



MEMORANDUM

DATE: January 6, 2012

TO: Mayor Romero and City Council Members
City Employees
Members of the Public

FROM: Steve Duran, City Manager

SUBJECT: City Manager's Weekly Report

STATE SUPREME COURT REDEVELOPMENT RULING

The California Supreme Court has upheld ABx26 and struck down ABx27, dissolving all redevelopment agencies in the state effective February 1, 2012 and providing no scenario for re-starting redevelopment in the state. Staff is recommending that the City become the Successor Agency for the administration of the non-housing portion of the Agency's assets and liabilities in order to ensure that the City's interests in advancing the development of the waterfront and vacant sites along San Pablo Avenue and John Muir Parkway are protected. Staff is recommending that the City not be the Successor Agency for the administration of housing portion of the dissolved Agency, which would be very costly because of complex and burdensome monitoring and reporting requirements.

MEETING WITH STATE SENATOR LONI HANCOCK

Mayor Romero, Council Member de Vera, Deputy City Manager Liz Warmerdam and I met with State Senator Loni Hancock on January 6th. Hercules will be in the district represented by Senator Hancock after the 2012 general election due to re-districting. The meeting included a tour of development sites, focusing on the waterfront. Topics discussed included Hercules's low share of property taxes, impacts of funding for the Intermodal Transit Center.

COMMUNITY AND ECONOMIC DEVELOPMENT UPDATES

ITC - Bayfront Project: The purpose of this project is to move the City toward the ultimate goal of building an inter-modal transit (ITC) center and to provide the Bayfront developer with development entitlements for medium to high density transit oriented development that will put the City in position to leverage additional grant funding for the ITC. This project proposes to develop a 42.36 acre portion of the City of Hercules Waterfront District master Plan (WDMP) area with the "Hercules Bayfront Project," 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 delivered its final comments on remaining documents under negotiation to the owner/developer on December 26, 2011 and set forth a schedule that would have resulted in final approval on January 24, 2012. However, the owner/developer has requested more time to respond. As of this writing, staff has not received a response to the City's December 26th comments.

Sycamore North and Sycamore Crossing. Staff is working collaboratively with the proposed buyer for Sycamore North and the proposed buyer for Sycamore Crossing on urban design and retail compatibility issues to ensure the success of both projects. Sycamore North has engaged the original project architect to complete changes to the unit mix and will need a few more weeks to cost out the revised plans. Staff and the proposed Sycamore Crossing developer hope to finalize a purchase and sales agreement that will provide for a new Safeway store for City Council approval on January 24, 2012; however, closing will be subject to removal of a deed restriction and mutual approval of the site plan and design.

Parcel C and Victoria Crescent. Parcel C and Victoria Crescent have been listed for sale and offers will be accepted for a few more weeks before a buyer is recommended to the City Council.

STRATEGIC PLAN

The second community charrette to gather input for the Strategic Plan was held on December 10, 2011 and a second draft of A Strategic Plan for Hercules will be presented to the City Council for final input on January 10, 2012. This document will be staff's road map for prioritization of operations, programs and projects as the 2012-2013 budget process picks up steam in February.

Do to the Christmas – New Year holiday schedule, including a short work-week this week, department updates are not available this week.