From: Scott Phillips
To: fritz.haemmarle@haileycityhall.org; Don Keirn; Carol Brown; Rick Davis; Martha Burke; Beth Robrahn; planning
Subject: QUIGLEY CANYON
Date: Monday, August 29, 2011 11:47:23 AM

Dear Mayor Davis and Hailey City Council Members and Planning Director Beth Robrahn. Monday, Aug. 29th, 2011
Here is a supplemental letter I am submitting to you this morning in advance of the 5:30 meeting.
Beth: If you would please make sure this gets printed and into the packet for City Council members today I would appreciate it.
Thank you all. *Sincerely*, **Scott H. Phillips,** 211 Eastridge St., Hailey.

I wish to add additional observations to my letter previously submitted to Hailey City Leaders Aug 25th regarding Quigley Canyon. I appreciate the opportunity to do so. On Friday Aug 26th I read the "Quigley back on the table" article in the *Express.* Below is a quote from Planning Director Beth Robrahn.

"Hennessy is suggesting that because the water right is so senior, and based on its value, that it should offset any annexation fees the city might seek. That is the crux of the issue."

With all due respect I take vigorous exception to Beth's statement. The true "crux" of this matter is the aggregate hugely negative factors of horrific traffic, a sour and dismal economy, the financial and managerial inability of Hailey City to cope with such a mammoth project, and the certain deleterious impacts on the quality of life and livability of existing residential East Hailey neighborhoods.

The water right as a "bargaining chip or lever" comes further down the importance list in my view. Negotiating a senior water right to the City (thus an inappropriate net saving of at least 3 million to the developer!) is important primarily if there is going to BE a major annexation. In any other circumstance it becomes less important. The factors I mention above and in my 8/25 letter are the unmistakable 2,000 pound Gorilla's in the room with respect to this situation. Mr. Hennessy is trying to get the cart way before the horse. No surprise there.

Furthermore, what is the real value of the senior water right? Can it truly be as high as the several million dollars the developer should ordinarily be required to pay up front? Where is an independent economic verification of the value of the senior water right? Water rights on paper almost always do not reflect the significantly lower water volume that is actually delivered on the ground in real time.

One more relevant thought: If the developer were to get an annexation agreement with Hailey City (God forbid!) what is to prevent him from immediately turning around and making personal multi-millions by selling the property in the global market place with the annexation agreement cemented into place? This plausible scenario would be wrong. Annexation would on paper triple or quadruple the value of the Quigley canyon property the minute it was approved into law. That would be an unfair and unnecessary "foul ball" delivered yet again to taxpayers.

This matter properly and unequivocally belongs in Blaine COUNTY. Hailey City has excellent planning staff and the City can and will work closely with County Planning officials by virtue of the Area of Impact Agreement with Blaine County.

I am not an economist, land use planner, nor attorney. I am a common sense concerned citizen and sorely frustrated taxpayer who can at least study the facts and the recent history of previous

tragic mistakes (The ill-advised Cutter's annexation and recent bankruptcy being the prime example) and make reality based observations.

When any well informed person logically "connects the dots" on this issue it is patently absurd to consider annexation. I and dozens of others care deeply about the future quality of life for our community and implore you to roundly reject Quigley annexation into the City in the name of common sense and out of regard for your direct and primary responsibility to WE the people---as opposed to a developer of any stripe. The answer on annexation must be NO.

Thank you for listening to my strongly held viewpoint which I believe is manifestly supported by the recent history and all pertinent facts in this important matter.

Please enter this letter into the official record to supplement my longer letter of 8/25/11.

Respectfully submitted, **Scott H. Phillips,** 211 Eastridge Street, Hailey, ID Mon., Aug 29th, 11