From:	Carol Brown
To:	Jerry Kavka
Cc:	Don Keirn; Fritz Haemmerle; Beth Robrahn; Rick Davis; Heather Dawson
Subject:	RE: Quigley Annexation - Kavka comments
Date:	Sunday, August 28, 2011 12:30:44 PM

Hi Jerry, I got your corrected copy of your comment for the Quigley proposal. Since they only came to Martha and me, I'm copying our Planner, etc, so your comments can get into the public record for Monday night. 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: Jerry Kavka [gerald_kavka@msn.com]
Sent: Sunday, August 28, 2011 11:14 AM
To: Carol Brown
Cc: burkefamily203@cox.net
Subject: FW: Quigley Annexation

CORRECTED COPY

_____
From: Jerry Kavka [mailto:gerald_kavka@msn.com]
Sent: Sunday, August 28, 2011 11:10 AM
To: 'Carol Brown'
Cc: 'burkefamily203@cox.net'
Subject: Quigley Annexation

Carol,

Correct me if I am wrong, but a city that raises revenues through annexation fees as opposed to raising taxes is pursuing a failed policy and is headed for trouble. Sooner or later the current citizens of such a city along with those in annexed areas will have to accept higher taxes in exchange for increased city services. Unfortunately, in the case of the City of Hailey the policy is even worse as it has had developers default on the payments or give in lieu of property in the form of water rights. This makes annexation even less attractive as there is no hard cash to take the place of tax revenues that are needed to provide for the increased need and demand of city services by the new development. Even worse, this is a form of hoped for wealth distribution as the current city residents aided by their leaders hope to pass the tax burden on to the new perceived wealthier residents who live in higher priced and thus assessed homes. The only problem when all residents must have their taxes increased because of greater city obligations all residents scream bloody murder making that politically unappealing.

This all leads me to oppose the annexation of Mr. Hennessy's Quigley development unless he pays annexation fees in the form of cash and, hopefully, upfront. I am all for growth in the form of increased housing supply, but the City of Hailey should not be in the business of bailing out developers who wrongly guessed or wrongly timed the demand for housing. In addition, if Mr. Hennessey could not make a profit under County zoning requirements, the City should have no obligation to annex the property and bail him out through the increased housing density.

Finally, as I have stated before this is how we get to affordable housing without the aid or should I say interference of government. When former owners of property default supply increases and prices decrease to the point of making housing more affordable to many more people. That is capitalism and the free market. A few suffer, but many are helped with the lower prices. Additionally, this creates the affordable housing to replace that which is demanded by government entities of developers resulting in a hidden tax on remainder purchasers of housing in a development.

Regards,

Gerald L Kavka