



## MEMORANDUM

---

DATE: March 16, 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

### **SALES TAX MEASURE**

On March 6, the City Council voted to put a measure on the June ballot to raise the sales tax rate in Hercules by ½ percent to 8.75%, which is equal to our neighboring city, Pinole. It is hoped that this measure, which would sunset after four years, will raise an additional \$350,000 to \$400,000 a year. It is hoped that this additional funding will be enough to prevent further layoffs and bring back a number of police officers. This amount of money is much less than needed; but it would certainly help the City maintain essential services.

### **REDEVELOPMENT AGENCY BOND SETTLEMENT APPROVED BY THE COURT**

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. The parties have reached a settlement and a stipulation, which has been filed with the court. On March 13, the court approved the settlement. This outcome will keep the City from having to consider pre-bankruptcy mediation and a potential Chapter 9 bankruptcy protection filing.

### **COMMUNITY AND ECONOMIC DEVELOPMENT UPDATES**

**ITC - Bayfront Project:** Final City approvals of the contracts related to this project were completed on March 13.

This project will 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.

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 North:** The Purchase and Sale Agreement (PSA) for Sycamore North will ready for City Council consideration on March 27. 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 month ago, the City was considering demolishing the structure, lopping off two stories or and selling it to an affordable housing developer for a 100% low income project. These were all bad options. The project was then declared failed and marketed as a market rate project. 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. 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 discussed these proposals with the City Council in closed session under Real Property Negotiations most recently on March 13 and is looking to complete term sheets and move toward Purchase and Sale Agreements shortly. These sites have been marketed to retail, office/R&D and residential developers, however, the current market in only supporting residential development at this location. Retail brokers and developers have expressed much interest in Sycamore Crossing and the Market Hall/Red Barn sites and have generally advised that the Parcel C and Victoria Crescent site are not competitive retail sites.

**Market Hall/Red Barn Site:** The owner of the market Hall/Red Barn site has scheduled a meeting with staff for and a retail developer next week to discuss development concepts and business terms for moving forward with development entitlements for this site, which is encumbered by a Disposition and Development Agreement to which the Successor Agency to the Hercules Redevelopment Agency is a Party.

## PLANNING DEPARTMENT UPDATES

**Commissioner Recruitment:** The City Council will be conducting interviews of candidates for the Planning Commission, which are scheduled for Tuesday, March 20 at 6:00 pm in the City Council Chamber.

## MUNICIPAL SERVICES UPDATES

### Building Department:

Number of permits issued-----	10
Building permit fees collected-----	\$3949.42
Number of inspections-----	21
Code Enforcement inspections-----	2

### Sewer Lateral Inspection Program:

Applications received-----	5
Inspection fees collected-----	\$625.00
Number of Certificates issued-----	2
Number of deficiency notices-----	1
Number of condominium waivers issued-----	1
Wide-load permits-----	0
Encroachment permits-----	2

### Ongoing Activities:

- A sinkhole was reported on Newbury Street and appeared to be caused by groundwater undermining the roadway. Emergency repairs were completed by an outside contractor. The cost of repairs was \$3,200.
- Staff continues to work with Pinole staff on future upgrades to the wastewater plant and the required outfall line. A discussion on the proposed alignments will be conducted at the Hercules City Council meeting on March 27, 2012.
- Replacement street lights on San Pablo Avenue have been installed.
- The red curbs on Willow Avenue between Burger King and Sports 44 bar have been repainted. Officers have been unable to cite due to the faded condition of the paint.
- The “Keep Right” sign at Refugio Valley Road and Sycamore Avenue was replaced after being knocked down by a vehicle.
- A hazardous tree that was threatening a recently repaired fence at the Refugio Tennis Facility was removed.
- No damage was reported from the recent rain storm other than some minor flooding in the Corporation Yard.

## **PARKS AND RECREATION UPDATES**

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](http://www.ci.hercules.ca.us) to get more information or to register for classes.

### **Spring Camp grades K-6<sup>th</sup> grade - April 9<sup>th</sup> –April 13<sup>th</sup>**

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!

### **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](http://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.

## **WEEKLY POLICE REPORT (Partial List) AS OF MARCH 8, 2012**

**Fraud Warrant Arrest:** On March 9, 2012 at 1:19 p.m. Marin County Sheriff’s Office provided a courtesy transport of a prisoner to Hercules Police Department from their jail. Hercules Police held an arrest warrant from 2010, for 28 year old Desiree Crawford, of Vallejo. Desiree Crawford had been arrested by Hercules Police in 2010 in connection with stealing mail in Hercules. She was also

found to be in possession of credit card information which had been used fraudulently. The fraud victim was also a Hercules resident. Desiree Crawford was transported to Martinez Detention Facility.

**Warrant Arrest:** On March 9, 2012 at 4:45 p.m. an Officer contacted a group of subjects in the 100 block of Beechnut. One of the subjects, 22 year old Paloma Simone Salgado, of Berkeley, had a warrant for her arrest out of San Francisco. The warrant was determined to be citable and she was released with a citation.

**Stolen Vehicle:** On March 9, 2012 at 5:13 p.m. a victim reported their car stolen from John Muir Parkway at San Pablo Avenue between 7:00 a.m. and time of call. The vehicle stolen was a 1992 Honda Accord (5EAV603). The vehicle was entered into the Stolen Vehicle System.

**Annoying/Harassing Phone Call:** On March 9, 2012 at 7:29 p.m. a resident from the 100 block of Maritime Terrace reported receiving an obscene text message from an individual they have only known through phone contact. A case was taken for the obscene text and is under investigation.

**Death Investigation:** On March 10, 2012 at 7:37 a.m. Officer responded to a deceased person on Maple Court. After an investigation it was determined to be a natural death and the Coroner permitted the release of the deceased person to a mortuary.

**Domestic Violence:** On March 10, 2012 at 7:46 a.m. police were summoned to a residence in the 100 block of Heather. 37 year old Michael Whaley and 35 year old Erica Henderson were contacted at the residence. They have been married for eight years. According to the involved parties an argument between the parties ensued and escalated to a point where Michael received two burns to his left arm, from a clothing iron. Based on statements and physical evidence Erica was arrested and booked into Martinez Detention Facility spousal battery. At 9:02 a.m. Police were called back to the residence for an argument between Michael Whaley and his mother-in-law. While police were on scene Michael told his mother-in-law he would shoot her in the head with a gun. He was arrested for making death threats and transported to Martinez Detention Facility.

**Stolen License Plate:** On March 10, 2012 at 12:44 p.m. a resident in the 100 block of Paradise reported their rear license plate was stolen. The theft occurred between March 8<sup>th</sup> and time of call. The license plate was entered into the stolen vehicle system.

**Warrant Arrest/Reckless Driving:** On March 10, 2012 at 6:36 p.m. a witness reported a reckless driver in a silver '03 Infiniti G35, travelling at a high rate of speed in the 1200 block of Willow Avenue. The vehicle drove through a stop sign and continued S/B Willow Avenue towards Sycamore Avenue. Officers stopped the driver, 20 year old Santino Battaglieri of Hercules. Battaglieri was found to have an arrest warrant for possessing a loaded and concealed firearm. Battaglieri was arrested for the warrant and reckless driving. He was arrested, booked and transported to Martinez Detention Facility.

**Recovered Stolen Vehicle:** On March 12, 2012 at 3:58 p.m. a resident in the 200 block of Bobolink called to report an unoccupied suspicious vehicle, parked between 6:00 a.m. and time of call. The vehicle had been reported stolen to Brentwood PD on March 9<sup>th</sup>.

**Runaway Juveniles:** On March 12, 2012 at 6:40 p.m. a group home in the 100 block of Hawk called to report two juveniles had left the residence without permission. A report was taken and the juveniles returned at 8:00 p.m.

**Grand Theft:** On March 12, 2012 at 7:04 p.m. Police were summoned for possible trespassers at a vacant residence in the 200 block of Oriole. The residence was not secure, but no suspects were located. The electric stovetop had been stolen. A case was taken.

**Residential Burglary:** On March 13, 2012 at 3:30 p.m. a resident from the 100 block of Glenwood called to report someone had broken into the residence between 8:00 a.m. and time of call. Entry was made by forcing open the front door. The initial take appears to be jewelry, a MacPro laptop, Snap-on tools, and designer purses.

**Robbery/Attempted Murder:** On 03/14/12 at 8:44 p.m. Hercules Officers were dispatched to the Metro PCS store 1511 Sycamore Suite H, Hercules for an Armed Robbery that just occurred in front of the business. The 28 year old victim was confronted while seated in his vehicle by two BM Suspects. A BM Suspect sat down in the front passenger seat of his car and said, "Break yourself \*\*\*\*" while pointing a black revolver at him. A second BM Suspect approached him on his driver's side. The victim said that he pushed the revolver down and was then punched in the back of his head by one of the suspects. The suspect was able to regain control of the weapon and then pistol whipped him across his face. The victim gave up an undetermined amount of cash. The armed suspect pointed the gun at the victim and pulled the trigger twice, which misfire both times. With assistance from Contra Costa County Sheriff Deputies and two K-9's, Pinole PD and CHP officers established a perimeter and conducted a search which met with negative result. The victim was treated by AMR and released and the case is under investigation.

## **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.