



# The VOICE

Your independent news source

Greater Shasta County, CA

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### Did you know...

- Public Hearings are being held in Shasta County School Districts for the purpose of increasing school district impact fees from the current level of \$2.63 per square foot to \$2.97 per square foot for homes, and from \$.42 per square foot to \$.47 per square foot for commercial structures. The increases are allowed by law and occur every two years as "inflationary increases." See page 2 for complete story.
- The City of Redding issued a total of 5 single family dwelling permits in March, 2008.
- The City of Shasta Lake is considering adding Park & Recreation Facilities Development Impact Fees totaling \$3,926 for single family dwellings, and \$3,570 per unit for multi-family dwellings. The fee study dated 2-22-08 produced these figures, which are less than expected, causing the Parks and Recreation Commission to make changes to projects within the "Parks Master Plan," which has already been accepted by the City Council.

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## Shasta County Noticing Error Delays Public Hearing On Cross-Agency Facilities Impact Fees City of Redding Denies Knowledge of Proposed Fees

April 1, 2008 was the scheduled date for a public hearing regarding adoption of the proposed Shasta County/City of Redding Facilities Impact Fees. The County, however, did not send the required 14 day advance notice of public hearing, and supporting documentation providing "a general explanation of the matter to be considered," as our attorney, Walt McNeill, stated in a letter to the Board of Supervisors on March 28th. Therefore, the Board of Supervisors will wait to hear a presentation on the fees, and the **Public Hearing has been continued to April 22, 2008.**

But, because the item was advertised on the agenda of the April 1st meeting, the Board of Supervisors still accepted public comments on the proposed fees at this meeting. Shasta VOICES attorney Walt McNeill made some brief comments, and Executive Director Mary Machado clarified concerns regarding the unusual nature of the proposed fees, and their effect on the local economy. Both will speak again at the continued hearing, and held most of their comments for that hearing. We expect many others to appear and speak as well at the continued hearing on April 22nd.

Shasta County staff and Supervisors were very gracious and responsive to our requests for full disclosure and advance notification. We are thankful that they are giving the public a fair opportunity to discuss these fees at the **April 22nd** Board of Supervisors meeting, and public hearing. These proposed fees, if implemented, would add **\$4,171** to the cost of a home in the City of Redding, up to **\$9,188** to the cost of a home in unincorporated Shasta County, and much more to commercial structures.

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to know anything  
about these joint  
impact fees.

Just to be clear, we are not suggesting that the County doesn't need new impact fees. But the County is moving beyond what are considered normal, standard, reasonable and fair impact fees for long term growth. Currently, Shasta County doesn't impose impact fees, and this would be their first implementation of such fees. The City of Redding, however, **already charges** impact fees that cost as much as **\$42,000** for a single family dwelling, and much more for commercial structures. For some unknown reason, the City has been **included** in the proposed fee structure, to the tune of \$4171 for a single family dwelling and much more for commercial structures, and members of City Council profess not to know anything about these joint impact fees. That would seem to suggest that before taking any formal action on this joint fee proposal, the County find out first whether or not the City is even interested in participating with the County in this fee, and on what terms. It does not appear that this will occur.

There is, therefore, a scheduled continued **PUBLIC HEARING** at the Board of Supervisors Chambers, 1450 Court Street, **Tuesday, April 22, 2008, at 9:00 a.m.** If you would like additional information and documentation explaining these proposed fees, you can contact Mary Machado at (530) 222-5251, or mary@shastavoices.com. **Please attend the public hearing and speak up! The Supervisors are listening.**

## ***“Fix 5” Impact Fees Subject of April 22, 2008 SRTPA Meeting***

The Shasta Regional Transportation Planning Agency will hold its regularly scheduled Board Meeting this month on April 22nd. The members of this board include Anderson City Councilwoman and Chair Norma Comnick, Redding City Council members Dick Dickerson and Mary Stegall, City of Shasta Lake Councilwoman Gracious Palmer, and Shasta County Supervisors Les Baugh, Linda Hartman, and Glenn Hawes.

At this meeting they will be asked to do two things regarding the proposed “Fix 5” traffic impact fees: **First**, move the project from a two-phase project to a one-phase project, refining existing data but keeping the structure in place and **second**, form a Joint Powers Authority (JPA) and replace the Memorandum of Understanding (MOU) that had been previously proposed in order to manage the programs, if they are implemented. If approved, the Board can send the proposed fees forward to the four jurisdictions in Shasta County to see if they want to participate in these fees.

As of this writing, it appears that this important “item” still remains on the agenda. Shasta VOICES and attorney Walt McNeill, who represents us and others in challenging these proposed fees, plan to attend the meeting. Until we see the supporting documentation, we won’t know for sure what RTPA staff are presenting. ***There has been a change, however, to the meeting location.*** We would encourage everyone reading this newsletter to attend this meeting and let the Board know your feelings about the unprecedented plan to charge the local community for improvements to a federally owned and maintained highway, which we already pay for at the pump. Here are the meeting details:

***Date: Tuesday, April 22, 2008—4:00 p.m.***

***Location: Shasta County Board Chambers, 1450 Court Street, Redding, CA***

## ***Shasta County School District Fees Increase Again Increases Take Effect July 1, 2008***

Public Hearings are being held on **April 1st** for the Enterprise Elementary School District, **April 8th** for the Bella Vista Elementary School District, **April 10th** for Cascade Elementary School District, and **April 15th** for Anderson Union High School District concerning amendments to the Resolution that imposed **fees** on certain residential and commercial developments. Other hearings have already occurred in Shasta County, and more are sure to be noticed soon in order for each school district to beat the deadline and impose increases in the existing fees on July 1, 2008, which begins the next fiscal year.

Currently, the school impact fees for residential developments are \$2.63 per square foot, and \$.42 per square foot for commercial developments in all areas of Shasta County.

The proposed **new fees** are \$2.97 per square foot for residential developments, and \$.47 per square foot for commercial developments in all areas of Shasta County. For a 2000 square foot house, that amounts to **\$5,940**, an increase of \$680 over the current fee. For a new office building that is 10,000 square feet, the amount is now **\$4,700**, an increase of \$500 over the current fee.

In 1986, the California State Legislature approved AB 2926, which authorized school districts to levy development fees, and at the same time placed a cap on the total amount of fees that could be levied. It also establishes that the maximum fees, adjustable for inflation, which may be collected under this and any other school fee authorization are \$1.50 per square foot of residential development and \$.25 per square foot of commercial and industrial space. Existing government codes **do** allow for these fees to be adjusted for inflation every two years. The last increase was effective July 1, 2006. So it appears that this the two year “inflationary adjustment.”

The fees have been levied for the purpose of funding construction and reconstruction of school facilities necessary to maintain current levels of education services to children within the Districts. The fees collected cannot be used for regular maintenance of repair of school buildings or facilities, nor for deferred maintenance. If fees are charged, the district must also provide the opportunity to appeal those fees on an individual basis. The party making the appeal carries the burden of proving that the fee was improper.

Unlike cities and counties, school districts do not have independent police power authority to impose development fees. Their authority to impose this kind of fee derives solely from Government Code section 53080, and is subject to the limits discussed above.

Curious is the fact that school enrollments in most of Shasta County are in a state of decline, despite new developments which have occurred. If the fees are intended to fund construction for school facilities needed, and cannot be used for regular maintenance or repair, it seem unusual for such an increase to be necessary. An increase of 12.5% seems like an extraordinarily high inflationary adjustment.

But according to Government Code section 53080 and AB 2926, school districts can impose these fees and increases regardless of what the public has to say.

You may wish to attend the public hearing in your school district anyway, and ask how they arrived at the 12.5% inflationary increase. At least an explanation is in order, even if the public has no “vote” on whether or not this is reasonable. Two years from now, we are sure to see another “inflationary increase” in school district fees.

## ***Local Realtors Help City Council Make Responsible Decision Regarding Foreclosed Properties in the City of Redding***

At the March 18th Redding City Council Meeting, several local realtors spoke out about a staff proposed code enforcement process pertaining to maintenance of properties in foreclosure. It was evident that City staff were looking for a revenue source when they suggested adding fines of up to \$2500 per day if compliance orders were not met.

The expertise of our local realtors convinced Council members that we already have enforcement laws on the books that are sufficient to deal with any problem properties. To think that a person in foreclosure had any ability to pay such fines seemed unreasonable, and penalizing banks that do not have legal ownership or access to foreclosed properties returned to them until their due process is completed would be grossly unfair. The City Council agreed with the realtors, and voted to leave the existing code enforcement processes as they are. We extend our thanks to the realtors for speaking up, and to the City Council members for listening and making a sound decision on this issue.

## ***Overly Generous Public Salary and Retirement Benefits Unsustainable Soaring Public Employee Pension Costs Causing Financial Distress***

Public employee pension and health care obligations throughout California are becoming ***“unpayable”*** by the cities and counties who have granted overly generous labor agreements for their employees over the years.

Now, it will fall on the backs of taxpayers to pay for these promises in the form of future tax increases and service cuts, or cities may consider bankruptcy as a legal option to void such unsustainable wage and retirement labor contracts. This is what happened last month in the City of Vallejo, who had to work out a solution at the 11th hour by striking a cost-cutting deal with public safety unions just hours before the City Council was to vote on action to declare bankruptcy.

Even closer to home, the City of Chico's leaders are asking employees to reduce costs and consider wage and benefit cuts, and looking into not filling city vacancies for the next two years. The cuts may result in a reduction of services to the community, but the city is currently spending an average of \$6 million more a year than it's taking in.

The City of Redding is no exception to this potential financial disaster. City Manager Kurt Starman has already taken measures to try to eliminate the City's contribution to post retirement health insurance premiums for future hires. Though a good start, this will not do anything to thwart the looming financial crisis being created by long term debt and unfunded pension liabilities.

To understand how we arrived at this dilemma locally, one must go back to July 6, 2003. That is when the then Redding City Council members Kight, Mathena, Pohlmeier, Stegall, and Cibula voted 5-0

to approve the City's "enhanced" employee pension benefit package for all City employees, which exists today.

The pension benefit situation looks like this: There are currently 707 employees working for the City of Redding who are covered under the CalPERS 2% at 55 retirement formula, which allows a worker to accrue a pension benefit of 2% of final salary for each year worked. Of those 707 employees, 352 have an "enhancement" to this program of .5%. This means they can accrue a pension benefit of 2.5% of final salary for each year worked. Another 355 of those 707 employees have a .7% enhancement. This means they can accrue a pension benefit of 2.7% of final salary for each year worked. There are also 118 police and 82 fire employees who are covered under the 3% at 50 formula, which allows them to accrue a pension of 3% of final salary for each year worked.

Since 3% at 50 was implemented on 11-24-02, there have been 16 fire and 35 police employees who have retired. There are currently 20 employees who are eligible to retire under the 3% at 50 formula.

From the years 2000-2004 there were 53 employees who retired under the 2% at 55 formula. There are currently 240 employees who are eligible to retire under this formula.

In 2005, the 2.5% and 2.7% formulas were implemented. 42 employees retired under the 2.5% formula, and 55 employees retired under the 2.7% formula. 9 employees retired under the 2% only formula.

An employee may retire at age 50 with a minimum of 5 years service under the City's CalPERS plan, however, the benefit is reduced.

All of these pensions also come with an annual cost of living adjustment.

Currently, the City also pays 1/2 of the retiree health insurance premium for the medical/prescription, dental and vision insurance program. This amounts to \$613 per month.

It is difficult to calculate just how much these promised benefits will cost taxpayers. In the City of Redding, retiree health insurance liability alone is \$94 million, and it is not funded. How could taxpayers possibly fund the much greater pension obligations?

In California, groups like the Howard Jarvis Foundation are trying to put an initiative on the November 2008 ballot that would require public employees to work until the age of 65 before receiving retirement benefits.

This could save about \$500 billion through 2030.

At some point, most likely sooner than later, the City of Redding will have to make some tough decisions

regarding its generous unsustainable labor agreements. Involving its bargaining groups ***now*** to look for ideas and solutions to this looming financial crisis may help avert disasters similar to those that are happening to cities all over the State of California. Let's hope our City leaders are willing to lead us in that direction.

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## ***Developer Steps Up to Build Hotel/Restaurant at Turtle Bay*** **Redding City Council Gives Permission to Request Zoning Change**

At the April 1st Redding City Council meeting, the council members received a presentation from Turtle Bay Exploration Park regarding its desire to develop a hotel and restaurant on its campus.

In an effort to find additional long-term revenue sources, Turtle Bay's Board has proposed a hotel and restaurant on about 5 acres of undeveloped land that lies northeast of the Auditorium Drive overpass at Highway 44 and south of the Monolith. The plan is for Turtle Bay to sublease the property to the hotel/restaurant operators.

Because the City of Redding *owns* this property, and has a ground lease agreement with Turtle Bay Exploration Park for another 39 years (with an option for another 55 years), and because the acreage under this lease is designated as "Public Facilities", the general plan amendment and rezoning required for such a proposal to be considered would need to be authorized by the City of Redding. After hearing the presentation and other testimony, the City Council voted unanimously to grant Turtle Bay permission to apply for the general plan amendment.

Granting this permission does not commit the Council to approval of the amendment at a future date. The Planning Commission and City Council must consider the land-use implications of the project, including all of its potential environmental impacts, before an amendment can be approved.

The presence of local developer Gary Anthis of Americor Inc. in Redding, who spoke on behalf of Marriott Courtyard Hotels, convinced the Council members and audience alike that this plan can become a *reality*. Marriott Courtyard Hotels has reviewed and approved the concept of an 80-100 bed hotel at this location. Financing has been established at a local bank. The project will have some conference facilities, a restaurant within the hotel, and a free-standing restaurant next to the hotel. The daily room rate is projected to be about \$110. The project could bring additional property tax, sales tax, and TOT tax revenues to the City of Redding. The Marriott organization has agreed to make the project compatible with the special nature of the Turtle Bay area.

Turtle Bay CEO Mike Warren said that the "sublease" with Marriott Courtyard Hotels still needs to be negotiated. He believes that an eventual agreement will bring about \$180,000 per year to Turtle Bay. He admitted that this will help Turtle Bay get closer to "getting out of the hole", but certainly will not be the sole answer to their funding shortfalls. Council members applauded the efforts of Turtle Bay to do what they asked of them last summer when granting them a \$350,000 subsidy—work to become more self-sustaining.

Many questions remain about the project, and most of them will be addressed through the planning process, just as with any other development project that must proceed through the planning process for approval. The general public will have an opportunity to learn more about the project and ask questions at the public hearing phase of approval before the Redding Planning Commission and/or the Redding City Council. These hearings will be noticed in advance, with supporting documentation available for anyone who is interested in obtaining the information.

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