

Hiddenbrooke Maintenance District Advisory Committee – 6/22/2023

Byrne Conley, Chair; with JC Cochongo, Bob Schussel, Laurie Foster, Ian Forsythe, Chris Brittle

Purpose: work with owners and the City re the **Hiddenbrooke Maintenance District**, a City taxing entity that maintains City property including the Welcome Center, Parkway landscaping, pocket parks and some open spaces within the development

- Meets regularly with City Public Works officials re HMD matters
- Manages the Welcome Center operations and security service, thus avoiding City overhead charges on the Welcome Center contract
- Monitors the “Flock” cameras at the Welcome Center
- Passes on maintenance complaints to the HMD inspector
- Conducts inspections with the HMD inspector

Projects:

This past year, a \$90K **renovation project on the Welcome Center** was completed, addressing some long-neglected maintenance issues; Chris Brittle led this project, which took a long time to get through the bureaucracy

Big project underway: **Hiddenbrooke Parkway upgrade**, funded by Hiddenbrooke Improvement District

- \$2.1 million project
- **Replacing underground irrigations system (28 years old, end of useful life)**
- **Extensive re-landscaping to make up for years of drought losses**
- New entranceway sign, border walls
- Median upgrades including cobblestone and landscaping
- Mailbox area will have path to mailbox, large central tree
- Complies with water conservation rules with drought resistant plants and drip irrigation, should reduce maintenance costs going forward; less lawn area, but not eliminated
- Plans are on HPOA website

HPOA agreed having HMD pay for the **lease of a Flock security camera at the Welcome Center** last year, at a cost of about \$2K per year. Originally this was per an agreement with the Police Department that if HMD paid for one camera, the City general fund would pay for a second one. The PD reneged on this promise. We decided that the HMD should pay for two cameras, one inbound and one outbound, funded through HMD. HPOA leases one currently and is accepting the transfer of the second one to HPOA from the PD lease. This will allow Chuck Cochongo to access the data in the event of criminal activity, hopefully to help with police response.

The Flock system scans license plates to a data base shared by police departments. It helps locate stolen cars, and track criminals after a crime has been committed.

Maintenance of weeds and firebreaks was a major issue this year due to delays in firebreak mowing, following heavier rainy season; all work to be completed by end of June. Note HMD areas are under HMD landscape maintenance contract, this does not include golf course or Land Trust property

City replaced landscape contractor, hiring New Image in 2021 due to service problems with prior contractor, Land Care, which had been a constant issue we discussed regularly with the City.

Funding/expenditures:

HMD property tax was \$695 per year until this past year, we lobbied to have it reduced to \$611 per year, since the HMD had built up a \$3.3 million surplus (surplus doubled over 10 years) by charging more than actual funds expended. So, **\$611 per property reflects the actual budgeted costs.**

HMD tax this past year was, in total, \$721K. That number will be billed again in FY 2023-2024.

Biggest expenditures are **\$231K for Welcome Center security guard staffing, about \$120K for landscape maintenance contract, \$100K for utilities (primarily water), \$152K charged for Public Works overhead.**

Unfortunately, the **default by the Grove developer** resulted in forfeiture of their property to a tax sale. Only about 6 of the 84 lots even received bids. One consequence: the County Assessor “recouped” (deducted) \$273K in payments to the HMD to make up for payments previously credited on account of the Grove lots. (Normally the County pays a City or special district the full amount billed to property owner, in anticipation of ultimate collection. Because of the default and tax sale, the County deducted the shortfall.)

This is not going to change the HMD tax this coming year, however. The City will still bill \$721K. On 6/13/2023 the Council approved a charge of \$611 per Equivalent Building Unit for FY 2023-2024, same as this year. Presumably some type of adjustment will have to be made in future years because of the Grove lots owner defaulting, so costs of the HMD will have to be spread over a base of fewer lots. The shortfall from the “recoupment” last year and any shortfall this coming year, however, will simply be funded from accumulated surplus.

We agreed to an **increase in the Welcome Center contract from \$230K to \$271K** for the coming year due to serious issues that Allied Security has had getting and keeping reliable employees, particularly for night shifts. They have been paying minimum wage but in the current economic environment it is hard to get and keep good employees at that rate; the increase is fairly significant but will allow Allied to pay \$18-\$19 per hour. Also, the Allied contract had not been increased in 2022. So, this is an adjustment following two years of high inflation. The City will make a budget adjustment to accommodate this, but it will not affect the FY 2023-2024 tax.

Hiddenbrooke Improvement District.

- Created 1998 -- \$38 million in bonds
- Refinanced 2004 – lower interest rate but same levy
- Current balance \$8.2 million as of 2022 – runs through 2033 (I believe)
- “HID 2004 Series A bonds” on your tax bill
- Not likely to refinance again since overhead cost of refinancing significant (bond counsel, commissions, etc.)

- Some developers paid down fully or partially
- Homeowners have option to pay down
- Many homes billed \$1200-\$1800 (Westchester developer paid down to 0)
- Orchards exempt – developer traded for building a bridge
- Maximum levy is \$3591 (Reflections pays this, subject to relief below)

- Tax relief
- FY 2010-2011 and 2011-2012 -- \$500,000 each year (then skipped one year)
- FY 2013-2014 to 2015-2016 (3 years) -- \$250,000 each year
- FY 2016-2017 to 2023-2024 (8 years) -- \$300,000 each year
- **Total tax relief so far -- \$4.15 million**
- The reduction is *pro rata* – about 14% of whatever would otherwise be billed.

- Bond paydowns
- FY 2010-2011 -- \$1 million
- FY 2015-2016 -- \$250,000
- FY 2016-2017 and subsequent -- \$300,000 per year
- **\$3.65 million early redemptions**
- Total tax after rate relief is \$1.682 million, annual bond payments \$1.320 million

- **Projects funded**
- Road resurfacing (2X, \$450K total)
- Radar speed signs
- Sidewalk improvements near Bennington/Parkway
- \$415K loan for park
- Parkway relandscaping (\$2.1 million)
- Future project may include utility corridor repairs on St. John’s Mine Road

The HID was affected by the Grove default as well. The County “recouped” \$1.715 million. However HID is still well funded, going into 2023-2024 it has an available unrestricted surplus of \$2.813 million *after* the recoupment and in addition to a delinquency maintenance reserve of \$1 million and \$1.5 million set aside for the next year’s bond payments.

Roundabout project at I-80 Interchange

- There is a separate fund derived from developer fees
- Fund is dedicated to improvements at the I-80 interchange
- Current balance in the fund is \$7.75 million as of 2022
- There is a long-standing plan to build roundabouts at either end of the overpass
- City completed environmental documents and submitted to State, after signoff by over a dozen agencies
- Caltrans is undertaking a PEER (Permit Engineering Evaluation Report) review process
- As of May, 2023 CalTrans had approved moving into the 65% design work
- Right of way issues need to be ironed out (State, City, Napa County), and landscape plans.