



The VOICE

Your independent news source

Greater Shasta County, CA

Volume V, Issue VIII

www.shastavoices.com

January 2012

Did you know...

- The percentage of employers in California that offer their workers health insurance has fallen in the past two years from 73% to 63% according to a survey conducted by California Healthline. Premiums for employer-sponsored health insurance policies have risen by 153% since 2002, the survey found. That increase is more than five times the increase in California's inflation rate.
- There were 8 new single family home permits drawn in December in the City of Redding, more than any other month in 2011, bringing the total number of new single family home permits drawn to 34 for all of 2011. This is down from a total of 59 in 2010, and 68 in 2009.

Inside this issue:

Spread Some Good News	1
2011 Finishes Strong	1
Moody Flats Quarry EIR in Process	2
REU Lawsuit Update	2
Local Redevelopment Agencies Dissolved	3
Updated News and Notes	4
Join Shasta VOICES	4

Spread Some Good News!

It's about time. A group of local business people, sick and tired of all the bad news in the media, finally decided to do something to showcase the positive things that are happening in our community.

Spearheaded by Randy Denham of SJ Denham Chrysler Jeep and Collision Repair, the group created "**Shasta Start Up**" to host a one hour radio show every Friday from 9:00 am—10:00 am on KCNR 1460 AM. The other members include architect Les Melburg, Kent Dagg, Economic Development Executive Director Mark Lascelles, and realtor Rob Middleton.

Beginning on Friday, January 13th, one member of the group will host the show with a guest. The January 13th show, hosted by Kent Dagg, featured Ken Coster, CEO for Skyway Recreation Products. Skyway is a local manufacturer who "re-invented" the wheel by introducing the first of the composite Skyway Tuff Wheels to the demanding bicycle motocross (BMX) sport in 1974. Skyway now supplies Tuff Wheels in a wide range of hub configurations to serve the Bicycle, Health Care, Industrial Equipment and Lawn & Garden markets. Skyway Tuff Wheels are available in a wide range of sizes, from 4" casters to 24" bicycle and wheelchair wheels. They produce the products right here at their Redding manufacturing facility on Caterpillar Road, and send them all over the world, including such places as Bangladesh. Yes, we have an exporter right here in Redding! Skyway has had a good deal of success competing with the Chinese market for wheels, proving that the market for innovative and quality-made products is alive and well in Redding.

For more information, and to access the archived podcasts of the Friday Shasta Start Up shows, go to KCNr1460.com and scroll down to "Shasta Start Up."

2011 Finishes Strong

According to Redding Real Estate News and Transactions, a newsletter crafted by local Commercial Broker Ken Miller, activity in 2011 was highlighted by transactions on a number of high profile commercial properties. The former State Compensation Insurance Fund building (34,000 square feet) was purchased by an out of town investor and promptly leased to 3 government agencies. The former Gottschalks building (74,000 square feet) was sold and then leased to Sportsman's Warehouse and Goodwill. The Smart and Final building (21,000 square feet) and the Ashley's Furniture building (24,000 square feet) were each leased to furniture stores. The former Jhirmack building (225,000 square feet) changes hands—purchased by Southern Aluminum Finishing, this building will bring 40-50 new jobs to the area. And, the former KMS building (110,000 square feet) was put under contract in a deal that could add 75-100 high paying jobs to the area. If you're counting, that's 488,000 square feet.

Redding's downtown core continued its recovery in 2011. Shameless O'Leary's Iris Pub, Clearie's Restaurant, Mary's Pizza Shack, Spoon Me Frozen Yogurt, and Old School Restaurant all opened for business (to name a few).

Redding's retail vacancy rate fell dramatically, from 10.73% at the end of 2010 to 8.62% at the end of 2011.

Moody Flats Quarry EIR In Process

The County of Shasta, acting as the lead agency, is preparing an Environmental Impact Report (EIR) for the Moody Flats Quarry, which will be located in western Shasta County on land owned by 3M, approximately 1 mile west of Interstate 5, north of the city of Shasta Lake and 9 miles north of the city of Redding.

3M purchased the Moody Flats property in 1982 to support its Industrial Mineral Products Division in the Pacific Northwest. This location was chosen due to the high quality of the mineral andesite (greenstone) and the accessibility to transportation linkages. Eighty percent (1,440 acres) of the 1,800 acre property is zoned for Mineral Resource.

The Moody Flats Quarry application submitted to Shasta County proposes the development of a quarry and associated processing and transport facilities. These facilities would be located within a 760 acre area of which 435 acres would be used for project facilities. As a result, approximately 1,350 acres of property would remain intact as open space buffer lands.

Moody Flats is requesting the ability to mine and transport off-site about two million tons of material annually. About 75 percent of the materials would be transported by rail to regional markets reducing truck traffic, air emissions and noise. The remaining 25 percent would be available for off-site transportation to supply local market demand.

3M manufactures over 60,000 products used by households and businesses around the world. Innovative products can be found in use from new home construction to handy Post-it Notes and Scotch Tape. The Industrial Mineral Products Division operates quarries in four locations across the United States. Moody Flats, LLC is a wholly-owned subsidiary of 3M and has been formed to develop the site as an operating quarry and commercial operation. This site could supply the aggregate needs of Shasta County for 50 to 100 years, as well as other Northern California locations via rail transportation.

This project would create 25-50 full time jobs. Typically at least 100-200 jobs would be created by other employers supporting this type of project. A capital investment of around \$85 million in plant, equipment, railroad and infrastructure to completely build the proposed project is anticipated. The Center for Economic Development at CSU Chico completed an analysis of the direct and indirect benefit of the proposed investment in Moody Flats Quarry on the economy of Shasta County. Annual new payroll would provide about \$3.6 million, annual County property tax revenues would be almost \$100,000, and annual schools property tax revenues would be almost \$325,000.

The scoping meeting to receive comments regarding potential environmental impacts of the project to be addressed in the EIR will be held on **Thursday, January 26th beginning at 7:00 pm**. The meeting will be held at the **John Beaudet Community Center, 1525 Median Avenue, Shasta Lake City**.

The period for receiving comments regarding potential environmental impact of the project to be addressed in the EIR will begin on January 6, 2012 and end on February 6, 2012.

Additional information can be obtained from the Shasta County Department of Resource Management, Planning Division, 1855 Placer Street, Suite 103 in Redding, (530) 225-5532.

REU Lawsuit Update

Citizens For Fair REU (Redding Electric Utility) Rates finally received a ruling from Shasta County Judge William Gallagher on December 21, 2011 regarding the lawsuit that was heard in Shasta County Superior Court on November 8, 2011. The Citizens are challenging the validity and enforcement of REU rate increases insofar as they incorporate a charge for "Payment in Lieu of Taxes" (PILOT) that the City collects and later transfers to its General Fund. Had the City not systematically collected money unrelated to the cost of providing electricity, the utility would have had to raise rates only 1 to 2 percent, rather than 7.84%.

Judge Gallagher acknowledged that Proposition 26, which was passed by voters on November 2, 2010, expanded the definition of a tax to include a fee for government products or services. Such a charge is exempt from the voter approval

requirements ***if the charge does not exceed the reasonable costs of providing the service or product.***

However, the judge went on to say that the PILOT was adopted in 1988, refined in 1992, 2002, and 2005, and was again implemented upon the 2010-2011 fiscal years. He felt that because the local legislation authorizing the PILOT predates Proposition 26, Proposition 26 has no effect on the PILOT. He also felt that the formula or amount of the PILOT in 2010-2011 was unaffected. As the rate increase did not increase the PILOT, the Court found that the adoption of the rate increase did not impose or increase any tax, and therefore did not require voter approval.

This means that the Petition was denied. ***An appeal will be filed*** by the Citizens For Fair REU Rates to the California Court of Appeals. Stay tuned!

Local Redevelopment Agencies Dissolved

The Cities of Redding, Anderson and Shasta Lake have officially dissolved their Redevelopment Agencies. On December 29, 2011, the California Supreme Court ruled that the Governor's Dissolution Act was constitutional, and all California redevelopment agencies must be dissolved. The Court further stated that none will have the opportunity to opt into continued existence under the unconstitutional Alternative Redevelopment Program Act.

The court justice said that because the state Legislature authorized the creation of redevelopment agencies, it has the power to eliminate them and called it "a proper exercise of the legislative power vested in the Legislature by the state constitution."

As a result of this ruling, the current law states that the Agencies will be dissolved on February 1, 2012, unless there is some legislative support for an extension of the dissolution date to April 15, 2012.

The City of Redding's Redevelopment Agency met on January 12, 2012 and voted unanimously to dissolve their agency, and appoint the City Council as the Successor Agency upon its dissolution. The City of Shasta Lake's Redevelopment Agency met on January 9, 2012 and also voted unanimously to dissolve their agency and appoint the City Council as the Successor Agency upon its dissolution. And the City of Anderson's Redevelopment Agency met on January 17, 2012 and voted unanimously to dissolve their agency and appoint the City Council as the Successor Agency upon its dissolution.

Upon dissolution, the respective Agencies' non-housing funds and assets will be turned over to the Successor Agency charged with the responsibility of **paying off** the former Agency's **existing debts**, **disposing of** the former Agency's **properties and assets** to help pay off debts and **return revenues to the local government entities** that receive property taxes, as well as winding up the affairs of the former Agency. The Agency's affordable housing assets, other than its existing housing fund balance, will be turned over to a successor housing agency to continue performing affordable housing activities.

While the Successor Agency will be overseen by an "Oversight Board" of seven representatives selected largely by the County and various local education districts, the staff of the Successor Agency will have a strong role in initiating and implementing actions in a way that achieves not only the requirements of the Dissolution Act, but also is sensitive to the long-term development needs of each city and its local community, and that protects the good name of the City in the financial markets by assuring timely repayment of the former Agency's existing debts.

The Dissolution Act provided that the liability of the Successor Agency is limited to the funds and assets it receives under the Dissolution Act to perform its functions. Thus, the City (as Successor Agency) would not expose its General Fund to liability to discharge the obligations of the former Agency.

The Dissolution Act also permits the Successor Agency to receive an annual operating budget to defray its administrative costs in an amount up to five percent of the property tax allocated to the Successor Agency for fiscal year 2011-2012 to pay the former Agency's existing debts, and up to three percent of the property tax allocated to the Successor Agency each succeeding fiscal year, provided that the annual amount shall not be less than \$250,000 for any fiscal year. Each Successor Agency is required to establish a Redevelopment Retirement Fund. The County Auditor-Controller will deposit an amount of property tax revenues into this fund. Required debt settlement payments and administrative costs will be then be drawn from this fund.

With the dissolution of 400 Redevelopment Agencies in California, Governor Brown has stated that "...this validates a key component of the state budget and guarantees more than a billion dollars of ongoing funding for schools and public safety."

The City of Redding had expected \$17.4 million in tax and other revenue this fiscal year for their Redevelopment Agency. Shasta Lake typically saw about \$3 million in redevelopment money annually, and the City of Anderson had expected nearly \$1 million per year. All cities felt the court's decision was disappointing, and thought the Redevelopment Agencies created jobs and helped revitalize local economies.

Some notable projects that will no longer move forward or suffer long delays because of this dissolution include the long-awaited new (retrofit) Redding Police Facility, infrastructure improvements at the Oasis Road and Interstate 5 area, multi-family housing projects in downtown Redding, \$1 million of road work and improvement in Shasta Lake, and downtown revitalization in the City of Anderson.

The California Redevelopment Association still vows to work with lawmakers to revive redevelopment agencies. Only time will tell if they are able to make any changes to the Court's ruling.

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.

- **Public Safety Pension Changes in Anderson**—On December 20, 2011, the City of Anderson and the Anderson Police Officers Association amended their contract, offering a different level of benefits for local members through the California Public Employees' Retirement System (CALPERS). Effective with new hires on or after March 22, 2012, the retirement benefit formula will be 3% @ 55. Existing local members will keep the 3% @ 50 benefit formula. There are currently 18 members in the Safety Plan. The newly adopted retirement benefit formula will **reduce** the Total Employer Rate by **28.12%**, resulting in a huge reduction to the taxpayers.
- **2011-2012 to 2016-2017 Capital Improvement Plan (CIP) Adopted in Redding** – An updated CIP was adopted by Redding City Council on January 17, 2012. Over the next 5 years, 130 projects totaling \$275,153,423 in improvements will be made including airports, community services, REU, public safety, solid waste, storm drain utility, streets, support services, wastewater utility, and water utility. The full report can be obtained on the City's website. One of the changes made to this plan was the removal of projects that would not have been needed (or built), or funded for 40-50 years. One notable change was made to the Enterprise well water quality improvements: \$300,000 will be spent on a distribution system flushing and loading to reduce iron, manganese and arsenic levels during the next five years. Other major well head treatment improvements were postponed until funding can be indentified (\$3,000,000), since the Department of Public Health declined the City's request for funding from their loan program, saying our manganese problem was not a health issue. Apparently, now that the Buckeye water is allowed to flow to Enterprise, prior issues relating to discolored water are greatly reduced. The other CIP area that has continued to fall behind is deferred maintenance on city streets. The typical gas tax and other funding is just not enough to do all the maintenance needed.
- **City of Redding Development Impact Fee Program Update**—The City of Redding is finalizing Water and Wastewater Masterplans, and should have them in front of City Council by March, 2012 for approval. We've been waiting for the completion of these plans for almost one year. Also in the works is the much anticipated Household Equivalent (HE) Study, and the Utility Cost of Service Study. Together, all three of these documents will be part of the larger effort to update the development impact fee program. City staff is proposing to send out a Request for Proposal (RFP) to bring a consultant on board to manage this process. Brian Crane, the city's Director of Public Works, said he intends to involve the public in this process, who generally are interested in seeing the impact fees greatly reduced from their current levels. It may be early summer before this process actually gets underway. Shasta VOICES intends to be at the table for these discussions.
- **77.4 Acres in Stillwater Business Park Under Contract**—On January 17, 2012, the Redding City Council approved a Purchase and Sale Agreement with **Clarity Entertainment Inc.** for Lots 12 (partial), 13, 14, and 15 in Stillwater Business Park in the amount of \$6,150,656. A \$100,000 earnest deposit was made to the City, with an estimated close of escrow on or before September 30, 2012. Clarity is a production programming studio specializing in feature-length family movies, episodic TV programming, and live-action/animation features. The CEO is Chris Foxworthy. Clarity plans to construct a 50,000 square foot facility initially for production. It has plans within 10 years to have more than 500,000 square feet of facilities under roof and to employ several hundred people. While not a typical manufacturing operation, a film production facility such as Clarity plans to build could be a significant generator of jobs both directly and indirectly.

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