



The VOICE

Your independent news source

Greater Shasta County, CA

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Did you know...

- MARGARITA MIXPO MADNESS**, an after hours mixer and business expo, is being sponsored by the Greater Redding Chamber of Commerce. Members of the Chamber will showcase their business, and the community is invited to observe their products and services. The MIXPO will be held:

THURSDAY, MAY 5, 2011

Win River Casino Event Ctr
2100 Rdg. Rancheria Rd.

5:01 pm—6:58 pm
- Google** has chosen Kansas City, Kansas as the first test city to get its ultra-fast broadband network. Google's VP of access services said that their goal was to find a location where they could build efficiently, make an impact on the community and develop relationships with local government and community organizations.

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Impact Fees Successfully Reduced

At the Redding City Council meeting on April 5, 2011, Mary Machado, representing Shasta VOICES and Jerry Wagar, President of Ochoa Shehan Builders presented a proposal to eliminate the annual inflationary increases being applied to building and development impact fees, beginning with the current 4.2% increase that took effect on January 15, 2011.

Council members concurred with our assessment of the current situation: there is a huge disparity in the price of existing homes and commercial structures versus those that are newly constructed. There is no motivation for new construction, and because new businesses also must pay impact fees whether they are leasing or buying space, there has been little interest in moving forward with potential new businesses. The number of local jobs continues to decline. The downturn in the construction industry is directly or indirectly responsible for the loss of multiple other jobs.

Development Impact Fees are the only new construction costs that can be controlled at this point. Because expected growth did not occur in prior years, and the improvements for that growth were not needed or constructed, the fees that were in place to pay for those improvements are now completely out of balance and need to be re-evaluated.

So, a new Ordinance was approved at the Council meeting of April 19th by a vote of 4-1 (Francie Sullivan dissenting). The Ordinance provides for a **two year suspension of inflation adjustment for 2011 and 2012**. This means that the 4.2% increase that took effect on January 15th will be eliminated, and **refunds** shall be processed for any adjustments collected in 2011 retroactive to January 1, 2011.

The Ordinance goes on to say that any future suspension or modification of inflation adjustments shall be considered by City Council prior to January 1, 2013.

In the meantime, the City is already in the process of updating its Water Utility Master Plan and Wastewater Utility Master Plan. Those should be completed by the end of this calendar year. Once those are complete, that would provide a timely opportunity to complete the comprehensive update of the City's impact fee program. That update could also re-examine how traffic, water, and wastewater fees are applied to commercial construction—the other suggestion made by Shasta VOICES.

But, let's also look *beyond* the obvious benefit of reduced fees to eventually help close the disparity gap in new home construction. The single family dwelling impact fee is, in fact, the **base fee** for all other types of construction. This includes the 1,000 square foot Papa John's, Papa Murphy's, or local Deli that leases space in a Redding strip-mall. It includes the 28,000 square foot medical facility. It includes **all** types of businesses, large and small. These businesses must "build to suit" their business model in order to open their doors and create much needed jobs. They must pay **multiples** of the single family fee in order to move forward with the creation of their business. Now, with predictable costs associated with impact fees, they are much more likely to move forward with plans to open those businesses in Redding and hire local people.

We believe that this fee reduction and re-evaluation effort will effectively work to begin our local economic recovery process in the next few years.

“Update Light” Needed for Local Travel Demand Document

A travel demand model is a tool used by planners and engineers to make informed transportation infrastructure planning decisions by forecasting the travel characteristics of people and usage of the local transportation network. Equations are used to represent each person’s decision making process of “why”, “when”, “where”, and “how” to make the trip, and “what” route to take to make that trip. The impact on the road network and available transit service are analyzed to decide where improvements are needed incrementally over a 20 year period or longer.

The Shasta County Travel Demand Model is used to forecast the impact of growth and development on the transportation network, and to identify and prioritize improvements needed to manage congestion levels. The Shasta County Travel Demand Model was last updated and released February, 2008. The Shasta County Regional Transportation Agency (SCRTPA) was recently successful in obtaining a grant totaling **\$400,000** to carry out a comprehensive Model Improvement Plan. An update of the current travel model is needed due to:

- Changes in growth and development assumptions (to correct *overstated* growth/development);
- Improvements/changes to the transportation network;
- Availability of Census 2010 data (update population, employment, economic input);
- New legislative requirements including SB 375;
- Expand planning horizon to 2040 (from 2020 or 2030).

Information to be included in the updated model purports to more accurately forecast travel demand, pinpoint future congestion, help meet legislative regulations, and guide the local and regional processes.

In the meantime, according to the SCRTPA, an “update light” is needed in order to correct transportation network improvements and development assumptions that are *overstated*. This update will serve as the current model until the full update (described above) is completed, a date estimated to be June 2013. An extension of an existing on-call engineering service contract with Dowling Associates will accomplish this. They will ensure that road network and land use forecasts assumptions are currently accurate, update population totals to reflect 2010 Census data, and revise growth assumptions downward. This “update light” will be completed by August, 2011.

Magicians, Indeed... SCRTPA Again Finds Funds for Local Projects

The staff of our Shasta County Regional Transportation Planning Agency once again have identified funding for another North State road project. This time, they are going after the third round of grants from the California Transportation Commission (CTC) culminated from project savings in the second round, resulting in the availability of about \$22 million.

The City of Anderson has completed an application for construction of a northbound off-ramp at the I-5/Deschutes Road interchange, and roundabout at the intersection of the I-5 northbound ramps at Deschutes Road and Locust Road. This project is a continuation or enhancement of the Cottonwood Hills Truck Climbing Lanes Project (which is being constructed by local contactors). The northbound off-ramp begins where the third lane from the Cottonwood project ends. The project is estimated to cost \$7 million, financed through a partnership of Anderson, Caltrans and the SCRTPA.

The **Deschutes Road Improvement Project** has several characteristics which favor its approval by the CTC:

1. It is the only candidate in the North State Super Region for these funds;
2. It is on schedule to meet the CTC’s delivery requirements, if not ahead of schedule;
3. It is an enhancement to the adjacent Cottonwood Hills project; and
4. Will have support from the northern 16 county RTPA’s, or Super Region.

Should this project be selected for funding by the California Transportation Commission, the construction award for this round of projects will be by June, 2012.

In other good news for the North State, the **South Redding Six-Lane Project** has awarded the construction contract to a *local* contractor, Tullis, Inc. There were 4 competitive bidders. Construction should begin this summer. We look forward to more waves of that magic wand from our persistent staff at the SCRTPA! Many thanks to all of them.

Redding Gets Creative with Budget Cuts

In the month of April, several new budget-cutting concepts were brought forward by the City of Redding management staff for consideration by City Council in an effort to find a way to close a \$3 million budget shortfall for the 2011-2012 fiscal year.

Talk of finding ways to address the rising costs of City employee pension and health insurance benefits while tax revenues continue to decline began long ago. But, that “talk” has now become an urgent need to take action. Sales tax revenues have dropped from \$23 million in 2006 to \$18 million last year. A slight improvement was seen in the last two quarters. But pension costs alone are expected to jump \$3.2 million next year, and a similar amount the year after. Health insurance costs are also up \$1.8 million.

Several options are on the table and will be formally considered before the 2011-2012 biennial budget is adopted this June. Here is a summary of those options:

- **Outsourcing.** The Council voted 3-2 on April 5th to hire an outside consultant to study and seek Request for Proposals (RFP's) in an effort to pursue public/private partnership opportunities in four areas: water treatment plant operations, wastewater treatment plant operations, development services, and information technology services. The use of private enterprise to provide City services is on the rise across California and the rest of the nation. These particular departments are areas where cost savings and/or operational efficiencies might be realized. A majority of Council felt that a shrinking general fund is forcing them to at least explore this option. In addition to these departments, Council had last year directed the Community Services Department to seek bids from private firms for basic parks maintenance services. That process is still underway, and the Request for Quotation should be ready by May 1st.
- **6% to 11% Mandatory All Department Budget Reduction** (except public safety and enterprise funds). All departments have been directed to develop a budget with a 1 percent reduction from the status quo. Additionally, all general fund departments (except public safety) have been requested to develop budget scenarios representing an additional 5% reduction and an additional 10% reduction. These reductions alone would *not* generate enough savings to fully solve the problem.
- **Closure of City Hall.** The closure of City Hall for one day per employee pay period, or 26 days per year (2+ days per month) would result in significant savings for the General Fund. The savings is directly attributable to the salary savings of employees working less hours. Total cost savings from this strategy is estimated at about \$1 million per year.
- **Temporary Closure of the Convention Center.** The Convention Center is subsidized by over \$800,000 in hotel tax revenue. Even with this subsidy, it still has a \$300,000 deficit which has always been paid from the General Fund. The temporary closure of the facility would yield a savings of at least \$500,000 per year to the General Fund. Many details would have to be explored, including how to transition to a closure to honor existing contracts, and making sure the Convention Center remains available for large community events like Kool April Nites. The temporary closure would not begin until January 2012 if it is eventually approved.
- **Savings Associated with Measure A.** In November 2010, voters approved ballot Measure A, which required the City Council to open all future bargaining sessions with employee unions with an item requiring the employees to pay all of the employee share of the pension cost through CalPERS. Given the requirements of Measure A and the fact that the City has multiple negotiations occurring with labor units, it is reasonable to assume some savings will be realized in 2011-2012. The range could be between \$200,000 to \$800,000 in savings to the General Fund.

City Council members were not at all excited about being faced with such dire choices, and expressed their concern for having to choose the “least bad” options to balance the budget. The City has already cut \$18 million, or 25 percent from its General Fund budget since 2007.

The Police and Fire Departments, although roughly 60 percent of the total General Fund budget, are being spared further budget cuts at this time.

Updated News and Notes

Shasta VOICES is continuing to monitor and follow many issues of interest to our supporters and the community. As part of our efforts to keep you updated and informed, here is a brief update of some of these issues:

- ***Charter City Committee (CCEC)*** - The committee continues to meet every 2nd and 4th Thursday of each month at 6:00 p.m. at the Redding City Council Chambers, although in April, the first meeting was actually changed to April 7th (which was the first Thursday). Meetings should continue for at least another month. At these meetings, the 10 member committee hears public comment on agenda subject matter. No recommendations will be made by the committee until after all subject matters have been vetted. So far, the topics that have been covered in meetings lasting from 2.5 to 5.5 hours are:
 1. Should the City Council pursue charter city status for the purpose of creating additional elective offices; altering future conditions for holding elective office; modifying the election process for electing council members, the mayor, or any other elective office from plurality to a 50 percent plus one method; to implement a system of districts.
 2. Not complying with bidding statutes for public contracts; not being bound by state law prevailing wage requirements on projects that are “municipal affairs.”
 3. City Council structure and procedures—strong mayor; elected City Attorney; establish council members’ salaries; establish procedures for enacting local ordinances.
- ***Sustainable Communities Strategy*** — The California law referred to as SB 375 requires the Shasta County region to prepare a coordinated transportation and land use plan, known as a sustainable communities strategy (SCS) aimed at reducing vehicle miles traveled and greenhouse gas emissions. Under this law, the California Air Resources Board established a target for Shasta County for these reductions. Our target of 0% per capita change from 2005 to 2020 will be reevaluated in 2014 based on our SCS plan. Our regional approach is aimed at finding opportunities to leverage state funding and coordinate with the cities of Redding, Anderson and Shasta Lake on land use and transportation strategies that effectively reduce vehicle miles traveled. The SCS must conform to land uses found in existing general plans. The SCS cannot regulate land use, nor is there any authority outside of the local jurisdictions to do so. GIS tools are now being created and used to evaluate existing urban patterns, and should be completed in the fall of 2011. By spring 2012, a non-binding trial version of the SCS will be prepared. If uniformly accepted, local agencies may use it during the development review process and when considering investments in transportation, infrastructure and public services. By fall 2014, and applying lessons learned up to this point, a formal SCS will be prepared for regional consideration.
- ***Turtle Bay Hotel***— Turtle Bay is working with City staff on developing building plans for submittal and review for a 4-Star Sheraton Hotel, which was approved in October, 2010. According to Mike Warren, CEO for Turtle Bay Exploration Park, grading plans are scheduled to be submitted May 6, foundation plans on May 21, and building plans on June 7. The general contractor is a local company, Gifford Construction. The exterior of the building has now been attractively redesigned. Once construction begins, 30-40 local construction jobs will be created for this \$11 million project. At completion, the Hotel will provide 82 permanent jobs. Ultimately, the Hotel will have 130 rooms, 4,000 square feet of conference and meeting space, an outdoor pool and patio, and a 4-Star Restaurant serving 3 meals daily. Once fully operational, the Hotel is projecting that it will bring in \$150,000 per year to the City of Redding in property taxes, and about \$25,000 per month in hotel (TOA) taxes. One hundred percent of the profits earned by the Hotel will go directly back to Turtle Bay Exploration Park to fund operational and other expenses.

Join Shasta VOICES today.

We depend on membership and other contributions.

If you are viewing this issue of “***THE VOICE***” on our website, click on the ***membership tab*** for information and to download a membership application or contributor form. Or, you can obtain more information by going to our website, **www.shastavoices.com**, or calling **(530) 222-5251**.

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