



# The VOICE

Your independent news source

Greater Shasta County, CA

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### Did you know...

- **Best selling author and former Alaska Governor Sarah Palin is scheduled to speak in Redding.** The Sierra Cascade Logging Conference will host **"An Evening with Governor Sarah Palin"** on February 8, 2010, 7:00 p.m. at the Redding Convention Center. Door open at 6:00 p.m. Tickets are available at the Redding Convention Center and are priced at \$54 and \$74. For more information, contact Nadine Bailey at 530-365-1173.
- **"Holidays on Hilltop" kicks off Sunday, December 13th at the Best Western Hilltop Inn from 11 am to 4 pm.** Hospitality Boulevard Week includes free horse drawn hay rides and hot chocolate, Christmas carolers, Santa Claus and his helpers. Each day of the week a different business on Hilltop Drive will sponsor the free events. The Grand Finale will occur in the Gottschalk's Parking Lot on Saturday, December 19th from 2 pm to 5 pm.

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## "Radical 10 in 10" Ideas Move Forward Despite Bizarre Council Behavior

If ever there was proof that thinking out-of-the-box is a difficult, if not impossible task for elected officials, it was evident at the December 1st City Council meeting as the **"Radical 10"** committee members tried to present their 10 radical ideas for jump-starting the local economy to the Council.

The inquisition began almost immediately, before the presentation of the first idea was even finished, by Councilors Mary Stegall, Dick Dickerson, and Patrick Jones. "What, no staff report? Where is the written information? Why wasn't this provided to us ahead of time? How do you expect us to make a decision without it? How long will this take? There are a lot of people here for other issues tonight."

Let's clarify. Radical ideas are just that—ideas. They did not come from "staff," but from a group of business leaders in the community, led by Kent Dagg, CEO of the Shasta Builders Exchange, who believe it's time to just **do something** about our failed local economy. Should the "radicals" have provided the Council with written information ahead of time? Perhaps. Would the Council have had any fewer questions if they had received this information in advance? Probably not. Discussion on each idea separately could easily take up an entire council meeting. Did the Radical 10 committee expect any final decisions to be made at this meeting? No. Was it necessary to berate these business people at the podium? Absolutely not. But that's what happened. Uncomfortable? You bet. Is it the first time such behavior has been displayed by Council? Hardly.

At least one Council member, Missy McArthur, came to the rescue of the "radicals" and convinced the other councilors to hear what they had to say. Once the Council finally listened, they voted unanimously to hold a workshop in January to study the details about the suggested programs to jump start our local economy and create jobs.

At this particular point in time, what could be more important than actually "doing something" to improve our local economy?

Not all of the ideas, which are outlined on page 2 of this newsletter, require City approval. If you are reading this and would like to become involved in doing the work needed to bring any of the 10 radical ideas to fruition, here is what you can do now:

- Read **page 2** of this newsletter and learn more about each of the 10 radical ideas.
- Contact Mary Machado at Shasta VOICES via email to confirm that you are willing and able to commit your time and expertise toward working on one of the ideas, or more than one of the ideas, and state which idea(s); include your contact information. Here is Mary's email address: [mary@shastavoices.com](mailto:mary@shastavoices.com).
- Let your Redding City Council members know that you support exploring the radical ideas, and that you want them to do something now to jump start our local economy and create jobs.

We need local leadership willing to invest in new ideas that could help job growth. If this describes you, get involved today.

## *Radical 10 in 10 Details*

Here are descriptions of each of the 10 Radical ideas proposed to help create jobs in the Redding area in 2010:

- 1. Money for a Newly Constructed Home:** This is an effort to promote the purchase of *newly built homes* and generate building activity in the area. The local program would be an extension of the City's Down-Payment Assistance Program (DAP). The DAP deferred payment amount would be pre-determined based on residential permit and impact fees for the newly constructed home. Building fees would remain untouched. School fees would be excluded from the amount. The amounts deferred would be about \$25,000 (higher for larger homes). All funds are targeted to be used for down-payments, and if there is any excess, it must be spent at City of Redding businesses, generating sales tax revenue. The newly constructed homes must be built using REU Earth Advantage standards, and 90% local labor and supplies. Given the fact that impact fees are collected and put into a trust for later use, City staff would partner with a local bank who would finance the "receivable." Under the current DAP program, repayment of the deferred amount is required when the home is sold, title is transferred, if the borrower stops using the home as their residence, or in 30 years. The program would begin immediately, and ends March 31, 2011 with a Certificate of Occupancy issued.
- 2. Repair Your House Now:** This is an extension of the existing Residential Rehabilitation Program for existing homeowners and/or foreclosures. Eligibility would be extended to "moderate" income people, which for a family of four is \$68,300, and for a family of eight is \$83,400. These deferred-payment loans that are available offer principal and 3% interest due upon transfer of title. There are no monthly payments. Repairs may include roofing, pest control work, plumbing, electrical, flooring, painting, some types of general property improvement, energy conservation work like weatherstripping and insulation.
- 3. First Lot Free in Stillwater Business Park:** The City would offer the first lot (and maybe more) for free. The firm would initially purchase the property from the City of Redding at fair market value (avoids prevailing wage issue). The City would carry the note as a "silent second" for up to 15 years. If the company creates and maintains the number of new jobs promised, the loan is forgiven incrementally over 15 years. If the firm performs as promised, they ultimately receive the parcel for free. The companies must agree to create a reasonable number of high quality jobs at a level of 110 percent of median wage in Shasta County (currently \$15.04 per hour). They must obtain the building permit and commence construction prior to 12-31-10. They must be complete and operational by 12-31-11.
- 4. Partner Up! City of Redding Surplus Property Partnership Sites:** The City would partner with a developer, offering to own the land until the development is complete. A potential list has been developed by the City identifying the properties with the greatest potential for development or trade. Private sector partners would be sought.
- 5. Clean up the Town for Free—Redding CCC:** Form a local California Conservation Corps (CCC). A team of 15 workers (ages 18-24) would be hired to complete environmental/conservation projects in Redding. They would be hired and wages paid for by the Smart Center with ARRA (federal stimulus) funds. The team would coordinate with City staff for completion of community work that would not otherwise be done including fire break creation on public lands, creek clean-up and trail maintenance. They would become the Redding CCC.
- 6. Sales Tax Guaranteed for our Neighborhoods:** This idea would keep sales tax local. It would be two ballot measures; one would be a 1% sales tax increase for one year only; the other would be an advisory list of infrastructure projects approved by voters for which the tax increase would be dedicated. A potential list has been created. The ballot measures would appear on the June 2010 primary ballot.
- 7. Growing a Revenue Source:** City would prohibit medical marijuana collectives and cooperatives in Redding and create a City-owned medical marijuana dispensary. It would be operated by the Redding Police Department. A tax would be imposed on medical marijuana sales. This would provide an exclusive safe, controlled and regulated citywide collective for legitimate patient needs. Half the tax proceeds would be used to augment the number of sworn officers in the police department, and the remaining proceeds would pay for community projects and improvements.
- 8. Free Rent:** Create a *volunteer* citywide business incubator program to get new or expanded entrepreneurs to occupy vacant commercial and industrial spaces in the City. Free rent for one year would be offered, or something similar, with a multi-year lease to new job-creating businesses.
- 9. Local Venture Capital Program:** Create and accumulate venture capital (money) from local individuals, private companies, corporations, and other local investors; set up a "Venture Capital Fund" with cooperating local banks offering interest incentives; the bank becomes the lender; available only to Shasta County borrowers; funds must be committed for local businesses only. The mechanics of such a program are available separately.
- 10. Your New Car May Be Free! Expand the Shop Redding Campaign:** Every person who purchased a new car or truck from 1-1-10 to 6-30-10 is eligible for a drawing. The winner would be drawn on July 4, 2010 and will receive a check for \$10,000 (to be provided by sponsors). Other promotions would follow throughout the year.

## *City Pension Expenses Continue To Climb*

As predicted, the California Public Employees’ Retirement System (CalPERS) has notified the City of Redding that rate increases to pay for employee pension programs will occur in 2010-2011, and again in 2011-2012, totaling more than \$1 million.

The City contracts with CalPERS to provide for the retirement benefit referred to as “2 percent @ 55,” which means that an employee can retire as early as age 55 and earn a percentage of final salary based on how many years of service have been completed. For example, a “miscellaneous” covered employee who retires at age 55 would earn 60 percent of final salary if they have completed 30 years of service (2.0% x 30 years = 60 percent). If an employee retires at age 55 with 20 years of service, they would earn 40 percent of final salary (2.0% x 20 years = 40 percent), and so on. This is the standard benefit with no enhancements. Employees covered by this benefit normally pay their share of the cost, which for miscellaneous employees is 7%, and for public safety employees is 9%.

The City of Redding, however, has bargained over the years to give employees “enhanced” retirement benefits in addition to the CalPERS standard benefit. The City contracts with another insurance provider, the Public Agency Retirement System (PARS), who charges the City for these additional benefits, commonly referred to as “2.7 percent @ 55” and “3 percent @ 50.” The same formula used for the CalPERS benefit applies—for example, a public safety employee or others who negotiated this benefit, can retire as early as age 50, and with the full 30 years of service, would earn 90 percent of final salary (3% x 30 years = 90 percent). A miscellaneous employee can retire as early as age 55, and with the full 30 years of service, would earn 81% of final salary (2.7% x 30 = 81 percent). Nearly every City employee has one of these enhanced benefits. And, the City pays the entire cost for both the employer’s and employee’s share of these benefits.

Here is a table of the old and new percentage rates that will be applied to each dollar of payroll for city employees. For illustration purposes, these rates include both the CalPERS rate and the PARS rate:

	<b>FYE 2010</b>	<b>Budget FYE 2011</b>	<b>New FYE 2011</b>	<b>Budget FYE 2012</b>	<b>New FYE 2012</b>
<b>Miscellaneous:</b>	28.925%	28.721%	29.250%	28.721%	31.73%
<b>Public Safety:</b>	41.947%	41.529%	42.760%	41.529%	44.799%

The question of the day becomes how will the City pay for this? Raising taxes hasn’t worked, mostly because even with tax increases, there is still not enough revenue being generated to pay for this and other general fund expenses. Taxpayers simply do not spend money they do not have.

The City is already in the midst of financial turmoil and major budget cuts, and now this. There are several options:

- Cut jobs (and services to the public) to maintain these benefits for the remaining employees. In order to offset the **increase** in pension costs alone, the City would have to cut at least another 20 jobs.
- Negotiate with these employees to pay their portion of the costs for providing these expensive benefits.
- Negotiate with these employees to change or eliminate the “enhanced” benefits.
- Negotiate with these employees for other “givebacks” that would reduce expenditures by the same amount.
- Support a State ballot measure to reform the public employees pension system for newly hired public employees. Of course, this would do nothing to reduce the costs facing the City now, but it would prevent a similar situation from occurring in the future.
- If failure to successfully negotiate occurs, ask the citizens of Redding to vote on a ballot measure during the June 2010 primary election which would require that City employees pay for all or part of their portion of the costs for these benefits. However, by law, the City would still have to bargain with employee unions regardless of the outcome of such a measure.

None of these options are desirable, but we are in the midst of the Great Recession. You cannot continue to spend money that you do not have, and do not foresee coming in the next few years. These are unusual times, and they call for fiscally responsible decisions at every level of management, both in government and private business. Every citizen, including those who work for the government, should share the pain.

## ***No Mitigation for Knighton Road Commercial Development?***

The Draft Environmental Impact Report (DEIR) prepared by the developer proposing the 900,000 square foot Knighton & Churn Creek Commons Retail Center has been completed, and comments are being solicited regarding the contents of the document, as required.

The developer has taken an interesting approach with regard to the impacts that such a project will have on existing conditions in the area. The document correctly identifies many significant project impacts, but concludes that they are “significant and unavoidable” and should therefore be **freed** of the requirement to mitigate.

For example, the DEIR identifies 33 significant direct project impacts to regional transportation facilities, including the degradation of the Knighton Road/I-5, Bonnyview/I-5 and Cypress/I-5 interchanges to an unacceptable level of services. The document simply dismisses the impacts as unavoidable, and offers no plan to make necessary changes and improvements to support their project or protect the existing surroundings.

This begs the question, if this project is freed of the requirements to mitigate, why shouldn't all projects with substantial traffic and other impacts be freed of the requirement to mitigate? If this project is allowed to go forward without mitigation requirements, doesn't that set a dangerous precedent for all future projects? What other project, large or small, has ever gone forward in this region without regard to its impacts on the existing environment?

Letters of concern are being sent in response to the DEIR by the Shasta County Regional Transportation Planning Agency, CalTRANS, the City of Redding, and the City of Anderson (to name a few). Each jurisdiction could certainly be negatively affected if no mitigation measures are taken, and the project is allowed to move forward on that basis. They are taking the position that direct impacts should be mitigated by the project proponent.

## ***SB 375 Update Local Vehicle Miles Traveled Are Targeted for Reduction***

It's difficult getting anyone to pay attention to SB 375. After all, it is a long, boring California Senate Bill (450 pages or so) filled with complex transportation language. Most people don't understand how it applies to them. But it **does** apply to anyone who drives a car or light truck in California.

In simple terms, we are being forced by the State to reduce the number of vehicle miles traveled by autos and light trucks. The idea is to “control” land use patterns in each region in the State so that nobody has to drive their own vehicles very far to get to where they are going.

This means that you should not live too far from where you work, or from where you buy groceries, or from where you enjoy outdoor recreation. Mass transit systems are highly encouraged. In Shasta County, it is difficult to see how this would apply.

This SB 375 legislation adds new planning requirements designed to meet greenhouse gas emission reduction **targets** for cars and light trucks. The California Air Resource Board (CARB) will be setting these targets for the Shasta County Region.

Lately, CARB personnel have been criticized by legislators in Sacramento for hiding data from the Board, such as a letter signed by 52 legislators asking CARB to **shelve** new regulations such as this. That letter was sent after learning that the “scientist” in charge of a study used to justify stringent greenhouse gas reductions turned out to be a fraud with a mail-order Ph.D from a “university” located in a UPS store in New York City. The questionable data, not to mention the negative economic impact to the people of California, may or may not be reason enough to shelve the new regulations.

So, it appears that our local personnel charged with implementing SB 375 in the Shasta County region will proceed with plans to “identify areas for coordinated land use/transportation strategies shown to reduce vehicle miles traveled.” Public hearings will be held starting in March 2010. We'll keep you posted!

***Join Shasta VOICES today.***

**We depend on membership and other contributions.**

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