

City of Piedmont
COUNCIL AGENDA REPORT

DATE: March 1, 2010

FROM: Geoffrey L. Grote, City Administrator

SUBJECT: **Consideration of a Moratorium on New Underground Assessment Districts (cont. from 2/6/10)**

RECOMMENDATION

Consider the attached resolution which would impose a moratorium on any new underground assessment districts in the City of Piedmont.

BACKGROUND

At the city council meeting of February 6, Councilmember Fujioka proposed that a discussion of a moratorium be placed on a future council agenda and the suggestion was unanimously supported by the council.

The attached resolution would prohibit any new underground assessment districts for a period of two (2) years. This should allow sufficient time for the completion of personnel performance evaluations which are underway as well as a report from the Audit Committee related to the bidding, contracting and construction management of the district. Following both of these matters, additional time will also be needed for the city council to review and amend the city's underground assessment district policy.

It should be noted that this moratorium will apply to districts which are in the formation process such as the Scenic Avenue group and to areas such as Wildwood Gardens which have expressed tentative interest in the process. However, nothing in the resolution will preclude the residents in a given area from petitioning the city council for the return of funds which may have been deposited for development costs related to a district.

The attached resolution will not apply to a legally formed underground assessment district such as Hampton Sea View where litigation is pending.

Because this is a general policy issue and does not impact the circumstances of the already established Hampton Sea View Assessment District, the city attorney informs me that no members of the city council need to be recused from this matter.

Resolution No.

WHEREAS, it is the intent of the City Council in adopting this resolution to impose a moratorium on underground assessment districts until the completion of investigations regarding the Piedmont Hills Underground Assessment District which are now underway; and

WHEREAS, following the completion of the pending investigations, additional time will be required to study, review and possibly amend the city's Underground Utility Formation Policy to better protect the financial resources of the city; and

WHEREAS, until the completion of such study and review of the city's policy it is not in the best interest of the residents of this city to invest city funds in support of new underground assessment development, including but not limited to expenditure of staff time and resources or the promissory use of the city's 20A funds from P.G. & E.; and

WHEREAS, it is difficult to predict exactly the time required for the above actions but the council wishes to allow sufficient time for a comprehensive public process; and

WHEREAS, this moratorium does not apply to already established underground assessment districts, including the Piedmont Hills Assessment District and the Hampton Sea View Assessment District;

NOW, THEREFORE, BE IT RESOLVED, that the Piedmont City Council establishes a moratorium on all new underground assessment districts in the City of Piedmont for a period of two years until March 2012; and

BE IT FURTHER RESOLVED, that nothing in this resolution shall prohibit residents who have deposited money with the city for development costs related to proposed underground assessment projects from petitioning the city council for the return of such funds prior to the expiration of the moratorium.