TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: JANUARY 18, 2005 CMR:134:05

SUBJECT: APPROVAL OF A RESOLUTION ESTABLISHING A REVISED TIMELINE FOR A PROTEST HEARING AND BALLOT PROCEEDING RELATING TO A PROPOSED STORM DRAINAGE FEE INCREASE

RECOMMENDATION
Staff recommends that the City Council adopt the attached resolution establishing a revised timeline for a protest hearing and ballot proceeding relating to a proposed Storm Drainage Fee increase.

BACKGROUND
On December 6, 2004, the City Council approved a resolution proposing an increase in the monthly Storm Drainage Fee from $4.25 to $10.00 per Equivalent Residential Unit (ERU) and a resolution establishing the procedures and timeline for a protest hearing and ballot proceeding for the Storm Drainage Fee increase (CMR:508:04).

DISCUSSION
On December 27, 2004, staff mailed approximately 20,000 notices to property owners informing them of the public hearing regarding the proposed Storm Drainage Fee increase to be held on February 14. The notice also informed property owners of their right to file a written protest opposing the proposed fee increase. In accordance with the requirements of Proposition 218, the notices were mailed at least 45 days prior to the hearing date. Unfortunately, some of the notices were inadvertently mailed without postage and were returned to the City. The error was not discovered until 40 days prior to the hearing date. At that point, it was not possible to meet the legal noticing requirement. Since the public hearing date was established by resolution, the Council must adopt a new resolution to change the date.

Staff recommends that Council reschedule the public hearing for March 7 to comply with the requirements of Proposition 218 and ensure that the public has ample time to provide input on this important community issue. Upon approval of the revised schedule, staff will mail revised notices to property owners on January 19. The notices will specify the revised hearing date and will clarify that any protest letters that have already been submitted to the City Clerk by property owners will be counted unless they are withdrawn. This delay in the protest hearing will impact the dates of all subsequent milestone dates, including the mailing of the storm drain ballots and the due date for their return. The revised timeline for the protest hearing and storm drain ballot proceeding is outlined in the attached resolution.
POLICY IMPLICATIONS
Staff’s recommendations are consistent with the Comprehensive Plan: Policy N-24 states that the City should “improve storm drainage performance by constructing new system improvements where necessary and replacing undersized or otherwise inadequate lines with larger lines or parallel lines.” Program N-36 further states that the City should “complete improvements to the storm drainage system consistent with the priorities outlined in the City’s 1993 Storm Drainage Master Plan, provided that an appropriate funding mechanism is identified and approved by the City Council.”

TIMELINE
The timeline for the protest hearing and storm drain ballot proceeding is outlined in the attached resolution.

ENVIRONMENTAL REVIEW
Consideration of financing options for storm drainage program operational enhancements and capital improvements does not require additional California Environmental Quality Act (CEQA) review. Individual storm drain infrastructure improvement projects will be subject to additional environmental review as they are developed.

ATTACHMENTS
Attachment: Resolution

PREPARED BY: ________________________________
JOE TERESI
Senior Engineer

DEPARTMENT HEAD: ________________________________
GLENN S. ROBERTS
Director of Public Works

CITY MANAGER APPROVAL: ________________________________
EMILY HARRISON
Assistant City Manager

cc: Storm Drain Committee
    Palo Alto Chamber of Commerce