



The VOICE

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Greater Shasta County, CA

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Did you know...

- There were a total of 4,154 new foreclosure filings in Shasta County from April 2009 through February 2010.
- For the City of Redding, building permits so far this year are down 5% from the same period in 2009. Plans received for review were also down 9% from the same period in 2009. There has been, however, an increase in multi-family units—21 so far in 2010.
- Development impact fees, which would usually increase on July 1st, will essentially remain the same this year. The CCI index, which is used as a basis for increases or decreases in the fees, increased one tenth of one percent for this year's basis.

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No Local Fees Required After All... State to Pay for I-5 Widening

Back in 2007, local transportation planners had undertaken a study of Interstate 5 in Shasta and Tehama Counties with the intent of assessing and alleviating “congestion” before it became a problem, which was predicted to happen within **20 years**. The program was called “**Fix 5.**” It suggested adding an additional lane in each direction to a 61-mile stretch of Interstate 5 to support future development. It also suggested that new local development impact fees be implemented to pay for this capacity improvement.

Shasta VOICES, through Executive Director and spokesperson Mary Machado, immediately challenged the “Fix 5” study and its suggestions after diligent research and legal opinions on the subject. Nobody else had spoken up in **opposition** of such a program. But, speak up we did! Serious flaws existed in the study and proposed fees. What was worse, it appeared that our elected officials were poised to push these fees right through, based on recommendations from those who created them. We had to speak to the other side of the issue, and make our findings known and understood before it was too late. Our local planners hadn’t counted on that, and a battle of opposing views lasted two years.

Fortunately, we were successful in our quest to defeat the “Fix 5” program in April and May of 2009, even after transportation planners completely re-worked the proposal **without** the inclusion of Tehama County and changed the name to “SCRIP” fees, which stood for Shasta County Regional Improvement Program. Our local elected officials **were** paying attention, and agreed with our view that Interstate 5 is a federal highway, and it was the responsibility of the state and federal government to maintain and improve the main line. They receive taxes and excise fees from all highway users in California for this purpose. We are supposed to benefit from those funds contributed by our region.

One of the staples of the argument in favor of imposing “Fix 5” fees, as taken from the official study was that “State and federal resources are **no longer adequate** to fund needed improvements.” Another was “Additional capacity on I-5 will not be possible without local contributions.”

Fast forward to **May 19, 2010**. Less than one year after the defeat of the proposed “Fix 5/SCRIP” fees, the California Transportation Commission approved a grant of \$22.5 million for the **South Redding Six-Lane Project**. This will add an additional through-lane in each direction on I-5 from SR 44 to the Bonnyview Interchange. This approval represented the final opportunity to secure funds through the Proposition 1B Transportation Bond Program. Without this approval, the project would have been delayed at least seven years. Now, construction will begin in the summer of 2011. The project will be completed long before the projected congestion will occur.

Shasta VOICES assisted the Shasta County Regional Transportation Planning Agency in this process by sending letters to the State Transportation Commission demonstrating strong community support for this I-5 project. We had opposed the “Fix 5/SCRIP” impact fee program in favor of obtaining the needed funds from the state and federal governments, and couldn’t be more pleased with the efforts of Dan Little and his SCRTPA staff in aggressively pursuing and obtaining these funds. We will continue to support such efforts in the future.

Northern California Veterans Museum & Heritage Center Coming Soon to Redding

Bringing the Northern California Veterans Museum & Heritage Center to Redding is a personal labor of love for Robert Burroughs, a local veteran who is putting his heart and soul into this effort.

On behalf of the Museum, Mr. Burroughs requested, and on June 15th City Council **approved**, the dedication of airport property near the entrance to the Redding Municipal Airport to build the Veterans Museum & Heritage Center. He has asked the City for a long-term lease, for a minimal fee, to build a 100,000 square foot facility, including an indoor theatre, gift shop, Medal of Honor monument, research library, event center, and 50,000 square feet of exhibit space. There will also be an outdoor amphitheatre, an outdoor park and chapel. The facilities to be constructed would consist of the main museum building with a large glass entryway, above which would be suspended a jet fighter. Adjacent to the primary Museum building is a Memorial Walkway leading to the Memorial Chapel.

The Airport location, on the corner of Meadowview and Airport Road, is considered ideal for a number of reasons:

- Proximity of existing and proposed Veteran's facilities, such as the Veteran's Home on Knighton Road (which broke ground on May 21, 2010), the Veteran's Cemetery in Igo, and the Veteran's Medical Clinic on Hartnell Avenue.
- Proximity of the airfield. There will be an opportunity for the Museum to highlight and exhibit aircraft, provided that the facility is located in close proximity to a feasible runway. Both the U.S. Navy and U.S. Air Force would be willing to fly their aircraft into the Redding Airport, where they would then be placed on display at the Museum.
- Proximity to the I-5 corridor. With more than 2.1 million Veterans living in the state of California, many of whom are relocating to the North State, this will be an ideal access point for recreational and commercial activities, which would contribute to our tourism industry and tax revenue.

The City Council enthusiastically approved a Letter of Intent with the Center at its June 15th meeting, or should we say on June 16th at 1:00 a.m. (yes, it was a very long meeting). In their approval, they **removed** a clause crafted by staff that would have required "some lease and/or revenue sharing" with the Redding Airport.

CSAC Continues to Have Full Plate

The Community Service Advisory Commission (CSAC) in Redding has had their hands full for the past year with discussions on privatizing the Convention and Visitors Bureau (which was approved for privatization in April), and the Redding Convention Center (not privatized).

But, their plate is still full, and they are in the midst of yet more challenging discussions, which we will monitor:

- **Turtle Bay** Exploration Park wants to build a hotel somewhere on the 48 acre campus they lease from the City rent free. It is disturbing that their plans keep changing as they struggle to find a way to make enough money to survive. The CSAC commissioners prefer to see a **master plan** developed for the entire Convention Center area before considering a hotel for Turtle Bay. City Council passed an addendum to the ground lease for the hotel on June 15th, but also would like to see a master plan developed. A task force has been suggested.
- The **Shasta Regional Soccer Association**, the non-profit that operates the Redding Soccer Park off Old Oregon Trail, received an amendment to their lease with the City. They will **not** be able to meet the current lease payment requirements beginning July 1, 2010, due in large part to economic conditions.
- Staff has prepared a **Subdivision Ordinance update**, and three chapters fall under the review of the commissioners; Chapter 17.50—Dedications and Reservations, Chapter 17.54—Park and Recreational Land Dedications and In-Lieu Fees (Quimby Act Ordinance), and Chapter 17.60—Subdivision Design, with section 17.60.040 containing specific standards related to pedestrian, bicycle and transit accommodations. This Ordinance hasn't been updated since the early 1990's. The current entire document draft is being refined by the Planning Division. **Before the end of June**, the formal draft will be distributed to the local development community and made available to the general public for input. The goal is to have the updated Ordinance ready for a public hearing with the Planning Commission before the end of summer, and City Council soon after.
- The Shasta Cascade Wonderland Association contract for this non-profit who will now operate the **Visitors Bureau** received final approval by City Council on June 15th. CSAC will oversee this contract.
- CSAC has been charged with studying the potential privatization of the City's **park maintenance**. The time frame for this has yet to be established.

All this in addition to the regular "stuff" CSAC oversees!

New Twist to Fallout From Foreclosures in Shasta County

We've all heard about foreclosures taking place all over the country as a result of the collapse in the housing and real estate market over the past four to five years. In Shasta County, it is estimated that one in every 196 housing units received a foreclosure filing during the month of April.

About 50 percent of all home sales in Shasta County (2009-2010) have been either foreclosures or short sales, which is when a lender agrees to sell the house (or other property) for less than what is owed on the mortgage. A short sale is a last ditch effort to avoid foreclosure. The median sales price of a home in Shasta County in March was \$170,050, the lowest monthly median in nearly seven years. And, a quarter of all homeowners in Shasta County are under water, owing more on their mortgage than their house is worth.

Homeowners, landowners, and even commercial property owners have not been successful when attempting to get a loan modification from their lenders. Many have just walked away from their properties as a result. Banks end up taking back properties, and they have auctioned off some of these properties for some very interesting sums. And that is causing even more distress for those property owners who remain.

To illustrate this new twist to the already devastated real estate market, here is a sampling of real numbers from unimproved properties that Bank of America took back and auctioned off:

<u>Original Purchase Price</u>		<u>B of A Sale Price</u>		<u>Original Purchase Price</u>		<u>B of A Sale Price</u>
\$ 315,000	-	\$ 25,500		\$ 425,000	-	\$ 151,000
\$ 360,000	-	\$ 75,000		\$ 260,000	-	\$ 32,000
\$ 190,000	-	\$ 27,000		\$ 375,000	-	\$ 81,000

Other property owners in the same area as these auctioned properties, who paid similar original purchase prices and who continue to own their properties, find themselves in a precarious position. What motivates them to stay and pay? Banks have now created a discount market that will not allow existing property owners to recover from this downturn.

Several local realtors are trying to formulate a plan that would place a "discount" percentage limit on banks who are auctioning off foreclosed properties, and bring their plan to the California Association of Realtors in Sacramento, who could carry it our legislators. Their hope is to have legislation passed, at least in California, that would prevent further erosion of the fragile real estate market, and create some motivation for existing property owners to continue making mortgage payments.

Government Payrolls Continue to Rise

The number of long-term unemployed, defined as Americans out of work for 27 or more weeks, it as its highest level since the U.S. Labor Department began collecting such data in the 1940's.

The rest of Americans may be suffering from a recession, but it's a boom time for federal employees, and those in the State of California. In May, of the 431,000 jobs added, 90 percent of them were government jobs.

Since 2004, the state government payroll in California has jumped by more than 13%, from 313,684 to 356,436. According to Bureau of Labor Statistics data, total public employment has also risen in the state by just over 4% from 2004 through 2009 (national figures are similar). During that time, the state's total private payrolls have slumped by 4.6%, shedding more than 550,000 jobs.

Up to a point, these numbers should come as no surprise. Civil-service jobs are much more secure than the typical job at a private company. It's nice to have one in a recession. But that doesn't explain the boom in government jobs—which started when the economy was doing well and continued into the downturn.

Taking a closer look at the state payroll numbers, you can see *trends* that make little sense when compared to actual needs. Some 17,000 of the more than 42,000 jobs added since 2004 have been in the state's prison and youth authority system. But the increase in the actual prison population has been modest, from 163,634 at the end of 2004 to 168,905 at the end of 2009, a rise of just 3%. Thousands of prison guards have been added, but to what end? Workload doesn't answer the question, though politics might. The powerful prison guard union has succeeded in making California guards the highest paid in the nation, and like any union, it seeks to increase jobs available to its members.

Last year was the turning point when government employee unions were able to boast more members than private sector unions.

As politics pumps up government payrolls and benefits, including those in Shasta County, politicians should be reminded that the universal truth about socialism is you eventually *will run out of other people's money to spend*. Yet they continue to make those mistakes and operate as if governments will never run out of other people's money. Until it does. And then the government has to make cuts and ration the benefits.

City Council Meeting Summary from Loaded Agenda on June 15th...and 16th

The June 15th Redding City Council meeting agenda included just about every possible controversial issue for discussion and some sort of action. The meeting took almost 8 hours, and did not end until June **16th** after 2:00 a.m. We will attempt to summarize those issues and outcomes that we haven't already covered elsewhere in this issue:

- **Upward Adjustment to City's Schedule of Fees and Services Charges:** The supporting documentation was over 50 pages long, and there were more questions than answers about the proposed increases. Council voted to **delay** the discussion until the **July 20th** meeting, and asked staff to provide more clarification.
- **Salt Creek Heights Subdivision and Development Agreement:** After 2.5 hours of discussion and testimony, Council voted **3-1** (Stegall dissenting, McArthur recused) to **approve** the Subdivision with the controversial out pads in tact. They did, however, ask for the developer, Sierra Pacific Industries, to meet further with the Fire Marshall and come to an agreement on the amount of fire clearance needed for the out pads.
- **Resolutions to place two special measures on the November 2, 2010 regular election ballot** for the voters to consider adoption of an ordinance concerning funding of **CalPERS retirement benefits** and **City Retiree Health benefits**: Council **passed** the resolutions by a vote of **3-2** (Dickerson, Stegall dissenting) to put these measures on the November ballot. City Attorney Rick Duvernay indicated that if it passes, it does have some "teeth" in providing a starting point for all future labor negotiations and **would be binding on future councils**.
- **Third addendum to the ground lease with Turtle Bay Exploration Park allowing operation of a hotel:** Council **passed** the addendum by a vote of **4-1** (Jones dissenting). The project must still be reviewed by CSAC, and approved by the Planning Commission. CSAC suggested a Master Plan needed to be done for the entire Turtle Bay/Convention Center/Rodeo grounds area, and Council concurred. A task force, suggested by Redding resident Cameron Middleton, may be assigned to complete this process and reduce costs associated with such an undertaking.
- **Update of the Olney Creek Flood Plain and status of FEMA Floor Plain remapping:** A hydrological study was completed by Pacific Hydrologic, Inc. and submitted to FEMA for floodplain remapping. This resulted in a reduction of the original floodplain area, and reduced the number of homes in the floodplain to 307 from over 650. The City has now accepted responsibility for needed improvements. They have created three plans that could be utilized in making channel improvements, replacement of the Sacramento Drive bridge, and/or extending the existing levee. Costs for such plans are anywhere from \$500,000 to \$3.3 million, and the City is now looking for funding sources to pay for the improvements. There will be a workshop on July 22, 2010 to explain and discuss the findings and potential solutions.
- **Resolution certifying Bikeway Action Plan:** Unanimously **passed** by Council.
- **Fourth Amendment to the Lease Agreement with the Shasta Regional Soccer Association:** Council unanimously **approved** postponement of the requirement of an initial payment to the replacement fund until December 2011 and changed the payment schedule. They further extended the term of the agreement to 2024 (was 2017), and increased the threshold amount from \$500,000 to \$1,000,000 of gross receipts at which time they will be required to make profit-sharing payments to the City of six percent.

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