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Subject: Mountain Accord and Land Speculation

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Date: Fri, Jul 10, 2015 at 3:08 PM
Subject: mountain accord and land speculation
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Will the Mountain Accord proposal fuel land speculation in the canyons?

Will the Mountain Accord proposal dramatically increase the price of private inholdings in the canyons?

Does the Mountain Accord proposal greatly decrease the opportunity to secure the backcountry and protect the watershed and open space?

I believe the answer is a resounding YES and below are the reasons why:

A land trade process involving the US Forest Service, Salt Lake City, Salt Lake County and others, must be a process that is fair and equitable to all. In essence, what you offer to one, sets the precedence for what must be offered to others in the future.

As I understand the upcoming Accord, it initiates a land trade with the ski resorts, trading their inholdings on the mountain for base-camp lands. In the case of Alta Ski Resort, they will trade the US Forest Service approximately 630 acres of mountain inholdings for approximately 150 acres of base-camp land. In addition, the Accord supports Alta receiving approximately 160 condo units with water to be built at a future time. This might sound quite reasonable; a 4 to 1 land trade. But lets take this a step further.

Alta inholding parcels in their "as is" condition and assuming the following:

- a) Zoned 1 unit per 20 acres
- b) Some vehicular access
- c) No water
- d) Valued by Salt Lake City at \$1,500 per acre for a total of \$945,000.00
- e) Valued according to appraisal at \$6,000 to \$8,000 per acre for a high total of \$5,040,000.

Now lets look at the value with the base-camp guarantee:

- a) Receive approximately 150 acres of base-camp land. Currently not zoned for commercial or residential use
- b) A guarantee of 160 condo units
- c) A guarantee of water for said 160 condo units

- d) Value per condo door at \$150,000 (land and water), (comps used as follows: average of \$100,000 value at Solitude per condo door, plus 50% bump due to Little Cottonwood location)
- e) 160 condo unit value (land and water only) = \$24,000,000
- f) Amount of land consumed for 160 condo units. Approximately 10 acres
- g) Amount of land remaining for future development. Approximately 140 acres

If one takes the \$24,000,000 and divides by 630 acres of inholdings, the trade value of those inholdings is now \$39,000 per acre. If one then assumes additional value for future basecamp development, it is easy to make an upward adjustment to \$80,000 per acre or higher. Of course, what we do not know at this time is the easement value for a train, gondola, Billy goat path, etc. through Grizzly Gulch. Once we know that value, it can be deducted from the over-all trade value; but one assumes that an easement across or through that land, in its current state, is not tremendously expensive.

So how does this trade affect other inholdings in the canyons with the same zoning, similar vehicular access and no water? The Accord of course becomes the most recent comps and scenarios that an appraiser must consider.

Take Cardiff Canyon as an example. Very similar inholdings as Alta Ski Resort:

- a) Zoned 1 unit per 20 acres
- b) Some vehicular access
- c) No water
- d) Valued by Salt Lake City at \$1,500 per acre
- e) Valued according to appraisal at \$6,000 to \$8,000 per acre

When Cardiff Canyon owners with similar lands request similar treatment, what will Mountain Accord, Salt Lake City and Salt Lake County say? Will they say that Cardiff has no water? If so, was Mountain Accord, Salt Lake City and Salt Lake County's decision to provide water to Alta an arbitrary decision? Will Mountain Accord, the US Forest Service or others have similar trade property to offer landowners for their land? That seems highly unlikely.

The recommendation should have looked something similar as to what is proposed in Wasatch Canyons Tomorrow. First and foremost, get any and all new development out of the canyons, via land trades, TDR (transfer of development rights), land purchases, etc. If that does not fully satisfy, then Salt Lake County should facilitate a land trade or purchase with the US Forest Service. Salt Lake County could then take ownership of certain base-camp lands at Alta. Salt Lake County can work with Town of Alta to propose a Resort Village on the property and entitle the land for such. Salt Lake County can then deed to Alta Ski Resort, entitled base-camp lands according to Alta's inholding values. Salt Lake County can then offer other entitled lands to private landowners in return for their inholdings. This process would be fair and equitable and would eliminate land speculation, costly and unnecessary litigation and it would ensure backcountry, watershed and open space protection.

Instead, Mountain Accords proposal plays arbitrary favorites to the resorts, handing over the only valid "receiving" area in the canyon to one owner, while eliminating others. Once the Mountain Accord Executive Committee votes YES, the damage will be done. Mountain Accord Executive Committee will have literally escalated the values for the remaining private property from \$6,000 to \$8,000 an acre to \$40,000 to \$80,000 per acre; adding tens of millions of dollars in value to the remaining inholdings, which greatly reduces the chances of ever converting the private lands into public ownership.

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