



# The VOICE

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### Did you know...

- Shasta County's unemployment rate for the month of December was 12.2%.
- The Redding City Council appointed a committee to evaluate municipal utility billing and collection policies and procedures. They will meet for five or six weeks, and make recommendations. The first meeting is 2-13-09, 8:30 a.m., Community Room.
- As of September 2008, there were 36,691 Shasta County residents covered by Medi-Cal, which pays for medical services for children and adults based on their income and assets, an increase of 2.8% over 2007. More than \$167 million were paid in healthcare costs for Shasta County residents during calendar year 2007.
- At the January 20th County Supervisors meeting, CAO Larry Lees said discussions were taking place with appropriate staff and union leaders about creating a 2-tier Cal-Pers retirement system for all new hires in the future.

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## Redding Police Facility Design Contract Modified

At its regular meeting on January 20, 2009, the City Council directed staff to discontinue work on a new Police Facility on the Civic Center campus, and to explore retrofit options for a new police facility. Unfortunately, no direction was given at that time as to whether or not the City should terminate, suspend, or modify its existing \$298,000 contract with Nichols, Melburg & Rossetto Architects (NMR) for professional design services.

Prior to the February 3rd Council meeting, Mayor Rick Bosetti, Police Chief Hansen, and Council member Missy McArthur took a field trip to Southern California and toured 3 police facilities that were retrofitted existing buildings. This was part of an effort now underway to explore other options to a brand new facility with a hefty price tag, and cutting the cost to a level that may prove doable in the near future. All three were favorably impressed with what they saw, and felt this option was very workable.

At the February 3rd Council meeting, architect Mike Lusso, representing NMR, made an impassioned plea to the Council to allow his firm to complete the work they have begun, outlining his firm's unique and unparalleled expertise on this project. He suggested that for the amount remaining in their contract, which is about \$145,000, they can get to the point of reliable cost estimates not only for building a brand new facility on City owned land, but also for potential retrofits. He suggested that those submitting buildings for the retrofit option bear the costs of producing certain information needed to demonstrate suitability.

The Council voted 4-1 (Patrick Jones dissenting) to modify the contract with NMR, directing the firm to produce cost estimates for both a brand new facility and for submitted retrofits. Additionally, staff was instructed to develop a picture of what is available to pay for it as they complete the budget process over the next few months. All Council members expressed concern that previously identified funds to pay for a new facility no longer exist, and there does not appear to be much (if any) money to pay for a new facility.

City Attorney Rick Duvernay clarified that a Request for Proposal (RFP) would be produced detailing the ground rules for potential retrofit submissions. Mayor Bosetti expressed concern that the RFP would be too open-ended, putting all the duties on the sellers. Duvernay said the draft RFP document would come back to Council for review and approval first.

## City of Anderson Defers Fee Collection

At the January 20, 2009 City of Anderson Council meeting, the Council members approved a proposed ordinance to defer the collection of development impact fees to the point of Certificate of Occupancy (once the building is completed). Currently, they collect these fees up front, at issuance of building permits. The request for this change was made by the Shasta Builders Exchange.

Depending on the type of construction, such a deferral in the timing of the payment of these fees would be from about five or six months for a simple single family home, to a year or longer for more involved projects.

The approval of the ordinance was placed on the Council's agenda for enactment at the February 3, 2009 regularly scheduled Council meeting and approved unanimously. A similar ordinance was approved in the City of Redding in October, 2008.

## ***New Oasis Road/I-5 Interchange Tops Funding Priority***

On January 20th, Redding City Council members agreed that the project that gives our community the “biggest bang-for-the-buck” and meets the Obama Economic Stimulus package criteria is the full reconstruction of the interchange at Oasis Road and I-5. They voted unanimously to send letters highlighting this project as the top priority to our legislators in Sacramento and Washington. And, they produced and sent those letters out on January 26th.

Their decision was made based on widespread community support, and the potential of this infrastructure project to create immediate jobs as well as many more in the future through expanded private development. This project is “unparalleled in its ability to leverage public investment to create thousands of short and long term jobs and spawn new sources of much-needed sales and property tax revenue.”

“Extensive planning and environmental review has gone into this project. Investment of federal economic stimulus funding would allow long-planned commercial and residential development and infrastructure to blossom, immediately jump-starting the Redding area economy.”

Though it still isn’t clear how much money will be available for such projects, it is clear that there will be a tremendous amount of competition for these dollars in California. Heavy lobbying efforts will be necessary in order for this project to “stand out” among the others. Because of it’s proximity to I-5, and because it combines roadwork, commercial development, residential and a new revenue stream to local government in the form of permits, impact fees, property tax, sales tax, and redevelopment funds, it seems to meet the definition of “economic stimulus” perfectly. We must put forth our best effort as a community to get this message to those who will ultimately determine how the funds will be distributed. If you would like to assist in this effort, you can contact Mary B. Machado, (530) 222-5251, mary@shastavoices.com.

Even if we are not awarded any of these funds, the Council still expressed its support for moving forward on this project as soon as possible. The new jobs and revenues created would benefit the entire community. Developers and investors are working with City staff to coordinate financing plans that could move this project forward.

### ***Bonneyview Retail Center Approved***

On January 27th, the Redding Planning Commission approved a use permit application for the Bonneyview Retail Center, to be located just east of the recently improved stretch of Churn Creek Road where the Kenworth truck shop sits today.

The approval is for construction of a 200,000 square foot retail/office commercial center on 27 acres. The project includes 130,000 square feet of box-type retail encompassed with three major tenant buildings; small inline retail stores; and freestanding retail, bank, office, and restaurant pads. The shopping center would include 11 buildings, with the largest store offering 57,000 square feet of space, and a second store offering 52,000.

This was the third attempt by developer Vitalis Partners to obtain this approval. The Commission continued the hearing from both the November 25th and December 9th meetings to resolve concerns about how the city would engineer traffic flows. At issue was a “condition” to eliminate the ability of cars and trucks coming out from nearby Commercial Way to make a left hand (westbound) turn onto Churn Creek Road. After the first two attempts to resolve these concerns, the Commission approved amended “conditions” allowing such turns with a westbound turn refuge lane to be constructed up the Churn Creek hill, along with other road improvements. These plans will eventually have to be approved by Shasta county before the project can move forward.

### **Redding Building and Impact Fees Increase by \$1,800 On January 15th**

Building and impact fees typically increase each year, sometimes more than once, because there is an inflationary component attached to the fee structure.

Effective January 15, 2009, the “inflationary” increase to these fees in Redding is about \$1,800 per single family dwelling.

Below is a comparison of the prior fees to the new fees for a typical 2100 square foot house:

	<u>2008</u>	<u>2009</u>
Building Fees Total:	\$ 2,798	\$ 2,798
Development Fees:	\$10,466	\$11,451
Water and Sewer Fees:	\$13,101	\$13,922
School Fees:	\$ 6,237	\$ 6,237
Technology Surcharge:	\$ 140	\$ 140
<b>TOTAL</b>	<b>\$32,742</b>	<b>\$34,548</b>

School fees were raised to \$2.97 per square foot in July, 2008, and continue at that rate for two years. Fees not reflected above include an *additional* \$4,397 North Redding Traffic Benefit District fee for single family dwellings built in that area.

Multifamily, commercial, office, and industrial structure fees are a multiple of the single family dwelling fees, depending on size and location.

## *Shasta County Could “Starve to Death”* General Plan Update Needed

Shasta County’s Director of Resource Management, Russ Mull, held a workshop at the January 24th County Supervisors meeting regarding Senate Bill 375 (SB 375), and Assembly Bill 32 (AB 32), addressing greenhouse gas emissions reductions from automobiles and light trucks, and its potential effect on the County. California is now required to reduce greenhouse gas emissions to 1990 levels by 2020. In order to achieve this goal, we’ll have to reduce driving by taking the equivalent of one billion cars off the road.

Initially, SB 375 tried to mandate the so-called “blueprint planning” processes, but this received attacks by cities and counties in the State. It was promised as a voluntary effort, and eventually was legislated that way due to such attacks. SB 375 does *not* change the way current transportation funding is given. Counties that are not considered a Metropolitan Planning Organization (MPO), with a contiguous urban area over 50,000 people, are not required to prepare what is called a “Sustainable Communities Strategy (SCS)” as part of their General Plan. But, Shasta County is a designated MPO, and must address how, based upon most recent planning assumptions, we will reduce emissions. The “SCS” that needs to be addressed does not super-cede local plans or zoning.

Mr. Mull said that the County will begin their general plan update process in the fall of 2009. They will be required to address greenhouse gas emissions reductions because of SB 375 in the general plan. The focus of the legislation is to push development to urban areas near transit stops, reducing or eliminating the need to travel by car or light truck in order to purchase goods and services, or even go to work each day. These principles are those purported by “smart growth” advocates, and could “starve the County to death” according to Mr. Mull. Developing only city-based projects eliminates needed property and sales tax income to the County.

According to Mr. Mull, the real purpose of this legislation is to reduce local city and county land use authority and stop growth in unincorporated areas and move it to cities. He believes this is an urban issue. Shasta County is *not* out of attainment with its air quality, and we are only 1/2 of 1 percent of the entire emissions in California. Developers can mitigate emissions by doing high density projects near transit, but this creates massive congestion around the transit stops, and may not deliver the envisioned results. In the Shasta County area, we do not have any “mass transit” systems other than the RABA bus system.

Rural areas help address emission issues by *not* building. Some consideration needs to be given to transportation projects in rural areas. The problem is, there are few or no “projects” in rural communities. Therefore, he made the following recommendations to the Board of Supervisors:

- Proceed with the General Plan Update, gathering an “Advisory Group” to assist in the process.
- Monitor SB 375.
- Follow the California Air Resources Board (CARB) requirements through AB 32.
- Develop an AB 32 compliant element in the General Plan.
- Comment on the Regional Transportation Plan (RTP) and the Sustainable Communities Process (SCS).

Mr. Mull did not support including Shasta FORWARD findings, the Regional Transportation Planning Agency’s (RTPA) attempt at “blueprint planning,” in the General Plan, after Ron Reece of Citizens For Smart Growth brought it up at the meeting. Mr. Mull felt this program was done as a cleverly designed way to get around CEQA guidelines, which has guided land use for more than 50 years. The RTPA sponsors of Shasta FORWARD used “warm, fuzzy” discussions to obtain predetermined responses from a very small number of participants. He felt, and the Supervisors concurred, that 1700 responses is a very small number on which to base an entire General Plan update. He felt that Shasta FORWARD was misdirected.

The Supervisors had concerns about the Shasta FORWARD program as well. They were uncomfortable with the “preset questions” posed to participants. They also were having trouble understanding how to translate the various categories of interest and concern developed through the process into a blueprint that makes any sense. That seems to echo concerns we have also heard from the City of Redding’s Planning Commissioners, and several elected officials.

Perhaps the most entertaining comment made by Mr. Mull at this workshop was that there is no budget right now to proceed with the General Plan update. He’s hoping “manna from heaven” will fall from the skies to help.

## ***“Fix 5” Update***

The “Fix 5” study grant given to the Shasta County Regional Transportation Planning Agency (SCRTPA) by the State ran out in February. Since no conclusion has yet been drawn from this study, the SCRTPA asked for and obtained a 2 month extension through the end of March, 2009 to complete their work.

The purpose of the “Fix 5” partnership study was to provide a nexus analysis presenting a legally defensible development impact fee that would be allowed under the Mitigation Fee Act to address future projected congestion on I-5 from Corning to Mountain Gate, a 61 mile stretch.

As our readers know, Shasta VOICES mounted a challenge to the proposed “regional” fees, and were successful in demonstrating that such fees were **not** legally defensible.

So, the SCRTPA staff has gone in a different direction. They are “refining the study,” and plan to present 4 workshops on the subject for elected officials in Shasta County, Redding, Anderson, and Shasta Lake in March. The purpose will be to explain the program, review the existing nexus study, and explain the mechanics of how it would work if implemented. There will be an RTPA meeting on **February 24, 2009 at 4:00 p.m.** at the Shasta County Supervisors Chambers, which originally targeted a decision to be made one way or the other—does the revised version go forward for consideration or not? But, due to a delay in scheduling the workshops, that decision will have to wait.

The study is still the same with some “revisions.” The proposed fees of \$1,697 per single family dwelling are still the same, along with the Household Equivalent factors for commercial and industrial buildings. But, the new strategy changes the program drastically. Instead of using these proposed fees for mainline I-5 capacity improvements, the majority of the money will stay with each jurisdiction to fund interchange improvements.

Because the Dana to Downtown project is now completely funded, the fees that were used from the Regional Transportation Program (RTP) to fund it can be accumulated towards other projects going forward. Now, the State Transportation Improvement Program (STIP) revenues can be thrown into this pot (\$4 million per year through gas taxes) and pump up to \$100 million into the program over the next 30 years or so. This money can be used for mainline I-5 improvements.

The “Fix 5” proposed fees, which would instead become additional Traffic Impact Fees (TIF), would be used for interchanges, with 90% collected in each jurisdiction going to each jurisdiction’s “pot” for improvements. Since the cities would control 90% of the funds, they pick the interchange projects. For example, Redding would create approximately 63% of the funds, and would get up to \$63 million (using the \$100 million example amount). The remaining 10% would go into an as yet “unnamed” TIF fund, which would need some flexibility to be used for leveraging matching funds for the I-5 mainline improvements. Mixing these funds with STIP funds, the RTPA thinks it can leverage money from the State and borrow money from the STIP funds to finance improvements, using interest free loans.

Because of the state of the economy, the local jurisdictions would be asked to look at softening the blow that such added fees would have on the building industry and consumers. They play to rely on a “trigger” that would need to occur before any fees become effective. They are proposing that the simplest trigger would be population growth. Using a 10 year average, the population growth from 1998-2008 is 1%. The last 3 years, it is under 1% each year. If the fees are implemented, and there is a 1% growth factor reached (no sooner than 2 years), they would charge 25% of the fee a year for 4 years before implementing the full fee.

Of course, we have not changed our position at all on “Fix 5” fees by this or any other name. The “regional approach” once proposed serves no purpose, and “leveraging” isn’t necessary after all. Even if they have found a way to make additional fees legally feasible, we cannot support the continual addition of fees for every project on the drawing board, or on some government wish list. These are tough times, unlike any we have seen in our lifetimes. It makes no sense to increase fees in this economy, or to increase fees on **new** construction every time old infrastructure improvements need to be made, regardless of whether a nexus can be drawn or not.

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