



# The VOICE

Your independent news source

Greater Shasta County, CA

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### Did you know...

- There are 83 neighborhood parks in the City of Redding.
- The average per capita wage in Shasta County is \$27,416.
- The Fix 5 Partnership, seeking to charge impact fees on new development in the local area for the purpose of adding an additional lane to both sides of I-5 between Corning and Mountain Gate, needs **only** the approval of the elected officials in Shasta and Tehama Counties to go forward.
- A study conducted by Caltrans shows that 2/3 of traffic on I-5 in Shasta County is **not** local.
- \$6,137,247,327 in sales tax dollars were collected in 2006 in the State of California from retail automobile sales alone.
- City Council meetings are every 1st and 3rd Tuesday of the month at 7 p.m. at City Hall's Council Chambers.
- Shasta County Board of Supervisors meets each Tuesday of the month at 9 a.m. in the Board of Supervisors Chambers.

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## VOICES Questions "Fix 5" Reports

On June 20, 2007, the Draft Phase One Nexus Report for the "Fix 5" project was distributed. This 57 page document is intended to justify impact fee amounts, a necessary component for complying with legal requirements associated with impact fee programs. Included are the proposed fees for Shasta County: *Single Family Dwelling Units \$1742.00; Retail Units per 1000 SF \$4372.00; Office Buildings per 1000 SF \$3832.00.* That's **per 1000 SF for commercial development.**

From the Fix 5 Partnership website, they "...formed to determine necessary capacity improvements along I-5 and develop a fair share revenue program in response to emerging and forecasted traffic demands attributable to new development...". They agree that the current level of service on I-5 does not require immediate improvements.

As a matter of fact, they don't see the widening of I-5 (and use of fees) beginning for more than 20 years, possibly up to 40 years in some corridors. But, contrary to what was said at the May 30, 2007 TAC meeting in Redding, they want to implement these Phase One fees in **September**. That is, **September 2007**, three months from now. Not May, 2008, as indicated on May 30th. Not at a later date, which would allow current projects to plan accordingly. So, why the hurry? What about alternative sources of funding? This is an **inter-state** highway, and a funding mechanism already exists for such improvements. Why can't that mechanism, the gasoline tax, be increased so that everybody pays their fair share? What about the cumulative effect of yet another new fee on our local economy? What about the fact that these fees will not actually "fix" I-5? There are not provisions for anything but adding two additional lanes between Corning and Mountain Gate. What about the EIR mitigation fees already being required of new development? The double-charge would contradict the "fair share" argument. Why are the proposed fees for Tehama County the same as in Shasta County, when their costs are up to 5 times greater? Why do they find it desirable to implement comparable fees in both counties? If this is Phase One, is there a Phase Two (and more)? What about the dangerous precedent this sets for improving all the other highways in the area? Why not a public hearing?

We called for and had meetings with our elected officials to voice our concerns. Apparently at least at the City level, they felt the need to include Dan Little, the Executive Officer from

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## "No Auto Mall" Advocate Now Works For City

Chris Carmona, spokesperson for the Churn Creek Bottom HOA and Citizens for Smart Growth, is now an employee of the City of Redding. He campaigned relentlessly to stop an auto mall development off of Knighton Road at Churn Creek Bottom, which is located in Shasta County. Such a development would have brought as many as 600 quality jobs to our area. It also may have taken a large amount of the City's sales tax revenues away.

Apparently, owning his own business wasn't as lucrative as his new City job and benefits.

Perhaps he found out, as so many looking for a quality job in the Redding area, that there are few, if any, comparable positions to those of the City. Perhaps he was unaware that his stance against bringing quality jobs to the area would ironically put him to work for the City government. Or, perhaps this was the plan all along.

Whatever the reason, it is hard to escape the fact that the jobs offered by the City of Redding are the highest paying with the most attractive benefits in the area. And, at the much lower paid taxpayers expense.

## City Staff Imposes “Conditional” Approvals on Development

If you have never attended a planning commission meeting, you may not be aware of the seemingly standard process of City staff imposing certain “conditions” before they will recommend a project for approval.

These “conditions” are attached, not necessarily because building codes require them, but because a City staff member thinks he/she would like to see it happen. Or perhaps, it is a way for the City to get someone else to pay for an improvement that they will eventually be required to make.

Of course, there are some conditions that really are necessary in order for a project to be built. Generally, the developer is well aware of such conditions during the initial plan approval process. This includes items such as the

number of parking spots needed to support a retail business, tree removal ordinances, an entry and exit to the place of business etc. These are well documented, make sense, and come as no surprise to the developer.

But, there are those items that come as a huge surprise to the developer, with a price tag and/or time delays that could derail the entire project.

Here is a review of recent examples:

- Requiring a crosswalk across Hilltop Drive in order for a senior retirement, assisted living and dementia center to be approved.
- Holding up final inspection (and thus occupancy) by adding building requirements after the project is

already complete as approved.

- Assessing traffic impact fees of over \$71 million dollars for one development.
- Holding up project approval for 18 months by conditioning private property owners to “donate” part of their land to the City for public use.
- Conditioning one developer to improve property owned by another.

The building codes are clear enough, and can be found online at the City’s own website, along with “special circumstance” requirements. But ***until we all speak up and ask why*** when asked to do something as a “condition” of obtaining a permit or project approval, City staff will continue to impose conditions. After all, why should they change if nobody takes them to task?

## Talk of New Impact Fees and Increase in Sales Tax Disturbing Redding City Council Adopts Biennial Budget

After two days of budget meetings, the Redding City Council adopted the proposed 2007/2008 and 2008/2009 budget on June 21, 2007.

Of great concern is the assumption of a 4.5% sales tax revenue increase in each of the next two fiscal years. City Manger Kurt Starman remarked that the last quarter of 2006 and first quarter of 2007 were “soft”, and the 4.5% assumption may be too high. Nonetheless, included in the budget are:

- Converting Fire Station #7 to a 3 person company from a 2 person company, at a cost of \$350,000 per year.
- Adding 2 permanent police department positions per year.
- Adding several new positions in the budget totaling a 2.1% increase over 2 years.
- Add an automation and tracking system in the development services department at a total cost of \$1.5 million, broken down to \$300,000 per year. ***There would be a 5% technology surcharge added to the***

***permit cost to pay for this.***

- \$3.3 million to remove the roof on the downtown mall.
- \$8.4 million in street overlay maintenance.
- \$350,000 contribution to Turtle Bay Exploration Park, approved for fiscal year 2007/2008 only.

Of greater concern are those items ***not*** included in the budget, and the proposed ways to fund these items. In particular, no provisions were made for:

- Unfunded liability for the promise of health benefits for retirees (as required by GASB 45).
- Large fleet vehicles do not comply with current emission regulations. The options are to either replace or retrofit these vehicles, neither of which is funded in this budget.
- The much talked about need and

plan for a new Police facility, with a price tag of \$35 million, is unfunded in this budget. There is currently no way to pay for it. There was a great amount of discussion about adding yet another new impact fee to pay for a new police department. It has been referred to as a ***“Police Impact Fee”***.

- The City and Shasta County may reach an agreement in concept this year for a tax sharing agreement. The City would

lose about \$500,000 out of the budget each year. This is another unfunded item for the next two fiscal years.

Other “options” being considered to pay for these unfunded items include an ***increase in the sales tax***. Council members Bosetti and Jones want to see other options from staff, such as looking at other areas of savings to put toward public safety, and/or reductions elsewhere. They are not in favor of an

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## Talk of New Fees and Sales Tax Increase Disturbing

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increase in the sales tax. Particularly disturbing was Council member Stegall's commentary about such an increase. She feels that Redding is a "hub" that brings many people in to the area during the day to purchase goods and services that do not live here. An increased sales tax would generate money from outsiders, and pay for some of these unfunded items. Interestingly, none of the other Council members agreed.

Though these were public meetings, very few items drew many comments from the public. The one item which drew the most interest was the \$350,000 contribution to Turtle Bay Exploration Park. Four people from the Turtle Bay Board spoke and asked for an additional \$100,000. City Manager Starman immediately recommended against any increase. Two other people spoke against contributions to Turtle Bay. The Council voted 4-1 to only fund \$350,000 for one year. Council member Jones recommended reducing the grant to Turtle Bay and eventually toward self-sufficiency.

## "Fix 5" Questions *continued from page 1*

SRTPA who is driving this partnership, to explain the "technical" aspects to us, which he feels the general public cannot understand. We asked him to put it in terms that everybody **could** understand. He wasn't able to do so. But, City Manager Kurt Starman was able to break it down very simply, as was Shasta County Supervisor David Kehoe. There are five options that should be considered in planning for future I-5 improvements:

1. Work with the State and Federal governments to properly fund their financial responsibility for interstate maintenance and improvement.
2. Let the regional community have a vote on increasing the local sales tax to pay for this future improvement if they feel it is necessary.
3. Add another Traffic Impact Fee to all future building and development, if "Mitigation Fee Act" requirements can be met.
4. Leave the level of service as it is and do nothing.
5. Put a moratorium on new growth and development.

It seems that the "hurry" is to get the proposed fees through before the general public has a chance to understand all of the options.

## SHASTA ENTERPRISES: LOGICAL CHOICE ...If Redevelopment "Deal" Goes Forward

Negotiations are continuing between the City of Redding, Lithia Motors, Inc. and Thomason Development Ltd. to buy the East Cypress Avenue location of Lithia Chevrolet and Toyota of Redding. If they strike a deal, it would need the approval of the Redding City Council before going forward.

The "deal" involves a total of 9.4 acres, situated on a prime commercial corner at East Cypress and Hemsted Drive. The City would purchase this property through its Redding Redevelopment Agency for \$7.9 million, based on an appraisal and approval from Lithia Motors. The City would negotiate with Thomason Development to buy the property, with some level of control on how it is redeveloped. Lithia would then move its existing two auto dealerships to property that Lithia owns with Airport Road Development LLC (AKA Thomason Development) at the southeast corner of the Hwy. 44/Airport Road interchange. The City would also contribute \$2 million to help finance the off-site infrastructure associated with the

proposed new auto dealerships. These funds would likely come from the City's TIF program and/or SHASTEAC.

Though there are differing opinions about the location of an "auto mall" of sorts at Hwy. 44 and Airport Road, Lithia has, nonetheless, already committed to it and co-owns this land with Airport Road Development LLC. They would like to relocate to this area.

So, where does Shasta Enterprises come in? They have nothing to do with the proposed Hwy. 44 project. But, there is considerable risk involved in redeveloping the prime real estate that would be sold and vacated by Lithia at the corner of Hemsted and E. Cypress Avenue. It is large by commercial development standards. If purchased by the City, there would be deed restrictions preventing any auto dealerships in the future. The City does not want vacant buildings, which were built around 1975, sitting at this

prime corner and deteriorating. That means the existing buildings would likely have to come down. What is really being purchased is 9.4 acres of bare land that will need to be redeveloped as something else. A project of that size will require a strong developer with considerable resources.

Shasta Enterprises is the logical choice to share in this "risk". They have other nicely done properties in this area, and the City

knows the level of quality in the properties they have developed in the past.

Shasta Enterprises is strong enough and together with Thomason could build a quality project. It would be a bonus for the City if both parties would participate. The City would gain an increase in property taxes, while keeping the sales tax from Lithia at its new location off of Hwy. 44 and Airport Road.

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