

AGENDA ITEM SUMMARY

DATE: 04/30/2012 DEPARTMENT: Finance/Planning DEPT. HEAD SIGNATURE: HD

SUBJECT:

Quigley Fiscal Analyses and Water Appraisal – Presentation of reports and public hearing

**AUTHORITY:**  ID Code \_\_\_\_\_  IAR \_\_\_\_\_  City Ordinance/Code \_\_\_\_\_  
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Attached are the following documents:

- Press Release regarding Public Hearing Schedule
- Memo from City Attorney Williamson and ERO Letter on Water Appraisal
- Public Comments received since November, 2011. These do NOT include comments made to the P&Z Commission in November
- Rich Caplan Associates Cost/Benefit Analyses
- West Water Resources LLC Water Appraisal
- Hailey P&Z Findings and Recommendations.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> City Administrator | <input type="checkbox"/> Library             | <input type="checkbox"/> Benefits Committee |
| <input type="checkbox"/> City Attorney      | <input type="checkbox"/> Mayor               | <input type="checkbox"/> Streets            |
| <input type="checkbox"/> City Clerk         | <input type="checkbox"/> Planning            | <input type="checkbox"/> Treasurer          |
| <input type="checkbox"/> Building           | <input type="checkbox"/> Police              | <input type="checkbox"/> _____              |
| <input type="checkbox"/> Engineer           | <input type="checkbox"/> Public Works, Parks | <input type="checkbox"/> _____              |
| <input type="checkbox"/> Fire Dept.         | <input type="checkbox"/> P & Z Commission    | <input type="checkbox"/> _____              |

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Hear presentation and preliminary discussion of reports. In order to give public ample time to comment, continue to May 7 for full public hearing on fiscal/water analyses.

ACTION OF THE CITY COUNCIL:

Date : \_\_\_\_\_

City Clerk \_\_\_\_\_

FOLLOW-UP:

\*Ord./Res./Agrmt./Order Originals: Record  
Copies (all info.): \_\_\_\_\_  
Instrument # \_\_\_\_\_

\*Additional/Exceptional Originals to: \_\_\_\_\_  
Copies (AIS only)



FOR IMMEDIATE RELEASE  
April 25, 2012

CONTACT: Heather Dawson  
Hailey City Administrator  
788-4221 ext 18  
[heather.dawson@haileycityhall.org](mailto:heather.dawson@haileycityhall.org)

### **QUIGLEY HEARINGS RE-SCHEDULED**

April 30 and May 7 hearings will give public full opportunity to review and comment on fiscal information, May 21 set for general public comments

(Hailey, Idaho) – Hailey Mayor Fritz Haemmerle announced today that the public hearings on the Quigley Annexation fiscal impacts will be broken into two parts. The fiscal report is still under production. In order to give the public full opportunity to review the fiscal report the mayor has directed that the discussion be held in two parts:

- On April 30, 2012, a summary of the fiscal report and water appraisal report will be given. Quigley representatives will present comments to the council about the fiscal analyses, water appraisal, and related matters. Any members of the public prepared to speak on these matters will be invited to do so.
- The hearing will then be continued to May 7 to give the public ample time to review the material prior to making public comments.
- On May 7 public comments will be taken on the fiscal analyses and water appraisal matters.
- On May 21 further public comment on any matter related to Quigley will be heard.

A draft fiscal report, posted to the city's website early this week, is currently under revision. The final report will be made available to the public at [www.haileycityhall.org](http://www.haileycityhall.org) no later than Friday, April 27, 2012. The fiscal report is being prepared by Rich Caplan Associates. The Water Appraisal report has been available for public review for several months, and was produced by WestWater Research, LLC.

The April 30 meeting will be at Hailey City Hall, in the council chambers. The May meetings will be scheduled in a larger venue at the Wood River High School Distance Learning Center on May 7, and at the Wood River Middle School Distance Learning Center on May 21, 2012.

For more information contact, Heather Dawson, Hailey City Administrator, at (208) 788-4221 x 18 or [heather.dawson@haileycityhall.org](mailto:heather.dawson@haileycityhall.org)

###

# MEMORANDUM

TO: Hailey Mayor and City Council Members  
FROM: Ned C. Williamson  
DATE: April 30, 2012  
RE: Quigley

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Hailey has received the enclosed Quigley Canyon Ranch Water Rights Valuation (“Appraisal”) of Quigley water rights by WestWater dated February 10, 2012. It is my view that the Appraisal does a good job of describing the water rights and the methodology for an appraisal. The Appraisal recognizes that there is a paucity of comparable sales, which in turn impacts reliability and accuracy of an appraisal of fair market value based on a sales comparison approach. The Appraisal gives a range of values for the 1880 water right (No. 37-19736) between \$8,000 to \$12,000 per acre, or a range of value for the entire water right between \$2,212,000 to \$3,318,000.

I believe the valuation of water rights, particularly in this basin, is difficult. Based on the inherent problem with the lack of comparables, I anticipate that cogent arguments can be made that the value should be lower or higher. The applicant’s water expert, Norm Young of ERO, has submitted the enclosed letter dated April 23, 2012, which describes Mr. Young’s issues or disagreements with the WestWater’s appraisal.

To assist the Council, I will attempt to summarize Mr. Young’s primary points.

1. Rohe Decision. As pointed out by WestWater, the *Rohe* decision impacts the viability of an upstream transfer. *See Appraisal, p. 13*. Mr. Young points out that the senior Quigley water does not have to be transferred upstream if the Quigley water right is used for mitigation. But, I read the WestWater report to analyze the highest and best use to be mitigation, not a physical transfer requiring a change in point of diversion. *See e.g., Appraisal, pp. 14, 27 and 37*. The WestWater report certainly mentions the *Rohe* decision in the appraisal, but I do not believe that the *Rohe* decision was a material factor in arriving at the appraised valuation.
2. Conjunctive Management. The Appraisal generally discusses conjunctive management. *See Appraisal, p. 14*. Mr. Young points out that there is a demand for water rights mitigation under conjunctive management. I do not believe the Appraisal necessarily concludes there is no demand under conjunctive management.

3. Estimated Transferable Quantity. The Appraisal only evaluates the transferable quantity for the 1880 surface water right. *See Appraisal, pp. 17-18.* Mr. Young argues that there should be some value allocated to Quigley's ground water rights.
  
4. Water Supply Bank. The Appraisal discusses three "metrics" used to assess the market for mitigation. One of the metrics is the amount of water available to rent in the local water supply bank. *See Appraisal, pp. 24-25.* Mr. Young questions whether the un-rented water rights in the water supply bank is a reliable indicator of demand for rights available to purchase. I think it is important to note that WestWater looked at three metrics (water supply bank, agricultural surface water and municipal and commercial/industrial water rights), not just the water supply bank.
  
5. Municipal and Commercial/Industrial Water Rights. The Appraisal states that "the City of Bellevue indicated they would not need to enter a potential mitigation market to purchase mitigation water as its current water rights portfolio is sufficient to mitigate any junior priority groundwater rights." *See Appraisal, p. 25.* Mr. Young questions whether Bellevue has sufficient senior water rights to cover its needs if there was a call. I do not necessarily see this as a critique of the Appraisal because WestWater was merely reporting what it was told by the City of Bellevue.
  
6. Land Price Differential. The Appraisal identified four methodologies to valuation: sales comparison approach, income capitalization approach, land price differential approach and cost replacement approach. *See Appraisal, pp. 27-28.* For several reasons, WestWater did not consider the income capitalization and cost replacement approaches. *Id.* Mr. Young questions whether the Appraisal adequately took into account the reliability of the Quigley water rights. I would only point out that WestWater has apparently found the land price differential approach to be reliable in areas with limited water rights trading. *See Appraisal, p. 35.*

I am told that Mr. Young will be present at the April 30, 2012, meeting and he can elaborate on his points.

Lastly, much of the Quigley surface water right will be used on the property for irrigation purposes. I have been told that the development would need water to irrigate the following:

Parks	15 acres
316 lots @ 0.06 acres irrigated/lot	18 acres
128 lots @ 0.5 acres irrigated/lot	64 acres
School Site	<u>7 acres</u>
Total	104 acres

The 1880 surface water right is appurtenant to 276.5 acres. If the calculated acreage is correct, 37.6% ( $104 \div 276.5$ ) of the water would remain on the Quigley property. Stated differently, 62.4% of the water would be available to Hailey for non-Quigley uses. Accordingly, an argument can be made that the value of the water right should be reduced by 37.6%. But, it has been argued that Hailey could use 100% of the 1880 water right for mitigation and therefore, there should not be a reduction in the fair market value of the water rights to be transferred to Hailey.

In conclusion, the 1880 surface water right is unquestionably unique and valuable. But, the valuation of that water right is complicated and difficult. As it stands now, Hailey only has the WestWater Appraisal, with a range of values. No other appraisal has been submitted. I believe you can use the factors identified by WestWater and Norm Young to justify a valuation within the range of values in the Appraisal.

If you have any questions, please contact me.



April 23, 2012

Clay J. Landry, Managing Director  
WestWater Research, LLC  
805 W. Idaho Street, Suite 310  
Boise, Idaho 83702

Harry Seely, Principal  
WestWater Research, LLC  
1104 Main Street, Suite 610  
Vancouver, Washington 98660

Re: Draft Quigley Canyon Ranch Water Rights Valuation

Gentlemen:

Thank you for the opportunity to review the draft report. In anticipation of meeting with you to discuss the draft report, I prepared the following list of questions about factors potentially affecting the value of QCR's water rights. Although the proposed meeting was not held I want you to have the list prior to next week's city council meeting.

- Should the Rohe decision be viewed as totally preventing use of QCR's rights for mitigation of existing rights upstream of Hailey, particularly as to the potential for marketing the rights to the cities of Sun Valley and Ketchum?
- Does the draft report underestimate the water market created by existing conjunctive management in the Big Wood River Basin?
- Will QCR's ground water rights retain usability and value even if a future order requires conjunctive management of existing ground water rights to protect senior priority rights from Big Wood River?
- Is the availability of water rights for rent from the water bank an accurate indication of the availability of water rights for purchase in the Big Wood River basin?
- Is the available information sufficient to support a conclusion that the City of Bellevue is not a potential purchaser of QCR's rights?
- Does the draft report fully account for the differences in reliability of the water rights for QCR as compared to those for Croy Creek Ranch?

Denver  
1842 Clarkson St.  
Denver, CO 80218  
303.830.1188

Boise  
3314 Grace St.  
Boise, ID 83703  
208.373.7983

Durango  
1065 Main Ave., Ste. 200  
Durango, CO 81301  
970.422.2136

Western Slope  
P.O. Box 932  
161 South 2nd St.  
Hotchkiss, CO 81419  
970.872.3020

www.eroresources.com

The following paragraphs provide additional information concerning the above matters.

Page 12. "Rohe Decision." The Rohe decision is based upon the injury review required for an application for transfer filed under Section 42-222, Idaho Code. However, IDWR does not require an application for transfer to be filed for a

Consultants in  
Natural Resources  
and the Environment

mitigation plan based upon non-use of an existing water right (see IDWR Application Processing Memo #71/Transfer Processing Memo #27 and IDWR Application Processing Memo #72). If for example, junior priority rights held by the City of Ketchum or the City of Sun Valley were called out to supply senior rights held by a downstream user, such as the Big Wood Canal Company, a mitigation plan could be approved providing for non-use of QCR's water rights to replace depletions caused by out-of-priority use of water by either or both of these cities. The injury analysis addressed in the Rohe decision is not required because a transfer application would not be filed. Supplying mitigation water through non-use of an existing right does not constitute a change in point of diversion requiring a transfer to be processed. The purpose of mitigation using a QCR right would be to offset injury to the BWCC right if IDWR finds that the injury is caused by diversion and use of upstream junior priority rights. Mitigation using QCR's rights would actually provide additional water for the minimum stream flow right to the extent that it augments existing flows below Hailey. Continued use of the mitigated right upstream of Hailey is not an injury to the minimum stream flow right because the mitigated right is senior in priority to the minimum stream flow right.

Page 13. "Conjunctive Management Mitigation." This section of the report describes the potential impact that conjunctive management of surface and ground water resources is expected to have within "5 – 10 years." However, conjunctive management has been occurring in the Big Wood River Basin above Magic Reservoir since the ground water management area designation in 1991 relative to consideration of applications for new and changed uses of water. It is this existing management requirement that has created a market for existing water rights, even those of relatively junior priority, to offset new depletions to the Big Wood River whether or not these depletions are found to injure existing water rights. Several of the water rights transactions discussed later in the report occurred because of the need for mitigation to obtain approval of new applications. Two purchases of ground water rights described in the report document the challenge presented to anyone in the Big Wood River Basin above Magic Reservoir wanting to make a new consumptive use or to continue an existing use not having a valid water right. These buyers paid \$16,500 per acre for relatively junior priority rights. Doesn't this indicate that an existing ground water right, even with a relatively junior priority, has a market value under present IDWR management policy?

The present management plan (Ref. "Management Policy for the Big Wood River Ground Water Management Area," dated June 28, 1991) requires mitigation for approval of applications for all uses except exempt domestic uses defined in Section 42-111, Idaho Code, even when such uses are included in applications for multiple domestic and municipal uses. The exemption from mitigation applies to both indoor and outdoor uses described in Section 42-111, Idaho Code, but there are indoor uses that are not exempt such as industrial and commercial uses larger than the limit of 0.04 cfs/2500 gpd provided in Section 42-111(B).

The market for existing water rights is enhanced as IDWR identifies unauthorized water uses through the creation of the water measurement district; determination of

rights to use water in the SRBA, and exercises IDWR's remote sensing tools to identify irrigation of unauthorized acres.

The point is that the demand for water rights for mitigation presently exists. A determination by IDWR and the courts in the future relative to curtailment of existing rights to satisfy a conjunctive management call will only increase the demand.

Page 14. "Transferability Summary." In light of the above discussion, does the summary understate the transferability of QCR's water rights?

Page 17 "Estimated Transferable Quantity." Here, and elsewhere in the draft report, QCR's ground water rights are considered to be of no value when conjunctive administration of existing surface and ground water rights is implemented. However, even this enhanced level of conjunctive management will not automatically result in curtailment of use of the ground water rights held by QCR. A search of IDWR's electronic database for rights listing irrigation as a purpose of use from ground water exceeding 0.1 cfs (intended to omit rights with smaller diversion rates that likely will be exempt from conjunctive management) found rights with a diversion rate totaling nearly 200 cfs in the Big Wood River Basin upstream of Magic Reservoir with priorities junior to QCR's 1966 priority ground water right. Without adjusting for possible duplications in places of use for these rights, and assuming that all of the rights allow irrigation at a rate of 0.02 cfs per acre, use of ground water on nearly 10,000 acres would have to be curtailed before a conjunctive management call reaches QCR's 1966 priority ground water right. If the impact of conjunctive management approaches these proportions, wouldn't the value of senior rights such as those held by QCR for Quigley Creek and its relatively senior rights from ground water be inflated from those in the present day market? Or alternatively, wouldn't a management decision affecting this much of the water use in the valley incorporate programs to prevent economic and social impacts to the affected area such as those being identified, developed and implemented under the "CAMP" process currently underway for the ESPA and under consideration for the Boise River basin.

Page 23. "Mitigation Demand." This section raises questions similar to those previously described relative to understating the existing market for rights to mitigate new and existing unauthorized uses.

Page 24. "Water Supply Bank." Does the analysis adequately evaluate the difference in demand/value for water rights offered for short-term lease through the Idaho Water Resource Board's Water Supply Bank as compared to the fewer number of rights actually available for out-right purchase? Developers seek the security of outright ownership of the water rights needed for their projects and are often unwilling to base projects on short-term lease through the water bank. In fact, IDWR does not usually approve a short-term lease through the water bank for a permanent development because of the potential for future unauthorized use. Thus, the presence of un-rented rights in the water bank is not necessarily a reliable indication of the demand for rights available for purchase. I am personally aware of several developers actively searching for water rights to buy in the Mountain Home area even though the IWRB's water bank has numerous rights available for short-term lease in the area.



Page 25. "Municipal and Commercial/Industrial Water Rights." Should the City of Bellevue be ruled out as potentially needing to acquire water rights to avoid curtailment in the event of a call or to mitigate future consumptive development? Bellevue has a reliable right to 3 cfs from springs tributary to Seaman's Gulch Creek that because of its decreed 1880 priority date will not be called out. However, the City also has 2 cfs of ground water rights licensed with a 1977 priority and another 4 cfs of permits to use ground water with 1995 to 1997 priorities. If conjunctive management of existing water rights is implemented in the basin, will Bellevue need to mitigate to avoid curtailment of these ground water rights?

Page 35 – 36 "Land Price Differential." Does the price comparison of Quigley Creek Ranch rights with those for Croy Creek Ranch take into account the reliability of the rights? Because Croy Creek and the other tributaries used on Croy Creek Ranch are listed as "dry streams" in the SRBA General Provision for Basin 37 Part 3, administration by priority of right will be separate from Big Wood River and other tributaries. However, the 1883 priority for these rights is relatively junior compared to other rights on Croy Creek and as such, may be curtailed more frequently than 1883 priority rights elsewhere in the basin. The draft report supports this concern by indicating that the Croy Creek Ranch rights from the surface sources typically supply water only through late July. This is in contrast to the reliability of the rights QCR has from Quigley Creek in that a) the 1880 priority right from Quigley Creek (and for that matter all of the surface water rights decreed in the SRBA to Quigley Creek Ranch) is not subject to call by any other rights in the basin because QCR's rights from Quigley Creek are decreed as tributary to "sinks" and not to Big Wood River, b) a downstream call on rights from Quigley Creek would be futile, and c) no one else has rights to divert from Quigley Creek. Do QCR's junior priority rights from the creek have more value than indicated in the draft report because they are not subject to curtailment in Water District 37? When the available flows in Quigley Creek exceed those needed to fill QCR's 1880 priority right, QCR's junior priority rights can use the water without regard for the then occurring priority cuts on the river. In addition, QCR's decreed storage rights are reliable even on the driest of years and, although relatively small in quantity, may add valuable flexibility to a mitigation plan.

Sincerely yours,



Norm Young, P.E.

c. David Hennessy, Evan Robertson

## Heather Dawson

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**From:** Ed Northen <apilgram@cox.net>  
**Sent:** Thursday, April 26, 2012 2:42 PM  
**To:** Heather Dawson; Mary Cone  
**Subject:** Quigley Canyon Annexation  
**Attachments:** Quigley Cyn annex letter 01.docx

Hello my name is Ed Northen and I live at 340 W Cedar in Hailey. I am going to be out of town on April 30th, 2012 and will not be able to attend the meeting and give comment regarding the Quigley Canyon Annexation. I am attaching a letter and would appreciate it being provided to Mayor Haemmerle and the City Council members as my comments on his issue

Thank you for your attention to this matter, please feel free to contact me with any questions.

Kind regards

Ed Northen

Ed Northen  
P.O. Box 3603  
Hailey, ID 83333  
208-788-3618 home  
949-246-9372 cell  
[apilgram@cox.net](mailto:apilgram@cox.net)

## Heather Dawson

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**From:** Bob Rosso <brosso@elephantsperch.com>  
**Sent:** Thursday, April 26, 2012 10:26 AM  
**To:** Fritz Haemmerle  
**Cc:** Heather Dawson  
**Subject:** Quigley Canyon Annexation Proposal  
**Attachments:** Quigley Canyon Annexation Proposal.docx

Hello Mr. Mayor,

I did send this attached letter earlier to the Council, but I wanted to make sure I used the correct address for Mayor Haemmerle and Heather Dawson, so I have sent the same letter to you both.

Thanks so much for your attention to these very important issues before our city.

Respectfully,

Bob Rosso  
215 East Galena St.  
Hailey, Idaho 83333  
208-788-1551

**Quigley Canyon Annexation Proposal**

**A letter to the Mayor and City Council Members**

**From: Bob Rosso**

**Mr. Mayor & Council Members.**

**First and foremost thank you very much for your service and leadership, with our fine City of Hailey.**

**I am writing you in full support of the proposed Annexation of the Quigley Canyon project into the City of Hailey.**

**As a former 20 year Member of the Blaine County Recreation Board of Directors, and currently serving on a volunteer with the Galena and the Trails committee, I am well aware of all the issues.**

**Here are my key points of interest with regard to this project.**

- 1. Hailey will continue to grow , now and into the future. Annexation is an excellent and previously successful method to facilitate growth, with many benefits going to the City of Hailey and to the residents.**
- 2. I know all too well how challenging the economic times have been for the past few years, but they are changing, and growth will start again, planning now for growth is a good thing.**
- 3. Living very close to the Quigley Canyon area, and utilizing the trail, hiking, biking, walking and ski opportunities, I know that the access and traffic flow concerns can be easily handled.**
- 4. The Recreational opportunities alone on this project are huge, for both Summer and Winter activities. All of these recreational improvements will come as no cost to the City of Hailey. And they will be managed and cared for by Blaine County Recreation District team of Recreational Managers.**
- 5. This project has gone through a number of changes over the past few years, the time is right for a decision now that will move this Annexation forward, and the benefits to residents, new home owners, and the community at large can begin to prosper.**

**My wife Kate and I will be out of town until May 13<sup>th</sup>. But will plan to attend your meeting later in May. I strongly urge you to approve the Annexation of Quigley Canyon in the City of Hailey.**

**Respectfully submitted, Bob Rosso**

**215 East Galena Road, Hailey, Idaho 83333 788-1551**

## Heather Dawson

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From: Greg Travelstead <gtravelstead@evergreen-advisors.com>  
Sent: Wednesday, April 25, 2012 5:45 PM  
To: Heather Dawson  
Subject: Re: Quigley Packet

Hi Heather,

Thank you for the update on the meeting schedule and pending revisions to the Caplan study. I am rather concerned that a signed, dated, professional consultant's work product can be either a) so deeply flawed, and/or b) so easily swayed into being changed? It seems an awful lot like opinion shopping.

I am even more concerned with your comment from below: "The manner in which the report addresses the improvements Quigley will be directly responsible for". Your use of the term "will be" kind of implies that there is some agreement already in place as to what, how and when Quigley will pay for things? Please tell me I am wrong?

As to the pending grant applications, I believe, since Caplan is up for changing the cost benefit study, he might as well also update the DIF study. It is not fair to reduce the CIP base amount for the 4 out of 6 grants that are contingent and may or may not occur. The DIF should reflect the budget in a conservative sense (from the Hailey taxpayer perspective), and not lean toward lower DIF fees on the basis that these grants MIGHT come through.

As to Caplan's opinion in the cost benefit study that no future inflation adjustments are needed to deal with costs rising faster than tax revenues - he better come "loaded for bear" to defend that - because its factually wrong and its easy to demonstrate the error and the fiscal peril.

Thanks again for your attention to my questions. I had just finished writing a public comment letter to the council and will now hold off sending it until the new study is released so that I too can make revisions.

Best,

Greg Travelstead  
**Evergreen Advisors LLC**  
PO Box 4921  
Hailey, Idaho 83333  
Cell: 208-721-7665  
[www.evergreen-advisors.com](http://www.evergreen-advisors.com)

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---

**From:** Heather Dawson <heather.dawson@haileycityhall.org>  
**To:** "Greg Travelstead (gtravelstead@evergreen-advisors.com)" <gtravelstead@evergreen-advisors.com>  
**Sent:** Wednesday, April 25, 2012 4:28 PM  
**Subject:** FW: Quigley Packet

Greg -

thank you for these questions, comments. We have identified some areas that the Caplan report can be improved, and have directed its revision. The Lot Values table is one such area, see attached. The revised report will go onto our website on Friday of this week. Mayor Haemmerle does not deem that sufficient time for public review, and will therefore conduct the fiscal discussion in 2 parts:

- on April 30 Quigley will present comments to the council, any members of the public who wants to speak at this time will be allowed to do so.
- the matter will then be continued to May 7 to give the public ample time to review the report and Quigley's presentation.
- On May 7 public comments will be taken on the fiscal analyses and water appraisal.
- On May 21 further public comment on any matter related to Quigley will be heard.

Please review my comments below, written next to each of your questions.

Heather Dawson  
Hailey City Administrator

---

**From:** Greg Travelstead [mailto:gtravelstead@evergreen-advisors.com]  
**Sent:** Tuesday, April 24, 2012 11:31 AM  
**To:** Heather Dawson  
**Subject:** Re: Quigley Packet

Hi Heather,

Thank you for forwarding the studies. As promised (brace yourself) here are some comments on the CIP and Cost Benefit studies. The methodologies that Caplan uses are rigorous and impressive. However, after reviewing them in detail, I have questions about some of the assumptions applied. Before going into exhaustive comments, I have the following high-level questions that I hope you (and/or Caplan) can answer:

1. CIP Base Amount - pg. 7 of Caplan DIF 2012 Report - The base total CIP needed amount is reduced by the revenue projected from the following six grants:

- E. Elm SR2S Grant - Awarded for 2013
- E. Myrtle Street Reconstruction SR2S Grant - Will file application for work to be done in 2014.
- River Street HUD/ICDBG Grant Awarded - contract not yet committed to by City.
- River Street/EPA TCSP Grant - Application filed - awards announced in May. Council decision in late May on whether to enter contract for River Street (both) grants.
- URA River Street Financing - URA implementation in process. After URA is formed and property values begin to rise, that will be the separate revenue source identified here.

Broadford Road LHTAC Grant – The city has asked to be allowed to apply for this grant – that permission must be granted first prior to a grant application being filed.

What is the likelihood of collecting these revenues? i.e. are these grants already awarded and "for sure" or are they "hoped for"?

2. I am confused about the discussion of water and wastewater annexation fees. The cover letter to the Mayor for the Cost Benefit study states an "annexation fee" of \$3,285,273. However, later in the report, Caplan discusses water and wastewater "annexation fees" combined at \$5,903,615 (Table T). These are apparently in addition to the "per unit" connection fees that Caplan proposed. Thus it seems that the total annexation and other one-time (excluding connection) fees recommended by Caplan are as follows:

Annexation Fee - General Fund	\$ 3,285,273	Cover Ltr
Annexation Fee - Water Fund	\$ 833,615	Table T
Annexation Fee - Wastewater Fund	\$ 5,070,000	Table T
Total Annexation Fees	<u>\$ 9,188,888</u>	
Development Impact Fees - Townhomes & Live/work	\$ 39,150	27 units * \$1,450 each
Development Impact Fees - Single family homes	\$ 754,770	417 units * \$1,810 each
P&Z Recommended Comp Plan related additional items	\$ 2,224,817	Table R
Total Recommended Fees per Caplan (at Discretion of Council)	<u>\$ 12,207,625</u>	

Does this agree with your understanding? The manner in which the report addresses the improvements Quigley will be directly responsible for outside of the annexation fee is confusing. As we reviewed your question, we determined that we should revise the report to make this more clear.

3. In the Cost Benefit analysis, the estimated assessed values (Table F) for purposes of estimated tax revenues seem VERY optimistic, and I think lead to an overstatement of revenue. Since one of the overriding assumptions of this study is using 2012 revenues, expenses, and dollars (no inflation assumptions), it seems inconsistent to use anything other than 2012 property values. If you look at the value of a townhome at \$350,000 - there are no comparables to support this value. The same is true (in my opinion) for all the larger lot assumptions (values too high for 2012). We agree, in fact in early March we identified this problem and put a new Lot-Values table in place. Unfortunately, the new table didn't make its way into this draft – we are revising to include table attached.

4. The assumption that Quigley will comprise only 6.3% of the City's 25-year growth is one of the key assumptions, and yet is almost wholly unsupported (except to project population growth at 1.5% through 2015, then 2.5% thereafter). There are reportedly +/- 800 unimproved lots within existing Hailey limits. Where does Caplan and/or the staff & Council expect the other density to be located? Other annexations? Vacated airport land? Is it either desirable or possible to accommodate such growth (nearly doubling the City)? As a one-time ranch manager, I look at things from a "carrying capacity" standpoint. Has the P&Z, and/or Council, through Comp Plan deliberations, blessed such growth in terms water supply, etc? Just curious... I think that Quigley will be a much larger percent of the Town's growth-to-come, because I don't see that level of growth being a reality in terms of even getting things entitled... we're already at 6+ years to get 444 units - right? We discussed this – Rich will explain during the meeting that the assumption is actually 19%.

5. The other key (and in my view faulty) major assumption in the cost benefit analysis is using 2012 revenue and expense figures without adjusting for future, knowable, issues: the Idaho legislature caps the amount by which property taxes can increase in any one year, and caps the general indebtedness. However, costs for materials and equipment have increased rapidly in past years due to China and other world demand. To assume that both costs and revenue will remain in step, in an inflationary sense, is a huge trap for the City. To genuinely project the City's fiscal position, I think Caplan really should look at this KNOWN issue and inflate maintenance and service costs by a greater amount than property tax revenue to arrive at a better version of the "deficit" concepts they have tried to calculate in items c) and d) of Table D at page 9. For instance, materials and equipment inflation has been running at (say) +/- 6% in the past 5 years, but tax revenues cannot increase by more than 3%. This difference, compounded over a 25-year period, would indicate a HUGE gap between Quigley revenue and cost, which cannot be remedied by simply issuing GO Bonds (as the City is likely to learn shortly due to political realities of passing bonds by 2/3 vote). The Capital Improvement Plan is the only portion of the study that uses inflationary adjustments. You are right that under current state law the ability to increase property taxes is limited to 3%, and the rise in fuel and other materials is uncapped. However, the consultant believes that the most defensible approach is the one he has taken.

I'll stop at these points for now. Depending on the answers to these issues, my other more detailed points may or may not be relevant.

Thank you for humoring me on these issues!

Best wishes,

Greg Travelstead  
**Evergreen Advisors LLC**  
PO Box 4921  
Hailey, Idaho 83333  
Cell: 208-721-7665  
[www.evergreen-advisors.com](http://www.evergreen-advisors.com)

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**From:** Heather Dawson <heather.dawson@haileycityhall.org>

**To:** "Greg Travelstead (gtravelstead@evergreen-advisors.com)" <gtravelstead@evergreen-advisors.com>; "wilfrahug@cox.net" <wilfrahug@cox.net>

**Sent:** Monday, April 23, 2012 3:59 PM

**Subject:** FW: Quigley Packet

Hello – we received the Caplan Cost Benefit Analyses for Quigley today, and it will go onto our website immediately. I've copied it to you here along with the other pertinent reports for next week's meeting.

**Heather Dawson**  
City Administrator



## Heather Dawson

---

**From:** crystal thurston <crystalleethurston@gmail.com>  
**ent:** Wednesday, April 25, 2012 10:03 AM  
**To:** Heather Dawson  
**Subject:** Quigley annexation

Hi- i am a 22 year hailey local and I am against the Quigley annexation. We don't need more sprawl, more traffic, less nature, or more empty homes. (There are already a bunch of empty buildings throughout our area which were built on spec and never sold and destroyed the beauty of our area.)

We did not come here to live in another Los Angeles. Please protect the quality of our life style here in the valley. Keep this the special place that it is. Don't ruin it.

Thanks.

Crystal Thurston

## Heather Dawson

---

**From:** lagergren@cs.com  
**Sent:** Tuesday, April 24, 2012 8:55 PM  
**To:** Heather Dawson; Mary Cone  
**Subject:** Quigley Annexation

Dear Heather and Mary -  
Ken and Ginna Lagergren are AGAINST the current annexation proposal for Quigley Canyon.  
Thanks,  
Ken & Ginna Lagergren  
215 E. Myrtle St  
Hailey, ID

## Heather Dawson

---

**From:** Richard S. Uberuaga <ruberuaga@gatewayfunding.com>  
**Sent:** Tuesday, April 24, 2012 10:40 AM  
**To:** Carol Brown; pat cooley; Don Keirn; burkefamily203@cox.net; burkefamily203@cox.net; Heather Dawson  
**Subject:** Quigley Canyon

I am writing in reference to the proposed development in Quigley Canyon. I would like to express my complete support for the annexation into Hailey. The advantages are numerous and much more desirable for current and future residents than having it remain part of the county.

I moved here with my family in 1955 and have seen a great deal of development over the years, some of it desirable and some not. I have learned it is human nature for people to want growth and development to end as soon as they arrive (myself included) however, growth will happen, it cannot be stopped, but it can and should be managed. This developer has proven over the years that he is highly capable of delivering the product he promises and has worked hard with all concerned parties to mitigate any legitimate concerns. Just as important, he has extensive financial backing to ensure that the problems that some recent Hailey developments have experienced will not happen to Quigley Canyon.

It seems Hailey would be in a much better position if they had some say in the way Quigley is developed instead of turning their backs on it and hoping that everything works out for the best. Experience has taught me that just hoping for a good outcome is never the best option.

If you have any questions for me I can be reached at 720-9408 or [ruberuaga@msn.com](mailto:ruberuaga@msn.com).

Sincerely,  
Rick Uberuaga

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## Heather Dawson

---

**From:** Jeffrey L. Nelson <jenelson@gatewayfunding.com>  
**Sent:** Tuesday, April 24, 2012 11:56 AM  
**To:** Carol Brown; pat cooley; Don Keirn; burkefamily203@cox.net; Heather Dawson  
**Subject:** Quigley canyon

Please accept this communication for support of the annexation of Quigley Canyon into the city of Hailey. I have been a homeowner and resident in the area since 2001 and have always been impressed by the long range planning and forethought that is given to the projects that have come to define the 'present day' City of Hailey.

Much of that planning has been and rightly so, about the impact of any projects on the city and the surrounding county. There are several benchmarks that must be applied. These include the environmental impact, housing stocks, water usage and access, affordability, access to open lands, amenities, parks, trails, etc..

As I understand it, if the project remains in the county our access and enjoyment as neighbors will be limited. If it is incorporated in to the city, then the development will be managed from a global perspective, meeting the needs of all the citizens of the city and county.

As such, I endorse the smart development of Quigley Canyon and suggest that managed growth and global benefit to all residents should be the goal of our representatives in the local government.

Jeff Nelson  
471-5397  
[jnelson@taloa.com](mailto:jnelson@taloa.com)

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## Heather Dawson

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**From:** Daryl Fauth <DaFauth@stewart.com>  
**Content:** Monday, April 23, 2012 9:52 AM  
**To:** Fritz Haemmerle; Heather Dawson; Mary Cone; Carol Brown; burkefamily203@cox.net; Don Keirn; patcooley@haileycityhall.org  
**Subject:** Fwd: Some rambling thoughts re QUIGLEY dilemma from Scotty

Dear Mayor, City Council & staff-

Somehow I got on this distribution list. I felt the need to respond. Please read the original email and my response and consider both points of view (mine as well as Mr. Phillips) as you deliberate on this topic.

Thank you for your time and your dedication to a very thankless job at times!

Daryl Fauth  
960 Foxmoor Dr

Sent from my iPhone

Begin forwarded message:

From: Daryl Fauth <DaFauth@stewart.com<mailto:DaFauth@stewart.com>>  
Date: April 22, 2012 8:07:37 AM PDT  
To: Gloria Carlton <gloria@svskylan.net<mailto:gloria@svskylan.net>>  
; Anne Elliott <anneelliott@cox.net<mailto:anneelliott@cox.net>>, Chris  
<cgertschen@cox.net<mailto:cgertschen@cox.net>>, Deb Gelet <DGelet@aol.com<mailto:DGelet@aol.com>>, Doug  
Freestone <motonerd1@yahoo.com<mailto:motonerd1@yahoo.com>>, "GLENSHAP@sbfmc.org<mailto:GLENSHAP@sbfmc.org>" <GLENSHAP@sbfmc.org<mailto:GLENSHAP@sbfmc.org>>, jason and mindy Smith <smith3999@msn.com<mailto:smith3999@msn.com>>, "JazzSch@aol.com<mailto:JazzSch@aol.com>" <JazzSch@aol.com<mailto:JazzSch@aol.com>>, Julie Fox-Jones <julie@adager.com<mailto:julie@adager.com>>, Karen Scheurmier <jaglady99@yahoo.com<mailto:jaglady99@yahoo.com>>, "kartajan@cox.net<mailto:kartajan@cox.net>" <kartajan@cox.net<mailto:kartajan@cox.net>>, Kristine Brock <kristine.brock@gmail.com<mailto:kristine.brock@gmail.com>>, LaNette McDermott <lanettemcdermott48@gmail.com<mailto:lanettemcdermott48@gmail.com>>, Lorna Emdy <LEmdy@blaineschools.org<mailto:LEmdy@blaineschools.org>>, "mischa1@cox.net<mailto:mischa1@cox.net>" <mischa1@cox.net<mailto:mischa1@cox.net>>  
Subject: Re: Some rambling thoughts re QUIGLEY dilemma from Scotty

Gloria & Fellow Hailey folks-

Somehow I got on this distribution list and after reading this email I needed to express an opinion that you all may not agree with, but I ask you to respectfully hear me out.

I'm a runner, mountain biker, road biker and Nordic skier. I think it is fair to say that I am user of various trail systems in our valley and can speak with a little authority on the subject.

The statement made by Mr. Phillips regarding the current trail system being sufficient is narrow-minded. If that had been the prevailing thought a few years ago, the Croy trail system would never have been built. Now we have trails in

the south valley open nearly a full month ahead of the trails in the north valley. We have folks from the north driving to Hailey to use those trails, eat at our restaurants, shop in our town, etc.

The Nordic trails added out Quigley allow parents, children and working folks in Hailey a chance to avoid a 30 minute drive north (one way) to access some great Nordic skiing. Children no longer have to get home late at night after Nordic ski team...it allows an additional hour of time that is either used to ski or get home at a decent hour to allow more time for dinner and homework. Working people in Hailey can get out in winter on their lunch break to get a quick workout in.

The current hiking and running trails as many users know consist mostly of steep up and down trails on the sides of Carbonate Della View and Quigley mountains. We lack long looped trails, with gradual inclines and declines. We have a real shortage of trails in Hailey for runners and hikers seeking more variety closer to town.

I don't know where Mr. Phillips' mistrust of the BCRD comes from, but I know Jim Keating and many of the administration over there personally. To call them politically powerful and not to be trusted is misleading and reeks of propaganda. The BCRD has done amazing things for this valley and continues to do so. Call me naive but to associate the BCRD with words like 'political' and 'powerful' is taking a page out of the Fox News play book. We don't need fear mongering.

For those of you against the Quigley development, I respect your opinion as I would hope you respect mine. I merely ask that you keep your minds open to other points of view and find out the facts for yourselves. Attend meetings and open houses, not with your own agendas, but truly listen first. Ask questions. Do research. Talk with your city council people. Don't stand off in the distance and label them. Same goes with the developer Dave Hennessy. Take him to lunch. Talk with him. He's got a family that lives here too. Go to the source and stop relying on innuendo.

Hailey is becoming a destination and not merely 'the town south of Sun Valley'. I am excited for the opportunities and amenities Quigley can offer for Hailey to continue to grow in that direction.

Daryl Fauth  
960 Foxmoor  
Hailey

Sent from my iPad

On Apr 21, 2012, at 10:58 AM, "Gloria Carlton" <gloria@svskylan.net<mailto:gloria@svskylan.net>> wrote:

-----Original Message-----

From: scottyphi@cox.net<mailto:scottyphi@cox.net> [mailto:scottyphi@cox.net]

Sent: Saturday, April 21, 2012 11:10 AM

To: lilisimpso@aol.com<mailto:lilisimpso@aol.com>; wilfrahug@cox.net<mailto:wilfrahug@cox.net>; flyrod1083@cox.net<mailto:flyrod1083@cox.net>; play2win@inbox.com<mailto:play2win@inbox.com>; janetbcarter@cox.net<mailto:janetbcarter@cox.net>; galen@flyidaho.com<mailto:galen@flyidaho.com>; maryroberson@q.com<mailto:maryroberson@q.com>; cathie508@hotmail.com<mailto:cathie508@hotmail.com>; reglorn@copper.net<mailto:reglorn@copper.net>; meostopol@hotmail.com<mailto:meostopol@hotmail.com>; judypro@cox.net<mailto:judypro@cox.net>; gloria@svskylan.net<mailto:gloria@svskylan.net>; cmonte@cox-internet.com<mailto:cmonte@cox-internet.com>; wjpabich@gmail.com<mailto:wjpabich@gmail.com>; gjmaratea@hotmail.com<mailto:gjmaratea@hotmail.com>;

gtravelstead@evergreen-advisors.com<mailto:gtravelstead@evergreen-advisors.com>;  
denisejackson@sunvalley.net<mailto:denisejackson@sunvalley.net>;  
wilfrahug@cox.net<mailto:wilfrahug@cox.net>  
Cc: ScottyPhi@cox.net<mailto:ScottyPhi@cox.net>  
Subject: Some rambling thoughts re QUIGLEY dilemma

TO: Quigley Group. Three things on my mind I would like to communicate:  
Sat AM

1. I am sure you saw FRI Express. If not look on back page at the full page ad sponsored by Quigley Developer Hennessy exhorting the "vast benefits" of having 444 new lots/homes in the City as opposed to the County. He is sponsoring an "open house" on the 26th, which is next Thurs. It is pure propaganda, misrepresentations, and other predictable "spin."

2. One of the things the Ad touts is, quote: "HIKING TRAILS - 11 miles of trails on site connecting to 9 miles off site." NORDIC TRAILS --"20km of nordic trails with race arena and sledding hill."

I wish someone would do a new letter to the editor focusing exclusively on this "trails" subterfuge and also send a strong letter to City Council and Mayor focusing just on the "trails" absurdity.

I may be simplistic but my view is: >>>> \*\*\*This valley is already amply blessed with a wide plethora of trail choices of every conceivable kind.

There are probably more year around Trail venues existing in the WR Valley than any mountain town in the West!!! Every side canyon on public land has an FS or BLM trail system. We already have a world class groomed winter nordic system--absolutely unexcelled. We have mountain bike trails, horse trails, and motorized use trails. We have the BIKE PATH. (and what a fantastic public resource it is!) THE COMMUNITY IN NO WAY IS SUFFERING FROM A LACK OF DEVELOPED SUMMER AND WINTER TRAILS!

To drastically downgrade the quality of life of our Hailey residential neighborhoods for "developed trail amenities" would be a TRAVESTY. That is my personal view. Of course the hard rocker mtn. bikers and motorized contingent AND the BCRD! (not to be trusted) have a vastly different viewpoint! They are quite politically powerful as well! Something to think about.

Will someone out there both do an LTE and a direct letter to Mayor and City Council on this particular part of the issue. (TRAILS)? I may try and formulate a direct letter to city leaders.

3. A very smart friend in Oregon (who has closely followed land use issues there) sent me this comment back after he read my recent LTE. I am sharing it with you. He has been here as a guest prior to a river trip and we took a long hike up Quigley to show him the dilemma. Please read his thoughts on the "growth monster."

What is REALLY in the minds of the five decision makers? ---that is the question. Other than knowing that Fritz has a proven dictatorial approach to things I really don't know. Pat Cooley is supposed to be against annexation as I understand it. Carol Brown I think has integrity. Martha Burke strikes me as a flip flopper. I can't read Don Keirn. I JUST DO NOT KNOW.

I do know that mindless "growth" ---at any social or environmental cost is the modus operandi of the cancer cell. Crass and unrestrained capitalism and mega- development at any cost is plundering the planet. (Peak Oil, the destructive Canadian tar sands, the XL pipeline, running out of WATER (PhD Hydrologist Wendy Pabich has submitted reams of solid documentation to the City that the water simply is NOT there for massive Quigley development!) in the

arid west, the rapid onset of Global Warming, you name it) These very same forces and dynamics let loose out of Pandora's box can and will drastically downgrade our community quality of life if not put into "checkmate." That is my personal view.

What is absurd and downright maddening is that Hailey does NOT NEED massive growth projects at this time. Foreclosures are drastically up. The economy is horrible with no immediate prognosis for significant improvement. For goodness sake there are already 800 EXISTING lots ready for building & served by water, sewer, police, fire, snow plowing etc within the City boundaries!

As the P and Z clearly stated on Nov. 7th, 2011 with their strong DENIAL recommendation Quigley Annexation is simply not justified!! How can Mayor and City Council ignore that kind of direction from their very own P and Z Commission!??

Well, that is my "soapbox" for today. I appreciate your forbearance as I have rambled on. Thanks for listening. Send to anyone else you wish and enjoy the beautiful sunny and warm weekend. Best to ALL.  
Scott Phillips

---

Here is my LTE printed in our local paper one week ago.

(Reply from my friend) >>>>> Scotty -

When you say, "Quigley annexation makes zero fiscal ....sense", I presume you're speaking from the perspective of the community. Presumably from the perspective of the developer, it makes perfect sense.

I hope your city leaders are different than ours. Ours are of, by and for the developers. With one exception -- the city councilors who has been elected outspent their opponents during their election by a margin of 5 or 10 to 1, using funding coming almost exclusively from developers. Our city council (as well as our chamber of commerce) almost makes the FS look ethical in comparison.

From their perspective, there is only one thing that counts for anything and that is GROWTH. They would sacrifice everything (everything of importance to the public) if by so doing they could (for business interests) achieve even the smallest increment of growth. As for sacrificing their own ethics, they had nothing to sacrifice. They ran for office so that they, themselves, could be agents of growth --- or because they themselves were builders, developers or in the employ of builders or developers.



## Heather Dawson

---

**From:** Colleen Pace <colleenpace@gmail.com>  
**Sent:** Tuesday, April 17, 2012 6:48 PM  
**To:** Heather Dawson  
**Subject:** Quigley Annexation

Heather:

Jon and I are opposed to the annexation of Quigley Canyon into the City of Hailey. We do not have the resources for the additional burden this would put on our infrastructure nor do we believe the water supply is adequate.

Thanks!

Jon & Colleen Pace

April 16, 2012

# "Why Quigley Now?" Newsletter

## ANNEXATION:

When it's OK to say "**NOT IN MY BACKYARD!**"

## Why Quigley Now?

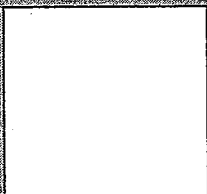
Campaign for a better plan for Quigley Gulch

### Important Dates:

Fiscal Impact and Water  
Analysis Hearing:  
April 30, 2012  
5:30pm  
Hailey City  
Hall

Public Comment Hearing:  
May 7, 2012  
5:30pm  
Hailey City Hall

### Save Our Wildlife & Recreation!



Dear Fellow Hailey Residents & Friends,

**ANNEXATION:** When it's ok to say "**NOT IN MY BACKYARD!**"

The Quigley Annexation is **NOT** a private property right.

An annexation is a negotiation between YOUR representatives (the Hailey City Council and Mayor) and the developer (Quigley Green, LLC) about what YOU are willing to pay for or receive in exchange for what the development offers YOU.

### What will YOU receive from this 440 home development?

- Traffic, etc. from 440 homes
- Unknown costs of:
  - devaluation of the value of YOUR home from 440 new lots
  - road construction and maintenance
  - adding sewer and water infrastructure
  - fiscal impacts of fire and police protection
- Unnecessary sprawl
- Undocumented assurances of amenities - only a draft development agreement written by the applicant!
- Trails:
  - Do you know that many of the Quigley trails are on the dedicated County road or BLM property?
  - Do you know that the Hailey Parks and Lands Board is starting its Master Plan for trails around the City, regardless of this annexation?

SAY "NO" TO ANNEXATION!

TELL THE CITY COUNCIL WHAT YOU  
THINK!

*email comments to:*

[heather.dawson@haileycityhall.org](mailto:heather.dawson@haileycityhall.org)

[mary.cone@haileycityhall.org](mailto:mary.cone@haileycityhall.org)

### PUBLIC HEARINGS ON QUIGLEY ANNEXATION

Fiscal Impact Study and Water Valuation:  
April 30, 5:30 pm Hailey City Hall

Public Hearing (your turn to comment on Quigley)  
May 7, 5:30pm Hailey City Hall

Bring your friends, make this **YOUR** town,  
because **YOU** pay the bills!

From your friends and neighbors at Why Quigley Now?  
Campaign for a better plan for Guigley Gulch at:

[whyquigleynow1@gmail.com](mailto:whyquigleynow1@gmail.com)

## The Truth About Quigley Annex- ation:

### 1. Hailey's current water shortage will be

**solved: False** The value to Hailey of any water rights conveyed as an annexation fee is not the paper volume of the rights, nor the actual creek flows. It is that amount of water that is not going to be used by the development. When the project is fully built, the excess will be less than zero. Hailey will actually have a water deficit at that point. *see SPF Engineering Letter to City - June 23, 2011*

### 2. Quigley owns enough water for its plans:

**False** The water report ordered by the city says that the Quigley water rights are not enough for 440 homes and +/- 500 acres of open space unless a separate irrigation plumbing system is installed for the entire development (separate from the domestic water plumbing). "It does not appear from reading the development agreement that a separate irrigation system for the development would be provided by the developer". *see SPF Engineering Letter to City - June 23, 2011*

### 3. Annexation is a private property right:

**False** Annexation is a REQUEST - not a RIGHT. The City may only annex land "when it is in the best interest of the citizens of Hailey." *see Hailey Ordinances Chap 14.01.090 - "Council Review"*

### 4. Annexation will generate funds for Hailey:

**False** The applicant is offering only its water rights as an annexation fee. No monetary fees have been offered. The water rights will be conveyed after approval of the last subdivision. There is no subdivision application on file and

there is no demand for housing. Thus the "extra" water rights (which consist of none at build-out) may not be transferred to the City until such time as the amount of water equals zero - Confusing? *see Draft Annexation Agreement - March 28, 2011*

**5. Quigley will donate a school parcel:**

**False** Quigley will SELL a school parcel at appraised value at some undefined point in the future. *see Draft Annexation Agreement - March 28, 2011*

**6. Quigley will donate open space for recreation:**

**False** Open space conveyed to the City in "to be agreed upon portions" after future subdivision APPROVALS. As there is no subdivision application pending, and no demand for houses, this will be many years away. *see Draft Annexation Agreement - March 28, 2011*

**7. The project will create affordable housing:**

**False** There is no mention of affordable housing in the application or the proposed Annexation Agreement. *see Draft Annexation Agreement - March 28, 2011*

**8. The project complies with the**

**Comprehensive Plan: False** The Hailey Planning and Zoning Commission has recommended that the annexation application be denied because it does not conform to the Comprehensive Plan primarily on the basis of unnecessary sprawl, traffic impacts, and lack of demand. *see City of Hailey P&Z Findings - November 11, 2011*

**9. The plan will provide economic stimulus:**

**False** There is no subdivision application filed, so no house lots will be created for years - or decades. There is no requirement to construct any improvement as a result of the annexation by the city or developer. *see Draft Annexation Agreement - March 28, 2011*

**10. Wildlife will be negatively affected:**

**True** While this revised plan has fewer impacts than the original (golf course) plan, Idaho Fish and Game recommendations to relocate infrastructure and roads to the south side of the valley to protect deer and elk habitat have been ignored. *see - Letter from IDFG to City of Hailey - November 1, 2011*

**11. Hailey pays for Quigley roads, water and**

**sewer: True** The Applicant asks that the City pay for the installation of all roads, water and wastewater improvements, both on and off site, with small (and capped) payments for only a portion of the on-site improvements. The City website is not truthful on this "detail". Also, the roads will not be to city standards, but shall be maintained by the City after construction. *see Draft Annexation Agreement - March 28, 2011*

**12. Annexation provides standing for applicant to sue Hailey which it cannot currently do!:**

**True** If annexation is denied, there is no right of appeal, and the applicant CANNOT sue The City of Hailey. If annexation is approved the applicant is entitled to city services and, as we've seen with Sweetwater and Cutter's, expensive litigation often follows.

**337 No to Quigley Annexation**

**Forward this email**

## Beth Robrahn

---

**From:** Cathie Royston <cathie508@hotmail.com>  
**Sent:** Monday, November 07, 2011 10:37 AM  
**To:** gmoore280@msn.com; markjohnstone@cox-internet.com; jrfugate@cox.net; mikepogue@gmail.com; owen@mclaughlinarchitects.com; Beth Robrahn; Rick Davis; Don Keirn; Fritz Haemmerle; Martha Burke  
**Subject:** Quigley annexation

P&Z members and hailey City council members; Others have eloquently stated my position on the quigley canyon annex regarding traffic, services, wildlife, impacts. I still have questions and some musings about the future of that canyon. I know that part of the agreement between the last seller and the current owners was to allow public access until development occurred. That is why we have come to love that area as we do. I do not want another lecture on public property rights. That said, I want transparency and all the possibilities brought up at these meetings. I want a comparison study by INDEPENDENT water experts, such as Wendy P., AND the very real possibility that part of the reason the developer wants to annex so badly, is that they could sell that property more easily. I think the public has been fooled into discussions about how the development would look, golf courses, nordic skiing ect., when in truth, none of that may come to pass. Really what we are facing is should the property be annexed for good reason, or should it be sold as county property based on water, future development and county zoning requirements vs city zoning requirements. The rest of the comments and input from deperate, emotional thinking is spinning wheels (myself included). I believe the developer wants to dump that property. In whose lap and how it will affect the city of Hailey is at the crux. That is what I would like more information about. I would like to think creatively about how the property could really be used for the benefit of the county and the city. How could a purchase be made to incorporate all the issues and provide recreation only out the canyon. Dreaming? Maybe, but this has to be one of the most important decisions we (you ) will make for a very long time. Please do not rush before considering all the issues and provide real knowledge to the public.

## Beth Robrahn

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**From:** Carol Brown  
**Sent:** Friday, November 11, 2011 1:35 PM  
**To:** Don Keirn (donidaho@cox.net); Beth Robrahn; Fritz X. Haemmerle; Ned Williamson; Rick Davis; Martha Burke (burkefamily203@cox.net)  
**Subject:** FW: final draft  
**Attachments:** pznixannex.rtf

I received the attached comment letter on Quigley from Bill Hughes. Please place in the public record. Thanks, Carol

Carol Brown - Hailey City Council (208) 788-4221

All messages sent and received from this mailbox are part of the public record

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**From:** billy [wilfruhug@cox.net]  
**Sent:** Friday, November 11, 2011 11:52 AM  
**To:** Carol Brown  
**Cc:** jane  
**Subject:** final draft

Carol,

I scrambled to get the rough draft of this letter to P&Z on Monday. It was full of holes, and a friend insisted I not suggest that the F&G supervisor is a goat-roper and the Governor a fascist, even though I identified these perceptions as resulting from my own personal prejudices. Please enter this Final Draft into the Public Record.

Pat Cooley will be a healthy addition to the Council. He is a solid member of the community, and appears to have both feet firmly planted on the ground. Please see that he receives this communication.

As always, my gratitude and admiration for your willingness to serve.

billy

TO: Hailey City Council  
RE: Quigley Annexation

It is revealing that certain members of the Hailey Planning and Zoning Commission have expressed concern for any additional costs to taxpayers that might result from approval of this revised annexation proposal, even though directed by the Council to ignore consideration of potential fiscal impacts and to evaluate revisions only as they relate to the objectives and policies of the Comprehensive Plan. A request to ignore the 800 lb. gorilla in the room is disingenuous at best. In this proposal citizens of Hailey are basically being asked to assume all the risks attached to a disastrous real estate investment made at the conclusion of a period of "irrational exuberance" characterized by debt-fueled malignant growth. As I commented regarding that nonsense someone at City Hall dreamed up for Cutter's, "It is not the City's business to manage risk for private real estate investments."

The maps available online display a heading that reads "Quigley, Hailey, Idaho." They should read "Quigley, Blaine County, Idaho." Annexation is a privilege not a right. This applicant appears imbued with that all too familiar sense of entitlement that would have residents of Hailey paying for the greedy miscalculations of investors in Connecticut. I believe it is unreasonable for this applicant to continue insisting that Hailey taxpayers subsidize the bailout of this failed investment.

Gone are adequate resources to pay for connecting proposed development to City infrastructure, instead complicating matters by asking Hailey to recover its portion of the "shared costs" through CIDs/LIDs, however that works - an individual better informed than I indicated that the costs are not a part of the City's budget but become added costs to Hailey citizen's property tax. Thanks a lot. Gone are any paid consultants that may have provided a more thorough analysis of impacts, though their credibility in the original presentations was often questionable, particularly with regards to wildlife. I have always found ludicrous the practice of real estate developers hiring "experts" to come to whatever conclusions are expedient or profitable. We are fortunate to have informed citizens willing to serve as arbiters of the public interest, many thanks to you all. Gone are any substantive benefits to the citizens of Hailey, this project is now all risk and no reward. Water rights are irrelevant.

Do we even know who the owner of this property will be when the dust surrounding such investments finally settles? Think Cutter's. Whoever owns it will perhaps have only dimes on the dollar. But remember, we were instructed not to consider fiscal impacts and associated economic realities. So I won't!

In addressing this proposal's alignment with elements of the Comprehensive Plan, I find it impossible for the Commission or concerned citizens to make any reasonable assessment, this perception based on a *single sentence* in the materials provided. With regard to development above the more dense component at the mouth of the canyon, "The exact configuration, size, and number of lots would be addressed through a subsequent subdivision application." In other words, "Annex this property and later on we will tell you what we would like to do." Such an absence of commitment is mind-boggling given the magnitude of this investment. When the money is unavailable to hire someone to do the work, you do it yourself. If the applicant is unwilling to invest the time and energy necessary to submit a more complete development proposal, how committed can he be to honoring the terms of any agreement he enters into with the City? Because of this *one sentence* it is impossible to effectively evaluate, propose to mitigate, or resolve impacts related to the the following criteria:

Fire — Given the extent of wildland/urban interface as one moves up the canyon, it is impossible to identify the resources necessary for the Hailey Fire Department to provide adequate protection (ISO rating) without knowing the number of residences, their locations, and routes established for access - not to mention the difficulty of calculating the costs of ongoing requisite upgrades of both equipment and personnel.

Water — Identified as an upcoming agenda item by the Council, for which an entire meeting/day will be devoted. Water - one thing I do know is that with a few of years of severe drought we won't have enough, regardless of any "paper rights" we have sold our souls to acquire. Comments exclaiming "This is a once in a lifetime opportunity" are best reserved for those marketing ShamWows or Snake Oil. I trust a Hydrologist with a Doctorate way more than any attorney.

Septic -- I do not believe the County, DEQ, and SCHD are going to allow any septic systems in this canyon. For a dozen years now I have continued to point out that any benefits offered to Hailey through annexation are still on the table if this property is developed in the County. The County doesn't have a sewage processing facility. The applicant can probably no longer obtain funding for a package plant, and could never acquire the easements necessary for a discharge line to the river. Yes some of the effluent from a package plant, if the applicant could afford one, might be used for irrigation, but not in the winter. As a result of these realities, Hailey holds all the cards and negotiates through the ACI from a position of strength. There are no benefits sufficient for Hailey to assume the risks associated with this annexation. Any such benefits will probably still be available if this property is developed in the County and the applicant wants access to Hailey's sewage system.

Traffic -- By adding density this new proposal adds significantly to previous concerns. I do not believe people will walk or ride bikes from this development to town for at least eight months of the year. Given this probability Hailey would be moving away from, not toward, the objective of being a "green" community. Sprawl and splatter up the canyon is in direct conflict with any concepts of intelligent land use planning.

Wildlife -- Under "Natural Resources," Comprehensive Plan text states that "Hailey is a community connected to and respectful of the natural assets surrounding us." Specific to wildlife the text reads, "Wildlife resources in and adjacent to Hailey are defining components of our community character that should be protected." Then following identification of migration corridors and winter range as of significant importance, "These areas are independent of land ownership and jurisdictional boundaries." The applicant has never seemed to grasp the importance of wildlife concerns to many members of our community. The condition of our wildlife and the habitat that sustains them is a barometer monitoring our quality of life.

I was extremely disappointed when the Regional Supervisor of Idaho Fish & Game disappeared (reassigned) after advising against the proposed PUD in Blaine County at Cove Springs Ranch because of wildlife issues. Political influence should not take precedent over the honest assessment of impacts on wildlife resources by management professionals, who should not have to fear for their careers. When a replacement Supervisor, Jerome Hansen, showed up at a meeting to provide recommendations, I was worried. My prejudices had me assuming this conservative lap dog is going to abandon his duty to the interests of wildlife out Quigley because the Governor is an ideologue running a retrograde agenda. Imagine both my surprise and joy when Mr. Hansen indicated that the lands above the pond and out Deadman's Gulch were so critical to wildlife that F&G had long considered purchasing them, but simply did not have the resources, concluding that "The extent of the impact of development in the canyon on the mule deer populations cannot be adequately predicted." We need to err on the side of caution. As Councilman Don Keirn reflected at one meeting, "Our record with local wildlife has been abysmal." The applicant doesn't appear to have taken any of this input from F&G and the public very seriously. Contrary to the recommendations of F&G, it appears residential development may still be allowed to occur at the mouth of Deadman's, which is as effective an obstruction as residential development *in* Deadman's. In addition, proposed recreational development in the form of Nordic Trails above the pond (revealed 11/4/11) would produce human activity and disturbance at a time of year most detrimental to wintering herds. Nighttime grooming along with the daytime use of trails may well produce debilitating stress 24/7. Apparently, these sensitive wildlife areas are also the lands being offered for the golf course. The applicant has continued a pattern of deviant manipulation of information and intent originally exposed in the placement of a new boundary between City and County below the pond, effectively painting the County in a corner and insuring the intrusion of residential development into sensitive wildlife areas should the City approve annexation. If residential sprawl up the canyon remains, so then do the dogs. These areas with the potential to be developed at some future date, appear as a gauntlet on the map, that terrified wildlife would have to run.

Denial is a useful tool for the management of emotion. I prefer not to believe or be angry that folks from BCRD or local nordic skiers (me) are so selfish and self-centered that they would be willing to pursue their narrow interests at the expense of the creatures with whom we share this valley. It is difficult to have any respect whatsoever for individuals or organizations indifferent to the significant "collateral damage," both physical and financial, of this latest disaster proposed out Quigley. The efforts made by the applicant to



mitigate the impacts of development on wildlife in Quigley Canyon are entirely inadequate.

Please allow me to share a few final thoughts on this application.

Along with these conflicts of intent relative to the Comprehensive Plan, Hailey has an excess inventory of the products being offered. Whatever *might* be a marketable product in the future is available at Dumke's. I laugh when the applicant and one member of the Council continually attempt to use threats and incite fear over what County development out Quigley will look like. There is no demand for ranchettes anymore, too much work. The only people with any money want Versailles/Thunder Springs residences.

I believe estimated projections of growth contained in the Staff Report are simply wishful thinking by a Planning Director understandably concerned about job security. Anyone moving here has to be either independently wealthy or possess a specialized skill-set and associated certification for any employment that might be available with local government, St. Luke's, or BCSD. Otherwise, compensation is not commensurate with the costs of living here. There are many people leaving the valley to find work. I may soon be a part of that demographic!

Long-term, Hailey and all of the Northwest will experience substantial immigration when areas of the Southwest become uninhabitable as the result of global warming and exhaustion of the aquifers supplying water when the Colorado River System cannot.

It is convenient for the applicant to phase development, transferring responsibility to interpret this huge mess to future Owners, Commissions, and Councils. Apparently the objective of this entire process is to produce an endless supply of billable hours for attorneys. Citizens simply cannot endure any more of this seemingly endless exercise in confusion and associated costs. Please deny this revised proposal for the annexation of Quigley Ranch.

As always, thank you for your service to the community.

Sincerely,  
William F. Hughes  
241 Eureka

## Beth Robrahn

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**From:** Janet Carter <janetbcarter@cox.net>  
**Sent:** Monday, November 14, 2011 3:23 PM  
**To:** Rick Davis; Carol Brown; Fritz Haemmerle; Don Keirn; Martha Burke; Beth Robrahn  
**Subject:** Annexation of Quigley Canyon

To: Mayor Davis and Hailey City Council Members

Last week the Hailey City P & Z recommended to the Hailey City Council to deny annexation of Quigley Canyon.

The P&Z has come to this conclusion after thoroughly investigating and considering all aspects of the project.

Please use their well thought out rejection of annexation when you consider Quigley Annexation and vote "NO" on annexation.

Scott Phillips wrote an excellent letter to you today (Nov. 14, 2011) which we agree with 100%.

We are East Hailey residents very concerned with all the negative impacts the project will bring. One of the primary concerns right now is the negative economic impact the project will bring in terms of forcing a further decline in our property values along with adding undue stress to city finances and services.

Our current economic situation does not support annexation, no matter how badly someone would like the project to succeed, it cannot. Look at Cutters subdivision, they have declared bankruptcy, how can Quigley turn out any differently? How can the facts be any more obvious?

Everyday I see more and more homes for sale, many are short sales, many people are in foreclosure, many are desperately trying to avoid foreclosure.

The overwhelming majority of citizens are speaking out against annexation, whether it is in emails to you or publicly speaking at city P&Z or council meetings.

When discussing annexation of Quigley Canyon and 400+ homes everyone has the similar response of incredulous disbelief that such a project would ever be considered, let alone be agreed to by the City of Hailey.

Please listen to the majority of citizens of Hailey and deny annexation of Quigley Canyon.

Additionally, it does not seem appropriate to spend \$17,000 on a study of the value of an 1880 water right, when the majority of people are against annexation. It is just more time and money inappropriately used on this matter.

We believe that the value of an 1880 water right (even if it has any value) can never exceed the damage to the citizens and City of Hailey due to:

1)severe negative impact on current property values

- 2)severe negative impacts on Hailey city finances and services
- 3)severe negative impacts on the quality of life for Hailey residents
- 4) severe negative impacts on wildlife and additional water use.

Thank you for your time and effort spent reading our email and consideration of annexation.

Charles and Janet Meyer  
150 8th Avenue So.  
Hailey

## Beth Robrahn

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**From:** Judy Prothero <judypro@cox.net>  
**Sent:** Tuesday, November 15, 2011 3:37 PM  
**To:** Rick Davis; Carol Brown; Fritz Haemmerle; Beth Robrahn; Don Keirn; burkefamily203@cox.net  
**Cc:** Scott Phillips; Dick Brightman  
**Subject:** Quigley Canyon

To Mayor Davis and the Hailey City Council, We are some of the many concerned citizens of the charming city of Hailey who need to start speaking up about the possibility of Quigley Canyon annexation.

None of us wish to have our quality of life in Hailey decrease. We are therefore upset when we hear about 400 or more homes being built in Quigley Canyon, and we are sure you understand all of the obvious negative consequences of that. Why then, when P&Z has recommended against it and the majority of Hailey citizens are against it, is the city continuing to pursue anything to do with annexation, including another water study? We would hope for an explanation of this, and how the Council would consider that number of homes when we have so many sitting on the market, or in foreclosure.

Please re-evaluate and don't allow annexation.

Thank you,

Judy Prothero

Dick Brightman

231 Eastridge Drive

Hailey

**Beth Robrahn**

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**From:** Carol Brown  
**Sent:** Tuesday, November 29, 2011 12:05 PM  
**To:** Beth Robrahn  
**Cc:** Ned Williamson  
**Subject:** FW: Public comment NB 000 Discussion of Draft Community Survey compiled under the Quigley Annexation Capital Improvement Plan  
**Attachments:** city of hailey wildland interface

Comments from Lili Simpson on the Quigley Annexation. cb

Carol Brown - Hailey City Council (208) 788-4221  
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**From:** lsimpson [lilisimpso@aol.com]  
**Sent:** Tuesday, November 29, 2011 9:50 AM  
**To:** Rick Davis; Heather Dawson; burkefamily203@cox.net; Carol Brown; Fritz Haemmerle; Don Keirn  
**Subject:** Public comment NB 000 Discussion of Draft Community Survey compiled under the Quigley Annexation Capital Improvement Plan

To: Mayor of Hailey and Hailey City Council

Re: Fiscal Impacts of annexing wildlands in the urban interface: the business of being a land use agency

Dear Mayor and City Council;

At the City Council meeting of November 28, 2011 I asked to make public comment on what was noticed as:

NB 000 Discussion of Draft Community Survey compiled under the Quigley Annexation Capital Improvement Plan

The following comments address the fiscal impacts of managing annexed foothill property in the wildland urban interface.

Any land use agency will tell you that the wildland/urban interface has the highest number of recreation related and other management issues of any jurisdiction. The City of Hailey will have many new management costs related to management of these lands if they are annexed, including but not limited to the following:

Staffing: Will the Parks and Lands Department hire law enforcement commissioned staff to manage these areas? Will there be regular police patrols of the new lands, including the area beyond the Pond? Personnel might have to manage any of the following:

Dog waste management

User conflicts

Wildlife/user conflicts; dog and wildlife interactions. At some point in the near future the City will have to take responsibility for these issues instead of depending on IDFG.

Wildlife closures for Critical Winter Range, fawning periods or other-signing and enforcement, public education

Camping

Canyon parties

Trespassing on adjacent private lands

Attractive nuisance issues-ponds, sledding/skiing hiking in undesignated areas

Motorized off trail use

Invasive plants management

Illegal dumping

Hunting

Spotlighting and poaching

Night recreation near houses (or not)

Wildfire-very high costs incurred from contracting for helitack or fixed wing fire response; problems with ISO rating from managing distant wildlands; safety of

infrastructure/people located in remote end of narrow canyon; will there be 2 roads to allow for emergency access and escape?

Parachuting

Trash pickup along roads and trails

Other management needs:

Ongoing signing and maintenance

Trail design and construction-as a public lands managing agency, is the City considering what trails should be built, for whom and where (considering factors such as soils, type of trail uses, amount of use, long term sustainability, and wildlife issues: Idaho Code requires consideration of wildlife.) What the developer is offering may not take into consideration many of these things. Even if BCRD manages your trails, they are still in your jurisdiction. How are these situations managed? MOUs, leasing?

Current practices at Old Cutter's show that the City may not understand the responsibility of managing wildlands effectively. Signing for Critical Winter Range Closures is haphazard, and there is no enforcement. Annexation has opened up new uses in the area, and the BLM and Idaho Department of Fish and Game are now tasked with management. Perhaps MOUs could be developed to manage the area.

If the City chooses to annex even more wildlands, management will have to take many more factors under consideration, not just relying on other agencies to take care of issues. To date, the City has managed foothill and other lands taking advantage of the good graces of the BLM, IDFG and the Wood River Land Trust.

In many ways the City is considering creating and managing a large foothill park. When considering management of extensive lands in the wildland interface, perhaps some zeros should be added to your figures of estimated fiscal impacts. Fighting just one wildland fire or serious lawsuit may make Woodside Blvd look like a bargain. Undertaking management of what will become public lands should be considered as a complex aspect of annexation.

It may be that the taxpayers might prefer being assessed to fill the Capital Improvement Fund, rather than perpetual tax increases tied to long term, unrecognized high costs of annexation.

Thank you for considering my comments.

Lili Simpson  
7 Quigley Lane  
Blaine County

AS TAX PAYING CITIZENS  
OF THE CITY OF HAILEY  
WE STRONGLY OPPOSE  
THE ANNEXATION OF  
THE QUIGLEY  
SUB-DIVISION !!!

LEAVE IT TO ITS  
NATURAL BEAUTY !!  
IT IS ENJOYED BY SO  
MANY AS IS !!!

JOSEPH & ELIZABETH MICZULSKI  
410 DEERWOOD DR.  
HAILEY

Just a note...

MC  
TITLE  
Major  
CC  
HLS





**Beth Robrahn**

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**From:** Carol Brown  
**Sent:** Sunday, January 22, 2012 8:10 PM  
**To:** Beth Robrahn; Fritz X. Haemmerle  
**Cc:** Ned Williamson  
**Subject:** a new website on quigley

<http://whyquigleynow.org/2012/01/20/quigley-canyon-city-of-hailey-annexation/>

Please note there is a new website on the Quigley Annexation - -Beth for the record. Carol

Carol Brown - Hailey City Council (208) 788-4221

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to Door Hanger distributed  
 to Hailey neighbor hoods on  
 4/22/12. Re: Quigley  
 Mayor, CC, HD, TH, BR  
 (File)

SAY NO TO QUIGLEY ANNEXATION

Item	The Truth about Quigley Annexation	TRUE	FALSE
1	Hailey's current water shortage will be solved		X
2	Quigley owns enough water for its plans		X
3	Annexation is a private property right		X
4	Annexation will generate funds for Hailey		X
5	Quigley will donate a school parcel		X
6	Quigley will donate open space for recreation		X
7	The project will create affordable housing		X
8	The project complies with the Comprehensive Plan		X
9	The plan will provide economic stimulus		X
10	Wildlife will be negatively affected	X	
11	Hailey pays for Quigley roads, water and sewer	X	
12	Annexation provides standing for applicant to sue Hailey which it cannot currently do!	X	

Find related facts for each item below

- The value to Hailey of any water rights conveyed as an annexation fee is not the paper volume of the rights, nor the actual creek flows. It is that amount of water that is not going to be used by the development. When the project is fully built, the excess will be less than zero. Hailey will actually have a water deficit at that point.  
see SPF Engineering Letter to City - June 23, 2011
- The water report ordered by the city says that the Quigley water rights are not enough for 440 homes and +/- 500 acres of open space unless a separate irrigation plumbing system is installed for the entire development. (separate from the domestic water plumbing).  
  
"It does not appear from reading the development agreement that a separate irrigation system for the development would be provided by the developer".  
see SPF Engineering Letter to City - June 23, 2011
- Annexation is a REQUEST - not a RIGHT. The City may only annex land "when it is in the best interest of the citizens of Hailey."  
see Hailey Ordinances Chap 14.01.090 - "Council Review"
- The applicant is offering only its water rights as an annexation fee. No monetary fees have been offered. The water rights will be conveyed after approval of the last subdivision. There is no subdivision application on file and there is no demand for housing. Thus the "extra" water rights (which consist of none at build-out) may not be transferred to the City until such time as the amount of water equals zero - Confusing!  
see Draft Annexation Agreement - March 28, 2011

(over)

- Quigley will SELL a school parcel at appraised value at some undefined point in the future.  
see Draft Annexation Agreement - March 28, 2011
- Open space conveyed to the City in "to be agreed upon portions" after future subdivision APPROVALS. "As there is no subdivision application pending, and no demand for houses, this will be many years away."  
see Draft Annexation Agreement - March 28, 2011
- There is no mention of affordable housing in the application or the proposed Annexation Agreement.  
see Draft Annexation Agreement - March 28, 2011
- The Hailey Planning and Zoning Commission has recommended that the annexation application be denied because it does not conform to the Comprehensive Plan primarily on the basis of unnecessary sprawl, traffic impacts, and lack of demand.  
see City of Hailey P&Z findings - November 17, 2011
- There is no subdivision application filed, so no house lots will be created for years - or decades. There is no requirement to construct any improvements as a result of the annexation by the city or developer.  
see Draft Annexation Agreement - March 28, 2011
- While this revised plan has fewer impacts than the original (golf course) plan, Idaho Fish and Game recommendations to relocate infrastructure and roads to the south side of the valley to protect deer and elk habitat have been ignored.  
see Letter from IDR Gov City of Hailey - November 1, 2011
- The Applicant asks that the City pay for the installation of all roads, water and wastewater improvements both on and off site with small (and capped) payments for only a portion of the on-site improvements. The City website is not truthful on this detail. Also, the roads will not be to city standards, but shall be maintained by the City after construction. Essentially, this annexation is a request that citizens of Hailey subsidize the bailout of a failed real estate investment.  
see Draft Annexation Agreement - March 28, 2011
- If annexation is denied, there is no right of appeal, and the applicant CANNOT sue The City of Hailey. If annexation is approved the applicant is entitled to city services, and, as we've seen with Sweetwater and Cutter's, expensive litigation often follows.

*As neighbors, we strongly encourage taxpayers citizens of Hailey to submit written comment on this proposed land-use planning and financial disaster to the Mayor and the City Council.*

*The Planning and Zoning Commission wisely recommended that the City Council deny this revised annexation application for Quigley Canyon.*

*This annexation application was a bad idea three years ago when the Council rejected it. It is a much, much worse idea today.*

PLEASE ATTEND UPCOMING MEETINGS