

**Department/Division:**  
**Project/Program:**  
**Project/Program Lead:**

City Manager and City Attorney  
Redevelopment Agency Bond Default  
Steve Duran/Patrick Tang

**Project/Program Description:** The Hercules Redevelopment Agency, which as of February 1, 2012 no longer exists, went into technical default on its February 1 bond payment. The bond holders were paid because they are protected by bond insurance from which bond payments may also be drawn. The basic problem was that the Agency had no money and its fund balance was negative, so the City decided to pay back the pooled cash that subsidized the Agency's August bond payment because the City's pooled cash can simply no longer afford to subsidize the Redevelopment Agency. The Redevelopment Agency bond insurer, Ambac, filed suit in Superior Court to force the City to immediately turn over \$4.1 million to the Redevelopment Agency bond trustee and attach certain real property as security. The parties reached a settlement and a stipulation in March, which was approved by and is being overseen by the court and requires that the City sell certain real property assets, known as Parcel C and Victoria Crescent. This outcome will keep the City from having to consider pre-bankruptcy mediation and a potential Chapter 9 bankruptcy protection filing.

**Status:** State Assembly Bill AB 1484 is creating additional bureaucratic obstacles to completing these transactions. Staff has met with Department of Finance staff in Sacramento to discuss this and other matters and DOF has indicated that they will expedite approvals once AB 1484 requirements are met. A Ambac and the City have extended the performance date on the stipulation and are negotiating an amended stipulation to provide for the requirements of AB1484 and the transfer of properties to the Successor Agency.

**Next Steps:**

- Continue to implement the court ordered settlement agreement.
- Negotiate amendment of the court approved stipulation.

**Department/Division:**  
**Project/Program:**  
**Project/Program Lead:**

City Manager  
Redevelopment Agency Dissolution  
Steve Duran/Nickie Mastay

**Project/Program Description:** The Hercules Redevelopment Agency, along with all redevelopment agencies in the state of California, was legally dissolved as of February 1, 2012. The City Council had the choice to be the Successor Agency for Housing and/or Non-Housing (affordable housing) assets and decided to become the Successor Agency for Non-Housing assets only. The Redevelopment Agency's non-housing funds and assets are, therefore, to be turned over to the City as Successor Agency for Non-Housing Assets and City staff is charged with administering those assets and disposing of them to help pay off debts of the former Agency and return revenues to the local government entities that receive property taxes. The City chose to be the Successor Agency to the non-housing portion of the dissolving Redevelopment Agency in order to ensure effective follow through with existing contractual obligations of the Agency, to complete ongoing negotiations to minimize Agency obligations and liabilities, to ensure that development of sites will be expedited and thus mitigate economic damages to the City and other taxing agencies, to and create jobs and amenities for the community, and to increase the City's tax base expeditiously..

The Redevelopment Agency's affordable housing assets, other than its existing housing fund balance, is to be turned over to a successor housing agency (the "Successor Housing Agency") to continue performing

affordable housing activities. The former Redevelopment Agency's affordable housing fund balance will be used to repay existing housing fund debts and/or remitted to the County Auditor-Controller for distribution to the Taxing Entities. The City chose not to be the Successor Agency for Housing assets and a Successor Housing Agency has not been finally determined.

**Status:** The transfer of former Redevelopment Agency non-housing assets to the "City as Successor Agency" in accordance with a directive from the State Controller was completed in January. This will help move the sales forward, as title companies have been asking that this transfer occur. The City as Successor Agency is developing a property management plan that sets forth the proposed use of all former Redevelopment Agency properties. Uses could include sale, lease, or civic uses. Most of the asset listed will ultimately be transferred to the City for civic purposes, as that is their current purpose. Sycamore Crossing, Parcel C and Victoria Crescent are being sold. As far as the Yellow Freight site is concerned, this property was sold and closed escrow in January or 2012. The sales proceeds of approximately \$1,200,000 went to pay back the City for advances to the Agency for bond payments. It appears that the California Department of Housing and Community Development will become the Successor Agency for Housing Assets.

**Next Steps:**

- Complete asset certification.
- Complete property management plan.

**Division:**

City Manager

**Project / Program:**

Utility Users Tax Update and Temporary Increase

**Project / Program Lead:**

Steve Duran

**Project / Program Description:** Due to a projected \$1.2 million structural deficit in the City's general fund, Lew Edwards & Associates was engaged to assist with a ballot measure to update and increase the City's Utility Users Tax (UUT). The measure, which would add 2% to the City's UUT for five years, will be placed on the June 4, 2013 ballot for voter consideration so that we will know what our 2013-2014 funding will be before approval of the budget in late June. Without the approximately \$1.0 million of additional annual revenue, the City will be forced to make devastating cuts to the Hercules Police Department or contract police services to the County. Other community services would also have to be cut. The City Council unanimously approved putting an update of our current Utility Users Tax, with a 2% increase for five years, on the ballot for consideration by Hercules voters. A Special Elections will be held on June 4, 2013 and the measure will read as follows:

City of Hercules Fiscal Accountability/Services Protection Measure. To restore Hercules to financial stability, enhance fiscal accountability, maintain local Police Services, and prevent drastic cuts to neighborhood police officers, youth/senior programs, and other City services, shall Hercules modernize the existing utility users' tax with equal treatment of taxpayers regardless of technology used, increase the rate by 2% for 5 years, maintain current low-income exemptions, with citizens' oversight, independent audits, and local control of revenues?

**Status:** All requirements for the ballot must be met by March 12, 2013 and staff is on track to complete these requirements.

**Next Steps:**

- Communicate facts about the measure to the community.

**Division:** Finance  
**Project / Program:** Budget and Quarterly Variance Reporting  
**Project / Program Lead:** Nickie Mastay

**Project / Program Description:** The budget for FY2012-13 was passed on June 26, 2012 and staff will be making quarterly variance reports until the presentation of the FY2013-14 budget, which must be passed by June 30, 2013.

**Status:** Staff has presented the mid-year variance report and budget review to the Citizens Finance Advisory Committee and the City Council. The City Manager and Finance Director are meeting with senior staff to prepare the fiscal year 2013-2014 budget.

**Next Steps:**

- Complete first draft of FY2013-14 budget.

**Division:** Finance  
**Project / Program:** Department of Transportation Pre Award Audit  
**Project / Program Lead:** Nickie Mastay

**Project / Program Description:** The Department of Transportation conducted a pre award audit prior to funding for the ITC Bayfront Project to determine if the City's financial management system is adequate to accumulate and segregate reasonable, allowable and allocable project costs.

**Status:** The auditor was on site June 5, 2012 and June 6, 2012. It was determined that the City's financial system is adequate to accumulate and segregate reasonable, allowable and allocable project costs. There were three findings. Staff is working on clearing the findings.

**Next Steps:**

- The City will continue to clear the following findings:  
Finding 1 – Job Cost System. Implement electronic timesheet to projects and assign project numbers in the financial system.  
Status: This item was presented to Caltrans in the Corrective Action Plan submittal 12/19/12.  
Finding 2 – City's Purchasing Guidelines. The City will enhance current purchasing guidelines by including the standards set for by 49 CFR, Part 18 and the Local Assistance Procedures Manual.  
Finding 3 – City's Record Retention. The City will enhance current record retention by making agreement and program supplement materials available at all reasonable times during the entire project period and for three years from the date of final payment to administering agency under any program supplement.

**Division:** Finance  
**Project / Program:** State Controller's Office Audits and Reviews  
**Project / Program Lead:** Nickie Mastay

**Project / Program Description:** The State Controller's Office has performed an audit of the Special Gas Tax and Street Improvement Fund; a review of State and Federal Expenditures; a review of Administrative and Internal Accounting Controls; and a review of the Redevelopment Agency.

**Status:** The City of Hercules received the final reports in May 2012 and September 2012. Staff met with the Finance Subcommittee and Ad Hoc Citizens Advisory Finance Committee on May 24, 2012 and September 27, 2012 to discuss the findings.

**Next Steps:**

- First priority is to have audited financial statement for FY2010-11 and FY2011-12.
- Start clearing findings from all of the State Controllers reviews.

**Division:** Finance  
**Project / Program:** IRS-RDA 2007Bond Review  
**Project / Program Lead:** Nickie Mastay

**Project / Program Description:** The IRS conducted a review of the RDA 2007Bond.

**Status:** The IRS was on site from July 23, 2012 through July 26, 2012. The IRS was supplied with all draw down requests, bank statements and reconciliations, and other requested documentation for the RDA 2007Bond. The IRS returned for another on site visit the week of October 22, 2012 through October 25, 2012. At this meeting staff gathered requested invoice backup for 2007 Bond draw downs.

**Next Steps:**

- City staff is awaiting a formal open items request list from the IRS. Upon receipt of this request, staff will gather and submit the requested information to the IRS.

**Division:** Finance  
**Project / Program:** Audit for FY ending June 30, 2011  
**Project / Program Lead:** Nickie Mastay

**Project / Program Description:** The goal is to have audited financial statements for fiscal year ended June 30, 2011 as soon as possible.

**Status:** The City has hired Gallina LLP as our new audit firm. Gallina has commenced work on the fiscal year 2010-11 audit, with the goal of completion by November 10, 2012. Gallina LPP was at the City of Hercules on September 26 and September 27, 2012 to perform interim audit field work for FY2010-11. Gallina LLP performed on site audit work the week of November 5, 2012 through November 9, 2012. The result of the onsite audit was an extensive list of open items that need to be provided to Gallina LLP. Due to the size of the open items list, the goal of completion of the audit is now scheduled for April 2013.

**Next Steps:**

- City staff is gathering all information for the open items.
- Complete FY 2010-11 audit as soon as possible.

**Division:**

Finance

**Project / Program:**

Updated Financials for FY2011-12

**Project / Program Lead:**

Nickie Mastay

**Project / Program Description:** The goal is to have updated financial information for FY2011-12 as soon as possible.

**Status:** Cash needs to be reconciled from October 2011 to present. Any and all journal entries related to the reconciliation need to be prepared and posted. After each month of reconciliation, the financial system has to be properly closed and reconciliation verified.

**Next Steps:**

- Reconcile all cash from October 2011 to present.
- Properly close the financial system each month with reconciliation verified.

**Division:**

Finance

**Project / Program:**

RDA/Successor Agency Asset Transfer Review

**Project / Program Lead:**

Nickie Mastay

**Project / Program Description:** The State of California State Controller's Office is performing an Asset Transfer Review of the former Redevelopment Agency. The State Controller's Office will be reviewing all Non-Housing and Housing Asset Transfers made after January 1, 2011.

**Status:** The auditors were on site August 6, 2012 through August 23, 2012. The final report for the RDA/Successor Agency Asset Transfer Review was completed November 2012. There were three findings. Staff is working on clearing the findings.

**Next Steps:**

- The City will continue to clear the following findings:  
Finding 1 – Unallowable asset transfers to the City of Hercules  
Finding 2 – The RDA failed to transfer assets (housing assets) to the Successor Agency

**Department/Division:**

Municipal Services

**Project/Program:**

Facility Maintenance Identification Program

**Project/Program Lead:**

John J. McGuire

**Project/Program Description:** Staff will be conducting safety and maintenance assessments of all city-owned facilities that can affect the public or staff. Once a comprehensive list of all maintenance and safety issues for each facility is completed staff will prioritize it based on exposure to litigation and the city's ability to fund or repair them. Once we establish the lists for each facility we will then begin monthly inspections and follow ups that should allow us to notice problems that arise before they become

an issue. The key to protecting the city from liability claims is sound record keeping, regular maintenance records, and repairing what is reasonable and readily achievable.

**Status:** Staff has begun inspecting beginning with the Hercules Library. Priority list has been developed. Victoria West Grand Staircase and Park inspected with Victoria Homeowners Association. Repairs have been identified. Staff has also begun to address the library maintenance and safety issues. Staff will inspect Swim and Teen Centers in May.

Replacement of rubber mats under play equipment at Refugio Valley Park has been completed. Staff also observed that a portion of the concrete wall near the dam is failing and will need repair. Requests for proposals will be sent out for the work.

Repair of sidewalks sidewalks in front of Hercules Middle/High School were completed before the school year began.

Staff removed one of the rotted walls at the Refugio Valley Park and the Tennis Facility. Staff has received two bids for trimming and/or removing trees throughout the Tennis facility. The bids are coming in much higher than expected requiring that trimming and removal must be considered based on safety priorities rather than aesthetics. Staff will continue to request bids in an effort to reduce costs. Staff also identified other areas of concern that are being addressed including painting of red curbs to prevent illegal over parking and removal of a wall that is being used as a screen for outdoor restroom activities.

The refinishing of the basketball courts at the Swim Center is complete. Sidewalk repairs at the Swim Center to eliminate tripping hazards are complete. The refinishing of the basketball courts at the Swim Center is complete.

The re-application of slip-resistant coating on the ramps at Hanna Ranch is complete.

Repaired by an outside contractor of tripping hazards at Hanna Ranch Park, Baywood Lane, and Refugio Valley Road are complete.

Rubber mats have been repaired under the play equipment at Refugio Valley Park and Foxboro Park.

Staff has secured Sala Thai Restaurant with new locks, changed the alarm code, and continues to monitor and maintain the structure and landscaping until a new owner can be found.

Work at the Library is complete except for some minor stucco work and clean-up. Staff is obtaining bids for a thorough cleaning of the City Library now that construction is nearly complete.

**Next Steps:**

- Develop list of all City owned properties and identify the staff person responsible for the facility.
- Inspect the facilities with the employee responsible for the maintenance, the Operations Manager, and the Municipal Services Director.
- Develop a comprehensive list of maintenance and safety issues to be addressed and prioritize it.
- Begin implementation of the work plan as dictated by the list based on ease of completion, cost, liability, and staffing levels.

**Department/Division:**

Municipal Services

**Project/Program:**

Contra Costa Clean Water Program

**Project/Program Lead:**

John J. McGuire

**Project/Program Description:** This program was developed with 19 other cities to create the Contra Costa Clean Water Program. It is an on-going program designed to meet the requirements of NPDES Permit Number CAS612008 issued by the California Regional Water Quality Control Board, San Francisco Bay Region. The program is designed to address storm water run-off from existing streets and facilities within the City and to address new construction activities that could cause pollutants to drain into our creeks and eventually the bay. There are many timelines that must be adhered to. The City could face penalties for failure to comply with these requirements and therefore it is important that staff stay engaged on a regular basis.

**Status:** The Annual Report was filed on time. Staff has collected data for Trash Reduction Calculations and submitted it to the Board for review. Staff has completed the Trash Load Baseline requirement due in February of 2012. We will now have to reduce trash loads from that base line by 40% in 2014, 70% by 2017, and 100% by 2022.

Staff was asked to predict future potential development sites. The City did not have any that met the criteria and reported accordingly.

Staff continues to collect data for the 2012 report on 2011 activities. The report is due August 20, 2012.

Staff submitted the annual report before the required deadline. Staff continues to answer questions from the Board regarding last year's report.

Staff has submitted additional documentation to the Board for the 2010/2011 report.

Annual reports were filed for Parcel C and Town Centrale bringing them into compliance with the Regional Water Quality Control Board reporting requirements.

Staff has responded to a request for Special Projects.

Staff continues to attend monthly Management and Municipal Operation Committee Meetings.

Staff has completed Equivalent Run-off Unit documents for Council that are required to ensure that assessments are collected. Assessments are used for street sweeping, animal control, drain inlet cleaning and stenciling, Stormceptor cleaning, creek maintenance, and to fund the Contra Costa Clean Water Program activities that are conducted on the City's behalf.

**Next Steps:**

- Continued attendance at meetings by assigned staff.
- Collection of data for next Annual Report.
- Continued monitoring for compliance throughout the City.

**Department/Division:** Municipal Services  
**Project/Program:** Pinole/Hercules Water Pollution Control Plant Upgrades  
**Project/Program Lead:** John J. McGuire

Project/Program Description: The Pinole/Hercules Water Pollution Control Plant (WPCP) is owned and operated by the City of Pinole under a joint use agreement with the City of Hercules, and operates under Order No. R2-2007-0024 and National Pollution Discharge Elimination System Permit No. CA0037796.

Wastewater treated at the Pinole/Hercules WPCP is currently discharged at two locations:

1. Deep Water Outfall: The effluent pumping station at the WPCP pumps treated effluent flows up to 10.5 million gallons per day (mgd) through the 24-inch-diameter land outfall pipe to Rodeo Sanitary District's WPCP, where treated effluent from the two facilities is mixed and discharged to San Pablo Bay.
2. Shallow Water Outfall: Flows in excess of 10.5 mgd pass through the shallow water outfall and into San Pablo Bay, near the Pinole/Hercules WPCP.

The Regional Water Quality Control Board (RWQCB) has mandated corrective measures be taken to increase dry and wet weather treatment capacity, eliminate blending of partially-treated wastewater transported to the deep water outfall, and to cease use of the shallow water outfall by June, 2016. In order to satisfy the new requirements, upgrades to the existing facilities will be required including; a new metering vault, a new head works facility, conversion of the existing aeration basins to four, single-pass tanks, and expansion of each tank by 85 feet, addition of two new blowers, addition of three new secondary clarifiers, addition of two new sludge pumps, a new electrical building, and more.

In addition, and of great importance to the City of Hercules, is a new 24-inch forced main line (land outfall) that will extend from the Pinole WPCP through Hercules, through Rodeo, and continuing on to the Rodeo Sanitary District's WPCP.

Status: Pre-engineering has been awarded and plant design is underway. Staff continues to attend monthly progress meetings.

Staff continues to meet with the engineers to work on design of the headworks, primary and secondary clarifiers, and possible ultraviolet treatment.

Staff met with the Flood Control District to discuss property line constraints. They are receptive to encroachments as long as measures are undertaken to prevent flooding of the plant such as berms and/or sheet pile walls.

Preliminary engineering has been completed by HDR. At the February 21, 2013 wastewater subcommittee meeting staff was directed to follow the RFP process, send out letters of interest to ten engineering firms to gauge interest and establish a selection committee to review proposals comprised of: Keith Freeman, Project Manager -City of Pinole; John McGuire, Municipal Services Director-City of Hercules; 3-5 engineers currently practicing in the wastewater industry. Statement of interest letters were sent out and due back by March 19, 2013-results will be presented at the March 21, 2013 meeting.

**Next Steps:**

- June 2013 – begin Water Pollution Control Plant engineering based on previous pre-design work and create documents for construction.
- June 2014 – begin construction.
- November 2016 – complete construction.
- June 2017 – bring improvements on-line.

**Department/Division:**

Municipal Services

**Project/Program:**

Chelsea Wetlands Restoration Project

**Project/Program Lead:**

John McGuire

**Project/Program Description:** The project will restore the Chelsea Wetlands to its original undisturbed condition and provide for additional storage capacity for winter rain. Over the past century the wetland was used for disposal of various types of debris by both the City of Hercules and the City of Pinole. The project will remove approximately four feet from the bottom of the wetland to provide extra storage capacity. At the same time two five foot culvert pipes will be added to allow the wetlands to experience tidal flows. In addition, water run-off will be redirected from a natural drainage channel to a man-made tidal channel approximately 1435 feet in length and connecting to an area that receives run-off from a new overflow weir on the southwest end of the restoration.

**Status:** The California Natural Resource Department revoked a grant for this project in June. However, staff was able to find a replacement grant recipient and has successfully negotiated to have Ducks Unlimited take on the project. All documents have been negotiated and signed by the City, so Ducks Unlimited will receive the grant and manage the wetlands restoration. The City will be responsible for ongoing maintenance after project completion.

Conditions for development and construction of the project need to be transferred to Ducks Unlimited. The existing twenty-five year Operations and Maintenance (O&M) of the Project site will remain with the City. The O&M agreement for the Project site will be in the form of a Site Specific Agreement (SSA) between the City and Ducks Unlimited. The SSA will allow Ducks Unlimited to acquire the NRA grant to complete the Project. Within the SSA, Staff also included provisions to allow the City to have input into the development of the final design as well as requirements for approval prior any construction activities.

The National Resource Agency (NRA) and Ducks Unlimited are in the process of finalizing the revised grant agreement.

**Next Steps:**

- Commence the contaminants testing, design, and permitting for the Project in 2012 and commence Project construction in 2013.
- Once the grant agreement is completed the City can submit for reimbursement for past work.
- Schedule project kick-off meeting with staff.

**Department/Division:**

Municipal Services

**Project/Program:**

Animal Control Services

**Project/Program Lead:**

John J. McGuire

**Project/Program Description:** Contra Costa County provides animal control services for the City of Hercules. Each month a report is provided showing the number of calls received by activity type and the number of calls/contacts/and/or actions related to activities. Also included is the number of live and dead animals that were handled.

**Status:** Number of activities by activity type:

Assist police	1
Deceased dogs and cats	1
Deceased – wildlife	2
Investigations – inhumane	0
Investigations – noise	0
Investigations – Ordinance	2
Investigations – rabies (human exposure)	3
Stray animals- dogs and cats	7
Stray animals – other	1
Telephone calls (not resulting in activity)	26
<b>Total</b>	<b>43</b>

Number of calls/contacts/actions related to activities:

Assist police	4
Deceased dogs and cats	1
Deceased – wildlife	5
Investigations – inhumane	0
Investigations – noise	0
Investigations – Ordinance	13
Investigations – rabies (human exposure)	16
Stray animals- dogs and cats	8
Stray animals – other	3
Telephone calls (not resulting in activity)	26
<b>Total</b>	<b>76</b>

Dead animals handled:

Cat	0
Dog	0
Other	4
<b>Total</b>	<b>4</b>

Live animals handled:

Cat	5
Dog	9
Other	4
<b>Total</b>	<b>18</b>

**Next Steps:** Continue to monitor and work with county animal control as necessary.

**Department/Division:**  
**Project/Program:**  
**Project/Program Lead:**

Planning/Advanced  
Housing Element  
Robert Reber

**Project/Program Description:** Every jurisdiction in California must have a General Plan, which serves as a “constitution” for development in the city. It is a long-range planning document that describes goals, policies and programs to guide development decision making. One element of the General Plan is the Housing Element. State law specifies what the Housing Element must contain: An assessment of housing needs and an inventory of resources and constraints relevant to meeting these needs; and a statement of the community’s goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing; a program which sets forth a five-year schedule of actions to implement the policies and achieve the goals and objectives. Most importantly, the Housing Element must: Identify adequate sites with appropriate zoning densities and infrastructure to meet the community’s need for housing (including its need for low and very low income households, mobile homes, farm-worker housing, and homeless shelters); and address and, where appropriate and legally possible, remove governmental constraints” to housing development.

**Status:** In December, staff finished revising the prior draft Housing Element update from 2010 to reflect policy and development changes that have occurred over the past two years (e.g., previous estimates of affordable housing units, the dissolution of redevelopment as a source of affordable housing funding, and the suspension of the City’s inclusionary housing requirement). Although no City action was required prior to resubmitting the Housing Element to the California Department of Housing & Community Development (HCD), staff presented the Housing Element to the Planning Commission at its regular meeting on Dec. 3 and to the City Council at its Dec. 11 meeting. Staff incorporated comments by the City Council into the revised Housing Element before resubmitting the Housing Element on December 18 to HCD. On February 14, HCD sent City staff a letter stating that the revised Housing Element will comply with State housing element law (Article 10.6 of the Government Code), once the revisions are adopted by the City and submitted to HCD, pursuant to Government Code Section 65585(g).

**Next Steps:**

- As required under the California Environmental Quality Act (CEQA), City staff and consultants to the City are preparing an initial study of the potential impacts of the revised Housing Element.
- Staff anticipates releasing the initial study in late March or April for a 30-day public comment period.
- Staff will schedule Planning Commission and City Council hearings to consider adopting the revised Housing Element. Having a current certified Housing Element will ensure the City’s eligibility to apply for certain grant funding opportunities.

**Department/Division:** Planning/Advanced  
**Project/Program:** Hill Town  
**Project/Program Lead:** Robert Reber

**Project / Program Description:** The Hilltown property is a 44-acre parcel located on the east side of San Pablo Avenue, north of Hwy 4/John Muir Parkway. The property is owned by Santa Clara Valley Housing Group (SCVHG). In 2007 the Planning Commission approved an Initial Planned Development Plan (IPDP) for the site that included 640 multi-family residential units and approximately 4,000 square feet of commercial space. The City subsequently evaluated the proposed IPDP land uses in the Environmental Impact Report done for the 2009 Updated Redevelopment Plan; the City also rezoned the property from Industrial to Planned Commercial-Residential.

**Status:** SCVHG approached the City in the fall of 2012 about developing the site at a significantly reduced scale than in the IPDP previously approved by the Planning Commission in 2007. The current proposal is for approximately 200 single family residential units, substantially less than the 640 units proposed in the prior IPDP. Staff recommended that SCVHG hold a community workshop/town hall meeting to discuss with adjacent residents and the community at large the property's opportunities & constraints and project concepts & concerns.

**Next Steps:**

- Once SCVHG indicates it would like to proceed with the workshop and a date is determined, staff will ensure ample public notification and advertising is done to promote the community workshop and to include as many members of the community as possible.

**Department/Division:** Planning/Advanced  
**Project/Program:** Planning Fees Project  
**Project/Program Lead:** Robert Reber

**Project / Program Description:** The City Council requested staff conduct a focused study of planning fees in adjacent cities in the Bay Area to determine if the cost of the application fees were competitive with other cities.

**Status:** At its June 26, 2012, meeting, the City Council approved a new Master Fee schedule that included recommended changes to all Planning fees, including charging actual costs, plus a 20% administration fee, for most major applications and services. The new fees took effect on July 1, 2012.

As part of the development agreement with Hercules Bayfront, the City Council in November, 2011, adopted Resolution 11-132, which reduced various impact fees city-wide. Included in those fee reductions were the Art in Public Places Fee and the General Plan Update Recovery fee, which were reduced from 1% to 0% of project valuation. The City Council resolution directed the City Manager to initiate an updated Development Impact Fee Nexus Study to return

recommendations to the City Council for the Council to consider a new updated development-related fee schedule.

**Next Steps:**

- Staff will issue a request for proposals (RFP) to conduct the required nexus study for Planning fees.

**Department/Division:** Planning/Advanced  
**Project/Program:** General Plan/Central Hercules Plan  
**Project/Program Lead:** Robert Reber

**Project / Program Description:** The Hercules General Plan serves as the master or comprehensive set of policies for all land use decisions within the City. The Central Hercules Plan is a specific plan for four separate designated areas within the central area of Hercules: the Waterfront Neighborhood; the Central Corridor; the Civic Center/Hospitality Corridor; and the Hill Town.

**Status:** The last comprehensive update to the City's General Plan was approved by the City Council on September 22, 1998. Throughout 1999 and 2000, the City held numerous meetings, tours, and charrettes to formulate the Central Hercules Plan, the Regulating Code for which was formally adopted on July 24, 2001. Staff presented information on the General Plan and the Central Hercules Plan to the City Council at its regular meeting on February 26, at which the City Council directed staff to present the matter to the Planning Commission for its input. Following a staff presentation at its regular meeting on March 4, the Planning Commission requested staff schedule Planning Commission workshops beginning in May 2013 to review and consider possible revisions to the City's various planning documents.

**Next Steps:**

- Staff will draft a framework and schedule for the Planning Commission/community workshops and present them at the regular Planning Commission meeting scheduled for April 15, 2013.

**Department/Division:** City Manager/Real Estate Transactions  
**Project/Program:** LED Signage in Hercules  
**Project/Program Lead:** Steve Duran/Robert Reber

**Project / Program Description:** An LED signage company presented an unsolicited proposal to the City to lease City-owned land adjacent to I-80 for the purpose of installing and operating an electronic (LED) freeway-oriented billboard.

**Status:** Staff has identified potential changes or revisions that would need to be made to existing ordinances to permit such a sign. Staff has also contacted Caltrans regarding its regulations and

review of such signage. Per the instructions of the City Council, staff presented the electronic billboard proposal to the Planning Commission at its regular meeting on March 4, 2013.

**Next Steps:**

- To follow up on Planning Commission concerns and requests, staff will investigate legal issues associated with freeway-oriented electronic billboards and present the findings at the soonest possible regularly scheduled meeting of the Planning Commission (most likely April 15, 2013).

**Department/Division:**

City Manager/Real Estate Transactions

**Project/Program:**

Intermodal Transit Center

**Project/Program Lead:**

William Silva/Steve Duran

**Project / Program Description:** The Intermodal Transit Center (ITC) and other public infrastructure represent City public improvements within the Hercules Waterfront District Master Plan (WDMP) Area. The ITC will anchor a transit-oriented, mixed-use neighborhood called Hercules Bayfront that includes a variety of dwelling unit types with businesses interconnected by a system of walk-able streets with pedestrian / bicycle trails and public plazas with bay views. The landside parcels will include an intercity train station with bus service connected to the San Francisco Bay Trail and connecting road and bridge improvements. The Project will include a restoration of Refugio Creek. The waterside parcels will include a park and the future ferry terminal that, when connected to the train station, will complete the Intermodal Transit Center.

**Status:** On July 27, the City of Hercules closed escrow on the site for its Intermodal Transit Center (ITC) and related parcels. The consideration for the purchase included \$2,162,233 of Measure J grant funds provided by the Contra Costa Transportation Authority and \$1,017,720 in Development Impact Fee (DIF) credits to be provided by the City over the course of the development of the transit village, which will flank the ITC site. Grant funding awarded / obligated in 2012 totals \$19.642 million.

Efforts to advance and finalize permitting efforts for the ITC Project continue. The City met with Bay Conservation and Development Commission (BCDC) on September 24<sup>th</sup> and received comments on the City's permit applications and provide responses to the Region-wide Permit on December 19<sup>th</sup> and the Major Development Permit on January 23<sup>rd</sup>. The City conducted a site walk with Regional Water Quality Control Board (RWQCB) on October 29<sup>th</sup> who issued their comments on November 2<sup>nd</sup> and a follow-up meeting was held on December 5<sup>th</sup>; 2<sup>nd</sup> round of comments were received on January 25<sup>th</sup> and a response was issued on February 6<sup>th</sup> and reviewed in a meeting on February 7<sup>th</sup>. The US Army Corp of Engineers (USACE) participated in the December 5<sup>th</sup> meeting with the RWQCB and issued the Nationwide 404 Permit (Permit 14 - Bay Trail and Permit 12 - Utilities) on December 19<sup>th</sup>; a draft Public Notice for the Individual 404 Permit was provided to the USACE. Department of Fish & Game (DFG) met with the City for a site walk on October 2<sup>nd</sup> and issued a Complete Application Notification on October 5<sup>th</sup>; a draft Streambed Alteration Agreement has been received and will be finalized for consistency with the USACE and RWQCB permits.

In June 2012, the City envisioned issuing the design in three bid packages. This included a single bid package for the construction of the rail related improvements and the San Francisco Bay Trail. The Federal Transit Administration (FTA) is the lead agency for the ITC Project while the Federal Highway Administration (FHWA) is the lead for the SF Bay Trail Project. During subsequent discussions with FHWA and Caltrans, it was determined that the City should split this bid package into two separate bid

packages. Constructing this as two separate bid packages has added some complexity to the design delivery that the City is working through with HDR. The City is also finalizing easements necessary for the contemplated work to occur. Additionally, BKF's design package for John Muir Parkway / Bayfront Boulevard Bridge / Refugio Creek work will be finalized with resolution of the agency permits. Due to the timing of Agency permits, a mass grading / site preparation package was authorized by the City Council on January 29<sup>th</sup> to advance critical work and to preserve secured funding.

As a result, drawings are being finalized into five bid packages:

1. Promenade Lift Station Removal and Sanitary Sewer Line Replacement
2. Bay Trail / Path to Transit – Site Preparation
3. Path to Transit (John Muir Parkway / Bayfront Blvd. Bridge / Refugio Creek)
4. San Francisco Bay Trail
5. Track Preparation (Track Preparation / Retaining Walls / Utility Lines)

As a result, additional time will be required to finalize the design that was split into the San Francisco Bay Trail and the Track Preparation bid packages and to finalize easements necessary for the work. In consultation with the Contra Costa Transportation Authority (CCTA) and the Metropolitan Transportation Commission (MTC), the City approached the California Transportation Commission (CTC) on December 6<sup>th</sup> and requested an extension to award a construction contract for the STIP funded elements. The CTC granted the extension request.

In December 2012, staff together with representatives from Antioch and Martinez, solicited support from Senator Mark DeSaulnier's Office to address concerns in the Short Range Transit Plan (SRTP) being proposed by the Water Emergency Transportation Authority (WETA). Senator Mark DeSaulnier, who heads the Senate's transportation committee, held a meeting with WETA, Hercules, Antioch, and Martinez. This meeting resulted in two material changes to the SRTP:

1. Hercules, Antioch, and Martinez were changed from "Long Term Expansion Services" to "Additional Expansion Services." If this change had not occurred, the three cities would not be a priority for the life of the SRTP or until 2021.
2. \$25m of capital funding was identified toward ferry service for Hercules, Antioch, and Martinez. The prior funding commitment for these services was to only complete environmental studies (\$2.5m), placing the full burden on the local agencies to fund the projects.

Additionally, under the CCTA administered Measure J program, there is a program to fund (in the future) \$45m for operation of the Richmond and Hercules ferry service.

Ferry service for Hercules is contingent on the construction of the Station Building and the bridges over the railroad to make a connection to the water. Funding for the Station Building is currently programmed in 2016-2017.

**Next Steps:**

- Advance and finalize permitting efforts for the ITC Project.
- Finalize design for the initial ITC construction package

**Department/Division:** City Manager/Real Estate Transactions  
**Project/Program:** Bayfront Development  
**Project/Program Lead:** William Silva/Steve Duran

**Project / Program Description:** This project proposes to develop over 40 acres of the City of Hercules within the Waterfront District Master Plan (WDMP) Area. The “Hercules Bayfront Project” is a transit-oriented, mixed-use neighborhood that includes a variety of dwelling unit types with businesses interconnected by a system of walk-able streets with pedestrian / bicycle trails and public plazas with bay views. This development will surround and is anchored by the Intermodal Transit Center (ITC), which the City is advancing.

**Status:** The City approved all development entitlements in March 2012. The Developer is planning to bring a portion of the site forward for development in 2013.

**Next Steps:**

- Meet at least quarterly with developer and continue project coordination.

**Department/Division:** City Manager/Real Estate Transactions  
**Project/Program:** Sycamore North  
**Project/Program Lead:** Steve Duran

**Project / Program Description:** Sycamore North is a mixed use residential and retail project, planned to include 96 apartments over approximately 40,000 sq.ft. of retail space. The original project is a failed project. The City and Redevelopment Agency tried to develop and fund a project that no developer would touch and could not be financed because the cost to construct greatly exceeds the value when completed. As late as six month ago, the City was considering demolishing the structure, lopping off two stories or and selling it to an affordable housing developer for a 100% low income project. These were all bad options. The project was then declared failed and marketed as a market rate project. The proposed development by Presidio Partners will be approximately 140 market rate apartments and about 12,000 square feet of retail/restaurant space.

**Status:** On October 23, the City Council approved a set of entitlement actions for the Town Centrale project, which were previously approved on October 8 by the Planning Commission. The second reading of the Development Agreement Ordinance is scheduled for the City Council meeting of November 13. These approvals allow the developer to resume and complete construction of the former Sycamore North project. As part of a purchase and sale agreement approved earlier this year by the City Council, Presidio Development Partners proposes to finish construction on the project as a pair of mixed-used buildings with approximately 140 apartments, four live-work units, and approximately 12,000 sq. ft. of ground-floor retail space, with 166 on-site parking spaces. Presidio Development Partners proposes to finish construction on the Sycamore North project, now called Town Centrale, as a mixed-used project with approximately 140 apartments, four live-work units, and approximately 12,000 sq. ft. of ground-floor retail space, with 166 on-site parking spaces.

The Buyer was scheduled to close escrow by February 25, however, they have asked for additional time, until July 19, 2013, to deal with recent cost estimates that significantly exceed budget. On February 26, the City Council approved an amendment to the Purchase and Sale Agreement to extend the close of

escrow until March 15. This extension is intended to provide time to negotiate a more comprehensive amendment to deal with a number of issues related to this delay. Staff hopes to have the proposed amendment on the March 12 City Council Agenda for consideration.

**Next Steps:**

- Assist with buyer with completing closing conditions and close escrow.

**Department/Division:**

City Manager/Real Estate Transactions

**Project/Program:**

Sycamore Crossing

**Project/Program Lead:**

Steve Duran

**Project / Program Description:** A Purchase and Sale Agreement (PSA) was entered into Property Development Centers (DPC) in January. PDC is a wholly owned subsidiary of Safeway and plans to build a 55,000 to 65,000 Safeway store and gas station near the southwest San Pablo Avenue edge of the site, with restaurants at the corner of San Pablo Avenue and Sycamore, and two or three story residential units on Sycamore facing Sycamore North.

**Status:** The property has been transferred, per the directive from the State Controller, to the “City as Successor Agency” to the former Hercules Redevelopment Agency. Staff and legal counsel continue to work on removal of the deed restriction and had a court ordered mediation session in November. Some progress was made and the court has approved the parties continuing mediation. A second mediation session is scheduled for January 11. City legal counsel and PDC legal counsel concur that the deed restriction does not impact the smaller 3+ acre portion of the site on the east side of the creek at the corner of San Pablo and Sycamore, which is a separate parcel. Thus, PDC is developing an alternative plan for the site. One plan is for a traditional one story Safeway close to Tsushima Drive and the other is for a more urban Safeway in either a podium style or roof-top parking style on the corner three acre site that is not subject to the deed restriction. With the podium style, the store is on the second level with parking at street level below the store. With the roof-top parking style, parking is on the roof with the store on the first level off a smaller parking lot on the ground level. If the deed restriction can be removed, the traditional store provides more flexibility for leasing, but either plan will work for Safeway.

Final site plans will be influenced by the status of the deed restriction, key tenants, and the design review and entitlement process. DPC is actively seeking tenants that will compliment the Safeway supermarket. Two or three story residential units on Sycamore facing Sycamore North are being considered for the site, but there is a potential for a 100% retail project. The project will need to go through the normal Planning Commission review and approvals. Staff will be engaging the Planning Commission design review sub-committee throughout the design phase of the project. A mediation session was held in November with Save-Mart, the holder of the deed restriction on three quarters of the site and progress was made toward a settlement. A second mediation session was scheduled for January 11, but was cancelled because the parties were too far apart. Safeway has extended the deadline for removing the deed restriction to April.

Negotiations for removal of the deed restriction on a portion of the site are still in progress; but at this point Safeway, PDC and the City are focusing on a podium design or roof-parked store on the non-deed restricted portion of the site and PDC is marketing future retail and restaurant space. The City and Safeway are now in discussions on how to restructure the transaction to accommodate a podium or roof-parked store, which are considerably more expensive to construct than a traditional one-story store.

Two community meetings have been scheduled to provide a status on the site planning and get input on same. PDC has arranged for these meetings at Hercules Senior Center on Thursday, March 14 at 6:30 p.m. and Saturday morning, March 16 at 9:00 am.

**Next Steps:**

- Facilitate community meetings
- Continue efforts to remove deed restriction through mediation/negotiation.
- Work with Safeway and PDC on site plan options and cost issues.
- Engage Planning Commission Design Review Committee when Safeway has one or more site plans ready to move forward.

**Department/Division:**

City Manager/Real Estate Transactions

**Project / Program:**

Market Hall Development Site

**Project / Program Lead:**

Steve Duran

**Project / Program Description:** This approximately 6.5 acre site, which is under a Disposition and Development Agreement (DDA) with the Redevelopment Agency, was planned to be a high density mixed-use project. However, the original developer was not able to put a viable project together. Retail developers and brokers consider this one of two prime undeveloped retail sites in Hercules.

**Status:** Palo Alto based McNellis Partners, led by John McNellis, has purchased the Market Hall/Red Barn Site bordered by Interstate 80, Highway 4, San Pablo Avenue and Sycamore. McNellis is a well regarded developer of retail centers and is one of several developers that were vying for this site. You can find out more about McNellis Partners at [www.mcnellis.com](http://www.mcnellis.com). Staff will be involved in discussions regarding development concepts and business terms for moving forward with development entitlements for this site, which is encumbered by a Disposition and Development Agreement (DDA) to which the Successor Agency to the Hercules Redevelopment Agency is a Party. A second community meeting is scheduled for Tuesday, March 19, to discuss ideas and feasibility for the tenant mix and design of the site.

**Next Steps:**

- Facilitate community meeting.
- Monitor progress of developer.
- Negotiate an amendment to the DDA to accommodate a viable retail development.

**Department/Division**

City Manager/Real Estate Transactions

**Project / Program:**

Big League Dreams

**Project / Program Lead:**

Steve Duran

**Project / Program Description:** Staff is pursuing reimbursement of deposit paid to “Big League Dreams” to establish the recreation facility on the property currently owned by Conoco Phillips.

**Status:** Big League Dreams is refusing to reimburse City their \$450,000 refundable deposit. The City Attorney is researching the file in anticipation of negotiations or a possible legal action. A demand letter has been sent to Big League Dreams (BLD) and staff has discussed this matter with BLD management. The City Attorney and City Manager met the Big League Dreams CEO in January and the City Attorney is following up on information to be provided by Big League Dreams and are continuing discussions.

**Next Steps:**

- Continue to engage Big League Dreams regarding the reimbursement.

**Department/Division:**

City Manager/Real Estate Transactions

**Project/Program:**

Parcel C Disposition

**Project/Program Lead:**

Steve Duran

**Project / Program Description:** Marketing and selling Parcel C (AKA the Wal-Mart Site) on John Muir Parkway in order to comply with ABx1-26 and the court approved stipulation with Ambac to sell the property expeditiously.

**Status:** The property has been transferred, per the directive from the State Controller, to the “City as Successor Agency” to the former Hercules Redevelopment Agency. A Purchase and Sale Agreement (PSA) with DeNova Homes has expired, as DeNova did not move forward beyond the Feasibility Period. This site was marketed for several months to retail, office/R&D and residential developers; however, the market will only support residential development at this location. No non-residential offers were received. Retail brokers and developers have expressed much interest in Sycamore Crossing and the Market Hall/Red Barn sites and have advised that the Parcel C and Victoria Crescent site are not competitive retail sites. With DeNova out of contract, the site is being marketed widely for all potential uses again.

Staff and legal counsel are working to remove and modify certain outdated easements that encumber this property and other properties, including a number of Bayfront-ITC parcels, and to deal with impacts of AB 1484, which places additional administrative burden on the disposition of former redevelopment agency properties.

Parcel C and Victoria Crescent are the two properties being sold under a court approved \$6.5 million writ of attachment to settle the Ambac lawsuit, so time is of the essence in order to fulfill the requirements of the court sealed settlement to pay Ambac, as well as to pay Oliver & Company nearly \$2 million secured by Parcel C. The Oliver payment is due by March 31, 2013. Staff is in discussions with Oliver to renegotiate the schedule and is also looking into refinancing the note with a bank or investor.

**Next Steps:**

- Continue due diligence, including the removal of outdated easements in favor of Bio-Rad.
- Continue to market property per direction from City Council.

**Department/Division:**

City Manager/Real Estate Transactions

**Project/Program:**

Victoria Crescent Disposition

**Project/Program Lead:**

Steve Duran

**Project / Program Description:** Marketing and selling the Victoria Crescent site on San Pablo Avenue. A Purchase and Sale Agreement was executed in June with SummerHill Homes, which was proposing detached single family homes for this site. However, SummerHill has dropped out of escrow and our brokers are soliciting updated and new offers for the site. Staff is now in negotiations with City Ventures, which has also proposed single family residential homes. This site was marketed for several months to retail, office/R&D and residential developers, however, the market in only supporting residential

development at this location. No non-residential offers were received. Retail brokers and developers have expressed much interest in Sycamore Crossing and the Market Hall/Red Barn sites and have advised that the Parcel C and Victoria Crescent site are not competitive retail sites.

**Status:** The City Council has approved a Purchase and Sale Agreement (PSA) with City Ventures, who is proposing single family for-sale housing for the site. Since this is a property that will be transferred to the City as Successor Agency to the Hercules Redevelopment Agency, the City, the City as Successor Agency and the Redevelopment Oversight Board was asked to and did approve the PSA in November. City Ventures had its first community meeting in January. The feasibility period has been extended through March 31, 2013 to deal with issues related to AB 1484 and the Ambac stipulation. Parcel C and Victoria Crescent are the two properties being sold under a court approved \$6.5 million writ of attachment to settle the Ambac lawsuit, so time is of the essence in order to fulfill the requirements of the court sealed settlement to pay Ambac

**Next Steps:**

- Facilitate due diligence process.
- Assist with the design review and entitlement process.

**Department/Division:**

City Manager/Real Estate Transactions

**Project/Program:**

Sala Restaurant/Civic Arts Building

**Project/Program Lead:**

Steve Duran

**Project / Program Description:** Sala Restaurant is failing and the tenant is not able to meet its financial obligations. The future use for the facility must be determined and implemented

**Status:** A community meeting to get input on future uses of 1991 Railroad Avenue, also known as the Civic Art Building or Sala Restaurant, was held at the City Council Chamber on November 29<sup>th</sup>. The meeting was fairly well attended and about 25 community members provided ideas, insights and thoughtful questions regarding the future use or uses of this facility. Most felt that an experienced restaurateur could succeed at the location and several types of food venues were suggested. Other ideas included: culinary arts that also provided a restaurant; an event facility; daycare, pre-school or private educational facility. One theme was that the location is not optimum for a restaurant and that some way finding signage is needed to direct people to waterfront district restaurants, shops and businesses.

This issue was heard by the City Council discussion and direction on January 22, 2013 and the Council directed staff to market the property for lease.

**Next Steps:**

- Choose broker and market the property for lease.

**Department/Division:**

City Manager/Hercules Municipal Utility

**Project / Program:**

Pinole/ Hercules WPCP Retention Rate

**Project / Program Lead:**

Bob Streich

**Project / Program Description:** Pinole/ Hercules Water Pollution Control Plant (WPCP) desires electric rate certainty through any HMU sale process and beyond should some utility other than PG&E be the successful purchaser. WPCP accounts for approximately 20% of HMU's total revenue, load and usage.

**Status:** Hercules Municipal Utility (HMU) Operations Manager/Consultant is working with Pinole/Hercules Water Pollution Control Plant (WPCP) on development of a retention rate to provide WPCP with electric rate certainty:

1. through any sale of the HMU process, and
2. on-going after any sale for a period of one year, only if HMU is sold to a Utility other than PG&E.

This proposed rate agreement is a retention rate at current levels and is not a discounted or reduced negotiated rate.

3. HMU prepared the draft “Interim Agreement between City of Pinole and the HMU for Retention of Electric Service”, incorporated HMU legal counsel edits, and provided draft Agreement to Pinole on March 26, 2012 for their review. Staff awaits response from the City of Pinole.

**Next Steps:**

- Upon Pinole revisions (if any) and final legal review, HMU staff will prepare Resolution to City Council.
- Upon Council approval, Agreement will be tendered to Parties for full execution.

**Department/Division:**

City Manager/Hercules Municipal Utility

**Project / Program:**

HMU Sale Update

**Project / Program Lead:**

Steve Duran

**Project/Program Description:** Sale or lease of the HMU.

**Status:** With the passage of Measure O, the City now has the authority to sell the utility. As outlined in the Public Utilities Code, Section 100057 and 10006 the sale must be done through a public bidding process. To assist in this effort, HMU has retained the services of Bodington and Company, an investment banking firm that specializes in providing advisory and brokering services to small electricity utilities and generators throughout the United States. The City Council has approved the proposed timeline and appointed Mayor Delgado and Vice Mayor de Vera as the City Council Temporary Advisory Committee (TAC). This committee will serve as an ad hoc committee for the sole purpose of providing oversight to staff and consultants in the disposition of HMU.

The Request for Proposals was released on November 14<sup>th</sup>. Then, on January 9, 2013, the TAC, staff and our consultants opened the bids for HMU. We received three proposals, all from very reputable entities. The “highest and best bidder” based on price and capability was selected, which is Pacific Gas & Electric Company. Staff and the committee feels confident that given the quality of the proposals, that we will be able to successfully sell the HMU.

**Next Steps:**

- Complete negotiation of an Asset Purchase Agreement.
- Assist PG&E with their due diligence.
- Continue to gather HMU data and information required to complete the sale.
- Continue working with the City Council Ad Hoc Committee for guidance and to keep them informed of the progress.

**Department/Division:** Hercules Municipal Utility  
**Project / Program:** Cap and Trade Registration  
**Project / Program Lead:** Mike Pretto/Bob Streich

**Project / Program Description:** The California Air Resources Board (ARB) has designed a California cap-and-trade program that is enforceable and meets the requirements of AB 32. California's Cap-and-Trade Regulation took effect on January 1, 2012. The enforceable compliance obligation begins on January 1, 2013, for Greenhouse Gas (GHG) emissions. The cap-and-trade is one of the strategies California is employing to reduce the greenhouse gas (GHG) emissions and is designed to help California meet its goal of reducing GHG emissions to 1990 levels by the year 2020, and ultimately achieving an 80% reduction from 1990 levels by 2050.

Under cap-and-trade, an overall limit on GHG emissions from capped sectors is established by the cap-and-trade program and facilities subject to the cap will be able to trade permits (allowances) to emit GHGs. HMU, classified as an Electrical Distribution Utility—First Deliverer of Electricity, is covered by the cap and trade program, and has received allowances that are to be sold in the cap and trade auction. HMU staff has registered with the Compliance Instrument Tracking System Service (CITSS) as part of the process.

**Status:** HMU staff successfully opened a CITSS account, has consigned all of the HMU allowances to the auction.

**Next Steps:**

- Make recommendations for use of proceeds from sale of allowances as appropriate.

**Department/Division:** City Manager/Hercules Municipal Utility  
**Project / Program:** Sycamore North Electric Work  
**Project / Program Lead:** Bob Streich

**Project/Program Description:** Contracting to perform electric engineering, procurement and construction work and services required to provide electric service to Sycamore North project.

**Status:** HMU staff is working with Presidio Partners to ensure power delivering by the time the project is ready for leasing. HMU staff is drafting an RFP to solicit offers from entities to perform professional electric engineering services. Once engineering is complete, the project will be put out to bid for construction.

**Next Steps:**

- Analyze revised Planned Use and Load Calculations
- HMU staff to issue RFP to qualified electric engineering firms.
- HMU staff and engineering firm to develop and release bid package for construction
- Award construction contract

**Department/Division:** City Manager/Hercules Municipal Utility  
**Project / Program:** Solar Installations  
**Project / Program Lead:** Bob Streich

**Project / Program Description:** Reprogram solar meters to ensure accuracy and capability with HMU's billing system.

**Status:** HMU Operations Manager/Consultant has reprogrammed most of the malfunctioning ITRON solar meters. The meter reads were indecipherable and incompatible with our billing system; however, all data usage was captured. Most solar customers received an updated bill on September 19<sup>th</sup> along with a letter of explanation.

Next Steps:

- Analyze and communicate with three remaining customer billing inquiries

**Department/Division:** Parks & Recreation  
**Project/Program:** Current Activities  
**Project/Program Lead:** Pedro Jimenez

**Project / Program Description:** The Parks and Recreation Department leads or is involved with many community activities and events. It also collects fees for various classes and services it provides to the community.

**Status:** For the month of February the department has brought in \$116,631 in revenue. Year to Date the department has brought in \$992,726 in revenue. For February the Departments monthly attendance was 11,070 participants.

The Parks & Recreation Expo will be held on April 28, 2013 10:00am -2:00pm @ Community/Swim Center. Come to this free event and take a look at all of the programs and services that the Hercules Parks & Recreation will be offering for Summer 2013! Meet summer day camp and aquatics staff, plus a variety of specialty instructors and get your questions answered in person. Receive 10% \*off this day only for classes, camps and services paid in full. \*Offer excludes Jazzercise and passes. For more information call 510-799-8291 or visit [www.ci.hercules.ca.us](http://www.ci.hercules.ca.us) .

Next Steps:

- Continue to work on items related to the library, recreation, parks, and community services programs, including the general use of park and facilities.

**Department/Division:** Parks & Recreation  
**Project/Program:** Community & Library Services Commission  
**Project/Program Lead:** Pedro Jimenez

**Project / Program Description:** The Community and Library Services Commission provides information to and advises the City Council on items related to the City's library, recreation, parks, and community services programs, including the general use of park facilities and matters relating to the community's recreational and service needs.

**Status:** Currently the Commission is working on the following topics: The Non Profit Recognition Program, Park Rental fees and reservation procedures, Banner Program, possible future events and evaluating Parks & Recreation Programs.

**Next Steps:**

- Clean up Day, May 4, 2013, 8:00am-11:00am, looking for volunteers!
- Continue to provide staff support to the Commission.

**Department/Division:**

Parks & Recreation

**Project/Program:**

Hanna/Lupine/Ohlone Child Care

**Project/Program Lead:**

Ambra Bonham

**Project / Program Description:** Before & After School Licensed Childcare (K-5th Grade) Program operates September–June and Summer Camp operates June – August. Children are well supervised in a safe environment with a variety of recreational activities, including; crafts, games, sports, and a fun fitness program. There is a short time allotted each day for homework, however, this is a recreation program with the emphasis on socialization and keeping the children active. Child Care facilities are located adjacent to Lupine Hills Elementary School, Ohlone Elementary School and Hanna Ranch Elementary School.

**Status:** For the month of February the Child Care programs brought in a total \$48,518 in revenue. Day Camp – \$2573; Hanna Child Care- \$19,707; Lupine Child Care- \$13,745 and Ohlone \$12491. Currently the school year child care has 59 participants at Hanna, 47 for Lupine and 45 for Ohlone.

**Next Steps:**

- Evaluate the programs and the needs of staff and maintenance of facilities.
- Continue to evaluate programs, revenues and expenditures to ensure cost effectiveness.

**Department/Division:**

Parks & Recreation

**Project/Program:**

Tiny Tots Program Little Learners & Pre-Kindergarten

**Project/Program Lead:**

Ambra Bonham

**Project / Program Description:** The Tiny Tots Program introduces children to their “First Learning Experiences.” They make their first school friends, learning through play, games, arts, crafts, and healthy snacks. Our qualified staff will guide them with socialization and self-help skills. Our program runs along with the school year from September-June.

- **Status:** For the month of February Tiny Tot Programs brought in \$10,273 in revenue. Tiny Tots has 2 classrooms running at Hanna with a total of 47 for MWF and one class for T/Th with 20 participants.

**Next Steps:**

- Continue to evaluate programs, revenues and expenditures to ensure cost effectiveness.
- We are currently updating our safety procedures and disaster plan for each site.

**Department/Division:** Parks & Recreation  
**Project/Program:** Aquatics  
**Project/Program Lead:** Greg Dwyer

**Project/Program Description:** The Hercules Swim Center is a place that provides valuable resources to the community of Hercules, by providing a place for families, adults, teens and children to recreate! The Swim Center's programs specialize in fostering human development, strengthening safety and security, promoting health and wellness, and providing recreational experiences.

**Status:** Classes & programs offered include: The East Silver Dolphin Swim Team year round swimmers – 74 enrollments; Fall Membership 30 participants; Lap Swimmer – 2 to 5 swimmers per day. For the month of February Aquatic programs brought in \$6,889 in revenue. Upcoming Programs: EBSD High School Swim Clinics, EBSD Monthly Swim Clinics, EBSD Spring Membership, Hercules Piranhas, Individual Swim Lessons & Aqua Zumba.

**Next Steps:**

- Continue to evaluate programs, revenues and expenditures to ensure they are cost effective.

**Department/Division:** Parks & Recreation  
**Project/Program:** Recreation Classes  
**Project/Program Lead:** Andrea Mendez

**Project/Program Description:** The Recreation division offers a wide variety of recreation classes that cater to all ages and help to promote a healthy lifestyle. The classes provide a great opportunity to have fun and exercise while interacting with others in a safe environment.

**Status:** For the month of February Recreation Classes brought in \$4,507 in revenue.

**Next Steps:**

- Continue to sell ads in Activity Guide in order to Print and mail out to Hercules households.
- Now taking registrations for classes: Zumba, Gymnastics, Karate, Table Tennis, Tiny Tot Sports, Math Tutoring, Dog Obedience, Guitar, Oil Painting, Intro to Microsoft Excel and Belly dance.
- Continue to evaluate programs, revenues and expenditures to ensure they are cost effective.
- Working on a partnership with other providers to offer more classes and programs

**Department/Division:** Parks & Recreation  
**Project/Program:** Sports  
**Project/Program Lead:** Greg Dwyer

**Project/Program Description:** The Recreation Department is proud to offer sports and other positive leisure activities for patrons of all ages. Our recreational programs help promote a healthy lifestyle, while providing an environment in which people can enjoy themselves.

**Status:** Currently the Co-Ed 10-13 Junior Warriors Elementary Basketball League is running from through March, 6 days per week with practices being held Monday through Thursday and games on Fridays and Saturdays. We currently have 98 kids enrolled.

We are offering a Fundamentals Basketball Clinic on Tues & Thursdays ages 10 and under. We have 20 kids registered in that program.

We are offering the following Adult leagues for this upcoming Spring:

- 2 Basketball Leagues of 3 on 3 (a 35 & older league and a 6 foot and under league).
- Softball Leagues in conjunction with the City of Pinole at Fernandez Park -7 Men's teams for Monday night and 7 Co-Ed teams for Tuesday Nights.
- Golf League at Franklin Canyon (Potentially Wednesday late afternoon). For More Information please call 799-8293.

For the month of February Sports brought in \$6,610 in revenue.

**Next Steps:**

- Continue to evaluate programs, revenues and expenditures to ensure they are cost effective.

**Department/Division:**

Parks & Recreation

**Project/Program:**

Teen/Youth

**Project/Program Lead:**

Greg Dwyer

**Project/Program Description:** The goal of this program is to provide foster human development, promote health and wellness, and increase cultural unity with life experiences. As our youth grow into teens, we want to give them a sense of belonging to the community and ownership. Youth & Teens come out and enjoy the programs and activities at the Teen Center "T.H.E. S.P.O.T." (Teens of Hercules Empowering through Spirit, Perseverance, Outreach, & Teamwork). The Teen Youth Council (T.Y.C.) supports and assists with Community activities and Special events. This energetic group of 6th-12th grade teens and youth demonstrate leadership skills through their participation at City Council meetings, interaction with the Hercules Senior Center, and the planning of Teen/Youth Special occasions. This successful program recruits active members from the Hercules Community, and the Hercules Middle and High School.

**Status:** Staff provides arts and crafts, sports, and a variety of activities and events catered exclusively for 6th, 7th, and 8th graders. Currently there are 23 enrolled for the month of February the Teen Center brought in \$7,789 in revenue. TYC held an Ice Cream Social for Valentine's Day. Also in the Teens are in the beginning stages of planning for the Easter Egg Hunt event in March.

**Next Steps:**

- Easter Egg Hunt, Saturday, March 30, 2013 at the Senior Center from 9:30a-12:30p
- Continue to evaluate programs, revenues and expenditures to ensure they are cost effective.

**Department/Division:**

Parks & Recreation

**Project/Program:**

Senior Center

**Project/Program Lead:**

Greg Dwyer

**Project/Program Description:** Friends, food, fun and companionship is what the Hercules Senior Center is all about. This program and supported services are available to adults 50 and over. We strive to ensure a physically and emotionally comfortable environment for all, and encourage socialization with peers.

**Status:** Classes and Programs offered include: Zumba Gold; H.I.C.A.P.; Legal Assistance; Computer Class; Blood Pressure; Pool Table; Meals on Wheels; Day Trips; Contra Costa Café; Daily Activities; and Tea Dance. For the month of February the Senior Center brought in \$2,821 in revenue.

**Next Steps:**

- Continue to evaluate programs, revenues and expenditures to ensure they are cost effective.

**Department/Division:**

Parks & Recreation

**Project/Program:**

Facilities/Rentals

**Project/Program Lead:**

Andrea Mendez

**Project/Program Description:**

The City of Hercules offers many of the City's facilities for rent when not being used for City sponsored programs or services.

**Status:** For the month of February, facility rentals brought in \$13,468 in revenue.

**Next Steps:**

- Continue to promote facility for rentals and evaluate revenues and expenditures to ensure they are cost effective.

**Division:**

Police Patrol

**Project / Program:**

Community Outreach- Crosswalk Enforcement

**Project / Program Lead:**

Sergeant Earnest Taylor

**Project / Program Description:** In a continuing effort to improve pedestrian safety, the Hercules Police Department is increasing crosswalk enforcement throughout the city. Enforcement will occur during both day and night with an emphasis placed in high traffic areas i.e. San Pablo Avenue and Sycamore Ave, Sycamore Ave and Willow Avenue.

**Status:** Police personnel conducted crosswalk enforcement in the area of the Hercules Middle/High School. This enforcement is to educate the students to use the crosswalks.

**Next Steps:**

- Continue to conduct these operations in specified location throughout the city when personnel are available.
- Prepare an education piece for the city website and other news outlets.
- Deadline: Ongoing monthly evaluation.

**Division:**

Police Administration

**Project / Program:**

Reserve Police Officer Recruitment

**Project / Program Lead:**

Sergeant Ruben Rodriguez

**Project / Program Description:** The Hercules Police Department is continually recruiting Reserve Police Officers. These are volunteer positions which assist the department in all areas including patrol and investigations. This year's goal is to recruit and hire 4 Reserve Officers.

**Status:** The department has received numerous applications and will establish a pool of qualified applicants. We currently have two reserve applicants in background.

**Next Steps:**

- Deadline: Ongoing recruitment, funding availability

**Division:** Police Patrol  
**Project/Program:** Community Outreach /Wire Theft Prevention  
**Project/Program Lead:** Commander Thomas Koepe

**Project/Program Description:** The city has experienced an on-going theft of copper wire. The police and public works departments are working together to develop a strategy to harden the theft target locations and prevent the theft of wire.

**Status:** No thefts reported this month

**Next Steps:**

- Continue to theft proof the junction boxes
- Conduct extra patrol in the high risk areas.
- Deadline: Ongoing prevention program

**Division:** Police Patrol  
**Project / Program:** Selective Enforcement  
**Project / Program Lead:** Commander Koepe

**Project/Program Description:** Selective enforcement: The goal is to deter speeding and stop sign violators. The Public Safety Subcommittee identified streets in the city that required additional traffic enforcement due to speeding vehicles and stop sign violation.

**Status:** On a daily basis patrol personnel are enforcing vehicle code violations throughout the city.

**Next Steps:**

- Continue enforcement when personnel are available.
- Deadline: On going

**Division:** Police Administration  
**Project / Program:** COPS Hiring Grant  
**Project / Program Lead:** Chief Goswick and Sergeant Rodriguez

**Project/Program Description:** Research and submit an application for two separate COPS Hiring Grants that will increase the number of sworn personnel. The goal is to add at least 5 officers, four from a COPS Community Policing Grant and one from School Resource Officer Grant. The term of the grant is 3 years with no matching funds.

**Status:** We received information that the 2012 COPS grant is restricted only to agencies that applied last year and did not receive the full amount of officers and/or monies they requested. We called USDOJ and explained our situation (past and current layoffs) and were told we were not eligible to apply.

**Next Steps:**

- Monitoring GRANTS.GOV and USDOJ for any other grants that may be out there.

**Department/Division:** City Manager/Police Administration  
**Project/Program:** Emergency Services  
**Project/ Program Lead:** Chief Goswick

**Project / Program Description:** California law specifies that all government employees are disaster service workers. Additionally, there are two mandated systems for regulating emergency response. The Federal system called the National Incident Management System (NIMS) and the State system called the Standardized Emergency Management System (SEMS). These systems are complimentary and have been adopted by County of Contra Costa for managing response to multi-agency and multi-jurisdictional emergencies. The City must follow SEMS and NIMS guidelines to continue to be eligible for State and Federal relief funds. Ongoing training for management and field-level employees is necessary to prepare them for their roles in the City's Emergency Operations Center (EOC) or on-site incident management.

**Status:** The City Manager/Emergency Services Director lead responsibility for coordination of emergency preparedness activities and maintenance of the EOC to the police department. Staff reductions and personnel changes have created the need for revisions to EOC assignments.

**Next Steps:**

- On-going maintenance of all Emergency Services vehicles and equipment
- Update EOC Roster
- Plan for an EOC Workshop or Table Top Exercise (TTX) –Pending
- Emergency Operations training for the City Council
- Completion of on-line course for city staff

**Division:** Police Patrol  
**Project / Program:** Parking Enforcement  
**Project / Program Lead:** Commander Koeppe

**Project/Program Description:** Parking enforcement: The goal is to deter abandoned vehicle and enforce all Hercules Municipal Codes and the California Vehicle Codes that are applicable to parking issues. This program will be performed by trained Hercules Police Department volunteers.

**Status:** The police department has a volunteer parking enforcement program. The volunteers in this program will assist patrol personnel in the enforcement of parking problems and complaints, abandoned vehicles, and towing and storing vehicles. The police department is currently in the process of training a second VPEO.

**Next Steps:**

- Recruit volunteers to perform parking enforcement duties.
- Conduct background check and live scan.

- Train volunteers in parking and abandoned vehicles laws.
- Train volunteers the procedures in towing and storing vehicles.
- Train volunteers in the safety aspects of this position.
- Deploy volunteers through the Patrol Division Watch Commander.
- Dead Line: Ongoing.

**Division:** Police Administration  
**Project / Program:** School Safety  
**Project / Program Lead:** SRO Wrangham / Chief Goswick

**Project/Program Description:** Violence such as the high profile school shootings in Colorado, Wisconsin and Pennsylvania can cause concern within school communities, even if they are not directly affected by the event(s). Adults and students struggle to understand why these events happen and, more importantly, how can they be prevented. School principals and superintendants can provide leadership in reassuring students, staff, and parents that schools are generally safe places for children and youths and reiterating what safety measures and students supports are in place at their schools. The Hercules Police Department is working with all the elementary schools and the middle/high school in Hercules to improve security measures as well as their overall safety plan and education.

**Status:** The School Resource Officer and the Chief of Police are working with school staff to improve the safety and overall preparedness of our schools. The police department has met with all of the principals and conducted site visits, identifying security issues. The police department conducted training at Hercules Middle/High School which included the Principal and one Assistant Principal. All police personnel have completed training.

**Next Steps:**

- Update active shooter training for all PD personnel -complete
- Train all school staff in the expectation and procedures during a critical incident- dates have been set for the Month the Middle/High School.
- Institute safety procedures - Pending
- School/Law Enforcement/Fire-EMS role during a critical incident

**Division:** Patrol Division  
**Project / Program:** Traffic Calming  
**Project / Program Lead:** SRO Wrangham

**Project/Program Description:** The police department has received complaints traffic jams in front of the Middle/High School. The police and school staff met and a traffic plan will be put in to effect March 25, 2013. The plan will include re-routing traffic though the upper lot by the football field. Officers will be present to enforcement the changes. The Principal will be sending out a message to her staff, student and the parents regarding the changes.

**Status:** The School Resource Officers and school staff met and are in the process of developing a traffic plan to ease up the traffic congestion on Refugio Valley Rd.

**Next Steps:**

- Develop a traffic plan
- Educate staff, Students and parents
- Monitor area for concerns or additional recommendations.
- School/Law Enforcement/Fire-EMS role during a critical incident
- Dead line: To be in place by the end of March 2013