

Cross Hollow Hills Development Amendment

Board of Trustees
November 16, 2023

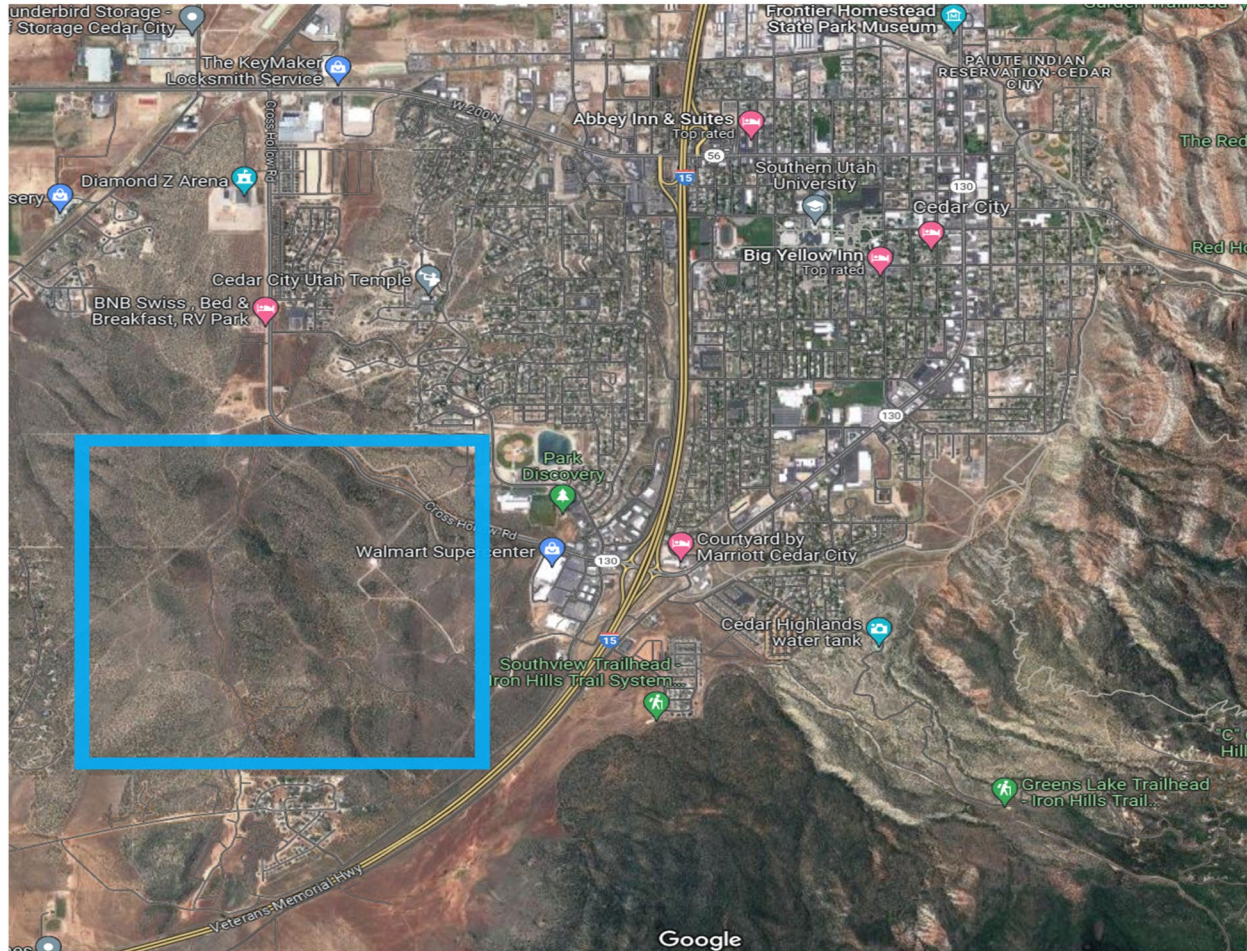


Cross Hollow Hills

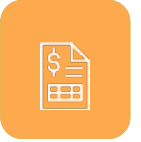
DEVL 1169

Board Approved:
December 15, 2018

Lease Signed:
July 15, 2019



DEVL 1169 Development Details



Board Approved: December 15, 2018 – Lease Signed: July 15, 2019

Development Partner

Leavitt Land & Investment Inc.

Owned and governed by the Leavitt Family
who are the owner operators of The Leavitt Group (Insurance)

DEVL 1169 Development Details



Board Approved: December 15, 2018 – Lease Signed: July 15, 2019

- 1,440 Acre Project
- 25 year development timeline consisting of a 15-year development lease followed by an additional 10-year option if the development partner is performing.
- 3,989 dwelling units projected with one-third in townhomes and two-thirds as single-family lots.
- Development Lease where the Trust will receive a portion of the revenue from each lot, home or commercial pad that is sold.

DEVL 1169 Development Details



Board Approved: December 15, 2018 – Lease Signed: July 15, 2019

Revenue Projections:

\$18.6 Million (NPV) over 25 Years

Cross Hollow Hills

Original Acreage: 1,440

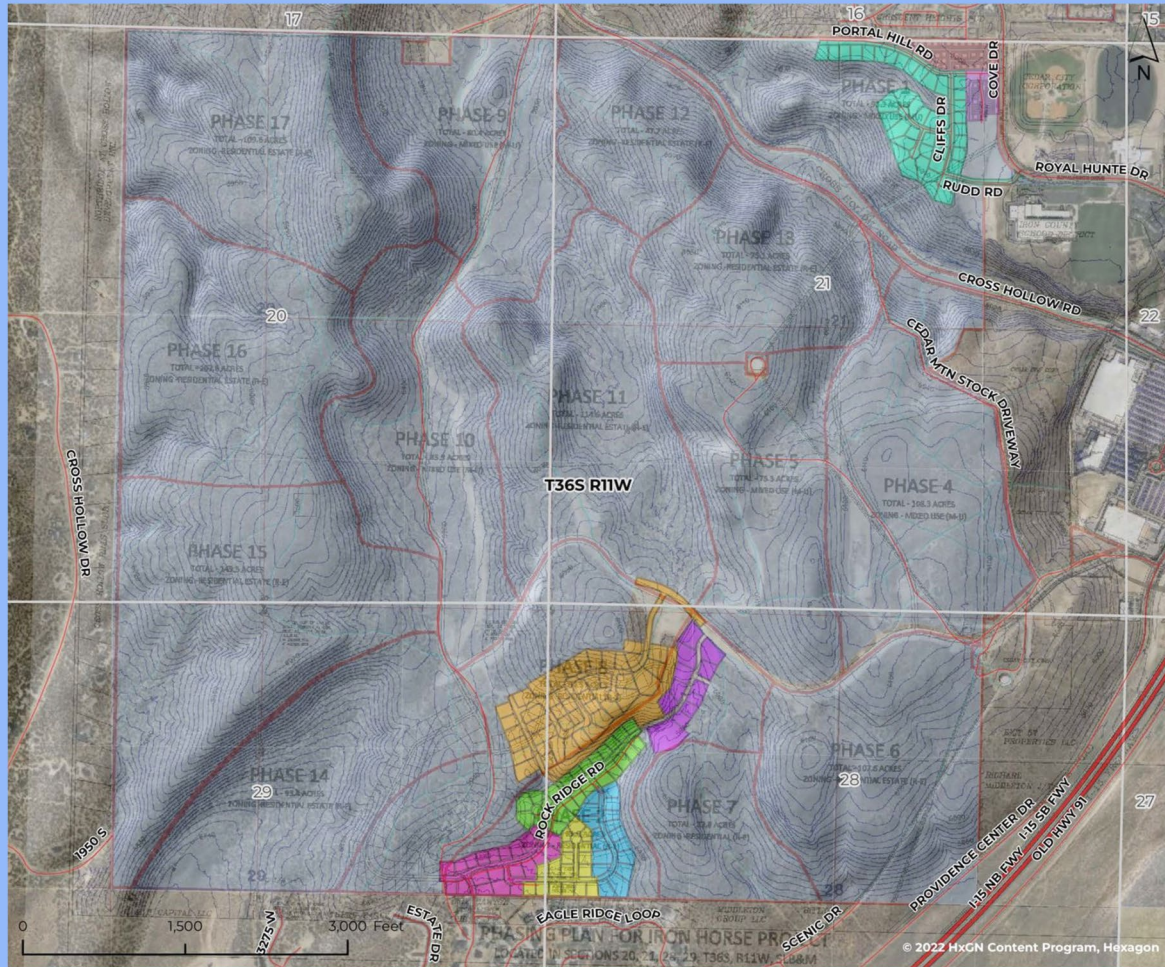
4 Years Into Dev Lease

Acres Developed To Date: 102

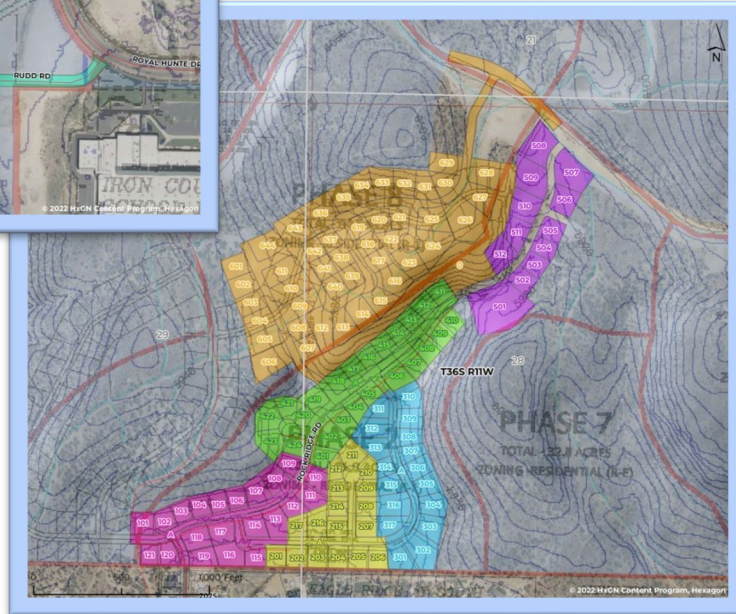
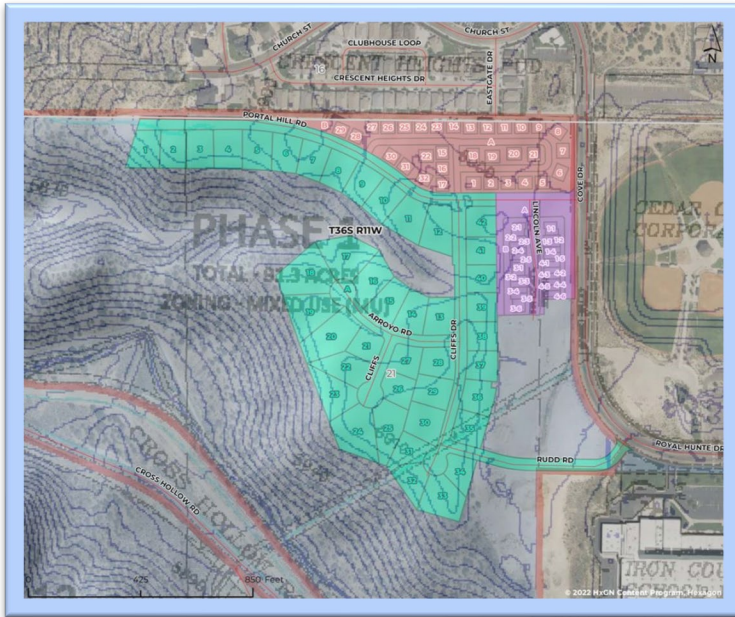
Remaining Acreage : 1,338

Undevelopable: 542

Remaining Developable: 841



Cross Hollow Hills



Units Developed: 321

Units Sold: 142

Still Available: 177

Cross Hollow Challenges - Velocity

2019 Conservative
Projection:

505 Units Sold by 2023

Actual Totals
To-Date:

Units Developed: 321

Units Sold: 142

Units Still Available: 177

28% of Anticipated Volume

~31 Decrease in Closed Sales
Cedar City Residential Market 2023

Cross Hollow Challenges - Revenue

2019 Conservative
FY 2023 Projection:

\$7.7 Million

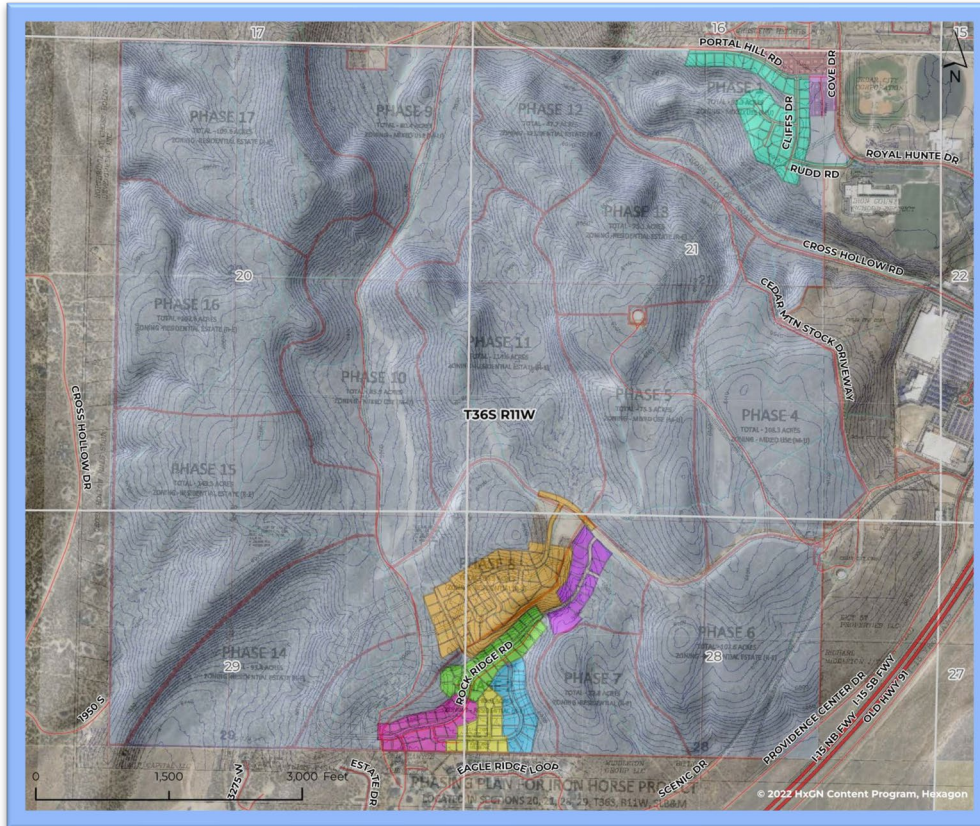
Revenue to the Trust
FY 2023 Actual:

\$4.4 Million

64% of Anticipated Revenue

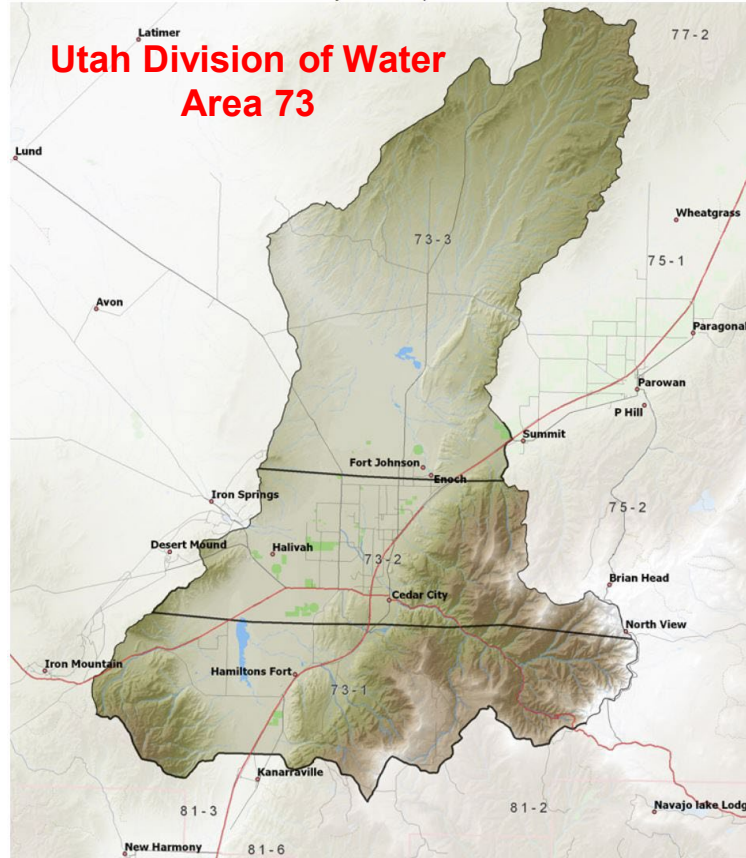
12% Price Decrease in Cedar City
Residential Market in 2023.

Cross Hollow Challenges - Costs



- High Levels of Deep Basalt
- Water to Higher Elevations
- Sewer Challenges
- Major North and South Road Requirement with minimal support
- Significant Material/Labor Cost Escalation
- Vetted Developers Costs with Independent 3rd Party Developer

Cross Hollow Challenges - Water



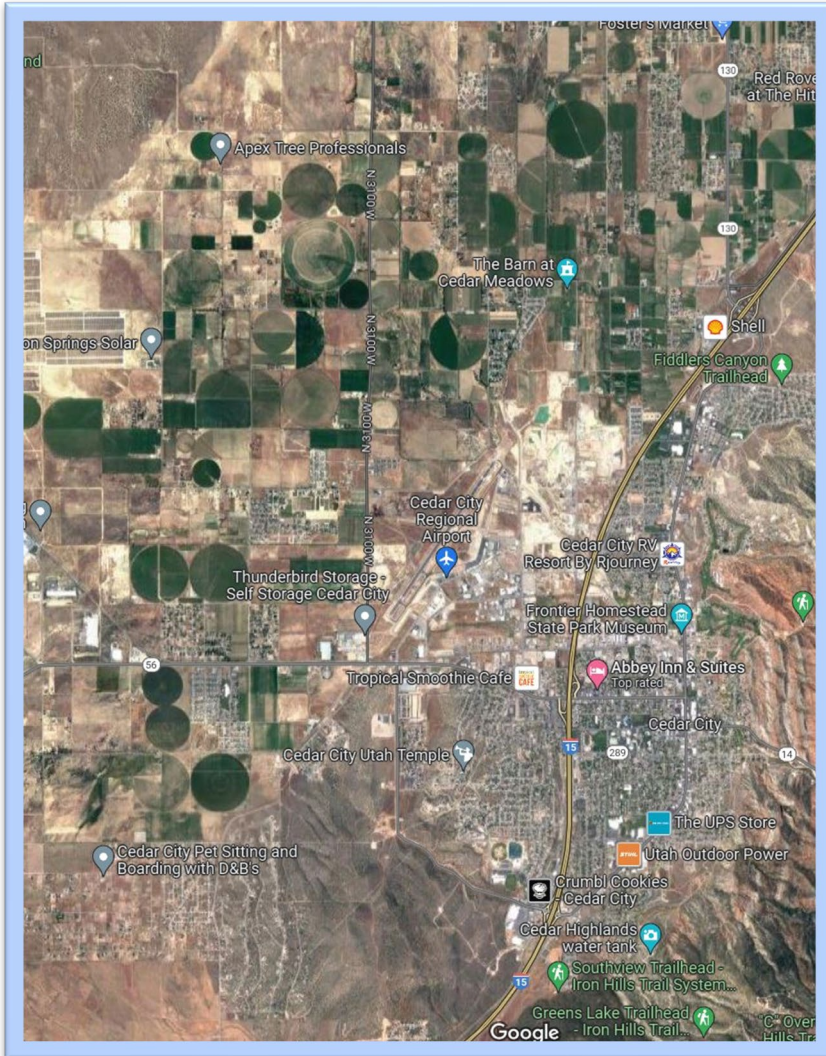
Cross Hollow Challenges - Water

- Utah Division of Water Rights – Groundwater Management Plan
- Area 73 – Cedar City
- **All Water Rights** Later than July 25, 1934 **Expire in 2080**

- Water Right Acquisition Fee = **\$26,839 per acre foot - NOT Guaranteed**
- In 2019 \$3,971 per acre foot.

- Bulk Purchase of Water – Transfer Not Approved by Municipality

- At present development project will require at a minimum **\$25 million** in water right acquisitions.



Cross Hollow Challenges Competition

DEVL 1169 Modification Details



Development Lease Buyout Offer:

\$21 Million

Offer Date: June 30, 2023

Plus, Revenues Received to through FY 2023:

\$4,398,979

Total Project Yield:

\$25,398,979 (Gross)

Development Lease Buyout Offer

2018 Projected Revenue:

\$ 18.6 Million (NPV)
25 Year Project - 2019

2023 Buyout Offer:

\$21 Million
Plus, Revenues Received to end of FY2023:
\$4,398,979

\$25,398,979 (Total Revenue)

~\$ 18.2 Million (NPV - 2019) 21 Years Early

2044 Gross Revenue: ~\$95,895,239

Revenue Received to Date:		\$ 4,400,000
		Investment Rate
Year	Project Yield	7.5%
2023	\$ 21,000,000	\$ 1,575,000
2024	\$ 22,575,000	\$ 1,693,125
2025	\$ 24,268,125	\$ 1,820,109
2026	\$ 26,088,234	\$ 1,956,618
2027	\$ 28,044,852	\$ 2,103,364
2028	\$ 30,148,216	\$ 2,261,116
2029	\$ 32,409,332	\$ 2,430,700
2030	\$ 34,840,032	\$ 2,613,002
2031	\$ 37,453,034	\$ 2,808,978
2032	\$ 40,262,012	\$ 3,019,651
2033	\$ 43,281,663	\$ 3,246,125
2034	\$ 46,527,788	\$ 3,489,584
2035	\$ 50,017,372	\$ 3,751,303
2036	\$ 53,768,674	\$ 4,032,651
2037	\$ 57,801,325	\$ 4,335,099
2038	\$ 62,136,424	\$ 4,660,232
2039	\$ 66,796,656	\$ 5,009,749
2040	\$ 71,806,405	\$ 5,385,480
2041	\$ 77,191,886	\$ 5,789,391
2042	\$ 82,981,277	\$ 6,223,596
2043	\$ 89,204,873	\$ 6,690,365
2044	\$ 95,895,239	\$ 7,192,143
2045	\$ 103,087,381	\$ 7,731,554
2046	\$ 110,818,935	\$ 8,311,420
2047	\$ 119,130,355	\$ 8,934,777

Future Revenue Projections

Thank You



Cross Hollow
Hills

