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Echo Canyon project still faces major hurdles

My View By Dave Closser

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It's been almost two years now since the developer's floodplain fill operation was shut down when they were caught using water illegally. But they continue to move forward behind the scenes. I've been keeping a close eye on what they've been up to and I'd like to share my observations.



Photo caption: (Bethany Baker | The Salt Lake Tribune) Development continues at Echo Canyon, a planned community in the Kane Creek area of Moab, seen here on Friday, April 10, 2026.

The developers recorded their first subdivision in July of 2025. It contains 20 individual lots on the filled portion of the floodplain. Based on what's been recorded, seven of those lots sold within the first four months after the subdivision was created. Just one lot has been sold in the six months since. On paper, it looks like eight lots have been sold. But two were sold to entities owned by the developers themselves. And two were sold to an individual who appears to have invested startup capital in the project. Hopefully potential buyers are getting the message that Echo Canyon is not the best investment.

They held a private sales event in mid-February of this year at a real estate office in Park City. They put together a slick 28-page sales brochure with several artist renderings, subject to change, of course. One shows a clubhouse with a large, beautiful swimming lagoon that looks to be no more than 30 feet away from the edge of the Colorado River.

Additional literature from the developers, intended for potential buyers, suggests that home site construction can start as early as late 2026. This literature also states that construction on the amenities, like the clubhouse and large swimming lagoon, is slated to begin in 2026.

They are also just finishing up what appears to be a sales office on site. It's hard to know what's really going on behind the scenes with these developers. But it sure looks like they are doing everything they can to try to sell property, perhaps to raise revenue, or perhaps to give the illusion that this project is actually viable.

But here's what's also happening. We've filed two lawsuits against the developers to stop the project. The first is a challenge to their water rights, which we believe they've forfeited due to lack of use. They recently tried to get the lawsuit dismissed, claiming it lacked merit. But the judge would have nothing to do with this, and it's now going to court.

The second lawsuit challenges the constitutionality of Senate Bill 258, which went into effect in May of 2024. It's widely believed by project opponents that this legislation enabling the creation of preliminary municipalities was passed specifically for the Kane Creek developers. They quickly used it to create the first and only approved preliminary municipality of Echo Canyon.

If we win this lawsuit, Echo Canyon would likely lose its preliminary municipality status, and the developers would be back to working with the county to obtain approvals for their development. Also, if we win, it's likely no other preliminary municipalities will be allowed in the state.

Beginning construction in late 2026 is possible, as they're suggesting to potential buyers. They are effectively their own town now and can make many of their own rules. But it may be a few years before the court determines if they have rights to the water needed to make these luxury homes inhabitable.

They also have yet to apply for the construction permit they'll need to build their massive wastewater treatment plant in a cave. Once construction on the plant begins, it will likely take at least two years before it becomes operational. So, no functional toilets in these luxury homes for at least two years. And if they're smart, they won't start building this plant until they know they'll have the water needed to give the plant a purpose.

There's one last issue I see as the "elephant in the room" for this project. Kane Creek Boulevard. The roughly 2.5 miles of this road from Fifth West to the Echo Canyon boundary would have to be improved and widened substantially. This would likely be required under county road standards to handle the greatly increased traffic load resulting from a development of up to 1,100 people.

This upgrade could cost \$40 million or more. But I haven't heard a peep about who's going to pay for it. I'm guessing the developers will do everything they can to get out of it. Will the county end up footing the bill? Will the 10,000 residents of our county have to pay a portion through taxes for a project most of us don't want?

Honestly, I don't think so. I don't think they'll ever get a chance to build this development. But the fight's not over yet and we're going to keep doing everything we can to make sure it never gets built.

Dave Closser writes from Moab. He is a member of Kane Creek Development Watch.