Combating Zombie Subdivisions In Teton Valley, Idaho

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COMBATING ZOMBIE SUBDIVISIONS
IN TETON VALLEY, IDAHO

by

Taylor R. Cook

A THESIS

Presented to the Faculty of
The Graduate College at the University of Nebraska
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This research examined the history, background, and viable solutions to deal with zombie subdivisions in the Teton Valley area (Teton County, Idaho). Overdevelopment, lack of responsible zoning code enforcement and the 2008 economic recession are just some of the key factors that contributed to the ongoing dilemma of zombie subdivisions in the Teton Valley. The current and past long-range plan for Teton County, Idaho was reviewed and analyzed to understand the workings and planning mechanisms that were and are currently set in place. Zoning code, Idaho state statutes and development agreements between Teton County officials and developers, were closely reviewed to understand the limitations on what ideas could potentially be used as recommendations, for the conclusion of the research. A case study was conducted on other areas situated in the inter-mountain west, that have experienced similar issues, regarding zombie subdivisions and overdevelopment. Major stakeholder groups in Teton Valley were consulted to further analyze the core issues of zombie subdivisions and understand what realistic solutions to the issue can be achieved. Environmental and local economic characteristics were examined, to provide a clear path to the conclusion of the research. The main environmental and local economic characteristics examined included
preservation of farmland and habitat corridors, sustainable development practices, property taxes, and zoning densities. The conclusion culminates by providing a set of viable and realistic recommendations to answer the research question of whether it is possible to successfully and sustainably combat zombie subdivisions.

The concluding recommendations include an alternative development practice called Residential Development, implementation of smart growth practices, which are the use of Conservation Easements and Transfer of Developmental Rights, and zoning change recommendations. These zoning changes are centered around allowable lot densities. The findings of the research can help create local government accountability towards zoning and policy enforcement, along with strong cooperation with local farmers, local conservation agencies and developers. All these practices and principles that this research has examined, will hopefully help to lead the way to a vibrant and sustainable future for Teton Valley, Idaho.
Key Words

Zombie subdivisions; Vacated subdivisions; Conservation easements; Zoning code; Teton Valley, Idaho; Teton County, Idaho; Teton County, Wyoming; Development agreements; Time of essence clause; Transfer of Development Rights
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Table of Contents

Acknowledgements .............................................................................................................. I

Chapter 1 Introduction to Teton Valley, Idaho ................................................................. I
  1.1 Overview of Teton Valley ......................................................................................... 1
  1.2 Age Grouping .......................................................................................................... 7
  1.3 Housing/Real Estate ............................................................................................... 8
  1.4 Main Economic Forces ......................................................................................... 10

Chapter 2 Literature Review ............................................................................................ 12
  2.1 What are Zombie Subdivisions and How Did They Come to Be? ......................... 12
  2.2 Purpose of Study ..................................................................................................... 15

Chapter 3 Methodology .................................................................................................. 16
  3.1 Data/Sources .......................................................................................................... 16
  3.2 Data Review Process ............................................................................................... 16

Chapter 4 Teton County, Idaho Past and Current Plan Review ........................................ 18
  4.1 Past Plan (2004-2010) ......................................................................................... 18
  4.2 Current Plan (2012-2030) .................................................................................... 23
  4.3 Zoning and Subdivision Regulation Overview ....................................................... 27
  4.4 Overview of Major Stakeholder Groups ................................................................. 31
Chapter 5 Case Studies

5.1 Areas with Zombie Subdivisions.................................................36
   A. Mesa County, Colorado.....................................................36
   B. Maricopa, Arizona.........................................................38

5.2 Successful Case of Dealing with Rapid Development..............42
   A. Jackson, Wyoming..........................................................42
   B. Comparison to Teton County (Valley), Idaho......................47

Chapter 6 Inventory of Zombie Subdivisions in Teton Valley, Idaho with Expired Development Agreements....................................................54

6.1 Development Agreements.....................................................54
   A. Development Agreement Layout........................................56

6.2 Current Inventory of Subdivisions with Expired Development Agreements in Teton Valley, Idaho.........................................................66

Chapter 7 Recommendations and Conclusions.................................71

7.1 How to Sustainably Combat Zombie Subdivisions.....................71
   A. Combatting Zombie Subdivisions and Realistic Solutions......73

7.2 Future of Teton Valley, Idaho................................................81

Bibliography.................................................................................83
List of Figures

Figure 1: Location of Idaho………………………………………2
Figure 2: Teton County (Valley), Idaho Location………………3
Figure 3: Teton County, Wyoming Location…………………5
Figure 4: Age Grouping………………………………………8
Figure 5: Farm Value by Sales……………………………11
Figure 6: Current Zoning in Teton County, Idaho………28
Figure 7: Appaloosa Ridge Subdivision Location………59
Figure 8: Appaloosa Ridge Subdivision Plat……………52
Figure 9: Development Agreement (Old Farm)………….60
Figure 10: Development Agreement (Old Farm, pg. 2)…61
Figure 11: Development Agreement (Old Farm, Pg. 3)…62
Figure 12: Teton County, Idaho Subdivisions…………..66
Figure 13: Driggs Centre Subdivision Platt…………………74
Figure 14: Driggs Centre Subdivision Location………..75
List of Images

Image 1: Haden Hollow Vacated Subdivision.......6
Image 2: Targhee Hill Estates.......................13
Image 3: Targhee Hill Vacant Homesite.............14
Image 4: Zombie Subdivision Overview.............14
Image 5: Snowcrest Subdivision.....................30
Image 6: Appaloosa Ridge Subdivision.............51
Image 7: Reserve at Badger Creek Subdivision......68
List of Tables

Table 1: Number and Size of Teton County, Idaho Farms……………………………………11

Table 2: Teton County Comprehensive Plan, A Guide For Development 2004-2010
Compared with Comprehensive Plan-
A Vision and Framework 2012-2030 Comparison Table………………………………22

Table 3: Comparison of Teton County, Idaho and Teton County,
Wyoming Zoning Code…………………………………………………………………….47

Table 4: Expired Development Agreements, Teton County,
Idaho…………………………………………………………………………………………69

Table 5: Proposed Recommendations for Research Conclusion………………………71
CHAPTER 1 INTRODUCTION TO TETON VALLEY

1.1 Overview of Teton Valley, Idaho

Teton Valley is located in the eastern, most part of Idaho (Figure 1), right along the Wyoming border. The total area of Teton Valley makes up 449.96 square miles (US Census, 2018) and is part of the Greater Yellowstone Ecosystem. The average annual temperatures range from an average high of 52.8 degrees F to an average low of 27.3 degrees. The average annual precipitation at 17.11 inches per year (us-climatedata.com).

My research focuses on the three main towns of the Valley, Driggs, Victor and Tetonia (Figure 2). Driggs has a population of 1,660, Victor is slightly larger, with a population of 1,928 and Tetonia is a lot smaller with a total of 269 residents (US Census, 2018). The entire expanse of the valley only has a population of 11,381 residents (US Census, 2018). There also is a Teton Valley within Wyoming, as Teton Valley is located right on the Idaho/Wyoming border. For this research, I have chose to leave out the Wyoming side of Teton Valley, which includes the town of Alta (Figure 3). The Wyoming side of Teton Valley does not have the same issues regarding unsustainable development on the scale that is seen on the Idaho side of Teton Valley. This is due to less land being available on the Wyoming side (located in the shadow of the Teton mountain range) and Wyoming being viewed as a more desirable place to live, with no income tax and better school districts.
Figure 1: Location of Idaho in the United States of America
Figure 2: Teton (Valley) County, Idaho
Teton Valley is considered a bedroom community area (VARD) that serves the larger and more economically viable area of Jackson Hole, Wyoming, which is a mere 40 miles to the east. A majority of Teton Valley residents work and commute daily to the Jackson Hole area. Since 1990, 30% of the labor force in Teton Valley has been relying on the Jackson Hole area for employment (Teton County, WY). This is because of the lack of jobs available in Driggs, Victor, and the surrounding areas of Teton Valley and the better employment opportunities available in Jackson Hole. The mean average travel time to work for Teton Valley residents over 16 years old is 26.9 minutes (US Census, 2018), which correlates with the fact that Jackson Hole is a major employer of Teton Valley residents.

Another point of emphasis to make with regards to Jackson Hole is that the housing market there has become oversaturated in recent years, due to it being a very desirable area to live. This has caused housing prices and the cost of living to increase drastically. Due to Jackson’s location and proximity to national parks and national refuge land, there are strict limitations on development and expansion, which helped contribute to Teton Valley becoming a bedroom community area to Jackson Hole.
Figure 3: Teton County, Wyoming location.
Due to lax land-use and zoning laws, along with very little restriction on development, Teton Valley experienced a spillover effect from the Jackson Hole area. Prior to 2008 Developer and investors saw this area as essentially being the next Jackson Hole, but without the restrictions. From the late 1980s, to 2008 it was the wild-west for developers. The Teton Valley government imposed few development and zoning regulations, due to a desire to become more economically viable, similar to what Jackson Hole had experienced. Farm and rural land was quickly bought up and converted into large swaths of rural subdivisions. This continued up until the housing crash of 2008, which hit the Valley extremely hard, and the ongoing development and growth quickly turned into abandonment and decline, creating the current issue of zombie subdivisions (Image 1)
1.2 Age Grouping

The basic age breakdown of the population in Teton County is depicted in figure 4. With a relatively small total population and relatively small population of 11,381 residents, it is easy to infer certain characteristics on the community of Teton Valley. A large concentration of the population is between 25 to 54 years old, with another high total in the age cohort of 5 to 14. This shows that there is a fairly large number of families with children residing in Teton Valley. Another interesting characteristic is the number of people over the age of 65. For a small and remote community like Teton Valley, the average number of older persons might not be that high. This data depicts that Teton Valley has a high retirement population. This can be looked at as a positive and negative. The positive comes from the economic stability that a larger retried population can provide a community. Retirees have a larger accumulation in wealth and can contribute positively to the local marketplace and local economy. The negative is seen in the housing market. With retirees choosing to build or retire in Teton Valley, it usually means they can either afford to build higher quality housing than the younger residents of the Valley. This leads to higher median values for homes, which drives the market up, and younger families, may not be able to afford housing at that level. It also contributes to the median income and per capita income differences, which I highlight in the following paragraphs.
1.3 Housing/Real Estate

In the Teton Valley area there are a total of 5,783 housing units, and 3,725 of those units are considered family households (US Census, 2018). Family households include all persons who occupy a housing unit as their usual place of residence (US Census, 2018). This shows that there is a substantial number of homes (2,058) that are not being occupied year round as a permanent or usual place of residence, according to the US Census family household definition. This means that those remaining 2,058 units, not classified as family households, are either vacant, or they are owned by non-residents, who live outside of Teton Valley and use those units as a vacation home or rental. This causes problems at a couple of different levels. For one, these absentee owners have no reason to have a vested interest in the well-being of Teton Valley. They may only come to the area once a year for a ski or summer vacation. When trying to feasibly solve the
issues of these vacant subdivisions and examining the affects seen from their stagnant state, the burden falls on the average Teton Valley resident, not the out-of-state or county homeowner.

The second problem is the inflation of home values that non-permanent residents create. The median value of homes in Teton Valley is $254,600 (US Census, 2018). The average listed home sale price for the 2017 real estate market report was $428,000, and that was expected to rise for 2018 (grand-targhee realty). The report also outlined that 45% of homes in Teton Valley that were listed under the $400,000 mark were sold (grand-targhee realty). With the average occupied home value at $254,600 for Teton Valley (US Census, 2018), this shows that the permanent, everyday residents of the Valley are the main buyers and owners of the more affordable housing mark. The higher-end priced homes/lots, that are listed for sale above the $400,000 mark, are associated with non-residents of the valley who tend to be able to afford this price mark. Many of these higher-priced homes are contributing to the stagnant conditions facing the valley, in the form of zombie subdivisions.

The issue that can be drawn from the above data is the retention of properties by either homeowners or subdivision owners. Before the 2008 recession, home and lot values were skyrocketing. The average occupied home value during this time was at $326,000, but after 2008 plummeted to $254,600 (US Census, 2018). This is causing landowners, subdivision owners, and homeowners, who can afford to sit and wait, to keep their property at values you would see during the real estate boom of the early 2000s, not the current, post-recession value. Values may never see that mark again, and this is a major factor to why there are so many vacant tracts of land throughout the valley,
making up these zombie subdivisions. Most of the people that can afford to hold onto their property are non-residents of Teton Valley and do not have a vested interest in the actual residents and well-being of Teton Valley.

The median income for residents of Teton Valley is $58,173, but the per capita income in the past 12 months is at $29,251. Per capita income is found by dividing the total income of a certain group by the total population of that group. In this case that group would be the residents of Teton Valley. This means that 9.7% of Teton Valley residents are in poverty (US Census, 2018). This shows why the lot and housing surplus exists. Most of the population in Teton Valley cannot afford the houses and lots for sale in the Valley, and the economic growth in Teton Valley is slow due to its general remoteness and lack of jobs. This leads to the lots and homes around the valley remaining vacant or being bought up by out-of-state investors or individuals looking for a second home.

1.4 Main Economic Forces

The main economic drivers in Teton Valley are agriculture and tourism/recreation. For agriculture operations, the top producing crops are hay, barley, spring wheat, wheat and vegetables harvested. There are 291 total farms in the Valley, taking up 133,199 acres of land, with a market value of 35.8 million dollars (USDA, 2018). Other types of agricultural production revolves around livestock, including cattle, sheep, pigs, horses, and chickens. Other crops grown in the area that are bring in substantial revenue are beans, oilseeds and dry peas. The average farm size is 458 acres (USDA, 2018). The bulk of farming in Teton Valley is done so on privately owned land.
Tourism and recreation involve activities like skiing, hiking, and other typical activities associated with mountain living. Due to the proximity of Teton Valley to national parks and forests, it has become a very popular destination for outdoor enthusiasts for vacation and for individual families to purchase second homes in Teton Valley.

Outside of agricultural operations the 5 main industries in Teton Valley include leisure and hospitality (tourism and recreation), government, trade, professional and business services, and construction (Idaho.gov). The highest numbers of persons employed are seen within state and local government and hospitals and schools employment (Idaho.gov). The total number of Teton Valley residents employed as of 2017 was 4,913. The total labor force is determined to be at 5,209 (Idaho.gov). This makes the unemployment rate low, at only 2.9 percent.

<table>
<thead>
<tr>
<th>Number of Farms</th>
<th>Farm Size (Acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>10 or less</td>
</tr>
<tr>
<td>65</td>
<td>10 to 49</td>
</tr>
<tr>
<td>91</td>
<td>50 to 179</td>
</tr>
<tr>
<td>49</td>
<td>180 to 499</td>
</tr>
<tr>
<td>25</td>
<td>500 to 999</td>
</tr>
<tr>
<td>36</td>
<td>1000 or more</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>291</strong></td>
</tr>
</tbody>
</table>

Table 1: Number and Size of Teton County, Idaho Farms
Data Source: US Ag-Census 2018
CHAPTER 2 LITERATURE REVIEW

2.1 What are Zombie Subdivisions and How Did They Come to Be?

The textbook definition for zombie subdivisions can be stated as:

“Arrested developments that are beset by financial or legal challenges and were once promising projects that are now afflicting their environments with health, safety hazards, blight, decreased property values, threats to municipal finance, overcommitted natural resources, fragmented development patterns, and other distortions in local real estate markets” (Holway et. al, 2014).

What led to the current state of zombie subdivisions in Teton Valley? The answer is improper land-use and overdevelopment. Zombie subdivisions. As of 2011 in Teton Valley, zombie subdivisions included a total of 7,000 vacant lots (Laitos & Martin, 2015). In a normal housing market at reasonable development rates, it would take 77 years to fully develop the entirety of these vacant lots (Laitos & Martin, 2015). Before the recession of 2008, Teton Valley was named one of the fastest growing areas in the United States (Laitos & Martin, 2015). When the recession hit, Teton Valley was put in a steep decline; it is still recovering and suffering the consequences. Zombie subdivisions are responsible for hindering the fiscal health of Teton Valley and are also responsible for decreasing economic stability, property values, housing, and quality of life for residents of the Valley (Trentadue & Lundberg, 2011). Developers in the area were also affected by the recession and further contributed to the dilemma of zombie subdivisions as they rapidly unloaded and abandoned their investments or on-going development projects that they had initially promised to complete (Lundberg & Trentadue 2011).

At the peak development period, prior to 2008, the local government of Teton Valley was rapidly approving developments and changing zoning laws in favor of more
subdivisions being allowed on land zoned for agricultural use. One house per 20 acres was changed to one house per 2.5 acres (Laitos & Martin 2015). This lax government control on land-use heavily contributed to why so many zombie subdivisions exist today. The local government is unable to exert any control over the owners and developers of the abandoned subdivisions, due to a fear of being sued for faulty planning, stemming back to the housing and development boom, (Laitos & Martin 2015). Image 2 shows Targhee Hill Estates, a vacated subdivision, that is a product of the overdevelopment period. During this time, there was little to no management and little coordination taking place amongst government and developers, which led to the decline current state of subdivisions, like Targhee Hills (Image 3).

![Image 2: Targhee Hill Estates (Zombie subdivision located near Driggs, Idaho).](image)

(Taylor Cook)
Image 3: Targhee Hills Estate: vacant homesite, with poorly maintained road. (Taylor Cook)

Image 4: Zombie subdivision aerial view/Driggs, Idaho: (westernplanner.org)
These vacant tracts of land were intended to serve the purpose of providing housing and a stable property tax base, they now are causing blight, contributing to stagnant economic conditions, and bringing in lower property taxes. Because there are no homes built on them. Image 4 depicts what a typical zombie subdivision looks like. They also occupy space and fertile land that could be used for agriculture, which is a main economic force. Teton Valley now faces the issue of these zombie subdivisions deteriorating and creating a financial and environmental burden on the community.

2.2 Purpose of Study

The goal of this research is to provide a background to the contributing factors behind zombie subdivisions and establish feasible solutions and recommendations to the issues that are taking place in Teton Valley, Idaho due to zombie subdivisions. Overdevelopment, lack of proper zoning code and enforcement, and past detrimental land-use practices have led to the thousands of vacant parcels within these abandoned subdivisions (Laitos & Martin 2015). This leads to the question of whether zombie subdivisions can be sustainably dealt with. Can policy changes, community and governmental cooperation, and the use of certain smart growth practices be utilized to solve the dilemma of zombie subdivisions? That is a major question that has yet to be answered, and is one question that this research will aim to answer.
CHAPTER 3 METHODOLOGY

3.1 Data/Sources

The major sources of information used in this research process came from the documents on file at the Teton County, Idaho government offices. Past and current plans were reviewed in order to gauge a better understanding of what was and what is taking place in Teton Valley, regarding development and the role it has within the topic of zombie subdivisions. Records of the development agreements, plats, and various other information used in this research were obtained from county records. Teton County, Wyoming records, plans and codes were obtained and used as a successful comparison, to compare alongside Teton County, Idaho, to help develop viable and potential recommendations, and to answer the research question of whether zombie subdivisions can be sustainably combated in Teton Valley, Idaho. Various literature was referenced throughout the research to aid in the study of zombie subdivisions.

3.2 Data Review Process

On-site and in-person visits of the area were conducted throughout the research process. Site evaluations, notes, and pictures were used to document the various uses and conditions of the zombie subdivisions and specifically the zombie subdivisions located in Teton County (Valley) Idaho, that have expired development agreements. Chapter 6 addresses this issue. The site visits validated the data on record at the Teton County, Idaho offices and provided previously unknown knowledge about the current uses of zombie subdivisions with expired development agreements. Consultation with Teton County, Idaho officials occurred, along with advising from Valley Advocates
for Responsible Development (VARD), who are major stakeholders in combatting zombie subdivisions further discussed in Chapter 4.4.

Review of Teton County’s past plan “Teton County Comprehensive Plan, A Guide For Development 2004-2010” and the current plan “Comprehensive Plan- A Vision and Framework 2012-2030” was critical to the research process. A comparison to other communities with similar circumstances can be made and educated and informed recommendations can be derived from that process. The research culminates with policy and practical recommendations that could provide potential success in sustainably combatting zombie subdivisions in Teton Valley, Idaho. The research process of analyzing past and present data, Idaho State Statutes, and analyzing and comparing other communities to Teton Valley enables realistic ideas to be presented as recommendations. This is a critical aspect, as broad ideas have been passed around throughout the literature and in the Teton County plans themselves. In order to achieve the goals of sustainably combatting zombie subdivisions, it is important to identify ways by which what can be legally and realistically can be accomplished.
CHAPTER 4 TETON COUNTY, IDAHO PAST AND CURRENT PLAN REVIEW

4.1 Past Comprehensive Plan 2004-2010 for Teton County, Idaho-

Teton County Comprehensive Plan, A Guide For Development 2004-2010

The past comprehensive plan for Teton County, Idaho dated back to 2004 and was a guide for development up until 2010 (Teton County, 2004). The four sections of the plan I chose to review were Chapter 8 Economic Development, Chapter 9 Land Use, Chapter 16 Housing, and Chapter 17 Community Design. I selected these specific chapters because they relate to development and can help illuminate where the planners and local officials’ shortcomings were. This plan also was approved and used during the rapid development leading up to 2008, which in turn led to the current dilemma of zombie subdivisions and vacant lots now engrossing Teton Valley.

Chapter 8 Economic Development starts by giving very rough estimates on the workforce within Teton Valley during this time and the types of jobs that were located in Teton Valley. Jackson, Wyoming is cited and identified as a major center for employment for Teton Valley residents. It was estimated that around one-third of Teton Valley residents commuted to Jackson for work. The main economic drivers in the Valley during this time were similar to what was previously discussed in Chapter 2. An interesting note was how “The rural parts of the county are changing from primarily agricultural use to residential, recreational, light industry and commercial uses” (Teton County, 2004). This shows the change that was taking place during this time period (2004-2010). Development was occurring and rural farmland was being sold off to be subdivided and developed. Very little is mentioned in this part of the comprehensive plan
about the use of Transfer of Development Rights (TDRs) and the use of conservation
easements to mitigate the rapid growth that was occurring. The plan does place an
importance on maintaining the attraction of the rural and small-town character of Teton
Valley, which would have benefited by the use of conservation easements and transfer of
development rights programs. There is also mention of keeping orderly growth and
having similar design and architectural work throughout development. Sadly, this part of
the plan was not enforced or followed, now can clearly be seen. Rapid and chaotic
growth ensued, along with a mix of different types of architectural design, mainly
occurring in residential development.

Chapter 9, of the 2004-2010 Plan discusses the important topic of what the goals
were in Teton Valley, for land-use and how they were to be implemented. This section
specifically discusses the role of agriculture in past years and how it supported the local
economy. The interesting part of Chapter 9 of the past plan is the discussion on tourism
and its ever-increasing influence being seen during the early 2000s leading up to 2008.
This part of the plan discusses how an increase in tourism led to a greater number of
second homes or vacation homes being built (Teton County, 2004).

“Some of the primary features of our community that appeal to tourists and those
purchasing second homes are the beautiful mountain views and the abundant wildlife. In
order to preserve these features and given the valley’s heritage of agriculture, open lands,
and scenic resources, it is vital to Teton County’s economic well-being to preserve open
space” (Teton County, 2004).

Open space and the importance of preserving it seem to be a major topic
continually present in the plan, but there is no real discussion on how to accomplish this
and monitor it. There is no regulation set in place to protect against what ultimately
happened to Teton Valley in 2008, that led to the current dilemma of zombie
subdivisions. In summary, Chapter 9 provides a good foundation of ideas but no real substance that can ensure certain that ideas proposed will be implemented.

Vacated subdivisions, currently sitting idle, suggest that the past Comprehensive Plan for 2004-2010 was ineffective as a guide to protect against overdevelopment and unsustainable development, even though that part of Chapter 9 that called for close monitoring of hillside development, to control erosion and visual impairment was followed (Teton County, 2004). However, this really is a moot point, as it is common practice within development to build or develop with this practice in mind. The last section of Chapter 9 discusses the need for residential development to occur within or near urban areas and that residential development in rural areas should have low density. Just by the total number of vacant lots, which sits at around 7000 (Laitos & Martin, 2015), one can easily infer that this idea of high density, residential development near urban centers did not occur in Teton Valley. The opposite occurred and that is why the Valley is facing the issues it has, still to this very day.

Chapter 16 of the Comprehensive Plan for 2004-2010 provided an analysis of housing conditions during the time period leading up to 2010. Three major policy goals were listed in this part of the plan. Policy 1 encouraged owners to upgrade substandard housing conditions, Policy 2 pushed opportunities for diversity in housing choices and affordable housing availability, and Policy 3 advocated for high-density development to take place within the urban areas (Teton County, 2004). These are great development goals to have, especially in a small community like Teton Valley. The goals were not met, as has already been previously noted with the state of vacant lots and development patterns throughout. Along with the listed policy goals, implementation strategies were
discussed. These included zoning enforcement, building code enforcement, other
development codes and ordinances, zoning areas that encouraged mixed-use development
and high-density development near urban areas, and monitoring affordable housing
patterns when analyzing zoning and subdivision regulations (Teton County, 2004). These
implementation strategies fell short during the rapid development period of the early
2000s. Zoning regulations, codes and ordinances were overlooked by planning and local
officials, in favor of high-density development in rural areas (Laitos & Martin, 2015).

Chapter 17 of the 2004-2010 Comprehensive Plan discussed the principles and
guidelines to be put into community design, which directly related, at that time, to
residential and subdivision development. A heavy emphasis in this section was placed on
the the idea that Teton Valley is a rural agricultural community. “Teton Valley, for over
the century since settlers arrived, was a rural agricultural community.” This characteristic
was acknowledged in the original plan leading up to the current plan of 2012. It was
brought up as being a part of community design. “In community design, the area’s most
valuable assets should be considered: scenic vistas, mountain, streams, open space,
wetlands and small-town characteristics” (Teton County, 2004). Even though these
design characteristics were laid out in the plan, they were not carried out throughout the
overdevelopment period of the early 2000s, leading up to 2008. This shows the lack of
regard to the plan by local officials in charge of approving and disapproving development
projects and for the case of Teton Valley, residential subdivisions. Development was
heavily favored during this time in Teton Valley. The thinking behind the rapid
subdivision development that occurred was that the local economy would be stimulated
and lead to further growth (Laitos & Martin, 2015). The opposite occurred in 2008, and
the plan in place was far behind with what was needed for the community. This led to a new 2012-2030 Comprehensive plan for Teton County.

4.2 Current Plan 2012-2030

Comprehensive Plan- A Vision and Framework 2012-2030

The current plan, 2012-2030 Comprehensive Plan for Teton County, builds off many aspects of the past 2004-2010 Comprehensive Plan but differs in key areas regarding development. Some of the main themes that are carried over deal with preserving natural resources, agricultural and rural character. New plan ideas are centered around establishing a stable and diverse economy for the future well-being of Teton County. The past Comprehensive Plan is acknowledged as not working and not adequately reflecting the residents’ visions for the community of Teton Valley.

Chapter 2 of the present Comprehensive Plan discusses important issues dealing with property rights. One of these issues, central to the vacant and zombie subdivision issue is the proper provision and maintenance of roads and utility services by developers who own land that is being used in a capacity of a subdivision or intends to be used in such capacity. If this maintenance does not occur, property values can decrease, which is what is already taking place within Teton Valley. The current Comprehensive Plan seeks to address this issue by holding developers accountable, by mandating timelines or improvement schedules for new or current developments. An important distinction that the current Comprehensive Plan makes is that is it ultimately Teton County’s responsibility to regulate land-use to promote health, safety, and the general welfare of the public. This means that property value is looked at as being some type of general welfare to the public.
How can Teton County officials manage property values? The 2008 recession was an uncontrollable situation, which was the main cause of values drastically decreasing in 2008-2009. An area where county governance can have control and make somewhat of a positive impact regarding property value is in the regulation and land-use control power it has. Regulations that enable view corridors to be protected, natural resources to be protected and the preservation of rural character would all be appropriate actions Teton County officials could use to have control over property values, particularly the properties plagued by zombie and vacant subdivisions (Teton County, 2012).

Chapter 4 of the 2012-2030 Comprehensive Plan highlights two main topics that pertain to development and land-use: Economic development and agricultural and rural heritage, which were discussed in previous chapters of the current plan, and were also discussed in the past plan. This shows that there is a common thread within the community of Teton Valley on how residents see or saw how their community should progress forward. Agriculture is a staple of the community and a major part of the local economy. Economic development is something that correlates with the status of the economy of Teton Valley. In recent years and during the years of the current comprehensive plan, the local economy has been stagnated, leading to less economic development.

The goal listed in the current comprehensive plan for economic development is to establish a “vibrant, diverse and stable economy” (Teton County, 2012). The plan aims to accomplish this by using a set of guiding principles. Some of those principles include encouraging support for locally-owned businesses, incentivizing local commerce, creating a hospitable and attractive environment for business and visitors, and pursuing
economic diversity (Teton County, 2012). These are all valid points of emphasis that the plan seeks to address, but that is essentially all the plan accomplishes. It lists a general set of guidelines with no real way or process on how to implement and go about accomplishing local economic development.

The agricultural and rural heritage section of Chapter 4 discusses a few repeating principles and goals that have been previously discussed. This includes discussion and the emphasis on keeping a small town feel and rural heritage. Another important point that was made in this section of the plan, but obviously struggled to gain traction up to the present day in Teton Valley, is the balance of property rights and rural character. Leading up to 2012, when this plan was being constructed, there was a clear emphasis made on trying to resolve past mistakes revolving around zombie and vacant subdivisions. There is even mention of a “return of platted land to agricultural production where appropriate and viable” (Teton County, 2012). This is a huge step from the previous plan, but it is, after all, just a plan with no real way to articulated in the plan to implement the ideas.

The 2012 Comprehensive Plan brought out some great ideas and it shows that progress was trying to be made by the community and officials of Teton Valley. There are some critical components dealing with this process that need to be brought up when examining past and current plans. The first point to be made is that these are just plans which aim to serve as a guide for future development and growth of the community of Teton Valley. That is a critical distinction to be made. The past and current plans of Teton Valley show where progress was being made, in terms of how the community and officials in charge viewed development.
Legally, regarding Idaho State Statutes, there are some critical distinctions to be made when examining solutions and plans for Teton Valley. Chapter 1, Property and ownership of Title 55 (Property in General), highlights some crucial topics to be discussed. Chapter 1, Section 101 defines real property or real estate as “lands, possessory rights to land, ditch and water rights, and mining claims, both lode and placer. That which is affixed to land and appurtenant to land.” Title 45 of the Idaho State Statutes (Liens, Mortgages and Pledges) discusses the relevant topic of how liens can be levied against homeowners in a Homeowners Association (HOA). An important note to make is that a majority of the zombie and vacated subdivisions in Teton Valley consist of being a part some type of HOA (Teton County, 2018). This means a couple of different things for future plans, regarding possible solutions and outcomes for the issues plaguing development in Teton Valley. Two main sections of the statute stand out as being troublesome for local or state entities, that try to solve the issue of zombie subdivisions. Title 45 section 810, of the Idaho State Statutes gives power to HOAs to “levy an assessment against a lot for the reasonable costs incurred in the maintenance of common areas consisting of real property owner and maintained by the association.” This essentially means that liens can be applied to homeowners or lot owners, from the authority of the HOA in a subdivision type development. Why is this troublesome for Teton Valley? When examining solutions for zombie subdivisions there needs to be some type of authority that has authority to make tough decision regarding certain development tracts. When that authority is granted to an HOA, like Idaho State Statute states, those decisions that need to be made will be purely from a viewpoint of the lot or subdivision owners, that leads to biased decisions based on capital gains and not what is the best for
the environment and community. There are ways to address these issues by using properly written development agreements, which will be discussed later.

4.3 Zoning Requirement/Subdivision Regulations Overview (Teton County Code)

Teton County Code Title 8 gives an in-depth review on the Zoning Regulations for Teton County, Idaho (See Figure 6). There are many basic requirements throughout Title 8, pertaining to the residential and subdivision development, like setbacks, build envelopes, scenic corridors and other well-known terms that deal with building and development. The main points to focus on throughout Title 8 that directly relate to the topic of combating zombie subdivisions would be the different zoning districts. These include agriculture, large increment residential (A-20), Agriculture, rural residential (A-2.5), Residential (R-1), Residential, mobile homes (R-2), Retail Commercial (C-1), Retail, wholesale commercial (C-3), and Manufacturing, industrial (M-1). Specifically the main zoning districts to focus on for the issues regarding zombie subdivisions are Agriculture (A-20) and Agriculture, rural residential (A-2.5).

A-20 Agriculture, large increment, is described in section 8-3-6 of Title 8 Zoning Regulations for Teton County as providing a way for Teton County to control development on the most productive agricultural land in the county. The sale of any parcel of land zoned in A-20 shall be strongly considered for agricultural and not residential use. When land zoned in A-20 is subdivided it shall become a grandfathered zone that maintains all the existing rights, characteristics, and obligations (Teton County Code). What this means, regarding future development is that the grandfathered zoning rights enable the parcel of land to retain all rights relating towards development. An applicant who is trying to develop land zoned in A-20 would be allowed to subdivide
land based on density to apply for a new zoning classification, according to Title 8 of Teton County’s zoning descriptions. This process of review would go through the Teton County Planning and Zoning Commission. However, the minimum allowable lot size would be 20 acres.

Figure 6: Current Zoning in Teton County, Idaho
Data Source: Tetoncountyidaho.gov
The issue with this approach to how subdividing and potential development should occur on land zoned as A-20, is that it can be allowed even though the general point of the zoning classification is to protect the most valuable swaths of prime agricultural land. In Teton Valley leading up to 2008, this is what led to these large areas of land being developed into high density subdivisions. During that time the Planning and Zoning Commission members allowed this to happen, with economic growth and development in the back of their minds, instead of thinking about the sustainability and the vitality of their community. Current members of the Planning and Zoning Commission are extremely hesitant to allow the past mistakes of the early 2000s to occur, which is a good thing for the community. Gary Armstrong, who is the current Planning Administrator for Teton County, discussed the importance of elected officials for Teton Valley, “having the community’s best interest in mind.” This is something that was often lacking leading up to 2008 with outside developers and elected officials hoping to make a big profit in the development boom.

A/RR 2.5, Agriculture, small increment and rural residential, is the next zoning description that directly relates to zombie subdivisions. The purpose of this zoning designation is to provide the opportunity for residential development on agricultural land. The main intent this designation, is to enable opportunities for residential development on or near rural agricultural land. The minimum lot size that is allowed for residential development within the A/RR 2.5 zoning designation is 2.5 acres. Smaller lots can be allowed if the subdivision is approved through a Planned Unit Development (PUD), which is laid out in the subdivision regulations section (Teton County Code). Similar principles apply to the grandfathered zone approach that A-20 zoning has, regarding
density-based development. Like A-20 zoning, all rights, characteristics and obligations are retained. Outside of special approval for PUDs outlined in the subdivision regulations of the Teton County Code, the density must be no less than 2.5 acres, as was previously stated.

The main concern with the A/RR 2.5 zoning designation is centered around the density that is allowed in the fringe areas where agriculture takes place and A-20 zoning typically exists. The density of 2.5 acres for lots near A-20 zoned land is viewed as being too low of a density for the small community of Teton County, Idaho. It clearly shows, with over 7000 vacant lots currently sitting in Teton Valley (Teton County, 2018). Shawn Hill at Valley Advocates for Responsible Development (VARD) discussed how this number for lot density should be increased to a more realistic number of “10 or more acres.” Leading up to 2008 this 2.5-acre density for lots was often overlooked through special review regarding PUDs, by county officials and that is how even smaller lot density for certain subdivisions, like the Snow-Crest subdivision (Image 5) were able to get approved at one acre densities, when located in A/RR 2.5 zones, which have a minimum lot size of 2.5 acres.

![Image 5: Snow-Crest Subdivision, Teton Valley, Idaho. (Teton County, 2018)]
Title 9 of the Teton County Code goes into the crucial topic of subdivision regulations, specifically, the Planned Unit Development (PUD) review process. The PUDs review process is made up of three different process. The intent behind this three-pronged process is to, “provide for an orderly way for the county to review each subdivision or PUDs for conformance with the comprehensive plan, county ordinances, and state code” (Teton County Code). The three phases listed in Title 9 of the Teton County Code are concept review, then preliminary plat review, and lastly the final plat phase. These phases essentially outline a general review process that is conducted by the Planning and Zoning Commission, which highlights the importance of having elected officials in place who will preserve the Community of Teton Valley’s best interest.

4.4 Overview of Major Stakeholder Groups

There are three major stakeholder groups involved in the issue of zombie subdivisions. The first group, and arguably most important, is the citizens of Teton Valley who live in the area year-round. Their livelihood has been affected, since 2008, due to complications from zombie subdivisions. The second stakeholder group, is the developers. They are responsible for the issues now facing the Valley and still have control on what the future of Teton Valley will be. The last group is called Valley Advocates for Responsible Development (VARD). They are a 501(c)(3) nonprofit citizens’ group working towards providing a stable future for Teton Valley through sustainable development.

There is a sharp contrast between the permanent residents and part-time residents of Teton Valley. Part-time residents are associated with having vacation homes or renting their homes out for profit as vacation rentals by owners (VRBOs). This group of people
either live outside of Teton Valley in another part, of Idaho or are from out of state. This creates a divide, in that they do not have as much of a vested interest in the well-being of the community of Teton Valley all-together (Laitos & Martin, 2015). Their vested interests tend to lean towards having a stable real estate market, a growing rental market, and an increase of tourism in the Valley. All these things are great for the community over the short term, but they do not deal with the long-term issues that are stemming from having hundreds of vacant subdivisions sitting throughout the Valley.

For long-term stability and growth to take place, there needs to be a heavy focus on the everyday citizens’ need, not the outside groups of part-time residents, who leading up to the 2008 recession were given high priority during the real estate market boom. Everyday citizens saw the negative side-effects from this, as the average housing market price increased to an unreachable price point for many of the residents. This led to them either having to rent or move out of Teton Valley (Holway et al. 2014). After the real estate market saw a drastic decrease and housing prices came back down, there was still the issue of owners or developers not wanting to sell and wanting to wait for their price-point to come back to what is was pre-2008 (Laitos & Martin, 2015). Full-time residents of Teton Valley were left facing the issue of having a lack of affordable housing and having stagnant economic conditions in the Valley, which already was a relatively remote place to live, as has been previously discussed.

For Teton Valley to be economically sustainable and viable moving forward, emphasis must be placed on the permanent citizens who want to see their community grow and prosper. On a community level this can be done through an emphasis on local business growth and local economic development. Other areas can be focused on meeting
the affordable housing demand and creating a stable housing market that can meet the needs of the everyday resident. Another part of returning power to the local population is the reverting of zombie subdivisions back to a state that will benefit the community in some form or another and provide a positive tax base for the community.

The second stakeholder group that must be discussed is the developers or subdivision owners. They had a major role in what occurred in Teton Valley, leading up to 2008. They saw an opportunity to take advantage of lax planning and zoning law enforcement, along with ample farmland available to be developed to make a profit. They conducted their business with little regard for the community of Teton Valley, and their sole focus was on profit. Part of the issue that has already been discussed, was that County officials were also responsible for approving the developers’ wishes to implement high density subdivisions in A-2.5 zoned areas. Developers are the main group to focus on as they have the most money invested into many of the vacant subdivisions currently sitting idle in Teton Valley. These vacant subdivisions not only take up fertile land, but the county is also responsible for providing roads and other basic services for them, which has led to an annual net loss for Teton County (VARD). Teton County taxpayers are essentially providing a capital base for vacant subdivisions that are contributing nothing back towards the community itself, to stay afloat in the eyes of the local municipality and the providing of basic services.

Moving forward there needs to be an understanding amongst developers on the needs of the community and an emphasis of cooperation with the residents of Teton Valley. There must be some type of progress made in either buying back some of the vacated subdivisions and reverting them back to agriculture or partnering with developers
to create a more sustainable subdivision that implements lower density and the incorporation of agricultural or open space. This will be hard to come by, as Idaho State Statutes as discussed in previous sections, heavily favor landowners, which enables them, the developers or subdivision owners in the case of Teton Valley, to hold on to their investments. Subdivision owners and developers also will not want to lose money on their investments. Going forward, developers and subdivision owners will be a tough group with which to reach common ground. Nonetheless, they are a crucial stakeholder group in the process of trying to correct and resolve vacated and zombie subdivisions in Teton Valley, so they must be accounted for throughout the process of combatting zombie subdivisions.

The final stakeholder group to be discussed is Valley Advocates for Responsible Development (VARD). This organization started in 2001, right at the peak of when the housing and development boom was taking place in Teton Valley. VARD’s main goal is to promote “responsible development and sustainable use of the rural and natural resources of Teton Valley” (VARD), which happens to be a part of the Greater Yellowstone Ecosystem. This is important to note, as Teton Valley is located within an area that has been deemed a conservation priority. VARD is considered a 501(c) (3) nonprofit citizens group and is headed by Shawn Hill, with great support from the community through its diverse group of board members.

The mission statement at VARD is “To shape policy, guide development, and provide outreach to preserve natural resources, protect rural character, and promote vibrant communities in Teton Valley through civic action” (VARD). They work collaboratively with local officials, developers, and everyday citizens. They are in a sense
a community watchdog and protector of the local citizen and the well-being of Teton Valley and its vast natural resources. They are responsible for facilitating and implementing sustainable projects throughout the Valley, and they also play a large role on the combatting of zombie subdivisions. They work with elected officials and developers to devise sustainable solutions that can be used going forward to try and create a sustainable and vibrant future for Teton Valley.

VARD is an important and key player in the fight against rapid development and vacant, unsustainable land-use. They promote accountability and responsibility throughout the local government of Teton Valley, which was lacking during the rapid development of the 2000s. Another key area of emphasis that VARD seeks to have is the public participation and civic engagement of the community of Teton Valley. They try extremely hard to have a well-educated public on issues affecting the Valley; with the community backing, their objectives, they can become easier to accomplish. Other areas of emphasis include the stewardship and preservation of the vast natural wonders and resources of the area and being looked at by the community as an open organization that can serve to be an educational resource. Going forward they will continue to serve the role as a community “watchdog” that keeps in check development and prevents past mistakes from recurring. Cooperation by VARD, developers and local municipalities, and everyday citizens of Teton Valley will be crucial to creating a sustainable future for Teton Valley.
CHAPTER 5 CASE STUDIES

5.1 Areas that have dealt with Zombie Subdivisions

It is an important part of this process to examine other areas that have dealt with and experienced similar issues, stemming from zombie subdivisions. The two case studies I have chosen to include are Mesa County, Colorado and Maricopa, Arizona. They both are situated in the general vicinity that is deemed the Intermountain West. They also experienced similar boom and bust scenarios like Teton Valley did. Mesa County’s boom and bust, was related to the growth and decline of the oil industry in the area. Maricopa, Arizona’s boom and bust was similar to Teton Valley as it experienced a rise in residential development to serve a growing population and then suffered from the effects of the 2008 recession.

A. Mesa County, Colorado

Mesa County experienced a similar growth boom and bust like Teton Valley’s, in the 1980s, due to oil. The area of Grand Junction, Colorado saw the biggest growth, which is where Mesa County is located. When the market collapsed, population decreased drastically and the subdivisions that were in place due to rapid expansion and development became vacant. A total of 400 subdivisions, totaling 4,000 lots were once vacant (Holway et al. 2014).

“...The county government eventually revised its development approval process and prohibited the green-lighting of pure paper plats when there was no financial assurance that actual development was forthcoming. This one change proved so successful that
when the Great Recession of 2008 occurred, Mesa County was largely unaffected” (Laitos & Martin 2015).

Mesa County dealt with the issue of unfinished development by developers and banks extremely efficiently.

How did Mesa County deal with and combat the issues stemming from overdevelopment, that lead to zombie subdivisions? The county worked with local banks and developers who were vested in the area to create a development improvements agreement form and procedure. The county also established a Subdivision Disbursement Agreement between construction lenders and the county. This helped establish four main ideas: 1) An agreed upon construction budget, 2) a timeline for the improvement projects, 3) a set-in-place process for construction review and releasing of loan funds to developers and 4) the county’s willingness to accept developer’s improvements and make sure that the requirements and conditions are met so the developer can be released from the financial aspect of the completed project (Holway et al. 2011). Mesa County was able to put a place a policy and program that essentially revolved around accountability. Accountability is important when examining and trying to resolve excess development, because the recovery process is lengthy. It took Mesa County 15 years to start to see the recovery efforts take root (Holway, et al. 2011).

This worked for Mesa County, as during the recession of 2008 the county had the lowest ratio of vacant subdivision parcels to the total subdivision lots among 50 other counties in the Intermountain West. Developers bought in, which helped make the process successful. This cooperation between developers and the county ensures that
vacant subdivisions will remain under the ownership of the developer who is given tax relief on a residential zoned property. This also makes it easier to make improvements or make changes to the subdivision, as the county only must work with one party instead of having to deal with multiple owners like we are seeing in Teton Valley. Due to the hard, economic impact of the recession in Teton Valley, developers often sold off their investments to multiple parties, or banks recovered the subdivisions through foreclosure (Holway et al. 2011). Little cooperation took place amongst developers and officials during this time, unlike Mesa County. If cooperation and some type of program could have been set up to deal with development agreement forms and procedures, similar to what Mesa County used, better outcomes could have been achieved. The vacated subdivisions in Teton Valley could have been completed by developers in a timely fashion, and if improvements on the subdivision could not be made, developers would have been more likely to put that land into agriculture production. This is because of the tax relief and general cooperation that would have occurred from following Mesa County as an example. If developers were incentivized, instead of worried about losing their investment, more sustainable measures and practices could have been achieved in Teton Valley, right after the 2008 recession.

B. Maricopa, Arizona

Maricopa, Arizona was chosen because it provided an example like Teton Valley’s real estate boom. Maricopa experienced a huge real estate boom in the earlier 2000s only to have the same fate as Teton Valley when the housing crash came in 2008. To deal with the excess from overdevelopment, the city chose to work with banks,
bonding agencies and other government agencies to solve the issue of abandoned subdivisions. Maricopa officials chose cooperation and collaboration as a way to deal with the ongoing issues, and I think that can serve as a useful example to follow for Teton Valley.

How is Maricopa, Arizona currently dealing with their own issues stemming from zombie subdivisions? A collaborative approach is being used instead of aggressive planning and zoning reform. The public is more involved in the process. Local and county officials have partnered with private developers, banks and government agencies, in an attempt to convert abandoned subdivisions into nonresidential mixed-use developments. This has led to land-use goals being established in their comprehensive plan. Some of these goals include: Balanced and efficient development, regional leadership on land-use issues, protection of public health, and sound financial management through land-use decisions that build the county’s fiscal strength (Holway et al. 2011). Along with goals listed in the comprehensive plan, policies have been determined, as well. Some of these policies that are listed in the plan deal with the supporting of land-use buffers and rehabilitation of substandard and abandoned homes. Another important land-use policy is eliminating development out of floodways and floodplains and reducing impacts of new development on environmentally sensitive areas. The last land-use policy described in the comprehensive plan is the reduction of impact seen from new development on existing rural and agricultural lands.

These goals and policies laid out in the Maricopa comprehensive plan can be implemented and achieved by using strategies like the creation of more affordable
housing connected to open space and innovative design. Other strategies include: Promoting infill development, using conditional zoning to reduce land-use risk, and establishing where urban growth can efficiently and sustainably occur (Holway et al. 2011).

Teton County can take away a few positive things from the above examples. The main issues that Teton County must deal with is the 9,000 platted lots located in Teton Valley, and 7,000 of those lots are still vacant (Holway et al. 2011). The factors that led up to the current dilemma facing Teton Valley have already been discussed as being a result of lax planning, Planned Unit Developments (PUDs) and having an easy re-zoning process for land near or on agricultural land to allow for high density platting. The main characteristics associated with the success stories in Maricopa, Arizona and Mesa County, Colorado are centered around having some type of economic incentives in place that favor sustainable development. Purchase of land development rights or transfer of development rights programs are another crucial aspect of the recovery process. Growth management and development regulations are needed to provide a way for local government to control developers and development.

With all the excess of platted lots in Teton Valley, some type of re-platting must occur on a majority of the vacated or abandoned subdivisions. This will allow for the density to be decreased, which is a major factor that is playing into why a majority of the subdivisions in Teton Valley are sitting in decline (Holway et al. 2011). Along with the sheer number of lots that are vacant, there is the underlying issue of the appearance of these vacant areas. This area of concern is something often not brought up in literature.
Literature states that even if development went back to an all-time high level, like it was in the early 2000s, development on all 7,000 vacant lots would still take upwards of 70 years to accomplish. That issue is already well documented. The issue that is not documented is that the decline of these lots and the vacancy or appearance of vacancy contributes further to a buyer not wanting to invest or purchase a lot, even if the price has drastically decreased. This means that there must be other ways to solve this issue outside of hoping development occurs and the market bounces back, which will be discussed in the coming sections. The main point of emphasis is that development incentives, growth management programs and other programs that promote sustainability, are a great tool that can be implemented. However, the underlying fact that the real estate market will have future ups and downs leads to the importance of having the right mechanisms in place. In the case of Teton Valley, these mechanisms will serve the purpose of preventing past mistakes from recurring, leading to further decline in the Valley. Some important examples to follow from Maricopa’s strategies would be the use of mixed-use development and the reduction of development on agricultural land. Mixed-use development in Teton Valley would lead to more housing being created near the urban areas and have housing in a clustered pattern that does not take up as much open space. Reduction of development on agricultural land would have been an important strategy to follow before rapid development occurred in Teton Valley. Prime agricultural land should not have been developed for other uses in the first place, but this pattern can still be reversed. It is slowly making progress in Teton Valley, as farmland is making its way
back into production and out of residential decline.

5.2 Successful case of dealing with rapid development

It is important in this study to focus on not just communities that have dealt with the issues of zombie or vacated subdivisions, but also place a focus on communities that have experienced rapid amounts of growth and were able to maintain some form of relative sustainability within their community. Teton County, Wyoming, home to Jackson, Wyoming, is a unique community that presents an opportunity to examine characteristics of their community and what kind of planning and zoning practices are in place. This enables further analysis of how development is viewed and regulated in Jackson, when placed alongside the importance of agriculture. Jackson, Wyoming, like Teton Valley, Idaho, is rooted in agrarian practices, which enables a great comparison to Teton Valley, Idaho.

A. Jackson, Wyoming

Jackson, Wyoming is located in Teton County, and is home to 10,532 residents. The total population for Teton County sits at 23,265 (US Census 2018). The total land area for Teton County, Wyoming is 3,995.38 square miles, but the town of Jackson takes up only 2.91 square miles. This means that Jackson’s population is densely centered in the town itself, 3,287.7 people per square mile to be exact. The rest of the county has a very sparse population of only 5.3 people per square mile. This is partially due to the various surrounding national parks, like Grand Teton National Park and Yellowstone National Park, which strictly limit any development. That is why development is very centered in Jackson, as it serves as not only a major center of employment for the entire county, but it also provides many basic goods and services.
Some other data that needs to be brought up for an accurate comparison to Teton Valley, Idaho is the mean household income, employer establishments, and median housing values. The median household income for Teton County, Wyoming and Jackson Wyoming, are very similar, as they range from $75,000 to $80,000 (US Census 2018). There are 2,105 employer establishments located in Teton County, Wyoming and they employ 17,864 individuals (US Census 2018). For comparison, Teton County, Idaho has 462 total employer establishments that employ 2,348 individuals. The median housing value for Teton County, Wyoming is right at $739,100 and for Jackson it is at $524,400. Teton County, Idaho is right at $291,600 (US Census 2018). From this information it can be clearly seen that Jackson is a major center of employment and has a strong economic base.

The last area to focus on for an accurate comparison to Teton County, Idaho, is the planning and zoning mechanisms Jackson and Teton County, Wyoming use, specifically land development regulations. There are two designated land development regulation sections listed in both the town of Jackson’s plan and Teton County, Wyoming’s. The county plan will be analyzed, in order to provide a comparison to Teton County, Idaho’s planning and zoning mechanisms pertaining to land use development, which has already been highlighted in previous sections. Teton County, Wyoming is a more comparable area to Teton County, Idaho instead of the town of Jackson, as the County has specific zoning related to agriculture and rural zones, which is not seen in Jackson, as it is primarily an urban area.

Teton County, Wyoming split up its’ rural area zones into three distinct zoning categories: Rural-1 (R-1), Rural-2 (R-2), and Rural-3 (R-3). R-1 zones are defined as
making up the largest land holdings located in Teton County, which have the greatest potential for being used as open space, undeveloped habitat, or open space that is larger than 70 acres (Teton County, A3). R-2 zones range from 30 to 70 acres and they are not held up in larger holdings. Site design must emphasize a strong focus on habitat, scenery, and conservation efforts pertaining to open space (Teton County, A3). R-3 zones consist of rural subdivisions and neighborhoods that have lot sizes of 6 acres or less. Rural character and single-family neighborhoods are a major point of emphasis, along with conservation and wildlife permeability (Teton County, A3).

R-1 zones heavily favor preservation and maintaining the natural beauty and rural character. There are only a couple of permitted uses in R-1 zones, and those include: agriculture, outdoor recreation, dude ranch, residential, campground, institutional, commercial, and light industrial, mainly gravel extraction (Teton County, A3). For all the these uses the minimum lot size is 35 acres. For residential use, only one single family detached, one house is allowed per 35 acres. Allowed subdivision development and subdivision options include having a minimum lot size of 35 acres and must include a minimum of 105 acres remaining rural, as part of the subdivision (Teton County, A3). The R-1 zone clearly shares the common goal of Teton County, Wyoming officials to preserve natural beauty and habit. 35-acre minimum density promotes open space, open wildlife corridors, and much more that relates to the preservation of rural character.

The R-2 zone is designated to typically have acreages ranging from 3 to 70 acres. It follows a similar point of emphasis to the R-1 zones in that wildlife, scenery, habitat and rural western character is to be preserved (Teton County, A3). The allowed uses are the same as the R-1 zones, but there is a substantial focus listed as heavily emphasizing
agriculture or clustered, low density residential development (Teton County, A3). The R-2 zone follows the same guidelines for residential development, including subdivisions. That density is set at 35 acres for the minimum lot size. The zone also keeps the 105 acres minimum inclusion of rural areas (Teton County, A3). The R-2 zone is very similar to R-1 zone with the major difference just being the amount of land and size of acreages being included in each respective zone. R-1 zones have larger acreages of land in holding than R-2 zones.

The R-3 zone differs the most from the R-1 and R-2 zones. Typical land holdings in R-3 zones include lots of 6 acres or less that are used for single-family dwellings (Teton County, A3). There is still an emphasis placed on protecting wildlife, scenic viewsheds and other natural habitats, as most of the land zoned in R-3 makes up rural subdivisions or rural neighborhoods. The density for these subdivisions or neighborhoods is set at a minimum density of 6 acres per lot (Teton County, A3). The same allowed uses as R-1 and R-2 are listed for the R-3 zone (Teton County, A3). Most R-3 zones are meant to promote residential living around rural or agrarian land, but the principles to promote preservation and maintain habitats is still a crucial part of the makeup that still apply.

All three zones share similar requirements that are listed in each of the respective land use regulations section. Some important requirements to focus on that are present in all three zones include: Wetland/river/stream setbacks, scale of development, scenic standards, fencing, exterior materials for building, erosion control (Teton County, A3). Setbacks from wetlands, river and steams are present in all three rural zones. They range from 30 to 150 feet from where any residential development occur. Scale of development refers to the how big residential structures or allowed use structures may be built. The
single building maximum square footage for any structure in R-1, R-2, and R-3 zoning is right at 10,000 square feet (Teton County, A3). Structure height for buildings is set to a maximum of 37.5 feet. This aims to protect scenic viewsheds and corridors, but also play into the preservation of rural character by having structures blend in to their surroundings, rather than standing out, which would follow under the category of scenic standards (Teton County, A3). Fencing and exterior materials for building requirements follow similar standards that aim to protect natural habitat and wildlife and preserve rural character. Erosion control is the last requirement listed in the land use regulation section for Teton County, Wyoming. Erosion control is a simple requirement, that is quite common in the development and building process. The main requirements listed is that it is maintained and controlled throughout the build process and controlled after the completion of the project (Teton County, A3). With all these requirements that have been listed, it is important to note that there is a review and permit application process for development in any of the three rural zones. Sketches and site plans are reviewed by Teton County, Wyoming planning and zoning officials, and if approved the permitting process can begin (Teton County, A3).
B. Comparison to Teton County (Valley), Idaho

A lot can be learned from analyzing how rural development occurs and what process takes place in Teton County, Wyoming. Both Teton County, Wyoming and Idaho share similar traits when it comes to surrounding national park land, rural/western heritage and agriculture practices. This makes Teton County, Wyoming a perfect case study to compare to Teton County (Valley), Idaho.

From a development standpoint, the main takeaway from Teton County, Wyoming that should be applied in Teton Valley, is the low density of lots that are

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<th>Teton County ID, (Zoning)</th>
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<tr>
<td><strong>A-20 Agricultural, Large Increment</strong></td>
<td>1 Residential Lot per 20 acres. Exceptions can be made with PUDs (Higher Density).</td>
</tr>
<tr>
<td><strong>A/RR 2.5, Agriculture, Small Increment</strong></td>
<td>Exceptions can be made with PUDs (Higher Density).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Teton County, WY (Zoning)</th>
<th>Allowable Lot density</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rural (R-1)</strong></td>
<td>1 Residential Lot per 35 acres on all land holdings over 70 acres in size.</td>
</tr>
<tr>
<td><strong>Rural (R-2)</strong></td>
<td>1 Residential Lot per 35 acres on all land holdings between 35 and 70 acres (must have a minimum of 105 acres of open, rural space).</td>
</tr>
<tr>
<td><strong>Rural (R-3)</strong></td>
<td>1 Residential Lot per 6 acres on a minimum of 35 acre land holdings</td>
</tr>
</tbody>
</table>

Table 3: Comparison of Teton County, Idaho and Teton County, Wyoming zoning code. (Teton County, ID, WY)
allowed in each rural zone. Thirty-five acres is the minimum lot size for R-1 and R-2 zones in Teton County, Wyoming. This enables the preservation of habitat and rural character on land that are either predominately wide-open spaces or used in agriculture (Teton County, A3). It also indirectly controls development by having such low densities, because developers have no reason to try and create residential development with such low lot densities allowed. This is quite the opposite in Teton Valley, Idaho, as developers were able to buy up large swaths of farmland leading up to 2008 and get easy approvals to carry out their unsustainable development projects (Laitos & Martin, 2015).

Development regulations for Teton County, Idaho, clearly state a minimum lot size of 2.5 acres for rural residential areas (Teton County Code), which is much more incentivizing, from a developer’s standpoint, to make a profit by developing rural land into a residential area. Certain development projects were allowed to have even higher densities of one acre, leading up to 2008, on land in Teton Valley zoned in rural residential or rural agriculture after special review (Teton County Code). The use of rural zones that occur in Teton County, Wyoming, preserves the integrity of the rural zones being set for extremely, low density residential development and emphasizes habitat preservation (Teton County, A3). Even for the R-3 zone in Teton County, Wyoming, which is comparable to Teton Valley’s rural residential zone (A/RR-2.5), the minimum lot that is allowed is 6 acres. Those 6-acre lots are only allowed to be developed on 35-acre tracts. This means that a 35-acre tract in Teton County, Wyoming, zoned in R-3, could only have 5 lots on it (Teton County, A3). This eliminates large subdivisions or PUDs from being built in R-3 zones. This may be the most critical shortcoming in Teton County,
Idaho, where mega-subdivisions like Appaloosa Ridge (Figure 7), were approved to be developed in the early 2000s on rural agricultural land.
Figure 8 shows the extremely high density of lots that were allowed to be platted in the Appaloosa Ridge Subdivision. A total of 45 lots were enabled to be platted in an area that was zoned in A-20 agricultural for Teton County, Idaho. Of those 45 lots the size of them ranged from 1 to 2.5 acres. This illustrates the lax zoning enforcement by Teton County officials that was taking place leading up to the housing collapse of 2008 that is still impacting Teton Valley today.

The total area of Appaloosa Ridge totals 157 acres (Image 6) with half of those 157 acres being used as open space. 79 acres were designated as open space in Appaloosa Ridge. During the time before the subdivision became vacated, that land sat and contributed nothing back to the economy of Teton Valley. What happened once Appaloosa Ridge became vacated and its development agreement expired, is what all vacated subdivisions should try and accomplish. The land was simply put back into agriculture (Image 6). The owner of Appaloosa Ridge realized there was no profit or even a chance of making a profit in residential development and reverted the land back into its natural state and zoning classification, agricultural production.
Image 6: Current Image of Appaloosa Ridge Subdivision, reverted back to agricultural use. (Taylor Cook)
Figure 8: Appaloosa Ridge Subdivision (Vacated Plat) (Teton County, 2018)
Teton County, Wyoming has a terrific plan in place for controlling development in rural areas. Density is kept low, preservation is required, and sustainable building is a major point of emphasis for the relatively small areas where residential construction may occur. Rural character preservation, beautiful natural surroundings, and scenic corridors are the results of these policies and regulations. That is what Teton County, Idaho must strive for as the county progresses forward into implementing new policies and regulations to correct the past mistakes.
CHAPTER 6 INVENTORY OF ZOMBIE SUBDIVISIONS IN TETON VALLEY, IDAHO WITH EXPIRED DEVELOPMENT AGREEMENTS

6.1 Development Agreements

The issues now plaguing Teton Valley can be directly linked to the enforcement and facilitation of development agreements. Gary Armstrong, who is the Planning and Zoning Administrator for Teton County, Idaho, described development agreements as being “The major obstacle to sustainable development occurring in Teton Valley.” They present an obstacle because of the lack of enforcement that occurred, which in turn heavily favored the developer’s agenda over Teton County’s, leading up to 2008. (Teton County, 2012).

A typical development agreement includes a schedule of completion, description of the improvements, and signatures of those involved and the state the project is taking place in. Those development agreements serve the purpose of providing a way for local municipalities to control development. The enforcement of the development agreement is key to this process. The concerning issues that took place in Teton Valley, were due to a lack of authority and experience at the local municipality level. Developers saw a chance to take advantage of the situation by heavily influencing how development agreements were enforced. Those two main sections in the development agreements were a lack of enforcement occurred were the time of completion or time of essence clauses and the improvements/project description section.

When laying out the original development agreements, developers and local municipalities in Teton Valley included a schedule of completion and a time of essence
clause. Where the error occurred on the part of the local municipality was not setting in place a penalty or procedure if the project was not completed in time, which would coincide with a lack of enforcement. This allowed for the developers to get away with a couple of things. First, if funding for the project ran out, and in 2008 after the collapse, this was often the case, developers were able to get away with not completing their project. Almost all of those projects during that time was subdivision development. When those subdivisions were not required to be finished, because of the lack of development agreement enforcement, vacancy ensued, due to the hard-economic times. Foreclosures on the incomplete subdivisions occurred and because of inexperienced local planning officials and because of how the development agreement time requirements were weakly enforced, no one was required to finish the development projects. Teton County officials were unable to enact changes due to a fear of becoming liable for the abandoned projects, because of faulty planning. “Under Idaho law, a county’s liability insurance generally does not cover lawsuits involving planning” (Laitos & Martin, 2015). This State law is what ultimately led to the inability of local municipalities to require developers to finish their own projects.

The Improvement/Project description section of the development agreement was another section that planning officials dropped the ball on, and developers took advantage. Road maintenance of the subdivision developments and other general maintenance requirements, such as the individual maintenance of the lots and the installation of utilities should have been an enforceable requirement. Due to faulty planning and inexperience, which was a common theme for the municipalities of Teton
County during this time, developers were not held liable to maintaining their own developments (Laitos & Martin, 2015). In most cases the developments were partially finished. It was hit or miss if the utilities were installed, and the other basic subdivision infrastructure, like roads, signage, and individual lots were left to decay, creating the issues of vacated/zombie subdivisions till existing to this day.

Development agreements are a critical aspect of any development process. Throughout this research the general layout and overall writing of typical development agreements for a subdivision-type development, were examined. Development agreements play an important role as a tool for land-use regulation by municipalities, and they provide a contractual agreement between municipalities and developers on what is expected and what can or cannot be done on a development project. The case study of Teton Valley, Idaho, shows the importance of having an enforceable and binding development agreement that can hold both parties liable. In the case of Teton Valley, the negative impacts of not having properly enforceable development agreements showed and it is still affecting the community to this day.

A. Development Agreement Layout

What makes development agreements such a critical component in the development process in Teton Valley? Development agreements are defined as being a contract involving various parties. Most of the time those parties include: A developer and his/her attorneys and engineers and some type of regulatory authority, which in most cases is a city or county, planning agency. The development agreement
establishes what the developer must do for his/her project, in terms of the development of that project (Institute for local-gov). Development agreements are an important part of any development project, as they lay out the foundation of what is to be expected from the developer, and this ensures the developer knows the rules in the early stages of the process and it also enables the developer to receive financing. Chapter 6.1 will examine the specifics of what makes up a development agreement, by providing an example of the language used in development agreements and provide further discussion on that document. Next there will be a discussion on other documentation that is often included in development agreements and the authority that municipalities receive from it. Lastly chapter 6.1 will conclude with a case study on Teton Valley, Idaho, and will show the negative impacts that improper and poorly enforced development agreements can give and what could have been done to prevent those circumstances from happening.

Each development agreement has its own nuances and differences, but for the most part there is a similar line of logic and writing that they follow. Generally, the development agreement is signed or dated, which starts off the development agreement process. This section would also list who is entering the agreement and who the different parties are that are involved. The signing of the agreement by developer would state that he/she agrees to the obligations and requirements listed below in the rest of the document. With the developer signing the agreement, it signifies that they, as the developer will fully and satisfactorily complete the improvement and general
requirements of the agreement they are entering (Holway et al., 2011).

The next phase of the document goes into the timeline and general description of the project. Development agreements are used in many different instances and go by different legal terms and different contexts (Gross et al., 2002). For the purpose of this research, the focus of the development agreements will deal with subdivision and residential development. The first two sections of a typical development agreement dealing with subdivision development, include the description and time of completion for the project. The description of the project states the name and location of the project (Figure 9). The time of completion section often includes a Time of Essence clause or schedule of completion, (Figure 9) which is defined as holding the one party (the developer) responsible for completing the established contractual obligations by a specific date or time. Failure to complete the contractual obligations would be considered a breach of the contract (Clough et al., 2015). A major part of the time requirements listed in this initial part of the development agreement are centered around required improvements. Required improvements are essentially the items that must be completed for the development of the project to continue and progress forward, while maintaining the agreed upon schedule of completion (Clough et al., 2015). Required Improvements would include: Road improvements, utilities, power and fire protection, signage, and various other basic infrastructure, depending in the development project. The estimated cost of these improvements would be listed in this section, along with a phased schedule of completion that fits in with the Time of Essence clause. The last major section regarding time and improvements would just be an initial list of the estimated dates for
the construction period. These dates conform with whatever the time period established
in the Time of Essence clause is. The governing authority is then in charge of monitoring
that process to make sure deadlines and timelines are met, which leads to the next section
of the development agreement, the Inspection Process.

The Inspection process (Figure 9) is controlled by either County or City
officials or whoever is given that authority in the development agreement. Typical
language in this section would include: “The Developer shall permit the County and its
representatives the right to enter upon the property at any reasonable time to inspect and
determine whether the developer is in compliance, with this agreement.” (Teton County,
2012) The improvements that were listed in the agreement and other general site
requirements would be subjected to review.
DEVELOPMENT AGREEMENT
FOR
OLD FARM SUBDIVISION

THIS AGREEMENT is made and entered into this __________ day of __________, 200__
by and between David Z Walters, Member of D&C Properties, and Teton County, Idaho.

It is the intent and purpose of the Developer to meet the conditions of approval for the final plat
allowing the creation of OLD FARM SUBDIVISION, as approved by the Teton County Commission on
__________, 200__; and

It is the intent and purpose of the Developer to obtain final plat approval for the subdivision. It is
the intent and purpose of the Developer and the county to enter into this Agreement, which will guarantee
the full and satisfactory completion of the improvements on the property described in this Agreement. It
is the intent of this Agreement and the parties to satisfy the improvement guarantee requirements for the
final plat recordation of the subdivision.

In consideration of the mutual covenants and conditions contained herein, it is agreed as follows:

Section 1. Subdivision Description. This agreement pertains to and includes that property,
which is designated and identified as OLD FARM Subdivision, located in part of the North half Southeast
quarter of Section 30, Township 5 North, Range 46 East, B.M., Teton County, Idaho.

Section 2. Improvements and Time of Completion. The Developer shall, at its own cost and
expense, complete the road construction, the telephone, power and fire protection. The estimated costs
to complete these improvement is $55,000.00 as shown on Exhibit A of this Agreement. During
construction, the Developer shall control dust generated by the installation of the infrastructure via dust
abatement methods.

Section 3. Schedule for Completion of the Improvements. The Developer shall complete the
road improvements, the telephone, the power and fire protection within two (2) years of the recording of
the final plat. The Developer shall be allowed extensions of time beyond the completion date for
unavoidable delays caused by strikes, lockouts, acts of God or other factors beyond the control of the
Developer.

Section 4. Inspection. Representatives of the County shall have the right to enter upon the
property at any reasonable time to inspect and to determine whether the Developer is in compliance with
this Agreement. The Developer shall permit the County and its representatives to enter upon and inspect
the property at reasonable times.

Section 5. Final Inspection and Approval of Improvements. The Developer shall notify the
County when it believes that the improvements have been fully and properly completed and shall request
final inspection, approval and acceptance of the improvements by the County. The Developer shall have
all public improvements complete and ready to be inspected within two (2) years of the recording of the
final plat. Developer must provide a stamped letter from an engineer stating the roads have been built in
accordance with the submitted road plans and are up to county standard. Upon inspection by the
Engineer, Fire Marshal, and Planning Administrator, a Certificate of Completion will be issued. A
subdivision entrance sign and street signs are also required to be installed by the Owners/Developers prior
to final county inspection.

Figure 9: Development agreement for the expired Old Farm Subdivision in
Teton County, Idaho (page 1).

Data source: Tetoncountyidaho.gov
Section 6. One-Year Guarantee of the Improvements. The Developer guarantees the prompt
and satisfactory correction of all defects and deficiencies in the improvements that occur or become
evident within one year after acceptance of the improvements by the County. If such defect or deficiency
occurs or becomes evident during such period, and then the Developer shall, within ten days after written
demand by the County to do so, correct it or cause it to be corrected. If the defect or deficiency cannot be
reasonably corrected within ten days after written demand from the County, the Developer shall
commence the correction of the deficiency within the ten-day period and proceed with reasonable
diligence to correct the same or cause it to be corrected. The guarantee provided by this Section shall be
extended for a full year from the date of repair or replacement of any improvements repaired or replaced
pursuant to such demand.

Section 7. Financial Security Guarantee. The developer shall provide an irrevocable letter of
credit in the amount of 125% of the Engineer’s Cost Estimate to cover the cost of installation of road,
electric and telephone to the lots proposed in the application. Said funds shall be dispersed by attachment
of developer and signature of one authorized member of Teton County as an applicable means of money
transfer. Said funds shall be deposited within 15 days of final plat approval by the County
Commissioners. The security deposit of funds may be drawn in stages of any amount by the developer,
up to the costs incurred for the installation of individual improvements, not to exceed a total of 125
percent of the attached estimates for each individual improvement referenced herein.

The amount of the escrowed funds shall be reduced upon payment to the sub-contractor for the
completed and approved portion of the scheduled improvements on the subject property. Said draw needs
to include an invoice and stamped engineer’s approval of work completed. Any amount remaining in the
escrow account shall be paid to the developer within four banking days of the release of the payment for
the final portion of the scheduled improvements. Teton County may impose penalties on the Developer
in the form of monetary fines, not to exceed the outstanding balance of work not performed or carried out
at the scheduled completion date.

Section 8. Estimated dates. It is estimated the actual date construction will begin on the date that
the final plat is recorded. The owner reserves the right to begin any time after recording of the final plat
if weather conditions permit. The subdivision is estimated to be completed two years from the date of the
final plat being recorded.

David Walters, Member of D&C Properties LLC, developer, will be solely and fully responsible
for the supervision of sub-contractors and timely completion of installation of roads, electric and phone.
The Developer will be fully responsible for all dust abatement and weed control during construction.
Control of Old Farm Subdivision during the installation of the infrastructure until securing a certificate of
completion from Teton County will be solely the responsibility of David Walters, Member of D&C
Properties LLC.

Section 9. Transfer of lots. No lots may be sold (warranty deeds transferred) or offered for sale
prior to recording of final plat approval. Furthermore no building permit or certificate of occupancy shall
be given until all improvements have been completed. The fire protection, including roads, must be
operational and approved by the Fire Marshal before any building permits may be issued.

Developer does hereby agree that all unsold lots and common areas will be maintained by the
Developer at the Developers sole expense.
Agreed:

BOARD OF COUNTY COMMISSIONERS, TETON COUNTY, IDAHO

______________________________
Chairman

______________________________
(Owner/Developer name)

State of )

SS )

County of )

On this ______ day of __________, 200__, before me, a Notary Public for the
State of __________________, personally appeared __________________know to be to
be the person(s) whose name(s) is executed above, and acknowledged that he executed the same.

Notary Public____________________
Residing________________________
Commission expires_________________

Figure 11: Development agreement (signature page) for the expired Old Farm
Subdivision in Teton County, Idaho (page 3).

Data source: Tetoncountyidaho.gov
The next step that is listed in the development agreement would be the Final inspection process and the approval of improvements (Figure 9). This section requires the developer or the developer’s architect or engineer to notify the County or City officials when the improvements have been fully and properly completed. This will then lead to the final inspection by County or City officials to determine if those improvements and the improvement requirements stated in the development agreements have been met. If it is deemed that those requirements have been met, a written acceptance shall be signed by the County or City official in charge, which signifies the acceptance of the complete improvements. Regarding subdivision development, which was discussed earlier, the completion and final inspection/approval of the improvements, would enable the developer to begin residential construction on the subdivision. This process can be separate from the original development agreement, as it relies on individuals to purchase lots in the developed subdivision, which is discussed in the next section of the development agreement. The main point of emphasis with subdivision development and the completion of improvements, is that the infrastructure is in place so that further development can occur on the ongoing project.

After the inspection process, the next two main process that are listed, discuss lot sales, building permits, guarantees and financial (Figure 10). This process cannot start until the inspection process is completed and finalized. Once the inspection process is officially complete, then the lot sale, building permit, and occupancy process can start. When dealing with development of subdivisions, lot sales are critical to the ongoing
development of the project, as it is the basis for the funding of that particular project. The issuing of building permits is a relatively straightforward process and can be issued once the improvements have been completed that are a part of the inspection process. The certificate of occupancy follows a similar process in that the final inspection must be complete for it to be issued.

The last section of the development agreement typically includes the discussion of warranties or guarantees for a set time period and the final signature/approval page from the county authority (Figure 11). In construction contracts, contractors are often required to have a warranty period where they are required to make good, at their own expense for any defects on the work they have completed (Clough, et., al. 2015). Guarantees in development agreements deal with the prompt and satisfactory correction of all defect and deficiencies in the improvements that occur or become evident during that period (Teton County, 2012). If errors or deficiencies are found to be had within the project or improvements, the developer has a set number of days that are agreed upon in the agreement to remedy the issue. This is enforced by the County of City authority that is involved in the project. Typically, once the issues are corrected, the guarantee will extend upwards of one year from the date it was corrected on.

Along with the various agreements that have been listed and discussed above, they are several other documents that are typically included within the development agreement. Proposed plats and drawings of what is to be developed is included, as well as other contractual agreements and lump-sum cost estimates. The plats, drawings and cost
estimates contractually bind the developer to the project and it enables the City of County to hold that developer accountable. Letter of credits from banks are also included in the development agreement and they guarantee that a buyer’s payment to a seller will be received on time and for the correct and stated amount. The bank will cover the cost if the developer is unable to make payments on the purchase.

The plats, drawings, and cost-estimates all factor into what the contract is used for by a City or County Agency. A major part of the County or City’s role is to use these agreements to monitor and control land-use regulations. This is especially true if the project being implemented is centered around subdivision development. The main point of emphasis that comes from the City/County authority is the ability of using the contract as some form of land-use regulation. This is an important tool that can be applied towards developers, as it keeps development in check and in accordance with local land-use laws. When City/County authority does not act properly regarding land-use regulations, major issues can occur, which is discussed later in the case study section (crfonline.org).

Land-use regulation is a major reason why development agreements are an important component of the development process, when that process is being facilitated between local governance and a developer. As previously stated, development agreements are essentially a contract between a developer and government. The municipality or government can use these contracts or development agreements to bargain with developers on certain aspects of their proposed project (Selmi, 2009). Most of the bargaining that is coming from the municipality, is rooted in community
improvements, either incorporated into the development site or elsewhere in the community. This process allows a municipality to address a variety of different concerns and agenda items. “The local government could seek the developer’s agreement to shoulder the cost of providing pressing infrastructure improvements” (Selmi, 2009). Other examples regarding the bargaining process, could deal with less immediate concerns that a municipality could use as a bargaining chip to incentivize a developer to incorporate major community concerns in their project.

6.2 Current Inventory Of Subdivisions With Expired Development Agreements

There are 415 total subdivisions located in Teton County, Idaho (Figure 13) and 18 of those currently have expired development agreements (Table 3). This number may seem small, especially since 7000 lots remain vacant to this day (Teton County, 2018). This depicts how big of an issue the enforcement of the development agreements really is. Out of the entirety of the subdivisions located in Teton Valley, close to 75% of the lots remain vacant, yet only 18 of those subdivisions have expired development agreements. An important note to make is that the majority of these vacant lots are platted and owned by either a single party or a group of developers (Teton County, 2018). This issue of a lack of enforcement from the local municipalities enables developers to continue to hold on to their land holdings with little to no penalty, for not having it fully developed. 7000 vacant lots prove that this is true (Teton County, 2018) and the fact that a majority of these lots are privately owned and fully or partially platted creates a roadblock to future
sustainability. That is why the emphasis should be on the 18 subdivisions with expired development agreements, which have the most potential for positive change to occur.

Figure 12: Location of all Subdivisions in Teton County, Idaho.
Table 3 shows the 18 expired development agreements in a cataloged form. It shows the various processes and characteristics of each of subdivisions with expired development agreements. Many of the expired development agreements were similar in layout and wording. This uniformity amongst the development agreements indicates that in-house templates were being used by the developers and engineers that were involved in multiple projects throughout Teton Valley. These templates were often missing critical components of the development process that needed to be included in the arrangements, which often helped play to the developer’s favor. Teton County, Idaho officials should have used their own templates, including the provisions described above. This would have prevented the abuse of the development agreements by the developers. An example of developers taking advantage of the situation is shown below in Image 7. Utilities were installed but other improvements listed in the development agreement, such as road maintenance, road signs, and time of essence clauses (Image 7) were ignored, due to the inept writing of the original development agreement.

Image 7: The Reserve at Badger Creek Vacated Subdivision. Utilities were installed but other improvements listed in the development agreement, like roads signs and road maintenance, were ignored. (Taylor Cook)
Table 4: Expired Development Agreements: Teton County, Idaho

<table>
<thead>
<tr>
<th>Subdivisions with Expired Development Agreements (Teton County, ID)</th>
<th>Development Agreement Date of signing</th>
<th>Subdivision Signs</th>
<th>Roadway Maintenance</th>
<th>Utilities</th>
<th>Letter of Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appaloosa Ridge</td>
<td>Jul-07</td>
<td>Yes</td>
<td>Gravel roads</td>
<td>Yes</td>
<td>None</td>
</tr>
<tr>
<td>Driggs Centre</td>
<td>Feb-09</td>
<td>Yes</td>
<td>Roadways paved</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Edelweiss</td>
<td>Dec-04</td>
<td>NO</td>
<td>Gravel road</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Haden Hollow</td>
<td>Oct-09</td>
<td>NO</td>
<td>NO</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Heron’s Edge</td>
<td>None</td>
<td>NO</td>
<td>NO</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Kearsley Acres</td>
<td>None</td>
<td>NO</td>
<td>Gravel roads</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Old Farm</td>
<td>None</td>
<td>NO</td>
<td>Gravel roads</td>
<td>None</td>
<td>Yes</td>
</tr>
<tr>
<td>Reserve at Badger Creek</td>
<td>Dec-07</td>
<td>NO</td>
<td>Gravel Roads</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Ridgeline Ranch</td>
<td>Oct-09</td>
<td>NO</td>
<td>Gravel Roads</td>
<td>Yes</td>
<td>None</td>
</tr>
<tr>
<td>River Rim Ranch</td>
<td>Apr-04</td>
<td>Yes</td>
<td>Gravel Roads</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Silver Dollar</td>
<td>None</td>
<td>Yes</td>
<td>Gravel Roads</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Targhee Hill Estates PUD</td>
<td>Dec-07</td>
<td>Yes</td>
<td>Gravel Roads</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Thornberry Acres (Hayfields)</td>
<td>Mar-06</td>
<td>Yes</td>
<td>Gravel roads</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Valley Vista Estates</td>
<td>Jun-02</td>
<td>Yes</td>
<td>Paved Roads</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Vistas at Waters Edge</td>
<td>Jul-07</td>
<td>Yes</td>
<td>Paved roads</td>
<td>None</td>
<td>Yes</td>
</tr>
<tr>
<td>Warm Creek Estates</td>
<td>May-05</td>
<td>Yes</td>
<td>Paved roads</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>West Ridge Ranch</td>
<td>May-07</td>
<td>Yes</td>
<td>Gravel Roads</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
Table 3 was created by first going through each development agreement on file at the Teton County, Idaho offices to ensure that they were expired development agreements. The validity, improvement process, timeline schedules, existing conditions of the subdivision and the current use of the subdivision, were examined to come up with the table. Throughout this process various inconsistencies were identified as part of the approval process and enforcement process of the development agreements. The major inconsistencies that clearly stood out included: The recordation date when the development agreement was signed, contract abnormalities or alterations, the state the agreement was signed in, if a letter of credit was present in the original development agreement file and if a time schedule for completion was listed or if a time of essence clause was included and followed.

The review of the expired development agreements and Table 3 creation also showed that 14 out of the 18 subdivisions with expired development agreements are listed as being in some type of agricultural land-use designation, in accordance with the Teton County code. This is a positive that can be taken away from the data collected on subdivisions with expired development agreements. Nine of the subdivisions that are part of this catalog are currently being used in some type of agricultural use, and the site condition and current use section of the table highlights this fact. Agriculture will continue to be a critical component of the economy of Teton Valley, but it also will need to assert itself in the solution process of sustainably combating zombie subdivisions, which will be discussed in the next section.
CHAPTER 7 RECOMMENDATIONS/CONCLUSIONS

<table>
<thead>
<tr>
<th>Teton Valley Recommendations:</th>
<th>Descriptions/Definitions</th>
<th>Zoning areas where Recommendations will occur in Teton Valley, ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Development (RA-Development)</td>
<td>Incorporates all 3 recommendations: to create a new form of sustainable residential development. Combines agricultural into the residential development footprint in a sustainable manner.</td>
<td>A-20/A-RR 2.5</td>
</tr>
<tr>
<td>Conservation Easements</td>
<td>Is a legally binding preservation of land between a land owner and a government agency. The easements applies to current and future owners of the land in easement status.</td>
<td>A-20/A-RR 2.5</td>
</tr>
<tr>
<td>Transfer of Developmental Rights (TDRs)</td>
<td>The managing of the sale of developmental potential from one site to another in support of a common goal.</td>
<td>A-20/A-RR 2.5</td>
</tr>
<tr>
<td>Change of Zoning Density</td>
<td>Change of zoning to allow a minimum lot density of 7 acres, instead of 2.5 acres.</td>
<td>A-20/A-RR 2.5</td>
</tr>
</tbody>
</table>

Table 5: Recommended Change To Teton County Zoning Code.

7.1 How to Sustainably Combat Zombie Subdivisions

After a long, careful, thorough review and analytical process, combatting zombie subdivisions will prove to be a difficult task, due to the various circumstances surrounding Teton Valley presented in this research. There are however, a couple of realistic solutions and recommendations on how to deal with these critical issues, affecting Teton Valley, Idaho, stemming from zombie subdivisions. Two recommendations have presented themselves throughout the research process.
Agriculture preservation and incorporation into the rural residential landscape is one recommendation and zoning and efficient, sustainable land-use practices is the other to be used as a recommendation.

Agriculture has already been discussed as playing an important role in Teton Valley, Idaho. It not only provides jobs (USDA, 2018), but it also provides a stable economic and tax base for the community. Because agriculture has a positive impact in Teton County, Idaho, it should be preserved as much as possible going forward. Zombie subdivisions not only take up valuable land in Teton Valley, but they also take away from the tax and economic base (Laitos & Martin 2015). This negative impact occurs from the obvious factors of taking up rural farmland that could be used in agricultural production. The less obvious impact it has, is the ability of the developers and owners of lots located within zombie subdivisions to lower their property tax, by putting their vacant land in agricultural tax status, without any agriculture production occurring (Laitos & Martin, 2015).

The second major recommendation area to focus on for sustainably combatting zombie subdivisions is centered around having the appropriate zoning codes in place and making sure those codes are accurately and consistently enforced. This means not repeating what occurred in the early 2000s, with lax zoning enforcement and having heavy influence from the developers’ side but not local government (Lundberg & Trentadue 2011). Transfer of development right programs, growth priorities, designation of rural reserve areas, incentivizing sustainable growth, creating conservation easements and land trusts are all critical components to having sustainable development throughout Teton County, Idaho (Duany, et, al. 2010).
A. Combatting Zombie Subdivisions and realistic solutions

Agricultural preservation, as well as incorporation of agriculture uses into the rural residential footprint is one real possibility, that has potential to be implemented in Teton Valley. It would provide a way to decrease the negative impact that residential development has had in rural areas, of Teton County, Idaho. For the existing subdivisions in Teton County, cooperation with developers would have to be facilitated in order to enact this change. Subdivisions that are completely vacant and in the agriculture or rural residential zoning classification (A-20, A/RR-2.5), would be the likely candidates for this possibility to occur. This is because the vacant subdivisions closer to the towns of Driggs and Victor in Teton Valley, zoned in residential, have a lot more capital invested in them. These investments would be things like sewer lines and other basic utilities (Teton County, 2018). Driggs Centre Subdivision (Figure 14), which is just one mile southeast of Driggs, right on the edge of the city limits, has over two million dollars already put into basic utilities and sewer lines (Teton County, 2018). This means that developers are less likely to want to alter their subdivision plans (Figure 15) densities evolve into an agriculture subdivision, because they inevitably will lose money on their initial investment. They would rather wait until the market recovers and try to recover their investments. The focus should be on subdivisions with expired development agreements that are in agricultural or rural areas. This offers the highest chance of success for the implementation and conversion to subdivisions incorporating agricultural use. From previous review of Idaho State Statutes, which heavily favors landowners, cooperation and careful selection of realistic subdivisions by Teton County officials in partnership
with Valley Advocates for Responsible Development, will offer the best chance of success.

Figure 13: Driggs Centre Subdivision Plat. Located 1-mile Southeast of Driggs (Teton County, 2018)
Figure 14: Driggs Centre Subdivision Location.
For the sake of this research, the combining of agricultural and residential development in rural areas of Teton Valley, previously discussed, will be called RA-Development (Residential-Agriculture). RA-Development is meant to be an alternative type of subdivision development. RA-development would aim to incorporate farmland and residential homes in the same area of land. It enables homebuilding to occur, but it also allows for agricultural land to still stay in use and production, along with the preservation of open-farmland. It indirectly preserves habitat corridors, which have numerous locations in Teton Valley (Teton County, 2018). Another indirect benefit with RA-Development is that it will provide additional agricultural jobs and revenue for the community of Teton Valley. There are three specific characteristics that need to be highlighted about the inner-workings of how RA-Development would occur. There will need to be zoning designations for RA-Development in the agricultural-zoned and rural residential-zoned areas of Teton Valley. Build envelope requirements must also be established for the homeowners and developers along with conservation easements and transfer of developmental rights programs.

Zoning changes are critical to where RA-Development will be allowed. “Zoning of land assumes that planners delineate fixed boundaries around zones and that land use and development within these zones take place according to some prescribed zoning ordinance” (Shaffer et, al. 2004). The current zoning in Teton County for agricultural areas and rural residential areas allows for homesites/build envelopes within subdivisions, to be built on 2.5 acres. However, agricultural areas zoned in A-20 must be approved by county officials in order to develop at that density. The 2.5-acre density means that the entire homesite and yard, can occupy any of those 2.5 acres, depending on
where the build-site is. The zoning change that RA-development would allow would permit for only .75-acre build envelopes on platted land above the minimum density of 2.5 acres and the rest of that land, if it is zoned in agriculture, must be used for agricultural production or conserved as open space. The minimum lot size of these developments must be changed from 2.5 acres to 7 acres, to allow for lower home densities and more open space. This will establish a norm and set requirements for how rural/agricultural subdivisions and residential development will occur in the future. It will also lead to more farmland and open space being available in Teton County and RA-Development subdivisions can then be allowed to come together to set up some sort of farming co-op within their subdivision. This will require more farmers to be involved to help with the managing of agricultural productions in this newly created sector of agricultural-subdivisions, leading to more employment opportunities. Zoning is imperative to making this work. Homesites/build envelopes must take up less space, to allow for ample open space and farmland. In previous years, with the issue of overdevelopment plaguing Teton Valley, this has been quite the opposite. Build envelopes and home density in these rural subdivisions were far too dense and spread out to be suitable for agricultural productions. For those subdivisions that were developed before the housing collapse of 2008 and still remain vacant to this day, incentives will be given and tax breaks will be allowed to try and make it possible to convert them into RA-Developments, if the developers and owners choose to do so.

An important note to make is that the homeowner who is choosing to purchase a 7 acre or larger lot in these developments will only be allowed to build on .75 acres of those 7-plus acres. The homeowner will still be paying for a 7-plus acre lot, not just the
price of what a .75-acre parcel would be. The rest of the 6.25 acres would be put into common space within the subdivision for common agricultural or open space use. While it might seem like an unfair deal for the homeowner, it allows for the property to be taxed in agricultural status and at a lower rate, instead of a residential status for property tax. It may not appeal to every person in the market for building a new home in Teton Valley, but the appeal of lower tax rates and positively contributing back to the local community will certainly play a factor.

The last characteristic of RA-Development includes the important topic of zoning and efficient, sustainable land-use practices. This would include the establishing of transfer of developmental rights and conservation easement programs (TDRs) (Shaffer et, al. 2004). TDRs can be defined “the managing of the sale of developmental potential form one site to another in support of a common goal” (Duany et, al. 2010). The common goal in the case of Teton Valley is to preserve farmland and open space, while still promoting residential growth. To put TDRs in context, “A farmer that plans to sell his or her farmland to finance their children’s college tuition can instead sell off only the farm’s development value while continuing to work the land” (Duany et, al. 2010). A developer would be able to by the development rights and use those rights or credits to develop another area more conducive to residential development, and in Teton Valley these development credits would be used in areas where RA-Development could occur.

Conservation easement programs should go right along with the use and creation of TRDs as they can help set up land trusts to preserve open space and established wildlife corridors. Conservation easements should be worked into RA-Development to promote open-space and habitat corridors amongst farmland.
Lastly, the community of Teton Valley as whole needs to be addressed. RA-Development will seek to contribute economic growth, but it will also aim to correct past mistakes where overdevelopment has occurred. The principles and goals that have been discussed with RA-Development will go a long way in eliminating the rampant problem of vacated subdivisions in Teton Valley. The vacated land that has been abandoned and essentially left for dead, will now have a chance to make a positive contribution to the community of Teton Valley and the local economy. Using RA-Development as a new tool, to gain economic growth from combining the two industries of agriculture and construction, will help reach the goal of creating development and keeping that development sustainable. Teton Valley residents should see RA-Development as a new way to view how development should occur in Teton Valley, but they should also realize the role it will play in keeping in check elected officials and outside developers who have previously taken advantage of Teton Valley, and its past overdevelopment. Teton Valley is a susceptible community, as recent events have showed with the recession and overdevelopment. The sustainable aspect of RA-Development is why it can really make a difference and contribute positively to the community of Teton Valley.

RA-Development and sustainable zoning and land-use practices is critical to the future well-being of Teton Valley for generations to come. There is a need for sustainable development in the area, to take the place of the 7000 vacated lots throughout Teton County (VARD). This is a staggering number for an area of 451 square miles. If half of those lots can be converted into some positive use for agricultural production or conservation use, they can contribute back to the local economy in many forms, instead
of just remaining vacant. Transfer of developmental rights, conservation easements and RA-Development practices will help hold future developers wanting to build in Teton Valley accountable. Homebuilding is a good thing for the economy, as more construction, typically means more growth. The community of Teton Valley needs that growth. That growth needs to take place in a sustainable environment and with TDRs set up to help farmers sell the value of their farm while still maintaining the ability to farm and conservation easements in place to designate land where TDRs and other sustainable land-use tools can be used, like RA-Development, growth can occur at a sustainable level. This growth could lead to other doors being opened for Teton Valley. Population growth could occur, industries or other businesses could choose to re-locate to Teton Valley, and agricultural partnerships could be set up with nearby counties to sell of produce and livestock. This agricultural initiative would be possible due to the creation of more farmland that RA-Development seeks to accomplish.

The last area of focus that needs to be incorporated into the framework of RA-Development is what actually can be accomplished, pertaining to Teton Valley. The development agreements lack of enforcement and legal liability make progress forward difficult, which is why the previous suggestion of focusing on the 18 vacant subdivisions with expired development agreements holds value. Along with that is the other vacant lots and subdivisions situated throughout Teton Valley. A majority of those vacant lots are owned by either developers or an individual. Their property rights hold value and if
the principles of RA-Development are to occur at any level, they hold the power to either choose to cooperate or continue to hold on to their land and do with it as they please.

That is the major barrier towards a sustainable future for the Valley, along with the issues stemming from development agreements. It is important to recognize these facts going forward and understand the importance of a realistic approach going forward.

7.2 Future of Teton Valley, Idaho

The realistic solutions to combatting zombie subdivisions will be a crucial aspect for the future sustainability and well-being of Teton Valley. RA-Development and sustainable land-use practices must be implemented in some form, to accomplish this. To accomplish this, cooperation must be had with developers and owners of the vacated subdivisions throughout Teton Valley. Not every subdivision will be able to accommodate sustainable change, but there is still opportunity for change to be had and agricultural and natural land to be preserved instead of having it remain a vacated plat. The community of Teton Valley wants to see this change, as first-hand experience from the research conducted shows. Organizations like Valley Advocates for Responsible Development (VARD) are working to meet the community’s goal of creating a sustainable and viable future. VARD will continue to play a crucial role in this process and will continue to serve as a guide for sustainable development to not only the residents of Teton Valley, but also to elected officials.

Growth is hard to predict for the small community of Teton Valley. Population has remained static since the decline of 2008 (US Census, 2018). Housing values and
income has remained relatively static as well (US Census, 2018). Due to Teton Valley’s immense draw of natural beauty and outdoor recreation, one can be hopeful a period of positive growth is in the near future. When that growth materializes, it is imperative that past mistakes are not replicated and that the solutions presented in this research on how to combat zombie subdivisions, are followed. As George Santayana stated, “Those who do not remember the past are condemned to repeat it” (Santayana, 1924).
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