



# The VOICE

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Greater Shasta County, CA

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**Did you know...**

- According to the US Census Bureau, Shasta County's growth rate over the last decade was the lowest since the 1930's. Growth in the Redding area has slowed every decade since the 1960's. In April 2010, Shasta County had a population of 177,223, an 8.6% increase since April 2000.
- On March 8, 2011, voters in Rancho Palos Verdes overwhelmingly rejected an initiative to turn the California city from a general law city to a charter city. The initiative earned just 27.7 percent of the vote, with a turnout of about 23.7 percent of voters.
- In Wisconsin, a new law was published and will take effect March 25, 2011 that will take away public workers' collective bargaining rights over everything except salary increases no greater than inflation. It also forces workers to make benefit concessions that amount to an 8% pay cut on average.

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## Shasta VOICES Proposes Fee Changes

At the Redding City Council meeting scheduled for April 5, 2011, Mary Machado, representing Shasta VOICES and Jerry Wagar, President of Ochoa Shehan Builders will be presenting a proposal to eliminate the annual inflationary increases being applied to building and development impact fees. Why, you might ask? Let us explain.

The downturn in the residential construction industry is directly or indirectly responsible for the loss of the greatest number of jobs in Shasta County. The situation will persist until the industry goes back to work. If the current economic crisis has taught us any lessons, it is that the residential construction industry's health is vital to residents and local governments of Shasta County from a wide variety of standpoints (employment, taxable sales, affordable housing). An average of three jobs and \$90,000 in taxes are created for each home built, according to the National Association of Home Builders.

The local dilemma is the fact that new homes now must be priced at 2002 levels (or earlier) to be competitive with the foreclosure-driven prices in the existing home market. But, given today's cost levels, builders will lose money on every home they create even on previously purchased lots that are now treated as having zero value.

That is why Shasta VOICES believes that we need to make an attempt to do something now so that when market conditions improve, motivation will again exist for new construction. In the short term, fees are the only cost that local officials can control. If they are not reduced, or at least frozen at current levels, the resumption of new home construction and employment will have to wait until the current crisis in housing ends and prices return to higher levels. That could take many, many years.

The current fee program, adopted in August 2000, was based on a Comprehensive Impact Fee Study dated May 19, 2000. It includes the following language: "Effective January 15th, and each January 15th thereafter, the fee shall be increased by the CCI as published in the most recent November Engineering News Record." The referenced CCI is the Construction Cost Index. This is the language and "policy" we are proposing to change by eliminating this increase, including the 4.2% increase imposed January 15, 2011, at least for the next 5 years or so.

The original fee schedule was calculated from growth **projections**. It was amended in 2004, and added the North Redding Traffic Benefit District in 2007. These studies projected new development from growth in years 2007-2025 to be:

Oasis Road Specific Plan	7,921 dwelling equivalent units
Rest of the City of Redding	14,661 dwelling equivalent units
<b>TOTAL</b>	<b>22,583 dwelling equivalent units</b>

The projections assumed **50 percent growth by 2015**, which would amount to 11,292 units. That would be 1,412 units each year, or a total of **5,648** total units developed through 2010 in order for the fee calculations to be accurate. What actually occurred? The total of **actual** units developed from 2007-2010 was **1,189**. That's only **21 percent** of the 5,648 unit projections.

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## ***Shasta VOICES Proposes Fee Changes continued***

So, what does this mean? It means that existing fees could much higher than what is needed to accommodate growth. The fees were over-calculated based on grossly over-estimated projections. Who knew that this unprecedented economic downturn would occur when the fees were put in place? Well, it did occur, and now we need to re-evaluate our current policies to prevent an even worse situation from developing, as the disparity between existing home prices and new home prices continues to grow.

If the City were to complete an update of the Comprehensive Impact Fee Study, all growth projections would be reduced to more realistic numbers. With those reductions may come reduced fees. A study of this magnitude would take a long time, and lot of money. The City doesn't have an excess of either. Time is not on their side, and there is no funding available to pay for such a study.

Therefore, eliminating annual increases to the existing fee program until growth actually returns should be a reasonable option for the City to take at this time, while at the same time re-evaluating how some of the fees are applied.

A complete copy of the Shasta VOICES power point presentation to the City Council on April 5th will be available March 31st on the City's website, when they notice the Council meeting and agendize this item. If you want to attend the meeting in support of our proposal, here are the details:

**Redding City Council Meeting**  
**Tuesday, April 5, 2011**  
**6:00 p.m.**  
**Council Chambers, 777 Cypress Avenue**

## ***Costco to Construct New Warehouse In Redding***

On March 3rd, the Redding Redevelopment Agency approved a non-binding letter of intent with Costco Wholesale Corporation for the purchase of it's existing warehouse store located at 1300 Dana Drive in Redding.

Costco intends to vacate its existing warehouse store, which happens to be located in the Canby-Hilltop-Cypress Redevelopment Project Area. Costco will record a deed restriction on this store that will prohibit any subsequent owner from using the existing building as a warehouse store in the future. Their plan is to build a new warehouse facility at the north east corner of Oasis Road and Interstate 5, and they have now signed a letter of intent with Levenson Development Company for this purpose. If the City proceeds with the purchase of the existing building now, Costco would lease it back at fair market value until they complete and occupy their new store.

The City of Redding and the Redding Redevelopment Agency have identified the need for a new Police Facility as a high priority for some time now. The existing Costco warehouse store on Dana Drive appears to be well suited for this purpose. The size and location of the existing Costco store make it an attractive site.

The Redevelopment Agency has already budgeted \$5 million to assist the City secure a new Police Facility. An appraisal is currently being completed (at Costco's expense) to determine the actual value. It is not yet known how much it would cost to convert the existing Costco building to a new Police Facility. That cost estimate will be developed as part of the "due diligence" process prior to considering a binding agreement.

Costco will make a move regardless of whether or not the City buys their existing building. Because the vacated building will have a deed restriction on it, someone other than a big-box warehouse store would have to come along and purchase or occupy the building. It could feasibly sit empty for quite a long time, not unlike many other buildings in and around the Dana Drive retail area.

Police Chief Peter Hansen is in support of the City's plan to try and move forward on this building and convert it to a new Police Facility. He and some City Council members had the opportunity to visit some converted Police facilities in other areas of California, and they all liked what they saw. There would be considerable cost savings to retrofit this building versus building an entirely new complex. And because of the existing Costco building location in the heart of the Canby-Hilltop-Cypress Redevelopment Project Area, there could be additional funding available beyond the existing budgeted amount of \$5 million.

Of course, total funding for a new Police Facility would also need to be identified in order for this plan to work. Staff will be working on that issue, along with other due diligence, before entering into a full binding agreement.

## *City Priorities Get Updated*

On March 3rd, the Redding City Council participated in a workshop to review and update the current strategic plans for the City, and give direction to staff on how these should be incorporated into the upcoming Biennial Budget. The “themes” for this new budget include:

1. Economic Development/Job Creation
2. Long-range Planning
3. Core Services
4. Quality of Life
5. Connecting with the Community

Within these themes, there were a number of projects and priorities listed for the Council to rank in order of importance to each of them. Some of the projects had been on priority lists for many years, and others were new. When all was said and done, here is how each Council member ranked the items that were up for consideration:

1 = Very High Priority

2 = High Priority

3 = Medium Priority

4 = Low Priority

<i>Topics (in alphabetical order)</i>	<i>Mayor McArthur</i>	<i>Vice-Mayor Dickerson</i>	<i>Council Member Bosetti</i>	<i>Council Member Jones</i>	<i>Council Member Sullivan</i>	<i>Total</i>
Churn Creek Road (north) Extension	1	4	1	1	4	11
Community Branding <i>*(Hand off to community)</i>	4	4	2	4	4	18*
Community Outreach/ Communication	3	3	3	4	2	15
Complete Streets	1	2	2	4	1	10
Hilltop Area Community Planning Effort	3	3	4	4	3	17
Privatization (Public-Private Partnership) of City Services	2	3	1	1	4	11
Sacramento River Parkway Designation	1	3	3	4	2	13
South Street—Railroad Grade Separation Project	1	4	4	4	4	17
Strategic Planning	2	4	2	4	2	14
Team Building for City Council/ Leadership Team	4	3	3	4	3	17
Downtown Union Pacific Property Trade/Purchase	2	3	4	4	4	17

Complete Streets (to accommodate walkers, bicyclists, mass transit cars), Privatization or Public-Private Partnerships of City Services, and the Churn Creek Road (north) Extension ranked the highest in Council priority. These “new” items of priority will now be incorporated in the Biennial Budget plans, which are scheduled to be discussed in June 2011.

## *Updated News and Notes*

### **Charter City Committee, Churn Creek/Hawley Road Extension, RABA, Radical 10**

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 on some of those issues:

- ***Charter City Committee (CCEC)*** - The committee meets every 2nd and 4th Thursday of each month at 6:00 p.m. at the Redding City Council Chambers, and selects one major subject for the agenda for public input and discussion. The meetings last between 2 1/2 and 3 1/2 hours. The committee has tried to include only those items that a Charter would allow the City to do differently than what they are doing now. The subject matter at the most recent meeting on March 24th, for example, is the pros and cons of not being bound by state law prevailing wage requirements on public contracts that are municipal affairs. All comments are being collected and documented. The committee is in place for the purpose of making a recommendation to the City Council as to whether or not the Council should draft a City Charter, and if so, what should be in it. The participation level of the general public so far has been very good. There will be no action taken until the subjects for discussion have been vetted, and the committee starts the actual recommendation process.
- ***Churn Creek Road/Hawley Road Extension***—At the March 15th Redding City Council meeting, a majority of the Council voted to put the extension of Churn Creek Road North and Hawley Road back into the general plan. It had been removed in 2006 by a different Council, even though Redding had planned to push Churn Creek Road past Oasis Road since 1970. At the March 15th meeting, there were an equal number of residents from the affected area speaking for and against this extension, pitting some northeast Redding neighborhoods against each other. Even though the extension is back in the general plan now, it may be another 15 or 20 years before it is actually needed or constructed. There will be some costs incurred in order to return the road to planning documents, which will come from transportation impact fees.
- ***RABA Ridership Declines***—Despite an aggressive (and expensive) marketing campaign, the Redding Area Bus Authority reported that bus ridership actually declined the last two years. A marketing contract had been awarded to a firm called Ilium out of Bellevue, Washington in the amount of \$250,000. An angry RABA Board voted to reduce the funding for this contract to \$15,000 for the rest of this year, with Board member David Kehoe stating “I don’t think we ought to give Ilium another penny this year.” Reasons for the lack of ridership seem elusive, though the poor economy could have some effect, people just don’t like to ride buses, and it’s possible that RABA has maxed out its market along the routes. RABA will continue to serve the population who cannot drive for various reasons, and those who choose to save on gasoline by taking the bus.
- ***Radical 10 “Be Wise” Program***—This program provided a deferred payment loan to eligible homeowners whose income falls between 81% and 120% of area median income for the purpose of undertaking improvements which will increase efficient usage of energy resources. \$500,000 was budgeted for a 12-month period beginning March 1, 2010. Four homeowners took advantage of the program. Their loans totaled \$39,816.67. Not exactly an overwhelming success, but very positive for those who were able to participate.
- ***Radical 10 “Partner Up” Program***—This 12-month program began May 1, 2010. The City put together a list of surplus properties that could be developed. The Program requires construction to commence within 6 months of transfer of title, and a 0% loan to be repaid at time of occupancy or within 18 months of transfer. Two properties sold, and construction has commenced. A third is in the approval process now. This was a successful program, and one that may have future possibilities as well.

***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](http://www.shastavoices.com)**, or calling **(530) 222-5251**.

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