



Hiddenbrooke Property Owners Association, Inc.  
c/o Valley Management Services  
American Canyon, CA 94503

July 1, 2011

Deborah Lauchner, Finance Director  
City of Vallejo  
555 Santa Clara Street  
Vallejo, California 94590

**Re: Hiddenbrooke Improvement District Bond Fund Levy**

Thank you for meeting with us on June 8 to discuss the Hiddenbrooke Improvement District bond levy. We learned a lot from the meeting and are pleased that the City Staff will recommend another \$500,000 reduction in the collection of this coming Fiscal Year's HID bond levy.

Due to the limited time available at our meeting, it was not possible to discuss all the ramifications of the various projects the City is proposing for expenditure from the current, approximately \$3 million bond surplus. We understand that any appropriation of money for specific projects will occur in separate, subsequent actions after the City approves the reduction in the bond levy itself. With that said, we continue to have concerns about several of the proposed City projects and want to be included in future discussions.

As you know, when the HID bond was last refinanced in 2004 to take advantage of lower interest rates, the annual bond payments went down while the tax rate was not changed for Hiddenbrooke residents. Hiddenbrooke residents likely would have preferred that their taxes had been reduced to reflect the lower annual bond payments; however, this did not happen. Thus the District accumulated a surplus. The City has proposed using this surplus on several City projects that were vetted last year; however, the City's project priorities do not necessarily reflect priorities of Hiddenbrooke's residents, whose taxes generated the surplus.

Also, there is a concern about tax equity between property owners because some developers paid down the bonds in a lump sum in the beginning, and, as we understand it, those lots are exempted from the HID levy. One development, "the Orchards," was exempted based on contribution of a bridge by the developer. By using the Hiddenbrooke Improvement District as a revolving fund to pay other, ongoing or future capital projects, only some of the homeowners are called upon to pay for the additional improvements benefiting all homes in the valley.

These concerns are the reasons we must insist that any HID-funded projects deliver maximum benefits for the residents of Hiddenbrooke. To this end we request that the City consider the comments below:

**Solar Powered Radar Signs (proposed by Hiddenbrooke).**

- We are pleased that the City supports this project to increase safety in our community. Reducing vehicle speeding has been a long-standing goal in the

— Working for Hiddenbrooke and CC&R Compliance —

community. This project only uses \$40,000 in funds and is an example of a high priority project for Hiddenbrooke's residents.

#### LED Street Lights (proposed by City)

- This project needs further discussion since many of us think it does not have attributes that benefit Hiddenbrooke sufficiently, especially considering the large amount being spent. City staff has proposed reserving \$500,000 of the bond surplus to replace Hiddenbrooke's High Pressure Sodium street lights, which are relatively new as streetlight fixtures go, with LED street lights, thus reducing the City's electricity bill. City staff has indicated that these savings would allow the City to put more money into citywide street repairs. While we support the City's efforts to save money and to prevent further deterioration of city streets, a more equitable approach as far as Hiddenbrooke is concerned would be to put the equivalent savings (including salvage recovery from sale of the old light fixtures) into repair and maintenance of Hiddenbrooke's roads, rather than spending the savings on other parts of the city.
- Secondly, and perhaps more importantly, Hiddenbrooke residents may not want the type of lighting that LED street lights produce. The substitution of cold, white LED light for the soft yellow light produced by the existing sodium lamps could create an extreme change in the night light environment of our rural valley. Such lights may be very suitable for downtown areas and other less rural settings, but we question whether they will appeal to Hiddenbrooke's residents and whether they could have some adverse effects on wildlife. Prior to any large scale installation, the City should install a test section along the Hiddenbrooke Parkway so the community can see what the LED lights would look like and provide feedback to the City as to whether the community wants to use their tax dollars to change to LED street lighting. We are grateful that staff indicated willingness to do this in our discussions on June 8.
- Additional Questions/Clarifications:
  - How many lights is the City proposing to replace with LED lights for \$500,000?
  - Will this amount replace all the lights in Hiddenbrooke or only a portion?
  - How much of the cost is for lights versus installation?
  - Will the City install the lights or will a contractor do the work?
  - What are the projected savings in electricity costs each year?
  - Will the City use any HID funds to replace these lights in the future?
  - Can the color of the light be adjusted so it is less white?
  - Will the City be able to control the lights, for example so they can be dimmed during the late night hours like San Jose's LED lights?
  - Are there examples of these lights being used in rural communities?
  - Could LED lighting have adverse effects on wildlife, such as birds or deer?

#### St John Mines Road Erosion Repair (proposed by City)

- While we understand the need for this erosion repair project, the cost is definitely a concern for Hiddenbrooke residents. Hiddenbrooke residents will benefit if the costs can be contained to the absolute minimum required to achieve the project objectives. We know that City staff shares this objective.

- Given that there are still many unknowns about the final project cost, including new environmental mitigation requirements, it may be premature to appropriate any HID funds for this project at this time. We need to see the project costs better defined before we can support allocating \$500,000 from the bond reserve to this project.
- If the full \$500,000 is not needed, Hiddenbrooke would likely want to propose other projects of greater value to the community for funding out of the HID fund balance.

#### Pavement Maintenance for Hiddenbrooke Streets (proposed by City)

- The City proposes to leave a reserve of \$2 million for future capital improvements in the bond fund, with the bulk of the reserve going towards maintaining Hiddenbrooke streets to a higher standard than most City streets. We understand that the City's budget for street maintenance is limited and therefore to maintain Hiddenbrooke streets to a high standard will, for practical purposes, require supplemental funding over the long-term.
- In our earlier letter we proposed setting aside a small amount of the HID reserve to conduct a study of the cost of maintaining Hiddenbrooke streets using currently available pavement management software, like the Street Saver program, or equivalent. Any reserve for pavement maintenance should be based on a real estimate of the costs to maintain Hiddenbrooke streets so that Hiddenbrooke residents can understand the reason for creating the reserve. Having a better estimate of our pavement needs is also important for another reason--should the net pavement maintenance costs be less than \$2 million, there would be an opportunity to include additional Hiddenbrooke projects within the available capital reserve amount. (We understand that staff wants to prepare an estimate from available data rather than commission a more detailed outside study at this time, and we look forward to discussing that.)
- To the extent that the City is currently spending money on Hiddenbrooke streets, we would like to see this maintenance of effort continued rather than using only the HID bond funds for future repairs.
- Additional Questions/Clarifications:
  - How much does the City currently spend on maintaining City streets and what are the sources of funds? (Gas tax, etc. beyond property taxes?) What restrictions exist regarding use of some of these sources to repair Hiddenbrooke's streets?
  - Approximately how much does the City currently spend annually on Hiddenbrooke streets (excluding and including HMD funds)?
  - How much does the City estimate it would cost over the remaining life of the District to maintain Hiddenbrooke's streets to a Pavement Condition Index of 70 or higher?
  - How would this be done? Would the bulk of the work be done in the early years, with smaller preventive maintenance work being done annually after that?

#### Examples of Other Potential Hiddenbrooke Projects for the Capital Reserve

- Our April letter to the City requested funding for three low cost projects, and we appreciate that the City staff is recommending funding for one of these. With regard to the PlateScan proposal that is not being recommended for funding, we remain interested in the concept and would like to discuss the liability issues further with the

City Attorney.

- Beyond the list of the three projects, there are certainly other viable candidates that Hiddenbrooke would like to discuss for funding from the Bond surplus, should there be available funding. For example, a dedicated group of Hiddenbrooke residents is working with the Vallejo School District, City, and GVRD on construction of a new community park in Hiddenbrooke. This Park could require additional funds for acquisition or construction. Regional park acquisition is one of the permitted uses listed in the Annual Report.
- If the main Park does not come to fruition, another way to use surplus money in the HID bond fund would be to acquire land and construct a set of smaller community parks.

To conclude, thank you again for our recent meeting, particularly the attendance of representatives from both Finance and Public Works, and we look forward to further discussions about these projects before the City acts to appropriate the funds. If you have any questions, please feel free to contact Byrne Conley or Chris Brittle whose contact information is below.

Sincerely,



Chris Brittle  
President, HPOA  
(707)731-0056



Byrne Conley  
Chair, HID Advisory Committee  
(925)932-3600 (work)/(925)437-3903 (cell)