



The VOICE

Your independent news source

Greater Shasta County, CA

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Did you know...

- From the City of Redding website, there are 37 job classifications with max salaries over \$100,000, and 79 job classifications with max salaries over \$80,000.
- Shasta County Board of Supervisors Budget Hearings for Fiscal Year 07-08 will be on 8-14-07 at 1:30 pm at the BOS Chambers.
- City of Anderson development impact fees for a typical 1600 SF single family home top out at \$13,481.
- City Council meetings are scheduled each 1st and 3rd Tuesday of the month at 7 p.m. for both the City of Anderson and the City of Shasta Lake.
- The Shasta Builders Exchange has begun an endeavor to design, build, educate, and promote affordable, energy efficient, and green residential housing by building "Agree Park", an interactive demonstration housing park.

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Priceless

Is it possible to put a dollar value on the importance of obtaining beneficial information? How many times have you wished you could go back and do something over again, knowing now what you did not know then? How many times have you read about something, or experienced something, and wondered why you didn't know about it until it was too late to change the outcome?

There is great value in having beneficial information, and access to sources of information. If having that information saves you time, money, frustration, heartache, and stress, it would prove to be invaluable to you. If having that information improves the quality of your life and/or the lives of those close to you, it would be priceless.

So, let's examine one such source of information. Let's study the successful activities of Shasta VOICES to date. Let's take a look at what can be achieved, just by obtaining beneficial information and passing it along to the citizens of our beautiful community.

Although our activities only began around May of 2007, significant progress has been made towards our goal of keeping the public informed and speaking up for the usually silent majority. Here is a sampling of our accomplishments thus far:

- Provided assistance to a private property owner, eventually resulting in unanimous approval of a planned development with the abandonment of an existing public-service easement that had previously been "conditioned".
- Uncovered and brought forward information for debate regarding several unfunded items in the biennial City of Redding budget including GASB 45 (retiree health benefits), a new police station with a projected price tag of \$35 million, a tax sharing agreement with Shasta County, and the repair or replacement of large fleet vehicles that do not comply with emissions regulations. There is currently no mechanism to pay for any of these budget items, and likely sources will be an increased local sales tax, a "police impact fee", and other "new" fees. We are proactively preparing for this debate.
- Attended an Administrative Review Board hearing on behalf of an owner who felt "conditions" were being placed on them unfairly as they tried to remodel an existing building to suit their new business. Having obtained written materials from the City's own website, and after studying the conditions and speaking up during the hearing, the owner's plans were approved without the conditions.
- Having learned about the Fix Five Partnership and their plans to implement local fees to pay for an interstate highway, we asked for, obtained, and publicized as much information as possible for further review. We attended the TAC (Technical Advisory Committee) meetings, learned more, asked more questions, met with elected officials, and are continuing to ask questions and obtain more information. We have played a part in at least delaying the "vote" until other options can be considered. We will continue to speak up and inform as this issue moves forward.
- Obtained, studied, asked questions, and publicized the Oasis Road Specific Plan proposed fees. There are many more questions than answers thus far, and we will continue to bring information forward as it is uncovered.

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Priceless (continued from page 1)

- Obtained information relating to the proposed use of Redevelopment Funds to acquire 9.31 acres at the northeast corner of E. Cypress Avenue and Hemsted Drive (current home of Lithia Motors). We will have a presence at the August 20th public hearing on the subject to ask pertinent questions and learn more.
- Provided visibility at the City Council meetings, County Supervisors meetings, Planning Commission meetings, public hearings, Administrative Review Committee hearings, transportation planning meetings, and other important information gathering forums. The information gained is passed along in "The VOICE" newsletters.
- Represented (and continue to represent) our members and contributors in public forums when they need assistance.

This is the third issue of "The VOICE". The information contained in these issues has generated much discussion, and allowed many who were unaware of what has been happening around them to "do things differently" before it's too late. They have experienced the value of our organization. We will continue to do our work, but we need your help. Join us today, as a member or contributor.

"Nothing Has Been Done" Oasis Road Specific Plan Update

At the Redding Planning Commission meeting held on July 10, 2007, agenda item #5 read: "Annual Report on Implementation of the Oasis Road Specific Plan (ORSP) and Public Workshop to Accept Comments on the Proposed North Redding Traffic Benefit District (NRTBD) Traffic Impact Fee Study."

The problem was, there was no report. At least, no written report. Jim Hamilton made a very short statement that "nothing has been done" on the implementation of the Plan. The commissioners asked why they needed to approve such a "report" before the motion died for lack of a second.

The reason nothing is happening at Oasis Road is because the proposed traffic impact fees (of which there is now a second "light" option), total over \$71 million, and the so-called "light" option is \$55 million. Developers have been negotiating with the necessary government agencies for more than 7 years already at this location. And, it looks like it could be a very long time before anything changes.

We heard from at least 9 different property owners and developers in the Oasis Road Specific Plan area during the public comment portion of the meeting. Among their questions and concerns:

- Both the "full" and "light" plans go far beyond necessary infrastructure improvement with too many ameni-

ties not mandated by the developments.

- The "light" cost proposal is closer to the current standard of development, though it tries to do too much.
- Several properties are not located in the Specific Plan area, but are included in the NRTBD. They did not feel they should have to pay the full fee.

Developers have been negotiating with the necessary government agencies for more than 7 years already at this location. And, it looks like it could be a very long time before anything changes.

- Developers understand paying their fair share, but are concerned that they would not be eligible for any reimbursement from the Citywide fees paid.

- Thomason Development requested that the City not establish a traffic benefit district. They see no reasonable nexus for offsite improvements, and feel the market study is faulty "from overestimating projected growth levels, to failure to recognize other developments in the market area, and providing incorrect levels of possible development."
- Levenson Development, though supportive of the benefit district, questions the magnitude of proposed fees, even at the light cost alternative plan. They are continuing to

ask "why do we need these things?"

Here are the proposed Traffic Facilities Fees for the NRTBD – Main:

Residential (per dwelling unit)

Single Family \$ 5,959

Multi-family: \$ 4,052

Retail (per 1000 square feet)

High Generation: \$ 26,817

Generation: \$ 13,409

Low Generation: \$ 6,704

Nonresidential (per 1000 square feet)

Rest of City: \$ 10,428

In addition to these fees, there are **'Fair Share Costs for Areas Outside of the NRTBD'**:

Residential (per dwelling unit)

Single Family: \$ 521

Multi-family: \$ 355

Retail (per 1000 square feet)

High Generation: \$ 2,345

Generation: \$ 1,173

Low Generation: \$ 587

Nonresidential (per 1000 square feet)

Rest of City: \$ 912

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Oasis Road Specific Plan Update

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For those of you who don't think these fees will affect you, California law authorizes a variety of assessment procedures which can be employed to pay for development of major capital improvements. Financing is arranged through an assessment district (such as the proposed ORSP) from the sale of bonds which are funded by assessments typically collected with annual tax bills. We have illustrated just how many dollars need to be "found" for any improvements to be made to this area.

So the moratorium continues. The grossly inflated infrastructure improvement costs outweigh the ability to develop this area, and we all lose out.

We will continue to follow the progress, or lack of progress, in this area.



This illustrates one of those "additional conditions" put on the developer by the City of Redding Development Department. You would be hard-

pressed to find another drainage ditch like this one.

Unexpected Impact Fees Documented for Reality TV

Monica Villasenor, Managing Member of Affordable Housing Investments, LLC, knew there would be obstacles to overcome in converting the C-Street apartments into the Monaco Condominiums, but she "had no idea" it would be so frustrating. Doing business with the City of Redding Building Department has proved to be a unique experience for this investor and developer from Las Vegas. In fact, so unique that she believes everything that has occurred makes for great television. And she will air her reality TV show early next year, called "The Making of a Millionaire", documenting this experience.

But her story is not unique. At least, not to the other investors and developers who have come before her in the Redding area. They, too, have experienced "unexpected" costs added on to their projects by the City, usually long after the planning and approval process has been completed. In Monica's case, it was water connection impact fees that threatened to derail her project, which were added after she was almost two years into the project. She successfully appealed to have these fees waived.

There is growing evidence that the City can impose additional improvements, amenities and conditions on projects, regardless if they are necessary and/or required. It is also evident that there is a consistent lack of communication between departments and with applicants, causing delays and ultimately increasing costs for projects unexpectedly and unfairly. It will be more than a little embarrassing to see this aired on reality television. Will it be enough to change the way things are done at City Hall? We can only hope.

CalTrans Using "Crystal Ball" to Collect our Money

Leveraging Local Money to "Fix I-5" Hypothetical

The State and local officials at the "Fix 5" Partnership TAC (Technical Advisory Committee) meeting held on July 30th, agreed that if CalTrans and the local jurisdictions in Tehama and Shasta Counties are successful in implementing the proposed "Fix 5" impact fees, based entirely on hypothetical assumptions, CalTrans and the State of California won't actually obligate any funds to "Fix 5". The plan is to collect our money for 30 years (or perhaps 40 years in the case of Tehama County) with no assurance that the "Fix 5" projects will ever be built. In fact, the entire "Fix 5" fantasy hinges upon a so-called "leveraging" theory whereby about one-third of the \$546 million price tag will be collected by Shasta and Tehama Counties (and participating cities) via "Fix 5" impact fees, with the remaining two-thirds funded by the State or the Feds...but the State, the Feds and CalTrans won't actually obligate themselves to commit

the funds or to say the funds will exist or the projects will even be considered.

The gentlemen heading this meeting said, "this is a crystal ball scenario". Clearly, I couldn't have said it better myself (actually I could have, but it wouldn't have sounded very professional). Not only is this entire study based upon hypothetical money, tragically it gets even worse. The "project" won't technically "Fix 5" either. Basically, what we get for the \$546 million is a third lane on I-5 through parts of Shasta and Tehama Counties in 30 or 40 years, *maybe*. The money doesn't include ramp, interchange or bridge improvements, or a number of other projects that would presumably make the freeway work better for us locals. In fact, the money doesn't scratch the surface (no pun intended).

The Executive Summary of the report states, "The development impact fee

presented in this report is merely one piece....and is **not intended to provide the entirety, or even the majority, of the funding that will be needed for the planned improvements**". Wait a minute! Isn't "not the majority" less than half? Does that mean that the study calls for project costs to the tune of \$546 million that are less than half of what are needed, and the remaining two-thirds (the part the State and Feds are supposed to pony up) may not even be there?

But it doesn't stop there. You may find this interesting as well. At the TAC meeting in Red Bluff on June 25, 2007, the highest "legally defensible" fee for Tehama County was \$12,945 per EDU (Equivalent Dwelling Unit), and the "least aggressive" was \$8168. In other words, for example, if you built a 20,000 square foot

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“Crystal Ball” *continued from page 3*

commercial office building in Tehama County, the “Fix 5” fee alone would be $\$12,945 \times 2.2 = \$28,749$ per 1000 square feet $\times 20 = \$569,580$. So, your building cost went up by a staggering \$28.00 per square foot to “Fix 5” 30 or 40 years from now, *maybe*.

Okay, I admit that was the high number and you can do the math for the other one. The important thing, however, is that in the report presented at this last meeting, the “legally defensible” Tehama County number could be as high as \$6,149 per EDU, but was included at \$1,894 per EDU. So, what happened to the rest of the needed dollars? Well, suppose some timelines were extended and projects removed to lower the numbers and make the fee “palatable” to local officials (their term, not mine). But I thought we were “Fixing 5”. Just how do you remove tens of millions of dollars in “necessary” projects and spread the remainder over a longer term to “Fix 5” and say you are ‘Fixing 5’? Apparently the “Fix” is in, but not on the interstate.

Well, if you’re concerned about the math and perhaps I-5 not really being fixed, don’t worry. The report creates what are called “legally defensible” studies to develop new fees. If Phase One Fees are approved, Phase II will adjust those numbers, create special zones, and add more fees. There are more unanswered questions than answers at this point, particularly about Phase II, which extends the power of CalTrans to add fees without going through the voters or anyone else apparently. But, don’t ask too many questions, because there aren’t very many answers and some folks will get hoppin’ mad that you want to ask questions in the first place.

Not another City or County in the State has implemented local fees of this sort strictly to improve mainline I-5, which is an *interstate* highway. Doesn’t “*interstate*” mean State and Federal, that which is already supported by our tax dollars? So, why should we agree to this? CalTrans says that if we don’t, the north state may never see another project come this way because so many voters are down south and we won’t have shown any local interest. Okay, why don’t we do a study of how much money is spent here *now* based upon current demographics; then look at the number of projected voters south of us in, say, 30 years; then see if we really think “Fix 5” will have any effect whatsoever.

CalTrans says that absent “Fix 5” fees, every development that comes down the pike will have CalTrans demanding interchange and I-5 impact analyses throughout the north state for CEQA (California Environmental Quality Act) compliance. They say “Fix 5” would fix that. Let’s ask any developer we know whether they believe that one.

Many are led to believe that new development should pay for everything. What many people fail to realize is that new development may front the money, but the consumers ultimately pay when they purchase groceries, buy a home, pay rent, drive down a new road, stop at a traffic signal, wash their hands, flush a toilet, cook dinner, go to the doctor, pay salaries for government officials, etc.

The “Fix 5” Partnership is hoping to bypass local voters and go directly to the elected officials to get these fees approved. The general public doesn’t have enough time or information to understand “Fix 5” well enough at this point to discuss it with our elected officials. If they did, those “legally defensible studies” may be put to the test.

So, who should be concerned about these proposed fees? **Everybody**. Public hearings on the subject will be scheduled at City Council and County Supervisors’ meetings beginning in October. Though originally planned for August, Shasta VOICES hopefully played a small part in delaying the hearings and subsequent votes until more time was given to the elected officials to study this issue further. **Plan on attending the hearings!** We will keep you informed as to the scheduled dates and times.

Join Shasta VOICES today. We depend on membership and other contributions.

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