

City Council, Regular Meeting
Civic Center Council Chambers
777 Cypress Avenue
Redding, California
February 19, 2008 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Council Member Murray.

The Invocation was offered by Police Chaplain Ray Foust.

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

Also present were City Manager Starman, Assistant City Manager Tippin, Police Chief Moty, City Attorney Duvernay, Development Services Director Hamilton, Police Captain Hansen, City Clerk Strohmayer, and Assistant City Clerk Sherman.

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PRESENTATION - "Don't Trash Shasta" Pilot Program
(C-110-100-400)

Police Chief Moty explained that in conjunction with the City's participation in the "Don't Trash Shasta" Pilot Program, the Redding Police Department would like to recognize and reward two citizens, Steve Miller and Marjorie Reid, for their role in the apprehension and successful prosecution of two individuals for illegal dumping inside the City limits. Chief Moty related that Marjorie Reid observed a man dumping tree limbs and debris in a vacant lot near Churn Creek and Hawley Road. She contacted ShasCOM, provided a description of the vehicle and followed the individual to assist investigators in apprehending the suspect. Mr. Moty said that Ms. Reid has since moved from the area and was unable to attend this evening's meeting. However, she asked that her reward money be donated back into the program.

Chief Moty then presented Steve Miller with a \$500 reward for providing the license plate of a man he observed dumping trash in a vacant lot near North Valley Baptist Church on Hartnell Avenue.

Shasta County District Attorney Jerry Benito commented that this pilot program is part of a larger program covering all of Shasta County with a goal to keep the community clean, and it enlists the help of citizens to report incidents of illegal dumping. In doing so, he said, citizens help law enforcement apprehend and prosecute offenders and are rewarded for that assistance. Mr. Benito said that while most illegal dumping convictions result in fines of \$100 to \$150, the more egregious violators can earn jail time.

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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 5, 2008.

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

It is recommended that Accounts Payable Register No. 15, check numbers 859727 through 860183 inclusive, in the amount of \$8,425,169.83, for the period of February 1, 2008, through February 15, 2008; Payroll Register No. 16 electronic deposit transaction numbers 224441 through 225292 and check numbers 538804 through 539314 inclusive, in the amount of \$2,373,432.58, for the period of January 27, 2008, through February 9, 2008, be approved. TOTAL: \$ 10,798,602.41.

Assign Private Activity Bond Fair Share Allocation
(R-030-100-400)

It is the recommendation of the City Manager that the City Council approve assignment of the City's 2008 Single-Family Private Activity Bond Fair Share Allocation to the California Rural Home Mortgage Finance Authority's Homebuyers Fund (CHF), and that a letter reflecting same be sent to CHF and the California Debt Limit Allocation Committee.

Downtown Redding Business Association - Annual Report; and
Setting Public Hearing

(A-170-015-002)

It is the recommendation of the City Manager that the City Council approve the Annual Report of the Downtown Redding Business Association (DRBA) as filed, and adopt Resolution No. 2008-14, a resolution of the City Council of the City of Redding declaring intention to levy and collect the annual assessments for fiscal year 2008-09 in the Downtown Redding Business Improvement District and setting a public hearing for March 4, 2008.

Turtle Bay Exploration Park - Quarterly Report

(C-070-250-250)

It is the recommendation of the Assistant to the City Manager that the City Council accept the Quarterly Report from Turtle Bay Exploration Park for the second quarter of the fiscal year ending June 30, 2008.

Lease Agreement - Amendment (C-4632)

(C-070-100)

It is the recommendation of the Support Services Director that the City Council approve an amendment to the lease with Dale Bagley for 82 acres of City-owned property at Adra Road, reducing the annual lease amount from \$3,500 to \$2,500.

Westridge Annexation & Power Line Road Area

(A-150/S-101-068 & S-101-073)

It is the recommendation of the Development Services Director that the City Council not pursue annexation of any portion of a 50-acre parcel located generally southeast of Placer Road between Power Line Road and the terminus of Sunglow Drive associated with the Westridge Master Plan, identified as Westridge Annexation-Power Line Road Area (AN-2-04 and AN-3-04). Property owners Leon Jones and Steve Hines have verbally withdrawn the request.

Award Request for Proposals - Consulting Services, Geospatial Enterprise Mapping System and;

Approve Contract

(B-050-100 & E-090-160-150)

It is the recommendation of the Electric Utility Director that the City Council award Request for Proposal (RFP) No. 4088, professional consulting services for a Geospatial Enterprise Mapping System to Telvent, Miner and Miner, that the Mayor be authorized to sign the agreement in the amount of \$309,040.72 to perform design, development, deployment and data conversion and migration for said mapping system, authorize the City Manager to approve project change orders up to an aggregate, not-to-exceed total of \$40,000, authorize the purchase of associated computer software for the new system, and authorize entering into associated software license and non-disclosure agreements.

California State Library Grant - School Rooms Online Homework Project

(G-100-170 & B-130-070 & L-050)

It is the recommendation of the Community Services Director that the City Council accept the California State Library grant to pilot the SchoolRooms Online Homework Assistance Program and adopt Resolution No. 2008-15, a resolution of the City Council of the City of Redding accepting and appropriating \$60,738 in California State Library Grant funds to initiate the Schoolrooms Online Homework Project for fiscal year 2007-08.

Resolution - authorizing application for Proposition 1B-Local Streets and Road Improvements

(G-100-170 & S-070-200)

It is the recommendation of the Assistant City Manager that the City Council adopt Resolution No. 2008-16, a resolution of the City Council of the City of Redding authorizing application for Proposition 1B-Local Streets and Roads Improvement, Congestion Relief, and Traffic Safety Account funds in the amount of \$1,448,312.52, and approving the 2008 Pavement Management Plan utilizing said funds to supplement Street Maintenance Funds.

Federal Grant - Highway Safety Improvement Program

(G-100-070 & T-080-700 & S-070-100)

It is the recommendation of the Assistant City Manager that the City Council direct staff to apply for federal grant funds for the Highway Safety Improvement Program (HSIP) as follows:

1. Freebridge Street Traffic Calming and Street Improvements in the amount of \$850,000
2. Widening of Buenaventura Boulevard between Railroad Avenue and SR-273 in the amount of \$860,000
3. Shoulder-widening on Buenaventura Boulevard for bike lane between Placer Street and Lakeside Drive in the amount of \$220,000 and
4. Pedestrian crosswalk enhancements at various location in the amount of \$200,000

Notice of Completion - Bid Schedule No. 4044, Lake Redding Boating Facility Rehabilitation Project
(B-050-020)

It is the recommendation of the Assistant City Manager that Bid Schedule No. 4044 (Job No. 9222), Lake Redding Boating Facility Rehabilitation Project, awarded to Guiton & Son, 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 \$713,539.24.

Notice of Completion - Bid Schedule No. 4067, Sacramento River Trail Extension Project
(B-050-020)

It is the recommendation of the Assistant City Manager that Bid Schedule No. 4067 (Job No. 2181), Sacramento River Trail Extension Project, awarded to Site Work Solution 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 \$190,398.88.

Sole Source Contract - Stoll Engineering
(A-050-300-050)

It is the recommendation of the Assistant City Manager that the City Council approve Stoll Engineering as the sole source provider to perform on-call construction inspection services for various City construction projects in a not-to-exceed fee of up to \$200,000, that the Mayor be authorized to sign the agreement, and that the City Manager be authorized to approve amendments up to a contingency fund limit of \$50,000.

Resolution - Proclaiming February 2008 as “Spay & Neuter Month” and February 26, 2008 as “Spay Day”
(A-050-060-600 & A-130-100)

It is the recommendation of the City Clerk that the City Council adopt Resolution No. 2008-17, a resolution of the City Council of the City of Redding Proclaiming February 2008 as “Spay & Neuter Month” and February 26, 2008 as “Spay Day.”

State Grant - California Integrated Waste Management Board and;

Budget Resolution - Accepting and Appropriating funds
(G-100-170 & B-130-070 & S-020)

It is the recommendation of the Municipal Utilities Director that the City Council accept the California Integrated Waste Management Board’s 15th Cycle Household Hazardous Waste grant to fund Universal Waste and Sharps Disposal Programs and adopt Resolution No. 2008-18, a resolution of the City Council of the City of Redding accepting \$50,900 in Household Hazardous Waste grant funds and appropriating same.

Award of Bid Schedule - Bid Schedule No. 4110, Two 35,000 1b GVW 5-yard dump trucks
(B-050-100 & W-030)

It is the recommendation of the Municipal Utilities Director that Bid Schedule No. 4110, for Two 35,000 1b GVW 5-yard dump trucks for the Water Utility be awarded to Riverview International of West Sacramento for a net cost delivery of \$198,321.34 and authorize the sale of two surplus units and deposit the proceeds in the Water Utility’s Equipment Replacement Funds.

Resolution - Authorizing application to State Water Resources Control Board
(G-100-170 & W-010-450)

It is the recommendation of the Municipal Utilities Director that the City Council approve the wording change from “loan/grant” to “financial agreement” as a housekeeping matter to allow the Municipal Utilities Department to continue with the Clear Creek Wastewater Treatment Plant Expansion and Rehabilitation Project by adopting Resolution No. 2008-19, a resolution of the City Council of the City of Redding authorizing designated City officials to file an application for financial assistance from the State Water Resources Control Board and dedicate the source of revenue for payment to the State Revolving Fund *Financial Agreement* to facilitate said change.

MOTION: Made by Council Member Dickerson, seconded by Council Member Jones, that all the foregoing items on the Consent Calendar be approved and adopted as recommended above. The Vote:

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

Resolution Nos. 2008-14, 2008-15, 2008-16, 2008-17, 2008-18 and 2008-19 are on file in the Office of the City Clerk.

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CITIZEN'S COMMITTEE - New Police Facility
 (C-050-550 & B-080-600)

On behalf of Mayor Stegall, City Manager Starman recalled that the City Council has consistently reaffirmed a new police facility as a high priority and continues to explore every means possible to identify a method to finance its construction. To that end, he said, Mayor Stegall suggested that a 15-member citizens ad-hoc committee be empaneled to evaluate the issue in more detail, with each Council Member selecting and appointing three members at the regular meeting of March 4, 2008.

It is recommended that the City Council establish a 15-member citizens ad-hoc committee to explore the possibility of construction and financing a new police building and that each Council Member be prepared to appoint three members at the regular meeting of March 4, 2008.

Fran Jenkins, Redding resident, supported the citizens committee commenting that Redding citizens want to give back to their community through volunteer service and that it is a cost-effective method of accomplishing community goals.

MOTION: Made by Council Member Murray, seconded by Council Member Dickerson creating a 15-member citizens ad-hoc committee to explore the possibility of constructing and financing a new police building. The Vote: Unanimous Ayes

UPDATE ON MAJOR PROJECTS/PROGRAMS - Youth Action Council
 (A-050-080 & B-080-300)

Community Services Director Niemer introduced Callie Froese, President of the Youth Action Council (YAC) to provide an update. Ms. Froese reported that YAC is currently working on the 40 Developmental Assets and also focusing efforts toward increased interest in leadership roles among young people and participation in YAC. She said they anticipate approximately 150 young people in attendance at the upcoming Leadership Conference. Ms. Froese thanked the City Council on behalf of YAC for its continued support.

No action was required on this informational item.

UPDATE ON MAJOR PROJECTS/PROGRAMS - 2007 Crime Statistics
 (A-050-080 & P-150-150)

Police Captain Hansen provided a Power Point Presentation on the Redding Police Department 2007 Review which provided a five-year comparison of violent and property crime, traffic statistics and gang activity levels for Redding. He explained that many factors contribute to the crime rate including unemployment, early release of prisoners, new laws which no longer include incarceration for certain types of crimes, and population. Captain Hansen said that although population and calls for service increased in Redding in 2007, overall, crime levels dropped and response time improved. He said that the Department's approach is proactive and community involvement plays a key role in making Redding a safer place for all to live.

No action was required on this informational item.

Vice Mayor Bosetti announced that the Joint Meeting between the Redding City Council and the Redding Redevelopment Agency would be taken out of agenda order and follow the Mid-Year Budget Report item.

**MID-YEAR BUDGET REPORT and
RESOLUTION** - Making adjustments to the General Fund
(B-130-070)

City Manager Starman related that like most cities and counties throughout California and the nation, Redding has been affected by the weak economy. In addition, the state is facing a \$14.5 billion budget crises that is likely to adversely impact city and county budgets further. Mr. Starman highlighted some of the significant adjustments as follows:

- 1) Reduce the sales tax revenue estimate for fiscal year 2007-08 from \$24.7 to \$22.9 million
- 2) Include a portion of the in-lieu property tax revenue associated with Unit 6 at the Redding Power Plant in the 10-Year Financial Plan
- 3) Continue the "soft hiring freeze" implemented in October 2007
- 4) Reduce projected property tax rate growth revenue from 5.5% to 4.5%
- 5) Adjust other General Fund revenue sources to reflect current activity
- 6) Reduce all General Fund budgets by .5%
- 7) Adjust the Biennial Budget to reflect higher-than-anticipated California Public Employees' Retirement System (CalPERS) rates
- 8) Adjust the 10-Year Financial Plan to reflect the cash flow savings of paying the CalPERS obligation in one lump sum at the beginning of each year
- 9) Postpone the hiring of three firefighters in fiscal year 2009-10 and three in fiscal year 2012-13 for six to twelve months
- 10) Defer funding other new positions in revised 10-Year Financial Plan

City Manager Starman recommended that the City Council accept the Mid-Year Budget Report and adopt the resolution making adjustments to the City's 2007-08 and 2008-09 biennial budget.

Council Member Jones said that while he agreed with a majority of the proposed budget adjustments, he did not support delaying the hiring of additional fire fighters to provide 3-man fire engine companies for the community. He observed that this issue was identified and reaffirmed by Council as a high priority, and asked if there were alternatives available to move forward with hiring additional firefighters sooner rather than later.

City Manager Starman responded that if the City Council chooses not to delay the hiring of these positions, an additional \$400,000 in budget cuts would have to be identified now and each year thereafter.

MOTION: Made by Council Member Murray, seconded by Council Member Dickerson accepting the Mid-Year Budget Report, and adopting Resolution No. 2008-20, a resolution of the City Council of the City of Redding amending City Budget Resolution No. 2007-127, appropriating \$576,230 for fiscal year 2007-08 and \$55,820 for fiscal year 2008-09.

The Vote:

AYES: Council Members - Dickerson, Murray, and Bosetti

NOES: Council Members - Jones

ABSTAIN: Council Members - None

ABSENT: Council Members - Stegall

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

At the hour of 7:55 p.m., Vice Mayor/Agency Chair Bosetti convened the Special Meeting of the Redding Redevelopment Agency for a joint meeting with the City Council.

COOPERATIVE AGREEMENT - Lithia Real Estate, Inc.; and
RESOLUTION - Appropriating Traffic Impact Fees
(S-070-100/B-130-070 & R-030-010)

Vice Mayor/Agency Chair Bosetti announced that while the City Council and the Redding Redevelopment Agency (Agency) Board will discuss the merits of the proposal and receive public testimony, action will be deferred to the March 4, 2008, Council Meeting when the full Council will be present.

City Manager Starman recalled that in October 2005, the City, the Agency, Lithia Real Estate, Inc. (Lithia) and Thomason Development Company (Thomason) entered into a non-binding Letter of Intent (LOI) relative to a proposed new auto mall at the Highway 44/Airport Road Interchange, which included the purchase of the Cypress Avenue/Hemsted

Drive property (current home of Lithia Motors) by Thomason. However, Mr. Starman explained that when Thomason became reluctant to purchase the property at the improved value, the Agency entered into negotiations with Lithia to purchase the property as a significant redevelopment opportunity/investment, and to allow Lithia to move forward with the proposed auto mall. Although appraised in 2006 for \$9.8 million, Mr. Starman said that Lithia has agreed to sell the Cypress Avenue property to the Agency for approximately \$7.9 million (the original purchase price) to expedite its move to Airport Road. He pointed out that in addition to increased sales and property taxes and other economic stimuli, the auto mall project will also contribute approximately \$865,000 in Traffic Impact Fees toward needed improvements to Airport Road which have been in the planning stages for quite some time. Mr. Starman observed that if Lithia is unable to develop this project, it may have to relocate outside the City which would significantly reduce property and sales tax revenue to the City.

City Manager Starman emphasized that the City and Agency have made certain representations to Lithia, and Lithia has expended a considerable amount of money relying on those representations as it moves forward with the project. He observed that this is a matter of good business ethics and in keeping with the City's economic development program to retain and help local businesses grow.

It is recommended that the City Council approve the proposed Cooperative Agreement with Lithia for the Airport Road Improvements and adopt the resolution appropriating funds for said improvements. It is further recommended that the Agency Board approve the Commercial Property Purchase Agreement with Lithia relative to the East Cypress Avenue/Hemsted Drive property.

The following individuals spoke in opposition of the cooperative agreement and land purchase citing an inflated land appraisal, unfairness to other businesses not being offered the same type of assistance, Lithia's parent company was not local, Lithia is a wealthy corporation that should not receive government assistance, defining the Cypress Avenue lot as blighted, the proposed location for Lithia on Highway 44 would negatively impact nearby residences and destroy the natural beauty of the area, lack of incentives offered to other car dealers to move to the Highway 44 location and the lack of a plan for rehabilitation of the Cypress Avenue property: Mike Quinn, Jolene Mundell, Jeremy Cunningham, Ron Largent, Willie Preston, Bruce Waggoner, Joe Machado, Mary Machado, Doug Bennett, Gary Cadd, Jim Giacomelli, and Richard McMillan.

The following individuals spoke in favor of the cooperative agreement and land purchase citing the fact that Lithia Motors is a local business and a good corporate neighbor, it provides good-paying jobs for its employees as well as outside businesses such as gardeners, maintenance companies, janitorial services, etc., strong sales tax generator, economic stimulus, community involvement and philanthropy: Jason Lawrence, Kirk Bennett, Kevin Bergt, Eric Iverson, Chad Wilson, Robert Sacks, Chris Solburg and Cindy Witts.

Council/Agency Member Jones supported the partnership between Lithia and the City with respect to improvements on Airport Road. However, he expressed reservation with purchasing the Lithia property on Cypress Avenue. Mr. Jones said that while he would support continued City and Agency assistance to Lithia in its transition and expansion, he did not support this type of project, but would continue to consider the matter to find a working relationship to make this happen.

Council/Agency Member Dickerson observed that there are still many decisions to be made by the City and the Agency relative to a plan for the Cypress Avenue property should the Agency move forward with its purchase. He noted that this project has a strong potential for return on investment and will improve the Canby-Hilltop Redevelopment Project Area. The City and Agency want to retain any existing business, regardless of where their headquarters are located. He expressed support for the project and the land purchase.

Council/Agency Member Murray pointed out that while the housing market has declined, commercial property is still in demand, and the Cypress Avenue parcel represents a great commercial opportunity. He observed that the auto mall project would provide much-needed construction jobs in Redding in keeping with the Council's commitment to create jobs, and would also address its long-standing commitment to help existing businesses expand. Mr. Murray emphasized that the Agency would not purchase the property unless or until it was environmentally clear at Lithia's expense, and he pointed out that the Redevelopment money

which would be used for the land acquisition, should Council approve the purchase, cannot, by law, be used for others needs such as street maintenance, or a new police facility.

While acknowledging Lithia's importance to the economy of Redding, Vice Mayor/Agency Chair Bosetti opposed the land purchase believing it would set a dangerous precedence. He suggested that Lithia be offered certain incentives to assist with the project.

By consensus of the City Council/Agency Board, action was deferred to the City Council meeting of March 4, 2008.

At the hour of 10:41 p.m. Vice Mayor/Agency Chair Bosetti, adjourned the Special Meeting of the Redding Redevelopment Agency.

ADJOURNMENT

There being no further business, at the hour of 10:42 p.m., Vice Mayor Bosetti declared the meeting adjourned.

APPROVED:

Vice Mayor

ATTEST:

City Clerk