



**Regular Meeting Agenda
Planning Commission**

MALISHA KUMAR - CHAIR
LAURA GONZALEZ- VICE-CHAIR
ESCOTO
LIAM DOWNEY - PLANNING COMMISSIONER
WAYNE TANDA - PLANNING COMMISSIONER
JOSEPH MUELLER - PLANNING COMMISSIONER
MOHAMMAD HABIB - PLANNING COMMISSIONER

Tuesday, February 8, 2022 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 hand 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.

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Pursuant to Government Code Section 54954.2

PLEDGE OF ALLEGIANCE

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 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)

ORDERS OF THE DAY

CONSENT AGENDA

1. January 11, 2022 MEETING MINUTES

Recommendation:
Approve Minutes.

2. January 25, 2022 MEETING MINUTES

Recommendation:
Approve Minutes.

PUBLIC HEARINGS

3. MISC2021-0006: CITY OF MORGAN HILL - INDUSTRIAL PRESERVATION AND OPTIMIZATION POLICY

Recommendation:

1. Open/close public hearing; and,
2. Recommend that the City Council Adopt an Industrial Land Preservation and Optimization Policy.

4. ZA2021-0008: MUNICIPAL CODE AMENDMENT AMENDING SECTION 18.26.020 (LAND USE REGULATIONS) OF CHAPTER 18.26 (INDUSTRIAL ZONING DISTRICTS) OF TITLE 18 (ZONING) TO MODIFY THE LAND USES

PERMITTED IN THE INDUSTRIAL ZONING DISTRICTS

Recommendation:

1. Open/close public hearing; and,
2. Adopt Resolution recommending City Council approval of the Municipal Code Amendment.

5. ZA2022-0001 - ADOPTION AND RATIFICATION OF ORDINANCE NO. 2320 PREVIOUSLY ADOPTED AS AN URGENCY ORDINANCE

Recommendation:

1. Open/close public hearing; and,
2. Adopt Resolution recommending City Council approval and ratification of the proposed Ordinance.

DIRECTOR'S REPORT/ANNOUNCEMENTS

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the Planning Commission less than 72 hours prior to an open meeting, will be made available for public inspection at the front counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the Planning 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 Planning Commission on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council 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 Planning Commission, but it is very helpful. When you are called, proceed to the podium and the Chair will recognize you. If you wish to address the Planning 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 Planning Commission.

Persons interested in proposing an item for the Planning 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 Planning's action, your request may be placed on the next appropriate agenda. Planning 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

February 8, 2022

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.



Meeting Minutes
Planning Commission

MALISHA KUMAR - CHAIR
LAURA GONZALEZ- ESCOTO - VICE-CHAIR
LIAM DOWNEY - PLANNING COMMISSIONER
WAYNE TANDA - PLANNING COMMISSIONER
JOSEPH MUELLER - PLANNING COMMISSIONER
MOHAMMAD HABIB - PLANNING COMMISSIONER

Tuesday, January 11, 2022 7:00 PM

Virtual Meeting

CALL TO ORDER

Chair Kumar called the meetings to order at 07:00 p.m.

ROLL CALL ATTENDANCE

Minutes Clerk Jenna Luna called the roll at 07:00 p.m.

STATUS	ATTENDEES
REMOTE	Malisha Kumar, Laura Gonzalez-Escoto, Liam Downey, Wayne Tanda, Joseph Mueller, Mohammad Habib
ABSENT	None

DECLARATION OF POSTING AGENDA

Minutes Clerk Luna declared the posting of the agenda at 07:00 p.m.

PLEDGE OF ALLEGIANCE

Planning Commissioner Mueller led the pledge of allegiance at 7:02 p.m.

PUBLIC COMMENT

Chair Kumar opened the Public Comment Period at 7:02 p.m. Hearing no request to speak, the Public Comment period was closed.

ORDERS OF THE DAY

No changes made.

MINUTES APPROVAL

1. NOVEMBER 23, 2021 MEETING MINUTES

Recommendation:
Approve Minutes.

MOTION:

Accept the November 23, 2021 Meeting Minutes.

RESULT:	Passed
MOVER:	Liam Downey
SECONDER:	Laura Gonzalez-Escoto
AYES:	Kumar, Gonzalez-Escoto, Mueller, Tanda, Habib, Downey
NAYS:	None
ABSTAIN:	None
ABSENT:	None

PUBLIC HEARINGS

2. SIGN2021-00022: Butterfield – Corporate Sign Systems (TC Butterfield): Master Sign Program for an approved industrial development. The property, identified by assessor parcel number(s) 726-25-096, 097, 098,099, and 100 is bound on the west by the Union Pacific Railroad tracks, Sutter Boulevard to the north, Butterfield Boulevard to the east, and Digital Drive to the south.

Recommendation:

- 1.Open/close public hearing; and
2. Adopt a Resolution approving a Master Sign Program

Senior Planner Tiffany Brown presented the Staff Report at 7:04 p.m.

Chair Kumar opened the Public Hearing at 7:16 p.m. The following individuals addressed the Planning Commission:

- Oscar Ibarra

Hearing no further requests to speak, the Public Hearing was closed at 7:31 p.m.

MOTION:

Adopt a Resolution approving the Master Sign Program with the following amendments: Add the word "monument" to Section 3. b. The sentence should read, "The proposed deviations are for the location of one "monument" tenant identification sign and to include an additional business park identification sign. Add language to Section 4 that reads, "Any subsequent future signage that is not encompassed within the Master Sign Program demonstrated in Exhibit A shall require the approval of a sign permit by the City.

RESULT:	Passed
MOVER:	Joseph Mueller
SECONDER:	Liam Downey
AYES:	Kumar, Gonzalez-Escoto, Mueller, Tanda, Habib, Downey
NAYS:	None
ABSTAIN:	None
ABSENT:	None

3. **SR2021-0020 (PPR): Monterey - City Ventures (The Gates): Preliminary plan review for a General Plan Amendment and Zoning Amendment. The proposal would amend the Commercial land use designation within the General Plan and a CG/PD zoning designation to Mixed Use Flex. The property, identified by Assessor's Parcel Numbers 764-10-013 and 015 are located west of Monterey Road, on the southwest quadrant Monterey Road and Cochrane Road.**

Recommendation:

1. Open and close public hearing for Planning Commission to provide preliminary input on the proposed General Plan Land Use Designation and Zoning Map Amendment. This is a Preliminary Plan Review application. No action will be taken on the project as this is advisory only.

Planning Commissioner Habib recused himself from this item and left the meeting at 7:35 p.m.

Associate Planner Joey Dinh presented the Staff Report at 7:36 p.m.

Chair Kumar opened the Public Hearing at 7:54 p.m. Hearing no further requests to speak, the Public Hearing was closed. The following individuals addressed the Planning Commission:

- Samantha Hauser
- Joe Baranowski
- Art Rice

Hearing no further requests to speak, the Public Hearing was closed.

MOTION:

No action was taken. The Planning Commission reviewed, discussed, and provided feedback to the applicant.

DIRECTOR'S REPORT/ANNOUNCEMENTS

Minutes Clerk Luna, Development Director Jennifer Carman, and Edith Ramirez made an announcement at 8:50 p.m.

ADJOURNMENT

There being no further business to discuss, Char Kumar adjourned the meeting at 9:20 p.m.

MINUTES PREPARED BY:

Jenna Luna, Minutes Clerk



Meeting Minutes
Planning Commission

MALISHA KUMAR - CHAIR
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JOSEPH MUELLER - PLANNING COMMISSIONER
MOHAMMAD HABIB - PLANNING COMMISSIONER

Tuesday, January 25, 2022 7:00 PM

Virtual Meeting

CALL TO ORDER

Chair Kumar called the meeting to order at 07:00 PM.

ROLL CALL ATTENDANCE

Minutes Clerk Jenna Luna called the roll at 07:00 PM.

STATUS	ATTENDEES
REMOTE	Wayne Tanda, Malisha Kumar, Laura Gonzalez-Escoto, Liam Downey, Joseph Mueller, Mohammad Habib
ABSENT	None

DECLARATION OF POSTING AGENDA

Minutes Clerk Luna declared the posting of the agenda at 07:01 PM.

PLEDGE OF ALLEGIANCE

Planning Commissioner Gonzalez-Escoto led the pledge of allegiance at 07:04 PM.

PUBLIC COMMENT

Chair Kumar opened the Public Comment at 7:04 p.m. Hearing no requests to speak the Public Comment Period was closed.

ORDERS OF THE DAY

No changes made.

PUBLIC HEARINGS

1. **UP2021-0012: Monterey – D'Ambrosio (Giorgio's Italian Grill and Pizzeria): Conditional Use Permit to allow for the on-site general sale of alcoholic beverages at a "bona fide eating place". The property, identified by Assessor Parcel Number(s) 726-14-013 and 014, is located on the southeast corner of Monterey Road and East Second Street.**

Recommendation:

Approval subject to the Findings and Conditions contained in the attached Resolution.

Community Development Director Jennifer Carman presented the staff report at 7:05 p.m.

Chair Kumar opened the Public Hearing at 7:10 p.m. The following individuals addressed the Planning Commission:

- Mike D'Ambrosio

Hearing no further requests to speak, the Public Hearing was closed.

MOTION:

Adopt a Resolution approving a Conditional Use Permit for a full services of alcohol in conjunction with a restaurant (Type 47 Liquor license).

RESULT:	Passed
MOVER:	Planning Commissioner Mueller
SECONDER:	Planning Commissioner Gonzalez-Escoto
AYES:	Kumar, Gonzalez-Escoto, Mueller, Tanda, Habib, Downey
NAYS:	None
ABSTAIN:	None
ABSENT:	None

OTHER BUSINESS

2. **Introduction to the 2023-2031 Housing Element Update**

Recommendation:

Accept presentation by Staff regarding the City's 2023-2031 Housing Element Update process.

Principal Planner Adam Paszkowski presented the Staff Report at 7:23 p.m.

Chair Kumar opened the Public Comment Period at 9:01 p.m. Hearing no request to speak, the Public Comment Period was closed.

MOTION:

No action was taken. The Planning Commission reviewed, discussed, and provided feedback to staff.

DIRECTOR'S REPORT/ANNOUNCEMENTS

Community Development Director Jennifer Carman made an announcement at 9:05 p.m.

ADJOURNMENT

There being no further business to discuss, Chair Kumar adjourned the meeting at 9:16 p.m.

MINUTES PREPARED BY:

Jenna Luna, Minutes Clerk

PLANNING COMMISSION STAFF REPORT

MEETING DATE: February 8, 2022

PREPARED BY:

Matthew Mahood, Economic Development Director

APPROVED BY: Jennifer Carmen

MISC2021-0006: CITY OF MORGAN HILL - INDUSTRIAL PRESERVATION AND OPTIMIZATION POLICY

RECOMMENDATION(S)

1. Open/close public hearing; and,
2. Recommend that the City Council Adopt an Industrial Land Preservation and Optimization Policy.

PROJECT INFORMATION:

The City is proposing an Industrial Land Preservation and Optimization Policy that would be implemented through amendments to the zoning code.

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 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 Economic Blueprint identified four core industries, 13 strategies and 35 action items. Amongst these items, the Economic Blueprint recommended adopting an employment (Industrial) land preservation policy (Action #1), and to strengthening General Plan language to prevent the conversion of Industrial lands (Action #2).

To support the work outlined in the Economic Blueprint, in July 2020, the Economic Development Team in partnership with the Urban Land Institute (ULI) and the Silicon Valley Economic Development Alliance (SVEDA), hosted four independent seminars with industry experts, and planning and economic development professionals to better understand today's market at a national, regional and local level. The seminars examined the future of industrial and retail sectors, especially post-Covid-19, and identified tactical strategies for Morgan Hill to consider that would support our industrial preservation and retail concentration goals. In addition, Strategic Economics performed an analysis of the City's remaining industrial and commercial vacant properties. The findings and results from these presentations were shared at the [September 22, 2020 Planning Commission Meeting](#).

On [March 9, 2021, the Planning Commission](#) conducted an Industrial Preservation Policy Workshop to review proposed changes to the Zoning Code to support goals associated with industrial preservation. The proposed policy takes into consideration the Planning Commission's feedback and community feedback over the last year in regard to the Industrial Ordinance and rules and regulations for distribution facilities.

PROJECT DESCRIPTION:

The City's 2017 Morgan Hill Economic Blueprint identifies Innovation and Advanced Manufacturing as one of the four core industries key to Morgan Hill's future growth and fiscal sustainability. One of the key strategies is to Preserve Industrial Lands. Specifically, Action #1 calls for the adoption of an employment (Industrial) land preservation Policy, and Action #2 calls to strengthen the General Plan language to prevent conversions of Industrial lands. This Industrial Land Preservation and Optimization Policy, in conjunction with the City's General Plan, Zoning Ordinance, and Economic Blueprint, aims to preserve the City's limited supply of industrial land that is critical to the City's economic vitality. The Industrial Land Preservation and Optimization Policy identifies five key goals that provide direction and guidance when developing, implementing, and managing policies, programs, and projects; including implementation of the Zoning Code and General Plan as it relates to industrial uses and industrial business parks.

FINDINGS:

The Importance of Jobs

Morgan Hill is a predominantly residential suburb and job exporter, with only 25.1 percent of Morgan Hill residents working within the City Limits. With 21,775 employed residents and 18,428 jobs in Morgan Hill, the ratio of jobs to resident workers is 0.85. This seems to indicate that there is not the "right" balance between the types of jobs, and the skills of residents. Moreover, nearly 75 percent of commuting residents drive alone despite High-Occupancy Vehicle (HOV) lanes existing most of the distance between San Jose and Morgan Hill. A majority of commuting residents drive longer than 30 minutes to and from work. This pattern negatively impacts quality of life, stresses the City's and region's transportation infrastructure, and is environmentally unsustainable.

There are several industry categories where the makeup of Morgan Hill business does not mirror the rest of Silicon Valley. Information, professional, scientific, education, and healthcare service careers are under-represented in Morgan Hill. Expanding job opportunities in these sectors, as well as continuing to attract advanced manufacturers, can help improve the match between resident skill sets and the jobs offered in Morgan Hill. To address the housing to jobs ratio, the City needs to continue to protect employment lands while growing high-quality jobs.

Loss of Employment Lands

Factors that can impact the City's future job inventory, are the conversion of industrial land to commercial or residential uses and the granting of conditional use permits (CUP) 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 120 acres of industrial land available for development and virtually no existing product available for lease or sale with vacancy rates in office and research and development (R&D) at a historic low of 2.9 percent. In less than eight years, the total number of available industrial acreage within the City has declined 59.1 percent, reducing any future supply to a 19–95-year window depending upon market absorption. It is possible that within the current time horizon of the newly adopted Morgan Hill 2035 General Plan, all available industrial land will be exhausted.

In addition, over the last 15 years, the City has issued 25 CUP's which have repurposed a total of 68 acres of property in industrial areas to low intensity or non-industrial uses, predominately mini-storage, recreation uses, community assembly, and medical offices. Lastly, considering the existing housing crisis and increasing challenges to meet the growing housing demand, pressure to convert industrial land to residential will only intensify. Currently, the California State Legislature is considering various legislation that could potentially allow the conversion of unused or under-utilized commercial lands to residential lands. Senate Bill 6 (SB6) is just one example of this type of pending and proposed legislation.

In 2020, the City Council approved Zoning Code Amendments that prohibit stand-alone large fulfillment centers and parcel sorting centers. This action endorses the focus on high-value employers in the advanced manufacturing, R&D, innovation, and office uses.

When City staff has engaged with industry subject-matter-experts and the Planning Commission to identify strategies and tactics to help protect employment lands and the City's economic sustainability, the following recommendations were shared:

1. Use it. The best way to preserve industrial/employment lands is to use them for their industrial purpose.
2. Revisit Policy CNF-17.1 language within the General Plan and replace 'discourage' with "prohibit" the conversion of industrial lands.
3. Limit discretion of CUP uses in employment generating uses.
4. Hold the line. Prioritize wanted uses such as OEM (original equipment manufacturer).
5. Brand, market, and promote industrial parks.
6. Incentivize Industrial Uses. Explore how fee structures and taxes aligned with land use outcomes. Explore ways to incentivize industrial development.
7. Activate ground floor of industrial with a mix of uses. Allow for mixed uses within industrial. Consider office

or other uses.

8. Consider post-COVID-19 uses. The pandemic may create new products and uses that are not currently articulated in city codes. Be flexible to allow for industries and new operations.

CONCLUSION:

The proposed Industrial Land Preservation and Optimization Policy further clarifies the City's goals as it relates to Industrial Lands. This policy, once adopted, in conjunction with the City's General Plan, Zoning Ordinance and Economic Blueprint, will support the preservation and optimization of the City's limited supply of industrial land that is critical to the City's economic vitality. The proposed Industrial Land Preservation and Optimization Policy identifies five key goals that provide direction and guidance when developing, implementing, and managing policies, programs, and projects; including implementation of the Zoning Code and General Plan as it relates to industrial uses and industrial business parks.

The five key goals are:

- A. Encourage the attraction and expansion of Research and Development, Office and Advanced Manufacturing uses.
- B. Prohibit stand-alone e-commerce Warehouse and Distribution uses.
- C. Prohibit General Plan conversions of Industrial lands that cause a net loss of industrial employment lands.
- D. Protect existing Industrial lands and business parks by prohibiting non-compatible uses such as community assembly and recreational uses.
- E. Encourage conversion of Commercial Lands to Industrial Lands where appropriate.

The Industrial Land Preservation and Optimization Policy supports amending the current zoning code to minimize and reduce incompatible uses within the industrial lands, while expanding compatible uses in the medical, healthcare, and medical office and clinic industries that meets current market demand, creates quality jobs and improves the quality of life for residents.

The team seeks a recommendation by the Planning Commission to City Council to adopt the Industrial Land Preservation and Optimization Policy.

CEQA (California Environmental Quality Act):

This policy is categorically exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, as a City Policy is not a project with potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis. Additionally, on July 27, 2016, the City Council certified an environmental impact report (EIR) for the Morgan Hill 2035 General Plan. This policy is consistent with, and implements, the General Plan and therefore was analyzed in the EIR for the 2035 General Plan. Pursuant to Section 15162 and Section 15183 of the State CEQA Guidelines, no additional review under the California Environmental Quality Act is required.

COMMUNITY ENGAGEMENT:

Community engagement on this topic has taken place since July 2020 with the ULI and SVEDA seminars on Industrial Lands Utilization and Policy. The Planning Commission held meetings on this topic on September 22, 2020 and March 9, 2021. Staff presented the proposed policy at the Morgan Hill Chamber of Commerce Economic Development Committee meeting on January 13, 2022 and via a virtual City of Morgan Hill Townhall meeting on January 27, 2022. Information has been shared through the City's Citywide 411 Newsletter, the Choose Morgan Hill Economic Development eNewsletter and emails have been sent to stakeholders including industrial property owners, businesses, and commercial real estate brokers.

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-22-__

SUBJECT: INDUSTRIAL LAND PRESERVATION & OPTIMIZATION POLICY

EFFECTIVE DATE:

ORIGINATING DEPARTMENT: ECONOMIC DEVELOPMENT DEPARTMENT

The City of Morgan Hill seeks to support a diverse local economy and an expanded tax base by preserving existing job-generating land. The City's General Plan identifies strategies to diversify the economy, increase quality and quantity of job opportunities to support the community's well-being. Industrial lands are critically important to the economic health of the city and the community by providing local jobs and supporting industry that contribute to the local economy.

The city seeks to have a job/housing balance, at a 1:1 ratio, that offers a job for every resident able to work in the city. Today, there are 21,775 employed residents, and 18,428 jobs in Morgan Hill - the ratio of jobs to resident workers is 0.85.

Industrial land supply has reduced over the years with conversions of industrial land to housing or allowance of non-industrial uses within the industrial parks. In eight years, available industrial land has declined by 59.1%. Today, Morgan Hill has approximately 120 acres of industrial land available for development and a historically low 2.6% vacancy rate. Additionally, non-industrial uses such as schools, recreational facilities, community assembly further threaten the ability to attract and retain industrial users due conflicts with sensitive receptors.

The City's 2035 General Plan's Economic Development Element provides guidance on the type of jobs, uses, and activities that support the City's economic vitality and long-term sustainability. The Economic Blueprint identifies Innovation and Advanced Manufacturing as a key industry for Morgan Hill's future growth and further fiscal health.

This Industrial Land Preservation & Optimization Policy, in conjunction with the City's General Plan, Zoning Ordinance and Economic Blueprint, aims to preserve the City's limited supply of industrial land that is critical to the City's economic vitality. The Industrial Land Preservation & Optimization Policy identifies five key goals that provide direction and guidance when developing, implementing, and managing policies, programs, and projects; including implementation of the Zoning Code and General Plan as it relates to industrial uses and industrial business parks. To preserve and optimize the City's limited industrial land inventory, the city should:

- A. Encourage the attraction and expansion of Research and Development, Office, and Advanced Manufacturing uses**

Given the limited availability of industrial lands and to maximize job and revenue-generating potential, the City through its Zoning Code, policies, and programs, should encourage and support innovation, advanced manufacturing, R&D, and office uses. To support the goals of the Economic Blueprint and to grow medical and healthcare amenities, medical office & clinics should be considered within the light industrial zoning.

Supporting General Plan Policy & Goal:

ED-3.1 Business Retention, Expansion, and Attraction Efforts. Encourage retention and expansion of existing businesses, and attract new businesses, that:

- generate revenue to the City General Fund (such as retail and point-of-sale manufacturing)
- help provide greater financial strength and stability to the City
- add industry diversity to the local economy
- stimulate other businesses to develop in the city

ED-8.1 Office and Industrial Development: Support the development of office and industrial facilities to meet local demand, compete for regional growth opportunities, and create high-quality jobs that match with local housing opportunities.

Goal, ED-1. High quality jobs for residents that support household incomes in line with local housing costs and higher-education institutions that enhance skills and increase access to high-quality education.

B. Prohibit stand-alone e-commerce Warehouse and Distribution uses

Logistics, warehouse, and distribution uses are one of the fastest growing sectors. While these uses are part of the eco-system that support retail, manufacturing, R&D and other desired uses in Morgan Hill; stand-alone distribution and warehouse uses are not desired uses. The limited inventory of available industrial land should maximize the job and revenue potential of these sites. Additionally, warehouse and distribution uses generate traffic, have impact to the City's infrastructure and have limited benefit to the economic health of the city or quality of life of the community. Finally, large distribution and warehouse uses do not fit the small-town aesthetic that Morgan Hill seeks to retain.

C. Prohibit General Plan conversions of Industrial lands that cause a net loss of industrial employment lands

As vacant land becomes more constrained, pressure to convert industrial land to residential will intensify to meet the growing housing demand. To protect the City's future economic sustainability, the City should update the General Plan language to prohibit the conversion of industrial lands to non-industrial uses unless there is a concurrent conversion of property ensuring there is a no net loss of industrial designated land.

Supporting General Plan Policy:

Policy CNF-17.1 Industrial Land Conversion. Discourage the conversion of property designated for industrial to non-industrial uses.

Policy, Ed-3.2 Employment Land Supply. Preserve the city's supply of industrial and commercial lands to support the City's goals and policies related to economic development and jobs-housing balance.

D. Protect existing Industrial lands and business parks by prohibiting non-compatible uses such as community assembly and recreational uses.

To protect the health of the longevity of the industrial parks and ensure current and future industrial users can locate in these parks, the City should minimize conflicts with sensitive receptors that may

adversely impact industrial activity. To prevent future non-compatible uses, the Zoning Code should prohibit specific non-compatible uses, including community assembly and commercial recreation uses by eliminating conditional use permits in these zones.

Supporting General Plan Policy:

Policy CNF-17.2 Industrial Land Use Conflicts. Ensure proposed new uses adjacent to industrial uses do not introduce land use conflicts that would adversely impact industrial activities.

Policy ED-3.7 Flexible Business District Zoning. Maintain flexibility within industrial, business park, and office zoning districts that support modern industry uses and that are integrated appropriately with other land uses and attract a broad range of users.

E. Encourage conversion of Commercial Lands to Industrial Lands where appropriate

To grow our available industrial lands inventory, when appropriate, the City should work with property owners to identify possible property sites that can be converted from commercial to industrial and facilitate the conversion.

Supporting General Plan Policy:

General Plan, Policy ED-1.2, Jobs/Housing Balance. Balance jobs and housing supplies to minimize traffic congestion, and commute times, and to optimize economic diversity and capacity to provide services.

General Plan, Policy ED-3.2 – Employment Land Supply: Preserve the City’s supply of industrial and commercial lands to support the City’s goals and policies related to economic development and job-housing balance.

PLANNING COMMISSION STAFF REPORT

MEETING DATE: February 8, 2022

PREPARED BY:

Rich Buikema, Contract Planner

APPROVED BY: Jennifer Carmen

ZA2021-0008: MUNICIPAL CODE AMENDMENT AMENDING SECTION 18.26.020 (LAND USE REGULATIONS) OF CHAPTER 18.26 (INDUSTRIAL ZONING DISTRICTS) OF TITLE 18 (ZONING) TO MODIFY THE LAND USES PERMITTED IN THE INDUSTRIAL ZONING DISTRICTS

RECOMMENDATION(S)

1. Open/close public hearing; and,
2. Adopt Resolution recommending City Council approval of the Municipal Code Amendment.

PROJECT INFORMATION:

A draft ordinance is being proposed that would amend the Industrial Land Use Regulations. The proposed amendments would implement the Morgan Hill General Plan, 2017 Morgan Hill Economic Blueprint and the pending Industrial Land Preservation and Optimization City Council Policy.

BACKGROUND:

In April 2017, the City Council unanimously adopted the 2017 Morgan Hill Economic Blueprint that identified industrial preservation as a key strategy for long-term economic sustainability. A component of this strategy is to restrict non-industrial uses that have the potential to inhibit the operation of industrial uses and discourage new industrial users from locating in Morgan Hill.

In July 2020, the City's Economic Development Team, in partnership with the Urban Land Institute (ULI) and the Silicon Valley Economic Development Alliance (SVEDA), hosted four independent seminars with industry experts, and planning and economic development professionals to better understand today's market at a national, regional, and local level. The seminars took a deep dive into the future of industrial and retail sectors, especially post-Covid-19, and identified tactical strategies for Morgan Hill to consider that support the City's industrial preservation and retail concentration goals.

On September 22, 2020, the Planning Commission conducted the first Industrial Preservation Policy Workshop. The findings of the July 2020 ULI and SVEDA seminars were shared during this meeting. The Planning Commission accepted the report and provided feedback on the industrial preservation concentration policies.

On March 9, 2021, the Planning Commission conducted a second Industrial Preservation Policy Workshop to review proposed changes to the Zoning Code to support an industrial preservation strategy. The Planning Commission reviewed, discussed, and provided feedback on the proposed changes to Section 18.26.020 (Land Use Regulations) of the Industrial Zoning Districts Chapter for alignment with industrial preservation goals. The Planning Commission was generally supportive of the proposed Zoning Code amendments. However, concerns were expressed by the Commission regarding higher rents due to locating commercial recreation uses, such as a gymnastics facility, outside of industrial areas. Staff responded that the need to preserve industrial land was of greater concern.

An Industrial Land Preservation and Optimization Policy has been developed for City Council consideration and supports amending the current zoning code to minimize and reduce incompatible uses within the industrial lands, while expanding compatible uses in the medical, healthcare, and medical office and clinic industries that meet current market demand, creates quality jobs, and improves the quality of life for residents. The policy document will be considered as a separate item.

PROJECT DESCRIPTION:

The City proposes the following amendments to Section 18.26.020 (Land Use Regulations) of the Industrial Zoning Districts Chapter to preserve the City's limited supply of industrial land, prevent incompatible uses, and to accommodate additional medical services:

- a. Prohibit the following non-industrial uses in both the IG (General Industrial) and IL (Light Industrial) zoning districts.
 - i. Community Assembly
 - ii. Commercial Recreation, Indoor
 - iii. Home Improvement Centers
- b. Prohibit the following non-industrial uses in the IG (General Industrial) zoning district.
 - i. Colleges/Trade Schools
 - ii. Parks and Recreational Facilities
 - iii. Adult Businesses
 - iv. Public Safety Facilities
 - v. Mini-Storage
 - vi. Large Commodity Retail
 - vii. Professional Offices
- c. Allow Medical Offices and Clinics less than 20,000 square feet as a permitted use in the LI (Light Industrial), CI (Commercial Industrial), IO (Light Office Industrial) and IC (Campus Industrial) zoning districts.
- d. Allow Medical Offices and Clinics of 20,000 square feet or more as a conditional use in the IL (Light Industrial) zoning district and as a permitted use in the CI (Commercial Industrial), IO (Light Office Industrial) and IC (Campus Industrial) zoning districts.

ANALYSIS:

The proposed ordinance implements the General Plan, 2017 Morgan Hill Economic Blueprint and the pending Industrial Land Preservation and Optimization City Council Policy. A chart displaying an overall summary of the proposed zoning amendments is attached (Attachment 3).

Prohibiting Nonindustrial Uses in Industrial Zones

The draft ordinance proposes to amend the Industrial Land Use Regulations to prohibit certain non-industrial uses that are either currently permitted or that would be allowed with a Conditional Use Permit (CUP). Allowing non-industrial uses within industrial areas depletes the supply of industrial land, inhibits the operation of existing industrial uses, and potentially discourages new industrial businesses from locating or expanding in Morgan Hill. The proposed zoning amendment will avoid the establishment of "sensitive receptors" within the industrial zoned land that could be adversely affected from noise, dust, odor, and emissions typical of heavy industrial uses.

With no foreseeable expansion to the supply of industrial lands, prohibiting non-industrial uses will help extend the lifespan of the industrial land supply. While certain non-industrial uses are currently allowed only with a CUP, eliminating the CUP option will send a clear message of the importance of preserving industrial areas for primarily industrial uses.

Most of the changes are within the permitted use category in IG (General Industrial) zoning district (approximately 70 acres, of which six (6) acres are vacant) and IL (Light Industrial) zoning district (approximately 590 acres, of which 115 acres are vacant). The use limitations are proposed because of the nature of heavy industrial operations and the potential for conflict non-industrial uses.

Land Use	IG - General Industrial		IL - Light Industrial	
	Existing	Proposed	Existing	Proposed
Community Assembly	CUP	Not Permitted	CUP	Not Permitted
Commercial Rec. Indoor				
< 15,000 sq. ft.	CUP	Not Permitted	CUP	Not Permitted
>15,000 sq. ft.	CUP	Not Permitted	CUP	Not Permitted
Colleges/Trade Schools	CUP	Not Permitted	CUP	CUP
Parks & Rec.	CUP	Not Permitted	CUP	CUP
Adult Businesses	Permitted	Not Permitted	Permitted	Permitted
Public Safety Facilities	CUP	Not Permitted	CUP	CUP
Mini-Storage	CUP	Not Permitted	CUP	CUP
Home Improvement Ctr.	CUP	Not Permitted	CUP	Not Permitted
Large Commodity Retail	CUP	Not Permitted	CUP	Not Permitted
Professional Offices	Permitted	Not Permitted	Permitted	Permitted

Below are the definitions of the non-industrial uses that are proposed to be prohibited in the IG (General Industrial) and/or IL (Light Industrial) zoning districts, as defined in the Zoning Code:

Community Assembly. Facilities that provide space for public or private meetings or gatherings. Includes places of worship, community centers, meeting space for clubs and other membership organizations, social halls, union halls, banquet centers, and other similar facilities.

Commercial Recreation, Indoor. A commercial recreation facility primarily located indoors. Includes gymnasiums, health clubs, bowling alleys, indoor tennis and racquet courts, indoor swimming pools, laser tag and other similar games. Excludes "instructional services."

Colleges and Trade Schools. Institutions of higher education provide curricula of a general, religious or professional nature, typically granting recognized degrees. Includes junior colleges, business and computer schools, management training, vocational education, and technical and trade schools.

Home Improvement Centers. A retail establishment which carries a full line of building materials, appurtenances, and decorator items primarily for homeowners (not contractors) to improve and maintain individual dwellings.

Colleges and Trade Schools. Institutions of higher education providing curricula of a general, religious, or professional nature, typically granting recognized degrees. Includes junior colleges, business and computer schools, management training, vocational education, and technical and trade schools.

Parks and Recreational Facilities. Non-commercial facilities that provide open space and/or recreational opportunities to the public. Includes parks, community gardens, community centers, passive and active open space, wildlife preserves, playing fields, tennis courts, swimming pools, gymnasiums, and other similar facilities.

"Adult businesses" include but are not limited to adult bookstores, adult video stores, adult novelty stores, adult arcades, adult motels, adult theaters, adult entertainment enterprises, adult cabarets, escort agencies, massage parlors, nude modeling studios; or places which engage in or allow couch dancing, topless dancing, nude or semi-nude mud wrestling or similar businesses.

Large Commodity Retail. A retail use where more than seventy-five percent of the gross floor area is used for display, sales, and related storage of bulky commodities, and which typically generate a demand for fewer parking spaces than do other types of retail uses. Includes retail sale of carpeting

and floor covering; catalog and mail order sales; construction equipment and machinery; garden and farm equipment; heating, ventilating, air conditioning, and other mechanical equipment and supplies; kitchen, bathroom and plumbing appliances, equipment, and supplies; lumber and building materials; office furniture, equipment, and machinery, including computers; and household furniture.

Professional Offices. A place of employment occupied by businesses providing professional, executive, management, or administrative services. Includes offices for accountants, architects, advertising agencies, insurance agents, attorneys, commercial art and design services, non-retail financial institutions, real estate agents, news services, photographers, engineers, employment agencies, real-estate agents, and other similar professions. Excludes "medical offices and clinics."

Allowing Medical Offices and Clinics in Industrial Zones

The draft ordinance proposes to amend the Industrial Land Use Regulations to:

- Allow Medical Offices and Clinics less than 20,000 square feet as a permitted use in the IL (Light Industrial), CI (Commercial Industrial), IO (Light Office Industrial) and IC (Campus Industrial) zoning districts.
- Allow Medical Offices and Clinics of 20,000 square feet or more as a conditional use in the IL (Light Industrial) zoning district and as a permitted use in the IC (Commercial Industrial), IO (Light Office Industrial) and IC (Campus Industrial) zoning districts.

The proposed allowance of Medical Offices and Clinics in the industrial districts will be in addition to their present allowance in the commercial zoning districts (Administrative Use Permit required in CH (Highway Commercial)).

The ordinance is proposed because the existing prohibition of medical offices and clinics within light industrially zoned areas is not aligned or consistent with City Council and community priorities to attract and grow medical services in Morgan Hill. Specifically, General Plan Policy SSI-11.3 encourages the provision of a full range of medical services in the City, including an acute care hospital. Additionally, over the past several months, there have been several inquiries for medical uses looking to locate in Morgan Hill. Nearly all the inquires have been on land, or within buildings, designated as Light Industrial which does not currently allow for this use. The proposed ordinance will further facilitate new investments in Morgan Hill for specialized medical practices, rehabilitative care, imaging, and urgent care.

The proposed requirement for a CUP for medical offices and clinics more than 20,000 square feet is to provide the Planning Commission the opportunity to address the potential over-concentration of medical uses in the IL (Light Industrial) zoning district. Based on a sampling of medical office spaces currently on the market, the average medical office unit space is approximately 2,500 square feet, within a 20,000 square foot building.

Legal Nonconforming Uses

Upon adoption of the proposed ordinance amendments, previously allowed and conditional uses that are no longer allowed will become "legal non-conforming" uses. Section 18.68.060 (Nonconforming Use of Structures) of the Zoning Code will apply to any uses that are nonconforming upon adoption of the proposed ordinance.

18.68.060 Nonconforming use of structures.

- A. Change in Ownership, Tenancy, or Management. A change in ownership, tenancy, or management of a nonconforming use shall not affect its legal nonconforming status.
- B. Resuming a Nonconforming Use. A nonconforming use changed to a conforming

use shall not return to a nonconforming use.

- C. Replacement of a Nonconforming Use. A nonconforming use may not be replaced by another nonconforming use.
- D. Intensification of Use.
 - 1. The enlargement of a structure or site occupied by a nonconforming use, or the intensification in any way of the operation of a nonconforming use, shall require the approval of an administrative use permit.
 - 2. To approve a proposed intensification to a nonconforming use, the Community Development Director shall make all administrative use permit findings (Section 18.108.020) in addition to the findings in Section 18.68.080 (Findings).
- E. Discontinuation of Use. A nonconforming use discontinued for six consecutive months or for twelve months during any two-year period shall not be reestablished and may be replaced only by a conforming use.
- F. Uses Without Required Permits. A legally established use which is allowed in a zoning district, but which lacks a required permit (e.g., administrative use permit, conditional use permit) shall be considered a nonconforming use until the use receives the permit as required by the zoning code.

FINDINGS:

The proposed Zoning Amendment has been analyzed with respect to consistency with the: 1) General Plan; 2) Zoning Ordinance; and 3) California Environmental Quality Act.

1. General Plan

The proposed amendments are consistent with the General Plan as the amendments implement the following Goals and Policies:

GOAL CNF-17 Adequate land for maintaining and focusing industrial development in economically and geographically strategic locations.

Policy CNF-17.1 Industrial Land Conversion. Discourage the conversion of property designated for industrial to non-industrial uses.

Policy CNF-17.2 Industrial Land Use Conflicts. Ensure proposed new uses adjacent to industrial uses do not introduce land use conflicts that would adversely impact industrial activities.

GOAL HC-7 Access for all residents to health care facilities and other important community health amenities.

Policy ED-3.1 Business Retention, Expansion, and Attraction Efforts. Encourage retention and expansion of existing businesses, and attract new businesses, that:

- Generate revenue to the City General Fund (such as retail and point-of-sale manufacturing).
- Help provide greater fiscal strength and stability to the City;
- Add industry diversity to the local economy.

- Stimulate other businesses to develop in the city.
- Augment or provide a service/amenity presently needed or lacking in the community, including higher education and medical services opportunities; and
- Offer higher-paying, quality jobs for local residents.

Policy SSI-11.3 Medical Services. Encourage provision of a full range of medical services in the city, including an acute care hospital.

The proposed text amendments will implement many General Plan Goals and Policies and protect public health through the further restriction of potentially incompatible uses within industrial areas and increase access to health services for Morgan Hill residents.

2. Zoning Ordinance

The purpose of the Zoning Code is to implement the General Plan and to protect the public health, safety, and welfare. The City may approve a Zoning Amendment only if the following findings are made:

- The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

Consistent

The proposed text amendments will implement many General Plan Goals and Policies, including those aimed at preserving industrial land and encouraging medical services as described above.

- The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

Consistent

The proposed text amendments will protect public health through the further restriction of potentially incompatible uses within industrial areas and increase the access to health services for Morgan Hill residents.

- The proposed amendment is internally consistent with other applicable provisions of the zoning code.

Consistent

The proposed text amendments will not create any internal inconsistencies with any other zoning code provisions, including the permitted uses in the Industrial and Commercial zoning districts.

CONCLUSION:

The proposed Zoning Code amendments will further support Morgan Hill's Industrial Preservation and Optimization Policy to protect and maximize the City's limited supply of industrial (employment) land that is critical to the City's future economic vitality and sustainability and provide greater opportunity for medical uses to locate in Morgan Hill.

CEQA (California Environmental Quality Act):

This ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, as the proposed text amendments to the Morgan Hill Zoning Code is not a project with potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis. Additionally, on July 27, 2016, the City Council certified an environmental impact report (EIR) for the Morgan Hill 2035 General Plan. This ordinance is consistent with, and implements, the General Plan and therefore was analyzed in the EIR for the 2035 General Plan. Pursuant to Section 15162 and Section 15183 of the State CEQA Guidelines, no additional review under the California Environmental Quality Act is required.;

COMMUNITY ENGAGEMENT:

Proposed changes to the allowed uses in the Industrial zoning districts were discussed with the Planning Commission on September 22, 2020, and March 9, 2021. A 10-Day public hearing notice was published in the January 28, 2022 edition of the Morgan Hill Times pursuant to Government Code sections 65090-65096. Notices were also provided on the City's 411, City's website, and via social media. Staff also shared the proposed Zoning Code changes at the Morgan Hill Chamber of Commerce Economic Development Committee on January 13, 2022 and via a virtual City of Morgan Hill Townhall meeting on January 27, 2022.

RESOLUTION NO. 22-03

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF MUNICIPAL CODE AMENDMENT (ZA2021-0008) TO TITLE 18, DIVISION I, ZONING CODE AMENDING SECTION 18.26.020 (LAND USE REGULATIONS) OF CHAPTER 18.26 (INDUSTRIAL ZONING DISTRICTS) TO MODIFY THE LAND USES PERMITTED IN THE INDUSTRIAL ZONING DISTRICTS.

WHEREAS, this proposed Ordinance (Zoning Amendment ZA2021-0008) was considered by the Planning Commission of the City of Morgan Hill at its regular meeting of February 8, 2022;

WHEREAS, the Planning Commission has reviewed recommendations contained in the February 8, 2022, staff report on this item;

WHEREAS, the amendments proposed by this Ordinance are necessary to aid in preserving the City's limited supply of Industrial Land and;

WHEREAS, this ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, as the proposed text amendments to the Morgan Hill Zoning Code is not a project with potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis. Additionally, on July 27, 2016, the City Council certified an environmental impact report (EIR) for the Morgan Hill 2035 General Plan. This ordinance is consistent with, and implements, the General Plan and therefore was analyzed in the EIR for the 2035 General Plan. Pursuant to Section 15162 and Section 15183 of the State CEQA Guidelines, no additional review under the California Environmental Quality Act is required.; and

WHEREAS, testimony received at a duly noticed public hearing, along with exhibits and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

The proposed text amendments will implement many General Plan Goals and Policies including those aimed at preserving industrial land and encouraging medical services.

SECTION 2. The proposed amendments will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The proposed text amendments will protect public health through the further restriction of potentially incompatible uses within industrial areas and increase the access to health services for Morgan Hill residents.

SECTION 3. The proposed amendment is internally consistent with other applicable provisions of the zoning code.

The proposed text amendments will not create any internal inconsistencies with any other zoning code provisions including the permitted uses in the Industrial and Commercial zoning districts.

SECTION 4. The Planning Commission hereby recommends approval of changes to the text of the Morgan Hill Municipal Code amending section 18.26.020 (land use regulations) of chapter 18.26 (Industrial Zoning Districts) to modify the land uses permitted in the industrial zoning districts which are shown by strike-out text for deletions and underline text for additions. All text amendments recommended to be made as shown in the draft ordinance (Attachment 2 of the staff report).

PASSED AND ADOPTED THIS 8th DAY OF FEBRUARY 2022, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: **COMMISSIONERS:**

NOES: **COMMISSIONERS:**

ABSTAIN: **COMMISSIONERS:**

ABSENT: **COMMISSIONERS:**

ATTEST:

JENNA LUNA, Deputy City Clerk

APPROVED:

MALISHA KUMAR, Chair

Date: _____

ORDINANCE NO. , NEW SERIES

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL AMENDING TITLE 18, DIVISION I,
ZONING CODE SECTION 18.26.020 (LAND USE
REGULATIONS) OF CHAPTER 18.26 (INDUSTRIAL
ZONING DISTRICTS) TO MODIFY THE LAND USES
PERMITTED IN THE INDUSTRIAL ZONING DISTRICTS.**

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS
FOLLOWS:

Section 1. Section 18.26.020 (Land Use Regulations) of Chapter 18.26 (Industrial Zoning Districts) of Title 18 (Zoning) is hereby amended to read as follows (additions in underline, deletions in ~~strikeout~~):

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 —	
Instructional Services	A	—	—	—	—	
Medical Offices and Clinics						

<u>≤ 20,000 sq. ft.</u>	<u>AP</u>	<u>—P</u>	<u>—P</u>	<u>P</u>	—	
<u>> 20,000 sq. ft.</u>	<u>AP</u>	<u>—P</u>	<u>—P</u>	<u>C</u>	—	
Parks and Recreational Facilities	C	—	—	C	€—	
Public Safety Facilities	C	—	—	C	€—	
Commercial Uses						
Adult Businesses	—	—	P	P	€—	18.92.020
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	€—	€—	
> 15,000 sq. ft.	C	C	C	€—	€—	
Eating and Drinking Uses						
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]	
Lodging Facilities						
Hotels and Motels	P	—	—	—	—	
Mini-Storage	—	—	—	C	€—	18.92.100
Personal Service	C [4]	—	—	—	—	

		[5]	[5]	[5]	[5]	
Plant Nurseries	C	—	—	P	P	
Professional Offices	P	P	P	P	P —	
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 —	
Large Commodity Retail	C	—	—	C —	C —	
Vehicle-Related Uses						
Salvage and Wrecking	—	—	—	—	C	
Towing and Impound	—	—	—	C	P	
Vehicle Repair and Maintenance, Major	—	—	—	C	P	
Vehicle Repair and Maintenance, Minor	—	—	—	P	P [1]	
Vehicle Storage, Outdoor	—	—	—	C	C	18.52.080.C
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]	A [2]	A [2]	P [2]	P [2]	
5,000 sq. ft. to 10,000 sq. ft. [7]	C [2]	C [2]	C [2]	P [2]	P [2]	
> 10,000 sq. ft.	C	C	C	P	P	

				[2,8]	[2,8]	
Manufacturing, Light	P	C [3]	C	P	P	
Manufacturing, General	—	—	—	—	C	
Research and Development	P	P	P	P	P	
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	
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	
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Section 2. Severability. Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 3. Effective Date; Posting. This Ordinance shall take effect on _____, 20___. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

This ordinance was introduced at a meeting of the City Council held on the _____ day of _____, 20__, and adopted at a meeting held on the _____ day of _____, 20__, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

MICHELLE BIGELOW, City Clerk

RICHARD CONSTANTINE, Mayor

CERTIFICATE OF THE CITY CLERK

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the _____ day of _____, 2021.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

Proposed Industrial Zoning Changes

Land Use	IG - General Industrial		IL - Light Industrial		CI - Commercial Industrial		IO - Industrial Office		IC - Campus Industrial	
	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed
Community Assembly	CUP	Not Permitted	CUP	Not Permitted	CUP	CUP	Not Permitted	Not Permitted	Not Permitted	Not Permitted
Commercial Rec. Indoor										
< 15,000 sq. ft.	CUP	Not Permitted	CUP	Not Permitted	Permitted	Permitted	CUP	CUP	CUP	CUP
>15,000 sq. ft.	CUP	Not Permitted	CUP	Not Permitted	CUP	CUP	CUP	CUP	CUP	CUP
Colleges/Trade Schools	CUP	Not Permitted	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP
Parks & Rec.	CUP	Not Permitted	CUP	CUP	CUP	CUP	Not Permitted	Not Permitted	Not Permitted	Not Permitted
Adult Businesses	Permitted	Not Permitted	Permitted	Permitted	Not Permitted	Not Permitted	Not Permitted	Not Permitted	Permitted	Permitted
Public Safety Facilities	CUP	Not Permitted	CUP	CUP	CUP	CUP	Not Permitted	Not Permitted	Not Permitted	Not Permitted
Mini-Storage	CUP	Not Permitted	CUP	CUP	Not Permitted	Not Permitted	Not Permitted	Not Permitted	Not permitted	Not Permitted
Home Improvement Ctr.	CUP	Not Permitted	CUP	Not Permitted	CUP	CUP	Not Permitted	Not Permitted	Not permitted	Not Permitted
Large Commodity Retail	CUP	Not Permitted	CUP	CUP	CUP	CUP	Not Permitted	Not Permitted	Not Permitted	Not Permitted
Professional Offices	Permitted	Not Permitted	Permitted	Permitted	Permitted	Permitted	Permitted	Permitted	Permitted	Permitted
Medical Office & Clinics										
<20,000 sq. ft.	Not Permitted	Not Permitted	Not Permitted	Permitted	AUP	Permitted	AUP	Permitted	AUP	Permitted
≥ 20,000 sq. ft.		Not Permitted		CUP		Permitted		Permitted		Permitted

Permitted - Use allowed by right in Zoning.

CUP - Conditional Use Permit Required

AUP - Administrative Use Permit Required



Proposed Change

INDUSTRIAL ZONING DISTRICTS

General Industrial (IG). The purpose of the IG zoning district is to provide areas for general industrial, manufacturing, wholesale and service uses needed by the city and region subject to regulations necessary to protect other nearby uses from hazards and noise and other disturbances.

Light Industrial (IL). The purpose of the IL zoning district is to provide areas for research, administrative, lighter manufacturing, wholesale and heavy service commercial uses not suitable in commercial districts.

Commercial Industrial (CI). The purpose of the CI zoning district is to promote job-generating development of lands by allowing flexibility in the mix of industrial, office, and commercial uses that are compatible with existing development. Lodging uses (e.g., hotels) that support primary job generating uses within business districts are allowed.

Light Office Industrial (IO). The purpose of the IO zoning district is to provide areas for mixed administrative and executive office uses in appropriate areas within the community.

Campus Industrial (IC). The purpose of the IC zoning district is to provide an environment exclusively for and conducive to the development and protection of modern administrative facilities, research institutions and specialized manufacturing operations..

USE DEFINITIONS

Community Assembly. Facilities that provides space for public or private meetings or gatherings. Includes places of worship, community centers, meeting space for clubs and other membership organizations, social halls, union halls, banquet centers, and other similar facilities.

Commercial Recreation, Indoor. A commercial recreation facility primarily located indoors. Includes gymnasiums, health clubs, bowling alleys, indoor tennis and racquet courts, indoor swimming pools, laser tag and other similar games. Excludes "instructional services."

Manufacturing, General. Manufacturing of products from extracted or raw materials or recycled or secondary materials, or bulk storage and handling of such products and materials. Includes operations such as agriculture processing, apparel manufacturing; photographic processing plants; wood product manufacturing; paper manufacturing; chemical manufacturing.

"**Adult businesses**" include but are not limited to: adult bookstores, adult video stores, adult novelty stores, adult arcades, adult motels, adult theaters, adult entertainment enterprises, adult cabarets, escort agencies, massage parlors, nude modeling studios; or places which engage in or allow couch dancing, topless dancing, nude or semi-nude mud wrestling or similar businesses.

Large Commodity Retail. A retail use where more than seventy-five percent of the gross floor area is used for display, sales, and related storage of bulky commodities, and which typically generate a demand for fewer parking spaces than do other types of retail uses. Includes retail sale of carpeting and floor covering; catalog and mail order sales; construction equipment and machinery; garden and farm equipment; heating, ventilating, air conditioning, and other mechanical equipment and supplies; kitchen, bathroom and plumbing appliances, equipment, and supplies; lumber and building materials; office furniture, equipment, and machinery, including computers; and household furniture.

Home Improvement Centers. A retail establishment which carries a full line of building materials, appurtenances, and decorator items primarily for homeowners (not contractors) to improve and maintain individual dwellings. Excludes building supply yards and lumberyards for contractors and home builders.

Medical Offices and Clinics. Facilities where medical, mental, dental, or other personal health services are provided on an outpatient basis using specialized equipment. Includes offices for physicians, dentists, and optometrists, diagnostic centers, blood banks and plasma centers, and emergency medical clinics offered exclusively on an out-patient basis. May include educational aspects such as medical instruction and/or training as well as house a laboratory, radiology/imaging, pharmacy, rehabilitation and other similar services as accessory uses. Excludes "hospitals."

PLANNING COMMISSION STAFF REPORT

MEETING DATE: February 8, 2022

PREPARED BY:

Jennifer Carman, Development Services Director

APPROVED BY: Jennifer Carmen

ZA2022-0001 - ADOPTION AND RATIFICATION OF ORDINANCE NO. 2320 PREVIOUSLY ADOPTED AS AN URGENCY ORDINANCE

RECOMMENDATION(S)

1. Open/close public hearing; and,
2. Adopt Resolution recommending City Council approval and ratification of the proposed Ordinance.

PROJECT INFORMATION:

A draft ordinance is being proposed that would amend the Industrial Land Use Regulations. The proposed amendments would implement the Morgan Hill General Plan, 2017 Morgan Hill Economic Blueprint and the pending Industrial Land Preservation and Optimization City Council Policy.

BACKGROUND:

Since 2020, the City of Morgan Hill has taken steps to amend industrial sections of the Zoning Code to prevent stand-alone e-commerce uses. In November, 2020, the City Council adopted Ordinance 2317 amending the City's industrial sections of the Zoning Code prohibiting fulfillment centers, defining large-scale projects and moved review authority from City staff to the Planning Commission for projects of a certain size. On April 7, 2021, the City Council passed Urgency Ordinance 2320, prohibiting certain types of buildings that meet three cumulative characteristics of dock-high-doors, dock-high-door to square foot ratio and ceiling height. The urgency ordinance also amended the definition of Light Manufacturing.

Section 18.76.140 was added limiting buildings to a maximum Dock-High-Door Ratio for a facility that has a floor area of 75,000 square feet or greater and a ceiling height of more than thirty-four (34) feet over more than twenty-five (25) percent of the floor area to one (1) Dock-High-Door for every 25,000 square feet. These building-type restrictions aim to limit the possibility of distribution/e-commerce type of uses.

The Urgency Ordinance sunsets in April 2022 and this proposed Ordinance replaces the Urgency Ordinance with a permanent Zoning Amendment. The City Council has the ability to place the ordinance on the ballot as part of their consideration.

PROJECT DESCRIPTION:

The Urgency Ordinance creates a new Section under Chapter 18.76 "Performance Standards" to create a maximum dock-high door ratio that reads as follows:

18.76.140 - Maximum Dock High Door Ratio

The maximum Dock High Door to Square Foot Ratio for a facility that has a floor area of seventy-five thousand (75,000) square feet or greater and a ceiling height of more than thirty-four (34) feet over more than twenty-five (25) percent of the floor area is 1:25,000

The addition of this prevents any building that would encompass all three elements - size, ceiling height and more dock doors than 1 per 25,000 square feet from being built in the City.

The following definitions were also added to Section 18.128.020 of the Zoning Ordinance with the Urgency Ordinance:

- **Ceiling Height.** The clear vertical distance from the finished floor to the finished ceiling. If the ceiling is unfinished, the ceiling height is the distance from the floor to the lowest projecting beams, joists, or truss work.
- **Dock-High-Door.** An opening to the outside of a building used to interface with trucks for the loading and/or unloading of goods, products, merchandise or wares of any type and where the bottom of the opening is not at ground level but rather elevated by twenty-four (24) inches or more.
- **Dock-High-Door-to-Square-Foot Ratio.** The ratio of the total number of Dock-High-Doors that a building has to the total square feet of building floor area.

The Urgency Ordinance also updated the definition of Light Manufacturing in Section 18.124.050 to clarify the meaning of Assembly as follows:

D. Manufacturing, Light. The manufacture, predominantly from previously prepared materials, of finished products or parts, including processing, fabrication, assembly, treatment, and packaging of such products, and incidental storage, sales and distribution of such products, but excluding basic industrial processing and custom manufacturing. Includes manufacture of electric and electronic instruments and devices. Excludes saw and planing mill and manufacturing uses involving primary production of wood, metal or chemical products from raw materials. For purpose of this definition, the term "Assembly" includes creation of a component or end item made from a number of parts and subassemblies. Assembly does not include the putting together of kits, gift baskets, or packaging items produced elsewhere for purposes of e-commerce or of wholesale trading.

FINDINGS:

The proposed Zoning Amendment has been analyzed with respect to consistency with the: 1) General Plan and 2) Zoning Ordinance.

1. General Plan

The proposed amendments are consistent with the General Plan as the amendments implement the following Policies:

Policy CNF-2.1 Orderly Development. Promote the orderly development of the City, with concentric growth and infill of existing developed areas.

Policy CNF-2.2 A Balanced Community. Plan for the needs of all socioeconomic segments of the community, encouraging a balance and match in jobs and housing within the City.

The proposed ordinance will implement General Plan Goals and Policies and would prevent uses that create potential land use conflicts within the City.

2. Zoning Ordinance

The purpose of the Zoning Code is to implement the General Plan and to protect the public health, safety, and welfare. The City may approve a Zoning Amendment only if the following findings are made:

- a. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

Consistent

The proposed text amendments will implement many General Plan Goals and Policies including those aimed at orderly development and a balanced community.

- b. The proposed amendment will not be detrimental to the public interest, health, safety,

convenience, or welfare of the City.

Consistent

The proposed text amendments will prevent land uses that may create conflicts within the industrial areas of the City.

c. The proposed amendment is internally consistent with other applicable provisions of the zoning code.

Consistent

The proposed text amendments will not create any internal inconsistencies with any other zoning code provision including the permitted uses in the Industrial and Commercial zoning districts.

CONCLUSION:

The proposed Ordinance will further support Morgan Hill's Industrial development and prevents future developments from being constructed with all the physical characteristics of a Distribution Center. This is directly in line with the goals to protect and maximize the City's limited supply of industrial (employment) land that is critical to the City's future economic vitality and sustainability.

CEQA (California Environmental Quality Act):

This ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, as the proposed text amendments to the Morgan Hill Zoning Code is not a project with potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis. Additionally, on July 27, 2016, the City Council certified an environmental impact report (EIR) for the Morgan Hill 2035 General Plan. This ordinance is consistent with, and implements, the General Plan and therefore was analyzed in the EIR for the 2035 General Plan. Pursuant to Section 15162 and Section 15183 of the State CEQA Guidelines, no additional review under the California Environmental Quality Act is required.

COMMUNITY ENGAGEMENT:

A 10-Day public hearing notice was published in the January 28, 2022 edition of the Morgan Hill Times pursuant to Government Code Sections 65090-65096. Notices were also provided on the City's 411, City's website, and via social media. Staff also shared the proposed Zoning Code changes at the Morgan Hill Chamber of Commerce Economic Development Committee on January 13, 2022 and via a virtual City of Morgan Hill Townhall meeting on January 27, 2022.

ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL PERMANENTLY ADOPTING AND RATIFYING ORDINANCE NUMBER 2320 PREVIOUSLY ADOPTED AS AN URGENCY ORDINANCE ADDING SECTION 18.76.140 (" MAXIMUM DOCK HIGH DOOR RATIO") TO CHAPTER 18.76 PERFORMANCE STANDARDS") AND AMENDING SECTIONS 18. 124.050 ("INDUSTRIAL USES") OF CHAPTER 18.124 (" LAND USE DEFINITIONS") AND 18.128.020 ("DEFINITIONS") OF CHAPTER 18.128 ("GENERAL TERMS") OF TITLE 18 ("ZONING") OF THE MORGAN HILL MUNICIPAL CODE TO CREATE A MAXIMUM DOCK - HIGH - DOOR RATIO FOR CERTAIN STRUCTURES AND TO ADD DEFINITIONS.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

Section 1. Section 18.76.140 ("Maximum Dock High Door Ratio") of Chapter 18.76 ("Performance Standard") of Title 18 ("Zoning") is hereby added to read as follows (additions in underline, deletions in strikeout):

18.76.140 - Maximum Dock High Door Ratio

The maximum Dock High Door to Square Foot Ratio for a facility that has a floor area of seventy-five thousand (75,000) square feet or greater and a ceiling height of more than thirty-four (34) feet over more than twenty-five (25) percent of the floor area is 1:25,000

Section 2. Subsection (D) ("Manufacturing, Light") of Section 18.124.050 ("Industrial Uses") of Chapter 18.124 ("Land Use Definitions") of Title 18 ("Zoning") is hereby amended to read as follows:

D. Manufacturing, Light. The manufacture, predominantly from previously prepared materials, of finished products or parts, including processing, fabrication, assembly, treatment, and packaging of such products, and incidental storage, sales and distribution of such products, but excluding basic industrial processing and custom manufacturing. Includes manufacture of electric and electronic instruments and devices. Excludes saw and planing mill sand manufacturing uses involving primary production of wood, metal or chemical products from raw materials. For purpose of this definition, the term "Assembly" includes creation of a component or end item made from a number of parts and subassemblies. Assembly does not include the putting together of kits, gift baskets, or packaging items produced elsewhere for purposes of e-commerce or of wholesale trading.

Section 3. Subsection (C) ("C' Terms") of Section 18.128.020 ("Definitions") of Chapter 18.128 ("General Terms") of Title 18 ("Zoning") is hereby amended to read as follows:

C. "C" Terms.

1. California Room. A room or space in a building where one or more sides is open and exposed (without a wall or windows) to adjacent outdoor space.
2. Ceiling Height. The clear vertical distance from the finished floor to the finished ceiling. If the ceiling is unfinished, the ceiling height is the distance from the floor to the lowest projecting beams, joists, or truss work.
3. Cessation of Use. The discontinuation of a use, either temporarily or permanently, whether with the intent to abandon such use or not.
4. City Geologist. A registered professional geologist certified by the state of California in the specialty of engineering geology (C.E.G.) who is either a city staff member or a consultant retained by the city.
5. Clear Triangle. A triangular area bounded by the street right-of-way lines of a corner lot and a line joining points along said street lines 20 feet from the point of intersection.
7. Conditional Use. A use that requires approval of a conditional use permit or an administrative use permit.
8. Condominium. Individual ownership of a dwelling unit within a multiple-unit structure exclusive of the land underlying such structure.
9. Condominium Development. A structure and appurtenant premises divided in ownership by the existence of the condominiums as defined in Section 783 of the California Civil Code. Includes instances where ownership is divided following prior single ownership of the entire structure and premises, as well as new structures divided in ownership.

Section 4. Subsection (D) ("D' Terms") of Section 18.128.020 ("Definitions") of Chapter 18.128 ("General Terms") of Title 18 ("Zoning") is hereby amended to read as follows:

D. "D" Terms.

1. Deck. A platform, either freestanding or attached to a building, that is supported by piers, pillars or posts.
2. Dock-High-Door. An opening to the outside of a building used to interface with trucks for the loading and/or unloading of goods, products, merchandise or wares of any type and where the bottom of the opening is not at ground level but rather elevated by twenty-four (24) inches or more.
3. Dock-High-Door-to-Square-Foot Ratio. The ratio of the total number of Dock-High-Doors that a building has to the total square feet of building floor area.
4. Driveway. A permanently surfaced area on a lot designed and required to provide direct access for vehicles between a street and a private garage, carport or other parking space, parking area, or loading area.
5. Driveway Aisle, Major. A driveway providing principal access to the parking area or the driveway providing principal circulation throughout the parking areas or premises.
6. Driveway Apron. A paved area providing principal access from a drive aisle or street right-of-way to a garage or other covered parking space.
7. Dwelling. A building or portion thereof designed or used exclusively as the residence or sleeping place of one or more persons. Excludes tents, cabins, trailers and trailer coaches.
8. Dwelling Unit. A room or group of rooms including living, sleeping, eating, cooking and sanitation facilities, constituting a separate and independent housekeeping unit, occupied or intended for occupancy by one family on a non-transient (less than thirty-day stay) basis and having not more than one kitchen.
9. Density. The number of dwelling units permitted per net lot area.

Section 5. **Severability.** Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 6. **Effective Date; Posting.** This Ordinance shall take effect on _____, 2022. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

This ordinance was introduced at a meeting of the City Council held on the _____ day of _____, 2022__, and adopted at a meeting held on the _____ day of _____, 2022__, and said

ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

MICHELLE BIGELOW, City Clerk

RICHARD CONSTANTINE, Mayor

CERTIFICATE OF THE CITY CLERK

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the ____ day of _____, 2022.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

RESOLUTION NO. 22-04

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF AN ORDINANCE PERMANENTLY ADOPTING AND RATIFYING ORDINANCE NUMBER 2320 PREVIOUSLY ADOPTED AS AN URGENCY ORDINANCE ADDING SECTION 18.76.140 (" MAXIMUM DOCK HIGH DOOR RATIO") TO CHAPTER 18.76 PERFORMANCE STANDARDS") AND AMENDING SECTIONS 18. 124.050 ("INDUSTRIAL USES") OF CHAPTER 18.124 (" LAND USE DEFINITIONS") AND 18.128.020 ("DEFINITIONS") OF CHAPTER 18.128 ("GENERAL TERMS") OF TITLE 18 ("ZONING") OF THE MORGAN HILL MUNICIPAL CODE TO CREATE A MAXIMUM DOCK - HIGH -DOOR RATIO FOR CERTAIN STRUCTURES AND TO ADD DEFINITIONS.

WHEREAS, this proposed Ordinance (Zoning Amendment ZA2021-0008) was considered by the Planning Commission of the City of Morgan Hill at its regular meeting of February 8, 2022;

WHEREAS, the Planning Commission has reviewed recommendations contained in the February 8, 2022, staff report on this item;

WHEREAS, this ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, as the proposed text amendments to the Morgan Hill Zoning Code is not a project with potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis. Additionally, on July 27, 2016, the City Council certified an environmental impact report (EIR) for the Morgan Hill 2035 General Plan. This ordinance is consistent with, and implements, the General Plan and therefore was analyzed in the EIR for the 2035 General Plan. Pursuant to Section 15162 and Section 15183 of the State CEQA Guidelines, no additional review under the California Environmental Quality Act is required.; and

WHEREAS, testimony received at a duly noticed public hearing, along with exhibits and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

The proposed text amendments will implement many General Plan Goals and Policies including those aimed at orderly development and a balanced community.

SECTION 2. The proposed amendments will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The proposed text amendments will prevent land uses that may create conflicts within the industrial areas of the City.

SECTION 3. The proposed amendment is internally consistent with other applicable provisions of the zoning code.

The proposed text amendments will not create any internal inconsistencies with any other zoning code provisions including the permitted uses in the Industrial and Commercial zoning districts.

SECTION 4. The Planning Commission hereby recommends approval and ratification of Urgency Ordinance 2320 (Attachment 2).

PASSED AND ADOPTED THIS 8th DAY OF FEBRUARY 2022, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

JENNA LUNA, Deputy City Clerk

APPROVED:

MALISHA KUMAR, Chair

Date: _____