



# The VOICE

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### Did you know...

- There were **13** single family home permits issued in the City of Redding in September 2019, for a total of **81** so far in 2019, and **8** Carr Fire single family rebuild permits issued in September 2019, for a total of **95** so far in 2019. There were **no** permits issued for new commercial buildings in September 2019, for a total of **14** so far in 2019.
- The unemployment rate in Shasta County in September 2019 was **3.5%**, down from 4.4% in August 2019. The total labor force was **74,200**, with **71,500** employed. The total labor force has been going down for some time—it was 77,500 in September of 2011, and 75,400 in September of 2014.
- Current construction on I-5 north of the Riverside overpass to add a 3rd lane in both directions will be completed before wintertime, according to CalTrans. They do plan to open those lanes to traffic, even though it will still take 2 more years for the remainder of lane additions on I-5 through Anderson, with multiple bridges being rebuilt, to be completed.

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## Existing Solar Customers Rate Structure To Be Grandfathered—Committee Continues

On September 30th, Redding City Council voted 3-2 (Winter and Schreder dissenting) to allow **all existing solar customers**, including those who have submitted completed applications by December 31, 2019, to **maintain** the present rate structure for existing solar generator systems for 30 years from the date interconnection agreements were signed. This includes allowing the present net metering rate to remain with the property for the duration of the 30 years (transferable), as well as allowing those systems to be repowered within the 30-year term (replacing equipment due to degradation or damage).

As of August 6, 2019, there were 1,189 solar customers online with Redding Electric Utility (REU) with another 152 customers who have not completed their installations.

There was significant controversy over REU's proposal during the September 3rd Council meeting to implement a net metering "successor tariff," and ending the existing annual subsidy for existing generators after December 31, 2020. At the end of that meeting, the Council directed staff to create a Solar Committee comprised of both solar and non-solar customers to **determine the future feasibility of solar energy system installations in Redding**. That 9 member committee had their first meeting on September 23rd, and determined to wait for the "grandfathering" decision before setting any more meetings.

With the Council's decision to honor existing solar contracts, the **second meeting** of the Solar Committee occurred on October 14th. Committee members had submitted over 20 questions to the REU staff relating to pricing for solar customers in advance of the meeting, and staff responded to those questions through a power point presentation at this meeting. Additionally, staff provided Committee members with a "what if" spreadsheet tool, allowing each member to plug in a variety of numbers to see the effect of those numbers on a solar customer's return on investment.

The Committee worked to come up with a break even price for a solar customer, taking the following expiring State incentives into consideration: Solar electric property placed in service after Dec. 31, 2016 and before Jan. 1, 2020 receive a credit equal to **30%** of the cost of the qualified property; property placed in service after Dec. 31, 2019 and before Jan. 1, 2021 receive a credit equal to **26 %**; and property placed in service after Dec. 31, 2020 and before Jan. 1, 2022 receive a credit equal to **22%**. Generally, this **credit terminates** for property placed in service after December 31, 2021. This credit is a significant figure in calculating the rate of return on solar investment and payback period for installation.

The **third** (very long) Committee meeting was held on October 22nd. They first heard from attorney Michael Colantuono, representing the City, who explained the implications of Proposition 26, saying that REU may not charge one class of customers more than their cost of service so another class may pay less. So, if solar customers are undercharged for REU power from the grid, and REU covers the funding gap by charging rates on other customers, that would be in violation of the law. However, REU **can fund** a subsidy to solar customers from non-rate proceeds, or **justify** the subsidy by identifying other benefits to REU which go back to the benefit of the ratepayers (i.e. avoided costs).

The Committee also heard from multiple solar company owners in Redding, who all believe solar will not be cost effective for customers without REU incentives. There were varying

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## *Solar Customers (Continued from Page 1)*

opinions on what they believe that incentive should be. One of the solar owners suggested that if the successor rate is too low, solar customers would likely go off the grid entirely and use battery storage instead. REU staff said they would actually welcome that battery storage to help with the evening hour ramp-up during the summer months, and felt that this could be part of the solution in the future.

The Committee's task was to analyze what it would take for a solar system to "pencil out" on both new and existing remodel homes, and to make a net energy metering (NEM) successor rate recommendation to Redding City Council. After evaluating all of the information provided by staff, attorneys, solar providers, and solar customers, the Committee agreed to make the following recommendations, listed below in order of priority:

1. Ask REU consultant EES to provide City Council with the **highest defensible/justifiable net energy metering rate possible** without violating Proposition 26, and implement that rate; REU staff will coordinate with EES, the consultant who did the review and report on REU's NEM2 proposal, and bring the new report back to Council as part of this recommendation.
2. Adopt the **average net energy metering rate of other California utilities**, using the Northern California Power Agency (NCPA) average; REU staff will prepare this information for discussion.
3. Adopt the REU proposal for NEM2, as presented at the September 3, 2019 Council meeting.
4. Continue with the existing NEM contract (i.e., make no changes).

Additionally, the Committee and REU staff will recommend that whatever rates are implemented should be **reviewed annually** going forward. In conclusion, is it now up to the Redding City Council to make the final decision. It is anticipated that there will be an agenda item for the **November 19, 2019 City Council meeting** for that discussion.

## *Sunday Transit Services Launched on October 13th On-Demand and Completely Free!*

ShastaConnect is a transportation service provided by Dignity Health Connected Living, and is funded and supported by the Shasta Regional Transportation Agency (SRTA). ShastaConnect is not a service of the Redding Area Bus Authority (RABA). ShastaConnect public transportation services generally run **outside** of the fixed route public transit system operated by RABA, and includes services for seniors and mobility impaired individuals Monday through Friday, as well as **free** curb-to-curb, on-demand transit for **all riders on Sundays** starting on October 13, 2019.

The newly launched **Sunday service** provides ride-sharing service for **everyone**, not just senior and mobility impaired individuals. Operating hours are from 6:30 a.m. to 7:30 p.m. The cost is free for a limited time the next two years, thanks to successful grant funding. There are **three easy ways to sign up for service:**

- 1) **Create an account online at [www.shastacconnect.org](http://www.shastacconnect.org), or 2) download the app, or 3) call (530) 226-3075.**

There is also an advance reservation option to book rides on Sunday up to three days in advance. Riders can book a trip up to six total passengers (including the rider requesting the trip). Wait times will vary depending on the time and distance of a request, and location of vehicles. ShastaConnect expects that most people will only have to wait a few minutes before their ride begins.

ShastaConnect ride-sharing is completely free, completely on-demand (by phone, web, or app), comes directly to your starting address, and takes you to your exact destination. There is no need to walk to a predetermined stop, or wait for your ride in the heat, cold, or rain.

Similar to Uber or Lyft, ShastaConnect's Sunday service is available on demand, as mentioned above. After booking a trip by phone, mobile app, or the ShastaConnect website, you'll be matched with a vehicle going your way, and get to your exact destination. Multiple people heading in the same direction will share their ride on one of the vans or buses provided.

The initial Sunday services will be **limited to the City of Redding** area. Services may be expanded to other areas in the future based on available resources and community requests. The Sunday transit service is a two year pilot program (October 2019—October 2020). Operations beyond the initial two years are unknown and will be dependent on how much the service is used. For years there have been requests for Sunday services, but finding a cost-effective solution has been a challenge. Perhaps this service model will meet that need!

## Council Approves Funding for “Garden of Lights”

On October 15th, Redding City Council voted 4-1 (Dacquisto dissenting) to provide funding up to **\$500,000** for a project called the “Garden of Lights.” This project was one of the twenty “ideas” from the Redding City Identity Project (RCIP) that were selected for implementation by the Forward Redding Foundation, which is a non-profit organization of the Redding Chamber of Commerce. The total cost of the project is projected to be \$800,000.



The Garden of Lights is intended to “become a *new holiday tradition* with a spectacular trail of architecturally designed lights that will be uniquely created for the City.” It will be on display in November and December each year for local families to experience, and could be a draw for other visitors. It will be located at the McConnell Arboretum & Gardens at Turtle Bay, on about 10 acres (half of the Garden) which will be lighted for the first few years. There are also plans to grow the project to cover the entire 20 acre Garden in future years. It is expected that the first light display will be on display in November 2020.

Turtle Bay is the lead organization on this project. Visitors to the Garden of Lights will be charged admission. Ticket prices have not been established yet, but the plan is that children 5 years old and under will be free, with discounts for those aged 5-15, and a one day a week discount for other visitors as well. Jake Mangas, CEO of the Redding Chamber of Commerce, said the goal is that the project is to be self-supporting financially after the first year. He believes that this project will provide a significant long-lasting impact on the community by providing another attraction to bring people to Redding to visit, shop, and use local services while also providing an annual event for the locals.

The City received a request from the organizers of the event (through the Redding Chamber of Commerce) to provide \$500,000 for the project, with \$250,000 needed immediately to help fund the electric infrastructure. An additional \$250,000 was requested on or about July 1, 2020 (the next fiscal year). In their approval of such funds, the City agreed to **redirect revenues received from the Transient Occupancy Tax (TOT)** account, which is the tax paid by those who stay in the hotels in Redding. City Council agreed to fund \$250,000 from the 2020 Convention and Visitors Bureau TOT budget, and another \$250,000 from the Convention and Visitors Bureau TOT 2021 budget.

The City collected \$6,837,195 in TOT taxes this fiscal year, and had budgeted only \$5,391,090. The increase in TOT over the budgeted amount is \$1,466,105 (largely due to the Carr Fire). Four of the five Council members felt that funding the requested \$500,000 for this project would not affect the General Fund budget because of this additional, unplanned revenue, voting to approve the request for funds. Council member Michael Dacquisto reminded the Council that this money is contained in the General Fund budget of the City, and in the past, they had determined as a Council that any “extra” revenues over and above projections were to be prioritized for **public safety**. That is why he did not vote in favor of the funding request, even though he supported the project.

## County Sends Formal Opposition Letter to Casino Project

On October 1st, the Shasta County Supervisors voted unanimously to submit a letter to both the Secretary of the Interior and Bureau of Indian Affairs (BIA) stating its **formal opposition** to the Redding Rancheria’s Fee-to-Trust and Casino Project, which is proposed to be located at the Strawberry Fields property at the south west corner of Interstate 5 and the Bonnyview Interchange.

The letter says that the County has “reached the conclusion that the Project will have a **detrimental impact on the Shasta County community that cannot be adequately mitigated** after conducting internal deliberations and receiving community input.” At the October 1st meeting, the Supervisors all said that they needed to do what is best for the entire community, and what is best for the County.

In the letter, the County reiterates concerns it raised in June 2019, when they submitted comments on the Draft Environmental Impact Statement (DEIS) that the BIA prepared for the project. Those comments identified the adverse impacts the project would have on the County, noting that the analysis of socioeconomic impacts was inadequate, particularly with respect to fiscal impacts, housing, homelessness, and problem gambling. The County also identified serious concerns regarding flooding and ground water impacts and traffic.

But the Supervisors biggest concern and ultimate reason for submitting the letter of opposition was the **lack of any funding whatsoever from the project** to support the tremendous cost associated with the provision of public safety for the finished project. By law, the Redding Rancheria Tribe is not required to pay any property taxes or any sales taxes. Although the Tribe has voluntarily contributed some funding to the County in the past, it has been very small in comparison to the actual cost of the provision of County services rendered to the Tribe.

## *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.

### ***The Springs At Redding Senior Care Facility Moves Forward—***

Redding Senior Living LLC, and Oregon company Mosaic Management, received approval from the Redding Planning Commission on October 8th to move forward with their planned development of a \$55 million senior residential care facility. The facility will consist of a three-story 104-bed independent living wing, a three-story 96-bed assisted living wing, and a 34-bed single-story memory care wing, for a **total of 234 beds**. The buildings will be about 209,417 square feet on about 10 acres located at **7 Hilltop Drive** in Redding. In 2007, the Redding City Council approved the Planned Development Plan, General Plan Amendment, and Rezoning for a residential care facility at this location. While the General Plan and Rezoning were approved and became effective in 2007, the Planned Development Plan expired in



2010, and the new owners are now moving forward with ***The Springs at Redding*** as originally approved. The facility will include an on-site recreation room, indoor swimming pool and exercise room, and amenities such as a salon, movie theater, sports bar, chapel and business center. The Springs will have 150 full and part-time employees, including an executive director, chef, cooks, nurses, medical technicians, housekeepers, maintenance workers and care-giving staff. They hope to break ground in 2020, and open in the summer of 2021.

***McConnell Foundation Soccer Park Grant Accepted—***On September 30th, the Redding City Council formally accepted a **\$1 million grant** from the McConnell Foundation to complete the necessary funding for replacement of the California Soccer Park (located on Viking Way in Redding) turf replacement project. The terms of the grant include a provision that the funding is the last money contributed to the project. If the project is completed for less than what is budgeted, the Foundation would pay only the amount required to complete the project. And, there is a deadline of December 2020 for completion. The total cost to replace the existing four turf fields is \$5,150,000. The total of funding sources includes flawed turf lawsuit settlement proceeds of \$500,000, soccer replacement reserves from lease revenue of \$28,500, the \$1,000,000 McConnell Foundation grant, and a \$3,631,500 loan from the Redding Electric Utility (REU). The REU funding is an “interim source of funds” that will ultimately be repaid by the City’s General Fund. A repayment schedule will be discussed “in the near future” as part of the City’s larger capital projects program.

***Redding Tennis Club To Manage South City Park Tennis Courts—***On October 15th, Redding City Council approved a license agreement between the Redding Tennis Club and the City of Redding regarding the use of the tennis courts at South City Park. The agreement is for a 10-year term and includes: 10 community events per year, 10-50 hours per week of programming, activities that will be added to a shared online calendar, participation in regular meetings of the South City Park tenants, responsibility for all maintenance within the courts, approval in advance for any new improvements, responsibility for any permits required for activities, \$1 million liability insurance coverage, provision of annual reports to the City on activities, a termination clause for non-performance, and an agreement for the City of Redding to provide all utilities for the current facilities. The City of Redding Parks Division staff will continue to provide routine maintenance including mowing, trash removal, and general maintenance to the park area. The Redding Tennis Club plans to resurface the tennis courts, and is considering adding new tennis courts in the future.

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Mary B. Machado, Executive Director