



JORDAN SCHWANKE | LOCAL ENTITY SPECIALIST
OFFICE OF LIEUTENANT GOVERNOR
DEIDRE M. HENDERSON
LTGOVERNOR.UTAH.GOV | 801-538-1041

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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Wed, Feb 19, 2025 at 1:31 PM

Great, thank you.

Dave
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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Sun, Feb 23, 2025 at 7:25 PM

Jordan,

Is there a standard format to these public hearings? I know this is the first for a preliminary municipality but I suspect it will be similar to the public hearings for the standard municipal incorporation applications. Will there be a presentation then a period where questions will be answered? Generally how long do they go?

Thank you.
Dave
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Incorporations GOV <incorporations@utah.gov>
To: Dave Closser <daveclosser@gmail.com>

Mon, Feb 24, 2025 at 4:45 PM

Hi David,

Here is the basic structure of the public hearing

1. Introduction 15min
2. Presentation of feasibility study by LRB 15-20 minutes
3. Public comment 1 hour - hour and 30 min. 3 minutes per comment
4. LRB answer questions on google forum 45 min - 1 hour.

Hope that helps.

Best,



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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Mon, Feb 24, 2025 at 5:43 PM

Great, thank you.

Dave
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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Wed, Mar 12, 2025 at 11:24 AM

Jordan,

It was good to meet you in person the other day at the meeting. I'm an old fart and I always appreciate being able to attach a face to people I've only communicated with by email.

I'm wondering what's next. Will we see the LRB answers to the questions on the incorporations site first? Then the petition to incorporate from the sponsor, once they are ready to submit?

Thanks,
Dave

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Incorporations GOV <incorporations@utah.gov>
To: Dave Closser <daveclosser@gmail.com>

Wed, Mar 12, 2025 at 4:45 PM

Hi Dave,

Glad to meet you in-person and that you were able to make a public comment at the hearing. It's nice change of pace to travel outside of the capitol to meet locals.

Sponsors will have until 2026 to submit the petition for incorporation. If or when they file, our office will need to determine if it complies with [UCA 10-2a-507](#). If it does, we will issue a certificate of incorporation and the preliminary municipality will start to govern.

Like I mentioned at the hearing, we will try to get those responses to questions up on the website within two weeks after the hearing.

Hope that helps.

Best,



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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Thu, Mar 13, 2025 at 6:07 AM

Thanks Jordan, this is pretty much what I thought. But I do have a few questions on the specifics:

- 1) Will the petition be available on the incorporations website as soon as it's submitted by the sponsor?
- 2) Will the sponsor have to do anything more than refer to the feasibility study results to satisfy the requirements of 10-2a-507(1)(c)?
- 3) Will the information submitted by the sponsor to satisfy the 10-2a-507 requirements as a whole be available to the public once the petition has been submitted? If so, where can it be found? I'd be most interested in what they submit to satisfy the requirements of 10-2a-507(1)(g) and 10-2a-507(1)(h).
- 4) If not, would this information be available through a GRAMA request?

Thanks!

Dave
4)
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Incorporations GOV <incorporations@utah.gov>
To: Dave Closser <daveclosser@gmail.com>

Fri, Mar 14, 2025 at 4:31 PM

Hi Dave,

1. Yes. We'll do our best to post the petition in a timely manner.
2. No. Referencing the feasibility study that determined the area is feasible is enough to satisfy that requirement.
3. We'll post the submitted petition on our website.
4. You are more than welcome to submit a [GRAMA request](#) if you are wanting additional records.

Hope that helps.

Best,



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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Sat, Mar 15, 2025 at 2:52 PM

Thank you Jordan. I'll keep my eye on the Incorporations website.

Dave
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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Sat, Mar 22, 2025 at 6:16 AM

Jordan,

I have questions less about procedure and more about the specifics of the 10-2a-5 code. I'm hoping you might be able to answer my questions. If not, I'm hoping you might be able to refer me to someone who can.

Once the sponsor receives their certificate of incorporation they can move forward with construction. As a preliminary incorporation they won't be required to adhere to Grand County zoning requirements. My questions:

- 1) Will the sponsor be required to apply for building permits with Grand County for infrastructure development such as the large wastewater treatment plant they will be constructing in a cave?
- 2) Will the sponsor be required to apply for building permits with Grand County before starting construction on each residential and commercial property?
- 3) Will inspections be required by the Grand County Building department between the different phases of construction to ensure the buildings meet international building code requirements, and whatever additional requirements set forth by Grand County?
- 4) Will any state agency be involved in monitoring the construction process of this new development to ensure all aspects of the project are built to meet required standards?

The only section of section of 10-2a-5 I can find that addresses building permits is 10-2a-509(7) which defines a permitting requirement, but not until the sponsor has built 50 or so homes and is ready to transition to a town.

Thanks Jordan!

Dave

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Dave Closser
161 E Mt. Peale Dr
Moab, UT 84532
303-859-1080

Incorporations GOV <incorporations@utah.gov>
To: Dave Closser <daveclosser@gmail.com>

Mon, Mar 24, 2025 at 9:36 AM

Hi Dave,

Unfortunately my knowledge seldom goes beyond what is in Utah Code 10-2a Part 5. [UCA 10-2a-509\(4\)](#) does state that "a preliminary municipality has all the powers and duties of a municipality". Essentially, preliminary municipality are subject to municipal law within the state. I imagine that you might find answers in the [Utah Municipal Code](#) as it relates to construction, building permits, state or county oversight, etc. You can also see if you can reach out to a city/town attorney's office.

Hope that helps.

Best,



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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Mon, Mar 24, 2025 at 12:54 PM

Thanks Jordan, I figured that was probably the case. But I figured it wouldn't hurt to ask. I'll probably check in with the Grand County building department at some point to see what they know about this.

Thanks,

Dave

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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Tue, Mar 25, 2025 at 5:48 AM

Jordan,

Another question for you. I noticed yesterday that the petition for incorporation was posted on the website and I've looked through it a bit. It would appear that per 10-2a-508 it's entirely up to the Lt Governor to approve or deny the petition for incorporation based on whether the applicant has fully met the requirements spelled out in 10-2a-507. Is there a way for the public, such as myself, to comment on the petition for incorporation? I've already found several ways in which the applicant probably has not met the requirements of 10-2a-507 and would like to share this with the Lt Governor.

Thank you.

Dave

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Incorporations GOV <incorporations@utah.gov>
To: Dave Closser <daveclosser@gmail.com>

Wed, Mar 26, 2025 at 3:01 PM

Hi Dave,

Per [UCA 10-2a-508\(1\)](#) the Lt. Governor's Office is the only one required that will determine if the petition complies with statute. What specific provisions of UCA 10-2a-507 that petition fails to comply with? I can take a look into it.

Best,



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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Thu, Mar 27, 2025 at 7:47 AM

Jordan,
It seemed it was probably up to the Lt Governor based on what I read in the stature. But I appreciate your taking a look at my concerns.

I'd like to point out two main areas where I believe the petition clearly does not meet the requirements of 10-2a-507, both having to do with the cash deposit to guarantee completion of the system infrastructure. The first is that in the petition, the initial landowner, Craig Weston, appears to make the required cash deposit. But then as soon as the Lt Governor certifies Echo Canyon, he gives the deposit back to himself. As such, there is no party to facilitate the guarantee. I've explained this in more detail below. Second is that I believe the cost estimate on which the cash deposit guarantee is based is underestimated by tens of millions of dollars. I've also explained this in more detail below. I'd be happy to provide documentation to back up what I've detailed below.

- 1) 10-2a-507(1)(h) - The "Holder", Echo Canyon Bond Guarantee Company, LLC does not appear to be a licensed bond guarantee company
- 2) 10-2a-507(1)(h) - This section of the statute is intended to "Guarantee that the initial landowners will complete the system infrastructure". But given how the cash deposit is managed by this petition there will be no way to meet this requirement. Here's why:
 - a. Craig Weston is a principal in the development company "Kane Creek Preservation and Development LLC as well as the majority "Initial Landowner"
 - b. Craig Weston is the primary applicant on the Feasibility Request
 - c. Craig Weston's partner Trent Arnold, and his attorney Jay Springer are principals in the Echo Canyon Bond Guarantee Company, LLC which was just created on 3/5/25. This company is listed as the "Holder" of the funds deposited by the initial landowners
 - d. Craig Weston is listed as the Board Chair in the new preliminary municipality with his partner Trent Arnold shown as one of the board members
 - e. The cash deposit from the initial landowner Craig Weston will be placed in an account with the holder, the Bond Guarantee Company run by his partner Trent Arnold. Within 10 days after the Lt. Governor certifies this preliminary municipality the Bond Guarantee Company will transfer the deposit in full to the new Echo Canyon preliminary municipality run by Craig Weston and Tom Arnold. There are different legal entities involved but Craig Weston is involved in each and is essentially giving the deposit back to himself. There will be nobody to hold back the deposited funds to guarantee that the system infrastructure will be completed as required by this section of the statute
- 3) 10-2a-507(1)(h) - The system infrastructure is generally defined as the roads through and within Echo Canyon and the main water and sewer lines that will "connect a utility to the proposed preliminary municipality area". Based on this definition here's why I believe the \$3,293,320 cost estimate to complete the system infrastructure falls way short.
 - a. The existing 1.3 mile road through Echo Canyon needs to be improved. An additional 1.5 to 2 miles of new roads need to be built. Only \$1.6 million has been allocated in the cost estimate to improve the existing road with no funds allocated for new roads. But before the existing road can be improved, and new roads built, up to 10' of structural fill must be brought in to raise the roads out of the 100 year flood plain. This will add millions to the cost of completing this portion of the system infrastructure.
 - b. The petition drawings do not show where the municipalities water and sewer mains will connect to utilities, because no utilities exist. The drawing actually notes that "Infrastructure directly related to the wastewater treatment plant and connections to the sewer force main are not included in drawings or cost estimate"
 - c. The feasibility study lists "Kane Creek Water Company" as the supplier of culinary water. It shows "Kane Springs Improvement District" as the supplier of sewer service. These are both entities in Craig Westons name, and his partners. They will have to build these utilities, from scratch, at a cost easily exceeding \$10,000,000, before the system infrastructure can be complete. The system infrastructure cannot be complete until there are utilities to connect to. And these utilities will be built by the very people who have submitted this petition.

Thanks,
Dave

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Incorporations GOV <incorporations@utah.gov>
To: Dave Closser <daveclosser@gmail.com>

Fri, Mar 28, 2025 at 4:25 PM

Hi Dave,

Appreciate your comments. We'll take a look to see if the petition runs afoul with any of the provisions in UCA 10-2a-507.

Best,



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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Sat, Mar 29, 2025 at 8:59 AM

Thanks for taking a look at this Jordan.

Dave
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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Thu, May 29, 2025 at 1:59 PM

Jordan,

I've been tracking the progress of Kane Creek/Echo Canyon on your website. I'd like to point out that one of the applicants on both the "Petition for Incorporation" and the "Modified Petition for Incorporation" was a non-existent entity on the dates these two documents were submitted to your office. G&H Miller Family Holdings LLC was voluntarily dissolved on 4/30/25.
Thank you.

Dave
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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Thu, May 29, 2025 at 2:01 PM

I meant to attach the "Statement of Dissolution" document. See attached.

Dave

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 **GandH Miller Family Holdings LLC Statement of Dissolution.pdf**
634K

Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Thu, May 29, 2025 at 3:04 PM

Jordan,

I wanted to let you know that I just submitted this information as a general comment on the Lt Governor's website. I want to have all my bases covered.

Dave
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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Thu, May 29, 2025 at 3:20 PM

Jordan,
Correction. I just realized I have gotten the dates mixed up. The initial petition for incorporation was submitted on 3/20/25, when the applicant in question was still a registered entity. It was on May 5 when the determination notice was sent. But, when the modified petition was submitted to your office on May 20, 2025 the entity in question had in fact been dissolved for 20 days.

Dave
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Incorporations GOV <incorporations@utah.gov>
To: Dave Closser <daveclosser@gmail.com>

Mon, Jun 2, 2025 at 4:51 PM

Hi Dave,

Our office was able to look into this:

Nothing in [Utah Code 10-2a-507](#) precludes a petition for incorporation from moving forward if the business entity has been dissolved or is in the process of dissolution. The only requirement is that the petition must be filed by the landowners of the initial Request for Feasibility Study (see [Utah Code 10-2a-507\(1\)](#)) [Grand County records](#) show that the parcel is still owned by G&H MILLER FAMILY HOLDINGS LLC.

Additionally, [Utah Code 48-3a-703](#) permits dissolved limited liability companies to "preserve the limited liability company activities, affairs, and property as a going concern for a reasonable time"

Hope that helps,

Best,



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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Tue, Jun 3, 2025 at 7:17 AM

Jordan,

Thank you for looking into this and getting back to me. I did a little research and understand the "Winding Down" aspects of the dissolution of an LLC. The LLC does still exist in some form until the winding down is complete. As such, the property will still be listed under the name of this LLC until it's deeded to another party. And I understand that the petition must be filed by the same initial landowners shown in the initial Request for Feasibility Study.

But what concerns me is this. SB 258 was written in a way that would insure some level of accountability on the part of the "Initial Landowners". If they are granted the right to to create their own town, it's their responsibility to carry it through to completion. Their responsibility is addressed in sections 10-2a-507(1)(h)(ii) and 10-2a-507(3)(b). One of the initial landowners is an entity that is now dissolved and won't be held accountable to complete what they start. The remaining initial landowner entity could, and probably will be dissolved. As a result, no one will be held responsible to carry the project through to completion. Technically they will still be able to complete most of the project, profit from it, then walk away and leave it for the County to deal with what's left.

Another concern I have with respect to this issue of Initial Landowner responsibility is found in Exhibit D on page 117 of the modified petition for incorporation. The first resolution the new town will pass serves to return the cash deposit to the new town. The person that most likely wrote the check for \$3,622,000 to guarantee completion of the system infrastructure will essentially be returning these funds to himself, as "Board Chair" for Echo Canyon.

The way it's going, the initial landowners will be released from all responsibility to complete the project. The County will be left to pay for and clean up what's left behind. Is there anything that can be done to insure initial landowner accountability?

Thank you.
Dave

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Incorporations GOV <incorporations@utah.gov>
To: Dave Closser <daveclosser@gmail.com>

Thu, Jun 5, 2025 at 4:31 PM

Hi Dave,

Our office is not knowledgeable in commercial code or limited liability companies.

The cash deposit in the petition will be used to "guarantee that the initial landowners will complete the system infrastructure no later than six years after the day on which the initial landowners file the petition for incorporation." Those funds are the property of the preliminary municipality. As you probably know UCA 10-2a-507(3)(d) states that if the preliminary municipality does not transition into a town the "initial landowners are liable to the county for damages caused to the county due to the dissolution of the preliminary municipality." If the

preliminary municipality does not transition into a town within the timeframe specified in the law, the initial landowners (KANE CREEK PRESERVATION AND DEVELOPMENT LLC and G&H MILLER FAMILY HOLDINGS LLC) are liable to the county for damages.

Also, UCA 48-3a-703(2)(a) states limited liability complies winding up "shall discharge the limited liability company's debts, obligations, and other liabilities, settle and close the limited liability company's activities and affairs, and marshal and distribute the assets of the limited liability company." (please be aware that the Lt. Governor's Office does not oversee the Utah Revised Uniform Limited Liability Company Act).

You can contact Utah Department of Commerce for questions relating to limited liability companies and liability/obligations.

Best,



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[Quoted text hidden]

Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Thu, Jun 5, 2025 at 5:13 PM

Thanks Jordan, I appreciate your time on this matter.

Dave

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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Tue, Jun 10, 2025 at 2:00 PM

Jordan,

It looks like Echo Canyon is official! I have a few questions, mostly about how the activities of Echo Canyon will be monitored moving forward:

1) Who will ensure that Echo Canyon adheres to the master plan and number of planned units submitted with the initial feasibility request? The UPC determination was based on the documents submitted in the feasibility request. The feasibility study was performed and approved based on the feasibility request information and the UPC determination. I know for a fact the developers have been pursuing a parallel path with Grand County, perhaps to have a backup if Echo Canyon didn't get certified. On 3/3/25 they received preliminary plat approval from Grand County for a master plan that is substantially different than what was proposed in their feasibility request. What's to keep them from moving forward with a master plan that may not have met the requirements of the feasibility study?

2) Per 10-2a-509(7) "Before the preliminary municipality submits a petition to transition to a town, the preliminary municipality shall select an independent third-party engineer to review and approve all building permit applications within the preliminary municipality to ensure compliance with the law". But, before a petition can be submitted the population must exceed 99. This means that at least 50 homes must be completed if you assume 2 people/home. It will be far too late then for the third party engineer to review and approve building permits. In fact, it's critical that the fill process in the floodplain and installation of the infrastructure be monitored to ensure they adhere to requirements that will ensure the safety of the future inhabitants. Who will be monitoring this?

Thank you,

Dave

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Dave Closser <daveclosser@gmail.com>
To: Incorporations GOV <incorporations@utah.gov>

Thu, Jun 12, 2025 at 6:29 PM

Jordan,

I just wanted to follow up on my email sent a few days ago. Have you had a chance to look into this?

Thank you,

Dave

[Quoted text hidden]

Incorporations GOV <incorporations@utah.gov>
To: Dave Closser <daveclosser@gmail.com>

Hi Dave,

After reviewing [Title 10 Chapter 2a Part 5](#) I cannot find any explicit mention of any oversight/monitoring provisions relating to Echo Canyon either by the State or Grand County. Part 5 of the ir mention any other public body that will ensure Echo Canyon adheres to their development plan or that the third party engineer is in compliance with state law. However, this could be under cc [code](#). Unfortunately, I am not too knowledgeable with either of these groups of laws.

As it relates to the Lt. Governor's Office in this stage of the process, if Echo Canyon has not transitioned into a two within four or six years, we will issue a certificate of dissolution (see [UCA 11](#) a petition to transition Echo Canyon into a town is filed, we will determine if it complies with [UCA 10-2a-510\(3\)](#)).

Hope that helps.

Best,



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On Thu, Jun 12, 2025 at 6:29 PM Dave Closser <daveclosser@gmail.com> wrote:

Jordan,

I just wanted to follow up on my email sent a few days ago. Have you had a chance to look into this?

Thank you,