**Hercules waterfront development gets major boost from council**

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The long-stalled development of the Hercules waterfront got a major boost with the City Council's recent approval of a package of agreements that would let the city and a developer move ahead with building a transit center and adjacent village with offices, stores and about 1,400 homes.

But the two projects face additional hurdles. The transit center for buses, trains and ferries needs large infusions of public funding, much of it time-sensitive; the latest cost estimate of $76.7 million does not include the ferry terminal and about $13.5 million that the city has already spent on the project.

And much of the private developer's transit village plan could not be built profitably in the current economy.

The development agreements -- one that vests entitlements, the other implementing business terms between the city and Hercules Bayfront LLC -- passed by ordinance Tuesday and are subject to a second council vote March 13.

The votes were 3-0. Councilmen Gerard Boulanger and William Wilkins recused themselves because they reside near the prospective development. City Attorney Patrick Tang recused himself from the discussion as well.

An outside counsel, meanwhile, is researching whether the three fall under the "public generally" exception of the 1974 Political Reform Act because the project is supposed to benefit the entire city, not just its immediate neighbors.

The two purchase-and-sale agreements are for 13 acres

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for the train station and access to it on the land side of the Union Pacific Railroad tracks; and 50.6 acres, much of it underwater, for a future ferry terminal and an 11-acre park on the Hercules Point peninsula.

The total purchases would be $3.18 million -- $2.16 million cash and $1.02 million in development impact fee credits.

The vesting development agreement, with an initial 15-year term, essentially reaffirms a waterfront initiative that the council adopted in 2008 and updated in 2011. It provides for a pedestrian-, bicycle- and transit-friendly residential-commercial development with about 1,400 homes anchored by a Bayfront Boulevard with shops and restaurants.

Under the other, implementing development agreement, the city would reimburse $2.375 million of the $3.8 million in predevelopment expenses Hercules Bayfront says it incurred to accommodate the city's transit center plan. About $1 million, including $54,700 already paid, would be cash; the rest, impact fee credits.

If the city cannot come up with the cash, it would owe the remaining $945,300 at 4 percent interest a year.

The implementing development agreement has a 20-year term, with two five-year renewal options predicated on 50 percent completion of the project at year 20 and 65 percent at year 25.

Resident Jeff Wisniewski, a longtime booster of the waterfront development, said the deals are just the starting point of a long journey with many obstacles.

"You're going to start the car," Wisniewski said. "We now have to drive 1,500 miles or some odd distance."

He said the focus now will shift onto the developer and away from the council and the city manager. City officials have taken the brunt of the criticism over the past few years for the project's delays.

Hercules Bayfront is a partnership of the Pankey family of landowners and developer AndersonPacific LLC, which has received several design awards but has yet to deliver a project.

"We're going to move forward and push the developer to bring this project to fruition," Wisniewski said. "So, please start the car and let us drive."

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