

City Council, Regular Meeting  
Civic Center Council Chambers  
777 Cypress Avenue  
Redding, California  
February 20, 2007 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Vice Mayor Stegall.

The Invocation was offered by Police Chaplain Debbie Ivey.

The meeting was called to order by Mayor Dickerson with the following Council Members present: Bosetti, Jones, Murray, and Stegall.

Also present were City Manager Starman, Assistant City Manager Bachman, City Attorney Duvernay, Development Services Director Hamilton, Transportation and Engineering Director Tippin, Community Services Director Niemer, Community Services Project Manager Hanson, Engineering Project Coordinator Aukland, Engineering Project Coordinator McClain, Senior Redevelopment Project Shawn Tillman, City Clerk Strohmayer, Assistant City Clerk Sherman, and Executive Assistant Stribley.

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CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Regular and Special Meetings of February 6, 2007

Approval of Payroll and Accounts Payable Registers  
(A-050-100-500)

It is recommended that Accounts Payable Register No. 15, check numbers 848432 through 849052 inclusive, in the amount of \$11,224,893.98, for the period of February 1, 2007, through February 16, 2007; and Payroll Register No. 16 electronic deposit transaction numbers 200445 through 201257 and check numbers 534623 through 534748 inclusive, in the amount of \$2,272,624.89, for the period of January 14, 2007, through January 27, 2007, be approved.

TOTAL: \$13,497,518.87

Annual Report - Downtown Redding Business Association (DRBA); and  
Resolution - Declaring intention to levy & collect an annual assessment for fiscal year 2007-08 in the Downtown Redding Business Improvement District,  
Setting Public Hearing; and  
Waive DRBA Reimbursement  
(A-170-015-002)

It is the recommendation of the Assistant City Manager that the City Council accept the Annual Report for the Downtown Redding Business Improvement District (BID), pursuant to Redding Municipal Code Chapter 6.39, from the Downtown Redding Business Association (DRBA). The report noted that contributions were made to: Viva Downtown Business Resource and Recruitment (\$2,100), Kool April Nites (\$3,300), MarketFest Night for district members (\$2,300), sponsorship of Christmas Parade (Redding Trade Club) (\$3,000), Purchase of Decorative Christmas Wreath (\$500), Viva Downtown Beer and Wine Festival (\$4,500), Relocation of Riverfront Playhouse Downtown (\$5,000), State of Downtown Function (\$700), sponsorship of Shasta County Arts Council Film Festival (\$2,250), and sponsorship for Viva Downtown Winterfest (\$5,500).

It is further recommended that Resolution No. 2007-20 be adopted, a resolution of the City Council of the City of Redding declaring its intention to levy and collect an annual assessment for Fiscal Year 2007-08 in the Downtown Redding Business Improvement District and setting a public hearing for March 6, 2007, regarding same.

It is also recommended that the City Council waive reimbursement administrative costs from the DRBA of approximately \$1,750 to bill and collect the annual assessments.

Resolution - Approving use of Market Street Redevelopment Tax Increment funds for Court Street/Schley Avenue

(R-030-145-350/W-030-725/S-070-100)

It is the recommendation of the City Manager that Resolution No. 2007-21 be adopted, a resolution of the City Council of the City of Redding making findings that:

1. The Analysis of Findings meet the requirements of Health and Safety Code Sections 33445 and 33678;
2. The improvements are of benefit to the Market Street Redevelopment Project Area from which the funds are derived or to the immediate neighborhood in which the project is located;
3. No other reasonable means of financing the improvements are available to the community;
4. The payment of funds for the improvements will assist in the elimination of blight within the project area; and

approving use of tax increment funds within the Project Area to improve the intersection of Court Street and Schley Avenue as part of the water main replacement project.

Resolution - Proclaiming March 5 - 9, 2007 as "Arbor Week" and March 9, 2007 as "Community Tree Planting Day"

(A-050-060-600 & A-050-220-075)

It is the recommendation of the Support Services Director that Resolution No. 2007-22 be adopted, a resolution of the City Council of the City of Redding proclaiming March 5 - 9, 2007 as "Arbor Week" and March 9, 2007 as "Community Tree Planting Day."

Grant - Department of Fish and Game for Turtle Bay restroom project; and

Resolution - Appropriating grant funds for same

(G-100-170/P-050-400/B-130-070)

It is the recommendation of the Community Services Director that the City Council accept grant funds in the amount of \$50,000 from the Department of Fish and Game through the Angler Access Program to complete amenities in and around the Turtle Bay restroom located at the canoe launch area (Turtle Bay Restroom Project), and authorize the City Manager to execute all necessary documents.

It is further recommended that Resolution No. 2007-23 be adopted, a resolution of the City Council of the City of Redding approving and adopting the 66<sup>th</sup> amendment to City Budget Resolution No. 2005-77 appropriating \$50,000 for the Turtle Bay Restroom Project for fiscal year 2006-07.

Notice of Completion - Bid Schedule No. 3850, Redding Soccer Park

(B-050-020/P-050-690/P-050-600-200)

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 3850 (Job No. 2245), Redding Soccer Park, awarded to Gifford Construction, be accepted as satisfactorily completed and that the City Clerk be authorized to file a Notice of Completion with the Shasta County Recorder. The final cost was \$10,051,623.

Sewer Service - Columbia School on Old Oregon Trail

(W-020-500)

It is the recommendation of the Transportation and Engineering Director that the City Council approve extension of the City's sewer service to Columbia School on Old Oregon Trail and direct staff to work with the Columbia School District to complete the Local Agency Formation Commission (LAFCO) application for approval.

Amendment to Sacramento River Lease Agreement - PRC 359.9 - California State Lands Commission for the Cypress Avenue Bridge replacement project

(S-070-050-050 & S-050)

It is the recommendation of the Transportation and Engineering Director that the City Council authorize the Mayor to execute an amendment to the Sacramento River Lease Agreement - PRC 359.9 with the California State Lands Commission (CSLC) for the Cypress Avenue Bridge Project to add the City's utilities (water, sanitary sewer, and electric) to the lease.

Final Map and Improvements - Mill Pond Lane Subdivision; and

Resolution - Accepting streets  
(S-101-066 & S-070-230)

It is the recommendation of the Transportation and Engineering Director that the City Council approve the Final Map and accept improvements as satisfactorily completed for the Mill Pond Lane Subdivision (S-17-03), located at the south end of Mill Pond Lane, west of East Bonnyview Road, by Richard Clermont, and that the City Clerk be instructed to file the map with the Shasta County Recorder.

It is further recommended that Resolution No. 2007-24 be adopted, a resolution of the City Council of the City of Redding accepting for maintenance and operation the streets in the Mill Pond Lane Subdivision.

Final Map and Partial Improvements - Crown Meadows Estates Subdivision

Resolution - Accepting streets  
(S-101-074 & S-070-230)

It is the recommendation of the Transportation and Engineering Director that the City Council approve the Final Map and partially accept improvements as satisfactorily completed (except landscaping) in the Crown Meadows Estates Subdivision, Unit 2 (S-2-05), located south of Girvan Road and east of Pit Road, by CRB Properties, LLC, and that the City Clerk be instructed to file the map with the Shasta County Recorder.

It is further recommended that Resolution No. 2007-25 be adopted, a resolution of the City Council of the City of Redding accepting for maintenance and operation the streets in the Crown Meadows Estates Subdivision Unit 2.

Notice of Completion - Bid Schedule No. 3899, Well No. 14  
(B-050-020 & W-030-750)

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 3899 (Job No. 2178), Well No. 14, awarded to Cal Electro, Inc. be accepted as satisfactorily completed and that the City Clerk be authorized to file a Notice of Completion with the Shasta County Recorder. The final cost was \$896,889.04.

First Amendment to Consultant Services Agreement - Omni-Means  
(S-070-100-700)

It is the recommendation of the Transportation and Engineering Director that the City Council authorize the Mayor to execute the First Amendment to the Consultant Services Agreement with Omni-Means in an amount not-to-exceed \$34,700 to address public concerns voiced during the Mitigated Negative Declaration process regarding the preliminary design of Shasta View Drive north of Collyer Drive.

Award of Bid - Bid Schedule No. 3988, Tiger Field Renovation Phase II - Concession Area Remodel  
(B-050-020 & P-050-600-250)

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 3988 (Job No. 9586), Tiger Field Renovation Phase II - Concession Area Remodel be awarded to J. H. Mack Construction in the amount of \$297,453, that an additional \$27,000 be approved for administration and inspection fees, and that an additional \$25,000 be approved for a construction contingency fund, for a total amount of \$349,453.

Preliminary State Grant Applications and Low Interest Loans - California Department of Health Services  
(G-100-170/W-030/W-010)

It is the recommendation of the Municipal Utilities Director that the City Council authorize staff to submit Grant and Loan Pre-applications to the California Department of Health Services for Proposition 50, Proposition 84, and Safe Drinking Water State Revolving Fund (SDWSRF) funds in an amount up to \$5 million in grant monies and \$13 million in low-interest loans or bond financing to provide funding assistance for Water and Wastewater Utility capital projects.

**MOTION:** Made by Council Member Murray, seconded by Council Member Stegall, that all the foregoing items on the Consent Calendar be approved and adopted as recommended.

The Vote:

AYES: Council Members - Bosetti, Jones, Murray, Stegall, and Dickerson  
 NOES: Council Members - None  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

Resolution Nos. 2007-20, 2007-21, 2007-22, 2007-23, 2007-24, and 2007-25 are on file in the Office of the City Clerk.

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**JOINT MEETING OF THE CITY COUNCIL AND REDDING JOINT POWERS FINANCING AUTHORITY**

At the hour of 7:10 p.m., Mayor/Authority Chair Dickerson convened the Special Meeting of the Redding Joint Powers Financing Authority for a joint meeting with the City Council.

PUBLIC HEARING - Issuance of Redding Joint Powers Financing Authority (RJPFA) 2007 Lease Revenue Bonds; and

RESOLUTION - Approving issuance of the RJPFA 2007 Lease Revenue Bonds (D-050-175 & R-015-300)

The hour of 7:00 p.m. having arrived, Mayor Dickerson opened the public hearing regarding Issuance of Redding Joint Powers Financing Authority (RJPFA) 2007 Lease Revenue Bonds.

The following documents are on file in the Office of the City Clerk:

Affidavit of Publication - Notice of Public Hearing

City Clerk Strohmayer advised that no protests were received.

Assistant City Manager Bachman recalled that the City Council directed staff to develop a financing plan for the General Fund portion of costs for the Stillwater Business Park with a debt service not-to-exceed \$667,000. He advised that in the current market, that should provide approximately \$10.8 million in construction proceeds. Additionally, there are certain Traffic Impact Fee (TIF) funded projects that could benefit from early construction and staff proposes to combine these funding needs into a single lease revenue bond issue. He pointed out that the rise in inflationary construction costs would be the same or could possibly exceed the interest paid on the debt service of a bond issue at this time.

Mr. Bachman explained that a pool of assets delineated under a Master Facilities Lease would yield a more successful bond issue and allow the City to add, delete, and substitute property pledged as cross-collateralization of the pledged assets. He stated that should the City Council go forward with the proposed bond issue, the debt service for Stillwater Business Park would be \$667,000 and approximately \$906,000 for the TIF projects. He noted that the City currently receives between \$3 million and \$6 million annually in TIF funds, which would be more than enough for the debt service and other projects.

Mr. Bachman recommended that the City Council adopt a resolution approving issuance by RJPFA bond issue in an amount not-to-exceed \$25 million aggregate principal amount, and approve the forms of and authorize execution of a Master Site Lease, a Master Facilities Lease, an Official Statement, and a Purchase Contract for certain municipal improvements.

Mayor Dickerson determined that no one present wished to address this matter and closed the public hearing.

Council Member Murray believed it would be beneficial to revisit the TIF list, and he urged that a new Traffic Impact Fee (TIF) Project list be developed citing the fact that many of the original projects have changed status or were removed from the list.

**MOTION:** Made by Council Member Murray, seconded by Council Member Stegall, adopting Resolution No. 2007-26, a resolution of the City Council of the City of Redding approving issuance by the Redding Joint Powers Financing Authority (RJPFA) in an amount

not-to-exceed \$25 million aggregate principal of RJPFA Lease Revenue Bonds (2007 Capital Projects); approving the forms of and authorizing execution of a Master Site Lease, a Master Facilities Lease, an Official Statement, and a Purchase Contract in connection with certain municipal improvements and authorizing related actions and matters.

The Vote:

AYES: Council Members - Bosetti, Jones, Murray, Stegall, and Dickerson  
 NOES: Council Members - None  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

Resolution No. 2007-26 is on file in the Office of the City Clerk

At the hour of 7:21 p.m., Mayor/Authority Chair Dickerson adjourned the Special Meeting of the Redding Joint Power Financing Authority.

PUBLIC HEARING - Tax-exempt revenue bonds by Catholic Healthcare West

RESOLUTION - Issuance of tax-exempt revenue bonds through the California Statewide Communities Development Authority for financing and/or refinancing of certain health care facility projects  
 (C-010)

The hour of 7:00 p.m. having arrived, Mayor Dickerson opened the public hearing regarding issuance of tax-exempt revenue bonds by Catholic Healthcare West through the California Statewide Communities Development Authority for financing and/or refinancing certain health care facility projects.

The following documents are on file in the Office of the City Clerk:

Affidavit of Publication - Notice of Public Hearing

City Clerk Strohmayer advised that no protests were received.

Assistant City Manager Bachman advised that a public hearing is necessary to allow Catholic Healthcare West (parent company of Mercy Medical Center) to access tax-exempt financing in the amount of \$985 million for certain health care facility projects located in the City's jurisdiction. The City's only participation is as a conduit through the public hearing process to provide Mercy Medical Center with the ability to finance and/or refinance through the California Statewide Communities Development Authority, of which the City is a member.

Mr. Bachman recommended that a resolution be adopted approving issuance of revenue bonds by the California Statewide Communities Development Authority to benefit Catholic Healthcare West.

In response to Council Member Murray, Mr. Bachman assured that the City would incur no financial obligation in this matter.

Mayor Dickerson determined that no one present wished to address this matter and closed the public hearing.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Bosetti, adopting Resolution No. 2007-27, a resolution of the City Council of the City of Redding, approving issuance of revenue bonds by the California Statewide Communities Development Authority to benefit Catholic Healthcare West. The Vote:

AYES: Council Members - Bosetti, Jones, Murray, Stegall, and Dickerson  
 NOES: Council Members - None  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

Resolution No. 2007-27 is on file in the Office of the City Clerk

PUBLIC HEARING - California Statewide Communities Development Authority

RESOLUTION - Authorizing participation in the Statewide Communities Infrastructure Program (SCIP) of the California Statewide Communities Development Authority  
 (C-010-600)

The hour of 7:00 p.m. having arrived, Mayor Dickerson opened the public hearing regarding participation in the Statewide Communities Infrastructure Program (SCIP) of the California Statewide Communities Development Authority and acceptance of applications from property owners, and conduct of special assessment proceedings and levying assessments.

The following documents are on file in the Office of the City Clerk:

Affidavit of Publication - Notice of Public Hearing

City Clerk Strohmayer advised that no protests were received.

Development Services Director Hamilton advised that the Statewide Community Infrastructure Program (SCIP) would allow a developer to access tax-exempt financing through the California Statewide Communities Development Authority (CSCDA). He pointed out that participation provides the City and developers the ability to encourage specific developments and receive development fees at the beginning of the permit process and giving the City access to revenues for public infrastructure up front. He added that the program does not authorize any specific assessments on property and will in no way obligate the City financially for any bond issue .

Mr. Hamilton recommended that a resolution be adopted authorizing the City to join the Statewide Community Infrastructure Program and authorizing the California Statewide Communities Development Authority to accept applications approved by the City from property owners, conduct of special assessment proceedings, and levy assessments within the territory of the City.

Mayor Dickerson determined that no one present wished to address this matter and closed the public hearing.

In response to Council Member Murray, Mr. Hamilton explained that the bond for fees would be secured by the land to be developed, and in the event of a shortfall in the value of the land, the City would not be financially liable.

Rick Hitchcock, bond counsel with Orrick, Herrington, and Sutcliffe, LLP, related that the bond holder has full liability of the financial aspects, however, he pointed out that occasionally, although an agency was not responsible, it was necessary to incur litigation costs to defend the matter in court.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Jones, adopting Resolution No. 2007-28, a resolution of the City Council of the City of Redding authorizing the City to join the Statewide Community Infrastructure Program and authorizing the California Statewide Communities Development Authority to accept applications approved by the City from property owners, conduct of special assessment proceedings, and levy of assessments within the territory of the City, and authorizing related actions. The Vote:

AYES:	Council Members - Bosetti, Jones, Murray, Stegall, and Dickerson
NOES:	Council Members - None
ABSTAIN:	Council Members - None
ABSENT:	Council Members - None

Resolution No. 2007-28 is on file in the Office of the City Clerk

PUBLIC HEARING - Churn Creek Road Traffic Impact Fee Zone

ORDINANCE - Amending the Redding Municipal Code adding Section 16.20.071, establishing the Churn Creek Road Impact Fee Zone (T-080-400 & S-070-100)

The hour of 7:00 p.m. having arrived, Mayor Dickerson opened the public hearing regarding the Churn Creek Road Traffic Impact Fee Zone and considering amendments to the Redding Municipal Code adding Section 16.20.071, establishing the Churn Creek Road Traffic Impact Fee Zone.

The following documents are on file in the Office of the City Clerk:

Affidavit of Publication - Notice of Public Hearing  
Affidavit of Mailing - Notice of Public Hearing

City Clerk Strohmayer advised that a request was received from Mike Michalak, property owner in the proposed Churn Creek Road Traffic Impact Fee Zone, via email to Engineering Project Coordinator Aukland of the Redding Planning Division, asking that the public hearing be continued to a future date when Mr. Michalak could be present to address the City Council regarding this matter.

City Manager Starman stated that in light of the email from an affected property owner, it was recommended that the public hearing be opened, testimony taken, and continued to March 6, 2007.

Engineering Project Coordinator Aukland related that the Churn Creek Road Traffic Impact Fee Zone (Zone) proposes to impose an impact fee on new development within an area that includes 12 parcels abutting Churn Creek Road between South Bonnyview Road and Denton Way near the Churn Creek Road and Interstate 5 interchange. He advised that the cost of improving Churn Creek Road to a four-lane road with sidewalk curbs and gutters on the west side, was estimated at \$7 million and if the proposed Zone is approved, it would provide \$3,191,293 toward that amount. It is proposed that the Redding Redevelopment Agency (RRA) provide \$7 million in funding through Canby-Hilltop-Cypress Redevelopment Area Tax Increment funds and that an agreement direct the Zone fees for partial repayment up to \$3,191,293 back to the RRA. He added that the Zone fee would be charged only upon redevelopment of parcels located within the Zone.

Mayor Dickerson determined that no one wished to address this matter and continued the public hearing to March 6, 2007.

**JOINT MEETING OF THE CITY COUNCIL AND REDDING REDEVELOPMENT AGENCY**

At the hour of 7:40 p.m., Vice Mayor/Agency Chair Stegall convened the Special Meeting of the Redding Redevelopment Agency for a joint meeting with the City Council.

PUBLIC HEARING - Cooperation Agreement; Fee Reimbursement Agreement; and Owner Participation Agreement with Vitalis Partners, LLC

RESOLUTION - Approving disposition of Redevelopment Agency-Owned property located at 4551 Churn Creek Road and 4505 Hillmonte Drive (R-030-050-050 & R-030-050-310)

The hour of 7:00 p.m. having arrived, Mayor Dickerson and Redding Redevelopment Agency (RRA) Chair Stegall opened the public hearing regarding consideration of the disposition of Redevelopment Agency-Owned property located at 4551 Churn Creek Road and 4505 Hillmonte Drive; and a Cooperation Agreement, Fee Reimbursement Agreement, and Owner Participation Agreement with Vitalis Partners, LLC.

The following documents are on file in the Office of the City Clerk:

Affidavit of Publication - Notice of Public Hearing  
Affidavit of Mailing - Notice of Public Hearing

City Clerk Strohmayer advised that no protests were received.

Senior Redevelopment Project Coordinator Tillman recalled that the RRA authorized an Owner Participation Agreement with Vitalis Partners, LLC in July 2006, pursuant to an Exclusive Negotiating Agreement that would allow disposition of RRA owned property located at 4551 Churn Creek Road and 4505 Hillmonte Drive and, if acquired, 4601 Churn Creek Road. Vitalis Partners is proposing to develop an approximately 200,000-square-foot neighborhood commercial area anchored by a grocery store and other major stores at the location. Vitalis will pay \$7.75 per square foot for the Agency Property and the Abandonment Area and will be credited \$7.75 for the easement areas needed to carry out the Project. A Fee Reimbursement Agreement with Vitalis is necessary and will entitle them to reimbursement, when and if collected, for the Churn Creek Road Traffic Impact Fee Zone development of those properties (approximately \$600,000 in fees) not purchased by them.

Mr. Tillman advised that RRA has succeeded in negotiations to acquire 4601 Churn Creek Road (Kenworth property), but there were contamination issues that presently appear to be resolved and upon receipt of a "A Notice of No Further Action" from Shasta County, escrow will be closed with Vitalis or, if that does not occur in a timely manner, Vitalis will assume

the purchase contract. Right-of-way easements for Churn Creek Road will be conveyed to the City to be abandoned when the Project is complete. Because the City and RRA will be working together, a Cooperation Agreement is also necessary.

Mr. Tillman stated that in order to approve the disposition of RRA property located at 4551 Churn Creek Road and 4505 Hillmonte Drive, the City Council must make certain findings that:

1. The improvements are of benefit to the project area from which the funds are derived or to the immediate neighborhood in which the project is located;
2. No other reasonable means of financing the improvements are available to the community;
3. The payment of funds for the improvements will assist in the elimination of blight within the project area;

and approve the California Health & Safety Code Section 33433 Report.

Mr. Tillman related that in order to complete the Project, Pacific Gas and Electric (PG&E) must move its gas lines in Churn Creek Road pursuant to public necessity. In response to this request, PG&E requested that the City provide a letter stating that if the City does not abandon the existing right-of-way by December 9, 2009, as proposed, the City will reimburse PG&E \$50,000. He pointed out that although it was not required to provide the letter, it was within PG&E's purview to move the line after completion of the Project, thereby ruining the newly installed roadway.

Mr. Tillman recommended that the City Council approve the Cooperation Agreement with RRA, the Fee Reimbursement Agreement with Vitalis, the letter for reimbursement with PG&E, and adopt a resolution making findings for redevelopment, accepting the 33433 Summary Report, and making California Environmental Quality Act (CEQA) findings for disposition of property set forth above located in the Canby-Hilltop-Cypress Redevelopment Project Area, and finding that consideration for the property is not less than fair market value at its highest and best use.

Hugh Fitzgerald, Redding resident and property owner in the Churn Creek area of the Project, inquired whether the proposed Traffic Impact Fee would impose a lien against the property, would it include interest, and over time would the value of the property increase substantially. He expressed concern that proposed fee would artificially inflate his property value. City Manager Starman suggested that a professional appraiser would answer part of that the question, but pointed out that the impact fee would not be assessed if there is change in the use of the property. Mr. Starman stated that fees will only be paid when future development occurs.

Mayor Dickerson and Vice Mayor/RRA Chair Stegall determined that no other individual wished to address this matter and closed the public hearing.

In response to Council Member Murray, Mr. Starman explained that although PG&E is required to move its gasline pursuant to public necessity, which would occur when the City abandons that portion of its easement, PG&E is concerned that in the event Vitalis does not move forward with its commitments, PG&E will be out the funds used to move the gasline. Mr. Starman pointed out that it was not PG&E's intention to not move the line, but rather it wanted assurances that it would not do so needlessly and at its own expense if the project does not come to fruition.

City Attorney Duvernay did not believe that the request by PG&E for a letter of assurance was unreasonable and was in fact a protection of its interests. Because the City has not declared its intention to abandon, PG&E is not legally required to move the line at this time.

In response to Vi Klaseen, Redding resident, Mr. Tippin explained that the sidewalks for the Churn Creek Project would be constructed on the west side of the roadway at this time because it would take too much frontage from the residences existing on the east side. That portion of sidewalk would be implemented when future development occurred.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Murray, approving the Cooperation Agreement with the Redding Redevelopment Agency (RRA), approving a Fee Reimbursement Agreement with Vitalis Partners, LLC (Vitalis), approving a letter of reimbursement to Pacific Gas and Electric (PG&E) regarding relocation of a gasline in Churn Creek and abandonment of a right-of-way at the location by the City by

December 31, 2009, and adopting Resolution No. 2007-29, a resolution of the City Council of the City of Redding approving disposition of RRA real property located at 4551 Churn Creek Road and 4505 Hillmonte Drive to Vitalis, accepting the 33433 Summary Report, making findings required by the California Environmental Quality Act (CEQA) and findings set forth for redevelopment, and approving the sale of property located at 4601 Churn Creek Road to Vitalis, for the purpose of realignment and construction of Churn Creek Road within the Canby-Hilltop-Cypress Redevelopment Project Area. The Vote:

AYES: Council Members - Bosetti, Jones, Murray, Stegall, and Dickerson  
 NOES: Council Members - None  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

Resolution No. 2007-29 is on file in the Office of the City Clerk

APPOINTMENTS - Council Sub-Committee re Cooperative Planning & Tax-Sharing Agreement  
 (T-010-700)

City Manager Starman recalled that the City Council at its special meeting of February 15, 2007, expressed interest in resuming negotiations with the County of Shasta for a Cooperative Planning & Tax-Sharing Agreement.

Mr. Starman advised that the Shasta County Board of Supervisors Chair and Vice-Chair will participate in those discussions and he recommended that the City Council appoint either the Mayor and Vice-Mayor or members of its body to participate also.

With the concurrence of the City Council, Mayor Dickerson appointed himself and Vice Mayor Stegall to participate in the Cooperative Planning and Tax-Sharing Agreement discussions with the County of Shasta.

USE OF REDDING REDEVELOPMENT AGENCY PASS-THROUGH FUNDS -  
 Enterprise Elementary School District for Canby-Hilltop-Cypress Redevelopment Project Area  
 (R-030-050 & E-060-325)

City Manager Starman advised that the Enterprise Elementary School District (School District) requested use of the Redding Redevelopment Agency (RRA) Canby-Hilltop-Cypress Redevelopment Project Area pass-through funds in the amount of \$35,000 to provide for playground equipment at Rother School. He stated that the School District will also provide \$15,000 for that purpose for a total amount of \$50,000.

Mr. Starman advised that the City Council must make findings that:

1. The improvements are of benefit to the project area from which the funds are derived or to the immediate neighborhood in which the project is located;
2. No other reasonable means of financing the improvements are available to the community; and
3. The payment of funds for the improvements will assist in the elimination of blight within the project area.

He recommended that the City Council approve the use of RRA pass-through funds from the Canby-Hilltop-Cypress Redevelopment Project Area in the amount of \$35,000 to Enterprise Elementary School District to provide playground equipment at Rother School.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Murray, making findings as set forth above and approving the use of Redding Redevelopment Agency Canby-Hilltop-Cypress Redevelopment Project Area pass-through funds in the amount of \$35,000 to Enterprise Elementary School District to provide playground equipment at Rother School.

The Vote: Unanimous Ayes

At the hour of 8:12 p.m., Vice Mayor/Agency Chair Stegall adjourned the Special Meeting of the Redding Redevelopment Agency.

CONSTRUCTION MANAGEMENT AGREEMENT - D. R. Horton, Inc., for Phase I of Rivercrest Park  
(P-050-390)

Community Services Director Niemer advised that the Rivercrest Park, consisting of 6.25 acres, located adjacent the Rivercrest Estates Subdivision (by D.R. Horton, Inc.) at the east end of Woodacre Drive between Interstate 5 and Bechelli Lane, will be constructed in two phases. Phase I will consist of playground equipment and neighborhood park amenities and Phase II will provide playing fields, a restroom building and a parking lot. It is also hoped this portion of the park will be constructed when a subdivision to the south begins construction.

Ms. Niemer stated that because D.R. Horton has construction work going on a full-time basis, allowing a developer to complete the park would be advantageous to the City because:

1. D.R. Horton would be required to advertise and award the bids for the park project pursuant to City procedures,
2. Accept the lowest responsible bidder,
3. Review the bids with a City representative prior to award,
4. Post a performance bond for the project and receive progress payments with necessary documentation
5. Obtain written authorization for any change orders; and
6. Perform maintenance for one year.

Ms. Niemer explained that it will be beneficial to the developer to have the park as an amenity for his project, Rivercrest Estates Subdivision and the developer will be reimbursed for any authorized expenses for the project and its management.

Ms. Niemer recommended that the City Council approve an Agreement with D.R. Horton, Inc. to provide management construction services for Phase I of the Rivercrest Park.

Nate Newberry, representing D.R. Horton, Inc., stated they were looking forward to working with the City to provide this amenity to the area.

Carl Arness, Redding resident, expressed concern about the appearance that this park was being dedicated to just this area, it lacked sufficient parking, and wanted assurance that prevailing wages would be paid for this project. Ms. Niemer confirmed that this is a public park, there was ample parking on the street at this time, however, a small parking lot is proposed in Phase II, and prevailing wages would be paid for this project.

Council Member Bosetti urged that Phase II of the park be constructed simultaneously with Phase I. He asked that a timeline be provided for construction of Phase II if it is not to be constructed now. He believed that the Phase II portion of the park would have greater use and contended that it should be constructed first. He added that he would not support the project unless Phase II was included or built first.

Ms. Niemer explained that there is no funding for Phase II construction at this time, but it is anticipated that with approval of a proposed subdivision to the south of the area, funds will become available for Phase II.

**MOTION:** Made by Council Member Jones, seconded by Council Member Stegall, approving the Agreement with D.R. Horton, Inc., for construction management of the Rivercrest Park Phase I. The Vote:

AYES: Council Members - Jones, Murray, Stegall, and Dickerson  
 NOES: Council Members - Bosetti  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

GRANT - California River Parkways Grant Program (Proposition 50)

RESOLUTION - Appropriating grant funds for same  
(G-100-170/B-130-070/P-050-460-700)

Community Services Director Niemer recalled that on October 4, 2005, the City Council authorized co-application with Turtle Bay Exploration Park to the California River Parkway Program (managed by the California Resources Agency) for voter-approved Proposition 50 funds in the amount of \$1,669,000. The grant will provide funds for trail construction, environmental interpretation, and riparian restoration (80 acres) along the Sacramento River between the Sundial Bridge and State Route 44. She pointed out that the City Manager was

authorized to execute all documents and that the grant is an integral component of the completion of a portion of the Sacramento River Trail.

With the success of the grant application, Ms. Niemer recommended that the City Council approve acceptance of the grant and adopt a resolution appropriating \$1,669,000 for the Sacramento River Parkway Project.

Council Member Jones expressed concern with the trail's close proximity to the Sacramento River's edge and that the proposed improvements to the trail would adversely affect wildlife and destroy the pristine environment. He also pointed out that once improved, the trail would have to be maintained with limited City's funds which would be more appropriately spent on the growing backlog of street repairs. He strongly believed that wildlife and people are not compatible in wilderness areas and would did not support the grant to improve the trail.

Community Services Project Manager Hanson related that the trail will be constructed on an existing roadbed already being used by the public, and that part of the grant will be used to restore riparian habitat to approximately 80 acres which are not pristine, but were devastated when Shasta Dam was constructed in the 1920's. Mr. Hanson also said that the trail is not actually at the river's edge but set back approximately 40 to 75 feet and he added that conservation agencies such as the California Resources Agency and the local Audubon Society support this project.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Bosetti, accepting the California Resources Agency grant in the amount of \$1,669,000 through the California River Parkways Grant Program to provide trail construction, environmental interpretation, and riparian restoration (80 acres) along the Sacramento River between the Sundial Bridge and State Route 44; and adopting Resolution No. 2007-30, a resolution of the City Council of the City of Redding, approving and adopting the 67<sup>th</sup> amendment to City Budget Resolution No. 2005-77 appropriating \$1,669,000 for the Sacramento River Parkway Project for fiscal year 2006-07. The Vote:

AYES:	Council Members - Bosetti, Murray, Stegall, and Dickerson
NOES:	Council Members - Jones
ABSTAIN:	Council Members - None
ABSENT:	Council Members - None

Resolution No. 2007-30 is on file in the Office of the City Clerk

RESOLUTION - Appropriating Traffic Impact Fee (TIF) funds for the South Bonnyview Road widening project; and

GRANT APPLICATION - State Transportation Improvement Program (STIP) funding for said project

(B-130-070/S-070-100-708/G-100-170-775/S-050-100)

Transportation and Engineering Director Tippin described the various elements of the South Bonnyview Road Widening Project (Project), advising that the current cost estimate at completion is \$16,250,000. The total Traffic Impact Fee (TIF) allocation for the Project is \$4,681,000 with an additional \$400,000 to be received through the Local Community Benefit Committee (Indian Gaming) of \$400,000. It is anticipated that Indian Gaming will provide an additional grant of up to \$500,000 this year. He related that the while the California Transportation Commission (CTC) denied a State Transportation Improvement Program (STIP) funding request of \$3.9 million, it approved a commitment of \$1.658 million. Because the previous request of \$3.9 million from the CTC was denied but received approval from the Regional Transportation Agency (RTPA), Mr. Tippin believed it would be worthwhile to again request \$3,958,000 from the CTC. He pointed out that costs have increased substantially, particularly in the area of asphalt and cement, and this has increased Project completion costs.

Mr. Tippin advised that staff continues to research funding and cost-saving measures, but recommends that the City Council adopt a resolution appropriating \$8.5 million in TIF funds for the Project and authorize staff to apply to CTC for STIP funding in the amount of \$3,958,000.

Larry Sergent, Redding resident, opposed the appropriation alleging it would direct funding away from other projects such as road repair. He also pointed out that, according to The Record Searchlight newspaper, the Project has increased from an estimate of \$4 million to \$16 million.

Mr. Tippin explained that TIF funds can only be used for road improvements, not repairs and its use is limited to those TIF projects already approved by the City Council. He clarified that STIP funds are used for projects approved by RTPA.

Carl Arness, Redding resident, expressed concern that City staff's prediction for the next ten years regarding the amount of TIF funds to be collected annually did not come in lower than anticipated. He suggested a review of the impact fees to determine if they are sufficient for the future needs of the City.

**MOTION:** Made by Council Member Murray, seconded by Council Member Jones, adopting Resolution No. 2007-31 a resolution of the City Council of the City of Redding approving and adopting the 68<sup>th</sup> amendment to City Budget Resolution No. 2005-77 appropriating \$8.5 million for the South Bonnyview Road Widening Project for fiscal year 2006-07; and authorizing staff to submit a request to the California Transportation Commission for allocation of \$3,958,000 in State Transportation Improvement Program funds for the Project.

The Vote:

AYES:	Council Members - Bosetti, Jones, Murray, Stegall, and Dickerson
NOES:	Council Members - None
ABSTAIN:	Council Members - None
ABSENT:	Council Members - None

Resolution No. 2007-31 is on file in the Office of the City Clerk

AWARD OF BID - Bid Schedule No. 3987, Cypress Avenue Bridge Replacement/Widening Project; and

RESOLUTION - Appropriating funds  
(B-050-020 & S-070-050-050 & B-130-070)

Transportation and Engineering Director Tippin recalled that on February 8, 2007, the bids for the Cypress Bridge Replacement/Widening Project were opened. The low bid was received from Kiewit Pacific Co., Inc., in the amount of \$63,246,711. The amount was significantly higher than the engineer's estimate at \$48,000,000 and when bidders were questioned about the significant cost discrepancy, they stated that tight access under the bridge and staging at a time (October through May) when inclement weather pushes river levels higher, delays of unknown proportions must be taken into account.

Mr. Tippin stated that the Federal Highway Bridge Program (HBP) will fund 88.53% of the bridge, leaving the City responsible for the remaining 11.47%. The City has secured \$4.201 million in State Transportation Improvement Program (STIP) funds for the Project which leaves \$5 million in Traffic Impact Fees (TIF) to fund the City's portion of the Project.

Mr. Tippin related that the base bid amount for construction of the Bridge is \$60,742,711. Additive Alternate No. 1, includes entrance monuments in the amount of \$1.4 million, and Additive Alternate No. 2, includes lantern features in the amount of \$1.104 million, \$1,174,682 for supplemental work (additional contingency funds), and a construction contingency fund in the amount of \$3,162,336 for a total amount of \$67,583,729. In the event the City Council wishes to construct all features, a budget appropriation resolution would be required in the amount of an additional \$858,300 in TIF funds to cover the shortfall.

Mr. Tippin recommended that the City Council award Bid Schedule No. 3987 (Job No. 2120), Cypress Avenue Bridge Replacement/Widening Project to Kiewit Pacific Co., Inc., in the amount of \$61,846,711 (including Additive Alternate No. 2-lantern features), approve an additional \$1,174,682 for supplemental work, and approve \$3,162,336 to provide a construction contingency fund for a total amount of \$66,183,729, pointing out that this alternative will not require a budget appropriation.

Carl Arness, Redding resident, objected to spending \$5 million for lighting a bridge. Mr. Tippin explained that the lighting features will cost \$1.104 million, but the City's portion of that amount would only be \$126,000.

Council Members Stegall and Murray supported the lighting features, especially in light of the fact that state and federal funds would pay for the lion's share of this amenity and pointed out that if the funds are not spent here, they will be spent elsewhere.

Council Member Stegall also urged that consideration be given to adding the approach monuments at a later date should funds become available.

Mayor Dickerson concurred and emphasized that the federal and state funds would not be returned to taxpayers and would be spent in any case, adding that Redding is as deserving a recipient as any other city.

Council Member Bosetti recalled that, at one time, the City was seriously considering a bridge at Parkview Avenue and questioned why this was not considered as an option. Mr. Tippin responded that the Parkview Bridge proposal was not seen as a viable option because traffic studies indicated that a bridge at that location would not significantly reduce traffic on Cypress Avenue. He added that because federal funding is available only for rehabilitation or replacement of an existing bridge, a new bridge at Parkview would not be eligible, and the City would be required to fund the cost entirely. Mr. Tippin stated that although a rehabilitation alternative for the Cypress Bridge was possible, it was determined to be a poor investment because it would not significantly increase the life span of the current structure, and he added that costs for rehabilitation would have escalated in proportion to replacement costs. Mr. Tippin further explained that under federal standards, the Cypress Avenue Bridge is structurally and functionally obsolete. Its foundation does not meet earthquake, flood resistance, and width standards, and is not in compliance with the Americans with Disabilities Act (ADA).

Council Member Bosetti advised that he was uncomfortable with draining the TIF funds without regard for other important projects.

Council Member Jones supported the replacement of the Cypress Avenue Bridge, but did not support expending \$125,000 on lantern features for the bridge when those funds could be used toward other more worthwhile projects.

**MOTION:** Made by Council Member Murray, seconded by Council Member Stegall, awarding Bid Schedule No. 3987 (Job No. 2120), Cypress Avenue Bridge Replacement/Widening Project to Kiewit Pacific Co., Inc., in the amount of \$61,846,711 (including Additive Alternate No. 2-lantern features), approving an additional \$1,174,682 for supplemental work, and approving \$3,162,336 to provide a construction contingency fund for a total amount of \$66,183,729. The Vote:

AYES: Council Members - Murray, Stegall, and Dickerson

NOES: Council Members - Bosetti and Jones

ABSTAIN: Council Members - None

ABSENT: Council Members - None

ORDINANCE - Amending Redding Municipal Code Section 6.14.028 re Card Rooms; and RESOLUTION - Approving gaming rules for the Casino Club (L-070-300)

City Attorney Duvernay stated that the California Attorney General's Office sent a notice stating that recent legislation (Senate Bill 1198) amended the Business and Professions Code relating to local government regulation of card rooms. The State Department of Justice and the Division of Gambling Control reviewed the City's regulations. In order to provide compliance for the City's one card room, the Casino Club, Redding Municipal Code (RMC) Section 6.14.028-Wagering Limits must be amended for compliance with the state Gambling Control Act to either set wagering rules or allow unlimited wagering.

Mr. Duvernay recommended that the City Council offer an ordinance for first reading and waive the full reading, approving amendments to RMC Section 6.14.028-Wagering and adopt a resolution formally approving the Casino Club Gaming Rules.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Bosetti approving the amendment to Redding Municipal Code (RMC) Section 6.14.028-Wagering Limits and adopting Resolution No. 2007-32, a resolution of the City Council of the City of Redding adopting the Rules for Unlimited Wagering for Card Rooms in Redding pursuant to RMC Section 6.14.028-Wagering, specifically the Casino Club Card Room Gaming Rules. The Vote:

AYES: Council Members - Bosetti, Jones, Murray, Stegall, and Dickerson  
 NOES: Council Members - None  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

Resolution No. 2007-32 is on file in the Office of the City Clerk

Council Member Stegall offered Ordinance 2382 for first reading, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Title 6, Chapter 6.14-Card Rooms, Section 6.14.028-Wagering Limits.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Murray, that the full reading of Ordinance 2382 be waived, and that the City Attorney be instructed to read the full title. The Vote: Unanimous Ayes

**RESOLUTION** - Amending the Memorandum of Understanding with the International Association of Fire Fighters (IAFF)  
 (P-100-050-050)

Personnel Director Johnson advised that tentative agreement with the International Association of Fire Fighters (IAFF) was reached on February 6, 2007, and Local 1934 ratified the contract. The Amendment to the Memorandum of Understanding (MOU) includes a term of 5-1/2 years, effective July 1, 2006 through January 1, 2012, with an average cost increase to the City of 3.35% or approximately \$250,000 per year.

Ms. Johnson highlighted some of the provisions of the MOU:

1. 4.0% cost-of-living adjustment (cola) effective January 28, 2007;
2. 5.5% cola effective July, 2007 (employees to begin paying 10% of health insurance premiums);
3. Employees to receive an additional 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> step to the salary schedule on January 1, 2008, January 1, 2009, and January 1, 2010, respectively, with cost to the City of approximately 3.2% increase with each step;
4. Employees to receive a 2.5% cola adjustment January 1, 2011.

Ms. Johnson advised that medical insurance will have increased deductibles, higher prescription drug co-pays and Preferred Provider incentives as well as other changes.

Ms. Johnson recommended that the City Council adopt a resolution amending the MOU with IAFF, Local 1934, effective July 1, 2006, as summarized above.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Bosetti, adopting Resolution No. 2007-33, a resolution of the City Council of the City of Redding approving the provisions of the Memorandum of Understanding between the City and the International Association of Fire Fighters, Local Union 1934, with a term from July 1, 2006, to January 1, 2012.

The Vote:

AYES: Council Members - Bosetti, Jones, Murray, Stegall, and Dickerson  
 NOES: Council Members - None  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

Resolution No. 2007-33 is on file in the Office of the City Clerk

ADJOURNMENT

There being no further business, at the hour of 9:25 p.m., Mayor Dickerson declared the meeting adjourned.

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk