



The VOICE

Your independent news source

Greater Shasta County, CA

Volume III, Issue VIII

www.shastavoices.com

January 2010

Did you know...

- For calendar year 2009, single family home permits in the City of Redding numbered 94. This is 51% lower than 2008, and 54% lower than in 2007. Permits for new commercial buildings were 43% lower than in 2008, and 53% lower than in 2007.
- Redding Electric Utility (REU) customer service rates increased 7.84% effective January, 2010.
- There were 1122 homes sold in the Shasta county area in 2009. The average sales prices was \$234,418. The average price per square foot was \$133.65.
- The Redding Chamber of Commerce is holding the State of the City Luncheon on Monday, February 1, 2010 at the Redding Convention Center. Check in time is 11:30 am, with the luncheon from noon until 1:00 pm. Individual tickets are \$30, and a table of 8 is \$300. Reservations must be made by Monday, January 25, 2010. Call 224-4433 x102 for tickets and information.

Inside this issue:

Radical 10 in '10 Ideas Approved by Council	1
Shasta County's Local Preference Policy	2
Protecting Local Govt. Revenue From Seizure	2
Tentative Agreement Reached with Shasta DSA	3
City Employees Speak Up About Ballot Measure	3
The Vineyards at Anderson Moves Forward	4
Join Shasta VOICES	4

Radical 10 in '10 Ideas Approved in Concept by City Council

It was four hours well spent. The Radical 10 in '10 committee presented in detail all ten of their ideas to stimulate the local economy to the Redding City Council and the general public at a workshop on January 7th. The response was overwhelmingly positive.

Of the ten ideas presented, the City Council gave thumbs up to nine of them, or should we say eight and one-half of them. They were not in support of opening a city-owned medical marijuana dispensary, but did agree to consider an excise tax on medical marijuana. They also unanimously nixed the idea of asking voters for a 1% sales tax increase which would be dedicated only for local infrastructure projects.

Though there is still some work to be done to actually bring any of the endorsed ideas to fruition, City staff enthusiastically embraced the direction they were given to bring back the necessary documentation for Council to take action as soon as possible.

The Council agreed to:

1. Support the expansion of the "Shop Local" campaign, which does not require a financial expenditure by the City. Mayor Patrick Jones suggested that the City explore the possibility of providing a local purchasing preference of 5% to keep as much money in the community as possible. Currently, there is a 1% local preference policy in place.
2. Encourage the Shasta County Economic Development Corporation (SCEDC) to study the possibility of creating a local venture capital funding program. Councilman Dickerson, as the liaison to SCEDC, offered to assist in this effort.
3. Appointed City staff member Pat Keener to work with the Shasta Association of Realtors as they develop a "free rent on vacant space" program.
4. Follow through with the formation of a Redding California Conservation Corps (CCC) program. Outside funding sources have been identified to pay for this.
5. Endorsed the idea of partnering with the private sector firms interested in developing surplus public property. Though a list of 10 potential surplus properties was presented, the City would be willing to make available a list of all surplus properties, including small infill lots, and consider each proposal separately.
6. Further explore the idea of deferring the payment of impact fees on newly constructed homes (up to \$25,000), providing a down-payment assistance program for the home purchasers. The Council is looking for this to be cost neutral, with a local lending institution financing the receivables, and not in violation of mitigation fee laws in order to consider it for implementation.
7. Expand the home rehabilitation program, extending those eligible for deferred-payment loans to moderate income households. The Council preferred to put a limit of \$500,000, but agreed to the concept.
8. Offer the first lot for "free" in Stillwater Business Park, conditioned on the company bringing new jobs at 110% of the median wage in Shasta County. The City would carry a note on the lot for up to 15 years, and the loan would be forgiven incrementally. Of course, any deal would have to come before Council for approval.

Shasta County's Local Preference Policy Keeps More Money in the Community

The Shasta County Code grants a five percent preference, not to exceed \$10,000, to local vendors who submit bids when formal, sealed bids are solicited by the Purchasing Division. In other words, in determining the lowest bid, a local bidder's bid will be deemed to be five percent lower than it is. The local preference applies to the purchase of goods only, and not to public works contracts or leases, personal service agreements, etc. And the preference does not apply when determining the lowest bid for items purchased with federal or state grant funds unless applicable federal statutes mandate or encourage a geographic preference.

To qualify for local bidder preference, a local bidder must either submit a copy of a current city business license, issued by a city within the geographical boundaries of the County of Shasta, or complete and sign a declaration under penalty of perjury, stating that as of the date the request for bids was issued, the business as listed on the bid was physically maintained and operated at a fixed office or other business premises located within the geographical limits of the county.

This policy has been in place in Shasta County since early 1996, and has worked very well for both the business community and the County.

At the Radical 10 in '10 workshop held at the City of Redding Council chambers on January 17th, Mayor Patrick Jones indicated that he would look at the possibility of changing the City's current local preference policy, which gives only a one percent local preference, to one that grants up to a five percent local preference. This item should come before the City Council for consideration shortly.

This would benefit the City as well as local businesses because it should help stimulate a healthier economy by keeping the money in the community and improving the business climate.

Support Sought to Protect Local Government Revenue from Seizure by the State

Although California voters have approved ballot measures in the past to protect local government revenues, those measures have included exceptions in the case of statewide fiscal emergency. Proposition 1A, for example, approved in 2004 with 84% in favor, specifically protected local property tax revenue. A similar protection of gasoline tax (Proposition 42) funds followed in 2006.

However, this year the state invoked the exception allowing it to borrow local property taxes, "promising" to pay them back within three years. There is also fear that the same will occur with local gasoline taxes as the State continues to experience financial difficulties.

Therefore, cities throughout the state are supporting a ballot measure entitled "Local Taxpayer, Public Safety and Transportation Protection Act of 2010." The measure will appear on the November 2010 election ballot if sufficient qualifying signatures are gathered.

The measure, if passed, would strengthen the protections of the previous measures, prohibiting borrowing or taking of local property or sales taxes, redevelopment funds or transportation/public transit monies, such as gasoline taxes. It would also prohibit any reallocation of property taxes or vehicle license fees to pay for state-mandated services.

Like all cities in California, the City of Redding has been placed at risk by the state's dire financial situation and faces potential loss of revenue to reduce the state's budget deficit. In 2009, the state "borrowed" \$1.8 million in local property taxes and confiscated \$5.1 million in property tax increment from the Redding Redevelopment Agency. As much as \$1.6 million of the City's Highway Users Tax Account funds were at risk of being seized before that provision was eliminated from the budget at the 11th hour.

This initiative would put in place strong protections of local revenue, helping ensure municipal services are protected. A press conference was held on January 14th at City Hall to demonstrate strong community support for such a measure. If passed, the protections would become part of the California Constitution.

Shasta VOICES is supportive of the concept to prevent the taking of our local taxpayers money, and to protect as much as possible the provision of our municipal services.

Tentative Agreement Reached Between Shasta County and the Deputy Sheriff's Association

As of this writing, it was announced at the Shasta County Board of Supervisor's meeting on January 12th that a tentative agreement had been reached between the County and the Deputy Sheriff's Association (DSA). The agreement will be going to the DSA members before being brought back to the Board of Supervisors for consideration.

This tentative agreement caused the Board of Supervisors to suspend its agenda item that would have discussed a proposal to unilaterally change pay and benefits for DSA members. Details will remain under wraps until voting by both parties can occur.

The agreement is expected to be a counter-proposal to what the County had proposed. According to the County's staff report for the January 12th meeting, the recommendation was to have these employees pick up 4.5% of employee PERS retirement contribution (Public Employee Retirement System) effective immediately. An additional 4.5% of employee PERS retirement contribution would also be picked up by these employees effective July 1, 2010, for a total of 9%.

The 9% employee retirement contribution amount was picked up by the County years ago when economic times were better than today through the negotiation process.

The County also had proposed that all new hires, effective upon the change to the PERS contract, would fall under the retirement formula referred to as "3% @ 55" and would be calculated based on the three highest years of income. The current contract calls for the retirement formula referred to as "3% @ 50" and is calculated based on the highest year of income.

County Administrator Larry Lees said the agenda items would be continued at the January 26th Board of Supervisors meeting, pending the tentative agreement.

Sometimes it is a difficult process, but the DSA demonstrated that such issues are negotiated into place, and are open to modification. The dismal economic situation we are all faced with demands unusual but necessary steps to be taken. This is one of those steps.

City Employees Speak Up Against Retiree Benefit Reform Measure

Every City of Redding Council meeting provides time for public comment for non-agendized matters within the City's jurisdiction. This occurs at the beginning of the meeting, prior to any agendized items on the calendar, and if more than 30 minutes is needed, another public comment period is held at the end of the regularly scheduled meeting. The City Council cannot take any action on these items, pursuant to the Brown Act, but they certainly do listen.

At the January 5th Council meeting, several City employees spoke during the public comment period, representing their fellow employees' bargaining units. The theme was consistent: they were concerned about a potential ballot measure that the City Council has been discussing for the June 2010 primary election.

The ballot measure is referred to as the "City of Redding Retiree Benefit Reform Measure." It came about in response to stalled negotiations with the City's employee bargaining units, who are being asked to make concessions to their contracts during this Great Recession.

The measure, if it goes forward, would ask voters if they want the retirement benefits for City employees and officials to be changed. It would ask if active members should be required to pay the full employee contribution toward funding of CalPERS pension benefits (which is currently paid entirely by the City). It would further ask if new hires

should have reduced benefits for both retirement plans and health benefit plans in retirement.

Such a measure, if it goes forward, would be considered to be an *advisory* measure, and would use taxpayer dollars to put it on the ballot. That is, the City would still be required by law to negotiate and bargain in good faith with its employee unions, regardless of the outcome of this measure.

And that is what each of the following speakers conveyed at the podium on January 5th. Those speakers included Eddie Gilmet (Redding Police Officers Association); John Huston (Redding Firefighters Association); Lily Toy (SEIU); Mark Larsen (IBEW Lineman). Their message was that they are stepping up to do their part and make concessions through the negotiation process. They felt that it was costly to put this ballot measure forward, that it is ultimately a waste of time, and that management needed to make their own tough decisions and bargain in good faith instead. They felt that these issues are too complex for a ballot measure.

It is hard to argue with any of their concerns.

It remains to be seen if and when the Council will officially consider whether or not to go forward with the ballot measure. They would, however, need to discuss and vote on it before the primary ballot issue deadline of February 8th, 120 days before the June 8th primary election.

The Vineyards At Anderson Moves Forward

The “Vineyards at Anderson” residential subdivision, which has been in distress for the past three years, is moving forward now, thanks to a superb cooperative effort between the public and private sectors.

The California Department of Real Estate has just issued the Final Subdivision Public Report allowing the sale of subdivision interests to the public. Also, the City of Anderson has issued the first Certificate of Occupancy in the subdivision, and the first resident is scheduled to move in this month. The closing of the first home sale is scheduled to occur by the end of January.

Private developers in the area have been working with the City of Anderson to bring the project to fruition. Those developers include Northwest Homes, Loring Development, the Willms family, and US Acquisition through their local contractor, Chase & Taylor, Inc. The municipal water system serving the project was recently completed, street landscaping is under way and homes that have been sitting unfinished are being completed. The former distressed conditions have now been rectified. There are 115 lots in this first phase of a very large Planned Development encompassing 2,000 acres, 5,000 home sites, and 270,000 square feet of commercial development.

Currently there are seven existing homes available through Debbie Morgan at Coldwell Banker C & C Properties, ranging in size from 1600 to 2800 square feet. Two of these homes are available for viewing, and are located in a cul-de-sac at 20250 and 20243 Chalone Place. Five more homes are available through Northwest Homes, who now have an 1837 square foot model home open Monday-Friday from 10:30 am—3:00 pm., located in the same cul-de-sac. The homes have an attractive Tuscan look and feel, and offer panoramic views.

There is a very strong interest level in these homes, with 15 “reservations” already in the works. The subdivision property offers great views and provides a very livable location, close to many amenities, and halfway between the job markets in Redding and Red Bluff.

To visit this development, exit I-5 at the Factory Outlets off-ramp in Anderson, head West towards the Wal-Mart Superstore and continue up the hill on Pleasant Hills Drive, and you’ll enter the subdivision at the top of the hill.

For additional information about the homes available in The Vineyards Subdivision, you can contact Debbie Morgan by phone at (530) 242-4606, Jordan Taylor (Chase & Taylor, Inc.) at (530) 243-9900, or Brent Bryer (Northwest Homes) at (530) 247-0441.

This is the perfect example of positive results that can be achieved with a high level of cooperation between the public and private sector. The City of Anderson completed a “Specific Plan” for this development in 2006. When the project stalled due to private sector financial issues and the need for a municipal water system to be completed about two years ago, the City, neighboring developers and builders who bought lots in the planned development got together and agreed to pay a share of the \$1.05 million for water improvements. Then in September, 2009, the City formed a Community Facilities District (CFD) authorizing a levy of special taxes to pay for bonded indebtedness that would finance the construction of public infrastructure and facilities to allow further development of the Vineyards at Anderson Planned Development. The bond indebtedness will not exceed \$45 million. The CFD would also be able to provide limited funding for future annual operating expenses for City and Fire Protection Districts.

The ability of the private and public sector to work together on this huge project shows that it is possible to work our way out of this great recession we are all experiencing. Taking a positive approach does, indeed, appear to be working in this case!

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**.

Mary B. Machado, Executive Director