



The VOICE

Your independent news source

Greater Shasta County, CA

Volume V, Issue XI

www.shastavoices.com

April 2012

Did you know...

- *The Shasta Builders Exchange has hired a new Executive Director, Dexter Wright. Wright has thirty years of experience in different industries. Most recently he served as executive director for Tehama County Economic Development and in management services firm Partners Plus Consulting.*
- *There were 8 new single family dwelling permits issued by the City of Redding in March, 2012. That compares to a total of 2 in March of 2011. As of March 30, 2012, 63 of the 100 available development impact fee waivers have been granted..*

Inside this issue:

Yes on A, No on B Committees off and Running	1
Flying Squad Takes Flight	2
Builders Request Fee Waiver Extension	2
Local School Development Fees Rising Again	3
Updated News and Notes	4
Join Shasta VOICES	4

Yes on A, No on B Committees Off and Running

With the June 5, 2012 Primary Election just around the corner, committees have formed to **support Measure A** and **oppose Measure B**. Signs are going up and the campaign has now begun.

Measure A asks voters to approve a project that is consistent with the General Plan and which was approved unanimously by the Shasta County Board of Supervisors. The project calls for a new 82 acre retail shopping center facility at Interstate 5 and Knighton Road that would include grocery, home improvement and outdoor sporting goods, as well as entertainment and services.

Measure A is supported by public safety officials, local independent businesses and construction workers, the Shasta Builders Exchange, Greater Redding Chamber of Commerce and a good number of private property owners in and around the Churn Creek Bottom area. Shasta VOICES also supports Measure A.

The project described in Measure A represents the most significant economic development opportunity to come to Shasta County in years. Over the next 24-25 years, it will generate up to \$50 million of General Fund revenue, up to \$20 million in funds for public safety, and up to \$11 million for K-12 education. The project will create up to 1,600 new jobs, with salaries and income to our local economy adding up to \$1.2 billion. You can learn more by visiting <http://www.YesMeasureA.com>.

Measure B says that until 2036, hundreds of private property owners in over 5,000 acres of Shasta County near Redding **may not** change the use of their very own property unless they win a countywide election or lawsuit. That means people who want to use their properties to create jobs, build residences for their children or expand their agricultural operations can no longer go through the orderly process we have in Shasta County as outlined in our General Plan.

Measure B infringes on private property rights, will cost taxpayers money and further weaken our local economy for many years. It undermines the ability for private business people in this area to create jobs and generate tax revenue to fund Sheriff and Fire protection.

Measure B is opposed by concerned citizens, private property owners in all of Shasta County, Shasta County business leaders, public safety officers, the Shasta Board of Realtors, Greater Redding Chamber of Commerce, the Shasta Builders Exchange and taxpayers. You can learn more by visiting www.NoMeasureB.net.

Shasta VOICES also opposes Measure B. In fact, we were so concerned about this attack on private property rights and the effect on our local economy that we sent a personally addressed letter to each and every property owner we were able to identify in the officially designated Churn Creek Bottom area. The letter, which includes the official Shasta County Maps and copies of the actual "Measures" in their entirety, encourages each affected property owner to study the materials and protect their own rights.

The Board of Shasta VOICES are voting **Yes on Measure A** and **No on Measure B** and urge you for the benefit of all of Shasta County to do the same.

“Flying Squad” Takes Flight

The Greater Redding Chamber of Commerce has introduced a new program that is focused on keeping local businesses in business. The new “Flying Squad” program exists to provide assistance to businesses that are encountering financial challenges and might be in danger of closing.

Randall Hempling, Shasta Regional Medical Center CEO is the chair of the Flying Squad. He said, *“This is an effort to prevent the loss of local businesses and jobs by connecting owners with resource individuals in areas such as human resources, cash flow, marketing, sales, printing, financial management, and information management.”*

Over 25 Flying Squad volunteer business owners and leaders recently met, signed a confidentiality agreement, and established the following objectives:

- Desire to keep local businesses in business.
- Protect and support our local small businesses in distress.
- Confidentially offer assistance whether or not the business is a Chamber member.
- Respond swiftly to initiate contact and assess the need.
- Offer specialized assistance before a business reaches a point of no return by bringing together a small team of volunteers whose unique talents match the needs of the business.
- Assist business with real time solutions.
- Continue appropriate contact until the business can fly solo again.

“The effects of a poor economy can have a drastic impact on the small business, including decrease in revenue, employee lay-offs, tighter lending conditions, and increased costs of operations are just a few. The Flying Squad fits perfectly into the Chamber’s mission of improving the business climate and economic health in the Greater Redding area,” comments Frank Strazzarino, Chamber President and CEO.

Business owners who are in need of assistance, would like to be a Flying Squad volunteer, or are interested in more information can contact the Chamber at (530) 225-4433 ext. 101.

Builders Request Fee Waiver Program Extension

On November 15, 2011, the Redding City Council implemented a temporary program waiving sewer and traffic impact fees for residential development. The City has been waiving these fees that total **\$12,518** per single-family home since that time.

The initial program was limited to the first 50 building permits used prior to June 30, 2012, and completed by March 31, 2013.

Then on February 21, 2012, the City Council approved an expansion of this highly successful program by adding another 50 units to the program for all active existing and new permits that includes both single family and duplex dwellings.

The program has proven to be highly successful because it gives builders incentive to move forward on construction and put people back to work. New home construction can again compete with the existing home market. As of March 30, 2012, there have been a total of **63 single-family and duplex unit permits** issued under this program.

It is estimated by the City that the increased construction activity will put up to 750 people back to work, generate an

additional 400,000 hours of labor with up to \$8 million in paid salaries, and total expenditures in the community on labor, materials, overhead and profit of up to \$16 million.

Although the total number of permits (100) available under this program has not yet been exhausted, local builders, construction suppliers, laborers, subcontractors, lenders, title companies, the real estate community, landlords, local businesses and retailers have written letters to the City thanking them for supporting this program and requesting that it be extended for all of 2012.

The City of Redding is in the process of seeking proposals from qualified firms to perform a comprehensive update of the City’s Development Impact Fee Programs. The anticipated date of awarding the contract is by June 5, 2012. The final recommendations by the chosen consultant will not be completed until **April 9, 2013**.

So, the local building community feels that it makes sense to **extend the fee waiver program** until the update of the existing program is complete, which won’t be until at least April, 2013. City Council will officially consider the request to extend the fee waiver at the May 15, 2012 Council meeting.

Local School Development Fees Rising Again

Starting April 4, 2012 and for most of the month of April, all of the school districts in Shasta County are noticing and holding public hearings to “implement development fees established by the District against residential construction and reconstruction at **\$3.20 per square foot** and against new commercial or industrial construction at **\$0.51 a square foot**. The proposed fees are authorized by Education Code Section 17620 and Government Code Section 65995.”

Pursuant to Government Code section 65995, the fee may be increased in **every even year**. The current residential construction fee is \$2.97 per square foot, and for commercial or industrial construction it is \$0.47 per square foot. Because there was no inflationary increase in 2010, the fee had remained at these prior levels for the past four years. Now, the fees will be raised by about **8.5%** starting July 1, 2012.

So, just what do the California Government Codes allowing these fees say? These are the statutes that authorize the collection of developer fees:

1. Education Code Section 17620 authorizes the collection of developer fees.
2. Government Code Section 65995 establishes the types of fees and rates.
3. Government Code Section 66000 sets the process for justifying the fees and appealing or challenging fees.

What the codes say is that the financing of school facilities and the mitigation of the impacts of land use approvals on the need for school facilities are matters of **statewide** concern. For this reason, the Legislature “occupies” the subject matter of requirements related to the need for school facilities, whether financial or non-financial.

This makes it very difficult for builder-developers or the general public to question their local school districts during the public hearings when the amount of the fees are being raised. The standard explanation to the public is that the State sets the fees, and the local districts just implement them. The School District Boards, however, are free to decide to implement a lower fee—the State simply states the maximum fee the districts can charge.

Commonly asked questions are when and how these fees are collected. The fees are actually collected at the time a building permit is obtained from the city or county. As part of that process, each district that imposes developer fees prepares a document called a “Certificate of Compliance.” This reflects the number of square feet and type of construction upon which fees are paid. The city or county building department is responsible for providing square footage calculations. The City of Redding and Shasta County collect these fees from the builders on the district’s behalf. A separate fund is established which is used to track the developer fees. There is an annual requirement to review the income and use of the developer fees. The fees collected must be used within five years or they are required to be returned to the builder or property owner.

A school district can use the revenue collected from these fees on residential and commercial/industrial construction for the purposes listed below:

1. Purchase or lease of interim school facilities to house students generated by new construction pending the construction of permanent facilities.
2. Purchase or lease of land for school facilities for such students.
3. School facilities for such students including: construction, modernization, reconstruction, architectural and engineering costs, permits and plan checking, testing and inspection, furniture for use in the new facilities.
4. Legal and other administrative costs related to the provision of such new facilities.
5. Administration of the collection of, and justification for, such fees, and
6. Any other purpose arising from the process of providing facilities for students generated by new development.

There is plenty of factual information available on the lack of new construction and development in the Shasta County area over the past few years. There hasn’t been a documented need to provide facilities for students generated by new development. And yet, the fees just continue to increase, simply because the legislature allows it. It’ll be interesting to see if the collected fees are used within the allotted five years. If not, they are supposed to be returned.

At least one district, the Enterprise Elementary School District, provided a copy of their 2010/2011 fiscal year developer fees report. It shows that they used a **total** of \$5,711.45 from developer fees for baseball fields this year. It also shows refunds of \$23,926.76, though it doesn’t identify who received the refunds. It shows total revenues for the year of \$146,676.30, and a total balance of \$617,358.47.

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.

- ***Redding Redevelopment Agency***—On April 19, 2012, a Special Meeting was held by the City of Redding to formally create and swear-in an Oversight Board to monitor the dismantling of the former Redding Redevelopment Agency (RRA). State lawmakers abolished all redevelopment agencies effective February 1, 2012. The City of Redding is now acting as the Successor Agency to the RRA. The newly seated board members include: Chairman **Sue Thompson** (retired RRA manager), **Kent Manuel** (City of Redding planner), **Glenn Hawes** (Shasta County Board of Supervisors), **Jeff Avery** (appointed Shasta County representative), **John Dunlap** (Shasta Mosquito and Vector Control Board), Vice-chairman **Adam Hillman** (Shasta County Superintendent of Schools), and **Morris Rodrigue** (Chancellor of California Community Colleges). The Successor Agency advisory staff includes Barry Tippin (Assistant City Manager), Sarah Haddox (Senior Redevelopment Project Coordinator), Teresa Rudolph (Assistant City Clerk), and Cathy Bullock (Senior Accountant). The Oversight Board was appointed to pay off the agency's debts and dispose of its properties. There is more than \$48 million in debt to be paid through 2036. The first regular Board meeting will be held on May 2, 2012.
- ***City of Redding Development Impact Fee Study***—There were six consulting firms who responded to the Request for Proposal (RFP) issued by the City of Redding for the purpose of conducting a comprehensive study and update of the Development Impact Fee Program, and a cost-of-service rate study for the City water, wastewater and solid waste utilities. That number was whittled down to three finalists. The three firms will be interviewed between April 26 and April 30. The anticipated date of awarding the contract is by June 5, 2012.
- ***Supreme Court Ruling allows property owners to challenge the EPA***—Although this case involved a couple from Idaho, the ruling will help all property owners, including our local community. This is reprinted from the Western Farm Press: "The Sackett's homebuilding was halted by the EPA in 2007 based on the agency's assertion that the Idaho couple's site was a wetland. Although the couple believed their land was not a wetland, they were denied any opportunity to challenge the EPA's 'compliance order' and faced up to \$37,500 per day in potential fines until the matter was settled. The decision vindicates the rights of landowners like the Sacketts to challenge EPA compliance orders that improperly assert jurisdiction over their land. The decision gives landowners like the Sacketts their day in court, overriding the position taken by the EPA and many prior courts that have denied them that right." Justice Alito's opinion also stated that, "while allowing landowners to sue is a start, Congress needs to clarify the reach of the Clean Water Act."
- ***Clarification on meal and rest breaks for employees***—The California Supreme Court, in a unanimous ruling, stated that employers must make duty-free meal and rest breaks available to employees, but cannot be held liable if employees decide to work instead of rest. "We conclude an employer's obligation is to relieve its employee of all duty, with the employee thereafter at liberty to use the meal period for whatever purpose he or she desires, but the employer need not ensure that no work is done," Justice Kathryn Mickle Werdegar wrote for the court. This ruling is good for employers and good for employees, and for our local economy, as well as for the entire California economy.

Join Shasta VOICES today.

We depend on membership and other contributions.

If you are viewing this issue of "***THE VOICE***" on our website, click on the ***membership tab*** for information and to download a membership application or contributor form. Or, you can obtain more information by going to our website, **www.shastavoices.com**, or calling
(530) 222-5251.

Mary B. Machado, Executive Director