



The VOICE

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Did you know...

- There were **6** single family home permits issued in the City of Redding in May 2018 for a total of 39 so far in 2018. That is **11 less** than were issued in the first 5 months of 2017, a 22% reduction. There were **4** permits issued for commercial buildings in May 2018, for a total of 6 so far in 2018. That is **the same number** issued for the first five months of 2017.
- Shasta County's unemployment rate was **4.9%** in April. There were 73,700 people in the labor force in April, down from 74,300 in April 2017, and 81,500 in April 2008. That **labor force shrinkage** allows for achievement of a lower unemployment rate. Employment in Shasta County hasn't recovered since the great recession, with **job growth down nearly 3 percent from 2006 to 2016**. Per state and federal numbers, most of the residents Shasta County has added since 2005 are between the ages of 65 to 69, and there has been a sharp decline in school-age children and in the 40-49 year old demographic. Many people are leaving Redding for jobs in other places. Although the influx of retirees helps drive the economy, it creates much service-sector employment and not a lot of high-paying jobs.

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Supervisors Respond In Big Way to Public Outcry at Town Hall Meeting

A Shasta County Board of Supervisors town hall meeting was held **May 30th** in response to Supervisor Baugh's suggestion at their May 1st meeting. This provided an opportunity for the Board to hear comments, complaints, suggestions and potential solutions for improvement from the frustrated general public who need to do business with the County's **Resource Management Department**. This department includes building, planning, environmental health and air quality management, and with Resource Management Department Director Rick Simon retiring from that position in August, it's the ideal time to explore changing the inefficient status quo in the way these services are being provided.

There were 23 people who spoke up at the meeting, all urging the Board to change the way business is conducted with the public. Included in the mix of speakers was Mary Machado from Shasta VOICES, who had **submitted a 5-page suggested solution document to the Supervisors** prior to this meeting, given the 3-minute limit at the podium which did not begin to cover the amount of time needed bring some simple, positive potential solutions at minimal cost forward for consideration. The entire 5-page document can be accessed on our website under the "Studies" tab (shastavoices.com).

At the conclusion of the town hall meeting, CAO Larry Lees was given the Supervisors authority to **utilize Mary Machado's 5-page document** to draft recommendations (which covered most of the public complaints) for improvements for consideration at a future Board of Supervisors Meeting. And use it he did.

At the Board of Supervisors meeting on **June 19th**, Mr. Lees responded to each and every potential solution that was presented at the town hall meeting, including all of the Shasta VOICES suggestions. And here is a summary of the **"yes, we will do it"** items:

1. **Make customer access to the website easier:** perform a complete "redo" on home page links; create and include a **master fee schedule** that is consistent from one department to another.
2. Update and **change unpermitted structure policies:** allow permits for routine repairs without bringing everything else up to code; provide more **flexibility**, change language in the code and give more authority to those at the permit counter; train staff and create flexibility to look at/accept any records provided by the applicant as evidence (i.e. old photos).
3. **Stop** using an **aerial imagery search** to look for unpermitted structures, except for complaints of violations.
4. Yes, they will consider taking out the disclaimer statement on **solar installation re-search agreements** (County attorney will assist).
5. Conduct an in-house auditors **review of all permit and zoning fees**, bringing results back to the Board (as quickly as possible) to determine if lowering some fees is justified.
6. **Develop a customer service survey** to obtain feedback from every permit applicant.

But the biggest pleasant surprise of the meeting was a unanimous approval of the Board to direct staff to analyze the issue of an **across the board reduction in development impact fees**, and bring their analysis back to the Board (quickly). Supervisor Moty, after hearing that a full update of the impact fee program could take over a year and cost up to \$100,000, said that if the goal is to lower the fees to spur development, why not just lower them and skip the study (for now). All Supervisors agreed...and thank you for that!

We applaud Larry Lees for the "best report back to the Board ever received," as they said.

Park Master Plan Update, Park Impact Fee Recommendation Moving Forward

At the June 13th Community Services Advisory Commission (CSAC) regular monthly meeting, the Commissioners were presented with two staff recommendations for their consideration, on two significant proposals:

1. **Recommend that City Council approve the updated Parks, Trails and Open Space Master Plan—Background:** First issued in 2004, this document represents a comprehensive planning effort to guide future parks, recreation development, and natural area conservation in the Redding area. The document had not been revisited or updated since 2004, so an update process was undertaken in 2017, with a draft update document completed and posted November 15, 2017. But, with only 5 days in advance of a “Special Planning Commission Meeting” for public hearing, did not provide enough time for anybody to read, study, and make appropriate recommendations.

Nonetheless, the first iteration and draft of this update was brought to the Redding Planning Commission (PC) for consideration of approval on **November 21, 2017**. The PC voted unanimously **to postpone** their decision for at least 6 weeks to give the community, as well as themselves, more time to digest the 188 page document, provide more input, solicit assistance from interested volunteers to fully vet the proposed updates and bring that information back to them for consideration perhaps in February, 2018. In response, a 10 member “interested volunteer study group” was coordinated by Shasta VOICES, who spent many hours going page-by- page, line-by-line through all 188 pages, creating a detailed analysis that served two purposes: pointed out errors for correction, and highlighted concerns with strategy and methodology towards a fair and balanced approach to funding; and, provided a summary report that is broken down into five categories—quality, fiscal impacts, sustainability, stakeholder participation, and public perception.

During this process, however, City Manager Barry Tippin determined that the draft update of the Parks Plan would **not** be going back to the PC as soon as anticipated. So, he accepted the study group’s final report in February 2018, and passed it along to the appropriate Community Services Department staff members as input for consideration as they moved forward to improve the first draft of the Plan. This final report will also be sent to the Planning Commission in advance of the next public hearing on the subject.

Concurrently, **CSAC** was in the process of updating the Parks Impact Fee Program, which was in large part based on the data created and updated in the draft Parks, Trails and Open Space Master Plan. CSAC members were split on making a recommendation to City Council on these fees in November, 2017, so the City Manager formed another community “Consultative Group” to revisit the Community Services Department’s parks impact fee studies. That group was lead by Assistant City Manager Brian Crane. They began their work in March, 2018 and concluded it in early June, 2018.

Fast-forward to June 13, 2018: The CSAC agenda item was to recommend that the City Council approve the most current update of the Parks, Trails and Open Space Master Plan, but rather than presenting the document for review of the changes that were made, staff simply made a **list** of what they were going to change—and still asked for approval of the final draft Plan. The Commissioners voted instead to actually **see the final draft first before approving it and recommending approval by City Council**, and schedule a special CSAC meeting after new draft has been completed. That way, not only will CSAC members have a chance to review the updated Plan, but so will the general public. The Commissioners felt that public confidence in the process was important, and this was the best way to insure that confidence.

The **target date** for bringing the updated Plan back to the Planning Commission for consideration is **July 24, 2018 at 4:00 pm** as the regularly scheduled Planning Commission Meeting.

2. **Recommend to the City Council increases to the Park Development Impact and Park In-lieu Fees—** CSAC voted unanimously to recommend the following increased fee schedule, including a **newly added fee category** for non-residential fees, based on the recent work done by the community Consultative Group:

<u>Fee Schedule Options</u>	<u>Development Type</u>	<u>Occupancy</u>	<u>Proposed Fee</u>	<u>Current Fee</u>
Residential	Single-Family	2.50	\$ 5,200.00	\$ 4,205.00
	Multi-Family	1.89	\$ 3,935.00	\$ 3,278.00
Non-Residential	Commercial	2.5 emp/ksf	\$ 494.19	none
	Office	3.7 emp/ksf	\$ 731.39	none
	Industrial	2 emp/ksf	\$ 395.35	none

This is the first time a **non-residential fee** is being proposed in Redding, and they are significant. For a 160,000 square foot retail building (Costco), the fee is **\$79,070**; for a 10,000 square foot office building, the fee is **\$7,313**; for a 50,000 square foot industrial facility, the fee is **\$19,767**. We will explore this further, including how and why these figures were calculated, in our July issue of “*The VOICE*,” as well as the impact of a **24 percent increase** in the residential fees on large developers, small developers, and affordable housing for those who live and work in Redding.

These proposed fees are scheduled to be brought to City Council for consideration at the **August 21, 2018** Council meeting.

Redding Recreational Cannabis Business License Applications Being Reviewed: Council Puts Tax Proposal on November Ballot

After approving a \$5,000 application fee in April, 2018 for up to ten commercial cannabis businesses in the city limits, the City of Redding received **18 applications** for cannabis business licenses through mid-June. A seven-member City panel is reviewing and ranking those requests, and the decision on who will receive those licenses will be forthcoming within the next 30 days. Applicants who are eventually chosen to grow, test, deliver, and sell legal cannabis inside the Redding city limits will also have to pay a \$27,900 fee, with a renewal fee of \$2,550. And, the applicants would also have to obtain a State license and pay another \$36,000 fee.

In the meantime, on June 19th, Redding City Council approved placing a general tax measure on the ballot of the November 6, 2018 General Election, passable by a simple majority, for a **general** business tax on cannabis businesses operating in the City of Redding. This would tax cannabis cultivation businesses **up to \$25 per square foot** of cultivation area, and on cannabis manufacturing, processing, laboratory testing, delivery, storage, distribution, and retail sales **up to 10 percent of gross receipts**. All funds received from the tax will be spent on **unrestricted general revenue purposes**. Here is the verbiage of Ballot Measure:

BALLOT MEASURE

Shall the City of Redding adopt a business tax on cannabis cultivation businesses up to \$25 per square foot of cultivation area and on cannabis manufacturing, processing, laboratory testing, delivery, storage, distribution, and retail sale up to 10% of gross receipts, to enhance and maintain vital public safety services, reduce crime, and protect other general services with all funds to be spent for unrestricted general revenue purposes, generating approximately \$750,000 annually?

The initial tax rate for commercial cannabis **cultivation** is set at **\$3 per square foot** for a term of one year. The initial tax rate imposed on manufacturers, processors, laboratory testers, retail storers, and distributors is set at **three percent** of gross receipts, and at **five percent** of gross receipts for retailers.

The tax measure provides locally-controlled revenue that cannot be taken by the State, and if the measure passes, the taxes would only be paid by regulated cannabis businesses, causing no financial impact to those who are not participants in the cannabis industry. Councilors McElvain and Winter were selected to write a ballot argument in favor of the measure.

“Net-Zero Project” Awarded \$20 Million AHSC Grant and \$4 Million IIG Grant

The McConnell Foundation and K2 Development (the developers) partnered with the City of Redding to complete two grant applications for their proposed infill development project, known as the **Net Zero Affordable Housing Project** (Project), after receiving Redding City Council approval on December 19, 2017. The Project is located at **1407 California Street**, the north end of the **California Street Parking Structure** (Parking structure between Tehama Street and Butte Street).

According to the McConnell Foundation, on June 18th the highly competitive Affordable Housing Sustainable Communities Grant Program (AHSC) awarded **\$20 million** to the **Net Zero Project**, after reviewing 53 applications and considering 19 projects for funding throughout the state. This Project scored 88 out of the possible 100 points, and was awarded the 3rd largest dollar amount in the state.

The Infill Infrastructure Grant (IIG) application seeking up to \$5 million, submitted jointly between the City and the developers as co-applicants, was also successful in obtaining a **\$4 million** grant to construct a **new parking garage** and negotiate a purchase agreement for the remaining portion of the “California Street Parking Structure.”



The **Net-Zero Project** will redevelop the downtown Redding City owned parking structure site into a mixed-use site, with residential, commercial, community space and parking.

Updated News and Notes

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 of some of these issues.

Shasta LAFCO Approves Annexation—On June 7, 2018, Shasta Local Agency Formation Commission (LAFCO) approved the City of Redding's request for the Westridge Greenview, McCulloch and Campo Calle annexation unaniously. This area is approximately 64 acres of rural land generally located east of City limits and accessed by Placer Road. The Westridge Greenview area, directly south of the Campo Calle area, is proposed to be subdivided and developed with 37 single family parcels and 25 acres of open space as part of the Westridge Master Plan, a Plan which is intended to provide for the orderly development of 271 single family parcels on about 400 acres. Campo Calle is an area of 10 existing single-family parcels of which 8 have been developed with residences. The McCulloch property is designated for residential development. A portion of Placer Road was also annexed. There was no opposition to the annexation.

On April 3, 2018, the City of Redding and County of Shasta adopted a **tax exchange agreement** to split new property taxes for these newly incorporated areas. The County will retain the existing property tax revenue, and any new property tax revenue will be split 60 percent to the City and 40 percent to the County, with the County using the funds for **jail operations**. For Redding, the taxes will provide access and utility service to future development within the City limits.

Initial project approvals for the Westridge area actually occurred in 2003. Fifteen years later, it appears that the projects may actually be able to move forward. Lily Toy, a Senior Planner for the City of Redding, as well as George Williamson from LAFCO provided outstanding work to move this phase of the process along successfully.

Sale of Entire Stillwater Business Park Under Negotiation—On May 1st, Redding City Council, in closed session, authorized City Manager Barry Tippin to negotiate the sale of all 15 unsold lots in Stillwater Business Park to the Panattoni Development Company, one of the largest privately held full-service real estate development companies in the world. Headquartered in Newport Beach, they operate from 24 offices in the United States, Canada, and Europe, and have developed more than 302 million square feet of space, including more than 106 million square feet of build-to-suit projects. The City received a letter from Panattoni outlining a purchase price of the appraised value of the Park (a new appraisal is in the works). They are proposing a purchase agreement using a performance bond of \$500,000 instead of putting cash in escrow. Once the agreement is approved, they will have 36 months to obtain lease agreements from prospective tenants. If they have not purchased all of the parcels in Stillwater after 36 months, they forfeit the bond and the City is paid \$500,000 from the bond company. The City will continue to market the park while in escrow. Panattoni's clients are being priced out of the Sacramento and Bay area industrial markets, where land is now exceeding \$6 per square foot. In Redding, we are at about \$1.43 per square foot. City officials, as well as the entire community, are very excited about this opportunity.

City of Redding Applies for BUILD Grant for South Bonnyview/I-5 Interchange—A grant request for **\$15 million** in Department of Transportation funds has been submitted by the City of Redding for improvements to the South Bonnyview/I-5 interchange. The proposed design includes the use of multi-lane roundabouts, additional lanes on three of four ramps, and widening the South Bonnyview Road between the ramps and the intersections with Bechelli Lane and Churn Creek Road. The interchange itself is proposed to be an innovative design called a **diverging diamond** interchange (DDI). This will be the second time the City has applied for this type of grant funding—the first round was unsuccessful.

Filing Period Announced for General Election—This year's General Election date is Tuesday, November 6, 2018. The filing period for those wishing to run for local City Council seats is July 16th through August 10th.

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**.