

BRANDENBURG

PROPERTIES

July 15, 2026

The Honorable Chris Kelley, Mayor
The Honorable Alex Walker-Griffin, Vice Mayor
The Honorable Dilli Bhattarai, Councilmember
The Honorable Tiffany Grimsley, Councilmember
The Honorable Dion Bailey, Councilmember
CITY OF HERCULES
111 Civic Drive
Hercules, CA 94547

RE: CUP 26-01 and DRP 26-01 — 1551 Sycamore Drive, Hercules, California

Dear Mayor Kelley, Vice Mayor Walker-Griffin, and Councilmembers Bhattarai, Grimsley and Bailey:

INTRODUCTION:

My name is Bill Baron, and I serve as Managing Partner of North First Street Properties, LP (“NFSP”), the owner of the property located at 1551 Sycamore Drive.

NFSP is affiliated with Brandenburg Properties, a private, family-owned real estate investment firm based in San Jose, with roots dating back approximately 65 years and business interests in several states. I am currently enjoying my 43rd year with the firm.

Our reputation has been earned over many decades and is grounded in four foundational principles: **Integrity, Stability, Creativity and Community**. Additional information regarding our firm can be found at www.brandenburg-properties.com.

ASSET & MARKETING BACKGROUND:

NFSP acquired 1551 Sycamore Drive from Lucky/Albertsons approximately 22 years ago. We fully intend to own this property for another 22 years—and, we hope, well beyond. We are long-term owners who care deeply about the stewardship, appearance, stability and success of our properties and the communities in which they are located.

Prior to our acquisition, Lucky/Albertsons had vacated the building. Following our purchase, we successfully re-tenanted the property with Big Lots!, which remained in occupancy until filing for bankruptcy in September 2024.



Recognizing the growing uncertainty surrounding Big Lots!, in mid-July 2024 we retained CBRE—a leading commercial real estate brokerage firm with significant retail leasing experience—to represent our interests and undertake an aggressive marketing effort for 1551 Sycamore Drive.

Over the course of 18 months, we received serious interest from three prospective tenants. One proposal was economically unworkable. The other prospective tenant terminated negotiations due to internal re-direction. The third interested party was Goodwill of the San Francisco Bay, operating as an affiliate of Goodwill of Central & Northern Arizona.

BUILDING OWNER DUE DILIGENCE OF GOODWILL & OUTCOME:

Initially, we very much approached Goodwill's interest with a healthy degree of skepticism—perhaps similar to concerns held by some members of the Hercules community and perhaps similar to your own. Nevertheless, we were prepared to roll up our sleeves, ask tough questions and investigate the organization thoroughly. After all, 1551 Sycamore Drive is our property. We are proud of it, we intend to own it for decades to come, and we want it occupied, maintained and supported by a responsible and thoughtful organization that will be a positive presence in Hercules.

We conducted extensive due diligence regarding Goodwill of the San Francisco Bay and Goodwill of Central & Northern Arizona. What we learned was that the Goodwill of today is materially different from the organization of the past.

In September 2024, Goodwill of the San Francisco Bay became directly affiliated with and came under the leadership and management of Goodwill of Central & Northern Arizona, creating what we understand to be the largest Goodwill organization in the world. *I can state with certainty that we would not have entertained nor entered into a lease with Goodwill of the San Francisco Bay had this significant change in leadership, management and organizational structure not occurred.*

We took considerable time to investigate Goodwill's operations in Arizona and in the San Francisco Bay. We carefully evaluated its financial strength. We met with Tim O'Neal, CEO of Goodwill of Central & Northern Arizona (who also serves as the CEO of Goodwill of the San Francisco Bay) and learned about Goodwill's renewed organizational focus. We reviewed Goodwill's thoughtful and substantive action plan to improve operations in the San Francisco Bay Area—with the goal of restoring Goodwill's reputation as a trusted and valued community partner.

Goodwill's new plan is already being implemented. Goodwill has recently opened large-format retail stores—approximately 30,000 square feet each—in Fairfield and Pittsburg, with plans for an additional 100 large-format stores throughout the San Francisco Bay region over the coming decade. It has also begun the process of shuttering many of its smaller format Bay Area stores.

On April 15, Hercules Community Development Director Tim Rood, my assistant Claudia Veronica, and I attended the grand opening of Goodwill's Fairfield store. Claudia and I were thoroughly impressed by the quality of its design, construction, fit and finish, as well as its overall operations. Of particular importance, we were impressed by the thoughtful design and management of its donation drop-off area and by the procedures and safeguards established to address unauthorized after-hours drop-offs and illegal dumping. We believe Mr. Rood was impressed as well.

Only after completing our due diligence—and only after personally observing the Fairfield operation—did we actually execute a lease with Goodwill of the San Francisco Bay (which is the vehicle for Goodwill's Bay Area operations) and had the lease guaranteed by Goodwill of Central & Northern Arizona. During the entire period from July of 2024 through lease signing, CBRE continued to actively market 1551 Sycamore Drive. And as an aside, despite those continuing efforts, no other viable tenant proposals were received.

It is our sincere belief that **today's Goodwill is not yesterday's Goodwill** And that under its new leadership and management structure, the organization has a promising future and the opportunity to once again become a highly respected community partner throughout the Bay Area. Again, the City of Fairfield and Pittsburgh have recently welcomed the new Goodwill.

As a community focused family and firm, we also recognize the importance and value of Goodwill's social mission. Its education, employment and workforce-development programs provide meaningful opportunities to individuals seeking a hand up, greater independence, enhanced job skills and a more hopeful future. Those important programs, however, are largely supported and made possible by Goodwill's retail operations. Without successful retail stores, Goodwill's broader community mission cannot be sustained.

CONCERNS OF POTENTIAL AFTERHOURS/ILLEGAL DUMPING:

We recognize that concerns regarding unauthorized afterhours donations and illegal dumping are legitimate and deserve thoughtful consideration. We can all agree that none of us wants illegal dumping to occur in or around this property—or anywhere within the Hercules community—but it does happen despite best efforts.

After carefully evaluating Goodwill's proposed operations, however, we believe concerns associated with 1551 Sycamore Drive can be appropriately addressed and effectively managed for several important reasons:

- **First**, Goodwill has proposed proactive security, monitoring and operational measures, together with timely response protocols. Based upon our due diligence and observations, we believe Goodwill may be positioned to identify and address unauthorized dumping more quickly and effectively than occurs at many other locations where illegal dumping takes place in the City of Hercules. Under our Lease, Goodwill is required to implement and follow these measures.
- **Second**, Goodwill's Conditional Use Permit is precisely that—**conditional**. Goodwill understands that its continuing authority to operate is dependent upon full compliance with the operational requirements and Conditions of Approval established by the City. The City of Hercules will retain meaningful oversight and enforcement authority should Goodwill fail to satisfy those obligations. While we believe such enforcement will not be required, it is an available (and effective) remedy.
- **Third**, **Goodwill's lease obligations do not terminate if its Conditional Use Permit is suspended, terminated or revoked by the City, whether temporarily or permanently.** Goodwill's contractual and financial obligations to NFSP will continue. This creates a **substantial** incentive for Goodwill to comply fully with the City's Conditions of Approval and to operate the property responsibly.

SUMMARY:

Goodwill's interests, our interests as the long-term property owner, and the City of Hercules' interests are closely aligned given the aforementioned reasonable rationale.

As stated previously, NFSP has owned 1551 Sycamore Drive for approximately 22 years. We are not seeking a short-term solution, nor are we indifferent to the long-term consequences of this tenancy. We expect to remain invested in this property and in the Hercules community for decades to come.

Accordingly, we have every incentive to ensure that the property remains attractive, well maintained, economically productive and occupied by a responsible organization that contributes positively to the community—in fact, this philosophy is in our DNA. And Goodwill, from both a practical, economic and legal perspective, has every incentive to do the same.

For all of the foregoing reasons, we respectfully request and encourage the Hercules City Council to unanimously approve CUP 26-01 and DRP 26-01 as approved by the Hercules Planning Commission.

Thank you for your time, consideration and service to the City of Hercules. Should you have any questions of me, please feel free to contact me at bill@bsm-group.com or 408-282-4101.

Sincerely,
for NORTH FIRST STREET PROPERTIES, LP
and BRANDENBURG PROPERTIES



William B. Baron
Managing Partner