



MEMORANDUM

DATE: February 18, 2011

TO: Mayor Joanne Ward and City Council Members
City Employees
Members of the public

FROM: Fred Deltorchio, Interim City Manager

SUBJECT: Interim City Manager's Weekly Report

Overview of Report: The following topics are included in this week's update:

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Town Hall Meeting: On Wednesday, February 16, the City of Hercules held a town hall meeting to discuss the Hercules Municipal Utility (HMU) and Intermodal Transit Center (ITC). The [presentations](#) and [video](#) were posted to the City's website.

Bayfront Entitlement and Owner Participating Agreement Negotiations: Charlie Long and Robert Reber spent the afternoon of February 16 with Jim Anderson and his team discussing a broad range of topics concerning the issues associated with the implementation agreements between the City of Hercules and Hercules Bayfront LLC.

One issue involves the need to improve the working relationship between the City and Bayfront through consolidated project management and greater accountability for meeting deadlines. Another involves Bayfront's plans to provide construction cost estimates and updated market information within the next few weeks. Bayfront has also provided an appraisal of the property that would be transferred to the City in response to the appraisal that the City provided to Bayfront last November.

On February 22, the Council/Agency Board will be asked to create the Bayfront/ITC Task Force with two participants from the Council. The role of the Task Force will be to involve the community in understanding and commenting on the implementing agreements for Bayfront and ITC. The Council on February 22, will also be asked to endorse a deadline for completing these agreements by July 1, since the Governor's budget proposals to eliminate redevelopment agencies may invalidate any redevelopment agreements after that date.

On February 24, the Task Force will have its first meeting at 6pm in the City Council chambers. We are hoping that citizens from throughout the community will participate. We will accommodate everyone who is willing to do the work and desires to participate.

Numerous issues need to be resolved prior to the July 1 deadline. Among them are:

- Environmental mitigation measures required of ITC and Bayfront.
- Tentative subdivision map that creates the parcels for Bayfront and ITC.
- Owner Participation Agreement with the Redevelopment Agency, to include acquisition of parcels for the ITC.
- Development Agreement with the City which contractually guarantees the entitlement for Bayfront.
- Amendments to the land use plan to accommodate the ITC.

We are hoping that a broad cross-section of the community comes out on February 24 to participate and over the next 4 months in completing the agreements for the Bayfront and ITC projects.

Bayfront EIR: Next Wednesday, the Planning Commission will convene on at 7:00 p.m. in Council Chambers to present the Bayfront EIR and take public comments. The only actions that can be taken at that meeting are receiving comments on the EIR. Planning Commission meetings are normally scheduled for Mondays, but due to the holiday, the Commission will be meeting on Wednesday. The comment period for the Bayfront EIR ends on Monday, March 7, at 5:00 p.m. Also at Wednesday's meeting, we will swear in newly appointed Commissioner Mike Bowermaster.

ITC Project Update: Below is a summary of key events that took place this week with the Intermodal Transit Center Project:

- City staff met with the Contra Costa Transportation Authority (CCTA) on Thursday, February 10th to review the proposed funding packages and prioritize funding into a fully funded phase.
- On February 11th City staff met with the project AdHOC committee to review the status of the project and critical next steps.
- The Federal Transit Administration (FTA), Federal Lead Agency under NEPA for the Hercules ITC project transmitted Biological Assessments to U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NOAA) for review and requested Biological Opinions for the project.
- On February 16th the Interim City Manager and staff met with district representatives from Rep. George Miller's office to answer questions related to the proposed Hercules Intermodal Transit Center.
- The City is currently reviewing the *Urban Greening Grant Program* to identify opportunities for funding with the Bayfront and ITC project.

City Council Vacancy: On February 8, 2011, the City Council called for a Special Election to be held in the City of Hercules on June 7, 2011 to fill the vacancy which occurred with the resignation of Mayor Ed Balico. A nominee must be a registered voter residing within the City. Nomination petitions and other required documentation are now available from the City Clerk, 111 Civic Drive, Hercules, CA 94547, and must be completed and filed with the City Clerk either in person or by certified mail, no later than 5:00 P.M., March 11, 2011, the 88th day before the election (Election Code Section 10224).

Status of Recall Petition Verification: On February 8, 2011, recall proponents filed their petitions for recall of Mayor Ward and Council Member Kuehne with the City Clerk. The City Clerk conducted a count of the number of signatures obtained to determine whether the number gathered met or exceeded the 2,501 required for each petition. Determining that both petitions had sufficient signatures, on February 9, 2011, the City Clerk submitted the petitions to County Election Officials to examine the petition and from the records of registration, determine whether or not the petition was signed by the requisite number of voters.

As per election Code Section 11224, election officials have 30 days from the date of filing, February 8, excluding weekends and holidays, to complete the examination. A random sampling of the signatures was completed, however, neither petition could be certified as sufficient as the statistical sampling must show that the number of valid signatures is greater than 110% of the required number. The statistical sampling for the Kuehne petition was calculated at 105.79% and the Ward petition at 99.88%. County Election officials are now required to examine and verify each signature filed. Once this is complete and if it is determined that the examination shows the number of valid

signatures is greater than the required number, a certificate of sufficiency shall be issued and presented to the City Council. Within 14 days of receiving the certificate of sufficiency, the City Council must call an election to determine whether or not the Council Member shall be recalled. If the petitions are found to be insufficient, no further action will be taken. However, the failure to secure sufficient signatures does not preclude the proponents from filing an entirely new petition at a later date.

Citizens Financial Advisory Ad-Hoc Committee: The Committee had its second meeting on Tuesday. The HMU was discussed and the group continued to familiarize themselves with the finances of the City. The next meeting is scheduled for Monday, February 28.

Financial Update: All three financial audits are continuing. The CalPERS audit is a joint effort between the Finance department and HR and is approximately 80% complete. Staff provided follow up to the State Controller's Office regarding the redevelopment audit and MRG (Municipal Resources Group) continues to review information with staff on the City's financial situation. The MRG review is progressing, however, City staff are expecting the review to not be completely until mid-March.

The Finance Department is also in regular discussions with our bond counsel and fiscal advisors to ensure we continue to be able to cover our debt service. This is an important issue and one that we are monitoring very closely.

Baywood HOA: Last Saturday, the results of the balloting for the possibility of a HOA for Baywood were tabulated. Forty votes in the affirmative, or 51%, were required to form the HOA. Only 6 ballots were cast in favor of forming the HOA, therefore, no HOA will be formed in the Baywood neighborhood.

Affordable Housing: Today will be the last day, Affordable Housing Solutions Group will be contracted to provide service to the City of Hercules. Over the last five weeks, they have been working with City staff to bring the Affordable Housing services in house. We are currently in the process of recruiting a Housing Program Manager, who will be a full time City staff member responsible for monitoring existing loans and hopefully in the future, overseeing all Affordable Housing Programs.

Held to Answer on Felony Charges: On February 15, 2011 Chona Baez was held to answer on all charges at a preliminary hearing after she was arrested on October 1, 2010 for brandishing a firearm at Ohlone Elementary School, attempting to run over a school employee, and shooting into a daycare on Bedford Street. A jury trial date has not been set.

Burglary and Conspiracy: On February 15, 2011 at 7:25 a.m. Officers were dispatched to Home Depot for a burglary in progress. Brian Kendall Morgan and Rufino Torres, both from San Pablo were arrested with over \$800.00 worth of merchandise. They were transported to County Jail.

Criminal Threats, Child Endangerment, Auto Theft and Battery: On February 16, 2011 at 9:59 a.m. a resident in the 100 block of Goldenrod reported her son, Randeep Randhawa, had assaulted her and threatened to kill her. Randhawa also threatened to kill his wife and threw a television on the floor near his 16 month old daughter. He then took his grandfather's car without permission. Randhawa was later arrested and transported to County Jail.