

City Council, Regular Meeting
City Council Chambers
777 Cypress Avenue
Redding, California
October 21, 2008, 7:00 p.m.

The Pledge of Allegiance to the flag was lead by Council Member Murray.

The Invocation was provided by Redding Police Chaplain Charlene Payment.

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

Also present were City Manager Starman, Assistant City Manager Tippin, City Attorney Duvernay, Development Services Director Hamilton, Transportation and Engineering Director Crane, Police Chief Moty, Economic Development Director Zauher, Community Services Director Niemer, Management Assistant to the City Manager Clark, City Clerk Strohmayer, and Executive Assistant Stribley.

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RESOLUTION - Commending retiring Police Chief Leonard F. Moty
[A-050-270]

Mayor Stegall thanked retiring Police Chief Leonard F. Moty for his 31 years of outstanding and dedicated service to the City.

Mayor Stegall recommended that a resolution be adopted honoring and commending Chief Moty.

MOTION: Made by Council Member Dickerson, seconded by Council Member Jones, adopting Resolution No. 2008-169, a resolution of the City Council of the City of Redding, commending Chief of Police Leonard F. Moty for 31 years of outstanding and dedicated service to the City. The Vote:

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

Resolution No. 2008-169 is on file in the Office of the City Clerk

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CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar.

Approval of Minutes - Regular and Special Meetings of October 7, 2008

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

It is recommended that Accounts Payable Register No. 7, check numbers 867176 through 867753 inclusive, in the amount of \$14,665,132.09, for the period of October 1, 2008, through October 17, 2008; and Payroll Register No. 7, electronic deposit transaction numbers 240639 through 241521 and check numbers 541676 through 541780 inclusive, in the amount of \$2,835,834.31, for the period of September 21, 2008, through October 4, 2008, be approved. TOTAL: \$17,500,966.40

Ordinance - Amending Redding Municipal Code Sections 17.12.090 and 17.24.020 re extension of time for tentative parcel maps and tentative subdivision maps
[L-010-500-050 & S-100]

It is the recommendation of the Development Services Director that Ordinance No. 2420 be adopted, an ordinance of the City Council of the City of Redding, amending Redding Municipal Code (RMC) Sections 17.12.090-Expiration of Tentative Parcel Map and 17.24.020-Filing/Extension of Final Subdivision Map allowing extensions not-to-exceed a total of six years for tentative parcel and final subdivision maps.

Ordinance - Amending Redding Municipal Code Chapter 7.12.020 re revising the language exempting service dogs from certain prohibitions

[A-130-150]

It is the recommendation of the Management Assistant to the City Manager that Ordinance No. 2421 be adopted, an ordinance of the City Council of the City of Redding, amending Redding Municipal Code (RMC) Chapter 7.12.020-In Public Parks and Malls relative to exempting disabled assistance dogs from the prohibition against bringing dogs into public places.

Council Member Murray advised he would vote “no” on this matter because he believed the language of the ordinance would encourage persons to lock their dogs in an unattended vehicle. The Vote:

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

Ordinance - Adopting a procurement process for certain equipment for Redding Power Plant Generating Unit 6 Project

[B-050-100 & E-120-150-676]

It is the recommendation of the Electric Utility Director that Ordinance No. 2422 be adopted, an ordinance of the City Council of the City of Redding, adopting a special procurement process for certain equipment and material necessary for the construction of the Redding Power Plant Generating Unit 6 Project.

Notice of Completion - Bid Schedule No. 4107, Installation of 115kV breakers at Airport and East Redding Substations

[B-050-020/E-090-050/E-090-140-250]

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4107, (Job Nos. 9295-13 & 9295-34), Installation of 115kV breakers at Airport and East Redding Substations awarded to Cal-Electro, Inc. be accepted as satisfactorily complete, and that the City Clerk be authorized to file a Notice of Completion. Final cost is \$794,750.

Award of Bid - Bid Schedule No. 4178, two 35,000 GVW tree trucks with over center aerial lift devices

[B-050-100 & E-090-160]

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4178, two 35,000 GVW tree trucks with over center aerial lift devices be awarded to Altec Industries, Inc. in the amount of \$335,728.97.

Final Map and Accept Improvements - Lanning Avenue Subdivision (S-12-07); and

Resolution - Accepting streets for maintenance and operation

[S-101-133 & S-070-230]

It is the recommendation of the Transportation and Engineering Director that the Final Map for the Lanning Avenue Subdivision (S-12-07) located east of Lanning Avenue and north of Grange Street by Innovations Housing be approved, that the City Clerk be instructed to file the Final Map with the Shasta County Recorder, and that the improvements be accepted as satisfactorily completed.

It is further recommended that Resolution No. 2008-170 be adopted, a resolution of the City Council of the City of Redding, accepting for maintenance and operation, the streets in the Lanning Avenue Subdivision.

Resolution - Approving Engineer’s Report, ordering the formation of Landscape Maintenance District LMD-8-06 (Shastina Ranch Subdivision), confirming, approving annual assessments, and staying the levy of same for Fiscal Year 2008-09

[A-170-075-080]

It is the recommendation of the Transportation and Engineering Director that the City Council adopt Resolution No. 2008-171, a resolution of the City Council of the City of Redding, approving the Engineer’s Report and maps, ordering the formation of Landscape Maintenance District LMD-8-06 (Shastina Ranch Subdivision S-7-03), confirming and approving the annual assessments, pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 225000 of the Streets and Highways Code, and staying the levy of same for fiscal year 2008-09.

Resolution - Appropriating Minor Mall funds for the Downtown Parking Structure
[B-130-070 & M-010-200]

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2008-172 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 44th amendment to City Budget Resolution No. 2007-127 appropriating \$65,000 from the Minor Mall Repairs fund to repair spalling (flaking) at the North Parking Structure at the Downtown Mall (Midtown Mall) for fiscal year 2008-09.

Notice of Completion - Bid Schedule No. 4126, 12- and 16-inch Airport Road Water Main Project

[B-050-020 & W-030-725]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4126 (Job No. 2291), 12- and 16-inch Airport Road Water Main Project awarded to N & T, Inc., be accepted as satisfactorily complete and that the City Clerk be authorized to file a Notice of Completion with the Shasta County Recorder. The final cost is \$661,964.63.

Grant Application - California Integrated Waste Management Board

[G-100-170 & S-070-200]

It is the recommendation of the Transportation and Engineering Director that the City Council authorize submission of a grant application to the California Integrated Waste Management Board through the Rubberized Asphalt Concrete Chip Seal Grant Program in the amount of \$150,000 for street maintenance projects.

Additional Contingency Funds - Bid Schedule No. 4005, 2007 Sewer Sealing Project

[B-050-020 & W-020-575]

It is the recommendation of the Transportation and Engineering Director that the City Council approve additional construction contingency funds in the amount of \$5,000 for Bid Schedule No. 4005 (Job No. 2289), 2007 Sewer Sealing Project awarded to Pacific Liners to provide additional sealant for voids in pipe joints.

Additional Construction Contingency Funds - Bid Schedule No. 4132, Hilltop Drive Streetscape Project,

[B-050-020/S-070-285/W-030]

It is the recommendation of the Transportation and Engineering Director that the City Council approve additional construction contingency funds in the amount of \$330,000 for Bid Schedule No. 4132 (Job No. 2236), Hilltop Drive Streetscape Project awarded to Bobby Martin Construction to remediate contaminated soils (previously unknown) located when trenching was performed on the south end of the Project and for changes to the method of how electrical conduits enter the underground vaults which increased excavation costs.

Contract of Acquisition - Samuel and Luvetta Hinman, Frances Rudoni, Deborah Claypole, and Evelyn Giordano for an easement located at 877 Locust Street

[C-070-010 & W-020-610]

It is the recommendation of the Municipal Utilities Director that the City Council authorize the Mayor to execute a Contract of Acquisition and all necessary documents with Samuel and Luvetta Hinman, Frances Rudoni, Deborah Claypole, and Evelyn Giordano in the amount of \$49,000 for a permanent public service easement and temporary construction easement located at 877 Locust Street (Assessor Parcel Number 102-450-029), to facilitate extension of the wastewater line to Locust Street as part of the Westside Sewer Interceptor Project-Phase 2 Project. (A Relocation Plan was prepared for the current tenants living at 877 Locust Street to be considered by the City Council in November.)

Resolution - Amending the Employment and Benefit Policies for Unrepresented Employees and Schedule of Wage Rates for the Local 1245 of the International Brotherhood of Electrical Workers-Electric Employees

[P-100-050-100 & P-100-050-070]

It is the recommendation of the Personnel Director that Resolution No. 2008-173 be adopted, a resolution of the City Council of the City of Redding, amending the Employment and Benefit Policies for Unrepresented Employees by changing the classification of Automation Specialist to Control and Automation Technician with a salary of \$40.83 per hour, and moving this new classification to the International Brotherhood of Electrical Workers (IBEW)-Electric Employees Schedule of Wage Rates, and creating a new IBEW classification of Maintenance Assistant Coordinator with a salary of \$29.18 per hour, effective October 19, 2008.

MOTION: Made by Council Member Jones, seconded by Council Member Bosetti, that all the foregoing items on the Consent Calendar be approved and adopted as recommended as indicated above with the exception of the item approved by separate vote as indicated above. The Vote:

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

Ordinance Nos. 2420, 2421, and 2422, and Resolution Nos. 2008-169, 2008-170, 2008-171, 2008-172, and 2008-173 are on file in the Office of the City Clerk.

APPOINTMENTS - Youth Action Council for the 2008-09 School Year
[B-080-600-300]

MOTION: Made by Council Member Murray, seconded by Council Member Dickerson, appointing Alexander Berger, Taylor Bingo, Sara Bishop, Kevin Bonner, John Dodd, Callie Froese, Steven Gonzales, Hannah Knott, Jessica Linn, Ian MacRae, Sean Perry, Nick Rossow, Kaliee Schroeder, Kelsey Watkins, and Spencer Webb to the Youth Action Council for the 2008-09 school year. The Vote: Unanimous Ayes.

REPORT ON RESIDENTIAL CONSTRUCTION INCENTIVE PROGRAM AND REQUEST FOR COLLECTION OF RESIDENTIAL DEVELOPMENT IMPACT FEES AT FINAL INSPECTION; and

RESOLUTION - Extending certain temporary incentives re residential construction activity [F-205-600]

Assistant City Manager Tippin recalled that on June 3, 2008, the City Council authorized several temporary incentives to stimulate residential construction. Although the incentive program was viewed positively by the building community, he felt it was difficult to determine whether or not it stimulated construction, due to the downturn of the national economy, particularly in the housing and construction industries. He pointed out that the reduction of building permit processing fees resulted in a \$180,000 loss in permit service fee revenue during the four month trial period. Mr. Tippin related that a letter was received from the Shasta Builders' Exchange in September requesting that the short-term practice of deferring payment of impact fees until occupancy be made a permanent part of the Development Impact Fee permit process for residential and commercial projects. Mr. Tippin stated that the deferral of residential fees, for the most part, do not significantly impact the City's cash flow, but the deferral of commercial fees could have an adverse impact on the construction of infrastructure because of the lack of funds for debt service payments and the loss of interest on fees collected prior to debt service payment. He noted that many commercial projects take much longer to complete, in some cases years; therefore, staff does not recommend that commercial project fees be deferred.

Mr. Tippin recommended that the City Council conceptually approve the continuance of deferring residential impact fees to the time of final inspection and adopt a resolution extending the temporary incentive plan for fee deferral only, until January 30, 2009, or the effective date of an amended ordinance, whichever occurs first.

Council Member Dickerson suggested flexibility with commercial Impact Fees, by allowing a small project to defer fees based on the amount of time anticipated for completion. Development Services Director Hamilton explained that while the size of the project does not necessarily determine the impact (sewer, water, traffic) to the City, staff could review possible alternatives.

In response to Council Member Murray, Economic Development Director Zauher advised there are incentives already in place for commercial projects that include job credits and reduction of fees dependent on the type of industry and number and types of jobs created.

Council Member Murray maintained that the City should not collect impact fees from commercial projects until construction was complete because the impact does not occur until the business opens. City Manager Starman responded that the City builds sewer plants, roads, and other infrastructure in advance of construction, utilizing bond measures which require debt service, and in anticipation of various commercial projects, knowing that a

business could not open its doors unless the City has already completed water, sewer, roads and other infrastructure. Council Member Murray requested that when staff prepares a report for Council the various impact fees be reviewed individually (water, fire, etc.) and determine which could be deferred to final inspection stage and which should be paid at initial building permit stage.

Council Member Bosetti expressed concern that the recent incentive program resulted in a loss of \$180,000 in building permit revenue and questioned how the loss impacted the Development Services Department. Director Hamilton explained that the work performed by his department is paid from the General Fund and it is not recaptured 100% through the fee process.

Kent Dagg, Chief Executive Officer for the Shasta Builders' Exchange, thanked the City Council for its assistance in the recent fee reduction and deferral program and urged consideration of the permanent continuance of the deferral of residential impact fees and suggested a review in a year to see if the program is working as anticipated. He asked that at the conclusion of the review, consideration be given to adding commercial projects for construction incentives and deferrals to time of occupancy.

Bruce Anderson and Ron Mygrant urged approval to continue deferred impact fees for residential and commercial projects, noting that the construction industry has significantly higher unemployment than the average for Shasta County as a whole and is having difficulty with obtaining construction financing in the ailing economy.

MOTION: Made by Council Member Jones, seconded by Council Member Bosetti, accepting the Report on the Residential Construction Incentive Program, conceptually approving changing the collection of City development impact fees for residential construction until the time of request for final inspection, and adopting Resolution No. 2008-174, a resolution of the City Council of the City of Redding, extending certain temporary incentives to stimulate residential construction activity pending consideration of a permanent ordinance implementing same to January 30, 2009, or the effective date of the ordinance, whichever occurs first. The Vote:

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

Resolution No. 2008-174 is on file in the Office of the City Clerk

DISPOSITION OF CITY-OWNED PROPERTY - 7501 Eastside Road to the County of Shasta to accommodate a new County animal shelter
[C-070-200 & S-010]

City Manager Starman related that the County of Shasta has acknowledged a need for a new animal control facility for some time and has looked at various locations such as Breslauer Lane, Radio Lane, or Clear Creek Road for the new site. The County has also explored the possibility of locating a new facility near Haven Humane and discussions have ensued regarding the potential for a purchase or exchange of the City's property at 7501 Eastside Road. He stated that the County would pay cash for the property or exchange for like value. Although the property has not been appraised, it has an estimated value of \$185,000.00.

Mr. Starman pointed out that the Shasta Cascade Rail Preservation Society (SCRPS) currently leases the property on Eastside Road, but the lease is short term and will expire on June 30, 2009. SCRPS may be able to find a location closer to the railroad areas on Yuba Street where it has planned a railroad museum.

Mr. Starman recommended that the City Council direct staff to work with the County to develop a specific proposal to sell the property on Eastside Road to the County for a new animal control facility and return with a report for Council consideration.

Matthew Schuman, President of the Shasta Cascade Rail Preservation Society, thanked the City for allowing the use of the facility on Eastside Road for many years.

MOTION: Made by Council Member Dickerson, seconded by Council Member Bosetti, directing staff to work with the County of Shasta to develop a specific proposal to sell and/or exchange City-owned real property located at 7501 Eastside Road to the County for a new animal control facility and return with a report for Council consideration.

The Vote: Unanimous Ayes

DEVELOPMENT FUNDING AGREEMENT - James McDilda for affordable housing at 2532 Wilson Avenue

[G-100-075]

Assistant City Manager Tippin explained that although James McDilda is an active candidate for City Council, until such time as the election is complete, he is able to apply for funding through City affordable housing programs as would any applicant. However, if Mr. McDilda secures a seat on the City Council, he will no longer be eligible for such loans and he would not be able to amend this agreement or other agreements he has with the City. Mr. Tippin related that the City Attorney has thoroughly reviewed the issue and believes the City Council may go forward with consideration of Mr. McDilda's application. He added that Mr. McDilda has been advised and understands these restrictions. Mr. Tippin advised that funding would be through the HOME Rental Program by the U.S. Department of Housing and Urban Development (HUD). The first mortgage under the Program requires that the combined loan-to-value of the secured properties will not exceed 80%.

Mr. Tippin stated that with these funds, Mr. McDilda would like to rehabilitate 24 affordable housing units located at 2532 Wilson Avenue in an estimated amount of \$960,000. His application would fund the rehabilitation of only 11 of those units in an amount of \$439,947, with the remainder 13 units rehabilitated solely at his expense. He stated that the terms of the loan would include interest only payments of \$500.00 per month for the first ten years, in the eleventh year the payment would increase to \$1,500 monthly payment, and the remaining principal and accrued interest would be due and payable in 20 years. The standard covenant for low rental affordability will extend 10 years for the 11 units. Mr. Tippin pointed out that, because the loan encumbers four parcels, the City will be in 3rd and 4th position on the existing property loans, but would move into 2nd and 3rd position if a refinance occurs. In order to facilitate a future refinance, he said the City Council would need to authorize the Mayor to execute an agreement to subordinate the City on a refinance loan. He added that staff believes that the City would still be in a secure position because of the value of the properties. He noted that this project will bring much needed affordable housing to the City and that in most scenarios regarding the loan, the City would be in a more favorable position than the applicant.

Mr. Tippin recommended that the City Council authorize the Mayor to execute a Development Funding Agreement with James McDilda for rehabilitation of 11 affordable rental units owned by Mr. McDilda located at 2532 Wilson Avenue in the amount of \$439,947 utilizing the HOME Rental Program through HUD; that a 10-year affordability covenant be recorded on the City-assisted units; and that the Mayor be authorized to execute a future agreement to subordinate the City loan to a new first mortgage in an amount not-to-exceed 80% of the combined loan-to-value of the secured properties.

Council Member Dickerson urged that an inspection process be in place to determine that the repairs were, in fact, necessary and that at the end of construction, the repairs were completed. Mr. Tippin advised that staff did have a review procedure and there is a construction performance schedule (in this case June 30, 2009) to ensure completion.

Council Member Jones was concerned about the amount of the loan and the problems that could develop if Mr. McDilda becomes a Council Member, and he was not convinced the City would be in a secure position.

Council Member Jones moved to defer action on this matter for 30 days. The motion died for lack of a second.

While Council Member Bosetti also had concerns, he acknowledged the City's need for affordable housing and with the explanations provided by staff felt the matter should move forward.

MOTION: Made by Council Member Bosetti, seconded by Council Member Murray, authorizing the Mayor to execute a Development Funding Agreement with James McDilda for rehabilitation of 11 affordable rental units owned by Mr. McDilda located at 2532 Wilson Avenue in the amount of \$439,947 utilizing the HOME Rental Program through HUD; that a 10-year affordability covenant be recorded on the City-assisted units; and that the Mayor be authorized to execute a future agreement to subordinate the City loan to a new first mortgage in an amount not-to-exceed 80% of the combined loan-to-value of the secured properties.

The Vote:

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

UPDATE ON MAJOR PROJECTS - Administrative Hearings Board
[B-080-005 & A-050-080]

Assistant to the City Manager Clark provided a Powerpoint presentation describing the processes involved for the Administrative Hearings Board (AHB). He related that in November 2005, the City Council created the AHB to hear animal regulation citation appeals, code enforcement citation appeals, designate dangerous dogs, and compliance orders with fines. Currently, there are three board members with staggered four-year terms. He pointed out that the AHB advantage over the previous court processes are fair and impartial hearings, more efficiency, less costly to taxpayers, and the hearings are held much sooner. He noted that, to date, the process has been very successful and, for the most part, issues have been resolved quickly and fairly.

No action was required on this informational item.

ADJOURNMENT

There being no further business, at the hour of 8:36 p.m., Mayor Stegall declared the Regular Meeting adjourned.

APPROVED:

Mayor

ATTEST:

City Clerk