CITY OF MORGAN HILL

Regular Meeting Agenda

Planning Commission

WAYNE TANDA	-	*CHAIR*
LIAM DOWNEY	-	*VICE-CHAIR*
MOHAMMAD HABIB	-	*PLANNING COMMISSIONER*
PAUL LAKE	-	*PLANNING COMMISSIONER*
MALISHA KUMAR	-	*PLANNING COMMISSIONER*
JAMES WILSON	-	*PLANNING COMMISSIONER*
JOSEPH MUELLER	-	*PLANNING COMMISSIONER*

Tuesday, May 14, 2024 7:00 PM

Council Chamber Building
17555 Peak Avenue, Morgan Hill, CA 95037

Morgan Hill Planning Commission meetings are held in person with the option for the public to attend in-person or view by teleconference/video conference. Information on how the public may observe and participate in the meeting is located below.

MEETING PARTICIPATION AND PUBLIC COMMENT

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 who would like to view the meetings remotely may do so by joining the virtual meeting at: https://bit.ly/PlanningCommissionMtg or by calling: (669) 900-9128, then enter the webinar ID#: 862 0324 6251#. Or on our website at https://www.morganhill.ca.gov/2101/Agendas-Minutes. Public comment may be provided in the following ways:

- In-person at the Planning Commission Meeting
- In writing
  - Via email to pcpubliccomment@morganhill.ca.gov
  - Hard Copy hand delivered or by mail to the Planning Division at 17575 Peak Avenue, Morgan Hill, CA 95037.

  Please email your comments to the Planning Division no later than 3:00 p.m. on Monday (the day before the Planning Commission meeting) for your comments to be submitted to the members of the Planning Commission with sufficient time

to review the comments. You may continue to provide written comments up to noon on Tuesday (the day of the meeting) although Planning Commission Members may not have sufficient time to review them before the meeting. Public comments submitted to the Planning Division after 12:00 p.m. the day of the meeting will be provided to the Planning Commission as time allows.

Written comments WILL NOT be read aloud during the City Council Meeting. Please note that written comments are posted on the City's website. It is recommended that you do not include any personal information that you do not want to be posted on the web. Please be advised that communications directed to the City Council are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under the applicable law. Communications will NOT be edited for redactions and will be printed/posted as submitted.

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.

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION Of POSTING
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

PUBLIC HEARINGS

1. **UP2024-0002: MONTEREY - DJT ENTERPRISES LLC (MCCRANIE) REQUEST FOR A CONDITIONAL USE PERMIT TO ALLOW FOR THE ON-SITE SALE OF ALCOHOLIC BEVERAGES (TYPE 47 LIQUOR LICENSE) AT A "BONA FIDE EATING PLACE" AND ART GALLERY LOCATED WITHIN THE DOWNTOWN ON THE SOUTHWEST CORNER OF MONTEREY ROAD AND 2ND STREET.**

   Recommendation:

   1. Open/close public hearing; and
   2. Adopt Resolution approving a Conditional Use Permit.

OTHER BUSINESS

2. **TRANSPORTATION MASTER PLAN UPDATE AND REVIEW OF DRAFT GOALS**

   Recommendation:
   Accept presentation by Staff regarding the City's Transportation Master Plan Update and review, discuss, and provide feedback on draft Transportation Master Plan goals.

3. **REVIEW FY 24/25 TO 29/30 DRAFT CAPITAL IMPROVEMENT PROGRAM FOR CONSISTENCY WITH THE GENERAL PLAN**

   Recommendation:

   1. Receive report on proposed FY 24/25 through FY 29/30 Capital Improvement Program (CIP); and
   2. Adopt Resolution accepting CIP and make a Finding of Consistency with the General Plan for FY 24/25 and FY 2025/26.

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 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.

CITY OF MORGAN HILL

PLANNING COMMISSION STAFF REPORT
MEETING DATE: May 14, 2024

PREPARED BY:
Tiffany Brown, Associate Planner
APPROVED BY: Jennifer Carman

UP2024-0002: MONTEREY - DJT ENTERPRISES LLC (MCCRANIE) REQUEST FOR A CONDITIONAL USE PERMIT TO ALLOW FOR THE ON-SITE SALE OF ALCOHOLIC BEVERAGES (TYPE 47 LIQUOR LICENSE) AT A "BONA FIDE EATING PLACE" AND ART GALLERY LOCATED WITHIN THE DOWNTOWN ON THE SOUTHWEST CORNER OF MONTEREY ROAD AND 2ND STREET.

RECOMMENDATION(S)

1. Open/close public hearing; and
2. Adopt Resolution approving a Conditional Use Permit.

LOCATION MAP/PROJECT INFORMATION:

1.	Location:	17395 Monterey Road (APN:767-07-047)
2.	Site Area:	.11-Acres
3.	General Plan:	Mixed Use
4.	Zoning:	Central Business District (CBD) with Ground Floor Overlay (GFO)
5.	Request:	Conditional Use Permit to allow for the on-site general sale of alcoholic beverages (Type 47 liquor license) at a "bona fide eating place" within the existing 7,200 square foot Edes Art Gallery.

BACKGROUND:

In 2016, the site was approved for a three-story art gallery building with a rooftop restaurant/lounge and a wine bar on the first floor. The project lapsed for several years and both use permits expired.

On December 20, 2020, a new design for the art gallery was presented to and approved by the City Council (design permit No. SR2020-0024) for a two-story art gallery. The project, known as the Edes Art Gallery, is under construction and expected to open in late summer. The applicant is applying for the Use Permit to allow for a full-service bar associated with a restaurant.

PROJECT DESCRIPTION:

The 7,200 square foot two-story building will serve as an art gallery and restaurant. Formal dining seating and bar will be located at the rear of the first floor. Beverages and food will be allowed throughout the gallery. Regular hours of operation are expected to be from 10 a.m. to 9 p.m. daily, unless there is a special event or a need to extend the hours. Attached is the Statement of Operations from the owner, a menu, and the plans.

Site Description

The site is located on the southwest corner of Monterey Road and West 2nd Street. The property is a 5,000 square foot lot that is currently under construction for the new Gallery Building. The project site land use designation is Mixed Use, and is located within the Downtown Specific Plan Central Business District with Ground Floor Overlay.

Surrounding Uses

	General Plan Land Use	Zoning	Existing Use
North	Mixed Use	Central Business District with Ground Floor Overlay	Papa's Place, Frederick H. DiMeo Insurance Agency, MPower Escape Rooms
South	Mixed Use	Central Business District with Ground Floor Overlay	Betto's Bistro
East	Mixed Use	Central Business District with Ground Floor Overlay	Giorgio's Italian Grill and Pizzeria
West	Mixed Use	Central Business District	Frontier Communications

PROJECT ANALYSIS AND FINDINGS:

ANALYSIS

The proposed project was analyzed with respect to conformance with 1) Morgan Hill 2035 General Plan, 2) Downtown Specific Plan, 3) Zoning Ordinance, 4) California Environmental Quality Act:

1. General Plan Land Use Consistency

The General Plan designation for the site is Mixed-Use. When applied in accordance with the Downtown Specific Plan, this designation covers 68 acres of smaller parcels within the Downtown area. This designation is intended to encourage a mixture of commercial and residential uses. The Mixed-Use designation is implemented through the Commercial Business District with Ground Floor

Overlay regulations, which allows for a mixture of commercial uses either by right or as conditional uses, including restaurants and bars, which are conditional uses.

The project has been found consistent with the following General Plan policies:

Policy CNF-14.1 Mixture of uses Downtown. Encourage a mixture of uses in the Downtown that will promote its identity as a cultural and activity center of the City.

Policy CNF-14.3 and Policy ED-5.1 Downtown Specific Plan. Support the implementation of the Downtown Specific Plan.

Policy CNF-15.1 Mix of Commercial Uses. Encourage a variety of commercial and office development to meet the needs of City residents.

Policy ED-5.4 Downtown as a Cultural Center. Position downtown as the local focal point for fine dining, arts, culture, history, entertainment, and boutique retail activity.

The new art gallery with restaurant brings a new experience of dining to the City and introduces a new event venue that promotes art and culture in downtown. The Use Permit for the full-service bar will support the restaurant and events at the art gallery. Type 47 license is typical for restaurants where both food and beverages will be served during the same hours of operation.

2. Downtown Specific Plan/Zoning

The Downtown Specific Plan covers 18 blocks, approximately 110 acres centered over Monterey Road and bound by Main Avenue to the north, Butterfield Boulevard to the east, Dunne Avenue to the south, and Del Monte Avenue to the east. The Vision Statement of the Downtown Specific Plan is: "Strengthening Downtown as the gathering place, a connecting force, the social and activity heart of Morgan Hill, is the overriding aspiration of the Plan - a place where residents from all segments of the community can live, work, meet, shop, dine and participate in public celebrations, and share in the richness of Morgan Hill's community life..."

Since the project is located within the Downtown Specific Plan, the listed permitted and conditionally permitted uses within the Specific Plan supersede the Morgan Hill Zoning Ordinance. The plan lists restaurants with a full-service bar as a conditionally permitted use.

Prior to approval of a conditional use permit, the municipal code requires the Planning Commission to make the following findings:

Zoning Code Conditional Use Permit Findings (Section 18.108.030(E))

1. The proposed use is allowed in the applicable district.
The use is listed as a conditionally permitted use within the Commercial Business District.

2. The proposed use is consistent with the General Plan, Zoning Code, and any applicable Specific Plan or Area Plan adopted by Council.
The use at the proposed location is a conditionally permitted use that would support the new art gallery and restaurant and therefore is consistent with the General Plan, Zoning Coded, and Downtown Specific Plan.

3. The site is suitable and adequate for the proposed use.
The art gallery always included a restaurant that would allow for events and guests to roam around and enjoy artwork while they enjoying food and beverages.

4. The location, size, design, and operating characteristics of the proposed use will be compatible

with the existing and future land uses in the vicinity of the property.
The proposed restaurant is within the Downtown, which is the priority district for dining and entertainment and will add to the variety of available dining options and provide a unique experience.

5. The proposed use will not be detrimental to the public health, safety, and welfare.
As conditioned and as regulated by state and local laws, operation of the business would not adversely affect peace, health, safety, or welfare of persons residing or working in surrounding areas.

6. The proposed use would not have a substantial adverse effect in traffic circulation and on the planned capacity of the street system.
Review was completed as part of the design permit for the new restaurant and art gallery building that analyzed the project for potential circulation and traffic impacts and properly mitigated any effects on transportation facilities through impact fees.

7. The proposed use is properly located within the City and adequately serviced by the existing or planned services and infrastructure.
The proposed use is located within the city limits and utilities, such as gas, water, sewer, and electricity, and public services are available at the site and are adequately sized to support the use at the proposed location.

CONCLUSION:
The proposed uses in the context of the new art gallery with restaurant provide a unique way to dine and enjoy artwork within the Downtown and are consistent with the General Plan, Specific Plan, and Use Permit findings.

CEQA (California Environmental Quality Act):
Categorical Exemption
The proposed restaurant with full-service bar is categorically exempt from environmental review under Section 15301 of the California Environmental Quality Act (CEQA) Guidelines for existing facilities.

Previously, an environmental assessment was prepared for the project during the Design Permit phase for the new building in compliance CEQA. The project did not individually or cumulatively introduce new impacts that were not previously disclosed in the General Plan FEIR or the Downtown Specific Plan MEIR, nor did it result in a substantial increase in the magnitude of any significant environmental impacts previously identified. Therefore, pursuant to Sections 15177(b) and 15179(b) of CEQA Guidelines, the project was found consistent with the Downtown Spedfic Plan Master EIR.

COMMUNITY ENGAGEMENT:
The proposed project was publicly noticed (mailing to property owners within 300-feet of the project and newspaper legal noticing) for the minimum 10-day period and a sign has been posted at the proposed business location per the Planning Division requirements.

ATTACHMENTS:
1. Planning Commission Resolution Edes Gallery
2. Edes Gallery and Cura Vera Restaurant Plans
3. CUP Letter of Request
4. Cura Vera Menu

RESOLUTION NO. 24-06

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL APPROVING A CONDITIONAL USE PERMIT (UP2024-0002), TO ALLOW THE FULL SERVICE OF ALCOHOLIC BEVERAGES (TYPE 47) IN CONJUNCTION WITH A RESTAURANT LOCATED AT 17395 MONTEREY ROAD (APN: 767-07-047)

WHEREAS, on March 13, 2024, an application was submitted by Daniel McCranie on behalf of DJT Enterprises LLC. for the request of a conditional use permit to allow the full service of alcoholic beverages within the 7,200 square foot building known as Edes Art Gallery and Cura Vera Restaurant; and

WHEREAS, such a request was considered by the Planning Commission at its regular meeting of May 14, 2024; and

WHEREAS, pursuant to the Morgan Hill Municipal Code Section 18.136.050.A, the Director of Development Services determined the project exempt from the California Environmental Quality Act (CEQA) as it is a minor modification to an existing facility. (Guidelines Section 15301); and

WHEREAS, testimony was received at the duly noticed public hearing, along with exhibits and drawings and other materials on May 14, 2024;

WHEREAS, the City of Morgan Hill is the lead agency on the Project, and the Planning Commission is the decision-making body for the proposed Project.

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

SECTION 1. The Project approved pursuant hereto is exempt from the California Environmental Quality Act (CEQA) on the basis that it meets the criteria for the Existing Facilities Exemption (Guidelines Section 15301).

SECTION 2. The approved Conditional Use Permit has been found consistent with the Findings of approval contained in Section 18.108.030 of the Zoning Code and hereby adopted:

a. The proposed use is allowed in the applicable District.

The zoning designation for the site is Commercial Business District with Ground floor Retail Overlay. Restaurants with full service bar are listed as a conditionally permitted use.

b. The proposed use is consistent with the General Plan, Zoning Code, and any applicable Specific Plan or Area Plan adopted by Council.

The use at the proposed location is consistent with but not limited to General Plan Polices CNF-14.1, CNF-14.3, CNF-15.1, and ED-5.4, and is listed as a conditionally permitted use that would support the new art gallery and restaurant.

c. The site is suitable and adequate for the proposed use.

   The art gallery vision always included a restaurant that would provide a unique venue that allows for guest to host or visit the gallery while enjoying food and beverage as guests walk around the gallery. There is also formal dining area for guest that prefer it.

d. The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and future land uses in the vicinity of the property.

   The proposed restaurant is within the Downtown, which is the priority district for dining and entertainment and will add to the variety of available dining options and provide a unique experience.

e. The proposed use will not be detrimental to the public health, safety, and welfare.

   As conditioned and regulated by the state and local laws, operation of the business would not adversely affect peace, health, safety, or welfare of persons residing or working in surrounding areas.

f. The proposed use would not have a substantial adverse effect in traffic circulation and on the planned capacity of the street system.

   Review was completed as part of the design permit for the new restaurant and art gallery building that analyzed the project for potential circulation and traffic impacts and properly mitigated any effects on transportation facilities through impact fees at that time.

g. The proposed use is properly located within the City and adequately serviced by the existing or planned services and infrastructure.

   The proposed use is located within the city limits and utilities, such as gas, water, sewer, and electricity, and public services are available at the site and are adequately sized to support the use at the proposed location.

SECTION 3. The California Department of Alcohol Beverage Control (ABC) has stated that the subject census tract has an overconcentration of liquor licenses,

and a determination of Public Convenience or necessity finding is required from the ABC prior to the issuance of the Type 47 license. While this finding is determined by ABC alone, the Planning Commission has reviewed the permit request and determined that the allowance for alcohol sales is typical of most restaurants in Downtown that operate with a Type 47 license and will be consistent with the City's General Plan Goals by providing thriving restaurants that meet local resident's needs and attract tourists.

SECTION 4. The Planning Commission hereby approves the Conditional Use Permit subject to the conditions set forth in Exhibit A attached hereto and incorporated herein this reference. Any expansion, intensification, or changes to the use approved under this conditional use permit deemed major by the Development Services Director shall be permitted only upon amendment of this Conditional Use Permit or approval of a separate Conditional Use Permit application.

PASSED AND ADOPTED THIS 14th DAY OF MAY 2024, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST: **APPROVED:**

_____ _____

JENNA LUNA, Deputy City Clerk **WAYNE TANDA, Chair**

EXHIBIT "A"
STANDARD CONDITIONS

APPLICATION NO: UP2023-0004

THE FOLLOWING APPROVAL REQUIREMENTS AND ANY SPECIAL CONDITIONS SHALL BE APPLIED THROUGH THE DEVELOPMENT APPROVAL PROCESS.

Legend
MHMC= Morgan Hill Municipal Code
MHARH= Morgan Hill Architectural Review Handbook
CMH= City of Morgan Hill
CFC= California Fire Code

I. PROJECT DESCRIPTION

A Conditional Use Permit to allow the onsite sale of all types of alcoholic beverages with associated “Bona Fide Eating Place” (restaurant) consistent with the Type 47 ABC license.

II. PROJECT CONDITIONS OF APPROVAL

It shall be the responsibility of the Owner to ensure that any changes or modifications to the Project is in compliance with the original City Conditions of Approval of the Project, which are hereby incorporated herein as set forth in full.

PLANNING DIVISION

A. **Conditional Use Permit.** This Conditional Use Permit approval is limited to the Project Description above and the plan set on file (UP2024-0002) with the Development Services Department. Any expansion, intensification, or changes to the uses approved under this Conditional Use Permit shall be permitted only upon amendment of this Conditional Use Permit or approval of a separate Conditional Use Permit.

B. **Time Limits:** The conditional use permit approval granted pursuant to this Resolution shall remain in effect for two years from approval date. Failure to exercise this use within this term shall result in termination of approval unless an extension of time is granted with a showing of just cause prior to the expiration date. **(MHMC 18.108.040 and 18.104.210).**

C. **Defense and Indemnity.** As part of, and in connection, with this application to the City of Morgan Hill, Applicant agrees to defend, indemnify, and hold harmless the City of Morgan Hill, its officers, agents, employees, officials and representatives (Indemnitees) from and against any and all claims, actions, or proceedings arising

from any suit for damages or for equitable or injunctive relief which is filed against City to attack, set aside, void or annul its approval of this application or any related decision, or the adoption of any environmental documents which relates to said approval. The City shall promptly notify the Applicant of any such claim, action or proceeding and the City shall cooperate fully in the defense thereof. In the event that Applicant is required to defend Indemnitees in connection with the proceeding, Indemnitees shall retain the right to approve (a) the counsel to so defend Indemnitees; (b) all significant decisions concerning the manner in which the defense is conducted; and (c) any and all settlements, which approval shall not be unreasonably withheld. This indemnification shall include but is not limited to, (a) all pre-tender litigation costs incurred on behalf of the City, including City's attorney's fees and all other litigation costs and expenses, including expert witnesses, required to defend against any lawsuit brought as a result of City's approval or approvals; (b) reasonable internal City administrative costs, including but not limited to staff time and expense spent on the litigation, after tender is accepted; and (c) all damages, costs, expenses, attorney fees or expert witness fees that may be awarded to the prevailing party arising out of or in connection with the approval of the application or related decision. City may, in its sole discretion, participate in the defense of such action; but such participation shall not relieve Applicant of its obligations under this condition.

BUILDING DIVISION

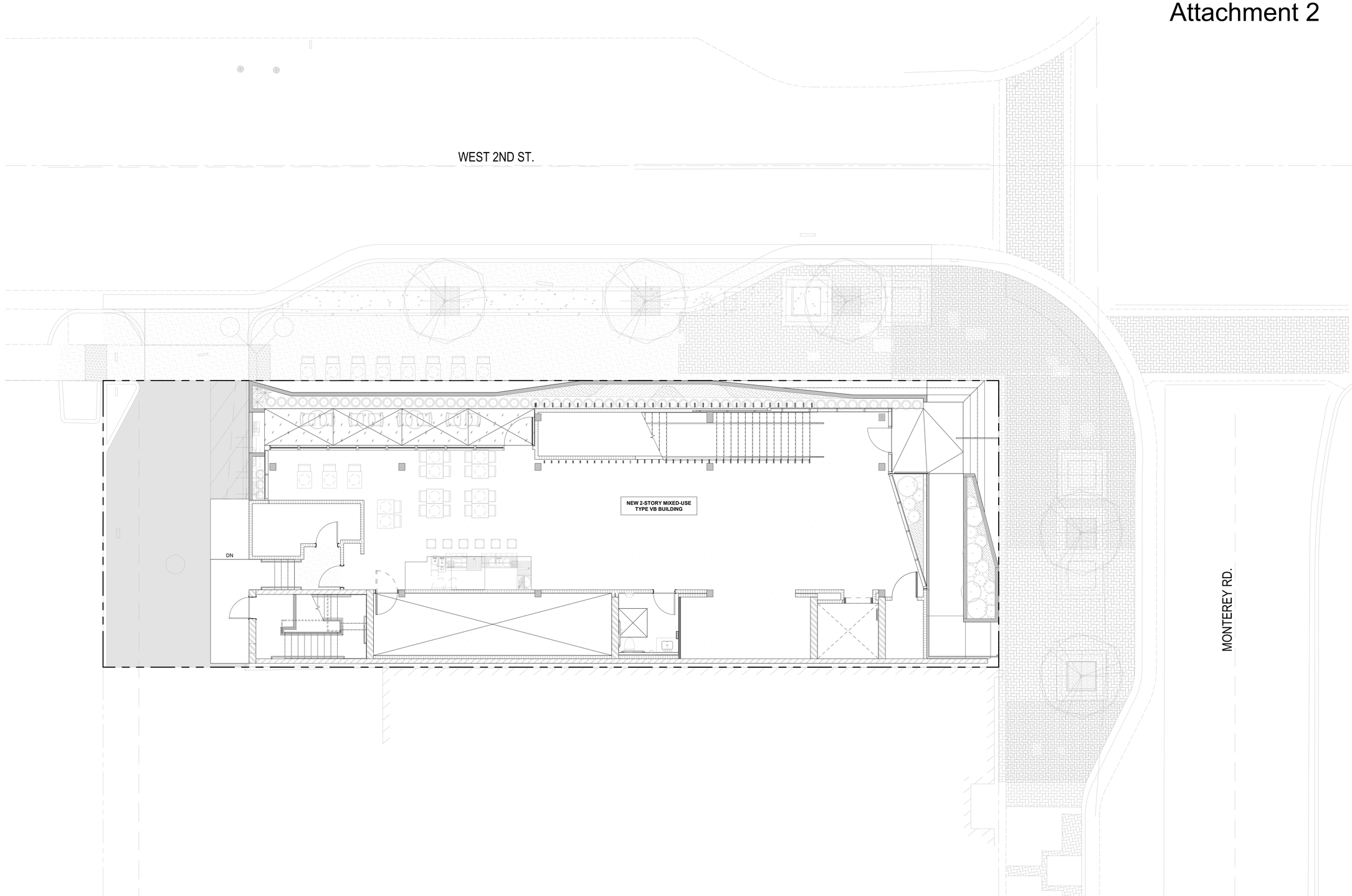
A. The following items need to be incorporated into the design and will be verified at Building Permit application plan review:

1. Project shall be designed to comply with the current edition of the California Codes of Regulations as amended by the Morgan Hill Municipal Code Title 15.

2. A separate submittal, fee and permit is required to Santa Clara County Environmental Health for food preparation.

POLICE DEPARTMENT

A. Entertainment as defined in Section 5.28 of the Morgan Hill Municipal Code may not be conducted unless an Entertainment Permit is approved by the Police Department.



ktgy

433 S. Spring St.
Suite 750
Los Angeles, CA 90013
ktgy.com
310.394.2625

KTGY Project No: 20200867

Project Contact: Jose Castillo-Zeng
Email: jcastillo@ktgy.com

Principal: Ryan Flautz
Project Designer: Mark Oberholzer

Developer

Dan McCranie
Golden Quail, LLC
1750 Vista Del Sur Gilroy, CA. 95020
PHONE NO. 408.930.2048
FAX NO.

EDES GALLERY

17395 Monterey Rd.
Morgan Hill, CA. 95037

No.	Date	Description

It is the clients responsibility prior to or during construction to notify the architect in writing of any perceived errors or omissions in the plans and specifications of which a contractor thoroughly knowledgeable with the building codes and methods of construction should reasonably be aware. Written instructions addressing such perceived errors or omissions shall be received from the architect prior to the client or clients subcontractors proceeding with the work. The client will be responsible for any defects in construction if these procedures are not followed.

LEVEL 1 PLAN

LEVEL 01 - COMPOSITE FLOOR PLAN_ID | SCALE: 3/16" = 1'-0" | 1

A201-ID

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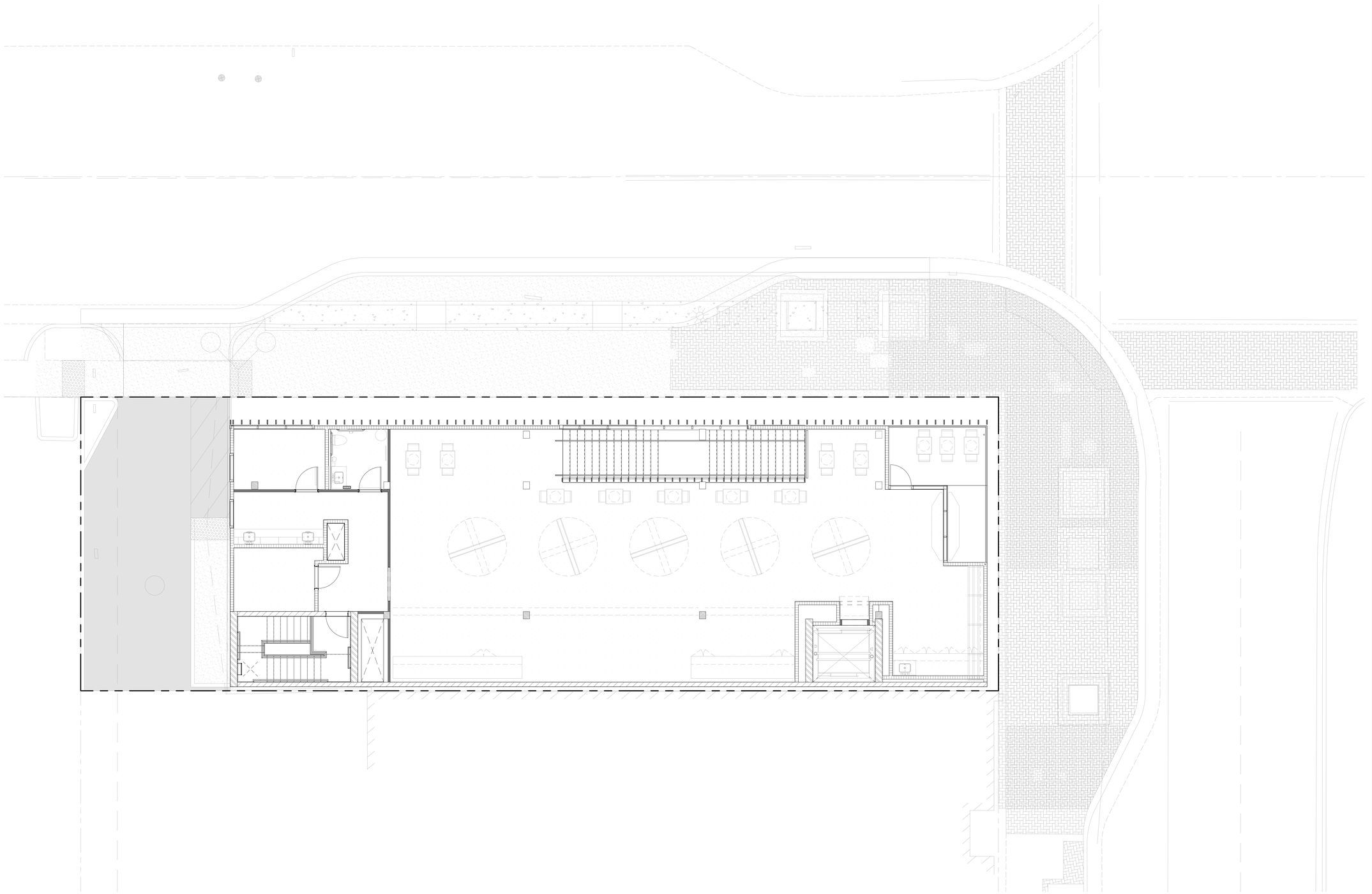

ktgy

433 S. Spring St.
Suite 750
Los Angeles, CA 90013
ktgy.com
310.394.2625

KTGY Project No: 20200867

Project Contact: Jose Castillo-Zeng
Email: jcastillo@ktgy.com

Principal: Ryan Flautz
Project Designer: Mark Oberholzer

Developer

Dan McCranie
Golden Quail, LLC
1750 Vista Del Sur Gilroy, CA. 95020
PHONE NO. 408.930.2048
FAX NO.

EDES GALLERY

17395 Monterey Rd.
Morgan Hill, CA. 95037

No.	Date	Description

It is the clients responsibility prior to or during construction to notify the architect in writing of any perceived errors or omissions in the plans and specifications of which a contractor thoroughly knowledgeable with the building codes and methods of construction should reasonably be aware. Written instructions addressing such perceived errors or omissions shall be received from the architect prior to the client or clients subcontractors proceeding with the work. The client will be responsible for any defects in construction if these procedures are not followed.

LEVEL 2 PLAN

LEVEL 02 - COMPOSITE FLOOR PLAN_ID | SCALE: 3/16" = 1'-0" | 1

A202-ID

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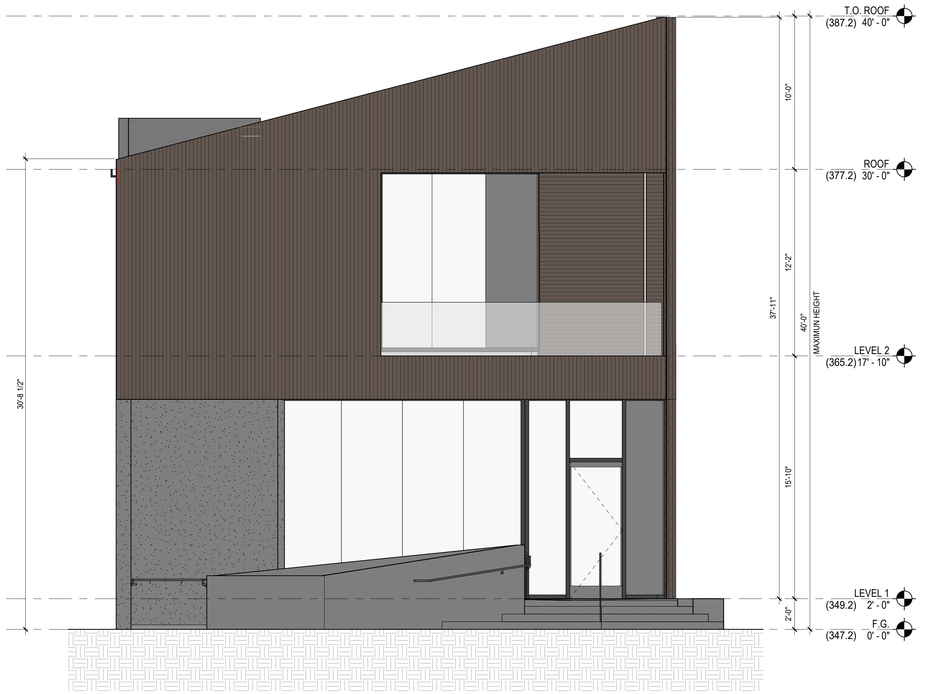
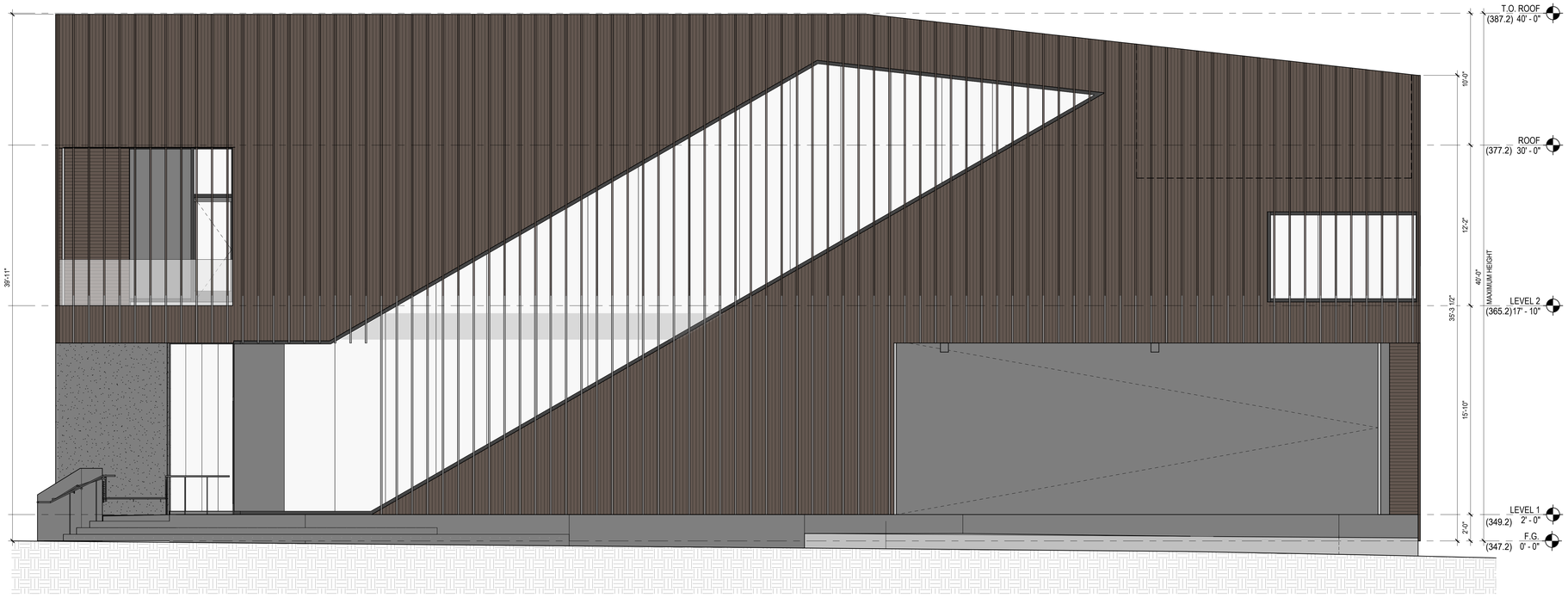


EAST EXTERIOR ELEVATION | SCALE: 1/4" = 1'-0" | 2



NORTH EXTERIOR ELEVATION | SCALE: 1/4" = 1'-0" | 1

ELEVATION KEYNOTES

01	SHOU SUGI BAN WOOD SIDING - FIR CARBON T&G 3/4" x 5"
02	DOUGLAS FIR SIDING - SAND FINISH, D SELECT VERTICAL GRAIN T&G 3" FACE
03	WOOD BATTENS
04	CMU WALL WITH STUCCO W/ SMOOTH TROWEL FINISH - OMEGA 1C120 SHARK GREY
05	CONCRETE PLANTERS
06	CABLE RAILING, 42" A.F.F. TO TOP OF RAIL
07	STOREFRONT SYSTEM WITH BUTT-JOINT ALUMINUM MULLIONS, REFER TO SCHEDULE ON SHEET A802
08	SKYLIGHT
09	CLT 5-PLY PANELS WITH ACOUSTICAL TOPPING AND FINISH LAYER TBD.
10	HAND RAIL
11	MECHANICAL WELL
12	SOLAR PANEL AREA, REFER TO ROOF PLAN
13	ROOF PARAPET, SHOU SUGI BAN EXTERIOR AND TPO INTERIOR
14	CLT PANELS WITH TAPERED INSULATION AND TPO
15	BUILDING SIGNAGE, TO BE DETERMINED
16	EXPOSED CMU TO FOLLOW THE PROFILE OF ADJACENT PROPERTY
17	GLULAM BEAMS, REFER TO STRUCTURAL
18	16"x8" INSULATED FLOOD VENT, INSTALLED 1 FOOT MAXIMUM ABOVE GRADE.
19	DROPPED SOFFIT
20	BOLLARD
21	CLT TREADS WITH METAL RISERS
22	CONCRETE FLOOR
23	CLT 5-PLY WITH PEDESTAL PAVERS
24	ROOF GUARDRAIL
25	ALUMINUM FOLDING DOORS
26	WOOD SLATS AND STEEL CABLES, SEE STAIR DETAILS, A951
27	BACKFLOW PREVENTERS (REFER TO CIVIL AND PLUMBING)
28	EXTERIOR LIGHT FIXTURE (REFER TO ELECTRICAL)
29	6" CONC SITE WALL WITH STUCCO W/ SMOOTH TROWEL FINISH - OMEGA 1C120 SHARK GREY. REFER TO STRUCTURAL
30	WINDOW WALL SYSTEM WITH BUTT-JOINT ALUMINUM MULLIONS, REFER TO SCHEDULE ON SHEET A802
31	CURTAIN WALL SYSTEM WITH BUTT-JOINT ALUMINUM MULLIONS, REFER TO SCHEDULE ON SHEET A802
32	CONCRETE STAIRS - COLOR TO MATCH OMEGA 1C120 SHARK GREY
33	CONCRETE CURB - COLOR TO MATCH OMEGA 1C120 SHARK GREY

GENERAL ELEVATION NOTES

1. BUILDING ADDRESS SIGNAGE SHALL CONTRAST WITH ITS BACKGROUND.
2. PAINT METAL REVEALS, CONTROL JOINTS, PARAPET COPING AND OTHER EXPOSED FLASHINGS TO MATCH COLOR OF ADJACENT PLASTER WALLS.
3. PROVIDE FLASHING FOR ALL ITEMS PENETRATING EXTERIOR WALL CONSTRUCTION SUCH AS WINDOWS, DOORS, MECHANICAL VENTS, ELECTRICAL BOXES, ETC. USE "QUICKFLASH" FLASHING PANELS WHEREVER POSSIBLE.
4. VERIFY ALL FINISH FLOOR ELEVATIONS WITH CIVIL PLANS.
5. CONFIRM ALL FINISH COLORS WITH ARCHITECT.
6. COLORS AND FINISH MATERIALS INDICATE APPROXIMATE COLOR AND MATERIAL RANGE. THE CONTRACTOR WILL PROVIDE FIELD MOCK-UPS IN THE QUANTITIES INDICATED OF THE ACTUAL FINISH MATERIALS IN THE TEXTURE, COLOR AND /OR SERIES SPECIFIED. CLIENT AND ARCHITECT WILL REVIEW, COMMENT AND/ OR APPROVE MOCK-UPS PRIOR TO INSTALLATION OF MATERIAL ON BUILDINGS.
7. ALL COLORS AND MATERIAL CHANGES TO OCCUR AT INSIDE CORNERS, TYPICAL UNO.

ELEVATION LEGEND

S01
STOREFRONT NUMBERING TAG
REFER TO SHEET A802
STOREFRONT NUMBER (0,1,...)
STOREFRONT

ktgy
433 S. Spring St.
Suite 750
Los Angeles, CA 90013
ktgy.com
310.394.2625

KTGY Project No: 20200867

Project Contact: Jose Castillo-Zeng
Email: jcastillo@ktgy.com

Principal: Ryan Flautz
Project Designer: Mark Oberholzer

Developer

Dan McCranie
Golden Quail, LLC
1750 Vista Del Sur Gilroy, CA. 95020
PHONE NO. 408.930.2048
FAX NO.

EDES GALLERY

17395 Monterey Rd.
Morgan Hill, CA. 95037

No.	Date	Description
4	06/28/2021	1ST BUILDING SUBMITTAL
A	11/30/2021	2ND BUILDING SUBMITTAL
B	3/18/2022	3RD BUILDING SUBMITTAL
	11/09/2022	ISSUE FOR CONSTRUCTION
C	05/19/2023	BULLETIN 1
RFI 182	3/12/2024	RFI 182
RFI 171	4/22/2024	RFI 171

It is the clients responsibility prior to or during construction to notify the architect in writing of any perceived errors or omissions in the plans and specifications of which a contractor thoroughly knowledgeable with the building codes and methods of construction should reasonably be aware. Written instructions addressing such perceived errors or omissions shall be received from the architect prior to the client or clients subcontractors proceeding with the work. The client will be responsible for any defects in construction if these procedures are not followed.

EXTERIOR ELEVATIONS

A301

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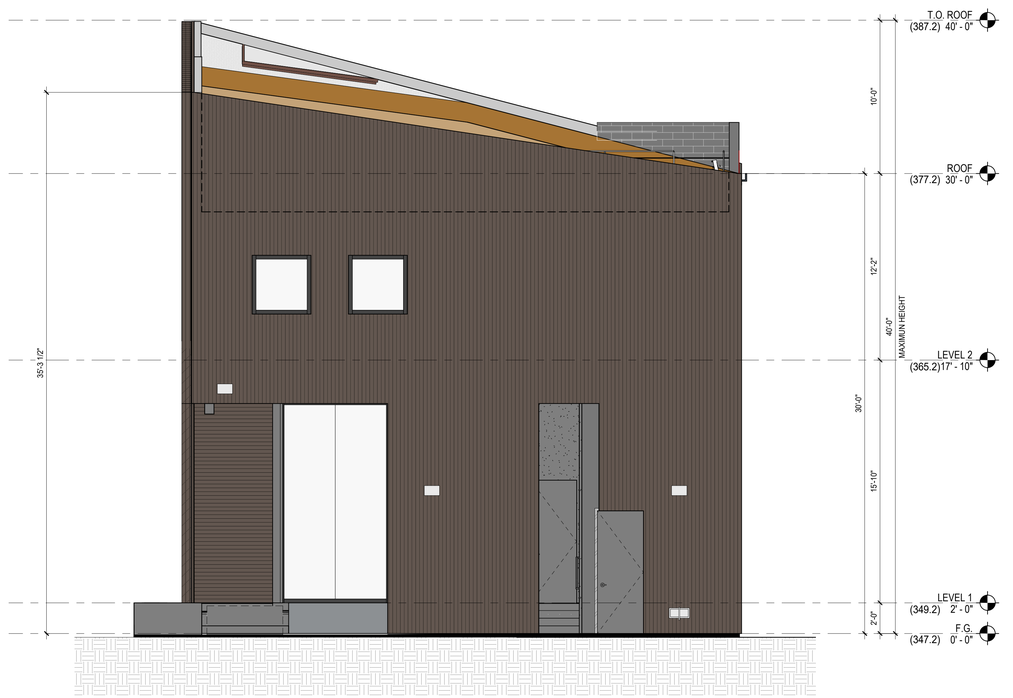
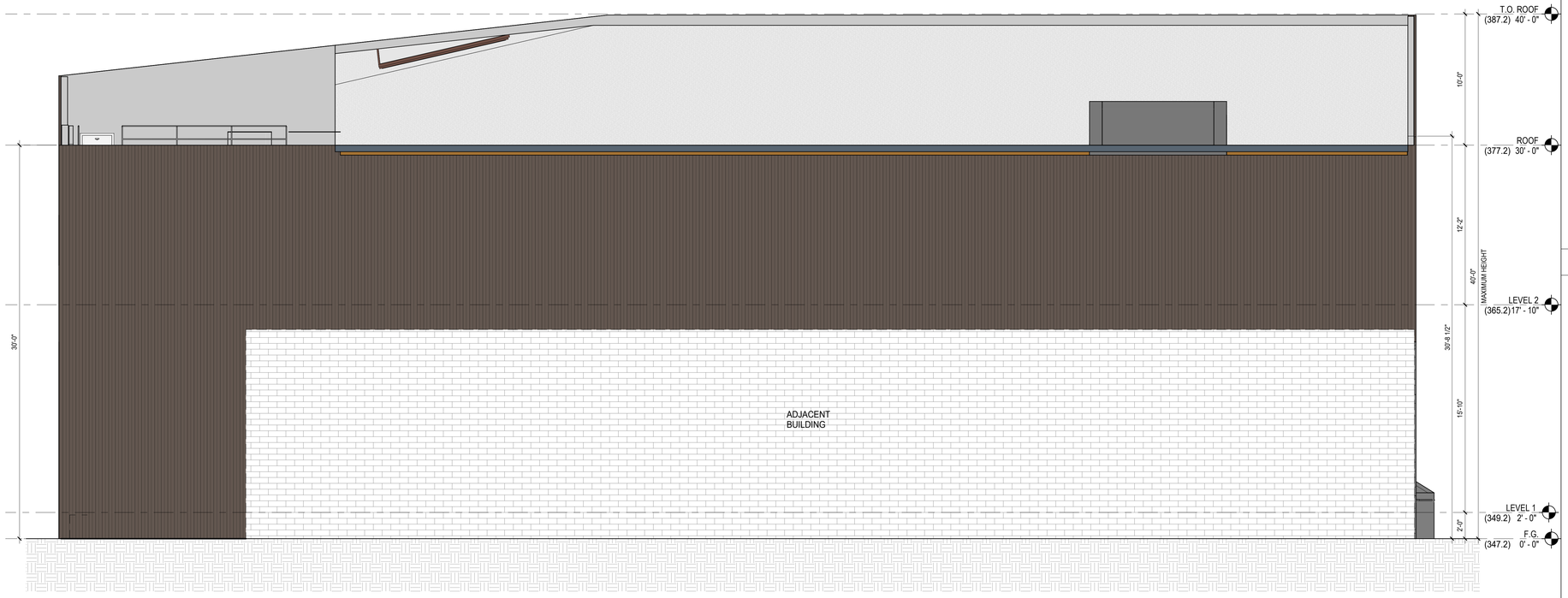


WEST EXTERIOR ELEVATION | SCALE: 1/4" = 1'-0" | 2



SOUTH EXTERIOR ELEVATION | SCALE: 1/4" = 1'-0" | 1

ELEVATION KEYNOTES

01	SHOU SUGI BAN WOOD SIDING - FIR CARBON T&G 3/4" x 5"
02	DOUGLAS FIR SIDING - SAND FINISH, D SELECT VERTICAL GRAIN T&G 3" FACE
03	WOOD BATTENS
04	CMU WALL WITH STUCCO W/ SMOOTH TROWEL FINISH - OMEGA 1C120 SHARK GREY
05	CONCRETE PLANTERS
06	CABLE RAILING, 42" A.F.F. TO TOP OF RAIL
07	STOREFRONT SYSTEM WITH BUTT-JOINT ALUMINUM MULLIONS, REFER TO SCHEDULE ON SHEET A802
08	SKYLIGHT
09	CLT 5-PLY PANELS WITH ACOUSTICAL TOPPING AND FINISH LAYER TBD.
10	HAND RAIL
11	MECHANICAL WELL
12	SOLAR PANEL AREA, REFER TO ROOF PLAN
13	ROOF PARAPET, SHOU SUGI BAN EXTERIOR AND TPO INTERIOR
14	CLT PANELS WITH TAPERED INSULATION AND TPO
15	BUILDING SIGNAGE, TO BE DETERMINED
16	EXPOSED CMU TO FOLLOW THE PROFILE OF ADJACENT PROPERTY
17	GLULAM BEAMS, REFER TO STRUCTURAL
18	16"x8" INSULATED FLOOD VENT, INSTALLED 1 FOOT MAXIMUM ABOVE GRADE.
19	DROPPED SOFFIT
20	BOLLARD
21	CLT TREADS WITH METAL RISERS
22	CONCRETE FLOOR
23	CLT 5-PLY WITH PEDESTAL PAVERS
24	ROOF GUARDRAIL
25	ALUMINUM FOLDING DOORS
26	WOOD SLATS AND STEEL CABLES, SEE STAIR DETAILS, A951
27	BACKFLOW PREVENTERS (REFER TO CIVIL AND PLUMBING)
28	EXTERIOR LIGHT FIXTURE (REFER TO ELECTRICAL)
29	6" CONC SITE WALL WITH STUCCO W/ SMOOTH TROWEL FINISH - OMEGA 1C120 SHARK GREY. REFER TO STRUCTURAL
30	WINDOW WALL SYSTEM WITH BUTT-JOINT ALUMINUM MULLIONS, REFER TO SCHEDULE ON SHEET A802
31	CURTAIN WALL SYSTEM WITH BUTT-JOINT ALUMINUM MULLIONS, REFER TO SCHEDULE ON SHEET A802
32	CONCRETE STAIRS - COLOR TO MATCH OMEGA 1C120 SHARK GREY
33	CONCRETE CURB - COLOR TO MATCH OMEGA 1C120 SHARK GREY

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C	05/19/2023	BULLETIN 1
RFI 60	10/25/2022	RFI 60
RFI 171	4/22/2024	RFI 171

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EXTERIOR
ELEVATIONS

A302

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J.Daniel McCranie

Letter of Request – CUP for 17395 Monterey Rd. Morgan Hill, CA

408-930-2048	dan@mccranie.biz	DJT Enterprises LLC DBA Cura Véra

To: City Planning Division

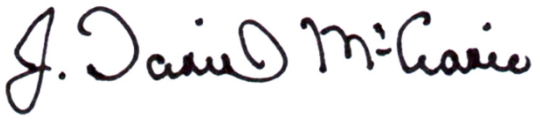
I, Daniel McCranie, Business Owner and Property Owner for the new construction at 17395 Monterey Rd. in Morgan Hill, am requesting a Conditional Use Permit to allow me to acquire a type 47 Liquor License. I have responsibly held a Type 47 Liquor License for the last 13 years at my other business, Ladera Grill in Morgan Hill.

Cura Véra, the business requesting the type 47 license, is a 7200 square foot, two-story building. Cura Véra will be a full-service restaurant and fine art gallery. The menu will focus on fresh seafood, including an extensive oyster program. Not only will you be surrounded by fine visual art, you will get to indulge in culinary art prepared by our artistic culinary team, led by our talented Chef.

The business will attract a calm and respectful crowd who will be responsibly served by our highly trained staff. Cura Véra's business hours will be from 10am to 9pm daily. Guests are expected to spend an hour or two during their visit. We expect approximately 50-100 guests in a day. We will not allow, nor attract a wild or rowdy crowd. There is no known negative impact to the area surrounding us.

In the following outlined pages, you will find all the required documents needed for the Conditional Use Permit as listed in the Application Submittal Checklist.

Thank you for your consideration,



J.Daniel McCranie

OPEN
EVERYDAY
10AM TO 9PM

EST 2024

VÉRA

RAW BAR

Bodega Bay Oysters
Bodega Sweets
Miyagi
Kumamoto
Olympia
French Belon

Small Plates
Kampachi Crudo
Halibut Ceviche
Chilled Jumbo Prawns
Salmon Tartar

SHAREABLES

Calamari Strips
Breaded, pan-fried Calamari Steak, served with a lemon butter capers sauce

Hog Island Mussels
Mediterranean Blue Mussels steamed in a coconut broth, lemongrass, chili, and served with fresh Manresa bread

Grazing Board
Assorted cheeses and cured meats, grapes, honeycomb, cured olives, cornichons, whole grain mustard, toast points

Lobster Roll
Fresh Maine lobster meat, mayo, lemon, butter, chives, fresh brioche bun

Fogline Farms Half Chicken
Herbed half chicken, brown butter sauce

Roasted Beef Tenderloin
Oven roasted prime beef tenderloin, cabernet reduction, horseradish cream

BEVERAGES

Italian Soda
Tea (Hot or Iced)
Cola (Diet or Reg)
Seasonal Mocktail
Roy Rodgers
Hanks Soda

SIDES

Roasted Artichoke
Roasted Asparagus
Blistered Shisito Peppers
Potato Wedges
Far West Funghi Mushroom Risotto

408-201-9200
17395 Monterey Rd. Morgan Hill, CA 95037
www.verarestaurant.com

CITY OF MORGAN HILL

PLANNING COMMISSION STAFF REPORT
MEETING DATE: May 14, 2024

PREPARED BY:
Chris Ghione, Public Services Director
APPROVED BY: Jennifer Carman

TRANSPORTATION MASTER PLAN UPDATE AND REVIEW OF DRAFT GOALS

RECOMMENDATION(S)
Accept presentation by Staff regarding the City's Transportation Master Plan Update and review, discuss, and provide feedback on draft Transportation Master Plan goals.

LOCATION MAP/PROJECT INFORMATION:
Citywide

BACKGROUND:
In June 2023, the City contracted with Hexagon Transportation Consultants for creation of the City's first comprehensive Transportation Master Plan. The Plan is intended to provide numerous components, including traffic counts, future traffic modeling, updated speed survey to set speed limits, review of existing transportation infrastructure, specific review and analysis of bike and pedestrian infrastructure, development of transportation priorities for the City, creation of a capital improvement program, and numerous other components.

PROJECT DESCRIPTION:
The purpose of this item is to provide the Commission with an opportunity to receive an update on the Plan and provide input and direction on the multiple components of the Plan. These components include:

- Provide general input the Commission is receiving from residents on the Plan
- Provide specific direction and input on the Draft Goals and Strategies (Attachment 1)
- Provide specific direction and input on the Prioritization Criteria (Attachment 2)

The initial months of the process to develop the Plan were used to gather existing data, collect current condition data, and engage with the community to understand community priorities. Known issues the Plan will review and address include: Traffic Congestion & Speeding, Regional Cut-Through Traffic, Biking & Walking Safety, Closing of Pedestrian and Bikeways Gaps, Identifying Transit Needs and Gaps, Prioritize Multi-Modal Inter-City Travel, and Alignment of City Transportation Policies (LOS/VMT/Multi-Modal Travel). Additionally, through engagement with residents, stakeholders, staff, commissions and the Council additional priorities are being established. Significant detailed data/information is available on the project website at: www.morganhill.ca.gov/2423/Transportation-Master-Plan-Update. This data/information includes:

- All presentations, meeting notes, handouts from Stakeholder Group Meetings
- The Transportation Demand Forecasting Model Update
- Level of Service Analysis, Policy and Congestion Research
- Cut Through Traffic Destination Study
- Community Survey Results

- Data on Intersection and Roadway Traffic Counts

Goals and Strategies

Based on the purpose of the Plan and best practices in transportation planning combined with analysis of the City's existing data and community concerns expressed through the process, so far, draft strategies and goals have been developed for the Commission's review and input. Through work with the stakeholders group and receipt of community feedback. In addition to concern about improving roadway congestion, significant community concern related to pedestrian & bicycle safety, speeding/collisions, regional cut-through traffic, and gaps in the system exist within the community. While analysis performed as part of the Plan shows that Morgan Hill is safe in comparison to the State and other local jurisdictions, community concern highlights the need to work to address these issues further. The goals and strategies outlined in Attachment 1 are intended to provide the basis for future work in this area. Feedback from the Commission is desired on the draft Goals and Strategies.

PROJECT ANALYSIS AND FINDINGS:

Improvement and Strategy Prioritization

Knowing that the City has limited resources to address the overall needs of the City, prioritization is required in all areas. The City has historically operated with a lean team managing transportation and traffic for the City, which requires clear priorities to efficiently operate and provide service to the community. To support the Council, Commission and staff in future decision-making, the development of criteria for transportation projects and strategies is proposed as part of the Plan. The draft criteria outlined in Attachment 2 related to transportation safety, gaps, and operations have been developed to assist in prioritizing future improvements & strategies. Feedback from the Commission is desired on the draft criteria.

CONCLUSION:

This item is intended to provide an opportunity for the Commission to provide feedback on Plan development.

CEQA (California Environmental Quality Act):

Not a Project

Continuing administrative activities and feasibility or planning studies for possible future actions that the agency has not approved, adopted, or funded are not considered projects for environmental review under CEQA. Use of consultant to develop planning documents for environmental review will be required in the future for various areas of the Plan.

COMMUNITY ENGAGEMENT:

Robust community outreach and engagement for the Transportation Master Plan has been underway since summer 2023.

ATTACHMENTS:

1. Draft TMP Goals, Strategies Actions 5.6.2024
2. Evaluation Criteria - 4-22-2024

Draft TMP Goals, Strategies & Actions

Goal TMP-1: Safety. Eliminate traffic fatalities and reduce the number of non-fatal collisions for all modes within the City.

- ***Strategies & Actions TMP-1.1:*** Apply road design techniques that reduce excess speeding and accommodate the needs of all road users.
- ***Strategies & Actions TMP-1.2:*** Prioritize projects that are likely to reduce collisions along the City's High Injury Network.
- ***Strategies & Actions TMP-1.3:*** Apply strategies identified in *Vision Zero Morgan Hill*.
- ***Strategies & Actions TMP-1.4:*** Utilize grant funding for pedestrian, bicycle, and vehicle safety educational programming.
- ***Strategies & Actions TMP-1.5:*** Pursue grant funding to implement focused and effective speed reduction marketing campaigns in coordination with police department.
- ***Strategies & Actions TMP-1.6:*** Provide increasing levels of traffic enforcement through the Police Department.
- ***Strategies & Actions TMP-1.7:*** Decrease emergency response times through the implementation of technology.

Goal TMP-2: Increased Transportation Options – Provide a range of high-quality and comfortable bikeways, trails, pedestrian facilities, and local transit options to create a safe, connected, balanced, and convenient transportation system for all ages, abilities, and socioeconomic groups.

- ***Strategies & Actions TMP-2.1:*** Apply multimodal street design to create high-comfort and low-stress walking and biking facilities and accommodate other forms of micromobility (e.g., e-bikes).
- ***Strategies & Actions TMP-2.2:*** Create well-connected networks of bikeways and trails that allow for travel across the City of Morgan Hill.
- ***Strategies & Actions TMP-2.3****:* Improve connections between the local bicycle network and regional bicycle network.
- ***Strategies & Actions TMP-2.4:*** Identify and secure long-term funding for the VTA and/or the City to provide local transit service, including MoGo.
- ***Strategies & Actions TMP-2.5:*** Advocate for VTA to provide additional bicycle facilities and close network gaps in Morgan Hill's sphere of influence in the VTA Countywide Bike Plan.

Goal TMP-3: Access to Regional Transit Services and Local Destinations – Enhance access to regional transit services and local destinations like Downtown, schools, parks, and services through improved multimodal connections and local transit options that enable more trips to take place without relying on a private vehicle.

- ***Strategies & Actions TMP-3.1:*** Invest in complete sidewalks and frequent crossings in pedestrian priority zones.

- ***Strategies & Actions TMP-3.2:*** Improve first mile/last mile connections to the Morgan Hill Caltrain station and local bus stops.
- ***Strategies & Actions TMP-3.3:*** Prioritize pedestrian and bicycle improvements on roadways identified as ped/bike priority corridors.
- ***Strategies & Actions TMP-3.4:*** Improve access and safety to trailheads.
- ***Strategies & Actions TMP-3.5:*** Proactively encourage the use of non-auto modes of travel to local destinations and schools via community educational and marketing programs.
  Strategies & Actions TMP-3.6: Complete school area safety assessments to identify pedestrian/bicycle safety improvements.

Goal TMP-4: Congestion Management – Reduce travel time and improve vehicular throughput on city streets by improving intersection and corridor operations, minimizing the extent of regional cut-through traffic, and encouraging mode shift.

- ***Strategies & Actions TMP-4.1:*** Identify and procure funding for increased congestion management resources and driver education within the City.
- ***Strategies & Actions TMP-4.2:*** Apply feasible physical intersection improvements or signal timing improvements and equipment upgrades to reduce delay along city streets.
- ***Strategies & Actions TMP-4.3:*** Implement traffic calming measures to discourage speeding and reduce cut-through traffic.
- ***Strategies & Actions TMP-4.4:*** Design vehicular access on all future roadways to minimize adverse traffic operations and conflicts with pedestrians and bicyclists.
- ***Strategies & Actions TMP-4.5:*** Ensure the design of all new streets planned as part of the General Plan network and that link new development to existing roadways include bike/ped facilities.
- ***Strategies & Actions TMP-4.6:*** Participate in regional TDM programs to reduce overall traffic volume by encouraging a shift in travel modes.
- ***Strategies & Actions TMP-4.7:*** Advocate and lead efforts for the expansion of toll/Express/HOV lanes on Highway 101 to reduce congestion management services.
- ***Strategies & Actions TMP-4.8:*** Implement VMT policies designed to reduce the number of vehicles on City roadways (including last mile transit service options such as MoGo).
- ***Strategies & Actions TMP-4.9:*** Advocate and identify opportunities to support increases in regional transit services, including regional bus service, rail service, and other.
- ***Strategies & Actions TMP-4.10:*** Coordinate with Santa Clara County on implementing roadway improvements within Morgan Hill's sphere of influence.

Morgan Hill Transportation Plan

CITY OF MORGAN HILL

PROJECT PRIORITIZATION & EVALUATION CRITERIA

Priorities		Evaluation Criteria	Applicable goals
#1 PRIORITY			
1	**Safety**	Located along the HIN or at intersections that have a collision history	Goal TMP-1: Safety
		Proposed measure is an identified effective safety countermeasure by FHWA	
		Includes pre-determined set of speed management/traffic calming techniques	
COMMUNITY CONSIDERATION			
2	**Pedestrian Safety, Comfort, and Connectivity**	Improves ped safety, comfort, and/or closes network gaps in ped priority zones	Goal TMP-1: Safety, Goal TMP-2: Increased Transportation Options, Goal TMP-4: Congestion Management
		Improves comfort and/or provides new connections across US 101	
		Includes ped friendly urban design and placemaking elements like landscaping, wayfinding, lighting along the public ROW	
3	**Bike Safety, Comfort, and Connectivity**	Improves and/or provides new bicycle facilities along bike/ped priority corridors	Goal TMP-1: Safety, Goal TMP-2: Increased Transportation Options, Goal TMP-4: Congestion Management
		Improves comfort and/or provides new connections across US 101	
		Improves connections between the local bicycle network and regional bicycle network	
		Accommodates other modes of micromobility (e.g. e-bikes)	
4	**Access to Key Destinations**	Location of the project is within 1/2 mile of an identified destination like a school, park, Downtown, or services	Goal TMP-1: Safety, Goal TMP-2: Increased Transportation Options, Goal TMP-3: Access to Regional Transit Services and Local Destinations, Goal TMP-4: Congestion Management
		Improves first mile/last mile connections to the Morgan Hill Caltrain station and local bus stops.	
		Improves access and safety to trailheads	
5	**Vehicle Operations**	Reduces travel time and improves vehicle throughput along City streets for inner city trips	Goal TMP-4: Congestion Management
		Improves/adds street connections based on projected growth in the city (All new street connections will be designed with bike/ped facilities)	
		Encourages modeshift for the purpose of reducing VMT	
6	**Regional Cut-through Traffic**	Includes pre-determined set of traffic calming techniques that reduce regional cut-through traffic	Goal TMP-4: Congestion Management
		Signal timing adjustments on city arterials to discourage regional cut-through traffic	
7	**Equity**	Proximity to high levels of higher density housing/low-income housing	Goal TMP-2: Increased Transportation Options, Goal TMP-3: Access to Regional Transit Services and Local Destinations
ENGINEERING/STAFF CONSIDERATION			
8	**Consistency with other City Plans or Programs**	Project previously identified in local or regional plan	--
9	**Engineering Feasibility**	Project applies current design standards and design is feasible and constructible, i.e. it can be completed within existing curb lines or right of way	--
10	**Operational Cost**	On-going expenses for the project	--
11	**Funding**	City has an available funding source for the project	--
		Likelihood of receiving grant funding	
12	**Impact to Value Ratio**	Expected project costs will be weighed against project benefits	--
13	**Implementation**	Project is wholly City-led versus requiring developers to lead it or requiring coordination with County	--

CITY OF MORGAN HILL

PLANNING COMMISSION STAFF REPORT
MEETING DATE: May 14, 2024

PREPARED BY:
Chris Ghione, Public Services Director
APPROVED BY: Jennifer Carman

REVIEW FY 24/25 TO 29/30 DRAFT CAPITAL IMPROVEMENT PROGRAM FOR CONSISTENCY WITH THE GENERAL PLAN

RECOMMENDATION(S)

1. Receive report on proposed FY 24/25 through FY 29/30 Capital Improvement Program (CIP); and
2. Adopt Resolution accepting CIP and make a Finding of Consistency with the General Plan for FY 24/25 and FY 2025/26.

LOCATION MAP/PROJECT INFORMATION:
Citywide.

BACKGROUND:
The Public Services Department is preparing to submit the final draft of the FY 2024/25 through FY 2029/30 Capital Improvement Program (CIP) Budget to the City Council for adoption (Attachment 1). The Planning Commission's role in the CIP development process is to review the proposed six-year program and determine whether it is consistent with the General Plan.

PROJECT DESCRIPTION:
Planning Commission to review the six-year Capital Improvement Program and determine whether it is consistent with the General Plan. While it is recommended the Commission review the entire six-year budget, it is required that a resolution of consistency (Attachment 2) be adopted for FY 2022/23 and FY 2023/24.

PROJECT ANALYSIS AND FINDINGS:
The engineering team has prepared a detailed list of the CIP projects and the corresponding General Plan goal/policy (Attachment 3).

In determining projects for the proposed CIP, the following factors are considered:

- Projects must be consistent with the goals of the General Plan
- Projects included in an adopted Master Plan
- City Council priority
- Addressing a maintenance or deficiency issue
- Available revenues to pay for project
- Long term maintenance is considered
- Significant need expressed by the community

The engineering team will present the proposed six-year CIP to the Planning Commission at the

May 14, 2024 Planning Commission meeting. Comments received from the Planning Commission will be forwarded to the City Council as they consider the entire budget for adoption.

CONCLUSION:

It is recommended that the Planning Commission adopt the attached Resolution accepting the Fiscal Years 2024/25 through 2029/30 CIP and make a finding that the proposed Fiscal Years 2024/25 and 2029/30 CIP is consistent with the General Plan.

CEQA (California Environmental Quality Act):

Approving the Capital Improvement Program Budget is an administrative activity necessary to approve funding to appropriately plan for the environmental review of individual capital improvement projects. The proposed Capital Improvement Program is found to be exempt from the California Environmental Quality Act pursuant to Section 15262 of the CEQA Guidelines.

COMMUNITY ENGAGEMENT:

The Capital Improvement Program undergoes community engagement, including review by the Planning Commission and Parks and Recreation Commission. Overall community engagement for the CIP will be coordinated in conjunction with the approval of the City's Biannual Operating Budget. Workshops and outreach events are scheduled for the community prior to adoption by the City Council in June.

ATTACHMENTS:

1. FY2024-25 - FY2029-30 CIP
2. CIP Planning Commission Resolution FY2024/25 - FY2025/26
3. CIP General Plan Reference Table

2024-30
FISCAL YEARS

City of Morgan Hill

Recommended Capital Improvement Program Budget

Morgan Hill, California

morganhill.ca.gov/budget

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The Capital Improvement Program (CIP) is the primary tool that the City of Morgan Hill uses to plan for major capital projects and acquisitions. It identifies major capital needs over a multiyear forecast period and reflects the overall priorities of the City. The CIP focuses on large capital projects and acquisitions with extended useful lives that have significant impact on the health, safety, and vibrancy of the Community. Expenditures typically address one-time needs as opposed to the City's operations budget which addresses ongoing, year to year needs.

The City currently prepares a 2-Year operating budget and a 6-Year Capital Improvement Plan (CIP). The biennial budget consists of two separate budgets that the Council will consider for adoption. Prior to the conclusion of the first annual budget, the Council will be provided an update on revenue assumptions, and possible amendments to the second year annual budget. In conjunction with the biennial operations budget, the City Council also approves the first two years of the 6-Year CIP budget.

The CIP is intended to address the following multi-faceted infrastructure needs of the City:

- Parks and Recreation: Recreation centers, parks, open space, and community service amenities
- Public Facilities: Community, public safety, and civic facilities
- Storm Drainage: Inlet structures, pipelines, channels, and basins
- Streets & Roads: Roadways, sidewalks, ramps, street lights, traffic signals and signs
- Wastewater: Collection pipes, lift stations, and trunk lines
- Water: Wells, pipelines, storage tanks (also called reservoirs), and pumping stations

The 6-Year CIP is a long-term spending plan that requires forecasting the infrastructure needs for the City and forecasting the revenues required to fund those needs. Much of this forecasting is performed through Master Plans for specific City infrastructure. Morgan Hill has a limited number of funding sources for CIP projects, some steady and predictable, while others are dependent on outside agencies. For instance, the City receives monies annually from the State to help fund road repair projects. Also, a portion of the water and wastewater charges paid by residents and businesses go towards capital projects that keep the water and wastewater systems in good repair and functioning efficiently.

New development in Morgan Hill, be it residential homes or commercial and industrial buildings, is required to pay impact fees to the City for the impact the new development's presence will have on the City. These fees support the funding of new and future infrastructure that will be needed as the City grows. New development pays the following impact fees: parks, recreational facilities, public safety facilities, public facilities, library, drainage, streets, wastewater, and water. These impact fees can only be used to build new or expanded infrastructure and facilities and cannot be used for ongoing maintenance or operations. The City previously received funds through its Residential Development Control System (RDCS) voter-approved process. The collection of the RDCS funds has been eliminated through State legislation and the proposed CIP is significantly reduced from past years.

FY 2024-25 & FY 2025-26 CAPITAL IMPROVEMENT PROJECTS AND FUNDING

When the City Council adopts the 6-Year CIP, it approves the 6-year spending plan for all capital projects and appropriates funds for the first two fiscal years of that plan, in this case FY 2024-25 and FY 2025-26. These appropriations authorize City staff to spend the designated CIP funds on the approved projects in those fiscal years.

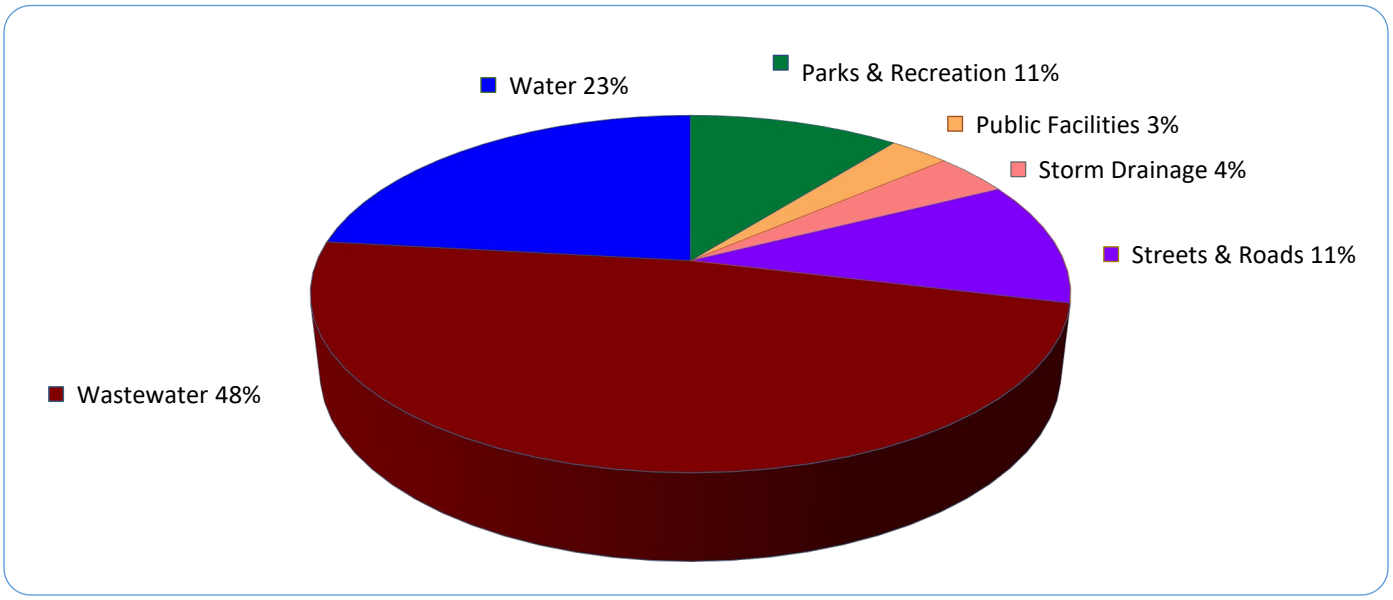
The recommended FY 2024-25 through FY 2020-30 CIP totals $271,182,836. The project categories include 1) Parks & Recreation ($34,135,491), 2) Public Facilities ($5,712,608), 3) Storm Drainage ($12,105,024), Streets & Roads ($41,974,060), 5) Wastewater ($111,147,404), and 6) Water ($66,108,249).

FY 2024-25 and FY 2025-26 of the 6-Year CIP are appropriated as part of the FY 2024-25 Biennial Budget approval process and they total $169,165,894.

Capital Improvement Program
FY 2024-25 and FY 2025-26 Budget by Project Category

Some of the project highlights include the following:

- Pavement Rehabilitation Program ($11 million): Ongoing program to address the City's pavement rehabilitation needs, including $4 million in competitive grant funding to improve Monterey Road from Cochrane to the southern City limits.
- Butterfield Park ($4 million): Funding for construction of the first phase of the Butterfield Park located at Monterey Road and Butterfield Boulevard.
- Holiday Lake Storage Reservoir and related Improvements ($6.7 million): The City will be using grant funds ($4 million) and water impact fees to construct a new water reservoir on East Dunne Avenue to improve fire protection on the east side of the City and water supply capacity for the entire City.
- New Joint Trunk Line ($58.7 million): The City will construct a relief trunk line for transmitting increasing volumes of wastewater to the treatment plant south of Gilroy. This project will be funded through Sewer Impact Fees, Ratepayer Funds, and borrowing.
- Villa Mira Monte Phase 1 Expansion ($3.9 million): This project will construct the first phase of improvements at Villa Mira monte which includes improved driveways, parking, restrooms, storage, pathways, landscaping and other improvements.



City of Morgan Hill Capital Improvement Program
FY 2024-25 – FY 2029-30

CIP BUDGET SUMMARY

Project Categories	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Totals
1 Parks & Recreation	$ 10,308,425	$ 7,599,260	$ 2,548,293	$ 9,336,343	$ 547,879	$ 3,795,291	$ 34,135,491
2 Public Facilities	4,244,522	786,897	90,606	-	-	590,582	5,712,608
3 Storm Drainage	4,069,502	2,360,692	1,887,119	1,778,695	119,152	1,889,863	12,105,024
4 Streets & Roads	6,847,196	11,960,840	8,381,052	4,057,648	4,349,035	6,378,288	41,974,060
5 Wastewater	13,676,673	68,389,698	5,896,410	5,656,672	12,772,583	4,755,368	111,147,404
6 Water	21,523,397	17,398,790	6,059,274	11,728,270	3,669,871	5,728,648	66,108,249
Totals	**$ 60,669,716**	**$ 108,496,178**	**$ 24,862,755**	**$ 32,557,628**	**$ 21,458,520**	**$ 23,138,041**	**$ 271,182,836**

Project Funding Sources	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Totals
301 - Park Impact	$ 2,777,280	$ 1,463,955	$ 2,265,149	$ -	$ -	$ 1,500,000	$ 8,006,385
360 - Com/Rec Ctr Impact	890,826	3,772,188	-	5,558,422	-	-	10,221,435
375 - Quimby Fee	6,640,319	2,363,117	283,144	3,777,921	547,879	2,295,291	15,907,671
315 - Public Safety Facilities Impact	2,829,682	-	-	-	-	-	2,829,682
347 - Public Facilities Impact	1,414,841	786,897	-	-	-	-	2,201,738
348 - Library Impact	-	-	90,606	-	-	590,582	681,188
303 - Local Drainage Impact	3,567,495	2,098,393	1,773,862	1,667,527	-	1,771,747	10,879,023
304 - Local Drainage/Non AB 1600	502,008	262,299	113,257	111,168	119,152	118,116	1,226,001
308 - Street CIP	4,192,121	7,344,375	3,680,868	3,612,974	3,872,428	3,838,785	26,541,551
309 - Traffic Impact	1,572,045	3,409,889	4,530,298	277,921	297,879	2,362,329	12,450,362
346- Public Facilities/Non AB 1600	821,023	157,379	169,886	166,753	178,727	177,175	1,670,943
350 - Undergrounding	262,008	1,049,196	-	-	-	-	1,311,204
641 - Sewer Impact	4,745,149	47,188,297	1,079,457	578,298	3,174,289	236,233	57,001,723
643 - Sewer Capital Project	8,931,523	21,201,401	4,816,953	5,078,374	9,598,294	4,519,135	54,145,681
651 - Water Impact	3,639,285	6,164,536	968,351	3,668,558	35,745	1,535,514	16,011,990
653 - Water Capital Project	17,884,112	11,234,254	5,090,923	8,059,711	3,634,125	4,193,134	50,096,259
Totals	**$ 60,669,716**	**$ 108,496,178**	**$ 24,862,755**	**$ 32,557,628**	**$ 21,458,520**	**$ 23,138,041**	**$ 271,182,836**

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

FY 2024-25 – FY 2029-30

PARKS & RECREATION

301 - Park Impact- Parks & Recreation

Fund Description

The purpose of the Park Impact Fund is to construct new or expanded parks and recreation amenities and facilities. The primary planning tool for the Fund is the City's Bikeways, Trails, Parks and Recreation Master Plan. Fund revenues are received from developers when they pay impact fees. The funds may only be used for design, development, and construction of new parks and recreation facilities as the City grows. The Fund is subject to the restrictions of AB1600.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 127,280	$ 63,955	$ 265,149	$ -	$ -	$ -
PF2001 - Infrastructure Planning Documents	-	100,000	-	-	-	-
PR1001 - Parks Land Purchase	-	-	-	-	-	1,500,000
PR1002 - West Little Llagas Creek Trail	150,000	150,000	-	-	-	-
PR1006 - El Toro Trail	750,000	700,000	-	-	-	-
PR1009 - Butterfield Park	1,500,000	-	-	-	-	-
PR1011 - Sports Facility Development	250,000	450,000	2,000,000	-	-	-
Totals	**$ 2,777,280**	**$ 1,463,955**	**$ 2,265,149**	**$ -**	**$ -**	**$ 1,500,000**

How this Fund Generates Money for Capital Investment

New development creates the need for expanded inventory of parks and recreation facilities. Impact fee revenues are intended for the capital investment into new and expanded parks. The City imposes parks fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules. Quimby Act Fees are charged to residential development for projects that require subdivision, while Park Impact Fees are charged to residential development that does not require subdivision. Grant funds may also support activities and projects within the fund.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act. As residents are considered to be the primary users of parks, demand for parks and associated facilities is based on the City's residential population, rather than a combined resident-worker service population.

Goals for Capital Investment

The goal is to expand parks and recreation facilities to meet the demands of a growing Community. In 2017, the City completed its Bikeways, Trails, Parks and Recreation Master Plan, which provides a citywide assessment of potential park impact projects, and an evaluation of trail and park needs. The plan serves as the basis for prioritization of projects in the Capital Improvement Program.

Revenues- Other includes interest income and grant funding. Expenditure- Other includes annual transfers-out to the General Fund for administration and infrastructure planning, and to Fund 207 (Long Range Planning) for the general plan update.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 301- Park Impact	Projected						
Beginning Fund Balance	$ 1,426,990	$ 1,419,790	$ 506,233	$ 1,230,920	$ 804,293	$ 1,595,732	$ 1,992,271
Revenues - Impact Fees	796,303	1,510,692	2,299,673	1,947,226	896,677	486,265	336,143
Revenues - Other	587,200	493,779	30,379	33,717	38,222	54,803	40,442
Expenditures - CIP Projects	1,276,529	2,777,280	1,463,955	2,265,149	-	-	1,500,000
Expenditures - Other	114,174	140,747	141,410	142,420	143,460	144,530	145,630
Ending Fund Balance	$ 1,419,790	$ 506,233	$ 1,230,920	$ 804,293	$ 1,595,732	$ 1,992,271	$ 723,226

360 – Community/Recreation Center Impact- Parks & Recreation

Fund Description
The purpose of the Community/Recreation Center Impact Fund is to construct new and expand existing recreation facilities for residents of the City. The primary planning tool for the fund is the City's Bikeways, Trails, Parks and Recreation Master Plan. This Fund was established to collect revenues derived from a fee charged to developers to cover the costs to expand existing, or construct new, recreation and community centers within Morgan Hill. The Fund is subject to the restrictions of AB1600.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 40,826	$ 172,188	$ -	$ 558,422	$ -	$ -
PF2001 - Infrastructure Planning Documents	-	100,000	-	-	-	-
PR1008 - Villa Mira Monte Expansion	350,000	3,500,000	-	-	-	-
PR1011 - Sports Facility Development	-	-	-	5,000,000	-	-
PR1014 - Non profit Center	500,000	-	-	-	-	-
Totals	**$ 890,826**	**$ 3,772,188**	**$ -**	**$ 5,558,422**	**$ -**	**$ -**

How this Fund Generates Money for Capital Investment
This Impact Fee is only charged against residential development. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in the impact fee schedules.

Limitations and Other Important Factors
Revenues are collected to finance the expansion of existing and construction of new recreation and community center facilities demanded by new development. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Goals for Capital Investment
The City plans to use recreation and community center facilities fee revenue to construct improvements to add to the system of recreation and community center facilities that serve new development.

Revenues- Other includes interest income and grant funding. Expenditure- Other includes annual transfers-out to the General Fund for administration.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 360- Com/Rec Ctr Impact	**Projected**						
Beginning Fund Balance	$ 992,228	$ 416,528	$ 2,010,457	$ 2,023,254	$ 5,279,740	$ 1,252,263	$ 2,064,201
Revenues - Impact Fees	797,849	2,459,641	3,744,225	3,170,386	1,459,930	791,716	547,293
Revenues - Other	50,000	41,887	57,870	103,720	89,164	38,913	58,429
Expenditures - CIP Projects	1,407,574	890,826	3,772,188	-	5,558,422	-	-
Expenditures - Other	15,975	16,774	17,110	17,620	18,150	18,690	19,250
Ending Fund Balance	$ 416,528	$ 2,010,457	$ 2,023,254	$ 5,279,740	$ 1,252,263	$ 2,064,201	$ 2,650,673

375 – Quimby Fee- Parks & Recreation

Fund Description
The purpose of the Quimby Fund is to develop new or renovate existing park and recreation facilities within the City. Fund revenues are received from developers paying Park Fees based on the Quimby Act and the City's code. The funds may only be used for design, development, construction and renovation of parks and recreation facilities. Due to the very limited resources available to the City for ongoing park maintenance, renovation of existing facilities has been prioritized in the near term.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 304,319	$ 106,117	$ 33,144	$ 27,921	$ 47,879	$ 45,291
PF2001 - Infrastructure Planning Documents	-	100,000	-	-	-	-
PR1001 - Parks Land Purchase	-	-	-	3,500,000	250,000	2,000,000
PR1004 - Park Facility Expansion & Renovation	400,000	750,000	250,000	250,000	250,000	250,000
PR1005 - Recreation Facility Expansion and Renovation	3,486,000	1,407,000	-	-	-	-
PR1009- Butterfield Park	2,450,000	-	-	-	-	-
Totals	**$ 6,640,319**	**$ 2,363,117**	**$ 283,144**	**$ 3,777,921**	**$ 547,879**	**$ 2,295,291**

How this Fund Generates Money for Capital Investment
Quimby fee revenues are intended for the capital investment into the development of new parks or the renovation of existing parks. The City imposes fees under authority granted by the Quimby Act (the Act), contained in California Government Code. The City Municipal Code requires payment by developers per the Act. Quimby Act Fees are charged to residential development for projects that require subdivision, while Park Impact Fees are charged to residential development that does not require subdivision. Grant funds may also support activities and projects within the fund.

Limitations and Other Important Factors
Quimby Funds must be used as prescribed in the State Government Code, which may include design, development, construction, and renovation of parks and recreation facilities.

Goals for Capital Investment
The goal is to both construct new and to renovate existing parks and recreation facilities, improving the facilities for increased use by residents of the City.

Revenues- Other includes interest income and grant funding.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 375-Quimby Fee	Projected						
Beginning Fund Balance	$ 1,621,885	$ 4,405,786	$ 415,509	$ 2,320,880	$ 5,065,007	$ 2,741,597	$ 2,998,826
Revenues - Impact Fees	3,982,686	2,266,037	3,449,509	2,920,838	1,345,016	729,398	504,215
Revenues - Other	201,618	384,005	818,978	106,433	109,495	75,710	51,524
Expenditures - CIP Projects	1,400,403	6,640,319	2,363,117	283,144	3,777,921	547,879	2,295,291
Expenditures - Other	-	-	-	-	-	-	-
Ending Fund Balance	$ 4,405,786	$ 415,509	$ 2,320,880	$ 5,065,007	$ 2,741,597	$ 2,998,826	$ 1,259,274

Project Name: Parks Land Purchase Development	Project No. PR1001

Category

Parks & Recreation

Funding Source(s)

F301 - Park Impact Fund
F375- Quimby Fee

Council Priorities

Protecting the Environment
Supporting Our Youth, Seniors, and Entire Community
Healthy Community

Strategic Planning Documents

Bikeways, Trails, Parks and Recreation Master Plan

Project Description

The purchase of land for future parks is identified in the Bikeways, Trails Parks and Recreation Master Plan and the General Plan. In 2017 and 2019, the City completed the purchases of approximately 14 acres of additional property adjacent to the Outdoor Sports Center and Dennis Kennedy Morgan Hill Aquatics Center. In 2021, the City purchased an additional 20 acres of property adjacent to 8 acres of City owned property at the southeast corner of Butterfield and Monterey Roads. The property in both locations is currently land banked for future sports facilities and park space expansion.

The future City parks land purchase and development priorities outlined in the Master Plan include the purchase, planning and development of two small Community parks and one new large Community park located on the east side of the City. Development of the Butterfield Park site at Monterey and Butterfield, as well as the construction of a privately owned publicly accessible park at Sutter and Butterfield Avenues, will add two small Community parks in the coming years. Funding within this project is now reserved for identifying and procuring the large Community park space identified in the Master Plan.

Project Justification

Acquiring property for new parks helps ensure an adequate parks inventory in the future and is a required element of the Master Plan.

Project Name: Parks Land Purchase Development	Project No. PR1001

Financial Comments

Funding for this project is collected from developer impact and Quimby fees. Fee collection for this project, which is several years in the future, is estimated and subject to change based on the amount and timing of new development constructed.

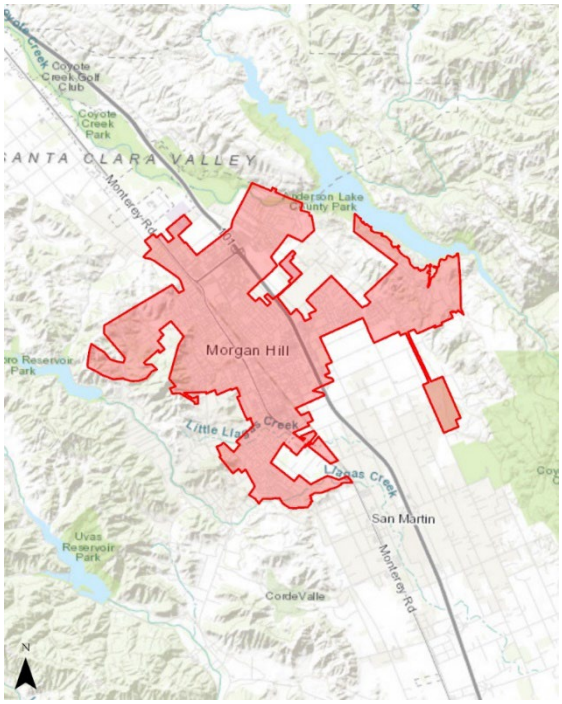
No funding is allocated to this project until Fiscal Year 2027-28. Funds allocated are intended for the acquisition, design and initial phases of development of the park space.

Operating Cost Impacts

The opening of new parks will require ongoing operating costs. Before construction of the park space, adequate funding resources for operations must be identified.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-301	-	-	-	-	-	1,500,000
Fund-375	-	-	-	3,500,000	250,000	2,000,000
Project Cost	**-**	**-**	**-**	**$3,500,000**	**$250,000**	**$3,500,000**

Estimated Project Schedule	Timeline for Completion
Planning	On-going
Project Design	FY 2027-28 & 2028-29
Right of Way/ Acquisition/Permitting	FY2027-28
Construction	FY 2029-30
Project Close-out	Not Applicable

Project Name: West Little Llagas Creek Trail	Project No. PR1002

Category

Parks & Recreation

Funding Source(s)

F301-Park Impact Fund

Council Priorities

Supporting Our Youth,
Seniors, and Entire Community
Healthy Community

Strategic Planning Documents

Bikeways, Trails, Parks, and Recreation Master Plan
Vision Zero

Project Description

The most recent phase of this project extended the existing trail from Watsonville Road to the south. With this extension the trail provides a continuous Class 1 pedestrian pathway along the West Little Llagas Creek Trail from the City's Downtown south to the north side of the Silveira Park wetlands area. The City is currently working on the planning for the next phase of the trail project. Two areas have future trails planned, which include:

Trail Extension to the North – This will extend the trail one additional block to the north between Spring and Ciolino Avenues. This project will occur in coordination with the next phase of Valley Water's Upper Llagas Flood Protection Project, anticipated to occur within the next 3-4 years.

Trail Extensions through the Silviera Lake/Llagas Creek Area – This portion of the project will address the need to construct trails and bridges, in addition to utilizing existing maintenance access roads. This portion of the project is currently in the planning phases. City staff anticipates completing planning options and presenting and discussing those with the Community in the summer of 2024. Following this outreach, environmental review will be funded by the City. Once the environmental review is completed, the City will apply for additional grants to fund future work.

Project Justification

The adopted Bikeways, Trails, Parks and Recreation Master Plan calls for installation, where possible, of bike and pedestrian trails along all creeks and channels. In addition, the plan specifically outlines this project. This project has been very successful in obtaining several regional and state grants.

Project Name: West Little Llagas Creek Trail	Project No. PR1002

Financial Comments

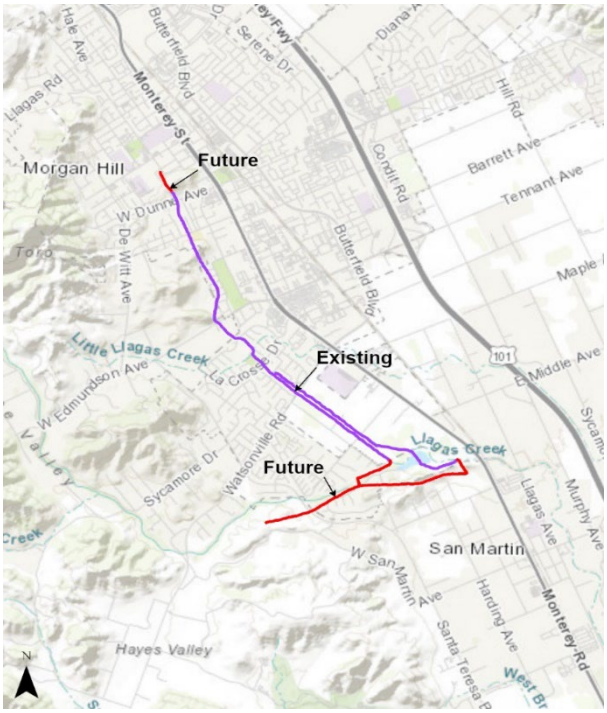
The City plans to apply for grant funding to fund the majority of the project improvements but needs to fund the environmental work for the southern phase to be eligible for grants in this area.

Operating Cost Impacts

This facility will increase Park Maintenance operating costs in the General Fund by approximately $10,000-$25,000 annually for landscape maintenance, weed control, tree trimming, utilities, occasional trail minor repair work, graffiti/vandalism, and repair/replacement of trail benches.

Project Location

Along West Little Llagas Creek



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-301	150,000	150,000	-	-	-	-
			-	-	-	-
Project Cost	**$150,000**	**$150,000**	-	-	-	-

Estimated Project Schedule	Timeline for Completion
Planning	In Progress, to be completed in FY 2024-25
Project Design	FY 2024-25 and future years
Right of Way/ Acquisition/Permitting	To be determined if needed
Construction	Phase 1 FY2025-26, Future phases in future years
Project Close-out	To be determined depending on project phasing

Project Name: Park Facility Expansion and Renovation	Project No. PR1004

Category

Parks & Recreation

Funding Source(s)

F375 - Quimby Fee

Council Priorities

Supporting Youth, Seniors, and the Entire Community
Maintaining and Enhancing Infrastructure
Fiscal Sustainability
Healthy Community

Strategic Planning Documents

Bikeways, Trails, Parks & Recreation Master Plan

Project Description

The intended purpose of this project is to renovate the City's aging Community parks for future ongoing use by residents of new developments.

The priorities for this project in FY 2024-25 and 2025-26 are the addition of shade structures at Magical Bridge (for which the City is applying for grant funding), and renovations at the Community Park Pond. Upgrades to the Community Park Pond are needed, but with the increasing drought restrictions and water use requirements, further formal review is necessary. In this review, replacement of the pond pump system, as well as potential conversion of the pond to another use, will be reviewed. After review, a final decision will be made by the City Council following a recommendation by the Parks and Recreation Commission.

Funding for other future enhancements includes funding for mulch, pathways, lighting, and playground renovations at all City Parks.

Project Justification

The funding of park renovations through the Quimby fee aligns with the City Council Priorities of Maintaining and Enhancing Infrastructure and Fiscal Responsibility. Renovation of existing facilities results in reductions in operating costs,supports enhanced park safety, improves park aesthetics, and improves facilities. New park amenities provide support to the Council priority of Supporting our Youth, Seniors, and the Entire Community.

Project Name: Park Facility Expansion and Renovation	Project No. PR1004

Financial Comments

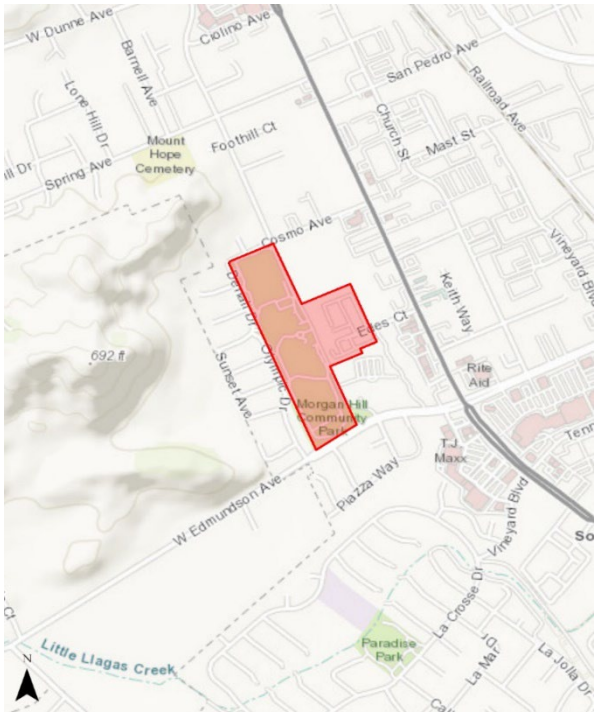
Funding for the park renovation project comes from the imposition of the Quimby Fee on new development. Additionally, approximately $300,000 in grant funding is anticipated in FY 2024-25 to support shade structure installation at the Magical Bridge Playground.

Operating Cost Impacts

Park renovations provide the opportunity to reduce operating costs by upgrading, renovating, and improving park infrastructure. Projects with a higher reduction in operating costs will be prioritized.

Project Location

Multiple Locations, including Community Park & Magical Bridge Playground



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-375	400,000	750,000	250,000	250,000	250,000	250,000
Project Cost	**$400,000**	**$750,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**

Estimated Project Schedule	Timeline for Completion
Planning	In Progress
Project Design	In Progress
Right of Way/ Acquisition/Permitting	Not applicable
Construction	FY 2024-25 and FY 2025-26 for Shade Structures and the Community Park Pond
Project Close-out	To be determined. FY 2025-26 for current projects.

Project Name: Recreation Facility Expansion & Renovation	Project No. PR1005

Category

Parks & Recreation

Funding Source(s)

F375 - Quimby Fee

Council Priorities

Supporting Youth, Seniors, and the Entire Community
Maintaining and Enhancing Infrastructure
Fiscal Sustainability
Healthy Community

Strategic Planning Documents

Bikeways, Trails, Parks and Recreation Master Plan

Project Description

The purpose of this project is to provide renovations and improvements to existing Recreation facilities that support the ongoing operations of the City Recreation Facilities. These renovations are intended to preserve the life of the facilities, improve the condition of facilities, and update facility systems through renovation to ensure facility usage by future City residents.

Project Funding in FY 2024-25 and 2025-26 will focus on renovating facilities at the Centennial Recreation Center (CRC), Aquatics Center, and Community and Cultural Center. The focus of the renovations and expansions will be new solar systems, renovation of building components/systems, making permanent the outdoor fitness facility at the CRC, renovating audio/visual systems, communication systems, and security systems.

Project Justification

Renovating the City's existing recreation facilities will support their ongoing use by future generations of Morgan Hill residents.

Project Name: Recreation Facility Expansion & Renovation	Project No. PR1005

Financial Comments

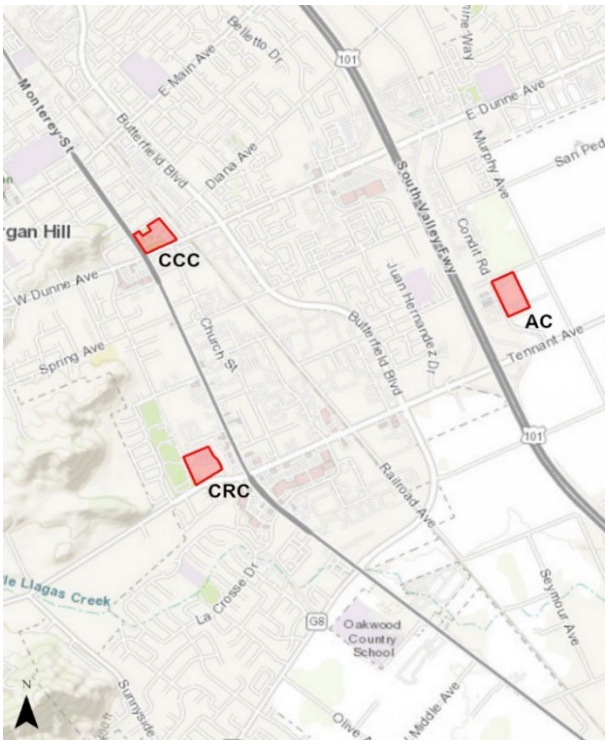
This project includes anticipated rebates for solar systems after installation totaling $779, 623.

Operating Cost Impacts

Operating costs shall be reduced in some instances through the renovation of the facility, and in other instances will be offset by developing facilities that increase revenue. Ultimately, these projects are expected to support increased cost-recovery for recreation facilities.

Project Location

Centennial Recreation Center, Aquatics Center & Community Cultural Center



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-375	3,486,000	1,407,000	-	-	-	-
Project Cost	**$3,486,000**	**$1,407,000**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	In progress
Right of Way/ Acquisition/Permitting	Not applicable
Construction	FY 2024-25 to FY 2025-26
Project Close-out	FY 2025-26

Project Name: El Toro Trail	Project No. PR1006

Category

Parks & Recreation

Funding Source(s)

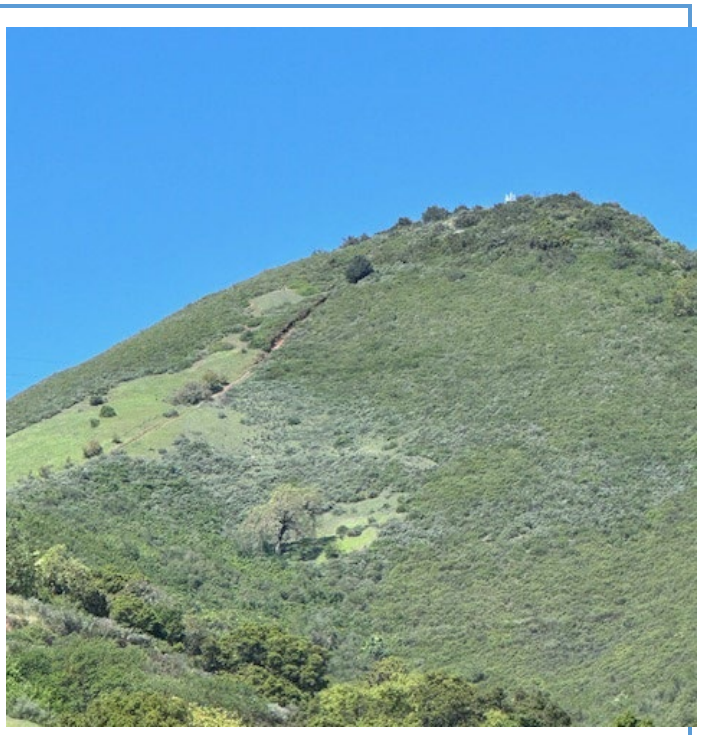
F301-Park Impact Fund
F375- Quimby Act Park Fees

Council Priorities

Protecting the Environment
Supporting Our Youth, Seniors, and Entire Community
Healthy Community

Strategic Planning Documents

Bikeways, Trails, Parks and Recreation Master Plan



Project Description

This project will provide a non-paved public trail on El Toro Mountain. On February 4, 2015, the Council approved an "Access Strategy", which details a primary access to El Toro Mountain near the DeWitt/Spring intersection. The funding in this CIP relates to the acquisition and development of the primary access in partnership with the Open Space Authority (OSA). The City and OSA have collaboratively purchased property off of West Main Avenue for potential future neighborhood access. Staff will continue to address concerns raised by the public, such as parking, safety, etc. Currently, neither the City nor the OSA has property rights encircling the El Toro summit area which would be required to provide a trail all the way to the top, and the current focus is on the access points of the trail. The City and OSA are continuing to partner to develop the trail. Both agencies will assist with the acquisition, design, and construction. Since the City only works with willing property owners, to the extent possible, acquisition and development on the project has been ongoing, but at a very gradual pace.

Project Justification

This project was identified in the Bikeways, Trails, Parks and Recreation Master Plan and continues to be a priority for the Community.

Project Name: El Toro Trail	Project No. PR1006

Financial Comments

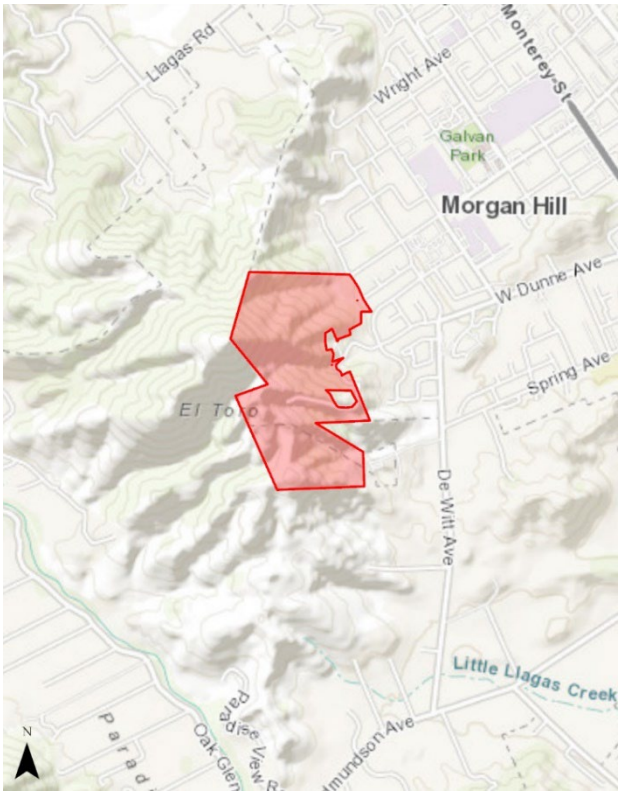
Funding in the budget is proposed for the purchase and construction of a staging area for the trail, as well as associated environmental work. It is anticipated that costs will be shared in various aspects of the project with the OSA.

Operating Cost Impacts

Maintenance costs for the project are undetermined. The City anticipates partnering with the OSA to jointly manage the open space area on El Toro. It is estimated once the trail is open to the public, the City may spend up to $30,000 annually on maintenance, with the OSA maintaining the trail and the City maintaining the trail head areas.

Project Location

El Toro Mountain



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund f301	750,000	700,000	-	-	-	-
Project Cost	**$750,000**	**$700,000**	-	-	-	-

-

Estimated Project Schedule	Timeline for Completion
Planning	Ongoing
Project Design	Following Right of Way Acquisition
Right of Way/ Acquisition/Permitting	FY 2025-26 if it is identified
Construction	To be determined
Project Close-out	To be determined

Project Name: Villa Mira Monte	Project No. PR1008

Category

Parks & Recreation

Funding Source(s)

F360- Community Center Impact Fund

Council Priorities

Preserving our Community History
Supporting Our Youth, Seniors, and Entire Community
Healthy Community

Strategic Planning Documents

Bikeways, Trails, Parks and Recreation Master Plan

Project Description

The Morgan Hill Historical Society operates and maintains the 2.5-acre site known as Villa Mira Monte, including the Hiram Morgan Hill House, Museum, and Centennial History Trail. In 2017, the City entered into a partnership with the Historical Society to preserve the site and support the operation of the site as a Park and Recreation facility. This partnership included funding for needed repairs and small-scale improvements.

The Bikeways, Trails, Parks and Recreation Master Plan further calls for the future development of Villa Mira Monte. In 2019, the City and Historical Society conducted a study on the current proposed site improvements for Villa Mira Monte. Over the last 2 years the City has partnered with the Historical Society to complete a conceptual site plan, which identifies $14 million in site improvements, including a new building with a multi-purpose room, additional storage, restroom facilities, a new driveway, improved parking, utility infrastructure installation, landscaping, and storm drain improvements. CIP funding for this project includes the design and construction of a first phase for the project. The first phase would not include the building, which is the most expensive component in the site plan but would improve the driveway and add some improved available parking, a restroom building, storage, utilities improvements and other site components.

Project Justification

Partnering to enhance the Villa Mira Monte site is consistent with the Council priority of Preserving Our Community History and is prioritized in the Bikeways, Trails, Parks and Recreation Master Plan. While Villa Mira Monte is not owned by the City, the ownership of the site would transfer to the City should the Historical Society be unable to operate and maintain the facility.

Project Name: Villa Mira Monte	Project No. PR1008

Financial Comments

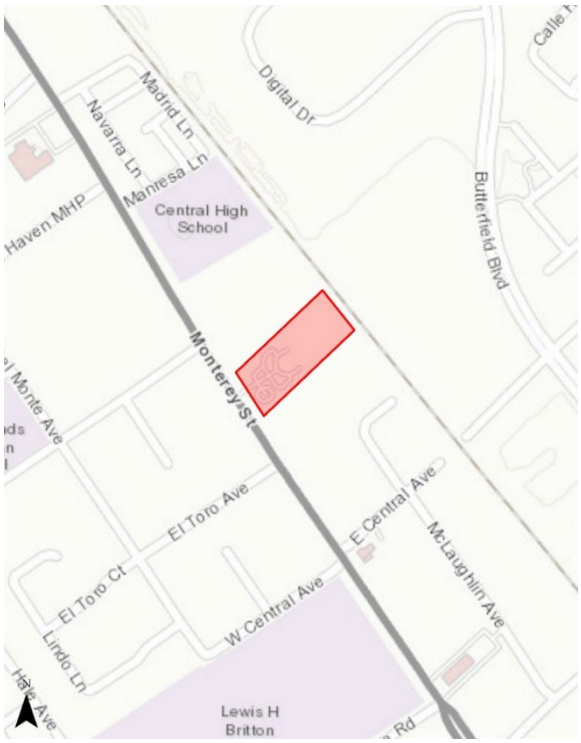
Funding for this project is included in the CIP budget within the Community/Recreation Center Impact Fund (360).

Operating Cost Impacts

The City currently provides $20,000 per year in support to the Historical Society's operations of Villa Mira Monte. The enhancements will be designed to support improved operations and maintenance at the site, so no additional operational costs are anticipated for the City in relation to this project. The partnership between the City and the Historical Society has long benefitted the financial maintenance of the facility, but the vast majority of the operations at the site is accomplished by utilizing volunteers and fundraising.

Project Location

Villa Mira Monte



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-360	350,000	3,500,000	-	-	-	-
Project Cost	**$350,000**	**$3,500,000**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	FY 2024-25
Right of Way/ Acquisition/Permitting	Not applicable
Construction	FY 2025-26 & 2026-27
Project Close-out	FY 2026-27

Project Name: Butterfield Park	Project No. PR1009

Category

Parks & Recreation

Funding Source(s)

F301 - Park Impact Fund
F375-Quimby Fee

Council Priorities

Supporting Our Youth, Seniors, and Entire Community
Healthy Community
Economic Development and Tourism

Strategic Planning Documents

Bikeways, Trails, Parks, and Recreation Master Plan

Project Description

The City owns approximately 8 acres of property at the southeast corner of the intersection of Butterfield Boulevard and Monterey Road. Previously, the City has environmentally cleared the initial development of the park site and has applied for multiple grants to fund the project development. Although grant funds were not received, the Community effort on identifying and planning the project was still beneficial. For this reason, the City has opted for a phased implementation of the park construction and has looked to partners to help fund additional components of the park. The initial phase of development shall construct a restroom, playground, par-course fitness equipment, picnic area, landscaping, parking spaces, site infrastructure, and other ancillary amenities. The City also has an agreement with a non-profit to construct a BMX facility adjacent to the developed park space.

Recently the City purchased 20 additional acres adjacent to the 8 acres for Parks and Recreation related purposes. City staff continue to recommend using the larger site for future baseball/softball fields, and other potential recreation amenities. Funding for the expansion of the site master plan to include the additional 20 acres is included in FY 2024-25.

Project Justification

The first phase of the park development will provide an additional park facility for resident use. It will also provide some of the base infrastructure for the planned BMX track and the development of other future sports facilities included in the current Bikeways, Trails, Parks and Recreation Master Plan. Residents have provided considerable input on the development of the first phase of the park.

Project Name: Butterfield Park	Project No. PR1009

Financial Comments

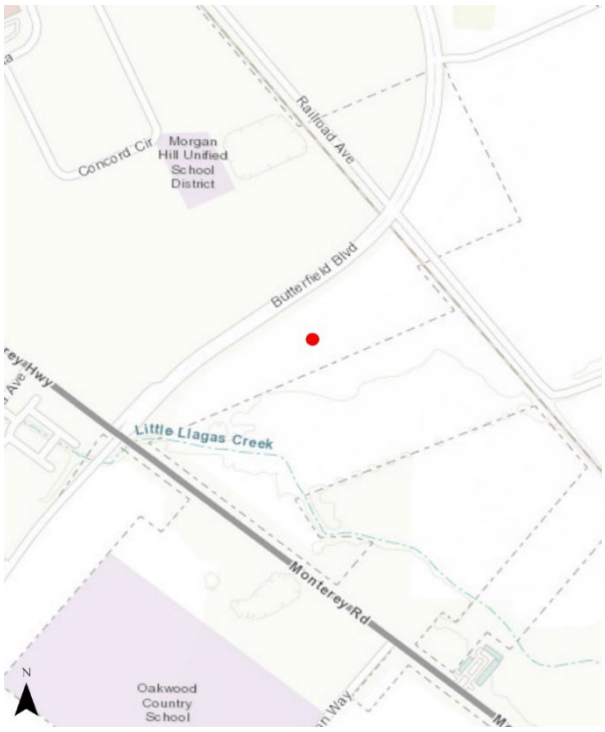
Funding for this project is collected from developer impact fees and developer paid Quimby Park Fees. Per the agreement, the BMX operator shall pay back the funds for 25% of costs associated with shared improvements (parking, restrooms, etc.) over the next 20 years.

Operating Cost Impacts

The construction of the first phase of the park is estimated to cost the City $30,000 annually for park maintenance. Development of the BMX facility shall result in the non-profit operating the BMX facility paying for shared costs associated with City park amenities.

Project Location

Monterey Road and Butterfield Blvd



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-301	1,500,000	-	-	-	-	-
Fund-375	2,450,000					
Project Cost	**$3,950,000**	-	-	-	-	-

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	Complete
Right of Way/ Acquisition/Permitting	Complete
Construction	FY 2024-25
Project Close-out	FY 2025-26

Project Name: Sports Facility Development	Project No. PR1011

Category

Parks & Recreation

Funding Source(s)

F301-Park Impact Fund
F360- Community/Rec Center Impact

Council Priorities

Supporting Our Youth, Seniors, and Entire Community
Economic Development and Tourism
Healthy Community

Strategic Planning Documents

Bikeways, Trails, Parks and Recreation Master Plan
Economic Development Blueprint
Condit Road Sports Facilities Master Plan

Project Description

The Outdoor Sports Center (OSC) is the most utilized field facility in Morgan Hill. Adjacent to the OSC is the Dennis Kennedy Morgan Hill Aquatics Center, the City's major swimming facility. Both facilities serve thousands of residents as well as attract significant regional tourism-related events. Bordering both sites is approximately 14 acres of undeveloped property purchased by the City for sports and recreation. The City Council has an approved Master Plan for the undeveloped acres as well as improvements to the existing facilities. The funding in this project is intended to promote the development of the overall site/area in support of providing increased sports facilities for the Community.

This project would provide for expansion of components of the facility to increase capacity. The City is coordinating with the operator of the Outdoor Sports Center and plans to leverage and maximize resources between the two organizations. Although a draft master plan for the site is complete, the next steps towards development would be environmental review of the sites. Since the undeveloped areas are within the County, the next steps in planning also include coordinating with the County of Santa Clara's Planning Department.

Project Justification

The project was identified as a top priority in the recently adopted Bikeways, Trails, Parks and Recreation Master Plan and consistent with the City's goal of supporting economic development and tourism. The project will also support increased use by local sports leagues, swimmers, and the general Community, while supporting economic development and tourism by increasing the ability to host regional sporting events.

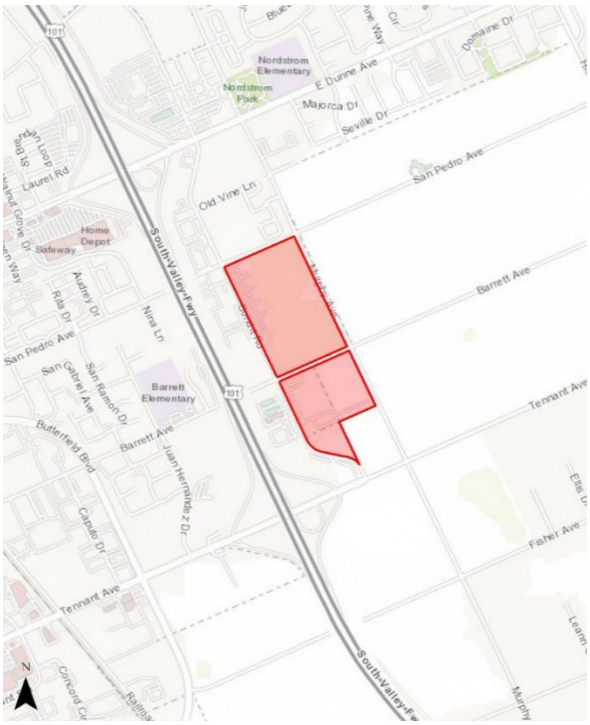
Project Name: Sports Facility Development	Project No. PR1011

Financial Comments
Funding for this project is included in the CIP budget within the Community/Recreation Center Impact Fund (360) and Park Impact Fund (301). The City is actively engaging with the Outdoor Sports Center operator and other potential partners on funding improvements to the facility.

Operating Cost Impacts
Improvements will be designed to improve cost recovery and will result in a positive net impact in relation to facility costs.

Project Location

Condit Road Sports Facilities



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund 301	**250,000**	**450,000**	**2,000,000**	-	-	-
Fund 360	-	-	-	**5,000,000**	-	-
Project Cost	**$250,000**	**$450,000**	**$2,000,000**	**$5,000,000**	-	-

Estimated Project Schedule	Timeline for Completion
Planning	FY 2024-25 to FY 2025-26
Project Design	FY 2025-26 to FY 2026-27
Right of Way/ Acquisition/Permitting	Not applicable
Construction	FY 2026-27 to FY 2027-28
Project Close-out	FY 2028-29 for the initial phase

Project Name: Non-Profit Center	Project No. PR1014

Category

Parks & Recreation

Funding Source(s)

F360 - Community Center Impact Fund

Council Priorities

Supporting Our Youth, Seniors, and Entire Community

Strategic Planning Documents

Bikeways, Trails, Parks and Recreation Master Plan

Project Description

The Lumberyard Development Project has been approved by the City Council. It includes the realignment of Depot Street through the Morgan Hill Community and Cultural Center (CCC) Parking Lot and the development of the adjacent private property into housing with a single mixed-use commercial building. Per the agreement with the developer, the City shall purchase the retail space for future use as a non-profit center or for other recreational purposes. The new facility will be 3,200 square feet of ground floor space fronting the CCC parking lot.

The City has committed to fund the project utilizing the Recreation Center Impact Fund and is accounting for this purchase in the Capital Improvement Program. It is anticipated that the purchase will occur in either Fiscal Year 2023-24 or 2024-25. The City plans to partner with future non-profits to support the build-out of the interior of the building and has allocated funds for this in FY 2024-25. While the tenants who will be utilizing the building are not finalized, there is an existing need with the Santa Clara Valley Habitat Agency that is currently utilizing space in a modular building at the Civic Center that is past its usable life.

Project Justification

The project has been planned since the transition of the previous non-profit center from its prior location at the Friendly Inn, which transferred the usage of that space to the Boys and Girls Club of Silicon Valley.

Project Name: Non-Profit Center	Project No. PR1014

Financial Comments

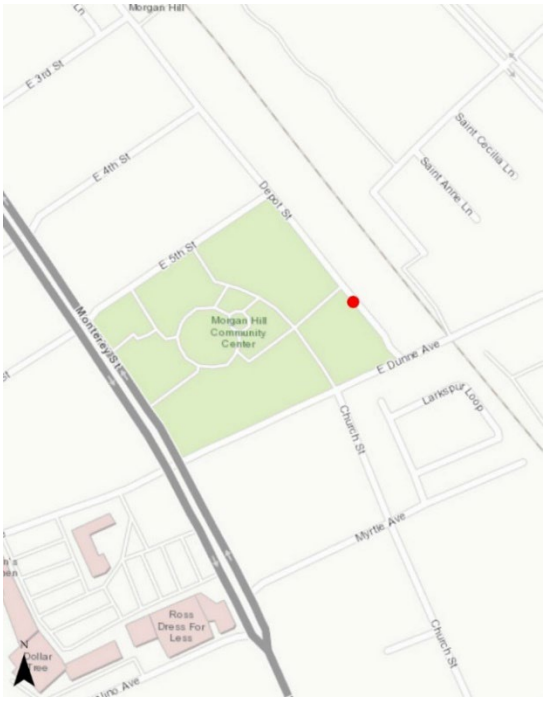
No funds have been expended on this project in previous fiscal years, however, $810,000 is allocated in FY 2023-24 for the required purchase of the building.

Operating Cost Impacts

The City will require non-profits or other recreational use or rental of the new facility to cover all costs associated with the facility, which will result a positive net impact on the General Fund.

Project Location

Community and Cultural Center



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-360	500,000	-	-	-	-	-
Project Cost	**$500,000**	**-**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	Complete
Right of Way/ Acquisition/Permitting	Complete
Construction	In Progress. Tenant Improvements FY2024-25
Project Close-out	FY 2024-25 & 2025-26

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM
FY 2024-25 – FY 2029-30

PUBLIC FACILITIES

315- Public Safety Facilities Impact

Fund Description
The Public Safety Facilities Impact Fund revenues are derived from a fee charged to developers to cover the costs to construct public improvements required for Police and Fire Protection facilities as a result of new development. Expenditures may only be made for the future construction of the required new or expanded Public Safety facilities and the purchase of equipment/apparatus. The Fund may also reimburse the City for funds advanced to construct such facilities. The Fund is subject to the restrictions of AB1600. Beginning in 2020, the collection of separate Fire Police Impact Fees was halted, and the City began collection of a more General Public Safety impact fee for both Police and Fire.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 129,682	$ -	$ -	$ -	$ -	$ -
PF2002 - Police Facility Expansion	1,750,000	-	-	-	-	-
PF2003 - New Fire Stations	950,000	-	-	-	-	-
Totals	**$ 2,829,682**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

How this Fund Generates Money for Capital Investment
New development creates the need for the City to expand its inventory of public facilities and build new, or expand current, infrastructure to handle the demands for new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in the impact fee schedules.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Goals for Capital Investment
The goal for the use of this fund during this period is to fund the building of a new Fire Station in the City.

Revenues- Other includes interest income and interfund loans from Fund 302 (Park Maintenance), Fund 303 (Local Drainage Impact) and Fund 348 (Library Impact). Expenditure- Other includes annual transfers-out to the General Fund for administration and infrastructure planning, debt service, and transfers-out for interfund loan repayments.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 315- Public Safety Facilities Impact	Projected						
Beginning Fund Balance	$ 3,050,728	$ 301,362	$ 294,083	$ 1,248,045	$ 1,572,537	$ 1,269,459	$ 642,057
Revenues - Impact Fees	423,468	1,697,212	1,916,810	1,551,770	676,621	366,929	253,649
Revenues - Other	9,374,000	1,506,002	300,327	33,768	33,086	18,357	1,031
Expenditures - CIP Projects	12,000,800	2,829,682	-	-	-	-	-
Expenditures - Other	546,034	380,812	1,263,175	1,261,046	1,012,785	1,012,688	762,999
Ending Fund Balance	$ 301,362	$ 294,083	$ 1,248,045	$ 1,572,537	$ 1,269,459	$ 642,057	$ 133,739

347 – Public Facilities Impact

Fund Description
The Public Facilities Impact Fund is intended to support the construction or expansion of City Facilities that are not covered under the Recreation Center Impact Fee or the Public Safety Facility Impact Fee. Public Facilities Fund revenues are derived from fees charged to developers to cover the costs to construct public improvements required as a result of new development. Expenditures may only be made for the future construction of the required new or expanded facilities or to reimburse the City for funds advanced to construct such facilities. The Fund is subject to the restrictions of AB1600.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 64,841	$ 36,897	$ -	$ -	$ -	$ -
PF2004 - Corporation Yard Expansion	-	250,000	-	-	-	-
PF2008 - Civic Center Expansion	1,350,000	500,000	-	-	-	-
Totals	**$ 1,414,841**	**$ 786,897**	**$ -**	**$ -**	**$ -**	**$ -**

How this Fund Generates Money for Capital Investment
Revenues result from the City's development impact fee program, through which new development pays the capital costs associated with growth. New development creates the need for the City to expand its inventory of public facilities and build new, or expand current, infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council-adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Goals for Capital Investment
Due to the limited anticipated funds to be collected, there are no projects anticipated in the six-year period, other than the two expansion plan projects noted above, and the goal is to accumulate funding towards future public facility projects such as expansion of City Hall or the Corporation Yard.

Revenues- Other includes interest income. Expenditure- Other includes annual transfers-out to the General Fund for administration and infrastructure planning.

Six-Year Pro Forma Fund 347- Public Facilities Impact	2023-24 YE Projected	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Beginning Fund Balance	$ 1,099,809	$ 1,014,688	$ 21,578	$ 199,584	$ 656,827	$ 864,097	$ 977,592
Revenues - Impact Fees	125,157	432,375	567,616	472,606	213,377	115,714	79,990
Revenues - Other	44,000	18,848	426,867	14,357	23,753	27,792	29,825
Expenditures - CIP Projects	150,000	1,414,841	786,897	-	-	-	-
Expenditures - Other	104,278	29,492	29,580	29,720	29,860	30,010	30,161
Ending Fund Balance	$ 1,014,688	$ 21,578	$ 199,584	$ 656,827	$ 864,097	$ 977,592	$ 1,057,246

348 - Library Impact – Public Facilities

Fund Description

Library Impact Fund revenues are derived from a fee charged to developers to cover the costs to construct library improvements required as a result of new development. Expenditures may only be made for the future construction of the required new or expanded library facilities or to reimburse the City for funds advanced to construct such facilities. The Fund is subject to the restrictions of AB1600.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ -	$ -	$ 10,606	$ -	$ -	$ 90,582
PF2009 - Library Expansion	-	-	80,000	-	-	500,000
Totals	**$ -**	**$ -**	**$ 90,606**	**$ -**	**$ -**	**$ 590,582**

How this Fund Generates Money for Capital Investment

New development creates the need for the City to expand its inventory of public facilities and build new, or expand current, infrastructure to handle the demands for new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in the impact fee schedules.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Goals for Capital Investment

Due to the very significant costs associated with a future Library expansion, there is no planned construction funded within the six-year period. However, planning and potential design work can occur while funds accumulate towards the future expansion.

Revenues- Other includes interest income. Expenditure- Other includes annual transfers-out to the General Fund for administration, civic center debt-service, and an interfund loan transfer to Fund 315 (Public Safety Facilities Impact).

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 348- LibraryImpact	Projected						
Beginning Fund Balance	$ 1,408,238	$ 195,767	$ 396,438	$ 2,361,692	$ 3,960,048	$ 4,712,342	$ 5,096,741
Revenues - Impact Fees	449,878	1,386,902	2,111,232	1,787,665	823,202	446,420	308,599
Revenues - Other	60,000	27,384	69,508	120,116	151,303	163,629	159,205
Expenditures - CIP Projects	-	-	-	90,606	-	-	590,582
Expenditures - Other	1,722,349	1,213,615	215,486	218,820	222,210	225,650	229,140
Ending Fund Balance	$ 195,767	$ 396,438	$ 2,361,692	$ 3,960,048	$ 4,712,342	$ 5,096,741	$ 4,744,822

Project Name: Infrastructure Planning Documents	Project No. PF2001

Category

Public Facilities

Funding Source(s)

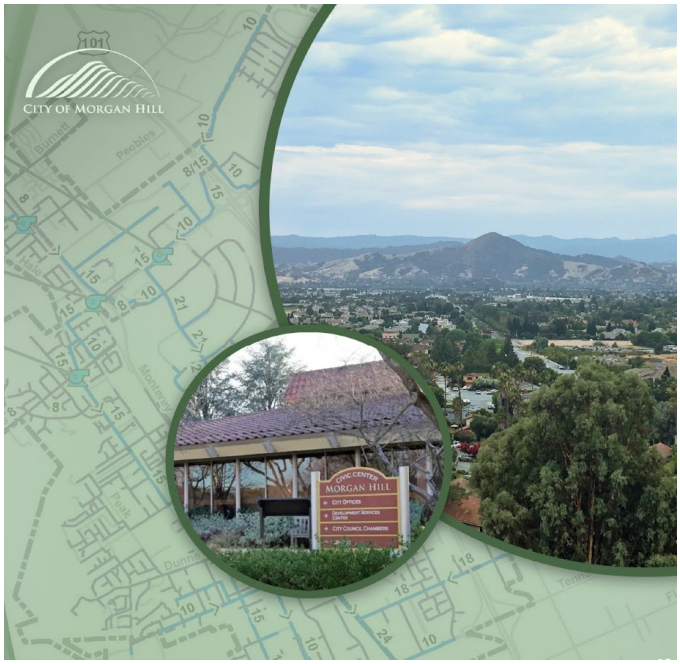
F301 Park Impact
F303 Local Drainage Impact
F306 Agriculture Preservation and Open Space
F360 Community/Recreation Center Impact
F375 Quimby Fee
F641 Sewer Impact/ F643 Sewer Capital Project
F651 Water Impact/ F653 Water Capital Project

Council Priorities

Fiscal Sustainability
Economic Development and Tourism
Transportation
Healthy Community
Enhancing Public Safety and Quality of Life
Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure
Supporting Youth, Seniors, and Entire Community

Strategic Planning Documents

Morgan Hill General Plan



Project Description

The purpose of this project is to produce planning documents for City infrastructure. The current schedule for the development of these documents is:

FY 2024-25 - In Progress – Transportation Master Plan
FY 2024-25 - In Progress – Sewer System Master Plan
FY 2025-26 - Parks, Recreation and Trails Master Plan
FY 2025-26 - Water System Master Plan
FY 2026-27 - Storm System Master Plan
FY 2028-29 - Sewer System Master Plan

Project Justification

The development and updates of infrastructure planning documents is needed to verify the future infrastructure needs of the City in alignment with the City's General Plan.

Project Name: Infrastructure Planning Documents	Project No. PF2001

Financial Comments

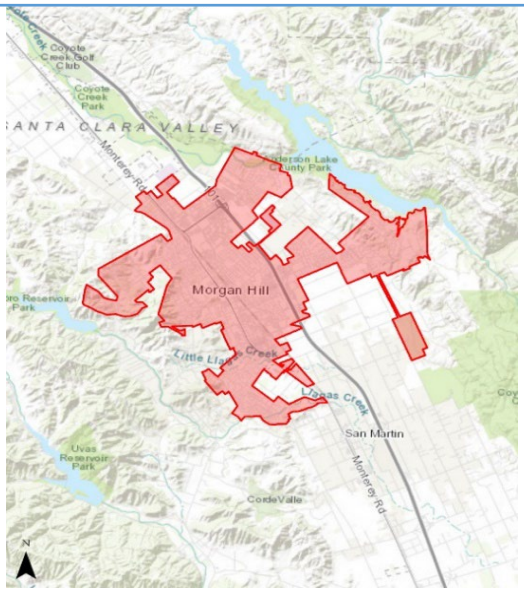
Infrastructure planning documents serve as a basis for impact fee studies associated with the specific areas of infrastructure focus, and can guide operating costs, such as for the Water and Wastewater Utilities. The plans also serve as a foundation for many grant applications.

Operating Cost Impacts

Infrastructure plans will outline operating cost implications of specific infrastructure recommendations.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-301	-	100,000	-	-	-	-
Fund-303	-	-	75,000	-	-	-
Fund-360	-	100,000	-	-	-	-
Fund-375	-	100,000	-	-	-	-
Fund-641	-	-	-	-	125,000	-
Fund-643	-	-	-	-	125,000	-
Fund-651	-	75,000	-	-	-	-
Fund-653	-	75,000	-	-	-	-
Project Cost	**-**	**$450,000**	**$75,000**	**-**	**$250,000**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Planning documents produced on schedule noted in narrative
Project Design	Not applicable
Right of Way/ Acquisition/Permitting	Not applicable
Construction	Not applicable
Project Close-out	Not applicable

Project Name: Police Facility Expansion	Project No. PF2002

Category

Public Facilities

Funding Source(s)

F315 - Public Safety Facilities Impact

Council Priorities

Fiscal Sustainability
Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure

Strategic Planning Documents

Climate Action Plan

Project Description

In 2004, the City acquired an industrial building and upgraded the building to serve as an "essential public safety" building and Police headquarters. The facility was sized to accommodate future growth, and initially approximately 6,000 square feet was not used by the Police Department and was subsequently leased to a private entity. In 2019, the Information Services Division began utilizing about 1,400 square feet of the space, with the remainder still being leased out. Recently the tenant has vacated the space, and the Police Department is working on an expansion into this area. It is anticipated that this work will be completed in 2024. The improvements include use of the additional office space, reconfiguration of existing office space, upgrade and expansion of security card system, and relocation and improvements to the exterior fencing.

Additionally, the City has identified an opportunity to add significant solar energy generation systems at multiple City facilities to support cost containment on power rates, support environmental protection, and support the expanding power needs of the City facilities. New solar generation facilities have been identified at the Civic Center, Police Department, Community and Cultural Center, Aquatics Center, Corporation Yard and at two City well sites. The initial design of these projects is currently underway. The installation and procurement of solar systems at the police department is the next component in this project.

Project Justification

Implementing solar systems at City facilities will support resilience of the energy grid and provide for cost savings on energy costs.

Project Name: Police Facility Expansion	Project No. PF2002

Financial Comments

Grant funding and federal incentives will be used to offset up to 30% of the installation costs. Funding will be appropriated in the Public Safety Facilities Impact Fund (315).

Operating Cost Impacts

The solar system expansion at all facilities could result in up to $600,000 in annual savings to the General Fund (010).

Project Location

Vineyard Blvd

Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-315	1,750,000	-	-	-	-	-
Project Cost	**$1,750,000**	**-**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	In progress, to be completed in FY 2024-25
Right of Way/ Acquisition/Permitting	FY 2024-25
Construction	FY 2024-25 and FY 2025-26
Project Close-out	FY2026-27

Project Name: New Fire Stations	Project No. PF2003

Category

Public Facilities

Funding Source(s)

F315 - Public Safety Facilities Impact

Council Priorities

Healthy Community
Enhancing Public Safety and Quality of Life

Strategic Planning Documents

Public Safety Master Plan
Fire Standards of Coverage

Project Description

A third Fire Station is currently under construction per the City's Public Safety Master Plan and Fire Standards of Coverage on Butterfield Boulevard between Diana Avenue and Main Avenue. In addition to constructing the facility, a new fire apparatus is being purchased. The facility is currently being constructed as an all-electric facility with a solar and microgrid system, which will make the station highly sustainable and reduce operating costs. Additionally, the City has received $500,000 in grant funding from Silicon Valley Clean Energy for the site to serve as a demonstration site.

Project Justification

The expansion is required to provide responsive Emergency Medical Service (EMS) and fire response as the Community grows.

Project Name: New Fire Stations	Project No. PF2003

Financial Comments

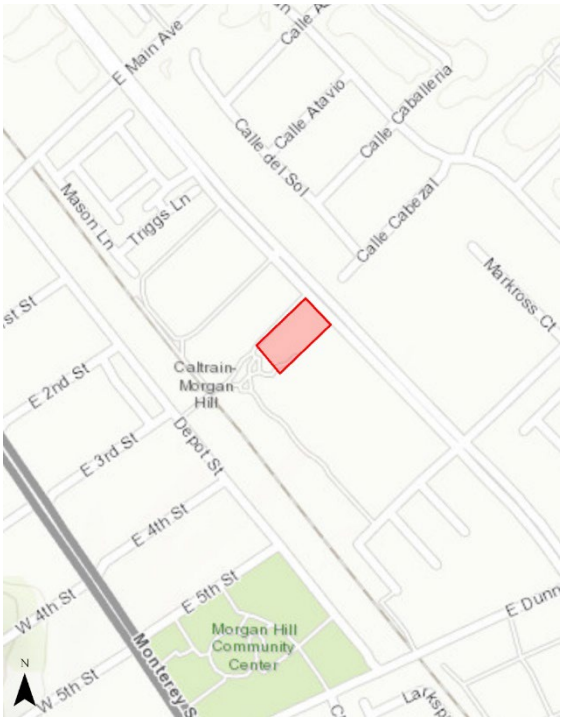
The Fire Station is being funded through Public Safety Facility Impact Fees that have been collected and will continue to be collected over the next decade. To support the construction, interfund loans from multiple other funds are being utilized to support the immediate construction of the facility. Prior to FY2024-25, $11.25M had been appropriated for the Fire Station and associated vehicles/equipment.

Operating Cost Impacts

Operating costs for the Third Fire Station are significant and outlined in the Fire Department's operating budget for FY 2024-25 and FY 2025-26.

Project Location

17285 Butterfield Blvd.



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-315	950,000	-	-	-	-	-
Project Cost	**$950,000**	**-**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Completed
Project Design	Completed 2023
Right of Way/ Acquisition/Permitting	Completed 2023
Construction	Fall 2023 – Fall 2024
Project Close-out	Fall 2024

Project Name: Corporation Yard Expansion	Project No. PF2004

Category

Public Facilities

Funding Source(s)

F347-Public Facilities Impact

Council Priorities

Fiscal Sustainability
Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure

Strategic Planning Documents

Corporation Yard Maintenance and Operations Space Needs Analysis

Project Description

The intent of this project is to plan and ultimately improve the City's Corporation Yard facility, increasing usable space for the long-term needs of the City. This project is tied to a patronship with the Morgan Hill Unified School District (MHUSD), who currently utilizes a portion of the site for the District's transportation yard. The City recently partnered with the District on a Maintenance and Operations Space Needs Analysis for the City and in FY 2022-23 the City developed a detailed phased improvement plan for the City portion of the site. A phased improvement plan has been completed and the City is currently working with the MHUSD on next steps on partnership.

Funding for FY 2025-26 is intended to address the needs for the initial work towards electric vehicle charging infrastructure and to fund a portion of the solar improvements scheduled for the Corporation Yard. The design of the electrical vehicle charging infrastructure and solar additions are currently being designed.

Project Justification

Additional space is needed for future growth of the Maintenance and Utilities Divisions, which increases in size as the City grows. Additionally, the City's Climate Action Plan and State law is increasing the need for additional electric vehicle charging infrastructure.

Project Name: Corporation Yard Expansion	Project No. PF2004

Financial Comments

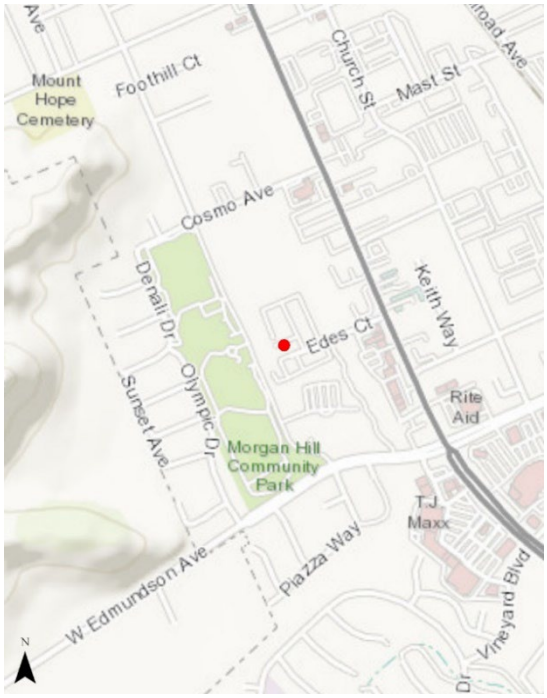
Funding for this work is collected from developer impact fees and will be used towards new expansions of the Corporation Yard facilities.

Operating Cost Impacts

The operating costs associated with improvements to the corporation yard are not yet known. Increased facility maintenance may be offset by the efficiency of the improved facilities. The addition of solar will support decreased utility costs.

Project Location

Corporation Yard



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-347	-	250,000	-	-	-	-
Project Cost	**-**	**$250,000**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Ongoing
Project Design	In Progress, completed in FY 2024-25
Right of Way/ Acquisition/Permitting	Not applicable
Construction	FY 2025-26
Project Close-out	FY 2025-26

Project Name: Civic Center Expansion	Project No. PF2008

Category

Public Facilities

Funding Source(s)

F347-Public Facilities Impact

Council Priorities

Fiscal Sustainability
Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure

Strategic Planning Documents

Climate Action Plan

Project Description

The City has identified an opportunity to add significant solar energy generation systems at multiple City facilities to support the cost containment on power rates, support environmental protection, and support the expanding power needs of the City facilities. New solar generation facilities have been identified at the Civic Center, Police Department, Community and Cultural Center, Aquatics Center, Corporation Yard and at two City well sites. The initial design of these projects is currently underway.

In addition to the solar work, planning is also underway for electric vehicle charging, a secure area for City Hall vehicles at the Civic Center site, and office space expansion for future City employees within the existing office buildings.

Project Justification

Implementing solar systems at City facilities will support resilience of the energy grid and provide for cost savings on energy costs.

Project Name: Civic Center Expansion	Project No. PF2008

Financial Comments

Grant funding and federal incentives will be used to offset up to 30% of the installation costs. Funding will be appropriated in the Public Facilities Impact Fund (347).

Operating Cost Impacts

The solar system expansion at all facilities could result in up to $600,000 in annual savings to the General Fund (010).

Project Location

Various. Including Civic Center

Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-347	1,350,000	500,000	-	-	-	-
Fund-						
Project Cost	**$1,350,000**	**$500,000**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	In Progress to be completed in FY 2024-25
Right of Way/ Acquisition/Permitting	FY 2024-25
Construction	FY 2024-25 and FY 2025-26
Project Close-out	FY 2026-27

Project Name: Library Expansion	Project No. PF2009

Category

Public Facilities

Funding Source(s)

F348-Library Impact

Council Priorities

Healthy Community
Supporting Youth, Seniors, and Entire Community

Strategic Planning Documents

Morgan Hill General Plan

Project Description

This project is intended to assist in the planning, design, and construction of expanded library facilities to meet the increased needs of the growing number of households within the City. The Santa Clara County Library District operates the Morgan Hill Steve Tate Library facility through a lease agreement with the City. The City works with the District to plan future expansions of Library facilities.

Project Justification

Expanded Library facilities are needed to support increasing Community need.

Project Name: Library Expansion	Project No. PF2009

Financial Comments

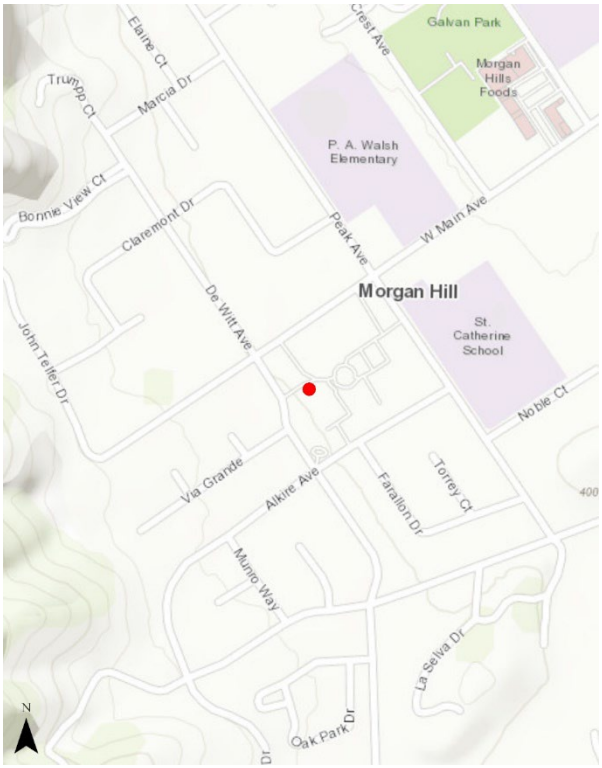
Funds for future expansions of Library facilities are collected from development impact fees within the Library Impact Fund (348).

Operating Cost Impacts

Operating costs for expanded library facilities would be borne by the Santa Clara County Library District and typically would not significantly impact the City.

Project Location

West Main Avenue



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-348	-	-	80,000	-	-	500,000
Project Cost	**-**	**-**	**$80,000**	**-**	**-**	**$500,000**

Estimated Project Schedule	Timeline for Completion
Planning	FY 2028-29
Project Design	FY 2029-30
Right of Way/ Acquisition/Permitting	To be determined
Construction	To be determined
Project Close-out	To be determined

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM
FY 2024-25 – FY 2029-30

STORM DRAINAGE

303 - Local Drainage Impact- Storm Drainage

Fund Description
Local Drainage Impact Fund revenues are received from developers of properties and the funds may only be used for the design and construction of new or expanded storm drainage facilities. These facilities may include drainage pipes, basins, channels, pumps, and other facilities related to the City's storm drain system. The Fund is subject to the restrictions of AB1600. The primary planning tool for the Fund is the City's Storm System Master Plan.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006- Project Administration	$ 163,495	$ 98,393	$ 198,862	$ 167,527	$ -	$ 271,747
PF2001 - Infrastructure Planning Documents	$ -	$ -	$ 75,000	$ -	$ -	$ -
SD4003 - Llagas Flood Control	150,000	1,500,000	1,500,000	-	-	-
SD4005 - Storm Drain System Upsizing	-	500,000	-	-	-	1,500,000
SD4006- Fisher/Butterfield Storm System Expansions	3,254,000	-	-	1,500,000	-	-
Totals	**$ 3,567,495**	**$ 2,098,393**	**$ 1,773,862**	**$ 1,667,527**	**$ -**	**$ 1,771,747**

How this Fund Generates Money for Capital Investment
Revenues result from the City's development impact fee program, through which new development pays the capital costs associated with growth. New development creates the need for the City to expand its inventory of public facilities and build new, or expand current, infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council-adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act. Most new development generates storm water runoff. This runoff must be controlled through storm drain facilities. Storm drain demand is measured by impervious (solid) surface. The more impervious surface a land use creates, the more demand for storm drain facilities it creates.

Goals for Capital Investment
The goal for this fund during this period is to install improvements needed to service anticipated future growth in Morgan Hill.

Revenues- Other includes interest income and interfund loan repayment from Fund 315 (Public Safety Facilities Impact).
Expenditure- Other includes annual transfers-out to the General Fund for administration and infrastructure planning, an interfund loan to Fund 315, and annual transfers to Fund 207 (Long Range Planning) for the general plan update.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 303- Local Drainage Impact	Projected						
Beginning Fund Balance	$ 11,817,863	$ 2,234,796	$ 59,278	$ 1,600,159	$ 2,176,819	$ 1,822,163	$ 2,896,105
Revenues - Impact Fees	348,537	1,384,761	1,648,384	1,329,817	540,864	293,309	202,757
Revenues - Other	444,000	40,038	2,023,910	1,054,035	805,657	814,613	562,996
Expenditures - CIP Projects	3,593,238	3,567,495	2,098,393	1,773,862	1,667,527	-	1,771,747
Expenditures - Other	6,782,366	32,822	33,020	33,330	33,650	33,980	34,320
Ending Fund Balance	**$ 2,234,796**	**$ 59,278**	**$ 1,600,159**	**$ 2,176,819**	**$ 1,822,163**	**$ 2,896,105**	**$ 1,855,791**

304 - Local Drainage/Non AB 1600- Storm Drainage

Fund Description
The purpose of the Local Drainage Fund (non-AB1600) is to support repairs and enhancements to the City's storm drainage system. Previously, revenues were received from developers through the City's RDCS. With the elimination of RDCS due to State legislation, no new funds are anticipated to be received through that process. Limited funding from developers of properties through frontage fees will continue to be collected and the funds may be used for the design, construction, and maintenance of storm drains.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006- Project Administration	$ 12,008	$ 12,299	$ 13,257	$ 11,168	$ 19,152	$ 18,116
SD4002 - Storm System Repairs & Improvement	250,000	250,000	100,000	100,000	100,000	100,000
SD4007 - Citywide Small Trash Capture Project	240,000	-	-	-	-	-
	$ 502,008	**$ 262,299**	**$ 113,257**	**$ 111,168**	**$ 119,152**	**$ 118,116**

How this Fund Generates Money for Capital Investment
Fees are paid by developers of properties. Payments to this Fund are no longer available as part of the Residential Development Control System (RDCS) competition, due to its elimination via State legislation. Minimal revenue will continue to be received for storm drainpipe front footage fees from developers. Frontage fees are collected from development when the City has previously installed a storm drain system on the frontage of a property being developed. Funds will be programmed in the out years spending down the fund balance to accomplish projects.

Limitations and Other Important Factors
These funds are for the design, the construction, and maintenance of the City's storm drain system.

Goals for Capital Investment
The goals for the use of this fund are to improve existing storm drainage systems and to mitigate existing capacity deficiencies for property frontage.

Revenues- Other includes interest income and frontage fees. Expenditure- Other includes annual transfers-out to the General Fund for administration.

Six-Year Pro Forma Fund 304- Local Drainage Non AB1600	2023-24 YE Projected	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Beginning Fund Balance	$ 1,343,736	$ 1,023,768	$ 769,889	$ 532,717	$ 438,997	$ 344,095	$ 237,845
Revenues - Impact Fees	-	-	-	-	-	-	-
Revenues - Other	61,000	251,296	28,357	22,868	19,696	16,432	13,048
Expenditures - CIP Projects	377,951	502,008	262,299	113,257	111,168	119,152	118,116
Expenditures - Other	3,017	3,168	3,230	3,330	3,430	3,530	3,640
Ending Fund Balance	**$ 1,023,768**	**$ 769,889**	**$ 532,717**	**$ 438,997**	**$ 344,095**	**$ 237,845**	**$ 129,137**

Project Name: Storm System Repairs and Improvements	Project No. SD4002

Category

Storm Drainage

Funding Source(s)

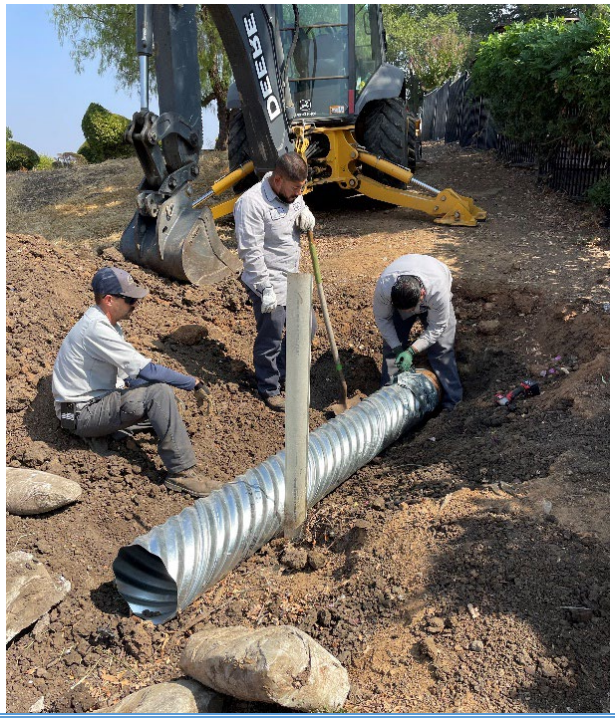
F304-Local Drainage (NonAB1600) Fund

Council Priorities

Enhancing Public Safety
Protecting the Environment

Strategic Planning Documents

Storm Drain Master Plan



Project Description

Construction of storm drains, storm inlets, and other miscellaneous improvements at various locations in the City to address localized drainage problems and repair storm drain facilities. Many localized drainage problems lying in the Upper Llagas Creek watershed (and, thus, in the 100-year FEMA flood plain) are unable to be resolved with additional drainage facilities due to the limited capacity in the Upper Llagas Creek channel.

Known repair projects include repairs at the 5th Street Culvert and West Little Llagas Creek. Repairs to the Monterey Rd/ West Little Llagas Creek are also planned, but the City is waiting on State grant funding to initiate this work.

Project Justification

Local flooding can cause damage to public and private property and may present safety issues.

Project Name: Storm System Repairs and Improvements	Project No. SD4002

Financial Comments

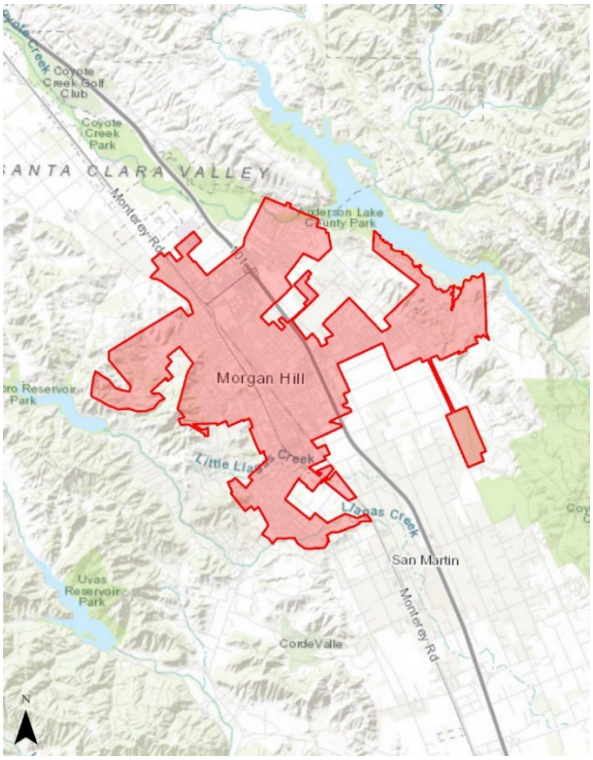
The funding source for these localized drainage projects has been the drainage fees in Local Drainage (Non-AB 1600) Fund (304), which was collected from residential developer fees as part of the Residential Development Control System (RDCS) competition**.** Due to its elimination via State legislation, no new revenue will be received. Funds are programmed in the next six years, spending down the fund balance to accomplish projects.

Operating Cost Impacts

As local drainage problems are repaired or improved, maintenance costs are reduced during rain events.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-304	250,000	250,000	100,000	100,000	100,000	100,000
Project Cost	**$250,000**	**$250,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**

Estimated Project Schedule	Timeline for Completion
Planning	Ongoing
Project Design	Annually as needed
Right of Way/ Acquisition/Permitting	Not applicable
Construction	Annually for identified projects
Project Close-out	Annually following construction

Project Name: Llagas Flood Control	Project No. SD4003

Category

Storm Drainage

Funding Source(s)

F303 - Drainage Impact Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

Storm Drain Master Plan

Project Description

This project addresses storm water conveyance infrastructure that drains into the Upper Llagas Creek Flood Protection Project (ULCFPP) and the West Little Llagas Creek watershed. The ULCFPP is a $120M Valley Water project to build channels, underground conduits, tunnels, and bridges to capture the flood waters from a 100-year storm event in Morgan Hill and eliminates the recurring flooding in the Downtown and other parts of the City lying in the West Little Llagas Creek watershed. Construction of the southerly Morgan Hill section (Reaches 7 and 7A) was recently completed. The northerly segment (Reach 8), including the Downtown, has been segmented into two phases, the first of which is currently under construction, which is expected to be completed by June 2024. The final phase of the project is anticipated to be bid and funded in the Summer of 2024. Design is complete on the project. City staff and consultants are coordinating with Valley Water to construct and integrate City-owned infrastructure in a manner that provides flood protection and appropriate City infrastructure when the ULCFPP is completed. This includes support to City roadways, that require adjacent improvements. Valley Water will construct improvements for the City through a cost share agreement.

Project Justification

The ULCFPP is critical to alleviating the persistent flooding in Morgan Hill. In addition, the project will allow for a re-mapping of the FEMA flood plain in the City with the likely result that many properties will be removed from the 100-year floodplain and the mandatory flood insurance that goes with lying in the floodplain. The ULCFPP continues to be on the list of Council goals and priorities.

Project Name: Llagas Flood Control	Project No. SD4003

Financial Comments

Funding for the project is allocated from the Local Drainage Impact Fund (303).

While Valley Water is constructing the project, the City has set aside funding to ensure that the project is constructed to offset impacts and to meet City and State requirements. This includes the construction of trash capture components and adjacent roadway improvements to ensure the project is fully completed within the watershed, meeting all requirements for the City.

Operating Cost Impacts

The majority of costs to operate and maintain the Upper Llagas Creek Flood Protection Project will be borne by the Santa Clara Valley Water District. It is not anticipated that City operational costs will be significantly impacted by the City constructed improvements associated with the project.

Project Location

West Little Llagas Creek

Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-303	150,000	1,500,000	1,500,000	-	-	-
Project Cost	**$150,000**	**$1,500,000**	**$1,500,000**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	Complete in FY 2023-24
Right of Way/ Acquisition/Permitting	Complete
Construction	FY 2024-25 through FY2026-27
Project Close-out	FY 2027-28

Project Name: Storm Drain System Upsizing	Project No. SD4005

Category

Storm Drainage

Funding Source(s)

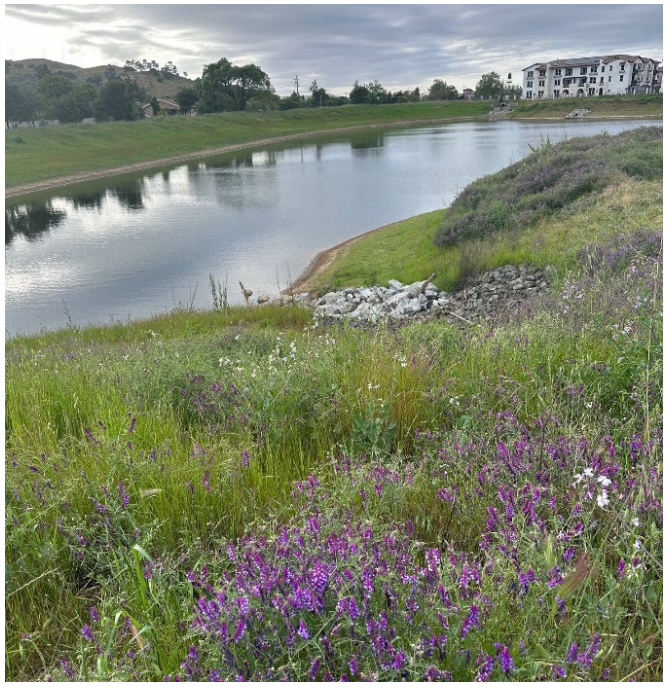
F303 - Drainage Impact Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

Storm System Master Plan



Project Description

This project is intended to specifically address the upsizing of the storm water basins, pipes, and pumps to mitigate increased storm water flows to Fisher Creek in the northern part of the City. These enhancements are intended to offset increasing flows and eliminate increases in flooding. The City is currently evaluating several options for this project in the planning phase.

Project Justification

Flood prevention is a high priority to ensure safety and quality of life for Morgan Hill residents.

Project Name: Storm Drain System Upsizing	Project No. SD4005

Financial Comments

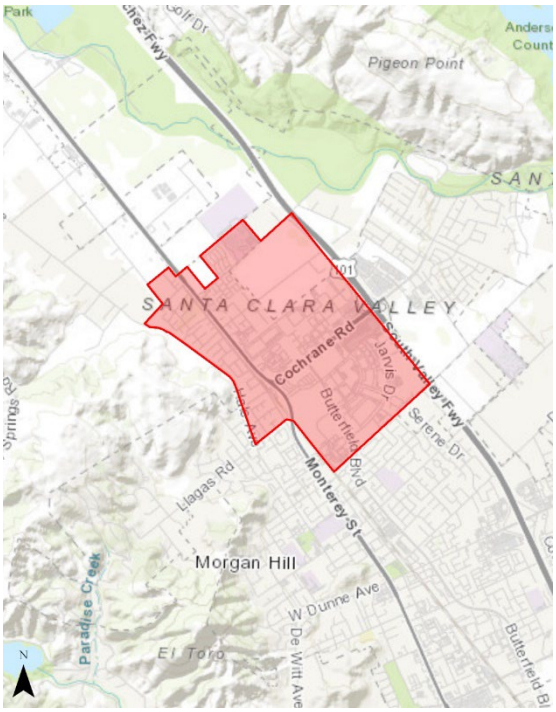
Funding for the project is allocated from the Local Drainage Impact Fund (303).

Operating Cost Impacts

Future projects may increase operating costs for maintenance functions associated with the improvements but are required to ensure public safety. These costs will be reviewed as planning continues.

Project Location

Northern Morgan Hill



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-303	-	500,000	-	-	-	1,500,000
Project Cost	**-**	**$500,000**	**-**	**-**	**-**	**$1,500,000**

Estimated Project Schedule	Timeline for Completion
Planning	FY 2024-25
Project Design	FY 2025-26 to FY 2026-27
Right of Way/ Acquisition/Permitting	FY 2025-26
Construction	FY 2028-29 to FY 2029-30
Project Close-out	FY 2029-30

Project Name: Fisher/Butterfield Storm System Expansion	Project No. SD4006

Category

Storm Drainage

Funding Source(s)

State Grant Funds
F303 - Drainage Impact Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

Storm System Master Plan
State Mandated Requirements

Project Description

The City currently owns and operates the Butterfield Basin, which is an off-stream basin intended to support flood control activities associated with the Butterfield Channel. This project will make improvements to the basin that will serve three purposes: 1) groundwater recharge, 2) state mandated trash capture compliance, and 3) improved flood protection. The project will convert the basin to an on-stream basin and adjust the outflow to retain stormwater onsite for the groundwater recharge and trash capture purposes. This project will be completed by FY 2026-27.

After completion of the Butterfield Basin, improvements to allow additional storm water to flow from the Fisher Basin to the Butterfield Channel will be made in FY 2027-28.

Project Justification

The project will improve groundwater recharge promoting sustainable water supply, assist the City in meeting state mandated trash capture requirements, and improve flood protection for the Butterfield Channel. The City has also received $2 million in State grant funding for the groundwater recharge purpose of the project.

Project Name: Fisher/Butterfield Storm System Expansion	Project No. SD4006

Financial Comments

The City has received $2 million in State funding that will be combined with storm drainage impact funds to fund this project.

Operating Cost Impacts

The largest associated change in operating costs will be the maintenance of the trash capture component of the project. The City shall utilize storm water trash capture implementation funds, and request through the City's solid waste franchise to fund the significant expenses associated with this State mandate. Operating costs are estimated at $150,000 annually for management of trash capture devices throughout the City.

Project Location

Butterfield Basin

Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-303	3,254,000	-	-	1,500,000	-	-
Project Cost	**$3,254,000**	**-**	**-**	**$1,500,000**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	In Progress
Project Design	FY2024-25
Right of Way/ Acquisition/Permitting	FY2024-25
Construction	FY 2025-26 to FY 2027-28
Project Close-out	FY 2027-28

Project Name: Citywide Small Trash Capture Project	Project No. SD4007

Category

Storm Drainage

Funding Source(s)

F304 – Local Drainage (NonAB1600) Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

None – State Mandated Requirements

Project Description

This project will install approximately 110 small trash capture devices in existing storm drains to ensure no trash is allowed to pass through storm water systems into our waterways.

Project Justification

The City is required to demonstrate 100% compliance with the Trash Provisions by 2030. Full compliance with the Trash Provisions requires the City to install, operate, and maintain State-certified Full Capture System (FCS) devices that capture all trash down to 5 millimeters in size from defined Priority Land Use areas. These include all industrial, commercial, mixed-use, high-density residential, and public transportation station areas.

Project Name: Citywide Small Trash Capture Project	Project No. SD4007

Financial Comments

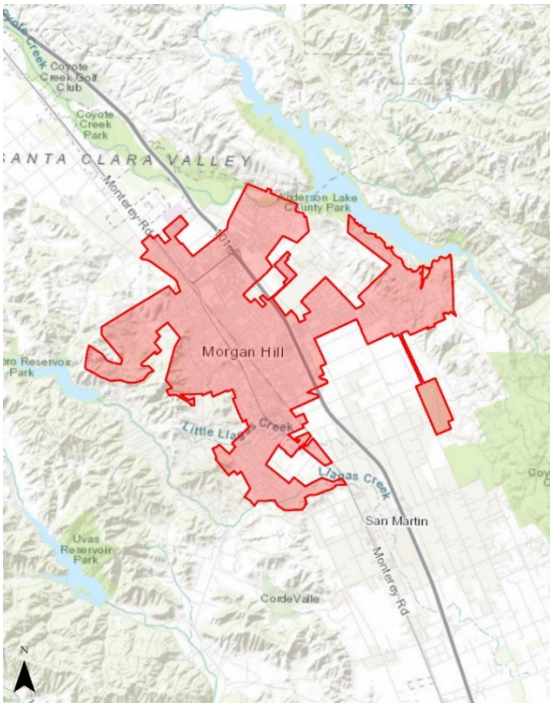
The project shall be funded from implementation funds from the City's solid waste franchise.

Operating Cost Impacts

The City shall utilize storm water trash capture implementation funds and request through the City's solid waste franchise to fund the significant expenses associated with this State mandate. Operating costs are estimated at $150,000 annually for management of trash capture devices throughout the City.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-304	240,000	-	-	-	-	-
Project Cost	**$240,000**	**-**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	In progress to be complete FY 2024-25
Right of Way/ Acquisition/Permitting	Not applicable
Construction	FY 2024-25
Project Close-out	FY 2025-26

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

FY 2024-25 – FY 2029-30

STREETS & ROADS

308 - Street CIP- Streets & Roads

The purpose of the Street CIP Fund is to support the ongoing rehabilitation and renovation of City roadways. The fund accounts for resources and requirements for capital projects that support the City of Morgan Hill's streets and roads. The fund has been separated from Street Operations, Fund 202.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 192,121	$ 344,375	$ 430,868	$ 362,974	$ 622,428	$ 588,785
SR5004 - Pavement Rehabilitation	4,000,000	7,000,000	3,250,000	3,250,000	3,250,000	3,250,000
Totals	**$ 4,192,121**	**$ 7,344,375**	**$ 3,680,868**	**$ 3,612,974**	**$ 3,872,428**	**$ 3,838,785**

How this Fund Generates Money for Capital Investment
The funds allocated, come from a variety of outside funding sources which are dedicated to road maintenance and rehabilitation. These include State Gas Taxes, Valley Transportation Authority Sales Tax (2016 Measure B) and Vehicle License Fee Tax (also administered through the Valley Transportation Authority). Additionally, the City has prioritized an annual General Fund contribution to maintaining the City roadways.

Limitations and Other Important Factors
For the most part, the funds used for street-related projects include funding dispersed from outside agencies. Since many of these funds are paid on a reimbursement basis: 1) the work is first completed, 2) a reimbursement request is submitted, and 3) in approximately 60-90 days a reimbursement check is received. Because these funds are typically guaranteed, it is not unusual for the process to overlap fiscal years. The work might be completed in one fiscal year, and the reimbursement is received in the new fiscal year.

Expenditures are only made on the assurance of funds to be received.

Goals for Capital Investment
The goals for the use of this fund during this period are to complete pavement rehabilitation projects improving the conditions of City roadways.

Revenues- Other includes interest income, gas tax and Measure B sales tax allocations and an annual transfer in from the General Fund. Expenditure- Other includes annual transfers-out to the General Fund for administration.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 308- Street CIP	Projected						
Beginning Fund Balance	$ 4,078,203	$ 3,142,456	$ 2,725,908	$ 3,045,343	$ 3,094,556	$ 3,197,138	$ 3,022,404
Revenues - Impact Fees	-	-	-	-	-	-	-
Revenues - Other	4,468,743	3,886,877	7,777,340	3,847,021	3,836,006	3,821,754	3,803,411
Expenditures - CIP Projects	5,298,486	4,192,121	7,344,375	3,680,868	3,612,974	3,872,428	3,838,785
Expenditures - Other	106,004	111,304	113,530	116,940	120,450	124,060	127,780
Ending Fund Balance	**$ 3,142,456**	**$ 2,725,908**	**$ 3,045,343**	**$ 3,094,556**	**$ 3,197,138**	**$ 3,022,404**	**$ 2,859,251**

309 - Traffic Impact- Streets & Roads

Fund Description
Traffic Impact Fund revenues are received from developers if their projects have an adverse impact on traffic flows, streets, etc. The funds collected may be expended on new streets, traffic signals, and improvements of existing streets where they are impacted by new development. The Fund is subject to the restrictions of AB1600.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 72,045	$ 159,889	$ 530,298	$ 27,921	$ 47,879	$ 362,329
SR5003 - Traffic Signal & Intersection Improvements	1,500,000	3,000,000	-	-	-	-
SR5011 - Transportation Master Plan Projects	-	250,000	4,000,000	250,000	250,000	2,000,000
Totals	**$ 1,572,045**	**$ 3,409,889**	**$4,530,298**	**$ 277,921**	**$ 297,879**	**$2,362,329**

How this Fund Generates Money for Capital Investment
Revenues result from the City's development impact fee program, through which new development pays the capital costs associated with growth. New development creates the need for the City to expand its inventory of public facilities and build new, or expand current, infrastructure to handle the demands of new services. The City imposes traffic fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council-adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Goals for Capital Investment
The goals for this fund during this period are to expand transit and non-motorized travel opportunities, as needed to service anticipated future growth.

Revenues- Other includes interest income. Expenditure- Other includes annual transfers-out to the General Fund for administration and infrastructure planning, and to Fund 207 (Long Range Planning) for the general plan update.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 309- Traffic Impact	**Projected**						
Beginning Fund Balance	$ 3,727,580	$ 812,592	$ 3,862,442	$ 3,905,377	$ 2,231,996	$ 2,884,892	$ 3,070,698
Revenues - Impact Fees	1,037,458	4,672,629	3,472,562	2,905,601	997,923	541,171	374,098
Revenues - Other	160,000	80,663	112,152	83,957	66,304	76,725	46,227
Expenditures - CIP Projects	3,676,467	1,572,045	3,409,889	4,530,298	277,921	297,879	2,362,329
Expenditures - Other	435,979	131,397	131,890	132,640	133,410	134,210	135,030
Ending Fund Balance	**$ 812,592**	**$ 3,862,442**	**$ 3,905,377**	**$ 2,231,996**	**$ 2,884,892**	**$ 3,070,698**	**$ 993,664**

346 – Public Facilities- Non AB1600- Streets and Roads

Fund Description
The current priority of the Public Facilities Fund (non-AB100) is to support pedestrian, bicycle, and vehicle safety in alignment with the City's Vision Zero Policy. Previously, Fund revenues were received from developers through the City's RDCS. With the elimination of RDCS due to State legislation, no new funds are anticipated to be received through that process. Funds may be used for the design, construction, and maintenance of public facilities or to reimburse the City for funds advanced to construct such facilities. It is anticipated that funds will be exhausted within the next eight years.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 36,023	$ 7,379	$ 19,886	$ 16,753	$ 28,727	$ 27,175
SR5005 - Bike, Pedestrian, Traffic Safety	600,000	-	-	-	-	-
SR5008 - Sidewalk Repairs	150,000	150,000	150,000	150,000	150,000	150,000
SR5012 - Downtown Parking Trash Enclosures	35,000	-	-	-	-	-
Totals	**$ 821,023**	**$ 157,379**	**$ 169,886**	**$ 166,753**	**$ 178,727**	**$ 177,175**

How this Fund Generates Money for Capital Investment
Fees were paid by developers of properties competing within the City's RDCS.

Limitations and Other Important Factors
The funds committed by developers are used specifically for design/construction of public off-site improvements.

Goals for Capital Investment
The goal for the use of this fund is to expand City facilities to accommodate growth appropriately.

Revenues- Other includes interest income. Expenditure- Other includes annual transfers-out to the General Fund for administration.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 346- Public Facilities- NonAB1600	**Projected**						
Beginning Fund Balance	$ 2,943,797	$ 294,083	$ 1,248,045	$ 1,572,537	$ 1,269,459	$ 642,057	$ 133,739
Revenues - Impact Fees	-	-	-	-	-	-	-
Revenues - Other	347,645	189,832	26,226	21,132	15,922	10,573	5,045
Expenditures - CIP Projects	1,656,604	821,023	157,379	169,886	166,753	178,727	177,175
Expenditures - Other	4,582	4,811	4,910	5,060	5,210	5,370	5,530
Ending Fund Balance	**$ 1,630,257**	**$ 994,255**	**$ 858,191**	**$ 704,377**	**$ 548,336**	**$ 374,812**	**$ 197,152**

350 - Undergrounding – Streets & Roads

Fund Description
The purpose of the Undergrounding Fund is to underground existing overhead lines throughout the City. The Fund receives revenues from developers for the undergrounding of utilities in areas of new development. Expenditures may be made from these funds only for design and construction associated with such undergrounding.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 12,008	$ 49,196	$ -	$ -	$ -	$ -
SR5002 - Undergrounding project	250,000	1,000,000	-	-	-	-
Totals	**$ 262,008**	**$ 1,049,196**	**$ -**	**$ -**	**$ -**	**$ -**

How this Fund Generates Money for Capital Investment
Fees are paid by developers of properties. Additionally, the City may receive funds or credit from PG&E to support additional undergrounding work. The City attempts to leverage both PG&E and City funding to accomplish larger undergrounding projects.

Limitations and Other Important Factors
These funds must be used for undergrounding of utilities in areas of new development.

Goals for Capital Investment
Complete one significant undergrounding project using City and PG&E funding.

Revenues- Other includes interest income. Expenditure- Other includes annual transfers-out to the General Fund for administration.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 350- Undergrounding	**Projected**						
Beginning Fund Balance	$ 1,626,301	$ 1,671,875	$ 1,482,935	$ 479,737	$ 510,300	$ 541,384	$ 572,987
Revenues - Impact Fees	-	-	-	-	-	-	-
Revenues - Other	303,409	74,302	47,258	31,863	32,424	32,983	33,541
Expenditures - CIP Projects	256,660	262,008	1,049,196	-	-	-	-
Expenditures - Other	1,175	1,234	1,260	1,300	1,340	1,380	1,420
Ending Fund Balance	**$ 1,671,875**	**$ 1,482,935**	**$ 479,737**	**$ 510,300**	**$ 541,384**	**$ 572,987**	**$ 605,108**

Project Name: Undergrounding Project	Project No. SR5002

Category

Streets and Roads

Funding Source(s)

F350-Undergrounding

Council Priorities

Maintaining and Enhancing Infrastructure

Project Description

The largest area targeted to underground overhead utility lines lies along San Pedro Avenue going west from Butterfield Boulevard. This project is considerably complicated and available funds are insufficient to complete the project. City staff are assessing options for undergrounding in this area. This assessment will be completed in the FY 2024-25 year.

As a separate project, City staff intends to work with PGE to match City Funds with PGE Rule 20A Funds at Old Monterey Road from Llagas Road to Monterey Road in FY2024-25.

The City also allocates funds within this project to partner and cost share with developers that are doing underground work, to underground adjacent lines outside a developers required undergrounding limits. This strategy allows for the best pricing for undergrounding utilities.

Project Justification

The undergrounding of utilities will improve both the aesthetics and safety along Old Monterey Road and San Pedro Avenue west of Butterfield Boulevard.

Project Name: Undergrounding Project	Project No. SR5002

Financial Comments

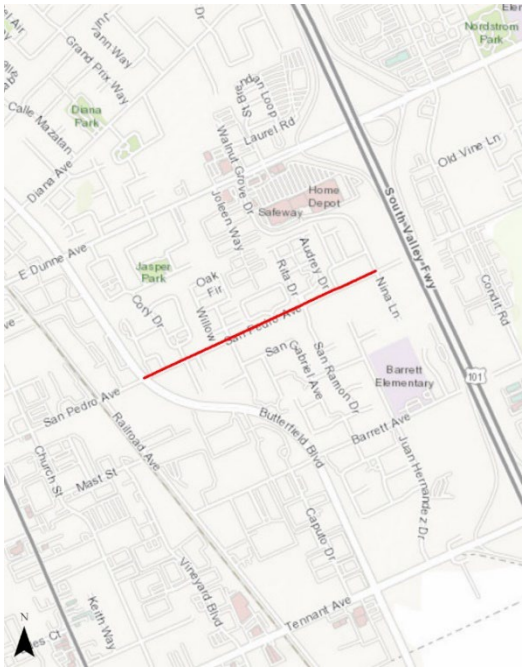
Undergrounding funds are received from the payment of undergrounding frontage fees and in-lieu fees for undergrounding.

Operating Cost Impacts

There are no operational cost impacts associated with this project.

Project Location

San Pedro Ave.



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-350	250,000	1,000,000	-	-	-	-
Project Cost	**$250,000**	**$1,000,000**	**-**	**-**	**--**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Underway to be completed in FY 2024-25
Project Design	FY 2024-25
Right of Way/ Acquisition/Permitting	FY 2024-25
Construction	FY 2024-25 and FY 2025-26
Project Close-out	FY 2025-26

Project Name: Traffic Signal and Intersection Improvements	Project No. SR5003

Category

Streets & Roads

Funding Source(s)

F309 - Traffic Impact Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Transportation

Strategic Planning Documents

Vision Zero
General Plan Circulation Element

Project Description

The construction of new traffic signals and intersection improvements is planned in order to meet the growing traffic demands within the Community and for safety enhancement purposes. Intersections identified for potential signalization or improvements include:

- Hale Avenue at Wright Avenue
- Hale Avenue at Tilton Avenue
- Watsonville Road & Santa Teresa Blvd./Sunnyside Avenue
- Monterey Road & Rome Avenue (Assessment with Transportation Master Plan)

Other potential intersection improvements are identified in the Morgan Hill Intersection Capacity Analysis for the following intersections: Condit Road & East Dunne Avenue, Butterfield Boulevard & Tennant Avenue, Monterey Road & Main Avenue, Butterfield Boulevard & East Dunne Avenue and Monterey Road & West Edmundson Avenue/Tennant Avenue. Additionally, the City is nearing completion of its Transportation Master Plan, which will identify future priority improvements in this area.

Project Justification

Intersection improvements can improve or accommodate traffic congestion resulting from higher use of City of Morgan Hill roadways. Improvements can also increase pedestrian and bikeway safety in alignment with the City's Vision Zero Policy. Reduced traffic delays have been an expressed desire among many Morgan Hill residents.

Project Name: Traffic Signal and Intersection Improvements	Project No. SR5003

Financial Comments

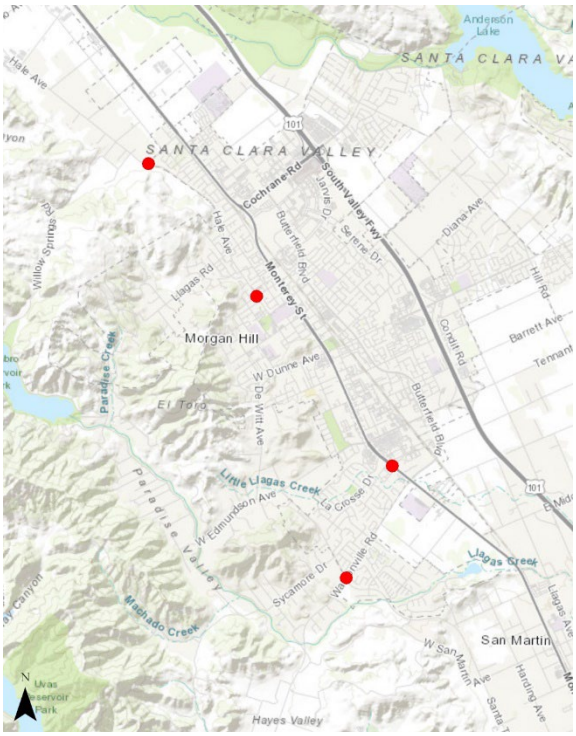
Funding for these improvements is obtained through the collection of traffic impact fees from developers. Future project funding for FY 2026-27 and later will be identified through the Transportation Master Plan, which is currently in development.

Operating Cost Impacts

New signals and improvements increase operating costs for the Streets Maintenance Division. Additionally, signal maintenance costs are approximately $2,500 each annually.

Project Location

Various Intersections



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-309	1,500,000	3,000,000	-	-	-	-
Project Cost	**$1,500,000**	**$3,000,000**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	In progress
Project Design	FY 2024-25
Right of Way/ Acquisition/Permitting	Not applicable
Construction	FY 2025-26
Project Close-out	FY 2026-27

City of Morgan Hill Capital Improvement Program
FY 2024-25 – FY 2029-30

Project Name: Pavement Rehabilitation	Project No. SR5004

Category

Streets & Roads

Funding Source(s)

F308 - Street CIP

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Transportation

Strategic Planning Documents

Vision Zero
General Plan Circulation Element

Project Description

This ongoing program is intended to address the City's pavement rehabilitation needs. Locations for maintenance are selected based on the individual condition of the street, the use of the street, and the type of the street. The City prioritizes maintaining the Arterial and Collector streets within the City, while funding work on residential streets is performed when funds are available.

The 2024 planned Pavement Rehabilitation includes: East Dunne Avenue Overpass from Condit Road to Laurel Road, Del Monte Avenue from 2nd Street to Keystone Avenue, Del Monte Avenue from Spring Avenue to Cosmo Avenue, Keystone Avenue from Del Monte Avenue to Monterey Road, San Pedro from Butterfield Boulevard to Walnut Grove Drive, San Ramon Drive from San Pedro Avenue to San Marcos Drive, Markross Court, Cochrane Circle, and arterial street sealing as funds are available.

The 2025 planned Pavement Rehabilitation includes the sealing/repaving of Monterey Road from Cochrane Road to East Middle Avenue/City limit. This project will be funded primarily from the $4 million OBAG III Grant Project that the City has been awarded. The project will also fill sidewalk gaps, improve curb ramps, install new medians, and improve bike lanes. Outside of the Monterey Road Project, roadways planned for rehabilitation include Llagas Road, streets within Woodland Acres Neighborhood, Sunnyside Avenue, Railroad Avenue from Tennant Avenue to San Pedro Avenue, and arterial street sealing as funds are available.

Project Justification

Pavement rehabilitation extends the surface life of streets, thus reducing repair costs in the future. Safely maintained streets support vehicle safety and reduced damage to vehicles of our Community members.

Project Name: Pavement Rehabilitation	Project No. SR5004

Financial Comments

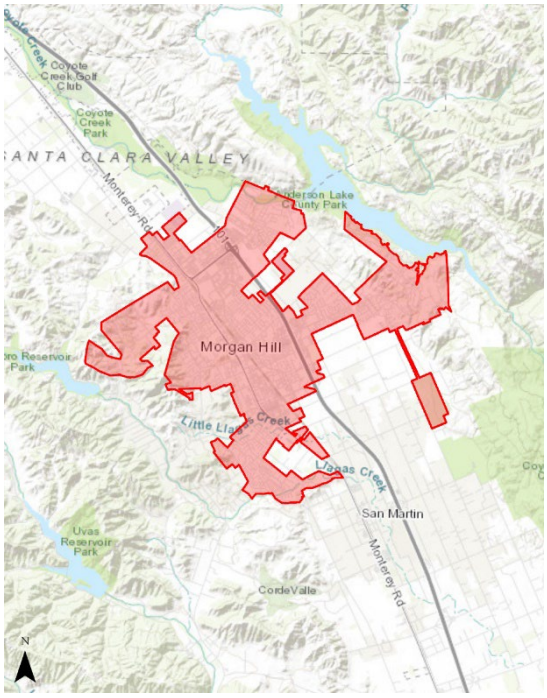
Funding includes revenues from Valley Transportation Authority Sales Tax (2016 Measure B), State Gas Tax Funds, General Fund contributions and various other funding sources.

Operating Cost Impacts

Pavement rehabilitation reduces overall maintenance cost as affected streets are improved and require less significant maintenance.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-308	4,000,000	7,000,000	3,250,000	3,250,000	3,250,000	3,250,000
Project Cost	**$4,000,000**	**$7,000,000**	**$3,250,000**	**$3,250,000**	**$3,250,000**	**$3,250,000**

Estimated Project Schedule	Timeline for Completion
Planning	Ongoing
Project Design	Annually for each year
Right of Way/ Acquisition/Permitting	Not applicable
Construction	Annually in the Summer and Fall
Project Close-out	Annually each Spring

Project Name: Bike, Pedestrian and Traffic Safety	Project No. SR5005

Category

Streets & Roads

Funding Source(s)

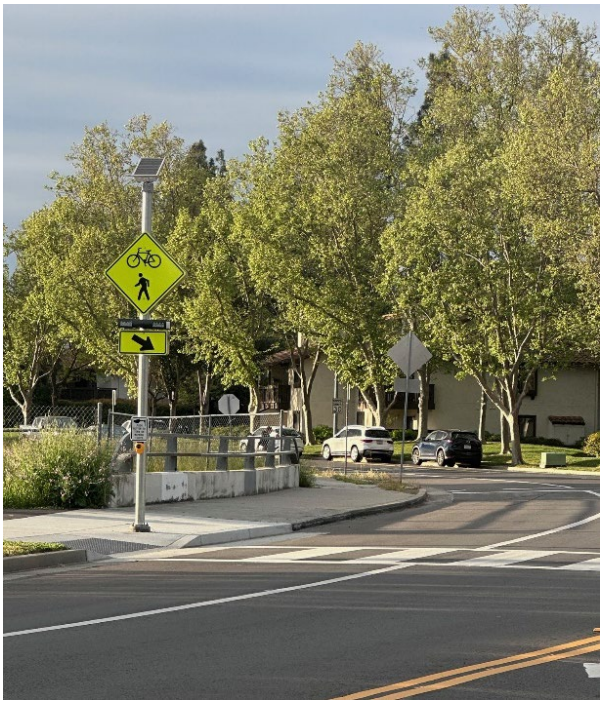
F346-Public Facilities (nonAB1600) fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Transportation

Strategic Planning Documents

Vision Zero
General Plan Circulation Element



Project Description

This project will implement pedestrian, bicycle and safety improvements. Projects included have been identified by residents and staff and have been prioritized to increase safety in alignment with the City's Vision Zero Policy. Due to limited funding, many of the projects listed below will require outside funding to complete. Additionally, it is anticipated that the Transportation Master Plan, which is currently underway, will identify additional priority improvements. Current projects in design/planning include:

- Addition of enhanced crosswalks at various locations throughout the City including: Hale Ave. at Stoney Creek Way, Central Ave. and Monterey Rd. next to Britton School, Walnut Grove Dr. near San Dimas Ln., Dunne Avenue at Pine Way and Tassara Cr., Peak Ave. at Alkire Ave., and Watsonville Road between La Alameda Dr. and Sunnyside Ave.
- Intersection improvements at Jarvis Dr. and Sutter Blvd.
- Improvements to the intersection and pedestrian travel paths near Cochrane Rd. and Malaguerra Ave.
- Improved striping on Diana Avenue between Murphy Ave. and Hill Rd.
- Improvements in Downtown medians near select crosswalks.
- Construction of new sidewalk on San Pedro Ave. between San Ramon Dr. and Nina Ln.
- Improvements to the sidewalks on Bisceglia Ave. between Monterey Rd. and Church St.
- The addition of an enhanced crosswalk on Watsonville Road between La Alameda Dr. and Sunnyside Ave.

Project Justification

Projects in this area have been prioritized to enhance safety in the City's public streets.

Project Name: Bike, Pedestrian and Traffic Safety	Project No. SR5005

Financial Comments

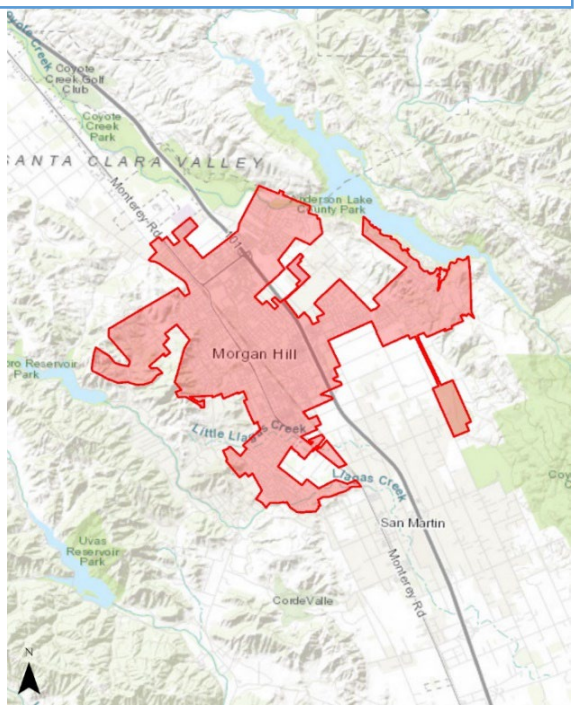
The funding source for these projects will be the Public Facilities (nonAB1600) Fund (346) for which funds were collected from residential developer fees as part of the Residential Development Control System (RDCS) competition. Due to State legislation passed in 2019, this revenue source is no longer available to the City. Additional outside funding will be required to complete all projects. City staff will continue to actively look for grant funding to support these efforts.

Operating Cost Impacts

Most projects will bring on additional infrastructure, which will in turn increase operating costs for the City. If all projects are implemented, the Streets Maintenance budget could increase by $50,000 annually for ongoing maintenance, along with repair and replacement costs.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-346	600,000	-	-	-	-	-
Project Cost	**$600,000**	**-**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Underway as part of Transportation Master Plan
Project Design	Ongoing – FY 2024-25
Right of Way/ Acquisition/Permitting	Not applicable
Construction	FY 2024-25 and FY 2025-26
Project Close-out	FY 2025-26

Project Name: Sidewalk Repairs	Project No. SR5008

Category

Streets & Roads

Funding Source(s)

F346-Public Facilities (nonAB1600) fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure

Strategic Planning Documents

Vision Zero
Citywide Sidewalk Assessment (In progress)
Transportation

Project Description

The City has completed multiple sidewalk repair projects over the last two fiscal years, replacing over 10,000 square feet of sidewalk. This project provides for responsive annual sidewalk repair to the areas of highest need in the City.

Funding of $150,000 annually on an ongoing basis is provided to support high priority repairs throughout the entire City. The City is currently completing an assessment of sidewalk conditions, which will support prioritization of repairs throughout the City. It may also require review of annual and one-time funding needs.

Project Justification

Continuous investment in sidewalks is necessary to provide for the safety of the City's residents.

Project Name: Sidewalk Repairs	Project No. SR5008

Financial Comments

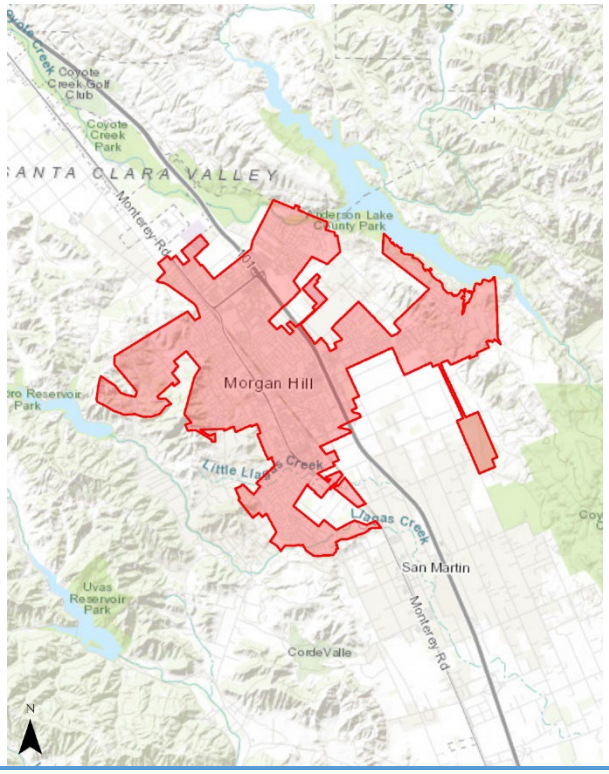
Funding for the sidewalk safety program is funded through former contributions to the City's Residential Development Control System. Due to State legislation passed in 2019, this revenue source is no longer available to the City. The projects will spend down a limited amount of the fund balance annually over the next 5-6 years.

Operating Cost Impacts

The Maintenance Team makes immediate emergency repairs to severely damaged sidewalks. The sidewalk improvement project reduces the number of repairs necessary and allows for maintenance resources to be utilized in other areas.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-346	150,000	150,000	150,000	150,000	150,000	150,000
Project Cost	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**

Estimated Project Schedule	Timeline for Completion
Planning	On-going
Project Design	Annually
Right of Way/ Acquisition/Permitting	Not applicable
Construction	Annually, one project per year
Project Close-out	Annually, following completion of projects

Project Name: Transportation Master Plan Projects	Project No. SR5011

Category

Streets and Roads

Funding Source(s)

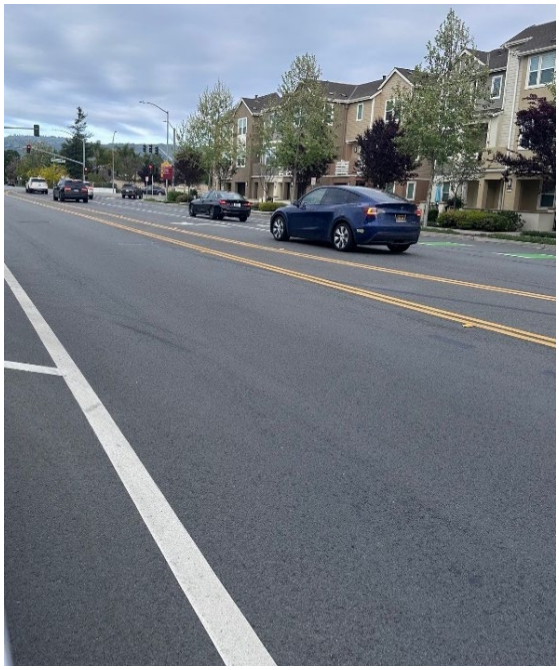
F309 - Traffic Impact Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Transportation

Strategic Planning Documents

General Plan Circulation Element
Vision Zero
Transportation Master Plan (In Progress)



Project Description

The City is working to develop its first comprehensive Transportation Master Plan. The Plan is intended to provide numerous components, including traffic counts, future traffic modeling, updated speed survey to set speed limits, review of existing transportation infrastructure, specific review and analysis of bike and pedestrian infrastructure, development of transportation priorities for the City, creation of a capital improvement program, and numerous other components. The Plan will also provide the foundation for the update of the City's General Plan Transportation/Circulation Element Update.

Projects outlined in this section would be identified in the Transportation Master Plan for implementation to improve future roadway operations. The Plan's identified improvements would be reviewed within a Transportation Impact Fee Study to be funded through the City's Traffic Impact Fund (309).

Project Justification

Improvements would support improved roadway operations to accommodate growth within the City. Improvements would be intended to prioritize traffic congestion reduction and safety associated with new developments. Eliminating increased traffic delays and maintaining safe roads has been expressed as a great desire among many Morgan Hill residents.

Project Name: Transportation Master Plan Projects	Project No. SR5011

Financial Comments

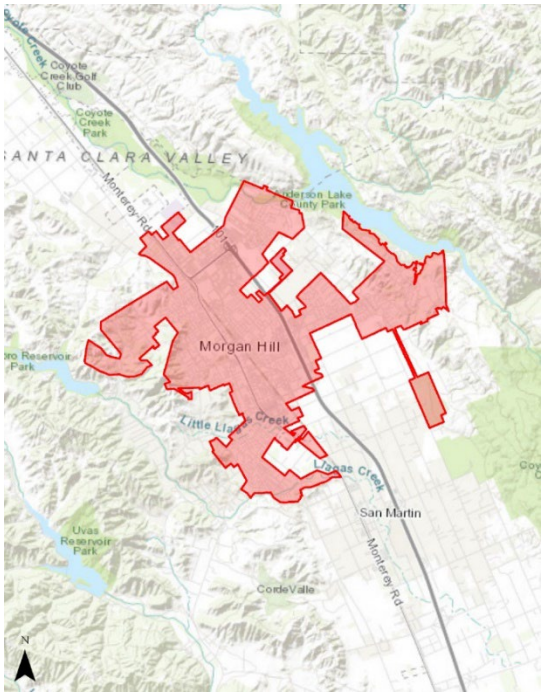
The use of traffic impact fees for projects identified in the Plan will need to identify a nexus to new development, which is charged these fees. An updated fee study will be completed with the Transportation Master Plan, which is currently in progress.

Operating Cost Impacts

Operating cost impacts for the Transportation Master Plan identified improvements are currently unknown.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-309	-	250,000	4,000,000	250,000	250,000	2,000,000
Project Cost	**-**	**$250,000**	**$4,000,000**	**$250,000**	**$250,0000**	**$2,000,000**

Estimated Project Schedule	Timeline for Completion
Planning	Currently Underway
Project Design	FY 2025-26
Right of Way/ Acquisition/Permitting	To be determined
Construction	FY 2026-27, Fy2029-30
Project Close-out	To be determined

Project Name: Downtown Parking Trash Enclosures	Project No. SR5012

Category

Streets & Roads

Funding Source(s)

F346-Public Facilities (nonAB1600) fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Protecting the Environment and Preserving Open Space and Agricultural Land

Project Description

The City currently owns the trash enclosure in the City owned parking lot on the north side of Third Street. This trash enclosure is used and maintained by local businesses. The trash enclosure must be upsized to increase space and meet required codes related to the State Law (SB1383 of 2016). Per a reciprocal parking lot easement, the businesses will be responsible to pay the City back for these associated improvements. The City is currently discussing repayment options with these businesses.

Project Justification

State law requires this improvement of City infrastructure.

Project Name: Downtown Parking Trash Enclosures	Project No. SR5012

Financial Comments

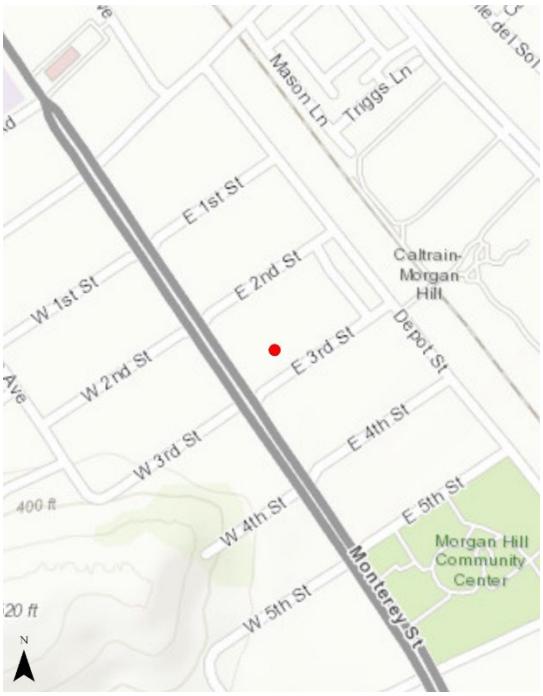
Private businesses shall be required to pay back the City for this improvement.

Operating Cost Impacts

Operating costs for the trash enclosure are paid by the businesses utilizing the enclosure.

Project Location

Third Street



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-346	35,000	-	-	-	-	-
Project Cost	**$35,000**	**-**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	In progress
Project Design	FY 2024-25
Right of Way/ Acquisition/Permitting	FY 2024-25
Construction	FY 2024-25
Project Close-out	FY 2025-26

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

FY 2024-25 – FY 2029-30

WASTEWATER

641 - Sewer Impact- Wastewater

Fund Description

The primary purpose of the Sewer Impact Fund is to construct expansions to the City's Wastewater System to accommodate new development. The Fund receives revenues from developer charges to cover the costs to construct sewer improvements required as a result of new development. Expenditures may only be made for the construction of the required improvements or to reimburse the City for funds advanced to construct such improvements. The Fund is subject to the restrictions of AB1600. The primary planning tool for the Fund is the City's Sewer System Master Plan.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 34,149	$ 675,197	$ 126,357	$ 58,098	$ 88,289	$ 36,233
PF2001 - Infrastructure Planning Documents	-	-	-	-	125,000	-
WW3003 - Sewer Plant Expansion	4,000,000	-	-	-	-	-
WW3004 - Sewer Plant Improvements	-	1,500,000	-	-	2,500,000	-
WW3008- New Trunk Line	250,000	43,763,000	-	-	-	-
WW3009 - New/Replacement Sewer Lines	461,000	1,250,100	953,100	520,200	461,000	200,000
Totals	**$ 4,745,149**	**$ 47,188,297**	**$ 1,079,457**	**$ 578,298**	**$3,174,289**	**$ 236,233**

How this Fund Generates Money for Capital Investment

New development creates the need for the City to expand its inventory of public facilities and build new, or expand current, infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000. A City Council-adopted "Impact Fee Report" provides the necessary findings required for adoption of the fees.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, to build out new public facilities/infrastructure projects to accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Goals for Capital Investment

The goals for this fund during this period are to expand and improve the sewer enterprise system to accommodate anticipated future growth.

Revenues- Other includes interest income and a loan for the New Trunk Line project in FY24-25. Expenditure- Other includes annual transfers-out to the General Fund for administration and infrastructure planning, debt service, and to Fund 207 (Long Range Planning) for the general plan update.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 641-Sewer Impact	Projected						
Beginning Fund Balance	$ 21,350,081	$ 14,532,435	$20,839,828	$ 3,462,955	$10,802,934	$ 11,495,594	$ 6,987,227
Revenues - Impact Fees	3,994,917	11,546,118	15,415,728	12,805,084	5,570,990	3,021,130	2,088,432
Revenues - Other	830,000	275,047	15,164,788	387,802	474,329	420,150	318,810
Expenditures - CIP Projects	10,870,594	4,745,149	47,188,297	1,079,457	578,298	3,174,289	236,233
Expenditures - Other	771,969	768,622	769,093	4,773,450	4,774,360	4,775,358	3,776,759
Ending Fund Balance	$ 14,532,435	$20,839,828	$ 3,462,955	$10,802,934	$ 11,495,594	$ 6,987,227	$ 5,381,478

643 - Sewer Capital Project- Wastewater

Fund Description

The Purpose of the Sewer Capital Project Fund is to implement capital improvements to the sewer system that support the ongoing maintenance of the system. The primary planning tool for the Fund is the City's Sewer System Master Plan. The Fund was established to avoid fluctuations in the sewer rates charged by providing reserve funding for future system replacements. Annual contributions from the Sewer Operations Fund occur to fund planned capital projects in this area.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 409,323	$ 313,321	$ 563,853	$ 510,194	$ 1,522,674	$ 693,135
PF2001 - Infrastructure Planning Documents	-	-	-	-	125,000	-
WW3001 - Sewer System Repair & Replacement	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
WW3006 - Lift Station Improvements	1,353,600	-	-	-	2,793,600	-
WW3008 - New Trunk Line	100,000	14,588,000	-	-	-	-
WW3009 - New/Replacement Sewer Lines	276,600	1,000,080	953,100	468,180	2,257,020	100,000
WW3010 - Utility Infrastructure Access Roads	-	-	500,000	-	-	500,000
WW3012- Existing Joint Trunk Repairs	4,000,000	2,800,000	-	1,200,000	-	326,000
WA6010 - Utilities Security System Enhancement	-	-	300,000	400,000	400,000	400,000
WA6011 - Utility System Solar	292,000	-	-	-	-	-
Totals	**$ 8,931,523**	**$21,201,401**	**$ 4,816,953**	**$ 5,078,374**	**$ 9,598,294**	**$ 4,519,135**

How this Fund Generates Money for Capital Investment

Funding comes from planned transfers from the Sewer Operations Fund, which is funded through ratepayers.

Limitations and Other Important Factors

The projects paid for through this fund are projects for the purpose of rehabilitation and replacement work for the City's wastewater system.

Goals for Capital Investment

The goals for this fund during this period consist of improvements to enhance system reliability and maintenance to take care of existing system deficiencies by replacing and rehabilitating sewer system components.

Revenues- Other includes interest income and annual transfers-in from Fund 640 (Sewer Operations) and 641 (Sewer Impact), as well as a loan for the New Trunk Line in FY24-25. Expenditure- Other includes annual transfers-out to the General Fund for administration, and debt service.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 643-Sewer Capital Project	Projected						
Beginning Fund Balance	$ 15,601,623	$ 16,021,144	$ 11,919,496	$ 4,476,451	$ 5,023,359	$ 5,821,267	$ 2,452,312
Revenues - Impact Fees	-	-	-	-	-	-	-
Revenues - Other	6,655,453	6,149,134	15,076,739	7,546,468	8,059,470	8,414,047	9,093,324
Expenditures - CIP Projects	4,916,032	8,931,523	21,201,401	4,816,953	5,078,374	9,598,294	4,519,135
Expenditures - Other	1,319,900	1,319,259	1,318,383	2,182,608	2,183,188	2,184,708	2,188,908
Ending Fund Balance	$ 16,021,144	$ 11,919,496	$ 4,476,451	$ 5,023,359	$ 5,821,267	$ 2,452,312	$ 4,837,593

Project Name: Sewer System Repair and Replacements	Project No. WW3001

Category

Wastewater

Funding Source(s)

F643- Sewer CIP Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2024 Sewer System Master Plan

Project Description

This project is intended to implement needed repairs and improvements for various pipeline and manhole rehabilitations and improvements throughout the City. The City has completed a comprehensive assessment of all its wastewater pipelines and has prioritized the needs for improvements to its pipelines and manholes. Repair and rehabilitation of pipelines and manholes are intended to support multiple benefits for the City's wastewater system, including:

- Maintaining the integrity of the pipelines to prevent failures that result in sanitary sewer overflows.
- Prevent infiltration into the City's wastewater system from stormwater that can overwhelm the system and cause sanitary sewer overflows.
- Protect the environment by ensuring wastewater does not leave the City's system through damaged pipes or manholes.

This project occurs annually with pipelines identified on an ongoing basis for repair and replacement.

Project Justification

The City proactively works to maintain the general condition of the existing sewer system and works to identify areas out of compliance with existing design and construction standards, as well as identifying areas requiring repair. This project is intended to mitigate areas of concern within the sewer system. Sewer pipelines subject to deteriorated conditions or major structural defects must be replaced to ensure an adequate level of service and public safety. These replacements and repairs are intended to mitigate existing pipeline issues before complete pipeline failure occurs.

Project Name: Sewer System Repair and Replacements	Project No. WW3001

Financial Comments

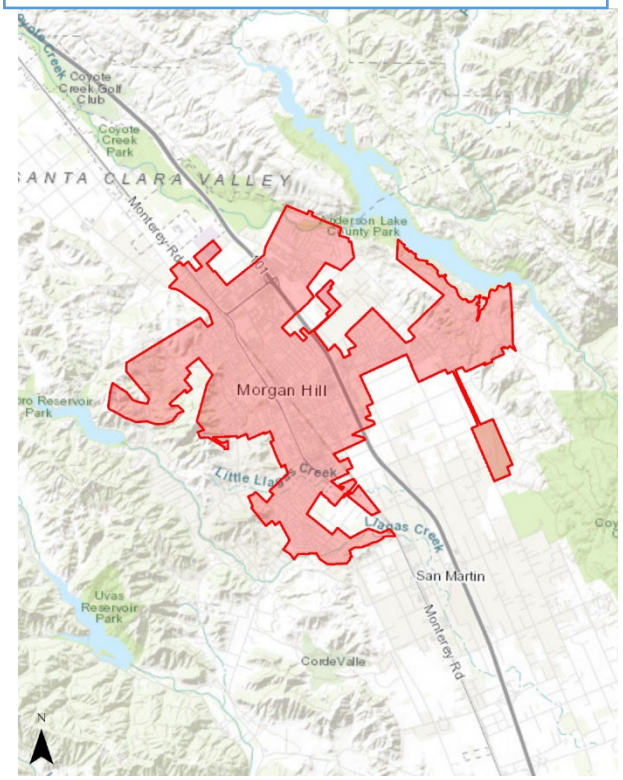
Funding for this project is appropriated in the Sewer Capital Fund (643), which is supported by customer rates.

Operating Cost Impacts

The improvements outlined in the project support on-going operations.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-643	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Project Cost	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**

Estimated Project Schedule	Timeline for Completion
Planning	Ongoing, but assessment of all sewer lines Citywide has been completed.
Project Design	Annually
Right of Way/ Acquisition/Permitting	Not applicable
Construction	Annually in the Summer/Fall
Project Close-out	Annually in the Spring

Project Name: Sewer Plant Expansion	Project No. WW3003

Category

Wastewater

Funding Source(s)

F641 - Sewer Impact Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2024 Sewer System Master Plan

Project Description

Constructed in 1994, the South County Regional Wastewater Authority (SCRWA) treatment plant continues to treat wastewater collected from the Cities of Morgan Hill and Gilroy. The treatment plant is currently in the second year of a major expansion project. This project consists of plant improvements that will increase the overall treatment capacity, while also implementing new standards from the State Water Resources Control Board. The project is managed by SCRWA and the City reimburses costs associated with construction per the Joint Powers Authority agreement. The Treatment Plant Expansion is anticipated to be completed in FY 2024-25.

Project Justification

This project maintains adequate levels of service for the sewer system customers, as well as meets the regulatory requirements from the State Water Resources Control Board.

Project Name: Sewer Plant Expansion	Project No. WW3003

Financial Comments

The City of Morgan Hill is responsible for 41.9% of this overall project with the remaining amount funded by the City of Gilroy. The funding for the expansion will be covered by Wastewater Impact Fees paid by developers. The City has issued bonds to provide the immediate funding for this program, which will be repaid by future development impact fees. Funds appropriated for FY 2024-25 are the final funds necessary to complete the City's share of the $75 million project.

Operating Cost Impacts

Costs will increase significantly to manage the larger plant but are necessary to manage the increased capacity associated with growth and will be balanced in the long term by an increased number of customers paying fees associated with that growth.

Project Location

SCRWA Treatment Plant, Gilroy

Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-641	4,000,000	-	-	-	-	-
Project Cost	**$4,000,000**	**-**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Completed
Project Design	Completed
Right of Way/ Acquisition/Permitting	Completed
Construction	In progress, to be completed FY 2024-25
Project Close-out	FY 2024-25

Project Name: Sewer Plant Improvements	Project No. WW3004

Category

Wastewater

Funding Source(s)

F641 - Sewer Impact Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2024 Sewer System Master Plan

Project Description

Constructed in 1994, the South County Regional Wastewater Authority (SCRWA) treatment plant requires ongoing maintenance and improvements associated with increased growth in the Community, while also implementing new standards from the State Water Resources Control Board. Projects are identified and implemented by SCRWA and are funded through wastewater impact fees or rate payers.

An expanded maintenance building for the plant, to accommodate increased needs of the growing plant, was the most recent project completed. The City of Morgan Hill is responsible for 41.9% of the project costs, based on percentage of ownership.

Project Justification

Ongoing plant enhancements/expansion are performed to increase efficiency and reliability, while supporting expanding needs of the growing communities it serves, are necessary to maintain the plant's operating license.

Project Name: Sewer Plant Improvements	Project No. WW3004

Financial Comments

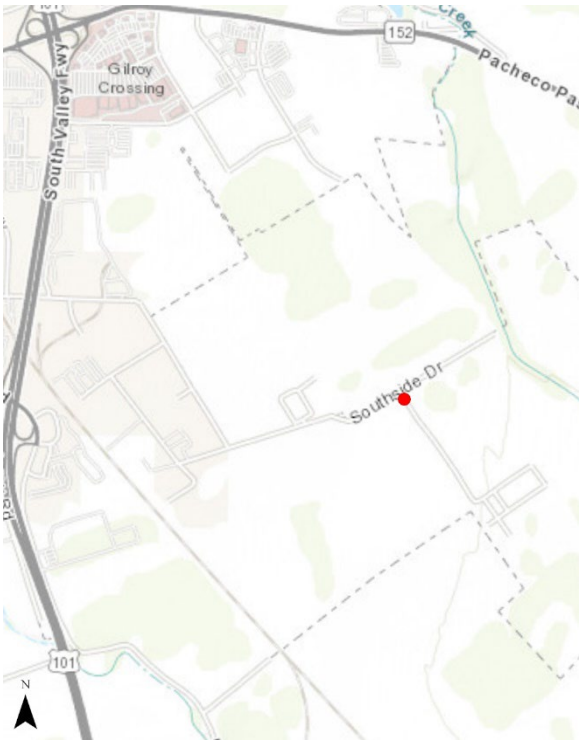
Funding for the projects outlined is allocated in the Sewer Impact Fund (641).

Operating Cost Impacts

Operating costs impacts are not anticipated to increase significantly from future projects at the treatment plant.

Project Location

SCRWA Treatment Plant, Gilroy



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-641	-	1,500,000	-	-	2.500,000	-
Project Cost	**-**	**$1,500,000**	**-**	**-**	**$2,500,000**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Ongoing
Project Design	FY 2025-26 & FY2028-29
Right of Way/ Acquisition/Permitting	Not applicable
Construction	FY 2025-26 to FY2026-27 & FY2028-29 to FY2029-30
Project Close-out	FY 2026-27 & FY 2029-30

Project Name: Lift Stations Improvements	Project No. WW3006

Category

Wastewater

Funding Source(s)

F643 - Sewer CIP Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2024 Sewer System Master Plan

Project Description

The City's 14 lift stations are periodically repaired and upgraded as part of the ongoing maintenance program. During FY 2023-24, the design of the rehabilitation of Lift Station K & F's improvements was completed and these improvements are scheduled for bid at the end of FY 2023-24. Other stations that are planned for renovations and upgrades include Lift Station D slated for FY2025-26, and Lift Stations A and P scheduled for FY2028-29. Routine upgrades to the lift stations are necessary to improve safety and reliability; all upgrades will conform to Morgan Hill's lift station's Utilities Standards.

For FY 2024-25, Lift Stations K & F's rehabilitation will be constructed, to include: protective well coatings, new pump assemblies, motor controls, electrical components, and site access improvements. Additionally, there are approximately 3,200' of force main piping connected to Lift Stations K & F that must be replaced, which will improve access to the force mains and replace the existing, failing pipe.

Project Justification

Routine maintenance and improvements are necessary to increase the longevity of the facilities and decrease the potential for failure. This project helps increase the level of service to existing customers, while maintaining reliable wastewater conveyance.

Project Name: Lift Stations Improvements	Project No. WW3006

Financial Comments

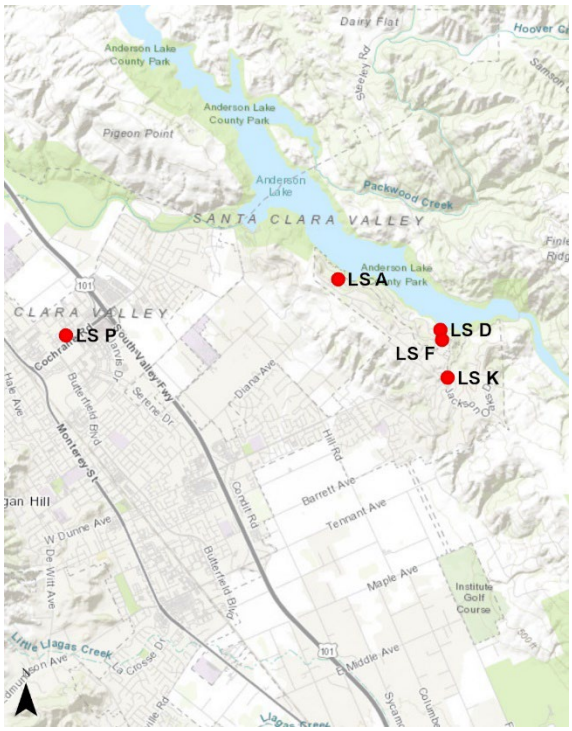
Rehabilitation and repair to the lift stations and force mains are funded through Wastewater ratepayers. Funding of $3 million for the K & F lift station work has been allocated in the FY 2023-24 budget year, as the project is anticipated to be awarded prior to the end of that FY.

Operating Cost Impacts

Investing in the lift station rehabilitation program ensures safety and reliability by minimizing the risk of sanitary sewer overflows and reduces the City's exposure to high-cost emergency repairs.

Project Location

Various Locations- Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-643	1,353,600	-	-	-	2,793,600	-
Project Cost	**$1,353,600**	**-**	**-**	**-**	**$2,793,600**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	LS A & P – (Summer2025)
Project Design	LS D – (Winter 2025), LS A & P (Summer /2026)
Right of Way/ Acquisition/Permitting	Not applicable
Construction	LS F & K – (Winter 2026), LS D – (Summer 2026), LS A & P – (Summer 2029)
Project Close-out	LS F & K – (Spring 2026), LS D – (Fall 2026), LS A & P – (Fall 2029)

Project Name: New Trunk Line	Project No. WW3008

Category

Wastewater

Funding Source(s)

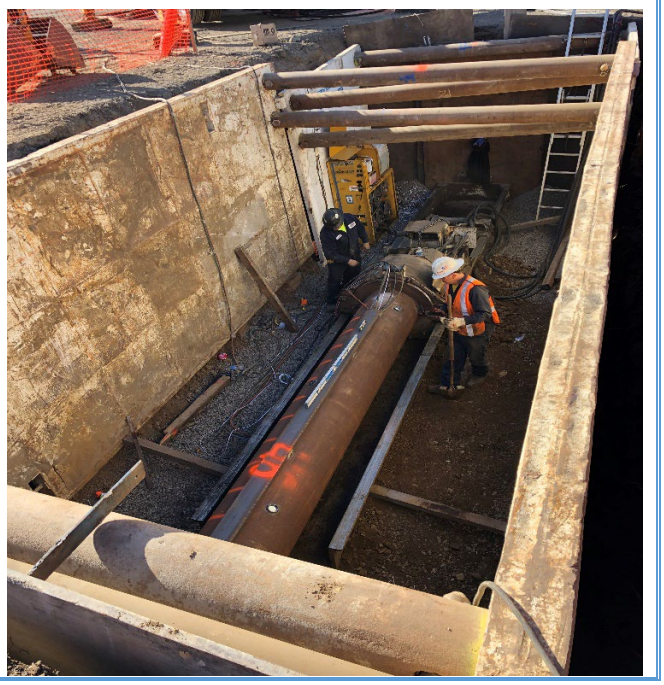
F641 - Sewer Impact Fund
F643 - Sewer CIP Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2024 Sewer System Master Plan



Project Description

All of Morgan Hill's wastewater is delivered to the wastewater treatment plant in Gilroy via a single trunk sewer line that extends south from the City. The construction of a new parallel sewer trunk line is intended to facilitate the City's planned growth and to mitigate capacity constrictions in the existing trunk line. The project will span the distance between Highland Avenue and Renz Lane in Gilroy. The design is scheduled for completion in 2024. Commencement of construction could begin as early as 2025.

Project Justification

The City's Sewer System Master Plan identified areas of growth consistent with the General Plan and includes the orderly construction of sewer improvements intended to service that growth. The rate of growth drives the need for expanded capacity in the sewer trunk line and the capacity of the SCRWA treatment plant. Cost for expanding capacity of the trunk line will be met by the collection of sewer impact fees and existing rates.

Project Name: New Trunk Line	Project No. WW3008

Financial Comments

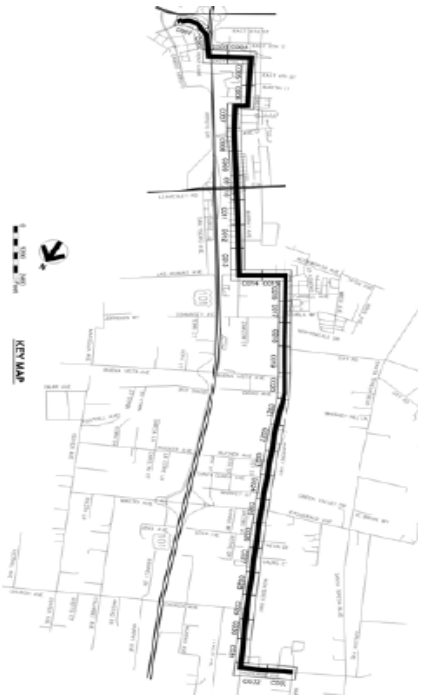
Funding for this project is split between existing users paid for from the Sewer Capital Project Fund (643) and new development paid from the Sewer Impact Fund (641) based on the allocation determined through the Sewer System Master Plan. The City is currently evaluating short term and long-term financing options to fund approximately $25 million of this project.

Operating Cost Impacts

Investing in the new trunk line ensures the City has capacity for future growth and provides reliability and redundancy while minimizing the risk of sewer overflows.

Project Location

Morgan Hill to SCRWA Treatment Plant



Expenditure Schedule

Annual Expenditures	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund-641	250,000	43,763,000	-	-	-	-
Fund-643	100,000	14,588,000				
Project Cost	**$350,000**	**$58,351,000**	**-**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	FY2024-25
Right of Way/ Acquisition/Permitting	In progress, to be completed in FY 2024-25
Construction	FY 2025-26 through FY2027-28
Project Close-out	FY 2027-28

Project Name: New/Replacement Sewer Lines	Project No. WW3009

Category

Wastewater

Funding Source(s)

F641 - Sewer Impact Fund
F643 - Sewer CIP Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2024 Sewer System Master Plan

Project Description

The Sewer Capacity projects are intended to provide for the expansion of the sewer system infrastructure to maintain service levels and prepare for future growth requirements.
Key geographic areas have been identified for this effort which include but not limited to:

1. Butterfield Trunk (BT-FM1) - Replace 350 feet of an existing 6-inch sewer line with an 8-inch pipeline from Lift Station G to Monterey Road.
2. Hale/Llagas Trunk (HL-P1) - Upsize 2,250 feet of 8-inch gravity main with 10-inch line from Llagas Rd. to Hale Ave.
3. East Dunne Trunk (ED-P1) - Upsize 1,600 feet of 8-inch gravity main with 10-inch line from Peppertree Dr. to Condit Rd.
4. Hill/Barett Trunk (HB-P2) - Upsize 850 feet of 8-inch gravity main with 10-inch line from East Dunne Ave. to Sundance Dr. Route flows 100% south along Hill Rd.
5. Railroad/Monterey Trunk (RM-P5)- Upsize 1200 feet of 10-inch gravity main with 12-inch line from Calle Sueno to Monterey Rd. Route flows 80% east along Main Ave., 20% south along Monterey Rd.

Project Justification

The City's 2024 Sewer System Master Plan outlines the orderly construction of sewer infrastructure intended to accommodate future growth, while maintaining adequate levels of service. To meet these levels of service requirements, the Master Plan recommended the replacement and upsizing of the pipelines to meet the growing capacity needs of the sewer system. This increase in sewer system capacity will allow for the planned development as specified in the City's General Plan. The replacement costs will be met with a combination of sewer collection system rates and impact fees from new development.

Project Name: New/Replacement Sewer Lines	Project No. WW3009

Financial Comments

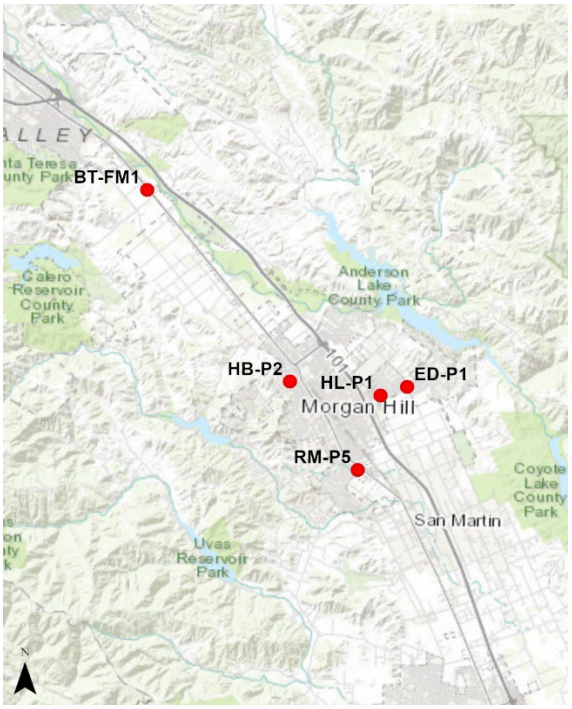
Funding for this project is spilt between existing users paid for from the Sewer Capital Project Fund (643) and new development paid from the Sewer Impact Fund (641) based on the allocation determined through the Sewer System Master Plan.

Operating Cost Impacts

Significant operating costs are not anticipated as a result of upsizing these pipelines.

Project Location

Various Locations Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-641	461,000	1,250,100	953,100	520,200	461,000	200,000
Fund-643	276,000	1,000,080	953,100	468,180	2,257,020	100.000
Project Cost	**$737,600**	**$2,250,180**	**$1,906,200**	**$988,380**	**$2,718,020**	**$300,000**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	BT-FM1 (Fall 2024), HB-P2 (Winter 2025) HL-P1 (Summer 2026), ED-P1 (Summer 2026), RM-P5 (Winter 2028)
Right of Way/ Acquisition/Permitting	Not applicable
Construction	BT-FM1 (Fall 2025), HB-P2 (Fall 2026), HL-P1 (Fall 2027), ED-P1 (Fall 2027), RM-P5 (Summer 2029)
Project Close-out	BT-FM1 (Fall 2025), HB-P2 (Fall 2026), HL-P1 (Fall 2027), ED-P1 (Fall 2027), RM-P5 (Winter 2030)

Project Name: Utility Infrastructure Access Roads	Project No. WW3010

Category

Water/Wastewater

Funding Source(s)

F643 - Sewer CIP Fund
F653 - Water CIP Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2024 Sewer System Master Plan

Project Description

The City of Morgan Hill has approximately three miles of dirt paths in the Jackson Oaks area that serve as access to City sewer lines in that area. Currently, the Utility Division teammates utilize the roadways to service and maintain the sewer lines in the area using an off-road vehicle. This project will consist of improving those dirt roads into gravel roads, which will have a significant number of benefits. Making access to these sewer lines much easier and safer for City staff will considerably reduce risk to the City. The risk will be reduced by allowing utility staff to respond to sewer overflows quickly and effectively in the area. Furthermore, the improved roadways will reduce the risk for City teammates accessing the areas. Another benefit of the project to the area is that the gravel access roads will also create improved fire breaks in an area of heightened fire concern. Additionally, there are multiple dirt access roads to water sites that are also in need of improvements. Engineering services needed for the access roadway improvements include topographic, geotechnical, boundary survey, design, stormwater management plan, bidding support, construction cost estimate, and construction administration. This project will be constructed in phases over several years.

Project Justification

This project will allow staff easy access to clean and maintain sewer mains more effectively, flush debris to minimize blockages which will prevent sanitary sewer spills and expenditures. Sewer spills are considered pollutants and health hazards; responding to them quickly is a requirement.

Project Name: Utility Infrastructure Access Roads	Project No. WW3010

Financial Comments

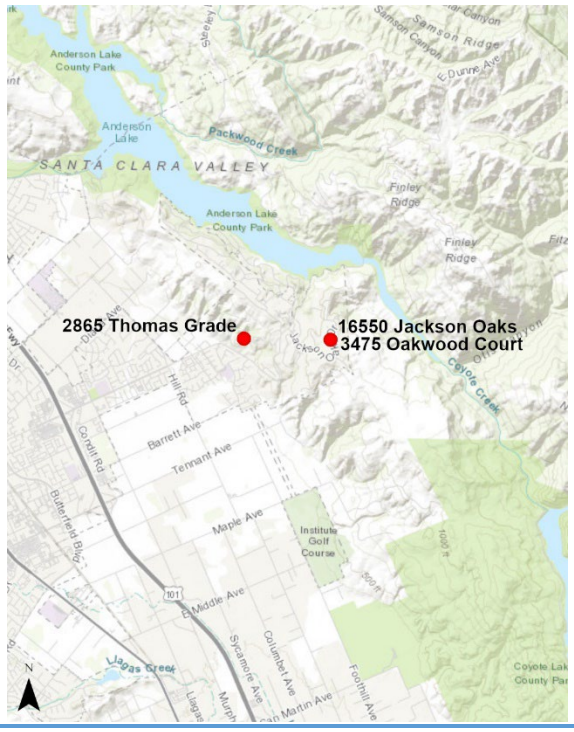
This project will be funded through wastewater and water rates based on the purpose of the access roads.

Operating Cost Impacts

This project will reduce maintenance requirements and create a safer work environment, reducing overall operating costs.

Project Location

Jackson Oaks, Oakwood Court, Thomas Grade



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-643	-	-	500,000	-	-	500,000
Fund-653	550,000	-	-	-	-	-
Project Cost	**$550,000**	**-**	**$500,000**	**-**	**-**	**$500,000**

Estimated Project Schedule	Timeline for Completion
Planning	In progress
Project Design	Summer 2025
Right of Way/ Acquisition/Permitting	Not applicable
Construction	Fall 2027, Fall 2030
Project Close-out	Fall 2027, Fall 2030

Project Name: Existing Joint Trunk Repair	Project No. WW3012

Category

Wastewater

Funding Source(s)

F643 - Sewer CIP Fund

Council Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2024 Sewer System Master Plan

Project Description

The goal of this project is to enhance the efficiency and longevity of the existing sewer system by rehabilitating sewer lines and improving manhole structures. The project will address issues such as leaks, deterioration, and structural deficiencies. Key tasks identified for this effort include:

1. Line 3,145 linear feet of pipes and 40 manholes at various locations within the service area (RR-J1-5).
2. Line 1,072 linear feet of a 36" diameter pipe between Highland Ave and Fitzgerald Ave. (RR-J6).
3. Line/Open Cut 20,627 linear feet of a 36" diameter pipe south of Day Rd. (RR-J7).

Projects outlined will be undertaken in partnership with the City of Gilroy, which will fund 25-50% of project costs associated with repair work based on the shared ownership of the joint trunk line.

Project Justification

This type of project is necessary for the following reasons:

1. Improved Infrastructure: Enhanced sewer lines and manholes will reduce leaks and improve overall system performance.
2. Longevity: Coating manholes and lining sewer lines will extend their lifespan.
3. Reduced Emergency Failures: The project aims to minimize emergency failures in the sewer system.

Project Name: Existing Joint Trunk Repair	Project No. WW3012

Financial Comments

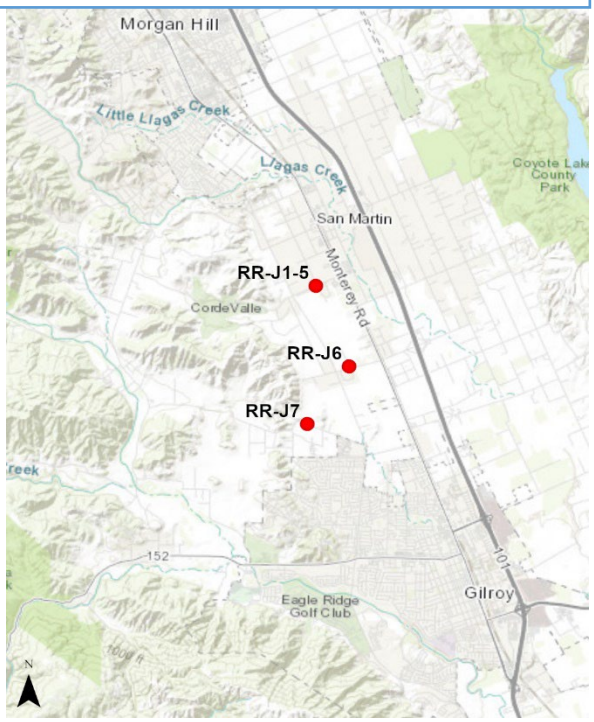
Significant inflow and intrusion (I&I) investigative work was completed in 2023 to address deficiencies in the system. Recommendations from the report will be addressed by using the Sewer Capital Project Fund (643). Costs outlined are Morgan Hill's share of the improvements for the project, which will be jointly funded with the City of Gilroy.

Operating Cost Impacts

The improvements outlined in the project support ongoing operations.

Project Location

Various Locations-Joint Trunk Line



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-643	4,000,000	2,800,000	-	1,200,000	-	326,000
Project Cost	**$4,000,000**	**$2,800,000**	**-**	**$1,200,000**	**-**	**$326,000**

Estimated Project Schedule	Timeline for Completion
Planning	RR-J7 (Fall 2024), RR-J1-5 (Fall 2026), RR-J6 (Summer 2028)
Project Design	RR-J7 (Summer 2025), RR-J1-5 (Spring 2027), RR-J6 (Spring 2029)
Right of Way/ Acquisition/Permitting	Not applicable
Construction	RR-J7 (Fall 2026), RR-J1-5 (Fall 2028), RR-J6 (Summer 2030)
Project Close-out	RR-J7 (Fall 2026), RR-J1-5 (Fall 2028), RR-J6 (Summer 2030)

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM
FY 2024-25 – FY 2029-30

WATER

651 - Water Impact- Water

Fund Description

The purpose of the Water Impact Fund is to construct expansions to the City's Water System to accommodate new development. The Fund receives revenues from developer charges to cover the costs to construct water improvements required as a result of the new development. Expenditures may be made for the construction of the required improvements or to reimburse the City for funds advanced to construct such improvements. This Fund is subject to the restrictions of AB1600. The primary planning tool for the Fund is the City's Water System Master Plan.

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 166,785	$ 285,536	$ 113,351	$ 368,558	$ 5,745	$ 235,514
PF 2001 - Infrastructure Planning Documents	-	75,000	-	-	-	-
WA6001 - Groundwater Wells	600,000	5,000,000	-	-	-	600,000
WA6002 - Pipeline Capacity Improvements	-	-	-	-	30,000	700,000
WA6006 - Pump Station Capacity	60,000	54,000	360,000	-	-	-
WA6007 - Holiday Lake Improvements: Pipes, Pumps & Storage	2,700,000	-	240,000	1,600,000	-	-
WA6008- Reservoir Capacity Improvements	112,500	750,000	255,000	1,700,000	-	-
Totals	**$ 3,639,285**	**$ 6,164,536**	**$ 968,351**	**$ 3,668,558**	**$ 35,745**	**$ 1,535,514**

How this Fund Generates Money for Capital Investment

New development creates the need for City to expand its inventory of public facilities and build new or expand current, infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act, contained in California Government Code Sections 66000. A City Council-adopted "Impact Fee Report" provides the necessary findings required for adoption of the fees.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, to build out new public facilities/infrastructure projects to accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Goals for Capital Investment

The goals for this fund during this period consist of funding for new water wells, reservoirs, and water mains to service future growth.

Revenues- Other includes interest income. Expenditure- Other includes annual transfers-out to the General Fund for administration and infrastructure planning, debt service, and to Fund 207 (Long Range Planning) for the general plan update.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 651 - Water Impact	Projected						
Beginning Fund Balance	$ 2,969,960	$ 2,881,877	$ 2,459,855	$ 465,711	$ 1,919,308	$ 229,292	$ 1,243,044
Revenues - Impact Fees	739,182	3,829,384	4,833,886	3,096,165	2,659,187	1,742,108	1,169,200
Revenues - Other	122,000	92,467	40,273	29,826	25,369	14,561	23,974
Expenditures - CIP Projects	246,393	3,639,285	6,164,536	968,351	3,668,558	35,745	1,535,514
Expenditures - Other	702,872	704,588	703,767	704,043	706,013	707,171	707,528
Ending Fund Balance	$ 2,881,877	$ 2,459,855	$ 465,711	$ 1,919,308	$ 229,292	$ 1,243,044	$ 193,176

653 - Water Capital Project - Water

Fund Description

The purpose of the Water Capital Project Fund is to implement capital improvements to the water system that support the ongoing maintenance of the system. The primary planning tool for the Fund is the City's Water System Master Plan. The fund was established to avoid fluctuations in water rates by providing reserve funding for future water system replacement and rehabilitation projects. Annual contributions from the Water Operations Fund occur to fund planned capital projects in this area. This fund pays 70% of debt service payment for the water revenue bond, and 30% is paid out of the Water Impact Fund (651).

Project List	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
PF2006 - Project Administration	$ 819,612	$ 523,254	$ 595,923	$ 809,711	$ 584,125	$ 643,134
PF2001 - Infrastructure Planning Documents	-	75,000	-	-	-	-
WA6001 - Groundwater Wells	5,600,000	-	-	-	-	-
WA6002 - Pipeline Capacity Improvements	50,000	1,300,000	-	-	-	-
WA6003 - Water Facility Rehabilitation	350,000	350,000	350,000	350,000	350,000	350,000
WA6005 - Water Pipeline Repair and Replacement	2,500,000	2,000,000	1,000,000	2,000,000	2,500,000	3,000,000
WA6006 - Pump Station Capacity	240,000	36,000	240,000	-	-	-
WA6007 - Holiday Lake Improvements: Pipes, Pumps & Storage	4,000,000	-	360,000	2,400,000	-	-
WA6008 - Reservoir Capacity Improvements	637,500	4,250,000	345,000	2,300,000	-	-
WA6009 - Reservoir Recoating & Rehabilitation	1,000,000	2,500,000	2,000,000	-	-	-
WA6010 - Utilities Security System Enhancement	200,000	200,000	200,000	200,000	200,000	200,000
WA6011 - Utility System Solar	1,937,000	-	-	-	-	-
WW3010 - Utility Infrastructure Access Roads	550,000	-	-	-	-	-
Totals	**$ 17,884,112**	**$11,234,254**	**$ 5,090,923**	**$ 8,059,711**	**$ 3,634,125**	**$ 4,193,134**

City of Morgan Hill Capital Improvement Program
FY 2024-25 – FY 2029-30

How this Fund Generates Money for Capital Investment
Funding comes from planned transfers from the Water Operations Fund, which is funded through ratepayers.

Limitations and Other Important Factors
The projects paid for through this fund are projects for the purpose of rehabilitation and replacement work for the City's existing water system.

Goals for Capital Investment
The goals for this fund during this period consist of improvements to enhance system reliability and to take care of existing system deficiencies by replacing and rehabilitating water system components.

Revenues- Other includes interest income and annual transfers-in from Fund 650 (Water Operations) and 651 (Water Impact). Expenditure- Other includes annual transfers-out to the General Fund for administration, debt service, and contract services.

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 653 - Water Capital Project	Projected						
Beginning Fund Balance	$ 15,548,298	$ 17,151,033	$ 8,060,682	$ 3,052,118	$ 3,397,994	$ 126,817	$ 942,435
Revenues - Impact Fees	-	-	-	-	-	-	-
Revenues - Other	6,547,709	10,380,062	7,809,380	7,020,229	6,375,831	6,038,886	5,749,748
Expenditures - CIP Projects	3,361,416	17,884,112	11,234,254	5,090,923	8,059,711	3,634,125	4,193,134
Expenditures - Other	1,583,558	1,586,301	1,583,690	1,583,430	1,587,297	1,589,143	1,589,007
Ending Fund Balance	$ 17,151,033	$ 8,060,682	$ 3,052,118	$ 3,397,994	$ 126,817	$ 942,435	$ 910,043

Project Name: Groundwater Wells	Project No. WA6001

Category

Water

Funding Source(s)

F651 - Water Impact Fund
F653 - Water CIP Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2021 Water System Master Plan

Project Description

By 2030, this project aims to plan, design, and construct four new groundwater wells. These wells include Nob Hill wells 1, 2, and the Boys Ranch wells 1, 2. The Master Plan Project IDs associated with these wells are NH-W1, NH-W2, BR-W1, and BR-W2. One well is at the design stage with anticipated construction and commissioning for the end of 2025. The remainder of the wells are slated to be designed and constructed in the subsequent years. Those wells are in the pipeline to support future growth, improve redundancy, and increase reliability.

Project Justification

The 2022 Water System Master Plan identified that the City's supply requirement exceeds the City's existing firm supply capacity. Constructing new municipal water wells serves several critical purposes. First and foremost, it enhances reliability and redundancy within the water supply system. By having those wells built, the risk of service disruption due to well maintenance, repairs, or unexpected issues is significantly reduced. Second, the new wells can support future growth in the Community. As the population expands, additional water sources become essential to meet increasing demand. Lastly, investing in new wells ensures we can provide a sustainable and consistent water supply to residents, businesses, and essential services. Overall, the wells will contribute to the long-term stability and resilience of the water infrastructure.

Project Name: Groundwater Wells	Project No. WA6001

Financial Comments

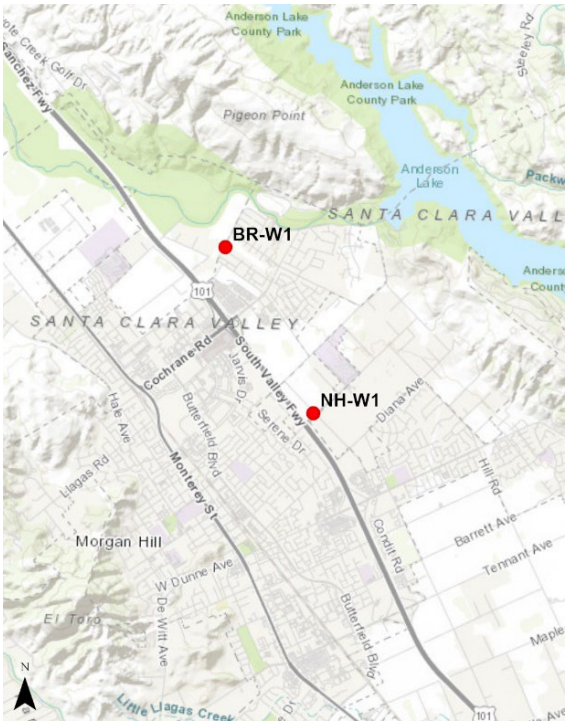
All the funding for the new groundwater well projects is from impact fees - Water Impact Fund (651) and water rates collected - Water Capital Project Fund (653).

Operating Cost Impacts

These projects will increase operation and maintenance costs which will be accounted for by increased water sales, increased customers, and/or increased water rates.

Project Location

Boys Ranch Wells and Nob Hill Wells



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-651	600,000	5,000,000	-	-	-	600,000
Fund-653	5,600,000					
Project Cost	**$6,200,000**	**$5,000,000**	**-**	**-**	**-**	**$600,000**

Estimated Project Schedule	Timeline for Completion
Planning	Ongoing
Project Design	NH-W1 (Summer 2024), BR-W1(Spring 2025), NH-W2 (Fall 2029), BR-W2 (Fall 2029)
Right of Way/ Acquisition/Permitting	NH-W1 (Summer 2024), BR-W1(Spring 2025), NH-W2 (Spring 2030), BR-W2 (Spring 2030)
Construction	NH-W1 (Fall 2025), BR-W1(Fall 2026), NH-W2 (Fall 2030), BR-W2 (Fall 2030)
Project Close-out	NH-W1 (Fall 2025), BR-W1(Fall 2026), NH-W2 (Fall 2031), BR-W2 (Fall 2031)

City of Morgan Hill Capital Improvement Program
FY 2024-25 – FY 2029-30

Project Name: Pipeline Capacity Improvements	Project No. WA6002

Category

Water

Funding Source(s)

F651 - Water Impact Fund
F653 - Water CIP Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2021 Water System Master Plan

Project Description

The 2021 Water System Master Plan recommended the installation of new water mains to relieve water system deficiencies and increase the hydraulic reliability of the system. The projects consist of installations of new or replacement of existing water mains.

The Projects scheduled for initiation in FY 2025-26 are Master Plan Projects NH-P3, NH-P4 and BR-P4. The projects scheduled for initiation in FY 2027-28 are NH-P1 and NH-P2.

- BR-P4 - replacement of 450 LF of existing 8" main with a 10" main on Mission View Dr. between Cochrane Rd and 2,100' Northwest of Cochrane Rd.
- NH-P1 - replacement of 950 LF of existing 4" main with 8" main on Spring Avenue between Del Monte Ave to Monterey Rd.
- NH-P2 - replacement of 550 LF of existing 10" main with 16" main on San Pedro Ave. between Butterfield Blvd and Railroad Ave.
- NH-P3 - replacement of 350 LF of existing 10" main with 16" main on Railroad Ave. between San Pedro Ave to approx. 600' n/o Mast St.
- NH-P4 - replacement of 600 LF of existing 6" main with 16" main on Railroad Ave. approx. 600' n/o Mast St. to Mast St.

Project Justification

The City's 2021 Water System Master Plan outlines the orderly construction of water system infrastructure intended to accommodate future growth, while maintaining adequate levels of service. To meet these levels of service requirements, the Master Plan recommended the construction of these water pipelines to mitigate capacity deficiencies, increase hydraulic reliability, and account for existing operational considerations.

Project Name: Pipeline Capacity Improvements	Project No. WA6002

Financial Comments

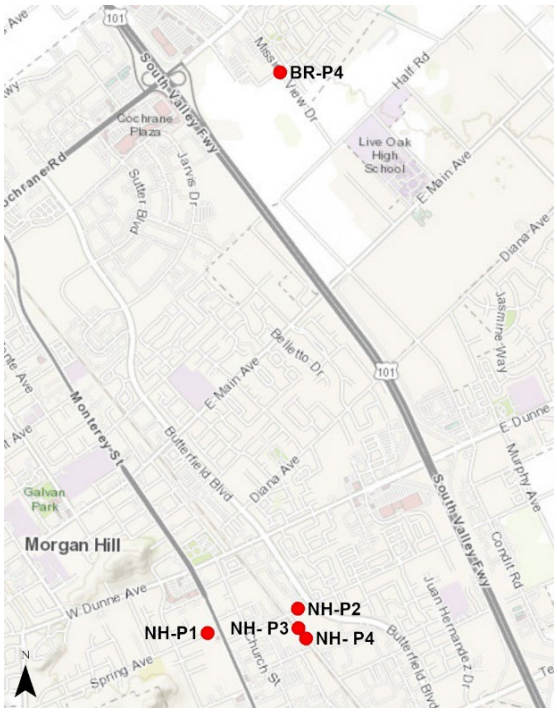
Funding for the project is provided by the Water Impact Fund (651) when associated with new development. Projects associated with the repair of existing infrastructure is funded with water rates in the Water Capital Project Fund (653).

Operating Cost Impacts

This project does not significantly increase operating costs.

Project Location

Various- Citywide



Expenditure Schedule

Annual Expenditures	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund-651	-	-	-	-	30,000	700,000
Fund-653	50,000	1,300,000	-	-	-	-
Project Cost	**$50,000**	**$1,300,000**	**-**	**-**	**$30,000**	**$700,000**

Estimated Project Schedule	Timeline for Completion
Planning	
Project Design	NH- P3 (Fall 2024), NH- P4 (Winter 2025), BR-P4 (Fall 2024), NH-P1, NH-P2 (As developments occur)
Right of Way/ Acquisition/Permitting	Not applicable
Construction	NH- P3 (Fall 2026), BR-P4 (Fall 2026), NH- P4 (Spring 2028), NH-P1, NH-P2, and BR-P4 (As developments occur)
Project Close-out	NH- P3 (Fall 2027), BR-P4 (Fall 2027), NH- P4 (Spring 2029), NH-P1, NH-P2, and BR-P4 (As developments occur)

Project Name: Water Facility Rehabilitation	Project No. WA6003

Category

Water

Funding Source(s)

F653 - Water CIP Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2021 Water System Master Plan

Project Description

This project is intended to ensure reservoir, well, and pump station capital repairs and replacements occur on an ongoing basis. The project includes replacement of pumps, generators, and other components within the water system. This project will also support the larger replacements and repairs that occur unexpectedly within the system. The first three years of the CIP include the rehabilitation of two booster stations and replacement of one generator.

The Jackson Booster Generator was replaced FY 2023-24. The East Dunne Booster pump 1C is scheduled to be replaced at the beginning of FY 2025-26.

Project Justification

Routine replacement of capital assets of the water system components ensures reliable delivery of water service to the Community.

Project Name: Water Facility Rehabilitation	Project No. WA6003

Financial Comments

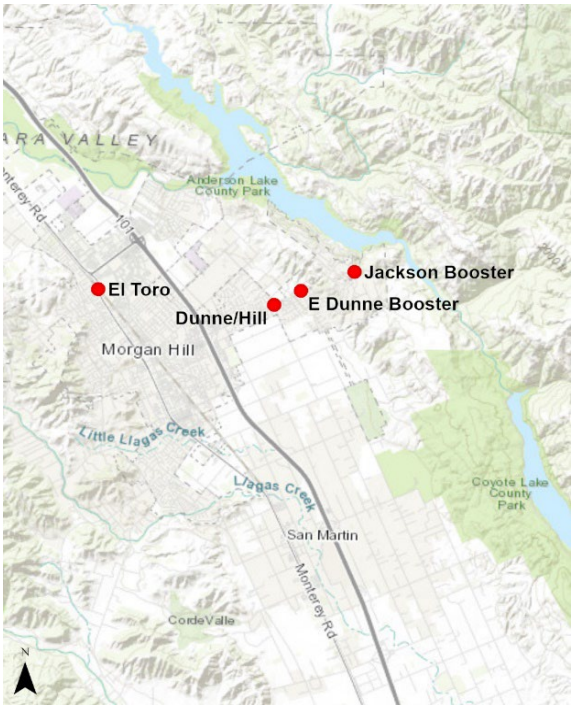
These capital repairs and replacement will be funded through Water ratepayers via the Water Capital Project Fund (653).

Operating Cost Impacts

Capital repairs and replacement will have a positive impact on operating costs through a reduction in unanticipated maintenance.

Project Location

Various- Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-653	350,000	350,000	350,000	350,000	350,000	350,000
Project Cost	**$350,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**

Estimated Project Schedule	Timeline for Completion
Planning	On-going
Project Design	On-going Annually (FY 2024- FY 2030)
Right of Way/ Acquisition/Permitting	As needed
Construction	Annual Rehabilitations (FY 2024-FY 2030)
Project Close-out	Annual Close-outs (FY 2024-FY 2030)

Project Name: Water Pipeline Repair and Replacement	Project No. WA6005

Category

Water

Funding Source(s)

F653 - Water CIP Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2021 Water System Master Plan

Project Description

The 2021 Water System Master Plan recommends an ongoing program to replace aging and failing pipelines throughout the water system. This includes multiple improvements to mitigate existing water system deficiencies, increase hydraulic reliability and/or replace existing pipelines due to poor condition or operational considerations. The initial two years of the project will focus on replacing eight priority water mains in the next two years. The pipeline projects are at the following locations: Shady Lane, Hilltop Court, Oak View Court, Holiday Tank Site, Manzanita Drive, Raccoon Court, First Street, and Oak Canyon Drive. It also calls for 0.5% routine repair citywide between 2024 and 2026. Additionally, a new pipeline project to tie-in the water main on Jackson Oaks Dr. with the Jackson Reservoir and subsequently abandon the existing failing line in place is also planned.

The Master Plan Projects IDs are all the RPs (1-8) and the RRs (24-29) with RP-2 having been completed in FY 2023-24.

Project Justification

Repair and replacement of City water infrastructure on a regular basis ensures the aging water system's reliability to serve customers and provide fire protection service to the Community.

Project Name: Water Pipeline Repair and Replacement	Project No. WA6005

Financial Comments

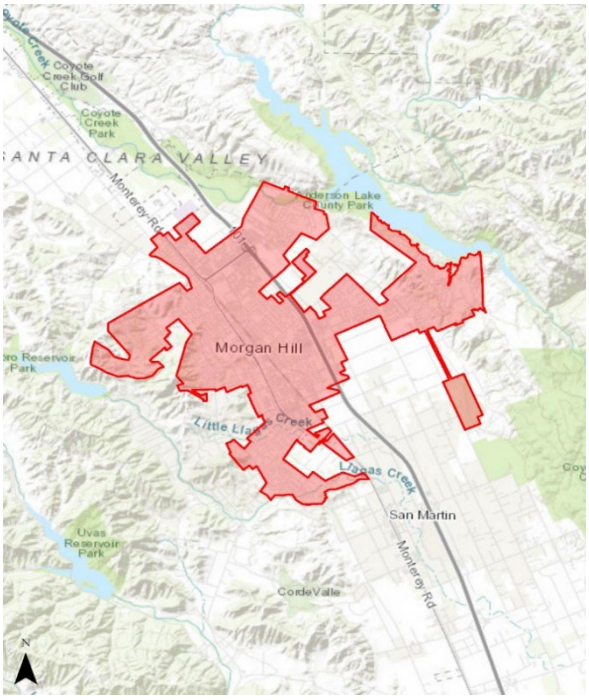
The cost for these pipeline replacements will be met with funds provided by water system rates from the Water Capital Project Fund (653).

Operating Cost Impacts

These projects will have positive impacts on operating costs by proactively replacing water mains before they fail and require emergency response.

Project Location

Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-653	2,500,000	2,000,000	1,000,000	2,000,000	2,500,000	3,000,000
Project Cost	**$2,500,000**	**$2,000,000**	**$1,000,000**	**$2,000,000**	**$2,500,000**	**$3,000,000**

Estimated Project Schedule	Timeline for Completion
Planning	On-going
Project Design	Summer to Fall (Every Year)
Right of Way/ Acquisition/Permitting	Winter (Following Every Year)
Construction	Winter to Fall (Same Year)
Project Close-out	Fall (Same Year)

Project Name: Pump Station Capacity	Project No. WA6006

Category

Water

Funding Source(s)

F651 - Water Impact Fund
F653 - Water CIP Fund

Council Priorities

Fiscal Sustainability
Maintaining and Enhancing Infrastructure

Strategic Planning Documents

2021 Water System Master Plan

Project Description

This project includes the retrofit of a mobile pump station (capacity of 1500 gpm) to feed water from the Llagas subbasin to the Boys Ranch area during a drought. That mobile station will ensure redundancy and will give staff the flexibility to convey drinking water from the Llagas basin to the Coyote sub-basin as needed. An upgrade to the Llagas booster station (capacity of 450 gpm) is also included in this project. The Master Plan Project IDs are BR-PS1 and LI-PS1, respectively.

Project Justification

The City's 2021 Water System Master Plan outlines the orderly construction of water system infrastructure intended to accommodate future growth, while maintaining adequate levels of service. To meet these level of service requirements, the Master Plan recommends the construction of these water pump station improvements to mitigate existing capacity deficiencies, increase hydraulic reliability, and account for existing operational considerations. These improvements will provide adequate levels of service for existing and future customers.

Project Name: Pump Station Capacity	Project No. WA6006

Financial Comments

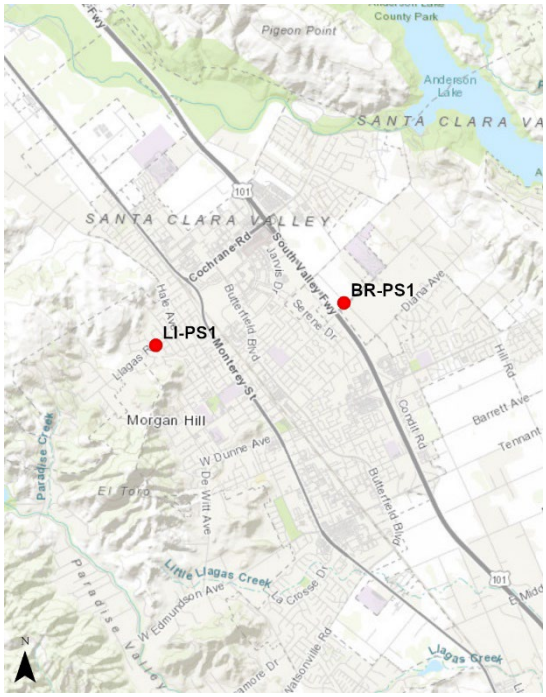
Funding for Pump Station Capacity Improvements will be from a combination of water rate payers in the Water Capital Project Fund (653) and future water ratepayers in the Water Impact Fund (651).

Operating Cost Impacts

These projects do not increase operating costs.

Project Location

Boy's Ranch, Llagas Road @ Carriage Drive



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-651	60,000	54,000	360,000	-	-	-
Fund-653	240,000	36,000	240,000	-	-	-
Project Cost	**$300,000**	**$90,000**	**$600,000**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	BR-PS1 (Fall 2024) and LI-PS1 (Fall 2024)
Project Design	BR-PS1 (Fall 2024) and LI-PS1 (Winter 2024)
Right of Way/ Acquisition/Permitting	BR-PS1 (Fall 2024)
Construction	BR-PS1 (Fall 2025) and LI-PS1 (Fall 2026)
Project Close-out	BR-PS1 (Fall 2025) and LI-PS1 (Fall 2026)

Project Name: Holiday Lake Improvements	Project No. WA6007

Category

Water

Funding Source(s)

F651 - Water Impact Fund
F653 - Water CIP Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2021 Water System Master Plan

Project Description

This project involves a multi-year operational reorganization of the existing Holiday 1/2/3 and Holiday Lake pressure zones. The three existing East Dunne pump stations separately pump to the Holiday Lake Zone, Holiday 1 Zone, and Holiday 2 Zone. The existing East Dunne pump stations are planned for replacement with one new pump station, pumping to a new water storage tank along East Dunne Avenue. This project consists of the construction of a new water storage tank, associated piping and pump modification at the existing Dunne Booster station (Phase 1), and a new pump station and a new water transmission pipeline from the new Dunne storage tank to the existing Jackson Oaks tanks (Phase 2).

Project Justification

The operational reorganization of the existing Holiday 1/2/3 and Holiday Lake pressure zones requires the construction of multiple improvements, including a pump station, water storage tank, multiple pipelines, and a pressure reducing station. The 2021 Water System Master Plan and supporting special studies identified these improvements and evaluated the need for storage and boosting requirements.

Project Name: Holiday Lake Improvements	Project No. WA6007

Financial Comments

Funding for this project is spilt between existing users paid for from the Water Capital Project Fund (653) and new development paid from the Water Impact Fund (651) based on the allocation determined through the Sewer System Master Plan. Additionally, the City has been awarded a $4 million grant for this project from the State of California Department of Water Resources, which will offset ratepayer costs.

Operating Cost Impacts

There will be increased costs associated with maintaining the new reservoir and pump station identified in this project. Both systems add capacity and will allow for additional ratepayers to support the Water System.

Project Location

Holiday Lake Estates- East Dunne Ave.

Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-651	2,700,000	-	240,000	1,600,000	-	-
Fund-653	4,000,000	-	360,000	2,400,000	-	-
Project Cost	**$6,700,000**	**-**	**$600,000**	**$4,000,000**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	Phase 1 Complete, Phase 2 FY 2026-27
Right of Way/ Acquisition/Permitting	Complete
Construction	Phase 1 FY 2024-25 to FY 2025-26 and Phase 2 FY 2027-28 to FY2028-29
Project Close-out	Phase 1 FY 2025-26 and Phase 2 2028-29

City of Morgan Hill Capital Improvement Program
FY 2024-25 – FY 2029-30

Project Name: Reservoir Capacity Improvements	Project No. WA6008

Category

Water

Funding Source(s)

F651 - Water Impact Fund
F653 - Water CIP Fund

Council Priorities

Fiscal Sustainability
Maintaining and Enhancing Infrastructure

Strategic Planning Documents

2021 Water System Master Plan
State Requirements
Best Management Practices

Project Description

The purpose of this project is to either replace or construct larger storage tanks to accommodate growth and increase water storage capacity. The tanks that will be increased in size include the following: Boy's Ranch (1.20 MG), Glen Ayre (0.25 MG), and Woodland 2 (0.25 MG). Except for the Edmondson site where a second tank (0.90 MG) will be added, the other sites will have new tanks with the current volume; those sites are Llagas (0.2 MG), and Jackson Oaks (0.2 MG). Those facilities are referred to in the 2021 Water System Master Plan as BR-T1, GA-T1, WD-T1, ED-T1, LI-T1, and JO-T1. Those projects will be built in phases.

Upgrading the road access to the EL Toro reservoir is included as part of the reservoir projects. A preliminary cost of $500,000 is estimated in the budget for this purpose.

Project Justification

The 2021 Water System Master Plan for the City delineates a systematic approach to developing water system infrastructure. Its primary goal is to accommodate future growth while ensuring satisfactory service levels. To achieve this, the plan proposes the construction of additional storage reservoirs. These reservoirs will address existing capacity limitations, enhance hydraulic reliability, and account for operational needs. Ultimately, these storage enhancements will ensure adequate service levels for both new and existing customers.

Additionally, the El Toro access road is designed to facilitate timely fuel delivery and minimize safety risks for our staff and contractors.

Project Name: Reservoir Capacity Improvements	Project No. WA6008

Financial Comments

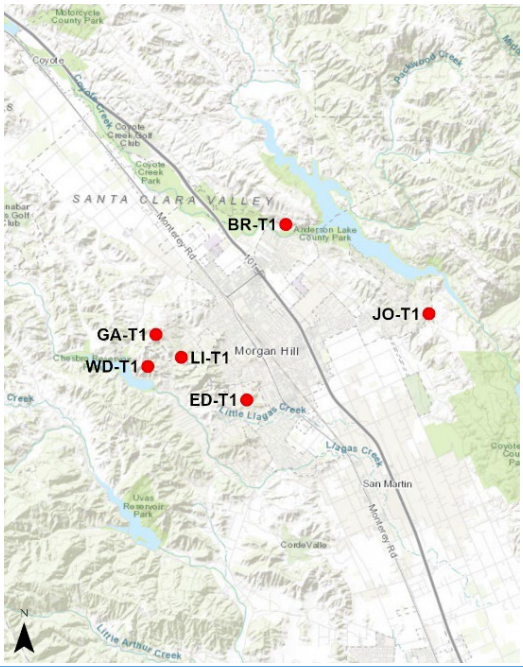
Funding for Reservoir Capacity Improvements will be from a combination of water rate payers in the Water Capital Project Fund (653) and future water ratepayers in the Water Impact Fund (651).

Operating Cost Impacts

These projects do not impact operating costs.

Project Location

Various- Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-651	112,500	750,000	255,000	1,700 000	-	-
Fund-653	637,500	4,250,000	345,000	2,300,000	-	-
Project Cost	**$750,000**	**$5,000,000**	**$600,000**	**$4,000,000**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	BR-T1 (TBD), GA-T1 (Fall 2024), WD-T1 (Fall 2024), ED-T1 (TBD), LI-T1 (Winter 2026), and JO-T1 (Winter 2026)
Project Design	BR-T1 (TBD), GA-T1 (Fall 2024), WD-T1 (Fall 2024), ED-T1 (TBD), LI-T1 (Winter 2026), and JO-T1 (Winter 2026)
Right of Way/ Acquisition/Permitting	Not applicable
Construction	BR-T1 (TBD), GA-T1 (Fall 2026), WD-T1 (Fall 2026), ED-T1 (TBD), LI-T1 (Fall 2028), and JO-T1 (Fall 2028)
Project Close-out	BR-T1 (TBD), GA-T1 (Fall 2026), WD-T1 (Fall 2026), ED-T1 (TBD), LI-T1 (Fall 2028), and JO-T1 (Fall 2028)

City of Morgan Hill Capital Improvement Program
FY 2024-25 – FY 2029-30

Project Name: Reservoir Recoating and Rehabilitation	Project No. WA6009

Category

Water

Funding Source(s)

F653 - Water CIP Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2021 Water System Master Plan

Project Description

The recoating project is part of our routine capital infrastructure maintenance for reservoirs. By regularly recoating the storage tanks, the City maintains the structural integrity and extends the useful life of the reservoirs. Recoating prevents accelerated degradation of the reservoir and the premature failure of the reservoir and its components. In addition to recoating, other improvements to ensure the reservoirs can continue to be operated safely are also included. For this budget cycle, Encino, El Toro, Edmundson, Boys Ranch # 3 and #2 reservoirs are scheduled for work. Those facilities are referred to in the 2021 Water System Master Plan as RC-1, RC-3, RC-4, RC-5, and RC-6 respectively. Those projects will be built in phases.

Project Justification

Re-coating and rehabilitating drinking water tanks are essential for maintaining water quality, safety, and infrastructure longevity. Some reasons why this type of work is critical:

1. **Corrosion Prevention**: Over time, water tanks can develop corrosion. Re-coating helps prevent further deterioration and ensures the tank's structural integrity.
2. **Water Quality**: The interior coating of water tanks prevents direct contact between the stored water and the tank material. Proper coatings reduce the risk of contaminants leaching into the water, ensuring safe and clean drinking water for consumers.
3. **Health and Safety**: Regular re-coating helps maintain hygienic conditions inside the tank. Rehabilitating the tank ensures compliance with health and safety standards.
4. **Leak Prevention**: Coatings act as a barrier against leaks. Damaged or deteriorated coatings can lead to water leakage, which wastes water and may compromise a tank's stability and surrounding soil.
5. **UV Protection**: Exterior coatings protect tanks from UV radiation, preventing premature aging and degradation. UV-resistant coatings maintain the tank's appearance and extend its lifespan.
6. **Cost-Effective**: Regular maintenance and re-coating are more cost-effective than replacing an entire tank. Proper rehabilitation extends the tank's life, reducing long-term expenses.

Project Name: Reservoir Recoating and Rehabilitation	Project No. WA6009

Financial Comments

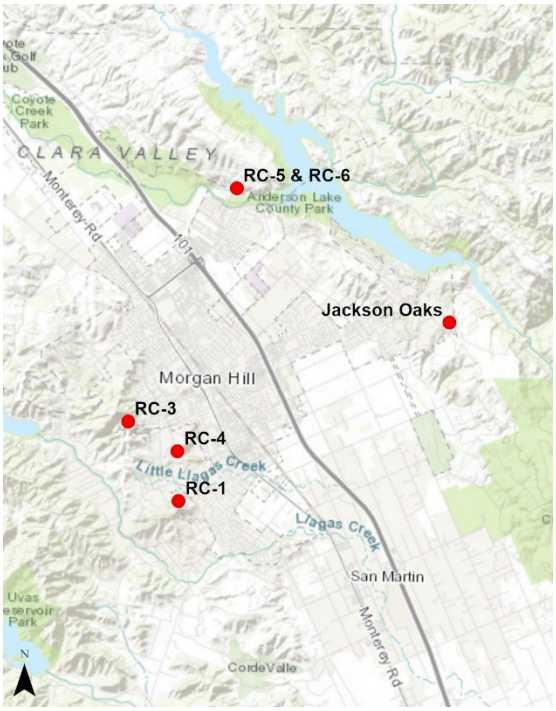
Funding for the recoating improvement projects is from the Water Capital Project Fund (653) and paid for by water ratepayers.

Operating Cost Impacts

This project does not increase operating costs.

Project Location

Various- Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-653	1,000,000	2,500,000	2,000,000	-	-	-
Project Cost	**$1,000,000**	**$2,500,000**	**$2,000,000**	**-**	**-**	**-**

Estimated Project Schedule	Timeline for Completion
Planning	RC-1 (Fall 24), RC-3 (Winter 25), RC-4 (Winter 25), RC-5, & RC-6 (Winter 28)
Project Design	RC-1 (Fall 24), RC-3 (Winter 25), RC-4 (Winter 25), RC-5 &RC-6 (Winter 28)
Right of Way/ Acquisition/Permitting	Not applicable
Construction	RC-1 (Spring 25), RC-3 (Spring 25), RC-4 (Spring 26), RC-5 & RC-6 (Fall 29)
Project Close-out	RC-1 (Spring 25), RC-3 (Spring 25), RC-4 (Spring 26), RC-5 & RC-6 (Fall 29)

Project Name: Utilities Security System Enhancement	Project No. WA6010

Category

Water/Wastewater

Funding Source(s)

F643- Sewer CIP Fund
F653 - Water CIP Fund

Council Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure
Healthy Community

Strategic Planning Documents

2021 Water System Master Plan

Project Description

The purpose of this project is to improve the physical protection of the City's utility facilities. This will include improvements in fencing, access systems, camera systems and other improvements. This will begin with improvements to the City's essential infrastructure assets. Improvements will occur annually with available funding. This project aligns with the American Water Infrastructure Act (AWIA) and supports the City's efforts to ensure protection of the City's water supply.

Security fencing for the Glen Ayre, Woodland and Jackson Booster began at the end of FY 2023-24, and moving forward additional fencing and cameras will be implemented.

Project Justification

The project will help to enhance security for the City's Utility System helping to ensure the City can continue to provide safe and efficient delivery of water service to the Morgan Hill Community.

Project Name: Utilities Security System Enhancement	Project No. WA6010

Financial Comments

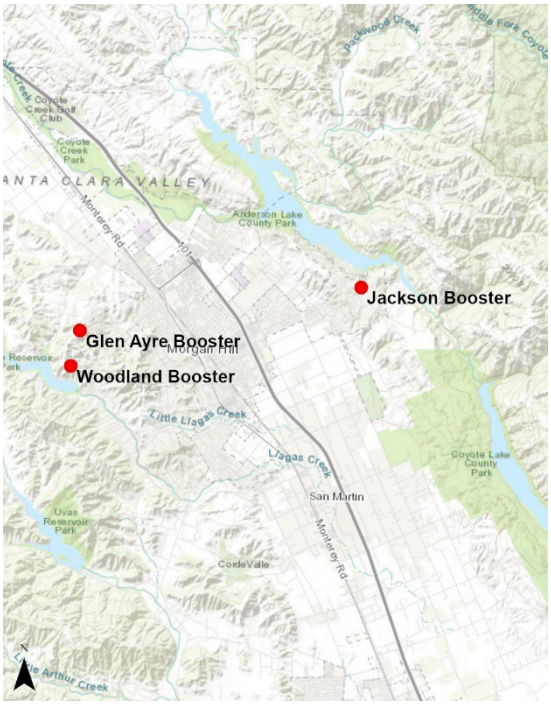
Funding for improvements will be provided by the City's Utility ratepayers from the Water and Sewer Capital Project Funds (643 and 653).

Operating Cost Impacts

Operating costs associated with camera systems will likely be the most significant impact to operating costs. These operating costs are currently being evaluated to ensure the systems utilized can be operated efficiently and cost effectively.

Project Location

Various Booster Stations Citywide



Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-643	-	-	300,000	400,000	400,000	400,000
Fund-653	200,000	200,000	200,000	200,000	200,000	200,000
Project Cost	**$200,000**	**$200,000**	**$500,000**	**$600,000**	**$600,000**	**$600,000**

Estimated Project Schedule	Timeline for Completion
Planning	Ongoing throughout FY2024- FY 2030
Project Design	Ongoing throughout FY2024- FY 2030
Right of Way/ Acquisition/Permitting	Not applicable
Construction	Ongoing throughout FY2024- FY 2030
Project Close-out	FY 2030

Project Name: Utility System Solar	Project No. WA6011

Category

Sewer/Water

Funding Source(s)

F643- Sewer CIP Fund
F653 - Water CIP Fund

Council Priorities

Fiscal Sustainability
Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure

Strategic Planning Documents

Climate Action Plan

Project Description

The City has identified an opportunity to add significant solar energy generation systems at multiple City facilities to support the cost containment on power rates, support environmental protection, and support the expanding power needs of the City facilities. New solar generation facilities have been identified at the Civic Center, Police Department, Community and Cultural Center, Aquatics Center, Corporation Yard and at two City well sites. The initial design of these projects is currently underway. This project will fund the two well sites solar installation and the utilities portion of the Corporation Yard solar installation. The solar well sites are located at Nordstrom Park and at the Outdoor Sports Center.

Project Justification

Implementing solar systems at City facilities will support resilience of the energy grid and provide for cost savings on energy costs.

Project Name: Utility System Solar	Project No. WA6011

Financial Comments

Grant funding and federal incentives will be used to offset up to 30% of the installation costs. Funding will be appropriated in the Water and Sewer Capital Project Funds (643 and 653)

Operating Cost Impacts

The solar system expansion at the utility facilities could result in up to $150,000 in annual savings to Utility operations through reduced electric costs.

Project Location

Nordstrom Well, San Pedro Well, Corp Yard

Expenditure Schedule						
Annual Expenditures	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Fund-643	292,000	-	-	-	-	-
Fund-653	1,937,000	-	-	-	-	-
Project Cost	**$2,229,000**	-	-	-	-	-

Estimated Project Schedule	Timeline for Completion
Planning	Complete
Project Design	In Progress to be completed in FY 2024-25
Right of Way/ Acquisition/Permitting	FY 2024-25
Construction	FY 2024-25 and FY 2025-26
Project Close-out	FY 2026-27

RESOLUTION NO. 24-07

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING ACCEPTANCE OF THE CITY'S CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2024/25 THROUGH 2029/30 AND FINDING THE PROGRAM YEARS 2024/25 AND 2025/26 CONSISTENT WITH THE GENERAL PLAN

WHEREAS, such request was considered by the Planning Commission at their regular meeting on May 15, 2024 at which time the Planning Commission recommended acceptance of the Capital Improvement Program for Fiscal Years 2024/25 through 2029/30 after finding the Program Fiscal Years 2024/25 and 2029/30 consistent with the General Plan;

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

SECTION 1: The proposed Fiscal Years 2024/25 and 2025/26 Capital Improvement Program is consistent with the General Plan, in that the infrastructure improvements shown in the Program will support the goals, policies and programs of the General Plan, enabling orderly development of the City.

SECTION 2: The proposed Capital Improvement Program is found to be Exempt from the California Environmental Quality Act pursuant to Section 15262 of the CEQA Guidelines.

SECTION 3: The Planning Commission hereby recommends acceptance of the proposed Capital Improvement Program for Fiscal Years 2024/25 through 2029/30.

PASSED AND ADOPTED THIS 15TH DAY OF MAY 2024, AT A REGULAR MEETING OF THE MORGAN HILL PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST: **APPROVED:**

_____ _____

JENNA LUNA, Deputy City Clerk **WAYNE TANDA,** Chair

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM – FY2024/25 - 2025/26 CONSISTENCY WITH GENERAL PLAN

PARKS & RECREATION

Project Title	Consistent with:
Parks Land Purchase and Development	2017 Bikeways, Trails, Parks & Recreation Master Plan, GP Goal HC-3, Policies 3.1, 3.2 and 3.24.
West Little Llagas Creek Trail	2017 Bikeways, Trails, Parks & Recreation Master Plan, GP Goal HC-3, Policies 3.1, 3.2, 3.12, 3.14, 3.15 and 3.25.
Madrone Channel Trail Improvements	2017 Bikeways, Trails, Parks & Recreation Master Plan, GP Goal HC-3, Policies 3.1, 3.2, 3.12, 3.14 and 3.25.
Park Facility Expansion and Renovation	2017 Bikeways, Trails, Parks & Recreation Master Plan, GP Goal HC-3, Policy 3.7.
Recreation Facility Expansion and Renovation	2017 Bikeways, Trails, Parks & Recreation Master Plan, GP Goal HC-3, Policy 3.7.
El Toro Trail	2017 Bikeways, Trails, Parks & Recreation Master Plan, GP Goal HC-3, Policies 3.1, 3.2, 3.25, Action 3.n.
Monterey Road Ball Field Park	2017 Bikeways, Trails, Parks & Recreation Master Plan, GP Goal HC-3, Policies 3.1, 3.2, and 3.21.
Villa Mira Monte	2017 Bikeways, Trails, Parks & Recreation Master Plan, GP Goal HC-3, Policy 3.25. GP Goal HC-4, Policy 4.7. GP Goal HC-8, Policy 8.2.
Butterfield Park	2017 Bikeways, Trails, Parks & Recreation Master Plan, GP Goal HC-3, Policies 3.1, 3.2, 3.4 and 3.21.
Sports Facility Development	2017 Bikeways, Trails, Parks & Recreation Master Plan. GP Goal ED-4, Policies 4.1, 4.3. GP Goal HC-3, Policy 3.17.
Non-Profit Center	2017 Bikeways, Trails, Parks & Recreation Master Plan. GP Goal H-3, Policies 3.4, 3.19 and 3-25. HC-3.

PUBLIC FACILITIES

Project Title	Consistent with:
Infrastructure Planning (Project in all sections)	GP Goals and Policies Located in Chapter 9.
Police Facility Expansion	2016 General Plan, Goal SSI-11, Policy 11.1. GP Goal NRE-16, Policies 16.5 and 16.7.
New Fire Stations	2016 General Plan, Goal SSI-11, Policy 11.1. GP Goal NRE-16, Policies 16.5 and 16.7.
Corporation Yard Expansion	2016 General Plan, Goal SSI-10, Policy 10.3. GP Goal NRE-16, Policies 16.5 and 16.7.
Civic Center Expansion	2016 General Plan, Goal SSI-10, Policies 10.3. GP Goal NRE-16,
Library Expansion	2016 General Plan, Goal HC-5, Policy 5.1.

STORM DRAINAGE

Project Title	Consistent with:
Storm System Repairs & Improvements	2018 Storm Drainage System Master Plan, GP Goal SSI-6, Policies 6.1, 6.4 and 6.8.

Llagas Flood Control	2018 Storm Drainage System Master Plan, GP Goal SSI-6, Policies 6.1, 6.4, 6.5 and 6.8.
Storm Drain System Upsizing	2018 Storm Drainage System Master Plan, GP Goal SSI-6, Policies 6.1, 6.4, 6.5 and 6.8.
Fisher Butterfield Storm System Expansions	2018 Storm Drainage System Master Plan, GP Goal SSI-6, Policies 6.1, 6.4, 6.5 and 6.8.
Citywide Small Trash Capture Project	GP Goal NRE-8, Policy 8.1, Goal NRE-9, Policies 9.1 and 9.2.

STREETS AND ROADS

Project Title	**Consistent with:**
Undergrounding Project	GP Goal SSI-13, Policy 13.1.
Traffic Signal & Intersection Improvements	GP Goal TR-2, Policy 2.1. Goal TR-3, Policy 3.10.
Pavement Rehabilitation Program	GP Goal TR-1, Policies 1.1 and 1.3.
Bike, Pedestrian & Traffic Safety	GP Goal TR-8, Policies 8.1 & 8.10. GP Goal TR-6, Policy 6.11.
Sidewalk Repairs	GP Goal TR-9, Policies 9.2 & 9.3. GP Goal CNF-8, Policy 8.15. Goal TR-9, Policy 9.6.
Transportation Master Plan Projects	GP Goal TR-2, Policy 2.1. Goal TR-3, Policy 3.10.
DT Parking Trash Enclosure	GP Goal SSI-17, Policy SSI-17.1.

SEWER

Project Title	**Consistent with:**
Sewer System Repair and Replacements	2024 Sewer Master Plan.
Sewer Plant Expansion (SCRWA)	2024 Sewer Master Plan, GP Goal SSI-15, Policy 15.2.
Sewer Plant Improvements	2024 Sewer Master Plan, GP Goal SSI-15, Policy 15.2.
Lift Station Improvements	2024 Sewer Master Plan.
New Trunk Line	2024 Sewer Master Plan.
New and Replacement Sewer Lines	2024 Sewer Master Plan.
Utility Infrastructure Access Roads	2024 Sewer Master Plan.
Existing Joint Trunk Repair	2024 Sewer Master Plan.

WATER

Project Title	**Consistent with:**
Groundwater Wells	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Pipeline Capacity Improvements	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Water Facility Rehabilitation	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Water Pipeline Repair and Replacement	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Pump Station Capacity	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Holiday Lake Improvements	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Reservoir Capacity Improvements	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Reservoir Recoating and Rehabilitation	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Water Supply Facility Improvements	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Utilities Security System Enhancement	2021 Water System Master Plan, GP Goal SSI-14, Policy 14.5.
Utility System Solar	GP Goal NRE-16, Policies16.5 and 16.7.