



MEMORANDUM

DATE: March 3, 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

COMMUNITY AND ECONOMIC DEVELOPMENT UPDATES

ITC - Bayfront Project: This project seeks 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. 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 Purchase and Sale Agreements and the Development Agreements were approved by the City Council on February 28. The second reading of the Development Agreement ordinances and approval of the tentative map are scheduled for March 13.

On March 1, the Administration and Project Committee of the Contra Costa Transportation Authority (CCTA) recommended approval of the new funding plan for the Hercules Intermodal Transit Center (ITC), which would provide Measure J funding for acquisition of land for the ITC and other items related to the transit center. The CCTA board is scheduled to consider this item on the evening of Wednesday, March 21. Without this funding, the City will have no cash available for site acquisition and future funding would also be delayed.

Sycamore Crossing: There is nothing new to report on this project. The buyer, Property Development Centers (DPC) is a wholly owned subsidiary of Safeway and plans to build a 55,000 to 65,000 Safeway store and gas station near the southwest San Pablo Avenue edge of the site, with restaurants at the corner of San Pablo Avenue and Sycamore, and two or three story residential units on Sycamore facing Sycamore North. The first order of business is removal of a deed restriction, which could be a major obstacle to moving this project forward. The City's obligation for removal of the deed restriction is capped at \$200,000, so if this costs more, the City and Safeway may negotiate how to fund the cost or walk away from the Agreement. The project will need to go

through the normal Planning Commission review and approvals. Staff will be engaging the Planning Commission design review sub-committee throughout the design phase of the project.

Sycamore North: There is nothing new to report on this project. The existing structure at Sycamore North is a failed project. The City and Redevelopment Agency tried to develop and fund a project that no developer would touch and could not be financed because the cost to construct greatly exceeds the value when completed. As late as six months ago, the City was considering demolishing the structure, lopping off two stories or and selling it to an affordable housing developer for a 100% low income project. These were all bad options. The project was then declared failed and marketed as a market rate project. Presidio Development Partners was chosen from several qualified buyers due to their responsiveness to the city's financial obligations and a quick close of escrow. The Purchase and Sale Agreement (PSA) for Sycamore North will be ready for City Council consideration in March. Presidio has now requested to change most of the ground floor to residential uses, which will require Planning Commission approval, at least at the design review level. The requested change was requested because the site is not considered a prime retail site in comparison with the competition, including the Market Hall/Red Barn site and Sycamore Crossing, which are the City's two best remaining retail sites. The increase in residential units also makes the project more economically viable and financeable.

Parcel C and Victoria Crescent: These properties are being actively marketed and offers have been received on both properties. Staff has scheduled closed session discussions with the City Council and discussing real property negotiations on March 6.

CONSIDERATION OF TAX MEASURE

On March 6, the City Council will consider recommendations related to a potential tax measure for the June or November election. The taxes under consideration are an increase in the utility users tax (UUT) or an increase in the sales tax.

REDEVELOPMENT AGENCY BOND PAYMENT ISSUES SETTLED

The Hercules Redevelopment Agency, which as of February 1, 2012 no longer exists, went into technical default on its February 1 bond interest payment of approximately \$2.4 million. The basic problem is that the Agency has no money and its fund balance is negative, even with approximately \$4.1 million in tax increment income received in December. That is because City's pooled cash funds showing positive balances have been subsidizing Redevelopment Agency debt service and operations for years and have been significantly drained.

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 court ruled against Ambac on January 31, 2012, however a hearing was scheduled to consider the merits of Ambac's request for immediate relief. That hearing was postponed by mutual consent of the parties to allow more time to negotiate a settlement. The parties have reached a settlement and a stipulation, which are waiting for the filing of an ex parte application and motion to seal. This outcome will keep the City from having to consider pre-bankruptcy mediation and a potential Chapter 9 bankruptcy protection filing.

CITY WIDE VOLUNTEER PROGRAM

Under the direction of Chief Goswick, Police Departments Administrative Specialist, Angie Albrecht will be the coordinator for this program and welcomes all that want to volunteer to visit the City of Hercules website and complete a volunteer application and drop it off at the police department.

PLANNING DEPARTMENT UPDATES

Affordable Housing: The Planning Department, wearing another hat, has been managing the Redevelopment Agency's affordable housing programs for some time. They continue leading the effort to transition the affordable housing program to the County Housing Authority. They are coordinating with the finance department.

Design Review set for March 5 Meeting: Staff is currently processing one application, a residential design review permit, that will require a Planning Commission hearing, currently scheduled for Monday, March 5. Staff is polling commissioners to ensure there will be a quorum, as two commissioners will not be available.

Commissioner Recruitment: Due to problems finding applications on the City web site, the deadline is being extended to March 15 for applications to fill two two-year Planning Commissioner terms that are due to expire at the end of March . Applications are available via the City's web site at: <http://www.ci.hercules.ca.us/index.aspx?page=288>

LAFCO Recruitment: The Contra Costa Local Agency Formation Commission (LAFCO) is currently accepting applications for the Regular and Alternate Public Member seats. LAFCO is an independent agency charged with encouraging orderly governmental boundaries and efficient services, discouraging urban sprawl, and preserving agricultural and open space resources. The commission meets these objectives by regulating the boundaries of cities and special districts and conducting municipal service reviews and other special studies. The Commissioners will screen applications and make the appointment. The term of office for the open public member seats is four (4) years expiring in May 2016. Applications must be received in the Contra Costa LAFCO office located at 651 Pine Street, Sixth Floor, Martinez, CA 94553 by 5:00 p.m., Friday, March 9, 2012. More information is available at www.contracostalafco.org, or by calling the LAFCO office at (925) 335-1094.

MUNICIPAL SERVICES UPDATES

Number of permits issued-----	9
Building permit fees collected-----	\$3186.24
Number of inspections-----	14
Code Enforcement inspections-----	2

No sewer lateral report this week. Engineering staff is on leave.

On-Going Activities

The city landscape contractor is continuing with cul-de-sac clean-up.

Replacement trees on order for three trees knocked down in a vehicle accident on Victoria Crescent West.

There was a failure of bearings in pump #2 at Victoria Lift Station. The station is under normal operation with pumps #1 and #3.

PG&E has repaired numerous streetlights around the city including Village Parkway which has been without lights for nearly a year. The problem was located below grade and repaired with assistance from city staff.

Staff has repaired numerous street lights around the city including Kensington Circle which were out but went unreported for a lengthy period of time. Staff requests that the public report outages as they occur so staff can get them on the list and get them repaired in a timely manner. Their support is needed and appreciated.

The streetlight damaged by a vehicle accident on San Pablo Avenue has been delivered and will be installed soon.

Streetlights damaged on Refugio Valley Road by vehicle accident have been replaced.

Staff continues the clean-up of the corporation yard. Stacks of electrical conduit are being moved and will be an improvement to the overall condition of the yard.

Staff continues to work with the Flood Control District regarding the removal of the old Railroad Avenue Bridge located near the wastewater treatment plant in Pinole. The District wants to widen the creek to accommodate winter flows. The City of Hercules' wastewater gravity line is attached to the bridge and will have to be moved to accommodate the widening.

Staff continues to work with Pinole staff on future upgrades to the wastewater plant and the required outfall line.

PARKS AND RECREATION UPDATES

Parks & Recreation

A Parks and Recreation reorganization was approved by City Council on Tuesday, February 28.

Currently the Park & Recreation Department offers a wide variety of recreation classes and programs that cater to all ages and help to promote a healthy lifestyle. The classes & programs provide a great opportunity to have fun and exercise while interacting with others in a safe environment. You can go online to www.ci.hercules.ca.us to get more information or to register for classes.

Licensed Before & After School Child Care and Camps

What are the benefits of our licensed programs?

- Provides a safe and nurturing environment
- Provides qualified and matured staff
- All lead Staff have training in school age programming through accredited colleges
- Provides a 1 staff to 14 ratio, not to exceed 28 children per classroom
- All staff have passed a Livescan/Background check

Facility Rentals

Looking for a hall to rent to hold a party, wedding reception, graduation, birthday, retirement and baptisms. Check out our many facilities we have to offer by going online to www.ci.hercules.ca.us or call 799-8291 for more information.

Now hiring for the following part-time positions:

Lifeguard

Sr. Guard

Swim Instructors

Recreation Leader

Basketball Coach/Referee/Scorekeeper

Children Program Leaders

Children Program Aides

Should you have any questions regarding the positions listed, please contact the Personnel Department at (510) 799-8214.

Spring Camp grades K-6th grade - April 9th –April 13th

Have your child join us for “Hercules Idol” camp during the school break. This camp will allow each camper to let their inner rock star to shine. Our talented and Licensed staff will provide the ultimate challenge in recreational activities. Activities includes Rock Star Hair Day, dress up like a rock star, karaoke, arts & crafts, sports and making new friends. Now taking registration!

WEEKLY POLICE REPORT (Partial List) AS OF MARCH 1, 2012

Outside Assist/Probation Search: On February 23, 2012 at 10:09 p.m. a probation compliance check was conducted at a residence in the 100 block of Azalea, by Department of Justice Special Agents and Contra Costa County Probation. 21 year old Michael Verette Jr., of Hercules, was searched based on being on probation for robbery. Located at the residence was a quantity of narcotics, which was determined to belong to a subject not residing at the residence. That subject was later arrested for the narcotics violation.

Grand Theft: On February 23, 2012 at 3:15 p.m. a resident in the 100 block of Newbury reported missing an expensive gold ring since December 2011. The circumstances of the ring’s disappearance are unknown.

Domestic Violence Restraining Order: On February 24, 2012 at 8:42 p.m. an Officer stopped a vehicle in the 1500 block of Sycamore Avenue. The occupants were 32 year old Herman Moore Jr. and his wife, both of Bay Point. Moore Jr. was found to be in violation of a served criminal

protective order that lists his wife as the protected party. It was determined Herman Moore was in violation of the protective order and in violation of the conditions of his domestic violence probation. He was arrested and transported to Martinez Detention Facility.

Driving Under the Influence of Alcohol: On February 24, 2012 at 8:42 p.m. an Officer stopped 28 year old Alvin Tiu, of Fairfield, in the 800 block of Willow Avenue. After a DUI investigation, Tiu was subsequently arrested and issued a citation for DUI.

Vandalism/Attempt Burglary: On February 25, 2012 at 11:56 a.m. a resident in the 800 block of Dover called to report vandalism, which occurred 15 minutes prior to calling Police. An unknown suspect removed two window screens, possibly in attempt to gain entry into the residence. Entry was not made and the responsible was not located.

Recovered Stolen Vehicle: On February 26, 2012 at 12:08 a.m. an Officer located an unoccupied stolen vehicle in the 3000 block of Franklin Canyon Road. The vehicle had been reported stolen to San Pablo Police on February 25th. The vehicle was recovered and removed from the stolen vehicle system.

Fraud: On February 27, 2012 at 10:11 a.m. a resident in the 100 block of Mesa Court reported that three courtesy checks for her Capitol One account were cashed in Solano County. The victim never received the checks and believes they were taken from the mail. The total amount of the fraud at this time is approximately \$4,000. A courtesy report was taken to be forwarded to the investigating agency.

Identity Theft: On February 27, 2012 at 10:16 a.m. a resident in the 100 block of Dartford reported being a victim of identity theft. The victim reported that someone opened an account with Bill Me Later and Home Depot using his identity. The Bill Me Later account was used to make a purchase from Walmart.com. A report was taken and is being forwarded to investigations.

Recovered Stolen Vehicle: On February 27, 2012 at 11:49 a.m. an Officer met with a Contra Costa County Sheriff's Deputy regarding a stolen vehicle in the 1300 block of Chelsea. A stolen unoccupied BMW X5 was located and recovered. The interior had been completely stripped.

Fraud: On February 27, 2012 at 1:11 a.m. an Officer was dispatched to the 100 block of Aster Court for a report of account access fraud. The resident discovered that a fraudulent withdrawal was made from her account at an ATM in Berkeley. The amount of the withdrawal was \$280. A report was taken as a courtesy to the resident and Berkeley Police.

Sex Registrant: On February 27, 2012 at 2:26 p.m. Hercules Police Records issued a case number for an annual sex registrant registration. The registrant is 43 year old Gilbert Itoses Avila from the 100 block of Raven Court.

Trespassing: On February 27, 2012 at 4:34 p.m. a real estate agent called from the 100 block of Kensington to report finding personal property in the vacant residence. It appears squatters have been staying in the residence. Contact information was left at the residence so the person owning the personal property can retrieve their property. At 7:40 p.m. Officer responded back to the residence to identify the squatters and return their property.

Auto Burglary: On February 27, 2012 at 5:33 p.m. a resident in the 700 block of Hermes reported her vehicle was burglarized between 7:00 p.m. last night and 9:00 a.m. this morning. The take was her wallet containing her driver's license and social security card.

Theft by False Pretense: On February 27, 2012 at 8:18 p.m. a resident in the 1500 block of Sycamore being a victim of a scam. The victim reported paying a phone solicitor approximately \$700 to collect the 2.5 million dollar lottery he won even though he did not buy a ticket or enter a lottery. He believed it was a legitimate lottery because he received a phone call instead of junk mail or an e-mail.

Possession of a Concealed Firearm: On February 27, 2012 at 10:21 p.m. an Officer stopped 22 year old Jonathan Ferreira, of Richmond, in the 600 block of Parker Avenue. A search of the vehicle was conducted due a smell of marijuana coming from his vehicle. During the search a handgun was located in Jonathan Ferreira's backpack along with a small amount of marijuana. Ferreira was arrested for the concealed firearm and then released with a citation from HPD, after booking.

Domestic Violence: On February 28, 2012 at 4:11 a.m. Officers responded to the 100 block of Paradise for a report of an argument in one of the apartments. Officers made contact with an engaged couple who had been arguing and pushing each other. Neither party wanted police involvement. Due to statements and lack of independent witnesses or physical evidence a case was taken for documentation purposes. The male half of the party left for the morning.

Stolen Vehicle: On February 28, 2012 at 6:41 a.m. a resident in the 200 block of Florence Court reported their vehicle was stolen occurred sometime after 9:00 p.m. last night. The vehicle taken is a black 1998 Honda Civic two door (6KSH857). The vehicle was entered into the stolen vehicle system.

Outside Assist for Shooting: On February 28, 2012 at 10:16 a.m. Officers assisted Pinole Police and the California Highway Patrol with a shooting which occurred on Interstate 80 near Pinole Valley Road. Hercules Officers stopped one of the vehicles possibly involved in the incident, in the 4000 block of San Pablo Avenue. The investigation was turned over to Pinole Police.

Outside Assist: On March 1, 2012 at 2:37 p.m. Hercules Officers assisted Fairfield Police Department in the 1000 block of Cottage Lane. Fairfield PD attempted contact with a person of interest relating to a homicide they are investigating.