's Department and elections

It is probable that the County's GF will experience other decreases in expenses following the incorporation of the Town. Furthermore, the County would receive additional property tax revenues to the GF from the proposed residential and commercial development in the Study Area. Municipal services provided by Special Service Districts, Improvement Districts, and private companies will continue to be provided regardless of the incorporation.



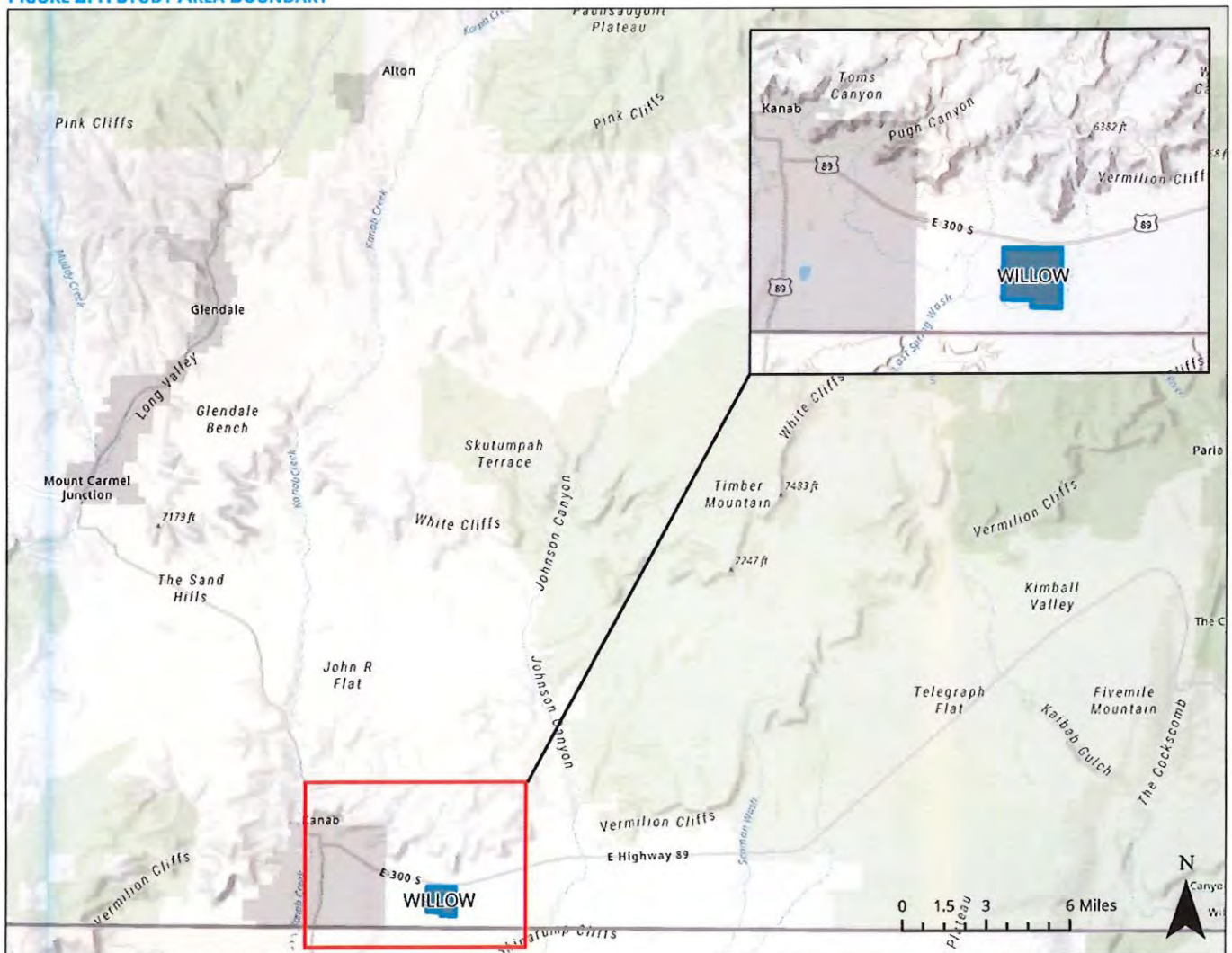
## SECTION 2: POPULATION & POPULATION DENSITY

Utah Code §10-2a-504(3) requires the preliminary feasibility study to include

*an analysis of the likely population and population density within the proposed preliminary municipality area when all phases of the map or plat for the proposed preliminary municipality area are completed; and the population and population density of the area surrounding the proposed preliminary municipality area on the day on which the feasibility request was submitted.*

The preliminary incorporation boundary for the Study Area is illustrated in **Figure 2.1** and includes unincorporated areas of Kane County herein referred to as Willow.

**FIGURE 2.1: STUDY AREA BOUNDARY**



## POPULATION

There was no population in the proposed Study Area at the time the feasibility request was submitted. The total estimated population of Willow upon phase completion is calculated at 2,997 persons as shown in **Table 2.1**. This was determined by the Utah Population Committee (UPC). The UPC's determination is provided in **Appendix B** of this report. The UPC assumes that permits with one to 11 units are owner-occupied while 12 or more units are renter-occupied. The UPC's methodology then assumes 99% occupancy for owner-occupied units and 97% occupancy for renter-occupied units. The remaining units are considered vacant. The projected occupied units are then multiplied by Kane County's persons per occupied housing unit (HU) of 2.41<sup>1</sup>. **Section 2** of this report provides further details on population projections for the proposed Study Area, including an adjustment for primary and secondary homes.

The amended feasibility request was received by the OLG on March 3, 2025. The proposed preliminary municipality area is entirely within Census Tract 1302. To determine this tract's 2025 population, the average annual growth rate (AAGR) based on historic redistricting Census data from 2010 and 2020 was calculated at 0.9 percent. The AAGR was then applied to the most recently available American Community Survey (ACS) Census data (2023),<sup>2</sup> resulting in a 2025 population estimate for Census Tract 1302 of 5,458.

## POPULATION DENSITY

The land area of the preliminary incorporation boundary for the Study Area is 0.93 square miles. Based on the land area, the UPC determined that the likely population density within the proposed preliminary municipality area when all phases of the plan are completed is 3,225 persons per square mile (see **Appendix B**).

The land area of Census Tract 1302 is 262.2 square miles, resulting in a population density of 20.82 persons per square mile in the surrounding area.

**TABLE 2.1: POPULATION ESTIMATE UPON PHASE COMPLETION**

| PHASE    | TOTAL POPULATION |
|----------|------------------|
| Phase 1  | 234              |
| Phase 2  | 251              |
| Phase 3  | 437              |
| Phase 4  | 580              |
| Phase 5  | 974              |
| Phase 6  | 1,105            |
| Phase 7  | 1,325            |
| Phase 8  | 1,478            |
| Phase 9  | 1,705            |
| Phase 10 | 1,805            |
| Phase 11 | 2,137            |
| Phase 12 | 2,489            |
| Phase 13 | 2,694            |
| Phase 14 | 2,878            |
| Phase 15 | 2,997            |

Source: UPC

<sup>1</sup> Source: UPC

<sup>2</sup> See U.S. Census Bureau, American Community Survey 5-Year Estimates, Table DP05



## SECTION 3: INITIAL & FIVE-YEAR PROJECTIONS OF DEMOGRAPHICS & TAX BASE

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, the initial and projected five-year demographics and tax base within the boundaries of the proposed preliminary municipality area and the surrounding area, including household size and income, commercial and industrial development, and public facilities.*

### DEMOGRAPHICS

#### POPULATION PROJECTIONS

**Table 3.1** displays the projected population in the Study Area within the five-year horizon using the UPC's methodology described in **Section 2** and the development proforma provided by the Sponsor (see **Appendix C**). For the purpose of this analysis, renter-occupied assumptions are applied to vacation rentals.

**TABLE 3.1: PROJECTED FIVE-YEAR WILLOW POPULATION – UPC METHODOLOGY AND PROFORMA**

|                                    | YEAR 1     | YEAR 2     | YEAR 3     | YEAR 4     | YEAR 5     |
|------------------------------------|------------|------------|------------|------------|------------|
| Owner-Occupied Units               | 92         | 46         | 46         | 46         | 46         |
| Renter-Occupied Units              | -          | -          | -          | -          | -          |
| Vacation Rentals                   | 25         | 25         | 25         | 33         | -          |
| <b>TOTAL NEW RESIDENTIAL UNITS</b> | <b>117</b> | <b>71</b>  | <b>71</b>  | <b>79</b>  | <b>46</b>  |
| Calculated Population Growth       | 278        | 168        | 168        | 187        | 110        |
| <b>CUMULATIVE POPULATION</b>       | <b>278</b> | <b>446</b> | <b>614</b> | <b>801</b> | <b>911</b> |

Source: Development Proforma (Appendix C)

The proposed population will consist of both primary and secondary homes. According to the development proforma, approximately 47 percent of owner-occupied units, 100 percent of renter-occupied units, and no vacation homes will be primary homes. The table below illustrates the proposed residential development through the five-year horizon, accounting only for primary homes. In year five, the calculated population is estimated at 330.

**TABLE 3.2: PROJECTED FIVE-YEAR WILLOW POPULATION - ADJUSTED FOR PRIMARY RESIDENCY ONLY**

|                                            | YEAR 1     | YEAR 2     | YEAR 3     | YEAR 4     | YEAR 5     |
|--------------------------------------------|------------|------------|------------|------------|------------|
| Owner-Occupied Units                       | 46         | 23         | 23         | 23         | 23         |
| Renter-Occupied Units                      | -          | -          | -          | -          | -          |
| Vacation Rentals                           | -          | -          | -          | -          | -          |
| <b>TOTAL NEW PRIMARY RESIDENTIAL UNITS</b> | <b>46</b>  | <b>23</b>  | <b>23</b>  | <b>23</b>  | <b>23</b>  |
| Calculated Population Growth               | 110        | 55         | 55         | 55         | 55         |
| <b>CUMULATIVE POPULATION</b>               | <b>110</b> | <b>165</b> | <b>220</b> | <b>275</b> | <b>330</b> |

For purposes of calculating the surrounding area's initial and five-year projected population, the AAGR based on historic redistricting Census data from 2010 and 2020 was used. A reduced AAGR of one percent for unincorporated Kane County was utilized to account for the proposed growth that will occur in Willow. The AAGR was then applied to the most recent Census data (2024) and forward. The projected County population



includes the combined populations of Alton, Big Water, Glendale, Kanab, Orderville, unincorporated Kane County, and Willow. The initial and five-year demographic projections are illustrated in **Table 3.3**.

**TABLE 3.3: KANE COUNTY INITIAL AND PROJECTED FIVE-YEAR POPULATION**

|                            | 2025      | 2026       | 2027       | 2028       | 2029       | 2030       | AAGR              |
|----------------------------|-----------|------------|------------|------------|------------|------------|-------------------|
| Kane County                | 8,103     | 8,262      | 8,366      | 8,472      | 8,577      | 8,684      | 1.4% <sup>1</sup> |
| Alton                      | 116       | 116        | 116        | 116        | 116        | 115        | -0.1%             |
| Big Water                  | 532       | 529        | 526        | 523        | 520        | 517        | -0.6%             |
| Glendale                   | 326       | 320        | 314        | 307        | 301        | 295        | -2.0%             |
| Kanab                      | 5,335     | 5,379      | 5,424      | 5,469      | 5,514      | 5,560      | 0.8%              |
| Orderville                 | 591       | 593        | 595        | 597        | 600        | 602        | 0.4%              |
| Unincorporated Kane County | 1,203     | 1,215      | 1,227      | 1,239      | 1,252      | 1,264      | 1.0% <sup>2</sup> |
| <b>Willow</b>              | <b>NA</b> | <b>110</b> | <b>165</b> | <b>220</b> | <b>275</b> | <b>330</b> | <b>NA</b>         |

<sup>1</sup> Calculated AAGR is higher than the 2010 – 2020 growth rate of 0.7 percent due to the inclusion of growth from Willow.

<sup>2</sup> A reduced AAGR of one percent for unincorporated Kane County was utilized to account for the proposed growth that will occur in Willow.

Sources: U.S. Census Bureau, 2010 and 2020 Census Redistricting Data (PL 94-171)

U.S. Census Bureau, City and Town Population Totals: 2020-2024

Development Proforma

## HOUSEHOLD SIZE

Utilizing the information in **Table 3.2** and the development proforma, the five-year projection of households can be found for Willow. The proposed Study Area anticipates 138 primary households by year five.

**TABLE 3.4: PROJECTED FIVE-YEAR WILLOW HOUSEHOLDS - ADJUSTED FOR RESIDENCY**

|                                      | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------------------------|------|------|------|------|------|
| Projected New Homes (See Table 3.2)  | 46   | 23   | 23   | 23   | 23   |
| Projected Population (See Table 3.2) | 110  | 165  | 220  | 275  | 330  |
| Households                           | 46   | 69   | 92   | 115  | 138  |
| Persons per Household                | 2.39 | 2.39 | 2.39 | 2.39 | 2.39 |

Source: Development Proforma (Appendix C)

The number of households for the surrounding area was estimated starting with 2024 occupied HUs as the base units. The AAGR—calculated using historic redistricting Census data—was then applied to the base units to estimate current and projected units and the persons per household (PPH) for this analysis. The projected county population includes the combined populations of Alton, Big Water, Glendale, Kanab, Orderville, unincorporated Kane County, and Willow.

**TABLE 3.5: INITIAL AND PROJECTED FIVE-YEAR CALCULATED PERSONS PER HOUSEHOLD – WILLOW AND SURROUNDING AREA**

|                       | 2025      |           | 2026      |             | 2027      |             | 2028      |             | 2029       |             | 2030       |             | HU<br>AAGR        |
|-----------------------|-----------|-----------|-----------|-------------|-----------|-------------|-----------|-------------|------------|-------------|------------|-------------|-------------------|
|                       | HU        | PPH       | HU        | PPH         | HU        | PPH         | HU        | PPH         | HU         | PPH         | HU         | PPH         |                   |
| Kane County           | 3,171     | 2.56      | 3,204     | 2.58        | 3,226     | 2.59        | 3,249     | 2.61        | 3,272      | 2.62        | 3,294      | 2.64        | 0.8% <sup>1</sup> |
| Alton                 | 42        | 2.75      | 43        | 2.71        | 43        | 2.68        | 44        | 2.65        | 44         | 2.61        | 45         | 2.58        | 1.2%              |
| Big Water             | 154       | 3.46      | 154       | 3.43        | 155       | 3.40        | 155       | 3.37        | 156        | 3.34        | 156        | 3.31        | 0.3%              |
| Glendale              | 113       | 2.90      | 110       | 2.90        | 108       | 2.89        | 106       | 2.89        | 104        | 2.89        | 102        | 2.88        | -1.9%             |
| Kanab                 | 1,205     | 4.43      | 1,217     | 4.42        | 1,229     | 4.41        | 1,241     | 4.41        | 1,254      | 4.40        | 1,267      | 4.39        | 1.0%              |
| Orderville            | 162       | 3.64      | 162       | 3.66        | 162       | 3.67        | 162       | 3.68        | 162        | 3.70        | 162        | 3.71        | 0.0%              |
| Unincorporated County | 1,495     | 0.80      | 1,495     | 0.81        | 1,494     | 0.82        | 1,494     | 0.83        | 1,493      | 0.84        | 1,493      | 0.85        | 0.0%              |
| <b>Willow</b>         | <b>NA</b> | <b>NA</b> | <b>46</b> | <b>2.39</b> | <b>69</b> | <b>2.39</b> | <b>92</b> | <b>2.39</b> | <b>115</b> | <b>2.39</b> | <b>138</b> | <b>2.39</b> | <b>NA</b>         |

<sup>1</sup> Calculated AAGR is higher than the 2010 – 2020 growth rate of 0.3 percent due to the inclusion of growth from Willow.



|  | 2025 |     | 2026 |     | 2027 |     | 2028 |     | 2029 |     | 2030 |     | HU   |
|--|------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|------|
|  | HU   | PPH | HU   | PPH | HU   | PPH | HU   | PPH | HU   | PPH | HU   | PPH | AAGR |

Note: PPH figures are calculated based on total population and occupied housing units and thus differ from Census-reported average household sizes, which are based on total household population.

Sources: U.S. Census Bureau, 2010 and 2020 Census Redistricting Data (PL 94-171)

U.S. Census Bureau, American Community Survey 5-Year Estimates (DP05)

Ivory-Boyer Construction Report and Database

## INCOME

Projected income was estimated starting with the most recent ACS data (2023) as the base units. The AAGR was calculated using ACS data from 2010 and 2020. To determine the Study Area's median household income, LRB utilized Census tract-level data. Census Tract 1302's median household income is estimated at \$76,813 as of 2023.

**TABLE 3.6: INITIAL AND PROJECTED FIVE-YEAR MEDIAN INCOME – WILLOW AND SURROUNDING AREA**

|               | 2025            | 2026            | 2027            | 2028            | 2029            | 2030            | AAGR        |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|
| Kane County   | \$76,945        | \$77,936        | \$78,940        | \$79,957        | \$80,987        | \$82,031        | 1.3%        |
| Alton         | \$47,144        | \$46,422        | \$45,712        | \$45,013        | \$44,325        | \$43,647        | -1.5%       |
| Big Water     | \$48,719        | \$50,343        | \$52,022        | \$53,757        | \$55,549        | \$57,402        | 3.3%        |
| Glendale      | \$64,603        | \$65,390        | \$66,187        | \$66,994        | \$67,811        | \$68,637        | 1.2%        |
| Kanab         | \$83,948        | \$85,973        | \$88,046        | \$90,170        | \$92,345        | \$94,572        | 2.4%        |
| Orderville    | \$105,941       | \$113,719       | \$122,068       | \$131,030       | \$140,651       | \$150,977       | 7.3%        |
| <b>Willow</b> | <b>\$78,575</b> | <b>\$79,472</b> | <b>\$80,378</b> | <b>\$81,295</b> | <b>\$82,223</b> | <b>\$83,160</b> | <b>1.1%</b> |

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (B19019)

## TAX BASE

The tax base of the region is important to consider in this incorporation study as growth in property values, taxable sales, and employment are valuable components when determining feasibility. The following paragraphs discuss the County's regional economy.

## REGIONAL ECONOMY

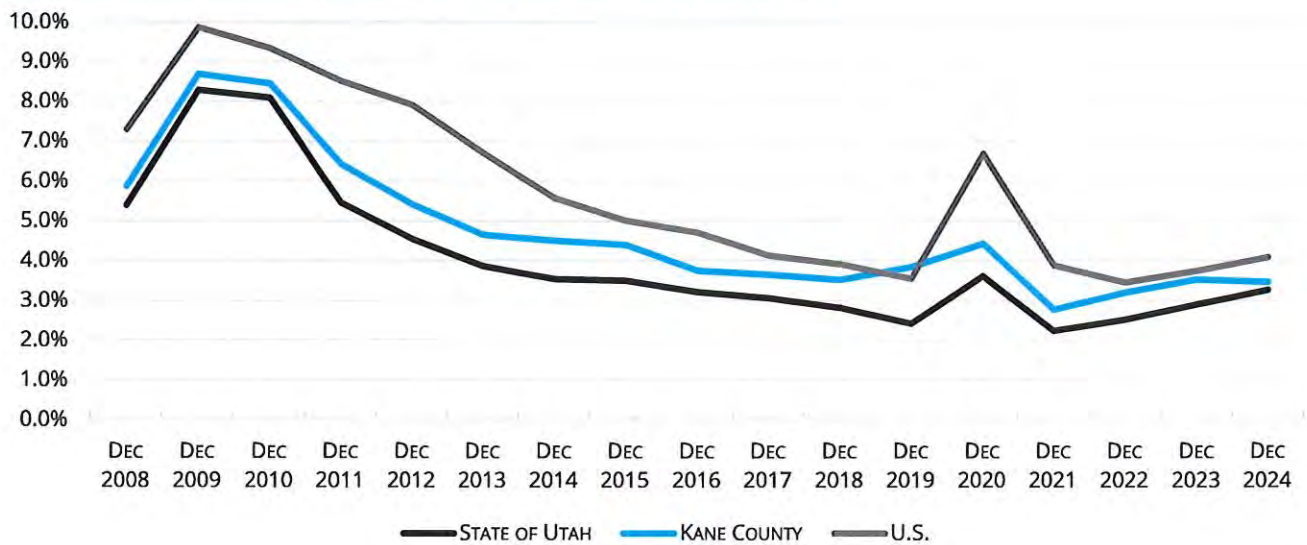
Kane County is located in southern Utah, along the Arizona border. The unemployment rate for the County averaged 3.6 percent in August 2025. Unemployment peaked in 2009 at an average of 8.7 percent (see **Figure 3.1**) according to seasonally adjusted data provided by the Utah Department of Workforce Services.<sup>3</sup> Notable shifts in employment occurred between April 2020 and April 2021 as Kane County experienced a 26.1 percent increase in non-farm jobs. From 2022 to 2023, the County experienced large increases in professional and business services, financial activities and trade, transportation, and utilities, with a total employment change of two percent.<sup>4</sup> Over the same period, construction jobs declined by 7.8 percent and education and health service jobs decreased by 6.1 percent.<sup>5</sup>

<sup>3</sup> Source: U.S. Bureau of Labor Statistics and Utah Department of Workforce Services, Seasonally Adjusted Unemployment Rates

<sup>4</sup> Data on mining and manufacturing employment for 2023 was not available at the time of this analysis.

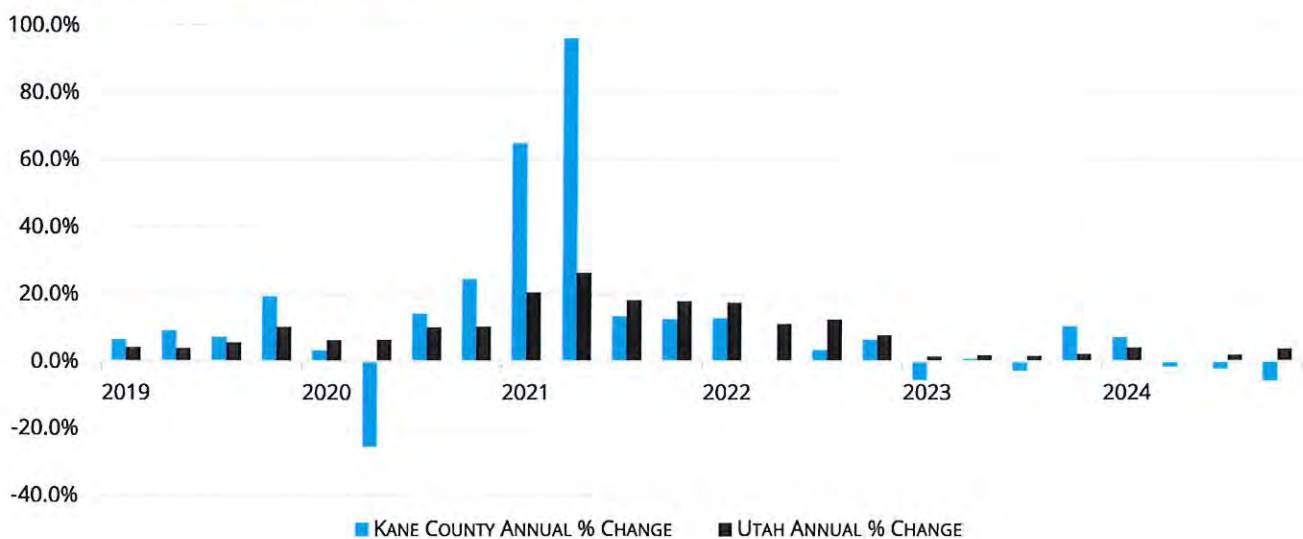
<sup>5</sup> Source: U.S. Bureau of Labor Statistics and Utah Department of Workforce Services, Nonfarm Employment

**FIGURE 3.1: HISTORIC KANE COUNTY SEASONALLY ADJUSTED UNEMPLOYMENT RATES**



A comparison of quarterly taxable sales trends for the County and State illustrates the percent change from 2019 to 2024, as shown in **Figure 3.2**.<sup>6</sup> Notable shifts occurred between 2020 and 2021 with Q1 experiencing an increase of 96.1 percent in taxable sales in the County.

**FIGURE 3.2: COMPARISON OF QUARTERLY TAXABLE SALES TRENDS**



Historic taxable value figures for Kane County show an AAGR of 16.5 percent from 2020 through 2024. It is important to note that the values below include redevelopment agency values, which will be excluded in the projection of future taxable values.

<sup>6</sup> Source: Utah State Tax Commission Economic and Statistical Info, Taxable Sales Reports



**TABLE 3.7: KANE COUNTY LIST OF FINAL VALUES BY PROPERTY TYPE**

|                    | 2020                   | 2021                   | 2022                   | 2023                   | 2024                   | 5 Yr. AAGR   |
|--------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------|
| Real: Land         | \$500,681,164          | \$533,314,521          | \$765,730,224          | \$976,430,291          | \$1,055,636,985        | 20.5%        |
| Real: Buildings    | \$1,029,823,496        | \$1,141,294,718        | \$1,495,458,418        | \$1,662,913,122        | \$1,856,822,752        | 15.9%        |
| Personal           | \$48,232,967           | \$54,461,386           | \$57,347,516           | \$81,346,619           | \$68,030,276           | 9.0%         |
| Centrally Assessed | \$62,764,200           | \$67,209,997           | \$62,418,750           | \$39,926,586           | \$39,198,746           | -11.1%       |
| <b>TOTAL</b>       | <b>\$1,641,501,827</b> | <b>\$1,796,280,622</b> | <b>\$2,380,954,908</b> | <b>\$2,760,616,618</b> | <b>\$3,019,688,759</b> | <b>16.5%</b> |
| Motor Vehicle      | \$29,574,826           | \$25,827,510           | \$26,145,526           | \$24,479,010           | \$30,666,524           | 0.9%         |

Source: Utah Certified Tax Rates

## COMMERCIAL AND INDUSTRIAL DEVELOPMENT

The Study Area is comprised of two greenbelt parcels with a market value of \$3,282,100 and a taxable value of \$2,983. The Study Area represents 0.0001 percent of the total County taxable value. While there is currently no commercial or industrial development within the Study Area, **Appendix A** includes map illustrations detailing the future development within the Study Area. Proposed development within the five-year horizon includes 127,000 square feet (SF) of commercial space and 100 hotel rooms.

## PROJECTIONS OF COUNTY TAX BASE

Kane County does not have a separate Municipal Services Fund (MSF) accounting for the cost of services provided to the unincorporated areas of the County. As a result, this study analyzes the County's GF. Using Utah State Tax Commission data for Kane County, projected taxable value estimates are shown below. **Table 3.9** details the current and projected values based on a three percent growth rate.

**TABLE 3.8: HISTORIC KANE COUNTY TAXABLE VALUE**

|                          | 2020            | 2021            | 2022            | 2023            | 2024            |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Certified Tax Rate Value | \$1,377,337,774 | \$1,513,326,351 | \$2,017,651,758 | \$2,379,563,223 | \$2,637,100,750 |

Source: Utah State Tax Commission

**TABLE 3.9: INITIAL AND PROJECTED FIVE-YEAR KANE COUNTY TAXABLE VALUE**

|                          | 2025            | 2026            | 2027            | 2028            | 2029            | 2030            |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Certified Tax Rate Value | \$2,735,801,848 | \$2,817,875,903 | \$2,902,412,181 | \$2,989,484,546 | \$3,079,169,082 | \$3,171,544,155 |

With respect to sales tax, historic data from financial reports showed an AAGR of 8.3 percent from 2020–2024, although the County has budgeted for a decrease in sales tax revenues from 2024 to 2025, as shown in **Tables 3.10** and **3.11**. Future sales tax growth projections in the County are based on a growth estimate of three percent.

**TABLE 3.10: HISTORIC KANE COUNTY SALES TAX REVENUE**

|                      | 2020        | 2021        | 2022        | 2023        | 2024        |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| GF Sales Tax Revenue | \$1,353,225 | \$1,798,056 | \$1,947,730 | \$1,906,744 | \$1,860,560 |

Source: Utah State Auditor, Local and State Government Budget Reports

**TABLE 3.11: INITIAL AND PROJECTED FIVE-YEAR KANE COUNTY SALES TAX REVENUE**

|                      | BUDGET 2025 | 2026        | 2027        | 2028        | 2029        | 2030        |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| GF Sales Tax Revenue | \$1,800,000 | \$1,854,000 | \$1,909,620 | \$1,966,909 | \$2,025,916 | \$2,086,693 |

## PROJECTIONS OF STUDY AREA TAX BASE

Significant factors that will influence revenues within the Study Area include taxable assessed value and taxable sales. New growth calculations are based on the future construction provided in **Appendix C**. Assumptions



regarding home values and price per SF are also provided in **Appendix C**. Based on the residency assumptions, residential new growth is estimated based on the current ratio of primary residences, which receive a property tax reduction, and secondary residences, which do not receive a reduction.

**TABLE 3.12: PROJECTED FIVE-YEAR STUDY AREA TAXABLE VALUE NEW GROWTH**

|                                  | PROJECTED           |                     |                     |                     |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | YEAR 1              | YEAR 2              | YEAR 3              | YEAR 4              | YEAR 5              |
| <b>RESIDENTIAL</b>               |                     |                     |                     |                     |                     |
| Primary Residential <sup>1</sup> | \$11,840,400        | \$5,920,200         | \$5,920,200         | \$5,920,200         | \$6,045,600         |
| Secondary Residential            | \$21,528,000        | \$10,764,000        | \$10,764,000        | \$10,764,000        | \$10,992,000        |
| Vacation Units                   | \$27,500,000        | \$27,500,000        | \$27,500,000        | \$36,300,000        | \$0                 |
| <b>Residential New Growth</b>    | <b>\$60,868,400</b> | <b>\$44,184,200</b> | <b>\$44,184,200</b> | <b>\$52,984,200</b> | <b>\$17,037,600</b> |
| <b>COMMERCIAL</b>                |                     |                     |                     |                     |                     |
| Commercial SF                    | 40,000              | -                   | 40,000              | -                   | 47,000              |
| <b>Commercial New Growth</b>     | <b>\$8,800,000</b>  | <b>\$0</b>          | <b>\$8,800,000</b>  | <b>\$0</b>          | <b>\$10,340,000</b> |
| <b>LODGING</b>                   |                     |                     |                     |                     |                     |
| Rooms                            | 100                 | -                   | -                   | -                   | -                   |
| <b>Lodging New Growth</b>        | <b>\$12,000,000</b> | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          |
| <b>TOTAL NEW GROWTH</b>          | <b>\$81,668,400</b> | <b>\$44,184,200</b> | <b>\$52,984,200</b> | <b>\$52,984,200</b> | <b>\$27,377,600</b> |

<sup>1</sup>Accounts for tax reduction for primary residences.  
Source: Development Proforma

**Table 3.13** details the taxable value growth projections utilizing the new growth estimates above.

**TABLE 3.13: PROJECTED FIVE-YEAR STUDY AREA TAXABLE VALUE**

|                            | INITIAL        | YEAR 1              | YEAR 2               | YEAR 3               | YEAR 4               | YEAR 5               |
|----------------------------|----------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed Value             | \$2,983        | \$2,983             | \$81,671,383         | \$125,855,583        | \$178,839,783        | \$231,823,983        |
| New Growth                 | \$0            | \$81,668,400        | \$44,184,200         | \$52,984,200         | \$52,984,200         | \$27,377,600         |
| <b>TOTAL TAXABLE VALUE</b> | <b>\$2,983</b> | <b>\$81,671,383</b> | <b>\$125,855,583</b> | <b>\$178,839,783</b> | <b>\$231,823,983</b> | <b>\$259,201,583</b> |

Source: Development Proforma

Sales tax revenues are distributed based on two methodologies: 1) the ratio of population; and 2) point of sale, or the location of the sale. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population. Population revenues are distributed to local entities based on the ratio of their population to the State's population. Future population revenues are based on a growth estimate of nine percent based on the State's AAGR (see **Table 5.3**). **Section 5** of this study discusses the population and point of sale methodologies further. No population distribution is made for secondary homes.

Retail point of sale revenue was calculated using estimated commercial square footage and hotel rooms, while online point of sale revenue was calculated using sales tax data from Kane County and E-Commerce figures from the US Census Bureau. Future point of sale revenue is based on a growth estimate of three percent. The table below summarizes the total estimated sales tax revenue attributed to the Study Area.

**TABLE 3.14: PROJECTED FIVE-YEAR STUDY AREA ESTIMATED SALES TAX REVENUE**

|                                  | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5           |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Population Distribution          | \$18,066         | \$29,044         | \$41,504         | \$55,604         | \$71,513         |
| Point of Sale Distribution       | \$104,272        | \$109,761        | \$204,214        | \$212,845        | \$332,416        |
| <b>TOTAL ESTIMATED SALES TAX</b> | <b>\$122,338</b> | <b>\$138,804</b> | <b>\$245,718</b> | <b>\$268,448</b> | <b>\$403,929</b> |

## **PUBLIC FACILITIES**

There are presently no public facilities within the Study Area boundaries.





## SECTION 4: INITIAL & FIVE-YEAR COST PROJECTIONS

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, subject to Subsection (3)(b), the initial and five-year projected cost of providing municipal services to the proposed preliminary municipality area, including administrative costs.*

### GENERAL METHODOLOGY

This section compares the costs to the residents of the Study Area if the County continues to provide services or if a newly incorporated Town provides services. Utah Code requires that the level and quality of governmental services be fairly and reasonably approximate between the two options.<sup>7</sup> This analysis assumes that several municipal services provided by the County, special districts, and private companies will continue to be provided regardless of incorporation status. However, actual service provision will be governed by the newly incorporated municipal governing body.

LRB assumes the following services will be provided by the various entities without any impact from incorporation or non-incorporation:

- Culinary and Secondary Water: Kane County Water Conservancy District (KCWCD)
- Sewer: Private arrangements by individual property owners
- Garbage: Western Kane County Special Service District #1 (WKCSSD)
- Hospital: Kane County Human Resource Special Service District (KCHRSSD)

The following services were assumed to be provided by the County through the General Fund or through the Town if incorporated:

- General Government Services (including administrative overhead and planning and zoning)
- Law Enforcement
- Fire Protection/EMS
- Roads

### COUNTY COST ESTIMATES

Expenditures related to County services were calculated using calendar year (CY) budget reports detailing General Fund actuals from CY 2020–2023, estimated CY 2024 actuals, and CY 2025 budget estimates. For the purposes of this analysis, the tables below combine the County's projected expenditures into the general categories specified in the audited financial report.

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<sup>7</sup>Utah Code 10-2a-504(3)(b)(i)

**TABLE 4.1: COUNTY SCENARIO – HISTORIC AND INITIAL GF EXPENDITURES**

|                                   | ACTUAL             |                     |                     |                     |                     | BUDGET              |
|-----------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | 2020               | 2021                | 2022                | 2023                | 2024                | 2025                |
| General Government                | \$3,796,796        | \$5,572,019         | \$6,521,635         | \$6,702,585         | \$7,239,559         | \$9,064,895         |
| Public Safety                     | \$2,578,045        | \$3,523,073         | \$3,831,006         | \$4,251,918         | \$4,482,947         | \$5,123,452         |
| Public Health <sup>1</sup>        | \$296,734          | \$208,032           | \$190,106           | \$197,427           | \$136,497           | \$295,330           |
| Highways and Public improvements  | \$87,056           | \$24,907            | \$41,048            | \$57,050            | \$43,922            | \$90,878            |
| Parks and Recreation <sup>2</sup> | \$53,188           | \$0                 | \$46,469            | \$61,612            | \$31,653            | \$70,757            |
| Community & Economic Development  | \$90,413           | \$104,445           | \$160,547           | \$182,582           | \$189,518           | \$209,435           |
| Contributions                     | \$29,732           | \$173,710           | \$189,685           | \$151,787           | \$117,335           | \$130,000           |
| Transfers Out                     | \$1,939,291        | \$1,403,956         | \$1,498,794         | \$2,101,364         | \$1,301,507         | \$1,398,612         |
| <b>TOTAL</b>                      | <b>\$8,871,255</b> | <b>\$11,010,142</b> | <b>\$12,479,290</b> | <b>\$13,706,325</b> | <b>\$13,542,938</b> | <b>\$16,383,359</b> |

<sup>1</sup> Reflects costs under Fund 110 (General Fund) and Fund 112 (Public Health Levy).

<sup>2</sup> Reflects costs under Fund 113 (County Library Levy).

Note – furniture and equipment costs are not separated and are included under the applicable department category.

Source: Utah State Auditor, Local and State Government Budget Reports

Between 2020 and 2024, the County's GF expenditures grew at an AAGR of 11.2 percent. The five-year projections are based on an analysis of the historic AAGR for each budget line item, which is then applied to account for inflation and anticipated growth.<sup>8</sup> Contributions and transfers out of the GF are held constant based on CY 2025 expense. **Table 4.2** illustrates the County's estimated expenditures if they are fixed, meaning the GF expenditures will not be reduced because the County tax rate will remain the same if there is an incorporation.

**TABLE 4.2: COUNTY SCENARIO – PROJECTED FIVE-YEAR GF EXPENDITURES**

|                                  | 2026                | 2027                | 2028                | 2029                | 2030                |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Government               | \$9,191,264         | \$9,467,162         | \$9,755,819         | \$10,058,021        | \$10,374,612        |
| Public Safety                    | \$5,266,856         | \$5,424,861         | \$5,587,607         | \$5,755,235         | \$5,927,892         |
| Public Health                    | \$304,190           | \$313,316           | \$322,715           | \$332,397           | \$342,368           |
| Highways and Public improvements | \$83,304            | \$85,803            | \$88,378            | \$91,029            | \$93,760            |
| Parks and Recreation             | \$70,757            | \$70,757            | \$70,757            | \$70,757            | \$70,757            |
| Community & Economic Development | \$205,418           | \$211,581           | \$217,928           | \$224,466           | \$231,200           |
| Contributions                    | \$130,000           | \$130,000           | \$130,000           | \$130,000           | \$130,000           |
| Transfers Out                    | \$1,398,612         | \$1,398,612         | \$1,398,612         | \$1,398,612         | \$1,398,612         |
| <b>TOTAL</b>                     | <b>\$16,650,401</b> | <b>\$17,102,092</b> | <b>\$17,571,816</b> | <b>\$18,060,516</b> | <b>\$18,569,202</b> |

## STUDY AREA COST ESTIMATES (ASSUMING INCORPORATION)

Expenditures for the Study Area were calculated using the following methodologies in order to determine an acceptable level of service:

- Per capita expenditures within the General Fund applicable to unincorporated areas
- Per capita expenditures of surrounding municipalities
- Contract estimates
- Expenditures per weighted mile of surrounding municipalities
- Average total expenditures per mile based on County estimates

<sup>8</sup> §10-2a-504(3)(b)(iii)



## INCORPORATION COST

A one-time cost due to incorporation is included in the analysis for when the population of the Study Area is expected to reach over 99 people.<sup>9</sup> **Table 4.3** shows the Town's population exceeding 99 people in year one. These expenses include the estimated election cost, startup and building costs, and the LRB contract cost.<sup>10</sup> To determine the estimated election cost for the Study Area, the County Clerk/Auditor provided a recent municipality's election cost detail. For a municipality with 430 registered voters, the cost to hold two elections was approximately \$10,000, resulting in a cost per registered voter of \$23. Utilizing 2024 County precinct data<sup>11</sup>, the ratio of registered voters to the County's population as a whole was applied to the current and projected primary population of Willow. It is assumed the election cost will occur every odd year. LRB also analyzed potential start-up costs including a one-time startup cost of \$25,000 to account for additional legal fees, equipment, and other typical startup expenses.

## GENERAL GOVERNMENT SERVICES

The County provides general government services through its General Fund because Kane County does not have a separate MSF accounting for the cost of services provided to the unincorporated areas of the County. Based on discussions with the County, the following categories within the General Fund's general government budget were deemed County-level services and were removed to better isolate the services currently provided to unincorporated areas of the County: justice court, public defender, assessor, motor vehicles, building and grounds, public lands, elections<sup>12</sup>, and non-departmental activities.

A per capita rate removing County-level services was calculated to determine the average general government cost. The average per capita general government expense for the County for CY 2025 is \$556. The per capita cost was increased by three percent each year then multiplied by the Study Area population to determine total general government cost for each year.

**TABLE 4.3: GENERAL GOVERNMENT SERVICES INITIAL AND PROJECTED FIVE-YEAR COSTS**

|                                        | INITIAL    | YEAR 1          | YEAR 2          | PROJECTED<br>YEAR 3 | YEAR 4           | YEAR 5           |
|----------------------------------------|------------|-----------------|-----------------|---------------------|------------------|------------------|
| GF Government Services Cost per Capita | \$556      | \$573           | \$590           | \$608               | \$626            | \$645            |
| Willow Population                      | -          | 110             | 165             | 220                 | 275              | 330              |
| <b>TOTAL GENERAL GOVERNMENT COSTS</b>  | <b>\$0</b> | <b>\$63,023</b> | <b>\$97,371</b> | <b>\$133,723</b>    | <b>\$172,168</b> | <b>\$212,800</b> |

Note: Budgetary line items deemed County-level services were removed to better isolate the services currently provided to unincorporated areas of the County

Source: Utah State Auditor, Local and State Government Budget Reports

Without a separate MSF, the true cost of service provided to unincorporated areas is difficult to quantify. It is important to note that the remaining cost categories included in **Table 4.3** may still be overstated, as they represent services that will still be provided to the Study Area if it incorporates.

Employing an alternative methodology produces a lower general government expense. LRB gathered data from the municipalities in Kane County which include Alton, Big Water, Glendale, Kanab, and Orderville. The most recent budget data available for all communities is FY 2025. Certain line items were determined to be one-time expenses or irrelevant to maintaining present level of service and were removed from the estimation of this expense, including costs related to grants, contributions and donations, elections, general government buildings, and other services not provided through the County's GF. An average cost per capita of \$458 is

<sup>9</sup> §10-2a-510(1)

<sup>10</sup> Under §10-2a-510(15), incorporation costs outlined in §10-2a-220 applies to the incorporated town.

<sup>11</sup> State of Utah. (2025, October). Historical Election Results. Retrieved from <https://vote.utah.gov/historical-election-results/>

<sup>12</sup> Election expense included under incorporation costs.



calculated, a difference of \$98 when compared to the County GF approach. For the purposes of this analysis, the expense calculated in **Table 4.3** is utilized.

**TABLE 4.4: COMPARABLE GENERAL GOVERNMENT COST PER CAPITA**

| MUNICIPALITY        | 2025 ESTIMATED POPULATION <sup>1</sup> | FY2025 BUDGET | COST PER CAPITA |
|---------------------|----------------------------------------|---------------|-----------------|
| Alton               | 116                                    | \$28,500      | \$246           |
| Big Water           | 532                                    | \$262,018     | \$493           |
| Glendale            | 326                                    | \$69,550      | \$213           |
| Kanab               | 5,335                                  | \$1,189,000   | \$223           |
| Orderville          | 591                                    | \$660,300     | \$1,117         |
| AVERAGE             |                                        |               | \$458           |
| AVERAGE (TABLE 4.3) |                                        |               | \$556           |

<sup>1</sup> See Table 3.3

Source: Utah State Auditor, Local and State Government Budget Reports

## LAW ENFORCEMENT

The Study Area would likely need contract services with the Kane County Sheriff's Office. The County Sheriff estimates the contract cost for year one would be \$75,000. By year five, the contract cost is estimated at \$420,000. **Appendix E** includes details on the contract determination from the County Sheriff.

**TABLE 4.5: INITIAL AND PROJECTED FIVE-YEAR PUBLIC SAFETY COST ALLOCATION**

|                                           | YEAR 1   | YEAR 2    | YEAR 3    | YEAR 4    | YEAR 5    |
|-------------------------------------------|----------|-----------|-----------|-----------|-----------|
| KANE COUNTY LAW ENFORCEMENT CONTRACT COST | \$75,000 | \$100,000 | \$140,000 | \$210,000 | \$420,000 |

Source: Kane County Sheriff (Appendix E)

## FIRE PROTECTION

The County provides wildland protection services to all areas of Kane County, but it is not required to provide structural fire protection services to unincorporated areas of the County. The area east of Kanab City, which includes the proposed Study Area, has not had official fire protection services until the Vermillion Cliffs Special Service District (VCSSD) recently annexed areas east of Kanab to provide fire protection services. However, the new VCSSD boundary does not include the proposed Study Area. While the Study Area is not currently receiving fire protection services, it will need to provide services should it be incorporated. The Study Area would either receive contracted fire protection services from VCSSD or create and operate its own fire department upon incorporation. For the purposes of this analysis, it is assumed that the proposed Study Area will receive contracted services from VCSSD. Assuming the same tax categories and tax rates as imposed by the County and all other current service providers<sup>13</sup>, including VCSSD, this analysis assumes that the proposed Town will also receive revenues to fully offset the cost of fire protection services (see **Section 5**).

VCSSD currently provides services to the surrounding areas and considers three cost components when determining the charge for services: 1) a basic charge for services based on taxable value to cover the SSD's contract with Kanab; 2) a flat fee of \$150; and 3) a one-time administrative fee of \$200 for new parcels.<sup>14</sup> **Table 4.6** shows the estimated contract calculation for the Study Area based on the VCSSD fee schedule.

<sup>13</sup> §10-2a-504(3)(a)(ii)(C)

<sup>14</sup> FAA properties are charged a flat fee of \$50.



**TABLE 4.6: FIRE CONTRACT CALCULATION BASED ON VCSSD FEE SCHEDULE**

|                                          | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5           |
|------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Base Fee</b>                          |                  |                  |                  |                  |                  |
| Willow Taxable Value (see Table 3.13)    | \$81,671,383     | \$125,855,583    | \$178,839,783    | \$231,823,983    | \$259,201,583    |
| Base Charge (6% Escalator)               | 0.001350         | 0.001431         | 0.001517         | 0.001608         | 0.001704         |
| <b>Subtotal Base Fee</b>                 | <b>\$110,256</b> | <b>\$180,099</b> | <b>\$271,275</b> | <b>\$372,743</b> | <b>\$441,769</b> |
| <b>Flat Fee</b>                          |                  |                  |                  |                  |                  |
| Total Residential Units <sup>1</sup>     | 117              | 188              | 259              | 338              | 384              |
| Total Commercial                         | 2                | 2                | 3                | 3                | 4                |
| Flat Fee (per unit)                      | \$150            | \$150            | \$150            | \$150            | \$150            |
| <b>Subtotal Flat Fee</b>                 | <b>\$17,850</b>  | <b>\$28,500</b>  | <b>\$39,300</b>  | <b>\$51,150</b>  | <b>\$58,200</b>  |
| <b>Administrative Fee</b>                |                  |                  |                  |                  |                  |
| New Residential Parcels                  | 117              | 71               | 71               | 79               | 46               |
| New Commercial Parcels                   | 2                | -                | 1                | -                | 1                |
| One-time Administrative Fee (per parcel) | \$200            | \$200            | \$200            | \$200            | \$200            |
| <b>Subtotal Administrative Fee</b>       | <b>\$23,800</b>  | <b>\$14,200</b>  | <b>\$14,400</b>  | <b>\$15,800</b>  | <b>\$9,400</b>   |
| <b>VCSSD COMBINED CONTRACT COST</b>      | <b>\$151,906</b> | <b>\$222,799</b> | <b>\$324,975</b> | <b>\$439,693</b> | <b>\$509,369</b> |

<sup>1</sup> Includes primary and secondary units.

Sources: Kane County

Vermillion Cliffs SSD Fee Schedule

## ROADS

There are no roads currently in the Study Area. Future roads in Willow will be privately owned and maintained.

**Table 4.7** shows the estimated private road mileage that will be constructed according to the Sponsor. To quantify the financial impacts to the taxpayers of the proposed town, this analysis includes potential roads costs.

**TABLE 4.7: WILLOW PROJECTED FIVE-YEAR WEIGHTED MILEAGE**

|                               | PROJECTED   |             |             |              |              |
|-------------------------------|-------------|-------------|-------------|--------------|--------------|
|                               | YEAR 1      | YEAR 2      | YEAR 3      | YEAR 4       | YEAR 5       |
| New Paved Miles (5% of total) | 0.09        | 0.50        | 1.01        | 0.66         | 1.05         |
| <b>Total Cumulative Miles</b> | <b>0.09</b> | <b>0.59</b> | <b>1.60</b> | <b>2.26</b>  | <b>3.31</b>  |
| UDOT Multiplier <sup>1</sup>  | 5           | 5           | 5           | 5            | 5            |
| <b>TOTAL WEIGHTED MILEAGE</b> | <b>0.45</b> | <b>2.95</b> | <b>8.00</b> | <b>11.30</b> | <b>16.55</b> |

<sup>1</sup>Based on Class B and C Roads Apportionment Formula (Utah Code 72-2-108)

LRB gathered 2025 budget information from Kane County's Class B Roads Fund to determine the average cost per weighted mile for the County. The County maintains 109.62 miles of hard surface roads, which is equivalent to 548.10 weighted miles based on the Class B and C Roads Apportionment Formula. According to the County, 60 percent of the roads budget is dedicated to hard surface road maintenance. The County's cost per weighted mile for hard surfaced roads is accordingly estimated at \$2,214.

**TABLE 4.8: KANE COUNTY ROAD COSTS OVERVIEW**

|             | MAINTAINED<br>HARD SURFACE<br>MILEAGE<br>(FY25) | WEIGHTED<br>MILEAGE<br>(FY25) <sup>1</sup> | ROADS – CLASS<br>B EXPENSE<br>(FY25) <sup>2</sup> | SPRAYING<br>EXPENSE<br>(FY25) | PERCENT TO<br>HARD<br>SURFACED<br>ROADS | TOTAL EXPENSE<br>(FY25) | EXPENSE PER<br>WEIGHTED MILE |
|-------------|-------------------------------------------------|--------------------------------------------|---------------------------------------------------|-------------------------------|-----------------------------------------|-------------------------|------------------------------|
| Kane County | 109.62                                          | 548.10                                     | \$1,931,614                                       | \$90,878                      | 60%                                     | <b>\$1,213,495</b>      | <b>\$2,214</b>               |

<sup>1</sup>Based on Class B and C Roads Apportionment Formula (Utah Code 72-2-108)

<sup>2</sup>Total B&C road budget less Garfield Road Contract at \$90,000.

Source: Kane County

The figure calculated in **Table 4.8** is utilized to project potential road costs in **Table 4.9** and is extended to 2030 at a three percent annual growth rate and applied to the projected Study Area weighted mileage.

**TABLE 4.9: WILLOW ROADS INITIAL AND PROJECTED FIVE-YEAR COSTS**

|                                   | INITIAL | YEAR 1         | YEAR 2         | PROJECTED       |                 |                 |
|-----------------------------------|---------|----------------|----------------|-----------------|-----------------|-----------------|
|                                   |         |                |                | YEAR 3          | YEAR 4          | YEAR 5          |
| Cost per Weighted Mile            | \$2,214 | \$2,280        | \$2,349        | \$2,419         | \$2,492         | \$2,567         |
| Willow Weighted Miles             | -       | 0.45           | 2.95           | 8.00            | 11.30           | 16.55           |
| <b>TOTAL ESTIMATED ROADS COST</b> | -       | <b>\$1,026</b> | <b>\$6,929</b> | <b>\$19,354</b> | <b>\$28,158</b> | <b>\$42,478</b> |

**Table 4.10** summarizes the expenditures forecasted for the proposed Study Area. This scenario includes the applicable incorporation costs as outlined in Section §10-2a-510.

**TABLE 4.10: WILLOW PROJECTED FIVE-YEAR EXPENDITURES**

|                                | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5             |
|--------------------------------|------------------|------------------|------------------|------------------|--------------------|
| Incorporation Costs            | \$52,500         | \$2,432          | \$0              | \$4,054          | \$0                |
| General Government             | \$63,023         | \$97,371         | \$133,723        | \$172,168        | \$212,800          |
| Law Enforcement                | \$75,000         | \$100,000        | \$140,000        | \$210,000        | \$420,000          |
| Fire Protection                | \$151,906        | \$222,799        | \$324,975        | \$439,693        | \$509,369          |
| Roads                          | \$1,026          | \$6,929          | \$19,354         | \$28,158         | \$42,478           |
| <b>TOTAL OPERATING EXPENSE</b> | <b>\$343,456</b> | <b>\$429,532</b> | <b>\$618,052</b> | <b>\$854,073</b> | <b>\$1,184,646</b> |



## SECTION 5: INITIAL & FIVE-YEAR REVENUE PROJECTIONS

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, 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.*

### GENERAL METHODOLOGY

This section compares the revenues the County and Study Area are likely to generate. Similar to the expenditure projections, the revenues were calculated using CY financial reports detailing General Fund actuals from CY 2020 – 2023, estimated CY 2024 actuals, budget estimates for CY 2025, and recommendations from the County Clerk/Auditor. Additional allocation methodologies were utilized based on population, assessed value, and standard State allocation practices.

### COUNTY REVENUES

The General Fund revenues were grouped into major categories from a budgeting perspective.<sup>15</sup> Between 2020 and 2024, the County's GF revenue grew at an AAGR of 7.9 percent.

**TABLE 5.1: COUNTY SCENARIO – HISTORIC AND INITIAL GF REVENUES**

|                                    | ACTUAL             |                     |                     |                     |                     | BUDGET              |
|------------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | 2020               | 2021                | 2022                | 2023                | 2024                | 2025                |
| Property Taxes <sup>1</sup>        | \$5,667,850        | \$6,829,760         | \$7,307,265         | \$7,172,593         | \$7,222,796         | \$7,237,568         |
| Sales Tax                          | \$1,353,225        | \$1,798,056         | \$1,947,730         | \$1,906,744         | \$1,860,560         | \$1,800,000         |
| Licenses and Permits               | \$353,396          | \$447,938           | \$468,887           | \$477,985           | \$386,285           | \$321,500           |
| Intergovernmental Revenue          | \$1,411,361        | \$1,282,714         | \$1,277,200         | \$1,419,334         | \$1,544,009         | \$1,551,981         |
| Charges for Services               | \$321,633          | \$727,780           | \$602,911           | \$528,251           | \$587,249           | \$594,400           |
| Fines and Forfeitures <sup>2</sup> | \$286,673          | \$448,615           | \$69,046            | \$1,033,333         | \$121,667           | \$345,000           |
| Interest Earnings/Other            | \$145,907          | \$0                 | \$33,336            | \$638,464           | \$635,796           | \$175,000           |
| Miscellaneous Revenue              | \$0                | \$61,506            | \$115,770           | \$45,618            | \$614,123           | \$16,800            |
| Transfers In                       | \$30,000           | \$225,800           | \$700,001           | \$0                 | \$0                 | \$50,000            |
| Use of Surplus                     | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$4,291,110         |
| <b>TOTAL</b>                       | <b>\$9,570,045</b> | <b>\$11,822,169</b> | <b>\$12,522,146</b> | <b>\$13,222,322</b> | <b>\$12,972,485</b> | <b>\$16,383,359</b> |

<sup>1</sup> Reflects property tax generated from Fund 110 (General Fund) and Fund 113 (County Library Levy).

<sup>2</sup> Reflects revenue sources from Fund 110 (General Fund) and Fund 114 (Justice Court).

Source: Utah State Auditor, Local and State Government Budget Reports

The projections illustrated in **Table 5.2** are based on an analysis of the historic AAGR for each budget item, as well as insight from County staff. Property tax revenues are tied to new growth at three percent. For the purposes of this analysis, use of surplus is perpetuated into the future. Transfers in are held constant based on CY 2025 figures.

<sup>15</sup> See Kane County Financial Statements for major category groupings.





**TABLE 5.2: COUNTY SCENARIO – PROJECTED FIVE-YEAR GF REVENUES**

|                           | 2026                | 2027                | 2028                | 2029                | 2030                |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Property Taxes            | \$7,454,695         | \$7,678,336         | \$7,908,686         | \$8,145,947         | \$8,390,325         |
| Sales Tax                 | \$1,854,000         | \$1,909,620         | \$1,966,909         | \$2,025,916         | \$2,086,693         |
| Licenses and Permits      | \$331,145           | \$341,079           | \$351,312           | \$361,851           | \$372,707           |
| Intergovernmental Revenue | \$1,551,981         | \$1,551,981         | \$1,551,981         | \$1,551,981         | \$1,551,981         |
| Charges for Services      | \$612,232           | \$630,599           | \$649,517           | \$669,002           | \$689,073           |
| Fines and Forfeitures     | \$355,350           | \$366,011           | \$376,991           | \$388,301           | \$399,950           |
| Interest Earnings/Other   | \$180,250           | \$185,658           | \$191,227           | \$196,964           | \$202,873           |
| Miscellaneous Revenue     | \$17,250            | \$17,714            | \$18,191            | \$18,683            | \$19,189            |
| Transfers In              | \$50,000            | \$50,000            | \$50,000            | \$50,000            | \$50,000            |
| Use of Surplus            | \$4,291,110         | \$4,291,110         | \$4,291,110         | \$4,291,110         | \$4,291,110         |
| <b>TOTAL</b>              | <b>\$16,698,013</b> | <b>\$17,022,107</b> | <b>\$17,355,923</b> | <b>\$17,699,754</b> | <b>\$18,053,900</b> |

### STUDY AREA REVENUES (ASSUMING TOWN INCORPORATION)

Revenues for the Study Area were calculated using the following methodologies:

- Property tax based on assessed value and new growth
- Fire Protection revenue based on an equivalent VCSSD rate
- State Sales Tax allocation based on population and point of sale
- State Class C Road Fund allocation based on lane miles and population
- License and permit revenues based on estimated expenses
- Interest earnings based on cumulative fund balance

### PROPERTY TAX

Property tax revenue is based on the assessed value of the Study Area and applying the projected County levy for municipal services. However, Kane County does not have a separate MSF accounting for the cost of services provided to unincorporated county, and new residents will continue to pay taxes to the County's GF if incorporation occurs. To determine a proportionate rate that is reflective of the services currently provided to unincorporated county, LRB identified counties that have a separate MSF accounting for the cost of services provided to unincorporated county. Based on its population and pursuant to UCA §17-50-501, Kane County is classified as a fifth-class county, in which no county classified under the fifth class has a separate MSF. Under the fourth class, Carbon and Wasatch counties each have a separate MSF; however, Wasatch County does not assess an MSF levy. Based upon population, location, and county classification, LRB utilized Carbon County as a benchmark to quantify revenues from property tax. **Table 5.3** summarizes the classification applicable to each county, and whether a separate MSF and levy are present.

**TABLE 5.3: COUNTY CLASSIFICATION (EFFECTIVE 2025)**

| CLASSIFICATION | POPULATION RANGE    | COUNTY           | MUNICIPAL SERVICES FUND STATUS | MUNICIPAL SERVICES FUND LEVY |
|----------------|---------------------|------------------|--------------------------------|------------------------------|
| First Class    | ≥ 1,150,000         | Salt Lake County | Yes                            | Yes                          |
| Second Class   | 260,000 - 1,149,999 | Davis            | Yes                            | Yes                          |
|                |                     | Utah             | Yes                            | Yes (Multiple Service Areas) |
|                |                     | Weber            | Yes                            | Yes                          |
| Third Class    | 40,000 - 259,999    | Box Elder        | Yes                            | Yes                          |
|                |                     | Cache            | Yes                            | Doesn't assess levy          |
|                |                     | Iron             | Yes                            | Yes                          |
|                |                     | Summit           | Yes                            | Yes                          |
|                |                     | Tooele           | Yes                            | Yes                          |
|                |                     | Uintah           | Yes                            | Doesn't assess levy          |



| CLASSIFICATION | POPULATION RANGE | COUNTY        | MUNICIPAL SERVICES FUND STATUS | MUNICIPAL SERVICES FUND LEVY |
|----------------|------------------|---------------|--------------------------------|------------------------------|
|                |                  | Washington    | Yes                            | Doesn't assess levy          |
| Fourth Class   | 12,000 - 39,999  | Beaver        | No                             | NA                           |
|                |                  | <b>Carbon</b> | <b>Yes</b>                     | <b>Yes</b>                   |
|                |                  | Duchesne      | No                             | NA                           |
|                |                  | Millard       | No                             | NA                           |
|                |                  | San Juan      | No                             | NA                           |
|                |                  | Sevier        | No                             | NA                           |
|                |                  | Wasatch       | Yes                            | Doesn't assess levy          |
| Fifth Class    | 5,000 - 11,999   | Emery         | No                             | NA                           |
|                |                  | Grand         | No                             | NA                           |
|                |                  | Juab          | No                             | NA                           |
|                |                  | <b>Kane</b>   | <b>No</b>                      | <b>NA</b>                    |
|                |                  | Morgan        | No                             | NA                           |
|                |                  | Piute         | No                             | NA                           |
| Sixth Class    | < 5,000          | Daggett       | No                             | NA                           |
|                |                  | Garfield      | No                             | NA                           |
|                |                  | Rich          | No                             | NA                           |
|                |                  | Wayne         | No                             | NA                           |

Source: Utah Association of Counties, County Classification Thresholds (Effective 2025)

**TABLE 5.4: PROPORTIONATE MSF RATE CALCULATION (CARBON COUNTY)**

|                                            |                    |
|--------------------------------------------|--------------------|
| Carbon County General Operations Levy      | 0.002556           |
| Carbon County Taxable Value                | \$2,224,611,004    |
| <b>General Operations Revenue</b>          | <b>\$5,686,106</b> |
| Carbon County MSF Levy                     | 0.002056           |
| Carbon County MSF Taxable Value            | \$1,249,039,275    |
| <b>MSF Calculated Revenue</b>              | <b>\$2,568,025</b> |
| <b>COMBINED CALCULATED REVENUE</b>         | <b>\$8,254,130</b> |
| <b>CALCULATED TAX LEVY</b>                 | <b>0.00371</b>     |
| <b>PERCENT MSF LEVY OF CALCULATED LEVY</b> | <b>55%</b>         |

Source: Utah State Tax Commission

Taxable value and property tax data for Carbon County's general operations and MSF were gathered to quantify a proportionate rate that is reflective of the services provided to unincorporated county. Using the information provided in **Table 5.4**, the MSF levy represents roughly 55 percent of the County's total general operations.

Assuming some functions of the General Fund are dedicated to municipal type services, **Table 5.5** applies an adjustment of 55 percent to Kane County's General Fund levy.

**TABLE 5.5: PROPORTIONATE COUNTY LEVY BASED ON CARBON COUNTY**

|                                                    | YEAR 1          | YEAR 2          | YEAR 3          | YEAR 4          | YEAR 5          |
|----------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| County GF Levy                                     | 0.001970        | 0.001970        | 0.001970        | 0.001970        | 0.001970        |
| Municipal Type Services Adjustment (see Table 5.4) | 55%             | 55%             | 55%             | 55%             | 55%             |
| <b>Proportionate County Levy</b>                   | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |

**Table 5.6** calculates the property tax revenue using the adjusted property tax levy and new growth calculations provided in **Table 3.13**, resulting in property tax revenues for the proposed Study Area.

**TABLE 5.6: STUDY AREA TAXABLE VALUE PROJECTED FIVE-YEAR REVENUES**

|                                  | YEAR 1              | YEAR 2               | YEAR 3               | YEAR 4               | YEAR 5               |
|----------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed Value                   | \$2,983             | \$81,671,383         | \$125,855,583        | \$178,839,783        | \$231,823,983        |
| New Growth                       | \$81,668,400        | \$44,184,200         | \$52,984,200         | \$52,984,200         | \$27,377,600         |
| <b>Total Taxable Value</b>       | <b>\$81,671,383</b> | <b>\$125,855,583</b> | <b>\$178,839,783</b> | <b>\$231,823,983</b> | <b>\$259,201,583</b> |
| <b>Proportionate County Levy</b> | <b>0.001083</b>     | <b>0.001083</b>      | <b>0.001083</b>      | <b>0.001083</b>      | <b>0.001083</b>      |



|                          | YEAR 1          | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5           |
|--------------------------|-----------------|------------------|------------------|------------------|------------------|
| <b>TOTAL TAX REVENUE</b> | <b>\$88,473</b> | <b>\$136,337</b> | <b>\$193,734</b> | <b>\$251,131</b> | <b>\$280,788</b> |

## FIRE PROTECTION

VCSSD currently provides fire protection services to the surrounding areas and for the purposes of this analysis, it is assumed that the proposed Study Area will receive contracted services from VCSSD. Assuming the same tax categories and rates as imposed by the County and all other current service providers<sup>16</sup>, including VCSSD, this analysis assumes that the proposed Town will also collect fire protection fees that are charged at a rate that is proportional to the costs to the incorporated Town to contract with VCSSD. The revenue generated for fire protection services is equal to the cost shown in **Table 4.6**.

## SALES TAX

Sales tax revenues are distributed based on two methodologies: 1) the ratio of population; and 2) point of sale, or the location of the sale. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population.

Population revenues are distributed to local entities based on the ratio of their population to the State's population. No population distribution is made for secondary homes. The State population distribution pool in **Table 5.7** represents an average between the applicable current and prior FY to estimate State's sale tax for the CY. The calculated average was then multiplied by 50 percent to distribute the total sales tax collections based on population. Taxable sales have increased by an average of ten percent in the State from 2020 to 2024. Future population revenues are based on a general growth estimate of nine percent based on the State's AAGR.

**TABLE 5.7: SALES TAX - RATIO OF POPULATION DISTRIBUTION PROJECTED FIVE-YEAR REVENUES**

|                                     | YEAR 1          | YEAR 2          | YEAR 3          | YEAR 4          | YEAR 5          |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| State Population Distribution Pool* | 595,151,584     | 648,715,227     | 707,099,597     | 770,738,561     | 840,105,031     |
| Growth Rate (Based on State AAGR)   | 9.00%           | 9.00%           | 9.00%           | 9.00%           | 9.00%           |
| State Population                    | 3,623,803       | 3,685,436       | 3,748,117       | 3,811,864       | 3,876,695       |
| Distributed per Capita              | \$164.23        | \$176.02        | \$188.65        | \$202.19        | \$216.71        |
| Study Area Primary Population       | 110             | 165             | 220             | 275             | 330             |
| <b>POPULATION DISTRIBUTION</b>      | <b>\$18,066</b> | <b>\$29,044</b> | <b>\$41,504</b> | <b>\$55,604</b> | <b>\$71,513</b> |

\*Total distribution reported in fiscal years. LRB averaged the two fiscal years to estimate calendar year. Multiplied by 50% to obtain population pool.

Source: Utah State Tax Commission, Annual Reports

Point of sale revenues were calculated using estimated retail and hotel square footage based on the construction proforma provided in **Appendix C**. Retail point of sale revenues assumes a starting commercial sales per square footage figure of \$406. Hotel point of sale revenues assumes a nightly rate of \$122 per room with an occupancy adjustment of 70 percent. Online point of sale revenues is calculated using taxable sales revenue from Kane County and are adjusted based on E-Commerce figures from the US Census Bureau. During the first quarter of 2025, E-Commerce sales accounted for 16.2 percent of total store and non-store sales.<sup>17</sup> Average online sales are calculated at \$8,090 per capita for the County in 2025. Point of sale revenue projections are based on a growth estimate of three percent.

<sup>16</sup> §10-2a-504(3)(a)(ii)(C)

<sup>17</sup> US Census Bureau. (2025, August). Quarterly Retail E-Commerce Sales. Retrieved from <https://www.census.gov/retail/ecommerce.html>



**TABLE 5.8: SALES TAX - POINT OF SALE DISTRIBUTION PROJECTED FIVE-YEAR REVENUES**

|                                            | YEAR 1              | YEAR 2              | YEAR 3              | YEAR 4              | YEAR 5              |
|--------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>RETAIL</b>                              |                     |                     |                     |                     |                     |
| Sales Tax per SF <sup>1</sup>              | \$418               | \$431               | \$444               | \$457               | \$471               |
| Total Cumulative Commercial SF             | 40,000              | 40,000              | 80,000              | 80,000              | 127,000             |
| <b>Subtotal Retail Sales</b>               | <b>\$16,727,200</b> | <b>\$17,229,016</b> | <b>\$35,491,773</b> | <b>\$36,556,526</b> | <b>\$59,774,490</b> |
| <b>HOTEL</b>                               |                     |                     |                     |                     |                     |
| Room Rate per Night <sup>1</sup>           | \$126               | \$129               | \$133               | \$137               | \$141               |
| Daily Occupied Rooms <sup>2</sup> (Annual) | 25,550              | 25,550              | 25,550              | 25,550              | 25,550              |
| <b>Subtotal Hotel Sales</b>                | <b>\$3,210,613</b>  | <b>\$3,306,931</b>  | <b>\$3,406,139</b>  | <b>\$3,508,324</b>  | <b>\$3,613,573</b>  |
| <b>ONLINE</b>                              |                     |                     |                     |                     |                     |
| Per Capita E-Commerce <sup>1</sup>         | \$8,333             | \$8,583             | \$8,841             | \$9,106             | \$9,379             |
| Willow Population                          | 110                 | 165                 | 220                 | 275                 | 330                 |
| <b>Subtotal Online Sales</b>               | <b>\$916,651</b>    | <b>\$1,416,225</b>  | <b>\$1,944,949</b>  | <b>\$2,504,122</b>  | <b>\$3,095,095</b>  |
| <b>Point of Sale Allocation</b>            | <b>0.50%</b>        | <b>0.50%</b>        | <b>0.50%</b>        | <b>0.50%</b>        | <b>0.50%</b>        |
| <b>TOTAL POINT OF SALE REVENUE</b>         | <b>\$104,272</b>    | <b>\$109,761</b>    | <b>\$204,214</b>    | <b>\$212,845</b>    | <b>\$332,416</b>    |

<sup>1</sup> Figure is extended to future years at a three percent growth rate.

<sup>2</sup> Assumes 70% occupancy.

**Table 5.9** combines the revenue generated between the two allocation strategies, with 50 percent assigned to point of sale and 50 percent to population.

**TABLE 5.9: TOTAL SALES TAX PROJECTED FIVE-YEAR REVENUES**

|                                         | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5           |
|-----------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Population Distribution (see Table 5.7) | \$18,066         | \$29,044         | \$41,504         | \$55,604         | \$71,513         |
| Retail Point of Sale (see Table 5.8)    | \$104,272        | \$109,761        | \$204,214        | \$212,845        | \$332,416        |
| <b>TOTAL ESTIMATED SALES TAX</b>        | <b>\$122,338</b> | <b>\$138,804</b> | <b>\$245,718</b> | <b>\$268,448</b> | <b>\$403,929</b> |

## CLASS C ROAD FUND

The Study Area revenue forecast includes Class C Road Funds that are allocated based upon a 50/50 split between weighted lane miles and population. The State's allocation methodology includes separate weightings for gravel roads and paved roads. This study assumes the Town constructs a total of 3.31 road miles by the end of the five-year horizon (see **Table 4.7**). **Table 5.10** depicts the growth rate calculated and subsequently applied to forecast key variables (statewide total distribution pool, lane miles, weighted miles).

**TABLE 5.10: CLASS B&C ROADS HISTORIC AAGR**

|                          | 2020        | 2021        | 2022        | 2023        | 2024        | 2025 <sup>1</sup> | 2020 – 2024<br>AAGR |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------------|---------------------|
| Total Distribution Pool  | 177,562,815 | 194,764,526 | 203,134,579 | 216,853,217 | 225,525,092 | 239,417,328       | <b>6.16%</b>        |
| Lane Miles Pool          | 88,781,407  | 97,382,263  | 101,567,289 | 108,426,609 | 112,762,546 | 119,708,664       | <b>6.16%</b>        |
| Statewide Weighted Miles | 122,842     | 124,521     | 125,318     | 126,997     | 127,549     | 128,753           | <b>0.94%</b>        |

Note 1: Estimated using 2020 – 2024 AAGR.

Source: UDOT B&C Road Fund Information, Mileage and Annual Summary Reports

Utilizing **Table 5.10's** calculated weighted mileage for the Study Area and methodology delineated in Utah State Code, the Study Area's distribution can be calculated.



**TABLE 5.11: CLASS B&C ROADS INITIAL AND PROJECTED FIVE-YEAR REVENUES**

|                                      | PROJECTED      |                |                 |                 |                 |
|--------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|
|                                      | YEAR 1         | YEAR 2         | YEAR 3          | YEAR 4          | YEAR 5          |
| Total Distribution Pool              | 254,165,320    | 269,821,781    | 286,442,672     | 304,087,401     | 322,819,038     |
| Lane Miles Pool                      | 127,082,660    | 134,910,890    | 143,221,336     | 152,043,701     | 161,409,519     |
| Statewide Weighted Miles             | 129,969        | 131,196        | 132,435         | 133,686         | 134,949         |
| Distribution Per Weighted Mile       | 978            | 1,028          | 1,081           | 1,137           | 1,196           |
| Estimated Weighted Miles             | 0.45           | 2.95           | 8.00            | 11.30           | 16.55           |
| <b>Lane Mile Distribution</b>        | <b>\$440</b>   | <b>\$3,034</b> | <b>\$8,652</b>  | <b>\$12,852</b> | <b>\$19,795</b> |
| State Population                     | 3,623,803      | 3,685,436      | 3,748,117       | 3,811,864       | 3,876,695       |
| State Distribution per Capita        | \$35.07        | \$36.61        | \$38.21         | \$39.89         | \$41.64         |
| Study Area Population                | 110            | 165            | 220             | 275             | 330             |
| <b>Population Distribution</b>       | <b>\$3,858</b> | <b>\$6,040</b> | <b>\$8,407</b>  | <b>\$10,969</b> | <b>\$13,740</b> |
| <b>TOTAL STUDY AREA DISTRIBUTION</b> | <b>\$4,298</b> | <b>\$9,074</b> | <b>\$17,058</b> | <b>\$23,821</b> | <b>\$33,535</b> |

## LICENSES & PERMITS

It is likely the Study Area will collect business licenses and building permit fees based on the planned development. Generally, business licenses and building permit fees are charged at a rate that is proportional to the costs to the incorporated Town to issue them. Licenses and permits revenue in this study are therefore tied directly to estimated costs for planning and zoning. Using the County's budget data from CY 2020 - 2024, the County's permit revenue is on average 80 percent of total planning and zoning expenses. **Table 5.12** isolates the planning and zoning costs from the total general government expense calculated in **Table 4.3** to determine the license and permit revenues and assumes the Study Area will recover 80 percent of the estimated costs in revenue.

**TABLE 5.12: LICENSES & PERMITS PROJECTED FIVE-YEAR REVENUES**

|                                                 | YEAR 1         | YEAR 2         | YEAR 3         | YEAR 4         | YEAR 5          |
|-------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|
| Planning & Zoning Expense                       | \$4,435        | \$6,852        | \$9,410        | \$12,116       | \$14,975        |
| % of Revenue to Expense                         | 80%            | 80%            | 80%            | 80%            | 80%             |
| <b>LICENSES &amp; PERMITS REVENUE RECOVERED</b> | <b>\$3,548</b> | <b>\$5,482</b> | <b>\$7,528</b> | <b>\$9,693</b> | <b>\$11,980</b> |

## INTEREST EARNINGS

Interest earnings are calculated based on a 1.50 percent interest rate on any fund balance carryover.

## OTHER REVENUE CONSIDERATIONS

Additional types of revenue streams may be collected including transient room and franchise taxes, grants, debt financing, impact fees, and fees for services. These alternate revenue mechanisms will be explored in greater detail in **Section 7**.

**Table 5.13** summarizes the revenues forecast for the proposed Study Area. This allows the proposed Town's fund balance to increase overtime and produce interest revenues.

**TABLE 5.13: WILLOW PROJECTED FIVE-YEAR REVENUES**

|                                               | PROJECTED |           |           |           |           |
|-----------------------------------------------|-----------|-----------|-----------|-----------|-----------|
|                                               | YEAR 1    | YEAR 2    | YEAR 3    | YEAR 4    | YEAR 5    |
| Property Tax (Proportional County Rate)       | \$88,473  | \$136,337 | \$193,734 | \$251,131 | \$280,788 |
| Fire Protection Revenue (Equivalent SSD Rate) | \$151,906 | \$222,799 | \$324,975 | \$439,693 | \$509,369 |
| Sales & Use Tax                               | \$122,338 | \$138,804 | \$245,718 | \$268,448 | \$403,929 |



PRELIMINARY FEASIBILITY STUDY FOR THE PROPOSED INCORPORATION OF WILLOW  
KANE COUNTY, UTAH

|                                 | PROJECTED        |                  |                  |                  |                    |
|---------------------------------|------------------|------------------|------------------|------------------|--------------------|
|                                 | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5             |
| Class C Roads                   | \$4,298          | \$9,074          | \$17,058         | \$23,821         | \$33,535           |
| Licenses & Permits              | \$3,548          | \$5,482          | \$7,528          | \$9,693          | \$11,980           |
| Interest Earnings               | \$0              | \$407            | \$1,657          | \$4,246          | \$6,391            |
| <b>TOTAL OPERATING REVENUES</b> | <b>\$370,563</b> | <b>\$512,903</b> | <b>\$790,671</b> | <b>\$997,032</b> | <b>\$1,245,992</b> |



## SECTION 6: RISKS & OPPORTUNITIES

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, 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.*

### RISKS

Several variables influence sales tax revenues including new growth calculations based on future residential and commercial construction and general assumptions regarding home values and price per SF. This analysis does not include a market feasibility study to determine whether the proposed commercial square footage is supportable. The lack of a market feasibility analysis presents a certain risk in that the study assumes the planned development will occur upon incorporation. The financial feasibility of this study may be jeopardized further if cost assumptions for home values and price per square foot are reduced.

Without a separate MSF, the true cost of service provided to unincorporated areas in Kane County is difficult to quantify. In **Section 4** of this report, a per capita rate removing “county-wide” activities was calculated to determine the County’s average general government cost. To better isolate the services currently provided to unincorporated areas of the County, “county-wide” services were removed from the general government cost. However, it is important to note that the remaining cost categories under general government may still be overstated, as they represent services that will still be provided to the Study Area if it incorporates.

County staff pointed to concern about the fiscal impacts of maintaining road infrastructure. Utah Code 10-2a-509 states that the preliminary municipality “shall maintain and repair any roadway that: existed within the preliminary municipality; was within a public right of way that abuts the preliminary municipality; or was within 1/2 mile of the preliminary municipality and connected to, or was proposed in the feasibility request to be connected to, the preliminary municipality.” According to County staff, Mountain View Road, a former highway, fits this classification. The County indicated that the current level of service provided is adequate for the traffic the roadway currently experiences; however, increased traffic from development may result in increased annual maintenance to meet the County’s standard of service. While road costs will likely be incurred by the proposed development, the feasibility study assumes the area will be incorporated as a town, in which any road costs associated with Mountain View Road will revert back to the County upon incorporation.

KCWCD staff highlighted the need for water distribution infrastructure to support the proposed development (see **Section 9**). The developers will likely enter into an agreement with KCWCD indicating expenses associated with connecting to the district’s system are the responsibility of the developer.

Discussions with WKCSSD pointed to concern surrounding landfill capacity as a result of high density development, including the potential for redesignation of the landfill, resulting in additional costs to the landfill. The impact on landfill capacity and potential costs resulting from development activity will occur regardless of incorporation.

In general, the study does not contemplate costs related to future CIP, as capital improvements that are not currently being provided by the County are not included in the current LOS. Developing a detailed master plan



is critical to understanding the nature and extent of future capital improvement needs. Should the Study Area incorporate, the Town could complete a master plan that identifies future CIP. These additional costs can be mitigated by grants, tax or rate increases, or impact fees. Additionally, the impact of increased traffic to roads resulting from development activity will occur regardless of incorporation.

Additionally, inflationary pressure will affect the Study Area, as well as the GF. The impact of inflation may be more pronounced within the Study Area.

## **OPPORTUNITIES**

Opportunities in the Study Area post-incorporation may include self-governance, ability to develop public facilities, zoning and land-use authority, more local representation, and more direct control over the future of the area. For instance, for governance of various taxing categories that are created within the Study Area that are dispersed throughout the County without incorporation, incorporation would provide for greater local control and the ability to locally retain those tax revenues. The proposed municipality could then allocate these funds to address local needs and priorities, rather than having them distributed to other parts of the County.

Specific goals related to population growth, economic growth and development, business licensing, and zoning policies could be addressed by the newly incorporated area. However, it is important to note that these elements may result in an increase in costs beyond what has been presented in this study.

It should be noted that the 2025 Kane County budget allocates \$2.85M for law enforcement services covering approximately 8,103 residents, or about \$352 per resident. The County currently employs 17 deputies, a ratio of roughly one deputy per 500 residents. Applying that ratio to the Study Area's projected year-five population of 330 people would justify less than one full-time deputy. Based on current County budget ratios and coverage-density adjustments, a five-year cumulative cost for law-enforcement services in the Study Area could be closer to \$400,000, compared with the \$945,000 proposed by the County. Any cost reductions in public safety expenses will increase the positive position of the proposed Town.

## SECTION 7: ANALYSIS OF NEW REVENUE SOURCES

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, 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.*

### TRANSIENT ROOM TAX

Temporary lodging (i.e., hotel, motel, inn, tourist home, trailer court, or campground) used for less than thirty days are subject to both sales and transient room tax.<sup>18</sup> To receive revenue from a transient room tax levy, Willow may impose up to one percent tax on temporary lodging upon incorporation. Depending on whether some of the proposed commercial development in the Study Area will be comprised of temporary lodging, a transient room tax may be a new revenue source the Town could contemplate.

### FRANCHISE TAX - MUNICIPAL ENERGY SALES AND USE TAX

Municipalities may adopt a tax on gas and electricity delivered within their jurisdiction. These taxes are collected by a seller and held in trust for the benefit of the locality imposing the tax.

### DEBT FINANCING

Debt financing may be utilized to amortize larger capital costs over time, rather than addressing those costs in a shorter period. This does not introduce new revenues (interest and cost of issuance expenses add to the overall cost assumptions), but it does serve as a funding tool to allow for the construction of public facilities.

### GRANTS

Most of the comparable cities included in the analysis receive grant monies, although it is uncertain which grants the Town would be eligible for.

### IMPACT FEES

As mentioned in **Section 6**, the Town, if incorporation occurs, could begin to provide services (e.g., streets) and would be able to charge impact fees to new development. It is important to note that the Town cannot assess impact fees if the eligible categories are not serviced by the Town.

### FEES FOR SERVICES

The newly incorporated area will have the ability to adopt necessary fees related to services provided. This study has followed the statutory requirement to maintain the same level of service currently provided to residents based on the expenditures and revenue sources utilized within the GF. However, the Town may be able to increase revenues by assessing specific fees for services. These may include transportation fees, recreation fees, disproportionate fees, and/or utility fees. It is important to note that these fees would be an additional cost to residents, beyond what is shown in the following sections. In the event of a revenue shortfall, the newly incorporated city can modify the building fee schedule and business license fee schedule to recoup the full cost needed for planning, engineering, zoning, and licensing expense related to these services.

<sup>18</sup> Utah State Tax Commission. Transient Room Taxes. Retrieved from <https://tax.utah.gov/sales/transientroom>





## SECTION 8: FISCAL IMPACTS & PROJECTED TAX BURDEN

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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: the projected tax burden per household of any new taxes that may be levied within the proposed preliminary municipality area within five years after incorporation as a town; and the fiscal impact of the proposed preliminary municipality area's incorporation as a town on unincorporated areas, other municipalities, special districts, special service districts, and other governmental entities in the county.*

The purpose of this study is to project and compare the financial impact to new residents in Willow if the County continues to provide services or if the newly incorporated Town provides services. This analysis assumes the proposed incorporation will only impact the County, as discussions with existing service providers confirmed services will continue to be provided regardless of the incorporation. The following section details the impact to the new residents in the Study Area, as well as to the County.

### FISCAL IMPACTS & TAX BURDEN ON THE COUNTY

Property taxes are not included as Kane County does not charge a separate municipal services tax rate. As a result, the County will not experience any impact in revenues from property taxes.

In the event of incorporation, the County would likely experience a loss of revenue, modeled here as the projected revenue for the Study Area. The net impact of the Town incorporation is a loss of \$55,184 in revenues in year one, as illustrated in **Table 8.1**. This represents lost revenue for municipal services, as well as revenues gained through the Sheriff's Office and elections.

**TABLE 8.1: PROJECTED COUNTY-PROVIDED SERVICES TAX IMPACT SUMMARY**

|                                          | YEAR 1            | YEAR 2            | YEAR 3             | YEAR 4            | YEAR 5            |
|------------------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| Potential Lost Revenue                   | (\$130,184)       | (\$153,766)       | (\$271,962)        | (\$306,208)       | (\$455,835)       |
| Contract Revenue                         | \$75,000          | \$102,432         | \$140,000          | \$214,054         | \$420,000         |
| <b>NET IMPACT TO COUNTY GF</b>           | <b>(\$55,184)</b> | <b>(\$51,334)</b> | <b>(\$131,962)</b> | <b>(\$92,154)</b> | <b>(\$35,835)</b> |
| Tax Impact from Lost Revenue             | 0.000020          | 0.000018          | 0.000044           | 0.000030          | 0.000011          |
| Estimated Impact on Median Home (\$475K) | \$5               | \$5               | \$12               | \$8               | \$3               |

This potential lost revenue is based upon the development scenario considered within this study for an incorporated town. However, this development scenario would likely not transpire if the Study Area were to remain unincorporated. As a result, it is unlikely that any levy would need to be raised to the extent modeled here to account for lost revenue from the Study Area in the event of incorporation. It is possible that the newly incorporated town may contract for additional services with the County (e.g., engineering, planning, and building permitting), resulting in additional contract revenues flowing to the County. Furthermore, the County would receive additional property tax revenues to the GF from the proposed residential and commercial development in the Study Area.

### FISCAL IMPACTS & TAX BURDEN ON THE STUDY AREA

The following section analyzes the fiscal impacts of a Town incorporation, assuming a proportionate County tax rate is modeled in years one through five. The findings result in an annual revenue margin at an average of 12.4



percent over the five-year window of this study, meeting the requirement outlined in Section §10-2a-504(4) that allows the process of incorporation to proceed.

**TABLE 8.2: PROJECTED WILLOW FISCAL IMPACT**

|                                               | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5             | AVERAGE          |
|-----------------------------------------------|------------------|------------------|------------------|------------------|--------------------|------------------|
| <b>REVENUES</b>                               |                  |                  |                  |                  |                    |                  |
| <b>PROPORTIONATE COUNTY RATE</b>              | <b>0.001083</b>  | <b>0.001083</b>  | <b>0.001083</b>  | <b>0.001083</b>  | <b>0.001083</b>    |                  |
| Property Tax                                  | \$88,473         | \$136,337        | \$193,734        | \$251,131        | \$280,788          | \$190,093        |
| Fire Protection Revenue (Equivalent SSD Rate) | \$151,906        | \$222,799        | \$324,975        | \$439,693        | \$509,369          | \$329,748        |
| Sales & Use Tax                               | \$122,338        | \$138,804        | \$245,718        | \$268,448        | \$403,929          | \$235,848        |
| Class C Roads                                 | \$4,298          | \$9,074          | \$17,058         | \$23,821         | \$33,535           | \$17,557         |
| Licenses & Permits                            | \$3,548          | \$5,482          | \$7,528          | \$9,693          | \$11,980           | \$7,646          |
| Interest Earnings                             | \$0              | \$407            | \$1,657          | \$4,246          | \$6,391            | \$2,540          |
| <b>Total Revenues</b>                         | <b>\$370,563</b> | <b>\$512,903</b> | <b>\$790,671</b> | <b>\$997,032</b> | <b>\$1,245,992</b> | <b>\$783,432</b> |
| <b>EXPENDITURES</b>                           |                  |                  |                  |                  |                    |                  |
| Incorporation Costs                           | \$52,500         | \$2,432          | \$0              | \$4,054          | \$0                | \$11,797         |
| General Government                            | \$63,023         | \$97,371         | \$133,723        | \$172,168        | \$212,800          | \$135,817        |
| Law Enforcement                               | \$75,000         | \$100,000        | \$140,000        | \$210,000        | \$420,000          | \$189,000        |
| Fire Protection                               | \$151,906        | \$222,799        | \$324,975        | \$439,693        | \$509,369          | \$329,748        |
| Roads                                         | \$1,026          | \$6,929          | \$19,354         | \$28,158         | \$42,478           | \$19,589         |
| <b>Total Expenditures</b>                     | <b>\$343,456</b> | <b>\$429,532</b> | <b>\$618,052</b> | <b>\$854,073</b> | <b>\$1,184,646</b> | <b>\$685,952</b> |
| <b>NET (REVENUE MINUS EXPENSE)</b>            | <b>\$27,107</b>  | <b>\$83,371</b>  | <b>\$172,619</b> | <b>\$142,959</b> | <b>\$61,346</b>    | <b>\$97,480</b>  |
| <b>REVENUE (EXPENSE) MARGIN*</b>              |                  |                  |                  |                  |                    | <b>12.4%</b>     |

\*Margin calculated by dividing average net revenue by total average revenues.

An additional Willow rate above the proportionate County rate of 0.001083 would not be necessary to provide sufficient funding for the Study Area. The difference between the County tax and the Town tax is the additional cost residents of the Study Area will pay to provide their own municipal services as an incorporated town.

**TABLE 8.3: PROJECTED WILLOW TAX BURDEN**

|                                            | YEAR 1          | YEAR 2          | YEAR 3          | YEAR 4          | YEAR 5          |
|--------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>PROPORTIONATE COUNTY RATE</b>           | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |
| Additional Levy to Balance Budget          | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        |
| <b>TOTAL TOWN RATE</b>                     | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |
| Estimated Certified Tax Value              | \$81,671,383    | \$125,855,583   | \$178,839,783   | \$231,823,983   | \$259,201,583   |
| Estimated Town Impact (Median Home \$475K) | \$283           | \$283           | \$283           | \$283           | \$283           |
| Baseline Impact (Median Home \$475K)       | \$283           | \$283           | \$283           | \$283           | \$283           |
| <b>NET IMPACT</b>                          | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      |



## SECTION 9: WATER AVAILABILITY

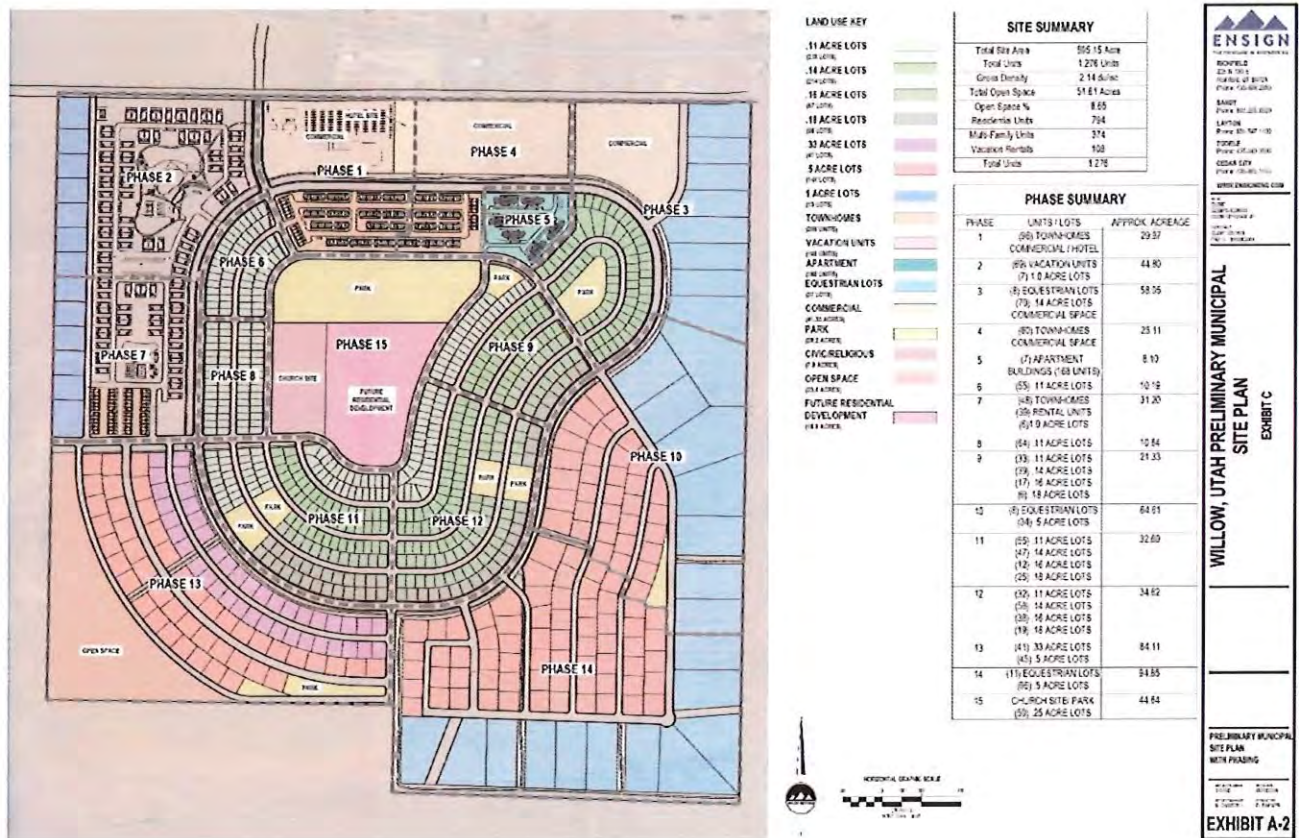
Utah Code §10-2a-504(3) requires the preliminary feasibility study to include:

*an analysis regarding whether sufficient water will be available to support the proposed preliminary municipality area when the development of the area is complete.*

KCWCD will serve as the water provider for the Study Area upon incorporation. In a letter provided by the provider (see **Appendix D**), KCWCD confirmed that it will be able to serve the demand anticipated from new development once the needed water distribution improvements are installed.



# APPENDIX A: PHASE DEVELOPMENT MAP





## APPENDIX B: UPC DETERMINATION

### *Memorandum*



April 17, 2025

To: Jordan Schwanke, Office of the Lieutenant Governor  
From: Eric Albers, Public Policy Analyst, Kem C. Gardner Policy Institute  
CC: Mallory Bateman, Director of Demographic Research, Kem C. Gardner Policy Institute  
Subject: Willow Preliminary Municipal Feasibility Review

#### **Introduction**

This review follows the feasibility request for the preliminary municipality of Willow, in Kane County, Utah. This memo determines whether Willow meets the population, density, and contiguity requirements for preliminary incorporation (defined in Utah Code 10-2a-503).

**The Utah Population Committee (UPC) analysis indicates that Willow meets the preliminary incorporation requirements.**

**Table 1: Initial Feasibility Requirements for Willow Incorporation**

| Criteria           | Meets Criteria? | Requirement by Statute                                                                     | Willow Details                                  |
|--------------------|-----------------|--------------------------------------------------------------------------------------------|-------------------------------------------------|
| Population         | Yes             | Population must be equal to or greater than 100 when all phases of the plan are completed. | 2,997                                           |
| Population Density | Yes             | Density must be seven people per square mile or higher                                     | 3,225 people per square mile                    |
| Contiguity         | Yes             | Area is contiguous, does not have a strip of land connecting geographically separate areas | The proposed boundary covers a contiguous area. |

Population data source: U.S. Census Bureau, 2020 Census

Note: Requirements are summarized; Full statutory requirements are delineated in Utah Code 10-2a-502.



## APPENDIX C: DEVELOPMENT PROFORMA



|                               | Residential               |                             |                           |                             |                           |                             |                           |                             |
|-------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|                               | 0.11 Acre Lots<br>Primary | 0.11 Acre Lots<br>Secondary | 0.14 Acre Lots<br>Primary | 0.14 Acre Lots<br>Secondary | 0.16 Acre Lots<br>Primary | 0.16 Acre Lots<br>Secondary | 0.19 Acre Lots<br>Primary | 0.19 Acre Lots<br>Secondary |
| Statutory Actual Value (2024) | \$468,000                 | \$468,000                   | \$489,000                 | \$480,000                   | \$500,000                 | \$500,000                   | \$530,000                 | \$530,000                   |
| 2024                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2025                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2026                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2027                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2028                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2029                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2030                          | 4                         | 4                           | 19                        | 19                          | -                         | -                           | -                         | -                           |
| 2031                          | -                         | -                           | 23                        | 23                          | -                         | -                           | -                         | -                           |
| 2032                          | -                         | -                           | 23                        | 23                          | -                         | -                           | -                         | -                           |
| 2033                          | -                         | -                           | 23                        | 23                          | -                         | -                           | -                         | -                           |
| 2034                          | -                         | -                           | 19                        | 19                          | 4                         | 4                           | -                         | -                           |
| 2035                          | -                         | -                           | -                         | -                           | 23                        | 23                          | -                         | -                           |
| 2036                          | -                         | -                           | -                         | -                           | 6                         | 7                           | 17                        | 17                          |
| 2037                          | -                         | -                           | -                         | -                           | -                         | -                           | 8                         | 8                           |
| 2038                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2039                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2040                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2041                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2042                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2043                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2044                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2045                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2046                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2047                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2048                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2049                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2050                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2051                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2052                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2053                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2054                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| Total Units                   | 119                       | 119                         | 107                       | 107                         | 33                        | 34                          | 25                        | 25                          |
| Total Statutory Actual Value  | \$55,692,000              | \$55,692,000                | \$51,360,000              | \$51,360,000                | \$16,500,000              | \$17,000,000                | \$13,250,000              | \$13,250,000                |

9/12/2024

Draft: For discussion purposes only





PRELIMINARY FEASIBILITY STUDY FOR THE PROPOSED INCORPORATION OF WILLOW  
KANE COUNTY, UTAH



| Statutory Actual Value (2024) | Residential               |                             |                       |                            |                     |                          |                   |                        |
|-------------------------------|---------------------------|-----------------------------|-----------------------|----------------------------|---------------------|--------------------------|-------------------|------------------------|
|                               | 0.33 Acre Lots<br>Primary | 0.33 Acre Lots<br>Secondary | 0.5 Acre Lots Primary | 0.5 Acre Lots<br>Secondary | 1 Acre Lots Primary | 1 Acre Lots<br>Secondary | Townhomes Primary | Townhomes<br>Secondary |
|                               | \$576,000                 | \$576,000                   | \$770,400             | \$770,400                  | \$783,600           | \$783,600                | \$360,000         | \$360,000              |
| 2024                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2025                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2026                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2027                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2028                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2029                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2030                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2031                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2032                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2033                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2034                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2035                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2036                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2037                          | 15                        | 15                          | -                     | -                          | -                   | -                        | -                 | -                      |
| 2038                          | 5                         | 6                           | 17                    | 17                         | -                   | -                        | -                 | -                      |
| 2039                          | -                         | -                           | 23                    | 23                         | -                   | -                        | -                 | -                      |
| 2040                          | -                         | -                           | 23                    | 23                         | -                   | -                        | -                 | -                      |
| 2041                          | -                         | -                           | 9                     | 9                          | 3                   | 3                        | 11                | 11                     |
| 2042                          | -                         | -                           | -                     | -                          | 3                   | 3                        | 20                | 20                     |
| 2043                          | -                         | -                           | -                     | -                          | -                   | 1                        | 22                | 22                     |
| 2044                          | -                         | -                           | -                     | -                          | -                   | -                        | 23                | 23                     |
| 2045                          | -                         | -                           | -                     | -                          | -                   | -                        | 23                | 23                     |
| 2046                          | -                         | -                           | -                     | -                          | -                   | -                        | 4                 | 4                      |
| 2047                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2048                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2049                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2050                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2051                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2052                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2053                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2054                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| Total Units                   | 20                        | 21                          | 72                    | 72                         | 6                   | 7                        | 103               | 103                    |
| Total Statutory Actual Value  | \$11,520,000              | \$12,096,000                | \$55,468,800          | \$55,468,800               | \$4,701,600         | \$5,485,200              | \$37,080,000      | \$37,080,000           |

9/12/2024

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PRELIMINARY FEASIBILITY STUDY FOR THE PROPOSED INCORPORATION OF WILLOW  
KANE COUNTY, UTAH



| Statutory Actual Value (2024) | Residential        |                      |              |                    | Total Residential | Commercial     |              |              | Total Commercial |
|-------------------------------|--------------------|----------------------|--------------|--------------------|-------------------|----------------|--------------|--------------|------------------|
|                               | Equestrian Primary | Equestrian Secondary | Apartments   | Future Development |                   | Vacation Units | Hotel        | Commercial   |                  |
|                               | \$980,000          | \$980,000            | \$180,000    | \$400,000          |                   | \$1,100,000    | \$120,000    | \$220        |                  |
| 2024                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| 2025                          | -                  | -                    | -            | -                  | 46                | -              | 100          | -            | 100              |
| 2026                          | -                  | -                    | -            | -                  | 46                | 25             | -            | 40,000       | 40,025           |
| 2027                          | -                  | -                    | -            | -                  | 46                | 25             | -            | -            | 25               |
| 2028                          | -                  | -                    | -            | -                  | 46                | 25             | -            | 40,000       | 40,025           |
| 2029                          | -                  | -                    | -            | -                  | 46                | 33             | -            | -            | 33               |
| 2030                          | -                  | -                    | -            | -                  | 46                | -              | -            | 47,000       | 47,000           |
| 2031                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2032                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2033                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2034                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2035                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2036                          | -                  | -                    | -            | -                  | 47                | -              | -            | -            | -                |
| 2037                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2038                          | -                  | -                    | -            | -                  | 45                | -              | -            | -            | -                |
| 2039                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2040                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2041                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2042                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2043                          | -                  | -                    | -            | -                  | 45                | -              | -            | -            | -                |
| 2044                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2045                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2046                          | 5                  | 5                    | -            | -                  | 18                | -              | -            | -            | -                |
| 2047                          | 5                  | 5                    | 50           | -                  | 60                | -              | -            | -            | -                |
| 2048                          | 3                  | 4                    | 50           | -                  | 57                | -              | -            | -            | -                |
| 2049                          | -                  | -                    | 68           | -                  | 68                | -              | -            | -            | -                |
| 2050                          | -                  | -                    | -            | 64                 | 64                | -              | -            | -            | -                |
| 2051                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| 2052                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| 2053                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| 2054                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| Total Units                   | 13                 | 14                   | 169          | 64                 | 1,232             | 108            | 100          | 127,000      | 127,208          |
| Total Statutory Actual Value  | \$12,740,000       | \$13,720,000         | \$30,240,000 | \$25,600,000       | \$575,304,400     | \$118,800,000  | \$12,000,000 | \$27,981,656 | \$158,781,656    |

9/12/2024

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## APPENDIX D: KCWCD LETTER



*"Developing and protecting our water resources one drop at a time."*

August 20, 2025

Philo Ventures  
C/O Tracy Stratton  
2901 Bluegrass Blvd. Suite 410  
Lehi, UT 84043

RE: Proposed Preliminary Municipality, Willow, Utah  
Parcel # 4-5-5-2 & 4-5-6-1

To Whom It May Concern:

This letter is written to inform Philo Ventures that the properties referenced above are within the Kane County Water Conservancy District water distribution system in the East Kanab/Johnson Canyon Area. This proposed development will have the opportunity to hook up to our water distribution system.

Developer Provided Subdivision Demands

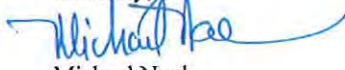
ERC Count: 1,108  
Peak Day Demand: 664 gpm  
Peak Instantaneous Demand: 1,205 gpm  
Fire Flow: 1,000

Kane County Water Conservancy District (KCWCD) can service the 1,250 proposed units once all infrastructure is installed. The water line will need to be connected on both the east and west end of the subdivision on Mountain View Dr, as well as a PRV's will need to be installed. A 10" line from the Tank, as well as an 8" line connecting Mountain View Dr. to Boulder Bluff will be required to be installed. KCWCD reserves the right that after 50 lots are developed, we will review the hydraulic model to make sure everything is still functioning correctly, and to ensure there are no pressure issues.

The model provided by the subdivision includes many PRV's. The district may elect to adjust the number of PRV's and PRV locations within the subdivision to work better with the existing system. Philo Ventures will be responsible for all modifications needed.

If additional information is needed, please do not hesitate to contact us at telephone number (435) 644-3997 or via e-mail at [kanecowater@gmail.com](mailto:kanecowater@gmail.com). Thank you for your help in this matter.

Sincerely,

  
Michael Noel  
General Manager

725 E. Kaneplex Dr. • Kanab, UT 84741 • (435) 644-3997 • Fax (435) 644-8679  
[www.kcwcd.com](http://www.kcwcd.com) • [kcwcd@kanab.net](mailto:kcwcd@kanab.net)



## APPENDIX E: LAW ENFORCEMENT CONTRACT COST



### Kane County Sheriff's Office

**Sheriff Tracy Glover**

971 E. Kaneplex Dr. Kanab, UT 84741  
Phone: (435) 644-4916 Fax: (435) 644-2096

10/7/2025

Mr. Loftis,

This is a response to your request for a law enforcement contract cost estimate for the proposed preliminary feasibility study for Willow.

We reviewed Kane County contracts we currently have with the towns of Orderville and Glendale. We also reviewed neighboring counties and towns such as Monticello Utah and Panguitch Utah. The levels of service vary between the listed jurisdictions from a basic response level to full time coverage. We also reviewed the information you provided regarding the 5 year estimated home and population potential.

We would estimate the need of coverage in the first year to equate to a half to three quarters of a position in value and increasing to needing 3 full time positions to provide full time coverage at final buildout to cover the additional population as well as calls to the commercial hotel space.

Year 1 costs would be approximately \$75,000  
Year 2 costs would be approximately \$100,000  
Year 3 costs would be approximately \$140,000  
Year 4 costs would be approximately \$210,000  
Year 5 costs would be approximately \$420,000

These costs are at today's dollars, but could increase based on inflation, cost of living increases, and unforeseen costs related to true population and actual calls for service. After year 5 there would be yearly increases at a minimum of the cost of living increase for the prior year.

Thanks you,

A handwritten signature in black ink that reads "Tracy D. Glover".

Tracy Glover  
Kane County Sheriff



## APPENDIX F: STAKEHOLDER FEEDBACK

Section §10-2a-504(3)(c) outlines the stakeholders required to be consulted and received the draft of the preliminary feasibility study on October 13, 2025, to review and provide comment to the draft. The following appendix includes feedback received during the draft phase of the study. LRB's response to each item is in red.

### KANE COUNTY (COMMISSIONERS, CLERK/AUDITOR, SHERIFF AND ROADS DEPARTMENT)

Did not submit additional comments during the draft period.

### KANE COUNTY WATER CONSERVANCY DISTRICT

Did not submit additional comments during the draft period.

### WESTERN KANE COUNTY SPECIAL SERVICE DISTRICT #1

Did not submit additional comments during the draft period.

### KANE COUNTY HUMAN RESOURCE SPECIAL SERVICE DISTRICT

Did not submit additional comments during the draft period.

### PROJECT SPONSOR

The Sponsor provided feedback for the following areas of the Study:

1. **Include property tax revenues proportionate to other comparable incorporations.** By omitting property tax revenues, the Study focuses too narrowly on limiting revenues current tax categories in its analysis under Subsection §10-2a-504(3)(a)(ii)(C) and, therefore, ignores the other provisions and requirements of statute, specifically Subsection §10-2a-504(3)(a)(ii)(E), which requires consideration of new revenue sources to the incorporated Town. Amongst these new revenue sources available to be implemented by the Town is a property tax levy. See Utah Code §10-5-112. Thus, while the Study Area as a preliminary municipality does not have the power to tax, the incorporated Town, for which the Study is to analyze initial and five-year projected revenues, expressly has the power and authority to levy and collect a property tax.

**LRB Response:** Assuming some functions of the General Fund are dedicated to municipal type services, a proportionate rate that is reflective of the services provided to unincorporated county was calculated at 55 percent (See **Tables 5.3, 5.4, 5.5 and 5.6**) pursuant to §10-2a-504(3)(a)(ii)(C).

2. **Correct fire protection services expense assumptions to reflect either implicit inclusion into the VCSSD or, alternatively, developer capital commitments sufficient to overcome the service burden.** If the County does not cause VCSSD to annex the Study Area into its service area and even if the Town is never within the VCSSD boundaries, the Study Area, as a preliminary municipality, would have the ability to create, and it is reasonable to assume that the Applicant/developer of the Study Area would create prior to or in conjunction with incorporation as a Town, a Study Area/Town special service district for fire protection services within the Town. See Utah Code §10-2a-509(4)(a); §17D-1-201. The resulting effect of creating a special service district for fire protection services in terms of costs to the Town would be the same as if initially the Town were included in the VCSSD service area at incorporation, as stated in the Study and restated here – the Town would not need to contract for fire services as the fire protection fees would be directly assessed to the Town's residents and property



owners. See Study, p. 18. Further, Applicant's Response Letter has outlined its commitment to cover all costs for fire protection services until the Town is annexed into VCSSD or another special service district for fire protection services or the Study Area/Town creates and operates its own fire department, and it is reasonable to assume that the cost for fire protection services will be paid by the Applicant/developer and as the revenue source. See Utah Code §10-2a-504(3)(a)(ii)(D) and §10-2a-504(3)(a)(ii)(E). Therefore, the Study should eliminate or reduce the fire protection costs item.

**LRB Response:** Assuming the same tax categories and rates as imposed by the County and all other current service providers per §10-2a-504(3)(a)(ii)(C), this analysis assumes that the proposed Town will also collect fire protection fees that are charged at a rate that is proportional to the costs to the incorporated Town to contract with VCSSD. The revenue generated for fire protection services is equal to the cost shown in **Table 4.6**.

3. **Adjust law enforcement cost assumptions to align with the County's per-capita expenses and benchmarks.** Applicant maintains that the County Sheriff's estimate of law enforcement services for the Town used in the Study represents an unreasonable overcharge that would constitute an excessive level and quality of service within the Town, outside of Utah Code Subsections §10-2a-504(3)(a)(ii)(B), §10-2a-504(3)(a)(ii)(D), and §10-2a-504(3)(b). Therefore, the Study relying solely on the County Sheriff's estimate would be unreasonable and not within the required statutory parameters.

**LRB Response:** LRB has selected to default to the County Sheriff's recommendation exhibited in **Appendix E**. LRB has included language under **Section 6** noting that any cost reductions in public safety expenses will increase the positive position of the proposed Town.

4. **Include additional tax revenue sources as an alternative in offsetting municipal operational costs.** The Applicant finds the Study materially deficient in its analysis of post-incorporation revenue opportunities. The Study limits its analysis almost exclusively to sales-tax receipts, omitting numerous statutory sources that become available to an incorporated municipality immediately upon organization. Under the cited statute, feasible revenue mechanisms include not only sales tax, but also all categories of municipal revenue that "are not available before the area incorporates," such as the following: property tax, local sales tax, resort/transient taxes, utility/franchise fees, energy/telecom fees, business license fees, impact fees, service charges, and special assessments.

**LRB Response:** §10-2a-504(4) specifically calls out that the required revenue margin of 5% is based on the five-year projected revenues calculated under **Subsection (3)(a)(ii)(C)** which states:

*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.*

Therefore, an analysis of new revenue sources is included in **Section 7** of the Study, but is not directly considered when determining the financial feasibility of the new Town.

5. **Address any additional shortfalls with the proposed developer-funded fiscal backstops and alternate revenue sources.** Assuming none of the arguments above are persuasive, the Applicant nonetheless commits to implementing a combination of non-tax revenues, capital contributions, and public-private partnerships sufficient to ensure fiscal solvency included fire-protection escrow funding, nominal lease-back program, and third-party service procurement.



**LRB Response:** Revenues generated for the purposes of determining feasibility must comply with §10-2a-504(3)(a)(ii)(C). Additional funding mechanisms are not included in the analysis.



# Exhibit D

## LEGEND (APPLIES TO ALL SHEETS)

|                                                                                    |                          |                                                                                   |                      |
|------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|----------------------|
|   | SECTION CORNER           |  | STORM DRAIN CATCH B. |
|   | MONUMENT                 |  | STORM DRAIN COMBO E  |
|   | EXIST REBAR AND CAP      |  | STORM DRAIN CULVERT  |
|  | SET ENSIGN REBAR AND CAP |  | SIGN                 |
|   | SET RIVET                |  | UTILITY MANHOLE      |
|   | WATER METER              |  | UTILITY POLE         |
|   | WATER MANHOLE            |  | GAS METER            |
|   | WATER VALVE              |  | VEGETATION/TREE      |
|   | FIRE HYDRANT             |  | OVERHEAD POWER LINE  |



Phase 1 Description

A parcel of land, situate in the Northeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 970.64 feet (along the measured section line) and South 1426.17 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;

thence North 65°51'41" West 166.00 feet;

thence around a 430.00 foot radius curve to the right, 9.17 feet through a delta angle of 01°13'19"

(chord bearing North 24°44'59" East 9.17 feet);

thence North 64°38'22" West 100.00 feet;;

thence North 67°06'11" West 50.04 feet;

thence North 64°34'41" West 240.00 feet;

thence around a 820.00 foot radius curve to the right, 609.16 feet through a delta angle of 42°33'50"

(chord bears North 46°30'37" East 595.25 feet);

thence North 22°12'28" West 131.31 feet;

thence around a 433.00 foot radius curve to the right, 175.51 feet through a delta angle of 23°13'28"

(chord bears North 10°35'44" West 174.32 feet);

thence North 00°59'35" East 444.34 feet;

thence South 89°06'17" East 402.63 feet;

thence South 00°53'43" West 570.19 feet;

thence South 89°23'33" East 380.30 feet;

thence South 00°21'05" West 245.04 feet;

thence North 89°23'34" West 504.23 feet;

thence South 24°13'16" East 292.53 feet;

thence South 00°36'27" West 145.47 feet;

thence around a 264.00 foot radius curve to the left, 306.27 feet through a delta angle of 66°28'08" (chord bears South 57°22'23" West 289.38 feet.) to the Point of Beginning.

Also: Beginning at a point, which is located North 00°55'06" East 660.92 feet (along the measured

quarter section line) from the South Quarter Corner of said Section 6 and running:

thence North 00°55'06" East 621.80 feet along said Quarter Section Line;

thence South 89°59'52" East 285.78 feet;

thence South 32°16'45" East 337.90 feet;

thence South 00°05'06" West 343.08 feet;

thence North 89°09'03" West 475.74 feet to the Point of Beginning.

Total of Phase 1 Contains: 964,302 square feet, or 22.137 acres more or less.

Phase 2 Description

A parcel of land, situate in the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°06'17" East 299.28 feet (along the measured section line) and South 40.00 feet from the North Quarter corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;

thence South 00°54'54" West 2592.26 feet;

thence South 89°49'24" West 120.02 feet;

thence North 89°05'00" West 180.00 feet;

thence North 00°55'00" East 2594.43 feet;

thence South 89°06'17" East 299.92 feet to the Point of Beginning.

Phase 3 Description

A parcel of land, situate in the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°06'17" East 299.28 feet (along the measured section line) and South 40.00 feet from the North Quarter corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;

thence South 89°06'17" East 695.59 feet;

thence South 00°53'46" West 234.23 feet;

thence North 88°59'00" West 105.18 feet;

thence South 01°34'06" West 163.24 feet;

thence South 39°33'09" West 220.91 feet;

thence South 194.32 feet;

thence South 56°52'02" East 459.27 feet;

thence around a 820.00 foot radius curve to the left, 347.94 feet through a delta angle of 2 (chord bears South 13°04'21" West 345.33 feet.);

thence South 00°55'00" West 1060.51 feet;

thence around a 1280.00 foot radius curve to the left, 134.21 feet through a delta angle of 2 (chord bears South 02°05'13" East 134.15 feet);

thence South 88°51'05" West 195.16 feet;

thence South 83°09'53" West 50.46 feet;

thence South 88°51'05" West 336.21 feet;

thence South 88°51'05" West 301.64 feet;

thence North 74°01'49" West 50.96 feet;

thence South 88°50'59" West 182.10 feet;

thence North 00°55'06" East 119.66 feet;

thence South 89°05'00" East 180.00 feet;

thence North 89°49'24" East 120.02 feet;

thence North 00°54'54" East 2592.26 feet to the Point of Beginning.

Parcel contains: 2,018,390 square feet, or 46.336 acres more or less.

Phase 4 Description

A parcel of land, situate in the Northeast quarter of Section 6, Township 44 South, Range Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°06'17" East 994.87 feet (along the measured section line) and South 40.00 feet from the North Quarter Corner of Section 6, Township 44 South, Range 5 West, Base and Meridian;

thence South 89°06'17" East 523.31 feet;

thence South 00°59'35" West 444.34 feet;

thence around 433.00 foot radius curve to the left, 175.51 feet through a delta angle of 23 (chord bears South 10°35'44" East 174.32 feet);

thence South 22°12'28" East 131.31 feet;

thence around a 820.00 foot radius curve to the left, 507.34 feet through a delta angle of 2

(chord bears South 50°04'03" West 499.29 feet);

thence North 56°52'02" West 559.28 feet;

thence North 194.32 feet;

thence North 39°33'09" East 220.91 feet;

thence North 01°34'06" East 163.24 feet;

Phase 16 Description

A parcel of land, situate in the Southwest Quarter of Section Township 44 South, Range 5 West, Salt Lake Base and Meridian, m

Beginning at a point located North 00°48'25" East 1304.69 feet East 60.48 feet from the Southeast corner of Section 6, Township 44 Meridian;

thence South 00°50'57" West 730.95 feet;

thence North 89°22'06" West 59.94 feet;

thence North 00°48'25" East 86.77 feet;

thence North 89°09'03" West 1070.25 feet;

thence around a 568.35 foot radius curve to the right, 279.39

(chord bears North 74°22'36" West 276.59 feet);

thence around a 2236.00 foot radius curve to the right, 1827.

(chord bears North 36°38'40" West 1777.00 feet);

thence around a 1181.00 foot radius curve to the right, 291.6

(chord bears North 06°09'26" West 290.88 feet);

thence North 00°32'45" East 100.31 feet;

thence South 74°01'49" East 50.96 feet;

thence North 88°51'05" East 637.85 feet;

thence North 83°09'53" East 50.46 feet;

thence North 88°51'05" East 195.16 feet;

thence around a 1280.00 foot radius curve to the left, 898.20

(chord bears South 25°11'37" East 879.88 feet);

thence South 44°42'14" West 100.00 feet;

thence around a 1380.00 foot radius curve to the left, 1056.2

(chord bears South 67°13'25" East 1030.67 feet);

thence South 89°09'03" East 310.48 feet to the Point of Beg

Parcel contains: 2,457,092 square feet, or 56.407 acres more or less



## **PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:

That Kanab 600, LLC, a Utah limited liability company ("Principal"), and [SURETY NAME], a corporation organized and existing under the laws of the State of [State] ("Surety"), are held and firmly bound unto Willow, Utah, a Preliminary Municipality to be formed ("Obligee"), in the penal sum of Two Million Four Hundred Forty-Nine Thousand, Five Hundred Sixty (\$2,449,560) Dollars ("Bond Amount").

The Condition of this Obligation is such that, whereas the Principal has submitted or will soon submit a Petition for the Incorporation of a Preliminary Municipality (the "Petition") to the Lieutenant Governor of the State of Utah, which Petition includes the obligation to complete certain System Infrastructure as set forth therein.

NOW, THEREFORE, if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, and conditions of said Petition regarding the completion of the System Infrastructure, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

### **RECITALS**

**WHEREAS**, Principal is submitting a Petition for Incorporation of Willow, Utah, a Preliminary Municipality ("Petition") to the Lieutenant Governor of Utah, attached and incorporated as Exhibit A;

**WHEREAS**, this Performance Bond is intended to satisfy the requirement under Utah Code Ann. § 10-2a-507(1)(h) that the Petition be accompanied by a bond that:

- i. is posted by Principal;
- ii. is in favor of Obligee;
- iii. guarantees that Principal will complete the System Infrastructure (as defined in Utah Code Ann. § 10-2a-501(13)) no later than six years after the day on which the Principal files the Petition ("Completion Date");

**WHEREAS**, the Bond Amount is set forth in Exhibit B, which Bond Amount shall constitute a maximum amount on the Surety's contingent obligation;

**WHEREAS**, the Bond Amount shall not be increased for any reason whatsoever, including, but not limited to:

1. Any change in the scope of the System Infrastructure.
2. Any inflationary adjustments, cost-of-living increases, or fluctuations in the Consumer Price Index (CPI);

3. Any unforeseen site conditions, force majeure events, or delays; or
4. Any modification or amendment to the underlying Petition or Project specifications;

**WHEREAS**, Bond Amount can and will be reduced in percentages that reflect the progress toward completing the System Infrastructure;

**WHEREAS**, the Petition constitutes the sole and entire commitment or agreement regarding the Principal's obligation to design, construct, and install the System Infrastructure; and

**WHEREAS**, the Principal has agreed to promptly and faithfully complete the System Infrastructure in accordance with the specifications, timelines, and statutory obligations set forth within the Petition itself.

**NOW, THEREFORE, BE IT RESOLVED:**

1. **Incorporation of Recitals.** The foregoing recitals (the "Recitals") are true and correct, are contractual in nature and not mere recitals of fact, and are hereby incorporated into this Performance Bond by this reference as if fully set forth herein. The parties agree that the Recitals constitute an integral part of the consideration for this Agreement and shall be binding upon the parties hereto.
2. **Purpose.** The purpose of this Performance Bond is to guarantee the final completion of the System Infrastructure by the Completion Date and to eliminate the harmful effects of incomplete infrastructure.
3. **Principal's Obligation.** The Principal hereby agrees to install the System Improvements by the Completion Date in accordance with all applicable laws and regulations. The System Improvements shall not be deemed complete until fully inspected and approved by the Obligee and until all fees applicable to the System Improvements have been paid in full.
4. **Substitution of Obligee**
  - a. At the time of execution of this Bond, Willow, Utah, a Preliminary Municipality, has not yet been formed. Accordingly, [INTERIM OBLIGEE NAME], acting as interim Obligee solely for purposes of holding this Bond pending formation of the Preliminary Municipality, is named as temporary Obligee herein.
  - b. Upon the issuance of a certificate of approval of the Petition by the Lieutenant Governor of Utah and the legal formation of Willow, Utah as a Preliminary Municipality under Utah Code Ann. § 10-2a-507, Willow, Utah shall automatically and without further action be substituted as the Obligee under this Bond, and [INTERIM OBLIGEE NAME] shall have no further rights or obligations hereunder. The Surety hereby consents in advance to such substitution and agrees that this Bond shall remain in full force and effect upon such substitution without modification or reissuance.



## **5. Bond Conditions; Reduction and Release.**

- a. If the Principal shall well and faithfully perform said installation of the System Infrastructure in accordance with the Petition and conditions thereof, including all change orders authorized thereunder, then this obligation shall be void otherwise to be and remain in full force and effect. This bond shall not be interpreted to confer any benefit or right of action on behalf of any third party against Oblige.
- b. The Bond Amount shall be reduced periodically in accordance with the Principal's progress toward completing the System Infrastructure.
  - i. Administrative Procedure for Reduction: Upon the completion of distinct phases or segments of the System Infrastructure, the Principal shall submit to the Oblige a Certificate of Completion signed by a licensed Professional Engineer. Within ten (10) business days of receipt, the Oblige shall provide written acknowledgment of the progress.
  - ii. Automatic Reduction: Upon such acknowledgment, the Bond Amount shall be automatically reduced by a percentage equal to the value of the completed work relative to the total estimated cost of the System Infrastructure.
  - iii. Notice to Surety: The Principal shall provide the Surety with the acknowledged Certificate of Completion, and the Surety is hereby authorized to decrease the penal sum of this Bond accordingly without further consent from the Oblige.

## **6. Miscellaneous**

- a. Governing Law; Exclusive Venue. This Agreement and all matters arising out of or relating to it shall be governed by and construed in accordance with the internal laws of the State of Utah, without giving effect to any choice or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. The parties hereby irrevocably and exclusively submit to the jurisdiction of the Third Judicial District Court of the State of Utah, in and for Salt Lake / Utah County, for any action, suit, or proceeding arising out of or relating to this Agreement. Each party hereby irrevocably waives any objection to the laying of venue in such court and any claim that such court is an inconvenient forum.
- b. Entire Agreement. This Performance Bond, including all exhibits attached hereto and all other documents incorporated herein by reference, contains the entire, fully-integrated agreement between the Parties, and no statement, promise, or inducements made by any Party or agents for any Party that are not contained in this written Performance Bond, shall be binding or valid. This Performance Bond shall supersede all prior and contemporaneous

negotiations, representations and agreements of the Parties with respect to the subject matter thereof.

- c. Counterparts/Electronic Signatures. This Performance Bond may be executed in counterparts, each of which when taken together shall constitute one complete agreement. Electronic signatures shall be acceptable as if originals.
- d. Authority. Each Party represents and warrants to the other that the execution and delivery of this Performance Bond and the performance of each Party's obligations hereunder have been duly authorized and that this Performance Bond is valid and legally binding on the Parties and enforceable in accordance with its terms.
- e. Amendment. No amendments, modifications, or alterations of the terms of this Performance Bond shall be binding unless the same be in writing and duly executed by the Parties.
- f. Partial Invalidity. If any term or provision of this Performance Bond or the application thereof to any Party or circumstance shall to any extent be invalid or unenforceable, the remainder of this Performance Bond, or the application of such term or provision to Parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

*(Signatures to follow)*



IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the date set forth below.

**PRINCIPAL**

Kanab 600, LLC

a Utah limited liability company



By Greg Whitehead, its Manager

Date: July 8, 2026

**SURETY**

KC Gardner Company, L.C.

a Utah limited liability company

---

Brady Southwick

Title:

Date:

IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the date set forth below.

**PRINCIPAL**

Kanab 600, LLC

a Utah limited liability company

\_\_\_\_\_  
By Philo Venture Partners, LLC, its Manager

By Greg Whitehead, its Manager

Date:

**SURETY**

KC Gardner Company, L.C.

a Utah limited liability company

\_\_\_\_\_

Brady Southwick, President

Date:

7/29/26

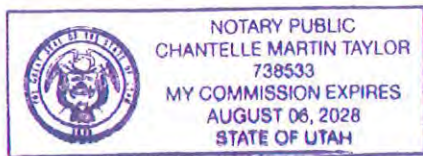


AFFIDAVIT OF QUALIFICATION

STATE OF Utah )  
 )ss.  
County of Salt Lake )

Being first duly sworn on oath deposes and says that Brady Southwick is the President of KC Gardner Company, L.C., a Utah limited liability company, and that he is duly authorized to execute and deliver the foregoing obligation; that said Company is authorized to execute the same, and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

SUBSCRIBED AND SWORN to before me this 24<sup>th</sup> day of July,  
2026.



Chantelle Martin Taylor  
NOTARY PUBLIC, residing in  
Utah County

COMPANY ACKNOWLEDGEMENT

STATE OF UTAH)

)ss.

County of Utah)

On this 8 day of July, in the year 2026, before me Jennifer Johnson, a notary public, personally appeared **Greg Whitehead**, proved on the basis of satisfactory evidence to be the person(s) whose name(s) (is/are) subscribed to in this document, and acknowledges that he is the manager of Philo Venture Partners, LLC, a Delaware limited liability company, which is the Manager of Kanab 600, LLC, a Utah limited liability company, and that the foregoing instrument was signed in behalf of said limited liability company by authority of its Operating Agreement; and said person acknowledged to me that said company executed the same.

SUBSCRIBED AND SWORN to before me this 8 day of July, 2026.



Jennifer Johnson  
NOTARY PUBLIC, residing in  
333 E. Main St #785  
Lehi, UT 84043

## EXHIBIT A – APPLICATION FOR PRELIMINARY MUNICIPALITY



## EXHIBIT B -- PERFORMANCE BOND AMOUNT

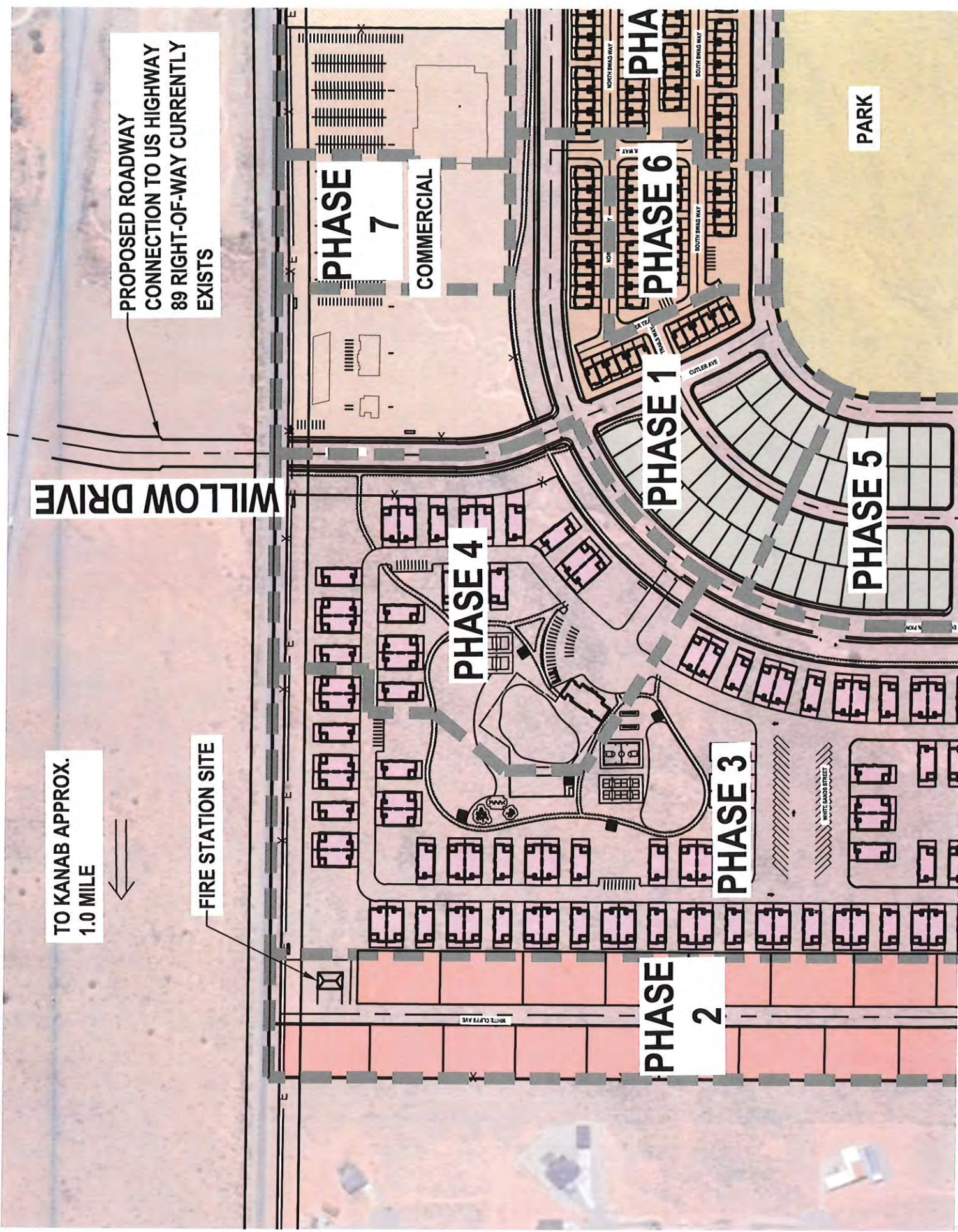
*[insert cost estimate table here]*

**Exhibit F**





# Exhibit G



WILLOW DRIVE

TO KANAB APPROX.  
1.0 MILE



FIRE STATION SITE

PROPOSED ROADWAY  
CONNECTION TO US HIGHWAY  
89 RIGHT-OF-WAY CURRENTLY  
EXISTS

PHASE 7

COMMERCIAL

PHASE 4

PHASE 2

PHASE 3

PHASE 1

PHASE 6

PHASE 5

PARK



Received

AUG 03 2026

Deidre M. Henderson  
Lieutenant Governor

**PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:

That Kanab 600, LLC, a Utah limited liability company ("Principal"), and KC Gardner Company, L.C., a limited liability company organized and existing under the laws of the State of Utah ("Surety"), are held and firmly bound unto Willow, Utah, a Preliminary Municipality to be formed ("Obligee"), in the penal sum of Two Million Four Hundred Forty-Nine Thousand, Five Hundred Sixty (\$2,449,560) Dollars ("Bond Amount").

The Condition of this Obligation is such that, whereas the Principal has submitted or will soon submit a Petition for the Incorporation of a Preliminary Municipality (the "Petition") to the Lieutenant Governor of the State of Utah, which Petition includes the obligation to complete certain System Infrastructure as set forth therein.

NOW, THEREFORE, if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, and conditions of said Petition regarding the completion of the System Infrastructure, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

**RECITALS**

**WHEREAS**, Principal is submitting a Petition for Incorporation of Willow, Utah, a Preliminary Municipality ("Petition") to the Lieutenant Governor of Utah, attached and incorporated as Exhibit A;

**WHEREAS**, this Performance Bond is intended to satisfy the requirement under Utah Code Ann. § 10-2a-507(1)(h) that the Petition be accompanied by a bond that:

- i. is posted by Principal;
- ii. is in favor of Obligee;
- iii. guarantees that Principal will complete the System Infrastructure (as defined in Utah Code Ann. § 10-2a-501(13)) no later than six years after the day on which the Principal files the Petition ("Completion Date");

**WHEREAS**, the Bond Amount is set forth in Exhibit B, which Bond Amount shall constitute a maximum amount on the Surety's contingent obligation.

**WHEREAS**, the Bond Amount shall not be increased for any reason whatsoever, including, but not limited to:

1. Any change in the scope of the System Infrastructure.
2. Any inflationary adjustments, cost-of-living increases, or fluctuations in the Consumer Price Index (CPI);

3. Any unforeseen site conditions, force majeure events, or delays; or
4. Any modification or amendment to the underlying Petition or Project specifications.

**WHEREAS**, Bond Amount can and will be reduced in percentages that reflect the progress toward completing the System Infrastructure;

**WHEREAS**, the Petition constitutes the sole and entire commitment or agreement regarding the Principal's obligation to design, construct, and install the System Infrastructure; and

**WHEREAS**, the Principal has agreed to promptly and faithfully complete the System Infrastructure in accordance with the specifications, timelines, and statutory obligations set forth within the Petition itself.

**NOW, THEREFORE, BE IT RESOLVED:**

**1. Incorporation of Recitals.** The foregoing recitals (the "Recitals") are true and correct, are contractual in nature and not mere recitals of fact, and are hereby incorporated into this Performance Bond by this reference as if fully set forth herein. The parties agree that the Recitals constitute an integral part of the consideration for this Agreement and shall be binding upon the parties hereto.

**2. Purpose.** The purpose of this Performance Bond is to guarantee the final completion of the System Infrastructure by the Completion Date and to eliminate the harmful effects of incomplete infrastructure.

**3. Principal's Obligation.** The Principal hereby agrees to install the System Improvements by the Completion Date in accordance with all applicable laws and regulations. The System Improvements shall not be deemed complete until fully inspected and approved by the Obligee, which approval shall not be unreasonably conditioned, delayed, or withheld, and until all fees applicable to the System Improvements have been paid in full. Obligee shall be required to inspect and approve the System Improvements after Principal provides written notice that the System Improvements are complete, within the time period set forth in Section 6.c. below.

**4. Substitution of Obligee**

- a. At the time of execution of this Bond, Willow, Utah, a Preliminary Municipality, has not yet been formed. Accordingly, [INTERIM OBLIGEE NAME]<sup>1</sup>, acting as interim Obligee solely for purposes of holding this Bond pending formation of the Preliminary Municipality, is named as temporary Obligee herein.
- b. Upon the issuance of a certificate of approval of the Petition by the Lieutenant Governor of Utah and the legal formation of Willow, Utah as a Preliminary Municipality under Utah Code Ann. § 10-2a-507, Willow, Utah shall automatically and without further action be substituted as the Obligee under this Bond, and [INTERIM OBLIGEE NAME] shall have no further

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<sup>1</sup> Intentionally Omitted; To be formed if required.  
Page 2 of 9

rights or obligations hereunder. The Surety hereby consents in advance to such substitution and agrees that this Bond shall remain in full force and effect upon such substitution without modification or reissuance.

#### **5. Bond Conditions; Reduction and Release.**

- a. Condition Precedent to Surety's Obligation. Notwithstanding anything in this Bond to the contrary, the obligations of the Surety under this Bond shall attach, and the liability of the Surety shall arise, only upon Commencement of Construction of the System Infrastructure. For purposes of this Bond, "Commencement of Construction" means the later to occur of (i) issuance of the first construction permit for the System Infrastructure, and (ii) the Principal's first capital draw against the construction budget for the System Infrastructure. Prior to Commencement of Construction, no liability shall attach to the Surety hereunder; and if Commencement of Construction does not occur, there shall be no System Infrastructure to complete, and this Bond shall be void and of no force or effect.
- b. If the Principal shall well and faithfully perform said installation of the System Infrastructure in accordance with the Petition and conditions thereof, including all change orders authorized thereunder, then this obligation shall be void otherwise the obligation shall remain in full force and effect. This bond shall not be interpreted to confer any benefit or right of action on behalf of any third party against Obligor.
- c. The Bond Amount shall be reduced periodically in accordance with the Principal's progress toward completing the System Infrastructure.
  - i. Administrative Procedure for Reduction: Upon the completion of distinct phases or segments of the System Infrastructure, the Principal shall submit to the Obligor a Certificate of Completion signed by a licensed Professional Engineer. Within ten (10) business days of receipt, the Obligor shall provide written acknowledgement of the progress.
  - ii. Automatic Reduction: Upon such acknowledgement, the Bond Amount shall be automatically reduced by a percentage equal to the value of the completed work relative to the total estimated cost of the System Infrastructure.
  - iii. Notice to Surety: The Principal shall provide the Surety with the acknowledged Certificate of Completion, and the Surety is hereby authorized to decrease the penal sum of this Bond accordingly without further consent from the Obligor.

#### **6. Miscellaneous.**

- a. Governing Law; Exclusive Venue. This Agreement and all matters arising out of or relating to it shall be governed by and construed in accordance with the internal laws of the State of Utah, without giving effect to any choice or



conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. The parties hereby irrevocably and exclusively submit to the jurisdiction of the Fourth Judicial District Court of the State of Utah, in and for Utah County, for any action, suit, or proceeding arising out of or relating to this Agreement. Each party hereby irrevocably waives any objection to the laying of venue in such court and any claim that such court is an inconvenient forum.

- b. Entire Agreement. This Performance Bond, including all exhibits attached hereto and all other documents incorporated herein by reference, contains the entire, fully-integrated agreement between the Parties, and no statement, promise, or inducements made by any Party or agents for any Party that are not contained in this written Performance Bond, shall be binding or valid. This Performance Bond shall supersede all prior and contemporaneous negotiations, representations and agreements of the Parties with respect to the subject matter thereof.
- c. Deemed Approved. Unless provision is made for a specific time period, each response to a request for approval or consent required to be considered pursuant to this Performance Bond must be given by the Party to whom directed within ten (10) business days after receipt thereof. Each disapproval must be in writing, and the reasons therefore must be clearly stated. If a response is not given within the required time period, the requested Party will be deemed to have given its approval.
- d. Counterparts/Electronic Signatures. This Performance Bond may be executed in counterparts, each of which when taken together shall constitute one complete agreement. Electronic signatures shall be acceptable as if originals.
- e. Authority. Each Party represents and warrants to the other that the execution and delivery of this Performance Bond and the performance of each Party's obligations hereunder have been duly authorized and that this Performance Bond is valid and legally binding on the Parties and enforceable in accordance with its terms.
- f. Amendment. No amendments, modifications, or alterations of the terms of this Performance Bond shall be binding unless the same be in writing and duly executed by the Parties.
- g. Partial Invalidity. If any term or provision of this Performance Bond or the application thereof to any Party or circumstance shall to any extent be invalid or unenforceable, the remainder of this Performance Bond, or the application of such term or provision to Parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the date set forth below.

**PRINCIPAL**

Kanab 600, LLC

a Utah limited liability company



~~By Dymo Venture Partners, LLC, its Manager~~

By Greg Whitehead, its Manager

Date: July 8, 2026

**SURETY**

KC Gardner Company, L.C.

a Utah limited liability company

---

Brady Southwick

Title:

Date:

IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the date set forth below.

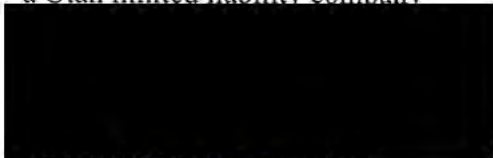
**PRINCIPAL**

Kanab 600, LLC  
a Utah limited liability company

By Philo Venture Partners, LLC, its Manager  
By Greg Whitehead, its Manager  
Date:

**SURETY**

KC Gardner Company, L.C.  
a Utah limited liability company

  
Brady Southwick, President

Date: 7/29/26

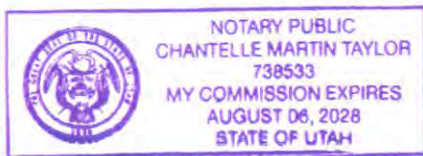


AFFIDAVIT OF QUALIFICATION

STATE OF Utah )  
 )ss.  
County of Salt Lake )

Being first duly sworn on oath deposes and says that Brady Southwick is the President of KC Gardner Company, L.C., a Utah limited liability company, and that he is duly authorized to execute and deliver the foregoing obligation; that said Company is authorized to execute the same, and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

SUBSCRIBED AND SWORN to before me this 29<sup>th</sup> day of July,  
2026.



Chantelle Martin Taylor  
NOTARY PUBLIC, residing in  
Utah County

COMPANY ACKNOWLEDGEMENT

STATE OF UTAH)

)ss.

County of Utah)

On this 8 day of July, in the year 2026, before me Jennifer Johnson, a notary public, personally appeared **Greg Whitehead**, proved on the basis of satisfactory evidence to be the person(s) whose name(s) (is/are) subscribed to in this document, and acknowledges that he is the manager of Philo Venture Partners, LLC, a Delaware limited liability company, which is the Manager of Kanab 600, LLC, a Utah limited liability company, and that the foregoing instrument was signed in behalf of said limited liability company by authority of its Operating Agreement; and said person acknowledged to me that said company executed the same.

SUBSCRIBED AND SWORN to before me this 8 day of July, 2026.



Jennifer Johnson  
NOTARY PUBLIC, residing in  
333 E. Main St #785  
Lehi, UT 84043

EXHIBIT A – APPLICATION FOR PRELIMINARY MUNICIPALITY



**PETITION FOR INCORPORATION  
OF WILLOW, A PRELIMINARY MUNICIPALITY**

July 22, 2026

Hon. Deidre Henderson  
Lieutenant Governor of Utah  
350 State St. #220  
Salt Lake City, UT 84114

The undersigned (the “**Applicant**” or “**Initial Landowner**”) hereby submits this Petition for Incorporation of Willow, a Preliminary Municipality (the “**Petition**”) pursuant to Utah Code Section 10-2a-507(1).

**I. Applicant; Contact Sponsor**

**Applicant / Initial Landowner:**

Kanab 600 LLC, a Utah limited liability company  
2901 Bluegrass Blvd., #410  
Lehi, UT 84043  
Phone No. 801-203-0231  
Email: greg@philo.ventures

**Primary Contact / Sponsor:**

Greg Whitehead  
2901 Bluegrass Blvd., #410  
Lehi, UT 84043  
Phone No. 801-203-0231  
Email: greg@philo.ventures

With a copy to:

Snell & Wilmer LLP  
Attn: Craig Jenson  
15 West South Temple, Suite 1200  
Salt Lake City, UT 84101  
Phone No. 801-257-1900  
Email: cjenson@swlaw.com

The above and undersigned Applicant and Initial Landowner represent 100% of the surface property owners within the proposed boundaries of the Willow Preliminary Municipality (“**Preliminary Municipality**”) and is the same owner who filed the Feasibility Request for the Creation of a Preliminary Municipality (Amended) on March 3, 2025, pursuant to Utah Code § 10-2a-502 (a copy of the “**Feasibility Request**” is attached hereto as **Exhibit A**). (Utah Code §§ 10-2a-507(1) and 10-2a-507(1)(a) and (e)).

**II. Timeliness of Petition**

This Petition is timely under Utah Code Section 10-2a-507(a). The hearing required by Utah Code § 10-2a-506 was completed on January 7, 2026.

**III. Proposed Preliminary Municipal Boundaries**

Pursuant to Utah Code § 10-2a-507(1)(b), the Applicant provides the following description of the Preliminary Municipality area which is consistent with the description

provided in its Feasibility Request, pursuant to Utah Code Section 10-2a-502(5)(d). The Applicant requests the initial boundaries of the proposed Preliminary Municipality include all of the real property described in **Exhibit B** which is unaltered from the Feasibility Request (Utah Code § 10-2a- 502(5)(e)(i)). (Utah Code § 10-2a-507(1)(b)).

The Preliminary Municipality will be located approximately 1.36 miles outside of Kanab, Utah, in unincorporated Kane County, Utah, and is comprised of approximately 595.15 acres. The Preliminary Municipality is planned to include a varied mix of uses including open space and parks, a nightly rental resort, a hotel, civic buildings, commercial areas, and a mix of residential unit types, including affordable housing, apartments, condominiums, townhomes, and a wide range of single-family home lots from 0.2 to 5 acres, along with the necessary public and private infrastructure to facilitate the Preliminary Municipality's development. A portion of the Preliminary Municipality will also be used for municipal building space. (See Feasibility Request at p. 2 and Exhibit A-2 to Feasibility Request).

Phase 1 of the Preliminary Municipality is planned to include approximately 98 townhomes and approximately 40,000 square feet of commercial/hotel space spread over approximately 29.97 acres as depicted in the Feasibility Request.

Phase 2 of the Preliminary Municipality is planned to include 69 vacation rental units and seven single family homes within approximately 44.80 acres as depicted in the Feasibility Request.

Phase 3 of the Preliminary Municipality is planned to include 78 single family homes and approximately 25,000 square feet of commercial space on approximately 58.05 acres as depicted in the Feasibility Request.

Phase 4 of the Preliminary Municipality is planned to include 60 townhome units and approximately 30,000 square feet of commercial space on approximately 25.11 acres as depicted in the Feasibility Request.

Phase 5 of the Preliminary Municipality is planned to include 168 multifamily apartment units within seven buildings on approximately 8.10 acres as depicted in the Feasibility Request.

Phase 6 of the Preliminary Municipality is planned to include 55 single family homes on approximately 10.19 acres as depicted in the Feasibility Request.

Phase 7 of the Preliminary Municipality is planned to include 48 townhome units, 39 for-rent residential units, and six single family homes on approximately 31.20 acres as depicted in the Feasibility Request.

Phase 8 of the Preliminary Municipality is planned to include 64 single family homes on approximately 10.84 acres as depicted in the Feasibility Request.

Phase 9 of the Preliminary Municipality is planned to include 95 single family homes on approximately 21.33 acres as depicted in the Feasibility Request.

Phase 10 of the Preliminary Municipality is planned to include 42 single family homes on approximately 64.61 acres as depicted in the Feasibility Request.



Phase 11 of the Preliminary Municipality is planned to include 139 single family homes on approximately 32.69 acres as depicted in the Feasibility Request.

Phase 12 of the Preliminary Municipality is planned to include 147 single family homes on approximately 34.62 acres as depicted in the Feasibility Request.

Phase 13 of the Preliminary Municipality is planned to include 86 single family homes on approximately 84.11 acres as depicted in the Feasibility Request.

Phase 14 of the Preliminary Municipality is planned to include 77 single family homes on approximately 94.85 acres as depicted in the Feasibility Request.

Phase 15 of the Preliminary Municipality is planned to include a church/religious building parcel, community park, and 50 single family homes spread over approximately 44.64 acres as depicted in the Feasibility Request.

#### **IV. Feasibility Study Compliance**

This Petition complies with the requirements of Utah Code §§ 10-2a-504(4) and 10-2a-507(1)(c) as demonstrated by the final published Preliminary Feasibility Study for the Proposed Incorporation of Willow prepared by LRB Public Finance Advisors on November 12, 2025. A copy of the “**Feasibility Study**” is attached hereto as **Exhibit C**. Utah Code Section 10-2a-504(4) states that:

If the five-year projected revenues calculated under Subsection (3)(a)(ii)(C) exceed the five-year projected costs calculated under Subsection (3)(a)(ii)(B) by more than 5%, the feasibility consultant shall project and report the expected annual revenue surplus to the primary sponsor contact and the lieutenant governor.

The Feasibility Study found the Preliminary Municipality would meet a five-year average revenue margin of 12.4%, far exceeding the 5% threshold (*See Feasibility Study at p. 4*). Accordingly, the incorporation may proceed. (Utah Code § 10-2a-507(c)).

#### **V. Name of the Preliminary Municipality**

The Initial Landowner proposes the Preliminary Municipality be named:

**Willow**

(Utah Code § 10-2a-507(1)(d))

#### **VI. Preliminary Municipality Board Appointments, Chair and Three Members**

Pursuant to Utah Code Section 10-2a-507(1)(f), the following shall serve as the Chair and three of the four members of the “**Board**” who, along with the Board member appointed by Kane County, will serve as a five-member council form of government for the Preliminary Municipality:

Board Chair:           Greg Whitehead

Board Member 1: S. Tracy Stratton

Board Member 2: Brett Keenan

Board Member 3: M. Chad Staheli

Kane County is required to appoint the fourth and last member of the Board within thirty days following the creation of the Preliminary Municipality pursuant to Utah Code Section 10-2a-509(1)(a).

## VII. Map of Preliminary Municipality

An accurate map prepared by a licensed surveyor of the Preliminary Municipality and other supporting documents are attached hereto as **Exhibit D** and show:

- A depiction of the legal description of the boundaries of the Preliminary Municipality area and each phase of the proposed Preliminary Municipality area (Utah Code § 10-2a-507(1)(g)(i)); and
- All development planned for the proposed Preliminary Municipality area in a single development plan, depicting each phase of the development (Utah Code § 10-2a-507(1)(g)(ii)).

## VIII. Performance Bond

Pursuant to Utah Code Section 10-2a-507(1)(h), the Applicant and Initial Landowner submits a performance bond (the “**Bond**”) in the amount of Two Million Four Hundred Forty-Nine Thousand, Five Hundred Sixty Dollars (\$2,449,560), issued by KC Gardner Company, L.C., a Utah limited liability company, as surety, on behalf of the Initial Landowner, as principal, and in favor of and for the benefit of the Preliminary Municipality, attached as **Exhibit E**. Because the Preliminary Municipality does not yet legally exist, the Bond names [INTERIM OBLIGEE NAME]<sup>1</sup> as interim obligee to hold the Bond pending the Preliminary Municipality’s formation; upon the Lieutenant Governor’s certification of incorporation of Willow, Utah, Willow, Utah shall automatically, and without further act by any party, be substituted as obligee under the Bond. The Bond is:

- (i) provided by the Initial Landowner;
- (ii) in favor of the Preliminary Municipality and/or the Interim Obligee;
- (iii) guarantees that the Initial Landowner will complete the System Infrastructure (as defined in Utah Code Section 10-2a-501(13)) for the Preliminary Municipality no later than six years after the date of this Petition; and
- (iv) provides for periodic reduction of the Bond Amount in percentages that reflect the progress toward completing the System Infrastructure, as further described in Exhibit E.

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<sup>1</sup> Intentionally left blank. To be formed upon approval of this Petition.

The Bond procedures described in Exhibit E follow the completion assurance provisions applicable for infrastructure improvements within existing municipalities under Utah Municipal Code.

**IX. Costs of the Office of the Lieutenant Governor**

Pursuant to Utah Code Section 10-2a-507(1)(i), the Applicant concurrently remits payment of the costs incurred by the Office of the Lieutenant Governor for the Feasibility Study and other expenses. In consultation with Arden Cook, Local Entity Specialist, in the Office of the Lieutenant Governor, the only qualifying costs are the consulting fee for the Feasibility Study submitted by LRB Public Finance Advisors, Inc., in the total amount of \$24,970.00, and the Kanab Center rental for the hearing required by Utah Code § 10-2a-506 that was completed on January 7, 2026, in the total amount of \$338.45, for a total amount of \$25,308.45. A copy of the cost detail and invoice is attached as **Exhibit F**. A check in the amount of \$25,308.45 to the Lieutenant Governor is submitted herewith, and a copy of the check included as **Exhibit G**.

**X. Applicant'/Initial Landowner' Statements**

The Applicant hereby states:

- (a) Those individuals signing on behalf of the entity Applicant/Initial Landowner are authorized to do so;
- (b) The Applicant is the owner of all the real property included within the Preliminary Municipality (Utah Code § 10-2a-502(5)(a));
- (c) This Petition is signed by 100% of the property owners of real property within the Preliminary Municipality (Utah Code § 10-2a-502(2)(d)(i));
- (d) The land comprising the Preliminary Municipality is contiguous (Utah Code § 10-2a-502(2)(a));



- (e) None of the land comprising the Preliminary Municipality is located within a county of the first or second class (Utah Code § 10-2a-502(2)(b));
- (f) None of the land comprising the Preliminary Municipality is located within 0.25 miles of an existing municipality. The Preliminary Municipality is at least 1.36 miles from the closest municipality, the City of Kanab (Utah Code § 10-2a-502(2)(c));
- (g) The area comprising the Preliminary Municipality is not owned by more than three persons and at least 50% of the area is undeveloped (Utah Code § 10-2a-502(2)(d));
- (h) The Applicant intend to develop the Preliminary Municipality to the point that at least 100 individuals will reside in the area, the area will have an average population density of no less than seven individuals per square mile, and at least 10% of the housing within the Preliminary Municipality will be affordable housing, as defined by Utah Code § 10-2a-501(1) (Utah Code § 10-2a-502(2)(e));
- (i) The area comprising the Preliminary Municipality does not include any land owned by the United States government (Utah Code § 10-2a-502(2)(f));
- (j) The area comprising the Preliminary Municipality is located entirely within Kane County (Utah Code § 10-2a-502(2)(g)); and
- (k) The area comprising the Preliminary Municipality is not included in a pending annexation area (Utah Code § 10-2a-502(3)(a)).

#### **XI. Applicant'/Initial Landowner' Consent**

The Applicant/Initial Landowner, as the owner of 100% of the land comprising the Preliminary Municipality, hereby consents to the creation of a Preliminary Municipality. (Utah Code §§ 10-2a-502(2)(d)(i) and 10-2a-502(5)(a))

#### **XII. Petition for Incorporation of Willow, a Preliminary Municipality**

Pursuant to Utah Code § 10-2a-507(1), the Applicant hereby petitions the Hon. Deidre Henderson, Lieutenant Governor of Utah, to incorporate Willow as a Preliminary Municipality as identified in this Petition. The Applicant stands ready and willing to provide any further information necessary for Lieutenant Governor Henderson to cause the incorporation of Willow as a Preliminary Municipality as petitioned herein.

#### **XIII. Electronic Means; Counterparts**

This Petition may be circulated by electronic means and executed in several counterparts, including by electronic signature, all or any of which may be treated for all purposes as an original and shall constitute and be one and the same document.

**IN WITNESS WHEREOF**, the Applicant has executed this Petition for Incorporation of a Preliminary Municipality as of the date indicated above.

KANAB 600, LLC,  
a Utah limited liability company

By: Philo Venture Partners, LLC (f/k/a Mountain  
Venture Partners, LLC), a Delaware limited liability  
company  
Its: Manager

---

Name: Greg Whitehead  
Its: Manager

**THE UNDERSIGNED**, as Manager of Philo Venture Partners, LLC (f/k/a Mountain Venture Partners, LLC), a Delaware limited liability company, the Manager of Kanab 600, LLC, a Utah limited liability company, consents to be the “primary sponsor contact” as defined in Utah Code Section 10-2a-501(10) for this Petition for Incorporation.

---

Greg Whitehead, an individual

[EXHIBITS]



**Exhibit A**

**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 "**Applicant**") hereby applies for the creation of a new Preliminary Municipality ("**Preliminary Municipality**") pursuant to the Utah Code, Title 10, Chapter 2a, Part 5, Utah Code annotated 1953 (Utah Code § 10-2a-502(1)).

**I. Applicant; Contact Sponsor**

**Applicant / Owner:**

Kanab 600 LLC, a Utah limited liability company  
2901 Bluegrass Blvd, #410  
Lehi, UT 84043  
Phone No. 435-632-2883

**Primary Contact / Sponsor:**

Greg Whitehead  
2901 Bluegrass Blvd. #410  
Lehi, UT 84043  
Phone No. 435-632-2883  
Email: greg@philo.ventures

With a copy to:

Snell & Wilmer LLP  
Attn: Craig Jensen  
15 West South Temple, Suite 1200  
Salt Lake City, UT 84101  
Phone No. 801-257-1881  
Email: cjensen@swlaw.com

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

**II. Proposed Preliminary Municipal Boundaries**

The Applicant requests that the initial boundaries of the proposed Preliminary Municipality include all of the real property depicted and described in Exhibit A-1 (Utah Code § 10-2a-502(5)(e)(i)).

### **III. Description of the Preliminary Municipality**

Pursuant to Utah Code § 10-2a-502(5)(d), the Applicant provides the following description of the Preliminary Municipality area. The Preliminary Municipality will be located approximately three miles outside of Kanab, Utah, and is comprised of approximately 596.591 acres. The Preliminary Municipality will include a varied mix of uses including open space and parks, a nightly rental resort, a hotel, civic buildings, commercial areas, and a mix of residential unit types, including affordable housing, apartments, condominiums, townhomes, and a wide range of single-family home lots from 0.2 to 5 acres, along with the necessary public and private infrastructure to facilitate the Preliminary Municipality's development. A portion of the Preliminary Municipality will also be used for municipal building space. A depiction of the planned development and phasing thereof is attached hereto as Exhibit A-2 and Exhibit A-3.

Phase 1 will include approximately 98 townhomes and approximately 40,000 square feet of commercial/hotel space spread over approximately 29.97 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 2 will include 69 vacation rental units within approximately 44.80 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 3 will include 78 single family homes and approximately 25,000 square feet of commercial space on approximately 58.05 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 4 will include 60 townhome units and approximately 30,000 square feet of commercial space on approximately 25.11 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 5 will include 168 multifamily apartment units within seven buildings on approximately 8.10 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 6 will include 55 single family homes on approximately 10.19 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 7 will include 48 townhome units and 39 for-rent residential units on approximately 31.20 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 8 will include 64 single family homes on approximately 10.84 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 9 will include 95 single family homes on approximately 21.33 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2. Phase 10 will include 42 single family homes on approximately 64.61 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 11 will include 139 single family homes on approximately 32.69 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 12 will include 147 single family homes on approximately 34.62 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 13 will include 86 single family homes on approximately 84.11 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 14 will include 77 single family homes on approximately 94.85 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 3. Phase 15 will include a church/religious building parcel, community park, and 50 single family homes spread over approximately 44.64 acres as depicted and described on Exhibit A-2 and Exhibit A-3, page 2.

### **IV. Map of Preliminary Municipality**

An accurate map and other supporting documents, prepared by a licensed surveyor are attached hereto as Exhibit A-1, Exhibit A-2, Exhibit A-3 and show:

- A depiction of the legal description of the boundaries of the Preliminary Municipality area and each phase of the proposed Preliminary Municipality area (Utah Code § 10-2a-502(5)(e)(i));



- All development planned for the proposed Preliminary Municipality area (Utah Code § 10-2a-502(5)(e)(ii)); and
- That the first phase of the proposed Preliminary Municipality area is projected to have at least 100 residents when completed, as depicted on Exhibit A-2 and on the attached Exhibit B (Utah Code § 10-2a-502(5)(e)(iii)).

## **V. Applicant's Statements**

The Applicant hereby states that:

- (a) Those signing on behalf of the entity owner(s) are authorized to do so;
- (b) The Applicant is the owner of all the real property included within the Preliminary Municipality (Utah Code § 10-2a-502(5)(a));
- (c) This Feasibility Request is signed by 100% of the property owners of real property within the Preliminary Municipality (Utah Code § 10-2a-502(2)(d)(i));
- (d) The land comprising the Preliminary Municipality is contiguous (Utah Code § 10-2a-502(2)(a));
- (e) None of the land comprising the Preliminary Municipality is located within a county of the first or second class (Utah Code § 10-2a-502(2)(b));
- (f) None of the land comprising the Preliminary Municipality is located within .25 miles of an existing municipality. The Preliminary Municipality is at least 1.25 miles away from the closest municipality, the City of Kanab, as depicted on the attached Exhibit C (Utah Code § 10-2a-502(2)(c));
- (g) The area comprising the Preliminary Municipality is not owned by more than three persons and at least 50% of the area is undeveloped (Utah Code § 10-2a-502(2)(d));
- (h) The Applicant intends to develop the Preliminary Municipality to the point that at least 100 individuals will reside in the area, the area will have an average population density of no less than seven individuals per square mile, and at least 10% of the housing within the Preliminary Municipality will be affordable housing, as defined by Utah Code § 10-2a-501(1) (Utah Code § 10-2a-502(2)(e));
- (i) The area comprising the Preliminary Municipality does not include any land owned by the United States government (Utah Code § 10-2a-502(2)(f));
- (j) The area comprising the Preliminary Municipality is located entirely within Kane County (Utah Code § 10-2a-502(2)(g));
- (k) The area comprising the Preliminary Municipality is not included in a pending annexation area (Utah Code § 10-2a-502(3)(a));
- (l) The area comprising the Preliminary Municipality is not the subject of a completed feasibility study or supplemental feasibility study (Utah Code § 10-2a-502(3)(b)); and
- (m) The area comprising the Preliminary Municipality does not include all or part of an area that is the subject of a completed feasibility study or supplemental feasibility study whose results comply with Utah Code § 10-2a-507(1) (Utah Code § 10-2a-502(3)(c)).



**VI. Applicant's Consent**

The Applicant, as the owner of 100% of the land comprising the Preliminary Municipality, hereby consents to the creation of a Preliminary Municipality (Utah Code §§ 10-2a-502(2)(d)(i) and 10-2a-502(5)(a).

**VII. Feasibility Study Request**

Pursuant to Utah Code § 10-2a-502(5)(f), the Applicant hereby requests that the Lieutenant Governor commission a study to determine the feasibility of incorporating the Preliminary Municipality. The Applicant stands ready and willing to provide any further information necessary to perform the feasibility study.

**VIII. Electronic Means; Counterparts**

This Feasibility Request may be circulated by electronic means and executed in several counterparts, including by electronic signature, all or any of which may be treated for all purposes as an original and shall constitute and be one and the same document.

**IN WITNESS WHEREOF**, the Applicant has executed this Feasibility Request as of the date indicated above.

KANAB 600, LLC,  
a Utah limited liability company

By: Philo Venture Partners, LLC (f/k/a Mountain  
Venture Partners, LLC), a Delaware limited liability  
company

Its: Manager



Name: Greg Whitehead

Its: Manager

**THE UNDERSIGNED**, as Manager of Philo Venture Partners, LLC (f/k/a Mountain  
Venture Partners, LLC), a Delaware limited liability company, the Manager of Kanab 600, LLC,  
a Utah limited liability company, consents to be the primary sponsor contact for this Feasibility  
Request.



Greg Whitehead, an individual

## **EXHIBIT A-1**

### **Legal Description and Boundary Map**

#### **Record Description**

**Parcel 1:**

The West Half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, Utah, Less and Excepting the North 40 feet;

**Parcel 2:**

The Northeast Quarter and the North Half of the Southeast Quarter and the North Half of the South Half of the Southeast Quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, Together With the following described parcel:

Beginning at the Center of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, and running thence West 160 rods, more or less, to the West Quarter Corner of said Section 6; thence South 15.67 rods; thence North 34°26' East 17.79 rods; thence East 149.94 rods; thence North 1 rod to the point of beginning.

#### **As-Surveyed Description**

A parcel of land, situate in Section 6, and in the West Half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the found 3" aluminum Talbot Land Surveyors monument, stamped RLS 165634, dated 1997, at the South Quarter Corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, and running:

thence North 88°00'26" West 2633.05 feet along the measured Section line, following, more or less, an existing fence line, to the found 3" aluminum Talbot Land Surveyors monument, stamped RLS 165634, dated 2007, at the Corner of Sections 5, 6, 7, and 8;

thence North 0°48'25" East 661.17 feet along the measured Section line, to the South-South 64<sup>th</sup> Corner of Sections 5 and 6;

thence North 89°09'03" West 2639.55 feet along the 64<sup>th</sup> Section line, to the Center-South-South 64<sup>th</sup> Corner of Section 6;

thence North 0°55'06" East 1966.27 feet along the measured Quarter Section line, to a found 5/8" rebar and cap, stamped Iron Rock PLS 5661917;

thence North 89°03'40" West 2438.83 feet, running parallel with and 16.50 feet perpendicularly distant southerly from the measured Quarter Section line, to another found rebar and Iron Rock cap;

thence South 34°55'44" West 291.93 feet, to another found rebar and Iron Rock cap, lying on the Section line;

thence North 0°30'59" East 258.55 feet along the Section line, to another found rebar and Iron Rock cap at the West Quarter Corner of Section 6;

thence South 89°03'40" East 2603.94 feet along the measured Quarter Section line, and the south line of the Crimson Estates Subdivision, Phases 1, 2, and 3, to the found 3" aluminum Alpha Engineering monument, stamped PLS 174919, with no date, at the Center Quarter Corner of Section 6;



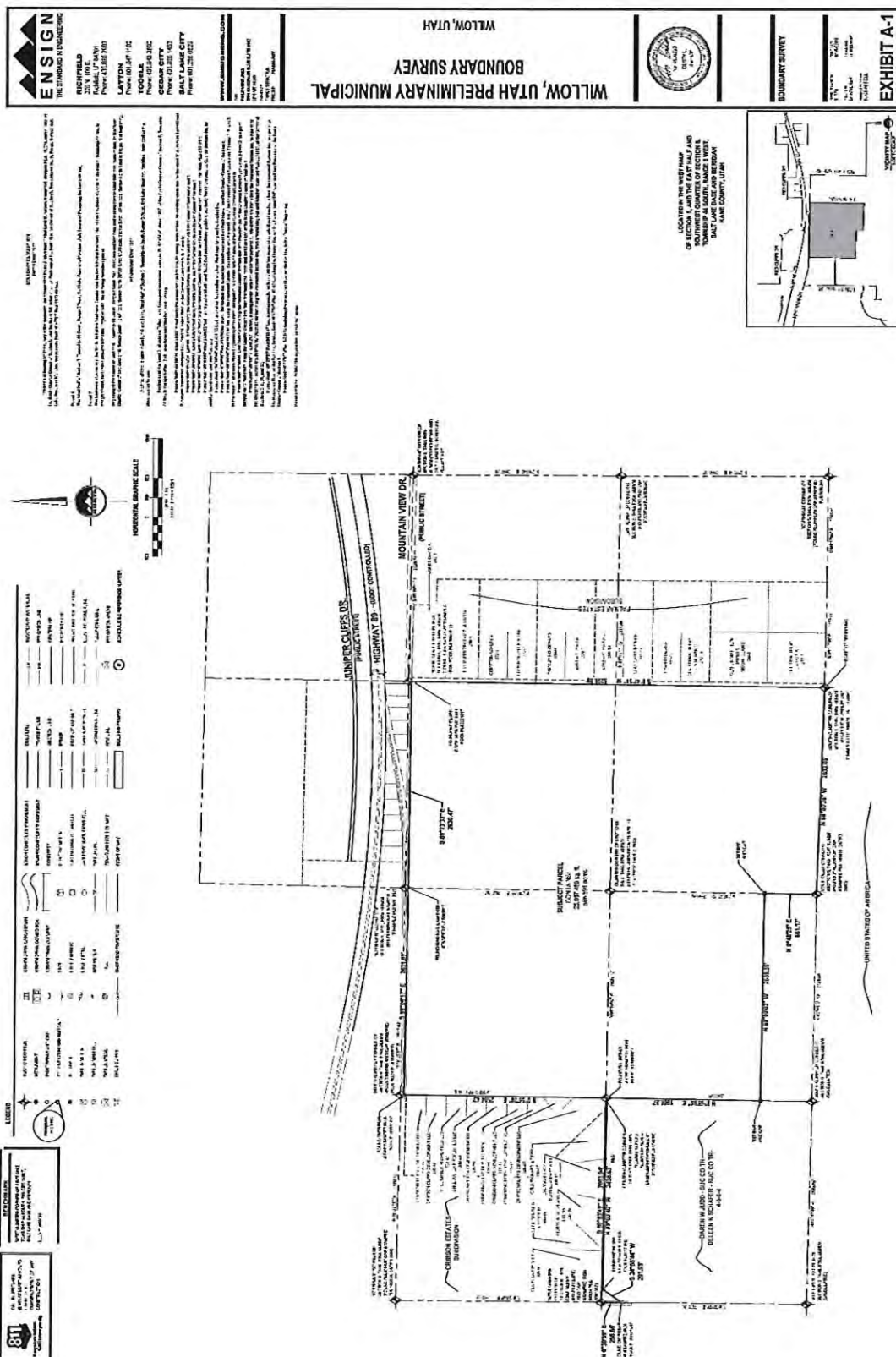
thence North 0°55'00" East 2594.43 feet along the measured Quarter Section line, and the east line of the Crimson Estates Subdivision, Phase 3, to a point located 40.00 feet south, along the Quarter Section line, from the found 5/8" rebar and Iron Rock cap at the North Quarter Corner of Section 6;

thence South 89°06'17" East 2631.89 feet, running parallel with and 40.00 feet perpendicularly distant southerly from the measured Section line, to a point on the Section line, located South 0°49'58" West 40.00 feet along the measured Section line, from a found Mag Nail and Washer, stamped PLS 5561917, at the Corner of Sections 5, 6, 31, and 32;

thence South 89°23'33" East 2630.47 feet, running parallel with and 40.00 feet perpendicularly distant southerly from the measured Section line, to a point on the measured Quarter Section line, located South 0°47'51" West 40.00 feet along the Quarter Section line from a found 5/8" rebar and Iron Rock cap at the North Quarter Corner of Section 5;

thence South 0°47'51" West 5299.89 feet along the measured Quarter Section line, to the Point of Beginning.

Parcel contains: 25,987,486 square feet, or 596.591 acres.



## **EXHIBIT A-2**

### Site Plan with Phasing





THE STANDARD IN ENGINEERING  
RICHFIELD  
225 N 100 E  
RICHFIELD, UT 84701  
Phone: 435.896.2963  
SANDY  
Phone: 801.255.0020  
LAYTON  
Phone: 801.547.1100  
TOOELE  
Phone: 435.843.3990  
CEDAR CITY  
Phone: 435.863.1403  
WWW.ENSIGNENGINEERING.COM

PROJECT  
CLIENTS/AGENCIES  
DATE: 07/15/2019  
DRAWN BY: JACOB  
CHECKED BY: JACOB  
SCALE: AS SHOWN

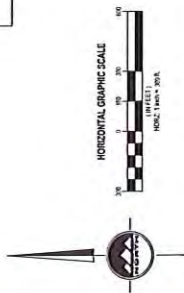
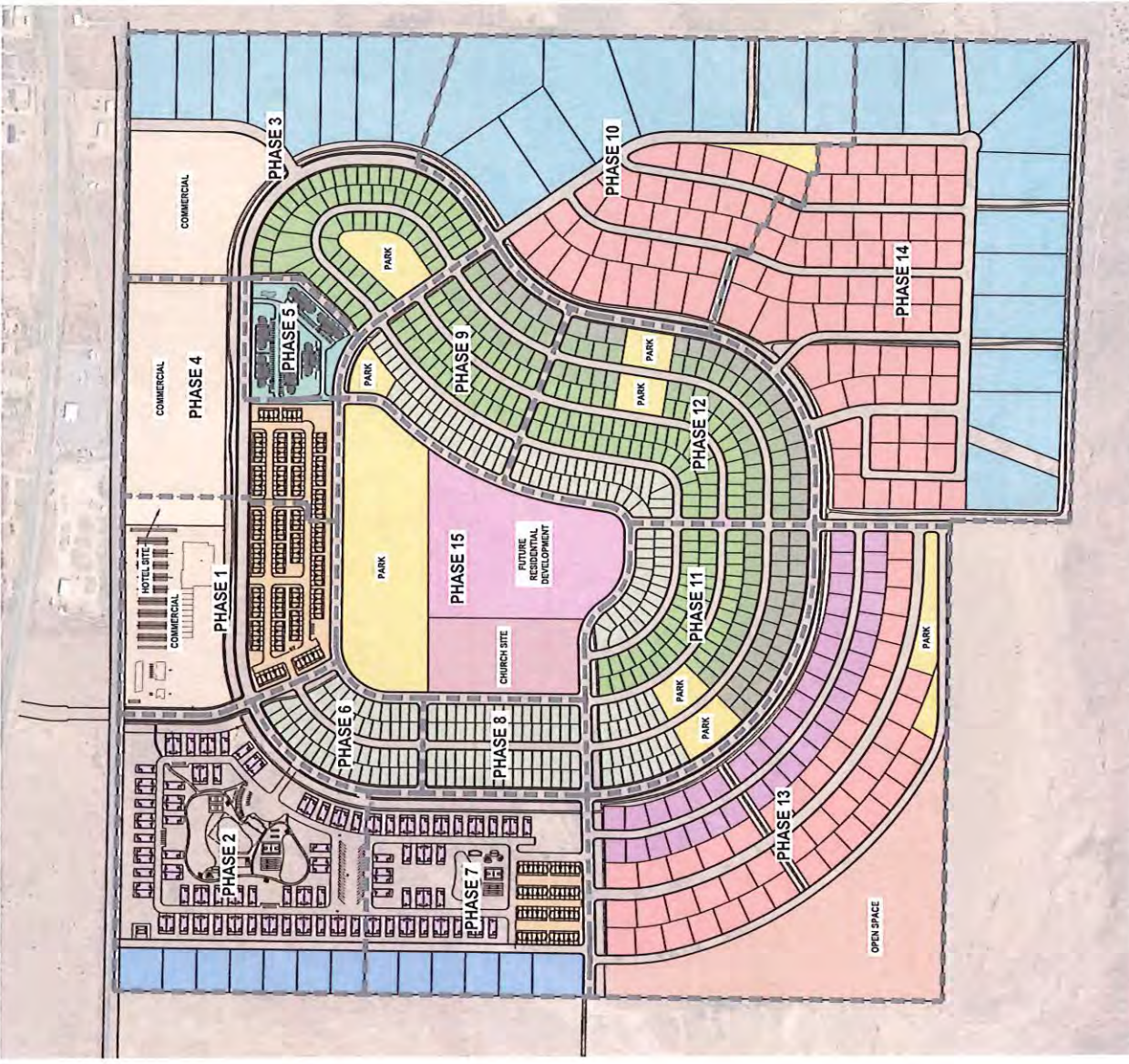
# WILLOW, UTAH PRELIMINARY MUNICIPAL SITE PLAN EXHIBIT C

PRELIMINARY MUNICIPAL  
SITE PLAN  
WITH PHASING  
DATE: 07/15/2019  
DRAWN BY: JACOB  
CHECKED BY: JACOB  
SCALE: AS SHOWN  
EXHIBIT A-2

| SITE SUMMARY       |             |
|--------------------|-------------|
| Total Site Area    | 596.59 Acre |
| Total Units        | 1,276 Units |
| Gross Density      | 2.14 du/ac  |
| Total Open Space   | 51.61 Acres |
| Open Space %       | 8.65        |
| Residential Units  | 794         |
| Multi-Family Units | 374         |
| Vacation Rentals   | 108         |
| Total Units        | 1,276       |

| PHASE SUMMARY |                                                                                   |                 |
|---------------|-----------------------------------------------------------------------------------|-----------------|
| PHASE         | UNITS / LOTS                                                                      | APPROX. ACREAGE |
| 1             | (88) TOWNHOMES<br>COMMERCIAL / HOTEL                                              | 29.97           |
| 2             | (69) VACATION UNITS                                                               | 44.80           |
| 3             | (7) 1.0 ACRE LOTS<br>(8) EQUESTRIAN LOTS<br>(70) 14 ACRE LOTS<br>COMMERCIAL SPACE | 58.05           |
| 4             | (60) TOWNHOMES<br>COMMERCIAL SPACE                                                | 25.11           |
| 5             | (7) APARTMENT<br>BUILDINGS (168 UNITS)                                            | 8.10            |
| 6             | (55) 11 ACRE LOTS<br>(48) TOWNHOMES                                               | 10.19           |
| 7             | (39) RENTAL UNITS<br>(6) 1.0 ACRE LOTS                                            | 31.20           |
| 8             | (64) 11 ACRE LOTS                                                                 | 10.84           |
| 9             | (33) 11 ACRE LOTS<br>(39) 14 ACRE LOTS<br>(17) 16 ACRE LOTS<br>(6) 18 ACRE LOTS   | 21.33           |
| 10            | (8) EQUESTRIAN LOTS<br>(34) 5 ACRE LOTS                                           | 64.61           |
| 11            | (55) 11 ACRE LOTS<br>(47) 14 ACRE LOTS<br>(12) 16 ACRE LOTS<br>(25) 18 ACRE LOTS  | 32.69           |
| 12            | (32) 11 ACRE LOTS<br>(59) 14 ACRE LOTS<br>(38) 16 ACRE LOTS<br>(19) 18 ACRE LOTS  | 34.62           |
| 13            | (41) 33 ACRE LOTS<br>(45) 5 ACRE LOTS                                             | 84.11           |
| 14            | (11) EQUESTRIAN LOTS<br>(66) 5 ACRE LOTS                                          | 94.85           |
| 15            | CHURCH SITE / PARK<br>(50) 25 ACRE LOTS                                           | 44.64           |

- LAND USE KEY**
- .11 ACRE LOTS (234 LOTS)
  - .14 ACRE LOTS (214 LOTS)
  - .16 ACRE LOTS (97 LOTS)
  - .18 ACRE LOTS (38 LOTS)
  - .33 ACRE LOTS (41 LOTS)
  - .5 ACRE LOTS (144 LOTS)
  - 1 ACRE LOTS (11 LOTS)
  - TOWNHOMES (205 UNITS)
  - VACATION UNITS (168 UNITS)
  - APARTMENT (168 UNITS)
  - EQUESTRIAN LOTS (27 LOTS)
  - COMMERCIAL (41.33 ACRES)
  - PARK (23.2 ACRES)
  - CIVIC/RELIGIOUS (7.9 ACRES)
  - OPEN SPACE (23.2 ACRES)
  - FUTURE RESIDENTIAL DEVELOPMENT (16.6 ACRES)



**EXHIBIT A-3**

**Phasing Plan with Legal Descriptions**





**EN SIGN**  
THE STANDARD IN SURVEYING

**RICHLAND**  
1000 E. 10th St.  
Richland, UT 84301  
Phone: 435.338.2000

**LAYTON**  
1000 E. 10th St.  
Layton, UT 84040  
Phone: 435.338.2000

**TOLEDO**  
1000 E. 10th St.  
Toledo, UT 84301  
Phone: 435.338.2000

**OSAGE CITY**  
1000 E. 10th St.  
Osage City, MO 64024  
Phone: 816.221.0000

**Normal Address: 1000 E. 10th St.**

**WILLOW, UTAH**  
BOUNDARY SURVEY  
PRELIMINARY MUNICIPAL

**BOUNDARY SURVEY  
PHASING PLAN  
EXHIBIT A-3**

10F3

1. This plat is a preliminary phasing plan for the Willow, Utah, Municipal Boundary Survey. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.

2. The Willow, Utah, Municipal Boundary Survey is a preliminary survey of the Willow, Utah, Municipal Boundary. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.

3. The Willow, Utah, Municipal Boundary Survey is a preliminary survey of the Willow, Utah, Municipal Boundary. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.

4. The Willow, Utah, Municipal Boundary Survey is a preliminary survey of the Willow, Utah, Municipal Boundary. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.

5. The Willow, Utah, Municipal Boundary Survey is a preliminary survey of the Willow, Utah, Municipal Boundary. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.

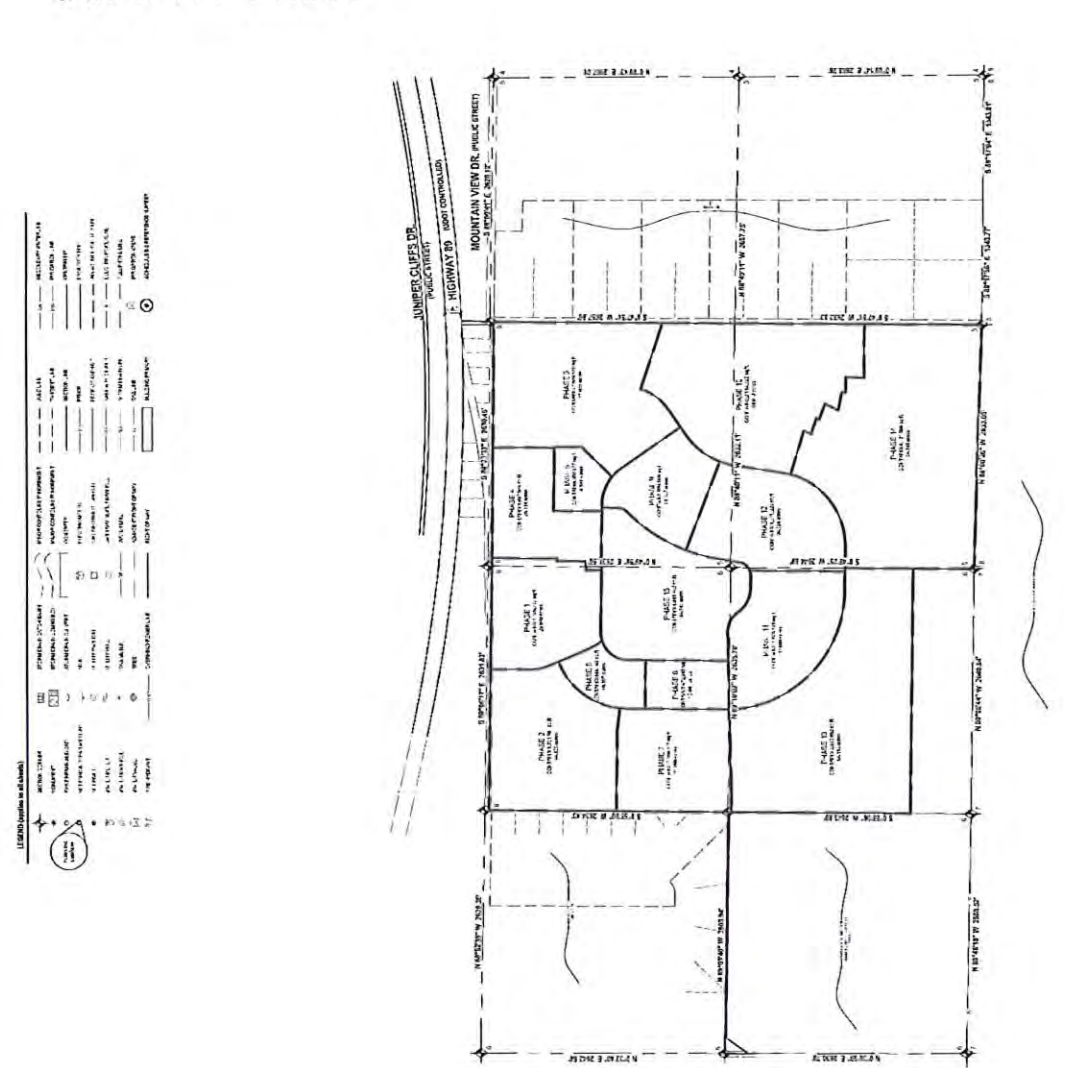
6. The Willow, Utah, Municipal Boundary Survey is a preliminary survey of the Willow, Utah, Municipal Boundary. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.

7. The Willow, Utah, Municipal Boundary Survey is a preliminary survey of the Willow, Utah, Municipal Boundary. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.

8. The Willow, Utah, Municipal Boundary Survey is a preliminary survey of the Willow, Utah, Municipal Boundary. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.

9. The Willow, Utah, Municipal Boundary Survey is a preliminary survey of the Willow, Utah, Municipal Boundary. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.

10. The Willow, Utah, Municipal Boundary Survey is a preliminary survey of the Willow, Utah, Municipal Boundary. It is located in the Southeast Quarter of Section 14, Township 36N, Range 10E, Salt Lake and Wasatch Counties, Utah.



LEGEND (Symbol to be used)

|         |         |         |         |         |         |         |         |         |          |          |          |          |          |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|
| PHASE 1 | PHASE 2 | PHASE 3 | PHASE 4 | PHASE 5 | PHASE 6 | PHASE 7 | PHASE 8 | PHASE 9 | PHASE 10 | PHASE 11 | PHASE 12 | PHASE 13 | PHASE 14 |
| PHASE 1 | PHASE 2 | PHASE 3 | PHASE 4 | PHASE 5 | PHASE 6 | PHASE 7 | PHASE 8 | PHASE 9 | PHASE 10 | PHASE 11 | PHASE 12 | PHASE 13 | PHASE 14 |

PHASE 1: 1000' x 1000'

PHASE 2: 1000' x 1000'

PHASE 3: 1000' x 1000'

PHASE 4: 1000' x 1000'

PHASE 5: 1000' x 1000'

PHASE 6: 1000' x 1000'

PHASE 7: 1000' x 1000'

PHASE 8: 1000' x 1000'

PHASE 9: 1000' x 1000'

PHASE 10: 1000' x 1000'

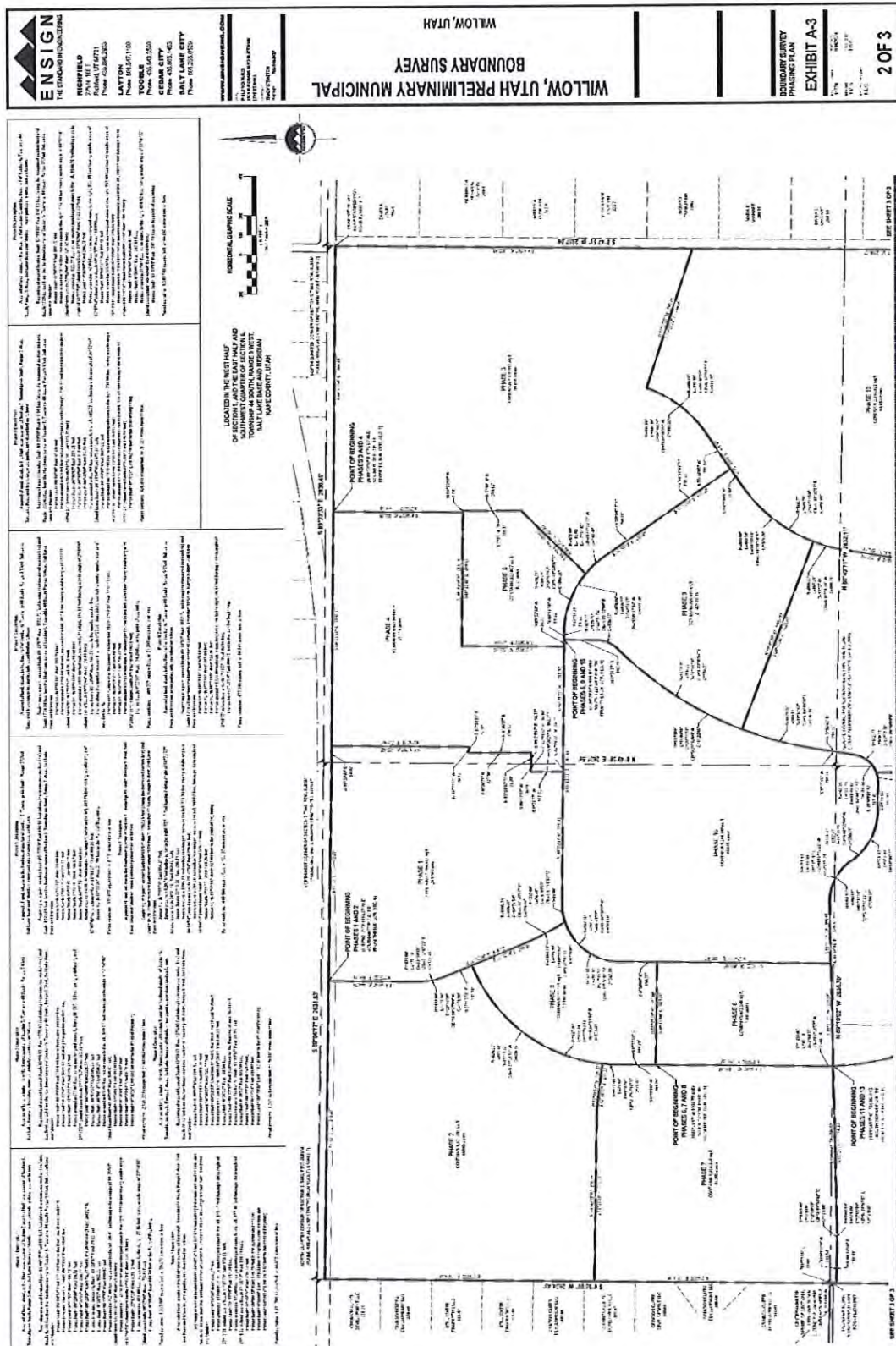
PHASE 11: 1000' x 1000'

PHASE 12: 1000' x 1000'

PHASE 13: 1000' x 1000'

PHASE 14: 1000' x 1000'









#### Phase 1 Description

A parcel of land, situate in the Northwest quarter of Section 5 and the Northeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1113.65 feet (along the measured section line) and South 40.00 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 89°06'17" East 1113.07 feet to the East line of said Section 6;  
thence into said Section 5, South 89°23'33" East 84.07 feet;  
thence South 0°47'18" West 706.62 feet;  
thence North 89°23'33" West 29.52 feet;  
thence South 0°36'27" West 320.50 feet  
thence North 89°23'37" West 56.35 feet to the West line of said Section 5;  
thence into said Section 6, North 89°23'37" West 39.85 feet;  
thence South 0°36'27" West 162.50 feet;  
thence North 89°23'33" West 669.42 feet;  
thence around a 297.00 foot radius curve to the left, 96.41 feet having a delta angle of 18°35'55" (chord bears South 81°18'30" West 95.99 feet);  
thence around a 1195.31 foot radius non-tangent curve to the right, 228.39 feet having a delta angle of 10°56'51" (chord bears North 27°42'11" West 228.04 feet);  
thence North 22°12'28" West 428.12 feet;  
thence around a 433.00 foot radius curve to the right, 175.16 feet having a delta angle of 23°10'38" (chord bears North 10°37'09" West 173.96 feet);  
thence North 0°59'35" East 444.70 feet to the Point of Beginning.

Parcel contains: 1,305,507 square feet, or 29.970 acres more or less.

#### Phase 2 Description

A parcel of land, situate in the Northeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1113.65 feet (along the measured section line) and South 40.00 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 0°59'35" West 444.70 feet  
thence around a 433.00 foot radius non-tangent curve to the left, 175.16 feet having a delta angle of 23°10'38" (chord bears South 10°37'09" East 173.96 feet);  
thence South 22°12'28" East 131.31 feet;  
thence around a 820.00 foot radius non-tangent curve to the left, 877.46 feet having a delta angle of 61°18'39" (chord bears South 37°08'13" West 836.19 feet);  
thence North 82°48'27" West 235.22 feet;  
thence North 89°05'23" West 876.68 feet to the quarter section line;  
thence North 0°55'00" East 1384.33 feet along the quarter section line;  
thence South 89°06'17" East 1518.82 feet to the Point of Beginning.

Parcel contains: 1,951,701 square feet, or 44.805 acres more or less.

#### Phase 3 Description

A parcel of land, situate in the Northwest quarter of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 1275.85 feet (along the measured section line) and South 40.00 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 89°23'33" East 1354.04 feet to the quarter section line;  
thence South 0°47'51" West 1833.80 feet along the quarter section line;  
thence North 71°27'22" West 749.25 feet;  
thence around a 600.00 foot radius non-tangent curve to the right, 390.16 feet having a delta angle of 37°15'27" (chord bears South 37°10'22" West 383.32 feet);



thence South 55°48'05" West 221.37 feet;  
thence North 34°11'55" West 515.00 feet;  
thence North 34°16'12" West 250.21 feet;  
thence around a 478.00 foot radius curve to the left, 149.02 feet having a delta angle of 17°51'45" (chord bears North 41°03'23" West 148.42 feet);  
thence North 44°30'52" East 460.63 feet;  
thence North 0°30'14" East 299.82 feet;  
thence North 89°23'40" West 8.18 feet;  
thence North 0°36'27" East 666.59 feet to the Point of Beginning.

Parcel contains: 2,529,223 square feet, or 58.063 acres more or less.

#### Phase 4 Description

A parcel of land, situate in the Northwest quarter of Section 5 and the Northeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 1275.85 feet (along the measured section line) and South 40.00 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 0°36'27" West 666.59 feet;  
thence North 89°23'40" West 681.14 feet;  
thence South 0°36'27" West 523.00 feet;  
thence North 89°23'33" West 599.97 feet to the West line of said Section 5;  
thence into said Section 6, North 89°23'33" West 39.21 feet;  
thence North 0°36'27" East 162.50 feet;  
thence South 89°23'37" East 39.85 feet to the East line of said Section 6;  
thence into said Section 5, South 89°23'37" East 56.35 feet;  
thence North 0°36'27" East 320.50 feet;  
thence South 89°23'33" East 29.52 feet;  
thence North 0°47'18" East 706.62 feet;  
thence South 89°23'33" East 1192.37 feet to the Point of Beginning.

Parcel contains: 1,093,974 square feet, or 25.114 acres more or less.

#### Phase 5 Description

A parcel of land, situate in the Northwest quarter of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 616.10 feet (along the measured section line) and South 1229.69 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence North 89°23'33" West 34.00 feet;  
thence North 0°36'27" East 523.00 feet;  
thence South 89°23'40" East 689.33 feet;  
thence South 0°30'14" West 299.82 feet;  
thence South 44°30'52" West 460.63 feet;  
thence around a 478.00 foot radius non-tangent curve to the left, 309.75 feet having a delta angle of 37°07'42" (chord bears North 68°33'07" West 304.36 feet);  
thence North 88°58'36" West 51.99 feet to the Point of Beginning.

Parcel contains: 352,877 square feet, or 8.101 acres more or less.

#### Phase 6 Description

A parcel of land, situate in the Northeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1552.79 feet (along the measured section line) and South 1724.34 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;

thence North 0°55'00" East 194.25 feet;  
thence around a 820.00 foot radius curve to the right, 957.10 feet having a delta angle of 66°52'32" (chord bears North 34°21'16" East 903.69 feet);  
thence South 22°12'28" East 296.81 feet;  
thence around a 1195.31 foot radius non-tangent curve to the left, 228.39 feet having a delta angle of 10°56'51" (chord bears South 27°42'11" East 228.04 feet);  
thence around a 297.00 foot radius non-tangent curve to the left, 368.52 feet, having a delta angle of 71°05'32" (chord bears South 36°27'46" West 345.33 feet);  
thence South 0°55'00" West 194.25 feet;  
thence North 89°05'00" West 523.00 feet to the point of beginning.

Parcel contains: 444,166 square feet, or 10.197 acres more or less.

#### Phase 7 Description

A parcel of land, situate in the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1552.79 feet (along the measured section line) and South 1724.34 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 0°55'00" West 866.25 feet;  
thence around a 1280.00 foot radius curve to the left, 46.14 feet having a delta angle of 2°03'55" (chord bears South 0°06'57" East 46.14 feet);  
thence South 88°51'05" West 784.59 feet;  
thence around a 4800.00 foot radius curve to the right, 174.89 feet having a delta angle of 2°05'15" (chord bears South 89°53'43" West 174.88 feet);  
thence North 89°03'40" West 148.53 feet to the quarter section line;  
thence along the quarter section line, North 0°55'06" East 33.00 feet to the center quarter corner of said Section 6;  
thence continuing along the quarter section line, North 0°55'00" East 1210.10 feet;  
thence South 89°05'23" East 876.68 feet;  
thence South 82°48'27" East 235.22 feet;  
thence around a 820.00 foot radius non-tangent curve to the left, 79.64 feet having a delta angle of 5°33'52" (chord bears South 3°41'57" West 79.61 feet)  
thence South 0°55'00" West 194.25 feet to the point of beginning.

Parcel contains: 1,359,307 square feet, or 31.205 acres more or less.

#### Phase 8 Description

A parcel of land, situate in the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1552.79 feet (along the measured section line) and South 1724.34 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 89°05'00" East 523.00 feet;  
thence South 0°55'00" West 893.55 feet;  
thence South 88°51'05" West 522.51 feet  
thence around a 1280.00 foot radius non-tangent curve to the right, 46.14 feet having a delta angle of 2°03'55" (chord bears North 0°06'57" West 46.14 feet);  
thence North 0°05'00" East 866.25 feet to the point of beginning.

Parcel contains: 472,248 square feet, or 10.841 acres more or less.

#### Phase 9 Description

A parcel of land, situate in the Northwest quarter of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 616.10 feet (along the measured section line) and South 1229.69



feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 88°58'36" East 51.99 feet;  
thence around a 478.00 foot radius non-tangent curve to the right, 458.77 feet having a delta angle of 54°59'27" (chord  
bears South 59°37'14" East 441.36 feet);  
thence South 34°16'12" East 250.21 feet;  
thence South 34°11'55" East 515.00 feet;  
thence South 55°48'05" West 93.59 feet;  
thence around a 800.00 foot radius curve to the left, 482.58 feet having a delta angle of 34°33'44" (chord bears South  
38°31'14" West 475.29 feet);  
thence North 68°45'38" West 1023.00 feet;  
thence around an 1823.00 foot radius non-tangent curve to the right, 759.99 feet having a delta angle of 23°53'10"  
(chord bears North 33°10'57" East 754.50 feet);  
thence around a 167.00 foot radius reverse curve to the left, 129.76 feet having a delta angle of 44°31'04" (chord  
bears North 22°52'00" East 126.52 feet);  
thence North 0°36'27" East 162.70 feet to the point of beginning.

Parcel contains: 928,999 square feet, or 21.327 acres more or less.

#### Phase 10 Description

A parcel of land, situate in the West half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 959.28 feet (along the measured section line) and South 3271.35 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence around a 800.00 foot radius non-tangent curve to the left, 80.62 feet having a delta angle of 5°46'26" (chord  
bears North 12°09'54" East 80.59 feet);  
thence North 9°16'40" East 531.31 feet;  
thence around a 800.00 foot radius curve to the right, 649.59 feet having a delta angle of 46°31'25" (chord bears North  
32°32'23" East 631.89 feet);  
thence North 55°48'05" East 314.96 feet;  
thence around a 600.00 foot radius curve to the left, 390.16 feet having a delta angle of 37°15'27" (chord bears North  
37°10'22" East 383.32 feet);  
thence South 71°27'22" East 749.25 feet to the quarter section line;  
thence along the quarter section line, South 0°47'51" West 2188.17 feet;  
thence North 89°12'09" West 578.00 feet;  
thence North 0°47'51" East 195.67 feet;  
thence North 89°12'09" West 161.00 feet;  
thence North 0°47'51" East 21.45 feet;  
thence around a 100.00 foot radius curve to the right, 22.23 feet having a delta angle of 12°44'14" (chord bears North  
7°09'58" East 22.18 feet);  
thence North 78°28'04" West 189.50 feet;  
thence around a 130.00 foot radius non-tangent curve to the right, 31.25 feet having a delta angle of 13°46'19" (chord  
bears North 18°25'06" East 31.17 feet);  
thence North 23°06'03" East 125.73 feet;  
thence North 69°06'10" West 175.00 feet;  
thence North 20°15'11" East 32.83 feet;  
thence North 70°23'29" West 175.00 feet;  
thence around a 1285.00 foot radius non-tangent curve to the left, 84.00 feet having a delta angle of 3°44'44" (chord  
bears North 17°44'09" East 83.99 feet);  
thence North 72°47'57" West 485.21 feet to the point of beginning.

Parcel contains: 2,814,522 square feet, or 64.613 acres more or less.

#### Phase 11 Description

A parcel of land, situate in the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:



Beginning at a point located North 89°06'17" West 1566.56 feet (along the measured section line) and South 2636.84 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence North 88°51'05" East 828.91 feet;  
thence around a 251.53 foot radius non-tangent curve to the right, 268.86 feet having a delta angle of 61°14'31" (chord bears South 60°37'22" East 256.24 feet);  
thence around a 309.92 foot radius reverse non-tangent curve to the left, 262.90 feet having a delta angle of 48°36'11" (chord bears South 61°22'09" East 255.09 feet);  
thence South 89°09'03" East 167.48 feet;  
thence around a 142.03 foot radius non-tangent curve to the left, 51.23 feet having a delta angle of 20°40'05" (chord bears North 79°44'06" East 50.96 feet);  
thence South 0°50'57" West 1032.82 feet;  
thence North 89°09'03" West 217.48 feet;  
thence around a 1280.00 foot radius curve to the right, 1965.99 feet having a delta angle of 88°00'09" (chord bears North 45°08'59" West 1778.36 feet) to the point of beginning.

Parcel contains: 1,423,894 square feet, or 32.688 acres more or less.

#### Phase 12 Description

A parcel of land, situate in the West half of Section 5 and the Southeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 959.28 feet (along the measured section line) and South 3271.35 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence around a 800.00 foot radius non-tangent curve to the right, 1058.33 feet having a delta angle of 75°47'50" (chord bears South 52°57'02" West 982.83 feet);  
thence North 89°09'03" West 262.99 feet;  
thence North 0°50'57" East 1032.82 feet;  
thence around a 142.03 foot radius non-tangent curve to the left, 149.05 feet having a delta angle of 60°07'38" (chord bears North 39°20'15" East 142.30 feet);  
thence North 9°16'40" East 216.39 feet;  
thence around a 1823.00 foot radius curve to the right, 380.58 feet having a delta angle of 11°57'41" (chord bears North 15°15'31" East 379.89 feet);  
thence South 68°45'38" East 1023.00 feet;  
thence around a 800.00 foot radius non-tangent curve to the left, 167.01 feet having a delta angle of 11°57'41" (chord bears South 15°15'31" West 166.71 feet);  
thence South 9°16'40" West 531.31 feet;  
thence around a 800.00 foot radius curve to the right, 80.62 feet having a delta angle of 5°46'26" (chord bears North 12°09'54" East 80.59 feet) to the point of beginning.

Parcel contains: 1,508,220 square feet, or 34.624 acres more or less.

#### Phase 13 Description

A parcel of land, situate in the Southwest quarter of Section 5 and the Southeast quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located North 89°06'17" West 1566.56 feet (along the measured section line) and South 2636.84 feet from the Northeast corner of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence around a 1280.00 foot radius non-tangent curve to the left, 1965.99 feet having a delta angle of 88°00'09" (chord bears South 45°08'59" East 1778.36 feet);  
thence South 89°09'03" East 250.48 feet to the East line of said Section 6;  
thence along the East line of said Section 6, South 0°50'57" West 744.42 feet;  
thence North 89°09'03" West 2639.55 feet to the quarter section line;  
thence along the quarter section line, North 0°55'06" East 1949.77 feet;  
thence South 89°03'40" East 148.53 feet;  
thence around a 4800.00 foot radius curve to the left, 174.89 feet having a delta angle of 2°05'15" (chord bears North



89°53'43" East 174.88 feet);  
thence North 88°51'05" East 784.59 feet to the point of beginning.

Parcel contains: 3,663,952 square feet, or 84.113 acres more or less.

#### Phase 14 Description

A parcel of land, situate in the Southwest quarter of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the South quarter corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence along the south line of said Section 5, North 88°00'26" West 2633.05 feet to the Southwest corner of said  
Section 5;  
thence along the West line of said Section 5, North 0°48'25" East 661.17 feet;  
thence North 0°50'57" East 744.42 feet;  
thence South 89°09'03" East 229.99 feet;  
thence around a 800.00 foot radius curve to the left, 1058.33 feet having a delta angle of 75°47'50" (chord bears North  
52°57'02" East 982.83 feet);  
thence South 72°47'57" East 485.21 feet  
thence around a 1285.00 foot radius non-tangent curve to the right, 84.00 feet having a delta angle of 3°44'44" (chord  
bears South 17°44'09" West 83.99 feet);  
thence South 70°23'29" East 175.00 feet;  
thence South 20°15'11" West 32.83 feet;  
thence South 69°06'10" East 175.00 feet;  
thence South 23°06'03" West 125.73 feet;  
thence around a 130.00 foot radius non-tangent curve to the left, 31.25 feet having a delta angle of 13°46'19" (chord  
bears South 18°25'06" West 31.17 feet);  
thence South 78°28'04" East 189.50 feet;  
thence around a 100.00 foot radius non-tangent curve to the left, 22.23 feet having a delta angle of 12°44'14" (chord  
bears South 7°09'58" West 22.18 feet)  
thence South 0°47'51" West 21.45 feet;  
thence South 89°12'09" East 161.00 feet;  
thence South 0°47'51" West 195.67 feet;  
thence South 89°12'09" East 578.00 feet to the quarter section line;  
thence along the quarter section line, South 0°47'51" West 1277.92 feet to the point of beginning.

Parcel contains: 4,131,586 square feet, or 94.848 acres more or less.

#### Phase 15 Description

A parcel of land, situate in the West half of Section 5, and the East half of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located South 89°23'33" East 616.10 feet (along the measured section line) and South 1229.69 feet from the Northwest corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian;  
thence South 0°36'27" West 162.70 feet;  
thence around a 167.00 foot radius curve to the right, 129.76 feet having a delta angle of 44°31'04" (chord bears South  
22°52'00" West 126.52 feet);  
thence around a 1823.00 foot radius reverse non-tangent curve to the left, 1140.58 feet having a delta angle of  
35°50'51" (chord bears South 27°12'06" West 1122.06 feet);  
thence South 9°16'40" West 216.39 feet;  
thence around a 142.03 foot radius non-tangent curve to the right, 200.28 feet having a delta angle of 80°47'43" (chord  
bears South 49°40'17" West 184.09 feet);  
thence North 89°09'03" West 167.48 feet;  
thence around a 309.92 foot radius non-tangent curve to the right, 262.90 feet having a delta angle of 48°36'11" (chord  
bears North 61°22'09" West 255.09 feet);  
thence around a 251.53 foot radius reverse non-tangent curve to the left, 268.86 feet having a delta angle of 61°14'31" (chord bears North 60°37'22" West 256.24 feet);

thence South 88°51'05" West 306.41 feet;  
thence North 0°55'00" East 1087.81 feet;  
thence around a 297.00 foot radius curve to the right, 464.92 feet having a delta angle of 89°41'27" (chord bears North  
45°45'44" East 418.89 feet);  
thence South 89°23'33" East 1342.59 feet to the point of beginning.

Parcel contains: 1,944,742 square feet, or 44.645 acres more or less.

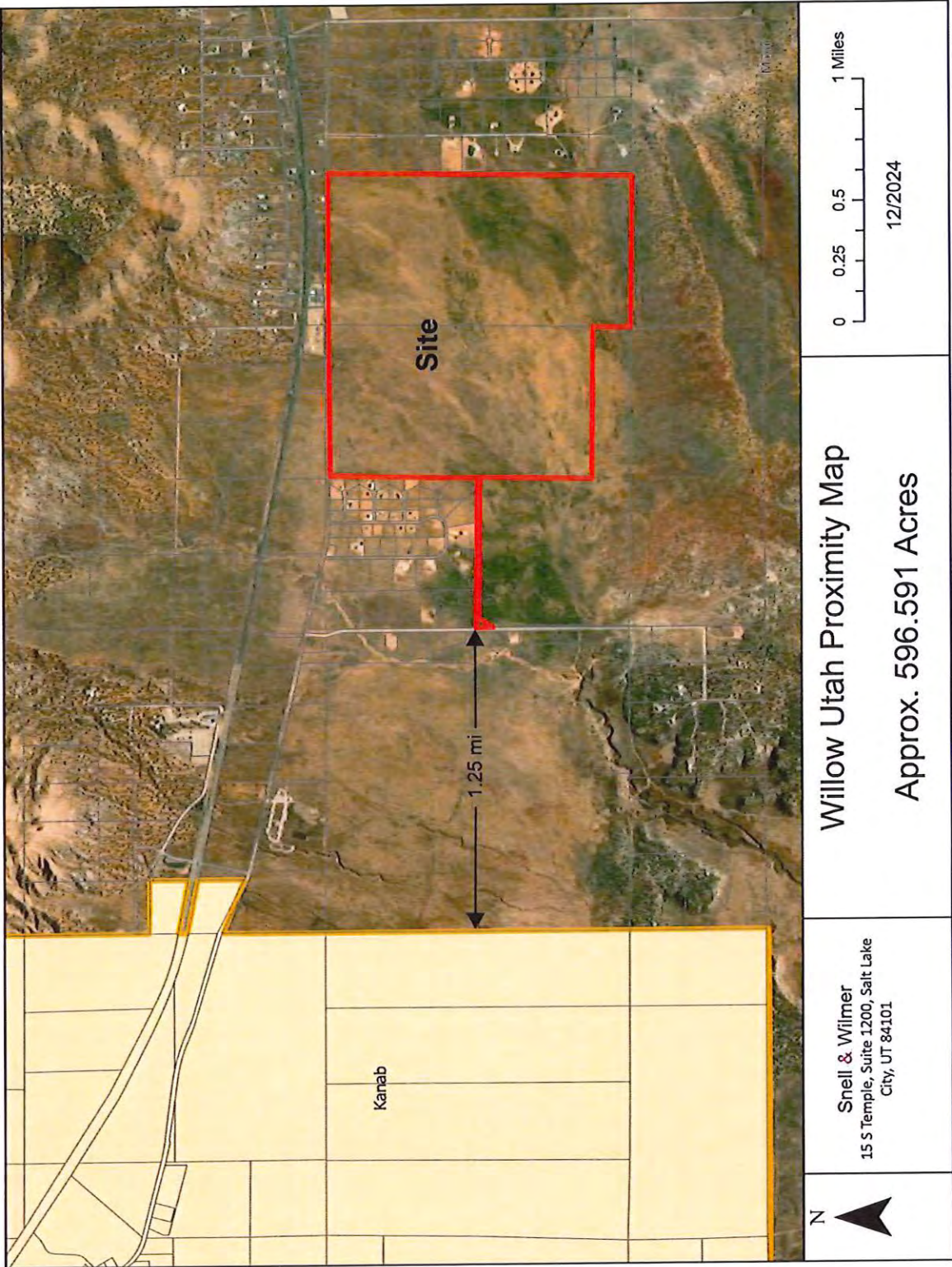


Docusign Envelope ID: CA82E4EE-549E-4C77-8C36-

| PHASE | UNITS / LOTS                                                                         | APPROX. ACREAGE |
|-------|--------------------------------------------------------------------------------------|-----------------|
| 1     | (98) TOWNHOMES<br>COMMERCIAL / HOTEL                                                 | 29.97           |
| 2     | (69) VACATION UNITS<br>(7) 1.0 ACRE LOTS                                             | 44.80           |
| 3     | (8) EQUESTRIAN LOTS<br>(70) .14 ACRE LOTS<br>COMMERCIAL SPACE                        | 58.05           |
| 4     | (60) TOWNHOMES<br>COMMERCIAL SPACE                                                   | 25.11           |
| 5     | (7) APARTMENT<br>BUILDINGS (168 UNITS)                                               | 8.10            |
| 6     | (55) .11 ACRE LOTS                                                                   | 10.19           |
| 7     | (48) TOWNHOMES<br>(39) RENTAL UNITS<br>(6) 1.0 ACRE LOTS                             | 31.20           |
| 8     | (64) .11 ACRE LOTS                                                                   | 10.84           |
| 9     | (33) .11 ACRE LOTS<br>(39) .14 ACRE LOTS<br>(17) .16 ACRE LOTS<br>(6) .18 ACRE LOTS  | 21.33           |
| 10    | (8) EQUESTRIAN LOTS<br>(34) .5 ACRE LOTS                                             | 64.61           |
| 11    | (55) .11 ACRE LOTS<br>(47) .14 ACRE LOTS<br>(12) .16 ACRE LOTS<br>(25) .18 ACRE LOTS | 32.69           |
| 12    | (32) .11 ACRE LOTS<br>(58) .14 ACRE LOTS<br>(38) .16 ACRE LOTS<br>(19) .18 ACRE LOTS | 34.62           |
| 13    | (41) .33 ACRE LOTS<br>(45) .5 ACRE LOTS                                              | 84.11           |
| 14    | (11) EQUESTRIAN LOTS<br>(66) .5 ACRE LOTS                                            | 94.85           |
| 15    | CHURCH SITE/ PARK<br>(50) .25 ACRE LOTS                                              | 44.64           |

## **EXHIBIT C**

### Municipality Proximity Map





**Exhibit B**

**EXHIBIT A-1**

**Legal Description and Boundary Map**

**Record Description**

**Parcel 1:**

The West Half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, Utah, Less and Excepting the North 40 feet;

**Parcel 2:**

The Northeast Quarter and the North Half of the Southeast Quarter and the North Half of the South Half of the Southeast Quarter of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, Together With the following described parcel:

Beginning at the Center of Section 6, Township 44 South, Range 5 West, Salt Lake Base and Meridian, and running thence West 160 rods, more or less, to the West Quarter Corner of said Section 6; thence South 15.67 rods; thence North 34°26' East 17.79 rods; thence East 149.94 rods; thence North 1 rod to the point of beginning.

**As-Surveyed Description**

A parcel of land, situate in Section 6, and in the West Half of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the found 3" aluminum Talbot Land Surveyors monument, stamped RLS 165634, dated 1997, at the South Quarter Corner of Section 5, Township 44 South, Range 5 West, Salt Lake Base and Meridian, and running:

thence North 88°00'26" West 2633.05 feet along the measured Section line, following, more or less, an existing fence line, to the found 3" aluminum Talbot Land Surveyors monument, stamped RLS 165634, dated 2007, at the Corner of Sections 5, 6, 7, and 8;

thence North 0°48'25" East 661.17 feet along the measured Section line, to the South-South 64<sup>th</sup> Corner of Sections 5 and 6;

thence North 89°09'03" West 2639.55 feet along the 64<sup>th</sup> Section line, to the Center-South-South 64<sup>th</sup> Corner of Section 6;

thence North 0°55'06" East 1966.27 feet along the measured Quarter Section line, to a found 5/8" rebar and cap, stamped Iron Rock PLS 5661917;

thence North 89°03'40" West 2438.83 feet, running parallel with and 16.50 feet perpendicularly distant southerly from the measured Quarter Section line, to another found rebar and Iron Rock cap;

thence South 34°55'44" West 291.93 feet, to another found rebar and Iron Rock cap, lying on the Section line;

thence North 0°30'59" East 258.55 feet along the Section line, to another found rebar and Iron Rock cap at the West Quarter Corner of Section 6;

thence South 89°03'40" East 2603.94 feet along the measured Quarter Section line, and the south line of the Crimson Estates Subdivision, Phases 1, 2, and 3, to the found 3" aluminum Alpha Engineering monument, stamped PLS 174919, with no date, at the Center Quarter Corner of Section 6;

thence North 0°55'00" East 2594.43 feet along the measured Quarter Section line, and the east line of the Crimson Estates Subdivision, Phase 3, to a point located 40.00 feet south, along the Quarter Section line, from the found 5/8" rebar and Iron Rock cap at the North Quarter Corner of Section 6;

thence South 89°06'17" East 2631.89 feet, running parallel with and 40.00 feet perpendicularly distant southerly from the measured Section line, to a point on the Section line, located South 0°49'58" West 40.00 feet along the measured Section line, from a found Mag Nail and Washer, stamped PLS 5561917, at the Corner of Sections 5, 6, 31, and 32;

thence South 89°23'33" East 2630.47 feet, running parallel with and 40.00 feet perpendicularly distant southerly from the measured Section line, to a point on the measured Quarter Section line, located South 0°47'51" West 40.00 feet along the Quarter Section line from a found 5/8" rebar and Iron Rock cap at the North Quarter Corner of Section 5;

thence South 0°47'51" West 5299.89 feet along the measured Quarter Section line, to the Point of Beginning.

Parcel contains: 25,987,486 square feet, or 596.591 acres.



Exhibit C



PUBLIC  
FINANCE  
ADVISORS

LEWIS | ROBERTSON | BURNINGHAM



KANE  
COUNTY,  
UTAH

PRELIMINARY FEASIBILITY STUDY FOR  
THE PROPOSED INCORPORATION  
OF WILLOW

PREPARED BY:

**LRB PUBLIC FINANCE ADVISORS**  
FORMERLY LEWIS YOUNG ROBERTSON & BURNINGHAM INC.

NOVEMBER 2025



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## DEFINITIONS

|                 |                                                      |
|-----------------|------------------------------------------------------|
| <b>AAGR:</b>    | Average Annual Growth Rate                           |
| <b>ACS:</b>     | American Community Survey                            |
| <b>CIP:</b>     | Capital Improvement Plan                             |
| <b>CY:</b>      | Calendar Year                                        |
| <b>FY:</b>      | Fiscal Year                                          |
| <b>GF:</b>      | General Fund                                         |
| <b>HU:</b>      | Housing Unit                                         |
| <b>LOS:</b>     | Level of Service                                     |
| <b>KCHRSSD:</b> | Kane County Human Resources Special Service District |
| <b>KCWCD:</b>   | Kane County Water Conservancy District               |
| <b>MSF:</b>     | Municipal Services Fund                              |
| <b>OLG:</b>     | Office of the Lieutenant Governor                    |
| <b>PPH:</b>     | Persons per Household                                |
| <b>SF:</b>      | Square Foot                                          |
| <b>UPC:</b>     | Utah Population Committee                            |
| <b>VCSSD:</b>   | Vermillion Cliffs Special Service District           |
| <b>WKCSSD:</b>  | Western Kane County Special Service District #1      |





## SECTION 1: EXECUTIVE SUMMARY

LRB Public Finance Advisors (LRB) was retained by the Office of the Lieutenant Governor (OLG) to complete a preliminary feasibility study related to incorporation of an unincorporated area within Kane County (the County) as outlined in Utah Code §10-2a-504. The purpose of the Executive Summary is to fulfill the requirements established in §10-2a-504(2)(c)(iii) which requires the feasibility consultant to submit a completed feasibility study, including a one-page summary of the results. The purpose of this study is to compare the fiscal impact to the residents of Willow (Town or Study Area) if the County continues to provide services through the General Fund (GF) or if a newly incorporated Town provides services at a similar quality and level of service (LOS) that are provided to the area surrounding it. Assuming the Town incorporates, the results show the **five-year average revenue margin is at 12.4 percent, which allows the incorporation process to proceed** pursuant to §10-2a-504(4).

**TABLE 1.1: FISCAL IMPACT TO STUDY AREA SUMMARY**

|                              | YEAR 1          | YEAR 2          | YEAR 3           | YEAR 4           | YEAR 5                | AVERAGE         |
|------------------------------|-----------------|-----------------|------------------|------------------|-----------------------|-----------------|
| Total Revenue                | \$370,563       | \$512,903       | \$790,671        | \$997,032        | \$1,245,992           | \$783,432       |
| Total Expense                | \$343,456       | \$429,532       | \$618,052        | \$854,073        | \$1,184,646           | \$685,952       |
| <b>NET REVENUE (EXPENSE)</b> | <b>\$27,107</b> | <b>\$83,371</b> | <b>\$172,619</b> | <b>\$142,959</b> | <b>\$61,346</b>       | <b>\$97,480</b> |
|                              |                 |                 |                  |                  | <b>Revenue Margin</b> | <b>12.4%</b>    |

**Table 1.2** provides a summary of the tax impact to a median home (\$475,000) in the Study Area if incorporation occurs. The amounts shown represent the new tax needed to balance the Town's budget. Based on an estimated tax rate that is proportionate to municipal service levels provided in other Counties, an additional Willow rate above the County's calculated proportionate rate is not necessary to provide sufficient funding for the Study Area.

**TABLE 1.2: TAX IMPACT TO STUDY AREA SUMMARY**

|                                                 | YEAR 1          | YEAR 2          | YEAR 3          | YEAR 4          | YEAR 5          |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>PROPORTIONATE MSF COUNTY RATE</b>            | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |
| Additional Levy to Balance Budget               | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        |
| <b>TOTAL TOWN RATE (COUNTY &amp; TOWN LEVY)</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |
| <b>NET IMPACT ON MEDIAN HOME (\$475K)</b>       | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      |

Because Kane County does not charge a separate municipal services tax rate, the County will not experience any impact in revenues from property taxes as new residents will continue to pay taxes to the County's GF if incorporation occurs. In the event of incorporation, the County would likely experience:

- A **revenue loss** for municipal services (modeled as the projected revenue for the Town) and
- A **revenue gain** through both the Sheriff's Department and elections

It is probable that the County's GF will experience other decreases in expenses following the incorporation of the Town. Furthermore, the County would receive additional property tax revenues to the GF from the proposed residential and commercial development in the Study Area. Municipal services provided by Special Service Districts, Improvement Districts, and private companies will continue to be provided regardless of the incorporation.





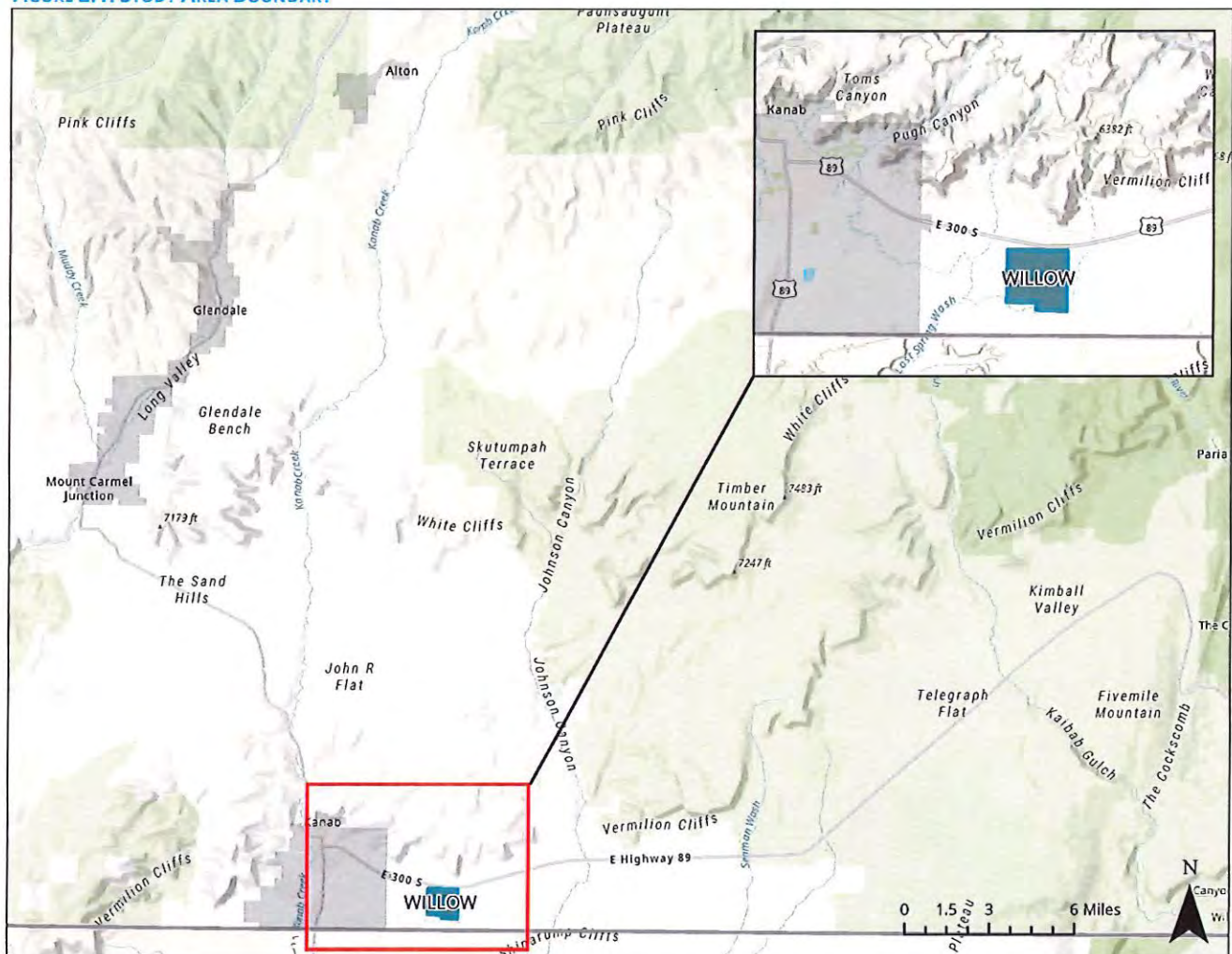
## SECTION 2: POPULATION & POPULATION DENSITY

Utah Code §10-2a-504(3) requires the preliminary feasibility study to include

*an analysis of the likely population and population density within the proposed preliminary municipality area when all phases of the map or plat for the proposed preliminary municipality area are completed; and the population and population density of the area surrounding the proposed preliminary municipality area on the day on which the feasibility request was submitted.*

The preliminary incorporation boundary for the Study Area is illustrated in **Figure 2.1** and includes unincorporated areas of Kane County herein referred to as Willow.

**FIGURE 2.1: STUDY AREA BOUNDARY**



## POPULATION

There was no population in the proposed Study Area at the time the feasibility request was submitted. The total estimated population of Willow upon phase completion is calculated at 2,997 persons as shown in **Table 2.1**. This was determined by the Utah Population Committee (UPC). The UPC's determination is provided in **Appendix B** of this report. The UPC assumes that permits with one to 11 units are owner-occupied while 12 or more units are renter-occupied. The UPC's methodology then assumes 99% occupancy for owner-occupied units and 97% occupancy for renter-occupied units. The remaining units are considered vacant. The projected occupied units are then multiplied by Kane County's persons per occupied housing unit (HU) of 2.41<sup>1</sup>. **Section 2** of this report provides further details on population projections for the proposed Study Area, including an adjustment for primary and secondary homes.

The amended feasibility request was received by the OLG on March 3, 2025. The proposed preliminary municipality area is entirely within Census Tract 1302. To determine this tract's 2025 population, the average annual growth rate (AAGR) based on historic redistricting Census data from 2010 and 2020 was calculated at 0.9 percent. The AAGR was then applied to the most recently available American Community Survey (ACS) Census data (2023),<sup>2</sup> resulting in a 2025 population estimate for Census Tract 1302 of 5,458.

## POPULATION DENSITY

The land area of the preliminary incorporation boundary for the Study Area is 0.93 square miles. Based on the land area, the UPC determined that the likely population density within the proposed preliminary municipality area when all phases of the plan are completed is 3,225 persons per square mile (see **Appendix B**).

The land area of Census Tract 1302 is 262.2 square miles, resulting in a population density of 20.82 persons per square mile in the surrounding area.

**TABLE 2.1: POPULATION ESTIMATE UPON PHASE COMPLETION**

| PHASE    | TOTAL POPULATION |
|----------|------------------|
| Phase 1  | 234              |
| Phase 2  | 251              |
| Phase 3  | 437              |
| Phase 4  | 580              |
| Phase 5  | 974              |
| Phase 6  | 1,105            |
| Phase 7  | 1,325            |
| Phase 8  | 1,478            |
| Phase 9  | 1,705            |
| Phase 10 | 1,805            |
| Phase 11 | 2,137            |
| Phase 12 | 2,489            |
| Phase 13 | 2,694            |
| Phase 14 | 2,878            |
| Phase 15 | 2,997            |

Source: UPC

<sup>1</sup> Source: UPC

<sup>2</sup> See U.S. Census Bureau, American Community Survey 5-Year Estimates, Table DP05





## SECTION 3: INITIAL & FIVE-YEAR PROJECTIONS OF DEMOGRAPHICS & TAX BASE

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, the initial and projected five-year demographics and tax base within the boundaries of the proposed preliminary municipality area and the surrounding area, including household size and income, commercial and industrial development, and public facilities.*

### DEMOGRAPHICS

#### POPULATION PROJECTIONS

**Table 3.1** displays the projected population in the Study Area within the five-year horizon using the UPC's methodology described in **Section 2** and the development proforma provided by the Sponsor (see **Appendix C**). For the purpose of this analysis, renter-occupied assumptions are applied to vacation rentals.

**TABLE 3.1: PROJECTED FIVE-YEAR WILLOW POPULATION – UPC METHODOLOGY AND PROFORMA**

|                                    | YEAR 1     | YEAR 2     | YEAR 3     | YEAR 4     | YEAR 5     |
|------------------------------------|------------|------------|------------|------------|------------|
| Owner-Occupied Units               | 92         | 46         | 46         | 46         | 46         |
| Renter-Occupied Units              | -          | -          | -          | -          | -          |
| Vacation Rentals                   | 25         | 25         | 25         | 33         | -          |
| <b>TOTAL NEW RESIDENTIAL UNITS</b> | <b>117</b> | <b>71</b>  | <b>71</b>  | <b>79</b>  | <b>46</b>  |
| Calculated Population Growth       | 278        | 168        | 168        | 187        | 110        |
| <b>CUMULATIVE POPULATION</b>       | <b>278</b> | <b>446</b> | <b>614</b> | <b>801</b> | <b>911</b> |

Source: Development Proforma (Appendix C)

The proposed population will consist of both primary and secondary homes. According to the development proforma, approximately 47 percent of owner-occupied units, 100 percent of renter-occupied units, and no vacation homes will be primary homes. The table below illustrates the proposed residential development through the five-year horizon, accounting only for primary homes. In year five, the calculated population is estimated at 330.

**TABLE 3.2: PROJECTED FIVE-YEAR WILLOW POPULATION - ADJUSTED FOR PRIMARY RESIDENCY ONLY**

|                                            | YEAR 1     | YEAR 2     | YEAR 3     | YEAR 4     | YEAR 5     |
|--------------------------------------------|------------|------------|------------|------------|------------|
| Owner-Occupied Units                       | 46         | 23         | 23         | 23         | 23         |
| Renter-Occupied Units                      | -          | -          | -          | -          | -          |
| Vacation Rentals                           | -          | -          | -          | -          | -          |
| <b>TOTAL NEW PRIMARY RESIDENTIAL UNITS</b> | <b>46</b>  | <b>23</b>  | <b>23</b>  | <b>23</b>  | <b>23</b>  |
| Calculated Population Growth               | 110        | 55         | 55         | 55         | 55         |
| <b>CUMULATIVE POPULATION</b>               | <b>110</b> | <b>165</b> | <b>220</b> | <b>275</b> | <b>330</b> |

For purposes of calculating the surrounding area's initial and five-year projected population, the AAGR based on historic redistricting Census data from 2010 and 2020 was used. A reduced AAGR of one percent for unincorporated Kane County was utilized to account for the proposed growth that will occur in Willow. The AAGR was then applied to the most recent Census data (2024) and forward. The projected County population





includes the combined populations of Alton, Big Water, Glendale, Kanab, Orderville, unincorporated Kane County, and Willow. The initial and five-year demographic projections are illustrated in **Table 3.3**.

**TABLE 3.3: KANE COUNTY INITIAL AND PROJECTED FIVE-YEAR POPULATION**

|                            | 2025      | 2026       | 2027       | 2028       | 2029       | 2030       | AAGR              |
|----------------------------|-----------|------------|------------|------------|------------|------------|-------------------|
| Kane County                | 8,103     | 8,262      | 8,366      | 8,472      | 8,577      | 8,684      | 1.4% <sup>1</sup> |
| Alton                      | 116       | 116        | 116        | 116        | 116        | 115        | -0.1%             |
| Big Water                  | 532       | 529        | 526        | 523        | 520        | 517        | -0.6%             |
| Glendale                   | 326       | 320        | 314        | 307        | 301        | 295        | -2.0%             |
| Kanab                      | 5,335     | 5,379      | 5,424      | 5,469      | 5,514      | 5,560      | 0.8%              |
| Orderville                 | 591       | 593        | 595        | 597        | 600        | 602        | 0.4%              |
| Unincorporated Kane County | 1,203     | 1,215      | 1,227      | 1,239      | 1,252      | 1,264      | 1.0% <sup>2</sup> |
| <b>Willow</b>              | <b>NA</b> | <b>110</b> | <b>165</b> | <b>220</b> | <b>275</b> | <b>330</b> | <b>NA</b>         |

<sup>1</sup> Calculated AAGR is higher than the 2010 – 2020 growth rate of 0.7 percent due to the inclusion of growth from Willow.

<sup>2</sup> A reduced AAGR of one percent for unincorporated Kane County was utilized to account for the proposed growth that will occur in Willow.

Sources: U.S. Census Bureau, 2010 and 2020 Census Redistricting Data (PL 94-171)

U.S. Census Bureau, City and Town Population Totals: 2020-2024

Development Proforma

## HOUSEHOLD SIZE

Utilizing the information in **Table 3.2** and the development proforma, the five-year projection of households can be found for Willow. The proposed Study Area anticipates 138 primary households by year five.

**TABLE 3.4: PROJECTED FIVE-YEAR WILLOW HOUSEHOLDS - ADJUSTED FOR RESIDENCY**

|                                      | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------------------------|------|------|------|------|------|
| Projected New Homes (See Table 3.2)  | 46   | 23   | 23   | 23   | 23   |
| Projected Population (See Table 3.2) | 110  | 165  | 220  | 275  | 330  |
| Households                           | 46   | 69   | 92   | 115  | 138  |
| Persons per Household                | 2.39 | 2.39 | 2.39 | 2.39 | 2.39 |

Source: Development Proforma (Appendix C)

The number of households for the surrounding area was estimated starting with 2024 occupied HUs as the base units. The AAGR—calculated using historic redistricting Census data—was then applied to the base units to estimate current and projected units and the persons per household (PPH) for this analysis. The projected county population includes the combined populations of Alton, Big Water, Glendale, Kanab, Orderville, unincorporated Kane County, and Willow.

**TABLE 3.5: INITIAL AND PROJECTED FIVE-YEAR CALCULATED PERSONS PER HOUSEHOLD - WILLOW AND SURROUNDING AREA**

|                       | 2025      |           | 2026      |             | 2027      |             | 2028      |             | 2029       |             | 2030       |             | HU AAGR           |
|-----------------------|-----------|-----------|-----------|-------------|-----------|-------------|-----------|-------------|------------|-------------|------------|-------------|-------------------|
|                       | HU        | PPH       | HU        | PPH         | HU        | PPH         | HU        | PPH         | HU         | PPH         | HU         | PPH         |                   |
| Kane County           | 3,171     | 2.56      | 3,204     | 2.58        | 3,226     | 2.59        | 3,249     | 2.61        | 3,272      | 2.62        | 3,294      | 2.64        | 0.8% <sup>1</sup> |
| Alton                 | 42        | 2.75      | 43        | 2.71        | 43        | 2.68        | 44        | 2.65        | 44         | 2.61        | 45         | 2.58        | 1.2%              |
| Big Water             | 154       | 3.46      | 154       | 3.43        | 155       | 3.40        | 155       | 3.37        | 156        | 3.34        | 156        | 3.31        | 0.3%              |
| Glendale              | 113       | 2.90      | 110       | 2.90        | 108       | 2.89        | 106       | 2.89        | 104        | 2.89        | 102        | 2.88        | -1.9%             |
| Kanab                 | 1,205     | 4.43      | 1,217     | 4.42        | 1,229     | 4.41        | 1,241     | 4.41        | 1,254      | 4.40        | 1,267      | 4.39        | 1.0%              |
| Orderville            | 162       | 3.64      | 162       | 3.66        | 162       | 3.67        | 162       | 3.68        | 162        | 3.70        | 162        | 3.71        | 0.0%              |
| Unincorporated County | 1,495     | 0.80      | 1,495     | 0.81        | 1,494     | 0.82        | 1,494     | 0.83        | 1,493      | 0.84        | 1,493      | 0.85        | 0.0%              |
| <b>Willow</b>         | <b>NA</b> | <b>NA</b> | <b>46</b> | <b>2.39</b> | <b>69</b> | <b>2.39</b> | <b>92</b> | <b>2.39</b> | <b>115</b> | <b>2.39</b> | <b>138</b> | <b>2.39</b> | <b>NA</b>         |

<sup>1</sup> Calculated AAGR is higher than the 2010 – 2020 growth rate of 0.3 percent due to the inclusion of growth from Willow.



|  | 2025 |     | 2026 |     | 2027 |     | 2028 |     | 2029 |     | 2030 |     | HU<br>AAGR |
|--|------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|------------|
|  | HU   | PPH | HU   | PPH | HU   | PPH | HU   | PPH | HU   | PPH | HU   | PPH |            |

Note: PPH figures are calculated based on total population and **occupied** housing units and thus differ from Census-reported average household sizes, which are based on total household population.

Sources: U.S. Census Bureau, 2010 and 2020 Census Redistricting Data (PL 94-171)

U.S. Census Bureau, American Community Survey 5-Year Estimates (DP05)

Ivory-Boyer Construction Report and Database

## INCOME

Projected income was estimated starting with the most recent ACS data (2023) as the base units. The AAGR was calculated using ACS data from 2010 and 2020. To determine the Study Area's median household income, LRB utilized Census tract-level data. Census Tract 1302's median household income is estimated at \$76,813 as of 2023.

**TABLE 3.6: INITIAL AND PROJECTED FIVE-YEAR MEDIAN INCOME – WILLOW AND SURROUNDING AREA**

|               | 2025            | 2026            | 2027            | 2028            | 2029            | 2030            | AAGR        |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|
| Kane County   | \$76,945        | \$77,936        | \$78,940        | \$79,957        | \$80,987        | \$82,031        | 1.3%        |
| Alton         | \$47,144        | \$46,422        | \$45,712        | \$45,013        | \$44,325        | \$43,647        | -1.5%       |
| Big Water     | \$48,719        | \$50,343        | \$52,022        | \$53,757        | \$55,549        | \$57,402        | 3.3%        |
| Glendale      | \$64,603        | \$65,390        | \$66,187        | \$66,994        | \$67,811        | \$68,637        | 1.2%        |
| Kanab         | \$83,948        | \$85,973        | \$88,046        | \$90,170        | \$92,345        | \$94,572        | 2.4%        |
| Orderville    | \$105,941       | \$113,719       | \$122,068       | \$131,030       | \$140,651       | \$150,977       | 7.3%        |
| <b>Willow</b> | <b>\$78,575</b> | <b>\$79,472</b> | <b>\$80,378</b> | <b>\$81,295</b> | <b>\$82,223</b> | <b>\$83,160</b> | <b>1.1%</b> |

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (B19019)

## TAX BASE

The tax base of the region is important to consider in this incorporation study as growth in property values, taxable sales, and employment are valuable components when determining feasibility. The following paragraphs discuss the County's regional economy.

## REGIONAL ECONOMY

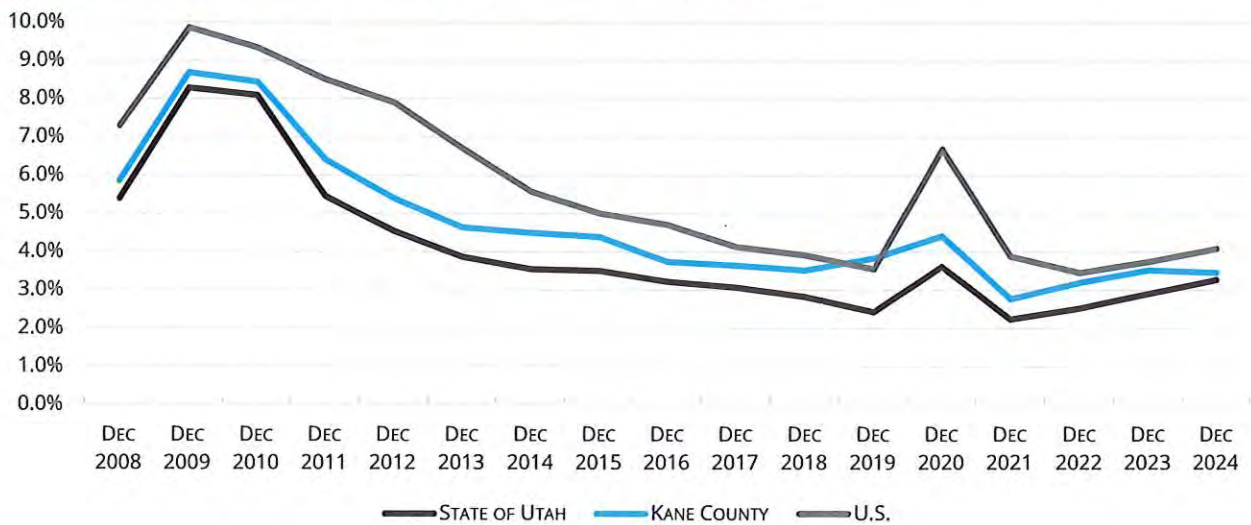
Kane County is located in southern Utah, along the Arizona border. The unemployment rate for the County averaged 3.6 percent in August 2025. Unemployment peaked in 2009 at an average of 8.7 percent (see **Figure 3.1**) according to seasonally adjusted data provided by the Utah Department of Workforce Services.<sup>3</sup> Notable shifts in employment occurred between April 2020 and April 2021 as Kane County experienced a 26.1 percent increase in non-farm jobs. From 2022 to 2023, the County experienced large increases in professional and business services, financial activities and trade, transportation, and utilities, with a total employment change of two percent.<sup>4</sup> Over the same period, construction jobs declined by 7.8 percent and education and health service jobs decreased by 6.1 percent.<sup>5</sup>

<sup>3</sup> Source: U.S. Bureau of Labor Statistics and Utah Department of Workforce Services, Seasonally Adjusted Unemployment Rates

<sup>4</sup> Data on mining and manufacturing employment for 2023 was not available at the time of this analysis.

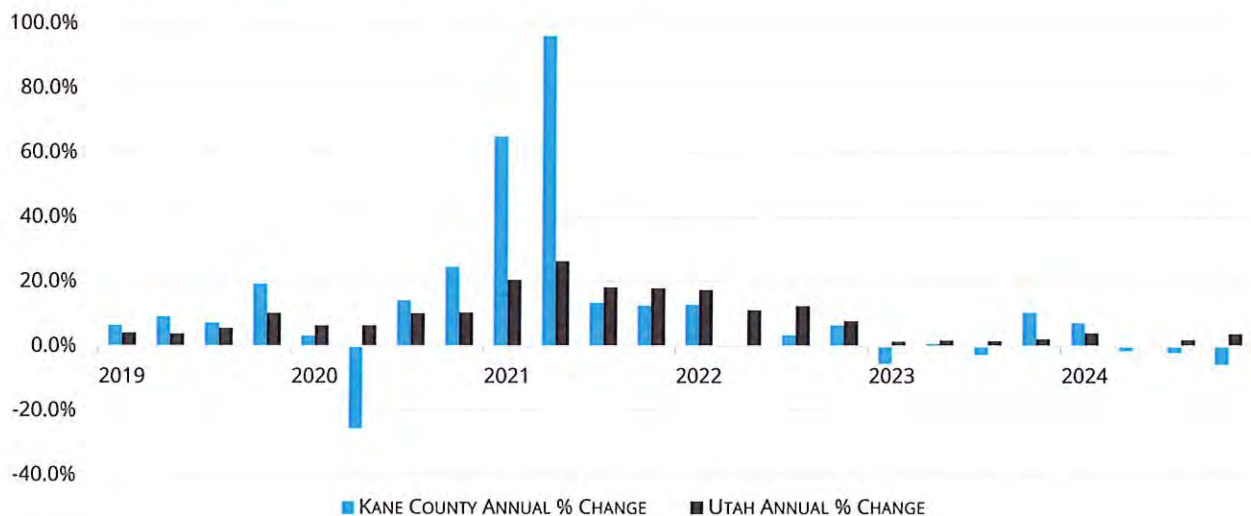
<sup>5</sup> Source: U.S. Bureau of Labor Statistics and Utah Department of Workforce Services, Nonfarm Employment

**FIGURE 3.1: HISTORIC KANE COUNTY SEASONALLY ADJUSTED UNEMPLOYMENT RATES**



A comparison of quarterly taxable sales trends for the County and State illustrates the percent change from 2019 to 2024, as shown in **Figure 3.2**.<sup>6</sup> Notable shifts occurred between 2020 and 2021 with Q1 experiencing an increase of 96.1 percent in taxable sales in the County.

**FIGURE 3.2: COMPARISON OF QUARTERLY TAXABLE SALES TRENDS**



Historic taxable value figures for Kane County show an AAGR of 16.5 percent from 2020 through 2024. It is important to note that the values below include redevelopment agency values, which will be excluded in the projection of future taxable values.

<sup>6</sup> Source: Utah State Tax Commission Economic and Statistical Info, Taxable Sales Reports



**TABLE 3.7: KANE COUNTY LIST OF FINAL VALUES BY PROPERTY TYPE**

|                    | 2020                   | 2021                   | 2022                   | 2023                   | 2024                   | 5 Yr. AAGR   |
|--------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------|
| Real: Land         | \$500,681,164          | \$533,314,521          | \$765,730,224          | \$976,430,291          | \$1,055,636,985        | 20.5%        |
| Real: Buildings    | \$1,029,823,496        | \$1,141,294,718        | \$1,495,458,418        | \$1,662,913,122        | \$1,856,822,752        | 15.9%        |
| Personal           | \$48,232,967           | \$54,461,386           | \$57,347,516           | \$81,346,619           | \$68,030,276           | 9.0%         |
| Centrally Assessed | \$62,764,200           | \$67,209,997           | \$62,418,750           | \$39,926,586           | \$39,198,746           | -11.1%       |
| <b>TOTAL</b>       | <b>\$1,641,501,827</b> | <b>\$1,796,280,622</b> | <b>\$2,380,954,908</b> | <b>\$2,760,616,618</b> | <b>\$3,019,688,759</b> | <b>16.5%</b> |
| Motor Vehicle      | \$29,574,826           | \$25,827,510           | \$26,145,526           | \$24,479,010           | \$30,666,524           | 0.9%         |

Source: Utah Certified Tax Rates

## COMMERCIAL AND INDUSTRIAL DEVELOPMENT

The Study Area is comprised of two greenbelt parcels with a market value of \$3,282,100 and a taxable value of \$2,983. The Study Area represents 0.0001 percent of the total County taxable value. While there is currently no commercial or industrial development within the Study Area, **Appendix A** includes map illustrations detailing the future development within the Study Area. Proposed development within the five-year horizon includes 127,000 square feet (SF) of commercial space and 100 hotel rooms.

## PROJECTIONS OF COUNTY TAX BASE

Kane County does not have a separate Municipal Services Fund (MSF) accounting for the cost of services provided to the unincorporated areas of the County. As a result, this study analyzes the County's GF. Using Utah State Tax Commission data for Kane County, projected taxable value estimates are shown below. **Table 3.9** details the current and projected values based on a three percent growth rate.

**TABLE 3.8: HISTORIC KANE COUNTY TAXABLE VALUE**

|                          | 2020            | 2021            | 2022            | 2023            | 2024            |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Certified Tax Rate Value | \$1,377,337,774 | \$1,513,326,351 | \$2,017,651,758 | \$2,379,563,223 | \$2,637,100,750 |

Source: Utah State Tax Commission

**TABLE 3.9: INITIAL AND PROJECTED FIVE-YEAR KANE COUNTY TAXABLE VALUE**

|                          | 2025            | 2026            | 2027            | 2028            | 2029            | 2030            |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Certified Tax Rate Value | \$2,735,801,848 | \$2,817,875,903 | \$2,902,412,181 | \$2,989,484,546 | \$3,079,169,082 | \$3,171,544,155 |

With respect to sales tax, historic data from financial reports showed an AAGR of 8.3 percent from 2020–2024, although the County has budgeted for a decrease in sales tax revenues from 2024 to 2025, as shown in **Tables 3.10** and **3.11**. Future sales tax growth projections in the County are based on a growth estimate of three percent.

**TABLE 3.10: HISTORIC KANE COUNTY SALES TAX REVENUE**

|                      | 2020        | 2021        | 2022        | 2023        | 2024        |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| GF Sales Tax Revenue | \$1,353,225 | \$1,798,056 | \$1,947,730 | \$1,906,744 | \$1,860,560 |

Source: Utah State Auditor, Local and State Government Budget Reports

**TABLE 3.11: INITIAL AND PROJECTED FIVE-YEAR KANE COUNTY SALES TAX REVENUE**

|                      | BUDGET 2025 | 2026        | 2027        | 2028        | 2029        | 2030        |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| GF Sales Tax Revenue | \$1,800,000 | \$1,854,000 | \$1,909,620 | \$1,966,909 | \$2,025,916 | \$2,086,693 |

## PROJECTIONS OF STUDY AREA TAX BASE

Significant factors that will influence revenues within the Study Area include taxable assessed value and taxable sales. New growth calculations are based on the future construction provided in **Appendix C**. Assumptions



regarding home values and price per SF are also provided in **Appendix C**. Based on the residency assumptions, residential new growth is estimated based on the current ratio of primary residences, which receive a property tax reduction, and secondary residences, which do not receive a reduction.

**TABLE 3.12: PROJECTED FIVE-YEAR STUDY AREA TAXABLE VALUE NEW GROWTH**

|                                  | PROJECTED           |                     |                     |                     |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | YEAR 1              | YEAR 2              | YEAR 3              | YEAR 4              | YEAR 5              |
| <b>RESIDENTIAL</b>               |                     |                     |                     |                     |                     |
| Primary Residential <sup>1</sup> | \$11,840,400        | \$5,920,200         | \$5,920,200         | \$5,920,200         | \$6,045,600         |
| Secondary Residential            | \$21,528,000        | \$10,764,000        | \$10,764,000        | \$10,764,000        | \$10,992,000        |
| Vacation Units                   | \$27,500,000        | \$27,500,000        | \$27,500,000        | \$36,300,000        | \$0                 |
| <b>Residential New Growth</b>    | <b>\$60,868,400</b> | <b>\$44,184,200</b> | <b>\$44,184,200</b> | <b>\$52,984,200</b> | <b>\$17,037,600</b> |
| <b>COMMERCIAL</b>                |                     |                     |                     |                     |                     |
| Commercial SF                    | 40,000              | -                   | 40,000              | -                   | 47,000              |
| <b>Commercial New Growth</b>     | <b>\$8,800,000</b>  | <b>\$0</b>          | <b>\$8,800,000</b>  | <b>\$0</b>          | <b>\$10,340,000</b> |
| <b>LODGING</b>                   |                     |                     |                     |                     |                     |
| Rooms                            | 100                 | -                   | -                   | -                   | -                   |
| <b>Lodging New Growth</b>        | <b>\$12,000,000</b> | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          |
| <b>TOTAL NEW GROWTH</b>          | <b>\$81,668,400</b> | <b>\$44,184,200</b> | <b>\$52,984,200</b> | <b>\$52,984,200</b> | <b>\$27,377,600</b> |

<sup>1</sup>Accounts for tax reduction for primary residences.

Source: Development Proforma

**Table 3.13** details the taxable value growth projections utilizing the new growth estimates above.

**TABLE 3.13: PROJECTED FIVE-YEAR STUDY AREA TAXABLE VALUE**

|                            | INITIAL        | YEAR 1              | YEAR 2               | YEAR 3               | YEAR 4               | YEAR 5               |
|----------------------------|----------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed Value             | \$2,983        | \$2,983             | \$81,671,383         | \$125,855,583        | \$178,839,783        | \$231,823,983        |
| New Growth                 | \$0            | \$81,668,400        | \$44,184,200         | \$52,984,200         | \$52,984,200         | \$27,377,600         |
| <b>TOTAL TAXABLE VALUE</b> | <b>\$2,983</b> | <b>\$81,671,383</b> | <b>\$125,855,583</b> | <b>\$178,839,783</b> | <b>\$231,823,983</b> | <b>\$259,201,583</b> |

Source: Development Proforma

Sales tax revenues are distributed based on two methodologies: 1) the ratio of population; and 2) point of sale, or the location of the sale. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population. Population revenues are distributed to local entities based on the ratio of their population to the State's population. Future population revenues are based on a growth estimate of nine percent based on the State's AAGR (see **Table 5.3**). **Section 5** of this study discusses the population and point of sale methodologies further. No population distribution is made for secondary homes.

Retail point of sale revenue was calculated using estimated commercial square footage and hotel rooms, while online point of sale revenue was calculated using sales tax data from Kane County and E-Commerce figures from the US Census Bureau. Future point of sale revenue is based on a growth estimate of three percent. The table below summarizes the total estimated sales tax revenue attributed to the Study Area.

**TABLE 3.14: PROJECTED FIVE-YEAR STUDY AREA ESTIMATED SALES TAX REVENUE**

|                                  | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5           |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Population Distribution          | \$18,066         | \$29,044         | \$41,504         | \$55,604         | \$71,513         |
| Point of Sale Distribution       | \$104,272        | \$109,761        | \$204,214        | \$212,845        | \$332,416        |
| <b>TOTAL ESTIMATED SALES TAX</b> | <b>\$122,338</b> | <b>\$138,804</b> | <b>\$245,718</b> | <b>\$268,448</b> | <b>\$403,929</b> |

## **PUBLIC FACILITIES**

There are presently no public facilities within the Study Area boundaries.





## SECTION 4: INITIAL & FIVE-YEAR COST PROJECTIONS

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, subject to Subsection (3)(b), the initial and five-year projected cost of providing municipal services to the proposed preliminary municipality area, including administrative costs.*

### GENERAL METHODOLOGY

This section compares the costs to the residents of the Study Area if the County continues to provide services or if a newly incorporated Town provides services. Utah Code requires that the level and quality of governmental services be fairly and reasonably approximate between the two options.<sup>7</sup> This analysis assumes that several municipal services provided by the County, special districts, and private companies will continue to be provided regardless of incorporation status. However, actual service provision will be governed by the newly incorporated municipal governing body.

LRB assumes the following services will be provided by the various entities without any impact from incorporation or non-incorporation:

- Culinary and Secondary Water: Kane County Water Conservancy District (KCWCD)
- Sewer: Private arrangements by individual property owners
- Garbage: Western Kane County Special Service District #1 (WKCSSD)
- Hospital: Kane County Human Resource Special Service District (KCHRSSD)

The following services were assumed to be provided by the County through the General Fund or through the Town if incorporated:

- General Government Services (including administrative overhead and planning and zoning)
- Law Enforcement
- Fire Protection/EMS
- Roads

### COUNTY COST ESTIMATES

Expenditures related to County services were calculated using calendar year (CY) budget reports detailing General Fund actuals from CY 2020–2023, estimated CY 2024 actuals, and CY 2025 budget estimates. For the purposes of this analysis, the tables below combine the County's projected expenditures into the general categories specified in the audited financial report.

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<sup>7</sup> Utah Code 10-2a-504(3)(b)(i)





**TABLE 4.1: COUNTY SCENARIO – HISTORIC AND INITIAL GF EXPENDITURES**

|                                   | ACTUAL             |                     |                     |                     |                     | BUDGET              |
|-----------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | 2020               | 2021                | 2022                | 2023                | 2024                | 2025                |
| General Government                | \$3,796,796        | \$5,572,019         | \$6,521,635         | \$6,702,585         | \$7,239,559         | \$9,064,895         |
| Public Safety                     | \$2,578,045        | \$3,523,073         | \$3,831,006         | \$4,251,918         | \$4,482,947         | \$5,123,452         |
| Public Health <sup>1</sup>        | \$296,734          | \$208,032           | \$190,106           | \$197,427           | \$136,497           | \$295,330           |
| Highways and Public Improvements  | \$87,056           | \$24,907            | \$41,048            | \$57,050            | \$43,922            | \$90,878            |
| Parks and Recreation <sup>2</sup> | \$53,188           | \$0                 | \$46,469            | \$61,612            | \$31,653            | \$70,757            |
| Community & Economic Development  | \$90,413           | \$104,445           | \$160,547           | \$182,582           | \$189,518           | \$209,435           |
| Contributions                     | \$29,732           | \$173,710           | \$189,685           | \$151,787           | \$117,335           | \$130,000           |
| Transfers Out                     | \$1,939,291        | \$1,403,956         | \$1,498,794         | \$2,101,364         | \$1,301,507         | \$1,398,612         |
| <b>TOTAL</b>                      | <b>\$8,871,255</b> | <b>\$11,010,142</b> | <b>\$12,479,290</b> | <b>\$13,706,325</b> | <b>\$13,542,938</b> | <b>\$16,383,359</b> |

<sup>1</sup> Reflects costs under Fund 110 (General Fund) and Fund 112 (Public Health Levy).

<sup>2</sup> Reflects costs under Fund 113 (County Library Levy).

Note – furniture and equipment costs are not separated and are included under the applicable department category.

Source: Utah State Auditor, Local and State Government Budget Reports

Between 2020 and 2024, the County's GF expenditures grew at an AAGR of 11.2 percent. The five-year projections are based on an analysis of the historic AAGR for each budget line item, which is then applied to account for inflation and anticipated growth.<sup>8</sup> Contributions and transfers out of the GF are held constant based on CY 2025 expense. **Table 4.2** illustrates the County's estimated expenditures if they are fixed, meaning the GF expenditures will not be reduced because the County tax rate will remain the same if there is an incorporation.

**TABLE 4.2: COUNTY SCENARIO – PROJECTED FIVE-YEAR GF EXPENDITURES**

|                                  | 2026                | 2027                | 2028                | 2029                | 2030                |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Government               | \$9,191,264         | \$9,467,162         | \$9,755,819         | \$10,058,021        | \$10,374,612        |
| Public Safety                    | \$5,266,856         | \$5,424,861         | \$5,587,607         | \$5,755,235         | \$5,927,892         |
| Public Health                    | \$304,190           | \$313,316           | \$322,715           | \$332,397           | \$342,368           |
| Highways and Public Improvements | \$83,304            | \$85,803            | \$88,378            | \$91,029            | \$93,760            |
| Parks and Recreation             | \$70,757            | \$70,757            | \$70,757            | \$70,757            | \$70,757            |
| Community & Economic Development | \$205,418           | \$211,581           | \$217,928           | \$224,466           | \$231,200           |
| Contributions                    | \$130,000           | \$130,000           | \$130,000           | \$130,000           | \$130,000           |
| Transfers Out                    | \$1,398,612         | \$1,398,612         | \$1,398,612         | \$1,398,612         | \$1,398,612         |
| <b>TOTAL</b>                     | <b>\$16,650,401</b> | <b>\$17,102,092</b> | <b>\$17,571,816</b> | <b>\$18,060,516</b> | <b>\$18,569,202</b> |

## STUDY AREA COST ESTIMATES (ASSUMING INCORPORATION)

Expenditures for the Study Area were calculated using the following methodologies in order to determine an acceptable level of service:

- Per capita expenditures within the General Fund applicable to unincorporated areas
- Per capita expenditures of surrounding municipalities
- Contract estimates
- Expenditures per weighted mile of surrounding municipalities
- Average total expenditures per mile based on County estimates

<sup>8</sup> §10-2a-504(3)(b)(iii)



## INCORPORATION COST

A one-time cost due to incorporation is included in the analysis for when the population of the Study Area is expected to reach over 99 people.<sup>9</sup> **Table 4.3** shows the Town's population exceeding 99 people in year one. These expenses include the estimated election cost, startup and building costs, and the LRB contract cost.<sup>10</sup> To determine the estimated election cost for the Study Area, the County Clerk/Auditor provided a recent municipality's election cost detail. For a municipality with 430 registered voters, the cost to hold two elections was approximately \$10,000, resulting in a cost per registered voter of \$23. Utilizing 2024 County precinct data<sup>11</sup>, the ratio of registered voters to the County's population as a whole was applied to the current and projected primary population of Willow. It is assumed the election cost will occur every odd year. LRB also analyzed potential start-up costs including a one-time startup cost of \$25,000 to account for additional legal fees, equipment, and other typical startup expenses.

## GENERAL GOVERNMENT SERVICES

The County provides general government services through its General Fund because Kane County does not have a separate MSF accounting for the cost of services provided to the unincorporated areas of the County. Based on discussions with the County, the following categories within the General Fund's general government budget were deemed County-level services and were removed to better isolate the services currently provided to unincorporated areas of the County: justice court, public defender, assessor, motor vehicles, building and grounds, public lands, elections<sup>12</sup>, and non-departmental activities.

A per capita rate removing County-level services was calculated to determine the average general government cost. The average per capita general government expense for the County for CY 2025 is \$556. The per capita cost was increased by three percent each year then multiplied by the Study Area population to determine total general government cost for each year.

**TABLE 4.3: GENERAL GOVERNMENT SERVICES INITIAL AND PROJECTED FIVE-YEAR COSTS**

|                                        | INITIAL    | YEAR 1          | YEAR 2          | PROJECTED<br>YEAR 3 | YEAR 4           | YEAR 5           |
|----------------------------------------|------------|-----------------|-----------------|---------------------|------------------|------------------|
| GF Government Services Cost per Capita | \$556      | \$573           | \$590           | \$608               | \$626            | \$645            |
| Willow Population                      | -          | 110             | 165             | 220                 | 275              | 330              |
| <b>TOTAL GENERAL GOVERNMENT COSTS</b>  | <b>\$0</b> | <b>\$63,023</b> | <b>\$97,371</b> | <b>\$133,723</b>    | <b>\$172,168</b> | <b>\$212,800</b> |

Note: Budgetary line items deemed County-level services were removed to better isolate the services currently provided to unincorporated areas of the County

Source: Utah State Auditor, Local and State Government Budget Reports

Without a separate MSF, the true cost of service provided to unincorporated areas is difficult to quantify. It is important to note that the remaining cost categories included in **Table 4.3** may still be overstated, as they represent services that will still be provided to the Study Area if it incorporates.

Employing an alternative methodology produces a lower general government expense. LRB gathered data from the municipalities in Kane County which include Alton, Big Water, Glendale, Kanab, and Orderville. The most recent budget data available for all communities is FY 2025. Certain line items were determined to be one-time expenses or irrelevant to maintaining present level of service and were removed from the estimation of this expense, including costs related to grants, contributions and donations, elections, general government buildings, and other services not provided through the County's GF. An average cost per capita of \$458 is

<sup>9</sup> §10-2a-510(1)

<sup>10</sup> Under §10-2a-510(15), incorporation costs outlined in §10-2a-220 applies to the incorporated town.

<sup>11</sup> State of Utah. (2025, October). Historical Election Results. Retrieved from <https://vote.utah.gov/historical-election-results/>

<sup>12</sup> Election expense included under incorporation costs.



calculated, a difference of \$98 when compared to the County GF approach. For the purposes of this analysis, the expense calculated in **Table 4.3** is utilized.

**TABLE 4.4: COMPARABLE GENERAL GOVERNMENT COST PER CAPITA**

| MUNICIPALITY        | 2025 ESTIMATED POPULATION <sup>1</sup> | FY2025 BUDGET | COST PER CAPITA |
|---------------------|----------------------------------------|---------------|-----------------|
| Alton               | 116                                    | \$28,500      | \$246           |
| Big Water           | 532                                    | \$262,018     | \$493           |
| Glendale            | 326                                    | \$69,550      | \$213           |
| Kanab               | 5,335                                  | \$1,189,000   | \$223           |
| Orderville          | 591                                    | \$660,300     | \$1,117         |
| AVERAGE             |                                        |               | \$458           |
| AVERAGE (TABLE 4.3) |                                        |               | \$556           |

<sup>1</sup> See Table 3.3

Source: Utah State Auditor, Local and State Government Budget Reports

## LAW ENFORCEMENT

The Study Area would likely need contract services with the Kane County Sheriff's Office. The County Sheriff estimates the contract cost for year one would be \$75,000. By year five, the contract cost is estimated at \$420,000. **Appendix E** includes details on the contract determination from the County Sheriff.

**TABLE 4.5: INITIAL AND PROJECTED FIVE-YEAR PUBLIC SAFETY COST ALLOCATION**

|                                           | YEAR 1   | YEAR 2    | YEAR 3    | YEAR 4    | YEAR 5    |
|-------------------------------------------|----------|-----------|-----------|-----------|-----------|
| KANE COUNTY LAW ENFORCEMENT CONTRACT COST | \$75,000 | \$100,000 | \$140,000 | \$210,000 | \$420,000 |

Source: Kane County Sheriff (Appendix E)

## FIRE PROTECTION

The County provides wildland protection services to all areas of Kane County, but it is not required to provide structural fire protection services to unincorporated areas of the County. The area east of Kanab City, which includes the proposed Study Area, has not had official fire protection services until the Vermillion Cliffs Special Service District (VCSSD) recently annexed areas east of Kanab to provide fire protection services. However, the new VCSSD boundary does not include the proposed Study Area. While the Study Area is not currently receiving fire protection services, it will need to provide services should it be incorporated. The Study Area would either receive contracted fire protection services from VCSSD or create and operate its own fire department upon incorporation. For the purposes of this analysis, it is assumed that the proposed Study Area will receive contracted services from VCSSD. Assuming the same tax categories and tax rates as imposed by the County and all other current service providers<sup>13</sup>, including VCSSD, this analysis assumes that the proposed Town will also receive revenues to fully offset the cost of fire protection services (see **Section 5**).

VCSSD currently provides services to the surrounding areas and considers three cost components when determining the charge for services: 1) a basic charge for services based on taxable value to cover the SSD's contract with Kanab; 2) a flat fee of \$150; and 3) a one-time administrative fee of \$200 for new parcels.<sup>14</sup> **Table 4.6** shows the estimated contract calculation for the Study Area based on the VCSSD fee schedule.

<sup>13</sup> §10-2a-504(3)(a)(ii)(C)

<sup>14</sup> FAA properties are charged a flat fee of \$50.



**TABLE 4.6: FIRE CONTRACT CALCULATION BASED ON VCSSD FEE SCHEDULE**

|                                          | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5           |
|------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Base Fee</b>                          |                  |                  |                  |                  |                  |
| Willow Taxable Value (see Table 3.13)    | \$81,671,383     | \$125,855,583    | \$178,839,783    | \$231,823,983    | \$259,201,583    |
| Base Charge (6% Escalator)               | 0.001350         | 0.001431         | 0.001517         | 0.001608         | 0.001704         |
| <b>Subtotal Base Fee</b>                 | <b>\$110,256</b> | <b>\$180,099</b> | <b>\$271,275</b> | <b>\$372,743</b> | <b>\$441,769</b> |
| <b>Flat Fee</b>                          |                  |                  |                  |                  |                  |
| Total Residential Units <sup>1</sup>     | 117              | 188              | 259              | 338              | 384              |
| Total Commercial                         | 2                | 2                | 3                | 3                | 4                |
| Flat Fee (per unit)                      | \$150            | \$150            | \$150            | \$150            | \$150            |
| <b>Subtotal Flat Fee</b>                 | <b>\$17,850</b>  | <b>\$28,500</b>  | <b>\$39,300</b>  | <b>\$51,150</b>  | <b>\$58,200</b>  |
| <b>Administrative Fee</b>                |                  |                  |                  |                  |                  |
| New Residential Parcels                  | 117              | 71               | 71               | 79               | 46               |
| New Commercial Parcels                   | 2                | -                | 1                | -                | 1                |
| One-time Administrative Fee (per parcel) | \$200            | \$200            | \$200            | \$200            | \$200            |
| <b>Subtotal Administrative Fee</b>       | <b>\$23,800</b>  | <b>\$14,200</b>  | <b>\$14,400</b>  | <b>\$15,800</b>  | <b>\$9,400</b>   |
| <b>VCSSD COMBINED CONTRACT COST</b>      | <b>\$151,906</b> | <b>\$222,799</b> | <b>\$324,975</b> | <b>\$439,693</b> | <b>\$509,369</b> |

<sup>1</sup> Includes primary and secondary units.  
Sources: Kane County  
Vermillion Cliffs SSD Fee Schedule

## ROADS

There are no roads currently in the Study Area. Future roads in Willow will be privately owned and maintained. **Table 4.7** shows the estimated private road mileage that will be constructed according to the Sponsor. To quantify the financial impacts to the taxpayers of the proposed town, this analysis includes potential roads costs.

**TABLE 4.7: WILLOW PROJECTED FIVE-YEAR WEIGHTED MILEAGE**

|                               | PROJECTED   |             |             |              |              |
|-------------------------------|-------------|-------------|-------------|--------------|--------------|
|                               | YEAR 1      | YEAR 2      | YEAR 3      | YEAR 4       | YEAR 5       |
| New Paved Miles (5% of total) | 0.09        | 0.50        | 1.01        | 0.66         | 1.05         |
| <b>Total Cumulative Miles</b> | <b>0.09</b> | <b>0.59</b> | <b>1.60</b> | <b>2.26</b>  | <b>3.31</b>  |
| UDOT Multiplier <sup>1</sup>  | 5           | 5           | 5           | 5            | 5            |
| <b>TOTAL WEIGHTED MILEAGE</b> | <b>0.45</b> | <b>2.95</b> | <b>8.00</b> | <b>11.30</b> | <b>16.55</b> |

<sup>1</sup>Based on Class B and C Roads Apportionment Formula (Utah Code 72-2-108)

LRB gathered 2025 budget information from Kane County's Class B Roads Fund to determine the average cost per weighted mile for the County. The County maintains 109.62 miles of hard surface roads, which is equivalent to 548.10 weighted miles based on the Class B and C Roads Apportionment Formula. According to the County, 60 percent of the roads budget is dedicated to hard surface road maintenance. The County's cost per weighted mile for hard surfaced roads is accordingly estimated at \$2,214.

**TABLE 4.8: KANE COUNTY ROAD COSTS OVERVIEW**

|             | MAINTAINED<br>HARD SURFACE<br>MILEAGE<br>(FY25) | WEIGHTED<br>MILEAGE<br>(FY25) <sup>1</sup> | ROADS – CLASS<br>B EXPENSE<br>(FY25) <sup>2</sup> | SPRAYING<br>EXPENSE<br>(FY25) | PERCENT TO<br>HARD<br>SURFACED<br>ROADS | TOTAL EXPENSE<br>(FY25) | EXPENSE PER<br>WEIGHTED MILE |
|-------------|-------------------------------------------------|--------------------------------------------|---------------------------------------------------|-------------------------------|-----------------------------------------|-------------------------|------------------------------|
| Kane County | 109.62                                          | 548.10                                     | \$1,931,614                                       | \$90,878                      | 60%                                     | <b>\$1,213,495</b>      | <b>\$2,214</b>               |

<sup>1</sup>Based on Class B and C Roads Apportionment Formula (Utah Code 72-2-108)

<sup>2</sup>Total B&C road budget less Garfield Road Contract at \$90,000.

Source: Kane County



The figure calculated in **Table 4.8** is utilized to project potential road costs in **Table 4.9** and is extended to 2030 at a three percent annual growth rate and applied to the projected Study Area weighted mileage.

**TABLE 4.9: WILLOW ROADS INITIAL AND PROJECTED FIVE-YEAR COSTS**

|                                   | INITIAL | YEAR 1         | YEAR 2         | PROJECTED<br>YEAR 3 | YEAR 4          | YEAR 5          |
|-----------------------------------|---------|----------------|----------------|---------------------|-----------------|-----------------|
| Cost per Weighted Mile            | \$2,214 | \$2,280        | \$2,349        | \$2,419             | \$2,492         | \$2,567         |
| Willow Weighted Miles             | -       | 0.45           | 2.95           | 8.00                | 11.30           | 16.55           |
| <b>TOTAL ESTIMATED ROADS COST</b> | -       | <b>\$1,026</b> | <b>\$6,929</b> | <b>\$19,354</b>     | <b>\$28,158</b> | <b>\$42,478</b> |

**Table 4.10** summarizes the expenditures forecasted for the proposed Study Area. This scenario includes the applicable incorporation costs as outlined in Section §10-2a-510.

**TABLE 4.10: WILLOW PROJECTED FIVE-YEAR EXPENDITURES**

|                                | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5             |
|--------------------------------|------------------|------------------|------------------|------------------|--------------------|
| Incorporation Costs            | \$52,500         | \$2,432          | \$0              | \$4,054          | \$0                |
| General Government             | \$63,023         | \$97,371         | \$133,723        | \$172,168        | \$212,800          |
| Law Enforcement                | \$75,000         | \$100,000        | \$140,000        | \$210,000        | \$420,000          |
| Fire Protection                | \$151,906        | \$222,799        | \$324,975        | \$439,693        | \$509,369          |
| Roads                          | \$1,026          | \$6,929          | \$19,354         | \$28,158         | \$42,478           |
| <b>TOTAL OPERATING EXPENSE</b> | <b>\$343,456</b> | <b>\$429,532</b> | <b>\$618,052</b> | <b>\$854,073</b> | <b>\$1,184,646</b> |

## SECTION 5: INITIAL & FIVE-YEAR REVENUE PROJECTIONS

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, 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.*

### GENERAL METHODOLOGY

This section compares the revenues the County and Study Area are likely to generate. Similar to the expenditure projections, the revenues were calculated using CY financial reports detailing General Fund actuals from CY 2020 – 2023, estimated CY 2024 actuals, budget estimates for CY 2025, and recommendations from the County Clerk/Auditor. Additional allocation methodologies were utilized based on population, assessed value, and standard State allocation practices.

### COUNTY REVENUES

The General Fund revenues were grouped into major categories from a budgeting perspective.<sup>15</sup> Between 2020 and 2024, the County's GF revenue grew at an AAGR of 7.9 percent.

**TABLE 5.1: COUNTY SCENARIO – HISTORIC AND INITIAL GF REVENUES**

|                                    | ACTUAL             |                     |                     |                     |                     | BUDGET              |
|------------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | 2020               | 2021                | 2022                | 2023                | 2024                | 2025                |
| Property Taxes <sup>1</sup>        | \$5,667,850        | \$6,829,760         | \$7,307,265         | \$7,172,593         | \$7,222,796         | \$7,237,568         |
| Sales Tax                          | \$1,353,225        | \$1,798,056         | \$1,947,730         | \$1,906,744         | \$1,860,560         | \$1,800,000         |
| Licenses and Permits               | \$353,396          | \$447,938           | \$468,887           | \$477,985           | \$386,285           | \$321,500           |
| Intergovernmental Revenue          | \$1,411,361        | \$1,282,714         | \$1,277,200         | \$1,419,334         | \$1,544,009         | \$1,551,981         |
| Charges for Services               | \$321,633          | \$727,780           | \$602,911           | \$528,251           | \$587,249           | \$594,400           |
| Fines and Forfeitures <sup>2</sup> | \$286,673          | \$448,615           | \$69,046            | \$1,033,333         | \$121,667           | \$345,000           |
| Interest Earnings/Other            | \$145,907          | \$0                 | \$33,336            | \$638,464           | \$635,796           | \$175,000           |
| Miscellaneous Revenue              | \$0                | \$61,506            | \$115,770           | \$45,618            | \$614,123           | \$16,800            |
| Transfers In                       | \$30,000           | \$225,800           | \$700,001           | \$0                 | \$0                 | \$50,000            |
| Use of Surplus                     | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$4,291,110         |
| <b>TOTAL</b>                       | <b>\$9,570,045</b> | <b>\$11,822,169</b> | <b>\$12,522,146</b> | <b>\$13,222,322</b> | <b>\$12,972,485</b> | <b>\$16,383,359</b> |

<sup>1</sup> Reflects property tax generated from Fund 110 (General Fund) and Fund 113 (County Library Levy).

<sup>2</sup> Reflects revenue sources from Fund 110 (General Fund) and Fund 114 (Justice Court).

Source: Utah State Auditor, Local and State Government Budget Reports

The projections illustrated in **Table 5.2** are based on an analysis of the historic AAGR for each budget item, as well as insight from County staff. Property tax revenues are tied to new growth at three percent. For the purposes of this analysis, use of surplus is perpetuated into the future. Transfers in are held constant based on CY 2025 figures.

<sup>15</sup> See Kane County Financial Statements for major category groupings.



**TABLE 5.2: COUNTY SCENARIO – PROJECTED FIVE-YEAR GF REVENUES**

|                           | 2026                | 2027                | 2028                | 2029                | 2030                |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Property Taxes            | \$7,454,695         | \$7,678,336         | \$7,908,686         | \$8,145,947         | \$8,390,325         |
| Sales Tax                 | \$1,854,000         | \$1,909,620         | \$1,966,909         | \$2,025,916         | \$2,086,693         |
| Licenses and Permits      | \$331,145           | \$341,079           | \$351,312           | \$361,851           | \$372,707           |
| Intergovernmental Revenue | \$1,551,981         | \$1,551,981         | \$1,551,981         | \$1,551,981         | \$1,551,981         |
| Charges for Services      | \$612,232           | \$630,599           | \$649,517           | \$669,002           | \$689,073           |
| Fines and Forfeitures     | \$355,350           | \$366,011           | \$376,991           | \$388,301           | \$399,950           |
| Interest Earnings/Other   | \$180,250           | \$185,658           | \$191,227           | \$196,964           | \$202,873           |
| Miscellaneous Revenue     | \$17,250            | \$17,714            | \$18,191            | \$18,683            | \$19,189            |
| Transfers In              | \$50,000            | \$50,000            | \$50,000            | \$50,000            | \$50,000            |
| Use of Surplus            | \$4,291,110         | \$4,291,110         | \$4,291,110         | \$4,291,110         | \$4,291,110         |
| <b>TOTAL</b>              | <b>\$16,698,013</b> | <b>\$17,022,107</b> | <b>\$17,355,923</b> | <b>\$17,699,754</b> | <b>\$18,053,900</b> |

### STUDY AREA REVENUES (ASSUMING TOWN INCORPORATION)

Revenues for the Study Area were calculated using the following methodologies:

- Property tax based on assessed value and new growth
- Fire Protection revenue based on an equivalent VCSSD rate
- State Sales Tax allocation based on population and point of sale
- State Class C Road Fund allocation based on lane miles and population
- License and permit revenues based on estimated expenses
- Interest earnings based on cumulative fund balance

### PROPERTY TAX

Property tax revenue is based on the assessed value of the Study Area and applying the projected County levy for municipal services. However, Kane County does not have a separate MSF accounting for the cost of services provided to unincorporated county, and new residents will continue to pay taxes to the County's GF if incorporation occurs. To determine a proportionate rate that is reflective of the services currently provided to unincorporated county, LRB identified counties that have a separate MSF accounting for the cost of services provided to unincorporated county. Based on its population and pursuant to UCA §17-50-501, Kane County is classified as a fifth-class county, in which no county classified under the fifth class has a separate MSF. Under the fourth class, Carbon and Wasatch counties each have a separate MSF; however, Wasatch County does not assess an MSF levy. Based upon population, location, and county classification, LRB utilized Carbon County as a benchmark to quantify revenues from property tax. **Table 5.3** summarizes the classification applicable to each county, and whether a separate MSF and levy are present.

**TABLE 5.3: COUNTY CLASSIFICATION (EFFECTIVE 2025)**

| CLASSIFICATION | POPULATION RANGE    | COUNTY           | MUNICIPAL SERVICES FUND STATUS | MUNICIPAL SERVICES FUND LEVY |
|----------------|---------------------|------------------|--------------------------------|------------------------------|
| First Class    | ≥ 1,150,000         | Salt Lake County | Yes                            | Yes                          |
| Second Class   | 260,000 - 1,149,999 | Davis            | Yes                            | Yes                          |
|                |                     | Utah             | Yes                            | Yes (Multiple Service Areas) |
|                |                     | Weber            | Yes                            | Yes                          |
| Third Class    | 40,000 - 259,999    | Box Elder        | Yes                            | Yes                          |
|                |                     | Cache            | Yes                            | Doesn't assess levy          |
|                |                     | Iron             | Yes                            | Yes                          |
|                |                     | Summit           | Yes                            | Yes                          |
|                |                     | Tooele           | Yes                            | Yes                          |
|                |                     | Uintah           | Yes                            | Doesn't assess levy          |



| CLASSIFICATION | POPULATION RANGE | COUNTY        | MUNICIPAL SERVICES FUND STATUS | MUNICIPAL SERVICES FUND LEVY |
|----------------|------------------|---------------|--------------------------------|------------------------------|
|                |                  | Washington    | Yes                            | Doesn't assess levy          |
| Fourth Class   | 12,000 - 39,999  | Beaver        | No                             | NA                           |
|                |                  | <b>Carbon</b> | <b>Yes</b>                     | <b>Yes</b>                   |
|                |                  | Duchesne      | No                             | NA                           |
|                |                  | Millard       | No                             | NA                           |
|                |                  | San Juan      | No                             | NA                           |
|                |                  | Sevier        | No                             | NA                           |
|                |                  | Wasatch       | Yes                            | Doesn't assess levy          |
| Fifth Class    | 5,000 - 11,999   | Emery         | No                             | NA                           |
|                |                  | Grand         | No                             | NA                           |
|                |                  | Juab          | No                             | NA                           |
|                |                  | <b>Kane</b>   | <b>No</b>                      | <b>NA</b>                    |
|                |                  | Morgan        | No                             | NA                           |
|                |                  | Piute         | No                             | NA                           |
| Sixth Class    | < 5,000          | Daggett       | No                             | NA                           |
|                |                  | Garfield      | No                             | NA                           |
|                |                  | Rich          | No                             | NA                           |
|                |                  | Wayne         | No                             | NA                           |

Source: Utah Association of Counties, County Classification Thresholds (Effective 2025)

**TABLE 5.4: PROPORTIONATE MSF RATE CALCULATION (CARBON COUNTY)**

|                                            |                    |
|--------------------------------------------|--------------------|
| Carbon County General Operations Levy      | 0.002556           |
| Carbon County Taxable Value                | \$2,224,611,004    |
| <b>General Operations Revenue</b>          | <b>\$5,686,106</b> |
| Carbon County MSF Levy                     | 0.002056           |
| Carbon County MSF Taxable Value            | \$1,249,039,275    |
| <b>MSF Calculated Revenue</b>              | <b>\$2,568,025</b> |
| <b>COMBINED CALCULATED REVENUE</b>         | <b>\$8,254,130</b> |
| <b>CALCULATED TAX LEVY</b>                 | <b>0.00371</b>     |
| <b>PERCENT MSF LEVY OF CALCULATED LEVY</b> | <b>55%</b>         |

Source: Utah State Tax Commission

Taxable value and property tax data for Carbon County's general operations and MSF were gathered to quantify a proportionate rate that is reflective of the services provided to unincorporated county. Using the information provided in **Table 5.4**, the MSF levy represents roughly 55 percent of the County's total general operations.

Assuming some functions of the General Fund are dedicated to municipal type services, **Table 5.5** applies an adjustment of 55 percent to Kane County's General Fund levy.

**TABLE 5.5: PROPORTIONATE COUNTY LEVY BASED ON CARBON COUNTY**

|                                                    | YEAR 1          | YEAR 2          | YEAR 3          | YEAR 4          | YEAR 5          |
|----------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| County GF Levy                                     | 0.001970        | 0.001970        | 0.001970        | 0.001970        | 0.001970        |
| Municipal Type Services Adjustment (see Table 5.4) | 55%             | 55%             | 55%             | 55%             | 55%             |
| <b>Proportionate County Levy</b>                   | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |

**Table 5.6** calculates the property tax revenue using the adjusted property tax levy and new growth calculations provided in **Table 3.13**, resulting in property tax revenues for the proposed Study Area.

**TABLE 5.6: STUDY AREA TAXABLE VALUE PROJECTED FIVE-YEAR REVENUES**

|                                  | YEAR 1              | YEAR 2               | YEAR 3               | YEAR 4               | YEAR 5               |
|----------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed Value                   | \$2,983             | \$81,671,383         | \$125,855,583        | \$178,839,783        | \$231,823,983        |
| New Growth                       | \$81,668,400        | \$44,184,200         | \$52,984,200         | \$52,984,200         | \$27,377,600         |
| <b>Total Taxable Value</b>       | <b>\$81,671,383</b> | <b>\$125,855,583</b> | <b>\$178,839,783</b> | <b>\$231,823,983</b> | <b>\$259,201,583</b> |
| <b>Proportionate County Levy</b> | <b>0.001083</b>     | <b>0.001083</b>      | <b>0.001083</b>      | <b>0.001083</b>      | <b>0.001083</b>      |



|                          | YEAR 1          | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5           |
|--------------------------|-----------------|------------------|------------------|------------------|------------------|
| <b>TOTAL TAX REVENUE</b> | <b>\$88,473</b> | <b>\$136,337</b> | <b>\$193,734</b> | <b>\$251,131</b> | <b>\$280,788</b> |

## FIRE PROTECTION

VCSSD currently provides fire protection services to the surrounding areas and for the purposes of this analysis, it is assumed that the proposed Study Area will receive contracted services from VCSSD. Assuming the same tax categories and rates as imposed by the County and all other current service providers<sup>16</sup>, including VCSSD, this analysis assumes that the proposed Town will also collect fire protection fees that are charged at a rate that is proportional to the costs to the incorporated Town to contract with VCSSD. The revenue generated for fire protection services is equal to the cost shown in **Table 4.6**.

## SALES TAX

Sales tax revenues are distributed based on two methodologies: 1) the ratio of population; and 2) point of sale, or the location of the sale. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population.

Population revenues are distributed to local entities based on the ratio of their population to the State's population. No population distribution is made for secondary homes. The State population distribution pool in **Table 5.7** represents an average between the applicable current and prior FY to estimate State's sale tax for the CY. The calculated average was then multiplied by 50 percent to distribute the total sales tax collections based on population. Taxable sales have increased by an average of ten percent in the State from 2020 to 2024. Future population revenues are based on a general growth estimate of nine percent based on the State's AAGR.

**TABLE 5.7: SALES TAX - RATIO OF POPULATION DISTRIBUTION PROJECTED FIVE-YEAR REVENUES**

|                                     | YEAR 1          | YEAR 2          | YEAR 3          | YEAR 4          | YEAR 5          |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| State Population Distribution Pool* | 595,151,584     | 648,715,227     | 707,099,597     | 770,738,561     | 840,105,031     |
| Growth Rate (Based on State AAGR)   | 9.00%           | 9.00%           | 9.00%           | 9.00%           | 9.00%           |
| State Population                    | 3,623,803       | 3,685,436       | 3,748,117       | 3,811,864       | 3,876,695       |
| Distributed per Capita              | \$164.23        | \$176.02        | \$188.65        | \$202.19        | \$216.71        |
| Study Area Primary Population       | 110             | 165             | 220             | 275             | 330             |
| <b>POPULATION DISTRIBUTION</b>      | <b>\$18,066</b> | <b>\$29,044</b> | <b>\$41,504</b> | <b>\$55,604</b> | <b>\$71,513</b> |

\*Total distribution reported in fiscal years. LRB averaged the two fiscal years to estimate calendar year. Multiplied by 50% to obtain population pool.

Source: Utah State Tax Commission, Annual Reports

Point of sale revenues were calculated using estimated retail and hotel square footage based on the construction proforma provided in **Appendix C**. Retail point of sale revenues assumes a starting commercial sales per square footage figure of \$406. Hotel point of sale revenues assumes a nightly rate of \$122 per room with an occupancy adjustment of 70 percent. Online point of sale revenues is calculated using taxable sales revenue from Kane County and are adjusted based on E-Commerce figures from the US Census Bureau. During the first quarter of 2025, E-Commerce sales accounted for 16.2 percent of total store and non-store sales.<sup>17</sup> Average online sales are calculated at \$8,090 per capita for the County in 2025. Point of sale revenue projections are based on a growth estimate of three percent.

<sup>16</sup> §10-2a-504(3)(a)(ii)(C)

<sup>17</sup> US Census Bureau. (2025, August). Quarterly Retail E-Commerce Sales. Retrieved from <https://www.census.gov/retail/ecommerce.html>





**TABLE 5.8: SALES TAX - POINT OF SALE DISTRIBUTION PROJECTED FIVE-YEAR REVENUES**

|                                            | YEAR 1              | YEAR 2              | YEAR 3              | YEAR 4              | YEAR 5              |
|--------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>RETAIL</b>                              |                     |                     |                     |                     |                     |
| Sales Tax per SF <sup>1</sup>              | \$418               | \$431               | \$444               | \$457               | \$471               |
| Total Cumulative Commercial SF             | 40,000              | 40,000              | 80,000              | 80,000              | 127,000             |
| <b>Subtotal Retail Sales</b>               | <b>\$16,727,200</b> | <b>\$17,229,016</b> | <b>\$35,491,773</b> | <b>\$36,556,526</b> | <b>\$59,774,490</b> |
| <b>HOTEL</b>                               |                     |                     |                     |                     |                     |
| Room Rate per Night <sup>1</sup>           | \$126               | \$129               | \$133               | \$137               | \$141               |
| Daily Occupied Rooms <sup>2</sup> (Annual) | 25,550              | 25,550              | 25,550              | 25,550              | 25,550              |
| <b>Subtotal Hotel Sales</b>                | <b>\$3,210,613</b>  | <b>\$3,306,931</b>  | <b>\$3,406,139</b>  | <b>\$3,508,324</b>  | <b>\$3,613,573</b>  |
| <b>ONLINE</b>                              |                     |                     |                     |                     |                     |
| Per Capita E-Commerce <sup>1</sup>         | \$8,333             | \$8,583             | \$8,841             | \$9,106             | \$9,379             |
| Willow Population                          | 110                 | 165                 | 220                 | 275                 | 330                 |
| <b>Subtotal Online Sales</b>               | <b>\$916,651</b>    | <b>\$1,416,225</b>  | <b>\$1,944,949</b>  | <b>\$2,504,122</b>  | <b>\$3,095,095</b>  |
| <b>Point of Sale Allocation</b>            | <b>0.50%</b>        | <b>0.50%</b>        | <b>0.50%</b>        | <b>0.50%</b>        | <b>0.50%</b>        |
| <b>TOTAL POINT OF SALE REVENUE</b>         | <b>\$104,272</b>    | <b>\$109,761</b>    | <b>\$204,214</b>    | <b>\$212,845</b>    | <b>\$332,416</b>    |

<sup>1</sup> Figure is extended to future years at a three percent growth rate.

<sup>2</sup> Assumes 70% occupancy.

**Table 5.9** combines the revenue generated between the two allocation strategies, with 50 percent assigned to point of sale and 50 percent to population.

**TABLE 5.9: TOTAL SALES TAX PROJECTED FIVE-YEAR REVENUES**

|                                         | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5           |
|-----------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Population Distribution (see Table 5.7) | \$18,066         | \$29,044         | \$41,504         | \$55,604         | \$71,513         |
| Retail Point of Sale (see Table 5.8)    | \$104,272        | \$109,761        | \$204,214        | \$212,845        | \$332,416        |
| <b>TOTAL ESTIMATED SALES TAX</b>        | <b>\$122,338</b> | <b>\$138,804</b> | <b>\$245,718</b> | <b>\$268,448</b> | <b>\$403,929</b> |

### CLASS C ROAD FUND

The Study Area revenue forecast includes Class C Road Funds that are allocated based upon a 50/50 split between weighted lane miles and population. The State's allocation methodology includes separate weightings for gravel roads and paved roads. This study assumes the Town constructs a total of 3.31 road miles by the end of the five-year horizon (see **Table 4.7**). **Table 5.10** depicts the growth rate calculated and subsequently applied to forecast key variables (statewide total distribution pool, lane miles, weighted miles).

**TABLE 5.10: CLASS B&C ROADS HISTORIC AAGR**

|                          | 2020        | 2021        | 2022        | 2023        | 2024        | 2025 <sup>1</sup> | 2020 – 2024<br>AAGR |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------------|---------------------|
| Total Distribution Pool  | 177,562,815 | 194,764,526 | 203,134,579 | 216,853,217 | 225,525,092 | 239,417,328       | <b>6.16%</b>        |
| Lane Miles Pool          | 88,781,407  | 97,382,263  | 101,567,289 | 108,426,609 | 112,762,546 | 119,708,664       | <b>6.16%</b>        |
| Statewide Weighted Miles | 122,842     | 124,521     | 125,318     | 126,997     | 127,549     | 128,753           | <b>0.94%</b>        |

Note 1: Estimated using 2020 – 2024 AAGR.

Source: UDOT B&C Road Fund Information, Mileage and Annual Summary Reports

Utilizing **Table 5.10's** calculated weighted mileage for the Study Area and methodology delineated in Utah State Code, the Study Area's distribution can be calculated.



**TABLE 5.11: CLASS B&C ROADS INITIAL AND PROJECTED FIVE-YEAR REVENUES**

|                                      | PROJECTED      |                |                 |                 |                 |
|--------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|
|                                      | YEAR 1         | YEAR 2         | YEAR 3          | YEAR 4          | YEAR 5          |
| Total Distribution Pool              | 254,165,320    | 269,821,781    | 286,442,672     | 304,087,401     | 322,819,038     |
| Lane Miles Pool                      | 127,082,660    | 134,910,890    | 143,221,336     | 152,043,701     | 161,409,519     |
| Statewide Weighted Miles             | 129,969        | 131,196        | 132,435         | 133,686         | 134,949         |
| Distribution Per Weighted Mile       | 978            | 1,028          | 1,081           | 1,137           | 1,196           |
| Estimated Weighted Miles             | 0.45           | 2.95           | 8.00            | 11.30           | 16.55           |
| <b>Lane Mile Distribution</b>        | <b>\$440</b>   | <b>\$3,034</b> | <b>\$8,652</b>  | <b>\$12,852</b> | <b>\$19,795</b> |
| State Population                     | 3,623,803      | 3,685,436      | 3,748,117       | 3,811,864       | 3,876,695       |
| State Distribution per Capita        | \$35.07        | \$36.61        | \$38.21         | \$39.89         | \$41.64         |
| Study Area Population                | 110            | 165            | 220             | 275             | 330             |
| <b>Population Distribution</b>       | <b>\$3,858</b> | <b>\$6,040</b> | <b>\$8,407</b>  | <b>\$10,969</b> | <b>\$13,740</b> |
| <b>TOTAL STUDY AREA DISTRIBUTION</b> | <b>\$4,298</b> | <b>\$9,074</b> | <b>\$17,058</b> | <b>\$23,821</b> | <b>\$33,535</b> |

## LICENSES & PERMITS

It is likely the Study Area will collect business licenses and building permit fees based on the planned development. Generally, business licenses and building permit fees are charged at a rate that is proportional to the costs to the incorporated Town to issue them. Licenses and permits revenue in this study are therefore tied directly to estimated costs for planning and zoning. Using the County's budget data from CY 2020 - 2024, the County's permit revenue is on average 80 percent of total planning and zoning expenses. **Table 5.12** isolates the planning and zoning costs from the total general government expense calculated in **Table 4.3** to determine the license and permit revenues and assumes the Study Area will recover 80 percent of the estimated costs in revenue.

**TABLE 5.12: LICENSES & PERMITS PROJECTED FIVE-YEAR REVENUES**

|                                                 | YEAR 1         | YEAR 2         | YEAR 3         | YEAR 4         | YEAR 5          |
|-------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|
| Planning & Zoning Expense                       | \$4,435        | \$6,852        | \$9,410        | \$12,116       | \$14,975        |
| % of Revenue to Expense                         | 80%            | 80%            | 80%            | 80%            | 80%             |
| <b>LICENSES &amp; PERMITS REVENUE RECOVERED</b> | <b>\$3,548</b> | <b>\$5,482</b> | <b>\$7,528</b> | <b>\$9,693</b> | <b>\$11,980</b> |

## INTEREST EARNINGS

Interest earnings are calculated based on a 1.50 percent interest rate on any fund balance carryover.

## OTHER REVENUE CONSIDERATIONS

Additional types of revenue streams may be collected including transient room and franchise taxes, grants, debt financing, impact fees, and fees for services. These alternate revenue mechanisms will be explored in greater detail in **Section 7**.

**Table 5.13** summarizes the revenues forecast for the proposed Study Area. This allows the proposed Town's fund balance to increase overtime and produce interest revenues.

**TABLE 5.13: WILLOW PROJECTED FIVE-YEAR REVENUES**

|                                               | PROJECTED |           |           |           |           |
|-----------------------------------------------|-----------|-----------|-----------|-----------|-----------|
|                                               | YEAR 1    | YEAR 2    | YEAR 3    | YEAR 4    | YEAR 5    |
| Property Tax (Proportional County Rate)       | \$88,473  | \$136,337 | \$193,734 | \$251,131 | \$280,788 |
| Fire Protection Revenue (Equivalent SSD Rate) | \$151,906 | \$222,799 | \$324,975 | \$439,693 | \$509,369 |
| Sales & Use Tax                               | \$122,338 | \$138,804 | \$245,718 | \$268,448 | \$403,929 |

PRELIMINARY FEASIBILITY STUDY FOR THE PROPOSED INCORPORATION OF WILLOW  
KANE COUNTY, UTAH

|                                 | PROJECTED        |                  |                  |                  |                    |
|---------------------------------|------------------|------------------|------------------|------------------|--------------------|
|                                 | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5             |
| Class C Roads                   | \$4,298          | \$9,074          | \$17,058         | \$23,821         | \$33,535           |
| Licenses & Permits              | \$3,548          | \$5,482          | \$7,528          | \$9,693          | \$11,980           |
| Interest Earnings               | \$0              | \$407            | \$1,657          | \$4,246          | \$6,391            |
| <b>TOTAL OPERATING REVENUES</b> | <b>\$370,563</b> | <b>\$512,903</b> | <b>\$790,671</b> | <b>\$997,032</b> | <b>\$1,245,992</b> |





## SECTION 6: RISKS & OPPORTUNITIES

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, 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.*

### RISKS

Several variables influence sales tax revenues including new growth calculations based on future residential and commercial construction and general assumptions regarding home values and price per SF. This analysis does not include a market feasibility study to determine whether the proposed commercial square footage is supportable. The lack of a market feasibility analysis presents a certain risk in that the study assumes the planned development will occur upon incorporation. The financial feasibility of this study may be jeopardized further if cost assumptions for home values and price per square foot are reduced.

Without a separate MSF, the true cost of service provided to unincorporated areas in Kane County is difficult to quantify. In **Section 4** of this report, a per capita rate removing “county-wide” activities was calculated to determine the County’s average general government cost. To better isolate the services currently provided to unincorporated areas of the County, “county-wide” services were removed from the general government cost. However, it is important to note that the remaining cost categories under general government may still be overstated, as they represent services that will still be provided to the Study Area if it incorporates.

County staff pointed to concern about the fiscal impacts of maintaining road infrastructure. Utah Code 10-2a-509 states that the preliminary municipality “shall maintain and repair any roadway that: existed within the preliminary municipality; was within a public right of way that abuts the preliminary municipality; or was within 1/2 mile of the preliminary municipality and connected to, or was proposed in the feasibility request to be connected to, the preliminary municipality.” According to County staff, Mountain View Road, a former highway, fits this classification. The County indicated that the current level of service provided is adequate for the traffic the roadway currently experiences; however, increased traffic from development may result in increased annual maintenance to meet the County’s standard of service. While road costs will likely be incurred by the proposed development, the feasibility study assumes the area will be incorporated as a town, in which any road costs associated with Mountain View Road will revert back to the County upon incorporation.

KCWCD staff highlighted the need for water distribution infrastructure to support the proposed development (see **Section 9**). The developers will likely enter into an agreement with KCWCD indicating expenses associated with connecting to the district’s system are the responsibility of the developer.

Discussions with WKCSSD pointed to concern surrounding landfill capacity as a result of high density development, including the potential for redesignation of the landfill, resulting in additional costs to the landfill. The impact on landfill capacity and potential costs resulting from development activity will occur regardless of incorporation.

In general, the study does not contemplate costs related to future CIP, as capital improvements that are not currently being provided by the County are not included in the current LOS. Developing a detailed master plan



is critical to understanding the nature and extent of future capital improvement needs. Should the Study Area incorporate, the Town could complete a master plan that identifies future CIP. These additional costs can be mitigated by grants, tax or rate increases, or impact fees. Additionally, the impact of increased traffic to roads resulting from development activity will occur regardless of incorporation.

Additionally, inflationary pressure will affect the Study Area, as well as the GF. The impact of inflation may be more pronounced within the Study Area.

## **OPPORTUNITIES**

Opportunities in the Study Area post-incorporation may include self-governance, ability to develop public facilities, zoning and land-use authority, more local representation, and more direct control over the future of the area. For instance, for governance of various taxing categories that are created within the Study Area that are dispersed throughout the County without incorporation, incorporation would provide for greater local control and the ability to locally retain those tax revenues. The proposed municipality could then allocate these funds to address local needs and priorities, rather than having them distributed to other parts of the County.

Specific goals related to population growth, economic growth and development, business licensing, and zoning policies could be addressed by the newly incorporated area. However, it is important to note that these elements may result in an increase in costs beyond what has been presented in this study.

It should be noted that the 2025 Kane County budget allocates \$2.85M for law enforcement services covering approximately 8,103 residents, or about \$352 per resident. The County currently employs 17 deputies, a ratio of roughly one deputy per 500 residents. Applying that ratio to the Study Area's projected year-five population of 330 people would justify less than one full-time deputy. Based on current County budget ratios and coverage-density adjustments, a five-year cumulative cost for law-enforcement services in the Study Area could be closer to \$400,000, compared with the \$945,000 proposed by the County. Any cost reductions in public safety expenses will increase the positive position of the proposed Town.



## SECTION 7: ANALYSIS OF NEW REVENUE SOURCES

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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; and, 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.*

### TRANSIENT ROOM TAX

Temporary lodging (i.e., hotel, motel, inn, tourist home, trailer court, or campground) used for less than thirty days are subject to both sales and transient room tax.<sup>18</sup> To receive revenue from a transient room tax levy, Willow may impose up to one percent tax on temporary lodging upon incorporation. Depending on whether some of the proposed commercial development in the Study Area will be comprised of temporary lodging, a transient room tax may be a new revenue source the Town could contemplate.

### FRANCHISE TAX - MUNICIPAL ENERGY SALES AND USE TAX

Municipalities may adopt a tax on gas and electricity delivered within their jurisdiction. These taxes are collected by a seller and held in trust for the benefit of the locality imposing the tax.

### DEBT FINANCING

Debt financing may be utilized to amortize larger capital costs over time, rather than addressing those costs in a shorter period. This does not introduce new revenues (interest and cost of issuance expenses add to the overall cost assumptions), but it does serve as a funding tool to allow for the construction of public facilities.

### GRANTS

Most of the comparable cities included in the analysis receive grant monies, although it is uncertain which grants the Town would be eligible for.

### IMPACT FEES

As mentioned in **Section 6**, the Town, if incorporation occurs, could begin to provide services (e.g., streets) and would be able to charge impact fees to new development. It is important to note that the Town cannot assess impact fees if the eligible categories are not serviced by the Town.

### FEES FOR SERVICES

The newly incorporated area will have the ability to adopt necessary fees related to services provided. This study has followed the statutory requirement to maintain the same level of service currently provided to residents based on the expenditures and revenue sources utilized within the GF. However, the Town may be able to increase revenues by assessing specific fees for services. These may include transportation fees, recreation fees, disproportionate fees, and/or utility fees. It is important to note that these fees would be an additional cost to residents, beyond what is shown in the following sections. In the event of a revenue shortfall, the newly incorporated city can modify the building fee schedule and business license fee schedule to recoup the full cost needed for planning, engineering, zoning, and licensing expense related to these services.

<sup>18</sup> Utah State Tax Commission. Transient Room Taxes. Retrieved from <https://tax.utah.gov/sales/transientroom>





## SECTION 8: FISCAL IMPACTS & PROJECTED TAX BURDEN

Utah Code §10-2a-504(3) requires the preliminary feasibility study to 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: the projected tax burden per household of any new taxes that may be levied within the proposed preliminary municipality area within five years after incorporation as a town; and the fiscal impact of the proposed preliminary municipality area's incorporation as a town on unincorporated areas, other municipalities, special districts, special service districts, and other governmental entities in the county.*

The purpose of this study is to project and compare the financial impact to new residents in Willow if the County continues to provide services or if the newly incorporated Town provides services. This analysis assumes the proposed incorporation will only impact the County, as discussions with existing service providers confirmed services will continue to be provided regardless of the incorporation. The following section details the impact to the new residents in the Study Area, as well as to the County.

### FISCAL IMPACTS & TAX BURDEN ON THE COUNTY

Property taxes are not included as Kane County does not charge a separate municipal services tax rate. As a result, the County will not experience any impact in revenues from property taxes.

In the event of incorporation, the County would likely experience a loss of revenue, modeled here as the projected revenue for the Study Area. The net impact of the Town incorporation is a loss of \$55,184 in revenues in year one, as illustrated in **Table 8.1**. This represents lost revenue for municipal services, as well as revenues gained through the Sheriff's Office and elections.

**TABLE 8.1: PROJECTED COUNTY-PROVIDED SERVICES TAX IMPACT SUMMARY**

|                                          | YEAR 1            | YEAR 2            | YEAR 3             | YEAR 4            | YEAR 5            |
|------------------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| Potential Lost Revenue                   | (\$130,184)       | (\$153,766)       | (\$271,962)        | (\$306,208)       | (\$455,835)       |
| Contract Revenue                         | \$75,000          | \$102,432         | \$140,000          | \$214,054         | \$420,000         |
| <b>NET IMPACT TO COUNTY GF</b>           | <b>(\$55,184)</b> | <b>(\$51,334)</b> | <b>(\$131,962)</b> | <b>(\$92,154)</b> | <b>(\$35,835)</b> |
| Tax Impact from Lost Revenue             | 0.000020          | 0.000018          | 0.000044           | 0.000030          | 0.000011          |
| Estimated Impact on Median Home (\$475K) | \$5               | \$5               | \$12               | \$8               | \$3               |

This potential lost revenue is based upon the development scenario considered within this study for an incorporated town. However, this development scenario would likely not transpire if the Study Area were to remain unincorporated. As a result, it is unlikely that any levy would need to be raised to the extent modeled here to account for lost revenue from the Study Area in the event of incorporation. It is possible that the newly incorporated town may contract for additional services with the County (e.g., engineering, planning, and building permitting), resulting in additional contract revenues flowing to the County. Furthermore, the County would receive additional property tax revenues to the GF from the proposed residential and commercial development in the Study Area.

### FISCAL IMPACTS & TAX BURDEN ON THE STUDY AREA

The following section analyzes the fiscal impacts of a Town incorporation, assuming a proportionate County tax rate is modeled in years one through five. The findings result in an annual revenue margin at an average of 12.4



percent over the five-year window of this study, meeting the requirement outlined in Section §10-2a-504(4) that allows the process of incorporation to proceed.

**TABLE 8.2: PROJECTED WILLOW FISCAL IMPACT**

|                                               | YEAR 1           | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5             | AVERAGE          |
|-----------------------------------------------|------------------|------------------|------------------|------------------|--------------------|------------------|
| <b>REVENUES</b>                               |                  |                  |                  |                  |                    |                  |
| <b>PROPORTIONATE COUNTY RATE</b>              | <b>0.001083</b>  | <b>0.001083</b>  | <b>0.001083</b>  | <b>0.001083</b>  | <b>0.001083</b>    |                  |
| Property Tax                                  | \$88,473         | \$136,337        | \$193,734        | \$251,131        | \$280,788          | \$190,093        |
| Fire Protection Revenue (Equivalent SSD Rate) | \$151,906        | \$222,799        | \$324,975        | \$439,693        | \$509,369          | \$329,748        |
| Sales & Use Tax                               | \$122,338        | \$138,804        | \$245,718        | \$268,448        | \$403,929          | \$235,848        |
| Class C Roads                                 | \$4,298          | \$9,074          | \$17,058         | \$23,821         | \$33,535           | \$17,557         |
| Licenses & Permits                            | \$3,548          | \$5,482          | \$7,528          | \$9,693          | \$11,980           | \$7,646          |
| Interest Earnings                             | \$0              | \$407            | \$1,657          | \$4,246          | \$6,391            | \$2,540          |
| <b>Total Revenues</b>                         | <b>\$370,563</b> | <b>\$512,903</b> | <b>\$790,671</b> | <b>\$997,032</b> | <b>\$1,245,992</b> | <b>\$783,432</b> |
| <b>EXPENDITURES</b>                           |                  |                  |                  |                  |                    |                  |
| Incorporation Costs                           | \$52,500         | \$2,432          | \$0              | \$4,054          | \$0                | \$11,797         |
| General Government                            | \$63,023         | \$97,371         | \$133,723        | \$172,168        | \$212,800          | \$135,817        |
| Law Enforcement                               | \$75,000         | \$100,000        | \$140,000        | \$210,000        | \$420,000          | \$189,000        |
| Fire Protection                               | \$151,906        | \$222,799        | \$324,975        | \$439,693        | \$509,369          | \$329,748        |
| Roads                                         | \$1,026          | \$6,929          | \$19,354         | \$28,158         | \$42,478           | \$19,589         |
| <b>Total Expenditures</b>                     | <b>\$343,456</b> | <b>\$429,532</b> | <b>\$618,052</b> | <b>\$854,073</b> | <b>\$1,184,646</b> | <b>\$685,952</b> |
| <b>NET (REVENUE MINUS EXPENSE)</b>            | <b>\$27,107</b>  | <b>\$83,371</b>  | <b>\$172,619</b> | <b>\$142,959</b> | <b>\$61,346</b>    | <b>\$97,480</b>  |
| <b>REVENUE (EXPENSE) MARGIN*</b>              |                  |                  |                  |                  |                    | <b>12.4%</b>     |

\*Margin calculated by dividing average net revenue by total average revenues.

An additional Willow rate above the proportionate County rate of 0.001083 would not be necessary to provide sufficient funding for the Study Area. The difference between the County tax and the Town tax is the additional cost residents of the Study Area will pay to provide their own municipal services as an incorporated town.

**TABLE 8.3: PROJECTED WILLOW TAX BURDEN**

|                                            | YEAR 1          | YEAR 2          | YEAR 3          | YEAR 4          | YEAR 5          |
|--------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>PROPORTIONATE COUNTY RATE</b>           | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |
| Additional Levy to Balance Budget          | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        |
| <b>TOTAL TOWN RATE</b>                     | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> | <b>0.001083</b> |
| Estimated Certified Tax Value              | \$81,671,383    | \$125,855,583   | \$178,839,783   | \$231,823,983   | \$259,201,583   |
| Estimated Town Impact (Median Home \$475K) | \$283           | \$283           | \$283           | \$283           | \$283           |
| Baseline Impact (Median Home \$475K)       | \$283           | \$283           | \$283           | \$283           | \$283           |
| <b>NET IMPACT</b>                          | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      |

## SECTION 9: WATER AVAILABILITY

Utah Code §10-2a-504(3) requires the preliminary feasibility study to include:

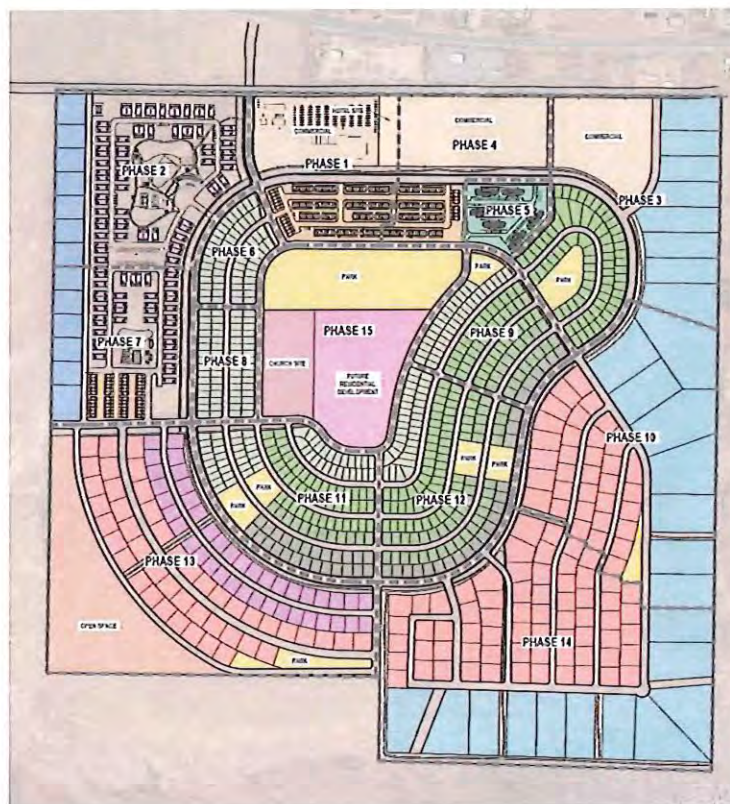
*an analysis regarding whether sufficient water will be available to support the proposed preliminary municipality area when the development of the area is complete.*

KCWCD will serve as the water provider for the Study Area upon incorporation. In a letter provided by the provider (see **Appendix D**), KCWCD confirmed that it will be able to serve the demand anticipated from new development once the needed water distribution improvements are installed.





# APPENDIX A: PHASE DEVELOPMENT MAP



## LAND USE KEY

|                           |                           |                          |                          |                          |                          |                         |                              |                         |                              |                         |                             |                        |                                                |
|---------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-------------------------|-----------------------------|------------------------|------------------------------------------------|
| 11 ACRE LOTS<br>(24 LOTS) | 16 ACRE LOTS<br>(12 LOTS) | 18 ACRE LOTS<br>(8 LOTS) | 33 ACRE LOTS<br>(4 LOTS) | 5 ACRE LOTS<br>(16 LOTS) | 1 ACRE LOTS<br>(12 LOTS) | TOWNHOMES<br>(24 UNITS) | VACATION UNITS<br>(16 UNITS) | APARTMENT<br>(16 UNITS) | EQUESTRIAN LOTS<br>(12 LOTS) | COMMERCIAL<br>(16 LOTS) | CIVIC/RELIGIOUS<br>(1 ACRE) | OPEN SPACE<br>(1 ACRE) | FUTURE RESIDENTIAL<br>DEVELOPMENT<br>(16 ACRE) |
|---------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-------------------------|-----------------------------|------------------------|------------------------------------------------|

## SITE SUMMARY

|                    |                 |
|--------------------|-----------------|
| Total Site Area    | 515.15 Acres    |
| Total Units        | 1,275 Units     |
| Gross Density      | 2.54 Units/Acre |
| Total Open Space   | 51.61 Acres     |
| Open Space %       | 10.0%           |
| Residential Units  | 754             |
| Major Family Units | 374             |
| Vacation Rentals   | 126             |
| Total Units        | 1,275           |

## PHASE SUMMARY

| PHASE | UNITS/LOTS                                                                      | APPROX. ACREAGE |
|-------|---------------------------------------------------------------------------------|-----------------|
| 1     | (8) TOWNHOMES<br>COMMERCIAL/ HOTEL                                              | 29.97           |
| 2     | (8) VACATION UNITS<br>(7) 1.0 ACRE LOTS                                         | 44.80           |
| 3     | (5) EQUESTRIAN LOTS<br>(7) 14 ACRE LOTS<br>COMMERCIAL SPACE                     | 58.25           |
| 4     | (8) TOWNHOMES<br>COMMERCIAL SPACE                                               | 25.11           |
| 5     | (7) APARTMENT<br>BUILDINGS (14 UNITS)                                           | 9.10            |
| 6     | (5) 11 ACRE LOTS                                                                | 10.18           |
| 7     | (18) TOWNHOMES<br>(1) 0 ACRE LOTS                                               | 31.20           |
| 8     | (5) 11 ACRE LOTS                                                                | 10.34           |
| 9     | (3) 11 ACRE LOTS<br>(7) 14 ACRE LOTS<br>(17) 16 ACRE LOTS<br>(5) 18 ACRE LOTS   | 21.33           |
| 10    | (5) EQUESTRIAN LOTS<br>(14) 5 ACRE LOTS                                         | 64.61           |
| 11    | (5) 11 ACRE LOTS<br>(17) 14 ACRE LOTS<br>(12) 16 ACRE LOTS<br>(25) 18 ACRE LOTS | 32.69           |
| 12    | (3) 11 ACRE LOTS<br>(5) 14 ACRE LOTS<br>(25) 16 ACRE LOTS<br>(19) 18 ACRE LOTS  | 34.82           |
| 13    | (4) 33 ACRE LOTS<br>(8) 5 ACRE LOTS                                             | 64.11           |
| 14    | (1) EQUESTRIAN LOTS<br>(9) 5 ACRE LOTS                                          | 94.95           |
| 15    | CHURCH SITE/ PARK<br>(5) 25 ACRE LOTS                                           | 44.54           |

**EN SIGN**  
THE DESIGN & BUILDING  
FIRM

2015 N. 1000 E.  
SALT LAKE CITY, UT 84116  
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FAX: 801.468.1001  
WWW.ENSIGNDESIGN.COM

**WILLOW, UTAH PRELIMINARY MUNICIPAL  
SITE PLAN  
EXHIBIT C**

PRELIMINARY MUNICIPAL  
SITE PLAN  
WITH PHASING

DATE: 10/1/2014  
BY: [Signature]

**EXHIBIT A-2**



## APPENDIX B: UPC DETERMINATION

### Memorandum



April 17, 2025

To: Jordan Schwanke, Office of the Lieutenant Governor  
From: Eric Albers, Public Policy Analyst, Kem C. Gardner Policy Institute  
CC: Mallory Bateman, Director of Demographic Research, Kem C. Gardner Policy Institute  
Subject: Willow Preliminary Municipal Feasibility Review

#### Introduction

This review follows the feasibility request for the preliminary municipality of Willow, in Kane County, Utah. This memo determines whether Willow meets the population, density, and contiguity requirements for preliminary incorporation (defined in Utah Code 10-2a-503).

**The Utah Population Committee (UPC) analysis indicates that Willow meets the preliminary incorporation requirements.**

**Table 1: Initial Feasibility Requirements for Willow Incorporation**

| Criteria           | Meets Criteria? | Requirement by Statute                                                                     | Willow Details                                  |
|--------------------|-----------------|--------------------------------------------------------------------------------------------|-------------------------------------------------|
| Population         | Yes             | Population must be equal to or greater than 100 when all phases of the plan are completed. | 2,997                                           |
| Population Density | Yes             | Density must be seven people per square mile or higher                                     | 3,225 people per square mile                    |
| Contiguity         | Yes             | Area is contiguous, does not have a strip of land connecting geographically separate areas | The proposed boundary covers a contiguous area. |

Population data source: U.S. Census Bureau, 2020 Census

Note: Requirements are summarized; Full statutory requirements are delineated in Utah Code 10-2a-502.





## APPENDIX C: DEVELOPMENT PROFORMA



|                               | Residential               |                             |                           |                             |                           |                             |                           |                             |
|-------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|                               | 0.11 Acre Lots<br>Primary | 0.11 Acre Lots<br>Secondary | 0.14 Acre Lots<br>Primary | 0.14 Acre Lots<br>Secondary | 0.16 Acre Lots<br>Primary | 0.16 Acre Lots<br>Secondary | 0.19 Acre Lots<br>Primary | 0.19 Acre Lots<br>Secondary |
| Statutory Actual Value (2024) | \$468,000                 | \$468,000                   | \$480,000                 | \$480,000                   | \$500,000                 | \$500,000                   | \$530,000                 | \$530,000                   |
| 2024                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2025                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2026                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2027                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2028                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2029                          | 23                        | 23                          | -                         | -                           | -                         | -                           | -                         | -                           |
| 2030                          | 4                         | 4                           | 19                        | 19                          | -                         | -                           | -                         | -                           |
| 2031                          | -                         | -                           | 23                        | 23                          | -                         | -                           | -                         | -                           |
| 2032                          | -                         | -                           | 23                        | 23                          | -                         | -                           | -                         | -                           |
| 2033                          | -                         | -                           | 23                        | 23                          | -                         | -                           | -                         | -                           |
| 2034                          | -                         | -                           | 19                        | 19                          | 4                         | 4                           | -                         | -                           |
| 2035                          | -                         | -                           | -                         | -                           | 23                        | 23                          | -                         | -                           |
| 2036                          | -                         | -                           | -                         | -                           | 6                         | 7                           | 17                        | 17                          |
| 2037                          | -                         | -                           | -                         | -                           | -                         | -                           | 8                         | 8                           |
| 2038                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2039                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2040                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2041                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2042                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2043                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2044                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2045                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2046                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2047                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2048                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2049                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2050                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2051                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2052                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2053                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| 2054                          | -                         | -                           | -                         | -                           | -                         | -                           | -                         | -                           |
| Total Units                   | 119                       | 119                         | 107                       | 107                         | 33                        | 34                          | 25                        | 25                          |
| Total Statutory Actual Value  | \$55,692,000              | \$55,692,000                | \$51,360,000              | \$51,360,000                | \$16,500,000              | \$17,000,000                | \$13,250,000              | \$13,250,000                |

9/12/2024

Draft: For discussion purposes only



PRELIMINARY FEASIBILITY STUDY FOR THE PROPOSED INCORPORATION OF WILLOW  
KANE COUNTY, UTAH



| Statutory Actual Value (2024) | Residential               |                             |                       |                            |                     |                          |                   |                        |
|-------------------------------|---------------------------|-----------------------------|-----------------------|----------------------------|---------------------|--------------------------|-------------------|------------------------|
|                               | 0.33 Acre Lots<br>Primary | 0.33 Acre Lots<br>Secondary | 0.5 Acre Lots Primary | 0.5 Acre Lots<br>Secondary | 1 Acre Lots Primary | 1 Acre Lots<br>Secondary | Townhomes Primary | Townhomes<br>Secondary |
|                               | \$576,000                 | \$576,000                   | \$770,400             | \$770,400                  | \$783,600           | \$783,600                | \$360,000         | \$360,000              |
| 2024                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2025                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2026                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2027                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2028                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2029                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2030                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2031                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2032                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2033                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2034                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2035                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2036                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2037                          | 15                        | 15                          | -                     | -                          | -                   | -                        | -                 | -                      |
| 2038                          | 5                         | 6                           | 17                    | 17                         | -                   | -                        | -                 | -                      |
| 2039                          | -                         | -                           | 23                    | 23                         | -                   | -                        | -                 | -                      |
| 2040                          | -                         | -                           | 23                    | 23                         | -                   | -                        | -                 | -                      |
| 2041                          | -                         | -                           | 9                     | 9                          | 3                   | 3                        | 11                | 11                     |
| 2042                          | -                         | -                           | -                     | -                          | 3                   | 3                        | 20                | 20                     |
| 2043                          | -                         | -                           | -                     | -                          | -                   | 1                        | 22                | 22                     |
| 2044                          | -                         | -                           | -                     | -                          | -                   | -                        | 23                | 23                     |
| 2045                          | -                         | -                           | -                     | -                          | -                   | -                        | 23                | 23                     |
| 2046                          | -                         | -                           | -                     | -                          | -                   | -                        | 4                 | 4                      |
| 2047                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2048                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2049                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2050                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2051                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2052                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2053                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| 2054                          | -                         | -                           | -                     | -                          | -                   | -                        | -                 | -                      |
| Total Units                   | 20                        | 21                          | 72                    | 72                         | 6                   | 7                        | 103               | 103                    |
| Total Statutory Actual Value  | \$11,520,000              | \$12,096,000                | \$55,468,800          | \$55,468,800               | \$4,701,600         | \$5,485,200              | \$37,080,000      | \$37,080,000           |

9/15/2024

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PRELIMINARY FEASIBILITY STUDY FOR THE PROPOSED INCORPORATION OF WILLOW

KANE COUNTY, UTAH



| Statutory Actual Value (2024) | Residential        |                      |              |                    | Total Residential | Commercial     |              |              | Total Commercial |
|-------------------------------|--------------------|----------------------|--------------|--------------------|-------------------|----------------|--------------|--------------|------------------|
|                               | Equestrian Primary | Equestrian Secondary | Apartments   | Future Development |                   | Vacation Units | Hotel        | Commercial   |                  |
|                               | \$980,000          | \$980,000            | \$180,000    | \$400,000          |                   | \$1,100,000    | \$120,000    | \$220        |                  |
| 2024                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| 2025                          | -                  | -                    | -            | -                  | 46                | -              | 100          | -            | 100              |
| 2026                          | -                  | -                    | -            | -                  | 46                | 25             | -            | 40,000       | 40,025           |
| 2027                          | -                  | -                    | -            | -                  | 46                | 25             | -            | -            | 25               |
| 2028                          | -                  | -                    | -            | -                  | 46                | 25             | -            | 40,000       | 40,025           |
| 2029                          | -                  | -                    | -            | -                  | 46                | 33             | -            | -            | 33               |
| 2030                          | -                  | -                    | -            | -                  | 46                | -              | -            | 47,000       | 47,000           |
| 2031                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2032                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2033                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2034                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2035                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2036                          | -                  | -                    | -            | -                  | 47                | -              | -            | -            | -                |
| 2037                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2038                          | -                  | -                    | -            | -                  | 45                | -              | -            | -            | -                |
| 2039                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2040                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2041                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2042                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2043                          | -                  | -                    | -            | -                  | 45                | -              | -            | -            | -                |
| 2044                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2045                          | -                  | -                    | -            | -                  | 46                | -              | -            | -            | -                |
| 2046                          | 5                  | 5                    | -            | -                  | 18                | -              | -            | -            | -                |
| 2047                          | 5                  | 5                    | 50           | -                  | 60                | -              | -            | -            | -                |
| 2048                          | 3                  | 4                    | 50           | -                  | 57                | -              | -            | -            | -                |
| 2049                          | -                  | -                    | 68           | -                  | 68                | -              | -            | -            | -                |
| 2050                          | -                  | -                    | -            | 64                 | 64                | -              | -            | -            | -                |
| 2051                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| 2052                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| 2053                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| 2054                          | -                  | -                    | -            | -                  | -                 | -              | -            | -            | -                |
| Total Units                   | 13                 | 14                   | 168          | 64                 | 1,232             | 108            | 100          | 127,000      | 127,208          |
| Total Statutory Actual Value  | \$12,740,000       | \$13,720,000         | \$30,240,000 | \$25,600,000       | \$575,304,400     | \$118,800,000  | \$12,000,000 | \$27,981,656 | \$158,781,656    |

9/15/2024

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## APPENDIX D: KCWCD LETTER



*"Developing and protecting our water resources one drop at a time."*

August 20, 2025

Philo Ventures  
C/O Tracy Stratton  
2901 Bluegrass Blvd. Suite 410  
Lehi, UT 84043

RE: Proposed Preliminary Municipality, Willow, Utah  
Parcel # 4-5-5-2 & 4-5-6-1

To Whom It May Concern:

This letter is written to inform Philo Ventures that the properties referenced above are within the Kane County Water Conservancy District water distribution system in the East Kanab/Johnson Canyon Area. This proposed development will have the opportunity to hook up to our water distribution system.

Developer Provided Subdivision Demands

ERC Count: 1,108  
Peak Day Demand: 664 gpm  
Peak Instantaneous Demand: 1,205 gpm  
Fire Flow: 1,000

Kane County Water Conservancy District (KCWCD) can service the 1,250 proposed units once all infrastructure is installed. The water line will need to be connected on both the east and west end of the subdivision on Mountain View Dr, as well as a PRV's will need to be installed. A 10" line from the Tank, as well as an 8" line connecting Mountain View Dr. to Boulder Bluff will be required to be installed. KCWCD reserves the right that after 50 lots are developed, we will review the hydraulic model to make sure everything is still functioning correctly, and to ensure there are no pressure issues.

The model provided by the subdivision includes many PRV's. The district may elect to adjust the number of PRV's and PRV locations within the subdivision to work better with the existing system. Philo Ventures will be responsible for all modifications needed.

If additional information is needed, please do not hesitate to contact us at telephone number (435) 644-3997 or via e-mail at [kanecowater@gmail.com](mailto:kanecowater@gmail.com). Thank you for your help in this matter.

Sincerely,

Michael Noel  
General Manager

725 E. Kaneplex Dr. • Kanab, UT 84741 • (435) 644-3997 • Fax (435) 644-8679  
[www.kcwcd.com](http://www.kcwcd.com) • [kcwcd@kanab.net](mailto:kcwcd@kanab.net)





## APPENDIX E: LAW ENFORCEMENT CONTRACT COST



### Kane County Sheriff's Office

**Sheriff Tracy Glover**

971 E. Kaneplex Dr. Kanab, UT 84741  
Phone: (435) 644-4916 Fax: (435) 644-2096

10/7/2025

Mr. Loftis,

This is a response to your request for a law enforcement contract cost estimate for the proposed preliminary feasibility study for Willow.

We reviewed Kane County contracts we currently have with the towns of Orderville and Glendale. We also reviewed neighboring counties and towns such as Monticello Utah and Panguitch Utah. The levels of service vary between the listed jurisdictions from a basic response level to full time coverage. We also reviewed the information you provided regarding the 5 year estimated home and population potential.

We would estimate the need of coverage in the first year to equate to a half to three quarters of a position in value and increasing to needing 3 full time positions to provide full time coverage at final buildout to cover the additional population as well as calls to the commercial hotel space.

Year 1 costs would be approximately \$75,000  
Year 2 costs would be approximately \$100,000  
Year 3 costs would be approximately \$140,000  
Year 4 costs would be approximately \$210,000  
Year 5 costs would be approximately \$420,000

These costs are at today's dollars, but could increase based on inflation, cost of living increases, and unforeseen costs related to true population and actual calls for service. After year 5 there would be yearly increases at a minimum of the cost of living increase for the prior year.

Thanks you,

A handwritten signature in black ink that reads "Tracy D. Glover".

Tracy Glover  
Kane County Sheriff



## APPENDIX F: STAKEHOLDER FEEDBACK

Section §10-2a-504(3)(c) outlines the stakeholders required to be consulted and received the draft of the preliminary feasibility study on October 13, 2025, to review and provide comment to the draft. The following appendix includes feedback received during the draft phase of the study. LRB's response to each item is in **red**.

### KANE COUNTY (COMMISSIONERS, CLERK/AUDITOR, SHERIFF AND ROADS DEPARTMENT)

Did not submit additional comments during the draft period.

### KANE COUNTY WATER CONSERVANCY DISTRICT

Did not submit additional comments during the draft period.

### WESTERN KANE COUNTY SPECIAL SERVICE DISTRICT #1

Did not submit additional comments during the draft period.

### KANE COUNTY HUMAN RESOURCE SPECIAL SERVICE DISTRICT

Did not submit additional comments during the draft period.

### PROJECT SPONSOR

The Sponsor provided feedback for the following areas of the Study:

1. **Include property tax revenues proportionate to other comparable incorporations.** By omitting property tax revenues, the Study focuses too narrowly on limiting revenues current tax categories in its analysis under Subsection §10-2a-504(3)(a)(ii)(C) and, therefore, ignores the other provisions and requirements of statute, specifically Subsection §10-2a-504(3)(a)(ii)(E), which requires consideration of new revenue sources to the incorporated Town. Amongst these new revenue sources available to be implemented by the Town is a property tax levy. See Utah Code §10-5-112. Thus, while the Study Area as a preliminary municipality does not have the power to tax, the incorporated Town, for which the Study is to analyze initial and five-year projected revenues, expressly has the power and authority to levy and collect a property tax.

**LRB Response:** Assuming some functions of the General Fund are dedicated to municipal type services, a proportionate rate that is reflective of the services provided to unincorporated county was calculated at 55 percent (See **Tables 5.3, 5.4, 5.5 and 5.6**) pursuant to §10-2a-504(3)(a)(ii)(C).

2. **Correct fire protection services expense assumptions to reflect either implicit inclusion into the VCSSD or, alternatively, developer capital commitments sufficient to overcome the service burden.** If the County does not cause VCSSD to annex the Study Area into its service area and even if the Town is never within the VCSSD boundaries, the Study Area, as a preliminary municipality, would have the ability to create, and it is reasonable to assume that the Applicant/developer of the Study Area would create prior to or in conjunction with incorporation as a Town, a Study Area/Town special service district for fire protection services within the Town. See Utah Code §10-2a-509(4)(a); §17D-1-201. The resulting effect of creating a special service district for fire protection services in terms of costs to the Town would be the same as if initially the Town were included in the VCSSD service area at incorporation, as stated in the Study and restated here – the Town would not need to contract for fire services as the fire protection fees would be directly assessed to the Town's residents and property





owners. See Study, p. 18. Further, Applicant's Response Letter has outlined its commitment to cover all costs for fire protection services until the Town is annexed into VCSSD or another special service district for fire protection services or the Study Area/Town creates and operates its own fire department, and it is reasonable to assume that the cost for fire protection services will be paid by the Applicant/developer and as the revenue source. See Utah Code §10-2a-504(3)(a)(ii)(D) and §10-2a-504(3)(a)(ii)(E). Therefore, the Study should eliminate or reduce the fire protection costs item.

**LRB Response:** Assuming the same tax categories and rates as imposed by the County and all other current service providers per §10-2a-504(3)(a)(ii)(C), this analysis assumes that the proposed Town will also collect fire protection fees that are charged at a rate that is proportional to the costs to the incorporated Town to contract with VCSSD. The revenue generated for fire protection services is equal to the cost shown in **Table 4.6**.

3. **Adjust law enforcement cost assumptions to align with the County's per-capita expenses and benchmarks.** Applicant maintains that the County Sheriff's estimate of law enforcement services for the Town used in the Study represents an unreasonable overcharge that would constitute an excessive level and quality of service within the Town, outside of Utah Code Subsections §10-2a-504(3)(a)(ii)(B), §10-2a-504(3)(a)(ii)(D), and §10-2a-504(3)(b). Therefore, the Study relying solely on the County Sheriff's estimate would be unreasonable and not within the required statutory parameters.

**LRB Response:** LRB has selected to default to the County Sheriff's recommendation exhibited in **Appendix E**. LRB has included language under **Section 6** noting that any cost reductions in public safety expenses will increase the positive position of the proposed Town.

4. **Include additional tax revenue sources as an alternative in offsetting municipal operational costs.** The Applicant finds the Study materially deficient in its analysis of post-incorporation revenue opportunities. The Study limits its analysis almost exclusively to sales-tax receipts, omitting numerous statutory sources that become available to an incorporated municipality immediately upon organization. Under the cited statute, feasible revenue mechanisms include not only sales tax, but also all categories of municipal revenue that "are not available before the area incorporates," such as the following: property tax, local sales tax, resort/transient taxes, utility/franchise fees, energy/telecom fees, business license fees, impact fees, service charges, and special assessments.

**LRB Response:** §10-2a-504(4) specifically calls out that the required revenue margin of 5% is based on the five-year projected revenues calculated under **Subsection (3)(a)(ii)(C)** which states:

*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.*

Therefore, an analysis of new revenue sources is included in **Section 7** of the Study, but is not directly considered when determining the financial feasibility of the new Town.

5. **Address any additional shortfalls with the proposed developer-funded fiscal backstops and alternate revenue sources.** Assuming none of the arguments above are persuasive, the Applicant nonetheless commits to implementing a combination of non-tax revenues, capital contributions, and public-private partnerships sufficient to ensure fiscal solvency included fire-protection escrow funding, nominal lease-back program, and third-party service procurement.

**LRB Response:** Revenues generated for the purposes of determining feasibility must comply with §10-2a-504(3)(a)(ii)(C). Additional funding mechanisms are not included in the analysis.







## 20F 3

[illegible]





**WWW.ENBIONE.COM**

**From**  
**PHILO VENTURES**  
**2501 BUT GRASS BLVD SUITE #402**  
**LEHITT IN MD402**

**contact f.**  
**TRACY STRATTON**  
**PHONE: 702-844-3277**

WILLOW, UTAH  
BOUNDARY SURVEY

PHASING PLAN  
PHASES 1-18

PHILIP T. KENNEDY  
11/1/90  
RECEIVED  
TMO  
2/1/91  
TMO

3 OF 3

**Figure 10 Description**

**Legend**

1. **Number of fish**, larger 2500  
2. **Number of fish**, smaller 2500

**Figure 10**

Figure 10 is a map of the study area showing the distribution of fish. The map includes a legend with two categories: 'Number of fish, larger 2500' and 'Number of fish, smaller 2500'. The map shows a network of roads and a river. The roads are labeled with numbers 1 through 10. The river is labeled 'River'. The map also shows a grid of squares. The squares are labeled with numbers 1 through 10. The map is titled 'Figure 10'.

Placental cord blood: 2.4 (n: 323) average level, to 5.7 (379) average value in litres

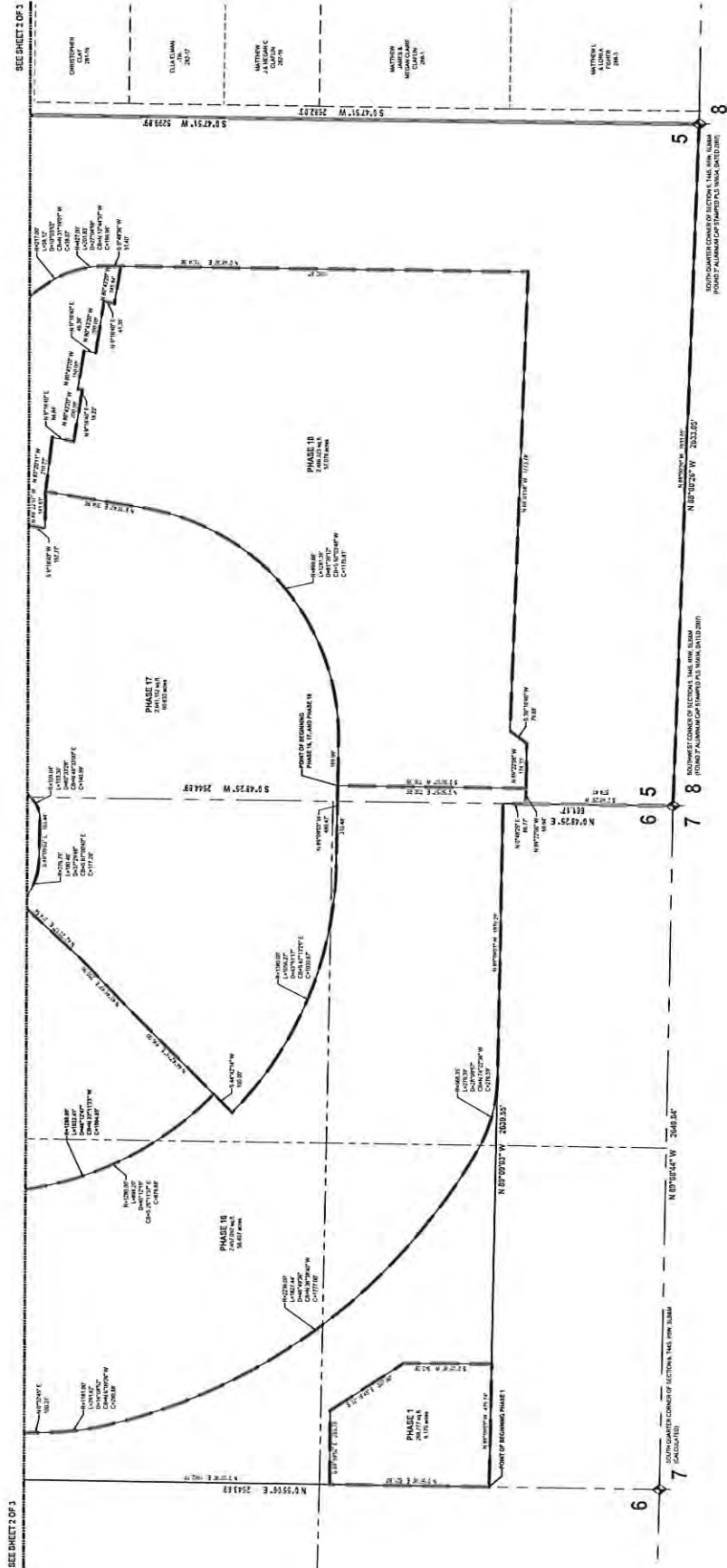
**Figure 17** | Characterization of the *hsp70* promoter in *S. aureus* strains 4250, 4252, 4253, 4254, 4255, 4256, 4257, 4258, 4259, 4260, 4261, 4262, 4263, 4264, 4265, 4266, 4267, 4268, 4269, 4270, 4271, 4272, 4273, 4274, 4275, 4276, 4277, 4278, 4279, 4280, 4281, 4282, 4283, 4284, 4285, 4286, 4287, 4288, 4289, 4290, 4291, 4292, 4293, 4294, 4295, 4296, 4297, 4298, 4299, 4300, 4301, 4302, 4303, 4304, 4305, 4306, 4307, 4308, 4309, 4310, 4311, 4312, 4313, 4314, 4315, 4316, 4317, 4318, 4319, 4320, 4321, 4322, 4323, 4324, 4325, 4326, 4327, 4328, 4329, 4330, 4331, 4332, 4333, 4334, 4335, 4336, 4337, 4338, 4339, 4340, 4341, 4342, 4343, 4344, 4345, 4346, 4347, 4348, 4349, 4350, 4351, 4352, 4353, 4354, 4355, 4356, 4357, 4358, 4359, 4360, 4361, 4362, 4363, 4364, 4365, 4366, 4367, 4368, 4369, 4370, 4371, 4372, 4373, 4374, 4375, 4376, 4377, 4378, 4379, 4380, 4381, 4382, 4383, 4384, 4385, 4386, 4387, 4388, 4389, 4390, 4391, 4392, 4393, 4394, 4395, 4396, 4397, 4398, 4399, 4400, 4401, 4402, 4403, 4404, 4405, 4406, 4407, 4408, 4409, 4410, 4411, 4412, 4413, 4414, 4415, 4416, 4417, 4418, 4419, 4420, 4421, 4422, 4423, 4424, 4425, 4426, 4427, 4428, 4429, 4430, 4431, 4432, 4433, 4434, 4435, 4436, 4437, 4438, 4439, 4440, 4441, 4442, 4443, 4444, 4445, 4446, 4447, 4448, 4449, 4450, 4451, 4452, 4453, 4454, 4455, 4456, 4457, 4458, 4459, 4460, 4461, 4462, 4463, 4464, 4465, 4466, 4467, 4468, 4469, 4470, 4471, 4472, 4473, 4474, 4475, 4476, 4477, 4478, 4479, 4480, 4481, 4482, 4483, 4484, 4485, 4486, 4487, 4488, 4489, 4490, 4491, 4492, 4493, 4494, 4495, 4496, 4497, 4498, 4499, 4500, 4501, 4502, 4503, 4504, 4505, 4506, 4507, 4508, 4509, 4510, 4511, 4512, 4513, 4514, 4515, 4516, 4517, 4518, 4519, 4520, 4521, 4522, 4523, 4524, 4525, 4526, 4527, 4528, 4529, 4530, 4531, 4532, 4533, 4534, 4535, 4536, 4537, 4538, 4539, 4540, 4541, 4542, 4543, 4544, 4545, 4546, 4547, 4548, 4549, 4550, 4551, 4552, 4553, 4554, 4555, 4556, 4557, 4558, 4559, 4560, 4561, 4562, 4563, 4564, 4565, 4566, 4567, 4568, 4569, 4570, 4571, 4572, 4573, 4574, 4575, 4576, 4577, 4578, 4579, 4580, 4581, 4582, 4583, 4584, 4585, 4586, 4587, 4588, 4589, 4590, 4591, 4592, 4593, 4594, 4595, 4596, 4597, 4598, 4599, 4600, 4601, 4602, 4603, 4604, 4605, 4606, 4607, 4608, 4609, 4610, 4611, 4612, 4613, 4614, 4615, 4616, 4617, 4618, 4619, 4620, 4621, 4622, 4623, 4624, 4625, 4626, 4627, 4628, 4629, 4630, 4631, 4632, 4633, 4634, 4635, 4636, 4637, 4638, 4639, 4640, 4641, 4642, 4643, 4644, 4645, 4646, 4647, 4648, 4649, 4650, 4651, 4652, 4653, 4654, 4655, 4656, 4657, 4658, 4659, 4660, 4661, 4662, 4663, 4664, 4665, 4666, 4667, 4668, 4669, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 4677, 4678, 4679, 4680, 4681, 4682, 4683, 4684, 4685, 4686, 4687, 4688, 4689, 4690, 4691, 4692, 4693, 4694, 4695, 4696, 4697, 4698, 4699, 4700, 4701, 4702, 4703, 4704, 4705, 4706, 4707, 4708, 4709, 4710, 4711, 4712, 4713, 4714, 4715, 4716, 4717, 4718, 4719, 4720, 4721, 4722, 4723, 4724, 4725, 4726, 4727, 4728, 4729, 4730, 4731, 4732, 4733, 4734, 4735, 4736, 4737, 4738, 4739, 4740, 4741, 4742, 4743, 4744, 4745, 4746, 4747, 4748, 4749, 4750, 4751, 4752, 4753, 4754, 4755, 4756, 4757, 4758, 4759, 4760, 4761, 4762, 4763, 4764, 4765, 4766, 4767, 4768, 4769, 4770, 4771, 4772, 4773, 4774, 4775, 4776, 4777, 4778, 4779, 4780, 4781, 4782, 4783, 4784, 4785, 4786, 4787, 4788, 4789, 4790, 4791, 4792, 4793, 4794, 4795, 4796, 4797, 4798, 4799, 4800, 4801, 4802, 4803, 4804, 4805, 4806, 4807, 4808, 4809, 4810, 4811, 4812, 4813, 4814, 4815, 4816, 4817, 4818, 4819, 4820, 4821, 4822, 4823, 4824, 4825, 4826, 4827, 4828, 4829, 4830, 4831, 4832, 4833, 4834, 4835, 4836, 4837, 4838, 4839, 4840, 4841, 4842, 4843, 4844, 4845, 4846, 4847, 4848, 4849, 4850, 4851, 4852, 4853, 4854, 4855, 4856, 4857, 4858, 4859, 4860, 4861, 4862, 4863, 4864, 4865, 4866, 4867, 4868, 4869, 4870, 4871, 4872, 4873, 4874, 4875, 4876, 4877, 4878, 4879, 4880, 4881, 4882, 4883, 4884, 4885, 4886, 4887, 4888, 4889, 4890, 4891, 4892, 4893, 4894, 4895, 4896, 4897, 4898, 4899, 4900, 4901, 4902, 4903, 4904, 4905, 4906, 4907, 4908, 4909, 4910, 4911, 4912, 4913, 4914, 4915, 4916, 4917, 4918, 4919, 4920, 4921, 4922, 4923, 4924, 4925, 4926, 4

thence South 10° 15' 00" West 304.85 feet  
thence around a 100.00 foot radius curve to the right, 17.81 34 feet to

Paradise Lost: 2.643-917 answers best to 60.013 answer none to date.

[illegible]

For more information, call 1-800-368-5868 or visit [www.3m.com](http://www.3m.com)



**PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:

That Kanab 600, LLC, a Utah limited liability company ("Principal"), and KC Gardner Company, L.C., a limited liability company organized and existing under the laws of the State of Utah ("Surety"), are held and firmly bound unto Willow, Utah, a Preliminary Municipality to be formed ("Obligee"), in the penal sum of Two Million Four Hundred Forty-Nine Thousand, Five Hundred Sixty (\$2,449,560) Dollars ("Bond Amount").

The Condition of this Obligation is such that, whereas the Principal has submitted or will soon submit a Petition for the Incorporation of a Preliminary Municipality (the "Petition") to the Lieutenant Governor of the State of Utah, which Petition includes the obligation to complete certain System Infrastructure as set forth therein.

NOW, THEREFORE, if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, and conditions of said Petition regarding the completion of the System Infrastructure, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

**RECITALS**

**WHEREAS**, Principal is submitting a Petition for Incorporation of Willow, Utah, a Preliminary Municipality ("Petition") to the Lieutenant Governor of Utah, attached and incorporated as Exhibit A;

**WHEREAS**, this Performance Bond is intended to satisfy the requirement under Utah Code Ann. § 10-2a-507(1)(h) that the Petition be accompanied by a bond that:

- i. is posted by Principal;
- ii. is in favor of Obligee;
- iii. guarantees that Principal will complete the System Infrastructure (as defined in Utah Code Ann. § 10-2a-501(13)) no later than six years after the day on which the Principal files the Petition ("Completion Date");

**WHEREAS**, the Bond Amount is set forth in Exhibit B, which Bond Amount shall constitute a maximum amount on the Surety's contingent obligation.

**WHEREAS**, the Bond Amount shall not be increased for any reason whatsoever, including, but not limited to:

1. Any change in the scope of the System Infrastructure.
2. Any inflationary adjustments, cost-of-living increases, or fluctuations in the Consumer Price Index (CPI);



3. Any unforeseen site conditions, force majeure events, or delays; or
4. Any modification or amendment to the underlying Petition or Project specifications.

**WHEREAS**, Bond Amount can and will be reduced in percentages that reflect the progress toward completing the System Infrastructure;

**WHEREAS**, the Petition constitutes the sole and entire commitment or agreement regarding the Principal's obligation to design, construct, and install the System Infrastructure; and

**WHEREAS**, the Principal has agreed to promptly and faithfully complete the System Infrastructure in accordance with the specifications, timelines, and statutory obligations set forth within the Petition itself.

**NOW, THEREFORE, BE IT RESOLVED:**

**1. Incorporation of Recitals.** The foregoing recitals (the "Recitals") are true and correct, are contractual in nature and not mere recitals of fact, and are hereby incorporated into this Performance Bond by this reference as if fully set forth herein. The parties agree that the Recitals constitute an integral part of the consideration for this Agreement and shall be binding upon the parties hereto.

**2. Purpose.** The purpose of this Performance Bond is to guarantee the final completion of the System Infrastructure by the Completion Date and to eliminate the harmful effects of incomplete infrastructure.

**3. Principal's Obligation.** The Principal hereby agrees to install the System Improvements by the Completion Date in accordance with all applicable laws and regulations. The System Improvements shall not be deemed complete until fully inspected and approved by the Obligee, which approval shall not be unreasonably conditioned, delayed, or withheld, and until all fees applicable to the System Improvements have been paid in full. Obligee shall be required to inspect and approve the System Improvements after Principal provides written notice that the System Improvements are complete, within the time period set forth in Section 6.c. below.

**4. Substitution of Obligee**

- a. At the time of execution of this Bond, Willow, Utah, a Preliminary Municipality, has not yet been formed. Accordingly, [INTERIM OBLIGEE NAME]<sup>1</sup>, acting as interim Obligee solely for purposes of holding this Bond pending formation of the Preliminary Municipality, is named as temporary Obligee herein.
- b. Upon the issuance of a certificate of approval of the Petition by the Lieutenant Governor of Utah and the legal formation of Willow, Utah as a Preliminary Municipality under Utah Code Ann. § 10-2a-507, Willow, Utah shall automatically and without further action be substituted as the Obligee under this Bond, and [INTERIM OBLIGEE NAME] shall have no further

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<sup>1</sup> Intentionally Omitted; To be formed if required.  
Page 2 of 9



rights or obligations hereunder. The Surety hereby consents in advance to such substitution and agrees that this Bond shall remain in full force and effect upon such substitution without modification or reissuance.

**5. Bond Conditions; Reduction and Release.**

- a. Condition Precedent to Surety's Obligation. Notwithstanding anything in this Bond to the contrary, the obligations of the Surety under this Bond shall attach, and the liability of the Surety shall arise, only upon Commencement of Construction of the System Infrastructure. For purposes of this Bond, "Commencement of Construction" means the later to occur of (i) issuance of the first construction permit for the System Infrastructure, and (ii) the Principal's first capital draw against the construction budget for the System Infrastructure. Prior to Commencement of Construction, no liability shall attach to the Surety hereunder; and if Commencement of Construction does not occur, there shall be no System Infrastructure to complete, and this Bond shall be void and of no force or effect.
- b. If the Principal shall well and faithfully perform said installation of the System Infrastructure in accordance with the Petition and conditions thereof, including all change orders authorized thereunder, then this obligation shall be void otherwise the obligation shall remain in full force and effect. This bond shall not be interpreted to confer any benefit or right of action on behalf of any third party against Oblige.
- c. The Bond Amount shall be reduced periodically in accordance with the Principal's progress toward completing the System Infrastructure.
  - i. Administrative Procedure for Reduction: Upon the completion of distinct phases or segments of the System Infrastructure, the Principal shall submit to the Oblige a Certificate of Completion signed by a licensed Professional Engineer. Within ten (10) business days of receipt, the Oblige shall provide written acknowledgement of the progress.
  - ii. Automatic Reduction: Upon such acknowledgement, the Bond Amount shall be automatically reduced by a percentage equal to the value of the completed work relative to the total estimated cost of the System Infrastructure.
  - iii. Notice to Surety: The Principal shall provide the Surety with the acknowledged Certificate of Completion, and the Surety is hereby authorized to decrease the penal sum of this Bond accordingly without further consent from the Oblige.

**6. Miscellaneous.**

- a. Governing Law; Exclusive Venue. This Agreement and all matters arising out of or relating to it shall be governed by and construed in accordance with the internal laws of the State of Utah, without giving effect to any choice or



conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. The parties hereby irrevocably and exclusively submit to the jurisdiction of the Fourth Judicial District Court of the State of Utah, in and for Utah County, for any action, suit, or proceeding arising out of or relating to this Agreement. Each party hereby irrevocably waives any objection to the laying of venue in such court and any claim that such court is an inconvenient forum.

- b. Entire Agreement. This Performance Bond, including all exhibits attached hereto and all other documents incorporated herein by reference, contains the entire, fully-integrated agreement between the Parties, and no statement, promise, or inducements made by any Party or agents for any Party that are not contained in this written Performance Bond, shall be binding or valid. This Performance Bond shall supersede all prior and contemporaneous negotiations, representations and agreements of the Parties with respect to the subject matter thereof.
- c. Deemed Approved. Unless provision is made for a specific time period, each response to a request for approval or consent required to be considered pursuant to this Performance Bond must be given by the Party to whom directed within ten (10) business days after receipt thereof. Each disapproval must be in writing, and the reasons therefore must be clearly stated. If a response is not given within the required time period, the requested Party will be deemed to have given its approval.
- d. Counterparts/Electronic Signatures. This Performance Bond may be executed in counterparts, each of which when taken together shall constitute one complete agreement. Electronic signatures shall be acceptable as if originals.
- e. Authority. Each Party represents and warrants to the other that the execution and delivery of this Performance Bond and the performance of each Party's obligations hereunder have been duly authorized and that this Performance Bond is valid and legally binding on the Parties and enforceable in accordance with its terms.
- f. Amendment. No amendments, modifications, or alterations of the terms of this Performance Bond shall be binding unless the same be in writing and duly executed by the Parties.
- g. Partial Invalidity. If any term or provision of this Performance Bond or the application thereof to any Party or circumstance shall to any extent be invalid or unenforceable, the remainder of this Performance Bond, or the application of such term or provision to Parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the date set forth below.

**PRINCIPAL**

Kanab 600, LLC

a Utah limited liability company

\_\_\_\_\_  
By Philo Venture Partners, LLC, its Manager

By Greg Whitehead, its Manager

Date:

**SURETY**

KC Gardner Company, L.C.

a Utah limited liability company

\_\_\_\_\_  
Brady Southwick, President

Date:



AFFIDAVIT OF QUALIFICATION

STATE OF \_\_\_\_\_ )  
 )ss.  
County of \_\_\_\_\_ )

Being first duly sworn on oath deposes and says that Brady Southwick is the President of KC Gardner Company, L.C., a Utah limited liability company, and that he is duly authorized to execute and deliver the foregoing obligation; that said Company is authorized to execute the same, and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2026.

\_\_\_\_\_  
NOTARY PUBLIC, residing in  
\_\_\_\_\_

COMPANY ACKNOWLEDGEMENT

STATE OF UTAH )  
 )ss.  
County of \_\_\_\_\_)

On this \_\_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_, before me \_\_\_\_\_, a notary public, personally appeared Greg Whitehead, proved on the basis of satisfactory evidence to be the person(s) whose name(s) (is/are) subscribed to in this document, and acknowledges that he is the manager of Philo Venture Partners, LLC, a Delaware limited liability company, which is the Manager of Kanab 600, LLC, a Utah limited liability company, and that the foregoing instrument was signed in behalf of said limited liability company by authority of its Operating Agreement; and said person acknowledged to me that said company executed the same.

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
NOTARY PUBLIC, residing in



## EXHIBIT A – APPLICATION FOR PRELIMINARY MUNICIPALITY

## EXHIBIT B -- PERFORMANCE BOND AMOUNT

Engineers Estimate  
Willow, Utah

PROJECT TITLE

Willow, Utah Engineers Estimate

LOCATION

Kane County, UT

FOR

Kanab 600, LLC

ESTIMATED BY

D Schaugard

PROJECT NUMBER

11370A

DATE

February 9, 2026

CHECKED BY

B. Rees

APPROVED BY

B. Rees



| ITEM                                   | DESCRIPTION                                                     | UNIT | QUANTITY                | UNIT COST     | TOTAL             |
|----------------------------------------|-----------------------------------------------------------------|------|-------------------------|---------------|-------------------|
| <b>Mountain View Dr.</b>               |                                                                 |      |                         |               |                   |
| <b>1. Utility Improvements</b>         |                                                                 |      |                         |               |                   |
| 101                                    | 8" C-900 Water Line with Fittings & Appurtenances               | LF   | 1,225                   | \$ 60.00      | \$ 73,500         |
|                                        |                                                                 |      | Utility Subtotal        |               | \$ 73,500         |
| <b>Mountain View Dr. TOTAL</b>         |                                                                 |      |                         |               | <b>\$ 73,500</b>  |
| <b>Cutler Ave. (80' ROW)</b>           |                                                                 |      |                         |               |                   |
| <b>2. Roadway Improvements</b>         |                                                                 |      |                         |               |                   |
| 201                                    | Earthwork and Grading                                           | LS   | 1                       | \$ 54,075.00  | \$ 54,075         |
| 202                                    | 4" Hot Mix Asphalt                                              | TON  | 803                     | \$ 120.00     | \$ 96,362         |
| 203                                    | Imported Untreated Base Course                                  | CY   | 1,113                   | \$ 32.00      | \$ 35,605         |
| 204                                    | Imported Pit Run Fill                                           | CY   | 891                     | \$ 28.00      | \$ 24,936         |
|                                        |                                                                 |      | Roadway Subtotal        |               | \$ 210,977        |
| <b>3. Utility Improvements</b>         |                                                                 |      |                         |               |                   |
| 301                                    | Drainage Improvements                                           | LS   | 1                       | \$ 280,000.00 | \$ 280,000        |
|                                        |                                                                 |      | Utility Subtotal        |               | \$ 280,000        |
| <b>Cutler Ave. TOTAL</b>               |                                                                 |      |                         |               | <b>\$ 490,977</b> |
| <b>Devils Garden Pkwy. (80' ROW)</b>   |                                                                 |      |                         |               |                   |
| <b>4. Roadway Improvements</b>         |                                                                 |      |                         |               |                   |
| 401                                    | Earthwork and Grading                                           | LS   | 1                       | \$ 223,500.00 | \$ 223,500        |
| 402                                    | 4" Hot Mix Asphalt                                              | TON  | 3,319                   | \$ 120.00     | \$ 398,277        |
| 403                                    | Imported Untreated Base Course                                  | CY   | 4,599                   | \$ 32.00      | \$ 147,160        |
| 404                                    | Imported Pit Run Fill                                           | CY   | 3,681                   | \$ 28.00      | \$ 103,064        |
|                                        |                                                                 |      | Roadway Subtotal        |               | \$ 872,901        |
| <b>Devils Garden Pkwy. TOTAL</b>       |                                                                 |      |                         |               | <b>\$ 872,901</b> |
| <b>Deer Creek Ave. (66' ROW)</b>       |                                                                 |      |                         |               |                   |
| <b>5. Roadway Improvements</b>         |                                                                 |      |                         |               |                   |
| 501                                    | Earthwork and Grading                                           | LS   | 1                       | \$ 67,275.00  | \$ 67,275         |
| 502                                    | 4" Hot Mix Asphalt                                              | TON  | 1,153                   | \$ 120.00     | \$ 138,328        |
| 503                                    | Imported Untreated Base Course                                  | CY   | 1,597                   | \$ 32.00      | \$ 51,111         |
| 504                                    | Imported Pit Run Fill                                           | CY   | 1,278                   | \$ 28.00      | \$ 35,796         |
|                                        |                                                                 |      | Roadway Subtotal        |               | \$ 292,509        |
| <b>Deer Creek Ave. TOTAL</b>           |                                                                 |      |                         |               | <b>\$ 292,509</b> |
| <b>6. Offsite Utility Improvements</b> |                                                                 |      |                         |               |                   |
| 601                                    | 8" C-900 Water Line with Fittings & Appurtenances (Hwy 89 Loop) | LF   | 3,000                   | \$ 60.00      | \$ 180,000        |
| 601                                    | 10" C-900 Water Line with Fittings & Appurtenances (Tank Loop)  | LF   | 3,400                   | \$ 70.00      | \$ 238,000        |
|                                        |                                                                 |      | Utility Subtotal        |               | \$ 418,000        |
| <b>Offsite Utility Improvements</b>    |                                                                 |      |                         |               | <b>\$ 418,000</b> |
| <b>7. Other Services</b>               |                                                                 |      |                         |               |                   |
| 700                                    | Mobilization                                                    | %    | 15%                     |               | \$ 259,348        |
| 702                                    | Materials Sampling and Testing                                  | %    | 2%                      |               | \$ 25,935         |
| 703                                    | Traffic Control & Site Security                                 | %    | 1%                      |               | \$ 17,290         |
|                                        |                                                                 |      | Other Services Subtotal |               | \$ 302,573        |
| <b>GRAND TOTAL</b>                     |                                                                 |      |                         | <b>\$</b>     | <b>2,449,560</b>  |

\*The estimate includes major roadway improvements and wet utility backbone infrastructure necessary to serve the proposed preliminary municipality, as depicted on the associated site plan drawings.

\*Existing dry utility corridors are anticipated to be located along or adjacent to the northern boundary of the property; therefore, no internal backbone dry utility infrastructure is assumed or estimated as part of this bond estimate.

\*Utility provider fees, system upgrade costs, and offsite improvements required by serving utility companies are excluded from this estimate.

\*Earthwork quantities do not include shrinkage, swell, unsuitable materials, or unforeseen subsurface conditions.

\*Unit prices represent the Engineer's Opinion of Probable Construction Cost for bonding purposes and are not intended to represent bid prices or contractor proposals.



RECEIPT FOR CASHIER'S CHECK - CLIENT COPY



Corporate Headquarters: 425 Pike Street | Seattle WA, 98101

Remitter: Philo Venture Management

Pay: Twenty-Five Thousand Three Hundred Eight and 45/100\*\*\*\*\*

To the order of: State of Utah

02-20-2026

\$\*\*\*\*\*25,308.45

NON NEGOTIABLE

CLIENT COPY IF THIS CASHIER'S CHECK IS LOST OR STOLEN, PLEASE CALL THE CLIENT CARE CENTER IMMEDIATELY AT 800-324-9375.

Memo: Willow Prelim. Municipal Feas. Study

Warning: Check is void if true watermark is not present. Hold to light to view. Thermochromic "W" at bottom right changes color when warmed. If not present do not cash.

CASHIER'S CHECK



Corporate Headquarters: 425 Pike Street | Seattle WA, 98101

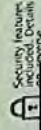
Remitter: Philo Venture Management

Pay: Twenty-Five Thousand Three Hundred Eight and 45/100\*\*\*\*\*

To the order of: State of Utah

02-20-2026

\$\*\*\*\*\*25,308.45



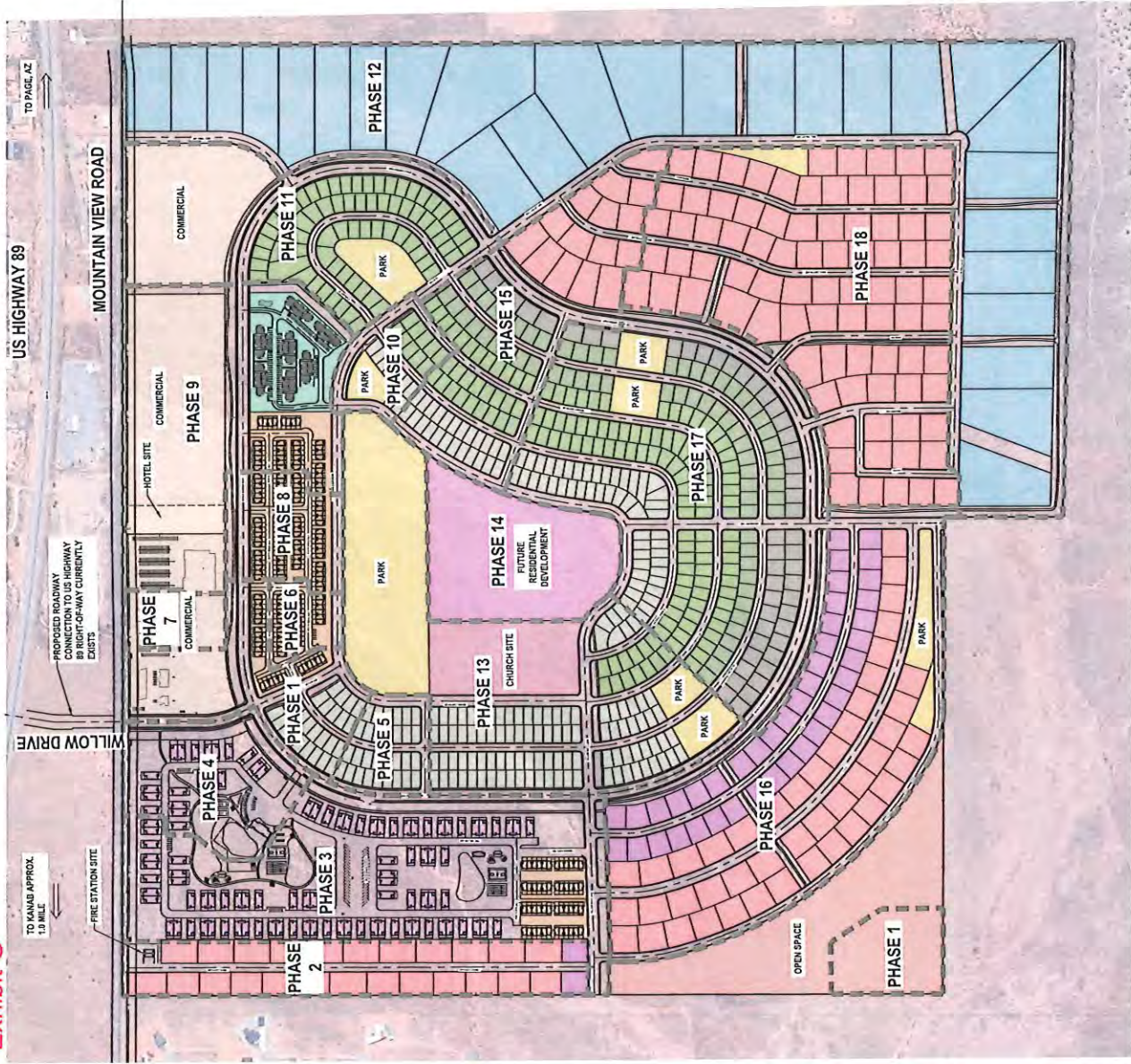
Security Features  
Included. Details  
on back.

Two signatures required \$10,000 and over

Memo: Willow Prelim. Municipal Feas. Study

Void after 180 Days





LAND USE KEY

- .11 ACRE LOTS (24 LOTS)
- .14 ACRE LOTS (24 LOTS)
- .16 ACRE LOTS (24 LOTS)
- .18 ACRE LOTS (24 LOTS)
- .22 ACRE LOTS (24 LOTS)
- .33 ACRE LOTS (24 LOTS)
- .5 ACRE LOTS (24 LOTS)
- 1 ACRE LOTS (24 LOTS)
- TOWNHOMES (120 UNITS)
- VACATION UNITS (120 UNITS)
- APARTMENT (120 UNITS)
- EQUESTRIAN LOTS (27 LOTS)
- COMMERCIAL (14.36 ACRES)
- PARK (24.3 ACRES)
- CIVIC/RELIGIOUS (17.4 ACRES)
- OPEN SPACE (23.4 ACRES)
- FUTURE RESIDENTIAL DEVELOPMENT (18.6 ACRES)

| PHASE SUMMARY |                              |                 |
|---------------|------------------------------|-----------------|
| PHASE         | UNITS / LOTS                 | APPROX. ACREAGE |
| 1             | (18) TOWNHOMES               | 2.46            |
| 2             | (24) .11 ACRE LOTS           | 4.62            |
| 3             | (24) .14 ACRE LOTS           | 3.19            |
| 4             | (24) .16 ACRE LOTS           | 13.82           |
| 5             | (24) .18 ACRE LOTS           | 0.84            |
| 6             | (24) .22 ACRE LOTS           | 0.50            |
| 7             | (24) .33 ACRE LOTS           | 36.78           |
| 8             | (24) .5 ACRE LOTS            | 12.65           |
| 9             | (24) 1 ACRE LOTS             | 3.70            |
| 10            | (24) TOWNHOMES               | 3.17            |
| 11            | (24) COMMERCIAL              | 3.93            |
| 12            | (24) TOWNHOMES               | 6.01            |
| 13            | (24) COMMERCIAL              | 20.77           |
| 14            | (24) APARTMENTS              | 6.78            |
| 15            | (24) TOWNHOMES               | 3.79            |
| 16            | (24) .14 ACRE LOTS           | 1.50            |
| 17            | (24) .11 ACRE LOTS           | 1.11            |
| 18            | (24) .14 ACRE LOTS           | 1.04            |
| 19            | (24) COMMERCIAL              | 12.04           |
| 20            | (24) .14 ACRE LOTS           | 11.85           |
| 21            | (24) .14 ACRE LOTS           | 2.72            |
| 22            | (24) EQUESTRIAN LOTS         | 93.94           |
| 23            | (24) .11 ACRE LOTS           | 12.49           |
| 24            | (24) .14 ACRE LOTS           | 1.94            |
| 25            | (24) .14 ACRE LOTS           | 18.62           |
| 26            | (24) CHURCH SITE             | 7.87            |
| 27            | (24) FUTURE RES. DEVELOPMENT | 16.61           |
| 28            | (24) .11 ACRE LOTS           | 2.93            |
| 29            | (24) .14 ACRE LOTS           | 4.30            |
| 30            | (24) .16 ACRE LOTS           | 3.03            |
| 31            | (24) .18 ACRE LOTS           | 1.28            |
| 32            | (24) .22 ACRE LOTS           | 9.20            |
| 33            | (24) .33 ACRE LOTS           | 14.17           |
| 34            | (24) .5 ACRE LOTS            | 23.88           |
| 35            | (24) .5 ACRE LOTS            | 2.41            |
| 36            | (24) .11 ACRE LOTS           | 6.56            |
| 37            | (24) .14 ACRE LOTS           | 13.70           |
| 38            | (24) .16 ACRE LOTS           | 8.73            |
| 39            | (24) .18 ACRE LOTS           | 8.67            |
| 40            | (24) .22 ACRE LOTS           | 2.48            |
| 41            | (24) .33 ACRE LOTS           | 48.00           |
| 42            | (24) .5 ACRE LOTS            | 1.07            |

WILLOW UTAH DEVELOPMENT PLAN  
W/ PHASING

**EN SIGN**  
THE STANDARD IN ENGINEERING

200 N. 100 E.  
RICHFIELD, UT 84701  
Phone: 435.890.2383

**SANDY**  
Phone: 801.225.0529

**LAYTON**  
Phone: 801.547.1100

**TOOELE**  
Phone: 435.843.3500

**CEDAR CITY**  
Phone: 435.865.1453

**WWW.ENSIGNING.COM**

CLIENT: [REDACTED]  
DATE: [REDACTED]  
CONTACT: [REDACTED]  
PHONE: [REDACTED]

SITE SUMMARY

|                 |              |                   |             |                    |       |
|-----------------|--------------|-------------------|-------------|--------------------|-------|
| Total Site Area | 595.15 Acres | Total Open Space  | 51.61 Acres | Multi-Family Units | 374   |
| Total Units     | 1,276 Units  | Open Space %      | 8.65        | Vacation Rentals   | 108   |
| Gross Density   | 2.14 du/ac   | Residential Units | 794         | Total Units        | 1,276 |

DEVELOPMENT PLAN  
WITH PHASING

PROJECT NUMBER: 11100  
DATE: 02/20/2023  
DRAWN BY: [REDACTED]  
CHECKED BY: [REDACTED]

EX-003



## EXHIBIT B -- PERFORMANCE BOND AMOUNT

Engineers Estimate  
Willow, Utah

| PROJECT TITLE<br>Willow, Utah Engineers Estimate |                                                                 | PROJECT NUMBER<br>11370A |                         |  |            |
|--------------------------------------------------|-----------------------------------------------------------------|--------------------------|-------------------------|-------------------------------------------------------------------------------------|------------|
| LOCATION<br>Kane County, UT                      |                                                                 | DATE<br>February 9, 2026 |                         |                                                                                     |            |
| FOR<br>Kanab 600, LLC                            |                                                                 |                          |                         |                                                                                     |            |
| ESTIMATED BY<br>D Schaugard                      |                                                                 | CHECKED BY<br>B. Rees    | APPROVED BY<br>B. Rees  |                                                                                     |            |
| ITEM                                             | DESCRIPTION                                                     | UNIT                     | QUANTITY                | UNIT COST                                                                           | TOTAL      |
| <b>Mountain View Dr.</b>                         |                                                                 |                          |                         |                                                                                     |            |
| <b>1. Utility Improvements</b>                   |                                                                 |                          |                         |                                                                                     |            |
| 101                                              | 8" C-900 Water Line with Fittings & Appurtenances               | LF                       | 1,225                   | \$ 60.00                                                                            | \$ 73,500  |
|                                                  |                                                                 |                          | Utility Subtotal        |                                                                                     | \$ 73,500  |
| Mountain View Dr. TOTAL                          |                                                                 |                          |                         |                                                                                     | \$ 73,500  |
| <b>Cutler Ave. (80' ROW)</b>                     |                                                                 |                          |                         |                                                                                     |            |
| <b>2. Roadway Improvements</b>                   |                                                                 |                          |                         |                                                                                     |            |
| 201                                              | Earthwork and Grading                                           | LS                       | 1                       | \$ 54,075.00                                                                        | \$ 54,075  |
| 202                                              | 4" Hot Mix Asphalt                                              | TON                      | 803                     | \$ 120.00                                                                           | \$ 96,362  |
| 203                                              | Imported Untreated Base Course                                  | CY                       | 1,113                   | \$ 32.00                                                                            | \$ 35,605  |
| 204                                              | Imported Pit Run Fill                                           | CY                       | 691                     | \$ 28.00                                                                            | \$ 24,936  |
|                                                  |                                                                 |                          | Roadway Subtotal        |                                                                                     | \$ 210,977 |
| <b>3. Utility Improvements</b>                   |                                                                 |                          |                         |                                                                                     |            |
| 301                                              | Drainage Improvements                                           | LS                       | 1                       | \$ 280,000.00                                                                       | \$ 280,000 |
|                                                  |                                                                 |                          | Utility Subtotal        |                                                                                     | \$ 280,000 |
| Cutler Ave. TOTAL                                |                                                                 |                          |                         |                                                                                     | \$ 490,977 |
| <b>Devils Garden Pkwy. (80' ROW)</b>             |                                                                 |                          |                         |                                                                                     |            |
| <b>4. Roadway Improvements</b>                   |                                                                 |                          |                         |                                                                                     |            |
| 401                                              | Earthwork and Grading                                           | LS                       | 1                       | \$ 223,500.00                                                                       | \$ 223,500 |
| 402                                              | 4" Hot Mix Asphalt                                              | TON                      | 3,319                   | \$ 120.00                                                                           | \$ 398,277 |
| 403                                              | Imported Untreated Base Course                                  | CY                       | 4,599                   | \$ 32.00                                                                            | \$ 147,160 |
| 404                                              | Imported Pit Run Fill                                           | CY                       | 3,681                   | \$ 28.00                                                                            | \$ 103,064 |
|                                                  |                                                                 |                          | Roadway Subtotal        |                                                                                     | \$ 872,001 |
| Devils Garden Pkwy. TOTAL                        |                                                                 |                          |                         |                                                                                     | \$ 872,001 |
| <b>Deer Creek Ave. (66' ROW)</b>                 |                                                                 |                          |                         |                                                                                     |            |
| <b>5. Roadway Improvements</b>                   |                                                                 |                          |                         |                                                                                     |            |
| 501                                              | Earthwork and Grading                                           | LS                       | 1                       | \$ 67,275.00                                                                        | \$ 67,275  |
| 502                                              | 4" Hot Mix Asphalt                                              | TON                      | 1,153                   | \$ 120.00                                                                           | \$ 138,328 |
| 503                                              | Imported Untreated Base Course                                  | CY                       | 1,597                   | \$ 32.00                                                                            | \$ 51,111  |
| 504                                              | Imported Pit Run Fill                                           | CY                       | 1,278                   | \$ 28.00                                                                            | \$ 35,796  |
|                                                  |                                                                 |                          | Roadway Subtotal        |                                                                                     | \$ 292,509 |
| Deer Creek Ave. TOTAL                            |                                                                 |                          |                         |                                                                                     | \$ 292,509 |
| <b>6. Offsite Utility Improvements</b>           |                                                                 |                          |                         |                                                                                     |            |
| 601                                              | 8" C-900 Water Line with Fittings & Appurtenances (Hwy 89 Loop) | LF                       | 3,000                   | \$ 60.00                                                                            | \$ 180,000 |
| 601                                              | 10" C-900 Water Line with Fittings & Appurtenances (Tank Loop)  | LF                       | 3,400                   | \$ 70.00                                                                            | \$ 238,000 |
|                                                  |                                                                 |                          | Utility Subtotal        |                                                                                     | \$ 418,000 |
| Offsite Utility Improvements                     |                                                                 |                          |                         |                                                                                     | \$ 418,000 |
| <b>7. Other Services</b>                         |                                                                 |                          |                         |                                                                                     |            |
| 700                                              | Mobilization                                                    | %                        | 15%                     |                                                                                     | \$ 259,348 |
| 702                                              | Materials Sampling and Testing                                  | %                        | 2%                      |                                                                                     | \$ 25,935  |
| 703                                              | Traffic Control & Site Security                                 | %                        | 1%                      |                                                                                     | \$ 17,290  |
|                                                  |                                                                 |                          | Other Services Subtotal |                                                                                     | \$ 302,573 |
| GRAND TOTAL                                      |                                                                 |                          |                         | \$                                                                                  | 2,449,560  |

\*The estimate includes major roadway improvements and wet utility backbone infrastructure necessary to serve the proposed preliminary municipality, as depicted on the associated site plan drawings.  
 \*Existing dry utility corridors are anticipated to be located along or adjacent to the northern boundary of the property; therefore, no internal backbone dry utility infrastructure is assumed or estimated as part of this bond estimate.

\*Utility provider fees, system upgrade costs, and offsite improvements required by serving utility companies are excluded from this estimate.

\*Earthwork quantities do not include shrinkage, swell, unsuitable materials, or unforeseen subsurface conditions.

\*Unit prices represent the Engineer's Opinion of Probable Construction Cost for bonding purposes and are not intended to represent bid prices or contractor proposals.