



The VOICE

Your independent news source

Greater Shasta County, CA

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Did you know...

- The median sales price of a home in Redding was \$270,000, and there were 2107 homes on the market in August, 2007.
- The Shasta College Health Sciences & University Center in downtown Redding was completed on time and on budget, and hosted a ribbon cutting and open house for the general public on September 22, 2007.
- Stillwater Business Park's Phase I Project Development and Engineering Design is scheduled for completion in February 2008, with a groundbreaking ceremony on target for May, 2008. Final costs are estimated to be \$68 million to \$70 million.
- Shasta County's jobless rate was 7 percent in August, the highest since August, 2003.
- Government jobs accounted for 86% of job growth in August in Shasta County.

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Impact Fees Shifting Out of Control Shasta County Proposing More Fees

Shasta County has undertaken a development impact fee program as a partnership with the City of Redding. In this fee program, the City of Redding would enact **even more** impact fees to pay for the share of County facilities needed to serve new development in the City. And, some impact fee revenue collected from development in unincorporated areas would be used to pay for a portion of facilities owned by the City of Redding, but used by residents and employees from unincorporated County areas. At this time, the Cities of Anderson and Shasta Lake are not participating, although they do have impacts as well.

As usual, there is an 82 page document designed to summarize the "study", and present findings that are considered necessary, legally defensible, and required by the *Mitigation Fee Act* in order for the eventual adoption of fees presented to occur.

Several factors are causing the County to consider a new policy of "shifting" the burden of funding infrastructure from existing rate payers and taxpayers onto new development. These include the **tax limitation measures** passed by California voters such as Proposition 13, a decline in voter support for bond measures, and a reduction in federal and state assistance. It would appear that because voters aren't willing to give unlimited dollars to the government, it is easier for the government bodies to create development fees, which only require a majority vote of the Councilors or Supervisors for adoption.

These runaway fees, however, are eventually paid for by the very voters who have already expressed their feelings about being overtaxed, only to see their tax dollars squandered on things that they were not supposed to be used for.

And, the **cumulative effect** of these fees is seemingly ignored by our local elected officials. Here is a sampling of the "maximum justified public facilities fees" that are being proposed, which would be paid **in addition** to the already existing City of Redding fees:

Single Family Dwelling in Redding City Limits

<u>City of Redding-County Fees</u>		<u>City of Redding-Existing Fees</u>
\$ 4,171	+	\$ 27,742—\$ 35,472 (depending on size)

If a single family dwelling is built in the unincorporated South County Region, the fees will total **\$9,188**. The full fee schedule, which is not listed here, covers multi-family, commercial, office, industrial, incorporated and unincorporated dwelling units as well.

In addition to these proposed fees, there are several other local fees currently being considered for adoption:

- **North Redding Traffic Benefit District (NRTBD) Fees**
- **"Phase I" Fix 5 Traffic Impact Fees**
- **Additional Citywide Traffic Impact Fees**

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Impact Fees Shifting Out of Control

Continued from page 1

It is disconcerting to watch the continual shifting of voter-approved revenue sources to non-voter approved fees. Nobody would argue the fact that necessary government services need to be supported, but most would agree that the government has lost sight of who and what they are supposed to be working for. We see salaries and benefits for government employees that far exceed those of the people who are paying them. We see budgets, such as these proposed Shasta County fees, asking us for \$54 million dollars to pay for more parks. That's **\$54 million** for parks. We have not provided for badly needed mental health services, our mass transit system is badly broken and practically non-existent, our local roads are in a state of disrepair with potholes that have become dangerous to anyone who tries to navigate them, and we are being asked to pay \$54 million for parks? And, why are we are being asked to "Fix I-5", which is an **interstate** highway, not a locally owned roadway?

These examples represent only a few of the many new "proposed" fees being considered to create additional revenues for the government. It is **only** up to our elected officials to vote "yes" or "no" on fees. They need to know what the people who voted for them think. Otherwise, they will shift us all to another place, where we can afford to live, work, and play.

What is SHASTA FORWARD?

Taxpayer Dollars Wasted on Another Study Project

It often seems that our tax dollars are spent in unusual ways. There is yet another "project" in town driven by Shasta County Regional Transportation Planning Agency (SRTPA) staffers called "Shasta Forward". This is the same agency that is trying to convince our elected officials in Shasta and Tehama Counties to impose **local** "Fix 5" traffic impact fees to pay for future **interstate** highway improvements. And, again, there are more questions than answers about this project.

We were curious as to why, exactly, this "Shasta Forward" project, which is being paid for by taxpayer funded grants totaling **\$756,000**, was started. Apparently, State and Federal governments are encouraging "Blueprints" as their funds are becoming "scarcer", which examine planned growth over 20-30 years from a regional perspective.

Our research shows that this project is a "locally controlled, community-based project" whose goal is to "preserve or enhance the things we value most... while minimizing or mitigating for the adverse impacts of growth." It's designed for "choosing the right growth track for Shasta County." It is supposed to assist local jurisdictions in "making sound invest-

ment decisions consistent with community priorities."

What? The somewhat elaborate presentation we found online shows all kinds of comparisons to existing planning efforts, and purports to be different by providing new data, blueprinting and **predicting the future** "based on observations worldwide...and based on specific observations locally."

What is this really all about? Why does the SRTPA find it necessary to establish a blueprint coordinating future growth that they admit in their materials is not a replacement for existing planning processes? And, why did the seven jurisdictions in Shasta and Tehama County (and the McConnell Foundation), labeled as "stakeholders" in the grant application, send letters in favor of obtaining a grant to do this?

Information gathering and sharing can be a good thing. But trying to control the decision making process is **not** always a good thing. And,

using taxpayer dollars to do it just shouldn't be allowed.

But, perhaps more importantly, why should **\$756,000** be spent on such a "project" by the same Transportation Planning Agency that can't seem to come up with a solution to our **existing** public transit (Redding Area Bus Authority) dilemma? We have one public

transportation system in Shasta County, the RABA bus system, and it seems to be in dire need of an influx of cash on a regular basis, as well as other solutions to ridership issues. That **\$756,000** would go a long way to help solve these problems.

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Additionally, the same firm that was chosen to develop this proposed "Blueprint" is the same firm that was hired to come up with a solution to the RABA issues, for which they have already been paid by another "grant", and have not as of yet come up with that solution. They certainly will receive yet **more** grant money as our public transportation system, or more accurately, lack of one, suffers.

THE MATRIX

Shasta VOICES has created a "**Matrix**" of traffic impact fees, existing and proposed, to demonstrate the cumulative effect such additional fees have on our local economy.

Also included in the "**Matrix**" is the total amount of all other "permit" fees, existing and proposed, and a breakdown of just how much these fees add to a monthly mortgage payment.

The figures show that the average monthly increase in income needed to qualify or such a payment would be in the neighborhood of **\$750**. How many people living and working in this community can simply increase their monthly income by \$750? For a

40 hour work week, that would be \$4.33 more per hour.

Sadly, that is not something our city and county development staff consider when creating such fees. They focus only on how much they need, or want. Then they count on convincing 5 people (councilors or supervisors) that these fees are absolutely the only solution to generate funds. It is up to those 5 people, our elected officials, to vote on imposing these fees on all of us.

Seldom do they discuss, or even take a look, at how their decision affects the working people of our community who need a place to live. This includes small business owners and

their employees, local contractors, caregivers, school teachers, restaurants and their staff, insurance agents, medical providers, retail clerks, bank employees, house cleaners, landscapers, and many other who service the needs of others.

Where will these people go if they continue to be priced out of the marketplace in Shasta County? And who will be left to take care of the people who can afford to live here?

The "**Matrix**" is a start at raising awareness of just how so many impending decisions can affect this community. We want our decision makers to start paying attention. Just because "fees" are imposed doesn't mean people are willing and able to pay.

Oasis Road Area Public Hearing Postponed by Developers New Hearing Set for October 16, 2007

A public hearing scheduled on September 18, 2007 to consider imposing new traffic impact fees in the North Redding Traffic Benefit District (NRTBD), or the Oasis Road area, was delayed at the last minute, and rescheduled for October 16, 2007.

Having already waited over 8 years to get their projects started, another 30 days hardly seems to be an issue for the two largest property owners in the Oasis Road area.

Levenson Development Company and Thomason Development both *asked* for the delay this time. They are using the extra time to craft another plan to present to the Redding City Council before they vote on imposing new traffic fees for this area.

It appears that these developers may come back and ask the Council to impose even *higher* fees than the approved "light alternative" plan, which was the one up for discussion on September 18th. The "light" plan would have added \$4058 per single family dwelling unit, and an increase in Citywide traffic fees of \$407. The fees for commercial and office dwellings would have added as much as \$18,263 per 1000 square feet, and an-

other \$1,818 per 1000 square feet to the Citywide traffic fees.

Fees for funding the "full alternative" plan are even higher.

The two developers did voice differing opinions to the City Council during the prior approval process on how to best go about the process of creating the infrastructure needed in order for any future building and development to occur in this area.

For these two major developers to come together and agree on a plan would certainly aid the City as they seek ways to finance the selected plan.

There is, however, an issue that nobody seems to be discussing yet. The *cumulative effect* of all these and other proposed new fees added to each home, office, or commercial dwelling could put a halt to all those growth projections used in calculating the fees in the first place. The Shasta VOICES "**Matrix**", as described in this issue of "The VOICE", will be presented at the Public Hearing on October 16th to illustrate this concern.

Where are the Jobs?

Shasta County's jobless rate was 7% in August, the highest since August 2003. Were there any sectors that gained jobs? Well, yes there were. Leading the gains were, you guessed it, government jobs.

That comes as no surprise to most of us. It's been difficult to escape recent newspaper headlines about key government positions being filled by long time private sector business owners and managers.

In the Shasta County area, if you want to advance your career, and of course, your earnings, government jobs offer some of the best around, complete with benefit packages that are unheard of in this day and age.

Given the downturn in the local economy, it makes no sense to be growing government right now. Sales tax revenues are off by as much as 4.5% locally, only 7 permits for single family homes were drawn in August in the City of Redding, and property tax revenues are declining.

So, why is this happening? We'd need to have our elected officials explain that one to us. After all, it only takes the vote of these 5 people, at both the City and County level, to grow our local government.

UPDATES

Shasta VOICES has been tracking a number of issues in the area that affect us all. Here is an update on some of those issues:

“Fix 5” Traffic Impact Fees: There are no Public Hearing dates scheduled that we know of to date. The “vote” has been delayed as elected officials struggle with their own truly local issues. Fourteen (14) days prior notification is required before a Public Hearing can occur, with documentation available at least ten (10) days prior to the scheduled hearing date. The “Fix 5” Partnership is continuing to do presentations to very select groups of people to win support. Our opposition to these fees has been well documented, and other groups in town have also taken positions opposing fees to pay for an *interstate highway*, including the Shasta Builders Exchange and Shastax. We will continue to monitor the Public Hearing dates, and keep you informed as any new information comes forward.

Redevelopment Funds: We have been tracking the progress of the proposed “deal” between the City of Redding and Lithia Motors, which would use \$9 million of redevelopment funds to purchase the existing property at the corner of Hemsted and E. Cypress Avenue, and assist Lithia Motors and Thomason Development in developing an auto mall at Airport Road and Highway 44. The City Manager, at the regular Redevelopment Agency meeting on August 20, 2007, indicated that an agreement had not been reached, but was expected sometime in September. When this occurs, a Purchase and Sale Agreement, Commercial Lease Agreement, and Exclusive Negotiating Agreement, along with the appraisal used in calculating the numbers and an Economic Incentive Agreement for the Airport Road Auto Mall should be available for public review. To date, these documents are not yet available, and it appears that the agreement has not yet been reached.

Proposed Shasta County Facility Impact Fees: Shasta VOICES is participating in a study group to analyze the draft of Shasta County’s proposed fees, which was graciously provided by CAO Larry Lees. The group consists of members from the Shasta VOICES, Greater Redding Chamber of Commerce, Shasta Builders Exchange, Shasta Association of Realtors, Shastax, and local engineering firms. We will formulate our questions and concerns over the next few weeks and meet with Larry Lees to discuss them before he brings the fees to his Board of Supervisors for consideration. We will report on our progress in the next issue of “The VOICE.”

GASB 45: The Government Accounting Standards Board (GASB), who sets standards and requirements for governmental finance, implemented this standard of **disclosure** on financial statements of the anticipated liability cost of any benefits provided to retirees other than pensions, beginning in fiscal years 2008-2009 for medium sized cities. Both the City of Redding and County of Shasta have yet to show how they will fund their retiree health benefits, which is required. There is currently no way to pay for this unfunded liability. Both entities have said they are *continuing to study options* for dealing with this liability.

New Redding Police Facility: The existing City Police Department facility has become inadequate in many ways over the years. To build a new one would cost in excess of \$35 million. There are a number of ways to “fund” such an undertaking. Several of those “ways” include raising local taxes and fees. The City is working diligently to avoid this, but if no other viable funding sources are found, they will surely come to the City Council for approval on adding these local taxes and fees to pay for it. There is no formal proposal available as of this

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