

City of Hercules

111 Civic Drive
Hercules, CA 94547



Meeting Agenda

Tuesday, April 9, 2019

6:00 PM

CLOSED SESSION - 6:00 P.M.
REGULAR SESSION - 7:00 P.M.

Council Chambers

City Council

Mayor Dan Romero
Vice Mayor Roland Esquivias
Council Member Chris Kelley
Council Member Gerard Boulanger
Council Member Dion Bailey

David Biggs, City Manager
Patrick Tang, City Attorney
Lori Martin, City Clerk

To view webcast of meetings, live or on demand, go to the City's website at www.ci.hercules.ca.us

I. SPECIAL MEETING - CLOSED SESSION – 6:00 P.M. CALL TO ORDER - ROLL CALL

II. PUBLIC COMMUNICATION - CLOSED SESSION ITEMS

III. CONVENE INTO CLOSED SESSION

The Hercules City Council will meet in Closed Session regarding the following:

1. [19-542](#) Pursuant to Government Code Section 54956.9(a), Conference with Legal Counsel - Pending Litigation - Significant exposure to litigation in one (1) case regarding Due Diligence Review (DDR) determination from the California Department of Finance.
2. [19-543](#) Pursuant to Government Code Section 54957.6 CONFERENCE WITH LABOR NEGOTIATORS - City Negotiators: David Biggs, City Manager; Edwin Gato, Director of Finance; Lori Martin, Director of Administrative Services relative to the following employee groups:
 - a. Teamsters Local 315 Employee Organizations
 - b. Hercules Police Officers Association
 - c. Hercules Senior Manager Employee Group
 - d. Confidential Unrepresented Employee Group
 - e. Mid Management Employee Group
3. [19-544](#) Conference with Legal Counsel - Anticipated Litigation Pursuant to Government Code Section 54956.9(d)(2): In one (1) matter: Hercules Development Partners, LP / Ledcor Corporation

IV. REGULAR MEETING – 7:00 P.M. CALL TO ORDER - ROLL CALL

V. REPORT ON ACTION TAKEN IN CLOSED SESSION

VI. PLEDGE OF ALLEGIANCE

VII. MOMENT OF SILENCE

VIII. INTRODUCTIONS/PRESENTATIONS/COMMISSION REPORTS

1. [19-540](#) Proclamation Recognizing April 7th - 13th, 2019 as National Library Week in the City of Hercules and Presentation by Lynne Noone on the Annual Library Report

Attachments: [Proclamation - National Library Week](#)
 [Library Presentation 040919](#)

IX. AGENDA ADDITIONS/DELETIONS**X. PUBLIC COMMUNICATIONS**

This time is reserved for members of the public to address issues not included in the agenda. In accordance with the Brown Act, Council will refer to staff any matters brought before them at this time, and those matters may be placed on a future agenda.

Individuals wishing to address the City Council are asked to complete a form indicating the name and address of the speaker and the general topic to be addressed. Speakers must make their comments from the podium and will be allowed 3 minutes to discuss their concerns. All public comments are recorded and become part of the public record. A limit of 30 minutes will be devoted to taking public comment at this point in the agenda. If any speakers remain at the conclusion of the initial 30 minute period, time will be reserved at the conclusion of the meeting to take the remaining comments.

XI. PUBLIC HEARINGS

1. [19-548](#) **Continued 2019 West Contra Costa County Subregional Transportation Mitigation Program (STMP) Fee Update**

Recommendation: Open and Conduct the continued public hearing and consider a) Waiving the first reading and Introducing an Ordinance amending Title 10, Chapter 17 - West County Subregional Transportation Mitigation Program of the Hercules Municipal Code and b) Adopting a Resolution Authorizing the City Manager, City Clerk and City Attorney to Execute The Master Cooperative Agreement Between the West Contra Costa Transportation Advisory Committee (WCCTAC) and the City of Hercules and other member Agencies in its current substantive form with Exhibits A - 2019 Nexus Update of the STMP Impact Fee and Exhibit B- STMP Administrative Guidelines as a reference and incorporate the new STMP Nexus Fees into the City's Master User Fee Schedule effective July 1, 2019.

Attachments: [Continued 2019 Staff Report WCCTAC STMP Fee Update 4-9-2019](#)

[Att1-WCCTAC 3-28-2019 Response Letter](#)

[Att2- WCCTAC STMP Staff Report of 2-26-2019](#)

[Att3-STMP Ordinance](#)

[Att4-Reso for WCCTAC STMP Master Coop Agrmt and Fees](#)

[Att5-STMP Master Coop](#)

[Att5-Exb A- Final 2019 STMP Report](#)

[Att5-Exb B- DRAFT Admin Guidelines](#)

2. [19-546](#) **Consider Approving an Ordinance to Adopt Proposed Zone Text Amendment #ZTA 19-01 Related to Noticing Requirements**

Recommendation: Conduct public hearing and consider waiving the first reading and introducing an Ordinance approving Zone Text Amendment #ZTA 19-01 amending Hercules Municipal Code 13-44.200 - Application

Processing and Hearing Notice.

Attachments: [Staff Report - Noticing Requirements](#)
 [Att1 - Ordinance -Noticing Process](#)
 [Att 1-Exhibit A - ZTA 19-01 Changes to Noticing Policy](#)
 [PC Resolution 19-01 recommending Changes to Noticing Policy](#)

3. [19-547](#) **Consider Approving an Ordinance to Adopt Proposed Zone Text Amendment #ZTA 19-02 Related to Appeals and Posting of Notices of Decision**

Recommendation: Conduct public hearing and consider waiving the first reading and introducing an Ordinance approving Zone Text Amendment #ZTA 19-02 amending Hercules Municipal Code Title 13 to clarify City Council call up and standardizing notice of decision posting and appeals periods from 10 working days to 14 calendar days.

Attachments: [Staff Report for Appeals Process 4-9-2019 CC](#)
 [Att 1-Ordinance -Appeals Process](#)
 [Att1-Exhibit A - ZTA 19-02 Changes to Appeal Policy](#)
 [Final PC Resolution 19-02 recommending Changes to Appeal Policy unsigned](#)

XII. CONSENT CALENDAR

1. [19-539](#) **Meeting Minutes**
Recommendation: Approve the Regular Meeting Minutes of March 26, 2019.

Attachments: [Minutes - 032619 - Regular](#)

2. [19-536](#) **Preparation and Filing of the FY 2019/20 Landscaping and Lighting Engineer's Reports**
Recommendation: Adopt a Resolution directing the filing of the Annual Engineer's Reports for the City of Hercules Landscaping and Lighting Assessment District No. 83-2, Victoria by the Bay Landscaping and Lighting Assessment District No. 2002-1, Hercules Village Landscaping and Lighting Assessment District No. 2002-2, Baywood Landscaping and Lighting Assessment District No. 2004-1, and Bayside Landscaping and Lighting Assessment District No. 2005-1 pursuant to the Landscaping and Lighting Act of 1972.

Attachments: [Staff Report - LL ADs Agenda Report \(Order Reports\)1920](#)
 [Attach 1 - Reso - \(Ordering Reports\)1920](#)

3. [19-537](#) **Adopt a Resolution Approving the Annual Parcel Assessment Adopted by the County Flood Control District for the Contra Costa Clean Water Program for FY 19-20**
Recommendation: Adopt a Resolution approving the continuance of the parcel assessment rate of \$35.00 per Equivalent Runoff Unit (ERU) for FY 2017-2018 and requesting the Contra Costa County Flood Control and Water Conservation District adopt this annual parcel assessment for drainage maintenance and the National Pollution Discharge Elimination System (NPDES) Program.

Attachments: [Staff Report - 2019-20 Annual Stormwater Assessment](#)
 [Attach 1 - 2019-20 Annual Stormwater Assessment Reso](#)
 [Attach 2 - Request to MC for ERU Resolutions](#)
 [Attach 3 - Cost Allocation FY 2019-20](#)

XIII. DISCUSSION AND/OR ACTION ITEMS

1. [19-549](#) **Long-Term Financial Projection for the General Fund**
Recommendation: Review and discuss the long-term financial projection for the General Fund.
- Attachments:** [Staff Report - Long Term Financial Projection - General Fund](#)
 [Attach 1- General Fund Long-Term Forecast](#)
 [Attach 2 - General Fund Summary Assumptions](#)
2. [19-535](#) **Annual Review of 2017 Strategic Plan as Updated May 2018**
Recommendation: Receive report, review Strategic Plan, and update objectives as appropriate.
- Attachments:** [Strategic Plan Annual Review SR 04092019](#)
 [Hercules Strategic Plan 2017 update 05082018](#)
 [Attach 2 - 2017 Strategic Plan Review April 2019](#)
3. [19-538](#) **Municipal Financial Health Diagnostic Tool**
Recommendation: Receive a report and discuss the League of California Cities Municipal Financial Health Diagnostic Tool.
- Attachments:** [Staff Report - Financial Health Diagnostic Report](#)
 [Attachment 1-Fiscal Diagnostic Tool](#)

4. [19-541](#) **Consider Filling Vacancy on the Finance Commission**
Recommendation: Consider making an appointment to the Finance Commission by reconsidering two (2) applicants which applied during the city's annual recruitment period.

Attachments: [Staff Report - Appointment to Finance Commission](#)
 [Attach 1 - Risby, Lori - Waiver Request - 040219](#)
 [Attach 2 - Resolution 10-068 - Procedures Governing Appointments - Attendance](#)
 [Attach 3 - HMC Title 2 - Chap 2 - Boards and Commissions](#)

5. [19-545](#) **Review Upcoming Council Agenda Items List**
Recommendation: Review, discuss and provide direction.

Attachments: [Staff Report - Qrtly Review Agenda Pending Items](#)
 [Attach 1 - Agenda List of Pending Items](#)

XIV. PUBLIC COMMUNICATIONS

This time is reserved for members of the public who were unavailable to attend the Public Communications period during Section X of the meeting, or were unable to speak due to lack of time. The public speaker requirements specified in Section X of this Agenda apply to this Section.

XV. CITY COUNCIL/CITY MANAGER/CITY ATTORNEY ANNOUNCEMENTS, COMMITTEE, SUB-COMMITTEE AND INTERGOVERNMENTAL COMMITTEE REPORTS AND FUTURE AGENDA ITEMS

This is the time for brief announcements on issues of interest to the community. In accordance with the provisions of the Brown Act, matters which do not appear on this agenda but require City Council discussion may be either (a) referred to staff or other resources for factual information or (b) placed on a future meeting agenda.

XVI. ADJOURNMENT

The next Regular Meeting of the City Council will be held on Tuesday, April 23, 2019 at 7:00p.m. in the Council Chambers.

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at www.ci.hercules.ca.us and can receive e-mail notification of agenda and staff report postings by signing up to receive an enotice from the City's homepage. Agendas and staff reports may also be obtained by contacting the Administrative Services Department at (510) 799-8215

(Posted: April 4, 2019)

**THE HERCULES CITY COUNCIL ADHERES TO THE FOLLOWING POLICIES,
PROCEDURES AND REGULATIONS REGARDING CITY COUNCIL MEETINGS**

1. SPECIAL ACCOMODATIONS: In compliance with the Americans with Disabilities Act, if you require special accommodations to participate at a City Council meeting, please contact the City Clerk at 510-799-8215 at least 48 hours prior to the meeting.

2. AGENDA ITEMS: Persons wishing to add an item to an agenda must submit the final written documentation 12 calendar days prior to the meeting. The City retains the discretion whether to add items to the agenda. Persons wishing to address the City Council otherwise may make comments during the Public Communication period of the meeting.

3. AGENDA POSTING: Agendas of regular City Council meetings are posted at least 72 hours prior to the meeting at City Hall, the Hercules Swim Center, Ohlone Child Care Center, and on the City's website (www.ci.hercules.ca.us),

4. PUBLIC COMMUNICATION: Persons who wish to address the City Council should complete the speaker form prior to the Council's consideration of the item on the agenda.

Anyone who wishes to address the Council on a topic that is not on the agenda and is relevant to the Council should complete the speaker form prior to the start of the meeting. Speakers will be called upon during the Public Communication portion of the meeting. In accordance with the Brown Act, the City Council may not take action on items not listed on the agenda. The Council may refer to staff any matters brought before them at this time and those matters may be placed on a future agenda.

In the interests of conducting an orderly and efficient meeting, speakers will be limited to three (3) minutes. Anyone may also submit written comments at any time before or during the meeting.

5. CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Council or a member of the public prior to the time the City Council votes on the motion to adopt.

6. LEGAL CHALLENGES: If you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the meeting or in written correspondence delivered at, or prior to, the meeting. Actions challenging City Council decisions shall be subject to the time limitations contained in Code of Civil Procedure Section 1094.6.

**PROCLAMATION RECOGNIZING APRIL 7TH - 13TH, 2019 AS NATIONAL
LIBRARY WEEK IN THE CITY OF HERCULES**

WHEREAS, today's libraries are not just about books but what they do for and with people;
and

WHEREAS, libraries of all types are at the heart of cities, towns, schools and campuses; and

WHEREAS, libraries have long served as trusted and treasured institutions where people of all
backgrounds can be together and connect; and

WHEREAS, libraries and librarians build strong communities through transformative services,
programs and expertise; and

WHEREAS, libraries, which promote the free exchange of information and ideas for all, are
cornerstones of democracy; and

WHEREAS, libraries promote civic engagement by keeping people informed and aware of
community events and issues; and

WHEREAS, librarians and library workers partner with other civic organizations to make sure
their community's needs are being met; and

WHEREAS, libraries and librarians empower their communities to make informed decisions
by providing free access to information; and

WHEREAS, libraries are a resource for all members of the community regardless of race,
ethnicity, creed, ability, sexual orientation, gender identity or socio-economic status, by offering
services and educational resources that transform lives and strengthen communities; and

WHEREAS, libraries, librarians, library workers and supporters across America are celebrating
National Library Week.

NOW, THEREFORE BE IT PROCLAIMED that I, Dan Romero, Mayor of the City of
Hercules, on behalf of the entire City Council, do hereby recognize April 7-13, 2019 as National
Library Week in the City of Hercules. I encourage all residents to visit the library this week to
take advantage of the wonderful library resources available, explore what's new and engage
with your librarian. Because of you, Libraries Transform.

In witness whereof, I hereunto set my hand and cause the seal of the City of Hercules to be
affixed this 9th day of April, 2019.

Dan Romero, Mayor



HERCULES PUBLIC LIBRARY

BRINGING PEOPLE
AND IDEAS
TOGETHER



CIVIC ENGAGEMENT



MLK Jr. Day Celebration
January 2019

COMMUNITY CONNECTIONS



Lunar New Year Celebration
February 2019



First Generation Farmers
May 2018



Diwali Celebration
October 2018



Hercules High School Advanced Orchestra
performs in the library
December 2018
Next performance May 11th 2019, 1pm

STORYTIME!

Promoting literacy and education for young children

Family Storytime

Tuesdays at 6pm

Baby Lapsit Storytime

Thursdays at 10:15am

Toddler Time

Thursdays at 11am

Summer of Stories

June-August 2019

These are the People in Your
Neighborhood Storytime

Tuesdays 6pm



KINDERGARTEN READINESS WORKSHOPS

April 16th, 23rd and 30th
4-5pm



TEEN PROGRAMMING

- Teen Advisory Group
- Homework Help for elementary school kids provided by Teens Wednesdays 3-5pm
- Teen Tech Week March 2019
- SAT Practice Tests
- Hercules High School Advanced Orchestra Concert at the Library
- DIY Mother's Day, Father's Day and Christmas Gifts
- Movie Afternoons



TECHNOLOGY

- 20 computers in the computer lab
- 17 computers in the main library
- 9 computers in the children's section
- 5 computers in the homework center
- Coding Classes
- Minecraft Sessions
- Weekly Computer Help class for adults
- Genealogy Classes
- Tax preparation assistance with the United Way



EXPANDED DATABASES INCLUDING REMOTE ACCESS WITH YOUR LIBRARY CARD ALL FREE!

- ❖ Brainfuse – free online tutors
- ❖ Kanopy – online movie streaming – 8 movies per month
- ❖ East Bay Times Full-Color Daily Newspaper
- ❖ New York Times Digital Edition
- ❖ Lynda.com
- ❖ Rosetta Stone
- ❖ And many more!

IN 2019 WE SAY GOODBYE TO FINES





SEE YOU AT THE HERCULES LIBRARY!



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 9, 2019

TO: Members of the City Council

SUBMITTED BY: Holly Smyth, AICP Planning Director

SUBJECT: Continued 2019 West Contra Costa County Subregional Transportation Mitigation Program (STMP) Fee Update

RECOMMENDED ACTION: Open and Conduct the continued public hearing and consider a) Waiving the first reading and Introducing an Ordinance amending Title 10, Chapter 17 – West County Subregional Transportation Mitigation Program of the Hercules Municipal Code and b) Adopting a Resolution Authorizing the City Manager, City Clerk and City Attorney to Execute The Master Cooperative Agreement Between the West Contra Costa Transportation Advisory Committee (WCCTAC) and the City of Hercules and other member Agencies in its current substantive form with Exhibits A - 2019 Nexus Update of the STMP Impact Fee and Exhibit B- STMP Administrative Guidelines as a reference and incorporate the new STMP Nexus Fees into the City's Master User Fee Schedule effective July 1, 2019.

DISCUSSION:

WCCTAC staff and their consultant, Fehr and Peers, made a presentation at the February 26, 2019 Council meeting to review the current STMP program, share highlights from the nexus report, and present the key elements of the updated program and respond to questions (See Attachment 1). The Council opened the public hearing, had several questions for WCCTAC to respond to, and continued the public hearing discussion to their April 9, 2019 meeting. WCCTAC's letter of March 28, 2019 responds to Council's questions and provides an update as to which jurisdictions have taken action for Council's considered action.

ATTACHMENTS:

1. WCCTAC March 28, 2019 Letter
2. February 26, 2019 Report to Council for the 2019 STMP
3. Draft Ordinance amending the Hercules Municipal Code Title 10, Chapter 17
4. Draft Resolution Approving Master Cooperative Agreement and putting fees in Master User Fee Schedule Effective 7/1/2019
5. Master Cooperative Agreement with WCCTAC
 - A. 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee
 - B. STMP Administrative Guidelines

El Cerrito



Hercules

March 28, 2019

Pinole

Honorable Hercules Mayor Dan Romero,
Members of the Hercules City Council, and
David Biggs, Hercules City Manager
111 Civic Drive
Hercules, CA 94557

Richmond

RE: Additional Information on the 2019 STMP Update

Dear Mayor, Councilmembers and Mr. Biggs:

San Pablo

Thank you for providing WCCTAC the opportunity to present to the Hercules City Council on February 26, 2019 and to address the Council again on April 9, 2019 to further discuss the West County Subregional Transportation Mitigation Program (STMP) fee update. In preparation for that meeting, WCCTAC is providing additional background information, attached, to supplement the materials previously provided and also to respond to the Council's discussion.

Contra Costa
County

Please feel free to contact me (JNemeth@wcctac.org or 510.210.5933) or Leah Greenblat, WCCTAC Project Manager (LGreenblat@wcctac.org or 510.210.5935) should you have any questions.

Sincerely,

AC Transit

A handwritten signature in blue ink that reads "John Nemeth". The signature is fluid and cursive, with the first and last names clearly legible.

John Nemeth
Executive Director, WCCTAC

BART

Enclosure

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WestCAT

ADDITIONAL INFORMATION FOR THE HERCULES CITY COUNCIL ON 2019 STMP UPDATE

At the February 26, 2019 Hercules City Council meeting, WCCTAC staff and its consultant made a presentation on the West Contra Costa Transportation Authority's 2019 Update of its Subregional Transportation Mitigation Fee Program. The following information responds to the discussion at that meeting.

STMP Administrative Fees

In 2014, WCCTAC relocated its offices to El Cerrito and changed the nature of its relationship with the City of San Pablo. At the time the 2006 STMP was adopted, WCCTAC was located at the City of San Pablo and the city handled WCCTAC's financial services. When WCCTAC relocated, a new financial services agreement between the two entities was established with WCCTAC now paying the city for such services. The 2006 STMP program establishes that WCCTAC may receive 2% of the STMP funds disbursed each year and that the City of San Pablo may receive 1% to recover its cost for financial services. Even though WCCTAC is paying for the financial services, it has taken the conservative approach and has only collected 2% of the STMP funds disbursed. (The City of San Pablo has not been collecting its 1%).

Taken as the whole, the proposed 4% administrative fee to WCCTAC represents a 1% increase of what was previously permitted in the 2006 STMP. Based on WCCTAC's past experience of managing the program and the corresponding level of effort, the additional 1% was needed to come closer to covering actual administrative expenses. Overall, a 4% administrative fee is generally in line with practices by other agencies.

STMP Fee Indexing

The current STMP, adopted by the six jurisdictions in 2006, includes a provision to update the fees annually based on the Engineering News-Record Construction Cost Index for the San Francisco Bay Area. Some jurisdictions have indexed the fees in the current program, while others have not. In the following table, the "Original STMP (2005)" row includes the fee rates originally adopted in 2006 by all of the STMP jurisdictions. Per the intent of the 2006 program, these original fees should have been indexed each year by all jurisdictions. The row "Current STMP (if Indexed)" is calculated based on applying the appropriate annual rates from the Engineering News-Record Construction Cost Index for the San Francisco Bay Area (authorized under the 2006 program) to the original fee amount since its adoption by the STMP jurisdictions in 2006.

	Single-Family (per unit)	Multi-Family (per unit)	Office (per sq. ft.)	Retail (per sq. ft.)	Industrial (per sq. ft.)
West County Area					
Maximum Potential STMP Fee	\$7,252	\$3,572	\$11.63	\$8.79	\$7.41
Board-Recommended STMP Fee (75% of Max.)	\$5,439	\$2,679	\$8.72	\$6.59	\$5.56
Current STMP (If Indexed)	\$3,697	\$2,348	\$5.00	\$2.59	\$3.49
Original STMP (2005)	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
Other Sub-Regional Fees in Contra Costa					
East County	\$18,186	\$11,164	\$1.56	\$1.80	\$1.56
Lamorinda	\$7,269	\$5,088	\$7.78	\$7.78	\$7.78
Tri-Valley	\$4,369	\$3,010	\$7.43	\$3.48	\$4.32

Local vs. West County Population and Growth Projections

The STMP is a regional program and as such the STMP update looked holistically at population and growth projections for West County. As a regional program, the focus is on trip making using the transportation network across local jurisdictional lines. The goal of the STMP is to provide some of the funding for regionally beneficial projects in West County that address the impacts of West County growth. If a jurisdiction were interested in establishing a local transportation mitigation fee for highly local projects, then it would be more appropriate to utilize local population and growth projections.

Hercules: STMP Fees Collected, STMP Funds Received

Unlike Measure J's Local Streets and Road funds, the STMP program is not a "return-to-source" local funding source. It is a "return-to-source" regional funding source in that all of the funds collected in West County are used in West County. Nevertheless, it is understandable that local jurisdictions are interested to know how the STMP may benefit them. Per the City of Hercules' records, the city has remitted almost \$900,000 in STMP fees between 2005 and FY 18/19 Q2 from new development. The WCCTAC Board has directly awarded STMP funds for Hercules projects in the table below. Additionally, WCCTAC has provided \$500,000 in STMP funds for nearby Bay Trail projects and will be contributing at least \$500,000 to the City of Pinole for its San Pablo Ave. Bridge Replacement Project.

Project	Total STMP Amount Awarded
Hercules ITC Design and Planning	\$300,000
Hercules Path to Transit	\$1,000,000
Hercules RITC	\$500,000
	Plus possibly up to an additional \$250,000*
Total	\$1,800,000 minimum

*Please see the following section for information about possible additional STMP funds for Hercules' projects.

STMP Fall 2018 Call for Projects

In the fall of 2018, the WCCTAC Board issued a STMP Call for Projects. At that time, there was approximately \$2.78 million in STMP funds available to program. In December 2018, the WCCTAC Board agreed to fund the following projects:

Sponsor	Project Name	Amount Requested	Minimum Requested	Amount Proposed
County	San Pablo Dam Rd. Sidewalk Gap	\$270,000	\$270,000	\$270,000
Pinole	San Pablo Ave. Bridge Replacement	\$1,600,000	\$1,600,000	\$500,000
Pinole	Bay Trail Gap at Tennent Ave.	\$150,000	\$150,000	\$100,000
CCTA/San Pablo	I-80/San Pablo Dam Rd. Ph. 1	\$436,000	\$436,000	\$436,000
BART	Del Norte BART Modernization	\$1,500,000	\$1,200,000	\$500,000
Richmond	I-80/Central Ave. Ph. 2	\$1,200,000	\$700,000	\$480,579
Hercules	Regional Intermodal Transit Center	\$1,100,000	\$750,000	\$500,000
Richmond	Point Molate Bay Trail	\$1,000,000	\$1,000,000	
SUBTOTAL				\$2,786,579
Available				\$2,786,579
Remainder				\$0

STMP Fees Remitted December 1, 2018 thru June 30, 2019

Unsurprisingly during the recent STMP call for projects, there were more STMP funds requested than currently available. Anticipating the winding down and future closing out of the 2006 STMP with the 2019 STMP anticipated to go into effect July 1, 2019, the WCCTAC Board recognized that additional funds collected under the 2006 STMP would continue to accumulate and be remitted between December 1, 2018 and June 30, 2019. Due to the relatively short timeframe, instead of issuing another call for projects, the WCCTAC Board agreed to earmark the future revenue towards projects that were only partially funded with the STMP's fall 2018 call for projects.

The WCCTAC Board agreed to program future 2006 STMP funds to the following projects:

Sponsor	Project Name	Additional Potential STMP Award	Order for Receipt of Additional Revenues	Additional Future 2006 STMP Revenues Remitted to WCCTAC (12/1/18-6/30/19)
Richmond	I-80/Central Ave. Ph. 2	\$219,421	1st	In addition to the \$480K awarded, this project would receive the first additional STMP revenues generated between now and the closeout of the current program (likely June 30, 2019), up to \$700,000
Hercules	Regional Intermodal Transit Center	\$250,000	2nd	In addition to the \$500K awarded, after the I-80 / Central Ave. project receives its minimum request, this project would receive any additional revenues up to \$750,000.
Pinole	San Pablo Ave. Bridge Replacement	\$1,100,000	3rd	In addition to the \$500K awarded, after the I-80/Central Ave. and Hercules RITC projects receive their minimum requests, this project will receive all remaining funds up to a maximum of \$1,600,000.

The amount of STMP funds to be remitted to WCCTAC between December 1, 2019 and June 30, 2019 is difficult to estimate because the timing is dependent on when development applicants choose to seek their building permits. Additionally, analysis of past years receipts has not provided a good indication of future revenues. Nevertheless, to date, since December 1, 2018, WCCTAC has additionally received approximately \$147,000 in STMP revenue. Generally, this revenue represents fees collected by local agencies thru December 30, 2018. Because the local jurisdictions could be collecting STMP fees until June 30, 2019, WCCTAC will likely not know until August 2019 all of the revenue collected within this closeout timeframe.

WCCTAC Board's Recommended Fee

The WCCTAC Board discussed fee setting on several occasions. Measure J requires that each city and the county establish a transportation development mitigation fee to ensure that new development is paying its fair share of its transportation impacts. The STMP Nexus Study calculated what the fair share fee would need to be if new development were to pay for 100% of its transportation impacts. In the report, the full cost of new development's transportation impact is noted as the Maximum Potential Fee. It is a policy decision for the WCCTAC Board whether or not to collect the full 100% share of new developments impact.

The Board discussed, as a baseline, not wanting to set the new fee for less than the current fee if it had been indexed. The Board further noted that the key issues of the time and region are housing and transportation. Because the two are intertwined, it did not make sense to encourage housing without also providing the needed transportation infrastructure to accommodate that growth. The Board evaluated various scenarios of the fee revenue the STMP would generate for funding transportation improvements. The Board considered a variety of factors such as potential impacts on the rate of new development, the accrual rate of transportation funds, the cost of transportation projects and the availability of funds. Balancing a variety of factors, the WCCTAC Board

agreed to discount the transportation fees charged to new development by 25 percent by setting the STMP fees at 75% of the Maximum Potential (100% share).

Status on 2019 STMP Update with Other Jurisdictions (as of 3/28/19)

Jurisdiction	Coop. Agreement Status	Ordinance 1st Reading	Ordinance 2nd Reading	Issue
County	TBD	TBD	TBD	ADU
El Cerrito	Approved	Approved	Mtg. 4/2	
Hercules	2/26, continued	2/26 continued	Mtg. 4/9	Indexing process; Non-residential fee rate
Pinole	Approved	Approved	Deferred 3/5 Agendized 4/2	Non-residential fee rate
Richmond	Mtg. 4/16	Mtg. 4/16	Mtg. 4/30	
San Pablo	Approved	Approved	Approved	
WCCTAC	Approved	N/A	N/A	



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of February 26, 2019

TO: Members of the City Council

SUBMITTED BY: Holly Smyth, AICP Planning Director

SUBJECT: 2019 West Contra Costa County Subregional Transportation Mitigation Program (STMP) Fee Update

RECOMMENDED ACTION: Hold a public hearing and consider a) Waiving the first reading and Introducing an Ordinance amending Title 10, Chapter 17 – West County Subregional Transportation Mitigation Program of the Hercules Municipal Code and b) Adopting a Resolution Authorizing the City Manager, City Clerk and City Attorney to Execute The Master Cooperative Agreement Between the West Contra Costa Transportation Advisory Committee (WCCTAC) and the City of Hercules and other member Agencies in its current substantive form (with Exhibit A - 2019 Nexus Update of the STMP Impact Fee and Exhibit B- STMP Administrative Guidelines as a reference), and incorporate the new STMP Nexus Fees into the City's Master Fee Schedule effective July 1, 2019.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:

The West Contra Costa Transportation Advisory Committee (WCCTAC), our local regional transportation agency that oversees the STMP program in coordination with each member jurisdiction, has completed a 2019 Nexus Update report supporting an update to its fee program. The WCCTAC Board has authorized its Chair to sign the Master Cooperative Agreement and is requesting that its member jurisdictions do the same. Additionally, WCCTAC is requesting that its STMP partners each adopt a new ordinance to implement the fee update effective July 1, 2019.

WCCTAC staff and their consultant, Fehr and Peers, will attend the Council meeting to make a presentation to review the current STMP program, share highlights from the nexus report, present the key elements of the updated program, and respond to questions.

FISCAL IMPACT OF RECOMMENDATION:

The attached ordinance outlines the new STMP fees to be charged at 75% of the maximum potential with an annual automatic increase using the Engineering News-Record Construction Cost Index for the San Francisco Bay Area calculated by WCCTAC as stated therein. The following Table No. 1 shows the recommended increase for the developer fees by unit type.

Table 1: Developer Fee Increase by Unit Type

Unit Type	FY 2017-18 if indexed (1.42% annually)	Current Fee in Hercules	Maximum Potential Fee	Board Recommended Fee set at 75% of the maximum
Single Family (per unit)	\$3,697	\$2,904	\$7,252	\$5,439
Multi Family (per unit)	\$2,348	\$1,844	\$3,572	\$2,679
Office (per sq. ft.)	\$5.00	\$3.927	\$11.63	\$8.72
Retail (per sq. ft.)	\$2.59	\$2.036	\$8.79	\$6.59
Industrial (per sq. ft.)	\$3.49	\$2.741	\$7.41	\$5.56
Senior Housing (per unit)	\$995	\$784	\$1,958	\$1,469
Hotel (per room)	\$2,789	\$2,197	\$4,641	\$3,481
Storage Facility	\$0.75	\$0.593	\$1.02	\$0.76
Other (AM peak hour trip)	\$	\$3,924	\$9,800	\$7,350
Church (per sq. ft.)	\$2.24	\$1.768	-	-
Hospital (per sq. ft.)	\$5.98	\$4.710	-	-

The Building Department staff continues to collect the prescribed STMP fees at the building permit stage of development, and will begin to collect the new increased STMP fees per the new Ordinance, thereafter passing the funds through to WCCTAC.

DISCUSSION:

Documents:

Model STMP Ordinance: WCCTAC developed a model ordinance for its STMP partners to use as a template. Each jurisdiction adopted a similar ordinance in 2006. Each party is now requested to adopt its own ordinance, based on this Model STMP Ordinance, in order to update the STMP program.

STMP Master Cooperative Agreement. This document is an agreement between WCCTAC and local jurisdictions to formalize the institutional arrangements for the collection, oversight and expenditure of the 2019 STMP fees and the close out of the 2006 STMP program. All parties signed the current agreement in 2006. All parties are now requested to sign the new version as substantively provided.

Final Report of the 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee. This report contains the analysis legally required to update the STMP fees. This document is provided for reference and is attached to the STMP Master Cooperative Agreement as Exhibit A.

STMP Administrative Guidelines: These were developed by WCCTAC and its member agencies to provide a resource for local agency and WCCTAC staff on day-to-day operational details and procedures. The guidelines are intended to be updated from time to time if necessary, following review by the WCCTAC TAC (Technical Advisory

Committee) and approval by the WCCTAC Executive Director. This document is provided for informational purposes and is attached to the STMP Master Cooperative Agreement as Exhibit B.

What is the WCCTAC?

The West Contra Costa Transportation Advisory Committee (WCCTAC) is one of four Regional Transportation Planning Committees (RTPCs) in Contra Costa County and represents the West Contra Costa sub-area. The Committees were created in 1988 to guide transportation projects and programs included in the Measure C, half-cent, transportation sales tax approved by Contra Costa County voters. Measure C was succeeded by Measure J in 2004.

WCCTAC is a public agency, governed by a Joint Exercise of Powers Agreement between the following member agencies: the cities of El Cerrito, Hercules, Pinole, Richmond, San Pablo; Contra Costa County; and the transit operators, AC Transit, BART, and WestCAT. WCCTAC's operating revenues are derived from dues paid by member agencies as well as from numerous grants.

WCCTAC aims to improve the transportation system in West Contra Costa through the development and coordination of transportation plans, projects, programs and policies for the West Contra Costa area. In addition to directing some funds from Measure J, WCCTAC administers the Sub-regional Transportation Mitigation Fee Program (STMP) which collects impact fees from development projects built in the West Contra County and applies them to transportation improvements.

WCCTAC also manages a Transportation Demand Management (TDM) Program using the '511 Contra Costa' brand which is aimed at vehicle trip reduction. Programs include: outreach to assist employers with development of trip reduction programs, bicycle programs, carpool and transit incentive programs and other projects to encourage alternative to driving alone.

What is the STMP?

In 1988 Contra Costa County residents adopted Measure C, a half-cent sales tax measure for transportation projects and programs which voters renewed in 2004 with the passage of Measure J. These ballot measures require that local jurisdictions develop a program of regional traffic mitigation fees, assessments, or other mitigations, as appropriate, to fund regional and subregional transportation projects. In developing these fee programs, local jurisdictions are required to consider such issues as jobs/housing balance, carpool and vanpool programs, and proximity to transit service in the establishment of the regional traffic mitigation program.

The West County Subregional Transportation Mitigation Program (STMP) is an important mechanism for regional collaboration in West County. Regional, multi-jurisdictional fee programs are more complicated than local mitigation fee programs administered by a single jurisdiction; however, regional programs offer a forum for cooperation and coordination that allows the agencies involved to make more comprehensive transportation investments than any single jurisdiction could do on its own.

The STMP was developed with the participation and concurrence of local jurisdictions in

determining the most feasible methods of mitigating regional traffic impacts. The Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, as well as the County of Contra Costa have each adopted an ordinance implementing this fee program. These jurisdictions share a desire to assure that new development in West County pays its fair-share toward regional circulation and transit improvements that are proportional to the traffic impact the new development will generate. The STMP is not a return-to-source program. The local fees collected in West County provide congestion relief to mitigate traffic on regional routes and through improved transit service throughout West County.

WCCTAC first implemented a transportation impact fee via the STMP in 1997. Impact fees are established under a state law known as Assembly Bill (AB) 1600, the Mitigation Fee Act. WCCTAC conducted an update of the fee program in 2005/2006 to help fund an expanded list of regional transportation improvements.

Participating jurisdictions are responsible for collecting the STMP fee, filling out a quarterly report form and forwarding the fees to WCCTAC. WCCTAC is empowered to coordinate and administer revenues for the regional transportation improvements funded with these fees. Measures C and J also require that all Contra Costa County jurisdictions participate in the regional transportation mitigation program. Jurisdictions that are not participating in such a program are at risk of losing their annual Measure C (and subsequently Measure J) local street maintenance and improvement (return-to-source) funds.

STMP Update:

In late 2016, WCCTAC began the process of updating the STMP and its nexus study. This update has been a multi-step process during which WCCTAC's staff and consultants have worked closely with the WCCTAC Technical Advisory Committee (WCCTAC TAC) and made periodic check-ins with the WCCTAC Board. The consultant team developed a series of technical memos which evaluated the 2005/2006 STMP, reviewed West County existing conditions and growth projections, developed criteria for a project list, and identified projects and determined the nexus between the projects and the maximum potential fee that could be charged. These memos are available on the WCCTAC website: https://www.wcctac.org/app_pages/view/210. The technical memos are summarized in the Final Report of the 2019 Nexus Update of the STMP Impact Fee. WCCTAC anticipates that the updated STMP will become effective July 1, 2019.

Final Report of the 2019 Nexus Update of the STMP Impact Fee

The purpose of this report is to provide the technical basis for updating the STMP. The focus of the updated program is to support a regional multimodal transportation system in West County that serves the expected future demand. This report documents the analytical approach for establishing the required nexus between anticipated future development in West Contra Costa County and the need for regional transportation improvements.

2005/2006 STMP Revenue and Disbursements

As shown in Table 2-3 of the Final Report, the STMP generated about \$11.6 million in revenue as of December 1, 2018, including \$8.7 million between 2005 and 2018. About \$5.9 million has been disbursed as of December 1, 2018; total disbursements by project are summarized in Table 2-4. As shown in Table 2-3, an account balance of about \$5.7 million

remains as of December 1, 2018. A portion of the remaining account balance has been allocated to projects on the current STMP project list; however, not all the allocated amount has been disbursed to the project sponsor agencies to date. WCCTAC recently completed a 2018 Call for Projects and its Board agreed to disburse the remaining balance for transportation capital improvements that fall under the project list identified in the 2005 Update of the STMP. The WCCTAC Board further agreed to designate revenues generated between December 1, 2018 and June 30, 2019 (the proposed last day of the 2005/2006 STMP) to specific projects from the 2018 Call for Projects. This action essentially will result in no or very few dollars from the 2005/2006 STMP remaining unprogrammed at its conclusion.

STMP Update: New 2019 Project List

The WCCTAC TAC recommended, and WCCTAC Board approved, a final list of capital improvement projects for inclusion in the updated STMP. The detailed project list is included in the Final Report of the “2019 Nexus Update of the STMP Impact Fee” contained in Exhibit A. Summarized versions are available as Table 3-1 in the same report as well as in the Master Cooperative Agreement and the Model Ordinance. This list contains a combination of projects currently in the STMP, as well as projects that have been identified through the review of recent planning documents, the application of project eligibility criteria, and feedback from the TAC and Board. Overall, the purpose of the projects remains the same as when the STMP was first adopted. These projects are intended to provide congestion relief and mitigate traffic impacts on regional routes through capacity improvements on those routes, improved transit services for subregional and regional travel, and improved facilities that allow West County residents to more efficiently access regional routes and transit services. There are twenty projects included in the STMP 2019 Nexus Update and their overall total project cost is \$855 million. Only a portion of this overall cost can be attributed to the impact of new development.

Table 2-3: STMP Revenue and Disbursements (as of December 1, 2018)¹

Period	Revenue	Disbursements	Balance²
1998 – 2004	\$2,942,031.00	\$2,235,826.70	\$706,204.30
2005 – 2018 ³	\$8,668,484.55	\$3,652,097.91	\$5,722,590.94
Total to Date	\$11,610,515.55	\$5,887,924.61	\$5,722,590.94

Notes:

1. Information presented in Table 2-3 is based on the best information available at this time, however, the records may not be complete.
2. A portion of the remaining account balance has been allocated to projects on the current STMP project list; however, not all the allocated amount has been disbursed to the project sponsor agencies.
3. Reporting period as of December 1, 2018.

Table 2-4: STMP Disbursements by Project (as of December 1, 2018)¹

Project	Total Amount Committed	Total Amount Disbursed to Date
Richmond Intermodal Station	\$527,000.00	\$223,116.36
I-80/San Pablo Dam Road, I-80/Central Avenue, SR 4/ Willow Avenue Interchange Improvements	\$2,800,435.39	\$2,800,435.39
Capitol Corridor Improvements (Hercules Passenger Rail Station)	\$1,000,000.00	\$988,774.00
Ferry Service to San Francisco from Richmond and/or Hercules/Rodeo	\$300,000.00	\$0.00
BART Access and/or Parking Improvements (El Cerrito Plaza, El Cerrito Del Norte, and/or Richmond BART Stations)	\$1,186,200.00	\$813,991.86
Bay Trail Gap Closure	\$500,000.00	\$487,365.06
San Pablo Dam Road Improvements in Downtown El Sobrante	\$0.00	\$0.00
San Pablo Avenue Corridor Improvements	\$0.00	\$0.00
North Richmond Connection Project	\$0.00	\$0.00
Hercules Transit Center	\$304,963.13	\$304,963.13
Del Norte Area TOD Public Infrastructure Improvements	\$300,000	\$0.00
Administrative ²	N/A	\$269,278.81
Total	\$6,918,598.52	\$5,887,924.61

Notes:

1. Information presented in Table 2-4 is based on the best information available at this time, however, the records may not be complete for every project on the list.
2. Includes disbursements for administrative purposes and those that were not otherwise categorized.

Source: WCCTAC, December 2018.

STMP Update: Growth Projections

An important step in quantifying the nexus relationship is to determine the amount of new development anticipated in the planning horizon (year 2040) of the study. Fehr & Peers reviewed the historical and projected housing and job growth in West County provided by the Association of Bay Area Governments (ABAG) and summarized in Table 4-1. Based on the information presented in Table 4-1, the WCCTAC TAC recommended, and the WCCTAC Board approved, a 0.9 percent annual housing growth rate and 1.2 percent annual job growth rate for use in the nexus study update. These projections were incorporated into the year 2040 land use file of the Contra Costa Transportation Authority (CCTA) travel demand model in the appropriate Transportation Analysis Zones (TAZs) for the West County region. Table 4-2 shows the amount of new development anticipated based on applying those growth rates; the number of dwelling units in West County would increase by 18,725 units (17 percent of total 2040 amount), and the number of jobs would increase by 18,794 jobs (21 percent of total 2040 amount). As shown in Table 4-3, total “service population” in West County, which is the sum of population plus jobs, is expected to increase by 82,037 (19 percent of total 2040 amount).

Table 4-1: West County Annual Growth Rate Comparison

Year Range	Annual Housing Growth Rate	Annual Job Growth Rate
2000 – 2005 (Historical)	0.9%	0.7%
2005 – 2010 (Historical)	-0.1%	-2.1%
2010 – 2015 (Historical)	0.9%	1.7%
2015 – 2040 (Forecast, based on ABAG <i>Projections 2013</i>)	1.2%	1.2%
2015 – 2040 (Forecast, based on ABAG <i>Projections 2017</i>)	1.0%	1.4%

Table 4-2: Forecasted Housing and Job Growth in West County

Year	Residential (Dwelling Units)			Non-Residential (Jobs)			
	Single-Family	Multi-Family	Total	Office	Retail	Industrial	Total
2018	65,727	28,657	94,384	45,920	16,172	9,525	71,617
2040	70,412	42,697	113,109	60,528	19,485	10,398	90,411
Net Increase	4,685	14,040	18,725	14,608	3,313	873	18,794
Net Increase as % of Total 2040 Amount	7%	33%	17%	24%	17%	8%	21%

Table 4-3: Forecasted Service Population Growth in West County

Year	Total Population	Total Jobs	Service Population (Population + Jobs)
2018	267,305	71,617	338,922
2040	330,548	90,411	420,959
Net Increase	63,243	18,794	82,037
Increase as % of Total 2040 Amount	19%	21%	19%

STMP Update: Nexus Analysis

An important part of a nexus analysis is to establish whether the transportation facilities that will be addressed by projects in the fee program are currently operationally deficient. Existing deficiencies should be accounted for in the fee calculations to ensure new development pays its fair share and is not being charged to correct an existing problem. Fehr & Peers conducted an evaluation of existing transportation conditions based on a review of recent studies that contain information pertaining to the current operations along Routes of Regional Significance, existing transit services, and existing pedestrian and bicycle infrastructure.

In light of these conditions, the STMP calculations presented here have been conducted by calculating the growth in West County development as a percentage of the total future population and jobs.

The concept of this nexus study is to determine the proportion of the cost of each project that is reasonably attributable to new development within West County, and therefore could be included in the STMP fee. The primary analytical tool available to estimate the proportion of usage on each facility coming from new growth in West County is the CCTA regional travel demand model.

The percentages were applied to the cost of each STMP project, and the resulting amount represents the portion of the cost of each project that was used when calculating the STMP fee. Using these calculations, the STMP program could capture about \$162 million, which is approximately 19 percent of the overall total project cost of \$855 million. Other funding sources would be needed to cover the remainder of the costs, to account for the travel demand generated by existing West County residents as well as existing and future travelers who pass through West County on their way to other destinations.

The STMP Update's nexus analysis determined that the STMP could legally justify collecting a maximum potential of \$162 million (approximately 19%) of the \$855 million cost of the STMP Update Project List based on future West County growth from new development. The consultants then calculated what the maximum potential STMP fee that could be charged to new development for common land use categories.

It is important to note that the fee calculation is intended to represent the maximum potential fee that is justified through this nexus analysis and that could be charged to each land use type to support the list of STMP projects. Setting new fee levels is a policy decision of the WCCTAC Board. The WCCTAC Board in making its recommendation considered that if it set fees lower than the maximum potential fee, the STMP program would generate less revenue than estimated and would take longer to generate the estimated funding for projects on the list.

STMP Update: WCCTAC Board Recommended Fee Levels

Although permitted to index the 2005/2006 STMP fees for inflation, there has not been consistent indexing over time. An inflation index to reflect changes in construction costs is a common practice in fee programs. To assist in making comparison to similar other fees, the consultants calculated what the 2005/2006 STMP fees would be if they had been indexed annually for inflation.

The maximum potential STMP fee was compared to the current STMP fees and to other similar, Measure J required sub-regional fee programs in Contra Costa. The new maximum potential fees calculated are higher than the current non-indexed and indexed STMP fees in all land use categories and compared to other sub-regional transportation areas and shown in Table 5-3. For residential uses, the new maximum STMP fee is somewhat higher than the residential fee charged in the Tri-Valley area, and lower than the residential fees in East County and Lamorinda. For non-residential uses, the new maximum STMP fee is higher than the comparable fees in East County and Tri-Valley, and roughly similar to the non-residential fees in Lamorinda.

Table 5-3: Comparison to Other Sub-Regional Fees

Jurisdiction	Single-Family (per unit)	Multi-Family (per unit)	Office (per sq. ft.)	Retail (per sq. ft.)	Industrial (per sq. ft.)
West County Area					
WCCTAC Maximum Potential Fee	\$7,252	\$3,572	\$11.63	\$8.79	\$7.41
WCCTAC (original 2005) ¹	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
WCCTAC (if indexed) ²	\$3,697	\$2,348	\$5.00	\$2.59	\$3.49
Other Sub-Regional Fees in Contra Costa					
East County	\$18,186	\$11,164	\$1.56	\$1.80	\$1.56
Lamorinda	\$7,269	\$5,088	\$7.78	\$7.78	\$7.78
Tri-Valley	\$4,369	\$3,010	\$7.43	\$3.48	\$4.32

Notes:

1. Reflects the 2005 STMP Fee Schedule.
2. Reflects the 2005 STMP Fee Schedule if it had been consistently indexed to year 2018. The index is based on the Engineering-News Record Construction Cost Index for the San Francisco Bay Area.

Source: Fehr & Peers, 2018.

At the September 28, 2018 meeting, the WCCTAC Board recommended that fee levels be set at 75 percent of the maximum potential fee calculations shown on the above Table 1. Setting the fees at these levels is expected to generate an estimated \$121.3 million (of the \$162 million potential) through year 2040 to the WCCTAC STMP program.

ATTACHMENTS:

1. WCCTAC Transmittal Letter
2. Draft Ordinance amending the Hercules Municipal Code Title 10, Chapter 17
3. Draft Resolution Approving Master Cooperative Agreement and putting fees in Master User Fee Schedule Effective 7/1/2019
4. Master Cooperative Agreement with WCCTAC
 - A. 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee
 - B. STMP Administrative Guidelines

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF HERCULES RESCINDING ORDINANCE NO. 417 DATED JUNE 27, 2006 THEREBY REMOVING AND REPLACING THE HERCULES MUNICIPAL CODE, TITLE 10 – LAND USE, CHAPTER 17 - WEST CONTRA COSTA SUBREGIONAL TRANSPORTATION MITIGATION PROGRAM (STMP)

WHEREAS, Measure C, the Contra Costa County half-cent sales tax measure adopted in 1988 for transportation projects and programs, requires the Contra Costa Transportation Authority (CCTA or Authority) to:

- Develop a program of regional traffic mitigation fees, assessments, or other mitigations, as appropriate, to fund regional and subregional transportation projects, as determined in the Comprehensive Transportation Plan of the Authority.
- Consider such issues as jobs/housing balance, carpool and vanpool programs, and proximity to transit service in the establishment of the regional traffic mitigation program.
- Implement the development mitigation program with the participation and concurrence of local jurisdictions in determining the most feasible methods of mitigating regional traffic impacts. The Authority shall take existing regional traffic impact fees into account.

WHEREAS, Measure J, the successor to Measure C, was passed by the voters in Contra Costa County in November 2004, extending the half-cent sales tax through March 31, 2034 and also containing a Growth Management component with the same obligations regarding regional traffic mitigation fees as described above;

WHEREAS, West Contra Costa County traffic is heavily impacted by a combination of traffic generated by residents and employees of West County, as well as through traffic from other regions in Contra Costa County and other counties; and West Contra Costa County provides congestion relief through a regional traffic mitigation fee collected and expended to mitigate traffic on regional routes through capacity improvements on those routes, improved transit services for subregional and regional travel, and improved facilities that allow West County residents to more efficiently access regional routes and transit services;

WHEREAS, the West Contra Costa Transportation Advisory Committee (WCCTAC) is comprised of elected officials from the cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo and the agencies AC Transit, BART, WestCAT and Contra Costa County, is governed by a Joint Exercise of Powers Agreement (JPA) and has been in existence since 1990;

WHEREAS, WCCTAC is empowered to coordinate and administer fee revenues for regional transportation improvements and has been doing so since the West County Subregional Transportation Mitigation Program (STMP) fee was originally adopted in 1997 and updated in 2006;

WHEREAS, through the aegis of WCCTAC, the West County jurisdictions and Contra Costa County have reached consensus on the 2019 STMP Update, as described in the Master Cooperative Agreement By and Among the Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, the County of Contra Costa and the West Contra Costa Transportation Advisory Committee for the 2019 Subregional Transportation Mitigation Fee Program (“Cooperative Agreement”), and are adopting this Ordinance to implement the collection of fees relative to the STMP in order to provide funding for regional transportation improvements necessary as part of each jurisdiction’s contribution to regional needs;

WHEREAS, the City desires to assure that new development in the City contributes to such needed regional improvements based on the development’s proportionate contribution to the need for new or improved regional circulation and transit improvements;

WHEREAS, WCCTAC’s consultant, Fehr & Peers, has prepared a nexus study report, which is provided as Exhibit A, and incorporated by reference herein, which outlines the basis for the updated STMP fee;

WHEREAS, the aforementioned report describes the regional transportation improvements that will be necessary in the City and the other member jurisdictions because of new development expected under the adopted general plans of member jurisdictions, estimates the full cost of building said regional capital improvements, and sets forth the fees necessary to fund such necessary and vital improvements;

WHEREAS, the General Plan of the City requires new developments to pay their fair share of impacts to existing public facilities and upgrading or constructing new public facilities and that the City work with other jurisdictions in order to establish and utilize regional funding mechanisms, including fees on new development, to fund regional transportation improvements.

WHEREAS, in adopting the updated transportation impact fee described herein, the City has found the fee to be consistent with its General Plan and existing ordinances.

WHEREAS, Measure J also requires that all Contra Costa County jurisdictions participate in the regional transportation mitigation program, and jurisdictions that are not participating in such a program are at risk of losing their Measure J local street maintenance and improvement funds;

WHEREAS, adoption and approval of the STMP fee are also exempt from CEQA pursuant to Public Resources Code § 21080(b)(8)(D) and 14 Cal. Code Regs. § 15273(a), since they constitute the modification, restructuring or approval of a fee or charge needed to obtain funds for capital projects that are necessary only to maintain service within existing service areas within the City/County, pursuant to the findings set forth herein.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS:

SECTION I: Remove and replace Title 10, Chapter 17 of the Hercules Municipal Code as follows:

10-17.101– TITLE

The title of this Chapter of the Hercules Municipal Code is the **West County Subregional Transportation Mitigation Program 2019 Update**.

10-17.102 - PURPOSE

The purpose of the STMP Update and the STMP fee set forth in this Chapter is to meet the intent of Measure J by levying a fee on new development to mitigate the regional impacts of new trips generated by that development. Further, the purpose of the STMP fee set forth in this Chapter is to raise funds for regional transportation projects in West County.

10-17.103 – FINDINGS

- A. The STMP fee is required to defray all or a portion of the costs of building transportation capital improvement projects needed to mitigate impacts of new development projects.
- B. The STMP fee will raise funds for twenty (20) projects, in the general categories of freeway and interchange improvements, local street and intersection improvements, transit and station-related improvements, bicycle and pedestrian-focused improvements, and complete streets projects. A detailed description of the projects can be found in Section 10-17.105.
- C. The total cost of the twenty(20) projects is approximately \$855 million in 2018 dollars. The nexus study report determined the maximum amount of eligible funding that could be collected through the STMP program at \$161.8 million.
- D. The nexus findings, in conformance with Government Code § 66000 et seq. can be found in the “2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee” (herein after referred to as the 2019 STMP Nexus Update) prepared by Fehr & Peers for WCCTAC dated December 2018. Two copies of the 2019 STMP Nexus Update are on file with the (City Clerk/Clerk of the Board) and is incorporated herein by reference (and also provided as Exhibit A).
- E. The 2019 STMP Nexus Update included the following steps:
 - Projecting the amount of new development anticipated in West County;
 - Setting criteria for identifying eligible capital improvement projects;
 - Specifying the transportation improvements needed to accommodate growth;
 - Evaluating the relationship between the improvements, the share of funding from new development, and the impacts of new trip generation;
 - Allocating the costs across land use types; and;
 - Preparing fee schedules and implementation documents.
- F. After considering the 2019 STMP Nexus Update, the testimony received at a noticed public hearing, the agenda statements, the General Plan, and all correspondence received (together, the “Record”), the City Council approves and adopts the 2019 STMP Nexus Update and incorporates such report herein by reference.

- G. Adoption of the STMP fee set forth in this Chapter, as it relates to development within the City, is intended to obtain funds for capital projects necessary to maintain service within the WCCTAC area. Accordingly, this fee, as it relates to development within the City, is not a “project” within the meaning of the California Environmental Quality Act. (Pub. Res. Code § 21080(b)(8)(D)).
- H. The Record establishes and finds:
- That there is a reasonable relationship between the use of the STMP fee set forth in this Chapter (funding for transportation capital infrastructure projects) and the type of development projects on which this fee is imposed in that all development in the City — both residential and non-residential—will contribute to the need for the projects listed in Section 10-17.105 of this Chapter; and
 - That there is a reasonable relationship between the need for the projects listed in Section 10-17.105 of this Chapter and the type of development projects on which this fee is imposed in that new development in the City — both residential and non-residential—will generate persons who live, work, shop, travel to and from, commute to and from, and visit the City and who, therefore, contribute to the need for the projects listed in Section 10-17.105 of this Chapter; and
 - That there is a reasonable relationship between the amount of the fee set forth in this Chapter and the cost of the projects listed in Section 10-17.105 of this Chapter or portion of such projects attributable to the development on which this fee is imposed in that such fee is calculated based on projections described in the 2019 STMP Nexus Update of new development, the total cost of the projects listed in Section 10-17.105, and allocation of a fair share of costs to new development across the various land use types.

10-17.104 – FEES

- A. Levy of the Fee and Fee Structure. In order to fund the program and projects stated herein, the following updated STMP fee schedule shall be implemented July 1, 2019 and shall terminate on March 31, 2040. The following fees, to be updated annually for inflation pursuant to Section 10-17.104(J), are payable to the City at the time of issuance of a building permit.

<u>LAND USE TYPE</u>	<u>FEE</u>
Single Family Residential	\$5,439/DU*
Multi-Family Residential	\$2,679/DU
Senior Housing	\$1,469/DU
Hotel	\$3,481/Room
Retail/Service	\$6.59/SF**
Office	\$8.72/SF
Industrial	\$5.56/SF
Storage Facility	\$0.76/SF
Other	\$7,350 per AM peak hour trip

*DU = Dwelling Unit

**Sq. Ft. = Square Foot

City is responsible for determining the appropriate land use category and fee amount to apply to specific development projects being considered by their jurisdiction. AGENCY will refer to the STMP Administrative Guidelines for guidance on how to apply these land use categories to development projects.

- B. No development shall be exempt from the fee, except if application of the fee to the development would be unlawful under and/or conflict with federal, state, or local law and/or regulation. In addition, accessory dwelling units within the footprint of an existing dwelling unit's habitable space are not required to pay the STMP Fee.
- C. A project that reconstructs or re-uses an existing structure or development that has been occupied within the previous three years is subject to the fee only to the extent that it would generate more A.M. peak hour vehicle trips than the existing development.
- D. Fees for uses not identified in Section 10-17.104A shall be determined by the City using the "Other" land use type and according to methodology provided by WCCTAC in the STMP Master Cooperative Agreement and the STMP Administrative Guidelines. The STMP Administrative Guidelines are incorporated into the STMP Master Cooperative Agreement and provided for reference as Exhibit B, and may be changed from time to time by the WCCTAC Executive Director. The current version of the STMP Administrative Guidelines is available from WCCTAC or the City clerk.
- E. An applicant may receive credit against fees for the dedication of land for right-of-way and/or construction of improvements for 2019 STMP projects listed in Section 10-17.105 where such right-of-way or construction is beyond that which would otherwise be required for approval of the proposed development. The calculation of the amount of credit against fees for 2019 STMP dedications or improvements shall be based upon a determination by the City that such credits are in fact exclusive of the dedications, setbacks, improvements, and/or traffic mitigation measures which are required by local ordinance, standards, or other practice. In addition, the credit shall be calculated based upon the actual cost of construction of improvements or, in the case of land dedication, on an independent appraisal approved by the local jurisdiction. The City must report any credit to WCCTAC prior to awarding the credit.

An applicant may receive reimbursement from STMP fees paid by other development projects to the extent that the amount of the credit is greater than the STMP fee obligation of the development project. The award of any credit or reimbursement by the City must be preapproved by the WCCTAC Board; in making that decision, the Board will take into consideration criteria and metrics related to funding availability and project prioritization that they use in making other STMP funding decisions.

- F. The fees specified herein shall be made a condition of approval of all tentative and final subdivision maps. The fees shall be collected at the time of the issuance of any building permit.
 - G. The STMP fees specified above shall be collected for projects in the entire City.
 - H. Fees paid pursuant to this Chapter shall be deposited in a separate segregated interest-bearing account, and together with any interest accumulated on amounts on deposit, shall be remitted on a quarterly basis along with the required Quarterly Report to WCCTAC or its designee, to be placed in a fund to be used solely for the purposes described in this Chapter and in the Master Cooperative Agreement. Any interest accumulated on such funds shall also be used only for the purposes specified in this Chapter.
 - I. The fees will be used for, but are not limited to, the administration of the STMP, planning, environmental documentation, design, acquisition of right-of-way, and construction of the projects.
 - J. Effective July 1, 2020 and on each subsequent anniversary date of such date, the amount of each of the developer fees, set forth in Section 10-17.104A above, shall increase or decrease by the annual percentage change in the Engineering News Record Construction Cost Index for the San Francisco Bay Area for the for the twelve month period ending with the February index of the same calendar year. The percentage change will be calculated by WCCTAC, which will notify all signatories to the Cooperative Agreement of the change.
 - K. Pursuant to Government Code section 66001(d), after the fifth fiscal year following the first deposit of 2019 STMP revenues and every five (5) years thereafter, WCCTAC shall make all required findings with respect to that portion of the fee account or fund remaining unexpended, whether committed or uncommitted. Such findings shall be made in connection with the release of public information required by Government Code section 66006(b).
 - L. Pursuant to Government Code Section 66006, as specified, WCCTAC shall submit a public report to the WCCTAC Board on an annual basis, identifying the amount of fee revenues collected and other statutorily required information, which will also be shared with Agencies' City Managers/County Administrator.
 - M. An applicant may appeal the determination of the amount of the STMP fee due, and such appeal shall be made in writing to WCCTAC with supporting documentation. The WCCTAC Board shall consider the appeal at a regularly scheduled meeting, and shall make a decision on the appeal. The decision of the WCCTAC Board is final.
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10-17.105 — PROJECT DESCRIPTIONS, FUNDING COMMITMENTS, AND ELIGIBLE COSTS, AND IMPLEMENTATION SCHEDULE

- A. List of Projects. The 2019 STMP Nexus Study fees provided for in this chapter shall be used exclusively for the following summary of projects (note that more detailed project descriptions can be found in the 2019 STMP Nexus Study report):
1. **San Pablo Avenue Complete Streets Projects** – Transit, bicycle, and pedestrian improvements along several segments of San Pablo Avenue.
 2. **Appian Way Complete Streets Project** – Pedestrian, bicycle, and transit access improvements along Appian Way in El Sobrante and in City of Pinole.
 3. **San Pablo Dam Road Improvements** – Multimodal access improvements along San Pablo Dam Road through downtown El Sobrante.
 4. **Bay Trail Gap Closure** – Improve transit access by closing three key Bay Trail gaps: along Goodrick Avenue in Richmond, between Bayfront Park and Pinole Creek in Pinole, and between Atlas Road and Cypress Avenue in unincorporated Contra Costa County.
 5. **Ohlone Greenway Improvements** – Crossing, wayfinding, signing, lighting, safety, access and landscaping improvements along Ohlone Greenway.
 6. **I-580/Harbor Way Interchange Improvements** – Improve pedestrian and bicycle access across interchange, to serve movements between waterfront/ferry terminal and central Richmond.
 7. **I-580/Marina Bay Parkway Interchange Improvements** – Improve pedestrian and bicycle access across interchange, to serve movements between waterfront and downtown Richmond.
 8. **Richmond Ferry to Bridge Bicycle Improvements** – Improve bicycle access between Richmond Ferry Terminal and Bay Trail near Richmond-San Rafael Bridge.
 9. **I-80 Express Bus** – Capital Improvements associated with implementing I-80 Express Bus service between Hercules and Oakland/Emeryville/Berkeley/San Francisco, with possible intermediate stops.
 10. **Hercules Regional Intermodal Transportation Center** – Complete construction of new Capitol Corridor train stop, with associated track improvements, parking and access facilities.
 11. **BART Extension from Richmond Station (Planning and Conceptual Engineering Phases)** – Planning, conceptual engineering and/or program level environmental clearance phases of potential BART extension to Contra Costa College/City of San Pablo.

12. **San Pablo Avenue Transit Corridor Improvements** – Extension and improvement of bus rapid transit (BRT) and/or rapid bus service along San Pablo Avenue through West County, with stops including Richmond Parkway Transit Center and Hercules Transit Center.
 13. **23rd Street Transit Corridor Improvements** – Provision of bus rapid transit (BRT) and/or rapid bus service along 23rd Street from Richmond Ferry Terminal/UC Berkeley Richmond Field Station to Richmond BART, to Contra Costa College, and potentially to Hilltop Mall.
 14. **West County BART Station Access and Parking Improvements** – Station modernization and capacity enhancements, parking, and access improvements at El Cerrito Plaza, El Cerrito del Norte, and Richmond BART stations, and Richmond Crossover Project to allow increased frequency along Richmond line.
 15. **Del Norte Area TOD Public Infrastructure Improvements** – Parking facilities, bicycle, pedestrian, and/or bus transit access improvements, signage, lighting, improvements to station access or station waiting areas, ADA improvements, improvements to adjacent streets, street crossings, or signals, and/or Ohlone Greenway improvements.
 16. **San Pablo Avenue Intersection Realignment** – Intersection reconfiguration, potential signal modifications to accommodate pedestrian, bicycle, and bus rapid transit (BRT) access at intersection of San Pablo Avenue, 23rd Street, and Road 20.
 17. **I-80/San Pablo Dam Road Interchange Improvements, Phase 2** – Interchange reconstruction, new bridge over Wildcat Creek, and improved bicycle and pedestrian facilities.
 18. **I-80/Central Avenue Interchange Improvements, Phase 2** – Increase intersection spacing to increase vehicle capacity, connect Pierce Street and San Mateo Street, convert Pierce Street access at Central Avenue to right-in/right-out and improve multimodal access.
 19. **I-80/Pinole Valley Road Interchange Improvements** – Improve merge from eastbound on-ramp to I-80, widen ramp terminal intersections, and make pedestrian crossing improvements.
 20. **Future Nexus Study Updates** – Two comprehensive nexus studies and fee updates, over the 22-year planning horizon of the 2019 STMP fee.
-

- B. Funding Commitments and Eligible Costs. Program revenues shall be available for project costs through completion of construction. Costs include, but are not limited to, environmental clearance, conceptual engineering, traffic studies, design, right-of-way acquisition, utility relocation, and costs of construction. Actual funding commitments will depend upon STMP fee revenues collected and project priorities as determined by WCCTAC.

Administrative costs for WCCTAC shall not exceed four percent (4%) of the STMP fee revenues collected under the Master Cooperative Agreement.

- C. Implementation Schedule. WCCTAC, the project sponsors and co-sponsors, shall work to promote steady progress on all of the projects, to the extent that funding and project readiness permit.

SECTION II– NOTICE AND HEARINGS

This Ordinance was adopted pursuant to the procedures established by state law, and all required notices have been given, and the public hearing has been properly held and conducted.

SECTION III – EFFECTIVE DATE

This Ordinance shall take effect and be enforced sixty (60) days after the date of its adoption, and prior to the expiration of fifteen (15) days from the passage thereof, the ordinance shall be published as required by law, and thereafter the same shall be in full force and effect.

SECTION IV – SEVERABILITY

If any section, subsection, sentence, clause or phrase or word of this ordinance is for any reason held to be unconstitutional, unlawful or otherwise invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City hereby declares that it would have passed and adopted this ordinance and each and all provisions thereof irrespective of the fact that any one or more of said provisions be declared unconstitutional, unlawful or otherwise invalid.

First read at a regular meeting of the Hercules City Council on the 9th day of April, 2019, and passed and adopted at a regular meeting of the Hercules City Council held on the _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

Dan Romero, Mayor

ATTEST:

Lori Martin, City Clerk and Administrative Services Director

Exhibit A: 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee (December 2018), accepted by WCCTAC Board on December 14, 2018.
Exhibit B: 2019 STMP Fee Administrative Guidelines

RESOLUTION NO. 19-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES AUTHORIZING THE CITY MANAGER, CITY CLERK, AND CITY ATTORNEY TO SIGN THE NEW MASTER COOPERATIVE AGREEMENT WITH WCCTAC AND AMEND THE CITY'S MASTER FEE SCHEDULE TO ACCOUNT FOR THE 2019 UPDATE TO THE SUBREGIONAL TRANSPORTATION MITIGATION FEE PROGRAM (STMP)

WHEREAS, the West Contra Costa Transportation Advisory Committee ("WCCTAC") is a joint exercise of powers authority (JPA) formed in 1990 pursuant to Government Code Section 6500, et. Seq. by and between the City of El Cerrito, the City of Hercules, the City of Pinole, the City of Richmond, the City of San Pablo, Contra Costa County, Alameda-Contra Costa Transit District ("AC Transit"), San Francisco Bay Area Rapid Transit ("BART"), and West Contra Costa Transit Authority ("WestCAT"); and

WHEREAS, the Mitigation Fee Act allows for fees to be charged to new development to offset the impacts generated by the new development; and

WHEREAS, Measure C and its successor Measure J both included a Growth Management Plan which require local jurisdictions to develop a program of regional traffic mitigation fees, assessments, or other mitigations, as appropriate, to fund regional and subregional transportation projects; and

WHEREAS, WCCTAC first implemented a transportation impact fee via the Subregional Transportation Mitigation Fee Program (STMP) in 1997, the purposes of which is to mitigate the impacts of new trips generated by new development; and

WHEREAS, the last update to the STMP program was in 2006; and

WHEREAS, WCCTAC retained Fehr and Peers to conduct a new nexus study regarding an update to the STMP impact fee; and

WHEREAS, the WCCTAC Board accepted the Final Report of the 2019 Nexus Update of the STMP impact fee ("Nexus Update") at its December 14, 2018 meeting; and

WHEREAS, the WCCTAC Board passed Resolution 19-02 at their January 25, 2019 meeting authorizing the WCCTAC Board Chair to sign the Master Cooperative Agreement for the 2019 Update to the Subregional Transportation Mitigation Fee Program (STMP) (which no longer includes CCTA) and then a transmittal letter has asked that the other five West County cities and the County each sign on to the new Master Cooperative Agreement; and

WHEREAS, the cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo and the County of Contra Costa, as well as WCCTAC, have developed a Master Cooperative Agreement for the 2019 STMP Program, attached hereto as Exhibit A, that outlines the roles and

responsibilities of the Parties relative to the administrative, fiscal, and project management of the STMP impact fee program; and

WHEREAS, in 2006 the City adopted implementing Ordinance 417 and entered into a Master Cooperative Agreement with the Contra Costa Transportation Authority (CCTA), the City of Hercules, and the Cities of El Cerrito, Pinole, Richmond, and San Pablo, and the County of Contra Costa and the West Contra Costa Transportation Advisory Committee (WCCTAC) to implement the 2006 Subregional Transportation Mitigation Program (STMP) impact fee; and

WHEREAS, in order to implement the updated STMP program, each city and the County will again need to adopt a new ordinance and sign the new Master Cooperative Agreement; and

WHEREAS, the members of WCCTAC wish to update the Ordinances (which will be considered as a separate action) and Master Cooperative Agreement that support the STMP impact fee program; and

WHEREAS, on February 26, 2019 the City Council held a required public hearing (with two notices being published in the local newspaper 10 and 5 days prior and sent out to requesting parties and current developers notifications 14 days in advance) as required by Government Code section 6062a prior to considering new impact fees; and

WHEREAS, the City Council reviewed the City STMP staff report, 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) with data and findings required by California Government Code Section 66016, STMP Administrative Guidelines, a new Master Cooperative Agreement, this Resolution and a draft Ordinance amending the Hercules Municipal Code Title 10, Chapter 17 for the STMP, and took public testimony and continued the public hearing; and

WHEREAS, on April 9, 2019 the City Council held the continued public hearing to take further public input and consider adopting the new impact fees; and

WHEREAS, the West Contra Costa Subregional Transportation Mitigation Program (STMP) impact fees are proposed as follows (representing the WCCTAC Board recommendation of 75% of WCCTAC maximum potential fee for all uses as stated in the 2019 Nexus Update of the STMP Final Report and the Master Cooperative Agreement):

Single Family (per unit)	\$5,439
Multi Family (per unit)	\$2,679
Office (per sq ft)	\$8.72
Retail (per sq ft)	\$6.59
Industrial (per sq ft)	\$5.56
Senior Housing (per unit)	\$1,469
Hotel (per room)	\$3,481
Storage Facility	\$0.76
Other (AM peak hour trip)	\$7,350

WHEREAS, adoption and approval of the STMP fee are also exempt from CEQA pursuant to Public Resources Code 21080(b)(8)(D) and 14 California Code Red 15273(a), since they constitute the modification, restructuring or approval of a fee or charge needed to obtain funds for capital project that are necessary only to maintain service within existing service areas with the City pursuant to the findings set forth in the 2019 Nexus Update of the STMP.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules that the City Council hereby:

- 1) Authorizes the City Manager, City Clerk, and City Attorney to enter into the new Master Cooperative Agreement in substantively the same format as the attached by and among the Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, the County of Contra Costa and the West Contra Costa Transportation Advisory Committee for the 2019 Subregional Transportation Mitigation Fee Program.
- 2) Amends the City's existing Master Fee Schedule, approving updates to the Community Development Department section related to the West County Subregional Transportation Mitigation Fee Program (STMP), as listed above, contingent upon the full passage of companion Ordinance _____ introduced on April 9, 2019 and anticipated to be passed April 23, 2019 to become effective by July 1, 2019.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the ninth day of April 2019, by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Romero, Mayor

ATTEST:

Lori Martin, Administrative Services Director &
City Clerk

ATTACHMENT:

Master Cooperative Agreement with WCCTAC

- Exhibit A: 2019 Nexus Update of the SUBREGIONAL Transportation Mitigation Program (STMP) Impact Fee
- Exhibit B: STMP Administrative Guidelines (amendable by the WCCTAC Executive Director in consultation with the WCCTAC TAC)

**MASTER COOPERATIVE AGREEMENT
BY AND AMONG THE CITIES OF EL CERRITO, HERCULES, PINOLE,
RICHMOND, AND SAN PABLO, THE COUNTY OF CONTRA COSTA
AND THE WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
FOR THE 2019 SUBREGIONAL TRANSPORTATION MITIGATION FEE PROGRAM**

This AGREEMENT is made and entered into as of this _____ day of _____, 2019, by and between the cities of El Cerrito, Hercules, Pinole, Richmond, San Pablo, and the County of Contra Costa, collectively referred to herein as AGENCIES; and individually as an AGENCY, and the West Contra Costa Transportation Advisory Committee, a Joint Exercise of Powers Agency organized pursuant to a Joint Exercise of Powers Agreement among the cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, the County of Contra Costa, and the transit agencies AC Transit, Bay Area Rapid Transit District, and Western Contra Costa Transit Authority, hereinafter referred to as WCCTAC. The AGENCIES, and WCCTAC shall sometimes be referred to collectively herein as the “Parties” and individually as a “Party”.

RECITALS

WHEREAS, AGENCIES, and WCCTAC, pursuant to the Contra Costa Transportation Improvement and Growth Management Expenditure Plan and Ordinance (referred to herein as “Measure C”) adopted and approved by the voters in 1988, and pursuant to the extension of the transportation sales tax (referred to herein as “Measure J”) adopted and approved by the voters in November 2004, hereby desire to enter into a Cooperative Agreement for transportation improvements in West Contra Costa County to be funded in whole or in part by developer fees collected under the West County Subregional Transportation Mitigation Program (“STMP”). The 2019 program (the “2019 STMP”) is intended to update the STMP adopted in 2006 (the “2006 STMP”). The transition from the 2006 STMP to the 2019 STMP is outlined herein. This Agreement shall terminate and replace the prior Master Cooperative Agreement Between Contra Costa Transportation Authority, the Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, the County of Contra Costa and the West Contra Costa Transportation Advisory Committee, dated June 13, 2006; and

WHEREAS, the WCCTAC Joint Exercise of Powers Agreement describes the objective of protecting and advancing the interests of West Contra Costa County communities with regard to transportation issues and the utilization of Measure C and Measure J funds, and explicitly designates WCCTAC to oversee the STMP; and

WHEREAS, each AGENCY by local ordinance or resolution, enacted the 2006 STMP, which levies a fee on new development to mitigate the impacts of new trips generated by that development in conformity with the Mitigation Fee Act (Gov. Code §§ 66000 et seq., referred to herein as the “Act”); and

WHEREAS, fees from the 2006 STMP partially funded eleven regional transportation projects which are listed in the Fee Program Background section of the adopted 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee report; and

WHEREAS, fees from the 2019 STMP are proposed to partially fund twenty (20) regional transportation projects, as more particularly described herein (collectively referred to herein as the “Projects” and individually as a “Project”); and

WHEREAS, the conclusions of the nexus study, in conformity with Government Code section 66000 et seq. can be found in the 2019 Nexus Update of the STMP Impact Fee report which is attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, this Agreement outlines the roles and responsibilities of the Parties relative to the administrative, fiscal, and project management of the 2019 STMP projects; and

WHEREAS, WCCTAC is the primary responsible entity for the program, and will coordinate and administer the STMP expenditures, the priority for fee disbursements, and provide general management of the STMP consistent with its mission; and

WHEREAS, WCCTAC has evaluated the components of the 2019 STMP and finds that the establishment, imposition, collection, transfer and use of development fees for the purposes and Projects described herein are necessary to mitigate traffic impacts caused by new development and authorized by all applicable legal authorities;

NOW, THEREFORE, in consideration of the foregoing, the Parties hereby agree as follows:

A. PURPOSE

The purpose of this Agreement is to formalize the institutional arrangements for the collection, oversight, and expenditure of the 2019 STMP fees and the close out of the 2006 STMP program.

B. LIST OF PROJECTS

Fees from the 2019 STMP are proposed to partially fund the Projects identified in this Paragraph B, as more particularly described in the 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee report. Each Project shall have one or more designated project sponsors (each a “**Project Sponsor**”). A Project Sponsor may be an AGENCY, WCCTAC or another governmental agency. WCCTAC will enter into a funding agreement with each Project Sponsor as part of funding of each Project, and such funding agreement shall set forth the duties and responsibilities of the Project Sponsor. The Project Sponsor(s) for each Project are listed in parenthesis below after the description of each Project.

1. **San Pablo Avenue Complete Streets Projects** – Transit, bicycle, and pedestrian improvements along several segments of San Pablo Avenue.
(*WCCTAC Cities/Contra Costa County*);
2. **Appian Way Complete Streets Project** – Pedestrian, bicycle, and transit access improvements along Appian Way in El Sobrante and in City of Pinole.
(*Contra Costa County; City of Pinole*);

3. **San Pablo Dam Road Improvements** – Multimodal access improvements along San Pablo Dam Road through downtown El Sobrante. (*Contra Costa County*);
4. **Bay Trail Gap Closure** – Improve transit access by closing three key Bay Trail gaps: along Goodrick Avenue in Richmond, between Bayfront Park and Pinole Creek in Pinole, and between Atlas Road and Cypress Avenue in unincorporated Contra Costa County. (*East Bay Regional Park District, Contra Costa County, Cities of Richmond and Pinole*);
5. **Ohlone Greenway Improvements** – Crossing, wayfinding, signing, lighting, safety, access and landscaping improvements along Ohlone Greenway. (*City of El Cerrito*);
6. **I-580/Harbor Way Interchange Improvements** – Improve pedestrian and bicycle access across interchange, to serve movements between waterfront/ferry terminal and central Richmond. (*City of Richmond*);
7. **I-580/Marina Bay Parkway Interchange Improvements** – Improve pedestrian and bicycle access across interchange, to serve movements between waterfront and downtown Richmond. (*City of Richmond*);
8. **Richmond Ferry to Bridge Bicycle Improvements** – Improve bicycle access between Richmond Ferry Terminal and Bay Trail near Richmond-San Rafael Bridge. (*City of Richmond*);
9. **I-80 Express Bus** – Capital improvements associated with implementing I-80 Express Bus service between Hercules and Oakland/Emeryville/Berkeley/San Francisco, with possible intermediate stops. (*WCCTAC, WestCAT and AC Transit*);
10. **Hercules Regional Intermodal Transportation Center** – Complete construction of new Capitol Corridor train stop, with associated track improvements, parking and access facilities. (*City of Hercules*);
11. **BART Extension from Richmond Station (Planning and Conceptual Engineering Phases)** – Planning, conceptual engineering and/or program level environmental clearance phases of potential BART extension to Contra Costa College/City of San Pablo. (*WCCTAC, City of San Pablo, BART*);
12. **San Pablo Avenue Transit Corridor Improvements** – Extension and improvement of bus rapid transit (BRT) and/or rapid bus service along San Pablo Avenue through West County, with stops including Richmond Parkway Transit Center and Hercules Transit Center. (*WCCTAC Cities/Contra Costa County*);

13. **23rd Street Transit Corridor Improvements** – Provision of bus rapid transit (BRT) and/or rapid bus service along 23rd Street from Richmond Ferry Terminal/UC Berkeley Richmond Field Station to Richmond BART, to Contra Costa College, and potentially to Hilltop Mall. (*Cities of Richmond and San Pablo*);
14. **West County BART Station Access and Parking Improvements** – Station modernization and capacity enhancements, parking, and access improvements at El Cerrito Plaza, El Cerrito del Norte, and Richmond BART stations, and Richmond Crossover Project to allow increased frequency along Richmond line. (*BART, WCCTAC*);
15. **Del Norte Area TOD Public Infrastructure Improvements** – Parking facilities, bicycle, pedestrian, and/or bus transit access improvements, signage, lighting, improvements to station access or station waiting areas, ADA improvements, improvements to adjacent streets, street crossings, or signals, and/or Ohlone Greenway improvements. (*BART, Cities of El Cerrito and Richmond*);
16. **San Pablo Avenue Intersection Realignment** – Intersection reconfiguration, potential signal modifications to accommodate pedestrian, bicycle, and bus rapid transit (BRT) access at intersection of San Pablo Avenue, 23rd Street, and Road 20. (*City of San Pablo*);
17. **I-80/San Pablo Dam Road Interchange Improvements, Phase 2** – Interchange reconstruction, new bridge over Wildcat Creek, and improved bicycle and pedestrian facilities. (*CCTA*);
18. **I-80/Central Avenue Interchange Improvements, Phase 2** – Increase intersection spacing to increase vehicle capacity, connect Pierce Street and San Mateo Street, convert Pierce Street access at Central Avenue to right-in/right-out and improve multimodal access. (*CCTA*);
19. **I-80/Pinole Valley Road Interchange Improvements** – Improve merge from eastbound on-ramp to I-80, widen ramp terminal intersections, and make pedestrian crossing improvements. (*CCTA, City of Pinole*); and
20. **Future Nexus Study Updates** – Two comprehensive nexus studies and fee updates over the 22-year planning horizon of the 2019 STMP Fee. (*WCCTAC*).

C. CLOSE-OUT OF FEE COLLECTION AND EXPENDITURE FROM THE 2006 STMP

Fees will no longer be collected for the eleven projects from the 2006 STMP as of the Effective Date. All fees collected and unspent for these projects as of the Effective Date shall be used for Projects that are the same as or substantially similar to a project from the 2006 STMP, in order to further the purposes for which the 2006 STMP was adopted.

Any fees collected and unspent from the 2006 STMP that are not able to be used in this manner, shall be refunded or used in accordance with Government Code section 66001(e)&(f).

D. FEES

1. Imposition of the Fees. In order to fund the 2019 STMP, AGENCIES shall consider the adoption, by ordinance or resolution, the following developer fees, to be payable at the time of issuance of building permits:

<u>LAND USE</u>	<u>FEE</u>
Single-Family Residential	\$5,439/DU*
Multi-Family Residential	\$2,679/DU
Senior Housing	\$1,469/DU
Hotel	\$3,481/Room
Retail/Service	\$6.59/SF**
Office	\$8.72/SF
Industrial	\$5.56/SF
Storage Facility	\$0.76/SF
Other	\$7,350 per AM peak hour trip

*DU = Dwelling Unit

**SF = Square Foot

AGENCY is responsible for determining the appropriate land use category and fee amount to apply to specific development projects being considered by their jurisdiction. AGENCY will refer to the STMP Administrative Guidelines for guidance on how to apply these land use categories to development projects.

2. Administrative Fee.

In addition to the STMP fee imposed by section D.1 above, each AGENCY may impose an administrative fee payable to the AGENCY at the time of issuance of a building permit. The administrative fee shall be no greater than the cost incurred by the AGENCY to adopt the ordinance or resolution establishing the 2019 STMP and to collect, report, and transmit appropriate reports and funds to WCCTAC. Any administrative fee applied by AGENCY shall be kept separate from the STMP funds.

3. Tribal Gaming Facility Developments.

The Parties agree that a tribal gaming facility's subregional traffic impacts should be mitigated and that WCCTAC shall be included in any evaluation and determination of such impacts and their mitigation. Monies to pay for mitigation of such subregional impacts may be governed by a tribal-state compact or a tribal-local agency agreement. The collection of any such monies shall be subject to

applicable state and federal law, including but not limited to the Indian Gaming and Regulatory Act, 25 U.S.C. §§ 2701-2721.

4. Transfer of the Fees.

No more than thirty (30) days following the close of each calendar quarter ending after the Effective Date, all STMP fee revenue collected by an AGENCY, and any interest accrued on such revenue, not including any AGENCY administrative fee pursuant to Section D.2, will be transferred by the AGENCY to WCCTAC with a brief Quarterly Report that identifies each development project subject to STMP, and the revenue collected for the development during the reporting period. WCCTAC shall deposit the funds into a separate interest-bearing capital facilities account for the STMP revenues to be used solely for the purposes described herein, and in the fee resolutions or ordinances adopted by the AGENCIES pursuant to this Agreement. The revenues, including any accrued interest from the account, will be disbursed and expended only for the twenty projects identified in Section B above.

5. Reports.

Pursuant to Government Code section 66006(b)(1), within 150 days after the end of each fiscal year, WCCTAC, in cooperation with the Project Sponsors, shall make available to the public and to AGENCIES a status report on the progress attained and costs incurred to date on each Project in the 2019 STMP, including but not limited to:

- i. A brief description of the type of fee in the account or fund.
- ii. The amount of the fee.
- iii. The beginning and ending balance of the account or fund.
- iv. The amount of the fees collected and the interest earned.
- v. An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- vi. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001 of the Government Code, and the public improvement remains incomplete.
- vii. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned

fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

- viii. The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

6. Report Reviews.

Pursuant to Government Code section 66006(b)(2), the WCCTAC Board shall review the information contained in the report referenced in Section D.5 of this Agreement at the next regularly-scheduled public meeting not less than fifteen (15) days after this information is made available to the public. Thereafter, such report and any comments or amendments made by the WCCTAC Board, shall be forward to the AGENCIES.

7. Periodic Findings.

After the fifth fiscal year following the first deposit of 2019 STMP revenues and every five (5) years thereafter, WCCTAC shall make all findings required by Government Code section 66001(d). Such findings shall be made in connection with the release of public information required by Government Code section 66006(b) and Section D.6 of this Agreement.

8. Annual Fee Adjustments.

A provision shall be included in the fee resolutions or ordinances adopted by AGENCIES pursuant to this Agreement, requiring automatic annual fee increases or decreases, effective July 1 of each year after 2019, based on the annual percentage change in the Engineering News-Record Construction Cost Index for the San Francisco Bay Area for the 12-month period ending with the February index of the same calendar year. WCCTAC will calculate the annual percentage increase in the STMP fee and notify all AGENCIES of this change. Each AGENCY shall be responsible for implementing this annual change in the STMP Fee.

9. Exemptions and Waivers.

No exemptions for any development subject to the 2019 STMP Fee shall be allowed without pre-approval of WCCTAC except as described in the STMP Administrative Guidelines. Developments may be exempted from the 2019 STMP and the development fees pursuant thereto to the extent allowed by law, and any such exemption shall be reported to WCCTAC.

10. Credits and Reimbursements.

An applicant may receive credit against fees for the dedication of land for right-of-way and/or construction of improvements for specific 2019 STMP projects,

where such right-of-way or construction is beyond that which would otherwise be required for approval of the proposed development. The calculation of the amount of credit against fees for 2019 STMP dedications or improvements shall be based upon a determination by AGENCY that such credits are, in fact, exclusive of the dedications, setbacks, improvements, and/or traffic mitigation measures which are required by local ordinance, standards, or other practice. In addition, the credit shall be calculated based upon the actual cost of construction of improvements or, in the case of land dedication, on an independent appraisal approved by the AGENCY. AGENCY must report any credit to WCCTAC prior to awarding the credit.

An applicant may receive reimbursement from STMP fees paid by other development projects to the extent that the amount of the credit is greater than the STMP fee obligation of the development project. The award of any reimbursement by AGENCY must be preapproved by the WCCTAC Board; in making that decision, the Board will take into consideration criteria and metrics related to funding availability and project prioritization that they use in making other STMP funding decisions.

11. Appeals.

Should an applicant or AGENCY seek an appeal of the fee due, the appeal shall be made in writing to WCCTAC with supporting documentation. The WCCTAC Board shall consider the appeal at a regularly scheduled meeting, and shall make a decision on the appeal. The decision of the WCCTAC Board is final.

12. Verification.

In addition to the quarterly reporting form submitted by the local jurisdictions, WCCTAC in conjunction with the AGENCIES may undertake steps to verify AGENCIES compliance with the 2019 STMP Program. This may include periodic reports to the WCCTAC Board and City/County Managers about compliance with reporting requirements, and/or requesting information on building permits issued to compare with the information contained in the quarterly reporting form.

13. STMP Administrative Guidelines

WCCTAC has adopted administrative guidelines to assist WCCTAC and Agency staff with implementation of the STMP Fee, and provide additional detail not included in this Agreement. The STMP Administrative Guidelines are attached hereto as Exhibit B, and incorporated herein. The Parties understand and agree that the STMP Administrative Guidelines may be changed from time to time in the sole discretion of the WCCTAC Executive Director, as long as such changes do not conflict with this Agreement or applicable law. Prior to adopting any changes to the STMP Administrative Guidelines, the Executive Director shall submit the proposed changes to the WCCTAC Technical Advisory Committee for

review. Upon a change in the STMP Administrative Guidelines, WCCTAC will provide copies of the revised STMP Administrative Guidelines to all Agencies.

E. FUNDING AND ELIGIBLE COSTS

1. Use of Fees.

Fee revenues shall be available for Project costs through completion of construction. Costs include, but are not limited to, environmental clearance, conceptual planning and engineering, traffic studies, design, right-of-way acquisition, utility relocation, and costs of construction. Funding amounts are in 2018 dollars and actual funding commitments will depend upon the 2019 STMP fee revenues collected by the AGENCIES. Eligible Project costs will be determined by WCCTAC consistent with applicable law, in WCCTAC's sole discretion. Project costs will be reimbursed pursuant to procedures determined by WCCTAC.

2. STMP Projects and Nexus Amounts.

The table below shows the maximum potential nexus amount for each project, as determined in the 2019 Nexus Update of the STMP Impact Fee report. The fees shown in Section D.1. of this Agreement are lower than the maximum potential STMP fees determined in the 2019 Nexus Update; therefore, the actual amount of future STMP funding that may be awarded to each project is likely to be less than the maximum potential amount.

ID	Project Name	Maximum Potential STMP Amount	Possible STMP Amount Based on Fees in Section D.1.
1	San Pablo Avenue Complete Streets Projects	\$9,672,000	\$7,254,000
2	Appian Way Complete Streets Project	\$4,429,000	\$3,322,000
3	San Pablo Dam Road Improvements in El Sobrante	\$1,980,000	\$1,485,000
4	Bay Trail Gap Closure	\$2,333,000	\$1,750,000
5	Ohlone Greenway Improvements	\$579,000	\$434,000
6	I-580/Harbour Way Interchange Pedestrian & Bicycle Access Improvements	\$156,000	\$117,000
7	I-580/Marina Bay Parkway Interchange Pedestrian & Bicycle Access Improvements	\$197,000	\$148,000
8	Richmond Ferry to Bridge Bicycle Network Improvements	\$2,450,000	\$1,837,000
9	I-80 Express Bus Service	\$20,749,000	\$15,562,000

ID	Project Name	Maximum Potential STMP Amount	Possible STMP Amount Based on Fees in Section D.1.
10	Hercules Regional Intermodal Transportation Center	\$10,175,000	\$7,631,000
11	BART Extension from Richmond Station	\$2,793,000	\$2,095,000
12	San Pablo Avenue Transit Corridor Improvements	\$36,509,000	\$27,382,000
13	23rd Street Transit Corridor Improvements	\$23,142,000	\$17,356,000
14	West County BART Station Access, Parking & Capacity Improvements	\$16,896,000	\$12,672,000
15	Del Norte Area TOD Public Infrastructure Improvements	\$7,175,000	\$5,381,000
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	\$1,814,000	\$1,360,000
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	\$16,110,000	\$12,082,000
18	I-80/Central Avenue Interchange Improvements (Phase 2)	\$2,588,000	\$1,941,000
19	I-80/Pinole Valley Road Interchange Improvements	\$1,534,000	\$1,150,000
20	Future Nexus Study Updates	\$500,000	\$375,000
Totals		\$161,781,000	\$121,334,000

Note: The fees shown in Section D.1. have been set at 75% of the maximum potential STMP fee determined in the 2019 Nexus Update report. Therefore, the values shown in this table as the Possible STMP Amount Based on Fees in Section D.1. are 75% of the Maximum Potential STMP Amount.

F. PROJECT IMPLEMENTATION

WCCTAC and AGENCIES will work to promote steady progress on all Projects, to the extent that funding and Project readiness permit.

G. ADMINISTRATIVE OVERSIGHT AND COST RECOVERY

1. The following parties shall be entitled to recover the following costs and expenses:
 - i. WCCTAC. WCCTAC is entitled to recovery of reasonable administrative costs and expenses actually incurred, not to exceed 4% of the STMP fees collected under this Agreement to provide the 2019 STMP services relating to or incurred in the performance of the following duties: coordination, administration and oversight of Project expenditures; determination of the priority of fee disbursements; provision of general management of the Projects; provision of financial and accounting

services, including but not limited to serving as the repository of the STMP fee revenues and other funds collected under this Agreement and preparation of quarterly reports with the amount of fee revenues collected and the distribution of fees to the Projects.

- ii. AGENCIES. In addition to the STMP fee imposed by section D.1 above, each AGENCY may impose an administrative fee payable to the AGENCY at the time of issuance of a building permit as set forth in Section D.2. The administrative fee shall be no greater than the cost incurred by the AGENCY to adopt the ordinance or resolution establishing the 2019 STMP and cost to collect, report, and transmit appropriate reports and funds to WCCTAC.

H. TERM

The term of this Agreement shall commence on July 1, 2019, (the “Effective Date”) and shall terminate on December 31, 2040, unless terminated earlier in accordance with the terms of this Agreement.

I. TERMINATION

This Agreement will remain in effect until the termination date stated in Section H. above, unless terminated earlier by written agreement of the Parties. However, in no event shall the Parties to this Agreement terminate this Agreement if such a termination would conflict with, cause a default under or otherwise violate the terms or conditions of any revenue bonds.

J. INDEMNIFICATION

1. WCCTAC shall defend, indemnify, save and hold harmless the Cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with an act or failure to act under this Agreement, or breach of any term of this Agreement, by WCCTAC, except to the extent such claims, costs or liability arise from the negligence of El Cerrito, Hercules, Pinole, Richmond, San Pablo, Contra Costa County or their officers, agents or employees.
2. El Cerrito shall defend, indemnify, save and hold harmless WCCTAC; the cities of Hercules, Pinole, Richmond and San Pablo; and the County of Contra Costa; and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by El Cerrito, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, Hercules, Pinole, Richmond, San Pablo, Contra Costa County or their officers, agents or employees.

3. Hercules shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Pinole, Richmond and San Pablo; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by Hercules, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Pinole, Richmond, San Pablo, Contra Costa County or their officers, agents or employees.
4. Pinole shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Hercules, Richmond and San Pablo; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by Pinole, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Hercules, Richmond, San Pablo, Contra Costa County or their officers, agents or employees.
5. Richmond shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Hercules, Pinole and San Pablo; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by Richmond, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Hercules, Pinole, San Pablo, Contra Costa County or their officers, agents or employees.
6. San Pablo shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Hercules, Pinole and Richmond; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by San Pablo, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Hercules, Pinole, Richmond, Contra Costa County or their officers, agents or employees.
7. Contra Costa County shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo and their officers, agents or employees from any and all claims costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by Contra Costa County, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Hercules, Pinole, Richmond, San Pablo, or their officers, agents or employees.

K. PRIMACY OF THE DOCUMENTS

If a dispute arises, the terms of this Agreement shall take precedence over the WCCTAC Joint Exercise of Powers Agreement (“JEPA”) and /or the model Ordinance Establishing the 2019 West Contra Costa Subregional Transportation Mitigation Program (“Ordinance”).

L. ALTERNATIVE DISPUTE RESOLUTION

1. In General. This Paragraph L. establishes the exclusive process by which disputes between or among the Parties to this Agreement concerning or relating to this Agreement shall be resolved. The dispute resolution process established herein shall apply to disputes related to the interpretation or enforcement of, or compliance with, the terms and provisions of this Agreement. Disputes that are not alleged to relate to the interpretation of, or compliance with, this Agreement are not subject to this dispute resolution process.
2. Informal Conferral. If a dispute arises as described above in Paragraph L.1., the parties to the dispute (the “Disputing Parties”) will first attempt to resolve it through informal discussions, which may include designated representatives of the staff of WCCTAC and AGENCIES, at their discretion. Disputing Parties will advise the other Parties of the existence of a dispute and coordinate the date, time and location of informal conferral. If that Informal Conferral is not successful, then the Executive Director, City Managers and County Administrator shall meet to attempt a resolution.
3. Mediation. In the event a dispute cannot be resolved through informal conferral within twenty-one (21) calendar days, the aggrieved Disputing Party, acting through its governing body, shall give written notice to all other Parties to this Agreement, setting forth the nature of and basis for the dispute and facts demonstrating that such Disputing Party is materially and adversely affected thereby. The Disputing Parties, acting through their designated representatives, including counsel, shall endeavor to settle the dispute by mediation. The Disputing Parties shall select a neutral third party with expertise in land use matters to mediate the dispute. The other Parties may, but are not required to, participate in the mediation.
4. Judicial Review. The dispute resolution process described above shall be undertaken in good faith and exhausted prior to resorting to judicial review; provided, however, that by agreeing to this dispute resolution process, no Party hereby loses or waives its right to sue under any applicable statute of limitations or loses or waives its right to assert the operation of any applicable statute of limitations as an affirmative defense. In the event that an applicable statute of limitations would run during the pendency of the dispute resolution process described above, the Disputing Parties shall agree in writing to toll such statute of limitations for such period as may reasonably be necessary to complete the dispute resolution process.

5. **Conduct of Judicial Review.** Should any Party to this Agreement ultimately seek judicial review of a dispute concerning or relating to the implementation, interpretation or enforcement of, or compliance with, the terms and provisions of this Agreement, all Parties will submit to the jurisdiction of a court of competent jurisdiction; provided, however, that the Parties shall cooperate in seeking the appointment of a neutral Judge as defined in California Code of Civil Procedure section 394 to sit in Contra Costa County Superior Court, to preside over any such dispute.
6. **Equitable Relief.** Because the amount of damages in the event of a breach of this Agreement may be difficult or impossible to determine, the obligations of the Parties to this Agreement shall be enforceable by specific performance or other equitable relief, in addition to any other available remedy.

M. NOTICES

Any notices which may be required under this Agreement shall be in writing, shall be effective upon receipt, and shall be given by personal service, by certified or registered mail, or by U.S. mail, to the City Clerks of the cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo; and to the Board Clerk for the County of Contra Costa, and to the individuals and addresses set forth below, or to such other addresses which may be specified in writing to the Parties.

To WCCTAC:
6333 Potrero Ave., Suite 100
El Cerrito, CA 94530
Attn: Executive Director

To City of El Cerrito:
10890 San Pablo Avenue
El Cerrito, CA 94530
Attn: City Clerk

To City of Hercules:
111 Civic Drive
Hercules, CA 94574
Attn: City Clerk

To City of Pinole:
2131 Pear Street
Pinole, CA 94564
Attn: City Clerk

To City of Richmond:
1401 Marina Way South
Richmond, CA 94804
Attn: City Clerk

To City of San Pablo:
13831 San Pablo Avenue
San Pablo, CA 94806
Attn: City Clerk

To County of Contra Costa:
651 Pine Street, 1st Floor
Martinez, CA 94553
Attn: Clerk of the Board of Supervisors

N. ADDITIONAL ACTS AND DOCUMENTS

Each Party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent, and purpose of the Agreement.

O. INTEGRATION

Except with respect to matters provided for in the JEPA and/or the Ordinance and subject to the primacy of this Agreement as provided in Paragraph K hereto, this Agreement represents the entire Agreement of the parties with respect to the subject matter hereof. No representation, warranties, inducements, or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

P. AMENDMENT

This Agreement may not be changed, modified, or rescinded except in a written instrument signed by all of the Parties. Any attempt at oral modification of this Agreement shall be void and of no effect.

Q. INDEPENDENT AGENCIES

The Parties are and at all times shall be considered entirely independent parties. The Parties will each act in an independent capacity and not as officers, employees or agents of the other. No Party shall have the right to control the other, except as expressly referenced in this Agreement. Nothing in this Agreement establishes, constitutes or shall be construed to establish or constitute a partnership, agency or employment relationship between the Parties.

R. ASSIGNMENT

The Agreement, and the rights, duties, and obligations of a Party hereunder, may not be assigned, transferred, hypothecated, or pledged by any Party without the express written consent of the other parties.

S. BINDING ON SUCCESSORS, ETC.

The Agreement shall be binding upon the successor(s), assignee(s), or transferee(s) of the AGENCIES, or WCCTAC as the case may be. This provision shall not be construed as an authorization to assign, transfer, hypothecate, or pledge this Agreement other than as provided above.

T. SEVERABILITY

Should any part of this Agreement be determined to be unenforceable, invalid, or beyond the authority of any Party to enter into or carry out, such determination shall not affect the validity of the remainder of this Agreement which shall continue in full force and

effect; provided that, the remainder of this Agreement can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.

U. HEADINGS; RECITALS

The headings of sections, paragraphs and subparagraphs of this Agreement are included for convenience only and shall not be deemed to constitute part of this Agreement or to affect its construction. The recitals are intended to be, and shall be deemed to constitute, part of this Agreement.

V. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and attested by their respective officers, duly authorized so to act, as of the date set forth in the first paragraph of this Agreement.

City of Pinole

City of San Pablo

Mayor / City Manager

Mayor / City Manager

ATTEST:

ATTEST:

Pinole City Clerk

San Pablo City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Pinole City Attorney

San Pablo City Attorney

County of Contra Costa

Chair, Board of Supervisors / County
Administrator

ATTEST: David Twa, Clerk of the Board of
Supervisors and County Administrator

Deputy

APPROVED AS TO FORM:
Sharon Anderson

County Counsel

**West Contra Costa Transportation
Advisory Committee**

Chair

ATTEST:

Board Clerk

APPROVED AS TO FORM:

WCCTAC Legal Counsel

City of Hercules

Mayor / City Manager

ATTEST:

Hercules City Clerk

APPROVED AS TO FORM:

Hercules City Attorney

City of El Cerrito

Mayor / City Manager

ATTEST:

El Cerrito City Clerk

APPROVED AS TO FORM:

El Cerrito City Attorney

City of Richmond

Mayor / City Manager
ATTEST:

Richmond City Clerk

APPROVED AS TO FORM:

Richmond City Attorney

3134047.1

- Exhibit A: 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee (December 2018), accepted by WCCTAC Board on December 14, 2018.
- Exhibit B: 2019 STMP Fee Administrative Guidelines



Prepared by

FEHR & PEERS

2201 Broadway
Suite 602
Oakland, CA 94612

December 2018

Final Report

2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee

Prepared for:
West Contra Costa Transportation
Advisory Committee (WCCTAC)

2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee – Final Report

Prepared for:
West Contra Costa Transportation Advisory Committee
(WCCTAC)

December 2018

OK17-0177

FEHR  PEERS

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1. Introduction

The West Contra Costa Transportation Advisory Committee (WCCTAC) is a regional planning agency charged with obtaining the funding for regional transportation improvement projects in West Contra Costa County. WCCTAC's jurisdiction encompasses the western portion of the County, including unincorporated areas as well as the Cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo.

WCCTAC first implemented a transportation impact fee via the Subregional Transportation Mitigation Program (STMP) in 1997. Impact fees are established under a state law known as Assembly Bill (AB) 1600, the Mitigation Fee Act. Fees charged pursuant to this legislation are used to build capital facilities needed to offset the impacts generated by new development. The STMP was designed to provide a contribution from new development toward a series of regional transportation improvements. WCCTAC conducted an update of the fee program in 2005 to help fund an expanded list of regional transportation improvements. Working with the member agencies, WCCTAC has successfully utilized fee revenue to fund various transportation projects throughout the region. This report documents a new update of the STMP, undertaken to update the program for current conditions.

1.1 Purpose

The purpose of this study is to provide the technical basis for updating the STMP. The focus of the updated program is to support a regional multimodal transportation system in West County that serves the expected future demand. This report documents the analytical approach for establishing the required nexus between anticipated future development in West Contra Costa County and the need for regional transportation improvements.

1.2 Study Area

As shown on **Figure 1-1**, the study area includes the unincorporated portions of western Contra Costa County, as well as the Cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo.

1.3 Study Process

This study was developed under the direction of WCCTAC staff. Input was obtained at key points in the study process from the WCCTAC Technical Advisory Committee (TAC) and the WCCTAC Board of Directors (Board). Review was also provided by the WCCTAC Legal Counsel.

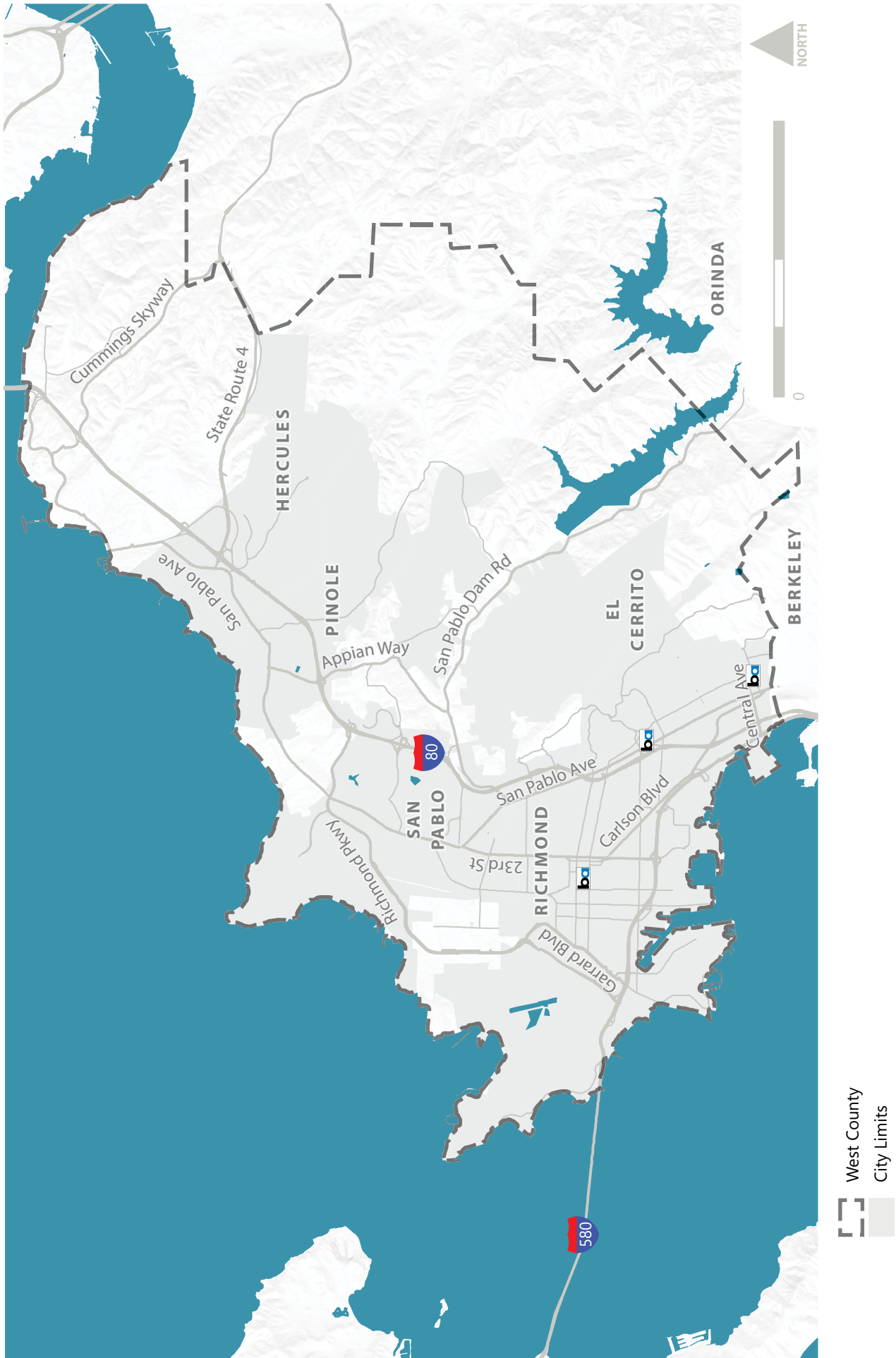


Figure 1-1
STMP Update Study Area



After the results of the fee study are approved by the Board, the updated fee program will be presented to the Contra Costa County Board of Supervisors and the City Councils of El Cerrito, Hercules, Pinole, Richmond and San Pablo. Each jurisdiction will be asked to adopt an updated ordinance, Master Cooperative Agreement, and hold an appropriate public hearing to implement the updated fee program.

1.4 Report Organization

This report contains a total of five chapters including this introductory chapter.

- **Chapter 2 – Fee Program Background** summarizes the status of the current West County STMP.
- **Chapter 3 – Capital Improvement Projects** describes the process for identifying the project list, including cost estimates for each project.
- **Chapter 4 – Growth Projections** summarizes the residential and non-residential growth projections anticipated in the planning horizon (year 2040) of the study.
- **Chapter 5 – Nexus Analysis** describes the methodology and results of the nexus analysis.
- **Chapter 6 – Summary of Required Program Elements** confirms that this report addresses all of the fee program elements as required by Assembly Bill (AB) 1600, the Mitigation Fee Act.



2. Fee Program Background

West Contra Costa County is an area that has experienced population and employment growth within the last decade and where new development is anticipated to continue, causing increased demand on the region's multimodal transportation system. This chapter describes the current status of the regional fees in West County. The West County STMP was first adopted in 1997, and an updated nexus study was prepared in 2005/06. The prior nexus study is titled *2005 Update of the Subregional Transportation Mitigation Program* (2005 Update of the STMP), dated May 5, 2006 and prepared by TJKM Transportation Consultants.

2.1 Overview of the STMP

The STMP is an important mechanism for regional collaboration in West County. The program involves all six jurisdictions (Contra Costa County and the five incorporated cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo) and was established to comply with the countywide Measures C and J Growth Management Program requirements for a mitigation program to fund improvements needed to meet the transportation demands resulting from growth. Regional, multi-jurisdictional fee programs are more complicated than local mitigation fee programs administered by a single jurisdiction; however, regional programs offer a forum for cooperation and coordination that allows the agencies involved to make more comprehensive transportation investments than any single jurisdiction could do on its own.

It is also worth noting that local transportation mitigation fees are charged by some of the STMP member agencies, for the purposes of implementing transportation projects that improve local streets and other transportation facilities. Such local fee programs are separate from and in addition to the STMP.

2.2 Current STMP Fee Levels

The STMP fees from the fee schedule shown in the 2005 Update of the STMP are shown in **Table 2-1**. The STMP ordinance specifies that an inflation index will be used to adjust the fee levels annually to reflect changes in construction costs. This is a common practice in fee programs, to ensure that the "purchasing power" of the fee revenue keeps up with changes in the cost of building capital projects. The index is also shown in Table 2-1, along with a calculation of what the fees would currently be if they had been indexed for inflation.

Table 2-1: WCCTAC 2005 STMP Fee Schedule Indexed for Inflation

Land Use	Unit	2005 STMP Fee Schedule	Index (Jun. 2006 - Jun. 2018)	FY 2017-18 Fee Schedule If Indexed
Single family	per dwelling unit	\$2,595	1.42	\$3,697
Multi-family	per dwelling unit	\$1,648	1.42	\$2,348
Senior Housing	per dwelling unit	\$701	1.42	\$995
Hotel	per room	\$1,964	1.42	\$2,789
Retail	per sq. ft.	\$1.82	1.42	\$2.59
Office	per sq. ft.	\$3.51	1.42	\$5.00
Industrial	per sq. ft.	\$2.45	1.42	\$3.49
Storage Facility	per sq. ft.	\$0.53	1.42	\$0.75
Church	per sq. ft.	\$1.58	1.42	\$2.24
Hospital	per sq. ft.	\$4.21	1.42	\$5.98

Note: The index is based on the Engineering-News Record Construction Cost Index for the San Francisco Bay Area, as described in WCCTAC's STMP model ordinance.

In reviewing the actual fees being charged by the member agencies, it was found that there had not been consistent indexing over time. See **Table 2-2** for the currently adopted (as of July 2018) fee schedules for the five primary land use categories administered by WCCTAC member jurisdictions; the fee schedules for the Senior Housing, Hotel, Storage Facility, and other land use categories are not listed in Table 2-2. One objective of this new STMP update is to establish procedures for annual indexing of the fee, and to ensure that there is consistency in the fees being charged across all member agencies.

Table 2-2: Subregional Transportation Mitigation Program (STMP) Fees as of July 2018

Jurisdiction	Single Family (per dwelling unit)	Multi-Family (per dwelling unit)	Office (per square foot)	Retail (per square foot)	Industrial (per square foot)
WCCTAC (original 2005)	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
WCCTAC (if indexed)	\$3,697	\$2,348	\$5.00	\$2.59	\$3.49
County	\$3,768	\$2,392	\$5.10	\$2.65	\$3.56
El Cerrito	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
Hercules	\$2,904	\$1,844	\$3.93	\$2.04	\$2.74
Pinole	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
Richmond	\$2,655	\$1,686	\$4.00	\$2.00	\$3.00
San Pablo	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45

Note: Table 2-2 summarizes the current fee schedules for the five primary land use categories only. Fee schedules for the following land use categories are not listed for brevity: Senior Housing, Hotel, Storage Facility, Church, Hospital and Other.

2.3 STMP Revenue and Disbursements

As shown in **Table 2-3**, the STMP generated about \$11.6 million in revenue as of December 1, 2018, including \$8.7 million between 2005 and 2018. About \$5.9 million has been disbursed as of December 1, 2018; total disbursements by project are summarized in **Table 2-4**. As shown in Table 2-3, an account balance of about \$5.7 million remains as of December 1, 2018. A portion of the remaining account balance has been allocated to projects on the current STMP project list; however, not all the allocated amount has been disbursed to the project sponsor agencies to date. WCCTAC also recently released a call for projects and will be coordinating with West County jurisdictions to disburse the remaining balance for transportation capital improvements that fall under the project list identified in the 2005 Update of the STMP. Revenues generated after the upcoming adoption of the STMP update will be disbursed for transportation capital improvements identified in the updated project list described in Chapter 3 below.

Table 2-3: STMP Revenue and Disbursements (as of December 1, 2018)¹

Period	Revenue	Disbursements	Balance ²
1998 – 2004	\$2,942,031.00	\$2,235,826.70	\$706,204.30
2005 – 2018 ³	\$8,668,484.55	\$3,652,097.91	\$5,722,590.94
Total to Date	\$11,610,515.55	\$5,887,924.61	\$5,722,590.94

Notes:

1. Information presented in Table 2-3 is based on the best information available at this time, however, the records may not be complete.
2. A portion of the remaining account balance has been allocated to projects on the current STMP project list; however, not all the allocated amount has been disbursed to the project sponsor agencies to date.
3. Reporting period as of December 1, 2018.

Source: WCCTAC, December 2018.

Table 2-4: STMP Disbursements by Project (as of December 1, 2018)¹

Project	Total Amount Committed	Total Amount Disbursed to Date
Richmond Intermodal Station	\$527,000.00	\$223,116.36
I-80/San Pablo Dam Road, I-80/Central Avenue, SR 4/ Willow Avenue Interchange Improvements	\$2,800,435.39	\$2,800,435.39
Capitol Corridor Improvements (Hercules Passenger Rail Station)	\$1,000,000.00	\$988,774.00
Ferry Service to San Francisco from Richmond and/or Hercules/Rodeo	\$300,000.00	\$0.00
BART Access and/or Parking Improvements (El Cerrito Plaza, El Cerrito Del Norte, and/or Richmond BART Stations)	\$1,186,200.00	\$813,991.86
Bay Trail Gap Closure	\$500,000.00	\$487,365.06
San Pablo Dam Road Improvements in Downtown El Sobrante	\$0.00	\$0.00
San Pablo Avenue Corridor Improvements	\$0.00	\$0.00
North Richmond Connection Project	\$0.00	\$0.00
Hercules Transit Center	\$304,963.13	\$304,963.13
Del Norte Area TOD Public Infrastructure Improvements	\$300,000	\$0.00
Administrative ²	N/A	\$269,278.81
Total	\$6,918,598.52	\$5,887,924.61

Notes:

1. Information presented in Table 2-4 is based on the best information available at this time, however, the records may not be complete for every project on the list.
2. Includes disbursements for administrative purposes and those that were not otherwise categorized.

Source: WCCTAC, December 2018.



3. Capital Improvement Projects

The Mitigation Fee Act indicates that impact fees should be used to fund capital projects, and not for ongoing operating or maintenance costs; for the purposes of this STMP update, emphasis was placed on defining a set of capital projects that achieve the subregional goals of the STMP.

3.1 Project List Criteria

There are many transportation needs in West County, and many projects have been considered or are in various phases of planning. To define projects that are consistent with the regional emphasis of the STMP, the following criteria were defined and accepted by the TAC and Board.

As a first step, all STMP-eligible projects must meet the following criterion:

- Does the project have a reasonable expectation of implementation during the timeframe of the fee program (i.e., year 2040)?

Then, a project should meet at least one of the following criteria to be eligible for STMP funding:

- Does the project address the impacts of congestion on regional travel?
- Is the project located on a Route of Regional Significance?
- Does the project improve access to BART stations, transit centers or major transit hubs?
- Does the project increase transit ridership?
- Does the project improve bicycle or pedestrian access to transit?

Although the focus of the STMP project list is to identify improvements that serve regional travel needs by reducing congestion or increasing accessibility along Routes of Regional Significance and major transit facilities, it is important to note that projects that are not directly located on such routes were also considered. Specifically, projects along other roadways that could indirectly improve regional travel or the operations of Routes of Regional Significance may meet one or more of the above criteria, and thus be STMP-eligible.

3.2 Project Research

Fehr & Peers, in coordination with WCCTAC staff, developed a preliminary list of projects that meet at least one of the approved criteria. These projects were identified by reviewing a large number of planning and



environmental review documents addressing West County's existing and future transportation needs. The following documents were reviewed to develop the preliminary draft project list:

- *Regional Measure 3 Expenditure Plan* (MTC, September 2017)
- *2016 Express Bus Study Update Final Report* (CCTA, June 2017)
- *2017 Countywide Comprehensive Transportation Plan Public Review Draft* (CCTA, May 2017)
- *West Contra Costa High-Capacity Transit Study* (WCCTAC, May 2017)
- *2015 Update of the Contra Costa Congestion Management Program* (CCTA, December 2015)
- *2014 Comprehensive Transportation Project List* (CCTA, March 2015)
- *West County Action Plan for Routes of Regional Significance* (CCTA, January 2014)
- *BART Sustainable Communities Operations Analysis* (BART, June 2013)
- *West Contra Costa Transit Enhancement and Wayfinding Plan* (WCCTAC, October 2011)
- *2009 Contra Costa Countywide Bicycle and Pedestrian Plan* (CCTA, October 2009)
- Various planning and environmental documents completed in the past several years and available on agency websites, including the following:
 - *Final Hercules Safeway Project Transportation Impact Assessment* (City of Hercules,
 - *Administrative Draft San Pablo City Hall Site Reuse Project Transportation Impact Assessment* (City of San Pablo, June 2017)
 - *San Pablo Avenue Complete Streets Study Feasibility Report* (Contra Costa County Public Works, April 2017)
 - *Administrative Draft West County Health Center – Transportation Impact Analysis* (Contra Costa County, April 2017)
 - *Draft CEQA Initial Study/Mitigated Negative Declaration Goodrick Avenue Bay Trail Gap Closure Project* (City of Richmond, January 2017)
 - *CVS/Pharmacy & Wireless Communication Facility Relocation Initial Study* (City of Pinole, October 2015)
 - *South Richmond Transportation Connectivity Plan* (City of Richmond, July 2015)
 - *Bay Walk Mixed-Use Project Final Initial Study and Mitigated Negative Declaration* (City of Richmond, July 2015)
 - *Pinole Gateway Shopping Center Initial Study* (City of Pinole, January 2015)
 - *Draft San Pablo Avenue Specific Plan* (City of El Cerrito, December 2014)
 - *Final Sycamore Crossing Transportation Assessment* (City of Hercules, November 2014)
 - *Final Environmental Impact Report San Pablo Avenue Specific Plan* (City of El Cerrito, August 2014)
 - *Richmond Central Project Initial Study Checklist Public Review Draft* (City of Richmond, April 2014)



- *Draft Environmental Impact Report Bottoms Property Residential Project* (City of Richmond, March 2014)
- *Final Report for the San Pablo Avenue Complete Streets Study* (Cities of Richmond and San Pablo, September 2013)
- *City of Richmond Bicycle Master Plan* (City of Richmond, October 2011)
- *Ohlone Greenway Master Plan* (City of El Cerrito, June 2009)

Fehr & Peers reviewed the documents listed above and assembled a comprehensive initial list of capital projects that were either located on a Route of Regional Significance or could indirectly improve operations on such routes. This initial process identified more than 150 projects. Fehr & Peers then removed duplicative projects, consolidated projects that contained similar elements based on project descriptions, and applied the STMP eligibility criteria, resulting in a preliminary draft list of 39 new projects, in addition to the 11 projects on the current STMP list. These potential projects were discussed at several meetings of the WCCTAC TAC and the Board, who made further adjustments and revisions.

3.3 STMP Update Project List

The TAC recommended, and Board approved, a final list of capital improvement projects for inclusion in the updated STMP. This list contains a combination of projects currently in the STMP, as well as projects that have been identified through the review of recent planning documents, the application of project eligibility criteria, and feedback from the TAC and Board. Overall, the purpose of the projects remains the same as when the STMP was first adopted. These projects are intended to provide congestion relief and mitigate traffic impacts on regional routes through capacity improvements on those routes, improved transit services for subregional and regional travel, and improved facilities that allow West County residents to more efficiently access regional routes and transit services. **Table 3-1** displays the updated STMP list, and the project locations are shown on **Figure 3-1**. All projects on the list are grouped into the following categories:

- Complete streets projects
- Other bicycle and pedestrian-focused improvements
- Transit and station-related improvements
- Local street and intersection improvements
- Freeway and interchange improvements

A detailed version of the project list is also provided in **Appendix A**. In addition to the 19 capital improvement projects shown in Figure 3-1, the project list also includes one administrative project that would allow for two comprehensive nexus studies and fee updates over the 22-year planning horizon of the 2019 STMP fee.

3.4 Cost Estimates

For the purposes of the STMP, it is necessary to have an estimate of the cost to implement each of the capital improvement projects on the project list. Cost estimates were developed for the STMP based on information provided in recent planning documents and input from the TAC. The year that cost estimates were developed varied for each project; to account for this, all cost estimates were escalated to 2018 dollars. The estimated cost of each project is shown on Table 3-1. Additional documentation of the cost estimates is provided in **Appendix B**.

Table 3-1: Updated STMP Projects and Estimated Cost

ID	Project	Description	Estimated Cost (2018\$)
Complete Streets Projects			
1	San Pablo Avenue Complete Streets Projects	a.) Construct bike and pedestrian improvements along San Pablo Avenue from Rodeo to Crockett.	\$ 8,610,000
		b.) Construct bicycle, pedestrian, and transit improvements along San Pablo Avenue between La Puerta Road and Hilltop Drive.	\$ 3,150,000
		c.) Construct bike, pedestrian and transit improvements along San Pablo Avenue from Rivers Street in San Pablo to Lowell Avenue in Richmond.	\$ 13,755,000
		d.) Implement Complete Streets improvements along San Pablo Avenue including directional cycle track or buffered bike lane and other bicycle, pedestrian and transit improvements in El Cerrito.	\$ 8,190,000
		e.) San Pablo Avenue Class I Boardwalk between John Muir Parkway and Sycamore Avenue.	\$ 398,000
		f.) Complete bicycle/pedestrian connection on San Pablo Avenue over Santa Fe Railroad tracks.	\$ 16,800,000
2	Appian Way Complete Streets Project	Provide continuous sidewalks, bike lanes, and improved bus stops along Appian Way from San Pablo Dam Road in unincorporated El Sobrante to about 900 lineal feet north of the city limit within the City of Pinole.	\$ 23,310,000
3	San Pablo Dam Road Improvements in Downtown El Sobrante	Provide complete street improvements on San Pablo Dam Road between El Portal Drive and Castro Ranch Road.	\$ 10,422,000
Other Bicycle and Pedestrian-Focused Improvements			
4	Bay Trail Gap Closure	Improve transit access by closing three key Bay Trail gaps: along Goodrick Avenue in Richmond, between Bayfront Park and Pinole Creek in Pinole, and between Atlas Road and Cypress Avenue in unincorporated Contra Costa County.	\$ 12,276,000

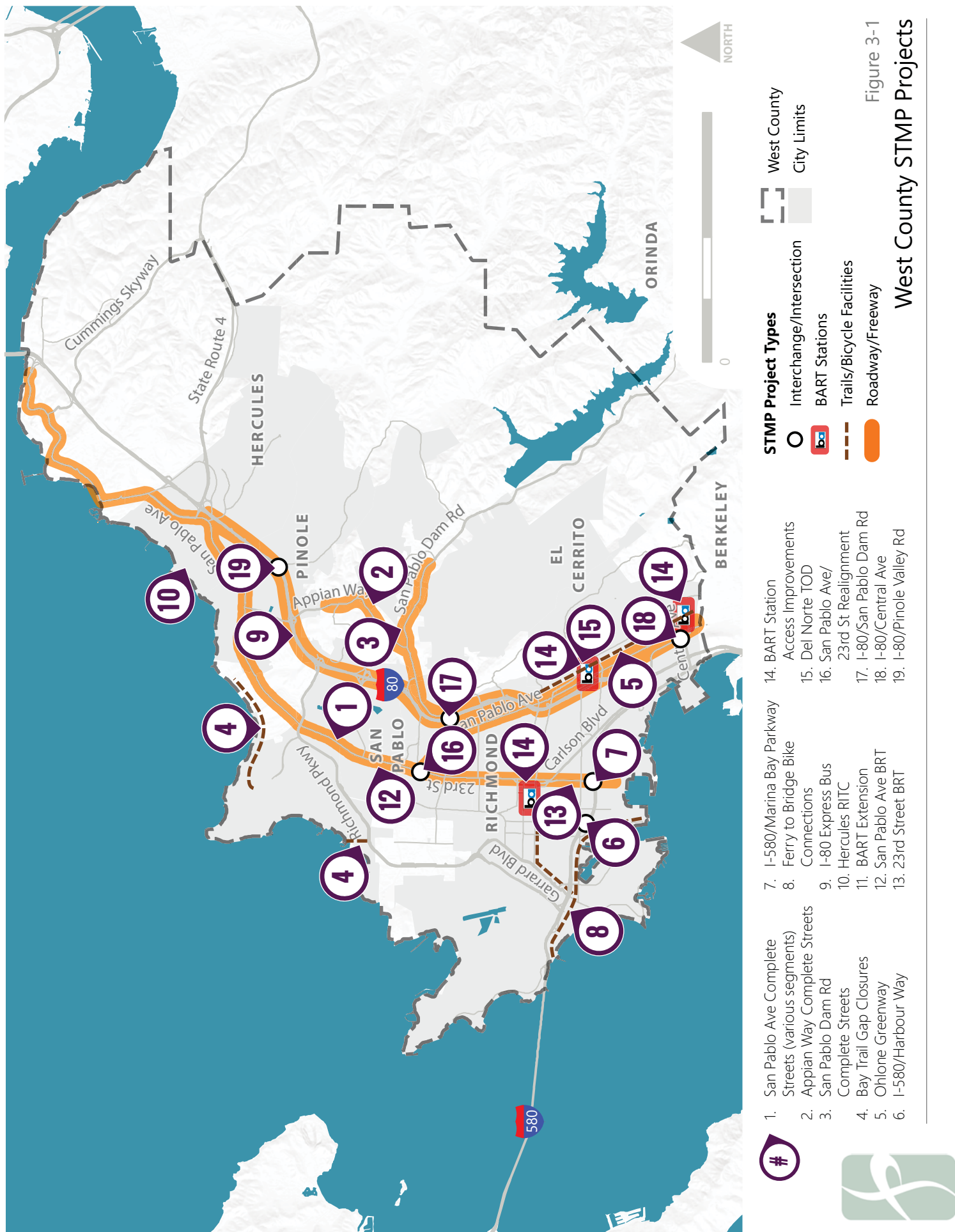
Table 3-1: Updated STMP Projects and Estimated Cost

ID	Project	Description	Estimated Cost (2018\$)
5	Ohlone Greenway Improvements	Implement crossing, wayfinding, signing, lighting, safety, access and security, and landscaping improvements along Ohlone Greenway.	\$ 3,045,000
6	I-580/Harbour Way Interchange Pedestrian & Bicycle Access Improvements	Improve pedestrian and bicycle crossings at the I-580/Harbour Way interchange ramps.	\$ 519,000
7	I-580/Marina Bay Parkway Interchange Pedestrian & Bicycle Access Improvements	Improve pedestrian and bicycle crossings at the I-580/Marina Bay Parkway interchange ramps.	\$ 1,095,000
8	Richmond “Ferry to Bridge” Bicycle Network Improvements (connecting Ferry Terminal with Richmond-San Rafael Bridge Bay Trail)	a.) Bicycle Boulevard in Point Richmond area: from the new trail at Tewksbury & Castro to existing Bay Trail at S. Garrard & Richmond Ave.	\$ 1,150,000
		b.) Class 1 trail in Point Richmond to Richmond Greenway, including S. Garrard Blvd and W. Ohio Ave.	\$ 2,950,000
		c.) Two-way cycle-track and road diet on W. Cutting Blvd, Cutting Blvd, and Hoffman Blvd.	\$ 3,550,000
		d.) Two-way cycle-track on Harbour Way South: Hoffman Blvd to Ferry Terminal.	\$ 1,100,000
Transit and Station-Related Improvements			
9	I-80 Express Bus	Capital improvements associated with implementing Express Bus Service on I-80 from Hercules south to Berkeley, Emeryville, Oakland, and expansion to San Francisco, with intermediate stops at the Richmond Parkway Transit Center, a potential I-80/Macdonald Avenue Express Bus/BRT transit center, and other intermediate stops.	\$ 109,203,000
10	Hercules Regional Intermodal Transportation Center	Complete construction of the new train stop for Capitol Corridor service, including parking, station platform, signage and plazas, rail improvements, bicycle and pedestrian access improvements (e.g. Bay Trail connections), etc. Future capital improvements could include preparation for ferry service.	\$ 53,550,000
11	BART Extension from Richmond Station	BART extension from the Richmond BART Station to Contra Costa College. Only the planning, conceptual engineering and program level environmental clearance phases of the project are included.	\$ 14,700,000
12	San Pablo Avenue Transit Corridor Improvements	Bus Rapid Transit (BRT) on San Pablo Avenue approximating the existing 72R Rapid Bus route from downtown Oakland to the Richmond Parkway Transit Center and extending Rapid Bus from the Richmond Parkway Transit Center to the Hercules Transit Center.	\$ 192,150,000

Table 3-1: Updated STMP Projects and Estimated Cost

ID	Project	Description	Estimated Cost (2018\$)
13	23rd Street Transit Corridor Improvements	23rd Street BRT from Richmond Ferry Terminal and UC Berkeley Richmond Field Station to Richmond BART/Capitol Corridor station, then continuing to Contra Costa College.	\$ 121,800,000
14	West County BART Station Access, Parking & Capacity Improvements	a.) El Cerrito Plaza Station Modernization and Capacity Enhancements.	\$ 49,442,000
		b.) El Cerrito Plaza BART Pedestrian & Bike Safety and Access Improvements.	\$ 1,260,000
		c.) Richmond BART Pedestrian & Bike Safety and Access Improvements.	\$ 3,465,000
		d.) Richmond Crossover Project.	\$ 34,759,000
15	Del Norte Area TOD Public Infrastructure Improvements	Planning, engineering, environmental studies, and construction of the public transportation-related improvements related to Transit Oriented Development (TOD) in the area around the El Cerrito Del Norte BART station.	\$ 37,761,000
Local Street and Intersection Improvements			
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	Realignment of skewed 5-legged intersection as part of a bridge removal project that will enhance pedestrian, bicycle and future BRT access.	\$ 15,120,000
Freeway and Interchange Improvements			
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	Reconstruct the existing I-80/San Pablo Dam Road interchange (including modifications to the El Portal Drive and McBryde Avenue ramps) and provide improved pedestrian and bicycle facilities.	\$ 84,788,000
18	I-80/Central Avenue Interchange Improvements (Phase 2)	Improve traffic operations and multimodal access at the I-80/Central Avenue interchange and along Central Avenue between Rydin Road and San Pablo Avenue. The project will be completed in two phases.	\$ 15,225,000
19	I-80/Pinole Valley Road Interchange Improvements	Improve merge onto the I-80 mainline from the EB Pinole Valley Road on-ramp to address vehicles accelerating uphill after stopping at ramp meter, in addition to ramp-terminal intersection improvements.	\$ 10,959,000
Administrative Projects			
20	Future Nexus Study Updates	Two comprehensive nexus studies and fee updates, over the 22-year planning horizon of the 2019 STMP Fee.	\$500,000
Total Estimated Cost			\$ 855,002,000

Notes: See Appendix A for detailed project descriptions.



4. Growth Projections

An important step in quantifying the nexus relationship is to determine the amount of new development anticipated in the planning horizon (year 2040) of the study. Fehr & Peers reviewed the historical and projected housing and job growth in West County provided by the Association of Bay Area Governments (ABAG) and summarized in **Table 4-1**. Based on the information presented in Table 4-1, the TAC recommended, and the Board approved, a 0.9 percent annual housing growth rate and 1.2 percent annual job growth rate for use in the nexus study update. These projections were incorporated into the year 2040 land use file of the Contra Costa Transportation Authority (CCTA) travel demand model in the appropriate Transportation Analysis Zones (TAZs) for the West County region. **Table 4-2** shows the amount of new development anticipated based on applying those growth rates; the number of dwelling units in West County would increase by 18,725 units (17 percent of total 2040 amount), and the number of jobs would increase by 18,794 jobs (21 percent of total 2040 amount). As shown in **Table 4-3**, total “service population” in West County, which is the sum of population plus jobs, is expected to increase by 82,037 (19 percent of total 2040 amount).

Table 4-1: West County Annual Growth Rate Comparison

Year Range	Annual Housing Growth Rate	Annual Job Growth Rate
2000 – 2005 (Historical)	0.9%	0.7%
2005 – 2010 (Historical)	-0.1%	-2.1%
2010 – 2015 (Historical)	0.9%	1.7%
2015 – 2040 (Forecast, based on ABAG <i>Projections 2013</i>)	1.2%	1.2%
2015 – 2040 (Forecast, based on ABAG <i>Projections 2017</i>)	1.0%	1.4%

Source: Fehr & Peers, 2018.

Table 4-2: Forecasted Housing and Job Growth in West County

Year	Residential (Dwelling Units)			Non-Residential (Jobs)			
	Single-Family	Multi-Family	Total	Office	Retail	Industrial	Total
2018	65,727	28,657	94,384	45,920	16,172	9,525	71,617
2040	70,412	42,697	113,109	60,528	19,485	10,398	90,411
Net Increase	4,685	14,040	18,725	14,608	3,313	873	18,794
Net Increase as % of Total 2040 Amount	7%	33%	17%	24%	17%	8%	21%

Source: Fehr & Peers, 2018.

Table 4-3: Forecasted Service Population Growth in West County

Year	Total Population	Total Jobs	Service Population (Population + Jobs)
2018	267,305	71,617	338,922
2040	330,548	90,411	420,959
Net Increase	63,243	18,794	82,037
Net Increase as % of Total 2040 Amount	19%	21%	19%

Source: Fehr & Peers, 2018.

The CCTA travel demand model land use forecasts for West County, which are based on data from ABAG, represent residential uses in terms of dwelling units and non-residential uses in terms of numbers of employees. However, because fees are typically assessed on the basis of building area, for the purpose of establishing fee rates, the forecasts of total employees have been converted to square feet of non-residential development by applying the following typical factors:

- Office: 3 employees per 1,000 square feet
- Retail: 2 employees per 1,000 square feet
- Industrial: 1 employee per 1,000 square feet

All uses were then converted to dwelling unit equivalents (DUEs), to account for the fact that different development types generate traffic with different characteristics, and to use a common unit of measurement. This conversion was accomplished by applying use-specific AM peak hour vehicle trip generation rates from the Institute of Transportation Engineers (ITE) Trip Generation, 10th Edition. **Table 4-4**

contains the conversion factors used to calculate DUEs in this study. The results of the DUE conversion are presented in **Table 4-5**.

Table 4-4: DUE Conversion Factors

Land Use Category	Unit ¹	AM Peak Hour Vehicle Trip Rate ²	DUE per Unit ³
Single-Family	DU	0.74	1.00
Multi-Family	DU	0.36	0.49
Office	1,000 sq. ft.	1.16	1.57
Retail	1,000 sq. ft.	0.94	1.27
Industrial	1,000 sq. ft.	0.7	0.95

Notes:

1. DU = dwelling unit; sq. ft. = square feet.
2. AM peak hour trip rates are based on the following ITE codes: single-family = land use code 210, multi-family = land use code 221, office = land use code 710, retail = land use code 820, industrial = land use code 110.
3. DUE per Unit was calculated by normalizing the AM Peak Hour Trip Rate for each category such that the single-family residential category was assigned a DUE of 1.00. This is accomplished by dividing the AM Peak Hour Trip Rate for each category by 0.74, which is the AM Peak Hour Trip Rate of the single-family residential category. Example calculation: DUE per Multi-Family Unit = $0.36 / 0.74 = 0.49$.
4. Land uses that have unique characteristics that do not fall under any of the five general categories listed in the table were evaluated separately and assessed a fee per AM peak hour vehicle trip, as described further under Section 5.3.3.

Source: Fehr & Peers, 2018.

Table 4-5: Forecasted Growth in West County, Converted to DUE

Year	Residential (DUEs) ¹			Non-Residential (DUEs)			
	Single-Family	Multi-Family	Total	Office ²	Retail ³	Industrial ⁴	Total
2018	65,727	14,042	79,769	24,031	10,269	9,049	43,349
2040	70,412	20,922	91,334	31,676	12,373	9,878	53,927
Net Increase	4,685 (+7%)	6,880 (+49%)	11,565 (+14%)	7,645 (+32%)	2,104 (+20%)	829 (+9%)	10,578 (+24%)
Proportion of Total DUE Growth ⁵	21%	31%	52%	35%	9%	4%	48%

Notes:

1. Residential DUE conversion = Number of Dwelling Units * DUE per Unit.
2. Office DUE conversion = (Jobs/3 employees per 1,000 sq ft) * DUE per Unit.
3. Retail DUE conversion = (Jobs/2 employees per 1,000 sq ft) * DUE per Unit.
4. Industrial DUE conversion = (Jobs/1 employee per 1,000 sq ft) * DUE per Unit.
5. Total DUE Growth = 11,565 Net Increase in Residential DUEs + 10,578 Net Increase in Non-Residential DUEs = 22,143.
Example calculation: Single-Family DUE Proportion of Total DUE Growth = $4,685 / 22,143 = 21\%$.

Source: Fehr & Peers, 2018.



Following the same approach used in the 2005 STMP nexus study, the DUE conversion factors have been based on AM peak hour trip generation rates. The 2005 nexus study explained that the purpose of using AM peak hour rates was so as to “not overburden the application of the traffic fees on retail development.” Using the AM peak hour rates will allow the resulting fee calculations to be more directly compared to the current STMP fees. For the purposes of the STMP, which focuses on the impacts of new development, the most important piece of information is the estimated growth in DUEs between existing and future conditions. The total number of DUEs shown in Table 4-5 was used to calculate the maximum potential fee levels for each land use type.



5. Nexus Analysis

This chapter presents the nexus analysis conducted for the new STMP update.

5.1 Existing Deficiencies

An important part of a nexus analysis is to establish whether the transportation facilities that will be addressed by projects in the fee program are currently operationally deficient. Existing deficiencies should be accounted for in the fee calculations to ensure new development pays its fair share and is not being charged to correct an existing problem.

Fehr & Peers conducted an evaluation of existing transportation conditions based on a review of recent studies that contain information pertaining to the current operations along Routes of Regional Significance, existing transit services, and existing pedestrian and bicycle infrastructure. Based on the documents reviewed for this study and the performance standards applied in those documents, existing deficiencies were identified at the following locations, which are all intersections located along Routes of Regional Significance within the City of Richmond:

- Castro Street/Hensley Street
- Richmond Parkway/Pittsburg Avenue
- Richmond Parkway/Parr Boulevard
- Central Avenue/Jacuzzi Street/San Joaquin Street/Westbound I-80 Ramps

The only capital improvement project included in the project list described in Table 3-1 that addresses an intersection listed above is the I-80/Central Avenue Interchange Improvement Project (ID #18).

While the intersections listed above were the only locations specifically identified in the documents reviewed as failing to meet defined performance standards, it is well understood that many of the major transportation facilities in West County routinely operate at over-capacity conditions. For example, substantial congestion commonly occurs on I-80 and on the major routes that feed into or are parallel to the freeway. Parking lots at the three West County BART stations routinely fill around 7:30 AM, indicating that there is more demand for access to those stations than can currently be accommodated. In light of these conditions, the STMP calculations presented here have been conducted by calculating the growth in West County development as a percentage of the total future population and jobs. This is a conservative approach since only a relatively modest portion of each project's cost is included in the STMP, reflecting the projected traffic and service population growth in West County.



5.2 STMP Project Cost Responsibility

The estimation of the percentage of project responsibility that can be attributed to West County (and therefore the percentage of project cost to be included in the STMP) is shown in **Table 5-1**, and the following describes how those percentages were calculated.

The STMP is being updated to include a range of capital improvement projects that are intended to relieve congestion, improve transit services for subregional and regional travel, and allow West County residents to more efficiently access regional routes and transit services. The concept of this nexus study is to determine the proportion of the cost of each project that is reasonably attributable to new development within West County, and therefore could be included in the STMP fee. The primary analytical tool available to estimate the proportion of usage on each facility coming from new growth in West County is the CCTA regional travel demand model. The model is commonly used to evaluate projects that involve major changes to roadway facilities, such as adding lanes to a street or reconfiguring an interchange. The model is not designed or calibrated to capture smaller-scale changes, such as adding a bicycle lane, building sidewalks or crosswalks, or reconfiguring access to a transit station. Therefore, for the purposes of this STMP analysis, the model was used to estimate West County usage percentages for projects that involve freeway, interchange, or local street improvements, and an alternate method was used for projects that involve complete streets, bicycle/pedestrian, and transit-related improvements.

The percentages described below were applied to the cost of each STMP project, and the resulting amount represents the portion of the cost of each project that will be included when calculating the STMP fee. As shown in Table 5-1, using these calculations the STMP program could capture about \$162 million, which is approximately 19 percent of the overall total project cost of \$855 million; other funding sources would be needed to cover the remainder of the costs, to account for the travel demand generated by existing West County residents as well as existing and future travelers who pass through West County on their way to other destinations.

Table 5-1: Maximum STMP Amount for Each Project

ID	Project	Estimated Cost (2018\$)	% from West County	STMP Amount
Complete Streets Projects				
1	San Pablo Avenue Complete Streets Projects	\$ 50,903,000	19%	\$ 9,672,000
2	Appian Way Complete Streets Project	\$ 23,310,000	19%	\$ 4,429,000
3	San Pablo Dam Road Improvements in Downtown El Sobrante	\$ 10,422,000	19%	\$ 1,980,000
Other Bicycle and Pedestrian-Focused Improvements				
4	Bay Trail Gap Closure	\$ 12,276,000	19%	\$ 2,333,000
5	Ohlone Greenway Improvements	\$ 3,045,000	19%	\$ 579,000
6	I-580/Harbour Way Interchange Pedestrian & Bicycle Access Improvements	\$ 519,000	19%	\$ 156,000
7	I-580/Marina Bay Parkway Interchange Pedestrian & Bicycle Access Improvements	\$ 1,095,000	19%	\$ 197,000
8	Richmond Ferry to Bridge Bicycle Network Improvements	\$ 8,750,000	19%	\$ 2,450,000
Transit and Station-Related Improvements				
9	I-80 Express Bus Service	\$ 109,203,000	19%	\$ 20,749,000
10	Hercules Regional Intermodal Transportation Center	\$ 53,550,000	19%	\$ 10,175,000
11	BART Extension from Richmond Station	\$ 14,700,000	19%	\$ 2,793,000
12	San Pablo Avenue Transit Corridor Improvements	\$ 192,150,000	19%	\$ 36,509,000
13	23rd Street Transit Corridor Improvements	\$ 121,800,000	19%	\$ 23,142,000
14	West County BART Station Access, Parking & Capacity Improvements	\$ 88,926,000	19%	\$ 16,896,000
15	Del Norte Area TOD Public Infrastructure Improvements	\$ 37,761,000	19%	\$ 7,175,000
Local Street and Intersection Improvements				
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	\$ 15,120,000	12%	\$ 1,814,000
Freeway and Interchange Improvements				
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	\$ 84,788,000	19%	\$ 16,110,000
18	I-80/Central Avenue Interchange Improvements (Phase 2)	\$ 15,225,000	17%	\$ 2,588,000
19	I-80/Pinole Valley Road Interchange Improvements	\$ 10,959,000	14%	\$ 1,534,000
Administrative Projects				
20	Future Nexus Study Updates	\$500,000	100%	\$500,000
Totals		\$ 855,002,000	19%	\$ 161,781,000

Source: Fehr & Peers, 2018.



5.2.1 Transit, Bicycle, and Pedestrian Improvement Projects

For projects involving complete streets, transit, bicycle, and pedestrian improvements (project numbers 1 through 15), the percentage of project costs to be included in the STMP is set at the proportion of the total future service population (defined as population plus employment) in the year 2040 that is expected to be added by new development between 2018 and 2040. The service population calculations are provided below based on the service population summary shown in Table 4-2.

- 2018 existing service population in West County = 338,922
- 2040 projected service population in West County = 420,959
- Net increase in service population in West County = $420,959 - 338,922 = 82,037$
- Proportion of West County growth in 2040 service population = $82,037 / 420,959 = 19\%$

According to this calculation, 19 percent of the total future service population in West County would come from new residential and commercial development in West County. The calculation above accounts for existing and future West County residents that work within and outside of West County, in addition to people that live outside of West County but work in West County. Therefore, the percentage of transit, bicycle, and pedestrian improvements costs that are included in the STMP have been set at 19 percent.

5.2.2 Interchange and Local Street Projects

For projects involving changes to local streets and interchanges (project numbers 16 through 19), the land use projections for the year 2040 were incorporated in the CCTA travel demand model and the model was applied to generate estimates of travel patterns and volumes in the future. A common modeling technique called a select zone analysis was applied to identify the amount of total future traffic volume on each roadway link that is generated by land uses in the West County region. The model produces peak hour results for the PM time period; on each model link that represents the location of a STMP project, the PM peak hour growth in traffic volume attributable to new development in the West County region was compared to the overall future PM peak hour traffic volume, thereby calculating the share of the total future usage of that link attributed to growth in West County. This proportion ranges between 12 and 19 percent for the interchange and local street projects analyzed in this manner. Although the AM peak hour trip generation rates were used to identify the DUE growth anticipated in West County by land use category, the PM peak hour traffic volume growth from the CCTA travel demand model was used to identify the share of the total future usage of interchange and local street projects associated with future development.

It should be noted that the usage percentage for the I-80/San Pablo Dam Road Interchange Improvements Project (project number 17) was adjusted because the CCTA model results did not reflect growth in traffic



volumes at that interchange. Instead, the usage percentage was set to 19 percent to reflect the proportion of new service population in the West County region.

5.2.3 Administrative Projects

The administrative project included in the STMP is to fund future nexus study updates; therefore, 100 percent of the costs are attributed to the STMP update.

5.3 Maximum Fee Calculation

A fee calculation was completed based on the figures described above. Starting from the approximately \$162 million of project costs eligible to be included in the STMP, the costs were then proportioned to each land use category based on the number of DUEs estimated for that category. The total project capital costs associated with each land use category were then divided by the number of DUEs to establish the maximum potential fee level. **Table 5-2** shows the results of these calculations.

It is important to note that the fee calculation shown in Table 5-2 is intended to represent the maximum potential fee that is justified through this nexus analysis and that could be charged to each land use type to support the list of STMP projects. Setting new fee levels is a policy decision of the WCCTAC Board. If an action were taken to set fees lower than shown here, the STMP program would generate less revenue than estimated here and would take longer to generate the estimated funding for projects on the list.

STMP fees are charged to new development of all types located in the geographic area covered by the STMP. Further details about the application of the STMP to specific types of land uses are contained in the WCCTAC STMP Administrative Guidelines developed as part of this update.

Table 5-2: STMP Maximum Potential Fee Calculation by Land Use Category⁵

Land Use Category	Proportion of Total DUE Growth ¹	Capital Cost Allocated to Each Category ²	Total Units ³	Maximum STMP Fees ⁴
Single-Family Residential	21%	\$33,974,010	4,685 DU	\$7,252 per DU
Multi-Family Residential	31%	\$50,152,110	14,040 DU	\$3,572 per DU
Office	35%	\$56,623,350	4,869,300 sq. ft.	\$11.63 per sq. ft.
Retail	9%	\$14,560,290	1,656,500 sq. ft.	\$8.79 per sq. ft.
Industrial	4%	\$6,471,240	873,000 sq. ft.	\$7.41 per sq. ft.

Notes:

1. Proportion based on total DUE growth from 2018 – 2040, as summarized in Table 4-5.
2. Capital Cost Allocated to Each Category = \$161,781,000 * (Proportion of Total DUE Growth).
3. DU = dwelling unit; sq. ft. = square foot. Total units based on growth from 2018 – 2040, as summarized in Table 4-2.
4. Maximum Potential fee calculation for each land use category. Maximum Potential STMP Fee = (Proportion of Total Capital Cost) / (Total Units).
5. For any land use that has unique characteristics that are not captured under any of the general categories in the STMP ordinance, the fee will be calculated based on the number of AM peak hour trips for that specific land use. The maximum potential fee calculation is \$9,800 per AM peak hour trip; the calculation is described in more detail under Section 5.3.3. The STMP Administrative Guidelines provide further guidance for estimating the required fee for “other” category projects.

Source: Fehr & Peers, 2018.

5.3.1 Fee Comparison

The maximum potential STMP fee (presented in Table 5-2) was compared to the current STMP fees and to other sub-regional fee programs in Contra Costa, as summarized in **Table 5-3**. As shown in Table 5-3, the new maximum potential fees calculated are higher than the current non-indexed and indexed STMP fees in all land use categories. For residential uses, the new maximum STMP fee is somewhat higher than the residential fee charged in the Tri-Valley area, and lower than the residential fees in East County and Lamorinda. For non-residential uses, the new maximum STMP fee is higher than the comparable fees in East County and Tri-Valley, and roughly similar to the non-residential fees in Lamorinda.

Table 5-3: Comparison to Other Sub-Regional Fees

Jurisdiction	Single-Family (per unit)	Multi-Family (per unit)	Office (per sq. ft.)	Retail (per sq. ft.)	Industrial (per sq. ft.)
West County Area					
WCCTAC Maximum Potential Fee	\$7,252	\$3,572	\$11.63	\$8.79	\$7.41
WCCTAC (original 2005) ¹	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
WCCTAC (if indexed) ²	\$3,697	\$2,348	\$5.00	\$2.59	\$3.49
Other Sub-Regional Fees in Contra Costa					
East County	\$18,186	\$11,164	\$1.56	\$1.80	\$1.56
Lamorinda	\$7,269	\$5,088	\$7.78	\$7.78	\$7.78
Tri-Valley	\$4,369	\$3,010	\$7.43	\$3.48	\$4.32

Notes:

1. Reflects the 2005 STMP Fee Schedule.
2. Reflects the 2005 STMP Fee Schedule if it had been consistently indexed to year 2018. The index is based on the Engineering-News Record Construction Cost Index for the San Francisco Bay Area.

Source: Fehr & Peers, 2018.

5.3.2 Board-Recommended Fee Levels

At the September 28, 2018 meeting, the WCCTAC Board recommended that fee levels be set at 75 percent of the maximum potential fee calculations; the Board-recommended fee levels for the five major land use categories are presented in **Table 5-4**. Setting the fees at these levels is expected to generate an estimated \$121.3 million through year 2040.

Table 5-4: Board-Recommended STMP Fee Levels by Land Use Category

Jurisdiction	Single-Family (per unit)	Multi-Family (per unit)	Office (per sq. ft.)	Retail (per sq. ft.)	Industrial (per sq. ft.)
WCCTAC (original 2005) ¹	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
WCCTAC (if indexed) ²	\$3,697	\$2,348	\$5.00	\$2.59	\$3.49
WCCTAC Maximum Potential Fee	\$7,252	\$3,572	\$11.63	\$8.79	\$7.41
Board Recommendation (75% of WCCTAC Maximum Potential Fee)³	\$5,439	\$2,679	\$8.72	\$6.59	\$5.56

Notes:

1. Reflects the 2005 STMP Fee Schedule.
2. Reflects the 2005 STMP Fee Schedule if it had been consistently indexed to year 2018. The index is based on the Engineering-News Record Construction Cost Index for the San Francisco Bay Area.
3. The WCCTAC Board recommended during the September 28, 2018 meeting that fee levels be set at 75 percent of the maximum potential fee calculations.

Source: Fehr & Peers, 2018.

5.3.3 Maximum Potential Fee for Other Land Use Categories

As with the previously adopted STMP ordinance, the updated STMP Model Ordinance also specifies fees for the following land use categories: senior housing, hotel, storage facility, and other. The maximum potential fees for the senior housing, hotel and storage facility categories were calculated by applying the DUE factor for each category to the maximum potential fee per single family dwelling unit. Any land use that has unique characteristics that are not captured under any of the land use categories in the ordinance would fall under the "other" category, in which the fee is calculated based on the number of AM peak hour trips. The maximum potential fee per AM peak hour trip was calculated by dividing the maximum potential fee per single family dwelling unit by the AM peak hour trip generation rate (0.74) per single family dwelling unit; the calculation is shown below.

- Maximum potential fee per single family dwelling unit = \$7,252
- AM peak hour trip generation rate per single family dwelling unit = 0.74
- Maximum potential fee per AM peak hour trip = $\$7,252 / 0.74 = \$9,800$

The STMP Administrative Guidelines provide further guidance for estimating the required fee for “other” category projects. The maximum potential fee and Board-recommended fees (75 percent of the maximum potential fee) for these land uses are summarized in **Table 5-5**.

Table 5-5: STMP Fee Levels for Other Land Use Categories

Land Use	Unit	AM Trip Generation Rate ¹	DUE	WCCTAC Maximum Potential Fee ²	Board Recommendation (75% of WCCTAC Maximum Potential Fee) ²
Single-Family	Dwelling Unit	0.74	1.00	\$7,252	\$5,439
Senior Housing	Dwelling Unit	0.20	0.27	\$1,958	\$1,469
Hotel	Room	0.47	0.64	\$4,641	\$3,481
Storage Facility	Sq. ft.	0.0001	0.00014	\$1.02	\$0.76
Other ³	AM Peak Hour Trip	N/A	N/A	\$9,800	\$7,350

Notes:

1. AM peak hour trip rates are based on the following ITE codes found in the *ITE Trip Generation Manual* (10th Edition): single-family= land use code 210, senior housing = land use code 252, hotel = land use code 310, storage facility = land use code 151.
2. Fee estimate for senior housing, hotel, and storage facility land uses calculated by applying the DUE to the single-family family fee per dwelling unit.
3. The STMP Administrative Guidelines provide further guidance for estimating the required fee for “other” category projects.

Sources: *ITE Trip Generation Manual* (10th Edition); Fehr & Peers, 2018.

5.4 Other Funding Sources

As with the 2005 update of the STMP, the fee revenue from the 2019 STMP update will not pay the total cost of all transportation infrastructure improvements described in Table 3-1. Other funding will need to be obtained, some of which has already been identified. The following projects on the updated STMP list have identified other funding sources:

- Hercules Regional Intermodal Transportation Center (Project ID #9) has identified \$1 million in funding.
- Del Norte Area TOD Public Infrastructure Improvements (Project ID #15) has identified \$7.1 million in funding.
- San Pablo Avenue Intersection Realignment at 23rd Street and Road 20 (Project ID #16) has identified \$9.5 million in funding.



- I-80/Central Avenue Phase Interchange Improvements (Project ID #18) has identified \$13.9 million in funding.

Although additional funding sources have not yet been identified for the remaining projects, the following describes a range of other funding sources that are potentially available to fund the remaining capital costs.

Measure J - Approved by Contra Costa County voters in 2004, it imposed a continuation of a half-cent on the dollar sales tax for 25 more years beyond the original 1988 transportation sales tax measure (Measure C) that expired in 2009. As with Measure C, the tax revenues will be used to fund a voter-approved Expenditure Plan of transportation programs and projects. Measure J will provide approximately \$2.5 billion for countywide and local transportation projects and programs through the year 2034.

Regional Measure 3 - Approved by Bay Area voters in June 2018, Regional Measure 3 will raise tolls on the Bay Area region's state-owned toll bridges by \$1 beginning January 1, 2019. Tolls will rise by another \$1 in January 2022 with another \$1 increase in January 2025. Toll revenues will be used to finance a \$4.5 billion set of highway and transit improvements along the toll bridge corridors and their approach routes. The Regional Measure 3 Expenditure Plan currently contains \$25 million for I-80 corridor transit improvements in Contra Costa, \$100 million for AC Transit rapid bus corridor improvements, \$90 million for Capital Corridor improvements, and \$150 million for San Francisco Bay Trail and Safe Routes to Transit improvements,

One Bay Area Grants (OBAG) – Established in 2012, OBAG taps federal funds to maintain Metropolitan Transportation Commission's (MTC) commitment to regional transportation priorities while also advancing the Bay Area's land-use and housing goals. OBAG targets project investments in Priority Development Areas (PDAs), where cities and counties can use OBAG funds to invest in streetscape enhancements, bicycle and pedestrian improvements, Safe Routes to School projects, and transportation planning efforts. MTC adopted the funding and policy framework for the second round of the OBAG program in November 2015. The second round of OBAG funding is projected to generate about \$916 million to fund projects from 2017-18 through 2021-22. The OBAG 2 program is divided into a Regional Program, managed by MTC, and County Program, managed by the nine Bay Area Congestion Management Agencies (CMAs).

Senate Bill 1 (SB 1) – Signed into law by Governor Jerry Brown in April 2017, SB 1 is expected to raise \$52.4 billion for transportation investments over the next decade. Revenues to pay for SB 1 programs will come from new transportation-related fees and adjustments to state taxes on diesel fuel and gasoline. By 2018-19, MTC estimates SB 1 will generate more than \$365 million per year for transportation in the nine-county Bay Area. Most of that funding will be directed to maintenance and repairs of roadways and public transit systems. Funding will also be available for mobility improvements and expanding bicycle and pedestrian access.



State Transportation Improvement Program (STIP) Funds – Generated by gas tax revenues, these funds are allocated by the State of California to Contra Costa County every two years for programming transportation improvement projects. According to the *2018 Report of STIP Balances County and Interregional Shares* (California Transportation Commission, August 2018), about \$87.3 million in STIP funds are currently allocated to transportation projects in Contra Costa County.



6. Summary of Required Program Elements

This report has provided a detailed discussion of the elements of the updated West County Subregional Transportation Mitigation Program and explained the analytical techniques used to develop this nexus study. The report addresses all of the fee program elements required by AB 1600, as summarized below.

1. *Identifying the purpose of the fee*

The STMP has been in place for more than 20 years. The purpose of the STMP is to support regional multimodal transportation system improvements needed to mitigate the transportation-related impacts of new development in western Contra Costa County.

2. *Identifying how the fee will be used and the facilities to be funded through the fee*

The fee will be used to help fund capital improvement projects that will accommodate future transportation needs in western Contra Costa. Table 3-1 identifies the projects to be funded through the fee.

3. *Determining a reasonable relationship between the fee's use and the type of development on which the fee is imposed*

As described in Chapter 4, different types of development generate traffic with different characteristics. The calculations presented in Table 4-5 account for these different characteristics by applying dwelling unit equivalent factors to each type of development. These considerations account for the differential impacts on the transportation system generated by different development types.

4. *Determining a reasonable relationship between the need for the public facility and the type of development on which the fee is imposed*

The need for the improvements listed in Table 3-1 has been established through the prior and current STMP nexus studies. The STMP calculations presented in this report have been conducted by calculating the growth in West County development as a percentage of the total future population and jobs. This is a conservative approach since only a relatively modest portion of each project's cost is included in the STMP, reflecting the projected traffic and service population growth in western Contra Costa County.

5. *Determining a reasonable relationship between the amount of the fee and the cost of the public facility (or portion of facility) attributable to new development*



Chapter 5 of this report describes the calculations applied to determine the cost of the improvements listed in Table 3-1 that is attributable to new development. Thus, a reasonable effort has been made to quantitatively establish the relationship between the fees charged in the STMP and the costs of transportation infrastructure improvements attributable to new development within western Contra Costa.

Appendix A – 2019 Update of the STMP Project List

WEST COUNTY STMP PROJECTS							
ID	Project	Project Description	Document Reference	Total Project Cost Estimate	Other Identified Funding	Eligible STMP Funding Allocation ¹ Sponsor(s)	
8	Richmond Ferry to Bridge Bicycle Network Improvements	a.) Point Richmond area: from the new trail at Tewksbury & Castro to existing bay trail at S Garrard & Richmond Ave. This segment could vary from short-term bicycle boulevard-style improvements through the neighborhood to a long-term goal of a Class I path through railroad and Caltrans ROW along Railroad Ave and Tewksbury Ave. (Approximately 2,300 ft)	N/A (Project Identified by City of Richmond Staff)	\$1,150,000		Richmond	
		b.) Point Richmond to Richmond Greenway: including S Garrard Blvd and W Ohio Ave. Because acquisitions or easements on railroad property have failed, there is a proposal to build a Class I trail along the north side of W Ohio between Garrard and 2nd St. The curb and gutter on this side of the road would need to be rebuilt. A similar trail or 2-way cycle track could be extended along S Garrard to existing facilities at W Cutting. (W Ohio Ave segment: 3,100 ft, S Garrard Blvd: 2,800 ft)	N/A (Project Identified by City of Richmond Staff)	\$2,950,000		Richmond	
		c.) W Cutting Blvd, and Hoffman Blvd. A two-way cycle track is proposed by reducing the number of vehicle travel lanes. Local businesses have requested the City add parking on the north side of West Cutting Blvd, and this will be studied in conjunction with the proposed bicycle facilities. This is also one of our focus areas for stormwater pollution mitigation, so a bioswale buffer between the cycle track and roadway would be ideal. Bicycle and pedestrian improvements adjacent to freeway access points are also necessary at Hoffman & Cutting and Hoffman & Harbour Way South. (W Cutting and Cutting Blvd segment: 5,500 ft, Hoffman Blvd: 1,600 ft)	N/A (Project Identified by City of Richmond Staff)	\$3,550,000		Richmond	
		d.) Harbour Way South: Hoffman to Ferry Terminal. Private developments are in the process of planning and building portions of a two-way cycle track along the frontage of their properties between Hoffman and the Cannery property, and this project would connect and extend those improvements. (2,200 ft total)	N/A (Project Identified by City of Richmond Staff)	\$1,100,000		Richmond	
		Other Bicycle and Pedestrian-Focused Project Category - Total Cost Estimate			\$25,685,000	\$0	\$5,715,000
		Transit and Station-Related Improvements					
9	I-80 Express Bus (Short & Mid-Term Improvements)	Capital Improvements associated with implementing Express Bus Service on I-80 from Hercules Transit Center south to Berkeley, Emeryville, Oakland, and expansion to San Francisco, with intermediate stops at the Richmond Parkway Transit Center and a potential I-80/Macdonald Avenue Express Bus/BRT transit center. Expansion of park-and-ride lots and freeway ramp improvements could occur in the medium to long-term. A series of Richmond Parkway Transit Center Improvements may also include: -Improve pedestrian and bicycle crossings at the I-80/Blume Drive and I-80/Fitzgerald Drive intersections -New sidewalks and bicycle lanes providing access to the transit center.	West County High-Capacity Transit Study (2017), 2016 Express Bus Study Update Final Report (2017)	\$109,203,000		WCCTAC	
10	Hercules Regional Intermodal Transportation Center	Current phase of Hercules RTC is to complete construction of the new train stop for Capitol Corridor service, including parking, station platform, signage and plazas, rail improvements, bicycle and pedestrian access improvements (e.g. Bay Trail connections), etc. Capital improvements along the corridor in West Contra Costa, including track improvements, drainage, fencing, safety improvements, etc. Future capital improvements could include preparation for ferry service.	West County High-Capacity Transit Study, Countywide Transportation Plan, 2005 Update of the STMP	\$53,550,000	\$1,000,000	Hercules	
11	BART Extension (Planning & Conceptual Engineering Phases) from Richmond Station ³	BART extension from the Richmond BART Station. Only the planning, conceptual engineering and program level environmental clearance phases of the project are included for Segment 1 from Richmond to Contra Costa College/City of San Pablo.	West County High-Capacity Transit Study	\$14,700,000		WCCTAC	
12	San Pablo Avenue Transit Corridor Improvements	BRT on San Pablo Avenue approximating the existing 72R Rapid Bus route from downtown Oakland to the Richmond Parkway Transit Center and extending Rapid Bus from the Richmond Parkway Transit Center to the Hercules Transit Center. In the short-term, Rapid Bus improvements could be extended to Richmond Parkway with service to Contra Costa College and Hilltop Mall and transit priority treatments introduced along the corridor. Extending Rapid Bus treatments north to the Hercules Transit Center and introducing bus-only lanes on San Pablo Avenue from El Cerrito del Norte north to 23rd Street could occur in the medium term.	West County High-Capacity Transit Study	\$192,150,000		WCCTAC	

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WEST COUNTY STMP PROJECTS						
ID	Project	Project Description	Document Reference	Total Project Cost Estimate	Other Identified Funding	Eligible STMP Funding Allocation ¹ Sponsor(s)
13	23rd Street Transit Corridor Improvements	23rd Street BRT from Richmond Ferry Terminal and UC Berkeley Richmond Field Station to Richmond BART/Capitol Corridor station, then continuing to Contra Costa College, with possible extension along San Pablo Avenue to Hilltop Mall and Hercules. Improvements to pedestrian facilities that enhance access to BRT stations are also assumed as part of this project.	West County High-Capacity Transit Study	\$121,800,000		\$23,142,000 WCCTAC
14	West County BART Station Access, Parking & Capacity Improvements	a) El Cerrito Plaza Station Modernization and Capacity Enhancements: Improve access, expand capacity, enhance placemaking, and address state-of-good repair issues at the 45-year old El Cerrito Plaza BART station. Include an improved kiss n' ride area, landscaping, new stairs and elevators to the platform, new station restrooms, and improved bus intermodal area with raised crosswalks.	El Cerrito Plaza and Del Norte Stations - Modernization Concept Plan (2013)	\$49,442,000		\$9,395,000 BART
		b) El Cerrito Plaza BART Pedestrian & Bike Safety and Access Improvements: Enhancements on streets between BART Station and Carlson Blvd, including improved pedestrian lighting, widened sidewalks, improved crosswalks, signal timing adjustments, wayfinding and signage, and upgraded bicycle facilities.	BART Walk and Bicycle Gap Study (2017)	\$1,260,000		BART, El Cerrito
		c) Richmond BART Pedestrian & Bike Safety and Access Improvements: Enhancements on streets surrounding BART Station to improve station access and safety, including pedestrian lighting, widened sidewalks, improved crosswalks, signal timing adjustments, wayfinding and signage, and upgraded bicycle facilities.	BART Walk and Bicycle Gap Study	\$3,465,000		\$658,000 BART, Richmond
		d) Richmond Crossover Project: Additional Crossover to allow quicker turnbacks, to utilize fleet more effectively, reduce conflicts in yard, and allow increased service frequency.	BART Sustainable Communities Operations Analysis (2013)	\$34,759,000		\$6,604,000 BART
15	Del Norte Area TOD Public Infrastructure Improvements	Planning, engineering, environmental studies, and construction of the public transportation-related improvements related to Transit Oriented Development (TOD) in the area around the El Cerrito Del Norte BART station. Funding will provide improvements including, but not limited to: new parking facilities; bicycle, pedestrian, and bus transit access improvements; signage; lighting; improvements to station access or station waiting areas; ADA improvements; improvements to adjacent streets, street crossings, or signals; and/or Ohlone Greenway improvements.	2005 Update of the STMP	\$37,761,000	\$7,100,000	\$7,175,000 El Cerrito
Transit and Station-Related Project Category - Total Cost Estimate				\$618,090,000	\$8,100,000	\$117,439,000
Local Street and Intersection Improvements						
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	Realignment of skewed 5-legged intersection as part of a bridge removal project that will enhance pedestrian, bicycle and future BRT access. The project will also include street re-configuration, re-striping and possibly signal modification at this intersection.	Countywide Transportation Plan	\$15,120,000	\$9,500,000	\$1,814,000 San Pablo
Local Street and Intersection Project Category - Total Cost Estimate				\$15,120,000	\$9,500,000	\$1,814,000

WEST COUNTY STMP PROJECTS						
ID	Project	Project Description	Document Reference	Total Project Cost Estimate	Other Identified Funding	Eligible STMP Funding Allocation ¹ Sponsor(s)
Freeway and Interchange Improvements						
Reconstruct the existing I-80/San Pablo Dam Road interchange (including modifications to the El Portal Drive and McBryde Avenue ramps) and provide improved pedestrian and bicycle facilities. The project will be completed in two phases. The first phase (under construction) will relocate the El Portal Drive on-ramp to WB I-80 to the north, extend the auxiliary lane along WB I-80 between San Pablo Dam Road off-ramp and El Portal Drive on-ramp, and reconstruct the Riverside Avenue pedestrian overcrossing. The second phase includes the construction of a new connector road on the west side of I-80 to connect SPDR to McBryde Avenue with a new bridge over Wildcat Creek, reconstructing the on- and off-ramps to SPDR, replacing the existing SPDR overcrossing with a 6-lane structure, and realigning Anador Street. Phase 2 is included in this STMP update.						
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	Improve traffic operations and multimodal access at the I-80/Central Avenue interchange and along Central Avenue between Rydin Road and San Pablo Avenue. The project will be completed in two phases. The first phase will redirect left turns from WB Central Avenue onto WB I-80 to the adjacent I-580 EB on-ramp at Rydin Road during weekend peak hours; and will install traffic signals at the I-580 ramps. Construction of first phase will be completed in 2018. The second phase will increase the spacing between the signalized intersections east of I-80 by connecting Pierce Street and San Mateo Street, converting Pierce Street access at Central Avenue to "right-in, right-out," and relocating the traffic signal at Pierce Street/Central Avenue to the San Mateo Street/Central Avenue intersection. The second phase is included in this STMP update.	Countywide Transportation Plan, 2005 Update of the STMP	\$84,788,000	\$9,200,000	\$16,110,000.00 San Pablo, CCTA
18	I-80/Central Avenue Interchange Improvements (Phase 2)	The project may include the following improvements: -Improve merge onto the I-80 mainline from the EB Pinole Valley Road on-ramp to address vehicles accelerating uphill after stopping at ramp meter. -Widen Pinole Valley Road ramp-terminal intersections at I-80 to provide a dedicated right turn lane to the EB and WB I-80 on-ramps. -Pinole Valley Road/I-80 intersection crossing enhancements.	Countywide Transportation Plan, 2005 Update of the STMP	\$15,225,000	\$13,873,000	\$2,588,000 El Cerrito, Richmond, CCTA
19	I-80/Pinole Valley Road Interchange Improvements		Countywide Transportation Plan, West County Transit Enhancement and Wayfinding Plan	\$10,959,000		\$1,534,000 Pinole, CCTA
Freeway and Interchange Project Category - Total Cost Estimate				\$110,972,000	\$23,073,000	\$20,232,000
Administrative Projects						
20	Future Nexus Study Updates	Two comprehensive nexus studies and fee updates, over the 22-year planning horizon of the 2019 STMP Fee.		\$500,000		\$500,000 WCCTAC
Total Project List Cost Estimate				\$855,002,000	\$40,673,000	\$161,781,000
Notes: 1. Column summarizes the portion of the capital costs that would be allocated to the STMP. 2. Complete Streets projects typically involve improvements to transit, pedestrian and bicycling infrastructure with the goal of increased usage of those modes, thus reducing vehicle volumes on Routes of Regional Significance. 3. Timing of BART extension implementation may extend beyond 2040; however, the STMP could fund early planning and design tasks.						

Appendix B – 2019 Update of the STMP Project List Cost Estimate Summary

STMP Projects and Estimated Costs

ID	Project	Description	Reported Cost	Year of cost estimate	Escalation Factor ¹	Estimated Cost, 2018\$
Complete Streets Projects						
1	San Pablo Avenue Complete Streets Projects	a.) Construct bike and pedestrian improvements along San Pablo Avenue from Rodeo to Crockett.	\$8,200,000	2017	1.05	\$8,610,000
		b.) Construct bicycle and pedestrian improvements along San Pablo Avenue between La Puerta Road and Hilltop Drive.	\$3,000,000	2017	1.05	\$3,150,000
		c.) Construct bike, pedestrian and transit improvements along San Pablo Avenue from Rivers Street in San Pablo to Lowell Avenue in Richmond.	\$13,100,000	2017	1.05	\$13,755,000
		d.) Implement Complete Streets improvements along San Pablo Avenue including directional cycle track or buffered bike lane and other bicycle, pedestrian and transit improvements in El Cerrito.	\$7,800,000	2017	1.05	\$8,190,000
		e.) San Pablo Avenue Class I Boardwalk between John Muir Parkway and Sycamore Avenue.	\$296,400	2011	1.34	\$398,000
		f.) Complete bicycle/pedestrian connection on San Pablo Avenue over Santa Fe Railroad tracks.	\$16,000,000	2017	1.05	\$16,800,000
2	Appian Way Complete Streets Project	Provide continuous sidewalks, bike lanes, and improved bus stops along Appian Way from San Pablo Dam Road in unincorporated El Sobrante to about 900 lineal feet north of the city limit within the City of Pinole.	\$22,200,000	2017	1.05	\$23,310,000
3	San Pablo Dam Road Improvements in Downtown El Sobrante	Provide complete street improvements on San Pablo Dam Road between El Portal Drive and Castro Ranch Road.	\$6,900,000	2005	1.51	\$10,422,000

Other Bicycle and Pedestrian-Focused Improvements

4	Bay Trail Gap Closure	Improve transit access by closing three key Bay Trail gaps: along Goodrick Avenue in Richmond, between Bayfront Park and Pinole Creek in Pinole, and between Atlas Road and Cypress Avenue in unincorporated Contra Costa County.	\$11,135,000	2016	1.10	\$12,276,000
5	Ohlone Greenway Improvements	Implement crossing, wayfinding, signing, lighting, safety, access and security, and landscaping improvements along Ohlone Greenway.	\$2,900,000	2017	1.05	\$3,045,000
6	I-580/Harbour Way Interchange Pedestrian & Bicycle Access Improvements	Improve pedestrian and bicycle crossings at the I-580/Harbour Way interchange ramps.	\$386,500	2011	1.34	\$519,000
7	I-580/Marina Bay Parkway	Improve pedestrian and bicycle crossings at the I-580/Marina Bay Parkway interchange ramps	\$815,300	2011	1.34	\$1,095,000
8	Richmond Ferry to Bridge Bicycle Network Improvements	a.) Point Richmond area: from the new trail at Tewksbury & Castro to existing Bay Trail at S. Garrard & Richmond Ave.	\$1,150,000	2018	1.00	\$1,150,000
		b.) Point Richmond to Richmond Greenway: including S. Garrard Blvd and W. Ohio Ave.	\$2,950,000	2018	1.00	\$2,950,000
		c.) W. Cutting Blvd, Cutting Blvd, and Hoffman Blvd.	\$3,550,000	2018	1.00	\$3,550,000
		d.) Harbour Way South: Hoffman Blvd to Ferry Terminal.	\$1,100,000	2018	1.00	\$1,100,000

Transit and Station-Related Improvements

9	I-80 Express Bus	Capital improvements associated with implementing Express Bus Service on I-80 from Hercules south to Berkeley, Emeryville, Oakland, and expansion to San Francisco, with intermediate stops at the Richmond Parkway Transit Center and a potential I-80/Macdonald Avenue Express Bus/BRT transit center.	\$104,003,000	2017	1.05	\$109,203,000
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10	Hercules Regional Intermodal Transportation Center	Current phase of Hercules RITC is to complete construction of the new train stop for Capitol Corridor service, including parking, station platform, signage and plazas, rail improvements, bicycle and pedestrian access improvements (e.g. Bay Trail connections), etc. Future capital improvements could include preparation for ferry service.	\$51,000,000	2017	1.05	\$53,550,000
11	BART Extension	BART extension from the Richmond BART Station. Only the planning, conceptual engineering and program level environmental clearance phases of the project are included.	\$14,000,000	2017	1.05	\$14,700,000
12	San Pablo Avenue Transit Corridor Improvements	Bus Rapid Transit (BRT) on San Pablo Avenue approximating the existing 72R Rapid Bus route from downtown Oakland to the Richmond Parkway Transit Center and extending Rapid Bus from the Richmond Parkway Transit Center to the Hercules Transit Center.	\$183,000,000	2017	1.05	\$192,150,000
13	23rd Street Transit Corridor Improvements	23rd Street BRT from Richmond Ferry Terminal and UC Berkeley Richmond Field Station to Richmond BART/Capitol Corridor station, then continuing to Contra Costa College.	\$116,000,000	2017	1.05	\$121,800,000
14	West County BART Station Access, Parking & Capacity Improvements	a.) El Cerrito Plaza Station Modernization and Capacity Enhancements.	\$42,710,000	2015	1.16	\$49,442,000
		b.) El Cerrito Plaza BART Pedestrian & Bike Safety and Access Improvements.	\$1,200,000	2017	1.05	\$1,260,000
		c.) Richmond BART Pedestrian & Bike Safety and Access Improvements.	\$3,300,000	2017	1.05	\$3,465,000
		d.) Richmond Crossover Project.	\$27,000,000	2012	1.29	\$34,759,000

15	Del Norte Area TOD Public Infrastructure Improvements	Planning, engineering, environmental studies, and construction of the public transportation-related improvements related to Transit Oriented Development (TOD) in the area around the El Cerrito Del Norte BART station.	\$25,000,000	2005	1.51	\$37,761,000
Local Street and Intersection Improvements						
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	Realignment of skewed 5-legged intersection as part of a bridge removal project that will enhance pedestrian, bicycle and future BRT access.	\$14,400,000	2017	1.05	\$15,120,000
Freeway and Interchange Improvements						
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	Reconstruct the existing I-80/San Pablo Dam Road interchange (including modifications to the El Portal Drive and McBryde Avenue ramps) and provide improved pedestrian and bicycle facilities.	\$80,750,000	2017	1.05	\$84,788,000
18	I-80/Central Avenue Interchange Improvements (Phase 2)	Improve traffic operations at the I-80/Central Avenue interchange and along Central Avenue between Rydin Road and San Pablo Avenue. The project will be completed in two phases.	\$14,500,000	2017	1.05	\$15,225,000
19	I-80/Pinole Valley Road Interchange Improvements	Improve merge onto the I-80 mainline from the EB Pinole Valley Road on-ramp to address vehicles accelerating uphill after stopping at ramp meter, in addition to ramp-terminal intersection improvements.	\$10,437,000	2017	1.05	\$10,959,000
Administrative Projects						
20	Future Nexus Study Updates	Two comprehensive nexus studies and fee updates, over the 22-year planning horizon of the 2019 STMP Fee.	\$500,000	2018	1.00	\$500,00
Total Estimated Cost			\$789,283,200			\$855,002,000

Notes:

¹ Most projects have cost estimates prepared in 2011 or more recently. For those projects, the escalation factor was calculated based on the Annual Infrastructure Construction Cost Inflation Estimates (AICCIE) reported by OneSanfrancisco (onesanfrancisco.org). Two projects (projects 3 and 15) have cost estimates dating to 2005; for those projects, an index of 1.37 as specified by WCCTAC's STMP model ordinance was used to escalate the costs to 2016 dollars, and then the inflation rates for years 2016 and 2017 (reported by onesanfrancisco.org) were used to escalate the cost to 2018 dollars.

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**WEST CONTRA COSTA
TRANSPORTATION ADVISORY
COMMITTEE**

**SUBREGIONAL
TRANSPORTATION
MITIGATION PROGRAM
(STMP) FEE
ADMINISTRATIVE
GUIDELINES**

**APPROVED BY WCCTAC EXECUTIVE
DIRECTOR _____, 2019**

REVIEWED BY WCCTAC TAC 2/14/2019

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A. INTRODUCTION

The purpose of these Administrative Guidelines is to assist WCCTAC and Agency staff with implementation of the STMP Fee. These Guidelines provide additional detail not included in the Master Cooperative Agreement (“Coop Agreement”), and the Coop Agreement is an integral part of these Guidelines. “Agency” or “Agencies” is used in these Guidelines as the term is used in the Master Cooperative Agreement to indicate the cities and the County that are members of WCCTAC and responsible for collecting the STMP Fee and for sponsoring certain capital projects funded by the STMP Fee. The term Agencies excludes AC Transit and the Bay Area Rapid Transit District that are also members of WCCTAC because these agencies have no role in collecting the STMP Fee. Future modifications to these Guidelines will be reviewed by the WCCTAC Technical Advisory Committee (TAC) before approval by the WCCTAC Executive Director.

B. DEVELOPMENT PROJECTS

Agencies shall apply the STMP Fee to building permits associated with all Development Projects as defined in this section, unless exempt under Section D.9 of the Coop Agreement.

1. New Construction
Includes construction of new building space for either residential or non-residential use(s), including the addition of building space to existing developed property.
2. Intensification of Use
Includes the intensification of use of all or part of an existing building, whether vacant or not. An intensification of use occurs when a Development Project would pay a higher fee under the proposed use compared to the existing permitted use based on the current STMP Fee schedule. Accessory dwelling units added within the existing habitable living area footprint are not considered an intensification of use and no STMP Fee would be applied.

In the case of the re-use of a vacant building, the building’s current use shall be the use when the building was occupied if the vacancy had occurred within three years prior to the date of the building permit application. If the vacancy had occurred greater than three years prior to the date of the building permit application, then the STMP Fee shall be applied as if the project was New Construction. The building permit applicant bears the burden of demonstrating that the building was in use within this time period through submittal of documents acceptable to the Agency such as executed lease agreements or lease payment records.

C. LAND USE CATEGORIES

The Agency, as part of their typical process of reviewing a proposed Development Project, shall determine the land use categories that are applicable and shall calculate the STMP fee. This applies to both private and public Development Projects. The following sections offer guidance to the Agency as they make those determinations.

1. Residential Land Uses

- i. Single Family Residential: Dwelling units that are one single family detached unit on a parcel, and excluding Senior Housing.
- ii. Multi-Family Residential: Dwelling units that are apartments, condominiums, townhomes, multiplexes, mobile homes in mobile home parks, or detached accessory units or conversion of attached non-habitable space, except Senior Housing. Accessory dwelling units within the footprint of an existing dwelling unit's habitable space are not required to pay the STMP Fee.
- iii. Senior Housing: All senior age-restricted dwelling units regardless of type of housing.

2. Non-residential Land Uses

- i. Hotel: Temporary lodging establishments including hotels, motels, resorts and bed and breakfast establishments.
- ii. Office: Office facilities where the primary use is not direct service to customers, including branch and head offices, multi-tenant buildings, and business parks.
- iii. Retail/Service: Neighborhood, community, and thoroughfare commercial districts, including retail and personal service businesses, restaurants, and medical offices.
- iv. Industrial: Light and heavy industrial uses, including manufacturing, processing, fabrication, and distribution.
- v. Storage Facility: Facilities used for the purposes of renting or leasing individual storage space.

3. Other Land Uses

- i. Other: The Other land use category is intended for Development Projects with land uses that do not fit within the standard residential or non-residential categories defined above where number of dwelling units or building square footage are the usual measures of trip generation. It is anticipated that most Development Projects will fit within the standard STMP categories, but it is understood that some Projects will contain land uses with trip generation characteristics that are not adequately captured by the standard STMP categories. Examples of such land uses could include gas stations, drive-through facilities, private schools, and theaters or other entertainment venues, among others. The Agency will determine whether a particular Development Project involves land uses that should be treated within the Other category; conferral with WCCTAC staff is highly

recommended if there are questions or discussion items. Application of the Other category will require the estimation of the number of AM peak hour trips that will be generated by the proposed land use.

D. FEE CALCULATION

1. New Construction

$$\text{STMP Fee} = \frac{\text{STMP Fee per Dwelling Unit or per Square Foot Based on Applicable Land Use Category}}{\text{X}} \times \text{New Dwelling Units or New Square Feet}$$

For Development Projects with multiple land use categories, the STMP Fee equals the sum of STMP Fees applied to each land use category.

2. Intensification of Use

First calculate the STMP Fee for the proposed new use, using the formula provided in the section above on New Construction. Then calculate what the STMP Fee would be for the existing permitted use (that is, the existing square footage multiplied by the STMP Fee per square foot for the existing permitted land use category). Subtract the existing permitted use fee from the proposed new use fee. If the difference is greater than zero, that difference represents the STMP Fee due as a result of the intensification of use. If the difference is less than zero, then no STMP Fee is due, nor will there be any STMP Fee refund or credit.

3. Other Land Use Category

$$\text{STMP Fee} = \frac{\text{STMP Fee per AM Peak Hour Trip}}{\text{X}} \times \frac{\text{Number of New AM Peak Hour Trips Estimated for Proposed Use}}$$

As described above, the Agency will determine the applicability of the Other category, as part of its typical process of evaluating the transportation and other impacts of a proposed Development Project. Transportation impact analysis requires the processes and methods outlined in the *Technical Procedures* adopted by the Contra Costa Transportation Authority.

Part of a transportation impact analysis involves estimating the trip generation of the proposed Development Project. This typically involves reference to the most current edition of *Trip Generation* published by the Institute of Transportation Engineers (ITE), but may also involve conducting trip generation surveys at other sites that share the Development Project's characteristics, as further described in the ITE manual and in the *Technical Procedures*. For reference purposes, see the

Appendix for the trip generation rates used in the STMP nexus study for each land use category.

E. CREDITS AND REIMBURSEMENTS

Refer to the approved Master Cooperative Agreement, Section D. Fees, paragraph 10. Credits and Reimbursements.

F. APPEALS FOR FEE EXEMPTIONS AND WAIVERS

No exemption or waiver of the STMP Fee for a development project is allowed except as permitted by this section.

1. If the Agency exempts or waives all other local impact fees, then the STMP fee may also be exempted or waived; the Agency must report this action to WCCTAC.
2. Otherwise, to be granted a STMP fee exemption or waiver, the Agency or the development project applicant must:
 - Pay the STMP Fee pursuant to these Administrative Guidelines under protest pending the resolution of the appeal.
 - Appeal the STMP Fee no later than the date of application for the building permit for the Development Project.
 - Bear the burden of establishing satisfactory factual proof of the basis for the appeal based on the opinion of a registered traffic engineer.
 - Submit all information in support of the appeal necessary for WCCTAC's consideration of the appeal. The Agency or applicant may submit any documentation it thinks WCCTAC should consider as part of the appeal. Additional issues raised once the appeal is submitted will not be considered by WCCTAC. WCCTAC may require, at the expense of the Project Applicant, review of the submitted materials by a third party with appropriate technical knowledge.
 - Pay the cost of processing the appeal, as determined by WCCTAC.
 - The appeal will be considered by the WCCTAC Board within 180 days. The appellant may, at the sole discretion of WCCTAC, have the opportunity to present oral testimony, in addition to the written documents submitted in support of the appeal.
 - This STMP fee exemption or waiver must receive approval from the WCCTAC Board.

G. ANNUAL FEE ADJUSTMENT

WCCTAC will provide Agencies with a revised STMP Fee schedule, based on the annual fee adjustment provided for in Section D.8 of the Coop Agreement, in a timely manner each year so that Agencies can begin collecting the updated fees by July 1.

H. CONCEPTUAL PROCESS FOR STMP FUNDING

WCCTAC is responsible for implementing the STMP. Periodically, WCCTAC will issue a call for projects to invite Agencies to submit requests for funding for STMP-eligible projects. Under normal circumstances, a call for projects will occur every 1-3 years, at WCCTAC's discretion and depending on fund availability.

Evaluation of the projects submitted will be undertaken by WCCTAC staff at the direction of the WCCTAC Board, with input from the WCCTAC TAC. The Board will make the final decisions about which projects will receive STMP funds and in what amounts. Factors to be considered in evaluating projects may include (but not be limited to) characteristics such as project readiness, ability to use funds quickly, amount of funds requested compared to amount available, reasonable distribution of funds across all project categories, and reasonable distribution of funds across all Agencies.

APPENDIX A. A.M. PEAK HOUR TRIP GENERATION RATES**A.M. Peak Hour Trip Generation Rates for STMP Land Use Categories**

Land Use Category	ITE Land Use Code	Unit	A.M. Peak Hour Vehicle Trip Generation Rate
Single-Family Residential	210	Dwelling Unit	0.74
Multi-Family Residential	221	Dwelling Unit	0.36
Senior Housing	252	Dwelling Unit	0.20
Hotel	310	Room	0.47
Retail/Service	820	1,000 Square Feet	0.94
Office	710	1,000 Square Feet	1.16
Industrial	110	1,000 Square Feet	0.70
Storage Facility	151	1,000 Square Feet	0.10

Source: Institute of Transportation Engineer, *Trip Generation* (10th Edition). Note that no trip adjustments have been applied to these trip generation rates; adjustments might be appropriate depending on the characteristics of the Development Project being evaluated.

APPENDIX B: STMP FEE SUBMITTAL FORM**West County Subregional Transportation Mitigation Program (STMP) Developer Fees
JURISDICTION'S QUARTERLY TRANSMITTAL REPORT FORM**

Jurisdictions are required to submit this completed form to WCCTAC no later than 30 days following the close of each calendar quarter; whether or not there are fees to submit, continuing through the life of the Master Cooperative Agreement.

Check Appropriate Box:

All sections of the report must be completed.

Attach check, payable to WCCTAC, to this report.

Submit check and completed transmittal report to:

WCCTAC
6333 Potrero Ave., Suite 100
El Cerrito, CA 94530

Fiscal Year: _____

Reporting Period:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FY Q1	FY Q2	FY Q3	FY Q4
July-Sept	Oct-Dec	Jan-Mar	Apr-June
31-Oct	30-Jan	30-Apr	31-Jul

Fee Submittal Due Date:

Jurisdiction's Name: _____

Contact Name: _____


Contact Email: _____

☐ No development to report this period. OR

Notes:

Insert below the # of Units or # of Sq. Ft. to calculate the amt. of fee collected.
List each project or project component separately. Add rows as needed.

Type of Fee	Project Address	Development Name	STMP Fee per Unit	STMP Fee per Square ft.	Total # Units or Sq. Ft.	STMP \$ Collected
Single Family			\$ 5,439			\$ -
Multi Family			\$ 2,679			\$ -
Senior Housing			\$ 1,469			\$ -
Hotel (per room)			\$ 3,481			\$ -
Retail / Service				\$ 6.59		\$ -
Office				\$ 8.72		\$ -
Industrial				\$ 5.56		\$ -
Storage Facility				\$ 0.76		\$ -
Other (per AM pk hr trip)			\$ 7,350			\$ -
TOTAL FEES COLLECTED:						\$ -

This should be the amount of your check to WCCTAC. 

During the reporting period, has your agency granted:

- ☐ Yes ☐ No STMP Fee Credits to any development?
☐ Yes ☐ No STMP Fee Waivers/Exemptions to any development?

If yes to either of the above, please respond to the questions on the next page.

If STMP Credits were granted, for each development complete the questions below:

- What is the name and address of the development project receiving the credit?
- What was the dollar value of the credit?
- Which of the 20 STMP Projects was the credit used for?
- What elements of the STMP project were completed with the credited funds?

If Waivers/Exemptions of STMP Fees were granted, for each development, complete the questions below:

- Were all other local fees waived/exempted for the development project? ☐ Yes ☐ No
- Briefly explain why the development project's STMP fee was waived/exempted?

Respond to Credit and Waiver/Exemption Questions here:



STAFF REPORT TO THE CITY COUNCIL

DATE: March 18, 2019

TO: Members of the City Council

SUBMITTED BY: Holly Smyth, AICP, Planning Director

SUBJECT: Consider Approving an Ordinance to Adopt Proposed Zone Text Amendment #ZTA 19-01 related to Noticing Requirements

RECOMMENDED ACTION:

Conduct a public hearing and consider waiving the First Reading and introducing an Ordinance approving Zone Text Amendment #ZTA 19-01 amending Hercules Municipal Code 13-44.200 – Application Processing and Hearing Notice.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:

On March 18, 2019 the Planning Commission held a public hearing and adopted the attached Planning Commission Recommending Resolution #19-01 (Attachment 2), which reflects recommended modifications to Hercules Municipal Code Section 13-44.200. In addition to some areas that Council wanted modified, the Planning Commission provided additional suggested modifications to a) remove the owner list being provided by the applicant and b) add the posting at 3 locations to public places for all projects, not just ones with more than 1,000 notifications, to reflect normal internal processes being followed.

DISCUSSION:

City Council last talked about this item at their regular meeting of February 26, 2019, where they referred the item to the Planning Commission to clarify that the authority to provide additional noticing pursuant to California Government Code Section 65090 be spelled out in more specific terms in Section 13-44.00 of the Hercules Municipal Code.

The attached draft Ordinance (Attachment 1) incorporates the recommendations of the Planning Commission, city staff, and the City Attorney for Council's consideration. The two additional suggested changes by the Planning Commission have been highlighted in yellow. These changes reflect the City's current general practice, and staff believes that specifying the change related to posting at three locations which reflects current practice would not be problematic. However, at this time staff does not recommend the second change proposed by the Commission to delete the requirement that the owner provide the mailing list. While our current practice is to generate the list internally, there may be reasons in the future to require the owner to do so. While we can always continue to waive this requirement, the provision should remain in place in the event we are in the future unable to generate the list internally for any reason.

ATTACHMENTS:

- 1 Draft Ordinance amending HMC Title 13-44.200 with Exhibit A
- 2 Planning Commission Recommending Resolution #19-01

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HERCULES AMENDING SECTION 13-44.200 OF THE HERCULES MUNICIPAL CODE RELATING TO NOTICING REQUIREMENTS

WHEREAS, on February 26, 2019, the City Council discussed the current zoning and planning noticing process, and directed staff to draft clarifying amendments to the City's Zoning Ordinance to allow for expanded noticing of land use matters consistent with the authority provided by California Government Code Section 65090; and

WHEREAS, the City Council further directed staff to obtain the Planning Commission's review of the proposed amendments, pursuant to Section 13-52.200 of the Hercules Municipal Code; and

WHEREAS, the Planning Commission did hold a properly noticed public hearing on March 18, 2019 to consider Council's direction to modify the Noticing provisions of the Zoning Ordinance requiring a Zoning Text Amendment, and did use its independent judgment to consider all said reports, recommendations, and testimony as a basis for adopting Recommending Resolution #19-01 with some additional proposed amendments; and

WHEREAS, it can be seen with certainty that there is no possibility that the proposed amendments may have a significant effect on the environment and is thus categorically exempt from the California Environmental Quality Act ("CEQA") [State CEQA Guidelines Section 15061(b)(3)]; and

WHEREAS, the City Council did hold a properly noticed public hearing on April 9, 2019 to consider Zoning Text Amendment #ZTA 19-01, and did hear and use its independent judgment to consider all said reports, recommendations, and testimony hereinabove set forth.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERCULES DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1.

Portions of Section 13-44.200 of the Hercules Municipal Code entitled "Application Processing and Hearing Notice" is hereby amended to read as depicted on Exhibit A, attached hereto and made a part hereof.

SECTION 2 – CEQA.

The adoption Zone Text Amendment #ZTA 19-01 is categorically exempt from the California Environmental Quality Act ("CEQA") [State CEQA Guidelines Section 15061(b)(3)]

SECTION 3 – SEVERABILITY.

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decisions shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have adopted the Ordinance, and each section,

subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be deleted.

SECTION 4. Publication and Effective Date.

a. This Ordinance shall be published in accordance with applicable law, by one or more of the following methods:

1. Posting the entire Ordinance in at least three (3) public places in the City of Hercules, within fifteen (15) days after its passage and adoption; or

2. Publishing the entire Ordinance at least once in the West County Times, a newspaper of general circulation published in the County of Contra Costa and circulated in the City of Hercules, within fifteen (15) days after its passage and adoption; or

3. Publishing a summary of the Ordinance in the West County Times and posting a certified copy of the entire Ordinance in the office of the City Clerk at least five (5) days prior to the passage and adoption, and a second time within fifteen (15) days after its passage and adoption, along with the names of those City Councilmembers voting for and against the Ordinance.

b. This Ordinance shall go into effect thirty (30) days after the date of its passage and adoption.

THE FOREGOING ORDINANCE was first read at a regular meeting of the Hercules City Council on the 9th day of April, 2019, and was passed and adopted at a regular meeting of the Hercules City Council on the ____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Romero, , Mayor

Lori Martin, Administrative Services Director &
City Clerk

Exhibit A: Modifications to Hercules Municipal Code Section 13-44.200 for #ZTA 19-01

EXHIBIT A

Modifications to Hercules Municipal Code 13-44.200 (Zone Text Amendment 19-01)

Sec. 13-44.200 (3) and (4) Application Processing and Hearing Notice

3. Written notice of the hearing shall be mailed or delivered to all property owners within 300 feet of the property subject to the hearing not less than 10 days prior to the public hearing. Additional notice may be required by the Planning Director when in a particular case circumstances warrant such additional notice. Such additional notice may include but is not limited to: extending mailed notice to beyond 300 feet of the property; providing notice to tenants in addition to the notice required to be provided to property owners, and; utilizing additional means of notification in addition to mailed notice.

Whenever the Planning Director decides in his or her discretion to require additional notice, the reason for imposing the additional notice shall be provided to the applicant, and shall be included in any staff report to the Planning Commission and City Council.

4. Post the notice of public hearing not less than 10 days prior to the public hearing in at least 3 public places within the boundary of the City including 1 area directly affected by the proceeding.

If the number of property owners to be notified exceeds 1,000, the City may in lieu of mailing notices provide notice by placing a display advertisement of at least one-eighth page in length in at least 1 newspaper of general circulation within the City and post notice of the hearing not less than 10 days prior to the public hearing in at least 3 public places within the boundary of the City including 1 area directly affected by the proceeding.

The public notice shall include the date, time, and place of public hearing, the name of hearing body, a general explanation of the matter to be considered, and a general description in text or diagram of the location of the property subject to the hearing. The notice should also include a statement that any interested person is invited to appear to address or object to the application in question and a statement of appeal procedures and time limits. [Ord. 515 § 2, 2018; ZO § 44.200.]

RESOLUTION NO. 19-01

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HERCULES RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE UPDATING THE ZONING ORDINANCE RELATED TO ADDITIONAL NOTICING

WHEREAS, on February 26, 2019 the City Council of the City of Hercules discussed the current noticing process and wanted to clarify what is already allowed by the California Government Code Section 65090 and wanting to bring that clarity to the City's Zoning Code; and

WHEREAS, according to Zoning Ordinance Section 13-52.200, City Council action can request the Planning Commission to consider an amendment to the Zoning Ordinance at a public hearing; and

WHEREAS, at February 26, 2019 Regular Council Meeting, the City Council provided a framework of policy modification they would like to see considered to ultimately incorporate into the Zoning Ordinance; and

WHEREAS, it can be seen with certainty that there is no possibility that the Amendment may have a significant effect on the environment and is thus categorically exempt from the California Environmental Quality Act ("CEQA") [State CEQA Guidelines Section 15061(b)(3)]; and

WHEREAS, the Planning Commission did hold a properly noticed public hearing on March 18, 2019 to consider Council's direction to modify the Noticing provisions of the Zoning Ordinance requiring a Zoning Text Amendment, and did hear and use its independent judgment to consider all said reports, recommendations, and testimony hereinabove set forth;

NOW, THEREFORE, BE IT RESOLVED:

1. The foregoing recitals are true and correct and made a part of this Resolution.
2. The Planning Commission, based on its independent judgment and analysis, finds that there is no substantial evidence that the Amendment will have no significant effect on the environment based on the whole record before it.
3. After due study, deliberation, and public hearing, the Planning Commission finds and determines that the Zoning Text modification is:
 - a) consistent with the General Plan
 - b) would not be detrimental to the health, safety, welfare, and public interest of the City, and
 - c) is internally consistent and does not conflict with the purposes, regulations and required findings of the Zoning Ordinance.
4. The Planning Commission recommends that the City Council approve an Ordinance approving and adopting Zone Text Amendment ZTA 19-01 updating the Zoning Ordinance related to noticing per the attached document (Exhibit A).

PASSED AND ADOPTED BY THE PLANNING COMMISSION OF THE CITY OF HERCULES on this 18th day of March 2019, by the following votes:

AYES: Galieva, Morrison, Rubio, Sacramento, and Tolley

NOES: None

ABSENT: None

ABSTAIN: None

Irena Galieva, Chairperson

ATTEST:

Holly P. Smyth, AICP
Planning Director & Planning Commission Secretary

Exhibit A - Proposed Modification to Hercules Municipal Code (Zone Text Amendment 19-01)

EXHIBIT A

Proposed Modifications to Hercules Municipal Code (Zone Text Amendment 19-01)

Sec. 13-44.200 (3) and (4) -Application Processing and Hearing Notice

3. Written notice of the hearing shall be mailed or delivered to all property owners within 300 feet of the property subject to the hearing not less than 10 days prior to the public hearing. ~~The list of owners within 300 feet along with adequate mailing labels to notice the required public hearings shall be prepared by the applicant and shall accompany the application using for this purpose the last known name and address of owners as shown in the current tax assessor's records. Additional notice may be required by the Planning Director when in a particular case circumstances warrant such additional notice. Such additional notice may include but is not limited to: extending mailed notice to beyond 300 feet of the property; providing notice to tenants in addition to the notice required to be provided to property owners, and; utilizing additional means of notification in addition to mailed notice.~~

Whenever the Planning Director decides in his or her discretion to require additional notice, the reason for imposing the additional notice shall be provided to the applicant, and shall be included in any staff report to the Planning Commission and City Council.

4. Post the notice of public hearing not less than 10 days prior to the public hearing in at least 3 public places within the boundary of the City including 1 area directly affected by the proceeding.

If the number of property owners to be notified exceeds 1,000, the City may in lieu of mailing notices provide notice by placing a display advertisement of at least one-eighth page in length in at least 1 newspaper of general circulation within the City and post notice of the hearing not less than 10 days prior to the public hearing in at least 3 public places within the boundary of the City including 1 area directly affected by the proceeding.

The public notice shall include the date, time, and place of public hearing, the name of hearing body, a general explanation of the matter to be considered, and a general description in text or diagram of the location of the property subject to the hearing. The notice should also include a statement that any interested person is invited to appear to address or object to the application in question and a statement of appeal procedures and time limits. [Ord. 515 § 2, 2018; ZO § 44.200.]



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 9, 2019

TO: Members of the City Council

SUBMITTED BY: Holly Smyth, Planning Director
Patrick Tang, City Attorney

SUBJECT: Consider Approving an Ordinance to Adopt Proposed Zone Text Amendment #ZTA19-02 related to Appeals and Posting of Notices of Decision

RECOMMENDED ACTION:

Conduct public hearing and consider waiving the First Reading and introducing an Ordinance approving Zone Text Amendment #ZTA 19-02 amending Hercules Municipal Code Title 13 to clarify the Council call up procedure, and standardizing notice of decision posting and appeals periods from 10 working days to 14 calendar days.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:

On March 18, 2019 the Planning Commission held a public hearing and adopted the attached Planning Commission Recommending Resolution #19-02 (Attachment 2), which reflects the proposed modifications to Hercules Municipal Code Section 13.

DISCUSSION:

City Council last discussed this item at their regular meeting of January 22, 2019, where they gave direction to staff and referred the item to the Planning Commission for review and recommendation, pursuant to the requirements of Section 52.200 of the Hercules Zoning Regulations.

The attached draft Ordinance (Attachment 1) incorporates the recommendations of the Planning Commission, city staff, and the City Attorney for Council's consideration.

ATTACHMENTS:

- 1 Draft Ordinance amending HMC Title 13
- 2 Planning Commission Recommending Resolution #19-02

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HERCULES AMENDING TITLE 13, CHAPTER 44 OF THE HERCULES MUNICIPAL CODE RELATING TO THE PLANNING AND ZONING APPEALS PROCESS

WHEREAS, at the regular Council meetings of September 25, 2018, January 8, 2019, and January 22, 2019, the City Council discussed possible changes to clarify the Council “call up” procedure for planning and zoning appeals ; and

WHEREAS, at the January 22, 2019 Regular Council Meeting, the City Council directed staff to prepare amendments to the Zoning Ordinance to clarify the “call up” procedure, and pursuant to Zoning Ordinance Section 13-52.200, directed that the Planning Commission review and make recommendations regarding the proposed amendments; and

WHEREAS, the Planning Commission did hold a properly noticed public hearing on March 18, 2019 to consider Council’s direction to modify the Appeal provisions of the Zoning Ordinance requiring Zoning Text Amendment #ZTA 19-02, and after due consideration adopted Resolution #19-02 recommending that the City Council adopt #ZTA 19-02; and

WHEREAS, it can be seen with certainty that there is no possibility that the Zoning Text Amendment may have a significant effect on the environment and is thus categorically exempt from the California Environmental Quality Act (“CEQA”) [State CEQA Guidelines Section 15061(b)(3)]; and

WHEREAS, the City Council did hold a properly noticed public hearing on April 9, 2019 to consider Zoning Text Amendment #ZTA 19-02, and did hear and use its independent judgment to consider all said reports, recommendations, and testimony provided at the public hearing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERCULES DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1.

Portions of Title 13 of the Hercules Municipal Code entitled “ZONING ORDINANCE” are hereby amended to read as depicted on Exhibit A, attached hereto and made a part hereof.

SECTION 2 – CEQA.

The adoption Zone Text Amendment #ZTA 19-02 is categorically exempt from the California Environmental Quality Act (“CEQA”) [State CEQA Guidelines Section 15061(b)(3)]

SECTION 3 – SEVERABILITY.

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decisions shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have adopted the Ordinance, and each section,

subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be deleted.

SECTION 4. Publication and Effective Date.

a. This Ordinance shall be published in accordance with applicable law, by one or more of the following methods:

1. Posting the entire Ordinance in at least three (3) public places in the City of Hercules, within fifteen (15) days after its passage and adoption; or

2. Publishing the entire Ordinance at least once in the West County Times, a newspaper of general circulation published in the County of Contra Costa and circulated in the City of Hercules, within fifteen (15) days after its passage and adoption; or

3. Publishing a summary of the Ordinance in the West County Times and posting a certified copy of the entire Ordinance in the office of the City Clerk at least five (5) days prior to the passage and adoption, and a second time within fifteen (15) days after its passage and adoption, along with the names of those City Councilmembers voting for and against the Ordinance.

b. This Ordinance shall go into effect thirty (30) days after the date of its passage and adoption.

THE FOREGOING ORDINANCE was first read at a regular meeting of the Hercules City Council on the 9th day of April, 2019, and was passed and adopted at a regular meeting of the Hercules City Council on the ____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Romero, , Mayor

Lori Martin, Administrative Services Director &
City Clerk

Exhibit A: Modifications to Hercules Municipal Code Title 13 for #ZTA 19-02

EXHIBIT A

Modifications to Hercules Municipal Code Title 13 (Zone Text Amendment #ZTA 19-02)

TITLE 13. ZONING ORDINANCE

Chapter 13-44. Hearings, Appeals and Judicial Review

Sec. 13-44.400 Notice of Decision.

The Community Development Director shall prepare a notice of decision for actions on zoning applications by the Community Development Director, Planning Commission and City Council. The decision shall include findings, any conditions of approval (including date of effect) as needed to mitigate any impacts and protect the health, safety and welfare of the community, and the appeal period allowed by the Zoning Ordinance. The notice of decision shall be posted within a public area of City Hall and mailed by the Community Development Director to the applicant at the address on the application within 14 calendar days of the decision.

Sec. 13-44.500 Review by Council.

The Council, through majority vote, may call up for review any decision of the Community Development Director or Planning Commission. The determination to call up for review shall be made by the Council at its next regular meeting following the posting of the notice of decision pursuant to Section 44.400, unless that meeting would be within 2 calendar days of the posting of the notice, in which case the Council may make the determination to call up for review at the second regular meeting following posting of the notice. The Council shall specify the issues to be reviewed when it determines to call an item up for review. The Council shall hear and determine a decision that is called up for review in the same manner as an appeal hearing.

Sec. 13-44.600 Filing of Appeals.

Any discretionary decision made by the Community Development Director where such decision is not designated as final by the Zoning Ordinance may be appealed to the Planning Commission by the applicant or any person affected by a determination or decision. An appeal requires filing a written appeal with the Community Development Director within 14 calendar days of the mailing or posting of the notice of decision.

Any determination or decision made by the Planning Commission may be appealed to the City Council by the applicant or any person affected by a determination or decision. An appeal requires filing a written appeal with Community Development Director within 14 calendar days of the mailing or posting of the notice of decision.

The written appeal shall include the name and address of the person filing the appeal, the decision that is being appealed, a description of the grounds upon which the appeal is based, and applicable filing fees.

Chapter 13-42. Design Review - Sec. 13-42.600 Hearings and Appeals.

The procedures for hearings and appeals are specified in Chapter [13-44](#), Hearings and Appeals.

Chapter 13-45. Minor Exceptions - Sec. 13-45.500 Hearings and Appeals.

The Community Development Director shall make a determination regarding a minor exception application within 10 working days of notification to the applicant that the application is complete. A public hearing is not required for a minor exception unless an appeal is filed. The procedures for appeals and subsequent hearings are as per Chapter [13-44](#), Hearings and Appeals.

Chapter 13-46. Minor Modifications - Sec. 13-46.400 Hearings and Appeals.

The Community Development Director shall make a determination regarding a minor modification application within 10 working days of notification to the applicant that the application is complete. A public hearing is not required for a minor modification unless an appeal is filed. The procedures for appeals and subsequent hearings by the public or Council call up are as per Chapter [13-44](#), Hearings and Appeals.

Chapter 13-48. Planned Development Plans - Sec. 13-48.700 Hearings and Appeals.

The procedures for hearings and appeals are as per Chapter [13-44](#), Hearings and Appeals.

A planned development plan application along with the Community Development Director's report shall be submitted to the Planning Commission for review. The Planning Commission shall forward its recommendation to the City Council for final action.

If the planned development plan includes a proposed subdivision, the proceedings for the review of the tentative subdivision map may be undertaken concurrently with the proceedings with respect to the planned development plan.

Chapter 13-49. Specific Plans - Sec. 13-49.400 Hearings, Adoption and Appeals.

A specific plan shall be reviewed and adopted in the same manner as a general plan, except that a specific plan may be adopted by resolution or by ordinance. No specific plan may be adopted unless the proposed plan is consistent with the General Plan. The procedures for hearings and appeals are as per Chapter [13-44](#), Hearings and Appeals

Chapter 13-50. Use Permits - Sec. 13-50.400 Hearings and Appeals.

The procedures for hearings and appeals are as per Chapter [13-44](#), Hearings, Appeals and Judicial Review.

Chapter 13-51. Variances - Sec. 13-51.500 Hearings and Appeals.

The procedures for hearings and appeals are as per Chapter [13-44](#), Hearings and Appeals.

Chapter 13-52. Zoning Amendments - Sec. 13-52.500 Hearings and Appeals.

The procedures for hearings and appeals are as per Chapter [13-44](#), Hearings and Appeals.

RESOLUTION NO. 19-02

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HERCULES RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE UPDATING THE ZONING CODE RELATED TO APPEALS PROCESS

WHEREAS, on January 22, 2019, January 8, 2019, September 25, 2018 the City Council of the City of Hercules discussed the current appeal process initiated by Council call up and wanted to clarify the language to be less confusing and give adequate time for the Council to decide if a call up is needed; and

WHEREAS, according to Zoning Ordinance Section 13-52.200, City Council action can request the Planning Commission to consider an amendment to the Zoning Ordinance at a public hearing; and

WHEREAS, at January 22, 2019 Regular Council Meeting, the City Council provided a framework of policy modification they would like to see considered to ultimately incorporated into the Zoning Ordinance; and

WHEREAS, it can be seen with certainty that there is no possibility that the Amendment may have a significant effect on the environment and is thus categorically exempt from the California Environmental Quality Act ("CEQA") [State CEQA Guidelines Section 15061(b)(3)]; and

WHEREAS, the Planning Commission did hold a properly noticed public hearing on March 18, 2019 to consider Council's direction to modify the Appeal provisions of the Zoning Ordinance requiring Zoning Text Amendment #ZTA 19-02, and did hear and use its independent judgment to consider all said reports, recommendations, and testimony hereinabove set forth;

NOW, THEREFORE, BE IT RESOLVED:

1. The foregoing recitals are true and correct and made a part of this Resolution.
2. The Planning Commission, based on its independent judgment and analysis, finds that there is no substantial evidence that the amendment will have a significant effect on the environment based on the whole record before it.
3. After due study, deliberation, and public hearing, the Planning Commission finds and determines that the Zoning Text modification is:
 - a) consistent with the General Plan
 - b) would not be detrimental to the health, safety, welfare, and public interest of the City, and
 - c) is internally consistent and does not conflict with the purposes, regulations and required findings of the Zoning Ordinance.
4. The Planning Commission recommends that the City Council approve an Ordinance approving and adopting Zone Text Amendment #ZTA 19-02 updating the Zoning Ordinance related to the appeal process per the attached document (Exhibit A).

PASSED AND ADOPTED BY THE PLANNING COMMISSION OF THE CITY OF HERCULES on this 18th day of March 2019, by the following votes:

AYES: Galieva, Morrison, Rubio, Sacramento, and Tolley

NOES: None

ABSENT: None

ABSTAIN: None

Irena Galieva, Chairperson

ATTEST:

Holly P. Smyth, AICP
Planning Director & Planning Commission Secretary

Exhibit A - Proposed Modification to Hercules Municipal Code (Zone Text Amendment #ZTA 19-02)

EXHIBIT A

Proposed Modifications to Hercules Municipal Code (Zone Text Amendment #ZTA 19-02)

TITLE 13. ZONING ORDINANCE

Chapter 13-44. Hearings, Appeals and Judicial Review

Sec. 13-44.400 Notice of Decision.

The Community Development Director shall prepare a notice of decision for actions on zoning applications by the Community Development Director, Planning Commission and City Council. The decision shall include findings, any conditions of approval (including date of effect) as needed to mitigate any impacts and protect the health, safety and welfare of the community, and the appeal period allowed by the Zoning Ordinance. The notice of decision shall be posted within a public area of City Hall and mailed by the Community Development Director to the applicant at the address on the application within ~~10 working~~14 calendar days of the decision. ~~{Ord. 515 § 2, 2018; ZO § 44.400.}~~

Sec. 13-44.500 Review by Council.

The Council, through majority vote, may call up for review any decision of the Community Development Director or Planning Commission. The determination to call up for review shall be made by the Council ~~at the meeting at which the notice of decision is presented to it, at its next~~a regular meeting following the posting of the notice of decision pursuant to Section 44.400, unless that meeting would be within 2 calendar days of the posting of the notice, in which case the Council may make the determination to call up for review at the following regular meeting following posting of the notice. ~~and~~The Council shall specify the issues to be reviewed when it determines to call an item up for review. The Council shall hear and determine a decision that is called up for review in the same manner as an appeal hearing. ~~{Ord. 515 § 2, 2018; ZO § 44.500.}~~

Sec. 13-44.600 Filing of Appeals.

Any discretionary decision made by the Community Development Director where such decision is not designated as final by the Zoning Ordinance may be appealed to the Planning Commission by the applicant or any person affected by a determination or decision. An appeal requires filing a written appeal with the Community Development Director within ~~10 working~~14 calendar days of the mailing or posting of the notice of decision.

Any determination or decision made by the Planning Commission may be appealed to the City Council by the applicant or any person affected by a determination or decision. An appeal requires filing a written appeal with Community Development Director within ~~10 working~~14 calendar days of the mailing or posting of the notice of decision.

The written appeal shall include the name and address of the person filing the appeal, the decision that is being appealed, a description of the grounds upon which the appeal is based, and applicable filing fees. ~~{Ord. 515 § 2, 2018; ZO § 44.600.}~~

Chapter 13-42. Design Review - Sec. 13-42.600 Hearings and Appeals.

The procedures for hearings and appeals by the public or Council call up are specified in Chapter 13-44, Hearings and Appeals. ~~The Council may call up for review any design review decision of the Planning Commission. The determination to call up for review shall be made by the Council at the meeting where the notice of decision is presented to it. If a design review decision is called up for review by the Council, the Council shall hear and determine the matter in the same manner as an appeal. {Ord. 515 § 2, 2018; ZO § 42.600.}~~

Chapter 13-45. Minor Exceptions - Sec. 13-45.500 Hearings and Appeals.

The Community Development Director shall make a determination regarding a minor exception application within 10 working days of notification to the applicant that the application is complete. A public hearing is not required for

a minor exception unless an appeal is filed. The procedures for appeals and subsequent hearings by the public or Council call up are as per Chapter 13-44, Hearings and Appeals. ~~{Ord. 515 § 2, 2018; ZO § 45.500.}~~

Chapter 13-46. Minor Modifications - Sec. 13-46.400 Hearings and Appeals.

The Community Development Director shall make a determination regarding a minor modification application within 10 working days of notification to the applicant that the application is complete. A public hearing is not required for a minor modification unless an appeal is filed. The procedures for appeals and subsequent hearings by the public or Council call up are as per Chapter 13-44, Hearings and Appeals. ~~{Ord. 515 § 2, 2018; ZO § 46.400.}~~

Chapter 13-48. Planned Development Plans - Sec. 13-48.700 Hearings and Appeals.

The procedures for hearings and appeals by the public or Council call up are as per Chapter 13-44, Hearings and Appeals.

A planned development plan application along with the Community Development Director's report shall be submitted to the Planning Commission for review. The Planning Commission shall forward its recommendation to the City Council for final action.

If the planned development plan includes a proposed subdivision, the proceedings for the review of the tentative subdivision map may be undertaken concurrently with the proceedings with respect to the planned development plan. ~~{Ord. 515 § 2, 2018; ZO § 48.700.}~~

Chapter 13-49. Specific Plans - Sec. 13-49.400 Hearings, Adoption and Appeals.

A specific plan shall be reviewed and adopted in the same manner as a general plan, except that a specific plan may be adopted by resolution or by ordinance. No specific plan may be adopted unless the proposed plan is consistent with the General Plan. The procedures for hearings and appeals by the public or Council call up are as per Chapter 13-44, Hearings and Appeals. ~~{Ord. 515 § 2, 2018; ZO § 49.400.}~~

Chapter 13-50. Use Permits - Sec. 13-50.400 Hearings and Appeals.

The procedures for hearings and appeals by the public or Council call up are as per Chapter 13-44, Hearings, Appeals and Judicial Review.

~~The City Council may call up for review by it any action of the Community Development Director or Planning Commission in granting or denying a use permit. The determination to call up for review shall be made by the Council at the meeting at which the notice of decision is presented to it. If a decision is called up for review by the City Council, the City Council shall hear and determine the matter according to the required findings of this Chapter in the same manner as an appeal. {Ord. 515 § 2, 2018; ZO § 50.400.}~~

Chapter 13-51. Variances - Sec. 13-51.500 Hearings and Appeals.

The procedures for hearings and appeals by the public or Council call up are as per Chapter 13-44, Hearings and Appeals.

~~The City Council may call up for review by it any action of the Planning Commission in granting or denying a variance. The determination to call up for review shall be made by the City Council at the meeting at which the notice of decision is presented to it. If a decision is called up for review by the City Council, the City Council shall hear and determine the matter in the same manner as an appeal. {Ord. 515 § 2, 2018; ZO § 51.500.}~~

Chapter 13-52. Zoning Amendments - Sec. 13-52.500 Hearings and Appeals.

The procedures for hearings and appeals by the public or Council call up are as per Chapter 13-44, Hearings and Appeals. ~~{Ord. 515 § 2, 2018; ZO § 52.500.}~~



City of Hercules

111 Civic Drive
Hercules, CA 94547

Meeting Minutes

City Council

Mayor Dan Romero
Vice Mayor Roland Esquivias
Council Member Chris Kelley
Council Member Gerard Boulanger
Council Member Dion Bailey

David Biggs, City Manager
Patrick Tang, City Attorney
Lori Martin, City Clerk

Tuesday, March 26, 2019

7:00 PM

Council Chambers

SPECIAL CLOSED SESSION - 6:00 P.M.

REGULAR MEETING - 7:00 P.M.

I. SPECIAL MEETING - CLOSED SESSION – 6:00 P.M. CALL TO ORDER - ROLL CALL

Mayor Romero called the special meeting to order at 6:00 p.m.

Present: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

II. PUBLIC COMMUNICATION - CLOSED SESSION ITEMS

Public Speaker: Pil Orbison.

III. CONVENE INTO CLOSED SESSION

City Attorney Tang announced the items to be discussed in closed session.

Mayor Romero recessed the meeting at 6:05 p.m.

1. [19-531](#) Pursuant to Government Code Section 54957(b)(1) PUBLIC EMPLOYMENT - Title: City Manager Contract
2. [19-532](#) Pursuant to Government Code Section 54956.9 (d)(1), Conference with Legal Counsel - Pending/Existing Litigation - Taylor Morrison of California, LLC, entitled *Taylor Morrison of California, LLC v. City of Hercules*, Superior Court for the County of Contra Costa, Case No. C19-00366.

IV. REGULAR MEETING – 7:00 P.M. CALL TO ORDER - ROLL CALL

Mayor Romero called the meeting to order at 7:00 p.m.

Present: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

V. REPORT ON ACTION TAKEN IN CLOSED SESSION

City Attorney Tang reported that there were no final or reportable actions taken in closed session.

VI. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Kelley.

VII. MOMENT OF SILENCE

Mayor Romero called for a moment of silence for the 49 people who were killed in mass shootings at two mosques in the New Zealand city of Christchurch.

VIII. INTRODUCTIONS/PRESENTATIONS/COMMISSION REPORTS

1. [19-528](#) Proclamation Recognizing Stanley Tom for his Service to the Hercules Finance Commission and Acknowledging his Dedication and Commitment to the Hercules Community

Mayor Romero read aloud and presented a Proclamation to Stanley Tom for his dedicated service to the Hercules Finance Commission and the Hercules community.

Mr. Tom spoke and thanked the City Council for the recognition. Each member of City Council provided comments and thanked Stanley Tom for his service to the Commission and the community.

2. [19-519](#) Presentation from Education Matters, Jason Singer, Executive Director
Jason Singer, Executive Director with Education Matters gave a presentation in regards to student achievement in WCCUSD and statistics related to non-proficiency in math, English Language Arts.

Members of the City Council asked questions and provided comments.

IX. AGENDA ADDITIONS/DELETIONS

City Manager Biggs stated there were no additions or deletions to the agenda. City Manager Biggs identified the supplemental information handed out prior to the meeting and available to the public at the side table.

X. PUBLIC COMMUNICATIONS

None.

XI. PUBLIC HEARINGS

None.

XII. CONSENT CALENDAR

MOTION: A motion was made by Council Member Kelley, seconded by Council Member Boulanger, to adopt the Consent Calendar. The motion carried by the following vote:

Aye: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

1. [19-529](#) **Meeting Minutes**
Recommendation: Approve the Regular Meeting Minutes of March 12, 2019.
Approved.
2. [19-516](#) **Proclamation Declaring the Month of March as American Red Cross Month**
Recommendation: Receive Proclamation recognizing March 2019 as American Red Cross Month in the City of Hercules.
Approved.

XIII. DISCUSSION AND/OR ACTION ITEMS

1. [19-515](#) **Update on WestCAT Bus Service**
Recommendation: Receive Report, Discuss, and Provide Direction, if any.

City Manager Biggs introduced the item and provided a brief staff report. Mr. Charlie Anderson, General Manager of WestCat provided a presentation and update on WestCat services.

Members of the City Council asked questions and provided comments.
2. [19-518](#) **Multi-Family Smoking Ordinance Update**
Recommendation: Receive update, discuss, and provide direction, if any.

City Manager Biggs introduced the item and City Attorney Tang provided a staff report. Jennifer Grand from Contra Costa County provided additional information.

Members of the City Council asked questions and provided comments.

City Council gave direction to staff to draft an Ordinance and bring forward to a future meeting.

3. [19-530](#)

Second Reading and Adoption of Transportation Facilities Impact Fee Ordinance

Recommendation: Waive second reading and adopt the attached Ordinance of the City Council of the City of Hercules amending Title 10, Chapter 18 - Development Impact Fees, Article 6 - Traffic Facilities Impact Fees of the Hercules Municipal Code related to the Transportation Facilities Impact Fees.

City Manager Biggs introduced the item and provided a staff report. Members of the City Council asked questions and provided comments.

MOTION: A motion was made by Council Member Kelley, seconded by Vice Mayor Esquivias, to adopt Ordinance 518. The motion carried by the following vote:

Aye: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

4. [19-501](#)

Proposed Amendment to Employment Agreement for City Manager David Biggs

Recommendation: Adopt a Resolution of the Hercules City Council approving Amendment No. 2 to the Employment Agreement with City Manager David Biggs extending the term of the agreement to December 21, 2021 with an option for two (2) additional one year extensions, and effective July 1, 2019, providing a 5% deferred compensation match and a 10% increase in annual salary.

City Attorney Tang introduced the item and provided a staff report. City Manager Biggs spoke about his tenure in Hercules stating further that he is looking forward to serving the community for a few more years.

Members of the City Council provided comments.

MOTION: A motion was made by Council Member Kelley, seconded by Council Member Bailey, to adopt Resolution 19-014. The motion carried by the following vote:

Aye: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

5. [19-517](#) **Update on Landscape & Lighting Assessment Districts and 2019/20 Annual Renewal**
Recommendation: Receive report, discuss, and provide direction, if any.
City Manager Biggs introduced the item and provided a staff report. City Council asked questions and provided comments. By consensus, City Council gave direction to staff to begin efforts to initiate a Proposition 218 balloting process on Zones 1 and 7.
6. [19-527](#) **Inclusionary Housing Implementation Policy Recommendations**
Recommendation: Receive report, discuss, and provide direction on formulation of an inclusionary housing implementation policy to manage the City's interests in the development, restriction, and management of affordable housing units to be constructed as part of projects with development agreements requiring affordable housing.
City Manager Biggs introduced the item and provided a staff report. City Council asked questions and provided comments.

Public Speaker: Ben Ortega

By consensus, City Council gave direction to staff to reinstitute the suspended Ordinance by way of a newly proposed Ordinance for review and consideration of adoption at a future Council meeting. City Council suggested scheduling this item for consideration in July 2019.

XIV. PUBLIC COMMUNICATIONS

None.

XV. CITY COUNCIL/CITY MANAGER/CITY ATTORNEY ANNOUNCEMENTS, COMMITTEE, SUB-COMMITTEE AND INTERGOVERNMENTAL COMMITTEE REPORTS AND FUTURE AGENDA ITEMS

City staff and Council Members reported on attendance at events and community and regional meetings.

Mayor Romero requested a future agenda item to discuss CASA Compact. There were no objections to Mayor Romero's request.

XVI. ADJOURNMENT

Mayor Romero adjourned the meeting at 10:39 p.m. in memory of the four (4) Oakland, CA police officers shot and killed on March 21, 2009. The four Oakland Police Officers killed in the line of duty were: Sergeant Mark Dunakin, Officer John Hege, Sergeant Ervin Romans, and Sergeant Daniel Sakai.

Dan Romero, Mayor

Attest:

Lori Martin, MMC
Administrative Services Director/City Clerk



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 9, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Mike Roberts, Public Works Director

SUBJECT: Preparation and Filing of the FY 2019/20 Landscaping and Lighting Engineer's Reports

RECOMMENDED ACTION:

Adopt a resolution directing the filing of the Annual Engineer's Reports for the City of Hercules Landscaping and Lighting Assessment District No. 83-2, Victoria by the Bay Landscaping and Lighting Assessment District No. 2002-1, Hercules Village Landscaping and Lighting Assessment District No. 2002-2, Baywood Landscaping and Lighting Assessment District No. 2004-1, and Bayside Landscaping and Lighting Assessment District No. 2005-1 pursuant to the Landscaping and Lighting Act of 1972.

FISCAL IMPACT OF RECOMMENDATION:

If assessments are not levied as proposed, a deficit balance could result and there would be a loss of revenue of approximately \$2,600,000 for FY 2019/20.

DISCUSSION:

As required by the Landscaping and Lighting Act of 1972 (hereinafter "the Act"), the first step in the annual process to levy and collect assessments through the City's five (5) Landscaping and Lighting Assessment Districts (LLADs) is the preparation of an annual Engineer's Report for each District. The Act requires that the City adopt a resolution ordering the filing of the Engineer's Report and that the Engineer's Report identify the following:

- 1) The fiscal year for which the report applies.
- 2) Any proposed new improvements or any substantial changes in existing improvements.
- 3) Plans and specifications for the improvements.
- 4) An estimate of the costs of the improvements, including:
 - a) The total costs for improvements to be made that year, being the total costs of constructing or installing all proposed improvements and of maintaining and servicing all existing and proposed improvements, including all incidental expenses. This may include a reserve

- which shall not exceed the estimated costs of maintenance and servicing through December 31st of the fiscal year, or whenever the City expects to receive its first installment of special assessments and tax collections from the county, whichever is later.
- b) The amount of any surplus or deficit in the improvement fund to be carried over from a previous fiscal year.
 - c) The amount of any contributions to be made from sources other than assessments.
 - d) The net amount to be assessed upon assessable lands within the District.
- 5) A diagram for the District.
 - 6) An assessment of the estimated costs of the improvements, which will:
 - a) State the net amount to be assessed upon assessable lands within the District.
 - b) Describe each assessable lot or parcel of land within the District.
 - c) Assess the net amount upon all assessable lots or parcels of land within the District by apportioning that amount among the several lots or parcels in proportion to the estimated benefits to be received by each lot or parcel from the improvements.

For FY 2019/20, City staff is proposing to proceed with a Proposition 218 election to increase assessments in the following LLAD No. 83-2 Benefit Zones:

- Benefit Zone 1 – Increase needed to eliminate the annual operating deficit, eliminate the cumulative deficit over a ten-year term, and fund wooden street light pole replacements over a 10-year repayment term.
- Benefit Zone 7 – Increase needed to fund wooden street light pole replacements over a 10-year repayment term.

Once completed, the Engineer's Report for each District will be brought to the City Council for preliminary approval. At that time, the City Council may request modifications to the Engineer's Report and will adopt a resolution declaring its intent to levy and collect assessments within each District and set a public hearing date for consideration of the assessments. Notices and Ballots will be mailed to the affected property owners in Benefit Zones 1 and 7 a minimum of 45 days prior to the public hearing. At the set public hearing, the City Council will take testimony on the levy and collection of the assessments and continue the public hearing to the following Council meeting date to allow sufficient time to tabulate the returned ballots. At the continued public hearing, the results of the ballot tabulation will be presented, and City Council will determine if the assessments should be levied per the Final Engineer's Report.

LLAD BACKGROUND INFORMATION:

1. Landscaping and Lighting Assessment District No. 83-2

Landscaping and Lighting Assessment District No. 83-2 (hereinafter "LLAD No. 83-2") was formed on January 5, 1984 by Resolution No. 84-7. LLAD No. 83-2 originally consisted of four residential areas or zones: Zone 1 (Olympian Hills, Citation Homes West of San Pablo and Historic Homes), Zone 2 (Foxboro and Willow Glen Apartments), Zone 3 (Valley Oaks and Tiffany Ridge) and Zone 4 (Falcon Heights).

Later in 1984; Zones 3 and 4 were combined when connected by the Marsten Ranch development annexation; Zone 5 (commercial and undeveloped properties) was annexed to LLAD No. 83-2, Zone 6 (Village Parkway) a residential area was separated from Zone 5 upon development, and Zone 7 (Hanna Ranch) was annexed to the LLAD No. 83-2.

In 1991, the existing neighborhoods known as Zone 8 (Trees and Flowers) and Zone 9 (Birds and Country Run) and Zone 10 (Citywide park and recreation facilities) were annexed to LLAD No. 83-2 following a mailed assessment ballot proceeding.

In 1997 the assessment methodology was revised to conform to the requirements of Article XIII D of the California Constitution (enacted by Proposition 218). An assessment ballot proceeding in June of 1997 confirmed LLAD No. 83-2. The June 1997 assessment ballot authorized the City to levy and collect assessments through FY 2002/03. The 1997 assessment ballot proceeding also authorized the City to increase assessments annually by the prior year's change in the Consumer Price Index (CPI) each fiscal year through FY 2002/03.

In FY 2003/04 the property owners approved an assessment increase commencing FY 2003/04 and approved the continuation of LLAD No. 83-2 through FY 2012/13. The 2003 assessment ballot proceeding also authorized the City to annually increase assessments by the prior year's change in the Consumer Price Index (CPI) each fiscal year through FY 2012/13.

In May of 2010, the property owners approved three (3) major changes to LLAD No. 83-2 commencing in FY 2010/11:

1. The removal of the assessment levy sunset date of FY 2012/13 and allowing LLAD No. 83-2 to continue in perpetuity.
2. Continuation of the authorization to increase assessments annually by the prior year's change in the Consumer Price Index (CPI).
3. Changes to the assessment methodology to recognize changes to developing areas to provide consistency throughout LLAD No. 83-2.

In FY 2016/17 the City conducted a Proposition 218 election to increase assessments in LLAD No. 83-2 Benefit Zones 1, 3&4, 5C, 6, and 7 for FY 2017/18. The assessment increase was approved by property owners in Benefit Zone 5C for FY 2017/18. In FY 2017/18 the City conducted a Proposition 218 election to increase assessments in LLAD No. 83-2 Benefit Zones 1, 3&4, 6, 7 and 9 for FY 2018/19. The assessment increase was approved by property owners in Benefit Zone 9 for FY 2018/19.

2. Victoria by the Bay Landscaping and Lighting Assessment District No. 2002-1

The Victoria by the Bay development was required to install approximately 24 acres of landscaped medians, frontages and parks and 211 streetlights as a condition for approval of the development. The area was formerly part of Zone 5C in LLAD No. 83-2. The improvements in the Victoria by the Bay development were determined to be distinct from other improvements within existing LLAD No. 83-2 and to require a higher level of maintenance. Therefore, the development was detached from LLAD No. 83-2 and Victoria by the Bay Landscaping and Lighting Assessment District No. 2002-1 was formed on May 14, 2002 by Resolution No. 02-050 of the City Council pursuant to the Landscaping and Lighting Act of 1972.

3. Hercules Village Landscaping and Lighting Assessment District No. 2002-2

The Hercules Village development was required to extend Railroad Avenue, install approximately 50 acres of landscaped improvements, which include parkway strips, paseos, an enhanced pond and detention basins, 122 streetlights and provide slope and retaining wall maintenance adjacent to the City's existing pedestrian pathway as a condition for approval of the development. The area was formerly part of Zone 5C in LLAD No. 83-2. The improvements in the Hercules Village development

were determined to be distinct from other improvements within existing LLAD No. 83-2 and would require a higher level of maintenance. Therefore, the development was detached from LLAD No. 83-2 and Hercules Village Landscaping and Lighting Assessment District No. 2002-2 was formed on May 14, 2002 by Resolution No. 02-049 of the City Council pursuant to the Landscaping and Lighting Act of 1972.

4. Baywood Landscaping and Lighting Assessment District No. 2004-1

The Baywood development was required to extend Sycamore Avenue 60 feet, install approximately 4.5 acres of landscaped improvements, which include tree-lined streets, alleyways, and natural open spaces, and construct 37 streetlights as a condition for approval of the development. The area was formerly part of Zone 5C in LLAD No. 83-2. The improvements in the Baywood development were determined to be distinct from other improvements within existing LLAD No. 83-2 and would require a higher level of maintenance. Therefore, the development was detached from LLAD No. 83-2 and Baywood Landscaping and Lighting Assessment District No. 2004-1 was formed on April 13, 2004 by Resolution No. 04-034 of the City Council pursuant to the Landscaping and Lighting Act of 1972.

5. Bayside Landscaping and Street Lighting Assessment District No. 2005-1

The Bayside development was required to install a 0.67 acre neighborhood park and public street lights as a condition of approval of the development. The area was formerly part of Zone 5C in LLAD No. 83-2. The improvements in the Bayside development were determined to be distinct from other improvements within existing LLAD No. 83-2 and would require a higher level of maintenance. Therefore, the development was detached from LLAD No. 83-2 and Bayside Landscaping and Lighting Assessment District No. 2005-1 was formed on May 10, 2005 by Resolution No. 05-060 of the City Council pursuant to the Landscaping and Lighting Act of 1972.

ATTACHMENTS:

Attachment 1 – Resolution

RESOLUTION 19-___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES DIRECTING THE FILING OF THE ANNUAL ENGINEER'S REPORT FOR CITY OF HERCULES LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 83-2, VICTORIA BY THE BAY LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2002-1, HERCULES VILLAGE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2002-2, BAYWOOD LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2004-1, AND BAYSIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2005-1 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

WHEREAS, the City Council through previous resolutions has established and levied annual assessments for the City of Hercules Landscaping and Lighting Assessment District No. 83-2, Victoria by the Bay Landscaping and Lighting Assessment District No. 2002-1, Hercules Village Landscaping and Lighting Assessment District No. 2002-2, Baywood Landscaping and Lighting Assessment District No. 2004-1, and Bayside Landscaping and Lighting Assessment District No. 2005-1 (hereinafter referred to as the "Districts"), pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2, Division 15* of the California Streets and Highways Code (commencing with *Section 22500*) (hereinafter referred to as the "Act") that provides for the collection of assessments by the County of Contra Costa on behalf of the City of Hercules to pay the maintenance and services of improvements and facilities related thereto, and

WHEREAS, the City Council desires to initiate proceedings for the levy of annual assessments against certain lots and parcels of land within the Districts for fiscal year 2019/20 for the landscape and lighting improvements and services that will provide benefit to the properties within the Districts pursuant to the provisions of the Act; and

WHEREAS, at their March 26 meeting, City Council provided direction to proceed with a Proposition 218 election with property owners located within Zones 1 and 7 of Lighting and Landscape Districts No. 83-2 in order to obtain property owner approval to increase assessments within those zones; and

WHEREAS, the City has retained Francisco & Associates, Inc. (hereinafter referred to as the "Engineer"), for the purpose of assisting with the levy of such assessments, including the preparation and filing of the Engineer's Report with the City Clerk in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hercules as follows:

1. The above recitals are true and correct.
2. Engineer's Report: The City Council hereby orders the Engineer to prepare and file with the City Clerk Engineer's Reports concerning the improvements and services within the Districts and the levy of assessments within the Districts for the fiscal year commencing July 1, 2019 and ending June 30, 2020, in accordance with *Chapter 3 Section 22623* of the Act. Said Engineer's Reports shall contain a description of the improvements and services, an estimate of the costs financed by the levy of the assessments, the properties benefiting from the improvements, the method of apportioning the assessments, and any substantial changes to the existing improvements and assessments.
3. Proposed Improvements: The improvements and services include but are not limited to the maintenance, operation and incidental expenses related to: street lighting, street trees; turf; ground cover and shrubs; irrigation and electrical systems; monuments; fountains; hardscape improvements; masonry walls and other fencing, and all necessary appurtenances and services connected with the landscaped channelways,

medians, parkways, entryways, parks and public easements and facilities designated and maintained as part of the District improvements. The Engineer's Reports prepared in connection with these proceedings shall provide a more detailed description of the improvements and services to be provided by the Districts and for which properties are proposed to be assessed.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the ninth day of April 2019, by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Romero, Mayor

ATTEST:

Lori Martin, Administrative Services Director/City Clerk



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 9, 2019

TO: Members of the City Council

SUBMITTED BY: Mike Roberts, Public Works Director/City Engineer

SUBJECT: Adopt a resolution approving the annual parcel assessment adopted by the County Flood Control District for the Contra Costa Clean Water Program for FY 19-20

RECOMMENDED ACTION:

Adopt a resolution approving the continuance of the parcel assessment rate of \$35.00 per Equivalent Runoff Unit (ERU) for FY 2019-2020 and requesting the Contra Costa County Flood Control and Water Conservation District adopt this annual parcel assessment for drainage maintenance and the National Pollution Discharge Elimination System (NPDES) Program.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:

There was no Commission or Subcommittee review on this item.

FISCAL IMPACT OF RECOMMENDATION:

The parcel assessment rate of \$35.00 per Equivalent Runoff Unit (ERU) has been in effect in Hercules since the 1990s and for FY 2019-2020 will generate approximately \$329,000 in revenues for the Contra Costa Clean Water Program. Approximately \$80,000 is retained by the County Flood Control District and constitutes Hercules' pro rata (by population) contribution for the County to administer the regional program activities on behalf of the 20 member agencies. This cost is the same as last year and is projected to remain the same into the future. The remaining \$249,000 is returned to Hercules and is used for local clean water activities and partly covers the City's annual stormwater related expenses.

DISCUSSION:

The Contra Costa Clean Water Program was established in the early 1990s and provides stormwater permit coverage for the 20 member agencies under the NPDES Program administered by the San Francisco Regional Water Quality Control Board (RWQCB). Regional activities performed by the Flood Control District include negotiating the permit with the RWQCB, providing training to member agencies, developing stormwater design standards, and coordinating the activities of the member

agencies. Hercules uses the local funding component for drainage maintenance activities within the City including street sweeping, catch basin cleaning, and creek cleaning. The funding also pays for staff time spent administering these programs.

The Clean Water Program is governed by a Management Committee, which consists of a representative from each of the 20 public agency members, so Hercules has direct representation. All revenue generated in the Hercules' Stormwater Utility Area (SUA) is required to be expended in that district except for the contribution to the regional program, which is very cost effective due to economies of scale. There are also nominal fees for the County Assessor to post the assessments on the tax roll and the Flood Control District to manage the SUA.

In order for the Flood Control District to adopt the assessments on behalf of the Clean Water Program, each municipality is required to submit a certified resolution approving the assessment rate for the coming fiscal year.

ATTACHMENTS:

1. Resolution
2. County Request for Assessment Resolution
3. Clean Water Program Funding Allocation by City

Financial Impact

Description:

With the current number of parcels assessed for equivalent runoff units for FY 2017-2018, the Stormwater Program will generate approximately \$329,000 in revenues of which \$249,000 is programmed for local programs.

Funding Source:

Account Number:

Budget Recap:

Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:		New Personnel:	\$
Council Policy Change:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

RESOLUTION NO. 19-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES APPROVING THE CONTINUANCE OF THE PARCEL ASSESSMENT RATE OF \$35.00 PER EQUIVALENT RUNOFF UNIT (ERU) FOR FY 2019-2020 AND REQUESTING THE CONTRA COSTA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT TO ADOPT THIS ANNUAL PARCEL ASSESSMENT FOR DRAINAGE MAINTENANCE AND THE NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) PROGRAM

WHEREAS, under the Federal Water Pollution Control Act, prescribed discharges of storm water require a permit from the appropriate California Regional Water Quality Control Board under the National Pollution Discharge Elimination System (NPDES) Program; and

WHEREAS, the City of Hercules, County of Contra Costa did apply for, and did receive, a NPDES permit which requires the implementation of selected Best Management Practices to minimize or eliminate pollutants from entering storm waters; and

WHEREAS, it is the intent of the City of Hercules to utilize funds received from its Stormwater Utility Area (SUA) for implementation of NPDES program and drainage maintenance activities; and

WHEREAS, at the request of the City of Hercules, Contra Costa County Flood Control and Water Conservation District (District) has completed the process for formation of a SUA, including Stormwater Utility Assessment Drainage Ordinance 93-47; and

WHEREAS, the SUA and Program Group Costs Payment Agreement between the City of Hercules and the District requires that the City of Hercules determine the rate to be assessed to a single Equivalent Runoff Unit (ERU) annually before May 1 of the forthcoming fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules as follows:

1. The City Council hereby approves the continuance of the \$35.00 rate per ERU for FY 2019-2020 and requests the Contra Costa County Flood Control and Water Conservation District adopt an annual parcel assessment for drainage maintenance and the NPDES Program.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the ninth day of April 2019, by the following vote of the Council:

AYES:

NOES:

Dan Romero, Mayor

ATTEST:

Lori Martin, MMC
Administrative Services Director/City Clerk



Contra Costa County Flood Control & Water Conservation District

Brian Balbas,
ex officio Chief Engineer
Mike Carlson,
Deputy Chief Engineer

March 14, 2019

Dear Management Committee Representative:

The Stormwater Utility Area (SUA) agreement between your municipality and the Contra Costa County Flood Control and Water Conservation District states that each municipality will set their annual Equivalent Runoff Unit (ERU) rate each year.

Please submit your three certified resolutions on or before April 15, 2019.

Please send your certified resolutions to my attention at Contra Costa County Flood Control & Water Conservation District, 255 Glacier Drive, Martinez, CA 94553.

Please note that although your municipality's ERU rate may be at the maximum rate, each municipality must annually set their ERU rate.

Thank you to those municipalities that have already submitted their certified resolutions. Please contact me if you have any questions at (925) 313-2023 or Patrick.Melgar@pw.cccounty.us.

Cordially,

A handwritten signature in blue ink, appearing to read 'Patrick Melgar', with a long horizontal flourish extending to the right.

Patrick Melgar
Administrative Analyst

PM:cw

G:\FC_Accounting\SWUF\02 - Annual Fee Adopt\FY 19-20\Request to MC for ERU Resolutions.docx

By e-mail

c: Mike Carlson, Deputy Chief Engineer
Tim Jensen, Flood Control
Michelle Cordis, Flood Control
Courtney Riddle, Contra Costa Clean Water Program
Shirley Lau, PW Finance Division

"Accredited by the American Public Works Association"

255 Glacier Drive • Martinez, CA 94553-4825

TEL: (925) 313-2000 • FAX: (925) 313-2333

www.cccpublicworks.org

**GROUP COSTS METHODOLOGY & ALLOCATION
FOR FISCAL YEAR 2019/20 (FINAL DRAFT)**

City/County/State	January 1, 2017	January 1, 2018 ⁽¹⁾	Percent Change	Prorata % of Program ⁽²⁾	Budget ⁽³⁾ Allocation
CONTRA COSTA COUNTY	1,139,313	1,149,363	0.88%		\$ 3,499,213
ANTIOCH	112,280	113,061	0.70%	9.84%	\$ 344,212
BRENTWOOD	61,383	63,042	2.70%	5.48%	\$ 191,930
CLAYTON	11,342	11,431	0.78%	0.99%	\$ 34,801
CONCORD	128,282	129,159	0.68%	11.24%	\$ 393,222
DANVILLE	44,048	44,396	0.79%	3.86%	\$ 135,163
EL CERRITO	24,674	24,939	1.07%	2.17%	\$ 75,926
HERCULES	26,185	26,317	0.50%	2.29%	\$ 80,122
LAFAYETTE	25,416	25,655	0.94%	2.23%	\$ 78,106
MARTINEZ	37,831	38,097	0.70%	3.31%	\$ 115,986
MORAGA	16,866	16,991	0.74%	1.48%	\$ 51,729
OAKLEY	41,116	41,742	1.52%	3.63%	\$ 127,083
ORINDA	19,012	19,199	0.98%	1.67%	\$ 58,451
PINOLE	19,101	19,236	0.71%	1.67%	\$ 58,564
PITTSBURG	71,342	72,647	1.83%	6.32%	\$ 221,172
PLEASANT HILL	34,944	35,068	0.35%	3.05%	\$ 106,764
RICHMOND	110,114	110,967	0.77%	9.65%	\$ 337,837
SAN PABLO	31,383	31,593	0.67%	2.75%	\$ 96,184
SAN RAMON	81,354	82,643	1.58%	7.19%	\$ 251,605
WALNUT CREEK	70,558	70,667	0.15%	6.15%	\$ 215,144
UNINCORP. COUNTY	172,082	172,513	0.25%	15.01%	\$ 525,212
				<u>100.00%</u>	<u>\$ 3,499,213</u>

1. Population estimate based on State of California Department of Finance (E-1) City/County projections- January 1, 2019.

Figures are updated in May of each year.

2. Percentages based on prorata of population.

3. Budget Allocation amount is the Stormwater Utility Assessment (SUA) budget, which includes contingency (net program budget).



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 9, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Edwin Gato, Finance Director

SUBJECT: **Long-Term Financial Projection for the General Fund**

RECOMMENDATION: Review and discuss the long-term financial projection for the General Fund.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION: The report was presented to the Finance Commission at their special meeting on Thursday, March 21, 2019, and has been refined and updated since that time.

FISCAL IMPACT OF RECOMMENDATION: There is no direct impact from the preparation and review of an updated long-term forecast. It is a planning tool that can be used to guide future fiscal decisions.

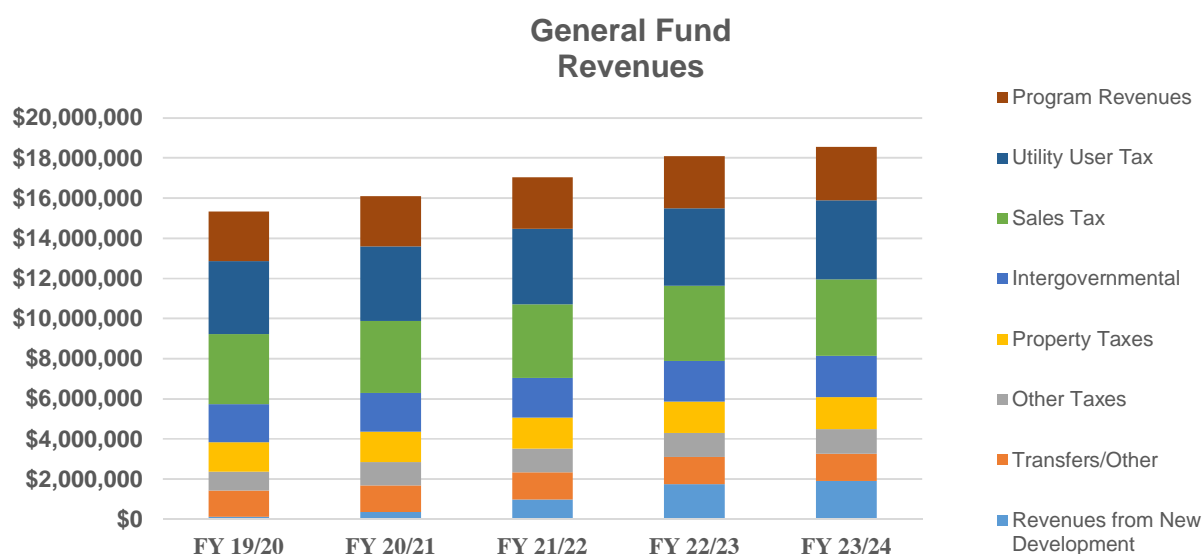
DISCUSSION: The City's finances are managed through four major efforts each year. The development and adoption of a budget for each fiscal year which starts July 1st is generally considered the first point in the annual cycle. This is generally followed by the completion and the acceptance of the audit for the prior fiscal year with the goal of having that completed by December 31st or earlier. The completion of the annual audit typically sets the stage for the mid-year budget review in February or March and can include some adjustments or additional appropriations or designations of reserves. The preparation of an update to the long-term forecast would also be done in the March/April timeframe to set the stage for the development of the budget for the next fiscal year.

With the City Council having undertaken the mid-year review on February 26th, and with the audit having been received by the City Council on January 22nd, it is timely to review an updated Long-Term Financial Projection. The forecast has been updated to reflect the FY 2017/18 audit results with the FY 2018/19 Year-End Projections indicated in the mid-year review.

A long-term forecast was prepared for the General Fund for the time period from FY 2019-20 through FY 2023-24.

REVENUE PROJECTION AND ASSUMPTIONS USED: The General Fund major revenue categories are summarized on page 1 of the Attachment. The City derives a significant portion of its General Fund revenues from economically sensitive sources such as property taxes, sales taxes (1% Bradley-Burns), and utility users' taxes. When one or more of these key revenue sources deviates from projections, funding for future programs and services may be affected.

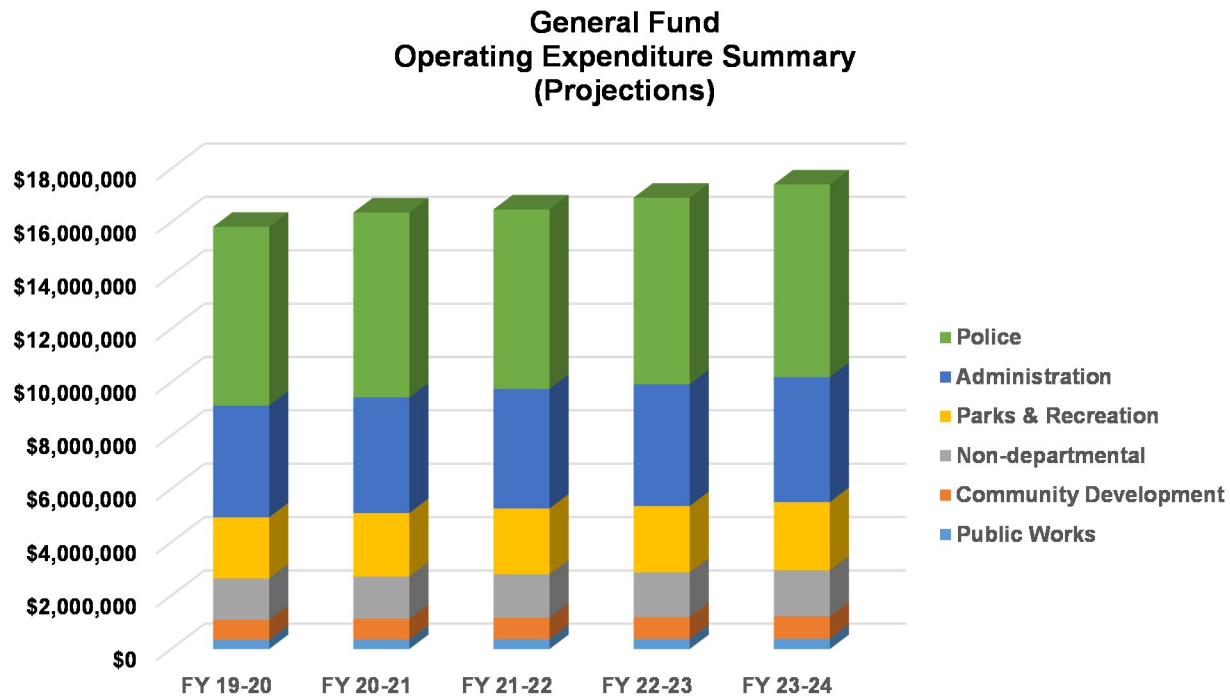
As shown in the following graph, General Fund revenues are projected to increase at the rate of 2% a year and including estimated revenues from new development. Revenue projections for a 5-year forecast period through 2024 range from \$15.3 to \$18.5 million. The following explains the major revenue assumptions used to estimate General Fund revenues.



- Utility User's Tax (UUT) are revenues collected from the consumption of utility services, including (but not limited to) electric, gas, water, sewer, telephone (including cell phone and long distance), sanitation and cable television. The City determines the rate of the tax and the use of its revenues. Based on the trend and its consumption rate, the City assumed revenue growth of 2% annually.
- Sales Tax revenue is projected to increase at an average of 2% a year. Total Sales Tax revenue is highly concentrated within one major operator. Over 80% of the City's sales tax is generated by this one producer. Based on the report received from MuniServices, Hercules' sales tax revenue is substantially generated from business and industry sources.
- The City is realizing a stable property tax related revenue growth and assumed at 2% annual growth. The County Assessor's Office reports an increase in property assessed values of 4.2% compared to the prior year. Future growth in assessed values above the State Prop 13 annual 2% cap is limited to property turnover or new development entering the tax roll.

- The new general tax revenues on new development, such as Muir Pointe, Bayfront, Safeway, Sycamore Crossing, Willow Auto Site, and Hilltown are estimated based on residential unit impact, assuming an average of 2.5 people per unit.

EXPENDITURE PROJECTION AND ASSUMPTIONS USED: Expenditure projections for a 5-year forecast period through 2024 range from \$15.8 to \$17.4 million assuming the same service level. The following chart shows the growth in General Fund expenditures.



The most significant cost in the General Fund is driven by its labor. Labor accounts for almost 60% of total expenditures. Below are significant assumptions used to estimate the cost of salaries and benefits:

1. Regular Salaries – Cost of living (COLA) increase by 3% per year.
2. PERS Miscellaneous and Public Safety Normal Cost rate applied are projected as follows based on CalPERS actuarial assumptions:

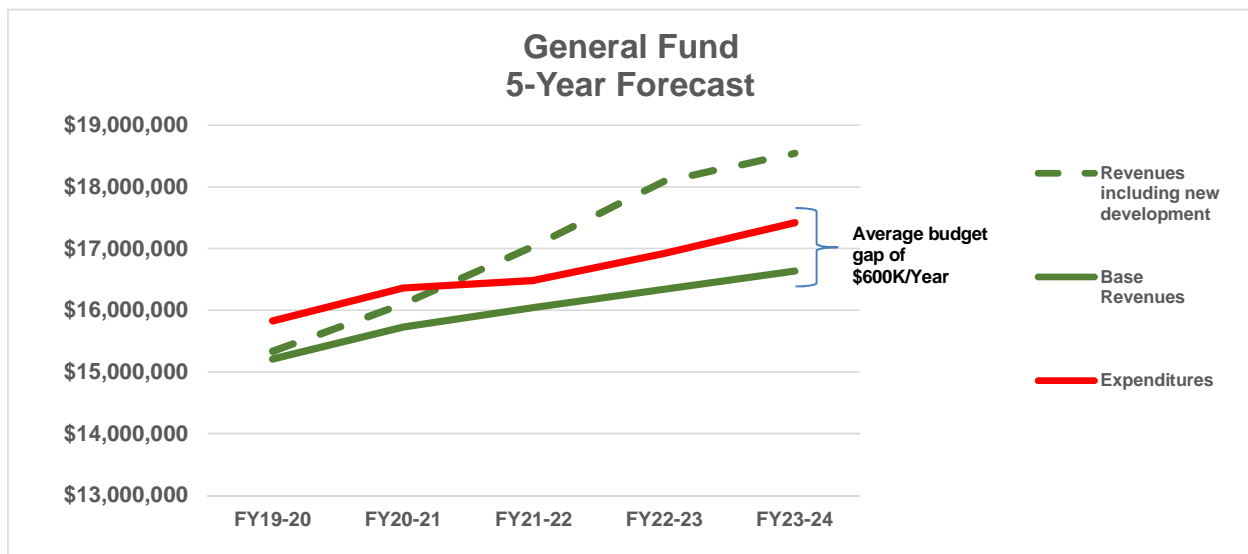
		<u>FY 19-20</u>	<u>FY 20-21</u>	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>
Police	Classic	18.93%	20.30%	20.30%	20.30%	20.30%
Police	2nd-Tier	17.07%	18.30%	18.30%	18.30%	18.30%
Police	PEPRA	10.03%	10.10%	10.10%	10.10%	10.10%
Misc	Classic	6.68%	7.30%	7.30%	7.30%	7.30%
Misc	PEPRA	3.99%	4.50%	4.50%	4.50%	4.50%

3. PERS Unfunded Accrued Liability (UAL) contribution rate are projected as follows based on CalPERS actuarial assumptions. The rate is calculated using projected payroll.

		<u>FY 19-20</u>	<u>FY 20-21</u>	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>
Police	Classic	46.47%	50.49%	31.43%	34.85%	36.95%
Police	2nd-Tier	1.58%	1.15%	0.96%	0.80%	0.68%
Police	PEPRA	0.38%	0.49%	0.63%	0.76%	0.54%
Misc	Classic	21.22%	23.45%	26.19%	20.76%	21.90%
Misc	PEPRA	0.20%	0.30%	0.40%	0.39%	0.47%

DISCUSSION:

Looking into the General Fund five year forecast, a deficit between revenues and expenditures for existing service levels is expected to return in FY 19-20. The revenues also include an estimated increase in general tax revenues on new developments. The graph below illustrates the impact of new developments on the City's general tax revenues and the effect on its annual operating results. Expenditures in this graph assumed a projected overall average increase of 3% a year. As shown in Attachment 1, the City have set-aside sufficient available cash balance and reserve to cover the projected deficits, and with the projected tax revenues from new developments, it is projected that this new revenues will close the budget gap in FY 20-21 and will start to accumulate surplus beginning FY 21-22. The FY 19/20 projections will be further updated and refined during the adoption of the budget in June 2019. As the City plans its ongoing programs and services, it will need to balance its increasing cash flow requirements for legacy pension/OPEB obligation and deferred maintenance with a commitment to maintain and enhance City services.



ATTACHMENTS:

1. City of Hercules – General Fund Long-Term Financial Forecast
2. Assumptions Used for the General Fund Long-Term Financial Forecast



General Fund Long-Term Financial Forecast

	Year 1		Year 2		Year 3		Year 4		Year 5				
	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24						
	Actuals	Mid-Year Update	Projections	Projections	Projections	Projections	Projections						
		% Change vs. Prior Year	% Change vs. Prior Year	% Change vs. Prior Year	% Change vs. Prior Year	% Change vs. Prior Year	% Change vs. Prior Year						
Beginning Available Balance	\$ 4,660,327		\$ 859,975	\$ 699,842	\$ 437,209	\$ 991,072	\$ 2,163,799						
Revenues													
Taxes	9,497,820	9,489,838	0%	9,541,000	1%	9,957,000	4%	10,168,000	2%	10,381,000	2%	10,585,000	2%
Increase in tax revenues on new developments			125,867	371,367	195%	992,863	167%	1,752,727	77%	1,908,337	9%		
Intergovernmental	2,314,222	1,866,203	-19%	1,902,000	2%	1,938,000	2%	1,975,000	2%	2,012,000	2%	2,052,000	2%
Fines & Forefeitures	48,579	35,000	-28%	35,000	0%	35,000	0%	35,000	0%	35,000	0%	35,000	0%
Program Revenues	3,820,655	2,434,995	-36%	2,471,000	1%	2,513,000	2%	2,555,000	2%	2,599,000	2%	2,645,000	2%
Use of Money & Property	405,093	332,010	-18%	335,000	1%	338,000	1%	341,000	1%	344,000	1%	349,000	1%
Miscellaneous (Cost Plan)	404,587	805,880	99%	826,000	2%	848,000	3%	870,000	3%	870,000	0%	870,000	0%
Transfers In	100,000	100,000	0%	100,000	0%	100,000	0%	100,000	0%	100,000	0%	100,000	0%
	16,590,956	15,063,926	-9%	15,335,867	2%	16,100,367	5%	17,036,863	6%	18,093,727	6%	18,544,337	2%
Expenditures													
Police	6,414,593	6,603,729	3%	6,704,000	2%	6,927,000	3%	6,732,000	-3%	6,994,000	4%	7,221,000	3%
Public Works	473,545	338,027	-29%	348,000	3%	360,000	3%	371,000	3%	379,000	2%	390,000	3%
Community Development	438,620	707,924	61%	751,000	6%	778,000	4%	805,000	3%	817,000	1%	839,000	3%
Parks and Recreation	2,076,523	2,236,790	8%	2,293,000	3%	2,382,000	4%	2,468,000	4%	2,493,000	1%	2,557,000	3%
Administration	3,131,872	3,898,129	24%	4,186,000	7%	4,334,000	4%	4,478,000	3%	4,561,000	2%	4,686,000	3%
Non-Department	1,363,516	1,341,361	-2%	1,549,000	15%	1,582,000	2%	1,629,000	3%	1,677,000	3%	1,727,000	3%
Transfers Out	71,387	163,387	129%	-	-	-	-	-	-	-	-	-	-
	13,970,056	15,289,347	9%	15,831,000	4%	16,363,000	3%	16,483,000	1%	16,921,000	3%	17,420,000	3%
Net Annual Activity													
Baseline Operating Budget	\$ 2,620,900	\$ (225,421)		\$ (495,133)	\$ (262,633)	\$ 553,863	\$ 1,172,727	\$ 1,124,337					
One-time Revenues: Successor Agency													
Administration Reimbursement		265,000	135,000										
One-time Revenues: Sales Tax			200,000										
Increase Fiscal neutrality reserve		(1,497,817)	-	-	-	-	-	-					
OPEB Trust Contribution		(200,000)	-	-	-	-	-	-					
Pension Contribution (Section 115 Trust)		(1,000,000)	-	-	-	-	-	-					
Other One-time Decision Packages		(1,142,114)	-	-	-	-	-	-					
Ending Available Balance	\$ 859,975		\$ 699,842	\$ 437,209	\$ 991,072	\$ 2,163,799	\$ 3,288,136						
General Fund Operating Reserve													
Reserve		3,797,650	3,797,650	3,797,650	3,797,650	3,797,650	3,797,650	3,797,650					
Draw on reserve		-	-	-	-	-	-	-					
Reserve balance		3,797,650	3,797,650	3,797,650	3,797,650	3,797,650	3,797,650	3,797,650					
% of Expenditures		25%	24%	23%	23%	22%	22%						
Pension Section 115													
Beginning Book Value	-	496,822	1,541,758	1,541,758	1,541,758	1,541,758	1,541,758						
Deposit	500,000	1,000,000											
Interest & FMV Adjustments	(3,178)	44,936	-										
Ending Book Value	\$ 496,822	\$ 1,541,758	\$ 1,541,758	\$ 1,541,758	\$ 1,541,758	\$ 1,541,758	\$ 1,541,758						
OPEB													
Beginning Book Value	1,881,359	2,105,129	2,240,882	2,240,882	2,240,882	2,240,882	2,240,882						
Deposit	200,000	200,000											
Interest & FMV Adjustments	23,770	(64,247)											
Ending Book Value	\$ 2,105,129	\$ 2,240,882	\$ 2,240,882	\$ 2,240,882	\$ 2,240,882	\$ 2,240,882	\$ 2,240,882						



General Fund

Assumptions used for the Long-Term Financial Projection (FY 2019-20 to FY 2023-24)

Revenue Assumptions for the General Fund

2.0% revenue increase from year-to-year for revenues as set forth below:

102%

				1	2	3	4	5
				Forecast	Forecast	Forecast	Forecast	Forecast
				FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Residential Unit Impact - Average 2.5 people per unit				26,317				
		FY 18-19	Per Capita	186		272	716	40
		Budget	Average					
Franchise Fee	Gas	\$ 33,111	\$ 1.26	\$ 585	\$ -	\$ 873	\$ 2,297	\$ 128
	Electric	\$ 65,274	\$ 2.48	\$ 1,153	\$ -	\$ 1,720	\$ 4,529	\$ 253
	Cable	\$ 430,000	\$ 16.34	\$ 7,598	\$ -	\$ 11,333	\$ 29,832	\$ 1,667
	Garbage	\$ 286,662	\$ 10.89	\$ 5,065	\$ -	\$ 7,555	\$ 19,888	\$ 1,111
Total Franchise Fee		\$ 815,047	\$ 30.97	\$ 14,401	\$ -	\$ 21,481	\$ 56,546	\$ 3,159
UUT	Gas	\$ 350,456	\$ 13.32	\$ 6,192	\$ -	\$ 9,236	\$ 24,314	\$ 1,358
	Electric	\$ 1,249,989	\$ 47.50	\$ 22,086	\$ -	\$ 32,944	\$ 86,721	\$ 4,845
	Telephone	\$ 978,644	\$ 37.19	\$ 17,292	\$ -	\$ 25,793	\$ 67,896	\$ 3,793
	Cable	\$ 556,708	\$ 21.15	\$ 9,837	\$ -	\$ 14,672	\$ 38,623	\$ 2,158
	Water	\$ 496,084	\$ 18.85	\$ 8,765	\$ -	\$ 13,075	\$ 34,417	\$ 1,923
Total UUT Fee		\$ 3,631,881	\$ 138.01	\$ 64,172	\$ -	\$ 95,720	\$ 251,970	\$ 14,077
Total VLF		\$ 1,762,701	\$ 66.98	\$ 31,145	\$ -	\$ 46,457	\$ 122,291	\$ 6,832
Sales & Use Tax	Sales Tax	\$ 2,509,109	\$ 95.34	\$ 11,083	\$ -	\$ 16,532	\$ 43,519	\$ 2,431
(25% Indirect)	Measure O	\$ 1,146,780	\$ 43.58	\$ 5,066	\$ -	\$ 7,556	\$ 19,890	\$ 1,111
Total Sales & Use Tax		\$ 3,655,889	\$ 138.92	\$ 16,149	\$ -	\$ 24,088	\$ 63,409	\$ 3,542
Muir Pointe	79 units			14 units				
Bayfront - 1st Phase	172 units			172 units				
	14,000 sq feet retail	Sales tax	\$ 23,000		\$ 23,000			
Bayfront - 2nd Phase	232 units					232 units		
Bayfront - 3rd Phase	476 units						476 units	
Safeway	65,775 sq feet retail and fueling	Sales tax	\$ 313,000		\$ 156,500	\$ 156,500		
Sycamore Crossing	120 units					40 units	40 units	40 units
	28,000 sq feet retail	Sales tax	\$ 66,398			\$ 40,000	\$ 26,398	
	100 hotel rooms	TOT	\$ 448,000			\$ 160,000	\$ 160,000	\$ 128,000
Willow Auto Site	28,000 sq feet commercial	Sales tax	\$ 22,500			\$ 11,250	\$ 11,250	
	Self Storage In-Lieu	In-Lieu	\$ 200,000		\$ 66,000	\$ 66,000	\$ 68,000	
Hilltown - 1st Phase	200 units						200 units	

		1	2	3	4	5
		Forecast	Forecast	Forecast	Forecast	Forecast
		FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Residential Unit Impact - Average 2.5 people per unit	26,317					
CalPERS Actuarial Valuation as of June 30, 2017						
PERS Rate Increases						
Normal Cost Misc. Plan, Classic		6.68%	7.30%	7.30%	7.30%	7.30%
Normal Cost Misc. Plan, PEPRA		3.99%	4.50%	4.50%	4.50%	4.50%
Normal Cost Safety Plan, Classic		18.93%	20.30%	20.30%	20.30%	20.30%
Normal Cost Safety Plan, 2nd-Tier		17.07%	18.30%	18.30%	18.30%	18.30%
Normal Cost Safety Plan, PEPRA		10.03%	10.10%	10.10%	10.10%	10.10%
Unfunded Accrued Liability (UAL) Payment Misc. Plan, Classic		21.11%	23.45%	26.19%	20.76%	21.90%
Unfunded Accrued Liability (UAL) Payment Misc. Plan, PEPRA		0.19%	0.30%	0.40%	0.39%	0.47%
Unfunded Accrued Liability (UAL) Payment Safety Plan, Classic		59.67%	50.49%	31.43%	34.85%	36.95%
Unfunded Accrued Liability (UAL) Payment Safety Plan, 2d-Tier		1.28%	1.15%	0.96%	0.80%	0.68%
Unfunded Accrued Liability (UAL) Payment Safety Plan, PEPRA		0.27%	0.30%	0.63%	0.76%	0.54%
Other Factors for Consideration:						
		1	2	3	4	5
		Forecast	Forecast	Forecast	Forecast	Forecast
		FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Sales Tax Forecast		2,170,000	2,234,000	2,289,000	2,343,000	2,397,000
% Change		9.4%	2.9%	2.5%	2.4%	2.3%
Prop 12		156,000	161,000	167,000	173,000	179,000
% Change		5.4%	3.2%	3.7%	3.6%	3.5%
<u>Fund Balance and Reserve Considerations:</u>						
The amount of available fiscal neutrality reserve is shown and assumed to be used in those years where a deficit is forecasted. This reserve is not shown as being automatically replenished in those years where funds are available.						
Updated: 3/20/2019						



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 9, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager

SUBJECT: Annual Review of 2017 Strategic Plan as Updated May 2018

RECOMMENDATION: Receive Report, Review Strategic Plan, and Update Objectives as appropriate.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION: Not Applicable

FISCAL IMPACT OF RECOMMENDATION: None as result of this action. The Strategic Plan is designed to guide future budget decisions and some of the individual Goals, Strategies, and Objectives, may have a fiscal impact.

DISCUSSION: In the spring to early summer of 2017, the City Council and staff worked to update the 2012 version of the City's Strategic Plan. On July 11, 2017, the City Council adopted the Strategic Plan update which resulted from these efforts. On March 27, 2018, the City Council reviewed the 2017 Strategic Plan as an initial touchstone prior to the development and consideration of a FY 2018/19 Budget. At that time, the City Council requested a written update on the status of each of the Strategic Plan objectives. Staff returned to the City Council with that update on May 8, 2018, and the City Council made three changes to the Strategic Plan. The 2018 update is provided as Attachment 1.

Attached is a current status report on the objectives set forth in the 2017 Strategic Plan as updated in May, 2018 (Attachment 2). The City continues to make progress in achieving the Strategic Plan objectives in most areas.

As the City looks towards the preparation of the FY 2019/20 budget, and with the review of the Long-Term Forecast taking place on the same agenda as this item, it is timely to have the City Council review the updated Strategic Plan to consider if any objectives should be modified or added.

The purpose of this review is to possibly update objectives if needed to the extent they would impact the FY 2019/20 Budget which will be proposed in May.

ATTACHMENTS:

1. 2017 Strategic Plan as Updated May 2018
2. 2017 Strategic Plan Review – April 2019



HERCULES STRATEGIC PLAN 2017



Initial Adoption: July 11, 2017

Updated Approved: May 8, 2018

Background

The City of Hercules last developed a Strategic Plan on an internal basis in 2012 and this Strategic Plan was adopted by the City Council on April 24, 2012. An update of the Strategic Plan was initiated in late 2016, and an outside facilitator was selected to assist in this effort in early 2017. The firm of Management Partners facilitated the update process including a day-long workshop on April 22, 2017. The Mayor and City Council, together with the City's Executive Management Team, worked together to update and enhance the Strategic Plan.

Part of the update process included a community survey and an employee survey which was developed by staff and Management Partners and administered through Survey Monkey. The results these surveys were reviewed and utilized as part of the workshop and in the development of the update.

The final report on the day-long workshop prepared by Management Partners serves as the basis for the Hercules Strategic Plan 2017.

Vision

The vision of the City of Hercules is as follows:

The City of Hercules is a richly diverse community, serving as a major transportation hub and a prime destination for the Bay Area. It is built on a sound economic and physical infrastructure, and its residents enjoy public safety, security, well-maintained parks, streets and public facilities. We conduct our work in an atmosphere of trust and respect. We constantly look for better ways to deliver services and always strive for excellence.

Mission

The current mission of the City of Hercules is as follows.

Our mission is to lead our diverse community and enhance the quality of life in the City of Hercules, now and in the future. We do this by providing effective, efficient, responsive, and innovative services with integrity and a culture of transparency.

Organizational Values

The organizational values for the City of Hercules are as follow:

Value	Definition
Integrity	Honesty, transparency, fair dealing
Professionalism	Exemplary conduct, competence, continuous improvement, respect
Service	Customer orientation, courtesy, hard work, striving for excellence
Collaboration	Teamwork, communication, community interaction and outreach
Creativity	Thinking, innovating, encouraging critical analysis
Tenacity	Setting priorities, staying focused, not getting discouraged
Responsibility	Taking ownership of one's work, accountability, going the extra mile

SWOT Analysis

(Strengths, Weaknesses, Opportunities, Threats)

An assessment and understanding of the environment in which the City operates is helpful in shaping the Goals, Strategies, and Objectives.

Strengths	Weaknesses
<ul style="list-style-type: none">• Location• Low Crime Rate/Safe Community• High median incomes• Bay/Waterfront Community• Well Maintained• Parks & Open Space• Strong Sense of Community• Diverse• Quality Housing Stock/Affordable• Access to Employment• Transportation options	<ul style="list-style-type: none">• Weak revenue base• Residential doesn't pay its way• Limited staffing/resources• Limited retail/dining/commercial• Not well branded• Attractiveness to businesses limited• Few remaining development sites• Access somewhat limited• Quality of schools
Opportunities	Threats
<ul style="list-style-type: none">• Economic development• Hotel development interest• Sycamore Crossing, Market Hall, Bayfront, and Hillcrest developments proceeding• Dedicated City Council and staff• Regional Intermodal Transportation Center• Community supported local revenue measures• Linkages to regional trails• Employee concessions ended• Grant funding	<ul style="list-style-type: none">• Weakening revenues• Redevelopment issues• Next economic downturn• Ignoring capacity constraints• Increasing demand on and expansion of service pressures• Limited institutional knowledge• State/Federal unfunded mandates/revenue impacts• Need to renew local UUT measure in future• Increasing CalPERS pension contribution costs

Goals Strategies, and Objectives

The City strategic plan contains a series of goals. Each goal has strategies that divide the goal into sub areas, and detailed objectives, or action items that implement each strategy. The following graphic shows this relationship.



The Goals and Strategies are intended to be operative for a three to five year period, subject to occasional review and adjustment. The objectives are of a more immediate nature and are generally designed to be accomplished in a year or less. The objectives will be updated at least annually prior to the preparation of the budget for each fiscal year. This will allow the City's spending plan to be focused towards the achievement of the overall Goals, Strategies, and Objectives set forth in the Strategic Plan.

Goals

The goals for the City's 2017 strategic plan are as follows:

2017 Strategic Plan Goals

- Goal A: Strengthen Financial Stability
- Goal B: Continue to Provide Excellent Police Services to the Community
- Goal C: Enhance Economic Development Efforts
- Goal D: Enhance Transportation Access and Options
- Goal E: Complete the Vision of the City's Development
- Goal F: Provide Outstanding Cultural and Recreational Services
- Goal G: Invest in and Enhance Maintenance of Public Infrastructure and Facilities
- Goal H: Continue to Provide Exemplary Governance and City Administration

Strategies and Objectives

Each of the goals, with the revised strategies and objectives are shown as follow:

Goal A: Strengthen Financial Stability

Strategy 1(a): Maintain a balanced budget.

Objectives

- Ensure ongoing revenues support ongoing costs.
- Ensure one-time revenues fund one-time expenditures.
- Restructure debt where possible to reduce near term debt payments.
- Continue a formal volunteer program to help various departments.
- Consider new ways to deliver municipal services in more cost-effective ways.
- Consider service-sharing with other communities when mutually beneficial.

Strategy 1(b): Balance the budget and increase revenues.

Objectives

- Review all Parks and Recreation fees before mid-year budget review.
- Consider cost effectiveness of increasing code enforcement activities.
- Consider annual fee review.
- Partner with other entities when beneficial for grant and cost-sharing opportunities.
- Take advantage of telecommunications and broadband opportunities.
- Push County and State elected officials to increase Hercules' share of each dollar of property taxes that is collected in Hercules.

Goal B: Continue to Provide Excellent Police Services to the Community

Strategy 1: Protect life and property.

Objectives

- Maintain core services, including police patrols and traffic enforcement.
- Work to provide one police officer per 1,000 residents to the extent financial resources permit.
- Continue to utilize community policing strategies.
- Maintain the special response team and school resource officers.
- Coordinate disaster preparedness with local police, fire, emergency medical services and the County and State office of emergency services.
- Utilize Reserve Police Officers when feasible to keep costs under control.
- Complete a succession plan to deal with anticipated future retirements.
- Complete an equipment replacement plan with a rationale, schedule and budget.
- Seek federal, state and other funding to enhance police department funding for staff and equipment.
- Recruit volunteers to assist office personnel with front counter duties, records processing and data entry.

Goal C: Enhance Economic Development Efforts

Strategy 1: Pursue high priority economic development initiatives.

Objectives

- Develop and implement economic development strategies.
- Consider whether the City's fee structure or permitting process might be impediments to new businesses opening in Hercules.
- Recruit qualified volunteer help on a regular and/or ad hoc basis from the City Council, Chamber of Commerce, local business leaders and the community at large.
- Participate in regional economic development efforts that will help Hercules.
- Focus on high priority sites for new development.

Strategy 2: Create a "brand" for Hercules and promote/market the brand.

Objectives

- Enhance the entry gateways of the City with volunteer landscaping/beautifying projects, public art, and signage.
- Promote the waterfront/intermodal transportation center (ITC) Development – A special place that is distinctive of other planned developments and serves as the City's downtown.
- Work with the City Council, staff and volunteers to develop and implement a brand and marketing strategy in-house.
- Consider whether the City's fee structure or permitting process might be impediments to new businesses opening in Hercules.

Strategy 3: Recruit businesses that make sense for Hercules; retain and grow existing businesses.

Objectives

- Prioritize and visit potential businesses to recruit to Hercules.
- Review various plans and ordinances for potential updates, with an eye toward balancing economic development with "new urbanism" planning principals.

Goal D: Enhance Transportation Access and Options

Strategy 1: Promote alternative forms of transit

Objectives

- Leverage the Regional Intermodal Transportation Center (RITC) site control into grant funding for station and related infrastructure.
- Complete the Regional Intermodal Transportation Center
- Look for opportunities to partner with rail for movement of goods.
- Work with Capital Corridor to get a firm commitment for a train stop.
- Pursue future ferry service.
- Work with WestCAT to expand service.
- Expand City's walkways and bike paths via Complete Streets program.
- Provide leadership role in BART's participation to enhance services at Hercules Transit Center.

Goal E: Complete the Vision of the City's Development

Strategy 1: Undertake updates of General Plan and Zoning Code to implement the Vision.

Objectives

- Complete the update of the City's Circulation Element.
- Review various plans and ordinances for potential updates.
- Revise the City Zoning Ordinance to be consistent with the General Plan and Specific Plans.
- Plan for the resources and funding to update the priority elements of the City's General Plan.
- Revisit the City's sign ordinance and update as needed.

Goal F: Provide Outstanding Cultural and Recreational Services to the Community

Strategy 1: Evaluate programs for community impact and cost effectiveness, and make recommendations to improve the overall effectiveness of the City's efforts in services managed by the Parks and Recreation Department.

Objectives

- Work with volunteer organizations to ensure full funding for a 40 hour per week Library.
- Work with the County to reinstate 45 hours per week of Library services.
- Cooperate with public/private partnerships to enhance City cultural and recreation services.
- Continue to provide high quality recreation programs that reinforce Hercules' reputation for a high quality of life.
- Continue to work on the current cost recovery objective of being budget neutral to minimize General Fund support.
- Annually analyze and report on costs and revenues on a program by program basis.
- Create and implement new ways to fund Parks and Recreation programs, including increasing participation.
- Continue to manage facilities rentals and find ways to increase number of rentals as well as income from rentals.

Strategy 2: Continue to look for ways to augment City funding for parks and recreation programs and initiatives.

Objectives

- Research federal, state and foundation funding availability under "Health and Wellness" and other programs.
- Apply for federal, state, and foundation grants as appropriate to support and enhance our parks, open space and recreation programs.

Goal G: Invest in and Enhance Maintenance of Public Infrastructure and Facilities

Strategy 1: Re-evaluate and make recommendations to improve the City's capital improvement program, clean water program and all lighting and landscape assessment districts.

Objectives

- Prioritize the City's capital improvement program.
- Develop and implement a new code compliance model based on the new administrative citation program.
- Secure maintenance and operations funding for all new capital facilities.
- Effectively manage day-to-day operations to ensure Hercules keeps its reputation as a well-maintained city.
- Update lighting and landscaping districts annually.
- Consider updating the lighting and landscaping districts to increase funding and level of service.

Goal H: Continue to Provide Exemplary Governance and City Administration

Strategy 1: Improve administrative processes and overall quality of executive and administrative management.

Objectives

- Enhance strategic planning and implementation efforts with linkages to the budget.
- Improve financial, personnel and administrative functions.
- Ensure all required state and federal financial reports are timely.
- Complete financial and operational audits in a timely manner.
- Provide regular financial reports including a mid-year review.
- Evaluate financial controls and streamline where advisable.
- Evaluate and re-engineer as necessary administrative processes.
- Evaluate IT systems, especially financial management to determine possible improvements.
- Ensure good inter-departmental communications and collaboration.

Strategy 2: Enhance usage of the City's Finance Commission.

Objectives

- Provide oversight of City tax measures.
- Serve as a resource to staff.
- Provide training to commissions.

Strategy 3: Provide and enhance exemplary governance.

Objectives

- Enhance relationships in support of education and schools.
- Encourage and engage in regional collaboration and cooperation.
- Continue to enhance transparency and open government.
- Foster an ethical environment free from conflicts of interest.
- Enhance access to information (sunshine provisions).
- Provide a means for employees to report concerns or possible wrong doing (whistle-blowing).
- Conduct annual review and update of anti-nepotism, anti-cronyism, conflict of interest, and Code of Ethics.
- Reduce exposure to litigation and claims.

2017 Strategic Plan Review

April 2019

Goals/Strategies/Objectives	
Goal A: Strengthen Financial Stability	
<i>Strategy 1(a): Maintain a Balanced Budget</i>	
<u>Objectives</u>	Comments/Status
Ensure ongoing revenues support ongoing costs.	The City continues to refine its financial reporting and planning tools in order to ensure this objective is met. Refinements to the Five Year Forecast and a more robust annual financial and budgeting annual cycle contributes to this objective. Efforts continue to address Landscape & Lighting Assessment District issues as this an important funding source for services. More timely completion of the annual audit also assists in regard, with the 2017/18 audit having been completed prior to December 31 st . A waste water fund review and analysis is also now underway.
Ensure one-time revenues fund one-time expenditures.	One-time revenues continue to be identified as part of the annual budget process and applied to one-time costs including topping up reserves and funding capital and other needs. Additional contributions have been made to the City's IRS Section 115 Pension Trust and to the OPEB Trust.
Restructure debt where possible to reduce near term debt payments.	The retained a financial adviser in 2019 and that firm is currently evaluating refinance opportunities.
Continue a formal volunteer program to help various departments.	The Police Department makes good use of volunteers in a variety of roles. A cadre of Police volunteers is also now working in support of our voluntary code compliance efforts to enhance the community. Volunteers were utilized in the recent upgrades at the Ohlone and Foxboro Community Centers. In Parks & Recreation volunteers support a variety of events and activities.

Consider new ways to deliver municipal services in more cost-effective ways.	The City looks for opportunities on an on-going basis. In February, 2019, the City recommenced cable broadcast of Council meeting through the County.
Consider service-sharing with other communities when mutually beneficial.	The CAD/RMS contract with Pinole and San Pablo, the contract with the County for Cable, and updated three party BART/WestCAT/City contract for operation of the Hercules Transit Center are on-going efforts of this nature. The wastewater plant is operated jointly with Pinole. The City also participates with 20 other agencies in the Clean Water Program for the City's storm water permit.
<i>Strategy 1(b): Balance the Budget and Increase Revenues</i>	
<u>Objectives</u>	
Review all Parks and Recreation fees before mid-year budget review.	A review and restricting of key program fees in Parks & Rec was completed in 2018. Possible fee adjustments will be considered as part of 2019/20 budget process.
Consider cost effectiveness of increasing code enforcement activities.	The City three-tier code compliance program which seeks voluntary compliance initially, followed by use of Administrative Citations, and then for the most egregious cases, the Nuisance Abatement Process, is operating. The roll out has been effective, though perhaps not as active as possible. All elements of the program are now in place and operating, with additional training and some fine-tuning needed.
Consider annual fee review.	A review of fees will be considered in conjunction with the annual budget process.
Partner with other entities when beneficial for grant and cost-sharing opportunities.	The most high profile example of partnership is the upgrade and expansion of the joint Pinole/Hercules Wastewater Plant now under construction. Other examples have been discussed under other Objectives.
Take advantage of telecommunication and broadband opportunities.	In August 2017, the City Council approved a program which will result in the City installing fiber when opportunities arise when utility work is taking place in City Streets. The City Council also allocated funding to allow these opportunistic installation of fiber to take place and has installed dark fiber down the extension of John Muir Parkway.
Push County and State elected officials to increase Hercules's share of each dollar of property taxes that is collected in Hercules.	The City continues to look for opportunities to address achieve this goal. The most likely opportunities to do so seemingly lie with efforts that might occur at the State-level.

Goal B: Continue to Provide Excellent Police Services to the Community*Strategy 1(a): Protect Life and Property*

<u>Objectives</u>	Comments/Status
Maintain core services, including police patrols and traffic enforcement.	The City was able to continue funding for the two additional Police Officers which were state granted for two fiscal years. The City Council also added one Police Officer as part of the 2018/19 budget adoption process. The Council approved overfill program, which allows for up to two additional positions to be filled to minimize the impact from retirements and other turnover to allow for the recruitment and training of new Police Officers, continues to be operative. A Traffic Enforcement assignment has been reinstated as of FY 2018/19.
Continue to utilize community policing strategies.	The Police Department continues to utilize a community oriented approach to policing. Examples include our School Resource Officer program, the Citizen's Police Academy, Neighborhood and Business Watch, and the use of volunteers in Policing and the expansion of a role of Police volunteers in code compliance which is also a crime prevention tools.
Maintain the special response team and school resource officers	The Special Response Team continues to be fully functional. School District funding in support of the School Resource Officer program may be impacted by School District budget issues, and the City Council and staff actively engage in efforts to preserve this funding.
Coordinate disaster preparedness with local police, fire, emergency medical services and the County and State office of emergency services	The Police Department takes the lead in the City's Emergency Operations efforts. A contract planner has commenced the update of the Safety Element of the General Plan and the Hazard Mitigation Plan in coordination with police, fire, and other agencies
Utilize Reserve Police Officers when feasible to keep costs under control	Reserve Officers continue to be a tremendous asset to our Police Department.
Complete a succession plan to deal with anticipated future retirements	Chief Imboden started with the City in 2018, and he has embarked on a review of the Department's succession planning efforts.
Complete an equipment replacement plan with a rationale, schedule and budget	While equipment replacement is on-going and considered as part of the annual budget process each year, a more formalized replacement plan still needs to be developed.

Seek federal, state and other funding to enhance police department funding for staff and equipment.	Staff actively scans for grant and other funding opportunities. A key funding source for equipment is the Asset Forfeiture funding received as result of criminal convictions.
Recruit volunteers to assist office personnel with front counter duties, records processing and data entry.	Volunteers, Reserve Police Officers, and Explorers play key on-going roles in support of Police operations.
Goal C: Enhance Economic Development Efforts	
<i>Strategy 1: Pursue High Priority Economic Development Initiatives</i>	
<u>Objectives</u>	Comments/Status
Develop and implement economic development strategies.	The City's current economic development efforts are primarily development site driven which will result in new retail space, the City's first hotel, and sales tax and in-lieu fee generating auto service park and self-storage facility. The City also participates in and support the soon to be launched Northern Waterfront Initiative being led by the County.
Consider whether the City's fee structure or permitting process might be impediments to new businesses opening in Hercules.	An update of the City's Traffic Impact Fees has been completed as of March, 2019, which includes reduced fees for certain economic development related uses. A comprehensive review of the City's Zoning Code is a desired future effort.
Recruit qualified volunteer help on a regular and/or ad hoc basis from the City Council, Chamber of Commerce, local business leaders and the community at large.	The City has increased cooperation with the Chamber in regard to a number of special events. Other outreach to volunteers is on a case-by-case basis and occurs infrequently.
Participate in regional economic development efforts that will help Hercules.	The City participates in the some activities of the East Bay Economic Development Alliance and in the Northern Waterfront Initiative.
Focus on high priority sites for new developments.	Moving forward proposed projects on the Safeway, Sycamore Crossing, Bayfront, Willow Avenue, and the Hilltown sites are a high priority. Other possible development sites include the Willow Loop and the Franklin Canyon Golf Course property.
<i>Strategy 2: Create a "Brand" for Hercules and Promote/Market the Brand</i>	
<u>Objectives</u>	
Enhance the entry gateways of City with volunteer landscaping/beautifying projects, public art, and signage.	Efforts are currently focused on the appearance of private developments taking place on key corners. Additionally, the City is currently replacing all street signs.
Promote the waterfront/intermodal transportation center (ITC) Development – A special place that is distinctive of other planned developments and serves as the City's downtown.	The first phase of the Bayfront development is under construction. The second phase is approved and has started construction as of March, 2019. The third phase is scheduled for approval by mid-2019. The Bay Trail West segment has been completed. The City continues to pursue grant funding necessary to construct the rail and station improvements. In addition, a major effort was made to ensure a Hercules friendly updated Capital Corridor Station Stop Policy which was approved in early 2019. The next step to be officially designated a "Candidate Station" under that updated policy which will likely occur in 2019, and which sets the stage for more competitive grant applications.

Work with the City Council, staff and volunteers to develop and implement a brand and marketing strategy in-house.	This objective has not yet been specifically pursued. Reusable bags have been purchased as part of efforts to promote recycling and brand the City. Additionally, a number of special events have been reinstated to further the development of a brand identity including a Chamber Bayfront Run. Unfortunately, the Social Bite will not be continuing, and the Chamber is planning on adding a festival/food truck component to its Bayfront Run. The City participates in these events with a booth. The City has also become more active in its Facebook and NextDoor social media presence with regular postings.
Consider whether the City's fee structure or permitting process might be impediments to new businesses opening in Hercules.	This objective has not yet been specifically pursued, other than the above mentioned traffic impact fee nexus study has been completed. In addition, this is a factor in the City's consideration of proposed increases to Fire Impact Fees promulgated by the Rodeo Hercules Fire District.
Strategy 3: Recruit Businesses that Make Sense for Hercules; Retain and Grow Existing Businesses	
<u>Objectives</u>	
Prioritize and visit potential businesses to recruit to Hercules.	Pending the development of new retail sites listing and to be done in conjunction with the developers of these sites.
Review various plans and ordinances for potential updates, with an eye towards balancing economic development with "new urbanism" planning principals	Undertaken currently on a case-by-case basis as development proposals are received. A comprehensive review has not yet been initiated.
Goal D: Enhance Transportation Access and Options	
Strategy 1: Promote Alternative Forms of Transit	
<u>Objectives</u>	Comments/Status
Leverage the Regional Intermodal Transportation Center (RITC) site control into grant funding for station and related infrastructure.	With grant funding having made the first three phases possible, the City is actively working to identify and apply for grant funding for the utility relocation phase and the rail/station improvement phases of the RITC. Next phase design contracts will be considered later in to 2019 to ensure all components are shovel ready.
Complete the Regional Intermodal Transportation Center.	This remains the major focus for the City with a contract planner having be retained with that person being dedicated to the project.
Look for opportunities to partner with rail for movement of goods.	The City facilitated interim improvements to the existing railroad trestle bridge across Refugio Creek by Union Pacific Railroad with the project completed. The design of the future rail and track improvements will result in enhanced goods movement and will set the stage for even better efficiencies.

Work with Capital Corridor to get a firm commitment for a train stop.	An updated Capital Corridor Station Policy was approved in February 2019. This policy will permit Hercules to be officially designated a "Candidate Station." The City has worked with Capital Corridor to do schedule update to reflect Hercules service, has completed a model run which demonstrates demand, and is working on expanding that model run to forecast out five years. In addition, the City has worked with CCTA and other funding partners on a financing plan which demonstrates opportunities to fund the cost of constructing the improvements as required by Capital Corridor.
Pursue future ferry service.	The City actively engages with the water Emergency Transportation Authority (WETA), the ferry operator. A Hercules Ferry stop remains in their long-term business plan. Richmond ferry service, which Hercules supported, has been launched and has been very successful. This bodes well for future service expansions.
Work with WestCAT to expand service.	The interim improvements are under design which will allow for bus service to be commenced at the Waterfront. The City has also engaged with property owner David Cury in regard to expanded use of an alley easement to facilitate these improvements.
Expand City's walkways and bike path via Complete Streets program.	The recently completed Circulation Element update focused on incorporating Complete Street Standards into our circulation objectives. In addition, the City has applied for and received grant funding for a complete streets project along Sycamore to Palm and Willow to improve pedestrian safety and provide a sidewalk to the Hercules Transit Center. Preliminary engineering has also been done for other projects in anticipation of future grant activities. A large segment of the Refugio Creek Trail has been repaved and is substantially complete. Three traffic calming projects are in design – Hercules Avenue, Sycamore Avenue at Civic Drive, and San Pablo at Sycamore.
Provide leadership role in BART's participation to enhance services at Hercules Transit Center.	The City, BART, and WestCAT have entered into a new three party agreement on regard to operation of the Hercules Transit Center. The City recently completed the repair and upgrade to LED of the on-site lighting. BART is working on additional improvements of benefit to the users.
Goal E: Complete the Vision of the City's Development	
<i>Strategy 1: Undertake Updates of General Plan and Zoning Code to Implement the Vision.</i>	
<u>Objectives</u>	Comments/Status
Complete the update of the City's Circulation Element	The update of the Circulation Element of the General Plan was approved by the City Council on February 27, 2018.
Review various plans and ordinances for potential updates.	The City Council has considered ordinances which have addressed paving of front yards, adopted County animal control updates, codified the Zoning Code, and initiated an update of the appeals process and noticing provisions of the zoning code. A possible ordinance on smoking in multi-family developments is also being reviewed.
Revise the City's Zoning Ordinance to be consistent with the General Plan and Specific Plans.	This objective has not yet been specifically pursued.

Plan for the resources and funding to update the priority elements of the City's General Plan.	The General Plan update fee should be sufficient to address the updates needed for most elements of the General Plan over time. An update of the Safety Element is underway. In addition, the update of the Traffic Impact Fee Nexus Study was completed with this funding source as it was tied to the implementation of the new Circulation Element.
Revisit the City's sign ordinance and update as needed.	A comprehensive update of the sign ordinance to bring the City into compliance with case law is pending.
Goal F: Provide Outstanding Cultural and Recreational Services to the Community	
<i>Strategy 1: Evaluate Programs for Community Impact and Cost Effectiveness, and Make Recommendations to Improve the Overall Effectiveness of the City's Efforts in Services Managed by the Parks And Recreation Department.</i>	
<u>Objectives</u>	Comments/Status
Work with volunteer organizations to ensure full funding for a 40 hour per week Library.	The City included funding to return the Library to 40 hours in the FY 2017/18 budget. This supplements funding provided by the Friends of the Library and the Library Foundation and these organizations are looking to phase out their support over the next few years.
Work with the County to reinstate 45 hours per week of Library services.	The City reaches out to the County to discuss funding priorities for the Library Budget each spring. Thus far, the County has not made hours reinstatement a priority for funding from their resources. However, the City was able to fund additional hours as part of the FY 2018/19 budget with County cooperation within their current funding and reallocation of resources.
Cooperate with public/private partnerships to enhance City cultural and recreation services.	The Parks & Recreation Department continues to add contract class instructors to meet community needs. Special events are also being done in conjunction with partners like the "May the Fourth Be With You" movie night and with anew Belly Flop with the Cops being introduced this year.
Continue to provide high quality recreation programs that reinforce Hercules' reputation for high quality of life.	Programs and offerings are regularly evaluated to enhance the City's offerings as described above in addition to changes and modifications made to the City's direct offerings.
Continue to work on the current cost recovery objective of being budget neutral to minimize General Fund support.	The Parks & Recreation Department makes the meeting of this objective a high priority.
Annually analyze and report on costs and revenues on a program by program basis.	Included as part of the annual budget each year and reviewed after the close the fiscal year to compare budget to actuals.
Create and implement new ways to fund Parks and Recreation programs, including increasing participation.	Fine-tuning of current offerings and new offerings are developed to meet this objective.
Continue to manage facilities rentals and find ways to increase number of rentals as well as income from rentals.	Facility rentals continue to increases. Enhancements to certain facilities like Ohlone, Foxboro , and the Samara Terrance have made these facilities more marketable. An initial round of chair replacement and table replacement will also ensure the facilities are properly equipped.

Strategy 2: Continue to Look for Ways to Augment City Funding for Parks and Recreation Programs and Initiatives

Objectives

Research federal, state and foundation funding availability under "Health and Wellness" and other programs.

The staff regularly scans the environment for grant opportunities.

Apply for federal, state, and foundation grants as appropriate to support and enhance our parks, open space and recreation programs.

The staff regularly scans the environment for grant opportunities.

Goal G: Invest In and Enhance Maintenance of Public Infrastructure and Facilities

Strategy 1: Re-evaluate and Make Recommendations to Improve the City's Capital Improvements Programs, Clean Water Programs and all Lighting and Landscaping Assessment Districts

Objectives

Comments/Status

Prioritize the City's capital improvement program.

The annual budget process includes a five year capital improvement program with the first year funded as part of the budget. The Public Works Department would like to prepare a more comprehensive Five Year CIP and this will be done in future years.

Develop and implement a new code compliance model based on the new administrative citation program.

A three-tier code compliance model has been developed and has been implemented with the required tools and resources now in place.

Secure maintenance and operations funding for all new capital facilities.

Elements of funding for improvements like the new segments of the Bay Trail have been added into the Citywide Landscape & Lighting Assessment District. Options to address these needs are being explored for other projects, including the Bayfront.

Effectively manage day-to-day operations to ensure Hercules keep its reputation as a well-maintained city.

Street sign replacement continues. A major sewer system cleaning and inspection contract has been completed. Red-curb and other street markings will be refreshed in Spring 2019.

Update lighting and landscaping districts annually.

The annual update process will kick off in April.

Consider updating the lighting and landscaping districts to increase funding and level of service.

The City was unsuccessful last year in securing approval for increased assessments in four Zones.

Goal H: Continue to Provide Exemplary Governance and City Administration

Strategy 1: Improve Administrative Processes and Overall of Executive and Administrative Management

Objectives

Comments/Status

Enhance strategic planning and implementation efforts with linkage to the budget.

An annual review and update of the Strategic Plan is part of the annual budget process.

Improve financial, personnel, and administrative functions.

A Class & Compensation Study is nearing completion. An update of the City's records retention schedule was completed. Additional updates to the City's records management policies and system are pending. An update of the City's personnel rules is underway as is an update to the purchasing guidelines.

Ensure all required state and federal financial reports are timely.	The City is keeping current with its federal and state reporting requirements.
Complete financial and operational audits in a timely manner.	The annual audit was completed prior to December 31, 2018.
Provide regular financial reports including mid-year review.	The Finance Department provides the Finance Commission and City Council with quarterly reports including a mid-year review. In addition, the City is annually updating the League of California Cities Financial Diagnostic Tool. The Five Year Forecast is also updated each spring as part of the budget process, and in 2018, the Forecast was also updated at budget adoption time.
Evaluate financial controls and streamline where advisable.	The City Council approved an increase in the City Manager's contracting authority which has greatly streamlined the process to move projects and activities forward. A listing of City Manager approved contracts is being provided regularly. An update of the City's purchasing policies is currently underway.
Evaluate and re-engineer as necessary administrative processes.	This objective cross-over to a number of other objectives where activities related to this objective have already been described.
Evaluate IT systems, especially financial management to determine possible improvements.	A new web site was launched. Improvements needed to recommence cable broadcasts was also completed.
Ensure good inter-departmental communications and collaboration	This is on-going effort. Interdepartmental teams are leading efforts related to the website upgrade, the new code compliance model, and other initiatives.
<i>Strategy 2: Enhance Usage of the City's Finance Commission</i>	
<u>Objectives</u>	
Provide oversight of City tax measures.	The Finance Commission serves as the citizen's oversight board for the City's two local tax measures. The Finance Commission will provide its annual report on the Measures for the 2018 fiscal year to the City Council in April 2019. The City Council also serves as an additional level of oversight on the measures.
Serve as a resource to staff.	The Finance Commission serves as a sounding board for staff and assists in the enhancement of reporting efforts.
Provide training to commissions.	The City Clerk & City Attorney undertake annual training for Commissions, with that having taken place in February, 2019. In addition, a Leadership Coffee was launched in 2018, and the second Leadership Coffee took place in February 2019 with the Mayor and Vice Mayor meeting with the Chair and Vice Chair of each of the Commissions in a joint session to exchange ideas and information.
<i>Strategy 3: Provide and Enhance Exemplary Governance</i>	
<u>Objectives</u>	
Enhance relationships in support of education and schools.	The City has been actively engaged in the effort to preserve School Resource Officers which directly support a safe school environment which contributes to learning and performance.
Encourage and engage in regional collaboration and cooperation.	City active participation in many regional boards and Joint Powers Authorities is a key way this objective is met. A regional freeway camera project for Highways 80 and 4 to enhance community safety which is being implemented is another. In 2018, the City hosted the Contra Costa Mayor's Conference monthly meeting.

Continue to enhance transparency and open government.	The City has resumed cable broadcast of Council meetings. The City also now has a presence of Facebook and NextDoor and posts regularly.
Foster an ethical environment free from conflicts of interest.	The City Council has adopted a Code of Ethics which is reviewed annually and an annual acknowledgment of the policy is required for City Council Members, Commission Members and key staff.
Enhance access to information (sunshine provision).	The City's website is a key vehicle for enhanced access to information; together with our increased social media presence.
Provide a means for employees to report concerns or possible wrong doing (whistle-blowing).	The City maintains a whistleblower hotline through a third party and regularly makes that information available to employees.
Conduct annual review and update of anti-nepotism, anti-cronyism, conflict of interest, and Code of Ethics.	The City Council conducts an annual review of these policies with that having taken place last in January 2019.
Reduce exposure to litigation and claims.	The City has been successful in reducing claims and litigation over the past few years. Efforts to continue this trend include updates to the City's standard form of contracts and the development of specialty contract models, the investment of monies to address key infrastructure issue like the maintenance of trees and the filling of major potholes. However, the more recent period has seen an uptick in claims and possible litigation.



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 9, 2019

SUBMITTED BY: David Biggs, City Manager
Edwin Gato, Finance Director

SUBJECT: Municipal Financial Health Diagnostic Tool

RECOMMENDED ACTION: Receive report and discuss the League of California Cities Municipal Financial Health Diagnostic Tool.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION: The report was presented to the Finance Commission at their special meeting on Thursday, March 21, 2019, and any comments from the Commission will be shared with the Council at its meeting.

DISCUSSION: The League of California Cities has developed a Municipal Financial Health Diagnostic tool for Cities to measure their financial health. Government financial health may be viewed in four related fiscal contexts:

1. Cash Solvency – the ability to meet immediate financial obligations;
2. Budgetary Solvency – the ability to meet all financial obligations during a budget year;
3. Long Run Solvency – the ability to meet all financial obligations in the future;
4. Service Level Solvency – the ability to provide the desired level of services for the general health and welfare of a community.

The League of Cities Financial Health Diagnostic tool is concerned with the ability of Cities to meet its financial commitments now and into the future (Cash, Budgetary, and Long Run Solvency).

In 2015, staff utilized the tool for the first time and the City Council received a presentation on the results on October 27, 2015. At that time, the City Council indicated that the tool should be updated each year after the annual audit is completed.

This tool focuses on the General Fund and looks at recent past and near future (FY 2016-17 through FY 2021-22) financial measures and indicators to provide an assessment of the City's financial distress and tendency towards financial crisis.

The California Municipal Financial Health Diagnostic tool consists of:

1. **The Financial Distress Checklist.** A 14 point list of key indicators to assess the near term financial health of the City's General Fund and other operations.
2. **The Financial Health Indicators.** This is linked to the 14 point Financial Distress Checklist. The Financial Health Indicators provide more detailed formulas and methods for determining financial condition. Of the 14 financial health indicators, there were 12 "Healthy" indicators and 2 "Caution" indicators for the City of Hercules.

The color code is Red = Warning; Orange/Rust = Caution; Green = Healthy

The City of Hercules staff has completed the Municipal Financial Health Diagnostic tool for the period of FY 2016-17 through FY 2021-22 using the following data: Audited Financial Statements for FY 2016-17 and FY 2017-18; Budget for FY 2018-19; and the Forecast for FY 2019-20 and FY 2021-22.

The results of the completion of the Municipal Financial Health Diagnostic tool for the Financial Distress Checklist are:

1. Net Operating deficit / surplus. There are no recurring general fund operating deficits. General revenues are sufficient to meet the net general revenue demand of programs.	<i>Caution</i>
2. Fund balance. Reserves are sufficient over multiple consecutive years and in compliance with adopted policy.	<i>Healthy</i>
3. Capital Asset Condition. The city is keeping pace with the aging of its capital assets.	<i>Healthy</i>
4. Liquidity. Cash and short-term investments are sufficient to cover current liabilities (including short-term debt and accounts payable within 60 days).	<i>Healthy</i>
5. Fixed costs & labor costs. Fixed costs (including debt service and other contractual obligations), salaries and benefits are stable or decreasing over multiple years relative to reasonably expected revenue growth.	<i>Healthy</i>
6. General fund subsidies of other funds. Any general fund subsidies other enterprises or special funds are sustainable and in compliance with adopted policy.	<i>Healthy</i>
7. Constraints on budgetary discretion. The city council's authority to make budget changes is not excessively constrained by charter, contract, or law.	<i>Healthy</i>
8. Balancing the budget with temporary funds. The use of reserves, selling assets, deferring asset maintenance to balance the general fund has been limited, prudent and in compliance with adopted policy.	<i>Healthy</i>
9. Balancing the budget with borrowing. The use of short-term borrowing, internal borrowing or transfers from special funds to balance the general fund has been limited, prudent and in compliance with adopted policy.	<i>Healthy</i>

10. Balancing the budget by deferring employee compensation costs. Pension liabilities and other non-salary benefits have been determined, disclosed and actuarially funded in compliance with adopted policy.	<i>Healthy</i>
11. Balancing the budget with backloaded debt service payments. Debt service payments have not been “backloaded” into future years.	<i>Healthy</i>
12. Funding operating costs with non-recurring revenues. Ongoing operating costs are being funded with ongoing rather than temporary revenues (e.g., from development, etc.)	<i>Healthy</i>
13. Timeliness and accuracy of financial reports. Financial Reports are being filed on time. (CAFR, Annual Audit, State Controller’s Financial Transactions Report)	<i>Healthy</i>
14. Service level solvency. Public service levels meet the standards and needs in this community.	<i>Caution</i>

There has been a level of improvement since the first use of the Diagnostic Tool in 2015 and this reflects the City’s continued progress on the path to financial sustainability.

ATTACHMENTS:

Attachment 1 – Municipal Financial Health Diagnostic tool

<i>Financial Impact</i>			
Description:			
Funding Source:			
Budget Recap:			
Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change: Yes <input type="checkbox"/> No <input type="checkbox"/>			



How Are We Doing?

Using the The California Municipal Financial Health Diagnostic to Evaluate Your Agency's Financial Health

According to economists, California's "great recession" ran from December 2007 and ended in August 2009. These years, and those following have been difficult for local governments all around. In addition to deep reductions in local government revenue, cities, counties and special districts have struggled with state take-aways of local funds, the dissolution of redevelopment agencies, and mounting costs of retiree pensions and benefits. The severity and combination of these financial impacts varies but in a few well-known instances, cities have had to seek the legal protections of Chapter 9 Bankruptcy to restructure their contractual obligations, and at least one county required financial intervention from the state.

Grappling effectively with financial distress before it becomes a crisis first requires a shared understanding of the financial condition of the local government. A critical component of the difficulties of the most financially distressed local governments has been a lack of recognition and agreement among local leaders, staff and key interests (labor, retirees, creditors) regarding the agency's financial condition and what must be done in order to achieve sustainability. Most financial crises can be managed without court or outside agency intervention if leaders, staff and key interests have the courage, competence, and collaborative attitudes to 1) recognize and agree upon the local government's financial condition, and 2) implement the necessary changes to set the local government on a sustainable financial course.

Defining Local Government Financial Health

Government financial health may be viewed in four related financial contexts: 1) cash solvency - the ability to meet immediate financial obligations – generally over the next 30 or 60 days (accounts payable, payroll); 2) budgetary solvency - the ability to meet all financial obligations during a budget year; 3) long-run solvency – the ability to meet all financial obligations into the future; and 4) service-level solvency – the ability to provide the desired level of services for the general health and welfare of a community.^[1] In the context of today's difficult financial climate, we are primarily concerned with the ability of the local government to meet its financial commitments now and into the future (cash, budgetary, and long-run solvency). A more expansive evaluation of financial condition would examine the community's economic environment and ability to meet the service level desires of the community (service-level solvency).

A government is in **financial distress** if it has a continuing imbalance between its level of financial commitments and its available financial resources over time. If revenues and spending are not brought into balance, **financial distress** can progress into financial crisis, when the government is unable to meet its financial obligations.

Determining Local Government Financial Health

There have been many government financial health monitoring systems devised over the last several decades. Each approach consists of a series of financial indicators or measures that address a local government's ability to meet the needs of its constituents. The International City/County Management Association's (ICMA) venerable Financial Trend Monitoring System (FTMS) consists of some 42 financial measures including factors assessing the economic environment of the community, the finances of the jurisdiction, and its managerial practices and legislative policies.^[2] Building on the FTMS and various other systems and policies developed by academics and governments, this tool distills the most essential indicators assessing financial health with a pragmatic focus on an agency's level of financial distress heading into financial crisis.

This **California Municipal Financial Health Diagnostic** is primarily concerned with the ability of the local government to meet its financial commitments now and into the future (cash, budgetary, and long-run solvency). In contrast to many other financial health monitoring systems, this tool looks at recent past and near future financial measures and indicators to provide an assessment of the local government's level of financial distress and tendency toward financial crisis.

The **California Municipal Health Diagnostic** is focused first and foremost on the general fund, but may also be applied to other funds. It focuses on the local government's operating position, going beyond reported finances to focus on recurring revenues and expenditures (by distinguishing temporary non-recurring revenues and expenditures) and taking into account any unbudgeted but real current costs of services. The tool includes an evaluation of unsustainable or risky budget practices that indicate an agency in distress and tending toward crisis. The foundation of the diagnosis is an examination of discretionary revenues and spending, distinguishing and identifying the effects of programmatic revenues and spending on discretionary resources.

Unique Aspects of California Local Government Finance^[3]

California local governments' tax and revenue raising choices are strictly limited. Property tax is the single most important source of general purpose revenue for most cities, counties and many special districts. Yet local governments have no authority over the property tax base, rate or allocation. Other tax increases require voter approval.

Over the last several decades since Proposition 13 (1978), the state has shifted property tax revenues, vehicle license taxes, and eliminated virtually all general purpose state aid to local governments. At the same time, the Legislature has shifted greater program responsibilities and imposed greater mandates but with limited funding. In response, local governments sought and voters approved, several constitutional measures protecting local government finances from further legislative actions.

Most remaining city general purpose revenues are no longer vulnerable to additional state takeaways.^[4] Consequently, unlike municipalities in other states or in California in previous times, assessing the financial health of California cities has little to do with the amount or proportion of intergovernmental revenues (which, in any case, is minimal for nearly all cities and special districts).

California counties have much more limited revenue raising authority than cities and remain, by their nature, highly dependent on state budgetary actions. The state Legislature may delegate to counties any of the functions which belong to the state itself. Counties are responsible for frontline municipal services in unincorporated areas; for countywide local services such as jails, elections, and property tax administration; and for state programs delegated to counties such as health and human services.

The **California Municipal Financial Health Diagnostic** consists of:

1. **The Financial Distress Checklist.** A fourteen point list of key indicators to assess the near term financial health of your local government's general fund and other operations. The checklist is intended for use by policy makers and community members to ask the important questions and get the necessary answers.
2. **The Financial Health Indicators.** Linked to the fourteen point Financial Distress Checklist, the Financial Health Indicators provide more detailed formulas and methods for determining financial condition and will need to be completed by a team of qualified financial analysts.

WARNING SIGNS Indications of Crisis

- ☐ Failure to pay an undisputed claim from a creditor within 90 days past claim date.
- ☐ Failure to forward income taxes withheld or Social Security contributions for over 30 days past the due date.
- ☐ Failure to make *required* pension fund contributions on time.
- ☐ Missing a payroll for 7 days.
- ☐ Available unrestricted balance for the general fund at the end of the current fiscal year will be negative.

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[1] Justice, Jonathan and Scorsone, Eric. "Measuring and Predicting Local Government Fiscal Stress" in Levine, Helisse; Justice, Jonathan; Scorsone, Eric. Handbook of Local Government Fiscal Health. Jones and Bartlett Learning, Burlington, MA 2012.

[2] Groves, Sanford M. and Valente, Maureen Godsey. Revised Nollenburg, Karl. Evaluating Financial Condition: A Handbook for Local Government, 4th edition. International City/County Manager Association (ICMA), USA, 2003.

[3] For more information, see Multari, Coleman, Hampian and Statler, *Guide to Local Government Finance in California*, Solano Press Books, 2012.

[4] The continuing impacts of the dissolution of Redevelopment Agencies notwithstanding. These impacts should be taken into account as appropriate in these financial health measures.

Questions, comments, improvements? Michael Coleman 530-758-3952 coleman@muniwest.com

The California Municipal Financial Health Diagnostic

Financial Health Indicators - Summary Checklist

	Indicator	Rating	
Measures	1. Net Operating deficit / surplus. There are no recurring general fund operating deficits. General revenues are sufficient to meet the net general revenue demand of programs.		<i>Caution</i>
	2. Fund balance. Reserves are sufficient over multiple consecutive years and in compliance with adopted policy.		<i>Healthy</i>
	3. Capital Asset Condition. The city is keeping pace with the aging of its capital assets.		<i>Healthy</i>
	4. Liquidity. Cash and short-term investments are sufficient to cover current liabilities (including short-term debt and accounts payable within 60 days).		<i>Healthy</i>
	5. Fixed costs & labor costs. Fixed costs (including debt service and other contractual obligations), salaries and benefits are stable or decreasing over multiple years relative to reasonably expected revenue growth.		<i>Healthy</i>
	6. General fund subsidies of other funds. Any general fund subsidies other enterprises or special funds are sustainable and in compliance with adopted policy.		<i>Healthy</i>
Practices and Conditions	7. Constraints on budgetary discretion. The city council's authority to make budget changes is not excessively constrained by charter, contract, or law.		<i>Healthy</i>
	8. Balancing the budget with temporary funds. The use of reserves, selling assets, deferring asset maintenance to balance the general fund has been limited, prudent and in compliance with adopted policy.		<i>Healthy</i>
	9. Balancing the budget with borrowing. The use of short-term borrowing, internal borrowing or transfers from special funds to balance the general fund has been limited, prudent and in compliance with adopted policy.		<i>Healthy</i>
	10. Balancing the budget by deferring employee compensation costs. Pension liabilities and other non-salary benefits have been determined, disclosed and actuarially funded in compliance with adopted policy.		<i>Healthy</i>
	11. Balancing the budget with backloaded debt service payments. Debt service payments have not been "backloaded" into future years.		<i>Healthy</i>
	12. Funding operating costs with non-recurring revenues. Ongoing operating costs are being funded with ongoing rather than temporary revenues (e.g., from development, etc.)		<i>Healthy</i>
	13. Timeliness and accuracy of financial reports. Financial Reports are being filed on time. (CAFR, Annual Audit, State Controller's Financial Transactions Report)		<i>Healthy</i>
	14. Service level solvency. Public service levels meet the standards and needs in this community.		<i>Caution</i>

The California Municipal Financial Health Diagnostic: Financial Health Indicators

City of **Hercules**

General Fund

Operating Deficit/Surplus

The simplest measure of annual operating deficit/surplus is the difference between total revenues and total spending. General fund operating deficits may be an indication that the government's financial condition is unsustainably out of balance and that corrections to bring the finances into a sustainable condition are not occurring. Though an operating deficit in any one year may not be a cause for concern (because, for example, reserves or one-time remedies might be available to cover the difference), frequent and increasing deficits may indicate that the governments activities are not sustainable within the revenues available over time.

Taken as a percentage of total revenues, the local government's operating deficit/surplus tells us very plainly if current resources in the fund are sufficient to cover current expenditures. The data to compute this measure should be readily available in the financial statements (comprehensive annual financial reports) of the agency. This is measure 1A below.

But a budget can be balanced and an ongoing structural problem masked if a deficit is covered by temporary solutions, such as non-recurring revenues like limited-term grants, land sale income, or transfers from other funds. This approach cannot be relied upon in the long-run (over multiple years). Measure 1B takes a step further than 1A by taking these temporary revenues out of the equation to see how much worse the revenue shortfall becomes at current spending levels.

Still, this may not show the whole picture. If certain current financial obligations are being delayed and not budgeted, then the financial position shown in measure 1B is still incomplete. Measure 1C takes into account "unbudgeted current liabilities" such as Other Post-Employment Benefits (OPEB); unbudgeted earned leave cash-out liabilities; maintenance and replacement costs of vehicles, technology, buildings, streets, and other properties and infrastructure. For the purpose of determining long run solvency, Measure 1C is the best indicator of a local government's true fiscal operating position because it reflects the level of spending actually needed to sustain your current level of service over time. If these deferred costs are significant, then your fiscal imbalance may be much worse than you thought. If you cannot find sufficient information to determine these unbudgeted liabilities, that, in itself, is reason for substantial concern (See indicator # 9).

1A Gross Annual Deficit/Surplus - unadjusted, using all general fund revenues and expenditures					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
20.69%	21.60%	-1.08%	0.41%	-0.21%	3.73%
percent change ==>	4.38%	-105.01%	-137.80%	-150.11%	-1919.22%
Formula gross annual deficit/surplus as a percent of revenues = $\frac{\left(\frac{\text{gross total revenues}}{\text{gross total revenues}} \right) - \left(\frac{\text{gross total expenditures}}{\text{gross total revenues}} \right)}$				For comparison purposes	
1B Net Operating Deficit/Surplus – sustainable, omitting non-recurring revenues					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
15.41%	15.80%	-3.26%	-0.02%	-0.65%	3.25%
Formula net operating deficit/surplus as a percent of revenues = $\frac{\left(\frac{\text{net operating revenues}}{\text{net operating revenues}} \right) - \left(\frac{\text{temporary revenues}}{\text{net operating revenues}} \right) - \left(\frac{\text{net operating expenditures}}{\text{net operating revenues}} \right)}$			Negative Indicator • Recurring and static or increasing negative values		For comparison purposes

The California Municipal Financial Health Diagnostic: Financial Health Indicators

City of **Hercules**

General Fund

1C Net True Operating Deficit/Surplus - complete, adding unbudgeted general fund liabilities						
<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	
15.41%	15.80%	-3.26%	-0.02%	-0.65%	3.25%	
Formula <div><div>net true operating deficit/surplus as a percent of revenues</div><div>=</div><div><div><div><div>net operating revenues</div></div><div><div>-</div><div>temporary revenues</div></div><div><div>-</div><div>net operating expenditures</div></div><div><div>-</div><div>unbudgeted current liabilities</div></div></div><div>net operating revenues</div></div></div>			Score: Warning-Red: Persistent & increasing deficits over consecutive years. Caution-Yellow: Deficits are infrequent or relatively marginal compared to fund balance (see #2 below) and/or there is a reasonable plan for bringing revenues and spending into balance. Good-Green: not an issue of concern.			<div>01</div> <div><div><input type="radio"/></div><div><input checked="" type="radio"/></div><div><input type="radio"/></div></div>
Definitions Gross Total Revenues. See CAFR Statement of Revenues and Expenditures "total revenues." Gross Total Expenditures. See CAFR Statement of Revenues and Expenditures "total expenditures" Net Operating Revenues. Net operating revenues equals gross revenues and transfers in, minus revenues restricted to capital improvements minus revenues legally restricted to special purposes. Transfers related to non-operating activities should be excluded. General Purpose Revenues. Discretionary taxes including property taxes (other than voter approved debt service), property transfer tax, general sales and use tax, business license tax, transient occupancy tax, utility users tax, construction tax, and other discretionary taxes; franchises; fines, forfeitures and penalties; investment earnings; rents, concessions, royalties; homeowners property tax relief reimbursement; non-restricted state and federal grants; and non-restricted transfers in. One-time (temporary) Revenues. One-time (temporary) revenues include any non-recurring revenues that derive from short-term activities and cannot be relied upon in the long-run (over multiple years). This might include revenues from land sales, one-time transfers from other funds, limited-term grants, court settlements or major donations. Optionally, you might consider also excluding receipt of construction-related revenues from a given project that are significantly in excess of an "average" year, if this represents a level of revenue unlikely to be repeated. Back taxes and late payments do not have to be omitted because they just make up for what was not received in a prior year. Ongoing General Propose Revenues. Ongoing General Propose Revenues equals total general purpose revenues minus one-time (temporary) general purpose revenues. Net Operating Expenditures. Net operating expenditures equals total expenditures (after credits/reimbursements) and transfers out, minus one time expenditures capital improvement expenditures (or transfers out for capital purposes). Unbudgeted Current Liabilities. The amortized costs of long-term general fund liabilities not already included in "net operating expenditures." This includes amounts not budgeted or expended that "should be" in order to pay the current year portion of liabilities. Examples: unbudgeted actuarially required contributions (ARC) to Other Post-Employment Benefits (OPEB) or pension systems; unbudgeted earned leave cash-out liabilities; maintenance and replacement costs of vehicles, technology, buildings, streets, and other properties and infrastructure. If there is insufficient information to determine these unbudgeted liabilities, that, in itself, is reason for substantial concern (See indicator #9).						

The California Municipal Financial Health Diagnostic: Financial Health Indicators

City of **Hercules**

General Fund

Fund Balance

A positive fund balance, or reserves, is important for any government to withstand financial risk over time. Unanticipated fluctuations in revenues may occur from economic impacts or state take-ways. "Financial reserves" are important to meet unforeseen revenue shortfalls or expenditure overages. But reserves cannot be relied upon to cover financial shortfalls that are more than temporary. (See Indicator #7) An unplanned decline in unreserved fund balances as a percentage of operating revenues over time suggests the government is less able to withstand financial emergencies.

The right level of fund balance varies depending on many factors including levels of risk and revenue volatility but, generally speaking, dropping below 8% may be cause for concern. The Government Finance Officers Association recommends maintaining a 5-15% reserve.

2 Fund Balance

2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
74.49%	101.61%	93.10%	90.25%	86.69%	84.44%

Formula

$$\text{Fund balance as a percent of expenditures} = \frac{\text{unreserved fund balance}}{\text{net operating expenditures}}$$

Score:

Warning-Red: Persistently & substantially decreasing or is below
Caution-Yellow: Has decreased but remains above 8% and there is a reasonable plan for stabilizing.

Green - not concerning

02



Definitions

Unreserved fund balance is fund balance not reserved in accordance with state law, charter or contractual obligation. This includes total fund balance minus nonspendable, restricted or committed resources. However, *you should review resources categorized as "committed"* and include in "unreserved fund balance" any amounts that, even if only in time of emergency, could be accessed with action of the City Council / governing board.

Net operating expenditures. Net operating expenditures equals expenditures (after credits/reimbursements) and transfers out, minus capital improvement expenditures (or transfers out for capital purposes), minus expenditures of revenues legally restricted to special purposes.

	Fund Balance Components ¹				
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
Total Fund Balance	X	X	X	X	X
Unrestricted Fund Balance			X	X	X
Unreserved Fund Balance (AKA "Balance available for assignment")				X	X

1. See Stephen J. Gauthier, "Governmental Accounting, Auditing, and Financial Reporting." (The "Blue Book") 2012 Government Finance Officers Association.

The California Municipal Financial Health Diagnostic: Financial Health Indicators

City of **Hercules**
General Fund

Capital Asset Condition

Capital assets must be maintained and replaced over time. This requires annual resource commitment such that the value of assets and asset improvements does not decline.

3 Capital Asset Condition						
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
7.62%	3.24%	0.00%	0.00%	0.00%	0.00%	
Formula Change in Capital Asset Condition = $\frac{\left(\begin{array}{c} \text{ending net value of} \\ \text{capital assets} \end{array} \right) - \left(\begin{array}{c} \text{beginning net value of} \\ \text{capital assets} \end{array} \right)}{\text{beginning net value of capital assets}}$			Score: Warning-Red: persistent and substantially negative trend Caution-Yellow: negative or decreasing but there is a reasonable plan for stabilizing. Good-Green: not an issue of concern.			Q3

Liquidity

A decreasing amount of cash and short-term investments as a percentage of current liabilities suggests the government is less able to pay its short-term obligations. Increasing current liabilities at the end of the year as a percentage of net operating revenues indicates liquidity problems and/or deficit spending. Liquidity measures the amount of readily available financial resources relative to immediate financial commitments (current liabilities).

4 Liquidity						
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
626.89%	915.76%	917.72%	833.57%	856.91%	856.91%	
Formula liquidity = $\frac{\text{cash and short term investments}}{\text{current liabilities}}$			Score: Warning-Red: Persistently & substantially decreasing. Caution-Yellow: Has decreased but there is a reasonable plan for stabilizing. Good-Green: not an issue of concern.			Q4

Definitions

Current liabilities is the sum of all liabilities due at the end of the fiscal year including short-term debt, current portion of long-term debt, all accounts payable accrued liabilities

IMPORTANT: Include

- Advances and amounts due to other funds, including internal funds from pooled cash transactions or borrowing.
- Increases in debt service payments due to financings.

Cash and short-term investments includes cash on hand and in the bank as well as other assets that can easily be converted to cash.

Fixed Costs and Budget Flexibility

Increasing fixed costs as a percentage of net operating expenditures may indicate an unsustainable financial structure where the government has limited ability to make necessary budget changes. Fixed does not mean static. Fixed costs may be changing over time but cannot be easily altered.

A major component of general fund spending is labor costs for salaries and benefits: often these costs are anything but fixed, as costs continue to escalate, but as long as the employees are on the payroll, these costs are unavoidable. This indicator computes the proportion of net annual operating expenses that these fixed and labor costs represent, to show the degree of flexibility the agency has in making budget reductions. As with all these measures, compute this for general fund and other funds separately.

Definitions

Salaries and wages are compensation paid directly to employees.

Benefits include costs for contributions to FICA, pension, life insurance, health insurance, etc. and current contributions to self-insurance funds.

Fixed costs are those costs over which the government has little control in the short run because of contractual agreements, charter restrictions, or state or federal law, other than those costs already included under salaries, wages or benefits. Non-labor fixed costs include debt service, retiree health payments, lease-purchase payments, utilities, contracted goods and services, etc.

Net operating expenditures. Net operating expenditures equals expenditures (after credits/reimbursements) and transfers out, minus capital improvement expenditures (or transfers out for capital purposes), minus expenditures of revenues legally restricted to special purposes.

Subsidy Expenditures / Transfers Out. Total of expenditures and transfers out to support enterprises or special funds.

5a Fixed Costs						
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
31.45%	30.97%	30.40%	31.49%	31.63%	29.51%	
Formula Fixed costs as a percent of expenditures = $\frac{\text{fixed costs}}{\text{net operating expenditures}}$				For comparison purposes		
5b Fixed Costs plus Labor Costs						
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
89.38%	83.74%	84.55%	85.88%	86.27%	83.14%	
Formula Fixed costs and labor costs as a percent of expenditures = $\frac{\text{salaries} + \text{wages} + \text{benefits} + \text{fixed costs}}{\text{net operating expenditures}}$			<div>Score:</div> <div>Warning-Red: Increasing or over 80%.</div> <div>Caution-Yellow: Has increased but is projected to stabilize or decline.</div> <div>Good-Green: not an issue of concern.</div>			

The California Municipal Financial Health Diagnostic: Financial Health Indicators

City of **Hercules**

General Fund

General Fund Subsidy of Other Funds.

Some cities and counties find themselves using the general fund to subsidize golf course rates; water, sewer, transit, parking or other enterprise operations; or pay debt service or capital improvement costs that should arguably be paid by proprietary or special revenue funds. Often this is because user fees are not sufficiently high enough to be self-supporting. Sometimes it is because debt obligations were incurred that burdened the general fund with a pledge to support bonds if the intended repayment source (development fees, enterprise fund) proved inadequate. These subsidies limit budget flexibility if they are a significant portion of the general fund net operating expenditures and/or if the trend is increasing.

6 General Fund Subsidy of Other Funds					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Formula Subsidy costs as a percent of expenditures = $\frac{\text{Subsidy Expenditures and Subsidy Transfers Out}}{\text{net operating expenditures}}$			Score: Warning-Red: Increasing or over adopted policy. Caution-Yellow: Has increased but is projected to stabilize or decline. Good-Green: not an issue of concern.		

Constraints on Budgetary Discretion

Constraints on the budgetary discretion of the agency include binding arbitration or required formulas or third party agreement to alter compensation, spending or minimum staffing. These legal constraints impair the agency's ability to achieve solutions when in fiscal distress and may also accelerate cost increases over time.

7 Constraints on Budgetary Discretion	
Do charter provisions or other legal commitments (contracts, court decisions/settlements) restrict the City Council's authority? <ul style="list-style-type: none"> • Binding arbitration: required submission of a dispute to a third person whose decision is obligatory. • Formulas require minimum employee compensation, hiring or staffing levels, or spending levels or require the agreement of others. • General fund is pledged as support, or public facilities as security, for non-general fund debt. • Others: restrictions on contracting out, voter-approved tax expiring. 	Score: Warning-Red: Yes - restrictions. Caution-Yellow: Yes but minimal/workable. Green - no restrictions

The California Municipal Financial Health Diagnostic: Financial Health Indicators

City of **Hercules**

General Fund

Financial Practices

An agency's financial and budgetary management practices may contribute to financial distress. Practices that should be rarely used include solving budgetary imbalances with temporary revenues or cuts (such as furloughs), internal borrowing from special funds beyond budget years (i.e. for more than cash flow), deferring pension or other employee costs, and backloaded debt service schedules. Financial trouble is also strongly correlated with a local government's failure to file financial reports on time.

8 Balancing the Budget with Temporary Funds					Q8
Has the general fund (budget or financial year close) been balanced with • reserves • selling assets • deferring asset maintenance or operating costs ?	2016-17	2017-18	2018-19	Score: Warning-Red: Yes, multiple years. Caution-Yellow: Yes but minimal/workable. Good-Green: No. Not a concern.	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>
	No	No	No		
	Q8a Is there an adopted policy on the use of temporary funds? <input type="radio"/> Yes <input checked="" type="radio"/> No				
	Q8b Is there an adopted reserves and fund balance policy? <input type="radio"/> Yes <input checked="" type="radio"/> No				
9 Balancing the Budget with Borrowing					Q9
Has the general fund (budget or financial year close) been balanced with • short-term borrowing, • internal borrowing (including transfers that must be repaid), • amounts owed to other funds from pooled cash ?	2016-17	2017-18	2018-19	Score: Warning-Red: Yes, multiple instances. Caution-Yellow: Yes but minimal/workable. Good-Green: No. Not a concern.	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>
	No	No	No		
	Q9a Is there an adopted policy on short-term borrowing? <input type="radio"/> Yes <input checked="" type="radio"/> No				
	Q9b Is there an adopted policy on interfund transfers? <input type="radio"/> Yes <input checked="" type="radio"/> No				
10 Balancing the Budget by Deferring Employee Compensation Costs					Q10
Has the general fund been balanced by deferring payments for or not paying the current actuarially determined costs of ... • pension, other post-employment benefit liabilities (e.g., compensated absences, deferred comp, retiree medical, etc.) • risk programs (e.g., workers comp and liability funds, etc.) • pension obligation bonds which presume overly optimistic payroll growth?	2016-17	2017-18	2018-19	Score: Warning-Red: Yes, multiple years. Caution-Yellow: Yes but minimal/workable. Good-Green: No. Not a concern.	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>
	No	No	No		
	Q10a Is there an adopted policy on the payment of employee compensation costs? <input checked="" type="radio"/> Yes <input type="radio"/> No				

The California Municipal Financial Health Diagnostic: Financial Health Indicators

City of **Hercules**

General Fund

11 Balancing the Budget with Backloaded Debt Service						
Have general fund debt payment schedules been backloaded? (e.g., capital appreciation bonds, pension obligation bonds, or other financings with balloon payments or deferred/increasing payment schedules over time)	2016-17 No	2017-18 No	2018.19 No	Score: Warning-Red: Backloaded payments Caution-Yellow: minimal/workable. Good-Green: Not a concern.	Q11 <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	
Q11a Is there an adopted policy favoring pay-as-you-go financing? <input type="radio"/> Yes <input checked="" type="radio"/> No						
Q11b Is there an adopted debt management / affordability policy? <input type="radio"/> Yes <input checked="" type="radio"/> No						
12 Funding Operating Costs with Non-recurring Revenues (e.g. development, etc.)						
Has the general fund (budget or financial year close) been balanced relying on non-recurring revenues, such as from land-use development, to fund on-going operating costs or debt service other than work associated with those temporary revenues? (e.g., developer fees or taxes, sales taxes from construction, etc. funding other than building/planning staff)	2016-17 No	2017-18 No	2018.19 No	Score: Warning-Red: Yes. Caution-Yellow: Yes but minimal/workable. Good-Green: No. Not a concern.	Q12 <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	
Q12a Is there an adopted long-range financial plan and policy? <input type="radio"/> Yes <input checked="" type="radio"/> No						
13 Timeliness and Accuracy of Financial Reports						
Have annual financial reports not been filed on time ? • Comprehensive Annual Financial Report (CAFR) • State Controller's Financial Transactions Report	2016-17 No	2017-18 No	2018.19 N/A	Score: Warning-Red: Yes. Not filed on time. Caution-Yellow: Yes but special circumstances. Green- No: filed correctly and on time.	Q13 <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	
14 Service Level Solvency						
Are public service levels below standards in this community ? e.g., emergency response times, road condition, facility maintenance, etc.	2016-17 Need to improve	2017-18 Need to improve	2018.19 N/A	Score: Warning-Red: Far below standards. Caution-Yellow: Below standards but will improve. Green- Service levels meet standards.	Q14 <input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	



The California Municipal Financial Health Diagnostic

Data Gathering Worksheet

City of Hercules

General Fund

This worksheet is a tool to 1) help the analyst find the figures and put them together, 2) more clearly define all of the data elements and terms – and tie them back to standard GASB elements etc. as much as possible.

Data Component		Source of Data	Use for Indicator	Year-2	PriorYr	CurrentYr (estimated)	Next Year (projected)	Year+2 (projected)	Year+3 (projected)
				2016-17	2017-18	2018.19	2019-20	2020-21	2021-22
a	Gross revenues	CAFR* Statement of Revenues and Expenditures "total revenues"	1A	14,859,520	16,490,956	14,963,926	15,727,367	16,156,867	16,936,863
a1	Transfers in	CAFR* Statement of Revenues and Expenditures "transfers in"		100,000	100,000	100,000	100,000	100,000	100,000
a2	Revenues restricted to capital improvements (by law or contract)	Staff analysis		0	0	0	0	0	0
a3	Revenues legally restricted to special purposes	Staff analysis		0	0	0	0	0	0
b	Net operating revenues	line "a" plus line "a1" minus line "a2" minus line "a3"	1B,1C	14,959,520	16,590,956	15,063,926	15,827,367	16,256,867	17,036,863
Net operating revenues. Net operating revenues equals gross revenues and transfers in, minus revenues restricted to capital improvements, minus revenues legally restricted to special purposes.									
General purpose revenues. Discretionary taxes including property taxes (other than voter approved debt service), property transfer tax, general sales and use tax, business license tax, transient occupancy tax, utility users tax, construction tax, and other discretionary taxes; franchises; fines, forfeitures and penalties; investment earnings; rents, concessions, royalties; homeowners property tax relief reimbursement; non-restricted state and federal grants; and non-restricted transfers in.									
	On-time(temporary) revenues (other than those included in "c" or "d")	Staff analysis	1B,1C	0	0	265,000	0	0	0



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Data Component		Source of Data	Use for Indicator	Year-2	PriorYr	CurrentYr (estimated)	Next Year (projected)	Year+2 (projected)	Year+3 (projected)
				2016-17	2017-18	2018.19	2019-20	2020-21	2021-22
c	One-time (temporary) revenues. One-time (temporary) revenues include any non-recurring revenues that derive from short-term activities and cannot be relied upon in the long-run (over multiple years). This might include revenues from land sales, one-time transfers from other funds, limited-term grants, court settlements or major donations. Optionally, you might consider also excluding receipt of construction-related revenues from a given project that are significantly in excess of an “average” year, if this represents a level of revenue unlikely to be repeated. Back taxes and late payments do not have to be omitted because they just make up for what was not received in a prior year.								
d1	Salaries, wages and benefits			7,331,079	7,371,772	8,278,238	8,611,000	8,941,000	8,840,000
d2	Services and supplies			4,453,558	5,557,398	6,847,722	7,052,000	7,249,000	7,465,000
d3	Other			-	-		-	-	-
d	Gross expenditures	CAFR* Statement of Revenues and Expenditures “total expenditures”	1A	11,784,637	12,929,170	15,125,960	15,663,000	16,190,000	16,305,000
e	Transfers out	CAFR* Statement of Revenues and Expenditures “transfers out”		870,171	1,040,886	163,387	168,000	173000	178,000
f	Capital project expenditures (other than capital outlay that is not included in current expenditures)	CAFR* Statement of Revenues and Expenditures “capital outlay”		0	0	0	0	0	0
g	Other one-time or temporary expenditures	Staff analysis		0	0	0	0	0	0
h	Net operating expenditures	line “d” plus line“e” minus line“f” minus line“g” minus line“a3”	1A, 1C, 2, 4, 5	12,654,808	13,970,056	15,289,347	15,831,000	16,363,000	16,483,000



The California Municipal Financial Health Diagnostic Data Gathering Worksheet

City of Hercules
General Fund

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Data Component		Source of Data	Use for Indicator	Year-2	PriorYr	CurrentYr (estimated)	Next Year (projected)	Year+2 (projected)	Year+3 (projected)																														
				2016-17	2017-18	2018.19	2019-20	2020-21	2021-22																														
Net operating expenditures. Net operating expenditures equals gross expenditures minus capital improvement expenditures minus expenditures of revenues legally restricted to special purposes.																																							
	Unbudgeted current liabilities	Staff analysis	1C	0	0	0	0	0	0																														
i	Unbudgeted current liabilities. The amortized costs of long term general fund liabilities not already included in “net operating expenditures.” This includes amounts not budgeted or expended that “should be” in order to pay the current year portion of liabilities. Examples: unbudgeted actuarially required contributions (ARC) to Other Post-Employment Benefits (OPEB) or pension systems; unbudgeted earned leave cash-out liabilities; maintenance and replacement costs of vehicles, technology, buildings, streets, and other properties and infrastructure.																																						
j	Total Fund Balance	CAFR* Balance Sheet		41,694,932	44,315,832	44,355,411	44,409,000	44,306,000	44,039,000																														
k	Nonspendable, restricted and committed fund balance	CAFR* Balance Sheet		32,268,322	30,121,307	30,121,307	30,121,000	30,121,000	30,121,000																														
l	Unreserved fund balance including General Reserve	line “j” minus line “k”	2	9,426,610	14,194,525	14,234,104	14,288,000	14,185,000	13,918,000																														
Unreserved fund balance is fund balance not reserved in accordance with state law, charter or contractual obligation. This includes total fund balance minus nonspendable, restricted or committed resources. However: ➤ You should review resources categorized as "committed" and include in "unreserved fund balance" any amounts that, even if only in time of emergency, could be accessed with action of the City Council. ➤ Uncollectible loans or other receivables should <u>not</u> be included in this measure of unreserved fund balance.																																							
<table><tr><th colspan="6">Fund Balance Components¹</th></tr><tr><th></th><th>Nonspendable</th><th>Restricted</th><th>Committed</th><th>Assigned</th><th>Unassigned</th></tr><tr><td>Total Fund Balance</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td></tr><tr><td>Unrestricted Fund Balance</td><td></td><td></td><td>x</td><td>x</td><td>x</td></tr><tr><td>Unreserved Fund Balance (AKA "Balance available for assignment")</td><td></td><td></td><td></td><td>x</td><td>x</td></tr></table>										Fund Balance Components ¹							Nonspendable	Restricted	Committed	Assigned	Unassigned	Total Fund Balance	x	x	x	x	x	Unrestricted Fund Balance			x	x	x	Unreserved Fund Balance (AKA "Balance available for assignment")				x	x
Fund Balance Components ¹																																							
	Nonspendable	Restricted	Committed	Assigned	Unassigned																																		
Total Fund Balance	x	x	x	x	x																																		
Unrestricted Fund Balance			x	x	x																																		
Unreserved Fund Balance (AKA "Balance available for assignment")				x	x																																		

1. See Stephen J. Gauthier, “Governmental Accounting, Auditing, and Financial Reporting,” (The “Blue Book”) 2012 Government Finance Officers Association.

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Data Gathering Worksheet

City of Hercules

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Data Component		Source of Data	Use for Indicator	Year-2	PriorYr	CurrentYr (estimated)	Next Year (projected)	Year+2 (projected)	Year+3 (projected)
				2016-17	2017-18	2018.19	2019-20	2020-21	2021-22
m	Beginning net value of capital assets, <i>government-wide</i>	CAFR Notes to financial statements and staff analysis (for projection)	3	73,330,454	78,918,108	81,477,062	81,477,062	81,477,062	81,477,062
n	Ending net value of capital assets, <i>government-wide</i>		3	78,918,108	81,477,062	81,477,062	81,477,062	81,477,062	81,477,062
Capital Asset Condition. A high ratio suggests the government is keeping pace, on average, with the aging of its capital assets.									
o	Cash and short-term investments (<i>fund level</i>)	CAFR* Balance Sheet	4	15,869,149	18,554,296	18,593,875	16,888,985	17,361,877	17,361,877
Cash and short-term investments includes cash on hand and in the bank as well as other assets that can easily be converted to cash.									
p	Current liabilities (<i>fund level</i>)	CAFR* Balance Sheet*	4	2,531,402	2,026,101	2,026,101	2,026,101	2,026,101	2,026,101
	*Current liabilities is the sum of all liabilities due at the end of the fiscal year including short-term debt, current portion of long-term debt, all accounts payable accrued liabilities and other current liabilities due to be paid within 60 days.								
	IMPORTANT: Include <ul style="list-style-type: none">Advances and amounts due to other funds, including internal funds from pooled cash transactions or borrowing.Increases in debt service payments due to financings.								
q	Salaries + wages + benefits	(from line "d1" above)	5B	7,331,079	7,371,772	8,278,238	8,611,000	8,941,000	8,840,000
Salaries and wages are compensation paid directly to employees. Benefits include costs for contributions to FICA, pension, life insurance, health insurance, etc. and current contributions to self-insurance funds.									
r	Debt service principal (long term debt only)	Staff analysis		653,144	780,473	703,432	801,559	879,634	923,470
s	Debt service interest (long term and short term debt)	Staff analysis		1,131,268	1,107,950	1,180,147	1,080,495	998,735	958,504



The California Municipal Financial Health Diagnostic

Data Gathering Worksheet

City of Hercules

General Fund

This worksheet is a tool to 1) help the analyst find the figures and put them together, 2) more clearly define all of the data elements and terms – and tie them back to standard GASB elements etc. as much as possible.

Data Component		Source of Data	Use for Indicator	Year-2	PriorYr	CurrentYr (estimated)	Next Year (projected)	Year+2 (projected)	Year+3 (projected)
				2016-17	2017-18	2018.19	2019-20	2020-21	2021-22
t	Expenditures for federal, state or court mandated activities	Staff analysis							
u	Pension payments (other than those included in "q" above)	Staff analysis and CAFR		1,725,547	1,869,324	2,069,592	2,399,396	2,593,348	2,278,788
v	Lease purchase payments	Staff analysis and CAFR							
w	Other long term contracts	Staff analysis		40,486	40,219	40,486	40,219	40,219	40,219
x	Other fixed costs	Staff analysis		428,918	529,042	654,567	663,672	663,672	663,672
y	Fixed costs	Sum of r through x above	5A, 5B	3,979,363	4,327,008	4,648,224	4,985,341	5,175,608	4,864,653
	Fixed costs are those costs over which the government has little control in the short run because of contractual agreements, charter restrictions, or state or federal law, other than those costs already included under salaries, wages or benefits. Fixed costs include debt service, retiree health payments, lease-purchase payments, utilities, contracted goods and services, etc. When it is unclear if certain costs are "fixed," consider a rule of thumb such as "can elected officials cut these costs by at least ten percent in one year."								
z	Subsidy expenditures and subsidy transfers out	Staff analysis based on CAFR Statement of Revenues and Expenditures	6						



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 9, 2019

TO: Members of the City Council

SUBMITTED BY: Lori Martin, Administrative Services Director/City Clerk

SUBJECT: Consider Filling Vacancy on the Finance Commission and Consider Letter from Commissioner Risby Requesting a Waiver of Automatic Removal

RECOMMENDED ACTION:

Consider Finance Commissioner Risbys' letter requesting a waiver of the attendance provisions outlined in Resolution 10-068, or consider making an appointment to the Finance Commission by reconsidering two (2) applicants who applied during the City's annual recruitment period.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:

There was no commission or subcommittee review of this item.

FISCAL IMPACT OF RECOMMENDATION:

There is no fiscal impact associated with this item.

DISCUSSION:

Commissioner Risby is subject to automatic removal from office due to three (3) absences in a rolling 12 month period. The Council is being requested to consider Commissioner Risbys' request for waiver of the attendance provisions and reinstatement to the Finance Commission.

In the event Commissioner Risby is not reinstated, there are two remaining applicants from the recent recruitment for the Finance Commission who are still available and interested in serving on the Commission. The City Council conducted interviews of the Finance Commission applicants at a Special Meeting held on February 26, 2019. The two applicants for consideration to fill the vacant seat are Edward Ulle and Myrna Godinez. Applications for the two applicants were provided to Members of the City Council by email.

ATTACHMENTS:

1. Letter from Commissioner Risby dated March 29, 2019
2. Resolution 10-068
3. HMC Title 2, Chapter 2 – Boards and Commissions

March 29, 2019

City of Hercules
Attn: Lori Martin
Administrative Services Director/City Clerk
111 Civic Drive
Hercules, CA 94547

Dear Ms. Martin

I am in receipt of your letter dated March 25, 2019 regarding my attendance requirements for the Finance Commission meetings. I am requesting a waiver from the Council Resolution No. 10-068 Section E. It is my sincere intention to continue serving as a Commissioner for the City of Hercules. The reasons for the absences are as follows;

- On May 14, 2018 - was due to a health-related issue which cause me not to be available for the meeting.
- On January 14, 2019 - was due to miscommunication with the City of Hercules administration office and me. I received an email notice in December requesting if I would be willing to change the date for January's meeting to which I agreed. However, I never received confirmation that the meeting was changed. I visited the website several times and it had the original meeting date of January 25. Therefore, I showed up for the meeting on January 25 to a dark room.
- On March 21 - was an oversight on my part, I had a conflict with my schedule and unfortunately, I did not make it to Hercules until after 7pm.

Also, during this time period, I had problems with accessing my City of Hercules emails. I believe this problem is completely resolve. I am asking that I remain on this committee to serve out my term because I believe I can office great insight for the City of Hercules.

If you decide to honor my request, I also ask that the City Clerk office provide the documents for the meetings at least a week in advance instead of a weekend. I tend to have previous obligations and I would like to prioritize reviewing these documents in order to offer advice to the City Council.

Thank you for the opportunity to respond to this request and I look forward to your response.

Regards,


Lori A. Risby, CPA

RESOLUTION NO. 10-068

REPEALING AND RESCINDING RESOLUTION NO. 09-013 AND ESTABLISHING PROCEDURES GOVERNING APPOINTMENTS TO CITY COUNCIL ADVISORY BODIES AND REGIONAL COMMITTEES AND BOARDS

WHEREAS, due to the difficulty in recruiting community members to serve on the various City Council Advisory Bodies, Regional Committees and Boards, on January 13, 2009, the City Council adopted Resolution 09-013 establishing new procedures for appointment; and

WHEREAS, the new procedures provided for individual City Council Members to make certain appointments to the Planning and Community and Library Services Commissions; and

WHEREAS, no difficulty was experienced with the implementation of the new procedures in April 2009, as all incumbents were re-appointed; and

WHEREAS, implementation of these procedures for the 2010 appointments proved to be more challenging as four incumbents of the Community and Library Services Commission chose not to seek reappointment; and

WHEREAS, Council and staff have determined that new procedures for appointments are needed to alleviate the difficulty of recruitment and to provide additional oversight of appointed candidates; and

WHEREAS, the policy has been revised to address the issues identified by the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules that the Council hereby repeals and rescinds Resolution No. 09-013 and establishes the following procedures governing appointments to City Council Advisory Bodies and Regional Committees and Boards:

A. NOTICE OF EXPIRING TERMS AND VACANCIES

1. All vacancy notices and postings shall be done in accordance with the provisions of California Government Code Section 54972. On or before December 31 of each year, the City Council shall have prepared a list of all appointive terms which will expire during the next calendar year, with the name of the incumbent appointee, the date of appointment, the date the term expires and the necessary qualifications for the position. The list shall identify all boards, commission and committees whose members serve at the pleasure of the City Council and the necessary qualifications for each position.
2. The City Clerk shall cause the appointment list to be distributed for posting and/or publishing as follows:
 - West County Times

- Office of the City Clerk
- Hercules Library
- City Website
- Hercules Cable Channel
- City Hall Bulletin Board
- Community Center Bulletin Board
- Ohlone Community Center Bulletin Board
- Creekside Center Post Office Bulletin Board
- Such other places directed by the City Council

B. APPLICATION PROCESS

1. During the posting of the notice of vacancy as outlined in Section A above, the City Clerk shall provide a Volunteer Application and Supplemental Questionnaire to those persons wishing to be considered for appointment. Application packets shall also be made available through the City website.
2. An applicant may not submit applications for appointment to more than two commissions, committees or boards during any recruitment period.
3. Completed applications by eligible candidates shall be kept on file in the City Clerk's Office and will remain active for one year.
4. A deadline for submitting applications for commission, committee or board appointment shall be established. No application shall be accepted or considered after the established deadline.

C. INTERVIEW AND APPOINTMENT

1. Once the final application deadline has passed, the City Clerk's Office will provide a status report to the City Council at which time the dates and times of interviews of candidates eligible for appointment to fill a commission, committee or board vacancy will be set.
2. A special meeting of the City Council shall be scheduled for the purpose of conducting interviews of candidates eligible for appointment to a commission, committee or board. Such meetings shall be open to the public.
3. Incumbents with expiring terms may apply for re-appointment but may, at the City Council's discretion, not be required to participate in the interview process.
4. All other individuals eligible for appointment shall participate in an interview before the City Council prior to being considered for appointment.
5. The City Clerk's Office will contact all eligible applicants and schedule for interview.

6. The City Clerk's Office will copy the applicants' written material for Council members. The written materials will also be available for public review in the City Clerk's Office.
7. Interviews are informal and usually last 15-20 minutes. Council members are looking for:
 - Familiarity with the subject
 - Decision making ability
 - Commitment to the position for which they have applied
8. Candidates eligible for appointment to a commission, committee or board will remain in the waiting area until they are called in for their interview and must leave the meeting once their interview is concluded. Members of the public who have not applied for appointment to a commission may attend the entire meeting.
9. Appointments will be made by public vote of the City Council at the City Council's second meeting in March or as soon thereafter as the City Council determines to make the appointments.
10. Commission, committee and board appointments become effective upon administration of the Oath of Office. All adult persons appointed by the City Council must successfully complete the Live Scan process prior to receiving the Oath of Office and assuming their position on the commission, committee or board to which they are appointed.

D. UNSCHEDULED VACANCIES

1. Whenever an unscheduled commission, committee or board vacancy occurs due to resignation, death, termination, removal, disqualification or other cause, a special vacancy notice shall be and posted in the locations identified in Section A.2 of this Resolution, as amended from time to time, in accordance with the provisions of California Government Code 54974(a). Special vacancy notices shall be posted not earlier than twenty (20) days before or not later than twenty (20) days after the vacancy occurs. Final appointment to fill the unscheduled vacancy shall not be made for at least 10 working days after the posting of the special vacancy notice.
2. If an unscheduled vacancy occurs within ninety days after interviews for appointment to that commission, committee or board have been conducted, the unscheduled vacancy may be filled by appointment of one of the individuals interviewed following the required posting of the unscheduled vacancy.
3. If an unscheduled vacancy occurs within one year after an individual is appointed to a commission, committee or board, the City Clerk shall advise candidates who filed application for appointment to that commission, committee or board within that year of the unscheduled vacancy. Those persons with applications on file within that year may

re-activate their application by contacting the City Clerk's Office and asking that the application be reactivated.

4. Appointments to fill unscheduled vacancies become effective upon administration of the Oath of Office. All adult persons appointed by the City Council to fill an unscheduled vacancy must complete a City of Hercules Volunteer application, a supplemental questionnaire and the Live Scan process prior to receiving the Oath of Office and assuming their position on the commission, committee or board to which they are appointed.

E. ATTENDANCE

1. A member shall be considered automatically removed from a commission, committee or board when that member is absent from three (3) meetings within a twelve month period.
2. It is the responsibility of the commission, committee or board's staff liaison to notify the City Clerk of a member's attendance record to allow sufficient time to send a warning notice if the member has already missed two meetings within a twelve month period and to send a termination notice if the member has missed three meetings within a twelve month period.
3. A member who has been removed from an advisory body for inadequate attendance may request a waiver of this provision by submitting a letter to the City Council setting forth the reason for the absences and confirming future availability.

F. DESIGNATED LIAISONS

The Mayor will appoint two Council Members each to serve as liaisons to the Planning Commission and Community and Library Services Commission. Said appointments shall be made at the Council's first meeting in January as part of the Mayor's appointments to regional committees and City subcommittees.

G. GENERAL PROVISIONS

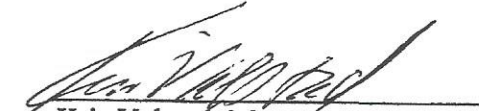
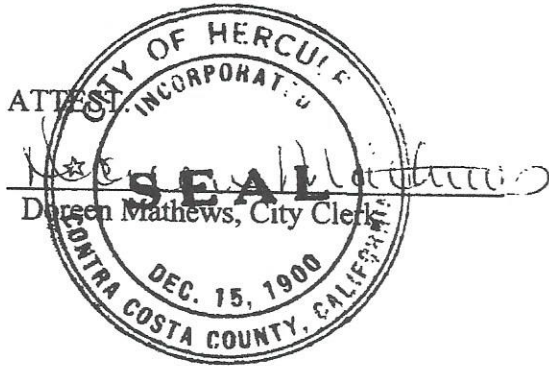
1. All provisions of this resolution shall apply unless otherwise directed by the City Council on a case-by-case basis.
2. In the event that any provision of this resolution conflicts with the provisions of any other ordinance or resolution governing a particular advisory body, the provisions governing that advisory body shall prevail.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the 11th day of May 2010 by the following vote of the Council:

AYES: Balico, Kuehne, McDonald, Ward, Valstad

NOES: None

ABSENT: None



Kris Valstad, Mayor

Chapter 2. Boards and Commissions

Article 1. Planning Commission

Sec. 2-2.101 Planning Commission; Membership.

There is hereby established a Planning Commission which shall be composed of five (5) members, who shall be appointed by the Council. Members must be residents of the City of Hercules and at least eighteen (18) years of age. No member may be a Council member, officer or employee of the City. All members shall serve at the pleasure of the City Council and may be removed at any time, with or without cause, by a majority vote of the Council. (Ord. 391 § 1, 2004: Ord. 171 § 1 (part), 1983)

Sec. 2-2.102 Terms of Office.

The terms of office for members of the Planning Commission shall be two (2) years; provided, that the first members of the Planning Commission appointed after the effective date of the ordinance codified in this Article shall serve terms as follows:

Two (2) members for a term of one (1) year.

Three (3) members for a term of two (2) years.

The determination of the respective terms of such initial members shall be by lot conducted by the City Clerk. Each member shall serve until his successor is duly appointed and qualified. (Ord. 171 § 1 (part), 1983)

Sec. 2-2.103 Attendance at Meetings.

Any member of the Planning Commission who is absent from three (3) meetings of the Planning Commission during any rolling twelve (12) month period shall be automatically removed from the Commission. The vacancy thereby created shall be filled as provided in Section [2-2.104](#). (Ord. 474 § 1, 2013: Ord. 370 § 1 (part), 2002: Ord. 171 § 1 (part), 1983)

Sec. 2-2.104 Vacancies.

If a vacancy occurs in the membership of the Planning Commission whether by death, resignation, automatic removal as provided in Section [2-2.103](#) of this Article, removal by the Council or for any other reason, the Council shall forthwith appoint another person to fill such vacancy to serve the remainder of the term of the person that such new appointee is succeeding. (Ord. 171 § 1 (part), 1983)

Sec. 2-2.105 Compensation.

Each member of the Planning Commission shall receive a salary of fifty dollars (\$50.00) for attendance at a regular scheduled meeting of the Planning Commission. Such salary shall be paid with the first payroll distribution of each month for the preceding month and will commence with the effective date of this ordinance. No compensation will be provided for non-attendance at a regular scheduled meeting, attendance at special meetings, or when a regular scheduled meeting has been canceled. (Ord. 361 § 1, 2001: Ord. 171 § 1 (part), 1983)

Sec. 2-2.106 Chairperson and Vice-Chairperson.

The Planning Commission shall annually elect a Chairperson and Vice-Chairperson to serve a term of one (1) year. The Chairperson shall preside at all meetings and shall report to the Council on all recommendations of the Commission. The Vice-Chairperson shall perform the functions of the Chairperson in case of absence of the Chairperson. Upon completion of the one (1) year term as Vice-Chairperson, the Vice-Chairperson shall be given the first option to serve as Chairperson of the Planning Commission. (Ord. 370 § 1 (part), 2002: Ord. 171 § 1 (part), 1983)

Sec. 2-2.107 Meetings.

The Commission shall hold two (2) regular meetings each month at a public meeting place within the City of Hercules. Such meetings shall be held on the first and third Mondays of each month commencing at 7:00 p.m. A special meeting may be called at any time by the Chairperson or by a majority of the members of the Planning Commission. All meetings of the Commission shall be open to the public and the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.) shall apply. (Ord. 374 § 1, 2002: Ord. 171 § 1 (part), 1983)

Sec. 2-2.108 Quorum.

A majority of the members of the Commission shall constitute a quorum for the transaction of business at any meeting, but action may be taken by the Commission only by majority vote of the total membership of the commission. (Ord. 171 § 1 (part), 1983).

Sec. 2-2.109 Duties.

In addition to the duties imposed by State law, the Planning Commission shall have the following duties:

- (a) Perform all the functions assigned to it by the zoning and design review ordinances of the City of Hercules;
- (b) Annually or more frequently as may be needed, review the General Plan of the

City of Hercules and make recommendations to the City Council with respect thereto;

(c) Prepare, review and recommend specific (neighborhood) plans or amendments to existing such plans;

(d) Act as the Advisory Agency with respect to subdivision maps for the purpose of reviewing and making recommendations to the Council with respect to such maps;

(e) Review and make recommendations to the Council with respect to Environmental Impact Reports;

(f) Advise and recommend to the Council regarding the acquisition, use and disposition of City-owned real property;

(g) Annually review the capital improvement program of the City and make recommendations to the Council for establishing and modifying the list of priority projects in keeping with the scope and intent of the General Plan;

(h) Coordinate plans and programs with other city, county, regional, state and federal agencies in matters of common concern;

(i) Review and submit annually to the Council a report of its activities;

(j) Such other duties relating to planning, zoning and community development as may be directed by the Council. (Ord. 171 § 1 (part), 1983)

Article 2. Community Services Commission

(Repealed by Ordinance No. 444)

Article 3. Library Commission

(Repealed by Ordinance No. 444)

Article 4. Education Commission

Sec. 2-2.401 Education Commission Membership.

There is hereby established an Education Commission which shall be composed of seven (7) members, who shall be appointed by the Council. All members shall serve at the pleasure of the City Council and may be removed at any time, with or without cause, by a majority vote of the Council.

Five (5) members must be residents of the City of Hercules and at least eighteen

(18) years of age. The City Council shall appoint a minimum of one (1) member of the commission to serve from each of the following school areas: Lupine Hills Elementary School, Ohlone Elementary School, Hanna Ranch Elementary School, Hercules Middle/High School, and the Foxboro area. If appointments cannot be made by district, the Council may make appointments at large.

Two (2) members must be students who reside in Hercules. One (1) member shall be a middle school student (6th to 8th grade) or high school student (9th to 12th grade) from the West Contra Costa Unified School District, and one (1) member shall be a middle school student (6th to 8th grade) or high school student (9th to 12th grade) from the John Swett Unified School District. If appointments cannot be made by students from both districts, the Council may make appointments from one (1) district. (Ord. 425 § 1, 2007; Ord. 389 § 1 (part), 2004; Ord. 384 § 1 (part), 2004)

Sec. 2-2.402 Terms of Office.

The term of office for members of the Education Commission shall be two (2) years, the middle school student and high school student shall serve a term of one (1) year, provided that the first members of the Education Commission appointed after the effective date of the ordinance codified in this Article shall serve terms as follows:

Three (3) members for an initial term of one (1) year. Four (4) members for a term of two (2) years.

The determination of the respective terms of such initial members shall be by lot conducted by the City Clerk. Each member shall serve until a successor is duly appointed and qualified.

Appointments to the position of City Representative and Alternate to the West Contra Costa Unified School District Citizens' Bond Oversight Committee shall be made at the discretion of the City Council. Such appointments shall be for a period of two (2) years. (Ord. 414 § 1 (part), 2006; Ord. 389 § 1 (part), 2004; Ord. 384 § 1 (part), 2004)

Sec. 2-2.403 Attendance at Meetings.

Any member of the Education Commission who is absent from three (3) meetings of the Education Commission during any rolling twelve (12) month period shall be automatically removed from the Commission, and the Council shall fill the vacancy thereby created as provided in Section [2-2.404](#) of this Article. (Ord. 384 § 1 (part), 2004)

Sec. 2-2.404 Vacancies.

If a vacancy occurs in the membership of the Education Commission, whether by death, resignation, automatic removal as provided in Section [2-2.403](#) of this Article, removal by the Council or for any other reason, the Council shall forthwith appoint another person to fill such vacancy to serve the remainder of the term of the person that such new appointee is succeeding. (Ord. 384 § 1 (part), 2004)

Sec. 2-2.405 Compensation.

Members shall receive their actual and necessary expenses incurred in the discharge of their duties, which shall not include travel to and from meetings held within the City of Hercules, but shall receive no other compensation for their service as a member of the Education Commission. (Ord. 384 § 1 (part), 2004)

Sec. 2-2.406 Chairperson and Vice-Chairperson.

The Education Commission shall annually elect a Chairperson and Vice-Chairperson to serve a term of one (1) year. The Chairperson shall preside at all meetings and shall report to the Council on all recommendations of the Commission. The Vice-Chairperson shall perform the functions of the Chairperson in case of absence of the Chairperson. Upon completion of the one (1) year term as Vice-Chairperson, the Vice-Chairperson shall be given the first option to serve as Chairperson of the Education Commission. (Ord. 384 § 1 (part), 2004)

Sec. 2-2.407 Meetings.

The Commission shall hold one (1) regular meeting each month at a public meetings place within the City of Hercules. Such meetings shall be held on the second Thursday of each month. A special meeting may be called at any time by the Chairperson or by a majority of the members of the Education Commission. All meetings of the Commission shall be open to the public and the provision of the Ralph M. Brown Act (Government Code Section 54950, et seq.) shall apply. (Ord. 384 § 1 (part), 2004)

Sec. 2-2.408 Quorum.

A majority of the members of the Commission shall constitute a quorum for the transaction of business at any meeting; action may be taken by a majority of the members present. (Ord. 384 § 1 (part), 2004)

Sec. 2-2.409 Duties.

The Education Commission shall be advisory to the City Council and shall have the following duties:

- (a) Shall advise the City Council on matters of policy and public interest related to the subject of the education of the children of the City of Hercules.

- (b) Shall investigate and make advisory reports on such matters to the City Council.
- (c) Shall render such other specific issues as are consistent with the role of an advisory board on the education system, to include recommendations and advice to the West Contra Costa Unified School District and the John Swett Unified School District on education issues within the City.
- (d) Shall work together with representatives from both the West Contra Costa Unified School District and the John Swett Unified School District to establish a permanent and positive working relationship with both districts.
- (e) The Commission member serving as the City's Representative to the West Contra Costa Unified School District Bond Measure Oversight Committee shall routinely report to the entire Education Commission on actions taken at the meetings of the West Contra Costa Unified School District Bond Measure Oversight Committee. (Ord. 384 § 1 (part), 2004)

Article 5. Community and Library Services Commission

Sec. 2-2.501 Membership.

There is hereby established a Community and Library Services Commission which shall be composed of five (5) members, who shall be appointed by the Council. All members shall serve at the pleasure of the City Council and may be removed at any time, with or without cause. Four (4) members must be residents of the City of Hercules, registered to vote and at least eighteen (18) years of age. One (1) member shall be a high school student (ninth grade to twelfth grade) who is a resident of the City of Hercules. (Ord. 485 § 1 (part), 2015; Ord. 444 § 2 (part), 2009)

Sec. 2-2.502 Terms of Office.

- (a) Terms of Office. The term of office for members of the Community and Library Services Commission who are eighteen (18) years of age or older at the time of appointment shall be two (2) years. The term of office for any member of the Community and Library Services Commission who is under the age of eighteen (18) at the time of appointment shall be one (1) year.
- (b) The first members of the Commission appointed after the effective date of the ordinance codified in this article shall serve terms as follows:
 - (1) Three (3) members shall serve an initial term of one (1) year.
 - (2) Three (3) members shall serve an initial term of two (2) years.

(c) The determination of the respective terms of such initial members shall be as follows:

(1) Consideration will be given to incumbents of the Community Services Commission and Library Commission with one (1) year remaining on their current terms for appointment to the Community and Library Services Commission.

(2) Council members and the Vice Mayor shall make one (1) appointment each. The Mayor shall appoint one (1) adult member and one (1) youth member.

(3) Designation of the one (1) year and two (2) year terms shall be made by lottery draw conducted by the City Clerk.

(d)(1) Each member shall serve until his successor is duly appointed and qualified.

(2) Upon expiration of the initial terms of the appointed Commissioners, appointments to the Commission shall be made in accordance with the process for appointments established by City Council resolution, as amended from time to time.

(e) One (1) member of this Commission shall serve as the City's Representative to the Contra Costa County Library Commission. That representative shall be nominated by the Commission and such nomination shall be forwarded to the City Council for consideration. Such appointment shall be for a period of two (2) years. (Ord. 444 § 2 (part), 2009)

Sec. 2-2.503 Attendance at Meetings.

Any member of the Community and Library Services Commission who is absent from three (3) meetings of the Commission during any rolling twelve (12) month period shall be automatically deemed to have resigned from the Commission. The vacancy thereby created shall be filled as provided in Section [2-2.504](#) of this Article. (Ord. 444 § 2 (part), 2009)

Sec. 2-2.504 Vacancies.

If a vacancy occurs in the membership of the Community and Library Services Commission whether by death, resignation, automatic removal as provided in Section [2-2.503](#) of this Article, removal by the Council or for any other reason, the vacancy shall be filled in accordance with the process for appointments established by City Council resolution, as amended from time to time. (Ord. 444

§ 2 (part), 2009)

Sec. 2-2.505 Compensation.

Members shall receive their actual and necessary expenses incurred in the discharge of their duties, which shall not include travel to and from meetings held within the City of Hercules. Members shall receive no other compensation for their service as a member of the Community and Library Services Commission. (Ord. 444 § 2 (part), 2009)

Sec. 2-2.506 Chairperson and Vice-Chairperson.

The Community and Library Services Commission shall annually elect a Chairperson and Vice-Chairperson to serve a term of one (1) year. The Chairperson shall preside at all meetings and shall report to the City Council on all recommendations of the Commission. The Vice-Chairperson shall perform the functions of the Chairperson in case of absence of the Chairperson. Upon completion of the one (1) year term as Vice-Chairperson, the Vice-Chairperson shall be given the first option to serve as Chairperson of the Commission. (Ord. 444 § 2 (part), 2009)

Sec. 2-2.507 Meetings.

The Commission shall hold one (1) regular meeting each month at a public meeting place within the City of Hercules. Such meeting shall be held on the second Monday of each month commencing at 7:00 p.m. A special meeting may be called at any time by the Chairperson or by a majority of the members of the Commission. All meetings of the Commission shall be open to the public and the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.) shall apply. (Ord. 444 § 2 (part), 2009)

Sec. 2-2.508 Quorum.

Three (3) members of the Commission shall constitute a quorum for the transaction of business at any meeting. Action may be taken by a majority of the members present after a quorum has been established. (Ord. 485 § 1 (part), 2015; Ord. 444 § 2 (part), 2009)

Sec. 2-2.509 Duties.

The Community and Library Services Commission shall be advisory to the City Council and shall have the following duties:

(a) Develop plans and recommendations for parks, playgrounds, recreational facilities and use of community buildings and advise the City Council with respect thereto;

- (b) Work with the Recreation and Community Services Department on the development and evaluation of recreation programs and community activities;
- (c) Provide assistance and support in the initiation and operation of City-sponsored community events;
- (d) In cooperation with the Recreation and Community Services Department make recommendations to the City Council with respect to priorities for recreation and community services expenditures in the City's capital improvement program;
- (e) Review and comment on the annual operating and capital improvement budgets for the Recreation and Community Services Department;
- (f) Render advice and assistance to the City Council with respect to community service needs such as child care and youth summer employment;
- (g) Review and make recommendations with respect to fees for the use of parks, playgrounds, recreational facilities and community buildings;
- (h) Shall advise the City Council on matters of policy and public interest related to the management, use and preservation of library facilities and property;
- (i) Shall investigate and make advisory reports on such matters to the City Council;
- (j) Shall render such other specific services as are consistent with the role of an advisory board on the library system, to include recommendations and advice to the County Librarian on matters related to the library system within the City;
- (k) The Commission member serving as the City's Area Representative to the Contra Costa County Library Commission shall routinely report to the entire Library Commission on actions taken at the Contra Costa County Library Commission meetings;
- (l) Review and make recommendations regarding the Arts in Public Places Program;
- (m) Review and coordinate exhibits at the Hercules Public Library;
- (n) Such other duties relating to recreation activities and community and library service needs as may be directed by the City Council. (Ord. 444 § 2 (part), 2009)

Article 6. Finance Commission

Sec. 2-2.601 Membership.

There is hereby established a Finance Commission which shall be composed of five (5) members, who shall be appointed by the Council. All members shall serve at the pleasure of the City Council and may be removed at any time, with or without cause. Members must be residents of the City of Hercules, registered to vote, and at least eighteen (18) years of age. The City Manager shall appoint an ex officio staff person to serve as the Commission's Secretary and Custodian of Records, who shall not have a vote. (Ord. 481 § 1 (part), 2014)

Sec. 2-2.602 Terms of Office.

(a) To establish staggered terms, the first members of the Commission appointed after the effective date of the ordinance codified in this Article shall serve terms as follows:

(1) Two (2) members shall serve an initial term of one (1) year.

(2) Three (3) members shall serve an initial term of two (2) years.

(b) The determination of the respective terms of such initial members shall be as follows:

(1) Consideration will be given to incumbents of the Citizen's Ad Hoc Finance Committee and the Measure O Committee.

(2) Designation of the one (1) year and two (2) year terms shall be made by lottery draw conducted by the City Clerk.

(c) (1) Each member shall serve until his successor is duly appointed and qualified.

(2) Upon expiration of the initial terms of the appointed commissioners, appointments to the Commission shall be made in accordance with the process for appointments established by City Council resolution, as amended from time to time. (Ord. 481 § 1 (part), 2014)

Sec. 2-2.603 Attendance at Meetings.

Any member of the Finance Commission who is absent from three (3) meetings of the Commission during any rolling twelve (12) month period shall be automatically deemed to have resigned from the Commission. All Commission appointees are required to be provided notice of the automatic removal provision after each absence, and prior to termination. The vacancy thereby created shall be filled as provided in Section [2-2.604](#). (Ord. 481 § 1 (part), 2014)

Sec. 2-2.604 Vacancies.

If a vacancy occurs in the membership of the Finance Commission, whether by death, resignation, automatic removal as provided in Section [2-2.603](#), removal by the Council or for any other reason, the vacancy shall be filled in accordance with the process for appointments established by City Council resolution, as amended from time to time. (Ord. 481 § 1 (part), 2014)

Sec. 2-2.605 Compensation.

Members shall receive their actual and necessary expenses incurred in the discharge of their duties, which shall not include travel to and from meetings held within the City of Hercules. Members shall receive no other compensation for their service as a member of the Finance Commission. (Ord. 481 § 1 (part), 2014)

Sec. 2-2.606 Chairperson and Vice-Chairperson.

The Finance Commission shall annually elect a Chairperson and Vice-Chairperson to serve a term of one (1) year. The Chairperson shall preside at all meetings and shall report to the City Council on all recommendations of the Commission. The Vice-Chairperson shall perform the functions of the Chairperson in case of absence of the Chairperson. Upon completion of the one (1) year term as Vice-Chairperson, the Vice-Chairperson shall be given the first option to serve as Chairperson of the Commission. (Ord. 481 § 1 (part), 2014)

Sec. 2-2.607 Meetings.

The Commission shall hold one (1) regular meeting each month at a public meeting place within the City of Hercules. Such meeting shall be held on the Monday of the fourth week of each month commencing at 7:00 p.m. A special meeting may be called at any time by the Chairperson or by a majority of the members of the Commission. All meetings of the Commission shall be open to the public and the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.) shall apply. (Ord. 481 § 1 (part), 2014)

Sec. 2-2.608 Quorum.

Three (3) members of the Commission shall constitute a quorum for the transaction of business at any meeting. Action may be taken by a majority of the members present after a quorum has been established. (Ord. 481 § 1 (part), 2014)

Sec. 2-2.609 Duties.

The Finance Commission shall be advisory to the City Council with no authority to direct staff, and shall have the following duties:

(a) Quarterly review of City's financial status; review and comment on audit reports; review and comment on the proposed budget; and review and comment on items of extraordinary financial impact.

- (b) Make recommendations to the City Council with respect to budget priorities.
- (c) Review and comment on the City's annual operating and capital improvement budgets.
- (d) Advise the City Council on matters of policy and public interest related to the management of the City's finances and budget.
- (e) Serve as the Oversight Committee for Measure "A," including providing an annual report, to ensure that utility user tax funds are spent in accordance with the voter approved measure adopted in June 2013.
- (f) Serve as the Oversight Committee for Measure "O," including providing an annual report, to ensure that the sales tax revenues approved by Hercules voters are spent in accordance with the voter approved measure adopted in June 2012.
- (g) Take on any additional review and advisory functions assigned by the City Council by duly adopted resolution. (Ord. 481 § 1 (part), 2014)



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 9, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager

SUBJECT: Review Upcoming Council Agenda Items List

RECOMMENDED ACTION:

Review, Discuss and Provide Direction.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:

Not Applicable

FISCAL IMPACT OF RECOMMENDATION:

None as a result of this item.

DISCUSSION: The City Council has requested that the Upcoming Council Agenda Items List be reviewed on a quarterly basis by the full Council. This list is kept on an updated basis as a tool to assist staff and the City Council in tracking items staff is planning on placing on future agendas, and includes future items requested by City Council consensus or action. Items requested by the City Council are noted as (Consensus).

The list is updated by the City Clerk following each City Council meeting and is reviewed each week in the City Manager's Department Head Team meeting.

The list was last reviewed by the full Council on January 8, 2019.

ATTACHMENTS:

1. Upcoming Council Agenda Items

Upcoming Agenda Items - Revised 4/3/19

[illegible]

Upcoming Agenda Items - Revised 4/3/19

Scheduled Meeting Date	Item	Staff Responsible	Presentation	Public Hearing	Consent	Discussion/ Action
4/9/2019	Closed Session - Ledcor					
	Closed Session - RDA					
	Closed Session - Labor					
PH Notice due to LM: Mon 3/26/19 Noon	National Library Week Proclamation & Presentation	Martin	X			
Packet Distribution:	5 year Budget Forecast Update	Gato				X
4/4/2019	League Diagnostic Financial Tool	Gato				X
	WCCTAC STMP Fee Update	Smyth		X		
	Landscape & Lighting Assessment Districts Annual Renewal	Biggs				X
	Annual Stormwater Parcel Assessment for FY 19-20	Roberts				X
	Quarterly Review of Agenda Pending Items List	Biggs				X
	ZTA 19-01 - Update of Hercules Zoning Ord RE: Appeals Process, Decisions and Noticing Processes & ZTA 19-02	Smyth		X		
	Strategic Plan Update	Biggs				X
	Finance Commission Appointment to Unexpired Term	Martin				X
Scheduled Meeting Date	Item	Staff Responsible	Presentation	Public Hearing	Consent	Discussion/ Action
4/23/2019	Closed Session - Labor					
PH Notice due to LM: Mon 4/9/19 Noon						
Packet Distribution:						
4/18/2019	Fire District Fire Impact Fees			X		
	Update on Multi-Family Smoking Ordinance	Tang		X		
	Acceptance of Refugio Valley Pathway Project	Roberts			X	
	Acceptance of Duck Pond Park Improvements Project	Roberts			X	
	CASA Compact	Biggs				X
	Hercules Street Projects Funded by SB1 for FY 19-20	Roberts				X
	Ordinance Amendment - Commission Dates/Times	Tang/Martin		X		
	LLAD Reso of Intention	Biggs				X

Upcoming Agenda Items - Revised 4/3/19

Scheduled Meeting Date	Item	Staff Responsible	Presentation	Public Hearing	Consent	Discussion/ Action
5/14/2019						
PH Notice due to LM: Mon 4/30/19 Noon						
Packet Distribution: 5/9/2019						
Scheduled Meeting Date	Item	Staff Responsible	Presentation	Public Hearing	Consent	Discussion/ Action
	Closed Session - Labor					
5/28/2019						
PH Notice due to LM: Mon 5/14/19 Noon						
Packet Distribution: 5/23/2019	Introduction of FY 19-20 Budget	Gato				X

Upcoming Agenda Items - Revised 4/3/19

JANUARY	Successor Agency to RDA - ROPS					X
	Regional Appointments					X
	Review of Council Policies - Ethics, Nepotism, etc.					X
FEBRUARY	Mid-Year Budget Review					
	Proclamation - Police Officer of the Year					
MARCH	Annual Housing Report			X		
	5 year Budget Forecast Updte					
	League Financial Diagnostic Tool					
	Strategic Plan Review					X
APRIL	Annual Stormwater Parcel Assessment					X
MAY	Calling November Election (even numbered years)				X	
	Quarterly Review of Future Agenda Items					X
	City Manager Eval					
JUNE	Budget Adoption and authorizing annual Contracts					X
	Annual renewals of LLADS					X
	Annual Fiber Optic Broadband per Resolution 16-084					X
JULY						
AUGUST						
SEPTEMBER	Quarterly Review of Future Agenda Items					X
	City Attorney Eval					
OCTOBER	Amend Conflict of Interest Code (even numbered years)				X	
NOVEMBER	Commission Interviews					X
	1st Qtr Revenue & Expenditure Report					X

Upcoming Agenda Items - Revised 4/3/19

DECEMBER	Commission Appointments					X
	Reorganization of Council					X
	Confirming Election Results (even numbered years)				X	
	Quarterly Review of Future Agenda Items					X
	Maddy Act				X	