



MEMORANDUM

DATE: September 7, 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

MEASURE O CITIZENS OVERSIGHT COMMITTEE

The City Council is seeking residents to serve on the Citizens Oversight Committee for Measure O, which was passed by a vote of the people on June 5, 2012.

The purpose of the Committee is to oversee expenditures of the revenues received by the City from the sales and use taxes imposed pursuant to Measure O, and to ensure that tax revenues are spent by the City in a manner consistent with the voter approved measure as well as any voter approved or council approved priorities adopted to implement the provisions of the Measure.

The Measure calls for the creation of a committee consisting of five members. Of the members of the committee first appointed, two shall be appointed for terms of one year, two shall be appointed for terms of two years, and one shall be appointed for a term of three years. Terms of office will be determined by lot conducted by the City Clerk.

Applicants must complete a volunteer application and supplemental questionnaire form. The complete application packet can be obtained through the City website, www.ci.hercules.ca.us, at City Hall or by calling the City Clerk's Office at (510) 799-8215.

Completed applications and supplemental questionnaires are due no later than 5:00 p.m. on Thursday, September 13, 2012.

PLANNING DEPARTMENT UPDATES

The City has agreed to temporarily lease to ABC Tree Farms the portion of Sycamore Crossing nearest the intersection of San Pablo Avenue for a pumpkin patch and Christmas tree lot. ABC Tree Farms has in prior years used the Market Hall site adjacent the San Pablo Avenue on-ramp to I-80 for its seasonal events and sales. The pumpkin patch and Christmas tree lot require that

the Planning Commission approve a conditional use permit, which will be presented at a hearing at the Commission's regular meeting on Monday, September 17, at 7:00 p.m.

Also at the Sept. 17 Planning Commission meeting, the Commission will continue its hearing on the proposed 3-bedroom/3-bathroom addition at 1829 Redwood Road for use as a residential care facility for the elderly.

As part of the CEQA process (state-required environmental review), staff has completed an Initial Study analysis for the Sycamore North project, which has been renamed Town Centrale by Presidio Development, the prospective buyers/developers of the property). The findings of the Initial Study will be presented to the Planning Commission at a special meeting on Monday, October 8. Simultaneously, the Planning Commission will be considering whether to recommend that Council approve: a development agreement; General Plan and Zoning Text amendments (to allow for higher residential density); the final planned development plan; and a vesting tentative map.

SALE OF HERCULES MUNICIPAL UTILITY (HMU)

The City Council approve the proposed timeline and appointed Vice Mayor Delgado and Councilmember Wilkins as the City Council Temporary Advisory Committee (TAC), which would be an ad hoc committee for the sole purpose of providing oversight to staff and consultants in the disposition of HMU. The sale of the utility is not considered a real-estate asset and therefore cannot be heard in closed session. Tuesday, September 11, the City Council will consider approving the Request for Qualifications (RFQ) to solicit interest in the purchase of HMU.

SACRAMENTO MEETINGS

Liz Warmerdam and I had three productive meetings in Sacramento on Wednesday of this week. We met with legislative staff and discussed three key issues:

Hercules and a good number of other cities low percentage share of property taxes. The City of Hercules is receiving less than 4% of every property tax dollar paid within the city limits, while some cities receive over 20%.

Legislation to allow general law cities to raise the documentary transfer tax on real estate transactions. Currently, charter cities can do this and some of them charge in excess of \$5.00 per \$1000 in value, while general law cities like Hercules only get \$0.55. This, of course, would be a way to raise city revenues. Legislative staff is to follow up on whether or not this would require a 2/3 vote of the legislature. If state legislation is enacted, it would take a 2/3 vote in any city to raise this tax.

ABx26, the legislation that dissolved redevelopment agencies statewide, and the newly enacted AB 1484, which as heaped additional bureaucratic complexities on cities as successor agencies, are slowing down real estate transactions and creating additional accounting and administrative

work for cities. We discussed ways to fast track real estate transactions that Hercules needs to pay off debts, including Parcel C, Victoria Crescent, and Sycamore Crossing.

We also met with Cal HFA, which the City owes \$5.3 million to pay off two loans that helped finance the failed Sycamore North project. We discussed working with the Department of Finance and the legislature to find a path forward on this issue.

Most significantly, we met with the Department of Finance to discuss ways to expedite sale of real estate and other requirements under ABx26 and AB 1484. Nothing was resolved, but our circumstances with the Ambac settlement were discussed in detail and follow up meetings will be scheduled.

COMMUNITY AND ECONOMIC DEVELOPMENT UPDATES

ITC - Bayfront Project: A “Kick-Off Celebration” event is scheduled for Tuesday, September 18 from 5:00 to 7:00 pm on Bayfront Boulevard. The celebration is an opportunity for the community and all project stakeholders to acknowledge our progress to date and create additional momentum to continue to move this project forward. Representatives from all project funders and other partners, as well as our county, state and federal representatives are invited to join the community in marking the project approval, the land acquisition and the grant funds received to date.

This project will develop a 42.36 acre portion of the 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 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.

The City of Hercules has acquired the land necessary for the construction of the Intermodal Transit Center (ITC) and related parcels. The land was purchased from Hercules Bayfront, LLC, which is managed by Anderson Pacific, LLC. The consideration for the purchase included \$2,162,233 of Measure J grant funds provided by the Contra Costa Transportation Authority and \$1,017,720 in Development Impact Fee (DIF) credits to be provided by the City over the course of the development of the transit village, which will flank the ITC site. Grant funding for the ITC project secured this calendar year exceeds \$14 million.

Upcoming significant milestones:

- Work with East Bay Regional Park District to obligate the \$1.4m in TIGER II funds
- Advance and finalize permitting efforts for the ITC Project.
- Finalize design for the initial ITC construction packages.

Sycamore North: As noted above in the Planning update, the Planning Commission will consider the “Town Centrale” project on October 8. This proposed development includes

approximately 140 market rate apartments and about 10,000 square feet of retail/restaurant space. The City Council approved an Amendment to the Purchase and Sale Agreement on July 24, clarifying issues related to no requirements for affordable housing and conditions for closing. The Agreement has also been amended to extend the due diligence deadline. The due diligence phase of the project is now complete. The buyer/developer has submitted Planning applications and the California Environmental Quality Act (CEQA) required review is in progress, including an initial study and a traffic report. Design review is essentially complete, with just the delivery of material boards outstanding. The Planning Commission is scheduled to consider this item on October 8.

Corporation Yard: Staff is working on analysis and recommendations regarding a new site for the City's Corporation Yard so that the current location can be considered for sale or other use. Several housing developers have expressed unsolicited interest in the current Corp Yard site. However, in order to sell that site, the City must have a suitable site for the Corp Yard, declare the current Corp Yard site surplus and offer it to public entities, and if no public entities offer to buy the site, then market the site. Staff recommends that the City Council discuss this topic in September and schedule a community meeting to discuss this item and the disposition of the Sala Restaurant site. At one time this site had been considered for a school, so staff will be following up with the school district to see if there is an interest.

Parcel C: Nothing new to report. A Purchase and Sale Agreement has been executed with DeNova Homes for the 17 acre Parcel C site. DeNova is proposing up to 350 high-quality, high-amenity residential apartments with a condo map and is considering the feasibility of some retail on the site. Two to three acres of the site will be used for a bio-retention area and a sewer lift station. This transit oriented development will provide support for the Intermodal Transit Center and the planned retail/restaurant node on Bayfront Boulevard adjacent to the ITC.

The Agreement is currently in its due diligence phase. Staff and legal counsel are working to remove and modify certain outdated easements that encumber this property and other properties, including a number of Bayfront-ITC parcels.

Parcel C and Victoria Crescent are the two 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, as well as to pay Oliver & Company nearly \$2 million secured by Parcel C. The Oliver payment is due by March 31, 2013.

Victoria Crescent: SummerHill has decided not to go forward with the purchase of this property. Our broker has several new and updated offers for the site and staff will be making recommendations to the City Council on a negotiations with one or more prospective purchasers in closed session on September 11 under real property negotiations.

Market Hall: This 6.5 acre site is not owned by the City, but a Disposition & Development Agreement (DDA) gives the City an interest and a role in the development of the site. The project proposed for the site failed. It may have never been feasible, but it is certainly not feasible now. Within the last several months, two different developers have been as far as a Letter of Intent (LOI) with the developer for the site. The City does not know the terms, but both

developers have declined to go forward. In speaking with retail brokers and developers, this is one of two very good undeveloped retail sites in Hercules, the other being Sycamore Crossing; however, there are several impediments to development. To name a few:

- The DDA needs to be terminated, which will take approval of the City as Successor Agency to the Hercules Redevelopment Agency, the Redevelopment Oversight Board and the California Department of Finance.
- The City’s sign ordinance may have to be amended to allow a pylon sign.
- Future development may require or benefit from rezoning of the site.

MUNICIPAL SERVICES UPDATE

Building:

- Number of permits issued-----8
- Building permit fees collected-----\$1923.79
- Number of inspections-----25
- Code Enforcement inspections-----3

Sewer Lateral Inspection Program:

- Applications received-----5
- Inspection fees collected-----\$625.00
- Number of Certificates issued-----3
- Number of deficiency notices-----2
- Number of condominium waivers issued-----1

Other Permits:

- Wide-load permits-----0
- Encroachment permits-----2
- Grading permits-----0

Other Activities:

- Staff repaired numerous streetlights within the City.
- Second phase of PGE Streetlight Replacement Program is complete.
- Staff continues repainting of red curbs city-wide.
- Streetlight wiring on Sycamore Avenue at Palm Avenue replaced by contractor.
- Large storm drain inlet near City Hall had annual cleaning done by staff.
- Cobblestone repairs were completed in the alleyway behind Sanderling Drive in the Baywood neighborhood.
- A new Administrative Policy was written by staff and accepted by Contra Costa County Health regarding chlorine tank inspection procedures at the Community Swim Center.

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 to get more information or to register for classes.

Seniors/50+:

Come to the Senior Center Programs include: CC Café, Art Class, Card Club, Ping Pong, Tai Chi, Zumba Gold, Low Impact Exercise Classes, Dance Club, and a Hula Dance. Become a Member for \$20.00, your membership gives you access to over 30 classes and programs at a discounted rate.

- Hercules Senior Center Pancake Breakfast -Sponsored by Chief Bill Goswick & the Explorers for the Friends of the Hercules Senior Center When: 8:30 a.m. – 11:30 a.m. on Saturday, October 13, 2012, Where: The Hercules Senior Center - 111 Civic Drive Tickets are \$10.00 at the door or \$7.00 if tickets are purchased by October 12 & \$5.00 for children who are ages 6-12 & And it is FREE for children who are 5 and under. Questions- Contact Lori Han (510) 799-8293
- Hercules Senior Center Hula Luncheon When: 8:30 a.m. – 11:30 a.m. on Monday, October 22, 2012, Where: Community /Swim Center Tickets are \$7.00 at the door or \$5.00 if tickets are purchased by October 12 & Questions- Call (510) 799-8219

Library:

- The Hercules Library Foundation-READ, WHITE, and BLUE GALA A PATRIOTIC AFFAIR When: SATURDAY, OCTOBER 27, 2012 from 5:30 PM TO 10:00 PM @ Hercules Community Center, 2001 Refugio Valley Road, With No-host Bar, Dinner, Dancing, Silent and Dessert Auctions, Prizes, and Fun! *masks are optional but encouraged Come with a mask or get one at the door made by one of our Community Children Tickets are \$50.00 each Now on sale at the Friends bookstore in the Hercules Library or Jack's Candy Bag at 1511 Sycamore Avenue For more information, visit us at herculeslibraryfoundation.com (All net proceeds go towards supporting Hercules Library hours).

Sports:

We are now taking registration for many new and exciting sports classes and programs that we are offering: Pee Wee Basketball, Tennis, Adult 3 on 3 basketball, Youth Flag Football, Gymnastic, Tiny Tot Sports, Functionally Fit, Table Tennis, Co-ed Adult Dodge ball, Co-ed Kick Ball. Make sure to register early before they fill up or get canceled for low enrollment.

Facilities:

Are you 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.

Recreation Classes:

We are now taking registration for many new and exciting classes that Hercules Recreation will be offering. Classes include Tutoring, Math Tutoring, Oil Painting, Chinese, Dog Obedience, Ballet, Belly Dance, Guitar, Karate, Ab Lad, Zumba & Jazzercise. Make sure to register early before they fill up or get canceled for low enrollment.

Parks & Recreation Activity Guide:

Make to look for the Fall/Winter guide which came out the beginning of August. We are also accepting applications to advertise in the next edition of the Parks and Recreation activity guide. If you have specific questions feel free to give Andrea Mendez a call at (510) 799-8290 or email amendez@ci.hercules.ca.us.

Licensed Before & After School Child Care

Sign up for Fall Child Care, please make sure to register early so you get your space. For more information please call 245-4803. 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

Currently for the school year child care we have 70 participants at Hanna, 36 for Lupine and 48 for Ohlone.

Tiny Tots:

Tiny Tots started on Monday, August 27th and it had 2 classrooms running at Hanna with a total of 48 for MWF and one class for T/Th with 24 participants.

Aquatics:

Sign up now for our next swim lessons session that starts on 9/10-9/21.

New Hours -Public Swim only on Saturdays, 8/25-9/29 from 1:30-5:30 and Lap Swim hours 6:30-8:00pm.

Sign up or drop in for the next session of Aqua Zumba, 9/19-10/10 from 7p-9p on Wednesdays.

Sign up for EBSD Swim Team Fall membership from 8/22-12/14 for \$255

Teens:

Sign up for our SPOT Before and After school program for grades 6th -9th. We currently have 30 participants signed up for the Before and After school program.

WEEKLY POLICE REPORT AS OF SEPTEMBER 6 (Partial List)

Possession of a Concealed, and Loaded, Firearm: On September 1st, 2012, at 8:58 p.m., officers responded to the 100 block of Bluebird Court. The reporting party said an unknown subject was yelling and trying to enter the front door of their residence. Officers contacted 30 year old Darcell Hayes, of Rancho Cordova, on the reporting party's front porch. Hayes displayed obvious symptoms of intoxication. Hayes stated he had a gun car. Officers loaded semi-automatic pistol concealed under the front passenger seat. Hayes was transported to Martinez Detention Facility

Driving Under the Influence: On September 2, 2012, at 1:18 AM, an officer stopped a vehicle, in the 800 block of Willow Avenue, for driving on the wrong side of the road. The driver exhibited signs of intoxication but refused to perform the standard Field Sobriety Tests (FST's), or blow into the Preliminary Alcohol Screening (PAS) device. 23 year old Asheel Maharaj was arrested for Driving Under the Influence of Alcohol. After a Certified Technician drew a blood sample, Maharaj was cited and released to a responsible party.

Traffic Collision/Hit & Run: On September 2, 2012, at 7:03 A.M., an officer was dispatched to the 1400 block of Willow Avenue for the report of a vehicle had struck a light pole. The vehicle was reportedly abandoned. Officers checked the area and were unable to locate the driver. A white 1998 Suzuki four door was towed, and the investigation is continuing.

Mental Health Evaluation: On September 2, 2012, at 11:50 A.M., officers were dispatched to the railroad tracks near Victoria Park. The reporting party said a White Female was laying on the tracks, and may be intoxicated. On arrival, an officer found that the subject had walked into the San Pablo Bay. The female met the requirements for the Mental Health Evaluation, and was transported to County Hospital in Martinez.

Disturbance/Warrant Arrest: On September 2, 2012, at 12:03 P.M., officers were dispatched to the 100 block of Trestle Cove. The reporting party stated a father was having a verbal argument with his adult son. The son had reportedly left in a blue Honda Accord, as officers were arriving in the area. Officers stopped the vehicle on San Pablo Avenue at Linus Pauling. The son was a passenger in the vehicle. The driver, 25 year old Jamielee Beckwith of Rodeo, had an outstanding \$30,000 felony warrant for second degree Burglary. The father did not want anything done about the dispute.

Narcotics Possession: On September 2, 2012, at 3:37 P.M., an officer made a traffic stop in the 1200 block of Willow Avenue. The passenger was identified as 38 year old Sasha Melanie McNeil, of Oakland. McNeil is on searchable probation in Alameda County. The officer searched McNeil and found two balloons containing suspected controlled substance. McNeil was transported to Martinez Detention Facility.

Evading a Peace Officer, and Possession of Stolen Property: On September 2, 2012, at 8:22 pm, an officer attempted to stop a vehicle for no license plates; and erratic driving. The distance

of the pursuit was less than one mile and speeds reached in excess of 60mph. The driver, S-Kendra Butlergroux (7/26/95 of Pleasant Hill) yielded on San Pablo Avenue south of Cummings Skyway. Both Kendra and the front passenger, S-Tyler Lanctoe (2/3/96 of Martinez), were detained. The Ford (5THH103) had been reported stolen out of Pacheco by CHP on 8/22/12. The owners were not able to respond, so the Ford was stored by Bay Area Tow. Kendra denied any knowledge of the Ford being stolen. In a separate interview, Tyler stated Kendra picked him up today and told him the Ford she was driving was stolen. Tyler has an active court case for motor vehicle theft and possession of stolen property. Both suspects were released to their parents and a complaint will be filed with Juvenile Probation

Outside Assist: On September 3, 2012, at 12:11 P.M., Pinole Police received a call regarding a dispute during a child custody exchange, in Pinole; and the possible brandishing of a handgun. The suspect left in a Gold Nissan. Hercules officers assisted Pinole Police with a high-risk stop of the Nissan on Hwy 4, near Christie Rd. Pinole Police took custody of the suspect and is handling the investigation.

Recovered Vehicle: On September 3, 2012, at 6:15 P.M., Sergeant Eaves saw two juvenile males near a Gold 87 Toyota Corolla in the 1300 block of Forest Run, but before they could be contacted they disappeared into the complex. The Corolla was determined to be an unreported stolen vehicle, out of Concord. The vehicle was released to the owner later the same evening.

Stolen Vehicle: On September 4, 2012, at 8:29 A.M., an Officer was dispatched to 200 block of Palermo Court for a report of an auto theft. A white 1996 Honda Accord was taken between 9:00 PM on September 2, 2012 and time of the call.

Domestic Violence: On September 4, 2012, at 12:15 P.M., a resident, from the 800 block of Orion, came to Hercules P.D. lobby. He reported that his girlfriend beat him with a club earlier this morning. The man had several deep bruises on his torso and a bite mark on one of his arms. Officers went to the house and arrested 22 year old Victoria Rangel, of Hercules and Clear Lake, for Felony Domestic Violence.

Robbery: On September 4, 2012, at 3:37 P.M., officers were dispatched to the 100 block of Paradise. The reporting party said that he had just been robbed of his car keys, cell phone, and wallet. The victim said he was on foot in the area in the area of the 100 block of Paradise when he was approached by two Afro-American males in their 20's. One of the suspects indicated he had a gun, but no gun was seen. The facts of this robbery are similar to a robbery, which occurred within the last two weeks, in the same area. Detectives are continuing the investigation.

Mental Health Evaluation: On September 4th, 2012, at 7:36 pm, Officers were dispatched to the 200 block of Dartford. It was reported a female subject had overdosed on pain medication. The female was breathing, but unresponsive. She was transported to county hospital for a mental health evaluation.

Warrant arrest: On September 4th, 2012, at 10:47 pm, a citizen reported seeing two subjects sleeping in a car in the 1000 block of Crepe Myrtle Drive. One of the occupants, 42 year old Timothy Blunt of Hercules, had a warrant from Hercules Police. Blunt was cited and released.

Alarm Sounding - Vehicle Towed: On September 4th, 2012, at 11:46 pm, a citizen reported an alarm sounding, from a vehicle, in the 1200 block of Earnest Street. After twenty minutes passed, and all attempts to locate the owner were exhausted, the black 1995 Honda Del Sol, was towed.

Possession of Stolen Vehicle: On September 5th, 2012, at 12:20 am, Officers were dispatched to Hill Court. The caller stated two Asian female suspects tried to break into his vehicle. The suspects ran to a white Honda Accord and got in to the vehicle. The reporting party blocked the suspects from leaving until Officers arrived. Officer determined the Honda was a stolen vehicle, out of Vallejo. Officers arrested 29 year old Jeanette Cervania of Vallejo; and 37 year old Vicenta Jasangas of Vallejo. The vehicle was released to the registered owner. The suspects were transported to the Martinez Detention Facility. Later the jail notified the arresting officer that the fingerprint results revealed Jasangas' true name was old Maura Nicholas, 40 year old.

Fraud: On September 5, 2012, at 11:10am, an Officer was dispatched to Hercules Police Lobby. The Reporting Party said someone fraudulently used one of her checks without her permission. There is no suspect information.

Runaway Juveniles: On September 5, 2012, at 12:10pm, an Officer contacted two juveniles on Heather, near Poppy Court. Both Juveniles were in Missing and Unidentified Persons System. One of the juveniles, a 16 year old male from Richmond, had a Welfare and Institution Code warrant and was returned to his group home in Pittsburg. The second Juvenile, a 17 year old male from Richmond, was released to his Social Worker.

Possible Sexual Abuse: On September 5, 2012 at 7:06 p.m. The reporting party came to the Hercules Police Department. The Reporting Party believes that his juvenile child may have been sexually abused by a juvenile relative. Detectives are continuing the investigation.

Alarm Sounding - Towed Vehicle: On September 5, 2012 at 9:59 p.m. Hercules Officers were dispatched to the 1100 block of Cottage Lane. The reporting party said there was an audible alarm ringing in the block. Upon their arrival officers found that the alarm was coming from a Gray '05 Scion. A check of the DMV records showed the vehicle was registered out of Stockton. The owner could not be located, and after approximately 20 minutes, the vehicle was towed.