



**Grantsville 1,700 Acre Community
Public Infrastructure District (PID)
Engineers "Rough Estimate" of Probable Costs**

Item Description	Unit	Unit Cost	Quantity	Cost
1 COMMUNITY: BACKBONE INFRASTRUCTURE				
2				
3 Backbone Earthwork (ROW Only)				
4 Erosion Control	AC	\$ 2,000.00	205	\$ 410,000
5 Earthwork Cut	CY	\$ 3.00	575,500	\$ 1,726,500
6 Clear and Grub	AC	\$ 300.00	205	\$ 61,500
Total Backbone Earthwork:				\$ 2,198,000
8				
9 Backbone Roadways - (Arterial Roadways: 108' ROW, 74' of Asphalt, 42,000 LF) + (Collectors: 90' ROW, 46' Asphalt, 48,000 LF)				
10 Street Paving, Asphalt, 4" Depth	SY	\$ 30.00	585,900	\$ 17,577,000
11 Base Course, 9" Depth	SY	\$ 20.00	585,900	\$ 11,718,000
12 Subgrade Prep	SY	\$ 15.00	585,900	\$ 8,788,500
13 Curb Ramps	EA	\$ 2,500.00	160	\$ 400,000
14 Combination Curb, Gutter, & Walk	LF	\$ 80.00	180,000	\$ 14,400,000
15 Streetscape, Parkways, Landscaping	SF	\$ 7.50	5,600,000	\$ 42,000,000
Total Backbone Roadways:				\$ 94,883,500
17				
18 Backbone Water System				
19 16" C-900 PVC Culinary Water Line	LF	\$ 135.00	42,000	\$ 5,670,000
20 12" C-900 PVC Culinary Water Line	LF	\$ 100.00	48,000	\$ 4,800,000
21 12" PRV Stations	EA	\$ 100,000.00	3	\$ 300,000
22 8" PRV Stations	EA	\$ 80,000.00	6	\$ 480,000
23 Fire Hydrant Assemblies @ 450 ft spacing	EA	\$ 7,000.00	177	\$ 1,239,000
24 Valves & Fittings	LS	\$ 500,000.00	1	\$ 500,000
25 Water Tank Valve Vault	EA	\$ 400,000.00	2	\$ 800,000
26 Buried Reinforced Concrete Tank (2MG)	EA	\$ 14,000,000	1	\$ 14,000,000
27 Booster Pump Stations	EA	\$ 2,000,000	2	\$ 4,000,000
Total Backbone Water:				\$ 31,789,000
29				
30 Backbone Sanitary Sewer System				
31 15" SDR-35 PVC Sanitary Sewer	LF	\$ 135.00	42,000	\$ 5,670,000
32 12" SDR-35 PVC Sanitary Sewer	LF	\$ 100.00	48,000	\$ 4,800,000
33 5' Manhole @ 400'	EA	\$ 10,000.00	200	\$ 2,000,000
34 Connect to Existing Line	EA	\$ 10,000.00	6	\$ 60,000
35 Jack & Bore Under SR 138	EA	\$ 7,000.00	177	\$ 1,239,000
Total Backbone Sewer:				\$ 13,769,000
37				
38 Backbone Storm Drainage				
39 42" Class III RCP SD	LF	\$ 250.00	42,000	\$ 10,500,000
40 30" Class III RCP SD	LF	\$ 200.00	48,000	\$ 9,600,000
41 SD Combo Box	EA	\$ 15,000.00	95	\$ 1,425,000
42 Pond Outfall Structures	EA	\$ 100,000.00	5	\$ 500,000
43 Community Detention Basin (~30AC-FT w/3,300 LF Dike)	EA	\$ 650.00	3,300	\$ 2,145,000
Total Backbone Storm Drainage:				\$ 24,170,000
45				
TOTAL COMMUNITY: BACKBONE INFRASTRUCTURE				\$ 166,809,500



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COMMUNITY: IN-TRACT INFRASTRUCTURE

In-Tract Earthwork (ROW Only)

Erosion Control	AC	\$	2,000.00	237	\$	474,000
Earthwork Cut	CY	\$	3.00	765,000	\$	2,295,000
Clear and Grub	AC	\$	300.00	237	\$	71,100
Total In-Tract Earthwork:						\$ 2,840,100

In-Tract Roadways - (Local Roads: 60' ROW, 35' Asphalt - 172,000 LF)

Street Paving, Asphalt, 4" Depth	SY	\$	30.00	669,130	\$	20,073,900
Base Course, 9" Depth	SY	\$	20.00	669,130	\$	13,382,600
Subgrade Prep	SY	\$	15.00	669,130	\$	10,036,950
Curb Ramps	EA	\$	2,500.00	500	\$	1,250,000
Combination Curb, Gutter, and Walk	LF	\$	80.00	344,000	\$	27,520,000
Streetscape, Parkways, Landscaping	SF	\$	7.50	1,800,000	\$	13,500,000
Total In-Tract Roadways:						\$ 85,763,450

In-Tract Water System

8" C-900 PVC Culinary Water Line	LF	\$	80.00	172,000	\$	13,760,000
Fire Hydrant Assemblies @ 450 ft spacing	EA	\$	7,000.00	211	\$	1,477,778
Valves & Fittings	LS	\$	1,000,000.00	1	\$	1,000,000
Culinary Water Services - 3/4"	EA	\$	2,000.00	6,300	\$	12,600,000
Connect to Existing Line	EA	\$	10,000.00	40	\$	400,000
Total In-Tract Water:						\$ 29,237,778

In-Tract Sanitary Sewer System

10" SDR-35 PVC Sanitary Sewer	LF	\$	135.00	42,000	\$	5,670,000
8" SDR-35 PVC Sanitary Sewer	LF	\$	100.00	130,000	\$	13,000,000
5' Manhole @ 400'	EA	\$	10,000.00	238	\$	2,375,000
4" Sewer Service	EA	\$	2,500.00	6,300	\$	15,750,000
Connect to Existing Line	EA	\$	10,000.00	40	\$	400,000
Total In-Tract Sanitary Sewer:						\$ 37,195,000

In-Tract Storm Drainage

30" Class III RCP SD	LF	\$	200.00	10,000	\$	2,000,000
24" Class III RCP SD	LF	\$	180.00	25,000	\$	4,500,000
18" Class III RCP SD	LF	\$	150.00	100,000	\$	15,000,000
SD Combo Box	EA	\$	15,000.00	300	\$	4,500,000
Detention Basins (within Planning Areas)	EA	\$	250,000.00	40	\$	10,000,000
Pond Outfall Structures	EA	\$	100,000.00	5	\$	500,000
Total In-Tract Storm Drainage:						\$ 36,500,000

TOTAL COMMUNITY: IN-TRACT INFRASTRUCTURE \$ 191,536,328



**Grantsville 1,700 Acre Community
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COMMUNITY: PARKS & RECREATION					
Regional Park	LS	\$	10,000,000	1	\$ 10,000,000
Community Parks	EA	\$	4,000,000	4	\$ 16,000,000
Neighborhood Parks	EA	\$	1,500,000	8	\$ 12,000,000
Recreation Center, Pool, Clubhouse	LS	\$	12,000,000	1	\$ 12,000,000
Trail, Trailhead & Amenities	LS	\$	5,000,000	1	\$ 5,000,000
Community Monumentation; Minor & Major Signs	LS	\$	2,500,000	1	\$ 2,500,000
TOTAL COMMUNITY: PARKS & RECREATION					\$ 57,500,000

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REGIONAL: Infrastructure Improvements						
Regional Water; Treatment, Storage, Distribution	LS	\$	15,000,000	1	\$	15,000,000
Regional Water; Water Rights / Purchases	LS	\$	40,000,000	1	\$	40,000,000
Regional Wastewater Infrastructure; Lift Station, Treatment	LS	\$	12,000,000	1	\$	12,000,000
Regional Transportation; Signals, UT-138 Widening, ROW Acq.	LS	\$	15,000,000	1	\$	15,000,000
TOTAL REGIONAL: INFRASTRUCTURE					\$	82,000,000

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Infrastructure Costs Summary		
Total Community Backbone Infrastructure		\$ 166,809,500
Total Community In-Tract Infrastructure		\$ 191,536,328
Total Community Parks & Recreation		\$ 57,500,000
Total Regional Infrastructure		\$ 82,000,000
Subtotal Infrastructure Costs:		\$ 497,845,828

114

115

Soft Costs & Fees	Unit	Unit Cost	Quantity	Cost
Engineering @ 5%	LS	\$ 24,892,291	1	\$ 24,892,291
Contingency @20%	LS	\$ 99,569,166	1	\$ 99,569,166
Mobilization @1%	LS	\$ 4,978,458	1	\$ 4,978,458
Construction Testing @1%	LS	\$ 4,978,458	1	\$ 4,978,458
Construction Staking @2%	LS	\$ 9,956,917	1	\$ 9,956,917
Subtotal Soft Fees:				\$ 144,375,290

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123

GRAND TOTAL:				\$ 642,221,118
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NL GRANTSVILLE LAND CO, LLC

January 19, 2023

Grantsville City
429 East Main Street
Grantsville, UT
435.884.4604

Re: Letter of intent to create Public Infrastructure Districts to facilitate construction of the proposed Nielsen Ranches development

Grantsville City:

In accordance with Utah's Public Infrastructure Act and the Grantsville City Policy Statement for "Establishing Public Infrastructure Districts," NL Grantsville Land Co, LLC hereby submits this letter of intent ("LOI") to Grantsville City (the "City") for consideration of creation of Public Infrastructure Districts ("PIDs") to facilitate the construction of the Nielsen Ranches development. It is the applicant's understanding, in accord with the City's policy, that this letter considers the following:

- That this LOI represents an initial step in the creation of PIDs, and that a positive recommendation from city staff represents an option for the applicant to submit governing documents that present district formation and operation in greater detail
- That a positive recommendation to move forward with governing documents does not represent a commitment by the city to approve the eventual formation of the PIDs
- That the city and applicant will consider this process as iterative and will work towards a solution that meets the City's and applicant's needs

The purpose of this letter is to summarize project details, the need for PIDs, the proposed uses of funds, and the anticipated revenue sources. It is assumed that this letter will be met with a positive recommendation from city staff to move forward with the creation of governing documents.

OVERVIEW OF PID TOOL

It is the applicant's understanding that the formation and use of the Public Infrastructure District tool is in accord with the following key components of Utah State Law and the Grantsville City PID Policy Statement:

- That the city has the approving powers for PIDs, and will work with the applicant in determining an appropriate use of funds, debt limits, and tax implications
- That the purpose of the PID tool is to provide for public infrastructure for commercial and residential developments

- That the PID tool is being considered to bridge a funding gap that otherwise would not permit the project to move forward unless development plans are altered
- That a proposed mill levy only affects property within the boundaries of the proposed district, and that all property owners must approve the formation of the district
- That all proceeds from the PIDs will be used for publicly owned infrastructure
- That issuance of debt through PIDs results in no financial liability to the City

PID REQUEST

The applicant's request is for a positive recommendation to create governing documents for the formation of twenty (20) Public Infrastructure Districts for the land highlighted in the attached maps. The composite districts request a bonding capacity of \$600,000,000 with a maximum mill levy to the PIDs of 8 mills (.008). Following paragraphs summarize the proposed use and need of funds.

DISTRICT DETAILS

This letter of intent is to be used by City staff to make a preliminary determination about the appropriateness of the proposed Districts and must be submitted prior to submittal of draft Governing Documents. The information in this letter may be utilized to advise the mayor, city council, and other policymakers about district matters. This letter represents the applicant's request to be considered for twenty (20) PIDs for funding public infrastructure needs.

PROPOSED PROJECT

The proposed Nielsen Ranches development is situated in the northwestern section of the City with near access to Highway 138 and Mack Canyon Road. The project comprises roughly 1,700 acres and is proposed for a mixture of uses, as defined below.

It is the development team's intentions to create a master-planned community with roughly 983 acres of residential area, supporting a total of 6,356 homes. These residences will range from attached single-family homes and multi-family units, to detached single-family residences. In addition to the residential component, the property will support roughly 250 acres of industrial development with nearly 3.5 million square feet of building area. Office use is planned for 13.6 acres and approximately 200,000 rentable square feet, while retail commercial is anticipated for roughly 41 acres. Additionally, the project will include approximately 50 acres of mixed and community uses and support nearly 363 acres of parks, open space, and rights-of-way.

BENEFITS OF PROPOSED PUBLIC INFRASTRUCTURE DISTRICT

The Nielsen Ranch PIDs will allow for structured, thoughtful phasing of development by providing infrastructure financing. Infrastructure costs have significantly increased in past years due to notable macroeconomic conditions, thereby resulting in development costs that question overall feasibility. Significant costs for water and sewer improvements will be partially financed through the Public Infrastructure District, as will costs for roads,

sidewalks, curbs, and some common area landscaping and parks. It is intended that the PID will help fund some or all the costs for the following:

- Culinary water infrastructure, including:
 - Water tank
 - Well
 - Oversized main water line servicing the entire area
- Sewer improvements, including:
 - Contribution to the building of a treatment facility
 - Oversized main sewer line servicing the entire area
 - Contribution to lift station needed for entire area
- Roads, including major collector roads for the entire area
- Curbs and sidewalks
- Parks, trails, and public common areas, including the following amenities
 - Regional parks with play fields and community gathering space
 - Playgrounds
 - Club house
 - Swimming pool
 - Regional trail system
 - Trailhead to BLM open space with parking
 - Multi-use trail (bicycles, pedestrians, etc.)

Overall, the use of PIDs will help ensure that this development, which will provide a variety of housing types, jobs, recreational opportunities, retail options, and notable fiscal impacts, will be financially viable. Multi-use developments are typically more difficult to finance than typical, single-use developments, and the PID tool helps alleviate some of those funding constraints.

Key, specific benefits to residents and the City of the proposed Nielsen Ranches development include the following:

- Significant parks and open space that will notably increase the amount of park acreage per capita in Grantsville

- Access to trail systems
- Regional infrastructure improvements, including a culinary water tank, oversized main water and sewer lines, contributions to the construction of a sewer treatment facility, regional storm water detention/retention improvements, community gathering spaces, etc.
- Phasing of development which will ensure that early occupants of the development will enjoy amenities that may otherwise not come until later without financing assistance
- Substantial fiscal benefits from the proposed Nielsen Ranches development, including property tax revenue, sales tax, population distribution reimbursements, retail buying power, etc.

Additionally, the proposed Nielsen Ranches development will add desirable quality of life amenities for housing product that will appeal to a sector of buyers that is largely priced-out of the City. The PIDs will allow for the issuance of bonds that are not the liability of the City. There is no impact to the City's credit rating, no recourse, and no requirement to backstop the bonds with additional revenue sources.

DESCRIPTION OF DISTRICT

The proposed PIDs shall be as follows:

- a. Size of total area included in the development:** Approximately 0.5 acres for the initial boundaries, ultimately encompassing the entire development of 1,700 acres
- b. Location of the PIDs:** See attached Site Map
- c. Proposed use of area within the PIDs:** The applicant intends to construct the Nielsen Ranches development, as previously outlined.

SUMMARY OF NEEDED INFRASTRUCTURE, SERVICES AND FACILITIES

The applicant envisions the proposed PIDs being utilized for the following development, infrastructure, services and facilities:

- Required local and regional infrastructure including, remediation of site, roadways, sewer, culinary water, secondary water, dry utilities, storm drainage, traffic control, lighting, public trail systems and open space
- Regional and local infrastructure for the proposed Districts is anticipated to provide a portion of the roadways, sewer, culinary water, secondary water, and storm drain improvements
- Estimated construction costs for the proposed, composite District improvements are approximately \$642,000,000.

- The Nielsen Ranches development is intended to be built over the course of 15-20 years
- Anticipated maximum or fixed maximum mill levy required to meet debt service of the District – Applicant is requesting the City authorize the PID to levy up to 8 mills (.008) to service the anticipated bond payments for the development. This is notably below the S.B. 228 allowed amount of 15 mills (.015)

It is noted that the requested 8 mills are above the City's desired threshold of additional mills for residential product. However, due to the extraordinary infrastructure costs (including water tanks that will service other properties, significant park space, water and sewer mains, a sewer treatment facility), the 8 mills are being requested to help offset these atypical costs that will benefit the entirety of the city and notable, nearby undeveloped properties

- The District anticipates a maximum bonding capacity of \$500,000,000 for the needed infrastructure through the lifetime of the district

OTHER REQUIREMENTS

PROPOSED TIMELINE FOR PID CREATION: Applicant anticipates creating the Public Infrastructure Districts by February 2023.

APPLICANT'S ACKNOWLEDGEMENTS: Applicant hereby acknowledges that a consent must be signed prior to the hearing date for the approval of the PIDs by all property owners and registered voters, if any, within the proposed PIDs, which signed consent approves of the creation of the proposed PIDs and the issuance of debt in an amount sufficient for the proposed plan of financing.

CONFLICTS OF INTEREST: Applicant is presently unaware of any conflicts of interest existing between Applicant and any employees or officers of the City.

ATTORNEY FEES: Applicant has entered, or shall soon enter into, an agreement with the law offices of Gilmore Bell for the payment of legal fees incurred by the firm on the City's behalf for the review of this letter and negotiation and preparation of the Governing Documents.

Sincerely,

NL GRANTSVILLE LAND CO, LLC

By: SJ Company, as Agent for NL Grantsville Land Co, LLC



By: Shaun Johnson
Its: President