

City Council, Regular Meeting
Civic Center Council Chambers
777 Cypress Avenue
Redding, California
June 15, 2010 6:00 p.m.

The Pledge of Allegiance to the Flag was led by Rob Burroughs.

The Invocation was offered by Vice Mayor Missy McArthur.

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

Also present were City Manager Starman, City Attorney Duvernay, Assistant City Manager/Personnel Director Tippin, Transportation and Engineering Director Crane, Assistant Development Services Director Nagel, City Clerk Mize, and Executive Assistant Grimm. The City Manager noted that most Department Directors were in attendance.

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CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Regular Meeting of May 18, 2010

Approval of Payroll and Accounts Payable Registers

[A-050-100-500]

It is the recommendation of the Finance Director that the City Council approve Accounts Payable Register No. 23, for check numbers 883965 through 884344, inclusive, ACH Transfer numbers 6907 through 6938, inclusive, and Wire Transfer numbers 2362 through 2412, inclusive, for a total of \$10,836,506.32, for the period of June 1, 2010, through June 11, 2010; and Payroll Register No. 24, for electronic deposit transaction numbers 280164 through 281047, inclusive, and check numbers 546635 through 546727, inclusive, in the amount of \$2,537,686.59, for the period May 16, 2010, through May 29, 2010.

TOTAL: \$13,374,192.91

Ordinance - Amending Title 18-Zoning, Chapter 18.31-Residential Districts, relating to the density of projects affordable to lower income households, as detailed in Rezoning Application RZ-4-10

[L-010-230/C-110-100]

It is the recommendation of the Assistant Development Services Director that Ordinance No. 2461 be adopted, an ordinance of the City Council of the City of Redding amending Title 18 - Zoning, Chapter 18.31-Residential Districts, Section 18.31.030-Site Development Regulations and Performance Standards, Schedule 18.31.030-B-Density Regulations-Residential Uses, relating to the density of projects affordable to lower income households, as detailed in Rezoning Application RZ-4-10.

Resolution - Grant Application to the California State Department of Housing and Community Development and Execution of a Standard Grant Agreement

[G-100-170]

It is the recommendation of the Assistant City Manager that the City Council adopt Resolution No. 2010-53 , a resolution of the City Council of the City of Redding authorizing staff to submit a grant application to the California State Department of Housing and Community Development (HCD) for up to \$1,000,000 in CalHome Program funds; and authorize the execution of a standard grant agreement with HCD if selected for such funding

Grant Application - Transportation Infrastructure Generating Economic Recovery Phase II (TIGER II) Grant Application for Reconstruction of the Oasis Road Interchange

[G-100-070/G-030-110]

It is the recommendation of the Transportation and Engineering Director that the City Council authorize staff to submit an application to the Department of Transportation for a National Transportation Infrastructure Investment discretionary grant under the FY 2010 Appropriations Act, aka "TIGER II Discretionary Grants", for reconstruction of the Oasis Road Interchange, and approve approximately \$25,000 for staff and consultant support for

preparation of the application, which will be funded through the Citywide Traffic Impact Fee Program.

Award of Bid - Schedule No. 4338 - Treated Wood Poles

[B-050-100]

It is the recommendation of the Electric Utility Director that the City Council award Bid Schedule No. 4338 to Pacific Wood Preserving for furnishing treated wood poles on an as-needed basis during the period July 1, 2010, to June 30, 2011, for the bid unit amounts shown on the tabulation of bids attached to the Report to City Council dated June 4, 2010, incorporated herein by reference; and authorize the Purchasing Officer to extend the bid annually, for up to two years, at the same prices, terms, and conditions if deemed prudent and mutually agreeable.

Resolution - Authorizing acceptance of a Grant from the State of California Alcoholic Beverage Control Department

[G-100-170/P-150-150]

It is the recommendation of the Chief of Police that the City Council adopt Resolution No. 2010-54, a resolution of the City Council of the City of Redding authorizing the acceptance of a grant from the California Alcoholic Beverage Control Department in the amount of \$29,847, to pay for training, overtime, compensation and equipment designed to address alcohol enforcement issues such as underage drinking and disturbances at on-sale establishments.

Award of Bid - Schedule No. 4332 (Job No. 9381) - Benton Airpark Safety Overrun Project

[B-050-020/G-100-070-095/A-090-020]

It is the recommendation of the Transportation and Engineering Director that the City Council award Bid Schedule No. 4332 to Ford Construction Company, Inc., for extending runway safety areas and replacement of a damaged storm drain at Benton Airpark, in the amount of \$1,023,421.50; that an additional \$245,900 be approved for administration and inspection fees and obtaining outside services for material testing; and that \$102,378.50 be approved to provide construction contingency funding, for a total of \$1,371,700.

Authorization of Services Agreement - Mead & Hunt, Inc., for Construction Engineering Services at Benton Airpark

[A-090-020/G-100-070-095]

It is the recommendation of the Transportation and Engineering Director that the City Council approve Authorization of Service Agreement (AOS) No. 10-01 with Mead & Hunt, Inc. (C-4389), in an amount not-to-exceed \$182,100, for construction engineering services for the first phase of the Benton Airpark Safety Overrun project.

Award of Bid - Schedule No. 4323 (Job No. 2306) - Foothill 30-inch Raw Water Pipe Replacement Project

[B-050-020/W-030-425]

It is the recommendation of the Transportation and Engineering Director that the City Council award Bid Schedule No. 4323 to Cox & Cox Construction, Inc., for pipe replacement and valve appurtenances for the Foothill Water Treatment Plant and repaving Foothill Boulevard following pipe installation, in the amount of \$2,162,055.65; that an additional \$200,000 be approved for administration and inspection fees; and that \$325,000 be approved to provide construction contingency funding, for a total of \$2,687,055.65.

Notice of Completion - Bid Schedule No. 4269 (Job No. 2327) - Foothill Water Treatment Plant Miscellaneous Improvements Project

[B-050-020/W-030-425]

It is the recommendation of the Transportation and Engineering Director that the City Council accept the subject construction contract performed by RTA Construction/Ray Toney J.V. as satisfactorily complete and authorize the City Clerk to file a Notice of Completion with the Shasta County Recorder. Final cost was \$684,000.

Grant Application - Safe Routes to School Program

[G-100-170/S-070-285/S-070-100]

It is the recommendation of the Transportation and Engineering Director that the City Council authorize staff to submit a grant application for state grant funds from the Safe Routes to School Program (SR2S) for projects proposed along Loma Vista Drive and Locust Street, to serve the students of Lassen View and Cypress Elementary schools.

Award of Bid - Schedule No. 4322 (Job No. 2229) - Oasis Road/Interstate 5 Southbound Loop On-Ramp and Off-Ramp Realignment Project

[B-050-020/G-030-110]

It is the recommendation of the Transportation and Engineering Director that the City Council award Bid Schedule No. 4322 to J.F. Shea Construction, Inc., for realignment of the southbound freeway off-ramp from I-5 to Oasis Road, a loop on-ramp from westbound Oasis Road to southbound Interstate 5 (I-5), traffic signals at the ramp termini, and other miscellaneous work, in the amount of \$2,141,835.45; that an additional \$100,000 be approved for staff administration and surveying during construction; and that \$100,000 be approved to provide construction contingency funding, for a total of \$2,341,835.45.

The Vote:

AYES: Council Members - Bosetti, Dickerson, McArthur, and Jones

NOES: Council Members - Stegall

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Conflict of Interest Code - Biennial Review

[F-010-150]

It is the recommendation of the City Clerk that the City Council (1) give notice that, pursuant to Government Code Section 87306.5, its Conflict of Interest Code is to be reviewed and revised if necessary; (2) direct the City Clerk and advise all City departments to review the current list of designated positions and disclosure categories to determine if any revisions are necessary and to provide said revisions to the City Clerk by October 1, 2010; and (3) direct the City Clerk to prepare and present any necessary revisions to the Code to the Council, or advise the Council that no revisions are necessary, within 90 days of receiving said notification(s).

A MOTION WAS MADE by Council Member McArthur, seconded by Council Member Bosetti, that the foregoing items on the Consent Calendar be approved and adopted as recommended with the exception of the item(s) approved by separate vote as indicated above. The Vote:

AYES: Council Members - Bosetti, Dickerson, McArthur, Stegall, and Jones

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Ordinance No. 2461 and Resolution Nos. 2010-53 through 2010-54 are on file in the Office of the City Clerk.

FEDERAL EMERGENCY MANAGEMENT AGENCY - Update on Status of Floodplain Remapping on Olney Creek

[F-200-090/S-060-150-550]

Council Member McArthur recused herself due to property ownership in the area.

Development Services Assistant Director Nagel and Transportation and Engineering Director Crane summarized the Report to City Council (staff report) dated June 7, 2010, with a Power Point presentation, both incorporated herein by reference, including results of a hydrologic analysis performed by Pacific Hydrologic, Inc. (PHI). Mr. Nagel outlined the City's "Next Steps" that include further study and identification of funding sources for achieving Federal Emergency Management Agency (FEMA) re-certification of the Olney Creek levee. He recommended that the Council accept the status update related to FEMA action on the remapping of the Olney Creek floodplain, and authorize continued work to refine the engineering analysis of potential solutions to address flooding issues specifically associated with obtaining Olney Creek levee re-certification, using approximately \$10,000 in funding remaining from the original \$75,000 budget allocation.

Donna Briggs urged the Council to accept the PHI study and to take continued action to resolve flooding issues identified in the study and impacting homeowners with property located in revised Digital Flood Insurance Rate Map zones under FEMA's Flood Map Modernization Program.

Jim Pace supported continued effort to resolve potential flooding at Sacramento Drive and the Olney Creek levee.

A MOTION WAS MADE by Council Member Stegall, seconded by Council Member Bosetti, accepting staff’s recommendation as detailed in the staff report dated June 7, 2010, accepting the status update related to FEMA action on the remapping of the Olney Creek flood plain and authorizing continued work to refine the engineering analysis of solutions to address flooding issues specifically associated with obtaining Olney Creek levee re-certification. The Vote:

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

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PUBLIC HEARING - Consideration of a Resolution adjusting the City’s Schedule of Fees and Service Charges

[F-205-600]

Finance Director Strong summarized the Report to City Council (staff report) dated June 3, 2010, incorporated herein by reference, and noted an overall 1.7 percent increase based on the Consumer Price Index for the 12-month period ended April 2010 for mid-size western cities, with some exceptions as detailed in the staff report dated May, 14, 2010, and submitted to Council on June 1, 2010. He pointed out increases requested by solid waste, development services, and support services/convention center and recommended that the Council adopt the resolution to adjust the City’s Schedule of Fees and Service Charges.

Staff responded to questions from Council Members.

At the hour of 6:40 p.m., Mayor Jones opened the public hearing to consider Proposed Adjustments to the City’s Schedule of Fees and Service Charges.

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

Affidavit of Publication - Notice of Public Hearing

No protests were received.

Kent Dagg requested that the Council postpone adoption of the proposed changes, to allow for a more comprehensive review and opined that increased fees can cause unpermitted work.

Council Members McArthur and Dickerson supported more review of the proposed three percent increase to solid waste fees and the General Plan Amendment Text Fee, but deferred to City Manager Starman’s assertion that increases to the Convention Center Fee Schedule needed to be implemented by July 1, 2010.

Mayor Jones determined that no other individual wished to address this matter and closed the public hearing.

Mayor Jones stated he opposed increases to Convention Center fees and would not support a resolution adjusting the City’s fee schedule due to a global recession of an unprecedented nature.

A MOTION WAS MADE by Council Member Stegall, seconded by Council Member McArthur, approving amended Resolution No. 2010-55, a resolution of the City Council of the City of Redding adjusting Convention Center fees, to become effective July 1, 2010, and continued the Public Hearing to consider all other proposed changes to the City’s Schedule of Fees and Service Charges to July 20, 2010.

The Vote:

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

Resolution No. 2010-55, as amended at this Council meeting and pertaining only to Redding Convention Center fees, is on file in the Office of the City Clerk.

PUBLIC HEARING - Salt Creek Heights Subdivision/Planned Development; and
RESOLUTION - Certifying Environmental Impact Report EIR-1-08; and
RESOLUTION - Approving Tentative Map Application S-15-07 and Planned Development Plan Application PD-11-07; and
ORDINANCE - Approving Rezoning Application RZ-6-07; and
ORDINANCE - Approving the Salt Creek Heights Subdivision Development Agreement with Sierra Pacific Industries, Inc.
[S-101-135/L-010-211-043/^L-010-075/^L-010-230]
Council Member McArthur recused herself due to property ownership in the area.

Planning Manager DeMallie forwarded the Planning Commission's split-vote recommendation to approve a 440 residential unit subdivision/planned development with a 13.9-acre public park and 127 acres of natural open space on 272 acres between Eureka Way and the Sacramento River and summarized the Report to City Council dated June 3, 2010, incorporated herein by reference. He explained that the Commission's split vote centered around six lots ("outpads"), identified as Lots 335, 336, 337, 338, 339 and 341, that are located on the fringe of the development in an area currently designated as "Greenway" on the General Plan (GP). Mr. DeMallie supported the overall design of the project and had observed favorable public comment, with the exception of controversy related to fire safety, conformance with GP greenway and open space policy, and environmental concerns over the six outpads.

Mr. DeMallie pointed out that the project's north boundary borders Salt Creek and its east boundary is defined by Gold Run Creek. He called out the "greenway" and the two land use designations within the project area from a graphic of the General Plan map, noting that current zoning density would allow construction of approximately 800 units. From the Planned Development (PD) graphic, Mr. DeMallie highlighted the six outpads in the greenway area. He provided a definition of "Greenway" and stated staff opposition to six of the twelve proposed outpad building sites.

Mr. DeMallie advised Council that, if approved as recommended by the Planning Commission, the project would result in construction of homes in very high-fire hazard severity zones, as determined by the state. He provided fire fuel reduction plan maps from a report prepared by RBF Consulting, depicting cleared land based on original clearing requirements, and recalled Redding Municipal Code (RMC) clearance requirements and exceptions, which are subject to Fire Marshal approval. Mr. DeMallie relayed that the Fire Marshal did not favor a reduction to the 200-foot City standard to allow 130-foot clearances as proposed by a fire behavioral consultant hired by the developer, even though the Planning Commission approved the modification.

City Attorney Duvernay interjected that subdivision development and applicable City application and approval processes must be strictly followed in order for the City's decision on the subdivision to be defensible in court. Mr. Duvernay pointed out that the draft tentative map currently states a 200-foot clearance as a brush management condition. He recognized that the applicant has an option to submit a study and request an exception, which is subject to approval by the Fire Marshal and consistent with RMC. He emphasized that Council must be cognizant of over-riding the existing delegation of authority to the Fire Marshal and reiterated that since current law gives the fire department final approval of exceptions, any other decision would not be defensible.

Mr. DeMallie touched on the adequacy of the Environmental Impact Report (EIR-1-08), prepared by RBF Consulting, which demonstrates that any environmental impacts can be mitigated and noted Planning Commission's unanimous approval of the EIR. Mr. DeMallie cited the areas generating the most public comment were increased traffic, fire safety, and Salt Creek biological resource protection. He deferred to Council to dispense with a detailed verbal review of the EIR, opining that the staff report had voluminous detail and three public hearings had been held, all of which provided ample opportunity for the public and Council to understand the scope of the project. He recommended that the Council adopt a resolution certifying the Environment Impact Report on the project.

Mr. DeMallie briefly explained the definition of the City's General Plan "Greenway" designation, General Plan Policy CDD3A, and Planning Commission Interpretation 2001-3, all relating to slope areas exceeding 20 percent. He relayed the Planning Commission's opinions regarding Lots 335, 336, 337, 338, 339 and 341 (as detailed in the staff report), and

stated that staff recommended that the Council adopt a resolution approving Tentative Map Application S-15-07 and Planned Development Plan Application PD-11-07, excluding the six outpads highlighted in yellow on the PD graphic, due to inconsistency with General Plan policies. Mr. DeMallie further recommended that the Council offer two ordinances, relating to Rezoning Application RZ-6-07 and a Development Agreement with Sierra Pacific Industries relative to the Salt Creek Heights subdivision, for first reading by title only and waive the full reading.

At the hour of 7:21 p.m., Mayor Jones opened the public hearing to consider the Final Environmental Impact Report EIR-1-08, the Tentative Subdivision Map Application S-15-07, the Planned Development Plan Application PD-11-07, the Rezoning Application RZ-6-07, and the Salt Creek Heights Development Agreement, all pertaining to the Salt Creek Heights Subdivision/Planned Development.

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 Mize advised that eight protest letters had been received after the agenda was distributed, which had been copied to all Council Members and made available for public review, and were incorporated into the official record by reference.

Gary Blanc, Sierra Pacific Industries/Applicant representative, gave background on the project since the property was purchased in December 2006. Mr. Blanc stated that members of the Sierra Pacific Industries (SPI) development team personally walked the property to get a feel for the land prior to any layout work being completed. In early 2007, team members met with City planning, engineering, fire, and community services staff and CalTRANS, and worked to develop a diversified plan that would comply with the General Plan and current zoning requirements. He relayed that a neighborhood meeting, and a public scoping session and public hearing were held before the Planning Commission to provide opportunity for public comment on the project, with all efforts resulting in the proposed Salt Creek Heights Subdivision/Planned Development being submitted for Council's approval. Mr. Blanc described the project details, including 96 apartments, 96 single-family garden court units, and 73 small/114 medium/49 large/12 custom single-family homes, with 46 percent open space. He pointed out that conditions of the Tentative Map Application/Planned Development Plan Application(s) were negotiated during the permit process and had received Planning Commission majority approval. Mr. Blanc submitted SPI's strong disagreement with staff's alternative recommendation to eliminate six outpads from the project and their opinion that the proposed construction is inconsistent with General Plan policies.

Mike Dormer, Sharrah/Dunlap/Sawyer (SDS) Principal and Project Manager, described plotting the project on the City's topographic map to identify outpad sites and gave a PowerPoint presentation, included herein by reference. Mr. Dormer showed the original and current outpad layout plans, and explained that since site inspections did not match the aerial topography, SDS was retained to conduct on-the-ground field surveys on every outpad driveway. He maintained that, based on field survey findings, 12 building outpads/sites are developable and meet greenway policy criteria. Mr. Dormer stated that stem-wall construction would be used to minimize grading for the 80 x 80 foot building pads. He illustrated the Best Management Practices (BMP) planned for erosion control by referring to Highland Park Subdivision's positive results over the first winter using similar BMPs. Mr. Dormer addressed fire safety issues by pointing out that the subdivision will be in a specific Landscape Maintenance District (LMD), whose annual assessments will reflect the City's costs to maintain fire defensible space. He observed that almost all of west Redding is a high fire hazard severity zone and that older developments do not include defensible space LMD assessments, which is the responsibility of those property owner(s). Mr. Dormer emphasized that the existing development agreement has incorporated extra measures to mitigate fire risks in areas adjacent to wild lands, such as 22-foot wide driveways that can act as a firebreak and a fire hydrant and emergency vehicle turn-around at each home site. He concluded that open space concerns were unfounded because 44 percent (or 140 acres) of the project's 272 acres would remain open space, and that the project, as recommended by the Planning Commission, conforms to the General Plan and the City's development standards.

Gary Blanc offered that additional progress had been made on Condition 109 of the proposed Tentative Map Application/Planned Development Plan Application, relaying that SPI had signed a non-binding Memorandum of Intent for the Bureau of Land Management to take ownership of 28 acres of open space between the project, Salt Creek, and the river trail for environmental protection, with the ultimate intention of establishing one or more walking trails on portions of that property, and showed an exhibit of possible locations of trails, thereby allowing the land to remain in public ownership.

Responding to Mayor Jones, Mr. Blanc asserted that the City's long-standing practice of requiring two, back-to-back, 100-foot fire clearance zones had no scientific basis, which compelled SPI to retain a fire behavior specialist to perform a site-specific study and prepare a report with SPI property-specific conditions thereon. He further responded that the outpad sites were very significant to the project and essential to make it financially feasible, and expressed confidence that they were defensible with 130-foot fire clearances as proposed.

Craig Carter, a fire behavior analyst since 1984, retained by Sierra Pacific Industries to specifically analyze this project, expressed that protection of life and property is paramount and asserted that 90-foot/30-foot clearing zones are sufficient based on weather, fuel availability and type, non-flammability of the proposed/involved structures, fire engine turnarounds, "chimney" brush clearance, fire hydrants at outpads and other additional mitigation measures included in the project plans. Mr. Carter responded to Council Members Bosetti and Stegall regarding wildland/urban fires, site-specific fuel, two-zone ideology, and sufficiency of road access. He concluded that a fire in the area was inevitable, and that the object was to mitigate risk and minimize loss of life/property when it occurred.

Phil Paige, Redding Fire Marshal, informed Council that grade requirements allow access in a normal fire situation and noted that a wildfire had burned 80 acres of the north end of this area last year. He expressed reluctance specific to this project due to proximity/infringement into wildland, limited air support due to power lines, and other conditions that impact defensibility of residential structures. Marshal Paige mentioned that availability of fire-fighting resources is already stretched and provided a recent example of one day that an off-duty firefighter had to contain a vehicle fire before it spread to a structure because all the City's engines were tapped by a small, one-and-a-half acre fire and medical calls, and City of Anderson, City of Shasta Lake, and Shasta County engines were already engaged on stand-by for the two-alarm fire. He stated that resource availability was as challenging as the natural environment in this instance. Responding to Council Member Dickerson, Marshal Paige explained that typical developments cluster homes together and separate them from wildland areas with wide expanses, and he confirmed that dual 100-foot zoning was the standard. He did not agree that SPI had sufficiently mitigated increased risks and opposed the outpads.

Responding to Council Member Stegall, City Attorney Duvernay opined that due to broad immunity given to cities under state law when determining appropriate levels of police and fire protection, he was not concerned about City liability in the event of a natural catastrophe; but reiterated his concern about deviating from existing Municipal Code delegation to the Fire Marshal to determine acceptable conditions. Mr. Duvernay recalled that Condition 109 of the Tentative Map Application/Planned Development Plan Application offers SPI some flexibility to modify fire setbacks if deemed acceptable by the Fire Marshal.

Gary Blanc, SPI, assured Council that notification to home buyers of the high-fire zone designation is required under Condition 103A of the Tentative Map Application/Planned Development Plan Application. He added that the 30/90 zone clearance proposed by Mr. Carter was from the property boundary, not from the residence, thereby adding additional feet of cleared space depending on the footprint of the home on the 80x80-foot lot(s). He expressed a commitment to work with the Fire Marshal to achieve appropriate fire danger mitigation for the six controversial outpads.

Todd Slaughter, David Fritchle, Doug Bennett, Jo Vayo, David Ledger, Melinda Brown, Lang Dayton, Susan Weale, Cindy Crom, and Gary Cadd expressed concerns about traffic, greenway infringement, walking trails, vegetation clearance, fire insurance, increased costs for utility services, eco-system protection, legal challenges, sedimentation, use of tax-payer money, and power lines.

Mayor Jones determined that no other individual wished to address this matter and closed the public hearing.

Mayor Jones made comments and expressed support for the project, subject to the Fire Marshal's recommendations. Council Members Bosetti and Dickerson made additional comments and also expressed support for the project as recommended by the Planning Commission. Mr. Dickerson stated interest in conditional approval based on successful negotiations between SPI and the Fire Marshal regarding mitigation measures for the outpads.

Council Member Stegall made comments and expressed appreciation for the project but opposed the outpads due to 20 percent slopes, high fire danger, proximity to wildlands, greenway infringement/preservation of purity of community's open space philosophy, and watershed concerns.

Planning Manager DeMallie interjected that, based on the City Attorney's counsel, Tentative Map Application (S-15-07)/Planned Development Plan Application (PD-11-07) Condition 109 would need to be revised based on SPI's Memorandum of Intent with the Bureau of Land Management regarding dedication of a trail easement; and Condition 101(a) regarding fuel-reduction areas would also need to be revised.

A MOTION WAS MADE by Council Member Stegall, seconded by Council Member Bosetti, adopting Resolution No. 2010-56, a resolution of the City Council of the City of Redding certifying the completeness and adequacy of Environmental Impact Report EIR-1-08 for the Salt Creek Heights Subdivision project. The Vote:

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

Resolution No. 2010-56 is on file in the Office of the City Clerk.

A MOTION WAS MADE by Council Member Bosetti, seconded by Council Member Dickerson, adopting Resolution No. 2010-57, a resolution of the City Council of the City of Redding adopting findings and approving Tentative Subdivision Map Application S-15-07 and Planned Development Plan Application PD-11-07, subject to Fire Fuel Reduction Plan approval by the City's Fire Marshal, and adopting the project mitigation and monitoring program for Salt Creek Height Subdivision. The Vote:

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

Resolution No. 2010-57 is on file in the Office of the City Clerk.

A MOTION WAS MADE by Council Member Bosetti, seconded by Council Member Dickerson, introducing Ordinance No. 2462 by title only, an ordinance of the City Council of the City of Redding amending the Zoning Map of the Redding Municipal Code under Rezoning Application RZ-6-07 relative to Salt Creek Heights Subdivision/Planned Development; waiving the full reading of the Ordinance; and instructing the City Attorney to read the full title. The Vote:

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

City Attorney Duvernay read the full title of the uncodified ordinance.

A MOTION WAS MADE by Council Member Bosetti, seconded by Council Member Dickerson, introducing Ordinance No. 2463 by title only, an ordinance of the City Council of the City of Redding approving the Salt Creek Heights Subdivision Development Agreement; waiving the full reading of the Ordinance; and instructing the City Attorney to read the full title.

The Vote:

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

City Attorney Duvernay read the full title of the uncodified ordinance

ORAL PRESENTATION - Redding Community Access Corporation

[A-050-060/T-040-350-200/B-080-120]

Per Council Member McArthur's request, City Manager Starman introduced the topic for discussion, and Support Services Director Kersten gave a primer on Public Education Government (PEG) television and fees and the City's relationship(s) with Charter Communications (Charter) and Redding Community Access Corporation (RCAC) with a PowerPoint presentation, incorporated herein by reference. Mr. Kersten explained the three parts to providing public access television to Redding citizen's, which are: (1) enabling federal legislation; (2) a cable franchise; and (3) a service agreement with RCAC. Mr. Kersten noted that PEG channels are not mandated by federal law. He relayed that the City chose to "get out of the public access television business" for several reasons in 1996, although they still chose to make PEG a requirement in Cable Franchise negotiations. Mr. Kersten advised Council on the complexity and arcane nature of Federal Communications Commission regulations, the Cable Act, and case law pertaining to public television. He continued with details of the Service Agreement with RCAC, commencing on February 15, 2005, that includes approximately \$74,000 in PEG fees collected from cable subscribers annually and "passed-through" the City to RCAC, pursuant to the Cable Franchise Agreement with Charter. Mr. Kersten concluded with a description of Community Access channels 8, 11, and 26, paying particular attention to channel 11, which is the public and government channel that airs City Council meetings.

Suzie Evans-Wood, Charter Communications, affirmed details as presented by Mr. Kersten, referenced Charter's 15-year contract with the City through 2019, and described Charter's role related to public access television. She explained that Charter has no operational involvement with RCAC, which is typical of cable operators across the country, primarily due to liability issues involving content. Responding to Council Member McArthur, Ms. Wood clarified that PEG fees can only be used for capital purposes and does not include rent payments.

City Manager Starman offered further information regarding RCAC, a mid-1990's citizen committee, the decision to privatize public access television, and the City's current position on the topic.

Responding to Council Member Stegall, Council Member McArthur stated her intent for bringing this item before the Council was to spotlight the City's role on the controversial subject and wondered about an opportunity for oversight.

Sharon Waranius, Mary Stephens, Leslie Brunett, Jo Vayo, Norman Nelson, Patricia Heinsohn, Brenda Ballantine, Fred Chavez, Matthew Davison, Tim Pappas, Tonya Hamilton, Rob McDonald, John Dixon, and Ed Ballentine commented on public access television, RCAC, and their personal experiences.

Responding to Council Member McArthur, Ms. Evans-Wood confirmed that Charter does have monitoring rights and that new/original/regular programming thresholds, as required in the Franchise Agreement, have never occurred on the three city channels. She recognized that the thresholds are very high and difficult to meet and emphasized Charter's interest in having a healthy public access environment and availability as intended by the law.

Support Services Director Kersten explained the two types of funds the City receives from Charter: (1) the franchise fee that Charter pays the City for use of publicly-owned right-of-way, which goes to the General Fund; and (2) PEG fees, which subscribers pay and can only be used for capital facility grants, that "passes through" the City to RCAC.

Mr. Starman responded to Council Member McArthur, observing that Redding Community Access Corporation (RCAC) is a privately-held, not-for-profit corporation and noted that the City has no control over their operations. He acknowledged the City's overseeing rights and fiduciary responsibilities within the scope of the contract, but opposed appointing a standing

city liaison due to potential liability issues related to first amendment rights and censorship. He relayed that Mayor Jones and Mr. Kersten had attended a board meeting, an opportunity that is available to city staff and Council Members at any time. Mr. Starman offered that options available for providing public access could be explored, including Shasta County Arts Council, Shasta County Office of Education, or issuance of a Request for Proposals.

No action was taken on this discussion item.

RESOLUTION - Special Measure on November 2, 2010, Regular Election Ballot concerning Funding of CalPERS Retirement Benefits

[A-050-060]

City Attorney Duvernay provided background on the Council majority's direction to prepare a special measure for placement on the November 2, 2010, regular election ballot asking voters to consider adoption of an ordinance concerning funding of CalPERS retirement benefits for City employees. Mr. Duvernay read the wording for a ballot measure proposing that a labor negotiations policy requiring City employees and City officials to pay the full "employee contribution" of CalPERS pension benefits be phased in over a period not-to-exceed four years. He expounded on how defined benefit plans like CalPERS function, the three funding components, and relayed that the City had approached labor unions approximately 30 years ago, asking to "pick up" the "employee contribution" share to CalPERS in lieu of salary increases. Mr. Duvernay described the evolution of defined contribution (401K) plans since IRS code changes in 1978, and provided an overview of current opinion related to government and private sector retirement plans. He observed a trend in the State for agencies to negotiate with employees to pay the employee contribution to CalPERS going forward. Mr. Duvernay asserted that the proposed measure is legal, does not impair existing contract rights, and respects the Myers/Milias/Brown Act requirements for good faith negotiations. He pointed out that if voters approved the initiative, it would establish a policy that would be binding on current and future Councils and obligates the City to present an opening bargaining position as stated in the proposed ballot measure and attached to the Report to City Council dated June 4, 2010, incorporated herein by reference. He advised that it is not legally necessary and is atypical for General Law cities to have compensation and retirement benefits on a ballot. Mr. Duvernay suggested that the current Council appeared united in pursuing a common goal related to reducing retirement benefits and only needed to determine if a ballot measure was an effective or ineffective way to achieve the desired outcome.

Mr. Duvernay also outlined the subsequent agenda item regarding a second ballot measure relating to City retiree health benefit funding. Council's discussion of both topics was intermingled.

Council Member Dickerson confirmed that the ordinances would put an opening bargaining position in place prior to good-faith bargaining, as required by state law, and suggested that a Council consensus could achieve the same result without spending an estimated \$50,000 on ballot measures.

Mr. Duvernay clarified that Council would be allowed to modify the opening bargaining position and could also consider quid pro quo proposals offered as part of a good-faith bargaining process.

Mr. Dickerson reiterated that the ballot measures would only establish opening bargaining positions to be presented to each bargaining unit at the beginning of negotiations, and Mr. Duvernay affirmed.

Tim Pappas, Phaedra Mitchell, and Gary Cadd expressed their opinions on the proposed ballot measures.

Council Member Bosetti stated that he brought the ballot measures forward originally because no permanent solution for the City's unfunded liability for retiree benefits was being achieved through negotiations. Mr. Bosetti cited the need for increased funding from the City to CalPERS and "a smoothing effect" that is expected to last three to four years or beyond.

City Manager Starman responded to Mr. Bosetti, clarifying that the Employer Paid Member Contribution (EPMC) enhancement was negotiated with CalPERS in the late 1990's, and highlighted its effect on a sample police retirement calculation.

Council Member Stegall stated full support of the need to remedy escalating funding requirements and ongoing retirement benefit levels and asked if Council could just agree to adopt this opening bargaining position, thus eliminating the perceived need for ballot measures.

Mr. Bosetti stated his belief that a public mandate would protect the bargaining position, suggested that Redding consider becoming a Charter city, and expounded on a cycle of special interest candidates rewarding labor unions whose support they need for re-election.

Mayor Jones stated his concern over the unresolved Governmental Accounting Standards Board's Statement 45 (GASB 45) liability, the need to "use all the tools" at his disposal, and expressed support for the ballot measures.

Council Member Dickerson expressed strong opposition to the ballot measures.

A MOTION WAS MADE by Council Member McArthur, seconded by Council Member Bosetti, adopting Resolution No. 2010-59, a resolution of the City Council of the City of Redding placing a special measure on the November 2010 election ballot regarding funding of CalPERS retirement benefits.

The Vote:

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

Resolution No. 2010-59 is on file in the Office of the City Clerk.

RESOLUTION - Special Measure on the November 2, 2010, concerning City Retiree Health Benefits

[A-050-060]

City Attorney Duvernay provided background on negotiations with the International Brotherhood of Electrical Workers (IBEW) in 1979, related to allowing retirees to be eligible for the same health benefits as active employees and paying half of the insurance premiums. He stated that, at the time, Sacramento Municipal Utility District had agreed to this benefit for their employees. Mr. Duvernay described the subsequent growth in the City's workforce and the associated monthly health insurance premium/cost, and he detailed related GASB 45 funding liability disclosure requirements. Mr. Duvernay recalled negotiations resulting in elimination of this benefit for new employees and honoring the promise to existing retirees and employees. He acknowledged that experiences over the last five years had shown that a two-tiered system was not the best way to reform retirement benefits, and reviewed a recent labor negotiation position shift to a minimum vesting requirement for existing and new employees with benefits based on years of service to the City and maintaining existing benefits for existing retirees. Mr. Duvernay reiterated that the ballot measures are legal, although not legally required because the same result could be achieved by a Council consensus; that they would establish binding labor negotiation opening bargaining positions on current and future Councils; and submitted the item for Council's determination regarding the best course of action to achieve labor negotiation objectives.

Council discussion ensued as detailed under the immediately previous item heading.

A MOTION WAS MADE by Council Member McArthur, seconded by Council Member Bosetti, adopting Resolution No. 2010-60, a resolution of the City Council of the City of Redding placing a special measure on the November 2010 election ballot regarding City Retiree health care benefits.

The Vote:

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

Resolution No. 2010-60 is on file in the Office of the City Clerk.

City Attorney Duvernay advised that ballot measure arguments in favor and in opposition were due to the Clerk by 5 p.m. on July 16, 2010; and rebuttals were due on July 30, 2010.

THIRD ADDENDUM TO GROUND LEASE - Turtle Bay Exploration Park
[C-070-250-250/E-050]

City Manager Starman briefly summarized the Report to City Council (staff report) dated June 4, 2010, incorporated herein by reference, recalling that Turtle Bay Exploration Park (Turtle Bay) had approached Council regarding building a hotel near their existing museum complex. He reported that discussions related to the City regaining five acres of land next to Hwy 44 and/or any part of hotel revenue being directed to the City/Convention Center did not produce a mutually acceptable agreement. Mr. Starman relayed that Turtle Bay abandoned their request for additional land and now requests an amendment to allow a hotel as a permissible use. He recommended that the Council approved the third amendment to the ground lease (C-2902) with Turtle Bay Exploration Park, allowing operation of a hotel within the leasehold area and making minor modifications to the lease area boundaries. Mr. Starman mentioned that language changes to explicitly describe limitations related to any financing encumbrance/deed of trust arrangements and the City's fee interest were made available to the Council and the public at this meeting.

Charles Alexander questioned the adequacy of the Planning Commission review and incongruence between revenue sharing requirements for Turtle Bay and the proposed Northern California Veterans Museum and Heritage Center.

Ken Powers, life member of the Redding Rodeo Association, expressed concerns and opposition to lodging in the area of the Turtle Bay Museum complex.

Archer Pugh, Turtle Bay Exploration Park, stated that studies, conducted before the museum was built, supported increased parking and traffic in the area, even beyond what is expected with a hotel on the grounds. He reiterated that any financing entity could encumber only the portion of the premises described and depicted on Exhibits B and B-1. He clarified that, as conditions of the lease require, all net revenue from a hotel would be used to operate the Turtle Bay Exploration Park (Museum) as a non-profit entity. Mr. Pugh outlined the project's benefits to the City, such as property, sales, and transient occupancy tax revenues, local job creation, and tourism spending at local businesses.

Mr. Pugh and James Theimer, Trilogy Architecture, responded to Council Members questions regarding a master plan for the area, parking, future development, and revenue sharing.

Ginne Mistal and Cameron Middleton supported having a master plan for the area that would enhance and preserve it, with coordinated efforts to maximize the results of funding and development resources. Mr. Middleton suggested forming an ad-hoc committee.

Responding to Council Member Bosetti, Mr. Starman recalled that an estimate to complete a master plan five years ago was \$125,000, and opined that a citizen's group could make some progress with staff support.

A MOTION WAS MADE by Council Member McArthur, seconded by Council Member Stegall, accepting staff's recommendation as detailed in the staff report dated June 4, 2010, approving the third Addendum to the ground lease (C-2902) with Turtle Bay Exploration Park, to allow operation of a hotel within the leasehold area and making minor modifications to the lease area boundaries.

The Vote:

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

FUNDING AGREEMENT AND LEASE AGREEMENT - Shasta County Arts Council
[B-130-030/C-070-100/C-050-500]

City Manager Starman deferred to Council Member McArthur's request to discuss this item.

Ms. McArthur suggested appointing a resident volunteer to replace the city staff representative on the board of the Shasta County Arts Council and asked Dena Brown, the new Executive Director, to come to the podium.

Ms. Brown introduced herself and shared her background, credentials and experience of 25 years in various arts and administration, and expressed anticipation and enthusiasm for continued success in the community.

Mayor Jones stated that although he supported the work the Arts Council does, he opposed the Funding Agreement, asserting that public safety funding is a priority.

A MOTION WAS MADE by Council Member Bosetti, seconded by Council Member Stegall, (1) approving the Lease Agreement for the Shasta County Arts Council (SCAC); (2) approving the Funding Agreement as amended, to instate a mayor-appointed citizen volunteer position to serve on the SCAC Board of Directors as a City liaison; and (3) authorizing the Mayor to sign both agreements.

The Vote:

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

RESOLUTION - Certifying the Bikeway Action Plan for 2010-15
 [T-100-050]

Community Services Director Niemer summarized the Report to City Council (staff report) dated May 27, 2010, incorporated herein by reference, and recommended that the Council adopt the Bikeway Action Plan, also incorporated herein by reference, and adopt a resolution certifying same.

A MOTION WAS MADE by Council Member McArthur, seconded by Council Member Stegall, adopting the *Bikeway Action Plan 2010-2015* and adopting Resolution No. 2010-61, a resolution of the City Council of the City of Redding certifying same.

The Vote:

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

Resolution No. 2010-61 is on file in the Office of the City Clerk.

SERVICE AGREEMENT - Shasta Cascade Wonderland Association and Redding Tourism Marketing Group, Inc.
 [B-130-030-700]

City Manager Starman summarized the Report to City Council (staff report) dated June 1, 2010, incorporated herein by reference, and described the proposed three-party contact between the City, the Shasta Cascade Wonderland Association (SCWA) and the Redding Tourism Marketing Group, Inc. (RTMG), to privatize the former Convention Center & Visitor's Bureau operations. He highlighted the \$750,000 annual compensation to be paid in the first year, with a performance-based adjustment (increase or decrease) subject to the actual year-over-year change in Transient Occupancy Tax revenue; the requirement that a minimum of 25 percent of the compensation shall be allocated for direct advertising, marketing opportunities, and public relations efforts specifically for the benefit of Redding; and language that encourages collaboration between SCWA/RTMG and local non-profits, including Turtle Bay Exploration Park, to maximize results of all tourism marketing efforts. Per the staff report, the Community Services Advisory Commission (CSAC) and staff recommend approval of a services agreement with the Shasta Cascade Wonderland Association and the Redding Tourism Marketing Group, Inc.

Staff responded to questions from Council Members Dickerson and McArthur regarding contract language pertaining to the percentage of annual TOT adjustments and CSAC's approval of RTMG's inclusion as a party to the agreement.

A MOTION WAS MADE by Council Member McArthur, seconded by Council Member Bosetti, approving a three-year service agreement with the Shasta Cascade Wonderland Association and the Redding Tourism Marketing Group, Inc., for tourism promotion.

The Vote:

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

Motion failed for lack of majority vote.

A MOTION WAS MADE by Council Member Stegall, seconded by Council Member Dickerson, approving a five-year service agreement with the Shasta Cascade Wonderland Association and the Redding Tourism Marketing Group, Inc., for tourism promotion and visitor marketing services for the period July 1, 2010, through July 1, 2015, in the amount of \$750,000 in the first year with annual adjustments based on actual Transient Occupancy Tax revenue. The Vote:

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

FOURTH AMENDMENT TO LEASE AGREEMENT - Shasta Regional Soccer Association [C-070-100/P-050-690]

Community Services Director Niemer summarized the Report to City Council (staff report) dated June 4, 2010, incorporated herein by reference, relating to changes to the lease agreement (C-4401) with the Shasta Regional Soccer Association (SRSA). Ms. Niemer explained that although there has been business growth year-over-year, revenue levels anticipated in 2005 have not materialized, primarily due to lower than expected corporate sponsorships and adult tournaments and referred Council to a detailed comparison attached to the staff report. She relayed that lower than projected revenues have resulted in SRSA's inability to begin making quarterly payments to the Replacement Fund as scheduled for July 1, 2010. She acknowledged the all-volunteer board for their professionalism and outstanding service during both economic and operationally difficult times. She noted that all youth soccer is occurring at the park, which includes 1,500 players from the Redding Youth Soccer League alone plus the City's youth soccer program and many middle and high school teams, far exceeding original expectations and proving the community's need for the facility. Ms. Niemer also relayed concern expressed by the Community Services Advisory Commission (CSAC) and their request for annual financial reports to ensure maximum contributions are being made to the Replacement Fund, observing that an estimated 12 years remain on the projected date funds may actually be needed. Ms. Niemer recommended that the Council amend the lease agreement terms, per CSAC's recommendation, as detailed in the staff report.

A MOTION WAS MADE by Council Member Stegall, seconded by Council Member McArthur, approving the Fourth Amendment to the Soccer Lease (C-4401) with the Shasta Regional Soccer Association for the Redding Soccer Park: (1) postponing the initial quarterly payment in the amount of \$65,700, due to the Replacement Fund on July 1, 2010, until December 2011, changing the payment schedule from quarterly to annually, and changing the annual payment amount as noted on Exhibit 5; (2) extending the term of the lease agreement to 2024; and (3) increasing the threshold amount from \$500,000 to \$1 million of gross receipts before percentage rent payments of six percent are required to be made to the City, allowing SRSA to put these funds toward the Replacement Fund.

The Vote: Unanimous Ayes

GRANT APPLICATION - U.S. Department of Justice for Bulletproof Vests [G-100-070/P-150-150]

Police Chief Hansen responded to Council Member McArthur's question regarding extending the recycling of bulletproof vests beyond five years, stating that the vests must be certified by the National Institute of Justice (NIJ), who oversees all body armor sold in the United States. Chief Hansen explained that the vest fabric deteriorates, primarily due to exposure to moisture, and the vests wear out after five years. He stated that replacement of vests is required after five years to comply with NIJ certification and manufacturer warranty

conditions. Chief Hansen pointed out that the Department of Justice Bulletproof Vest program offers grant funds annually to law enforcement agencies that serve populations under 100,000, to cover 50 percent of the cost of bulletproof vests for sworn officers.

A MOTION WAS MADE by Council Member McArthur, seconded by Council Member Stegall, approving submission of a grant application in the amount of approximately \$23,000 to the U.S. Department of Justice for bulletproof vests.

The Vote: Unanimous Ayes

LETTER OF INTENT - Northern California Veterans Museum and Heritage Center
[C-070/A-090-100]

Transportation and Engineering Director Crane summarized the Report to City Council (staff report) dated June 4, 2010, incorporated herein by reference, regarding a request from Rob Burroughs on March 16, 2010, for a letter of intent relating to a Veterans Museum at the Redding Municipal Airport. Mr. Crane relayed that, after several meetings, two viable sites had been identified, as detailed in the staff report. He described the purpose of the Letter of Intent was to be used as a step in developing the project and conditions of a potential lease agreement, and included the requirement for a detailed site plan and preliminary financial plan to be provided by the Northern California Veterans Museum and Heritage Center (NCVMHC) for the City to use to process an Airport Layout Plan Amendment Application to the Federal Aviation Administration (FAA). Mr. Crane noted that the project would be subject to FAA approval of the application. He requested Council's direction regarding the term and financial terms of any future lease agreement for airport property, recognizing that the Airports Fund is an Enterprise fund that must generate enough revenue to operate self-sufficiently. Mr. Crane recommended executing a Letter of Intent to enable both parties to move forward and return to Council with a proposed lease agreement.

Rob Burroughs described the museum campus, designed to encompass 16.65 acres, and gave a detailed explanation of the four-phase construction plan, as outlined in the staff report.

Christine Sullivan, Mary Machado, Dick Fyten, Ginne Mistal, and Gary Cadd supported the project, and some expressed concerns related to location of the project, future airport development, the Redding drag strip, revenue sharing and other financial terms.

Council Members addressed questions to various department staff and discussed aspects of the proposed project and terminal lease.

A MOTION WAS MADE by Council Member McArthur, seconded by Council Member Dickerson, authorizing issuance of a non-binding Letter of Intent, without a revenue-sharing stipulation, to the Northern California Veterans Museum and Heritage Center (Museum), to better define the project and the relationship between the City and the Museum.

The Vote: Unanimous Ayes

ORDINANCE - Amending Redding Municipal Code Title 14 - *Utilities*, Chapter 14.16 - *Sewers*, by amending Sections 14.16.020, 14.16.445, and 14.16.564 ; and
RESOLUTION - Adopting a Revised Enforcement Response Plan (ERP)
[W-010-200]

Transportation and Engineering Director Crane summarized the Report to City Council (staff report) dated June 2, 2010, incorporated herein by reference, relating to revision of the City's Enforcement Response Plan (ERP) and associated amendments to Redding Municipal Code (RMC) Chapter 14.16. Mr. Crane mentioned that a water quality control review in March 2009 revealed areas of the RMC that needed clarification, primarily regarding the definition of *Organic Treatment Capacity*, and language relating to *Significant Non-Compliance*, *record keeping*, and *analytical test procedures*. Mr. Crane recommended that the Council approve an amendment to RMC Chapter 14.16 to include changes required by the Central Valley Regional Water Quality Control Board, offer an ordinance for first reading, and adopt a resolution adopting the revised ERP and rescinding the existing ERP.

A MOTION WAS MADE by Council Member McArthur, seconded by Council Member Dickerson, accepting staff's recommendation as detailed in the staff report dated June 2, 2010: (1) approving an amendment to Redding Municipal Code Title 14 - *Utilities*, Chapter 14.16 - *Sewers*, by amending Sections 14.16.020, 14.16.445, and 14.16.564, to include changes required by the Central Valley Regional Water Quality Control Board, all pertaining to sewers; (2) introducing Ordinance No. 2464 by title only, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Title 14 as noted above, to conform with current federal standards; waiving the full reading of the Ordinance; and

instructing the City Attorney to read the full title; and (3) adopting Resolution No. 2010-62, a resolution of the City Council of the City of Redding adopting its Enforcement Response Plan (ERP) pertaining to industrial user compliance with wastewater discharge as required by Redding Municipal Code Chapter 14.16, and rescinding the previous ERP that was adopted by Resolution No. 93-242. The Vote:

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

City Attorney Duvernay read the full title of the uncodified ordinance.

At the hour of 1:26 a.m., Vice Mayor/Agency Chair McArthur convened the Special Meeting of the Redding Redevelopment Agency RRA for a joint meeting with the City Council.

PUBLIC HEARING - Proposed Sale of Agency-owned Property located within the Market Street Redevelopment Project Area at 1613, 1625, and 1637 Pine Street to Weaver Contract Services, Inc., and Associated Disposition and Development Agreement; and

RESOLUTION - Approving Disposition of Noted Properties, accepting Summary Report and making Findings

[R-030-100-033/R-030-100-055]

Assistant City Manager Tippin briefly outlined background on the item and recommended that the Council consider approval of the project.

Steve Bade, Redding Redevelopment Agency Associate Redevelopment/Community Project Manager, summarized the Report to City Council (staff report) dated June 4, 2010, incorporated herein by reference, regarding an Exclusive Negotiating Agreement with Brent Weaver of Weaver Contract Services Inc.. related to acquiring Agency-owned property located within the Market Street Redevelopment Project area, specifically 1613, 1625, and 1637 Pine Street (aka Parking Lot No. 3), for development of a multi-story, mixed-use, mixed-income project. Mr. Bade noted that the key points of the agreement include:

- Weaver Contract Services Inc. (WCS) purchasing the properties for the fair market value of \$210,000.
- Construction of a 17,000 square foot, three-story, mixed-use building that will include approximately 5,700 square feet of commercial space, a manager's office, residential laundry facilities, and storage space on the first floor, and 11,400 square feet of residential space (consisting of eight one-bedroom and six two-bedroom units) on the second and third floors, of which eight would be market-rate units and six would be available to and occupied by very-low or low-income households and subject to covenants maintaining affordability for 55 years.

Mr. Bade relayed that the project is expected to cost \$2,230,000, of which approximately \$407,500 is ascribed to the commercial portion of the project and \$1,822,500 to the residential portion. He reported that the project financing plan is comprised of an owner-equity contribution of \$223,000 from WCS and their commercial real estate loan funding in the amount of \$1,220,000. As the project relates to residential affordable housing, WCS is requesting a gap financing loan in the amount of \$787,000 from the Agency's Low- and Moderate-Income Housing Fund, to be amortized at one percent interest for a 35-year term, with repayment deferred for 15 years and monthly loan payments beginning in the 16th year.

At the hour of 1:44 a.m., Mayor Jones opened the public hearing to consider the proposed sale of property located at 1613, 1625, and 1637 Pine Street, Assessor's Parcel Numbers 101-620-030, 101-620-031, and 101-620-032.

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

Affidavit of Publication - Notice of Public Hearing

No protests were received.

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

A MOTION WAS MADE by Council Member Stegall, seconded by Council Member McArthur, accepting staff's recommendation as detailed in the staff report dated June 4, 2010, adopting Resolution No. 2010-58, a resolution of the City Council of the City of Redding approving the disposition of the Redding Redevelopment Agency's property located at 1613, 1625 and 1637 Pine Street to Weaver Contract Services, Inc., accepting the Summary Report pursuant to Section 33433 of the Health and Safety Code; and finding that the disposition of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the Market Street Project Area, and that the consideration for the property is not less than the fair reuse value of the property at the use and with the covenants and conditions and development costs authorized by the sale.

The Vote:

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

RRA Members Stegall and Bosetti motioned and seconded the same, Agency Members voted unanimous approval, and Vice Mayor/Agency Chair McArthur adjourned the special meeting of the Redding Redevelopment Agency.

CLOSED SESSION

At the hour of 1:46 a.m., Mayor Jones announced that Council would adjourn to Closed Session.

At the hour of 2:13 a.m., Mayor Jones reconvened the Regular Meeting to Open Session and reported on:

Closed session pursuant to California Government Code Section 54956.9(b)(3)(E):

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

The City Council will discuss with its attorney a threat of litigation from a developer regarding the Oasis Towne Center project. Documentation of the threat is available for public inspection in the Office of the City Clerk pursuant to Section 54957.5

[L-100]

The City Council did not take any reportable action on this item.

Closed session pursuant to California Government Code Section 54957.6:

CONFERENCE WITH LABOR NEGOTIATOR

Designated Agency Representative: Assistant City Manager Tippin

Employee Organization: RPOA-Miscellaneous and IBEW-Maintenance

[P-100-050-120/P-100-050-070]

The City Council did not take any reportable action on this item.

ADJOURNMENT

There being no further business, Mayor Jones declared the meeting adjourned at the hour of 2:13 a.m.

APPROVED:

 Mayor

ATTEST:

 City Clerk