

Department/Division:

City Manager

Project/Program:

Utility Users Tax Measure Implementation

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). It will add 2% to the City's UUT for five years and include all utilities, telecommunications and video. Measure A reads 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: Measure A passed by 70.71%. Staff has completed all actions necessary to ensure the increased Utility Users Tax is collected no later than October 1, 2013.

Next Steps:

- Ensure timely collection.

Department/Division:

City Manager and City Attorney

Project/Program:

Redevelopment Agency Bond Default

Project/Program Lead:

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 has kept 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. Ambac and the City have extended the performance date on the stipulation and are negotiating an amended stipulation to provide for the requirements of AB 1484. Staff and Ambac met with Department of Finance staff in Sacramento on April 15 and discussed this and other matters to request that the DOF expedite approvals of property sales to meet the requirements of the court approved stipulation that former Redevelopment Agency properties are sold expeditiously. By mutual agreement of the parties, the case management meeting has been rescheduled to August 19, 2013.

Next Steps:

- Continue to implement the court ordered settlement agreement.
- Negotiate amendment of the court approved stipulation.
- Prepare for August 19 case management meeting.

Department/Division:

Project/Program:

Project/Program Lead:

City Manager
Redevelopment Agency Dissolution
Steve Duran/Nickie Mastay.

Project/Program Description: The Hercules Redevelopment Agency was legally dissolved as of February 1, 2012. 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 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 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 2012. The sales proceeds of approximately \$1,200,000 went to pay back pooled cash 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:

- Schedule meeting with the state Department of Housing & Community Development to discuss transition of Housing Successor Agency.
- Complete non-housing asset audit; housing asset audit.
- Complete property management plan.
- State Department of Finance to issue a Certificate of Completion.

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 issuing quarterly variance reports until the presentation of the FY2013-14 budget, which must be passed by June 30, 2013.

Status: The City Council Finance Subcommittee, Citizens Advisory Committee and the Measure O Oversight Committee met on Monday April 29, 2013 to review the FY2013-2014 first draft budget. The joint committee's emphasis was on the General Fund first draft budget Version A (passage of Measure A) and the General Fund first draft budget Version B (without the passage of Measure A). The FY2013-14 first draft General Fund Budget Version A projected a deficit of \$251,038; Version B projected a deficit of \$620,953.

On June 4, 2013, the citizens of Hercules passed Measure A to increase the Utility Users Tax 2% and activate the tax on cable TV. At a June 5th meeting, the joint finance committees were presented with the general fund balanced budget Version A (excluding debt owed to CalHFA). The balanced budget for the general fund was achieved by the inclusion of \$750,000 (9 months) of revenue from the passage of Measure A along with a number of expenditure reductions to balance the budget (excluding debt owed to CalHFA) with a \$525 surplus. On June 11, 2013, the City Council was presented the general fund balanced budget Version A and this was the budget that was endorsed by the Citizens Finance Committee and the Measure O Oversight Board. At this meeting, the City Council reduced the City Council department expenses by \$5,000 bringing the General Fund net surplus to \$5,545. On June 25, 2013 the City Council adopted the FY2013-14 Budget and one year of the five year capital improvement budget.

Next Steps:

- Continue with quarterly variance reporting on the 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 Citizens 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. The City Manager, Finance Director, and outside legal counsel had a conference call with the IRS in June. The IRS requested additional information. Staff gathered and submitted the requested information to the IRS on July 12, 2013.

Next Steps:

- Await IRS response.
- Continue to work through any IRS issues.

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: 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 was scheduled for April 2013. Staff received a preliminary draft audit in April 2013 for review. Staff has completed the review. Staff received an updated draft in May 2013. Staff has replied to Gallina LLP with adjustments to the draft and updated notes to the draft. In June 2013, additional items were requested by Gallina LLP for the component unit (in particular, Redevelopment) audit. Letters were sent to all legal counsel in June for information that will be in the Notes section of the Audit.

Next Steps:

- Awaiting responses to letters sent to all legal counsel for information that will be in the Notes section of the Audit.
- Issuance of FY2010-11 Audit in August 2013
- Begin FY 2011-12 audit.

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 is reconciled through June 2012 for FY2011-12 and through May 2013 for FY2012-13. Any outstanding journal entries related to the reconciliation need to be prepared and posted. After each month of reconciliation, the financial system needs to be properly closed and reconciliation verified.

Next Steps:

- Any outstanding journal entries related to the reconciliation need to be prepared and posted.
- FY2011-12 Year End journal entries are being prepared and posted
- 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 performed 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 two 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: Administrative Services
Project / Program: Administrative Policies
Project / Program Lead: Jenny Smith/Margaret Roberts

Project / Program Description: The administrative policies address the administration of the employment relationship. They are adopted in an effort to maintain a professional work-force in the Classified Personnel System of City government. These policies contain principles that guide the City in meeting the public's expectations of a system that is efficient, effective, fair, and free from political influence and staffed by competent employees.

Status: Staff has begun to review the policies which have not been updated since 2010 or earlier. There have been many changes to both laws and the way the City operates indicating that most policies will need to be updated.

Next Steps:

- Review, identify and prioritize the policies in need of updating
- Obtain copies of other jurisdiction's policies
- Obtain input from each department on their policies
- Update the policies to reflect current practice, and best practices
- Verify the policies are in compliance with local, State and Federal laws

Department/Division: Administrative Services
Project / Program: Records Retention
Project / Program Lead: Margaret Roberts

Project / Program Description: The records retention schedule for the City is outdated and needs to be updated to reflect both current practices and changes in the law as to mandatory retention laws. There are records stored in various locations around City Hall and the trailer that need to be identified and catalogued.

Status: Staff has begun to review the retention schedule making the necessary changes to be in compliance with current state laws.

Next Steps:

- Complete the review and update the retention schedule
- Review the changes with the City Attorney
- Take to City Council for approval

Department/Division:

Administrative Services

Project / Program:

Labor Negotiations

Project / Program Lead:

Steve Duran / Margaret Roberts

Project / Program Description: The labor agreements with the various employee groups are open for negotiation this year, with expiration dates of June 30, 2013. This includes the Police Officers Association for sworn officers, Teamsters for most other employees, Unrepresented for a small group of mid-management and confidential employees, and the Management group for department heads.

Status: All contracts, except for Teamsters, have been negotiated, approved by the employee groups and the City Council, and executed. The Teamsters rank and file will vote on the latest offer by the City in August.

Next Steps:

- Finalize Teamsters contract.

Department/Division:

Administrative Services

Project / Program:

IT and Telephone Upgrades

Project / Program Lead:

Faye Flores / Margaret Roberts

Project / Program Description: The 2013-2014 budget includes funding for much needed and overdue upgrades to the City's servers, telephone equipment and software.

Status: Staff has procured pricing for the various components needed for updating our servers, telephone equipment and certain software. The purchase and installation of equipment was approved by the City Council in July. Most of the equipment has been ordered.

Next Steps:

- Implement upgrade project.

Department/Division: Administrative Services
Project / Program: TV Upgrades
Project / Program Lead: Charles Durley / Margaret Roberts

Project / Program Description: The 2013-2014 budget includes funding for much needed and overdue upgrades to the City's television broadcasting equipment.

Status: Staff has procured pricing for the various components needed for updating certain television broadcasting components. An important component was left out of the original pricing and the item was pulled from a July Council meeting.

Next Steps:

- Do additional research and potentially re-scope the project
- Complete proposed contracts.
- Take to City Council for approval.
- Implement upgrade project.

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 identified various items that need to be addressed in the coming fiscal year including:

- Replacement of the rebound wall at the Tennis Facility. When staff went to repair the wall it was determined that it needs to be replaced. Staff has taped the wall area off with caution tape due to its condition and is looking at two options; replacing the wall with another wooden wall or replacing the wall with a cinder block wall. Bids will be requested so that we can determine the best value.
- A portion of the concrete wall near the dam in Refugio Valley Park is failing and will need repair. Requests for proposals will be sent out for the work.
- The fiscal year 13/14 budget has been approved allowing Municipal Services to move forward with repairs to the 24" mainline sewer between Sycamore Avenue and Santa Fe Avenue.
- Staff removed eight dead trees from the Library and replaced them with crepe myrtles.
- Staff removed three dead trees from Frog Pad Park.

Next Steps:

- Continue to develop a 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.
- Begin specifications for mainline sewer repairs including video, cleaning, and repairs where necessary. Place out to bid and get pricing for spring work.
- Begin tree trimming in Refugio Valley Park.
- Clean the carpets at the Library now that the expenditure has been approved.
- Schedule the video inspection of the sewer mainline and begin repairs.

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: Staff has collected data for Trash Reduction Calculations and submitted it to the Board for review. New trash load maps have been created in an effort to establish baseline numbers and the maps have been submitted to the Clean Water Program for submittal to the Regional Board. We have to reduce trash loads from that base line by 40% in 2014, 70% by 2017, and 100% by 2022.

New maps have been generated and submitted to the Board for review in addition to spreadsheets outlining trash capture areas and proposed trash capture methods.

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

Next Steps:

- Continued attendance at meetings by assigned staff.
- Collection of data for next Annual Report.
- Continued monitoring for compliance throughout the City.
- Continue preparation and data collection for fiscal 12/13 Annual Report which is due to the Board on August 19, 2013.

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.

Status: Engineering has been awarded to HDR. Cost is estimated to be 2.8 million dollars to complete the engineering phase. Bids will be requested for Engineering Manager, Construction Manager and construction firm in the near future.

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.
- Apply for State Revolving Loan Fund financing for project.
- Work on Request for Proposals with City of Pinole staff for construction management.

Department/Division: Municipal Services
Project/Program: Chelsea Wetlands Restoration Project
Project/Program Lead: John J. 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 have been 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.

Borings were taken in June to determine contamination levels of the soil. No results to report yet.

Next Steps:

- Operations and Maintenance Agreement.
- Set up system for invoices.
- Request for Proposals on phase two Cultural analysis for plants and species.
- Analysis of Environmentally Sensitive Areas (ESA).
- Request for Proposals on complete construction package.

Department/Division:

Project/Program:

Project/Program Lead:

Municipal Services
Animal Control Services
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: There is no new report from the County yet. The numbers below are from the previous report.

Number of activities by activity type:

Assist police	1
Deceased dogs and cats	3
Deceased – wildlife	2
Investigations – inhumane	1
Investigations – rabies (human exposure)	2
Stray animals- dogs and cats	5
Stray animals – other	5

Telephone calls (not resulting in activity)	19
Transport animals	1
Total	39

Number of calls/contacts/actions related to activities:

Assist police	1
Deceased dogs and cats	4
Deceased – wildlife	2
Investigations – inhumane	1
Stray animals- dogs and cats	10
Stray animals – other	9
Telephone calls (not resulting in activity)	19
Total	46

Dead animals handled:

Cat	4
Dog	0
Other	4
Total	8

Live animals handled:

Cat	11
Dog	9
Other	2
Total	22

Project / Program: Sale of Hercules Municipal Utility
Project / Program Lead: Steve Duran
Project/Program Description: Sale or Lease of the Hercules Municipal Utility (HMU)

Status: With the passage of Measure O, the City was given the authority to sell HMU. 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 Request for Proposals was released on November 14th. 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 (PG&E).

On Tuesday, May 28, the City Council approved and the City executed a contract to sell the assets of HMU to PG&E for a purchase price of \$9.5 million. Under the Asset Purchase Agreement (“APA”), it is anticipated that, based on the current market value of the bonds, the net proceeds at close will be sufficient to retire the HMU Bond debt. Timing is critical because debt service obligations will continue to burden the City until the sale has closed, PG&E has paid the purchase price, and the HMU Bonds have been extinguished. There is a lot of work left to do, but this is a major milestone for the City’s financial recovery.

A contract has been executed with Bondholder Communications Group to assist with the tender for outstanding HMU bonds when CPUC approval is received.

PG&E submitted the application for California Public Utilities Commission approval of the HMU purchase on July 1, 2013 and requested an expedited approval. City staff is scheduled to meet with PG&E staff and CPUC staff on August 5.

Next Steps:

- Submit response to PG&E CPUC submittal, supporting approval of the transaction.
- Assist PG&E with their due diligence and California Public Utility Commission approval.
- Continue to gather and provide PG&E with data and information necessary to complete the sale.

Department/Division:

City Manager/Hercules Municipal Utility

Project / Program:

Underground Utility District Development

Project / Program Lead:

Bob Streich

Project / Program Description: San Pablo Ave. Underground Utility District

Status: HMU is preparing a draft "San Pablo Underground Utility District" boundary map for the purpose of converting the existing electric overhead lines to an underground system on San Pablo Ave. between Sycamore Avenue and Tsushima Street. HMU is also working with the PG&E Rule 20a Coordinator to begin discussions on the development of a project. Staff will be placing this item on a future council agenda.

Next Steps:

- Prepare Staff Report and submit to city council for approval.
- Work with PG&E to confirm the scope and schedule of the underground conversion project.

Department/Division:

City Manager/Hercules Municipal Utility

Project / Program:

Preventive Maintenance

Project / Program Lead:

Bob Streich

Project / Program Description: HMU Preventive Maintenance Program

Status: HMU staff continues to perform minor maintenance on the electrical facilities in its' service territory. This includes visual safety inspections of vaults and equipment, marking and locating HMU facilities prior to third party excavations, weed abatement, graffiti removal and dewatering of vaults.

Next Steps:

- Continue performing minor maintenance tasks to maintain the safety and reliability of the HMU electric system.

Department/Division: Hercules Municipal Utility
Project / Program: California Energy Commission Regulatory Reporting
Project / Program Lead: Bob Streich

Project / Program Description: California Energy Commission (CEC) Semi-Annual Reporting of Power Plants within HMU Service Area

Status: The California Energy Commission (CEC) requires all Utility Distribution Companies, like HMU, to submit a semi-annual Reporting of Power Plants in the HMU Service Area. HMU submitted this report on time on July 31, 2013.

Next Steps:

- No further action required.

Department/Division: Planning/Advanced
Project/Program: Housing Element
Project/Program Lead: Robert Reber

Project/Program Description: Every jurisdiction in California must have a General Plan, which serves as a “constitution” for development in that jurisdiction. The General Plan 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; a statement of the community’s goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing; and 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 2012, 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). After reviewing the California Department of Housing & Community Development (HCD) As required under the California Environmental Quality Act (CEQA), City staff and consultants prepared and publicly released on April 26 an Initial Study of the potential impacts of the revised Housing Element, and found the Housing Element update and accompanying zone text amendments would not have a negative impact on the environment. Following the recommendations from the Planning Commission’s June 3 hearing on the matter, the City Council voted on July 9 to approve the environmental Negative Declaration and adopt the Housing Element Update for 2009–2014. On August 7, HCD send the City a letter certifying that the Housing Element as adopted complied with State requirements. The HCD also reported that the City has met one of the threshold requirements for the Housing Related Parks Program (HRP) that rewards local governments for approving housing affordable to lower-income households. The HRP Program provides grant funds that can be used to fund park-related capital asset projects.

Next Steps:

- Within one year of adopting the Housing Element (i.e., by June 2014), to the City must amend its zoning ordinance for consistency with the adopted Housing Element and to comply with State requirements. Having a current certified Housing Element will ensure the City's eligibility to apply for certain grant funding opportunities.
- The City must monitor and annually report to HCD on housing site availability and housing opportunities for special-needs households.
- Staff will evaluate and submit (as appropriate) park-related capital improvement projects for consideration for HRP funds

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 revised proposal would include 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 Master Fee schedule for FY 2012-13 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. At

its June 25, 2013, meeting, the City Council approved a revised Master Fee Schedule for FY 2013–14 that included several adjustments to Planning-related fees:

1. Reduced the Home-Based Occupation Permit from \$400 to \$250. The reduced amount should still be sufficient in most cases to cover staff time and expenses for processing home-based business permits, but also responds to some residents' complaints that the previous fee was excessive and a deterrent to job creating and entrepreneurial efforts.
2. Increased the Initial Study/Negative Declaration deposit fee from \$5,000 to \$10,000, to ensure sufficient funds to cover the initial environmental review for most projects.
3. Reinstated the General Plan Update Recovery Fee by increasing the rate from 0% to 1%. 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 both 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. The General Plan Update Recovery Fee is being reinstated now to ensure sufficient funds are available as soon as possible to begin the overdue comprehensive update to the City's General Plan (see below also).

Next Steps:

- Staff will research possible funding sources, and if supporting funds are available, will issue a request for proposals (RFP) to conduct a 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, 2013, at which time 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, 2013, 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. Immediately following its regular meetings on May 6, May 20, June 3, July 15, and August 5, the Planning Commission has held community workshops to discuss with members of the public the issues surrounding the City's vision as expressed in the various sets of long-term plans and how potential

development relates to that vision. Planning Commission Chair Cletia Hart gave an update on the workshops to the City Council at the Council's June 25 meeting.

Next Steps:

- At the conclusion of the final workshop on August 5, Planning Commission Chair Cletia Hart requested that Planning Commissioner Susan Tolley and workshop participant/recorder Susan Keefe work with staff to draft a report that summarizes the workshops and consensus views, and to present the draft report to the Planning Commission at its first meeting in October.

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. The Planning Commission requested that staff investigate legal issues associated with freeway-oriented electronic billboards and report back to the Planning Commission with the findings. During its June deliberations regarding the FY 2013–14 budget, the City Council directed staff to remove LED billboard leasing as a potential revenue source.

Next Steps:

- No further actions at this point given Council's direction to staff to no longer pursue the potential revenue from leasing City land for an LED billboard.

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 in order to comply with ABx1-26 and the court approved stipulation with Ambac to sell the property expeditiously. Parcel C and Victoria Crescent are the two properties being sold a \$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.

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. 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.

Buyer, City Ventures, has advised they are going forward with the purchase and their deposit is not refundable. Staff has requested approval of the transaction from the California department of Finance. An entitlement application has been received by the City's Planning Department and staff is currently preparing an addendum to the Environmental Impact Report that was prepared for the original Victoria by the Bay project (New Pacific Properties Specific Plan). One Design Review Subcommittee meeting has been held on this application review and provide feedback on site plan concepts. A second Design Review meeting is scheduled for August 2.

Next Steps:

- Complete design review and entitlement process. The initial study/addendum should be released sometime late this summer or early fall, to be followed by Planning Commission and City Council hearings.
- Obtain Department of Finance approval of sale.
- Close escrow.

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

City Manager/Real Estate
Intermodal Transit Center
William Silva/Steve Duran

Project / Program Description: The "Hercules Bayfront Project" will develop a 42.36 acre portion of the Hercules Waterfront District master Plan (WDMP). It is a transit-oriented, mixed-use neighborhood that includes a variety of dwelling unit types with businesses, an associated system of walkable streets, pedestrian interconnections, and public plazas with bay views. The City portion of the project includes the Intermodal Transit Center (ITC) and other public improvements, including the extension of John Muir Parkway and the construction of a major Bay Trail segment.

One Bay Area Grant (OBAG) Opportunity: On June 19th, the Contra Costa Transportation Agency (CCTA) recommended approval of a list of projects to be forwarded to the Metropolitan Transportation Commission (MTC) by June 30th for funding under the OBAG Program. Under the competitive program, the ITC is ranked eight out of twenty-two applications received and will receive \$2.5m in funding should MTC uphold the recommendation. In addition to the competitive program, the City will receive \$701k under the Local Streets Preservation Funding for a project contemplated on Refugio Valley Road.

Hercules Point: During the due diligence period leading up to the acquisition of Hercules Point by the City of Hercules in July of last year, City Staff discovered that Hercules Point had been remediated during the original site clean-up. Staff has continued to follow-up with the Department of Toxic Substances Control (DTSC) who issued their findings on June 18, 2013 indicating that the prior remediation for commercial and industrial uses could also be considered for an open space park. Although it is necessary to complete the ITC to provide legal access to Hercules Point, this represents an important hurdle that positions the City of Hercules to secure grants for this future project.

Construction: Evans Brothers, Inc. began work on Monday, June 17th for the Bay Trail / Path to Transit – Site Preparation Project. Following preparation work, heavy equipment began moving dirt, which will be completed in August.

Ground Breaking: A “Ground Breaking” event is now planned for Wednesday, September 4, 2013 at 10:30 a.m. to celebrate the ground breaking for the Bay Trail and completion of site preparation for the extension of John Muir Parkway. Congressman Mike Thompson has confirmed for the event.

Next Steps:

- Continue to advance construction document and permitting for next phase.
- Continue to seek grant funding.

Department/Division:

City Manager/Real Estate

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 in discussions with potential buyers and investors for various development sites within the Bayfront footprint. Although required to meet quarterly, the City has been coordinating on a monthly basis as first phase elements of the City’s infrastructure are proceeding to construction.

Next Steps:

- Continue to meet at least quarterly with developer and continue project coordination.

Department/Division:

City Manager/Real Estate

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 part of a purchase and sale agreement approved 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.

Status: All entitlements are in place and Presidio was scheduled to close in February; however, asked for additional time to deal with recent cost estimates that significantly exceed budget and necessary easements they have not been able to obtain. On April 9, 2013, the City Council approved an amendment

to the Purchase and Sale Agreement (PSA) to extend the close of escrow until July 31, 2013 to provide time to obtain construction and emergency access easements on “R Alley” adjacent to the property and to give the buyer time to value engineer the project to reduce costs.

Presidio initiated discussions with the Bayside Home Owners Association (HOA) Board through their management company in May of 2012, but was not able to get them to negotiate for easements on R Alley. The HOA Board has continued to only communicate through their attorney and management company on this issue, even to this date. City staff commenced discussions with the management company on this issue in March of 2103 and Mayor Delgado and I addressed the Bayside Home Owners Association Board meeting in this regard on April 17. Likewise, the Board continued to refuse to negotiate unless the City agreed in advance to remove the two top floors of Sycamore North and other things. Presidio conducted a community meeting on June 22 at City Hall to address issues and neighborhood concerns with the project. It was evident that most in attendance just want the proposed project completed with consideration given to mitigate impacts to residents who use R Alley for garage access. Staff continues to work on acquiring necessary easements on “R Alley” that are necessary for emergency access and will enable the completion of the Sycamore North building immediately adjacent to R Alley. Due to delays caused by the Bayside Home Owners Association Board continuing refusal to engage in negotiations, staff recommended and the City Council, on July 23, approved a Tenth Amendment to the Purchase Agreement to extend the deadline for close of until as late as January 31, 2014.

Staff continues to work on acquiring necessary easements on “R Alley” that are necessary for emergency access and will enable the completion of the Sycamore North building immediately adjacent to R Alley. Attorneys and appraisers with expertise in eminent domain have been engaged by the City and the process of a public taking of rights on R Alley was commenced in July with a notice of decision to appraise, followed by an appraisal and an offer to purchase a public right of way - all in July. The HOA has now engaged their own appraiser and staff is awaiting a response to the City’s offer. The City Council is scheduled to consider a Resolution of Necessity, which is the next necessary step in taking a public easement by eminent domain, on August 20.

Next Steps:

- Obtain easements and complete closing conditions.
- Close escrow.

Department/Division:

City Manager/Real Estate

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 50,000 to 60,000 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. PDC is developing an alternative plan for the site. 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. The project will need to go through the normal Planning Commission review and approvals.

Since PDC/Safeway is now proposing a podium or roof-top parked store on the non-deed-restricted 3.5 acre parcel on the site, the City and Safeway have agreed to extend the feasibility period. The City Council as Redevelopment Successor Agency Board, on June 25, approved the Second Amendment to the PSA, extending the deadline for close of escrow to September 13, 2013. The Redevelopment Oversight Board approved this action on July 16. The reasons for the extension include: (1) To provide staff and consultants adequate time to conduct analyses of construction costs and economic factors impacting price and terms of the proposed transaction; (2) To provide the parties adequate time to negotiate a more comprehensive Third Amendment that will enable Buyer to move forward with a podium or roof-parked Safeway supermarket; and (3) To provide staff time to address certain state requirements for Department of Finance approvals under AB 1484, which was passed subsequent to the execution of the Agreement for Purchase and Sale.

Next Steps:

- Work with Safeway and PDC on site plan options and cost issues.
- Negotiate an Amendment to deal with increased costs and AB 1484 issues.
- Schedule and hold another community meeting for additional design information and input.
- Engage Planning Commission Design Review Committee when Safeway has one or more site plans ready for formal review.

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. 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. McNellis has conducted two community meetings to get input from residents on the tenant mix and design of the site.

Next Steps:

- 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: 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. Parcel C and Victoria Crescent are the two properties being sold a \$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 was due by March 31, 2013.

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 was marketed widely for all potential uses again through April, 2013 and the Successor Agency Board has directed staff to negotiate with Lewis Holding Company for the sale of the property. Negotiations are nearing completion.

Staff is in also in discussions with Oliver to renegotiate the schedule and is also looking into refinancing the note with a bank or investor.

Next Steps:

- Finalize termination agreement with DeNova Homes.
- Complete negotiation of Purchase and Sale Agreement for Redevelopment Successor Agency and Redevelopment Oversight Board consideration as soon as reasonably possible.

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 in order to comply with ABx1-26 and the court approved stipulation with Ambac to sell the property expeditiously. Parcel C and Victoria Crescent are the two properties being sold a \$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.

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. 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.

Buyer, City Ventures, has advised they are going forward with the purchase and their deposit is not refundable. An entitlement application has been received by the City's Planning Department. Victoria Crescent is one of the 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:

- Complete design review and entitlement process.
- Close escrow.

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: The property has been listed with Deborah Perry, Senior Vice President at Colliers International. On May 16th, about 30 members of the community attended a marketing information meeting to receive an update, ask questions and provide input on the marketing of the vacant Civic Arts Building, also known as Sala Restaurant, at 1991 Railroad Avenue. The biggest concerns expressed were noise from the exhaust fan and noise from music. The marketing suggestions included getting a restaurant that will serve the kind of food people will return to enjoy often and top-notch quality and service. Also discussed was the need for way-finding signs directing people to waterfront restaurants and businesses.

Deborah Perry of Colliers international continues to market the property for lease and there have been several interested parties. Due to additional late-arriving proposals for the leasing of this building, staff took the discussion of price and terms off the closed session calendar for July 9 to provide more time to evaluate the proposals. In addition, our due diligence has turned up personal property liens against the former lessee that could impact a lease transaction. Our goal is to get the former lessee to pay the debts necessary to satisfy the liens.

Next Steps:

- Complete due diligence.
- Continue to market property for lease.

Department/Division

City Manager/Real Estate Transactions

Project / Program:

Big League Dreams

Project / Program Lead:

Patrick Tang/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 now in discussions with legal counsel for Big League Dreams.

Next Steps:

- Continue to engage Big League Dreams regarding the reimbursement.

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 July the department has brought in \$148,621 in revenue. Year to Date the department has brought in \$148,621 in revenue. For July the Departments monthly attendance was over 15,000 participants.

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:

- 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 July the Child Care programs brought in a total \$44,086.53 in revenue. Day Camp – \$33,528; Hanna Child Care- \$5,234.36; Lupine Child Care- \$2,033.03 and Ohlone \$3290.35. Currently the summer camp has an average of 42 participants at Hanna for the 3rd-5th and 28 for the K-2nd.

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 Tot Program Little Learners & Pre-Kindergarten

Project/Program Lead:

Ambra Bonham

Project / Program Description: The Tiny Tot 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 July Tiny Tot Programs brought in \$6,701.40 in revenue. For next fall our Tiny Tot program has a 5 day Jr. Kindergarten program, A MWF Pre K program and a T/TH Little Learner which are full already.

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:

Courtney Crofoot

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 – 77 enrollments; Piranhas-117 participants; Lap Swimmer – 1 to 5 swimmers per day. For the month of July Aquatic programs brought in \$33,683.30 in revenue. Other summer programs include EBSD Summer Membership, Individual Swim Lessons & Aqua Zumba.

Next Steps:

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

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

Parks & Recreation
Recreation Classes
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 July Recreation Classes brought in \$11,585.39 in revenue and Recreation Admin brought in \$4,402.08 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:
Project/Program:
Project/Program Lead:

Parks & Recreation
Sports
Andrea Mendez

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: For the month of June Sports brought in \$16,183 in revenue.

We are currently offering the following programs:

- Basketball Leagues for ages 10-12- 100 participants
- Softball Leagues at Fernandez Park -5 Men's teams for Monday night and 6 Co-Ed teams for Tuesday Nights.
- Golf League at Franklin Canyon- 10 teams on Wednesday night.
- Weekly basketball camps for ages 5-12 has 10-20 participants
- Basketball clinics -26 participants

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:

Jeff Jew

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 for the Summer Camp there are 31 enrolled for the month of July and the Teen Center brought in \$22,973 in revenue.

Next Steps:

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

Department/Division:

Parks & Recreation

Project/Program:

Senior Center

Project/Program Lead:

Kristina Griffith

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 July the Senior Center brought in \$2,355 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 July, facility rentals brought in \$9,046 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 continue to monitor intersection safety to identify potential enforcement needs. During the month of June there were no vehicle/pedestrian collisions in Hercules.

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 3 Reserve Officers.

Status: The department has received numerous applications and will establish a pool of qualified applicants. We have recently hired one Reserve Officer and 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 Koeppel

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 Koeppel

Project/Program Description: Selective enforcement: The goal is to deter vehicle code violations and criminal activity throughout the city.

Status: On a daily basis, patrol personnel are increasing patrols in the residential neighborhoods due to the increase in residential burglaries.

Next Steps:

- Continue to conduct high visibility patrols offset with undercover operations and surveillance.
- 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 COPS Hiring Grants that if approved will increase the number of sworn personnel. The goal is to apply for at least four officers from the COPS Community Policing Grant. The term of the grant is 3 years with matching funds.

Status: We have received information for the 2013 COPS grant application process.

Next Steps:

- Outline cost for the number of officers requested to include the funds needed to fulfill the grant requirements.
- Complete grant and apply by the May 22, 2013 dead line
- Police personnel researched the upcoming COPS grant, due to the requirements of the grant we will not pursue this funding

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 Koepp

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: 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 Officers and the Chief of Police conducted safety training for the faculty at Ohlone, Lupine Hills and Hanna Ranch Elementary schools and Hercules Middle High School. The training consisted of the implementation of a school lock down, weapons on campus and preparedness. There was a greater participation at the elementary school level compared to the middle high school. The Police and Fire Chief met and discussed joint training for these types of events.

Next Steps:

- Update active shooter training for all PD personnel - Complete
- Trained school staff in the expectation and procedures during a critical incident i.e. Active Shooter-complete
- Institute safety procedures - Pending
- School/Law Enforcement/Fire-EMS role during a critical incident-Pending

Division: Patrol Division
Project / Program: Traffic Calming
Project / Program Lead: SRO Sanchez

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 implemented a new traffic plan for the high school. This plan diverts traffic off of Refugio Valley Road on to the campus through gate A. The SRO's will begin planning for the upcoming school year.

Next Steps:

- Develop a traffic plan - Complete
- Educate staff, Students and parents - Complete
- Dead line: To be in place by the end of March 2013 - Complete
- Monitor area for concerns or additional recommendations-on going
- Preplan for 2013-14 school year
- Transition new SRO into this role