

# **THE ROBISON REPORT**

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**Year in Review Issue**

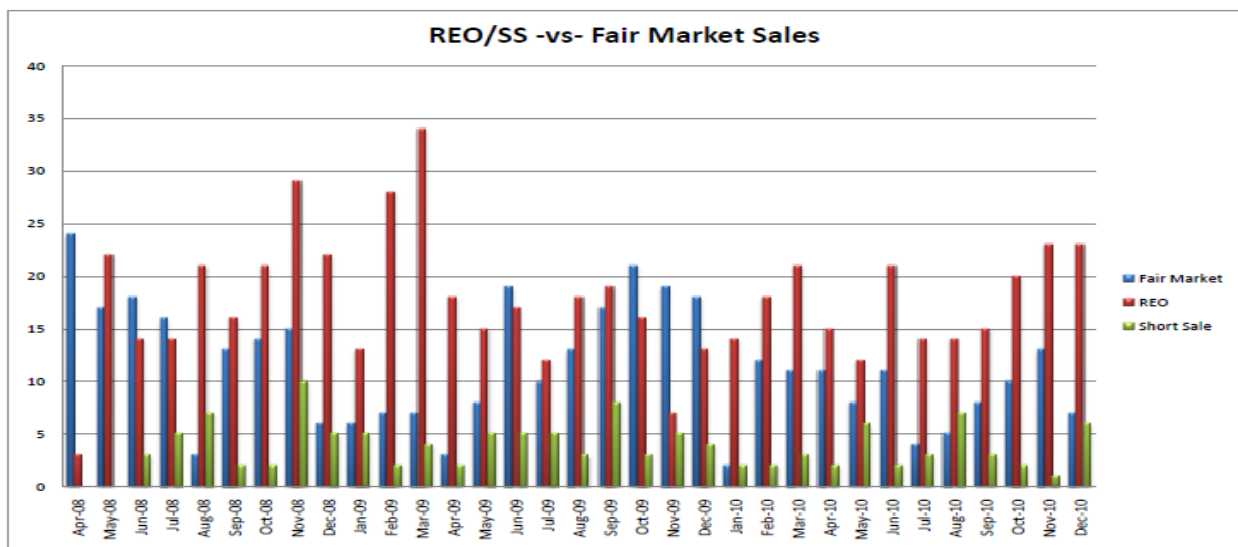
**January, 2011**

**2010 Real Estate** – 2010 may have been a year to forget for business in Tehama County. So what really happened?

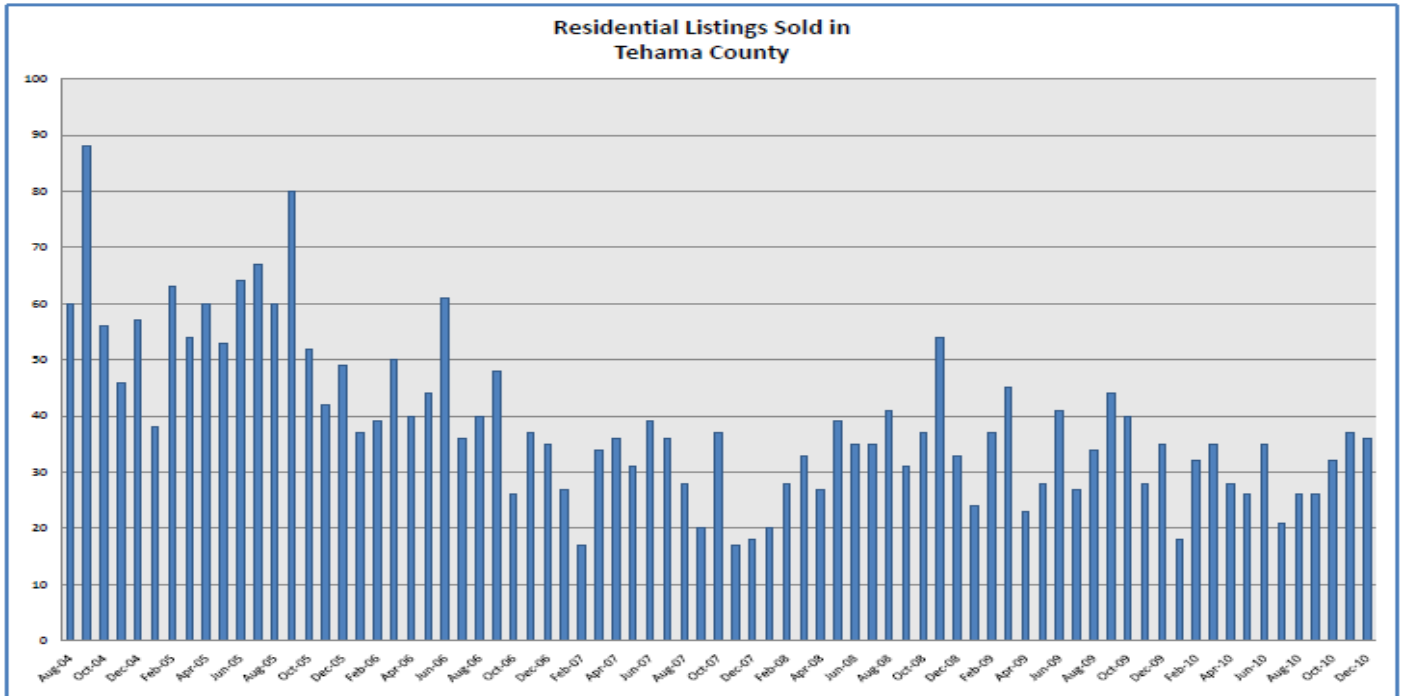
About 45 single family home construction permits were taken out in the County in 2010 (compare that to 471 SFR permits in 2004). Four permits for new homes were issued in the City of Corning and approximately 78 single family permits were issued in the City of Red Bluff. However, ***nearly all of the permits issued in the City of Red Bluff were for subsidized homes of some kind.*** Eight of the permits were for a Greenville Rancheria housing project on Baker Road. Approximately 70 more home permits were issued to SHHIP housing projects on Kimball Road and off of Walnut Street.

On the commercial side of things, technically, the AM/PM mini-market permit (North Main St.) was issued in 2010. Construction seems to be moving along quickly there and the City states the owners also have plans and permits in for a Holiday Inn Express, which they are hoping to see break ground this coming spring. Both projects are located between the old Ford dealership and Home Depot. Greenville Rancheria also completed their medical office expansion at Kimball and Montgomery Streets in 2010. The Rolling Hills Dental Clinic acquired and did a beautiful job of remodeling an approximately 5,000 s.f. medical building on Sister Mary Columba Drive.

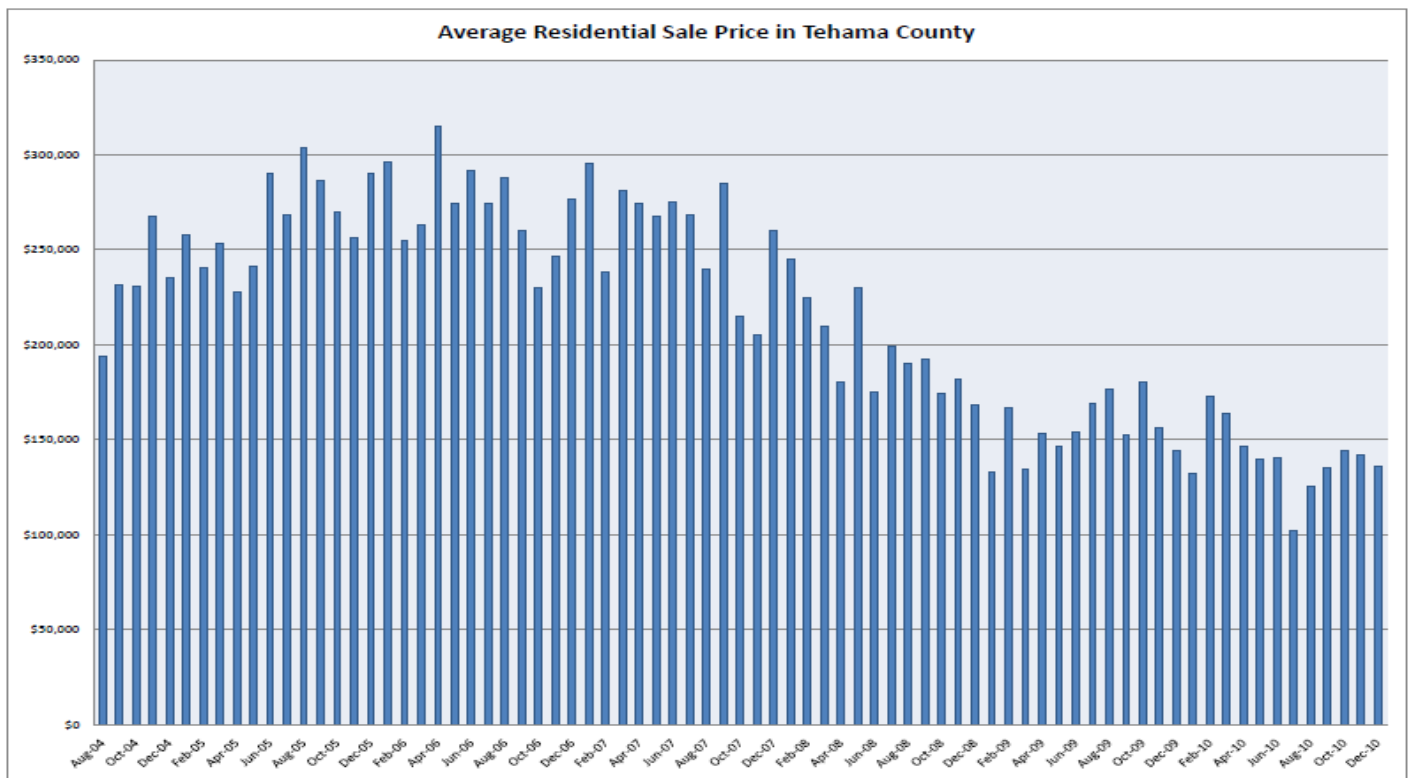
However, real estate sales were very slow, values are extremely low and the buyers were dominated by those looking for a deal. In fact, ***70% of home sales were either Short Sales or REO's in 2010!***



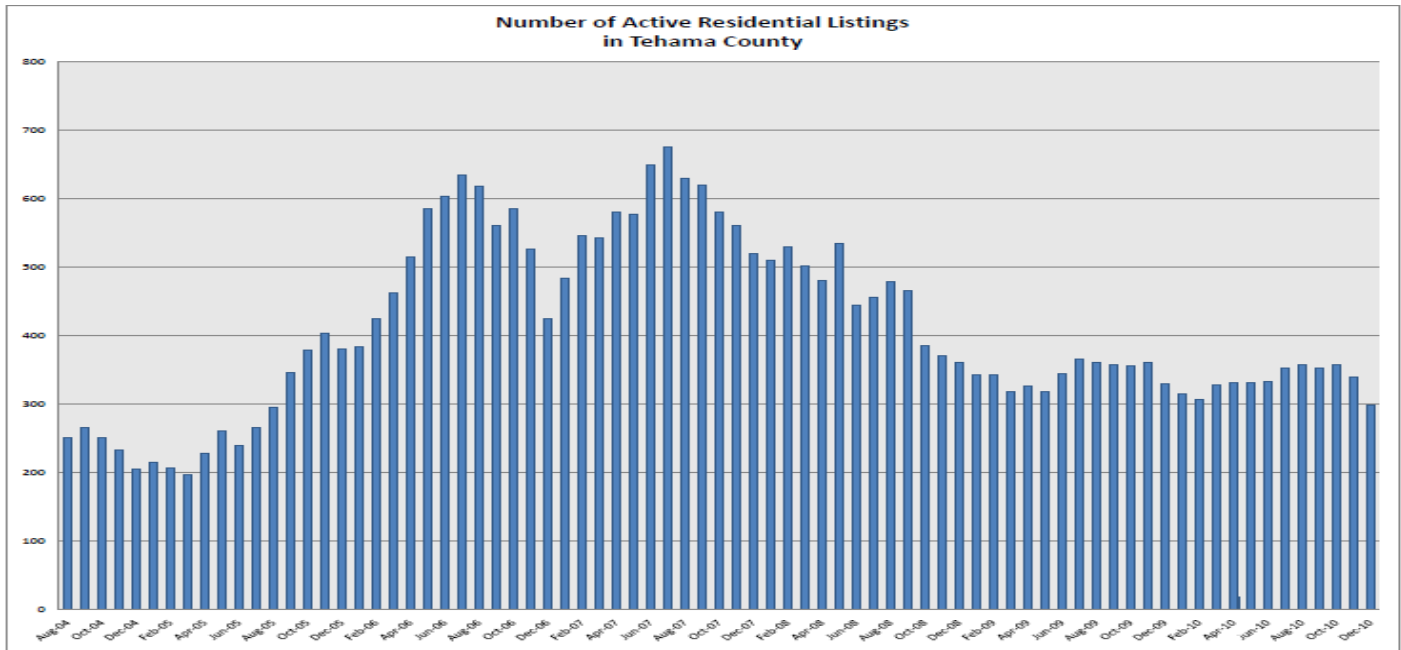
Home sales peaked in 2004 – 2005. In those years homes were sold at a rate of about 50 to 60 homes per month. In 2010 we bounced around 25 to 30 home sales per month.



However, home values are way down. Note the average peak values in '04, '05 and '06 at and above \$250,000. Current average home sale values are at half that value.



**A special note to customers, friends and clients:** I consider inventory levels to be low. At 300 homes for sale in all of Tehama County, selection is not really very good. When there were 200 homes for sale at the end of 2004, you simply could not find a reasonable home for sale. It is beginning to feel like that again to some degree. This may be the precursor to values turning around.



\*This representation is based in whole or in part by data supplied by the Tehama County Association of Realtors of its MLS. Neither the Association nor its multiple listing service guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity.

**Red Bluff Rebound** – Throughout the summer of 2010, a concerned group of citizens gathered to brainstorm ideas to save our community from the economic malaise in which we now find ourselves. The group was formed in response to a Redding area effort called “Ten Radical Ideas” that was presented to the Redding City Council. The Redding effort has had considerable success. Criteria for the projects that Red Bluff Rebound would champion were as follows: 1) Can it become workable in 60 days? 2) Can it be acted upon in 60 days and started as new funds are available? 2) Will it increase Sales Tax to the City? 3) Will it create jobs within Tehama County? Here is the list of recommendations that were made by the Red Bluff Rebound Group:

1. Construct a full-video billboard on Interstate 5 on City-Owned land to promote local events, attractions and our community.
2. Use Existing Development Impact Fee Funds to create Shovel Ready Projects so we could capitalize on any future grant funds that may be available for such projects.
3. Construct the First Street to Monroe Sewer Interceptor using existing Development impact fee funds to do the project immediately, take advantage of current low construction costs and put local folks to work.

4. Micro-surface some downtown streets using Proposition 1B funds, which the City holds, but are “use or lose funds”.
5. Amortize, Suspend or Eliminate Development Impact Fees in the City of Red Bluff.
6. Provide a bidding preference for City services, contracts and products to Red Bluff and Tehama County businesses.
7. Partner with the Fairgrounds by simply recognizing their importance to our Community.
8. Re-examine the imposition of ADA requirements on local business construction.
9. Enhance a “Shop Local” Program by piggy-backing on City mailers at no cost to the City.
10. Allow planning and building flexibility for non-conforming lots in the City of Red Bluff.
11. Develop list of City owned property that might be used to attract development.
12. Require a bond from plaintiffs to cover city costs to challenge lawsuits against development.

So what has happened in the 6 months since the Rebound Group has made its recommendations? I would characterize it that we have had limited success in working with the City.

- The billboard concept has been mired in governmental indifference. However, the Rebound Committee is working with a company (Allvision) that specializes in working with Cities to erect billboards at no cost to the City. We will be recommending that the City enter a contract with the consulting company to move forward. This project is absolutely doable and would truly be a game-changer for Red Bluff. Such a billboard would be huge to our community, the City, the Branding project and so much more.
- Using DIF funds for shovel ready projects has not gotten any traction with the City, although the Rebound group identifies it as a moderately important item.
- Constructing the Sewer Intercept line seems to have met with resistance from the City. The funds are available for this project and it needs to be done. We are frustrated at the inaction on this item.
- Micro-surfacing project. Kudos to the City on this one. This project has been defined and the bid has been awarded. The project requires warm weather, so look to this to be done this coming spring.
- Eliminate, suspend or amortize development impact fees. This is vital to jump starting our community. As there has been no direction from the City Council, Rebound intends to bring this issue to a decision point at the second City Council meeting in February.
- Provide bidding preference to local businesses. In an effort to keep local business local, Rebound intends to bring this issue to a decision point at the second City Council meeting in February.
- Fairgrounds – Rebound is drafting a specific resolution to present to the City Council for action.
- ADA Issues – Rebound has had healthy conversation with the Building Department about the limitations of ADA laws. However, recent events regarding a Federal law suit challenging California ADA regulations leads us to ask the City to suspend CASP requirements (strict new regulations) for new construction.
- Shop Local Program – The City agreed to this program at the last Council meeting. It is being managed by the Chamber of Commerce.
- Non-conforming lot flexibility. Rebound learned that the Planning Department does allow considerable flexibility for set-backs, parking requirements, etc. and we consider the idea previously implemented with our applause to the City.
- City-owned property. The City has informed us that this list has been completed. Rebound may be asking in the near future that the City very aggressively cooperate with private parties to

develop this type of property. Rebound has asked that the City acquire a Letter of Intent that the City of Redding has signed with a private company essentially giving the property away, provided certain employment and production levels are met. We are anxious to learn more about this program in Redding and make additional recommendations to the City.

- Require a Bond. This is a complex legal issue. The City has written letters to lawmakers asking that this issue be pursued at the State level, for which we thank the City.

There has been a deep lack of leadership at City Hall. However, the newly seated City Council has as an excellent opportunity to change that, show some enthusiasm and find ways to move forward. They can be leaders and take this community somewhere by directing City staff, instead of the other way around. With the amount of community involvement that currently exists right now, the Council could really be effective. They need to change from a body that reacts to what management puts in front of them, to a group that supplies policy and demands that progress is made for all of us.

[Cornerstone Community Bank](#) – In spite of what is happening to the banking industry in general and our local economy, your local community bank did very well in 2010. Cornerstone Community Bank finished 2010 with record profits of \$323,000. The Bank demonstrated solid performance, evidenced by strong loan and deposit growth. Loans increased by \$6.6 million and deposits were up \$6.7 million in 2010! The Bank continues to benefit from very low levels of non-performing loans and an increasing customer base in Tehama County. The Bank was honored in receiving the “The Business of the Year” award from both the Tehama County Farm Bureau and Soroptimist International.

Cornerstone’s Board of Directors and staff have been involved in a number of civic and charitable activities since the Bank opened in 2006. Given that Cornerstone is the only bank headquartered in Tehama County this level of involvement is truly an investment in your future because Cornerstone Community Bank is “as local as you”.

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