

STAFF REPORT

TO: Hailey Planning and Zoning Commission

FROM: Beth Robrahn, Planning Director

RE: Quigley Canyon Ranch Annexation

HEARING: June 18, 2008

Applicant: Quigley Green Owners LLC

General Location of Property: Quigley Canyon east of Hailey

Legal Description: see attached "Exhibit A"

Notice

Notice for the public hearing was published in the Wood River Journal on May 28, 2008. The notice was mailed to property owners within 300 feet, to public agencies, and to area media on May 28, 2008. Notice was posted on all boundaries of the subject property on June 11, 2008.

Application

Annexation of approximately 1,109 acres to be developed with a total of approximately 379 residential units and an 18 hole public golf course and Nordic facility.

The property is currently located in the County and is zoned R-5 and A-10. The annexation application requests that the property be zoned as RGB, NB, LR-1, LR-2 and GR upon annexation.

The application for annexation was received on November 27, 2007 and certified as complete on January 11, 2008 with the receipt of the draft annexation review agreement.

Procedural History

On April 7, 2008 the applicant presented an overview of the proposal. The Commission asked initial questions of the applicant. The public had the opportunity to ask questions and comment. Questions and comments from the April 7 meeting were compiled, then paraphrased and responded to by the applicant. These responses were made available to the Commission and were posted on the city website for public information on May 16, 2008.

Public open houses were held on April 30 and May 7 at two times each day, 12:00 to 2:00 and 5:00 to 7:00. The open houses were held by the Planning Department to provide the public additional opportunity to review the applicant's proposal. Announcements were sent to property owners within 300 feet with the time and location of the open houses. At each open house plans and maps related to the application were displayed at four stations – transportation, wildlife, recreation and general land use. The Open Houses were not conducted as formal public hearings, no presentations were made and the Commissioners were not present. City staff and representatives of the applicant were available to field questions. Participants were asked to fill out a comment form and submit the form to the Hailey Planning Department if they wanted a question or comment submitted into the record and addressed during the public hearing process. Participants were also advised that additional written comments may be submitted in person, by mail or email prior to the public hearings or given at the public hearings.

Procedure for Commission Review

Pursuant to Section 14.01.080, Commission Review, the Commission's review shall be as follows:

- **Subject to its bylaws, the Commission shall conduct a public hearing to review the application for annexation.**
- **The Commission shall review the particular facts and circumstances of a proposed annexation for the purpose of determining;**
 - (1) whether the proposed annexation will be harmonious and in accordance with specific goals and policies of applicable components of the Hailey Comprehensive Plan and**
 - (2) whether the proposed annexation generally complies with the Hailey Comprehensive Plan.**
- **The Commission shall also make a recommendation that the property sought to be annexed should be zoned as one or more particular zoning districts, as more fully described in the Hailey Zoning Ordinance. Pursuant to Section 14.01.040 consideration of zoning classification shall be consistent with the requirements and standards of Article XIV of the Hailey Zoning Ordinance.**
- **The Commission shall make findings of fact and conclusions of law relating to the application's general [and specific] compliance with the Hailey Comprehensive Plan and to the Commission's recommendation for zoning.**
- **The Commission shall forward those findings and conclusions in writing to the Council and the applicant.**

Public Hearing Procedure

Modifications to the public hearing procedure were recently adopted by the City Council (Resolution 2008-05). The new public hearing procedure for the Commission is now the same as the procedure followed by the City Council. The new procedure is as follows:

1. City staff shall present an introduction and orientation;
2. The applicant or interested party shall be then afforded the opportunity to present an explanation of the application, request or other matter being considered by the Planning and Zoning Commission;
3. The members of the Planning and Zoning Commission shall then have the opportunity to direct questions to the staff, the applicant or interested party;
4. Public hearing shall then take place, members of the public being afforded the opportunity to be heard. The presiding officer shall have the discretion to set limits as to the time each individual may speak and/or the number of times each individual may speak. The presiding officer shall also have the authority to set an overall time limit for the entire public hearing;
5. After completion of all testimony and/or public comment, or at the conclusion of the time limit set for the public hearing, whichever shall first occur, the public hearing shall be closed;
6. The members of the Planning and Zoning Commission shall then have an opportunity to direct questions to the staff and/or the applicant or interested party;
7. The applicant shall be afforded a right to rebut any testimony or evidence presented as public comment;
8. If new evidence is introduced after the public hearing is closed, the presiding officer may open the public hearing again for the purpose of addressing the new evidence.
9. A decision may then be rendered on the merits of the application or matter before the Planning and Zoning Commission, and shall be based on written findings of fact and conclusions of law to be prepared by the staff and presented for adoption at the next meeting of the Planning and Zoning Commission; and
10. Any matter under consideration by the Planning and Zoning Commission may by a motion properly made, seconded, and passed, be tabled to a date uncertain or continued, upon a motion properly made, seconded, and passed, to a date certain, at which time the matter will be taken up again for action or decision.

Waivers Requested

Pursuant to Section 14.01.040, “the City shall not consider any other application by the applicant on the subject property under the City’s zoning or subdivision ordinance unless and until the application for annexation has been approved and an annexation ordinance has been adopted and published in accordance with state law”.

Subsequent approvals include, but may not be limited to, the following applications, Subdivision, Design Review, Hillside Alteration (the application is currently proposed for holes 1, 3, 4 & driving range) and Stream Alteration Permit (rehabilitation of Quigley Creek and its floodplain)

Discussion:

All applicable city standards will have to be met unless the city agrees to waivers through the Planned Unit Development (PUD) process.

Sections 10.4.3 and 10.4.6 describe the modifications that are permissible in a PUD application (Off-street Parking Modifications are also allowed but are not application to this application).

10.4.3 Bulk Requirements Modifications.

- a. Setbacks, Lot Size and Width. Modifications may be permitted in minimum front, side and/or rear yard setbacks, minimum lot size, and/or minimum lot width, provided the proposal creates a superior design resulting in clustering of units for the purpose of creating Green Space or other common amenities.**
- b. Height. In order to provide flexibility in the type and design of structures, the maximum height or size of buildings and structures may be varied in consideration of the following factors:**
 - 1. Geographic location.**
 - 2. The probable effect on surrounding slopes and terrain.**
 - 3. The visual effect on adjacent sites or other areas in the immediate vicinity; potential problems for adjacent sites caused by shadows, loss of circulation or loss of view.**
 - 4. The integration, or lack thereof, of the proposed building or structure with surrounding buildings, structures or other man made or natural features.**
 - 5. Uses within the building or structure requiring additional height as clearly shown by the applicant.**
 - 6. Applicable IFC, IBC and IRC requirements.**

If annexation is approved the applicant plans to submit a Planned Unit Development (“PUD”) application and request the following waivers applicable to 10.4.3:

Sidewalk width and location

- Six (6) foot wide, concrete sidewalks on both sides of public ROWs are required (§4.2.1).

Waiver Request: A trail and sidewalk master plan have been submitted with some sections of 5 foot wide sidewalks and some sections where the sidewalks are not on both sides of the street (public ROW). Section 10.4.6 specifically states that the “requirements for sidewalks set forth in Section 4.2.1 of the Subdivision Ordinance shall not be waived”.

Lot size

- The city will generally not approve single family residential lots larger than ½ acre. In the event a single family residential lot larger than ½ acre is platted, irrigation shall be restricted to not more than ½ acre ... and such restriction shall be a plat note (§4.5.1)

Waiver Request:

- 32 lots at ¼ to ½ acre
- 14 lots at ¾ to 1 acre
- 45 lots at one+ acre
- 9 lots at 4+ acres

A maximum building envelope of 26,000 square feet is proposed, which includes buildings and all irrigated land. Some of the larger lots include hillside area.

Bulk requirements

Waiver Request:

Modifications to setbacks and lot sizes are requested for the clustered units identified in the Traditional Neighborhood Design (TND) located in Parcel 1. Staff notes that §10.4.6 does not allow for modifications to setbacks. However, Section 10.4.3 allows for modifications to minimum front, side and/or rear yard setbacks.

10.4.6 Modifications to the Subdivision Standards. Standards in the Subdivision Ordinance for streets, sidewalks, alleys and easements, lots and blocks, and parks may be allowed. The requirements for sidewalks set forth in Section 4.2.1 of the Subdivision Ordinance shall not be waived.

If annexation is approved the applicant plans to submit a Planned Unit Development (“PUD”) application and request the following waivers applicable to 10.4.6:

Street widths

- City street ROW width is 60 feet for local residential streets and local collectors and 80 feet for primary collectors.

Waiver Request:

The applicant proposes widths of 58, 57 and 45 feet for local streets and local collectors and 68 feet for primary collectors.

Street integration & configuration

- Integration of streets to other developments (§4.1.1 & 4.1.10.2) and Cul-de-sacs are only allowed if connectivity not possible due to topography or existing platted development (§4.1.2).

4.1.1 All streets in the subdivision must be platted and developed with a width, alignment, and improvements such that the street is adequate to safely accommodate existing and anticipated vehicular and pedestrian traffic and meets City standards. Streets shall be aligned in such a manner as to provide through, safe and efficient access from and to adjacent developments and properties and shall provide for the integration of the proposed streets with the existing pattern.

4.1.10.2 Private streets, wherever possible, shall provide interconnection with other streets.

4.1.2 Cul-de-sacs or dead end streets shall be allowed only if connectivity is not possible due to surrounding topography or existing platted development. Where allowed, such cul-de-sacs or dead end streets shall comply with all regulations set forth in the IFC and other applicable codes and ordinances. Street rights-of-way extended into un-platted areas shall not be considered dead end streets. More than one access may be required based on the potential for impairment of a single access by vehicle congestion, terrain, climatic conditions or other factors that could limit access.

Waiver Request:

The applicant suggests that unique topographic and land use issues exist, including the lay out of Nordic course in a manner that minimizes street crossings. Access to the parcels beyond the mouth of the canyon is shown for emergency use and public non-motorized use only. The applicant offers to provide emergency access across the golf course using golf paths (plowed in winter) if there are any other locations that the fire chief requests dual access.

There are also Fire Code requirements that relate to this waiver request that can not be waived as part of the PUD process. The following is a summary of the applicable Fire Code standards that can not be waived.

Dead End Roads

Dead end fire apparatus roads in excess of 150 feet in length shall be provided with an approved turnaround. (IFC Sec. 503.2.5)

Additional Access Roads

Where there are more than 5 dwelling units, or:

- buildings exceeding 62,000 sq. ft. of floor area;
- multi-family dwelling units over 36 units;
- vehicle congestion;
- adverse terrain conditions or;
- other factors as determined by the Fire Chief, not less than two approved means of access shall be provided to the city/county roadway or access easement.

Exceptions may be allowed when automatic fire sprinkler systems are installed.

(IFC Appendix D107.1 & D104, as amended)

Grade

Private fire apparatus roadway grades shall not exceed an average grade of 6% with a maximum grade of 8% for lengths of no more than 200 feet. Intersections and turnarounds shall be level with the exception of crowning for water run-off. (IFC Sec. 503.2.7)

Studies Submitted

Pursuant to Section 14.01.050, Submittal Requirements, “unless the Administrator determines, in the Administrator’s sole and absolute discretion, one or more of the following studies are not warranted based on the size, scope and impact of a proposed annexation, the following studies shall be submitted”:

a) Traffic study showing impact on adjacent streets and streets that would serve the proposed project.

“Draft Traffic Impact Study”, H.W. Lochner, October 2007. Summary attached as Exhibit “D”.

b) Floodplain study (if applicable).

“100 Year Floodplain Analysis of Quigley Canyon Ranch”, V3 Companies of Colorado, August 2007. Full report available at Planning Department.

c) Avalanche study (if applicable).

“Snow and Avalanche Hazard and Mapping Analysis Quigley Canyon Ranch, Blaine County, Idaho”, Arthur Mears, December 2007. Copy in binder.

d) Wetland study (if applicable).

“Quigley Creek Riparian Inventory and Wetland Delineation”, Fisher and Associates, December 2006.

e) Wildlife study.

“Wildlife and Aquatic Resources Assessment and Recommendations for Quigley Canyon Ranch”, Michael Atchison, Lake to Forest Investments, October 2007.

f) A Level I environmental study showing the presence of any hazardous waste.

Phase I Environmental Assessment Report, PBS&J, August 2007.

g) Contour map depicting 15% and 25% slope lines measured at two foot (2’) intervals.

15% and 25% slopes shown on Constraints Map (E3)

One foot (1’) and five foot (5’) contour intervals shown on Existing Conditions Map (E2)

• Additional studies requested and submitted

“A Market and Financial Analysis for the Proposed Quigley Canyon Public Golf Course in Hailey, Idaho”, Peterson Economics, April 25, 2008

Comprehensive Plan Analysis and Discussion

The Commission’s primary role in the annexation application process is to make findings of fact and conclusions of law relating to the application’s specific and general compliance with the Hailey Comprehensive Plan and forward these findings to the City Council. The Commission also makes a recommendation for zoning designation should the annexation be approved by the City Council.

The following analysis is intended to help the Commission in its review of the Comprehensive Plan in determining whether the application is in specific and general compliance and what conditions would need to be met if portions of the proposal are not in compliance, or if there is insufficient information available at the time of the Commission’s review for a final determination of compliance to be made.

The Comprehensive Plan includes approximately over 100 goals and policies applicable to this application. For convenience staff has categorized them into the following general topics; Growth and Land Use, Transportation, Recreation, Environment and Natural Resources and summarized the general themes within the Comprehensive Plan policies related to each topic. These common themes are what staff has analyzed for the Commission’s consideration. A summary of recommendations to Council follows the analysis of the four general topics.

Analysis for each topic is organized in the following format:

Topic	Comprehensive Plan Summary	Applicable Comp Plan Policies
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Applicant Proposal:

Summary of applicant’s proposal

Analysis and Discussion:

Analysis and discussion, including department head comments

Topic	Comprehensive Plan Summary	Applicable Comp Plan Policies
Growth	Protect environment, quality of life, and infrastructure from damage by unchecked, unmanaged growth	1.5.2; 4.4; 7.1; 7.1.3; 10.3; 12.1.1
	Promote, manage and accommodate infill development, and control and/or limit expansion	12.1
	Future growth should pay for itself	12.1.5
	Limit exposure to natural and man-made hazards	2.5; 2.6; 2.7; 2.8
Land Use	Provide a balanced mix of uses and housing types	5.4; 5.4.1; 5.4.5; 5.4.7; 5.7.1; 7.2; 8.1; 8.2; 10.1.5; 12.1.2 12.1.6; 13.0
	Use land efficiently and ensure orderly residential development relative to public facilities and services	5.6; 5.6.2; 5.6.3; 5.6.4; 5.7, 6.3; 10.1.3; 13.0.1
	Use design standards to retain community character	5.5.2, 8.1.5; 13.0.1
	Consider public safety and welfare service needs	9.4; 9.6

Applicant Proposal:

The applicant proposes to annex 1,109 acres of land that is currently within the Hailey/Blaine County Area of City Impact and proposes 379 residential units.

Five parcels are proposed for residential development stretching from the mouth of the canyon to the beaver pond approximately 3,500 feet (less than ¾ mile) beyond the irrigation pond at Deadman Gulch. Approximately 87 lots are over ½ acre in area.

Analysis and Discussion:

The Blaine County Regional Planning Office assisted staff with the analysis of past and current land use consumption and development patterns using Blaine County GIS Assessor data.

Definitions –

Units per Acre (U/A) - the number of households (residential lots, sub-lots or units) divided by the underlying acreage, including public right-of-way.

Residential Units per Residential Acre (RU/RA) - the number of households (residential lots, sub-lots or units) divided by the underlying acreage, excluding all land in non-residential use, easements and public right-of-way.

The differences in what is included when calculating each of the above measures can result in confusion when attempting to make comparisons. As the size of the area of land being considered increases, there are typically more non residential uses included in the calculation which results in a lower number of units per acre. The units per acre measure is a more inclusive measure and provides a better overall sense of the relative walkability (uses within ¼ to ½ mile) of a site. However, measuring only the units per acre can make compact or clustered development on a large area of land with a significant amount of open space or commercial uses appear to be an inefficient use of land. Therefore, both units per acre and residential units per acre will be discussed in our analysis.

Hailey Development Trends - The Hailey Townsite was originally platted with a land use efficiency of approximately 5 units per acre. Using this historic context, Hailey's "small town character" can be translated into a land use pattern of 4 to 5 units per acre. As the city grew beyond the townsite, the units per acre reduced to 1.31 units per acre. Hailey's current land use efficiency is equivalent to that which is typically associated with sprawling single family developments. If Hailey continues to develop in the same trend as the last 50 years, the city should expect to consume 19 acres per year.

If the City of Hailey determined its overall aim was to maintain land use efficiency of 4 to 5 units per acre for the city as a whole this would be approximately equivalent to 7 to 10 residential units per acre and an average lot size of 6,000 square feet. It should be noted that the residential units per acre calculation for specific sites would be higher (e.g. Sweetwater at approximately 15 U/A).

Growth Projections – It is the responsibility of the city to plan for the projected growth in a manner that is consistent with the adopted goals and policies of the Comprehensive Plan. Hailey city departments have adopted the growth projections sited in the Hailey Wastewater Facility Plan (WFP) for planning purposes. The growth projections in the WFP estimate that Hailey may have a population of approximately 19,000 by 2025; an increase of approximately 10,000 people. To plan this growth *without* expanding the current city boundaries, the land use efficiency in Hailey would have to change from 1.31 units per acre to 9 units per acre. Current zoning would have to adapt to allow for this change in overall land use efficiency. Otherwise the city boundaries would have to be expanded by approximately 2,982 acres and developed at the same land use efficiency trend of 1.31 units per acre.

The proposal for Quigley Canyon is at a land use efficiency of 0.34 units per acre, significantly less than the Hailey development trend at 1.31 units per acre. If the land proposed to be used as a golf course is subtracted, the land use efficiency is 0.42 units per acre. The total 379 units proposed would accommodate approximately 970 people, assuming an average household of 2.56 (the "Down Canyon" portion of the proposed development could support approximately 522 people). The development as proposed would accommodate approximately 10% of the projected 2025 growth within 1,100 acres.

Land Use Efficiency - Efficient land use practices reduce the excessive consumption of land (commonly referred to as sprawl) while accommodating projected growth. Comp Plan Policy 5.4 encourages highest densities at city center with generally decreasing densities toward the edges of the city. This principle should be applied using land use calculations appropriate for towns and cities, which are not the same as land use calculations appropriate for rural areas of the County. The misinterpretation of Policy 5.4 could easily result in inefficient land use practices within the city that mimic the land use pattern typically found, and more appropriate in unincorporated parts of the County. Policy 5.7.1 states, promote the highest housing density within the Community Core (within a ½ mile of the Business District) and discourage sprawling residential development. The wording of Policy 5.7.1 is more consistent with the underlying principles of efficient land use.

Table 1 shows the units per acre of each of the proposed parcels and the total units per acre for the entire site. Table 2 compares the number of units allowed under County zoning and the proposed number of units. Exhibit 1 is a map showing how the parcel numbers described in Table 2 relate.

Parcel	Units	Units/Acre
1	203	3.67
2	41	2.23
3	41	2.15
4	32	1.43
5	22	0.09
6	26	0.37
7	20	0.36
total	379	0.36

County Analysis Parcel #	Units Allowed	Units Proposed (approx*)	Proposed Parcel #
1	1	0	-
2	23	203	1
3	2	0	-
4	3	4	3
5	11	37	
6	9	41	2
7	1	0	-
8	1	0	-
9	1	0	-
10	4	5	5
11	3	5	
12	3	5	6
13	11	41	4, 5, 6
14	7	23	4
15	11	21	6, 7
Total	91	379	

* Differences between “county analysis parcels” and “proposed parcel” account for slight differences in the total number of proposed units in Table 1 and Table 2.

Topic	Comprehensive Plan Summary	Applicable Comp Plan Policies
Transportation	Increase opportunities for alternative transportation	5.7; 8.1.4; 10.1; 10.2; 10.3.1; 12.1.8; 15.12
	Reduce the need for residents to travel long distances	6.3.1
	Provide for creation and maintenance of transportation infrastructure	9.0.1; 10.3
	Consider public safety and welfare service needs	9.4; 9.6

Applicant Proposal:

The applicant proposes the main vehicular access route serving the development to be located along the south side of the canyon, connecting to Fox Acres. A connection from Quigley Road into the portion of the development at the mouth of the canyon is also proposed upon the City Department’s request. Additionally the applicant proposes an emergency only access along the north side of the canyon.

Analysis and Discussion:

Access - The Idaho State Fire Code requires any development that has over 200 units to have multiple access roads. Hailey’s ordinance allows no more than 36 units on a single access road. The Fire Chief, City Engineer and Planning Director suggested developing a site plan showing two main roads from the entrance of the main canyon; one connecting to Fox Acres Road and one connecting to Quigley Road and suggested both roads continue to the pond to maximize accessibility into and out of the canyon.

The applicant has submitted revised site plans adding a vehicular access connecting Quigley Road to the first parcel proposed at the mouth of the canyon. Parcels 2-7 would be accessible publicly by one road on the south side of the canyon. The applicant proposes an emergency access only road on the north side of the canyon beyond Parcel 1. The requirements specific to the emergency access road and the details of the design would be determined through the PUD and subdivision process should the property be annexed.

Connectivity and Opportunities for Alternative Transportation - The number of potential destinations located within a geographic area tends to increase with the amount of population and employment within the same geographic area, reducing travel distances and the need for automobile travel. Increased land use efficiency tends to increase the number of transportation options available in an area due to economies of scale. Areas with greater land use efficiency tend to have better sidewalks, bicycle facilities and transit service because increased demand makes them more cost effective. Increased land use efficiency tends to reduce traffic speeds, increase traffic congestion and reduce parking supply, making driving relatively less attractive than alternative modes. Increased land use efficiency tends to reduce per capita vehicle miles traveled (VMT); each 10% increase in urban units

per acre typically reduces per capita VMT by 2-3%¹. Other research data suggests that driving is reduced 20 to 30 percent every time the number of units per acre doubles². In transit planning, it has been found that 7 dwelling units/acre supports 30 minute headways (bus stops every 30 minutes) and 30 dwelling units per acre are needed to support 10 minute headways.

Connectivity refers to the degree to which a street, sidewalk or path system is connected. Connectivity provides more direct routes of travel between destinations. A wider selection of routes for individuals to choose from also helps to minimize the impact of vehicular traffic on any one street. A hierarchical road network with many dead-end streets that connect to a few major arterials provides less accessibility than a well-connected network. Increased connectivity reduces vehicle travel by reducing travel distances between destinations and by improving walking and cycling access, particularly where paths provide shortcuts, so walking and cycling are relatively direct. It is important to note that connectivity can be measured separately for pedestrian, bicycle and motor vehicle travel, taking into account shortcuts for non-motorized modes. For example, a street stub exists east of Buckhorn and the end of Antler Drive in the Deerfield subdivision and the applicant shows no connection to this stub; this stub is an opportunity to provide a bicycle and pedestrian connection if it is determined that a vehicular connection is not required.

According to the U.S. Census, the average American makes 3.3 trips per person on a typical weekday. In areas where residential uses are spear out and separated from business and retail uses, VMT are greater than in compactly developed areas. Higher VMT in sprawling areas in turn contribute to higher gasoline consumption. When high VMT are coupled with SUV use, which average around 20.7 mpg, the rate of oil consumption is even greater.

Impacts on Neighboring Streets - Existing problems with speeding vehicles on neighborhood streets have been brought up by residents living on Buckhorn, Eastridge, Quigley Road, Bullion and Croy Street. There is an opportunity for the neighborhoods and city to collaborate to plan streetscapes and appropriate traffic calming measures that are consistent with the Transportation Master Plan and in keeping with the desired character and function the neighborhood different neighborhood streets. Any annexation agreement should include appropriate mitigation measures on neighborhood streets in addition to intersection improvements and improvements to Fox Acres Road and Woodside Boulevard identified in the traffic impact study. Updates to the trip generation volumes with the addition of the access to Quigley Road, including an analysis of traffic at the Eastridge, 8th and Croy Street intersection, is included as Exhibit 2.

¹ “Land Use Impacts on Transport, How Land Use Patterns Affect Travel Behavior, TDM Encyclopedia, Victoria Transport Policy Institute, August 27, 2007 and “Low Density Transit in the United States: Year 2050” Sarah Hawks, CE 790, University of Wisconsin-Milwaukee, December, 2003

² “Smart Growth -- As Seen From the Air, Convenient Neighborhood, Skip the Car”, John W. Holtzclaw, Air & Waste Management Association's 93rd Annual Meeting & Exhibition, 23 June 2000, Salt Lake City, UT

To tie these growth and land use issues with related transportation policies, the following is offered as an example of an alternative development pattern for the site:

If development on the site were to be limited to the area within a mile of Quigley Road, various numbers of units could be generated depending on the number of units per acre determined desirable or necessary to address issues of sprawl. The far edge of “Proposed Parcel” 3 is just over a mile (approximately 6,000 feet) from Quigley Road; this area includes “County Analysis Parcels” 2-6. This area represents approximately 217 acres currently zoned County R5 and includes the proposed mid and down canyon portions of the site.

- Development in this area at 2 units per acre would result in approximately 434 units and would account for approximately 11 % of projected 2025 growth.
- Development in this area at 3 units per acre would result in approximately 651 units and would account for approximately 17 % of projected 2025 growth.
- Development in this area at 4 units per acre would result in approximately 868 units and would account for approximately 22 % of projected 2025 growth.

These 217 acres in the above example include the area proposed for use as a golf course. Therefore, additional development in this area would conflict with the proposed layout of the golf course. In addition, the big game migration occurs in this portion of the canyon and therefore would be impacted by more development in this portion of the canyon. The overall desirable number of units per acre may be reduced, or translated to a desired residential units per acre, to accommodate wildlife migration.

Topic	Comprehensive Plan Summary	Applicable Comp Plan Policies
Recreation	Create and preserve a variety of recreational opportunities	1.1.2; 1.3; 3.4; 4.1; 9.0.4
	Provide recreational opportunities in a financially responsible manner	4.2; 4.3

Applicant Proposal:

The applicant proposes a golf facility on 204 acres of the subject property. The facility includes 18 holes of gold, driving range, pro shop and food and beverage operations. The applicant’s proposal is to deed the land occupied by the golf facility to the Blaine County Recreation District (BCRD), after the construction of the golf course and ancillary facilities. The Blaine County Recreation District would then be responsible for operating and maintaining the entire golf facility. No formal commitment or agreement between the applicant and the Blaine County Recreation District has been finalized.

One of the objectives of the Blaine County Recreation District is to provide good-quality public golf for residents at affordable rates and to establish an endowment geared towards future community recreation opportunities. Nordic skiing in Quigley Canyon is an existing use operated by the BCRD since 2002/2003 winter season. Between 10 and 13 km of trails are groomed and the farthest trail reaches the southeast end of the pond (Exhibit 3). The proposed golf course is designed to facilitate Nordic skiing on the course during the winter.

Peterson Economics was retained by the applicant to reexamine the market and financial potential for the proposed golf course and to update the original analysis that Peterson Economics prepared for the Blaine County Recreation District and completed in August 2004.

The report prepared by Peterson Economics, “A Market and Financial Analysis for the Proposed Quigley Canyon Public Golf Course in Hailey, Idaho”, recommends a market positioning for the golf facility, estimates the potential income stream of the golf course, and assesses the inherent risks.

The report concludes the following:

- Demand would come from a combination of short-term overnight visitors, seasonal residents and permanent residents. The inclusion of non-resident play is essential to generate an acceptable Net Operating Income.
- Demand from short-term visitors and seasonal residents accounts for the majority of total annual play and total annual revenues at both existing public-access golf courses in Blaine County and is concentrated generally from June 20 through September 15.
- The proposed golf facility could potentially be positioned to fill a major unserved market niche for quality and affordable 18-hole regulation-length course, and thereby have limited competition from existing golf courses in Blaine County
- The expansion of the Sun Valley Golf Course and the Valley Club Golf Course, will increase the supply for public golfers willing to pay relatively expensive greens fees (Sun Valley 2008 fee for peak season is \$155)

- About 19,000 total annual rounds of play are projected for the first full year of operation and would gradually increase to a stabilized level of about 24,000 total rounds by the sixth full year of operation.
- The site would likely allow the subject golf facility to remain open about seven months per year; about 71 percent of total annual play is projected to occur during the peak season.
- On average, about 46 percent of total play is expected to come from non-residents (concentrated in the peak season), while about 54 percent is projected to come from residents (spread more evenly throughout the golf season).

The report recommends the following:

- Regular non-resident greens fees be set at levels that maximize revenue potential and attract visitors to the “down valley” location. Peterson recommends setting regular non-resident 18-hole greens fees (not including cart rentals or sales tax) at \$86 during the peak season and \$54 during the two shoulder seasons.
- Resident greens fees should be set at somewhat lower levels and residents should be encouraged to play during non-peak times or on a space-available basis, in order to avoid displacing the higher revenue nonresident play. Peterson Economics recommends setting discounted Resident I.D. Card greens fees at \$40 during the peak season and \$30 during the two shoulder seasons. Residents would be required to purchase identification cards (for \$30 per season) in order to qualify for these discounts and both permanent residents and seasonal residents who own second homes in Blaine County would qualify for resident discounts.

The report projects annual net operating income (or net operating losses) before debt service:

- *Losses* of about \$20,000 to \$100,000 per year in the first two years of operation
- Positive net operating income of about \$150,000 by the fourth full year of operation
- Stabilized *positive* net operating income of about \$360,000 per year by the eighth full year of operation (or about \$270,000 per year expressed in 2008 dollars)

Analysis and Discussion:

According to the applicant, the location of the lots and golf greens are designed to optimize the golf course design and marketing viability, as well as the marketing viability of the residential portion of the development.

The community benefits of the golf course as a recreational amenity and the economic benefit to the City of Hailey as a whole derived from the golf course (e.g. tax revenue, golfers spending money at other Hailey businesses, etc) should be assessed to determine if the benefits outweigh the impacts of the proposed land use efficiency on the growth of the city. A letter from Peterson Economics dated May 13, 2008 is attached as Exhibit 4.

A detailed memo from the Parks and Lands Board dated March 18, 2008 is attached. An analysis of the visual impact of driving range and holes 1, 3, 4, 5, and 6 (developed on hillside slopes) has been requested by the city.

Topic	Comprehensive Plan Summary	Applicable Comp Plan Policies
Environment and Natural Resources	Protect wildlife habitat and migration corridors	1.1.3; 1.1.4; 1.3; 1.4; 3.4
	Preserve and protect water resources (watercourses, wetlands, groundwater)	1.1; 2.8.2; 5.6.1; 9.0.2; 9.0.3
	Preserve and protect green space and open space	1.3; 3.2; 3.4
	Protect the environment from damage	1.5
	Promote renewable energy, conservation of energy and natural resources	1.6; 7.1.5

Applicant Proposal:

The proposed development includes designated wildlife migration corridors, the restoration of Quigley Creek, 453 acres of open space, 200 acres of an “Audubon certified” golf course, plans for wastewater reuse, proposed limits on the amount of irrigated land, and plans for the implementation of green building practices.

Analysis and Discussion:

Avalanche Hazards - The Building Official referred to the Comprehensive Plan policy that recommends prohibiting building in any area designated as a “red zone” and requiring a site specific study and engineered building plans of any building permit in any area designated as a “blue zone”. The Fire Chief requested the following additional information:

- Overlay of roads, lots and winter trails on avalanche map
- Information on yellow avalanche zones
- Analysis of what effect compliance with wildland-urban interface standards will have on avalanche zones

The overlay map has been provided and the Fire Chief’s questions regarding the yellow avalanche zones have been satisfied. A “Fire Plan” will be required for any future subdivision of Quigley canyon to address Wildland-Urban Interface issues.

Wastewater - The City Engineer had questions regarding the wastewater reuse proposed by the applicant and how the system would be maintained and funded. If the development is connected to the City’s wastewater treatment facility there are concerns with the addition of hookups and the resulting load to the system and the implications if new more stringent NPDES discharge permit requirements are imposed. Currently our discharge permit includes mg/L (milligram per Liter) limits with regard to items such as Total Suspended Solids (TSS), Biological Oxygen Demand (BOD), Phosphorus, Nitrogen, etc. Because the Big Wood River has been categorized as a “Significant Resource Waters”

the city has been going through a regulatory process where Hailey will be allotted a certain amount in lbs of TSS or phosphorus that we can discharge to the Big Wood. Therefore, the more wastewater Hailey discharges the cleaner our discharge needs to be. If additional customers are added to the system, additional major expenses may be required to provide better processes and cleaner discharge.

Water - Information on the status of water rights associated with the property has been requested. Adjudication of the water right is not yet complete and may not be until 2009 or later. The addition of 379 units will be an issue for the City's water pressure and supply and will require the City and applicant negotiate a solution.

Wildlife – The proposed development bisects a big game migration corridor used primarily by mule deer for moving from summer/fall habitat at higher elevation to winter habitat at lower elevation. In addition, the south facing slopes on the north side of Quigley Canyon support large numbers of mule deer and elk, especially in severe winter conditions. The Idaho Department of Fish and Game (IDFG) submitted comments dated April 23, 2008 and expressed concerns regarding the impacts of the proposed development on mule deer and elk habitat and movement through the area. IDFG requests the following minimum wildlife impact mitigation measures:

- Prohibiting development in Deadman Gulch
- Significantly reducing the number of lots above Quigley pond and in the mid canyon area by clustering more development near the mouth of the canyon
- Relocating infrastructure (roads, trails, etc) to the south side of the canyon to further buffer winter habitat from development
- Increasing width of the 500 foot mid canyon corridor
- Relocating the road which bisects the corridor
- Incorporating open space for migration in the area above the pond

Updated Plans

Exhibit 5 includes updated 11x17 plans of the constraints map with the avalanche zones and building envelopes, Nordic trail plan, trail plan and golf course plan.

Zoning Recommendation

Pursuant to Section 14.01.040 consideration of zoning classification shall be consistent with the requirements and standards of Article XIV of the Hailey Zoning Ordinance.

Proposed Zoning

The applicant has requested a zone change to RGB, NB, LR-1, LR-2 and GR. The current uses of the property are related to agriculture and recreation. Uses adjacent to the subject property include residential, open space and recreation.

The purpose of each the requested Zoning Districts is as follows:

RGB - The purpose of the Recreational Green Belt District shall be to provide areas for public recreation and/or to create and preserve open and/or green space areas for aesthetic and public use. All uses within the RGB District shall be compatible with the protection of natural and scenic resources for the benefit of present and future generations.

NB - The purpose of the Neighborhood Business District is to provide areas for neighborhood service centers, increase convenience to neighborhood residents and promote other forms of multi-modal transportation and circulation. The uses in the NB district shall be limited commercial uses that will be clearly subordinate to, and support the residential nature of the area.

LR-1 and LR-2 - The purpose of the Limited Residential District is to provide areas for stable, low-density, single-family residential development and a limited number of other uses compatible with a residential neighborhood.

GR - The purpose of the General Residential District is to provide areas for a variety of residential uses, and a limited number of other uses compatible with this type of residential development. The intent is to preserve the favorable amenities associated with a residential neighborhood.

Standards of Evaluation

Section 14.6 of the Hailey Zoning Ordinance sets forth the following standards of evaluation:

- 1. The proposed [zoning] amendment is in accordance with the Comprehensive Plan;**
- 2. Essential public facilities and services are available to support the full range of proposed uses without creating excessive additional requirements at public cost for the public facilities and services;**
- 3. The proposed uses are compatible with the surrounding area; and**
- 4. The proposed amendment will promote the public health, safety and general welfare.**

Analysis and Discussion:

Determination of compliance with the above standards will be dependent upon the Commission's review of the Comprehensive Plan policies relative to the annexation application. The Commission should discuss the appropriateness of each of the zoning districts proposed by the applicant. Findings for each standard will be drafted in accordance with the Commission's findings and recommendations for the annexation.

Suggested Recommendations – Additional Information and Conditions:

General:

1. The applicant shall make dedications and contributions as determined by the Council to ensure no negative fiscal impact to the City and its existing residents.
2. The applicant shall receive approval of other applicable requirements, including but not limited to Subdivision, Design Review, Hillside Alteration and Stream Alteration Permit as a condition of annexation.
3. All applicable city standards shall be met unless the city agrees to waivers through the Planned Unit Development (PUD) process.
4. Public amenities shall be completed within the first phase of any approved development.

Growth and Land Use:

5. The Commission should recommend a minimum land use efficiency for growth management and future development, including annexed land; 4 units per acre is a suggested minimum based on the Historic Townsite efficiency.
6. The Commission should consider limiting development to within a mile of the west property line, to ensure compliance with the growth, land use and transportation goals and polices of the Comprehensive Plan.
 - the resulting impact on the golf course design should be assessed and balanced in terms of overall community cost and benefit.
 - the desirability and benefits of the golf course should be assessed against the impacts on land use consumption and
 - the desirability and benefits of the Nordic facility should be assessed against the impacts on wintering wildlife.

Transportation:

7. The Commission should determine whether the road network proposed, including the public and emergency access, both “reduces the need for residents to travel long distances” and “considers public safety and welfare service needs”. The evaluation of the road network should be weighed with the IDFG recommendation to relocate roads and trails to the south side of the canyon to further buffer winter habitat from development.
8. Any annexation agreement should include appropriate mitigation measures on neighborhood streets in addition to intersection improvements and improvements to Fox Acres Road and Woodside Boulevard identified in the traffic impact study.
9. The city should initiate a neighborhood planning process to plan streetscapes and appropriate traffic calming measures (in the area adjacent to the development and into town) that are consistent with the Transportation Master Plan and in keeping with the desired character and function the neighborhood different neighborhood streets.

Recreation:

10. The Commission should consider whether to require a third party review of the golf course market and financial analysis to verify assumptions.
11. The Commission should consider whether to require a third party qualitative survey with a statistically valid sample size to determine the value of a public golf course as a community asset.

12. The Commission should consider whether additional economic analysis is required in order to better assess the economic benefits of a golf course. This is necessary in order to better weigh the economic benefits with the land use efficiency issues resulting from the development as proposed. It is suggested this economic analysis should include the following:
 - Estimate what portion of the estimated \$1.5 million dollars in annual payroll associated with the golf course will be spent within Hailey.
 - Estimate the amount of tax revenues generated by visitor spending.

Environment and Natural Resources:

Avalanche

13. Prohibit building in any area designated as a “red zone” and require a site specific study and engineered building plans of any building permit in any area designated as a “blue zone”
14. Determine the Hillside Overlay boundary to be adhered to by any future development.

Wastewater

15. Discussion should continue between the applicant and the city to determine the feasibility and management structure of the proposed wastewater treatment system.

Water

16. The developer shall prove possession of sufficient water rights to supply the amount of development agreed upon by the city
17. The developer shall pay for the location and installation of a new well.

Wildlife

18. The Commission should consider recommendations to Council consistent with those of IDFG including:
 - Prohibiting development in Deadman Gulch to mitigate impacts on wildlife and reduce the amount of development threatened by wild fire.
 - Reducing the number of lots above Quigley pond and in the mid canyon reach to mitigate impacts on wildlife. This would also reduce land consumption and reduce vehicle mile traveled.
 - Development should be clustered near the mouth of the canyon to mitigate impacts on wildlife. This would also reduce land consumption and reduce vehicle mile traveled.
 - Providing a minimum of 500 foot wildlife migration corridor mid canyon and above the pond
 - Relocating the road which bisects the mid canyon migration corridor
19. The Commission should compare the benefits of relocation of infrastructure including roads and trails to the south side of the canyon to further buffer winter habitat from development with the potential transportation and public safety impacts resulting from reduced connectivity.
20. The Commission should consider whether to require additional analysis by a third party to estimate the impact the current recreational use in Quigley has on wintering big game and to assess the impact expanded Nordic facilities and user numbers will have on wintering big game.