



January 18, 2018

With the start of a new year, 2018, I am happy to share some updates with the community on our continuing progress here in Hercules and to highlight what was accomplished in 2017.

City Finances

Hercules continues on our path to a more financially sustainable future. Once again, a balanced budget was adopted and the FY 2017/18 budget also allocated some one-time monies to high-priority infrastructure needs and other fiscally prudent items including topping up our reserves and setting aside funds to mitigate future impacts from escalating retirement costs. The results for the 2016/17 fiscal year, which ended June 30, 2017, were positive once again with revenues exceeding expenditures. The City's annual audit for the 2016/17 fiscal year is substantially complete and the City's independent auditors are set to issue the audit at what will be the earliest date in many years.

Development

The first retail users have opened recently on the ground floor of the Aventine mixed-use building on Sycamore. The build-out of the new 144 unit Muir Pointe community on John Muir Parkway continues with the first homes having been occupied by their new owners. A new Safeway with a fueling center and 6,000 square feet of shop space have been approved for the site bounded by Sycamore, San Pablo, Highway 4, and Interstate 80; with construction drawings underway and construction likely to start by 2019. A mixed use development of retail, residential, and the City's first hotel, is being considered for the Sycamore Crossing site, which is bound by San Pablo, Sycamore, and Tsushima; a lot line adjustment was approved to allow the hotel developer to acquire their parcel in advance of the final entitlements being approved, which should occur in 2018.

The first phase of the Bayfront project will be starting construction shortly with a 172 unit four-story apartment building that will include some ground floor retail. The second phase has been submitted for design review and this 225 unit apartment building will be before the Planning Commission in February for its initial review. Later phases will include retail, commercial and hotel development. Development options for the Hilltown site at San Pablo and John Muir Parkway/Highway 4 continue to be explored with the property owner having submitted for a Conceptual Planned Development Plan review in 2017. A site on Willow between Highway 4 and Palm is being considered for development of an auto service park and self-storage.

The City is emphasizing the need for additional retail and commercial uses on the few remaining development sites in the City. These expanded shopping opportunities are desired by our residents and would contribute to the City's long-term financial well-being.

Hercules Regional Intermodal Transportation Center

Hercules continues to make progress on the Hercules Regional Intermodal Transportation Center, which would link bus, train and possibly ferry service at a single locale, with the Path to Transit phase having been completed in early 2017. The Path to Transit improvements included an extension of John Muir Parkway to Bayfront Boulevard with a new bridge across Refugio Creek, a new Creekside trail, an interim connection to the Bay Trail extension towards Victoria by the Bay, and the restoration of Refugio Creek. The third phase of this multi-phased project is the Bay Trail West segment from Railroad Avenue at Bayfront Boulevard toward Pinole which was started in late 2017 and is substantially complete. Next steps include initiating interim bus service to the area, and securing the construction funds needed from our cooperating federal, state, and local partners to get the train to stop. More information on these efforts can be found at www.HerculesTrainStop.com.

Capital Improvement and Repair

The upgrade and expansion of the joint Pinole-Hercules Waster Water Plant is going well with the project well past the half-way point of the nearly three year construction period. Improvements and repair of the local sewer collection system including the main sewer line, which carries all of the waste water from Hercules to the plant in Pinole, are in the preliminary engineering and design phases.

The reconstruction of Refugio Valley Road was completed in early 2017. A major street maintenance project including slurry seal was completed over the summer using funds received from the State's new gas tax increase, a portion of which is dedicated back to local street work. The re-plastering of the Community Center swimming pools was completed and the pool covers were replaced which should reduce

energy costs; the Corporation Yard modular building was replaced and will be put into service shortly; the audio/video systems in the City Council Chambers were upgraded; and design is nearly complete on the new restroom and half-basketball court for Duck Pond Park which should be under construction later in 2018.

The City also received a grant in 2017 for the construction of a new sidewalk from Sycamore along Palm and under the railroad bridge, and continuing along Willow, to the Hercules Transit Center. This project will be in the design phase during 2018.

Quality of Life

Code Compliance: The City of Hercules is a wonderful place to live and we are fortunate to have residents who care deeply about our community. Taking pride in our community and ensuring properties are well maintained benefits everybody and enhances property values. To that end, in 2017, the City launched an effort to encourage our residents and property owners to address any maintenance or appearance issues in regard to their properties when the current condition may be a violation of the City's Municipal Code.

This renewed focus on Code Compliance is made possible by the volunteers who are assisting us in identifying properties where there may be issues or problems which need to be addressed. It is great to see that so many people care about our community to an extent that they are willing to volunteer their time. These volunteers will be doing drive-by inspections of properties and the owner or resident of the property will be contacted via letter and made aware of the need to maintain property in a manner which meets our community standards. Property owners will be encouraged to address issues in a timely manner and to do their part to be a good neighbor. We hope that voluntary compliance will help to improve our community; however, in those few instances where issues are not properly addressed, the City will initiate more formal code compliance follow-up measures including possible fines.

Storm Drains: Did you know that it is illegal to dispose of leaves and landscaping debris using the storm drain system? Residents and any landscapers you use should not be blowing leaves into the streets and gutters, where they will make their way into the storm drain system, or hosing them into the storm drain system. It is a violation to do so under the City's Municipal Code and you could be subject to a fine. Leaves and other landscaping debris should be collected and disposed of using your green organics bin or through another appropriate means such as by taking the materials to the dump. This is important for many reasons, including that leaves and other organic materials can clog the storm drains and possibly cause flooding, it is costly for the City to clear the storm drains, and these materials can negatively impact water quality. Please be sure to dispose of leaf and landscaping debris properly and ensure your landscapers do so as well.

Parking: With some part-time staffing and volunteers, the City has been able to restore a level of parking enforcement. I would encourage our residents to be mindful of local and state laws regarding parking, which are now being enforced more regularly. A key law, of which you should be aware, requires that any vehicle parked on a public street cannot be parked for more than 72 hours without being moved. So if you are not using your car, or going away on vacation, be sure it is moved at least every 72 hours or parked off-street. Also, vehicles with expired registration can be stored on private property, but may not be parked on a public street; if they are, they may be towed.

Other Items of Interest: An update of the Circulation element of the City's General Plan has been underway during the course of 2017 with the Planning Commission and City Council expected to approve the update in early 2018. Social Bite, which was a food truck festival with entertainment, was held for a second year and moved to Bayfront Boulevard this year; plus we had a second series of family movie nights. Most importantly, the City Council also approved an update of the City's Strategic Plan in 2017 which will be used to guide policy and spending decisions into the future. In the first quarter of 2018, the City will also be undertaking a major tree trimming and tree maintenance effort, a substantial pothole repair project; a street restriping program; and will replace street signs with larger more readable signs.

2018 and Beyond

The stage is set for continued improvements in Hercules and the achievement of many of our Strategic Plan goals. An enhanced records management system; an updated overhead and cost allocation model; a franchise fee/and utility users tax audit; upgrades to the Community Center including a new roof; the dredging of Refugio Lake and new aerators; outsourcing of the business license function; and other key initiatives that will enhance operations and improve community facilities. You can now also access City meetings via web-streaming, when live or at your convenience, instead of the cable channel, and at a lower cost to the City.

Having just hit the three and a half year mark as the Hercules City Manager, I am very happy to be of service in such a wonderful community. We continue to make progress in upgrading the City's operations and are committed to continuous improvement. We are only able to do so given the hard work and dedication of all of our employees who comprise our Hercules' Team Dynamic. With our wage concessions behind us, our City employees are owed a tremendous level of gratitude for having persevered through the worst of times.

If you would like to keep up with what is happening in the City of Hercules, you can go to the City's website and subscribe to the City Manager's Bi-Weekly Report under the eNotice Sign-up tab on the homepage. Best wishes for a wonderful 2018 to all!



City Manager