CITY OF MORGAN HILL

Workshop Agenda

Planning Commission

Mohammad Habib - Chair
Malisha Kumar - Vice-Chair
Joseph Mueller - Planning Commissioner
Wayne Tanda - Planning Commissioner
Laura Gonzalez-Escoto - Planning Commissioner
Liam Downey - Planning Commissioner
Juan Miguel Munoz-Morris - Planning Commissioner

Tuesday, March 9, 2021 7:00 pm

Virtual Meeting

VIRTUAL MEETING GUIDELINES AND PUBLIC COMMENT

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. Physical meetings will not be in the City Council Chamber until further notice.

Planning Commission meetings will be live streamed on Channel 17, on the City's website and on the City's Facebook page. Those members of the community that would like to participate in the meetings remotely may do so by join the virtual meeting at: https://bit.ly/PlanningCommissionMtg or by calling in to: (669) 900-9128, then enter the webinar ID#: 862 0324 6251.

Public comment may be provided in the following ways:

- Join the virtual Planning Commission meeting via the link above, when public comment is opened, raise your virtual hard and be called upon to speak for up to 3 minutes
- Join the virtual meeting by calling in to the number above, dial *9 to raise your hand and *6 when called upon to speak for up to 3 minutes
- Send public comments in writing to the Minutes Clerk at pcpubliccomment@morganhill.ca.gov

* Please note that comments made on Facebook are not considered public comment.

WORKSHOP

A special meeting of the Planning Commission is called Tuesday, March 9, 2021 at 7:00 p.m. for the purpose of conduction a workshop.

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING

Pursuant to Government Code Section 54954.2

PLEDGE OF ALLEGIANCE

OPEN PUBLIC COMMENT

Members of the public are entitled to address the Planning Commission concerning any item within the Morgan Hill Planning Commission's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the Planning Commission is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

WORKSHOP

1. PLANNING COMMISSION WORKSHOP ON INDUSTRIAL LAND USE

Recommendation:

RECOMMENDATION:
Provide feedback on proposed changes to Title 18.26.020 Land Use regulations (Industrial) for alignment with industrial preservation goals.

DIRECTOR'S REPORT/ANNOUNCEMENTS

ADJOURNMENT

NOTICE

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the legislative body less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the legislative body. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the Commission concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Commission on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Commission Chambers, and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Commission, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the Commission on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the Commission.

Persons interested in proposing an item for the Commission agenda should contact a member of the Commission who may plan an item on the agenda for a future Commission meeting. Should your comments require Commission action, your request may be placed on the next appropriate agenda. Commission discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the Commission at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the Commission, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of Commission Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email cityclerk@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email cityclerk@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

CITY OF MORGAN HILL

PLANNING COMMISSION STAFF REPORT
MEETING DATE: March 9, 2021

PREPARED BY: John Lang, Economic Development Manager
APPROVED BY: Jennifer Carman, Community Development Director

PLANNING COMMISSION WORKSHOP ON INDUSTRIAL LAND USE

RECOMMENDATION(S)
RECOMMENDATION:
Provide feedback on proposed changes to Title 18.26.020 Land Use regulations (Industrial) for alignment with industrial preservation goals.

POLICY CONSIDERATIONS:

How should the Zoning Code be amended to protect industrial lands?

What other strategies or actions should the City take to support industrial preservation goals?

PROJECT SUMMARY:

The purpose of the March 9, 2021 Planning Commission workshop is to review proposed changes to the Zoning Code to support goals associated with industrial preservation. As a first step in furthering support of our remaining industrial lands and refining Planning Commission's feedback, staff has marked up Section 18.26.020 Land Use Regulations (Industrial) to strengthen land use decisions around industrial lands.

BACKGROUND:

In April 2017, the City Council unanimously adopted the 2017 Morgan Hill Economic Blueprint; an economic development strategy intended to foster economic growth by attracting investment, development, and jobs that will ensure fiscal sustainability and vitality for the community. The Economic Blueprint is the result of an extensive community engagement effort with residents, businesses, community-based organizations, community leaders from various industries (*thought leaders*), industry leaders from outside of Morgan Hill (*pathfinders*) and economic development professionals (*peer reviewers*). The Economic Blueprint is designed to guide land use, policy development, and budget decisions.

The Economic Blueprint identifies four industries that are key to Morgan Hill's future growth and further fiscal sustainability. The four key industries are:

1. **Innovation and Advanced Manufacturing --** *Grow existing companies, attract new industry and grow professional jobs.*
2. **Retail --** *Grow retail offerings and strengthen commercial nodes.*
3. **Tourism --** *Grow leisure, agriculture, wine country & recreational tourism.*
4. **Health Care --** *Grow and foster the medical service and diagnostics industry by attracting services and facilities.*

The Importance of Jobs

A factor that can impact the City's future jobs is the conversion of industrial land to residential uses or the granting of conditional use permits to non-traditional industrial uses. Over the past 15 years, a significant amount of the City's industrial land has been lost to conversion. In 2013, there were 294 acres of vacant industrial land available. Today, Morgan Hill has approximately 234 acres of industrial land available for development and virtually no product available for lease or sale with low vacancy rates in office and R&D.

Over the last 15 years, the City has issued 25 Conditional Use Permits (CUP) totaling 68 acres of property in industrial areas to low intensity or non-industrial uses which have been predominately mini-storage, recreation uses, community assembly and medical offices.

On September 22, 2020, staff presented the Planning Commission with information and reports from an Urban Land Institute (ULI) Technical Assistance Panel (Attachment Link-ULI TAP Panel Presentation), a Silicon Valley Economic Development Alliance (SVEDA) industry expert panel, the City practitioner panel, and Strategic Economics' analysis of Morgan Hill's vacant lands inventory. In addition, information was presented on the impact of COVID-19 on the future of retail and industrial building markets. The workshop sought feedback from the Commission that was designed to inform an industrial preservation policy or related actions.

Feedback from Planning Commission focused on four areas:

- Be laser focused on what we can get with our land.
- Identify what works in Morgan Hill. What is in our wheelhouse.
- Focus on land that has holds the most promise.
- Identify then next business park opportunity.

All background information has been provided (Attachment 2).

CEQA (California Environmental Quality Act):

A workshop is an administrative activity that is not a project as it will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. Redline Table 18.26.020 Land Use Regulations (Industrial)
2. Link to Staff Report and Attachments-September 22, 2020 Planning Commission (Weblink)

Attachment: Redline Table 18.26.020 Land Use Regulations (Industrial) [Revision 2] (3016 : Planning Commission Workshop on Industrial Land

18.26.020 - Land use regulations.

A. Permitted Land Uses. Table 18.26-1 identifies land uses permitted in the industrial zoning districts.

Table 18.26-1 Permitted Land Uses in the Industrial Zoning Districts

Key P Permitted Use A Administrative Use Permit required C Conditional Use Permit required — Use not allowed	Zoning District					Additional Regulations
	CI	IO	IC	IL	IG	
Residential Uses						
Caretaker Quarters	—	—	—	C	C	
Public and Quasi-Public Uses						
Colleges and Trade Schools	C	C	C	C	~~C~~	
Community Assembly	C	—	—	~~C~~	~~C~~	Proposing to remove Community Assembly (not allowed IG/IL)
Instructional Services	~~A~~	—	—	—	—	Proposing to eliminate from all industrial districts
Medical Offices and Clinics	~~A~~	—	—	—	—	Proposing to eliminate from all industrial districts
Parks and Recreational Facilities	C	—	—	C	~~C~~	Proposing to remove from Heavy Industrial (This is typically City Facilities)
Public Safety Facilities	C	—	—	C	C	

Attachment: Redline Table 18.26.020 Land Use Regulations (Industrial) [Revision 2] (3016 : Planning Commission Workshop on Industrial Land

Commercial Uses						
Adult Businesses	—	—	P	P	~~P~~	18.92.020. Proposing removal in IG
Animal-Related Commercial Uses						
Animal Boarding	C	—	—	C	C	
Veterinarian Clinics and Hospitals	A	A	A	C	C	
Banks and Financial Institutions	C [4]	—	—	—	—	
Business Support Services	P	C	P	P	P	
Cinemas and Theaters	A	—	—	—	—	
Commercial Recreation, Indoor						
≤ 15,000 sq. ft.	~~P~~	~~C~~	~~C~~	~~C~~	~~C~~	Proposing to eliminate in all industrial districts
> 15,000 sq. ft.	~~C~~	~~C~~	~~C~~	~~C~~	~~C~~	Proposing to eliminate in all industrial districts
Eating and Drinking Uses						
Bars and Nightclubs	C	C	C	C	-	Adding into use table
Restaurants, Fast Food	C [4]	— [5]	— [5]	— [5]	— [5]	
Restaurants, Sit-Down	C [4]	— [5]	— [5]	— [5]	— [5]	

Tasting Rooms	P [6]	—	—	A [6]	A [6]	[6] Allowed only when accessory to a brewery, winery, or other alcoholic beverage production facility. Tasting rooms must be located within the building occupied by the primary use and may not exceed five thousand square feet or ten percent of the gross floor area of the building, whichever is less.
Lodging Facilities						
Hotels and Motels	P	—	—	—	—	
Mini-Storage	—	—	—	~~C~~	~~C~~	18.92.100 Removing from industrial designations
Personal Service	C [4]	— [5]	— [5]	— [5]	— [5]	
Plant Nurseries	C	—	—	P	P	
Professional Offices	P	P	P	P	~~P~~	Definition is not consistent with general industrial
Retail						
Building Materials	C	—	—	P	P	
Convenience Markets	C [4]	— [5]	— [5]	— [5]	— [5]	
General Retail	C [4]	— [5]	— [5]	— [5]	— [5]	
Home Improvement Centers	C	—	—	~~C~~	~~C~~	Definition of uses not consistent with industrial definitions
Large Commodity Retail	C	—	—	C	~~C~~	Removing from General Industrial
Vehicle-Related Uses						

Towing and Impound	—	—	—	C	P	
Vehicle Repair and Maintenance, Major	—	—	—	C	P	
Vehicle Repair and Maintenance, Minor	—	—	—	P	P [1]	
Wholesaling	P	—	—	P	P	
Industrial Uses						
Construction and Material Yards	C	C	C	P	P	18.26.030.C
Food and Beverage Production						
< 5,000 sq. ft. ~~[7]~~	A [2][7]	A [2][7]	A [2][7]	P [2] [7]	P [2] [7]	
5,000 sq. ft. to 10,000 sq. ft. ~~[7]~~	C [2] [7]	C [2] [7]	C [2] [7]	P [2] [7]	P [2] [7]	
> 10,000 sq. ft.	C [7]	C[7]	C[7]	P [2,7,8]	P [2,7,8]	Add Note 7.
Manufacturing, Light	P	C [3]	C	P	P	
Manufacturing, General	—	—	—	—	P~~C~~	Suggesting making it permitted. Footnotes on Noise and Odor to trigger CUP.
Research and Development	P	P	P	P	P	

Attachment: Redline Table 18.26.020 Land Use Regulations (Industrial) [Revision 2] (3016 : Planning Commission Workshop on Industrial Land

Salvage and Wrecking	—	—	—	—	C	
Warehousing and Distribution						
Warehousing and Distribution, Large	C	C [3]	C [3]	C	P	
Warehousing and Distribution, Small	C	C [3]	C [3]	P	P	
Warehousing and Distribution with Outdoor Storage	C	—	—	C	C	
Heavy Distribution	—	—	—	—	—	
Parcel Sorting Facilities	—	—	—	—	—	
Parcel Hub Small < 75,000 sq. ft.	—	—	—	—	—	
Parcel Hub Large > 75,000 sq. ft.	—	—	—	—	—	
Recycling Facilities						
Reverse Vending Machine	P	C	C	P	P	
Recycling Collection Facility	C	—	—	C	C	
Recycling Processing Facility	—	—	—	—	C	
Utilities, Major	—	—	—	C	C	

Attachment: Redline Table 18.26.020 Land Use Regulations (Industrial) [Revision 2] (3016 : Planning Commission Workshop on Industrial Land

Wireless Communications Facilities	See Chapter 18.96					
Agriculture and Natural Resource Uses						
Crop Cultivation	—		—			
Other Uses						
Accessory Uses	See Chapter 18.44					
Temporary Uses	See Section 18.92.150					

Notes:

[1] Retail sale of automotive products allowed only when ancillary to a vehicle repair and maintenance use. Retail display areas for automotive products may not exceed twenty-five percent of the building floor area.

[2] Must be one hundred fifty feet or more from a residential zoning district, otherwise requires a CUP.

[3] Permitted only when ancillary to another permitted use.

[4] Allowed as a primary use only when the planning commission finds that the use supports the primary job-generating uses within a business park setting.

[5] Allowed when accessory to a permitted primary use subject to the limitations in Section 18.26.020.D (Accessory Uses).

[6] Allowed only when accessory to a brewery, winery, or other alcoholic beverage production facility. Tasting rooms must be located within the building occupied by the primary use and may not exceed five thousand square feet or ten percent of the gross floor area of the building, whichever is less.

[7] On-site wholesale or retail sales required.

[8] Conditional use permit required when the type of food being produced will emit a generally offensive odor. Examples include primary processing of seafood, coffee roasting, pickled foods, or processes involving primarily fat and oils.

B. Additional Permits. In addition to permits identified in Table 18.26-1, development projects in the industrial districts may also require a design permit pursuant to Section 18.108.040 (Design Permits). Modifications to a historic resource may require a Historic Alteration pursuant to Chapter 18.60 (Historic Resources).

C. Outdoor Uses.

1. In the IO zoning district, all uses shall be conducted wholly within a completely enclosed building. Outdoor uses are prohibited.

2. In all other industrial zoning districts, outdoor uses shall be screened from public view and the area containing the outdoor use shall meet the minimum design standards applicable to off-

street parking facilities as specified in Section 18.72.060 (Parking Design and Development Standards).

D. Accessory Uses.

1. In all industrial zoning districts, retail, personal service, recreation, restaurants, and other similar uses are permitted as an accessory use provided the following conditions are met:

   a. The use is conducted within the building occupied by the primary use; and

   b. The use is to serve only employees and guests of the primary use; and

   c. The use is limited to no more than three thousand square feet or ten percent of the floor area of the primary use, whichever is less.

2. Tasting rooms associated with a brewery, winery, or other alcoholic beverage production facility are allowed in industrial zoning districts as specified in Table 18.26-1.

(Ord. No. 2277 N.S., § 5(Exh. A), 6-6-2018; Ord. No. 2317, N.S., § 1, 11-18-2020)

Attachment: Redline Table 18.26.020 Land Use Regulations (Industrial) [Revision 2] (3016 : Planning Commission Workshop on Industrial Land