CITY OF MORGAN HILL

Regular Meeting Agenda

City Council

Mark Turner	-	*Mayor*
Marilyn Librers	-	*Mayor Pro Tem*
Miriam Vega	-	*Council Member*
Soraida Iwanaga	-	*Council Member*
Yvonne Martínez Beltrán	-	*Council Member*

Wednesday, January 15, 2025 6:00 PM

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

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

MEETING PARTICIPATION

Morgan Hill City Council meetings are held in person. The community may attend in person or via Zoom (video/teleconference). The meetings are also live-streamed on the City's website, Facebook page, and Channel 17.

As a courtesy, and technology permitting, members of the public may attend online. However, the City cannot guarantee that the public's access to online technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Ralph M. Brown Act, the meeting will continue despite technical difficulties for participants using the online option.

Those wishing to participate in the meetings remotely must register in advance at https://bit.ly/CityCouncilZoomRegistration. Additionally, Zoom participants must be running the latest version or will be required to update to the latest version before being able to join the meeting remotely.

Remote participation is also available by calling (669) 900-9128 and entering webinar id: 873 3200 8380#. Dial *9 to raise your hand, and be called upon to speak for up to 3 minutes. Dial *6 to unmute.

PUBLIC COMMENT

Public comment may be offered verbally at the meeting or in writing before the meeting. Public comment is limited to three minutes, but the Mayor may adjust time limits for individual or total comments while ensuring all viewpoints are heard, encouraging speakers to avoid repetition, and allowing a designated spokesperson for organized support or opposition to present longer if needed.

Those attending remotely may only offer public comment for items on the agenda in one of four categories:

- Consent Calendar
- Other Business
- Public Hearings
- Closed Session

Public comment will be heard from those attending in person first with the submission of a speaker card. Once that is complete, we will move to those on Zoom that have their hand raised. Following public comment from Zoom, we will close the public comment period for that item.

Remote public comment for items not on the agenda will not be accepted.

Written public comment may be submitted to the City Clerk:

- In person at the City Council Meeting;
- Via email to ccpubliccomment@morganhill.ca.gov; or
- Hand delivered or mailed to the City Clerk at 17575 Peak Avenue, Morgan Hill, CA 95037

Please email your comments to the City Clerk no later than 3:00 p.m. on Tuesday (the day before the City Council meeting) so that your comments can be submitted to the members of the City Council with sufficient time to review them. You may continue to provide written comments up to noon on Wednesday (the day of the meeting), although Council Members may not have sufficient time to review them before the meeting. Public comments submitted to the City Clerk after noon (12:00 p.m.) the day of the meeting will be provided to the City Council 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 or by email at 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 AGENDA

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PRESENTATIONS

YAC Presentation

CITY COUNCIL REPORTS

Mayor Turner

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

This opportunity for public comment is for items that are not on the agenda. If you would like to make comments on an item that is on the agenda, please wait until we get to that item to offer your comments. Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. Public comment is intended for comments. Questions posed during public comment are not generally answered. If

you have questions, please send them to the City Clerk at ccpubliccomment@morganhill.ca.gov to receive a response. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

1. APPROVE THE DECEMBER 4, 2024 AND THE DECEMBER 11, 2024 CITY COUNCIL MEETING MINUTES

Recommendation:
Approve minutes.

2. AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH TOOLE DESIGN FOR $220,250 FOR THE DEVELOPMENT OF A COMPREHENSIVE SAFETY ACTION PLAN

Recommendation:

1. Authorize the City Manager to execute a consultant agreement with Toole Design for the development of a Comprehensive Safety Action Plan for the City of Morgan Hill; and
2. Adopt a resolution amending the FY24-25 Capital Improvement Program Budget appropriating $220,250 in expenses and $200,500 in grant revenue within the Traffic Impact Fund (309).

3. RATIFY THE CITY MANAGER'S EXECUTION OF THE FIRST AMENDMENT TO AGREEMENT WITH MONTEREY BAY OFFICE PRODUCTS, INC. FOR THE PURCHASE AND MAINTENANCE OF THE CITY'S MULTI-FUNCTION PRINTERS

Recommendation:
Ratify the City Manager's execution of the first amendment to the agreement with Monterey Bay Office Products, Inc. for the purchase of the City's multi-function printers.

4. RECEIVE MONTHLY BUDGET UPDATE AND NOVEMBER 2024 FINANCIAL AND INVESTMENT REPORTS

Recommendation:
Recieve and file report.

PUBLIC HEARINGS

5. ADOPT RESOLUTION APPROVING COMMENCEMENT OF 2025 WEED ABATEMENT PROGRAM

Recommendation:

1. Open/Close public hearing; and
2. Adopt a resolution authorizing Santa Clara County to commence hazardous vegetation abatement activities.

6. ADOPT RESOLUTION AMENDING THE TEXT OF THE MORGAN HILL 2035 GENERAL PLAN TO ELIMINATE THE FLOOR AREA RATIO FOR THE MIXED USE FLEX LAND USE DESIGNATION AND INTRODUCE ORDINANCE (ZA2024-0002) AMENDING CHAPTER 12.32 (RESTRICTIONS ON REMOVAL OF SIGNIFICANT TREES) WITHIN TITLE 12 (STREET, SIDEWALKS AND PUBLIC PLACES) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL AND VARIOUS CODE PROVISIONS WITHIN TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL IMPLEMENTING UPDATES TO ACCESSORY DWELLING UNIT PROVISIONS TO COMPLY WITH SENATE BILL 477 AND SENATE BILL 1211; IMPLEMENTING REPRODUCTIVE HEALTH COMMUNITY CLINICS BY-RIGHT TO COMPLY WITH ASSEMBLY BILL 2085; UPDATES TO PARKING PROVISIONS TO COMPLY WITH ASSEMBLY BILL 2097; AND IMPLEMENTING MINOR AMENDMENTS DUE TO CLERICAL ERRORS AND INCONSISTENCIES

Recommendation:

1. Open/close the public hearing;
2. Adopt a Resolution approving an amendment to the text of the Morgan Hill 2035 General Plan to eliminate the Floor Area Ratio for the Mixed Use Flex land use designation;
3. Waive first and second reading of the Ordinance Amendment; and
4. Introduce Ordinance Amendment.

OTHER BUSINESS

7. DOWNTOWN MORGAN HILL IMPROVEMENT DISTRICT 2024 ANNUAL REPORT

Recommendation:
Accept and file the Downtown Morgan Hill Improvement District Annual Report.

8. SELECT AND APPOINT CITY COUNCIL MAYOR PRO TEMPORE

Recommendation:

1. Open floor to nomination(s) for Mayor Pro Tempore; and
2. Select a Council Member to serve as Mayor Pro Tempore per City Council Policy 99-01.

FUTURE COUNCIL INITIATED AGENDA ITEMS

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

CLOSED SESSION

Conference with Legal Counsel – Existing Litigation (§ 54956.9)
Cheryl Dominguez v. City of Morgan Hill: Workers Compensation Claim
Nos. MHL1900016

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the City Council less than 72 hours prior to an open meeting, will be made available for public inspection at the City Clerk's 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 City Council concerning any item described in the notice of this meeting during consideration of that item. If you wish to address the Council on any item on this agenda, please complete a speaker request card located in the foyer of the Council Chambers and deliver it to the Minutes Clerk before the City Council discussion on the item. You are not required to give your name on the speaker card to speak to the Council, but it is very helpful. When you are called, proceed to the podium, and the Mayor will recognize you. If you wish to address the City Council 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 City Council.

Persons interested in proposing an item for the City Council agenda should contact a member of the City Council who may request an item on the agenda for a future City Council meeting. Council 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 City Council at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the City Council, 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 City Council 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.

SUSTAINABLE MORGAN HILL

Vision

To sustain a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.

Choose Morgan Hill

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.

Strategic Priorities 2024-2025

- Fiscal Sustainability
- Affordable Housing and Homelessness
- Community Engagement
- Economic Development and Tourism
- Transportation
- Healthy Community

City Council Ongoing Priorities

- Enhancing Public Safety and Quality of Life
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining and Enhancing Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advocating for Local, Regional, and State Legislative Initiatives

CITY OF MORGAN HILL

City Council

Meeting Minutes

Mark Turner - Mayor
Marilyn Librers - Mayor Pro Tem
Gino Borgioli - Council Member
Rene Spring - Council Member
Yvonne Martinez Beltran - Council Member

Wednesday, December 4, 2024 6:00 PM

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

CALL TO ORDER
Mayor Turner called the City Council meeting to order at 6:00 p.m.

ROLL CALL ATTENDANCE
City Clerk Michelle Bigelow called the roll.

PRESENT	Rene Spring, Gino Borgioli, Yvonne Martinez Beltran, Mark Turner, Marilyn Librers
ABSENT	None

Council Member Martinez Beltran participated remotely in accordance with AB 2449. She was out of town to attend the Cal Cities Board Meeting. She announced that no one was in the room with her, other than employees of venue.

DECLARATION OF POSTING AGENDA
City Clerk Michelle Bigelow declared the posting of the agenda.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITIONS

Recognizing our Police and Fire Teammates for their Successful Lifesaving Efforts

PRESENTATIONS

YAC Presentation

CITY COUNCIL REPORTS

Council Member Spring mentioned that he attended his last Santa Clara Valley Habitat Agency meeting. He is on the Implementation Board and the Chair of the Governing Board and encourages the community to check out what they are doing to preserve and protect the City's open space areas. He also noted that he would be attending the holiday parade on Saturday, December 7th for the last time as a Council Member.

CITY MANAGER'S REPORT

City Manager Christina Turner mentioned that the City of Morgan Hill will host a Special City Council Meeting on Wednesday, December 11th at 6:00 p.m., to farewell departing elected officials and welcome our newly elected and re-elected officials. She announced that there are many upcoming events this holiday season. For more information about these events, make sure you are subscribed to the City's 411 weekly newsletter. In addition, the last Sidewalk Saturday event of the season will be on Saturday, December 14th, from 10:00 a.m. - 3:00 p.m. She concluded by sharing that City offices will be closed for furlough from December 23rd through January 3rd and that emergency services will be available during that time.

CITY ATTORNEY'S REPORT

None.

OTHER REPORTS

Council Member Martinez Beltran shared that she attended the Silicon Valley Clean Energy Executive Board meeting last week as well as an ABAG meeting. She mentioned that she attended the Interfaith Thanksgiving service that was held at Advent Lutheran.

PUBLIC COMMENT

Public comment opened at 6:19 p.m.
Krista Rupp from Visit Morgan Hill was called to speak
There being no further requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:
Adopting the agenda as posted.

RESULT:	Passed
MOVER:	Council Member Spring
SECONDER:	Council Member Borgioli
AYES:	Council Member Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Mayor Pro Tem Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

MOTION:

Approving consent calendar items 1, 3, and 5 through 10.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Council Member Spring
AYES:	Council Member Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Mayor Pro Tem Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

Items 2 and 4 were heard after item 11.

1. ACCEPT THE ANNUAL SENATE BILL (SB) 165 REPORT FOR COMMUNITY FACILITIES DISTRICT NO. 2014-1 (FISHER CREEK)

Recommendation:
Accept and file report.

3. ADOPT RESOLUTION APPROVING AND MAKING FINDINGS RELATED TO THE ASSEMBLY BILL (AB) 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT FOR FISCAL YEAR 2023-24

Recommendation:

1. Adopt resolution making findings for unexpended development impact

fees; and
2. Accept the annual development impact fee report.

5. ADOPT ORDINANCE NO. 2359, NEW SERIES, ESTABLISHING CHAPTER 18.78 (STANDARDS FOR PUBLIC ARTS) WITHIN TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL IMPLEMENTING THE REQUIREMENT OF PUBLIC ART IN NEW LAND DEVELOPMENT PROJECTS

Recommendation:
Waive the reading, adopt Ordinance No. 2359, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

6. APPROVE ACQUISITION OF SEWER EASEMENT (NGUYEN) APN 841-03-062 FOR THE SEWER RELIEF TRUNK LINE PROJECT

Recommendation:

1. Authorize the City Manager to acquire the sewer easement (3,306 square feet), APN 841-03-062, for $17,000 plus escrow and closing costs from Hung Nguyen, Hong Le, Van Nguyen, and Long Nguyen for the Sewer Relief Trunk Line Project; and
2. Authorize the City Manager to execute all documents and make minor modifications, with the approval of the City Attorney, as necessary in order to consummate the transaction.

7. APPROVE THE FIRST AMENDMENT TO THE IMPROVEMENT AGREEMENT FOR THE BLUEWAVE EXPRESS CAR WASH PROJECT LOCATED AT 18625 MONTEREY ROAD (APN: 764-10-008)

Recommendation:

1. Approve the First Amendment to the Improvement Agreement for the BlueWave Express Car Wash Project;
2. Authorize the City Manager to execute the First Amendment to the Project's Improvement Agreement with BW Morgan Hill, LLC; and
3. Authorize the recordation of the First Amendment to the Improvement Agreement.

8. APPROVE THE NOVEMBER 20, 2024 CITY COUNCIL MEETING MINUTES

Recommendation:
Approve minutes.

9. APPROVE CHANGE ORDER WITH LARRY S. KENT, INC. DBA KENT CONSTRUCTION TO INSTALL A HAWK SIGNAL FOR BUTTERFIELD FIRE STATION PROJECT IN THE AMOUNT OF $322,205

Recommendation:

1. Approve and authorize the City Manager to execute a Change Order with Larry S. Kent, Inc. DBA Kent Construction in the amount of $322,205 for a HAWK signal at the Butterfield Fire Station Project; and
2. Approve and authorize the City Manager to add 10% contingency to the HAWK signal project in the amount of $32,221.

10. RECEIVE MONTHLY BUDGET UPDATE AND OCTOBER 2024 FINANCIAL AND INVESTMENT REPORTS

Recommendation:
Accept and file report.

OTHER BUSINESS

11. REVIEW AND APPROVE TRANSPORTATION MASTER PLAN

Recommendation:

1. Review and provide comments on Transportation Master Plan; and
2. Approve Transportation Master Plan.

Assistant City Manager/Public Services Director Chris Ghione and Robert Del Rio, with Hexagon Transportation Consultants, provided a presentation and report.

Public comment opened at 7:13 p.m. The following people were called to speak:
Doug Muirhead
Nick Gaich
Armando Benavides (Zoom)
There being no further requests to speak, public comment closed.

MOTION:
Approving the recommended action.

RESULT:	Passed
MOVER:	Council Member Spring
SECONDER:	Council Member Martinez Beltran
AYES:	Council Member Spring, Council Member Borgioli, Council Member

	Martinez Beltran, Mayor Turner, Mayor Pro Tem Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

The meeting recessed at 7:38 p.m. and reconvened at 7:43 p.m.

ITEMS PULLED FOR DISCUSSION

4. ADOPT ORDINANCE NO. 2358, NEW SERIES, APPROVING A ZONING AMENDMENT FOR A PLANNED DEVELOPMENT AND ASSOCIATED MASTER PLAN (ZA2021-0001) FOR A 69.4-ACRE SITE LOCATED AT THE NORTHEAST QUADRANT OF HILL ROAD AND BARRETT AVENUE (APN: 817-20-031)

Recommendation:
Waive the reading, adopt Ordinance No. 2358, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

Senior Planner Tiffany Brown and Development Services Director Jennifer Carman provided a report.

Public comment opened at 8:02 p.m. The following people were called to speak:
Matt Igel
Darcy Foster
Liz Panetta Melone
Armando Benavides (Zoom)
Joe Baranowski (Zoom)
Marc Trourad-Riolle (Zoom)
There being no further requests to speak, public comment closed.

MOTION:
Approving the recommended action.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Mayor Pro Tem Librers
AYES:	Council Member Borgioli, Mayor Turner, Mayor Pro Tem Librers
NAYS:	Council Member Spring, Council Member Martinez Beltran
ABSTAIN:	None
ABSENT:	None

2. ACCEPT THE CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Recommendation:
Accept the City's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Public comment opened at 8:36 p.m. There being no requests to speak, public comment closed.

MOTION:
Approving the recommended action.

RESULT:	Passed
MOVER:	Council Member Spring
SECONDER:	Council Member Borgioli
AYES:	Council Member Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Mayor Pro Tem Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 8:38 p.m.

Minutes Prepared by:
Michelle Bigelow, City Clerk

CITY OF MORGAN HILL

City Council

Meeting Minutes

Mark Turner - Mayor
Marilyn Librers - Mayor Pro Tem
Gino Borgioli - Council Member
Rene Spring - Council Member
Yvonne Martinez Beltran - Council Member

Wednesday, December 11, 2024 6:00 PM

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

SPECIAL MEETING

A Special Meeting of the City Council was called at 6:00 p.m. for the purpose of conducting City business.

CALL TO ORDER

Mayor Turner called the City Council meeting to order at 6:00 p.m.

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow called the roll.

PRESENT	Rene Spring, Gino Borgioli, Yvonne Martinez Beltran, Mark Turner, Marilyn Librers
ABSENT	None

DECLARATION OF POSTING AGENDA

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITIONS

PUBLIC COMMENT

Public comment opened at 6:58 p.m. There being no requests to speak, public comment closed.

ADOPTION OF AGENDA

OTHER BUSINESS

1. ADOPT RESOLUTION APPROVING NOVEMBER 5, 2024, GENERAL MUNICIPAL ELECTION - CERTIFIED STATEMENT OF ELECTION RESULTS

Recommendation:
Adopt resolution reciting the facts of the General Municipal Election of November 5, 2024, and declaring the results of such other matters as provided by law.

Public comment opened at 7:00 p.m. There being no requests to speak, public comment closed.

MOTION:
Approving the recommended action.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Council Member Spring
AYES:	Council Member Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Mayor Pro Tem Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

OATHS OF OFFICE

Mark Turner, Mayor
Miriam Teresa Vega, Council Member District A
Soraida Iwanaga, Council Member District C
Cindy Murphy, Treasurer

ADJOURN TO RECEPTION

There being no further business, Mayor Turner adjourned the meeting at 7:20 p.m.

Minutes Prepared by:
Michelle Bigelow, City Clerk

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: January 15, 2025

PREPARED BY:
Chris Ghione, Public Services Director
APPROVED BY: City Manager

AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH TOOLE DESIGN FOR $220,250 FOR THE DEVELOPMENT OF A COMPREHENSIVE SAFETY ACTION PLAN

RECOMMENDATION(S)

1. Authorize the City Manager to execute a consultant agreement with Toole Design for the development of a Comprehensive Safety Action Plan for the City of Morgan Hill; and
2. Adopt a resolution amending the FY24-25 Capital Improvement Program Budget appropriating $220,250 in expenses and $200,500 in grant revenue within the Traffic Impact Fund (309).

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities
Enhancing Public Safety
Maintaining and Enhancing Infrastructure

2024-2025 Strategic Priorities
Fiscal Sustainability
Healthy Community

Guiding Documents
Transportation Master Plan

REPORT NARRATIVE:

The City of Morgan Hill successfully applied for grant funding from the Federal Safe Streets and Roads for All Program last year. The City will receive grant funding of $200,500 to develop a Comprehensive Safety Action Plan for its roadways, sidewalks and bike facilities. The Comprehensive Safety Action Plan will provide a valuable planning tool to the City, but just as importantly, will meet Federal requirements for the City to apply for grant funding to construct improvements.

As the City applied for funding, the City was already in the process of developing its Transportation Master Plan, which was recently approved by the City Council on December 4, 2024. Toole Design was a sub-consultant working on that Transportation

Master Plan and specifically worked in the development of the multi-modal safety components of the Transportation Master Plan. Based on the quality work that Toole provided during the Transportation Master Plan development and the fact they have a very detailed understanding of the City, staff are recommending that Toole Design be hired to complete this work. Tool Design will be able to start the Comprehensive Safety Action Plan quickly, which will be important to allow the City to apply for Federal Safe Streets and Roads for All funding as soon as possible.

The Comprehensive Safety Action Plan will build upon the existing Transportation Master Plan and will provide an even more in-depth review of the City's high collision corridors along with developing an overall safe routes to schools program.

COMMUNITY ENGAGEMENT:
Involve
Significant community engagement was conducted and is included in the development of the Transportation Master Plan development. That engagement will continue through the development of the Comprehensive Safety Action Plan.

ALTERNATIVE ACTIONS:
The City Council could choose to not authorize the City Manager to move forward with the funding of the development of the Comprehensive Safety Action Plan. This is not recommended as the plan is a prerequisite for future grant funding opportunities.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:
The City Council approved the City's Transportation Master Plan on December 4, 2024.

FISCAL AND RESOURCE IMPACT:
The total cost of the agreement is $220,250, which will be offset by grant funding of $200,500 in grant funding, with a net cost of $19,750 to the Traffic Impact Fund (309).

CEQA (California Environmental Quality Act):
Categorical Exemption 15262:
A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or negative declaration but does require consideration of environmental factors. Significant environmental review will occur with the update to the Circulation Element of the General Plan, for which the Transportation Master Plan will provide the basis for.

CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS
TDG ENGINEERING, INC.

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and TDG Engineering, Inc. a California corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority**. This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, ____, 20___.

2. **Term of Agreement**. This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2025 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement provided the compensation does not exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code, unless otherwise authorized by City Council. Any such extension shall be in writing and signed by both Parties to this Agreement.

3. **Scope of Service**. The services to be performed by CONSULTANT shall be development of a Comprehensive Safety Action Plan as further described in **Exhibit A.**

4. **Compensation**. CONSULTANT shall be compensated as follows:

4.1. Amount. $220,250.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed Two Hundred Twenty Thousand Two Hundred and Fifty dollars and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement, and provided further that in no event shall such maximum compensation allowed for the term exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code, unless otherwise authorized by City Council.

4.2. Billing. CONSULTANT shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 13 Notices. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY. CITY shall pay CONSULTANT within thirty (30) days of receipt of a proper invoice. Should the CITY fail to make timely payment, CONSULTANT reserves the right to stop work until payment is received.

5. **Termination**. CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT. The City Manager of CITY is authorized to terminate this Agreement, in whole or in part, on behalf of CITY.

5.1. **Non-Appropriations.** Notwithstanding anything contained in this Agreement to the contrary, if insufficient funds are appropriated, or funds are otherwise unavailable in the budget for CITY for any reason whatsoever in any fiscal year, for payments due under this Agreement, CITY will immediately notify CONSULTANT of such occurrence, and this Agreement shall terminate after the last day during the fiscal year for which appropriations shall have been budgeted for CITY or are otherwise available for payments.

6. **Performance of Work**. CONSULTANT represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by CONSULTANT in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the CONSULTANT'S profession. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this Agreement and all applicable federal, state, and local laws. CONSULTANT shall perform all work and services under this Agreement in conformance with the time schedule set forth on Exhibit C, "Schedule of Performance," attached hereto and incorporated herein by this reference. CITY'S City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement. If CONSULTANT desires to leave or store any of CONSULTANT'S equipment at a CITY site while CONSULTANT is performing work or service pursuant to this Agreement, CONSULTANT will first obtain the consent of CITY'S City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at CONSULTANT'S sole risk.

7. **Insurance Requirements**. CONSULTANT shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of CONSULTANT, including its subcontractors, employees, and agents, relating to, or arising from, the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by City. CONSULTANT further understands that the CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to CONSULTANT, at any time as deemed necessary to protect the interests of the CITY.

7.1. **Insurance Types and Amounts.**

7.1.1. Commercial General Liability (CGL). CONSULTANT shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars ($1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S

combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.2. Automobile Liability. CONSULTANT shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if CONSULTANT does not own automobiles, then CONSULTANT shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars ($1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.3. Workers' Compensation Insurance and Employer's Liability. CONSULTANT shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars ($1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If CONSULTANT is self-insured, CONSULTANT shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

7.1.4. Pollution (Environmental) Liability. If the performance of CONSULTANT'S work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, CONSULTANT shall procure and maintain Pollution Liability covering the CONSULTANT'S liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars ($1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.5. Professional Liability.

7.1.5.1. If the performance of CONSULTANT'S work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), CONSULTANT shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars ($1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CONSULTANT maintains a claims-made policy, CONSULTANT shall provide written evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.

7.1.5.2. If the performance of CONSULTANT'S work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), CONSULTANT shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars ($1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.6. Sexual Abuse/Molestation Liability (SML): If the performance of CONSULTANT'S work or service under this Agreement involves contact with minors, CONSULTANT shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars ($200,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.2. **Endorsements**. CONSULTANT shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

7.2.1. General Liability and pollution liability (when pollution liability applies).

7.2.1.1. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds on a form at least as broad as ISO Form CG 20 10 for ongoing operations.

7.2.1.2. "Waiver of Rights of Subrogation" - The insurer waives the right of subrogation against the City of Morgan Hill and CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and

7.2.1.3. "Primary and Non-Contributing" - Insurance shall be endorsed to be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 01.

7.2.2. Workers Compensation.

If the performance of CONSULTANT'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, CONSULTANT'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

7.3. **Qualification of Insurers**. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.

7.4. **Certificates**. CONSULTANT shall furnish CITY of Morgan Hill with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the CONSULTANT'S agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 7. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

8. **Non-Liability of Officials and Employees of the CITY**. No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. **Compliance with Law**.

9.1. CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon any basis prohibited by State or Federal law, including but not limited to, race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

9.2. Compliance with Wage and Hour Laws: Consultant, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state, and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

Final Judgments, Decisions, and Orders: For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time to appeal has expired. Relevant investigatory government agencies include: the federal Department of Labor, the California Division of Labor Standards Enforcement, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

Prior Judgments against CONSULTANT and/or its Subcontractors: BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT CONSULTANT OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE

MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that CONSULTANT or an subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or CONSULTANT learns of such a judgment, decision, or order that was not previously disclosed, CONSULTANT shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision, or order. CONSULTANT and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision, or order within five (5) days of satisfying the final judgment, decision, or order. The City reserves the right to require CONSULTANT to enter into an agreement with the City regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where CONSULTANT or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or government agency, the City reserves the right to withhold payment to CONSULTANT until such judgment, decision or order has been satisfied in full.

Material Breach: Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

Notice to City Related to Wage Theft Prevention: Notice provided to the City Attorney as required under this Section shall be addressed to: City Attorney, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

10. **Independent Contractor**. CONSULTANT is an independent contractor and not an agent or employee of CITY.

11. **Confidentiality**. All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.

12. **Conflict of Interest and Reporting**. CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement including, without limitation, complying with California Government Code section 1090 *et seq*., the California Political Reform Act (California Government Code section 87100 *et seq*.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations section 18700 *et seq*.). CONSULTANT will further comply, and will ensure that its agents and its subcontractors comply, with California Government Code section 84308 ("Levine Act") and the applicable regulations of the Fair Political Practices Commission concerning campaign disclosure (2 California Code of Regulations sections 18438.1 – 18438.8).

13. **Notices**. All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

TDG Engineering, Inc.
Attn: Ellie Fiore
8484 Georgia Avenue, Suite 800
Silver Spring, MD 20910

Address of CITY is as follows:

Chris Ghione City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037	with a copy to: City Clerk City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037

14. **Licenses, Permits and Fees**. CONSULTANT shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes, and regulations of the federal, state, and local government.

15. **Consultant's Proposal**. If applicable, this Agreement shall include CONSULTANT'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

16. **Maintenance of Records**.

16.1. Maintenance. CONSULTANT shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. CONSULTANT shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then CONSULTANT shall retain said records until such action is resolved.

16.2. Access to and Audit of Records. Following prior written notice, the CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONSULTANT and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

16.3. Ownership of Work Product. All documents or other information developed or received by CONSULTANT for work performed under this Agreement shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement. Ownership shall not extend to CONSULTANT'S underlying means and methods used to create work product. Additionally, any preexisting intellectual property contained within CONSULTANT'S deliverables thereto

belonging to CONSULTANT shall remain the property of CONSULTANT unless otherwise indicated in the scope of services. Should CITY reuse or modify CONSULTANT'S documents without prior consent, CITY shall indemnify and hold the CONSULTANT harmless from and against any claim, proceeding, cause of action, damage, cost or expense that directly results from any deviation from or changes to the CONSULTANT'S Instruments of Service.

17. **Familiarity with Work**. By executing this Agreement, CONSULTANT represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

18. **Time of Essence**. Time is of the essence in the performance of this Agreement.

19. **No Assignment**. Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY'S option, shall terminate this Agreement effective as of the date of such attempted assignment.

20. **Attorney Fees**. In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

21. **Defense and Indemnification**.

21.1. Defense and Indemnification for Design Professional Services. Consistent with California Civil Code Section 2782.8, for design professional services to be performed under this agreement by a design professional, as that term is defined under said Section 2782.8, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors in performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement ("CLAIM") to the extent of CONSULTANT'S proportionate percentage of fault.

21.2. Defense and Indemnification for Non-Design Professional Services. For all services performed under this agreement not covered by Section 21.1 above, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

21.3. Exceptions. CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence, active negligence, or willful misconduct of the CITY.

21.4. Not limited by insurance. The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by CONSULTANT.

21.5. Right to Offset. CITY shall have the right to offset against any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT'S failure to pay CITY promptly any indemnification arising under this Section (21) and any amount due CITY from CONSULTANT arising from CONSULTANT'S failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

21.6. Interpretation. This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the CONSULTANT to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

22. **Entire Agreement; Modification; Conflicting Provisions**. This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified, or provisions waived, only by a subsequent mutual written agreement executed by CITY and CONSULTANT. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

23. **Governing Law and Venue**. This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

24. **Interpretation**. This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

25. **Notice of Security and/or Privacy Incident.** If CONSULTANT, or its subconsultant, suspect, discover or are notified of a data security incident or potential breach of security and/or privacy relating to CITY PII, PHI and/or PCI, CONSULTANT shall immediately, but in no event later than forty-eight (48) hours from suspicion, discovery or notification of the incident or potential breach, notify CITY of such incident or potential breach. CONSULTANT shall, upon CITY's request, investigate such incident or potential breach, inform the CITY of the results of any such investigation, and assist the CITY in maintaining the confidentiality of such information. In addition to the foregoing, CONSULTANT shall provide CITY with any assistance necessary to comply with any state and/or federal laws requiring the provision of notice of any privacy incident or security breach with respect to any CITY PII, PHI and/or PCI to the affected or impacted individuals and/or organizations, in addition to any notification to

applicable state and federal agencies. CONSULTANT agrees that it shall reimburse CITY for all expenses, costs, reasonable attorneys' fees, and resulting fines, penalties, and damages associated with such incident, breach, investigation and/or notification.

26. **Preservation of Agreement**. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.

27. **Binding Agreement**. Notwithstanding the provisions of Section 19 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of CONSULTANT in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

28. ☒ **Data Sharing.** This Agreement requires access by CONSULTANT to CITY'S Geographic Information System (GIS) DATA for CONSULTANT to perform the work. CITY agrees to provide the GIS DATA to CONSULTANT solely for the purpose of performance of contracted work with the CITY upon the terms and conditions specified in Exhibit D, incorporated herein by this reference.

29. **Electronic Signatures.** Unless otherwise prohibited by law or CITY policy, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the CITY.

30. **Counterpart Signatures**. This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement.

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[Signatures on Next Page]

31. **Authority to Execute**. Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:
(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

City Clerk/Deputy City Clerk

Michelle Bigelow
Print Name

Date: _____

APPROVED AS TO FORM:
Donald A. Larkin

City Attorney

Print Name

Date: _____

CITY OF MORGAN HILL

City Manager

Christina J. Turner
Print Name

Date: _____

TDG Engineering, Inc.

By:

Roswell Eldridge, Executive Vice President
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President

Date: 01/07/25

By:

Ernie Boughman, Chief Financial Officer
Print Name and Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 01/06/25

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EXHIBIT A
SCOPE OF SERVICES

Scope of Work

Task 1 – General Safety Needs and Requirements
This task will incorporate the analyses performed as part of the TMP and ensure that SAP addresses the federal requirements for the SS4A program and that the SAP will meet eligibility requirements for applying for implementation grant funding.

Task 1.1 – Project Kickoff and Ongoing Project Management
Task 1.1 will cover all project-management related tasks including the project kickoff meeting, regular coordination meetings, and monthly progress reporting.
Toole Design will participate in a kickoff meeting with the City of Morgan Hill staff after receiving a finalized contract or written notice to proceed. The kickoff meeting will focus on a discussion of project challenges and opportunities, scope and schedule, data needs, and project administration and communication protocols. After the kickoff meeting, we will revise and finalize the scope and schedule, circulate meeting notes, and prepare a data request memorandum.

Toole Design will facilitate bi-weekly, virtual project management meetings with City of Morgan Hill staff to discuss ongoing work, project milestones, upcoming deliverables, and to check in on scope, schedule, and budget. Toole Design will develop an agenda in advance of each meeting and will document meeting notes with a focus on key decisions.

Task 1.2 - Leadership Commitment and Goal Setting
Morgan Hill has a strong foundation of adopted plans and policies that support safe roadways. At the beginning of the SAP process, the project team will work with City Council to review these policies and work collaboratively to establish a goal that includes a target year for achieving zero roadway facilities and serious injuries.

Task 1.3 - Planning Structure
The City will convene a Safety Action Plan Advisory Committee comprised of residents, interest group representatives, school community members, and other key stakeholders to meet at regular intervals and provide oversight of the SAP development. The purpose of the Safety Action Plan Advisory Committee is to build a common understanding of safety-related challenges and opportunities in Morgan Hill, generate project buy-in, get feedback on outreach and engagement efforts, present high-level findings, disseminate project information, establish general improvement priorities, and provide feedback on prioritized recommendations.

Additionally, the project team will consult periodically with city, county, and other public agency staff to review plan deliverables and advise on projects, implementation, and monitoring.

Task 1.4 - Safety Analysis
The project team will use the safety analysis, including the identified High Injury Network (HIN) for bicycle, pedestrian, and motor vehicle crashes, developed for the TMP, to inform the locations that will be evaluated further as part of the Safety Action Plan. Further data analyses may be performed to provide additional information on emerging priorities, such as the needs

of vulnerable road users or the characteristics around school sites. Results will be compiled in a Safety Analysis Memorandum highlighting key findings from the TMP and any additional analysis.

Task 1.5 - Engagement and Collaboration
Upon project kickoff, the team will develop a brief Public Outreach and Engagement Plan memorandum that identifies key audiences and stakeholders to be involved in the development of the SAP. Outreach and engagement will focus primarily on the development of the Safe Routes to School Framework (Task 2) and the identification and development of Safe Routes to School Priority Projects (Task 3.2). The Outreach and Engagement Plan will outline the engagement tools and methods appropriate for each audience, including a project website, in-person and online surveys, walk/bike audits, pop-up events, small group/focus-group meetings, and larger-scale community activities.

The memorandum will also outline and describe the roles and responsibilities of the Safety Action Plan Advisory Committee, and appointed and elected City officials in the development, adoption, and implementation of the SAP. This scope of work includes up to four (4) virtual meetings with the Safety Action Plan Advisory Committee.

Task 1.6 - Equity Considerations
Equity will be considered throughout all stages of the project. The Safety Analysis and all outreach and engagement activities will be conducted with an equity lens to ensure the development of the SAP is inclusive and provides special consideration of underserved communities. Specifically, the project team will consider equitable access to schools and equitable distribution of bicycle and pedestrian facilities around schools in Morgan Hill. The project team will also conduct an equity analysis of draft projects and strategies to ensure funding and implementation resources are channeled to the highest-need roadways, neighborhoods, and populations.

Task 1.7 - Policy and Process Changes
The project team will conduct a thorough assessment of current policies, plans, guidelines, and standards to identify gaps and opportunities to strengthen roadway safety. This assessment will inform the development of draft SAP strategies and actions including policies, best practices, and design guidance, as well as enforcement and education programs.

Task 1.8 - Progress and Transparency
The project team will develop an excel-based tool that can easily be used by City staff and accessed by stakeholders to track and report on progress towards the SAP goal of zero fatalities and serious injuries. The tool will be designed to streamline annual reporting so that City staff can post annual progress reports on the City's website.

Task 1 Deliverables:
- **Project kickoff with City of Morgan Hill staff, including agenda and summary**
- **Finalized scope of work, schedule, and fee**
- **Bi-weekly, online, project management meetings**
- **Monthly progress reports, and invoices**
- **Data request memorandum (if needed)**
- **Draft and final Public Outreach Engagement Plan**
- **Draft and final publicity materials (fact sheet, event flyers, website content)**
- **Outreach and engagement events, to be quantified in the Engagement Plan**
- **Draft and final Safety Analysis memorandum**

- **Up to four (4) online 1.5-hour Safety Action Plan Advisory Committee meetings, including agendas and summaries**
- **Support for up two (2) in-person City Council presentations**
- **Excel-based progress tracking and reporting tool**

Task 1 Assumptions:
- **Task 1.3 – Planning Structure: Morgan Hill City staff will determine Safety Action Plan Advisory Committee Members and will ensure an equitable and diverse group of representatives. City staff will work with the project team to determine the best dates/times/locations to hold Advisory Committee meetings throughout the project duration.**
- **Task 1.4 – Safety Analysis: Toole Design will use work completed from the TMP to inform this task. The project team will work with City staff to determine if additional analysis is needed.**
- **Task 1.5 – Engagement and Collaboration: The Public Outreach and Engagement Plan will quantify the number of outreach and engagement events the project team will host and attend and will specify which events will be held in person or virtually. Toole Design will print necessary engagement and outreach materials and will bring materials to in person events.**

Task 2 – Safe Routes to Schools Framework

Task 2.1 – Needs Assessment
Building on the work completed in the TMP, the project team will conduct a Safe Routes to Schools (SRTS) Needs Assessment. The Needs Assessment will be informed by feedback and data gathered during community outreach and engagement, and data analyses conducted for the TMP. The needs assessment will identify barriers and safety issues in Morgan Hill that discourage students from walking, biking, or rolling to schools, develop a list of projects that will improve safety around Morgan Hill schools, and recommend policies and programs to encourage students to safely walk, bike, and roll to school.

Task 2.2 – Safe Routes to Schools and Traffic Calming Toolkit
A Safe Routes to Schools and Traffic Calming Toolkit will be developed using results from Task 2.1 and will build on the Improvements Toolbox included in the TMP. This toolkit will include policies, programs, and design techniques to improve safety around schools and calm traffic in Morgan Hill.

Task 2 Deliverables:
- **Draft and Final Needs Assessment Memorandum, including a preliminary list of recommended projects and SRTS programs and policies**
- **Draft and Final Safe Routes to Schools and Traffic Calming Toolkit**

Task 2 Assumptions:
- **The Safe Routes to Schools and Traffic Calming Toolkit will be included in the Final Plan but can act as a standalone document for City use.**

Task 3 – Project Recommendations

Task 3.1 – High Injury Network Priority Projects
Building on the tasks above and the work conducted and the recommended projects in the TMP, the project team will further refine a set of grant-ready High Injury Network-related

project recommendations, including design concepts and cost estimates, which address the specific safety needs of the City of Morgan Hill. The project list will reflect the Safe System Approach and include actions related to behavior change, operations, and infrastructure. The refined project recommendations will identify time frames, lead organizations, partnerships, and potential resources for implementation.

Task 3.2 – Safe Routes to School Priority Projects
Building on the tasks above and the work conducted and the recommended projects in the TMP, the project team will develop a comprehensive set of grant-ready Safe Routes to Schools-related project recommendations that address the specific school-related safety needs of the City of Morgan Hill. The project list will reflect the Safe System Approach and include actions related to behavior change, traffic operations, and physical infrastructure. Priority school locations and projects will be based on the prioritization criteria contained in the TMP, and will reflect community priorities, equity considerations, areas of high need identified in previous tasks, and input received during the community engagement and outreach tasks. Prioritized projects and strategies will identify time frames, lead organizations, partnership needs and opportunities, and potential resources for implementation.

Task 3 Deliverables:
- **Draft and Final High Injury Network Priority Projects Identification and Prioritization Memorandum (including list of prioritized safety projects, programs, and policies)**
- **Draft and Final Safe Routes to School Priority Projects Identification and Prioritization Memorandum (including list of prioritized safety projects, programs, and policies)**

Task 4 – Plan Development

Task 4.1 – Draft Plan
The project team will consolidate the findings and recommendations from all prior tasks into a Draft Plan. City staff and the Safety Action Plan Advisory Committee will review the document with a focus on structure, order, content, and text edits. City staff will provide the project team with comments, which will be integrated into the final plan.

Task 4.2 – Final Plan
A Final Plan will be developed in InDesign with compelling graphic design, layouts, photography, and infographics. The Final Plan will include all findings and recommendations from prior tasks and will integrate City staff and Advisory Committee comments and feedback.

Task 4 Deliverables:
- **Draft Safety Action Plan (Word Document)**
- **Final Safety Action Plan (InDesign/PDF Document)**

Task 4 Assumptions:
- **This scope of work assumes the City of Morgan Hill will shepherd the Final Plan through the elected official adoption process.**

EXHIBIT B
SCHEDULE OF COMPENSATION RATES

Task 1: General Safety Needs and Requirements	**$70,000.00**
Task 2: Safe Routes to Schools Framework	**$50,000.00**
Task 3: Project Recommendations	**$50,000.00**
Task 4: Plan Development	**$40,000.00**
Tasks Labor Total	**$210,000.00**
Direct Expenses	**$10,250**
TOTAL	**$220,250.00**

EXHIBIT C
SCHEDULE OF PERFORMANCE

Task 1: General Safety Needs and Requirements	**January-September 2025**
Task 2: Safe Routes to Schools Framework	**March-June 2025**
Task 3: Project Recommendations	**May-July 2025**
Task 4: Plan Development	**July-September 2025**

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEAR 2024-25 BUDGET ACCEPTING GRANT PAYMENT OF $200,500 FROM THE FEDERAL SAFE STREETS AND ROADS FOR ALL PROGRAM AND APPROPRIATING $220,250 FOR CONTRACT SERVICES

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting the purchase described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "Authorize the City Manager to Enter Into a Contract with Toole Design" submitted for City Council consideration at its meeting of January 15, 2025, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Annual Budget for Fiscal Year 24-25, as set forth to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which meeting the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of the California Environmental Quality Act of 1970 and

WHEREAS, the City Council determines that the adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine, and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

a. That the City's previously adopted Fiscal Year 24-25 Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and

b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 24-25 Budget of the City; and

c. That the City Manager is hereby delegated authority to and is authorized to take all other ministerial actions that may be necessary or appropriate to implement the provisions of this Resolution.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 15th day of January 2025 by the following vote:

AYES:	**COUNCIL MEMBERS:**
NOES:	**COUNCIL MEMBERS:**
ABSTAIN:	**COUNCIL MEMBERS:**
ABSENT:	**COUNCIL MEMBERS:**

DATE: _____

_____
Mark Turner, MAYOR

➢ CERTIFICATION ☙

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XXXX , adopted by the City Council at the meeting held on January 15, 2025.

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

DATE: _____

_____
Michelle Bigelow, CITY CLERK

EXHIBIT A

AGENDA BUDGET SCORECARD
FISCAL YEAR 2024-2025

ADJUSTMENT #	004	
FUND:	309	Traffic Impact Fund
DEPARTMENT:	40	Public Services
	40	Public Services
	8053	Traffic Impact
OBJECT:	42231	CONTRACT SERVICES
AGENDA DATE:	01/15/25	
AGENDA ITEM TITLE:	Toole Design	

	07/01/24 AUDITED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI-ATIONS	06/30/25 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	3,808,198	4,753,292	4,593,527	3,967,963
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION		**200,500**	**220,250**	**(19,750)**
RESULT OF RECOMMENDED ACTION	3,808,198	4,953,792	4,813,777	3,948,213

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: January 15, 2025

PREPARED BY:
Dat Nguyen, Finance Director
APPROVED BY: City Manager

RATIFY THE CITY MANAGER'S EXECUTION OF THE FIRST AMENDMENT TO AGREEMENT WITH MONTEREY BAY OFFICE PRODUCTS, INC. FOR THE PURCHASE AND MAINTENANCE OF THE CITY'S MULTI-FUNCTION PRINTERS

RECOMMENDATION(S)
Ratify the City Manager's execution of the first amendment to the agreement with Monterey Bay Office Products, Inc. for the purchase of the City's multi-function printers.

COUNCIL PRIORITIES, GOALS & STRATEGIES
2024-2025 Strategic Priorities
Fiscal Sustainability

REPORT NARRATIVE:
On April 19, 2023, the City Council approved an agreement with the Monterey Bay Office Products, Inc. for the purchase of the City's multi-function printers in the amount of $212,006. The original agreement did not include the replacement of the Finance Department's multi-function printer.

Since then, the Finance Department's printer has broken twice, requiring third-party service. Staff analyzed the cost of repairs and concluded that it is more economical to purchase a replacement and maintenance services from the City’s other multi-function printer provider, Monterey Bay Office Products, Inc. Due to the urgent need for a multi-function printer by the Finance staff, the first amendment to the agreement was finalized on December 16, 2024. The inclusion of the Finance Department's multi-function printer and its 4-year maintenance increased the maximum amount of the agreement by $11,033, bringing the total to $223,039. Staff recommends that the City Council ratify the City Manager's execution of the first amendment to the agreement with Monterey Bay Office Products, Inc. for the purchase of the City’s multi-function printers.

COMMUNITY ENGAGEMENT:
Inform

This staff report serves to inform the community of the first amendment to the

agreement with the Monterey Bay Office Products, Inc. for the purchase of the City's multi-function printers.

ALTERNATIVE ACTIONS:
Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:
On April 19, 2023, the City Council approved the agreement with the Monterey Bay Office Products, Inc. for the purchase of the City's multi-function printers in the amount of $212,006.

FISCAL AND RESOURCE IMPACT:
Funding to procure the printer and maintenance services is available in the FY24-25 Adopted Budget.

CEQA (California Environmental Quality Act):
Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

FIRST AMENDMENT TO AGREEMENT
MONTEREY BAY OFFICE PRODUCTS, INC.

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 12/13/2024 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and MONTEREY BAY OFFICE PRODUCTS, INC., a California Corporation ("SERVICE PROVIDER"), hereinafter referred to collectively as the "Parties".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into based upon the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.

2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of May 2, 2023, for services for a maximum compensation of Two Hundred Twelve Thousand Five Dollars and Seventy-Three Cents ($212,005.73) ("SERVICE AGREEMENT"). The SERVICE AGREEMENT is attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the SERVICE AGREEMENT, as attached as Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:

   A. Paragraph 3 shall be amended and replaced in its entirety by the following:

   "**3. Scope of Service.** The services to be performed by SERVICE PROVIDER shall be the removal and disposal of designated multi-functional printers (MFPs), purchase of **14** new replacement multi-functional printers (MFPs) for City facilities, maintenance and repair services and all supplies except for paper, as further described in Exhibit A and **Exhibit A-1: Part 2,** that is herein incorporated by this reference**."**

   B. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

   "4.1. Amount. Compensation under this Agreement shall not exceed TWO HUNDRED TWENTY-THREE THOUSAND THIRTY-NINE DOLLARS AND ELEVEN CENTS ($223,039.11) and shall be billed based on the rate and basis set forth in **Exhibit A-1 Part 2,** and Exhibit B. If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT, during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for each subsequent extended one-year term exceed 105% of the maximum compensation allowed to be paid to SERVICE PROVIDER for one year of service during the immediately preceding prior year of service."

C. Paragraph 13 shall be amended and replaced in its entirety by the following:

"13. **Conflict of Interest and Reporting**. SERVICE PROVIDER shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement including, without limitation, complying with California Government Code section 1090 et seq., the California Political Reform Act (California Government Code section 87100 et seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations section 18700 et seq.). SERVICE PROVIDER will further comply and will ensure that its agents and its subcontractors comply, with California Government Code section 84308 ("Levine Act") and the applicable regulations of the Fair Political Practices Commission concerning campaign disclosure (2 California Code of Regulations sections 18438.1 – 18438.8)."

D. Exhibit A is amended to include one (1) additional Konica Minolta Bizhub C3321i Color A4 Printer/Copier/Scanner.

E. Exhibit B is amended to reflect the incorporation of **Exhibit A-1 Part 2**, the purchases of 14 MFPs, and the new cost of the Agreement of $223,039.11.

2. **Notice Of Security and/or Privacy Incident**. If SERVICE PROVIDER, or its subcontractor, suspect, discover or are notified of a data security incident or potential breach of security and/or privacy relating to CITY PII, PHI and/or PCI, SERVICE PROVIDER shall immediately, but in no event later than forty-eight (48) hours from suspicion, discovery or notification of the incident or potential breach, notify CITY of such incident or potential breach. SERVICE PROVIDER shall, upon CITY's request, investigate such incident or potential breach, inform the CITY of the results of any such investigation, and assist the CITY in maintaining the confidentiality of such information. In addition to the foregoing, SERVICE PROVIDER shall provide CITY with any assistance necessary to comply with any state and/or federal laws requiring the provision of notice of any privacy incident or security breach with respect to any CITY PII, PHI and/or PCI to the affected or impacted individuals and/or organizations, in addition to any notification to applicable state and federal agencies. SERVICE PROVIDER agrees that it shall reimburse CITY for all expenses, costs, attorneys' fees, and resulting fines, penalties, and damages associated with such incident, breach, investigation and/or notification.

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[Signatures on the Next Page]

3. **Electronic Signatures.** Unless otherwise prohibited by law or CITY policy, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the CITY.

4. **Counterpart Signatures.** This Agreement may be signed in multiple counterparts, which shall, when executed by all Parties, constitute a single binding agreement.

5. **Conflicts**. In the event of a conflict between the terms and provisions of this First Amendment to Agreement and the terms and provisions of the SERVICE AGREEMENT, the terms of this First Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:
(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:
Signed by:
Michelle Bigelow
Michelle Bigelow, City Clerk
Date: 12/16/2024

APPROVED AS TO FORM:
Donald Larkin, City Attorney
DocuSigned by:
Cynthia Hasson
BFE66AF9672C451...
Date: 12/2/2024

CITY OF MORGAN HILL
DocuSigned by:
Christina Turner
Christina Turner, City Manager
Date: 12/13/2024

MONTEREY BAY OFFICE PRODUCTS, INC.

By:
Title: Kellie Murphy, President/CEO
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President

Date: 11/22/24

By:
Title: DAVID PARARA, COO
Print Name and Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 11.22.2024

Monterey Bay Office Products, Inc. Service Agreement
Exhibit A-1: Part 2 Scope of Services & Pricing

City of Morgan Hill - Purchase of Multi-Function Devices for City Facilities & 5-Year Maintenance Service (May 2023)

#	Site	Address	City Staff Selected Device	Purchase Price w/ 9.125 % Sales Tax	Estimated Annual Maintenance	Notes
1	Centennial Recreation Center	171 Edmundson Ave., MH	C650i	9,346.56	3,313.30	Add ons: 3-hole punch
2	Community & Cultural Center	17000 Monterey Rd., MH	C450i	7,072.39	497.17	Add ons: 3-hole punch
3	Aquatics Center	16200 Condit Rd, MH	C450i	7,072.39	455.60	Add ons: 3-hole punch
4	City Hall - Workroom #1	17575 Peak Ave., MH	C650i	9,902.00	684.03	Add ons: 3-hole, staple, tri-fold, envelope & postcards, brochures
5	City Hall -Workroom #2	17575 Peak Ave., MH	C450i	7,598.37	1,913.33	Add ons: 3-hole, staple and tri-fold
6	City Hall Northeast - by Building Dept.- in hallway	17575 Peak Ave., MH	C450i	7,598.37	1,913.33	Add ons: 3-hole, staple and tri-fold
7	Council Chamber Bldg. - Copy Room - East Side	17575 Peak Ave., MH	C450i	7,598.37	1,913.33	Add ons: 3-hole, staple
8	Police -Admin	16200 Vineyard Blvd., MH	C650i	10,427.99	1,529.67	Add ons: Fax, Staple, Email, envelope tray, USB port, Collate, Hole punch
9	Police Records	16200 Vineyard Blvd., MH	C650i	10,427.99	1,538.49	Add ons: Fax, Staple, Email, envelope tray, USB port, Collate, Hole punch
10	Police - Patrol Briefing Room	16200 Vineyard Blvd., MH	C450i	7,598.37	1,279.71	Add ons: Staple, Email, envelope tray, USB port, Collate, Hole punch
11	Police - Spec Ops/IT Space	16200 Vineyard Blvd., MH	C450i	8,124.36	1,279.71	Add ons: Fax, Staple, Email, envelope tray, USB port, Collate, Hole punch
12	Police- Dispatch	16200 Vineyard Blvd., MH	C3350i	1,980.62	2,000.04	Copy/Scan/Print/Fax Standard
13	Corporation Yard	100 Edes Ct., MH	C450i	7,072.39	844.99	Add-ons: 3-hole punch
			Purchase Price	$ 101,820.17	$ 19,162.71	Annual Maintenance Cost
					$ 22,037.11	Annual Maintenance + 15% contingency
					$ 110,185.56	5-Year Maintenance
					$ 212,005.73	SUBTOTAL (Purchase + 5 Yr. Maintenance)

Purchase of Multi-Function Devices for Finance Dept & 4-Year Maintenance Service (Oct 2024)

14	Council Chambers - Finance	17575 Peak Avenue	Bizhub C3321i	1,833.38	2,000.00	
			Purchase Price	$ 1,833.38	$ 2,300.00	Annual Maintenance + 15% contingency
					$ 9,200.00	4-Year Maintenance
					$ 11,033.38	SUBTOTAL (Purchase + 4 Yr. Maintenance)

Grand Total	
$ 103,653.55	Purchase Price
$ 24,337.11	Annual Maintenance
$ 119,385.56	5-Year Maintenance
$ 223,039.11	TOTAL (Purchase + 5 Yr. Maintenance)

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126-04-23-009

EXHIBIT 1

SERVICE AGREEMENT
Monterey Bay Office Products, Inc.

THIS AGREEMENT is entered into and becomes effective on 5/2/2023 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Monterey Bay Office Products, Inc. a California corporation ("SERVICE PROVIDER") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority**. This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on ~~5/2/2023~~ APRIL, 19, 2023.

2. **Term of Agreement**. This Agreement shall cover services rendered from the Effective Date of this Agreement until June 30, 2028 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum of five one-year periods. Any such extension shall be in writing and signed by both Parties to this Agreement.

3. **Scope of Service**. The services to be performed by SERVICE PROVIDER shall be the removal and disposal of designated multi-functional printers (MFPs), purchase of 13 new replacement multi-functional printers (MFPs) for City facilities, maintenenace and repair services and all supplies except for paper as further described in **Exhibit A.**

4. **Compensation**. SERVICE PROVIDER shall be compensated as follows:

4.1. Amount. $212,005.73. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed Two Hundred Twelve Thousand Five dollars and Seventy-Three cents and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for each subsequent extended one-year term exceed 105% of the maximum compensation allowed to be paid to SERVICE PROVIDER for one year of service during the immediately preceding prior year of service.

4.2. Billing. SERVICE PROVIDER shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER on a quarterly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 14 Notices. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

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5. **Termination**. CITY or SERVICE PROVIDER shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require SERVICE PROVIDER to complete certain work product or documents and SERVICE PROVIDER shall deliver to CITY all documents in its possession without additional compensation to SERVICE PROVIDER. The City Manager of CITY is authorized to terminate this Agreement, in whole or in part, on behalf of CITY.

5.1. **Non-Appropriations.** Notwithstanding anything contained in this Agreement to the contrary, if insufficient funds are appropriated, or funds are otherwise unavailable in the budget for CITY for any reason whatsoever in any fiscal year, for payments due under this Agreement, CITY will immediately notify SERVICE PROVIDER of such occurrence, and this Agreement shall terminate after the last day during the fiscal year for which appropriations shall have been budgeted for CITY or are otherwise available for payments.

6. **Performance of Work**. SERVICE PROVIDER represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by SERVICE PROVIDER in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the SERVICE PROVIDER'S profession. By delivery of completed work, SERVICE PROVIDER certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. SERVICE PROVIDER shall perform all work and services under this Agreement in conformance with the time schedule set forth on Exhibit C, "Schedule of Performance," attached hereto and incorporated herein by this reference. CITY's City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement. If SERVICE PROVIDER desires to leave or store any of SERVICE PROVIDER's equipment at a CITY site while SERVICE PROVIDER is performing work or service pursuant to this Agreement, SERVICE PROVIDER will first obtain the consent of CITY's City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at SERVICE PROVIDER's sole risk.

7. **Hazardous Materials.** Without limiting any other requirement or obligation of SERVICE PROVIDER under this Agreement, if SERVICE PROVIDER needs to use any material or chemical considered to be a hazardous material under any federal, state or local law, regulation or policy, SERVICE PROVIDER agrees to fully and timely abide by and comply with all laws, regulations and policies pertaining to the use, transport, removal, handling, disposal or other activity related to any and all such materials or chemicals. Prior to commencement of work or services under this Agreement, SERVICE PROVIDER shall provide CITY with a complete list of the hazardous materials SERVICE PROVIDER reasonably anticipates it may need to use to provide the services of SERVICE PROVIDER under this Agreement, together with the reasonably anticipated quantities thereof, if requested by CITY.

8. **Insurance Requirements**. SERVICE PROVIDER shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of SERVICE PROVIDER, including its subcontractors, employees and agents, relating to or arising from the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. **The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by City.** SERVICE PROVIDER **further understands that the CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to** SERVICE PROVIDER**, at any time as deemed necessary to protect the interests of the CITY.**

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8.1. **Insurance Types and Amounts.**

8.1.1. Commercial General Liability (CGL). SERVICE PROVIDER shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars ($1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.2. Automobile Liability. SERVICE PROVIDER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if SERVICE PROVIDER does not own automobiles, then SERVICE PROVIDER shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars ($1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.3. Workers' Compensation Insurance and Employer's Liability. SERVICE PROVIDER shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars ($1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If SERVICE PROVIDER is self-insured, SERVICE PROVIDER shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

8.1.4. Pollution (Environmental) Liability. If the performance of SERVICE PROVIDER's work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, SERVICE PROVIDER shall procure and maintain Pollution Liability covering the SERVICE PROVIDER'S liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars ($1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.5. Professional Liability.

8.1.5.1. If the performance of SERVICE PROVIDER's work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), SERVICE PROVIDER shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars ($1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies

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(including any excess or "umbrella" policies), whichever is greater. Further, if SERVICE PROVIDER maintains a claims-made policy, SERVICE PROVIDER shall provide written evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.

8.1.5.2. If the performance of SERVICE PROVIDER's work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), SERVICE PROVIDER shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars ($1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.6. Sexual Abuse/Molestation Liability (SML): If the performance of SERVICE PROVIDER's work or service under this Agreement involves contact with minors, SERVICE PROVIDER shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars ($200,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.7. Crime/Fidelity Bond. If the performance of SERVICE PROVIDER's work or service under this Agreement relates to or involves handling of CITY monies, SERVICE PROVIDER shall procure and maintain Crime insurance, in the minimum amount of: (i) three hundred thousand dollars ($300,000.00) per occurrence, covering all SERVICE PROVIDERS' officers and employees, for loss of CITY monies caused by dishonesty and/or theft.

8.2. **Endorsements.** SERVICE PROVIDER shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

8.2.1. General Liability and pollution liability (when pollution liability applies).

8.2.1.1. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds on a form at least as broad as ISO Form CG 20 10 for ongoing operations.

8.2.1.2. "Waiver of Rights of Subrogation" - The insurer waives the right of subrogation against the City of Morgan Hill and CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and

8.2.1.3. "Primary and Non-Contributing" - Insurance shall be endorsed to be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 01.

8.2.2. Workers Compensation.

If the performance of SERVICE PROVIDER'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, SERVICE PROVIDER'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

8.3. **Qualification of Insurers.** All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.

8.4. **Certificates.** SERVICE PROVIDER shall furnish CITY of Morgan Hill with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, SERVICE PROVIDER shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the SERVICE PROVIDER's agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 8. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

9. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

10. **Compliance with Law.**

10.1. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

10.2. Compliance with Wage and Hour Laws: SERVICE PROVIDER, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

Final Judgments, Decisions, and Orders: For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time to

appeal has expired. Relevant investigatory government agencies include: the federal Department of Labor, the California Division of Labor Standards Enforcement, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

Prior Judgments against SERVICE PROVIDER and/or its subcontractors: BY SIGNING THIS AGREEMENT, SERVICE PROVIDER AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT SERVICE PROVIDER OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. SERVICE PROVIDER FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that SERVICE PROVIDER or any subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or SERVICE PROVIDER learns of such a judgment, decision, or order that was not previously disclosed, SERVICE PROVIDER shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision or order. SERVICE PROVIDER and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision or order within five (5) days of satisfying the final judgment, decision or order. CITY reserves the right to require SERVICE PROVIDER to enter into an agreement with CITY regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where SERVICE PROVIDER or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or government agency, CITY reserves the right to withhold payment to SERVICE PROVIDER until such judgment, decision or order has been satisfied in full.

Material Breach: Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

Notice to City Related to Wage Theft Prevention: Notice provided to the City Attorney as required under this Section shall be addressed to: City Attorney, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

11. **Independent Contractor.** SERVICE PROVIDER is an independent contractor and not an agent or employee of CITY.

12. **Confidentiality.** All data, documents, or other information received by SERVICE PROVIDER from CITY or prepared in connection with SERVICE PROVIDER'S services under this Agreement are deemed

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confidential and shall not be disclosed to any third party by SERVICE PROVIDER without prior written consent by CITY.

13. **Conflict of Interest and Reporting.** SERVICE PROVIDER shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

14. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of SERVICE PROVIDER is as follows:

Monterey Bay Office Products, Inc.
325 Victor Street, Ste. A
Salinas, CA 93907

Attn: Adam Hughes, Strategic Account Manager

Address of CITY is as follows:

Mariah Dabel, Public Services	with a copy to:
Adminstrative Manager	City Clerk
City of Morgan Hill	City of Morgan Hill
17575 Peak Avenue	17575 Peak Avenue
Morgan Hill, CA 95037	Morgan Hill, CA 95037

15. **Licenses, Permits and Fees.** SERVICE PROVIDER shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.

16. **Service Provider's Proposal.** If applicable, this Agreement shall include SERVICE PROVIDER'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

17. **Maintenance of Records.**

17.1. Maintenance. SERVICE PROVIDER shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. SERVICE PROVIDER shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then SERVICE PROVIDER shall retain said records until such action is resolved.

17.2. Access to and Audit of Records. The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the SERVICE PROVIDER and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters

connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

17.3. Ownership of Work Product. All documents or other information developed or received by SERVICE PROVIDER for work performed under this Agreement shall be the property of CITY. SERVICE PROVIDER shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

18. **Familiarity with Work.** By executing this Agreement, SERVICE PROVIDER represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should SERVICE PROVIDER discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at SERVICE PROVIDER'S risk, until written instructions are received from CITY.

19. **Time of Essence.** Time is of the essence in the performance of this Agreement.

20. **No Assignment.** Neither this Agreement nor any portion shall be assigned by SERVICE PROVIDER, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY's option, shall terminate this Agreement effective as of the date of such attempted assignment.

21. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

22. **Defense and Indemnification.**

22.1. Defense and Indemnification. SERVICE PROVIDER shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by SERVICE PROVIDER, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

22.2. Exceptions. SERVICE PROVIDER is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of the CITY.

22.3. Not limited by insurance. The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMs alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by SERVICE PROVIDER.

22.4. Right to Offset. CITY shall have the right to offset against any compensation due SERVICE PROVIDER under this Agreement any amount due CITY from SERVICE PROVIDER as a result of SERVICE PROVIDER's failure to pay CITY promptly any indemnification arising under this Section (22) and any amount due CITY from SERVICE PROVIDER arising from SERVICE PROVIDER's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

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22.5. Interpretation. This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the SERVICE PROVIDER to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

23. **Entire Agreement; Modification; Conflicting Provisions**. This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by a subsequent mutual written agreement executed by CITY and SERVICE PROVIDER. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

24. **Governing Law and Venue**. This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

25. **Interpretation**. This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

26. **Preservation of Agreement**. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.

27. **Binding Agreement**. Notwithstanding the provisions of Section 20 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of SERVICE PROVIDER in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

28. **Electronic Signatures.** Unless otherwise prohibited by law or CITY policy, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the CITY.

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[Signatures on Next Page]

29. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:
(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

DocuSigned by:
Michelle Bigelow
1A7B5C87EA8A7C4...

City Clerk/Deputy City Clerk

Michelle Bigelow
Print Name

Date: 5/3/2023

CITY OF MORGAN HILL

DocuSigned by:
Christina Turner
5D0198AF549944D...

City Manager

Christina J. Turner
Print Name

Date: 5/2/2023

APPROVED AS TO FORM:

DocuSigned by:
Donald Larkin
5E6F0273EA2464...

City Attorney

Donald A. Larkin
Print Name

Date: 5/2/2023

MONTEREY BAY OFFICE PRODUCTS, INC.

By:

David Parara, COO
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President

Date: 4/6/2023

By:

Kellie Murphy, CEO
Print Name and Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 4/6/2023

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EXHIBIT A
SCOPE OF SERVICES

The scope of work shall include the removal and disposal of designated Multi-Function Printers (MFPs), and the purchase, installation, maintenance and repair of the following MFPs including all supplies except for paper:

Eight (8) C450i Konica Minolta Multi-Function Printers (MFPs) Color & Black & White (B & W) Copy/Scan/Print devices

Four (4) C650i Konica Minolta Multi-Function Printers (MFPs) Color & Black & White Copy/Scan/Print devices

One (1) C3350i Konica Minolta Multi-Function Printers (MFPs) Color & Black and White (B & W) Copy/Scan/Print devices

The locations for each of the devices and pricing are listed on the attached Exhibit A: Part 2 - Scope of Services & Pricing

Per Section 2C. of the Participating Addendum # 7-19-70-46-03, order placement and execution shall be on or before the expiration of this Participating Addendum on July 31, 2024. However, delivery of products or completion of services may be after the Participating Addendum expiration date. MONTEREY BAY OFFICE PRODUCTS, Inc. also known as MBS Business Systems shall provide preventative maintenance, on-going maintenance and repair of all copiers purchased under this agreement for an initial period of five years and up to five one-year extensions.

Contract maintenance pricing includes all parts, labor, supplies and staples. The only exclusion is paper.

Included services are training, installation, IT coordination, assigning employee codes

Removal of all existing copier devices is a complimentary e-Waste removal service.

Service Provider commits to a maximum four (4) hour response time during regular business hours: Monday through Friday, 8:00 a.m. to 5:00 p.m.

Monterey Bay Office Products, Inc. Service Agreement
Exhibit A: Part 2 - Scope of Services & Pricing

City of Morgan Hill - Purchase of Multi-Function Devices for City Facilities & 5-Year Maintenance Service

#	Site	Address	City Staff Selected Device	Purchase Price w/ 9.125 % Sales Tax	Estimated Annual Maintenance	Notes
1	Centennial Recreation Center	171 Edmundson Ave., MH	C650i	9,346.56	3,313.30	Add ons: 3-hole punch
2	Community & Cultural Center	17000 Monterey Rd., MH	C450i	7,072.39	497.17	Add ons: 3-hole punch
3	Aquatics Center	16200 Condit Rd, MH	C450i	7,072.39	455.60	Add ons: 3-hole punch
4	City Hall - Workroom #1	17575 Peak Ave., MH	C650i	9,902.00	684.03	Add ons: 3-hole, staple, tri-fold, envelope & postcards, brochures
5	City Hall -Workroom #2	17575 Peak Ave., MH	C450i	7,598.37	1,913.33	Add ons: 3-hole, staple and tri-fold
6	City Hall Northeast - by Building Dept.- in hallway	17575 Peak Ave., MH	C450i	7,598.37	1,913.33	Add ons: 3-hole, staple and tri-fold
7	Council Chamber Bldg. - Copy Room - East Side	17575 Peak Ave., MH	C450i	7,598.37	1,913.33	Add ons: 3-hole, staple
8	Police -Admin	16200 Vineyard Blvd., MH	C650i	10,427.99	1,529.67	Add ons: Fax, Staple, Email, envelope tray, USB port, Collate, Hole punch
9	Police Records	16200 Vineyard Blvd., MH	C650i	10,427.99	1,538.49	Add ons: Fax, Staple, Email, envelope tray, USB port, Collate, Hole punch
10	Police - Patrol Briefing Room	16200 Vineyard Blvd., MH	C450i	7,598.37	1,279.71	Add ons: Staple, Email, envelope tray, USB port, Collate, Hole punch
11	Police - Spec Ops/IT Space	16200 Vineyard Blvd., MH	C450i	8,124.36	1,279.71	Add ons: Fax, Staple, Email, envelope tray, USB port, Collate, Hole punch
12	Police- Dispatch	16200 Vineyard Blvd., MH	C3350i	1,980.62	2,000.04	Copy/Scan/Print/Fax Standard
13	Corporation Yard	100 Edes Ct., MH	C450i	7,072.39	844.99	Add-ons: 3-hole punch
			Purchase Price	101,820.17	19,162.71	Annual Maintenance Cost
			GRAND TOTAL (Purchase Price + 5 Yr. Maintenance)	197,633.70	95,813.53	5-Year Maintenance Cost
			ANNUAL COST (Purchase and Maintenance)	39,526.74		

Not-to-Exceed Calculation

		+ 15%	
Purchase Price	101,820.17	$ 22,037.11	Annual Maintenance Cost
GRAND TOTAL (Purchase Price + 5 Yr. Maintenance with 15% Contingency)	$ 212,005.73	110,185.56	5-Year Maintenance Cost w/ 15% Contingency
ANNUAL COST (Purchase and Maintenance w/ 15% Contingency)	$ 42,401.15		

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EXHIBIT B
SCHEDULE OF COMPENSATION RATES

The pricing stated and included in Exhibit A: Part 2 Monterey Bay Office Products, Inc. (also known as MBS Business Systems) Scope of Services and Pricing is based upon the NASPO ValuePoint Participating Addendum #7-19-70-46-03 entered into between the State of California, Department of General Services and Konica Minolta Business Solutions U.S.A., Inc., under the lead State of Colorado NASPO ValuePoint Master Agreement #140597 (Multi-functional Product (Copier/MFP) Piggyback Contract #140597-7-19-70-46-03.)

The compensation anticipated for the initial five-year period is $212,005.73 and includes the following costs:

1. Purchasing of Multi-Functional Printers per the attached Exhibit A-Part 2. The total amount for the purchase of the 13 MFPs is $101,820.17

Payments for purchase of MFPs is to be invoiced upon delivery of MFPs to City Facilities.

2. Contract maintenance & repair pricing is estimated at $22,037.11 annually for five years, which includes an annual not-to-exceed 15% contingency for the five-year period. The not-to-exceed five-year amount for contract maintenance & repairs is $110,185.56. Maintenance & repairs includes all parts, labor, supplies and staples. The only exclusion is paper. The estimated maintenance pricing is based upon historical average maintenance volume (AMV) for several of the copiers currently leased or purchased by the City from Monterey Bay Office Products, Inc. multiplied by the Maintenance and Supply Cost per Copy listed in Exhibit B: Part 2-Multi-functional Product (Copier/MFP) Piggyback Contract #140597-7-19-70-46-03.

Training, installation, IT coordination, assigning employee codes is complimentary per Monterey Bay Offic Products, Inc. There is no cost to the City of Morgan Hill.

Removal of existing devices is a complimentary e-Waste removal service. There is no cost to the City of Morgan Hill.

3. GRAND TOTAL SERVICE AGREEMENT AMOUNT:
- **a. Purchase of 13 MFPs = $101,820.17**
- **b. Five-Year Maintenance & Repairs = $110,185.56**
- **c. Purchase + 5-Year Maintenance & Repairs = $212,005.73**

4. Also attached are:

Exhibit B: Part 2-MBS Business Systems Morgan Hill Purchasing Catalog provided to City 12/22/2022.

Exhibit B: Part 3-State of California Participating Addendum # 7-19-70-46-03 to Colorado NASPO Value Point Master Agreement # 140597 - Konica Minolta Business Solutions U.S.A., Inc.

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Exhibit B: Part 2-Schedule of Compensation City of Morgan Hill & Monterey Bay Office Products, Inc.

KONICA MINOLTA

Provided to City on 12/22/2022

MBS Business Systems

NASPO ValuePoint formerly WSCA-NASPO

Multi-functional Product (Copier/MFP) Piggyback

Contract# 140597-7-19-70-46-03

City of Morgan Hill

Contract maintenance pricing includes all parts, labor, supplies and staples – only exclusion is paper.

MBS Business Systems

Contact: Adam Hughes
Cell: 831.320.8857
adam@mbsworks.com

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Please complete this page and check boxes on equipment page of your choice if you request additional, optional accessories. Pricing listed is for MFP configured with all listed accessories. Please contact Patrick Maguire for revised pricing if all accessories are not needed or with any questions – Adam@mbsworks.com

MFP NEEDS ANALYSIS FORM

Department:_____ Contact: _____

Location: _____ Phone: _____

Requested Date of Delivery: _____ Email: _____

IT Support

Will MFP be connected locally to only one workstation via USB? ☐ Yes ☐ No

Will MFP be connected to the Network? ☐ Yes ☐ No

If yes, which features are requested?

☐ Printing How many workstations? _____
Is there a live network connection available? ☐ Yes ☐ No

☐ Faxing Is there a live fax connection available? ☐ Yes ☐ No

☐ Scanning Where do want to scan to? ☐ File/SMB ☐ Email ☐ FTP

Access Codes

Will you require user access codes programmed on the device? ☐ Yes ☐ No

If yes, how many user codes will be required? _____
Please complete User Code request form to list 4-digit codes, user names and access options requested. User Code Request form located on page 4.

Electrical Confirmation

Has correct electrical requirement been verified? ☐ Yes ☐ No

If no, date requested for new outlet installation? _____

MBS Business Systems

Contact: Adam Hughes
Cell: 831.320.8857
adam@mbsworks.com

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Access Codes Configuration Page: (list user name, code and yes/no for access rights)

User Name	4 Digit Code	Administrator Security Access	BW Output Access	Color Output Access

MBS Business Systems

Contact: Adam Hughes
Cell: 831.320.8857
adam@mbsworks.com

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Full Color Output Device

Recommended Monthly Usage: 3,000 – 5,000 Images Bizhub Color C300i

Base System:	Cash Price	36 Month	48 Month	60 Month
C300i MFP COLOR Copy/Scan/Print	$3,730	$120	$92	$78

- 30 Copies Per Minute Console System
- Reversing Auto Document Feeder - 80 opm (DF632)
- *Full Color Scanning Capabilities – 80 ipm*
- Two 500 Sht. Paper Drawers,150 Sht. Bypass
- Cabinet with Storage

Additional Options	Cash Price	36 Month	48 Month	60 Month
☐ 2 X 500 Sheet Paper Drawer	$490	$17	$13	$11
☐ 3,200 Sht. Finisher with 50 Sht. Stapling	$638	$22	$17	$14
☐ Fax Module	$482	$17	$13	$11
☐ Banner Printing Paper Guide	$415	$15	$12	$10

Enter total costs/payment choice in appropriate box: ☐ ☐ ☐ ☐

☐ CASH PURCHASE ☐ LEASE - $1 buyout at end of term ☐ RENTAL - Return at end of term

Maintenance & Supply CPC	Year 1	Year 2	Year 3	Year 4
MFP - Black & White Images (required)	$.0075	$.0075	$.0075	$.0075
MFP - Full Color Images (required)	$.049	$.049	$.049	$.049

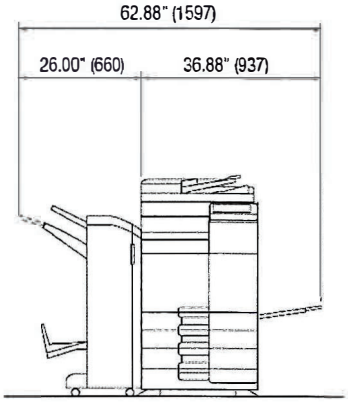
Note: Applicable taxes must be added to all pricing. Monthly leasing is billed quarterly in advance; maintenance is billed quarterly in arrears. Red items are *optional* accessories which must be added to BASE SYSTEM price above. Please check boxes of additional options you wish to add and enter total in yellow box.

Electrical Requirements

Line Options	Dedicated
Voltage	110 V/120 V
Amperage	12 A
Cycles	60 Hz
NEMA Part No.	5-15 R
Cord Length	6.6 ft.

NEMA Diagram for 5-15R

Note: The main electrical outlet must be located within 6.6 feet from the right rear corner of the bizhub C360i/C300i/C250i main unit.



MBS Business Systems

Contact: Adam Hughes
Cell: 831.320.8857
adam@mbsworks.com

Docusign Envelope ID: 50138058-8BDD-4E9A-9794-27AE1556D2C3

Full Color Output Device

Recommended Monthly Usage: 7,000 – 15,000 Images Bizhub Color C450i

Base System:	Cash Price	36 Month	48 Month	60 Month
C450i MFP COLOR Copy/Scan/Print	$6,116	$193	$147	$124

- 45 Copies Per Minute Console System
- Dual Scan Auto Document Feed – 160 opm
- *Full Color Scanning Capabilities – 160 ipm*
- Two 500, One 1,500, & One 1,000 Sht. Paper Drawers & 150 Sht. Bypass
- Finisher with 50 Sheet Stapling

Additional Options	Cash Price	36 Month	48 Month	60 Month
☐ Booklet Finisher w/Folding, Saddle Stitch Tri-Fold and 50 Sheet Stapling	$482	$17	$13	$11
☐ Hole Punch Option - 2 and/or 3 Holes	$365	$13	$10	$8
☐ Fax Module	$482	$17	$13	$11
☐ Banner Printing Paper Guide	$415	$15	$12	$10

Enter total costs/payment choice in appropriate box: ☐ ☐ ☐ ☐

☐ CASH PURCHASE ☐ LEASE - $1 buyout at end of term ☐ RENTAL - Return at end of term

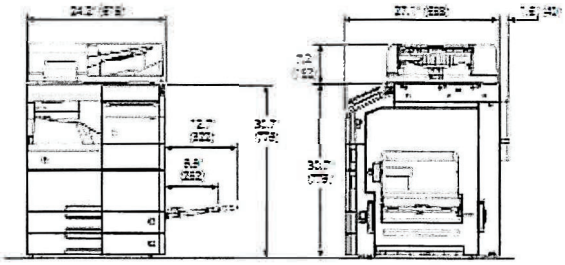
Maintenance & Supply CPC	Year 1	Year 2	Year 3	Year 4
MFP - Black & White Images (required)	$.0055	$.0055	$.0057	$.0057
MFP - Full Color Images (required)	$.049	$.049	$.049	$.049

Note: Applicable taxes must be added to all pricing. Monthly leasing is billed quarterly in advance; maintenance is billed quarterly in arrears. Red items are *optional* accessories which must be added to BASE SYSTEM price above. Please check boxes of additional options you wish to add and enter total in yellow box.

Electrical Requirements

Line Options	Dedicated
Voltage	110 V/120 V
Amperage	12 A
Cycles	60 Hz
NEMA Part No.	5-15R
Cord Length	6.6 ft.

NEMA Diagram for 5-15R



bizhub C650i/C550i/C450i

MBS Business Systems

Contact: Adam Hughes
Cell: 831.320.8857
adam@mbsworks.com

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Docusign Envelope ID: 3A948708-B7DD-42A6-AAA2-78F7D02F3C52

Full Color Output Device

Recommended Monthly Usage: 13,000–50,000 Images Bizhub Color C650i

Base System:	Cash Price	36 Month	48 Month	60 Month
C650i MFP COLOR Copy/Scan/Print	$8,200	$279	$214	$181

- 65 Copies Per Minute Console System
- Dual Scan Auto Document Feed – 160 opm
- *Full Color Scanning Capabilities – 160 ipm*
- Two 500, One 1,500, & One 1,000 Sht. Paper Drawers & 150 Sht. Bypass
- Finisher with 50 Sheet Stapler (FS539)

Additional Options	Cash Price	36 Month	48 Month	60 Month
☐ Booklet Finisher w/Folding, Saddle Stitch Tri-Fold and 50 Sheet Stapling	$509	$18	$14	$12
☐ Hole Punch Option - 2 and/or 3 Holes	$365	$13	$10	$8
☐ 3,000 Sht. Large Capacity Cassette	$705	$24	$19	$16
☐ Fax Module	$482	$17	$13	$11
☐ Banner Printing Paper Guide	$415	$15	$12	$10
Enter total costs/payment choice in appropriate box:				

☐ CASH PURCHASE ☐ LEASE - $1 buyout at end of term ☐ RENTAL - Return at end of term

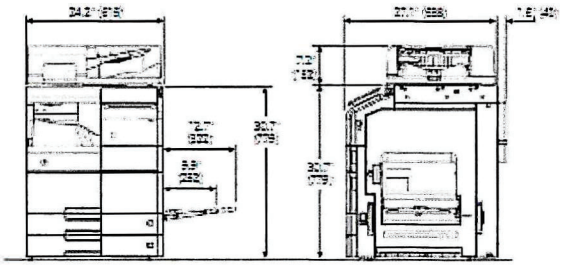
Maintenance & Supply CPC	Year 1	Year 2	Year 3	Year 4
MFP - Black & White Images (required)	$.0055	$.0055	$.0057	$.0057
MFP - Full Color Images (required)	$.045	$.045	$.045	$.045

Note: Applicable taxes must be added to all pricing. Monthly leasing is billed quarterly in advance; maintenance is billed quarterly in arrears. Red items are *optional* accessories which must be added to BASE SYSTEM price above. Please check boxes of additional options you wish to add and enter total in yellow box.

Electrical Requirements

Line Options	Dedicated
Voltage	100 V/120 V
Amperage	12 A
Cycles	60 Hz
NEMA Part No.	5-15R
Cord Length	6.6 ft

NEMA Diagram for 5-15R



bizhub C650i/C550i/C450i

MBS Business Systems

Contact: Adam Hughes
Cell: 831.320.8857
adam@mbsworks.com

Docusign Envelope ID: 50138058-8BDD-4E9A-9794-27AE1556D2C3

Color Desktop All-In-One Device

Recommended Monthly Usage: Less than 1,000 Images — Color C3350i

Base System:	Cash Price	36 Month	48 Month	60 Month
C3350i MFP Copy/Scan/Print/Fax (COLOR)	$1,815	$62	$47	$40

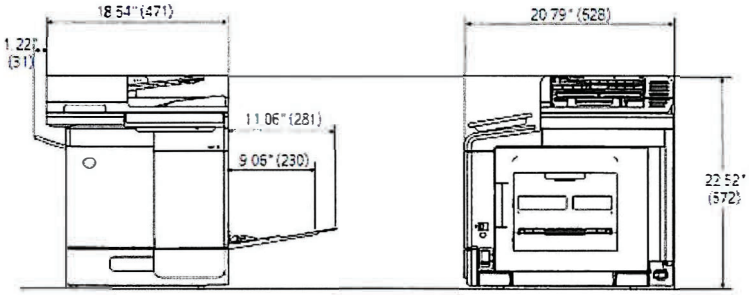
- 35 Copies Per Minute Desktop System
- Letter and Legal Size Paper Capacity
- 550 Sht. Paper Drawer, 100 Sht. Bypass
- FK517 Fax Kit

Additional Options	Cash Price	36 Month	48 Month	60 Month
☐ Additional 500 Sht. Drawer	$159	$6	$5	$4
☐ Convenience Stapler	$218	$8	$6	$5
☐ Finisher, Inner with 20 Sht. Stapling	$195	$7	$5	$4
Enter total costs/payment choice in appropriate box:				

☐ CASH PURCHASE ☐ LEASE - $1 buyout at end of term ☐ RENTAL - Return at end of term

Maintenance & Supply CPC	Year 1	Year 2	Year 3	Year 4
MFP - Everything except paper (required)	$.016	$.016	$.017	$.017
MFP - Full Color Images (required)	$.06	$.06	$.065	$.065

Note: Applicable taxes must be added to all pricing. Monthly leasing is billed quarterly in advance; maintenance is billed quarterly in arrears. Red items are *optional* accessories which must be added to BASE SYSTEM price above. Please check boxes of additional options you wish to add and enter total in yellow box.



bizhub C4050i/C3350i

Electrical Requirements

Line Options	Dedicated
Voltage	110 V/120 V
Amperage	12 A
Cycles	60 Hz
NEMA Part No.	5-15R
Cord Length	6.6 ft.

NEMA Diagram for 5-15R

Note: The main electrical outlet must be located within 6.6 feet from the right rear corner of the bizhub C4050i/C3350i main unit

MBS Business Systems

Contact: Adam Hughes
Cell: 831.320.8857
adam@mbsworks.com

Docusign Envelope ID: 50138058-8BDD-4E9A-9794-27AE1556D2C3

Kip Wide Format Printer/Copier/Scanner

KIP 7171

Base System:	Cash Price	36 Month	48 Month	60 Month
Kip 7171 Wide Format Printer/Copier/Scanner	$18,077	$615	$470	$398

- 6 D Size Pages Per Minute
- PDF Printing Option via Keycode
- Start-up Toner and 24"X26" Paper Roll

Additional Options	Cash Price	36 Month	48 Month	60 Month
☐ Print Receiving Rack	$591	$20	$16	$13
☐ Print Original & Receiving Tray	$846	$29	$22	$19
Enter total costs/payment choice in appropriate box:				

☐ CASH PURCHASE ☐ LEASE - $1 buyout at end of term ☐ RENTAL - Return at end of term

Maintenance & Supply CPC	Year 1	Year 2	Year 3	Year 4
MFP - Everything except paper (required)	$.040	$.042	$.044	$.046

Note: Applicable taxes must be added to all pricing. Monthly leasing is billed quarterly in advance; maintenance is billed quarterly in arrears. Red items are *optional* accessories which must be added to BASE SYSTEM price above. Please check boxes of additional options you wish to add and enter total in yellow box.

MBS Business Systems

Contact: Adam Hughes
Cell: 831.320.8857
adam@mbsworks.com

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DocuSign Envelope ID: 3A948708-B7DD-42A6-AAA2-78F7D02F3C92

STATE OF CALIFORNIA
PARTICIPATING ADDENDUM NUMBER 7-19-70-46-03

Copiers and Managed Print Services
Colorado NASPO ValuePoint Master Agreement Number 140597
Konica Minolta Business Solutions U.S.A., Inc. (Contractor)

This Participating Addendum Number 7-19-70-46-03 is entered into between the state of California, Department of General Services (hereafter referred to as "State" or "DGS") and Konica Minolta Business Solutions U.S.A., Inc. (hereafter referred to as "Contractor") under the lead state of Colorado NASPO ValuePoint Master Agreement Number 140597.

1. SCOPE

A. This Participating Addendum covers the purchase of Copiers and Managed Print Services under the Colorado NASPO ValuePoint Master Agreement. The Colorado NASPO ValuePoint Master Agreement Number 1140597 is hereby incorporated by reference. Product/service categories included under this Participating Addendum are identified in Section 5 (Available Products and Services).

B. This Participating Addendum is available for use by California state agencies and local governments. A local government is defined as any city, county, city and county, district, or other local governmental body, school district or corporation empowered to expend public funds. The State Agency Listing (https://www.ca.gov/agenciesall/) provides a comprehensive list of state agencies.

C. Each local government is to make its own determination whether this Participating Addendum and the Colorado NASPO ValuePoint Master Agreement are consistent with its procurement policies and regulations.

2. TERM

A. The term of this Participating Addendum shall begin upon signature approval by the State and will end December 31, 2021, or upon termination by the State, whichever occurs first.

B. Lead State amendments to extend the NASPO ValuePoint Master Agreement term date are not automatically incorporated into this Participating Addendum. Extension(s) to the term of this Participating Addendum will be through a written amendment upon mutual agreement between the State and the Contractor.

C. Order placement and execution shall be on or before the expiration of this Participating Addendum. However, delivery of products or completion of services may be after the Participating Addendum expiration date.

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3. TERMS AND CONDITIONS/INCORPORATION OF DOCUMENTS

A. Terms and conditions listed below are hereby incorporated by reference and made a part of this Participating Addendum as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum.

1) General Provisions – Information Technology (GSPD-401IT) effective 9/5/2014. This document can be viewed on the DGS Procurement Division website (https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language).

2) Cloud Computing Software as a Service (SaaS) General Provisions effective 6/7/2019. This document can be viewed on the DGS Procurement Division website (https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language).

3) Cloud Computing Special Provisions for Software as a Service (SaaS) effective 03/15/18. This document can be viewed on the DGS Procurement Division website (https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language).

4. ORDER OF PRECEDENCE

A. In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:

1) California Participating Addendum Number 7-19-70-46-03
2) Colorado NASPO ValuePoint Master Agreement Number 140597
3) Colorado Solicitation RFP-NP-18-001 including all Addendums
4) Contractor's response to the Colorado Solicitation

5. AVAILABLE PRODUCTS AND SERVICES

A. The following product and service offerings from the Colorado NASPO ValuePoint Master Agreement Number 140597 are allowed under this Participating Addendum:

1) Group A - A3 Multifunction Devices
2) Group B - A4 Multifunction Devices
3) Group C - Production Equipment
4) Group D - Single-function Printers
5) Group E - Large/Wide Format Equipment
6) Group F - Scanners
7) Managed Print Services may be provided on Groups A - F

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6. RESTRICTIONS/DISALLOWED PRODUCTS AND SERVICES

A. The following products or services are prohibited for purchase by state agencies under this Participating Addendum. These restrictions do not apply to local governmental entities.

1) Leasing and Rental Options

2) Products:
   a) Remanufactured Equipment
   b) Imaging equipment that does not meet or exceed Electronic Product Environmental Assessment Tool (EPEAT) Silver
   c) Imaging equipment that is not Energy Star certified
   d) Software containing "Clickwrap" Agreements
   e) Not Specifically Priced (NSP) items not listed or priced in NVP Price Lists

3) Services:
   a) Mail Room Services
   b) Network and Data Security
   c) Records Management

B. Product and service categories available on mandatory California statewide contracts cannot be purchased from this Participating Addendum by State agencies without an exemption. State agencies are responsible for obtaining an exemption from DGS prior to issuing a purchase order. This restriction is not applicable to local governments.

7. PRICING

Contractor is responsible for maintaining a current Price List of available products and services on the NASPO ValuePoint Copiers and Managed Print Services website.

8. CONTRACTOR SUPPLEMENTAL DOCUMENTS

Pursuant to the terms and conditions incorporated into this Participating Addendum, Contractor Supplemental Documents attached to the Colorado NASPO ValuePoint Master Agreement as Attachment A through Attachment K, shall be negotiated to the mutual agreement of the Contractor and ordering agency and attached to the purchase/contract document.

9. AUTHORIZED RESELLERS

A. Contractor may use State-approved Authorized Resellers under this Participating Addendum for sales and service functions as defined herein.

1) Authorized Resellers must accept purchase orders and accept payment from ordering agencies for products offered under this Participating Addendum.

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2) Authorized Resellers are responsible for sending a copy of all purchase orders and invoices to the Contractor for compliance with quarterly usage reporting and administrative fee requirements.

3) All purchase documents to Authorized Resellers shall reference the Participating Addendum Number and Contractor Name.

B. Contractor shall be responsible for successful performance and compliance with all requirements in accordance with the terms and conditions under this Participating Addendum, even if work is performed by Authorized Resellers. All State policies, guidelines, and requirements shall apply to Authorized Resellers.

C. Contractor will be the sole point of contact with regard to Participating Addendum contractual matters, reporting, and administrative fee requirements.

D. Subject to the approval of the State, Authorized Resellers may be added on a quarterly basis during the term of the contract. Contractors shall notify the State of any deleted Authorized Resellers or changes to current Authorized Resellers' contact information in writing at any time during the contract term.

E. Contractor will be required to submit Authorized Reseller requests, in a format specified by the State, to the State Contract Administrator for approval.

F. State-approved Authorized Resellers will be posted on the State's Cal eProcure website.

10. SUBCONTRACTORS

The Contractor shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted.

11. ORDERING AGENCY RESPONSIBILITIES

A. State agency and local government use of this Participating Addendum is optional.

B. State agencies and local governments must follow the ordering procedures outlined within the User Instructions guide, administered by the State Contract Administrator, to execute orders against this Participating Addendum.

12. STATE AGENCY BUY RECYCLED CAMPAIGN (SABRC)

A. State agencies are required to report purchases made within eleven product categories in the California Department of Resources Recycling and Recovery's SABRC per Public Contract Code Sections 12200-12217.

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B. Contractor will be required to complete and return a Recycled-Content Certification form (https://www.calrecycle.ca.gov/contracts/forms) upon request by the state agency.

13. DELIVERY

A. Delivery shall occur within 30 days after receipt of order, or as negotiated between ordering agency and contractor and included in the purchase order, or as otherwise stipulated in the NASPO ValuePoint Master Agreement.

B. F.O.B. (Free On Board) Destination

14. INVOICING AND PAYMENT

A. Payment terms for this Participating Addendum are net forty-five (45) days. Payment will be made in accordance with IT Commodities General Provisions Paragraph 30 (Required Payment Date).

B. Payment will be made in accordance with the provisions of the California Prompt Payment Act, Government code Section 927 et.seq. Unless expressly exempted by statute, the Act requires state agencies to pay properly submitted, undisputed invoices not more than 45 days after (i) the date of acceptance of Deliverables or performance of services; or (ii) receipt of an undisputed invoice, whichever is later.

C. Invoices shall be sent to the address identified in the ordering agency's purchase order. The State Participating Addendum Number and ordering agency Purchase Order Number shall appear on each invoice for all purchases placed under this Participating Addendum.

D. Contractor will accept the State of California credit card (CAL-Card) for payment of invoices.

15. USAGE REPORTING

A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the report template attached hereto as Attachment A. The report is due even when there is no activity.

B. The DGS Contract Administrator reserves the right to modify Attachment A and require Contractor to provide additional order information during the course of this Agreement.

C. The report shall be an Excel spreadsheet transmitted electronically to the DGS Cooperatives mailbox (PDCooperatives@dgs.ca.gov).

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D. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five business days of the date of written notification from the State.

E. Tax must not be included in the report, even if it is on the purchase order.

F. Reports are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

G. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this contract.

H. Time extensions may be approved only if all due reports have been submitted to the State.

16. ADMINISTRATIVE FEE

A. Contractor shall submit a check, payable to the State of California, remitted to the Cooperative Agreement Unit for the calculated amount equal to 1.25% of the sales for the quarterly period.

B. Contractor must include the Participating Addendum Number on the check. Those checks submitted to the State without the Participating Addendum Number will be returned to Contractor for additional identifying information.

C. Administrative fee checks shall be submitted to:

State of California
Department of General Services, Procurement Division
Attention: Cooperative Agreement Program
707 3rd Street, 2nd Floor, MS 2-202
West Sacramento, CA 95605

D. The administrative fee shall not be included as an adjustment to Contractor's NASPO ValuePoint Master Agreement pricing.

E. The administrative fee shall not be invoiced or charged to the ordering agency.

F. Payment of the administrative fee is due irrespective of payment status on orders or service contracts from a purchasing entity.

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G. Administrative fee checks are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

H. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this contract.

17. CONTRACT MANAGEMENT

A. The primary Contractor Contract Manager for this Participating Addendum shall be as follows:

Contractor	Contract Manager
Name:	Ann Marie Burns
Phone:	(703) 637-1516
Fax:	(703) 506-1257
Email	annmarie.burns@kmbs.konicaminolta.us
Address:	Konica Minolta Business Solutions U.S.A., Inc. 1595 Spring Hill Road., Suite 410 Vienna, VA 22182

B. The State Contract Administrator for this Participating Addendum shall be as follows:

State	Contract Administrator
Name:	Yolanda Tutt
Phone:	(916) 375-4408
Email	Yolanda.Tutt@dgs.ca.gov
Address:	State of California Department of General Services Procurement Division 707 Third Street, 2nd Floor, MS 2-202 West Sacramento, CA 95605

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C. Should the contact information for either party change, the party will provide written notice with updated information no later than ten business days after the change.

18. TERMINATION OF AGREEMENT

The State may terminate this Participating Addendum at any time upon 30 days prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible and intangible, as may facilitate the orderly, non-disrupted business continuation of each party. This provision shall not relieve the Contractor of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

19. AMENDMENT

No amendment or variation of the terms of this Participating Addendum shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Participating Addendum is binding on any of the parties.

20. AGREEMENT

A. This Participating Addendum and the Master Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Participating Addendum and the Master Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.

B. By signing below Contractor agrees to offer the same products/and or services as on the Colorado NASPO ValuePoint Master Agreement Number 140597, at prices equal to or lower than the prices on that contract.

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IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

STATE OF CALIFORNIA

Department of General Services
Agency Name

12-20-19
Authorized Signature *Date Signed*

Patrick B. Mullen Manager MAS
Printed Name/Title of Person Signing

707 Third Street
West Sacramento, CA 95605
Address

CONTRACTOR

Konica Minolta Business Solutions U.S.A., Inc.
Contractor Name

12/16/19
Authorized Signature *Date Signed*

Jack Dixon
Printed Name/Title of Person Signing

100 Williams Drive
Ramsey, NJ 07446
Address

Participating Addendum 7-19-70-48-03
Attachment A
Sheet 1 of 2
Usage Report:

Contract Number: _____
Contractor: _____
Reporting Period: _____
Report Value: _____
Administrative Fee: _____

Ordering Agency Name	State/Local Spend	Purchase Order / Service Contract Number	Order Date	Category/ Group	Manufacturer Part Number (OEM #)	Item Description	Unit of Measure	Quantity In Unit of Measure	Quantity	List Price/MSRP	Contract Unit Price	Extended Contract Price Paid	Index Date / Catalog Version

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Participating Addendum 7-19-70-46-03
Attachment A
Sheet 2 of 2

Usage Report (Template Key)

Contract Number: _____
Contractor: _____
Reporting Period: _____
Report Value: _____
Administrative Fee: _____

Column Number	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column J	Column K	Column L	Column M	Column N
Column Name	Ordering Agency Name	State/Local Spend	Purchase Order / Service Contract Number	Order Date	Category/ Group	Manufacturer Part Number (OEM #)	Item Description	Unit of Measure	Quantity	List Price/MSRP	Contract Unit Price	Extended Contract Price Paid	Index Date / Catalog Version
Description	State Agency or Local Government name as described on the purchase document	Identify ordering agency as a "State" or "Local Government" entity, as applicable.	Ordering agency's unique purchase order or service contract number associated with item(s) purchased.	Date the ordering agency placed the order.	Category/Group for each line item (commodity/ service) that includes Contractor respective percent discount off MSRP. This identifier should match the identifier provided in the Contractor's specific Control Set	Manufacturer's unique identifier for the line item.	Information about commodity/service purchased. Narrative should be descriptive enough to validate consistency with the Category/ Group ID stated in Column E	Packaging unit descriptor (i.e. each, box, dozen, case, lbs, pallet etc.).	Quantity purchased for each line item. All returned items are reported as a negative number. For service contracts, identify term in months.	An independently verifiable public price (MSRP) available to the general public. When providing usage reports, this information should reflect list prices at time of order.	This is the price paid for given line item	Total Price (Quantity X Contract Unit Price); (Column J x Column L)	Price or catalog effective date. Helps DGS track index price changes (historical frame of reference)
Format	Text	Text	Variable Characters	Date	Variable Characters	Variable Character	Variable Character	Variable Character	Number	Currency	Currency	Currency	Date / Variable Character
Example	Department of General Services	State	2832820	4/30/2013	5.2.1	ISINK34	Application Services	EA	1	$55.00	$48.95	$48.95	7/19/2012
Example	Department of General Services	State	2832820	4/30/2013	5.3.1	Annual Maintenance	3-year Maintenance	EA	1	$300	$270.00	$810.00	7/19/2012
Example	Department of General Services	State	2832820	4/30/2013	5.3.1	IS330AI + SP10	1-year Maintenance	EA	1	$48.00	$24.96	$898.56	7/19/2012

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Docusign Envelope ID: 50138058-8BDD-4E9A-9794-27AE1556D2C3

EXHIBIT C
SCHEDULE OF PERFORMANCE

a. The installation, maintenance and repair of the new MFPs will be coordinated with the City of Morgan Hill's Public Services Administrative Manager or other designated City staff at the various City facilities.

b. Also attached is Exhibit C-Part 2-NASPO website extending term of Contract #140597 to 7/31/24.

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Exhibit C- Part 2 - Schedule of Performance
Monterey Bay Office Products, Inc.

Welcome to the Konica Minolta/NASPO ValuePoint Website

Home
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Nevada
New Jersey
New Mexico
North Dakota
Ohio
Oklahoma
Oregon
Rhode Island
South Carolina
Texas
Utah
Vermont

NASPO ValuePoint

Contract #140597
Effective Dates: August 1, 2019 - July 31st, 2024

What is the NASPO ValuePoint Cooperative Purchasing Organization?

NASPO ValuePoint is a unified, nationally focused cooperative alliance aggregating the demand of all 50 states, the District of Columbia and the organized US territories, their political subdivisions and other eligible entities, spurring best, innovation and competition in the marketplace. The NASPO ValuePoint Cooperative Purchasing Organization provides the highest standard of excellence in public cooperative contracting. By leveraging the leadership and expertise of all states with the purchasing power of their public entities, NASPO ValuePoint delivers best value, reliable, competitively sourced contracts that offer public entities outstanding pricing. Since 1993 WSCA-NASPO has been the cooperative purchasing arm of NASPO (the National Association of State Procurement Officials) encouraging, fostering and guiding the nation's most significant public contract cooperative.

The NASPO ValuePoint Cooperative Purchasing Organization LLC, is a nonprofit, wholly owned subsidiary of the National Association of State Procurement Officials (NASPO).

What is NASPO?

NASPO, the National Association of State Procurement Officials, is a non-profit association dedicated to strengthening the procurement community through education, research, and communication. It is made up of the directors of the central purchasing offices of the 50 states, District of Columbia and territories of the United States. NASPO is an organization through which the member purchasing officials provide leadership in professional public purchasing, improve the quality of purchasing and procurement, exchange information, and cooperate to attain greater efficiency and economy. Please visit www.naspo.org for additional information.

Master Pricing Catalogs

Master Catalog
Master Pricing Schedule: Solutions

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West Virginia

Wisconsin

Lease Rate

Please contact your local authorized Konica Minolta branch or dealer for ordering instructions.

Konica Minolta Business Solutions U.S.A., Inc.

Konica Minolta Business Solutions U.S.A., Inc. is reshaping and revolutionizing the Workplace Solutions™. The company guides and supports its customers' digital transformation through its expansive office technology portfolio, including IT Services (All Covered), content services, managed print services and industrial and commercial print solutions. Konica Minolta has been included on CRN's MSP 500 list nine times and The World Technology Awards recently named the company a finalist in the IT Software category. Konica Minolta has been recognized as the #1 Brand for Customer Loyalty in the MFP Office Copier Market by Brand Keys for fourteen consecutive years, and received Keypoint Intelligence's BLI 2021 A3 Line of The Year Award and BLI 2021-2023 Most Color Consistent A3 Brand Award for its bizhub i-Series. Konica Minolta, Inc. has been named to the Dow Jones Sustainability World Index for nine consecutive years and has spent four years on the Global 100 Most Sustainable Corporations in the World list. Konica Minolta partners with its clients to give shape to ideas and works to bring value to our society. For more information, please visit us online and follow Konica Minolta on Facebook, YouTube, LinkedIn and Twitter.

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CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: January 15, 2025

PREPARED BY:
Dat Nguyen, Finance Director
APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE AND NOVEMBER 2024 FINANCIAL AND INVESTMENT REPORTS

RECOMMENDATION(S)
Recieve and file report.

COUNCIL PRIORITIES, GOALS & STRATEGIES
City Council Ongoing Priorities
Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities
Fiscal Sustainability
Community Engagement

REPORT NARRATIVE:
As part of the City Council's expectation to maintain a high level of transparency and to be responsible stewards of public funds, staff is providing this monthly budget update, along with the November 2024 financial and investment reports.

November 2024 Financial Report
The Revenue and Expense Summary through November 2024 is included on page 4 of the attached monthly financial and investment reports. Overall, General Fund revenues total $14.1 million or about 25% of the budget. Expenditures, including encumbrances, amounted to $27.7 million, of which approximately $4.1 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of $26.0 million. This represents an increase of $1.7 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures increased by about $1.4 million mainly due to overall cost increases.

Budget Update
There has been no material change since the last budget update to the Council on December 4, 2024. Regarding water revenue, Morgan Hill residents consumed approximately 9% more water through November compared to the prior three-year average. As a result, no revenue stabilization water rate was implemented.

COMMUNITY ENGAGEMENT:

Inform
Finance staff prepares these financial reports to inform City officials, the Council, the community, and various lenders and stakeholders about the financial health of the organization, which assists each one of the interested parties in making sound financial and investment decisions.

ALTERNATIVE ACTIONS:
Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:
The City Council receives and files the financial and investment report for each month. At the September 16, 2015 meeting, City Council recommended monthly financial and investment reports be agendized under the Consent Agenda, and quarterly financial and investment reports be presented to City Council as an “Other Business” item.

FISCAL AND RESOURCE IMPACT:
The preparation of the report is a part of the Finance workplan.

CEQA (California Environmental Quality Act):
Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL

Monthly Financial and Investment Reports

November 30, 2024 - 42% of Year Complete

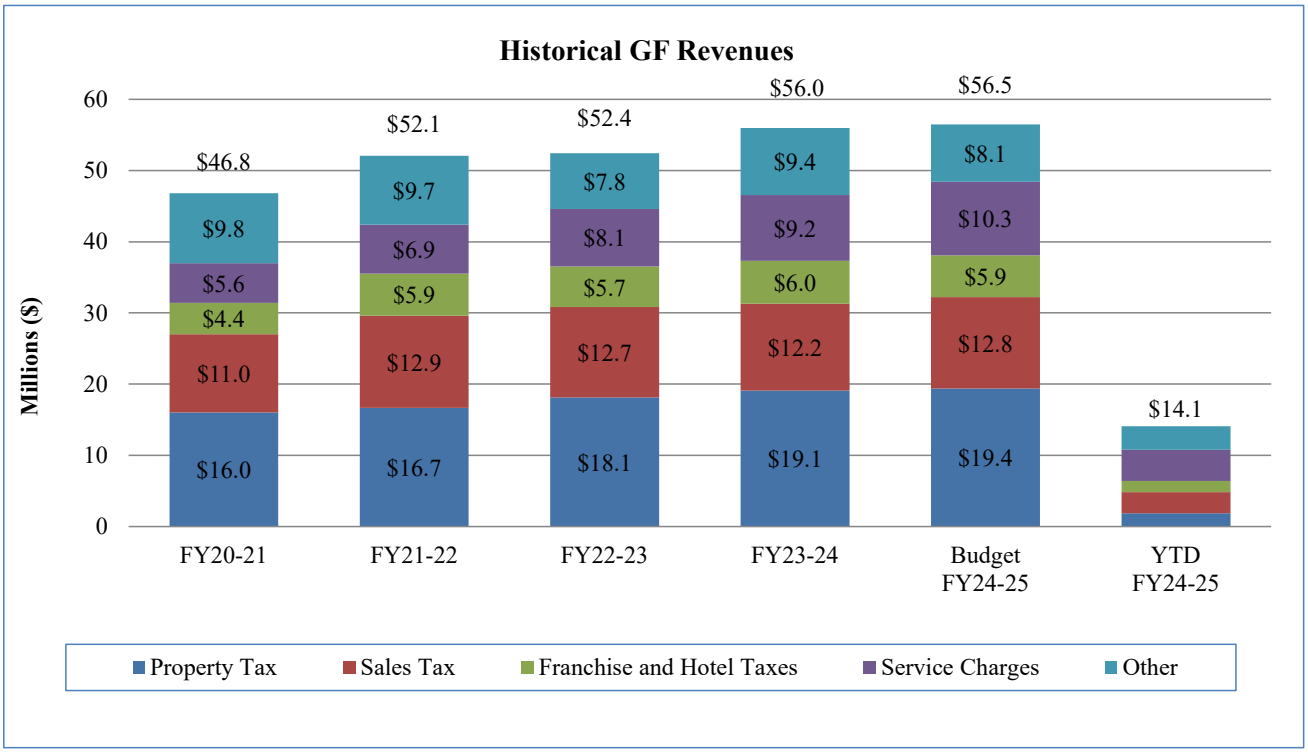
CITY OF MORGAN HILL

Prepared by:

FINANCE DEPARTMENT

- **General Fund** – Revenues through November totaled $14.1 million, or about 25% of the budgeted amount as some of the major revenue categories such as property tax are received later in the fiscal year. With respect to the property tax revenue forecast, the County estimates the City will receive approximately $19.9 million in property tax revenue for the current fiscal year, slightly more than the budget of $19.4 million. However, adjusting for the excess ERAF set aside of 20% or $0.5 million, the revised property tax revenue matches the budget. As for sales tax, HdL, the City's sales tax consultant, further revised downward the City's current fiscal year sales tax revenue estimate (before tax rebates) to $12.2 million, a reduction of approximately $0.7 million from the current year's budget, partially attributable to lower tax receipts from vehicle sales.

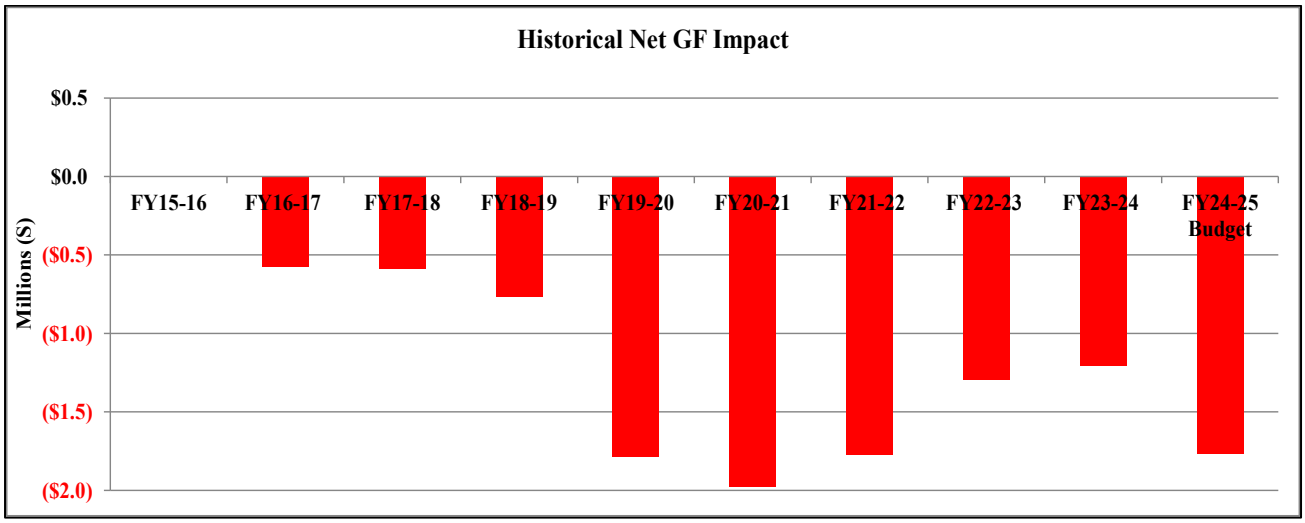
  The chart below shows historical General Fund revenues by major revenue category from FY20-21 through FY23-24 Actual, FY24-25 Budget, and YTD as of November 30, 2024.



  General Fund expenditures and encumbrances through November totaled $27.7 million, of which approximately $4.1 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of $26.0 million. This represents an increase of $1.7 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures increased by about $1.4 million mainly due to overall cost increases.

- **Community Services** – The Community Services Department's recreation operations, as reflected in the schedule presented on page 7 of the Monthly Financial and Investments Reports, shows a negative impact to the General Fund of approximately $1.6 million as of November 30, 2024. Recreation Services revenues continue to recover from the pandemic and are on target with budget.

The chart below shows the historical net impact of Recreation Operations to the general fund.



Due to longstanding governmental accounting and budgeting convention, the City's recreation operations are not charged for indirect costs (known in Morgan Hill as "General Fund Administration") from the central services departments of City Attorney, City Manager, and Administrative Services. The City's other governmental funds, such as Development Services, and the proprietary funds, such as Water and Wastewater, and the Information Services Fund, are assessed such charges through the City's indirect cost allocation plan, prepared in compliance with the guidelines set forth in the Code of Federal Regulations Title 2, Chapter II, Part 200 (formerly OMB Circular No. A-87), which mandates certain calculation and cost allocation practices that must be followed in order to qualify for Federal grant funding, but which also represents best practice for non-grant funded City operations like utilities and information services.

- **Development Services Fund –** Revenues through November totaled $2.6 million compared to the prior year to date amount of approximately $1.8 million. Expenditures, including encumbrances, totaled $2.9 million.

- **Debt Service Funds –** Expenditures through November totaled $0.6 million. The debt service for the first half of the year includes both interest and principal, while the second half of the year will include interest only. Debt service payments were all scheduled when the bonds were issued and are budgeted for in the months delineated in the underlying bond documents. The General Fund's portion of the annual debt service payments is approximately $200,000, less than one percent of the General Fund's budgeted revenues.

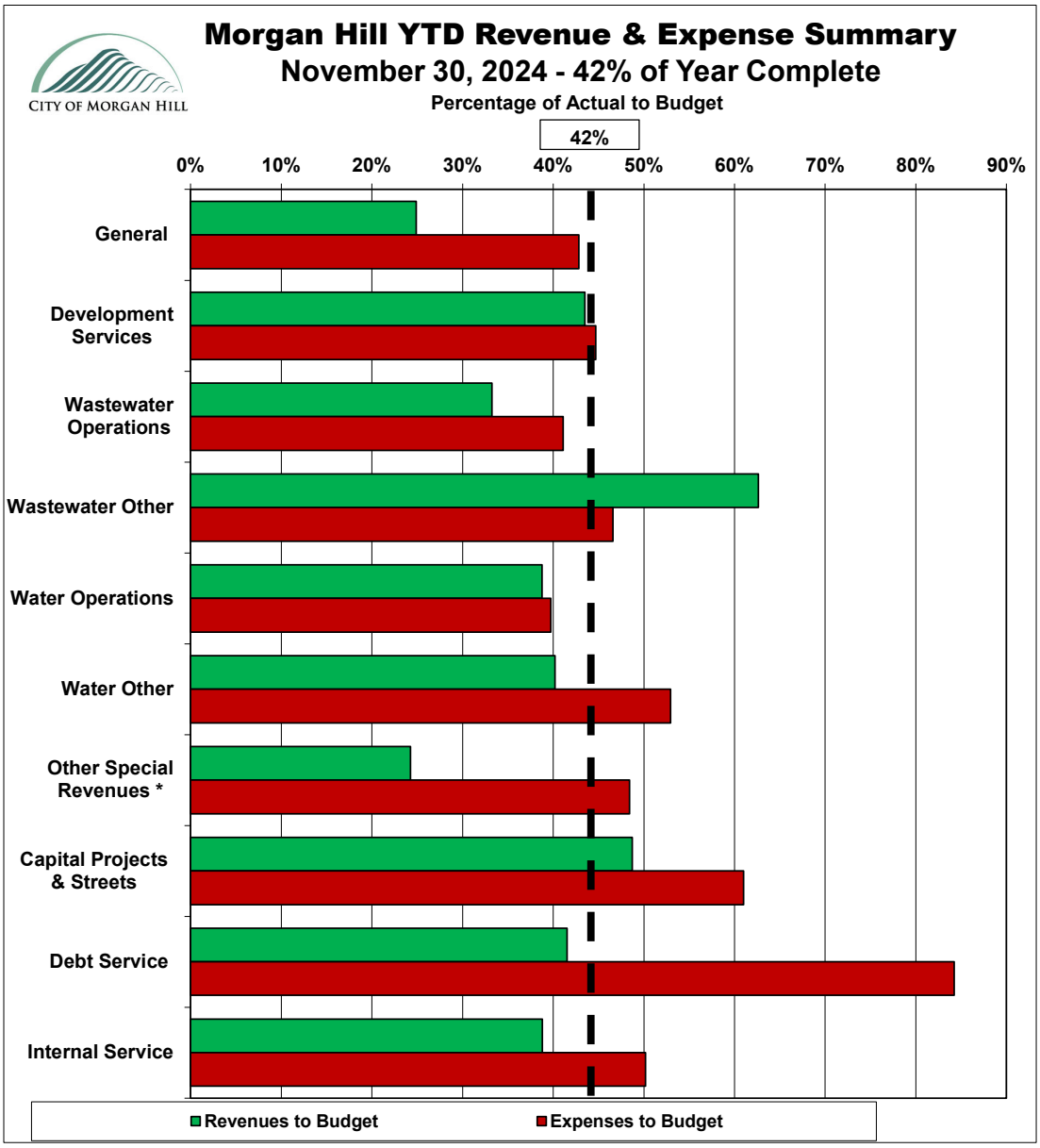
- **Wastewater Operations –** Revenues through November 30, 2024 totaled $5.5 million. Expenditures and outstanding encumbrances totaled $6.9 million or 41% of the budget. The table below shows historical Wastewater Operations revenues and expenditures from FY20-21 through FY23-24 Actual, FY24-25 Budget, and YTD as of November 30, 2024.

(amount in millions)	FY20-21	FY21-22	FY22-23	FY23-24	Budget FY24-25	YTD FY24-25
Revenues	13.3	14.9	15.3	15.2	16.6	5.5
Expenditures	13.3	14.8	16.0	14.9	16.8	6.9
Operating Margin	-	0.1	(0.7)	0.3	(0.2)	(1.4)
Operating Margin without Encumbrances	-	0.1	(0.7)	0.3	(0.2)	(1.4)

- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues through November 30, 2024 totaled $8.4 million. Water Operations expenditures, including outstanding encumbrances, totaled $8.6 million. Morgan Hill residents consumed about 9% more water through November compared to the prior three-year average. As such, no revenue stabilization water rate was implemented. The table below shows Water Operations revenues and expenditures from FY20-21 through FY23-24 Actual, FY24-25 Budget, and YTD as of November 30, 2024.

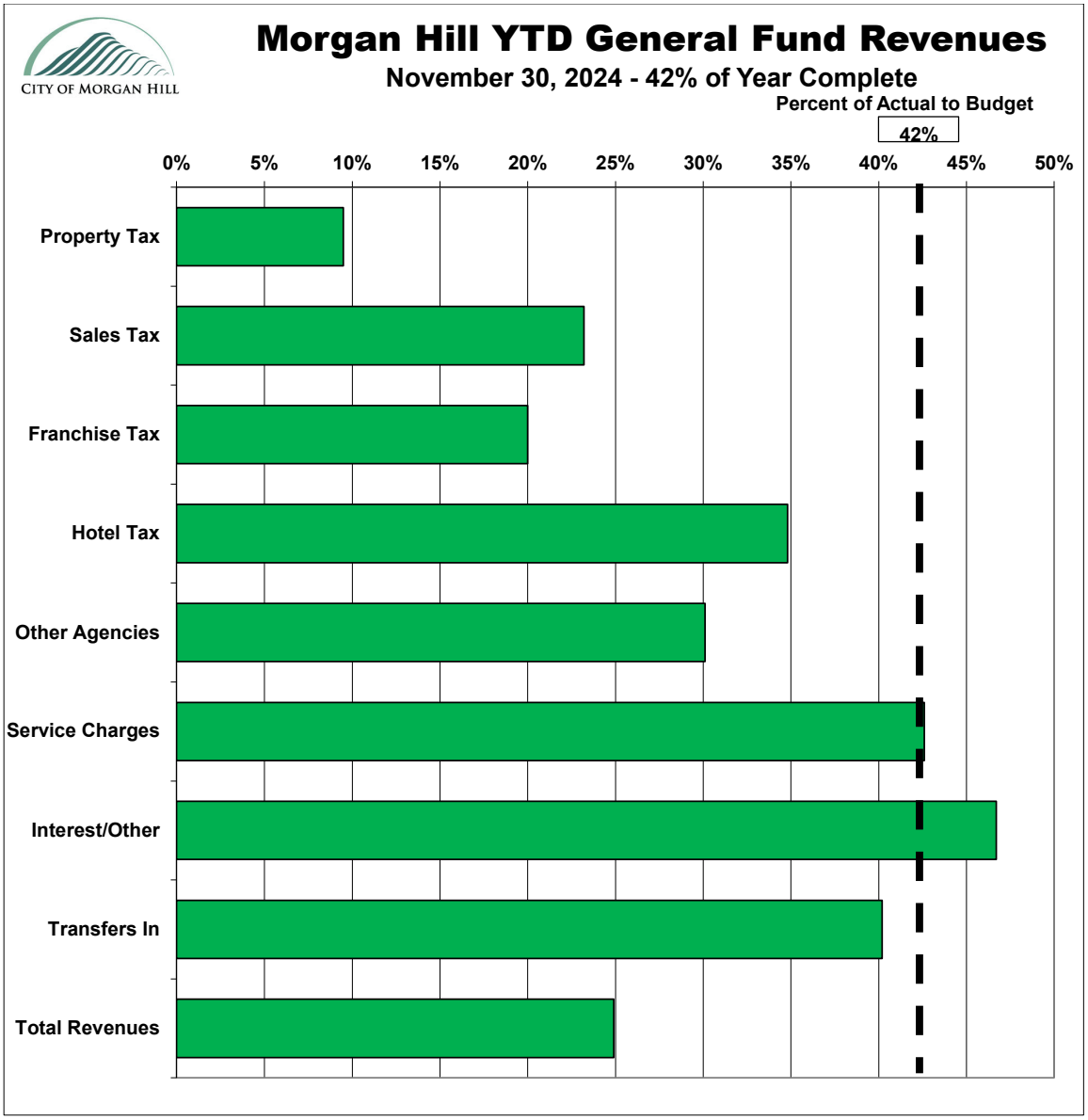
(amount in millions)	FY20-21	FY21-22	FY22-23	FY23-24	Budget FY24-25	YTD FY24-25
Revenues	16.5	16.0	18.1	18.7	21.5	8.4
Expenditures	16.5	15.2	18.0	19.1	21.6	8.6
Operating Margin	-	0.8	0.1	(0.4)	(0.1)	(0.2)
Operating Margin without Encumbrances	-	0.8	0.1	(0.4)	(0.1)	0.4

- **Investments –** Four securities were called, and six new securities were purchased. Total interest earnings received on investments were $458,000 during the month.

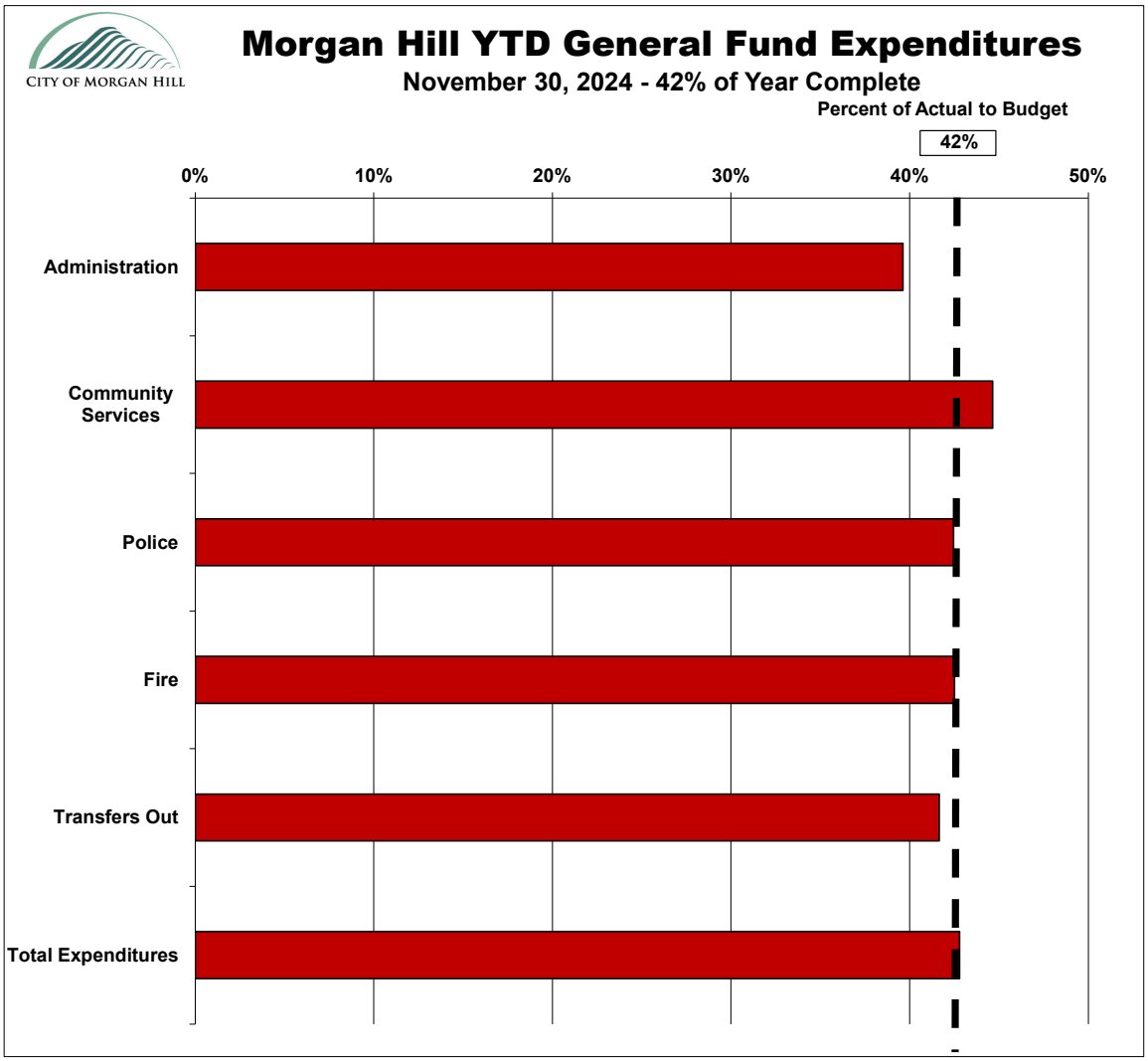


FUND NAME	REVENUES ACTUAL	REVENUES % OF BUDGET	EXPENSES ACTUAL PLUS ENCUMBRANCES	EXPENSES % OF BUDGET
General	$ 14,078,826	25%	$ 27,702,141	43%
Development Services	2,590,845	43%	2,860,080	45%
Wastewater Operations	5,532,090	33%	6,905,084	41%
Wastewater Other	11,320,029	63%	8,910,671	47%
Water Operations	8,354,951	39%	8,597,383	40%
Water Other	5,796,795	40%	12,890,804	53%
Other Special Revenues *	2,104,871	24%	5,789,185	48%
Capital Projects & Streets	15,901,572	49%	30,839,235	61%
Debt Service	287,167	42%	570,039	84%
Internal Service	5,626,868	39%	7,113,130	50%
TOTAL FOR ALL FUNDS	$ 71,594,015	38%	$ 112,177,751	49%

* Includes all Special Revenue Funds except Development Services Fund and Street Funds.



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	$ 19,411,020	$ 1,852,630	10%	$ 1,661,403	12%
Sales Tax	12,816,469	2,972,531	23%	3,385,660	-12%
Franchise Tax	3,185,872	637,852	20%	687,037	-7%
Hotel Tax	2,678,000	932,878	35%	960,062	-3%
Other Agencies	1,601,204	481,577	30%	336,938	43%
Service Charges	10,323,751	4,396,996	43%	4,278,786	3%
Interest/Other	3,107,665	1,451,513	47%	1,041,510	39%
Transfers In	3,365,760	1,352,849	40%	1,208,173	12%
TOTAL REVENUES	$ 56,489,742	$ 14,078,826	25%	$ 13,559,570	4%



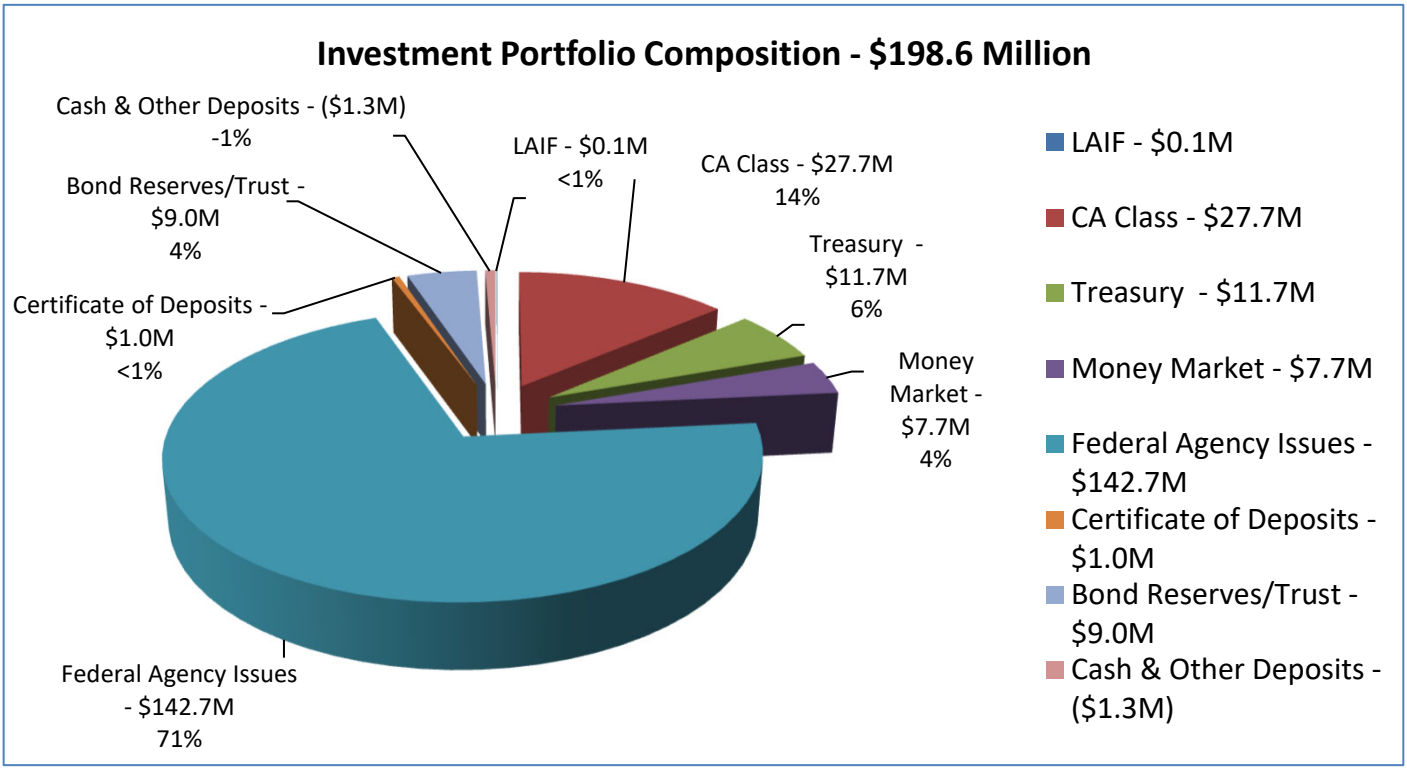
EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	$ 7,351,159	$ 2,913,035	40%	$ 2,767,408	5%
Community Services	19,922,029	8,896,294	45%	8,058,855	10%
Police	25,598,203	10,871,003	42%	9,249,131	18%
Fire	10,381,160	4,414,214	43%	4,023,577	10%
Transfers Out	1,458,230	607,596	42%	1,943,236	-69%
TOTAL EXPENDITURES	$ 64,710,781	$ 27,702,141	43%	$ 26,042,206	6%

City of Morgan Hill
Recreation Report - Fiscal Year 2024-25
For the Month Ended November 30, 2024
42% of Year Complete

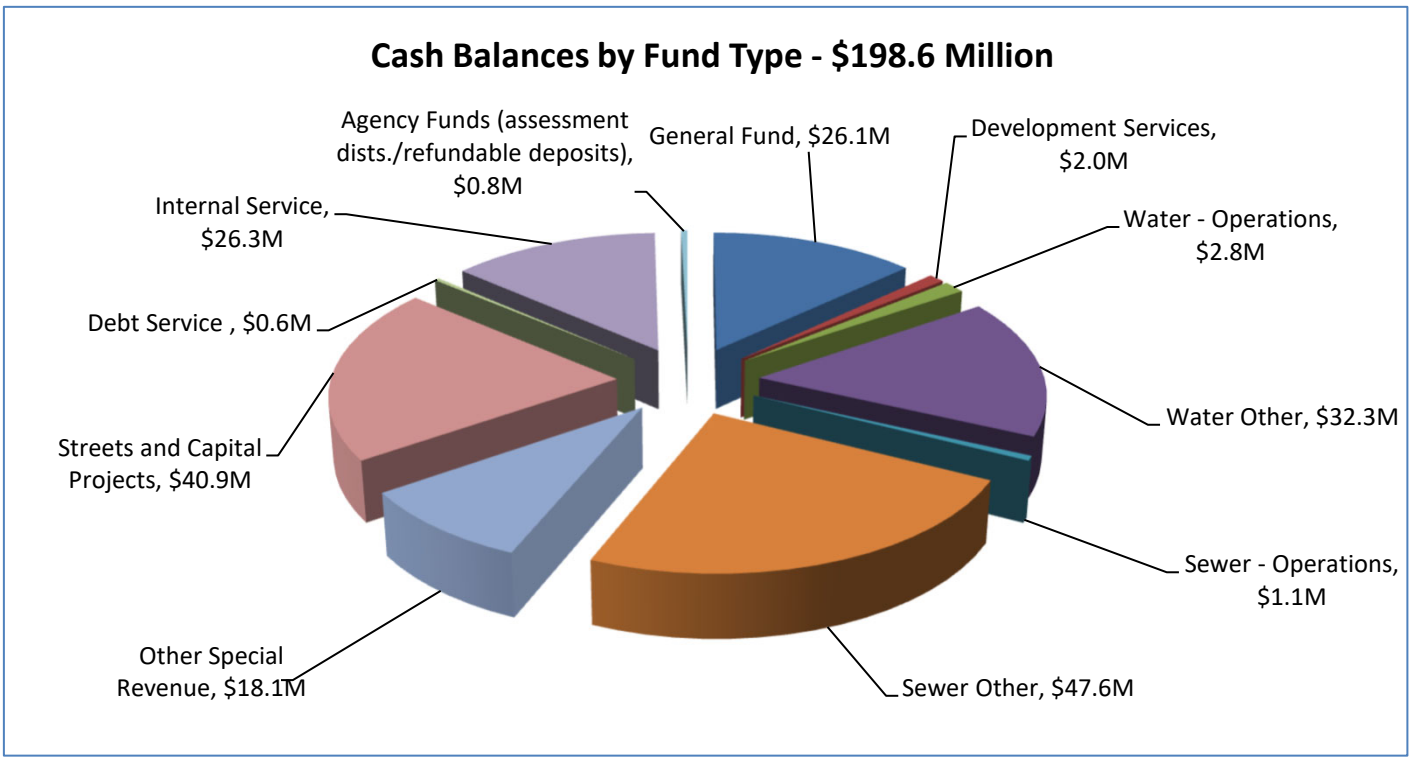
	Budget	November 2024	YTD	% of Budget
Revenues				
Membership Services & Rec Programs	$ 6,222,399	$ 465,868	$ 2,683,783	
Facility Rentals	1,197,395	102,183	620,775	
Community Services	147,498	6,594	34,422	
Transfers in	100,000	6,250	41,667	
Total Revenues	$ 7,667,292	$ 580,895	$ 3,380,647	44%
Less: Expenditures				
Membership & Program Services	$ 8,040,818	$ 614,621	$ 2,999,552	
Facility Rentals	633,051	63,225	236,746	
Community Services	761,973	66,125	241,019	
Total Expenditures	$ 9,435,843	$ 743,970	$ 3,477,317	37%
Net Impact without encumbrances	**$ (1,768,551)**	**$ (163,075)**	**$ (96,671)**	
Encumbrances	-	-	1,550,298	
Net Impact with encumbrances	**$ (1,768,551)**	**$ (163,075)**	**$(1,646,969)**	

City of Morgan Hill
Monthly Investment Report - November 30, 2024

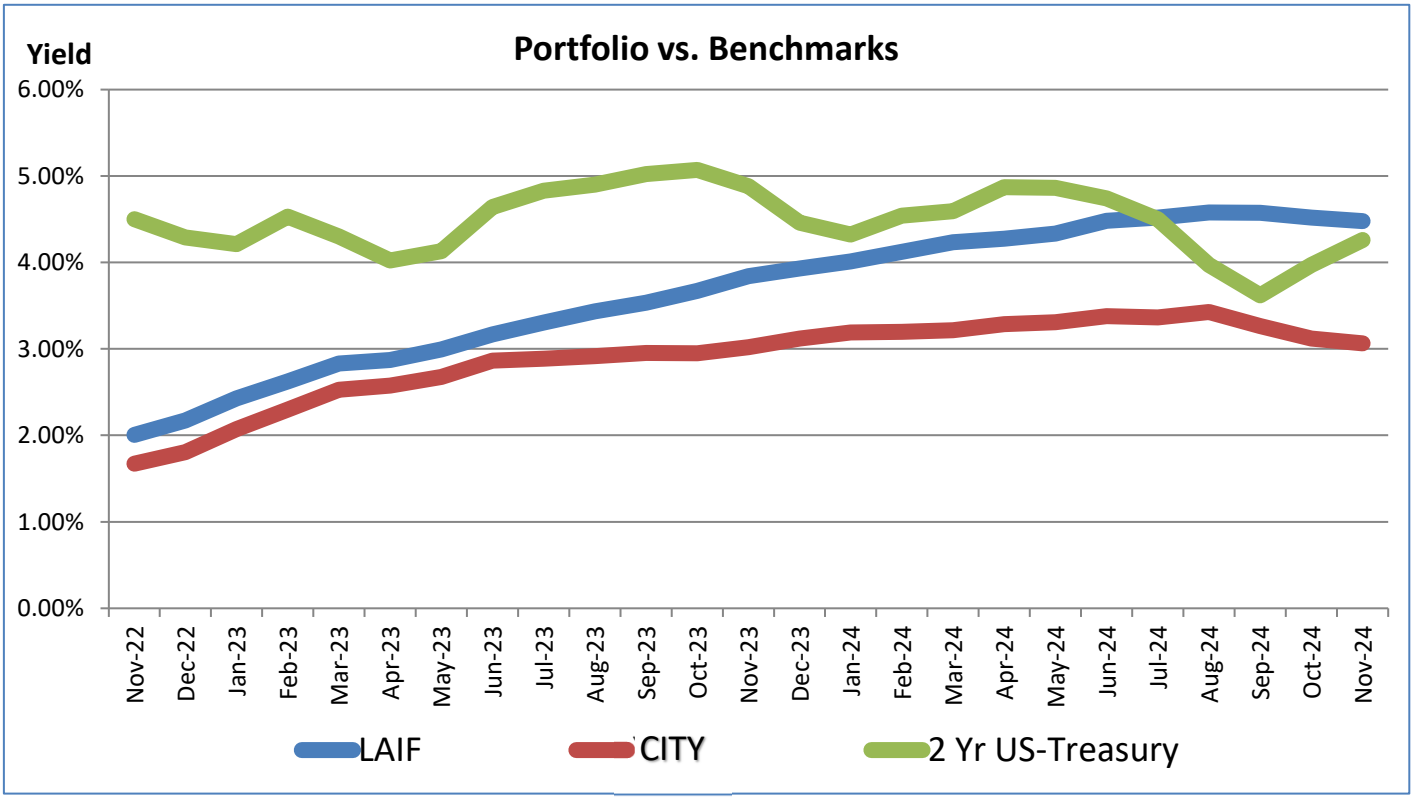
The following are the snapshots of City's investment portfolio as of November 30, 2024. The first chart shows the portfolio composition by investment type:



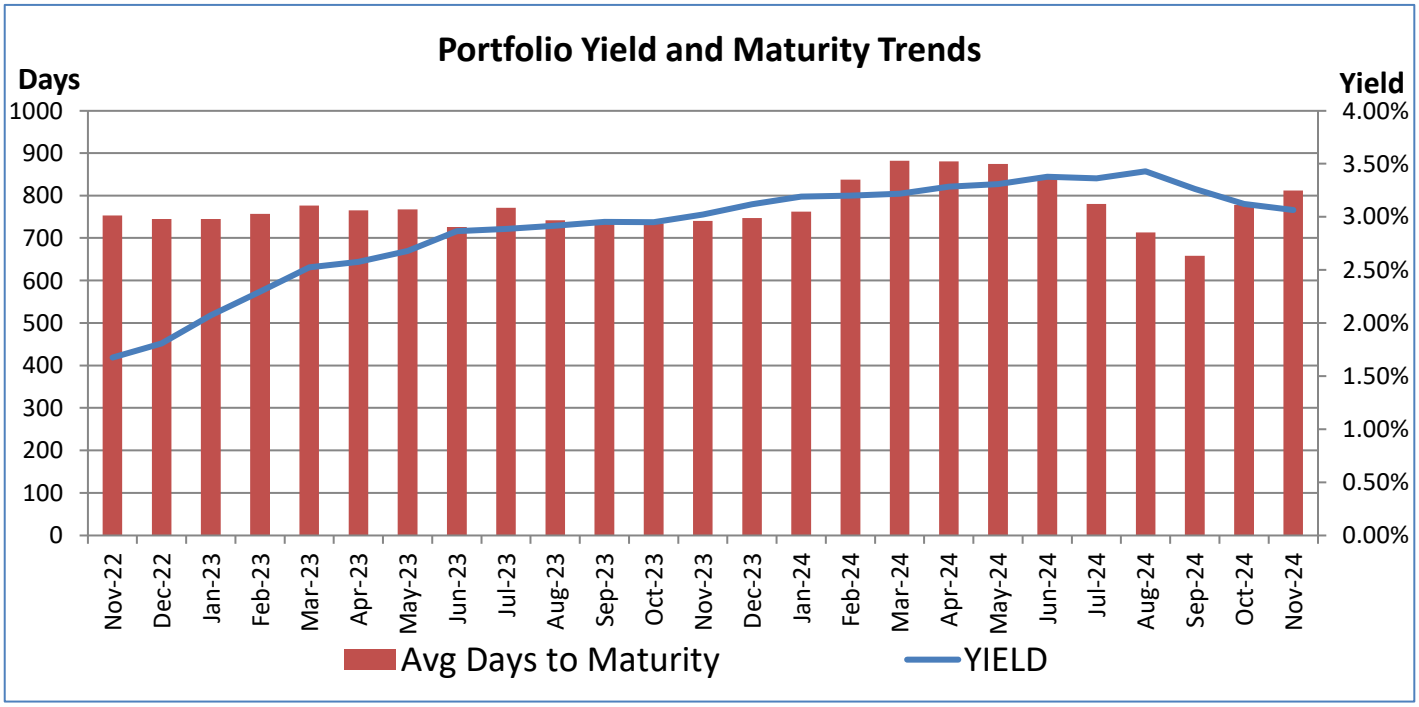
The chart below shows cash balances by fund type reconciled to City's financial system:



The following chart illustrates a yield comparison by month among the City's portfolio, LAIF and 2-Year US Treasury:



The chart below illustrates monthly average days to maturity of the City's portfolio along with the weighted average yield for the past two years:



City of Morgan Hill
Investment Portfolio Detail
As of November 30, 2024

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F			**$ 61,817**	**$ 61,817**	**0.0%**	**$ 61,944**	**4.48%**		
California C L A S S			**27,685,515**	**27,685,515**	**13.9%**	**27,685,515**	**4.83%**		
WFB Money Market			**5,582,029**	**5,582,029**	**2.8%**	**5,582,029**	**4.64%**		
US Bank - Portfolio of Securities									
Dreyfus Treasury Agency MM	261908107		2,175,397	2,175,397	1.1%	2,175,397	4.51%		
Treasury Note	91282CCZ2	10/8/2021	1,987,656	1,995,458	1.0%	1,883,440	1.00%	9/30/2026	9/30/2026
Treasury Note	912828U24	6/13/2022	1,904,688	1,957,829	1.0%	1,918,680	3.16%	11/15/2026	11/15/2026
Treasury Note	91282CFL0	9/30/2024	2,031,719	2,030,659	1.0%	1,979,920	3.53%	9/30/2029	9/30/2029
Treasury Note	91282CLL3	10/1/2024	1,994,323	1,991,822	1.0%	1,961,260	3.53%	9/15/2027	9/15/2027
Treasury Note	91282CCV1	10/4/2024	1,822,536	1,827,596	0.9%	1,793,600	3.61%	8/31/2028	8/31/2028
Treasury Note	31282CFJ5	10/7/2024	1,949,794	1,945,115	1.0%	1,915,700	3.76%	8/31/2029	8/31/2029
FFCB Bond	3133ELC28	5/27/2020	2,000,000	2,000,000	1.0%	1,964,620	0.73%	12/5/2024	5/27/2025
FHLMC Bond	3134GVYN2	6/3/2020	2,000,000	2,000,000	1.0%	1,999,780	0.60%	12/3/2024	12/3/2024
FHLMC Bond	3134GWZG4	10/20/2020	2,000,000	2,000,000	1.0%	1,935,600	0.60%	1/20/2025	10/20/2025
FHLMC Bond	3134GW3X2	10/27/2020	2,000,000	2,000,000	1.0%	1,934,120	0.63%	1/27/2025	10/27/2025
FFCB Bond	3133EMFR8	11/3/2020	2,000,000	2,000,000	1.0%	1,928,680	0.54%	12/5/2024	11/3/2025
FNMA Bond	3135GA4P3	11/18/2020	2,000,000	2,000,000	1.0%	1,931,620	0.65%	11/18/2025	11/18/2025
FHLMC Bond	3134GXEJ9	11/24/2020	2,000,000	2,000,000	1.0%	1,928,080	0.64%	2/24/2025	11/24/2025
FFCB Bond	3133EMHF2	11/24/2020	1,000,000	1,000,000	0.5%	962,610	0.60%	12/5/2024	11/24/2025
FHLMC Bond	3134GXCS1	11/25/2020	3,000,000	3,000,000	1.5%	2,892,780	0.63%	11/25/2025	11/25/2025
FHLMC Bond	3134GXFA7	11/30/2020	2,000,000	2,000,000	1.0%	1,929,500	0.65%	2/26/2025	11/26/2025
FFCB Bond	3133EMLC4	12/22/2020	2,000,000	2,000,000	1.0%	1,920,600	0.47%	12/5/2024	12/22/2025
FHLB Bond	3130AKQ74	1/22/2021	2,000,000	2,000,000	1.0%	1,917,100	0.63%	2/22/2025	1/22/2026
FNMA Bond	3135G06R9	1/28/2021	2,000,000	2,000,000	1.0%	1,915,880	0.55%	2/28/2025	1/28/2026
FHLB Bond	3130AKRN8	1/28/2021	2,000,000	2,000,000	1.0%	1,916,500	0.65%	2/28/2025	1/28/2026
FHLB Bond	3130ALCV4	2/24/2021	2,000,000	2,000,000	1.0%	1,914,540	0.75%	2/24/2025	2/24/2026
FHLB Bond	3130ALDB7	2/25/2021	2,000,000	2,000,000	1.0%	1,911,260	0.66%	2/25/2025	2/25/2026
FHLB Bond	3130AKZ25	2/26/2021	2,000,000	2,000,000	1.0%	1,911,420	0.65%	2/26/2025	2/26/2026
FHLB Bond	3130ALGS7	3/10/2021	2,000,000	2,000,000	1.0%	1,913,000	0.85%	12/10/2024	3/10/2026
FHLB Bond	3130ALEP5	3/16/2021	2,000,000	2,000,000	1.0%	1,908,200	0.70%	12/16/2024	3/16/2026
FHLB Bond	3130ALDN1	3/16/2021	2,000,000	2,000,000	1.0%	1,910,680	0.80%	12/16/2024	3/16/2026
FHLB Bond	3130AMNH1	6/9/2021	2,000,000	2,000,000	1.0%	1,903,440	1.08%	12/5/2024	6/9/2026
FHLB Bond	3130AMYJ5	6/30/2021	2,000,000	2,000,000	1.0%	1,897,420	1.00%	12/30/2024	6/30/2026
FHLB Bond	3130AMYP1	7/15/2021	3,000,000	3,000,000	1.5%	2,847,630	1.13%	1/15/2025	7/15/2026
FHLB Bond	3130AMYS5	7/15/2021	2,000,000	2,000,000	1.0%	1,956,040	0.85%	1/15/2025	7/15/2025
FHLB Bond	3130ANJC5	8/26/2021	2,000,000	2,000,000	1.0%	1,884,060	0.80%	8/26/2025	8/26/2026
FHLB Bond	3130ANLW8	8/26/2021	3,000,000	3,000,000	1.5%	2,836,050	1.00%	2/26/2025	8/26/2026
FHLB Bond	3130ANLZ1	8/26/2021	2,000,000	2,000,000	1.0%	1,887,380	0.90%	8/26/2025	8/26/2026
FHLB Bond	3130A8XY4	9/13/2021	2,103,340	2,036,841	1.0%	1,919,180	0.82%	9/11/2026	9/11/2026
FFCB Bond	3133EM4X7	9/28/2021	1,982,960	1,993,880	1.0%	1,883,260	0.98%	9/10/2026	9/10/2026
FHLB Bond	3130APCH6	9/29/2021	3,000,000	3,000,000	1.5%	2,833,710	1.13%	12/5/2024	9/29/2026
FHLB Bond	3130ANZE3	9/30/2021	2,000,000	2,000,000	1.0%	1,882,020	0.88%	9/30/2026	9/30/2026
FHLB Bond	3130AP6N0	9/30/2021	3,000,000	3,000,000	1.5%	2,829,420	1.05%	12/30/2024	9/30/2026
FHLB Bond	3130AP6M2	9/30/2021	3,000,000	3,000,000	1.5%	2,827,860	1.02%	12/30/2024	9/30/2026
FHLB Bond	3130APCG8	10/19/2021	2,000,000	2,000,000	1.0%	1,881,380	1.00%	1/19/2025	10/19/2026
FHLB Bond	3130APNX9	11/18/2021	2,000,000	2,000,000	1.0%	1,886,820	1.30%	11/18/2025	11/18/2026
FHLB Bond	3130AQHU0	1/19/2022	2,000,000	2,000,000	1.0%	1,918,120	1.74%	1/19/2027	1/19/2027
FHLB Bond	3130AQKT9	1/25/2022	2,000,000	2,000,000	1.0%	1,965,860	1.51%	7/25/2025	7/25/2025
FHLB Bond	3130AR4F5	3/10/2022	2,000,000	2,000,000	1.0%	1,995,860	3.48%	12/10/2024	3/10/2027
FHLMC Bond	3134GXUZ5	6/15/2022	2,000,000	2,000,000	1.0%	1,980,920	3.28%	12/15/2025	12/15/2025
FHLB Bond	3130ASPE3	7/28/2022	2,000,000	2,000,000	1.0%	1,994,060	4.30%	1/28/2025	7/28/2027
FHLMCTN Bond	3134H1QG1	1/26/2024	3,000,000	3,000,000	1.5%	3,002,520	4.66%	1/26/2025	1/26/2029
FHLMCTN Bond	3134H1UN1	2/26/2024	1,200,000	1,200,000	0.6%	1,198,944	5.50%	2/26/2025	2/26/2029
FHLMCTN Bond	3134H1UN1	2/26/2024	2,000,000	2,000,000	1.0%	1,998,240	5.50%	2/26/2025	2/26/2029
FHLB Bond	3130B22Z7	8/1/2024	2,000,000	2,000,000	1.0%	1,999,820	5.55%	1/3/2025	7/30/2029
FHLB Bond	3130B2EG6	8/21/2024	2,000,000	2,000,000	1.0%	2,000,520	5.20%	2/21/2025	8/21/2029
FHLB Bond	3130B2M85	9/6/2024	2,000,000	2,000,000	1.0%	2,000,280	5.20%	12/6/2024	9/6/2029
FHLB Bond	3130B2KZ7	9/11/2024	2,000,000	2,000,000	1.0%	2,000,040	5.00%	3/11/2025	9/11/2029

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
FHLMCMTN Bond	3134HAKY8	9/13/2024	2,985,210	2,985,843	1.5%	2,941,710	4.11%	12/13/2024	9/13/2029
FHLB Bond	3130B2MK8	9/19/2024	2,000,000	2,000,000	1.0%	1,999,760	5.00%	3/19/2025	9/19/2028
FHLMCMTN Bond	3134HALK7	9/19/2024	3,000,000	3,000,000	1.5%	2,995,950	5.00%	12/19/2024	9/19/2029
FHLB Bond	3130B2P58	9/26/2024	2,003,014	2,000,000	1.0%	1,975,440	3.87%	9/10/2026	9/10/2029
FHLB Bond	3130B2X59	9/27/2024	2,000,000	2,000,000	1.0%	1,981,120	4.00%	9/18/2025	9/18/2028
FHLMCMTN Bond	3134HANZ2	10/1/2024	3,000,000	3,000,000	1.5%	2,999,820	5.00%	12/1/2024	10/1/2029
FHLB Bond	3130B33T8	10/8/2024	2,500,000	2,500,000	1.3%	2,499,350	5.00%	1/2/2025	10/2/2029
FHLB Bond	3130B35N9	10/8/2024	2,000,000	2,000,000	1.0%	1,988,260	4.50%	10/1/2025	10/1/2029
FHLMCMTN Bond	3134HARE5	10/11/2024	2,000,000	2,000,000	1.0%	1,999,960	4.75%	4/11/2025	10/11/2029
FNMA Bond	3135GAW98	10/15/2024	2,000,000	2,000,000	1.0%	1,996,720	5.00%	4/1/2025	10/1/2029
FHLB Bond	3130B36N8	10/15/2024	1,944,000	1,994,150	1.0%	1,976,620	4.32%	4/15/2026	10/15/2029
FHLB Bond	3130B3ER0	10/24/2024	2,000,000	2,000,000	1.0%	2,000,000	5.00%	1/22/2025	10/22/2027
FHLMCMTN Bond	3134HAVE0	10/30/2024	2,000,000	2,000,000	1.0%	1,996,840	5.25%	1/30/2025	10/30/2029
FHLMCMTN Bond	3134HAVX8	11/5/2024	2,000,000	2,000,000	1.0%	1,993,760	5.25%	2/5/2025	11/5/2029
FHLMCMTN Bond	3134HAXT5	11/12/2024	2,000,000	2,000,000	1.0%	2,000,860	5.00%	5/7/2025	11/7/2029
FHLMCMTN Bond	3134HAZW6	11/15/2024	2,000,281	2,000,000	1.0%	1,998,480	5.43%	2/14/2025	11/14/2029
FHLMC Bond	3134HAD42	11/18/2024	2,000,000	2,000,000	1.0%	2,000,080	5.03%	2/18/2025	11/18/2029
FHLMCMTN Bond	3134HAC92	11/19/2024	3,000,000	3,000,000	1.5%	3,006,510	5.00%	5/19/2025	11/19/2029
FNMA Bond	3135GAYV7	11/26/2024	3,000,000	3,000,000	1.5%	3,000,750	5.25%	2/26/2025	11/26/2029
CD - Morgan Stanley Bank	61690DGT9	11/8/2023	250,000	250,000	0.1%	258,963	5.05%	11/8/2028	11/8/2028
CD - Morgan Stanley Private Bank	61768EE82	11/8/2023	250,000	250,000	0.1%	258,963	5.05%	11/8/2028	11/8/2028
CD - American Express	02589AF98	11/8/2023	250,000	250,000	0.1%	258,513	5.00%	11/8/2028	11/8/2028
CD - State Bank India	8562834U7	11/24/2023	250,000	250,000	0.1%	261,465	5.00%	11/24/2028	11/24/2028
Sub Total/Average			**$ 157,584,918**	**$ 157,634,589**	**79.4%**	**$ 153,775,313**	**2.69%**		
Total City Managed/Average			**$ 190,914,278**	**$ 190,963,949**	**96.1%**	**$ 187,104,801**	**3.06%**		
Bond Reserve Accounts - Held By Trustees			**$ 1,130,294**	**$ 1,130,294**	**0.6%**	**$ 1,130,294**			
Cash/Deposits			**$ (1,338,183)**	**$ (1,338,183)**	**-0.7%**	**$ (1,338,183)**			
PARS and CALPERS CERBT Trust			**$ 7,887,404**	**$ 7,887,404**	**4.0%**	**$ 9,769,330**			
GRAND TOTAL/AVERAGE			**$ 198,593,793**	**$ 198,643,464**	**100.0%**	**$ 196,666,242**			

CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF NOVEMBER 30, 2024
FOR THE FISCAL YEAR OF 2024-25

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	4.48%	$ 61,817	0.0%	$ 61,944
California CLASS	All Funds Pooled	4.83%	27,685,515	13.9%	27,685,515
US Bank - Portfolio of Securities	All Funds Pooled	2.69%	157,634,589	79.4%	153,775,313
WFB MMA	All Funds Pooled	4.64%	5,582,029	2.8%	5,582,029
	SUBTOTAL		**$ 190,963,949**	**96.1%**	**$ 187,104,801**
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility					
Blackrock Liq Fund	Debt Service	4.93%	249,367	0.1%	249,367
Zions Bank - MH Police Facility Lease Revenue Bonds					
Blackrock Liq Fund	Debt Service	4.93%	317,377	0.2%	317,377
BNY - RDA Bonds					
Dreyfus Cash Mgmt 521	Agency Fund	4.23%	295,782	0.1%	295,782
Zions Bank - Madrone Bus Park Taxable/ Tax Exempt 2015					
Blackrock Liquidity Temp Fund-2015	Agency Fund	4.93%	267,769	0.1%	267,769
	SUBTOTAL		**1,130,294**	**0.6%**	**1,130,294**
Other Cash/Deposits					
General Checking	All Funds		(1,384,033)	-0.7%	(1,384,033)
Workers' Comp Administrators	Workers' Comp		30,000	0.0%	30,000
Petty Cash & Emergency Cash	General Fund		15,850	0.0%	15,850
CALPERS CERBT - OPEB Trust			5,237,404	2.6%	6,534,919
PARS - PENSION Trust			2,650,000	1.3%	3,234,412
	SUBTOTAL		**6,549,221**	**3.3%**	**8,431,147**
Total Cash and Investments			**$ 198,643,464**	**100.0%**	**$ 196,666,242**

CASH ACTIVITY SUMMARY
FY 2024-25

Fund Type	07/01/2024 Balance	Change in Cash Balance	11/30/2024 Balance
General Fund	$ 30,617,860	$ (4,517,814)	$ 26,100,046
Development Services	1,939,319	94,787	2,034,106
Water - Operations	2,386,837	408,079	2,794,917
Water Other	27,894,107	4,359,823	32,253,930
Sewer - Operations	1,178,576	(81,737)	1,096,840
Sewer Other	41,964,736	5,618,198	47,582,934
Other Special Revenue	17,038,062	1,070,931	18,108,993
Streets and Capital Projects	39,467,115	1,458,760	40,925,875
Debt Service	346,933	282,679	629,612
Internal Service	27,935,786	(1,622,988)	26,312,798
Agency Funds (assessment dists./refundable deposits)	7,240,095	(6,436,681)	803,414
Total	**$ 198,009,426**	**$ 634,038**	**$ 198,643,464**

Note: See Investment Porfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

I certify that information on the investment report has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill Investment Policy and all State laws and regulations.

Prepared by: _____
Gina Nazareno, Senior Accountant

Reviewed by: _____
Dat Nguyen, Finance Director

Approved by: _____
Cindy Murphy, Treasurer

City of Morgan Hill
Year to Date Revenues - Fiscal Year 2024-25
For the Month Ended November 30, 2024
42% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
TAXES							
Property Tax - Secured/Unsecured	$ 16,210,880	16,210,880	$ 1,807,137	11%	$ 1,604,116	$ 203,021	13%
Property Tax - RPTTF Residual Distribution	2,895,920	2,895,920	-	n/a	-	-	n/a
Property Tax - Supplemental Roll	304,220	304,220	45,493	15%	57,287	(11,795)	-21%
Sales Tax	12,352,215	12,352,215	2,868,431	23%	3,280,401	(411,970)	-13%
Public Safety Sales Tax	464,254	464,254	104,100	22%	105,259	(1,159)	-1%
Transient Occupancy Taxes	2,678,000	2,678,000	932,878	35%	960,062	(27,184)	-3%
Franchise (Refuse ,Cable ,PG&E)	3,185,872	3,185,872	637,852	20%	687,037	(49,185)	-7%
Property Transfer Tax	600,000	600,000	208,368	35%	167,309	41,059	25%
TOTAL TAXES	**38,691,361**	**38,691,361**	**6,604,259**	**17%**	**6,861,472**	**(257,212)**	**-4%**
LICENSES/PERMITS							
Business License	200,000	200,000	182,562	91%	157,658	24,904	16%
Other Permits	80,750	80,750	36,670	45%	21,554	15,116	70%
TOTAL LICENSES/PERMITS	**280,750**	**280,750**	**219,232**	**78%**	**179,212**	**40,020**	**22%**
FINES AND PENALTIES							
Parking Enforcement	9,800	9,800	3,737	38%	4,432	(695)	-16%
Bails & Fines	55,000	55,000	9,546	17%	23,102	(13,556)	-59%
Administrative Citations	20,000	20,000	13,477	67%	15,605	(2,128)	-14%
TOTAL FINES AND PENALTIES	**84,800**	**84,800**	**26,760**	**32%**	**43,138**	**(16,378)**	**-38%**
OTHER AGENCIES							
Motor Vehicle in-Lieu	61,800	61,800	-	n/a	-	-	n/a
Other Revenue - Other Agencies	1,332,381	1,601,204	481,577	30%	336,938	144,639	43%
TOTAL OTHER AGENCIES	**1,394,181**	**1,663,004**	**481,577**	**29%**	**336,938**	**144,639**	**43%**
CHARGES CURRENT SERVICES							
Police False Alarm Charge	33,500	33,500	11,804	35%	13,673	(1,869)	-14%
Business License Application Review	82,400	82,400	23,809	29%	63,909	(40,100)	-63%
Membership Services & Rec Programs	6,222,399	6,222,399	2,683,783	43%	2,541,795	141,988	6%
Facility Rentals	1,197,395	1,197,395	620,775	52%	654,108	(33,333)	-5%
Community Services	147,498	147,498	34,422	23%	12,778	21,643	169%
General Administration Overhead	1,756,111	1,756,111	701,213	40%	735,946	(34,733)	-5%
Other Charges Current Services	884,448	884,448	321,191	36%	256,576	64,615	25%
TOTAL CURRENT SERVICES	**10,323,751**	**10,323,751**	**4,396,996**	**43%**	**4,278,786**	**118,211**	**3%**
OTHER REVENUE							
Use of money/property	1,375,045	1,375,045	701,377	51%	540,105	161,271	30%
Other Revenues	705,270	705,270	295,776	42%	111,746	184,030	165%
TOTAL OTHER REVENUE	**2,080,315**	**2,080,315**	**997,153**	**48%**	**651,851**	**345,302**	**53%**
TRANSFERS IN							
One Time Transfer	165,000	165,000	68,750	42%	75,000	(6,250)	-8%
Public Safety Facilities Fund	50,000	50,000	20,833	42%	20,833	-	0%
Supplemental Law Enforcement Fund	100,000	100,000	41,667	42%	-	41,667	n/a
Countywide Solid Waste	540,328	540,328	225,137	42%	155,417	69,720	45%
Streets	851,932	851,932	305,421	36%	292,715	12,706	4%
Park Maintenance	650,000	650,000	270,833	42%	270,833	-	n/a
Sewer Operations	413,700	413,700	172,375	42%	164,167	8,208	5%
Water Operations	413,700	413,700	172,375	42%	164,167	8,208	5%
Open Space	81,100	81,100	33,792	42%	33,792	-	n/a
Park Development	100,000	100,000	41,667	42%	31,250	10,417	33%
TOTAL TRANSFERS IN	**3,365,760**	**3,365,760**	**1,352,849**	**40%**	**1,208,173**	**144,676**	**12%**
TOTAL GENERAL FUND	**56,220,919**	**56,489,742**	**14,078,826**	**25%**	**13,559,570**	**519,256**	**4%**
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	851,932	851,932	302,282	35%	290,472	11,809	4%
Interest / Other Revenue/Other Charges	2,135	2,135	3,140	147%	2,243	897	40%
202 STREET MAINTENANCE	**854,067**	**854,067**	**305,421**	**36%**	**292,715**	**12,706**	**4%**

City of Morgan Hill
Year to Date Revenues - Fiscal Year 2024-25
For the Month Ended November 30, 2024
42% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
SPECIAL REVENUE FUNDS							
205 SUPPLEMENTAL LAW ENFORCEMENT FUND							
Interest Income	12,957	12,957	7,166	55%	3,978	3,188	80%
Police Grant/SLEF/JAG	100,000	100,000	111,330	111%	102,826	8,505	8%
205 SUPPLEMENTAL LAW ENFORCEMENT FUND	**112,957**	**112,957**	**118,496**	**105%**	**106,803**	**11,693**	**11%**
206 DEVELOPMENT SERVICES							
Building Fees	3,510,850	3,510,850	1,647,742	47%	1,302,963	344,779	26%
Planning Fees	954,276	954,276	360,463	38%	267,816	92,646	35%
Engineering Fees	942,327	942,327	495,511	53%	170,406	325,105	191%
Other Revenue/Current Charges	550,599	550,599	87,129	16%	105,847	(18,718)	-18%
206 DEVELOPMENT SERVICES	**5,958,052**	**5,958,052**	**2,590,845**	**43%**	**1,847,033**	**743,812**	**40%**
207 LONG RANGE PLANNING	**1,751,005**	**1,751,005**	**374,282**	**21%**	**312,013**	**62,270**	**20%**
215 and 216 HCD BLOCK GRANT							
Interest Income/Other Revenue	1,161	1,161	1,178	102%	731	448	61%
215 and 216 HCD BLOCK GRANT	**1,161**	**1,161**	**1,178**	**102%**	**731**	**448**	**61%**
225 ASSET SEIZURE	**2,807**	**2,807**	**1,797**	**64%**	**1,120**	**677**	**60%**
229 LIGHTING AND LANDSCAPE	**206,415**	**206,415**	**3,839**	**2%**	**2,262**	**1,577**	**70%**
230 COMMUNITY FACILITIES DISTRICT	**28,828**	**28,828**	**2,826**	**10%**	**1,681**	**1,145**	**68%**
232 ENVIRONMENTAL PROGRAMS	**501,236**	**501,236**	**196,974**	**39%**	**237,957**	**(40,983)**	**-17%**
234 MOBILE HOME PARK RENT STAB.	**2,872**	**2,872**	**1,387**	**48%**	**2,371**	**(985)**	**-42%**
236 HOUSING MITIGATION	**2,762,629**	**2,762,629**	**702,129**	**25%**	**921,707**	**(219,578)**	**-24%**
240 EMPLOYEE ASSISTANCE	**1,297**	**1,297**	**3,458**	**267%**	**3,365**	**93**	**3%**
246 COUNTYWIDE SOLID WASTE	**2,279,503**	**2,279,503**	**449,805**	**20%**	**526,793**	**(76,988)**	**-15%**
247 ENVIRONMENT REMEDIATION	**-**	**-**	**-**	**n/a**	**1,539**	**(1,539)**	**-100%**
255 HOUSING SUCCESSOR AGENCY	**463,881**	**463,881**	**248,589**	**54%**	**106,511**	**142,078**	**133%**
260 PUBLIC ART	**1,411**	**1,411**	**111**	**8%**	**-**	**111**	**n/a**
TOTAL SPECIAL REVENUE FUNDS	**14,928,122**	**14,928,122**	**5,001,138**	**34%**	**4,364,601**	**636,537**	**15%**
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	**1,999,271**	**1,999,271**	**1,774,067**	**89%**	**228,604**	**1,545,463**	**676%**
302 PARK MAINTENANCE	**15,507**	**15,507**	**46,429**	**299%**	**317,030**	**(270,601)**	**-85%**
303 LOCAL DRAINAGE	**1,424,799**	**1,424,799**	**374,741**	**26%**	**243,785**	**130,955**	**54%**
304 LOCAL DRAINAGE/NON AB1600	**251,296**	**251,296**	**113,374**	**45%**	**15,377**	**97,997**	**637%**
306 AGRICULTURE & OPEN SPACE PRESERVATION	**18,459**	**18,459**	**404,476**	**2191%**	**64,510**	**339,967**	**527%**
308 STREET CIP	**3,886,877**	**3,886,877**	**1,410,256**	**36%**	**1,568,536**	**(158,279)**	**-10%**
309 TRAFFIC IMPACT	**4,753,292**	**4,753,292**	**1,756,478**	**37%**	**333,574**	**1,422,905**	**427%**
315 PUBLIC SAFETY FACILITIES IMPACT	**3,203,214**	**12,153,214**	**4,777,113**	**39%**	**204,467**	**4,572,646**	**2236%**
346 PUBLIC FACILITIES NON-AB1600	**189,832**	**189,832**	**43,084**	**23%**	**166,842**	**(123,759)**	**-74%**
347 PUBLIC FACILITIES IMPACT	**451,223**	**451,223**	**308,536**	**68%**	**59,021**	**249,516**	**423%**
348 LIBRARY	**1,414,286**	**1,414,286**	**1,261,969**	**89%**	**196,145**	**1,065,824**	**543%**
350 UNDERGROUNDING	**74,302**	**74,302**	**31,049**	**42%**	**18,772**	**12,276**	**65%**
355 SCHOOL PEDESTRIAN/TRAFFIC SAFETY	**-**	**-**	**-**	**n/a**	**30,712**	**(30,712)**	**-100%**
360 COMMUNITY/REC IMPACT FUND	**2,501,528**	**2,501,528**	**2,053,877**	**82%**	**346,425**	**1,707,452**	**493%**
375 QUIMBY FEE	**2,650,042**	**2,650,042**	**1,240,701**	**47%**	**796,882**	**443,819**	**56%**
TOTAL CAPITAL PROJECTS FUNDS	**22,833,927**	**31,783,927**	**15,596,151**	**49%**	**4,590,682**	**11,005,469**	**240%**
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	**300,467**	**300,467**	**126,055**	**42%**	**123,610**	**2,445**	**2%**
441 POLICE FACILITY BOND	**390,939**	**390,939**	**161,112**	**41%**	**162,860**	**(1,749)**	**-1%**
TOTAL DEBT SERVICE FUNDS	**691,406**	**691,406**	**287,167**	**42%**	**286,471**	**697**	**0%**

City of Morgan Hill
Year to Date Revenues - Fiscal Year 2024-25
For the Month Ended November 30, 2024
42% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
ENTERPRISE FUNDS							
640 WASTEWATER OPERATION							
Sewer Service Fees	16,100,000	16,100,000	5,381,260	33%	5,009,134	372,125	7%
Interest Income/Transfers	141,661	141,661	36,495	26%	21,840	14,655	67%
Other Revenue/Current Charges	397,200	397,200	114,336	29%	106,092	8,244	8%
640 WASTEWATER OPERATION	**16,638,861**	**16,638,861**	**5,532,090**	**33%**	**5,137,066**	**395,024**	**8%**
641 WASTEWATER EXPANSION							
Interest Income	275,047	275,047	381,742	139%	245,255	136,487	56%
Development Impact Fee	11,546,118	11,546,118	7,873,405	68%	1,315,555	6,557,850	498%
641 WASTEWATER EXPANSION	**11,821,165**	**11,821,165**	**8,255,147**	**70%**	**1,560,810**	**6,694,338**	429%
642 WASTEWATER RATE STABILIZATION	**108,613**	**108,613**	**54,782**	**50%**	**112,684**	**(57,902)**	**-51%**
643 WASTEWATER CAPITAL PROJECT	**6,149,134**	**6,149,134**	**3,010,099**	**49%**	**2,310,673**	**699,426**	**30%**
TOTAL SEWER FUNDS	***34,717,773***	***34,717,773***	***16,852,119***	***49%***	***9,121,233***	***7,730,886***	***85%***
650 WATER OPERATION							
Water Sales	19,620,000	19,620,000	7,549,920	38%	6,732,483	817,437	12%
Meter Install & Service	107,000	107,000	47,663	45%	46,949	714	2%
Transfers-In / Interest Income	894,617	894,617	354,989	40%	280,667	74,322	26%
Other Revenue/Current Charges	926,109	926,109	402,379	43%	262,047	140,332	54%
650 WATER OPERATION	**21,547,726**	**21,547,726**	**8,354,951**	**39%**	**7,322,146**	**1,032,805**	**14%**
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	92,467	92,467	82,876	90%	34,313	48,563	142%
Development Impact Fee	3,829,384	3,829,384	2,829,105	74%	327,481	2,501,624	764%
651 WATER EXPANSION	**3,921,851**	**3,921,851**	**2,911,982**	**74%**	**361,794**	**2,550,188**	**705%**
652 WATER RATE STABILIZATION	**115,840**	**115,840**	**59,266**	**51%**	36,753	**22,513**	**61%**
653 WATER CAPITAL PROJECT	**10,380,062**	**10,380,062**	**2,825,548**	**27%**	**3,045,948**	**(220,401)**	**-7%**
TOTAL WATER FUNDS	***35,965,479***	***35,965,479***	***14,151,746***	***39%***	***10,766,641***	***3,385,106***	***31%***
TOTAL ENTERPRISE FUNDS	**70,683,252**	**70,683,252**	**31,003,866**	**44%**	**19,887,874**	**11,115,992**	**56%**
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	**2,883,241**	**2,883,241**	**1,203,802**	**42%**	**1,045,238**	**158,564**	**15%**
740 BUILDING MAINTENANCE	**1,421,485**	**1,421,485**	**594,075**	**42%**	**698,790**	**(104,715)**	**-15%**
741 BUILDING REPLACEMENT	**1,041,905**	**1,041,905**	**454,175**	**44%**	**394,939**	**59,236**	**15%**
745 CIP ADMINISTRATION	**2,582,015**	**2,582,015**	**634,017**	**25%**	**388,245**	**245,772**	**63%**
760 UNEMPLOYMENT INSURANCE	**10,206**	**10,206**	**4,812**	**47%**	**3,160**	**1,652**	**52%**
770 WORKERS COMPENSATION	**1,157,705**	**1,157,705**	**435,804**	**38%**	**366,226**	**69,578**	**19%**
790 EQUIPMENT REPLACEMENT	**1,680,580**	**1,704,881**	**775,333**	**45%**	**1,109,888**	**(334,554)**	**-30%**
791 EMPLOYEE BENEFITS	**1,183,215**	**1,183,215**	**479,135**	**40%**	**356,219**	**122,916**	**35%**
795 GENERAL LIABILITY INSURANCE	**2,519,216**	**2,519,216**	**1,045,714**	**42%**	**878,436**	**167,278**	**19%**
TOTAL INTERNAL SERVICE FUNDS	**14,479,568**	**14,503,869**	**5,626,868**	**39%**	**5,241,141**	**385,727**	**7%**
TOTAL FOR ALL FUNDS	**$ 179,837,194**	**$ 189,080,318**	**$ 71,594,015**	**38%**	**$ 47,930,338**	**$ 23,663,678**	**49%**

City of Morgan Hill
Year to Date Expenses - Fiscal Year 2024-25
For the Month Ended November 30, 2024
42% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
010	**GENERAL FUND**							
I.	**ADMINISTRATION**							
	CITY COUNCIL	$ 28,119	$ 520,395	$ 197,199	$ -	$ 197,199	38%	$ 161,555
	CITY ATTORNEY	113,054	1,134,397	409,105	93,607	502,711	44%	339,554
	CITY MANAGER	74,808	1,007,624	228,222	3,281	231,503	23%	265,034
	HUMAN RESOURCES	120,865	1,087,175	467,760	-	467,760	43%	325,583
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	64,675	609,913	231,550	-	231,550	38%	208,284
	Elections	3,859	354,364	6,198	-	6,198	2%	11,752
	COUNCIL SVCS & RECORDS MGMT	68,534	964,277	237,747	-	237,747	25%	220,035
	FINANCE	216,035	2,637,291	804,390	471,723	1,276,114	48%	769,141
	TOTAL ADMINISTRATION	621,416	7,351,159	2,344,424	568,611	2,913,035	40%	2,080,902
II.	**COMMUNITY SERVICES**							
	Membership Services & Rec. Programs	614,621	8,040,818	2,999,552	1,437,603	4,437,155	55%	2,659,464
	Recreation Facility Rentals	63,225	633,051	236,746	53,220	289,966	46%	230,252
	Innovative Transit	75,050	590,944	249,705	222,045	471,751	80%	228,980
	Community Services	66,125	761,973	241,019	59,475	300,494	39%	217,458
	Park Maintenance	121,973	1,472,380	443,249	9,075	452,324	31%	429,355
	Environmental Services	66,810	1,067,544	248,896	13,934	262,830	25%	132,578
	Countywide Solid Waste Program	55,943	540,327	200,515	-	200,515	37%	151,902
	Street Maintenance	382,010	3,511,464	1,220,993	7,814	1,228,807	35%	892,794
	Downtown Maintenance	30,890	378,065	103,257	9,939	113,196	30%	101,672
	PD Building Maintenance	107,551	664,355	260,912	81,354	342,265	52%	188,447
	Cable Television	7,880	91,234	37,824	-	37,824	41%	36,723
	COMMUNITY SERVICES	1,592,078	17,752,155	6,242,668	1,894,460	8,137,127	46%	5,269,625
	CODE COMPLIANCE	43,887	405,637	159,664	-	159,664	39%	76,979
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	42,233	555,166	163,182	-	163,182	29%	129,435
	ECONOMIC DEVELOPMENT PROGRAMS	95,702	1,209,072	346,742	89,579	436,320	36%	405,228
	TOTAL COMMUNITY SERVICES	1,773,899	19,922,029	6,912,255	1,984,039	8,896,294	45%	5,881,267
III.	**PUBLIC SAFETY**							
	POLICE							
	PD Administration	190,546	2,296,286	734,229	45,080	779,309	34%	657,955
	Field Operations	1,319,277	13,884,900	4,747,527	825,919	5,573,446	40%	4,442,905
	Support Services	236,083	2,556,380	1,041,925	593,800	1,635,725	64%	1,133,292
	Emergency Services/Haz Mat	28,826	275,047	100,684	-	100,684	37%	83,797
	Special Operations	515,574	4,244,340	1,847,513	-	1,847,513	44%	1,477,701
	Dispatch Services	254,602	2,341,249	934,327	-	934,327	40%	791,230
	POLICE	2,544,909	25,598,203	9,406,205	1,464,798	10,871,003	42%	8,586,879
	FIRE	841,978	10,381,160	4,368,537	45,676	4,414,214	43%	3,725,275
	TOTAL PUBLIC SAFETY	3,386,887	35,979,363	13,774,743	1,510,475	15,285,217	42%	12,312,154
IV.	**TRANSFERS**							
	Other	121,519	1,458,230	607,596	-	607,596	42%	1,943,236
	TOTAL TRANSFERS	121,519	1,458,230	607,596	-	607,596	42%	1,943,236
	TOTAL GENERAL FUND	5,903,721	64,710,781	23,639,017	4,063,124	27,702,141	43%	22,217,559

City of Morgan Hill
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42% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
SPECIAL REVENUE FUNDS								
202	**STREET MAINTENANCE**	**454**	**857,383**	**307,692**	**-**	**307,692**	**36%**	**294,878**
205	**PUBLIC SAFETY/SUPP.LAW**	**113**	**101,354**	**564**	**-**	**564**	**1%**	**537**
206	**DEVELOPMENT SERVICES FUND**							
	Planning	173,848	1,700,561	649,762	1,137	650,899	38%	651,100
	Building	428,721	3,055,890	1,205,784	169,629	1,375,413	45%	920,129
	Engineering	172,220	1,644,092	617,394	216,375	833,769	51%	650,537
206	**DEVELOPMENT SERVICES FUND**	**774,788**	**6,400,543**	**2,472,939**	**387,141**	**2,860,080**	**45%**	**2,221,766**
207	**LONG RANGE PLANNING**	**118,714**	**3,125,686**	**383,381**	**975,547**	**1,358,928**	**43%**	**330,087**
215/216	**CDBG**	**7**	**87**	**36**	**-**	**36**	**42%**	**35**
225	**ASSET SEIZURE**	**68**	**821**	**342**	**-**	**342**	**42%**	**326**
229	**LIGHTING AND LANDSCAPE**	**20,939**	**212,191**	**74,647**	**19,229**	**93,876**	**44%**	**56,149**
230	**COMMUNITY FACILITIES DISTRICT**	**2,213**	**23,511**	**10,119**	**-**	**10,119**	**43%**	**15,477**
232	**ENVIRONMENT PROGRAMS**	**39,128**	**453,818**	**158,482**	**8,492**	**166,974**	**37%**	**162,044**
234	**MOBILE HOME PARK**	**79**	**952**	**397**	**-**	**397**	**42%**	**378**
236	**HOUSING MITIGATION**	**162,099**	**2,214,529**	**566,903**	**778,346**	**1,345,249**	**61%**	**315,317**
240	**EMPLOYEE ASSISTANCE**	**83**	**20,993**	**3,914**	**-**	**3,914**	**19%**	**2,394**
246	**COUNTYWIDE SOLID WASTE PROGRAM**	**86,803**	**2,648,132**	**606,400**	**1,421,694**	**2,028,094**	**77%**	**293,502**
255	**HOUSING SUCCESSOR AGENCY**	**53,631**	**1,319,931**	**510,401**	**266,875**	**777,276**	**59%**	**522,671**
260	**PUBLIC ART**	**1,264**	**16,306**	**3,416**	**-**	**3,416**	**21%**	**-**
TOTAL SPECIAL REVENUE FUNDS		**1,260,385**	**17,396,238**	**5,099,633**	**3,857,324**	**8,956,957**	**51%**	**4,215,560**
CAPITAL PROJECT FUNDS								
301	**PARK DEVELOPMENT**	**64,957**	**3,460,007**	**471,404**	**174,215**	**645,618**	**19%**	**381,516**
302	**PARK MAINTENANCE**	**54,167**	**1,650,000**	**272,424**	**-**	**272,424**	**17%**	**421,998**
303	**LOCAL DRAINAGE**	**4,272**	**10,931,065**	**3,016,604**	**1,369,198**	**4,385,802**	**40%**	**255,187**
304	**LOCAL DRAIN. NON-AB1600**	**3,145**	**505,176**	**33,475**	**-**	**33,475**	**7%**	**151,868**
306	**AGRICULTURE & OPEN SPACE PRESERVATI(**	**10,680**	**128,157**	**53,399**	**-**	**53,399**	**42%**	**40,667**
308	**STREET CIP**	**895,058**	**4,992,517**	**2,965,846**	**1,635,719**	**4,601,566**	**92%**	**3,545,855**
309	**TRAFFIC IMPACT**	**43,275**	**4,593,527**	**385,206**	**5,487,622**	**5,872,828**	**128%**	**205,509**
315	**PUBLIC SAFETY FACILITIES IMPACT**	**517,989**	**8,993,315**	**3,480,448**	**3,889,553**	**7,370,000**	**82%**	**833,165**
346	**PUBLIC FAC.NON AB1600**	**9,731**	**1,652,085**	**29,660**	**215,744**	**245,405**	**15%**	**51,207**
347	**PUBLIC FACILITIES IMPACT**	**29,305**	**1,444,333**	**354,989**	**1,010,368**	**1,365,357**	**95%**	**77,199**
348	**LIBRARY IMPACT**	**226,135**	**2,713,615**	**1,130,673**	**-**	**1,130,673**	**42%**	**92,645**
350	**UNDERGROUNDING**	**117,358**	**401,505**	**117,769**	**-**	**117,769**	**29%**	**490**
355	**SCHOOL PEDESTRIAN & TRAFFIC SAFETY**	**-**	**-**	**-**	**-**	**-**	**n/a**	**18,660**
360	**COMM/REC CENTER IMPACT**	**44,712**	**1,430,662**	**257,320**	**495,567**	**752,886**	**53%**	**112,370**
375	**QUIMBY FEE**	**87,445**	**6,807,980**	**1,048,861**	**2,635,480**	**3,684,341**	**54%**	**15,744**
TOTAL CAPITAL PROJECTS FUNDS		**2,108,229**	**49,703,945**	**13,618,077**	**16,913,465**	**30,531,543**	**61%**	**6,204,080**
DEBT SERVICE FUNDS								
420	**CIVIC CENTER DEBT**	**240,753**	**291,714**	**241,887**	**-**	**241,887**	**83%**	**237,948**
441	**POLICE FACILITY BOND DEBT**	**326,650**	**385,093**	**328,151**	**-**	**328,151**	**85%**	**322,809**
TOTAL DEBT SERVICE FUNDS		**567,403**	**676,807**	**570,039**	**-**	**570,039**	**84%**	**560,757**

City of Morgan Hill
Year to Date Expenses - Fiscal Year 2024-25
For the Month Ended November 30, 2024
42% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
ENTERPRISE FUNDS								
SEWER								
640	**WASTEWATER OPERATIONS**	**3,259,657**	**16,796,487**	**6,863,093**	**41,990**	**6,905,084**	**41%**	**5,127,198**
641	**WASTEWATER CAPITAL EXPANSION**	**488,756**	**7,897,156**	**2,436,498**	**936,574**	**3,373,072**	**43%**	**584,394**
642	**WASTEWATER RATE STABILIZATION**	**164**	**1,966**	**819**	**-**	**819**	**42%**	**780**
643	**WASTEWATER CAPITAL PROJECTS**	**115,521**	**11,224,791**	**1,693,183**	**3,843,597**	**5,536,780**	**49%**	**1,423,548**
TOTAL SEWER FUND(S)		**3,864,098**	**35,920,399**	**10,993,593**	**4,822,162**	**15,815,755**	**44%**	**7,135,920**
WATER								
	Water Operations	1,824,244	19,715,654	7,357,577	513,124	7,870,701	40%	6,928,689
	Utility Billing	141,988	1,502,560	504,378	45,851	550,229	37%	375,854
	Water Conservation	44,226	416,169	157,165	19,288	176,453	42%	154,114
650	**WATER OPERATIONS**	**2,010,457**	**21,634,383**	**8,019,119**	**578,264**	**8,597,383**	**40%**	**7,458,657**
651	**WATER CAPITAL EXPANSION**	**64,628**	**4,406,112**	**312,277**	**3,121,430**	**3,433,706**	**78%**	**301,708**
652	**WATER RATE STABILIZATION**	**123**	**1,473**	**614**	**-**	**614**	**42%**	**585**
653	**WATER-CAPITAL PROJECTS**	**311,918**	**19,944,363**	**803,266**	**8,653,217**	**9,456,484**	**47%**	**1,029,947**
TOTAL WATER FUND(S)		**2,387,125**	**45,986,331**	**9,135,276**	**12,352,911**	**21,488,187**	**47%**	**8,790,897**
TOTAL ENTERPRISE FUNDS		**6,251,223**	**81,906,730**	**20,128,869**	**17,175,073**	**37,303,942**	**46%**	**15,926,816**
INTERNAL SERVICE FUNDS								
730	**INFORMATION SYSTEMS**	**239,728**	**2,961,976**	**1,063,200**	**34,786**	**1,097,986**	**37%**	**991,609**
740	**BUILDING MAINTENANCE**	**97,060**	**1,506,259**	**510,762**	**87,620**	**598,382**	**40%**	**369,206**
741	**BUILDING REPLACEMENT**	**8,252**	**1,351,684**	**601,638**	**160,300**	**761,939**	**56%**	**39,456**
745	**CIP ADMINISTRATION**	**263,196**	**2,584,581**	**960,765**	**5,092**	**965,857**	**37%**	**676,210**
760	**UNEMPLOYMENT**	**-**	**15,000**	**3,922**	**-**	**3,922**	**26%**	**11,826**
770	**WORKERS COMPENSATION**	**(36,923)**	**946,245**	**638,923**	**-**	**638,923**	**68%**	**630,680**
790	**EQUIPMENT REPLACEMENT**	**6,404**	**1,400,191**	**723,732**	**94,687**	**818,419**	**58%**	**77,382**
791	**EMPLOYEE BENEFITS FUND**	**19,283**	**1,000,000**	**152,066**	**-**	**152,066**	**15%**	**107,525**
795	**GEN. LIABILITY INSURANCE**	**32,165**	**2,411,618**	**2,075,637**	**-**	**2,075,637**	**86%**	**2,349,318**
TOTAL INTERNAL SERVICE FUNDS		**629,164**	**14,177,554**	**6,730,645**	**382,485**	**7,113,130**	**50%**	**5,253,211**
REPORT TOTAL		**$ 16,720,124**	**$ 228,572,055**	**$ 69,786,280**	**$ 42,391,471**	**$ 112,177,751**	**49%**	**$ 54,377,982**

City of Morgan Hill
Fund Activity Summary - Fiscal Year 2024-25
For the Month Ended November 30, 2024
42% of Year Complete

Fund No.	Fund Description	Beginning Fund Balance 07-01-24	Revenues YTD Actual	Revenues % of Budget	Expenses YTD Actual	Expenses % of Budget	Year to-Date Deficit or Carryover	Preliminary Ending Fund Balance Reserved[1]	Preliminary Ending Fund Balance Unreserved
010	GENERAL FUND	$ 31,122,294	$ 14,078,826	25%	$ 23,639,017	37%	$ (9,560,191)	$ 4,063,124	$ 17,498,979
TOTAL GENERAL FUND		**$ 31,122,294**	**$ 14,078,826**	**25%**	**$ 23,639,017**	**37%**	**$ (9,560,191)**	**$ 4,063,124**	**$ 17,498,979**
202	STREET MAINTENANCE	72,734	$ 305,421	36%	$ 307,692	39%	$ (2,271)	$ -	$ 70,463
205	PUBLIC SAFETY/SUPPL. LAW	415,174	118,496	105%	564	38%	117,932	-	533,106
206	DEVELOPMENT SERVICES	(1,144,436)	2,590,845	43%	2,472,939	39%	117,906	387,141	(1,413,671)
207	LONG RANGE PLANNING	1,306,215	374,282	21%	383,381	12%	(9,098)	975,547	321,570
215 / 216	CDBG	32,500	1,178	102%	36	42%	1,142	-	33,642
225	ASSET SEIZURE	104,495	1,797	64%	342	42%	1,455	-	105,950
229	LIGHTING AND LANDSCAPE	216,005	3,839	2%	74,647	35%	(70,808)	19,229	125,968
230	COMMUNITY FACILITIES DISTRICT	162,519	2,826	10%	10,119	43%	(7,293)	-	155,226
232	ENVIRONMENTAL PROGRAMS	488,875	196,974	39%	158,482	35%	38,492	8,492	518,875
234	MOBILE HOME PK RENT STAB.	81,475	1,387	48%	397	42%	990	-	82,465
235	SENIOR HOUSING	245,426	-	n/a	-	n/a	-	-	245,426
236	HOUSING MITIGATION	7,932,027	702,129	25%	566,903	26%	135,226	778,346	7,288,907
240	EMPLOYEE ASSISTANCE	62,481	3,458	267%	3,914	19%	(456)	-	62,025
246	COUNTYWIDE SOLID WASTE	323,153	449,805	n/a	606,400	23%	(156,595)	1,421,694	(1,255,136)
247	ENVIRONMENT REMEDIATION	-	-	n/a	-	n/a	-	-	-
255	HOUSING SUCCESSOR AGENCY	3,818,193	248,589	54%	510,401	39%	(261,812)	266,875	3,289,506
TOTAL SPECIAL REVENUE FUNDS		**$ 14,116,836**	**$ 5,001,138**	**34%**	**$ 5,099,633**	**29%**	**$ (98,495)**	**$ 3,857,324**	**$ 10,161,016**
301	PARK DEV. IMPACT FUND	$ 2,008,148	$ 1,774,067	89%	$ 471,404	14%	$ 1,302,664	$ 174,215	$ 3,136,597
302	PARK MAINTENANCE	2,489,205	46,429	299%	272,424	17%	(225,995)	-	2,263,210
303	LOCAL DRAINAGE	9,621,788	374,741	26%	3,016,604	28%	(2,641,863)	1,369,198	5,610,726
304	LOCAL DRAINAGE/NON-AB1600	1,233,420	113,374	45%	33,475	7%	79,899	-	1,313,319
306	AG. AND OPEN SPACE PRESERVATION	672,578	404,476	2191%	53,399	42%	351,078	-	1,023,656
308	STREET CIP	4,287,249	1,410,256	36%	2,965,846	59%	(1,555,590)	1,635,719	1,095,939
309	TRAFFIC IMPACT FUND	3,808,198	1,756,478	37%	385,206	8%	1,371,272	5,487,622	(308,152)
315	PUBLIC SAFETY FACILITIES IMPACT	(1,553,435)	4,777,113	39%	3,480,448	39%	1,296,666	3,889,553	(4,146,322)
346	PUBLIC FACILITIES NON-AB1600	2,184,388	43,084	23%	29,660	2%	13,423	215,744	1,982,067
347	PUBLIC FACILITIES IMPACT FUND	1,328,671	308,536	68%	354,989	25%	(46,452)	1,010,368	271,850
348	LIBRARY IMPACT FUND	2,254,117	1,261,969	89%	1,130,673	42%	131,296	-	2,385,413
350	UNDERGROUNDING	1,768,551	31,049	42%	117,769	29%	(86,721)	-	1,681,830
355	SCHOOL PEDESTRIAN/TRAFFIC SFTY	-	-	n/a	-	n/a	-	-	-
360	COMM/REC CTR IMPACT FUND	2,297,534	2,053,877	82%	257,320	18%	1,796,558	495,567	3,598,525
375	QUIMBY FEE	3,984,952	1,240,701	47%	1,048,861	15%	191,840	2,635,480	1,541,312
TOTAL CAPITAL PROJECT FUNDS		**$ 36,385,364**	**$ 15,596,151**	**49%**	**$ 13,618,077**	**27%**	**$ 1,978,073**	**$ 16,913,465**	**$ 21,449,972**
420	CIVIC CENTER DEBT	$ 183,038	$ 126,055	42%	$ 241,887	83%	$ (115,832)	$ 249,367	$ (182,161)
441	POLICE FACILITY BOND DEBT	163,896	161,112	41%	328,151	85%	(167,040)	317,377	(320,520)
TOTAL DEBT SERVICE FUNDS		**$ 346,934**	**$ 287,167**	**42%**	**$ 570,039**	**84%**	**$ (282,871)**	**$ 566,743**	**$ (502,681)**
640	WASTEWATER OPERATIONS	$ 3,983,038	$ 5,532,090	33%	$ 6,863,093	41%	$ (1,331,003)	41,990	2,610,045
641	WASTEWATER IMPACT FUND*	18,629,828	8,255,147	70%	2,436,498	31%	5,818,650	936,574	23,511,903
642	WASTEWATER RATE STABILIZATION	3,121,932	54,782	50%	819	42%	53,963	-	3,175,895
643	WASTEWATER CAPITAL PROJECTS	17,703,049	3,010,099	49%	1,693,183	15%	1,316,916	3,843,597	15,176,368
650	WATER OPERATIONS	4,083,455	8,354,951	39%	8,019,119	37%	335,832	578,264	3,841,023
651	WATER IMPACT FUND*	3,852,318	2,911,982	74%	312,277	7%	2,599,705	3,121,430	3,330,593
652	WATER RATE STABILIZATION	3,337,806	59,266	51%	614	42%	58,652	-	3,396,458
653	WATER -CAPITAL PROJECT	18,694,610	2,825,548	27%	803,266	4%	2,022,281	8,653,217	12,063,674
TOTAL ENTERPRISE FUNDS		**$ 73,406,036**	**$ 31,003,866**	**44%**	**$ 20,128,869**	**25%**	**$ 10,874,996**	**$ 17,175,073**	**$ 67,105,960**
730	INFORMATION SERVICES	$ 656,565	$ 1,203,802	42%	$ 1,063,200	36%	$ 140,602	$ 34,786	$ 762,381
740	BUILDING MAINTENANCE	94,619	594,075	42%	510,762	34%	83,313	87,620	90,312
741	BUILDING REPLACEMENT	5,083,004	454,175	44%	601,638	45%	(147,463)	160,300	4,775,241
745	CIP ENGINEERING	8,329	634,017	25%	960,765	37%	(326,748)	5,092	(323,511)
760	UNEMPLOYMENT	284,229	4,812	47%	3,922	26%	890	-	285,119
770	WORKERS COMPENSATION	2,381,319	435,804	38%	638,923	68%	(203,118)	30,000	2,148,201
790	EQUIPMENT REPLACEMENT	8,727,549	775,333	45%	723,732	52%	51,602	94,687	8,684,464
791	EMPLOYEE BENEFITS FUNDS	26,248	479,135	40%	152,066	15%	327,069	-	353,317
795	GEN. LIABILITY INSURANCE	984,307	1,045,714	42%	2,075,637	86%	(1,029,923)	-	(45,616)
TOTAL INTERNAL SERVICE FUNDS		**$ 18,246,169**	**$ 5,626,868**	**39%**	**$ 6,730,645**	**47%**	**$ (1,103,776)**	**$ 412,485**	**$ 16,729,908**

City of Morgan Hill
Fund Activity Summary - Fiscal Year 2024-25
For the Month Ended November 30, 2024
42% of Year Complete

Fund No.	Fund Description	Beginning Fund Balance 07-01-24	Revenues YTD Actual	Revenues % of Budget	Expenses YTD Actual	Expenses % of Budget	Year to-Date Deficit or Carryover	Preliminary Ending Fund Balance Reserved[1]	Preliminary Ending Fund Balance Unreserved
SUMMARY BY FUND TYPE									
	GENERAL FUND GROUP	$ 31,122,294	$ 14,078,826	25%	$ 23,639,017	37%	$ (9,560,191)	$ 4,063,124	$ 17,498,979
	SPECIAL REVENUE GROUP	14,116,836	5,001,138	34%	5,099,633	29%	(98,495)	3,857,324	10,161,016
	DEBT SERVICE GROUP	346,934	287,167	42%	570,039	84%	(282,871)	566,743	(502,681)
	CAPITAL PROJECTS GROUP	36,385,364	15,596,151	49%	13,618,077	27%	1,978,073	16,913,465	21,449,972
	ENTERPRISE GROUP	73,406,036	31,003,866	44%	20,128,869	25%	10,874,996	17,175,073	67,105,960
	INTERNAL SERVICE GROUP	18,246,169	5,626,868	39%	6,730,645	47%	(1,103,776)	412,485	16,729,908
	TOTAL ALL GROUPS	**$ 173,623,633**	**$ 71,594,015**	**38%**	**$ 69,786,280**	**31%**	**$ 1,807,735**	**$ 42,988,215**	**$ 132,443,153**

For Enterprise Funds: Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.
*Unreserved fund balance includes bond proceeds reserved for projects listed in bond documents.
[1] Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: January 15, 2025

PREPARED BY:
Nichole Martin, Community Services Coordinator
APPROVED BY: City Manager

ADOPT RESOLUTION APPROVING COMMENCEMENT OF 2025 WEED ABATEMENT PROGRAM

RECOMMENDATION(S)

1. Open/Close public hearing; and
2. Adopt a resolution authorizing Santa Clara County to commence hazardous vegetation abatement activities.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities
Enhancing Public Safety
Protecting the Environment and Preserving Open Space and Agricultural Land

REPORT NARRATIVE:

On November 20, 2024, the City Council adopted Resolution 24-040 declaring hazardous vegetation growing in the City of Morgan Hill to be a public nuisance. The Resolution further established January 15, 2025 as the date for a public hearing on properties proposed for inclusion in the 2025 Weed Abatement Program (Program). Program notices (Attachment 1) have been mailed to property owners in Morgan Hill whose properties have been identified as having, or potentially having, a problem with hazardous vegetation. In addition, notices of this public hearing have been published in the newspaper per Government Code Section 39566. The purpose of this hearing is to allow property owners to object to having their property in the 2025 Weed Abatement Management Program, have the City Council consider these objections, and/or provide general public comment regarding the program. The list of properties in the Program has been posted at City Hall for over ten days prior to this public hearing.

The City controls the growth of hazardous vegetation under the authority set out in Chapter 8.20 of the Morgan Hill Municipal Code and in Government Code Sections 39560 and following. The City has a contract with the Santa Clara County Consumer and Environmental Protection Agency (Agency) which provides for abatement of the property if the property owner does not maintain the property as required. If the work is completed by the Agency's contractor, costs for the work are assessed to the property owner. Properties on the Weed Abatement Program List have been inspected by Agency staff and have been found to have unsafe vegetation during the growing

season. Once a property is added to the Program, it remains on the program for a minimum of three years.

COMMUNITY ENGAGEMENT:

Empower

The weed abatement program relies on a full range of community engagement approaches. Much of it begins when the County Program or City Fire Department informs a property owner that a hazardous situation has been observed on their property. As noted in the attached packet mailed to the property owners, each property owner is given several months during which they may consult and work together with Program staff to understand the situation and the needed remedies. Ultimately, each property owner is invited and empowered to remedy the situation themselves in order to minimize their program charges while maintaining public safety. In addition, many of the properties on the original list are placed on the list as a result of a complaint from a community member about a hazardous situation.

ALTERNATIVE ACTIONS:

The Council can choose to adopt the resolutions as presented or to exclude any of the properties on the list. In addition, the Council can choose to delay action on the resolution. Delaying action could ultimately provide the affected property owners with less notice and time to plan for abating their hazardous vegetation.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council adopted the annual resolution in November 2024. This hearing and the abatement schedule are consistent with the actions taken by the Council for over a decade.

FISCAL AND RESOURCE IMPACT:

The Weed Abatement Program is user fee supported. The per-lot assessment includes costs for doing the weed and brush control work plus overhead County costs to administer the program. The City does not retain any revenue for this activity. In addition to charges for failed inspections and actual abatement work, an annual inspection fee of $105.00 is charged to all property owners in the Program. These fees are communicated to the property owners when they are annually notified about the Program. The actual total charge per parcel will vary based on whether or not the property owner abated their own weeds and whether or not they did so before the County's inspection, after the May 1 deadline. The County returns the actual proposed assessment list to the City in the summer for the assessment of program charges. Per the approach adopted by the Council, the program charges are discussed at a local prehearing with City staff and then imposed via an administrative hearing held by the County's Hearing Officer.

Item (Current County Fee)

Annual Inspection and Administration ($105 annually)

Noncompliant Fee charged to properties not in compliance by the May 1 deadline ($597)

Abatement Administration Fee charged to properties requiring County abatement (Contractor costs + $961)

As the County has found that its revenues in the past were not always adequate to support the program, the Board of Supervisors has adopted a fee schedule designed to achieve full cost recovery and has shifted ultimate fiscal responsibility to participating jurisdictions. If the County determines that program-wide revenues in a given year were insufficient to cover program-wide costs, the jurisdictions participating in the Program will be billed for their prorata share of the shortfall.

Administering this Program is an activity in the Public Services Department work program and budget.

CEQA (California Environmental Quality Act):
These activities are categorically exempt from environmental review under the California Environmental Quality Act pursuant to California Code of Regulations, Title 21, Section 15304(i) (Minor Alterations to Land - Fuel Management Activities).

2025 Return Reply Form

14823 LGB LLC

IMPORTANT: Please complete this form and mail back to the Weed Abatement Program **within 15 days of receipt of this notice.** Thank you.

TRA: **03**

424-07-065

14823 LGB LLC
2600 EL CAMINO REAL STE 410
PALO ALTO CA 94306-1700

SAMPLE

Please check the box that applies for each parcel (see explanations below):

Parcel Number	Site Address			A	B	C
424-07-065	14823	LOS GATOS	LOS GATOS	☐	☐	☐

A I am no longer the owner of this property, and the new owner information is listed below. Please return Reply Form immediately.

B I intend to maintain this parcel in a manner consistent with the Minimum Fire Safety Standards from **April 15, 2025 through the end of the fire season (typically runs through October)**. All parcels on the abatement list remain subject to inspection and fee to ascertain compliance. Non-compliance by the deadline will result in an Inspection fee and the abatement of weeds by the County contractor and the resulting charges added to the property tax.

C I request that the County Contractor perform weed abatement work on this parcel. Charges for this work will be added to my property tax bill. ***(All County fees Apply)***

Please provide any additional information such as new owners, presence of piping, irrigation, crops or other improvement. If your property is fenced/locked, please provide instructions on how to enter the property. If you are no longer the owner of the property identified by this mailing, please notify the County immediately. If you sell your property after December 1st ,2024, it is your responsibility to notify the new owner and to include the obligation to pay any abatement costs in your agreement of sale. Without taking this action, you will be liable for all hazard abatement charges assessed to the property. Thank you

☐ Please check if you feel this parcel is environmentaly sensitive

Signature	Name (please print)	Date	( ) Day time phone

County of Santa Clara

Consumer and Environmental Protection Agency

Agriculture and Environmental Management
1553 Berger Drive, Building 1 San Jose, CA 95112
80 W. Highland Avenue, Building K San Martin, CA 95046
12425 Monterey Road, San Martin, CA 95046

Vector Control District
1580 Berger Drive, San Jose, CA 95112
Fax (408) 286-2460

http://cepa.santaclaracounty.gov

December 10, 2024

IMPORTANT NOTICE TO ABATE WEEDS

Dear Parcel Owner:

Fire safety is essential to protect lives, preserve property, ensure the well-being of our communities, and minimize the environmental impact. Implementing fire safety measures by removing fire hazards from your parcel is a proactive way to reduce the risk of injury, death, and extensive damage caused by fires. Effective prevention and preparedness measures not only save lives but also safeguard our environment and reduce economic losses. Maintaining proper clearance requirements, known as *Minimum Fire Safety Standards*, is a shared responsibility. Since fire doesn't respect property boundaries, your jurisdictional city (or County if in unincorporated areas) contracts with the County of Santa Clara Weed Abatement Program to ensure that all parcels meet these *Minimum Fire Safety Standards* obligations. You are receiving this notice and information because our team has determined that your parcel is under the jurisdiction of the Weed Abatement Program. Please read the information carefully and contact us for clarification or additional information.

The governing body representing this parcel has or will adopt a resolution declaring your parcel as one that may contain fire hazards from weeds or other debris. Following this action, your governing body will conduct a public Commencement Hearing as part of a public meeting to consider an abatement order requiring you to remove any hazardous vegetation or combustible debris before the deadline in the included *Weed Abatement Program Schedule*. The public Commencement Hearing will be held on the date and at the place stated in the enclosed *Notice to Destroy*. It will provide an opportunity for you to raise any objections or concerns about this requirement and the parcel being on the Weed Abatement Program.

If you believe your parcel includes an environmentally sensitive habitat, please check the box on the blue *Return Reply Form* and provide any additional information on the *Return Reply Form* to assist us in determining the best approach to abating your parcel from fire hazards.

If, after the public Commencement Hearing, the Weed Abatement Program is approved for your parcel, the County is authorized by your city, and the California Health and Safety Code sections §14875-14922 to inspect your parcel to confirm that the parcel has been cleared of hazards and is compliant with *Minimum Fire Safety Standards* (see enclosed brochure). Inspections will begin after the abatement deadline for your jurisdiction. This notice does not relieve you of your responsibility to complete the necessary work before your jurisdiction's deadline. All parcels designated to be part of the Weed Abatement Program will have a $105 annual inspection fee to cover the cost of the program. This $105 cost will be included on your property tax bill as a special assessment.

In addition to the $105 annual inspection fee, if the parcel is found non-compliant at the time of our inspection, the parcel will be assessed a processing fee of $597 per parcel, and the property will be scheduled for abatement by the County-designated contractor. You will not incur additional charges if the abatement work is completed before the County-designated contractor arrives. However, should the County-designated contractor perform the abatement work, the parcel will incur the cost associated with the contractor's work plus an additional County administrative fee of $961 per parcel. **For those parcels requiring a warrant, a fee of $1,323 per parcel will be assessed.**

Board of Supervisors: Sylvia Arenas, Betty Duong, Otto Lee, Susan Ellenberg, S. Joseph Simitian
County Executive: James R. Williams

The County will use the lowest cost method of abatement considering the physical characteristics of your property and any other environmental or related concerns. Fees are detailed on the price list included in the *Notice to Destroy*. The total amount of fees incurred will be included as a special assessment on your property tax bill following confirmation of the charges by your city (or the County if the parcel is in an unincorporated area) at a public Assessment Hearing. This Assessment Hearing will be scheduled in late spring/early summer, with the exact date determined by your governing body. Typically, Assessment Hearing information is posted at the physical location of the governing body (typically at a city hall building or other government center and most also publish this information on their websites) prior to the meeting.

You can avoid all costs, other than the $105 annual inspection fee, by completing the abatement work yourself according to Minimum Fire Safety Standards (see enclosed brochure) prior to the abatement deadline for your jurisdiction and maintaining the Minimum Fire Safety Standards for the duration of fire season, which typically runs March through October. Parcels will be removed from the program after three consecutive years of voluntary compliance (work completed by parcel owner prior to the deadline and confirmed by our inspection).

In preparation for this program, please complete and return the enclosed blue *Return Reply Form* so we are notified of your plans for abating your property.

If you designate on your *Return Reply Form* that you intend to abate the weeds yourself, you need to complete the abatement before the deadline listed on the attached abatement program schedule and maintain fire-safe conditions for the duration of the fire season. Responding that you intend to provide maintenance does not release you from this responsibility to have the maintenance *completed* before your deadline and *repeated* as necessary to maintain Minimum Fire Safe Standards. The County will abate hazardous vegetation as required after the deadline for your jurisdiction at your cost.

Enclosed you will find the following information:

- √ ***Return Reply Form* specific to your parcel. Please complete and return it to us.**
- √ ***Notice to Destroy Weeds* informing you of an upcoming public Commencement Hearing (that you may attend if you have any objections to the proposed removal of hazardous vegetation or debris from your parcel). Your jurisdiction may offer you the ability to participate in this meeting virtually; please confirm directly with your jurisdiction.**
- √ ***Weed Abatement Program Schedule* for your city with current County abatement fees.**
- √ **County of Santa Clara *Weed Abatement Brochure.***

Please be aware that any abatement performed by the County must comply with all applicable regulations. If your property falls within an area designated as possible habitat for burrowing owls or any other protected species of bird or animal, the methods used to remove vegetation may be regulated by specific laws or local ordinances.

If you are no longer the parcel owner identified by this mailing, please notify us immediately at (408) 282-3145. If you sell your parcel after the date of this letter, it is your responsibility to notify the new owner and include the obligation to pay any abatement costs in your sale agreement. Without taking this action, you will be responsible for all hazard abatement charges assessed to the parcel.

Our goals are voluntary compliance with the Minimum Fire Safety Standards and that all properties remain safe from fire. If you have any questions or need on-site advice to help you achieve compliance with the Minimum Fire Safety Standards, please call us at (408) 282-3145.

Sincerely,

Edgar Nolasco, Director
Consumer and Environmental Protection Agency

Notice to Destroy Weeds

NOTICE IS HEREBY GIVEN that on November 20, 2024, pursuant to the provisions of Section 8.20.030 of the Morgan Hill Municipal Code, the City Council of said City passed a resolution declaring that all weeds growing upon any private property or in any public street or alley, as defined in Section 8.20.010, constitute a public nuisance, which nuisance must be abated by the destruction or removal thereof.

NOTICE IS FURTHER GIVEN that property owners shall without delay, remove all such weeds from their property, and the abutting half of the street in front and alleys, if any, behind such property, and between the lot lines thereof as extended, or such weeds will be destroyed or removed and such nuisance abated by the City authorities, in which case the cost of such destruction or removal will be assessed upon the lots and lands from which, or from the front or rear of which, such weeds shall have been destroyed or removed; and such cost will constitute a lien upon such lots or lands until paid, and will be collected upon the next tax roll upon which general municipal taxes are collected. All property owners having any objections to the proposed destruction or removal of such weeds are hereby notified to attend a meeting of said City to be held in the Council Chambers of the City of Morgan Hill located at 17555 Peak Avenue, Morgan Hill, California, on **Wednesday, January 15, 2025, at 7:00 p.m**., or as soon thereafter as the matter can be heard, when their objections will be heard and given due consideration.

The language and format for this notice is required by California Health and Safety Code Sections 14891 Et. Seq.

(over)

MORGAN HILL WEED ABATEMENT PROGRAM SCHEDULE

January 15, 2025	Public hearing to consider objections to Abatement List.
May 1, 2025	PARCEL ABATEMENT DEADLINE Parcel must be free from hazardous vegetation by this date or Inspector will order abatement.
July/August 2025	Assessment Hearing date to be scheduled by City Council.

2025 COUNTY WEED ABATEMENT FEES

Properties in the Weed Abatement Program, you will be responsible for an annual inspection fee of $105.00 per parcel.

Please be advised that the property owner of any parcel found to be non-compliant on or after the May 1st deadline will be charged a processing fee of $597.00 and the property will be scheduled for abatement by the County contractor. If you complete the abatement work before the County contractor performs the abatement, you will not incur further charges. Should the abatement work be performed by a County contractor, you will be assessed the contractor's charges plus a County administrative fee of $961.00 per parcel. For those parcels requiring a warrant a fee of $1,323.00 per parcel will be assessed.

2025 COUNTY CONTRACTOR'S WEED ABATEMENT PRICE LIST

A) Disc Work**

PARCEL SIZE:	**1st Disc**	**+**	**2nd Disc**	**= Total Discs**
0-12,500 sq.ft.	**$TBD**		**$ TBD**	$ **TBD**
12,501sq.ft.- 43,560sq.ft.	**$ TBD**		**$ TBD**	**$ TBD**
Larger than 1 Acre	**$ TBD**		**$ TBD**	**$ TBD** (PER ACRE)

** It is required that parcels be disced twice a year. The cost for the first discing is higher due to additional work normally required during the first discing.

B) HANDWORK	**$ TBD** PER 100 Square Feet (SF)
C) FLAIL MOWING	6 Foot Mower **$ TBD** PER 1,000 SF 12 Foot Mower **$ TBD** PER 1,000 SF
D) LOADER WORK	**$ TBD** PER HOUR
E) DUMP TRUCK	**$ TBD** PER HOUR
F) BRUSH WORK	**$ TBD** PER 100 SF
G) DEBRIS REMOVAL	**$ TBD** PER HOUR
H) DUMP FEE	100%

Added to orders with debris removal at 100% of the dump site charge.

***Please note this program does not offer herbicide application as a method of abatement.**

(over)

Fire Resistant Landscape

The following is a partial list of fire resistant plants that you may choose to use around your home to reduce the risk of fire. Contact your local nursery for selections appropriate to your area. All grasses, including those purportedly fire resistant, must be maintained below 6” in height.

Trees:

African Sumac
California Pepper

African Sumac

Groundcover:

Aaron’s Bear
Australian Daisy
Candytuft
Sterile Capeweed
Freeway Daisy
Rock Rose
(except Gum Variety)

Freeway Daisy

Shrubs

Bearberry
Carmel Creeper
Carolina Cherry
Catalina Cherry
Escallonia
Hopseed Bush
Lemonade Berry

Escallonia

Weed Abatement Program

Fire safety is essential to protect lives, preserve property, ensure the well-being of our communities, and minimize the environmental impact. Implementing fire safety measures by removing fire hazards from your parcel is a proactive way to reduce the risk of injury, death, and extensive damage caused by fires. Effective prevention and preparedness measures not only save lives but also safeguard our environment and reduce economic losses. Maintaining proper clearance requirements is a shared responsibility.

The Santa Clara County Consumer and Environmental Protection Agency - Weed Abatement Program (WAP) and your city are working together to protect your community from fire. We work with all County cities except Saratoga, Mountain View and Sunnyvale.

Fees will be assessed for any property in the program and cover the cost of the compliance inspection for the property. Properties that fail the compliance inspection will be charged a failed inspection fee, even if the resident completes the weed abatement. If the property requires abatement by the County contractor, the property owner will be responsible for the actual cost of abatement plus an administrative fee. Properties that meet and maintain the minimum fire safety standards will only be charged the annual fee.

FAQs

Q. Why have I received an Abatement Notice?
A. A Weed Abatement Inspector identified a potential fire hazard on your property during fire season. Fire Departments and other agencies also submit complaints to the Weed Abatement Program.

Q. What is required of me now that I am in the program?
A. You are required to keep your property free of fire hazards throughout the year.

Q. How long will I be in the program?
A. Your property will remain on the program for three consecutive years. If no hazards are found during that time, your property may be removed from the program.

Q. What do I do if there are Burrowing Owls on my property?
A. These owls are listed as a state Species of Special concern and are protected by the federal Migratory Bird Act. To abate your property, you must use a form of weed abatement that does not endanger the birds (mowing or weed eating).

Q. Where can I find more information?
A. We can help! Call us at 408-282-3145, send us an email at scc.weedabatement@cep.sccgov.org, or check out our website at weedabatement.santaclaracounty.gov. There you can find more information about the Minimum Fire Safety Standards, as well as answers to many frequently asked questions.

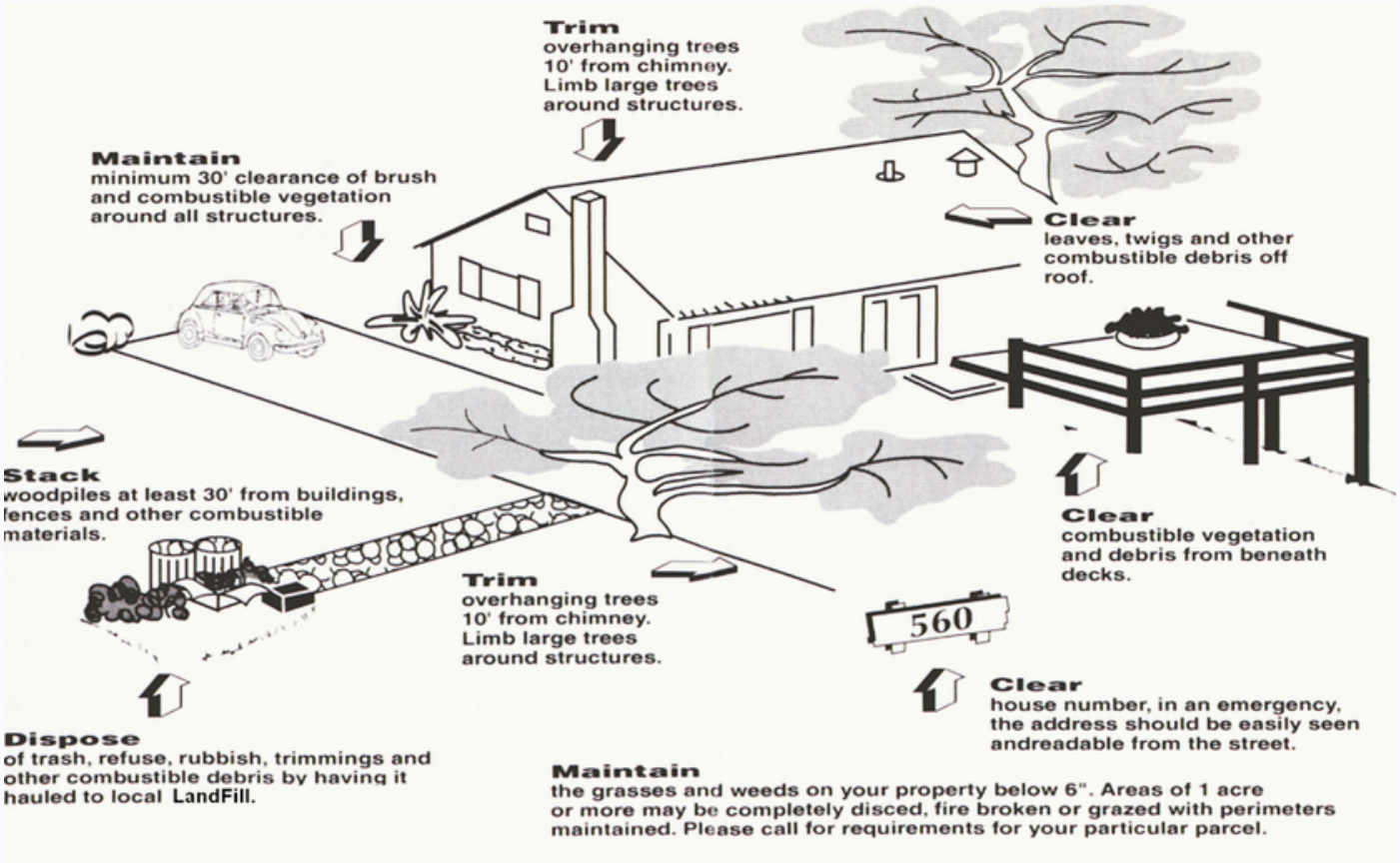
Our Goal is Voluntary Compliance

Parcels one acre or less shall be completely abated. Parcels over one acre up to five acres require 30-foot clearance around structures and perimeter property lines. Additional 30-foot cross fuel breaks may also be required. Parcels larger than five acres require 30-foot clearance around structures and perimeter property lines in addition to 30-foot cross fuel breaks as needed to separate the remaining vegetation into sections no larger than five acres.

Weed Abatement

A Program of the Consumer and Environmental Protection Agency (CEPA)

Weed Abatement Program Minimum Fire Safety Standards



Scan the QR code to learn more about the Minimum Fire Safety Standards

408-282-3145

scc.weedabatement@cep.sccgov.org

weedabatement.santaclaracounty.gov

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL INSTRUCTING THE SANTA CLARA COUNTY CONSUMER AND ENVIRONMENTAL PROTECTION AGENCY TO ABATE NUISANCES ARISING OUT OF HAZARDOUS VEGETATION GROWING UPON LOTS OR IN FRONT OF PROPERTY IN THE CITY OF MORGAN HILL AS REQUIRED BY TITLE 8, CHAPTER 8.20 OF THE MORGAN HILL MUNICIPAL CODE

WHEREAS, pursuant to Title 8, Chapter 8.20 of the Morgan Hill Municipal Code, the City Council hereto adopted Resolution No. 24-040 declaring hazardous vegetation growing in the City of Morgan Hill to constitute a public nuisance; and

WHEREAS, a Public Hearing was held pursuant to Resolution No. 24-040 and Chapter 8.20 of the Morgan Hill Municipal Code in that time and manner required by law.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morgan Hill authorizes as follows:

1. That the Santa Clara County Consumer and Environmental Protection Agency (Agency) is hereby ordered to abate the nuisance or cause the same to be abated by having the vegetation destroyed by cutting, discing or any other method as may be determined by the Agency for the properties on the attached list.

2. That any property owner shall have the right to destroy or remove at his or her expense prior to removal of said vegetation by the Agency.

3. That the Agency shall keep an account of the cost of removing said vegetation and document such account in a report and assessment list, and file the same with the City Clerk. Such report shall refer to each separate lot or parcel of land, together with the expense of removal of hazardous vegetation therefrom.

PASSED AND ADOPTED by the City Council of Morgan Hill on this 15th day of January 2025 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED: **ATTEST:**

_____ _____
MARK TURNER, Mayor **MICHELLE BIGELOW, City Clerk**

ꕥ CERTIFICATION ꕥ

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. XX-XXX, adopted by the City Council at its meeting held on January 15, 2025.

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

DATE: _____ **_____**

Michelle Bigelow, City Clerk

2025 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF MORGAN HILL

Exhibit A

	Situs			APN			CITY/STATE		
1				726-02-012	WU, MEI-TSU K	1441 HUNTINGTON DR STE	SOUTH PASADENA	CA	91030
2	17364	WALNUT	DR	726-07-021	DELUKE COMPANY LTD	535 ARRASTADERO RD	PALO ALTO	CA	94306
3	17361	SAINT ARCHER	WY	726-07-090	MAHIS INVESCO LLC	1102 LAUTREC TER	SUNNYVALE	CA	94087-2700
4	17365	SAINT ARCHER	WY	726-07-091	MAHIS INVESCO LLC	1102 LAUTREC TER	SUNNYVALE	CA	94087-2700
5	17369	SAINT ARCHER	WY	726-07-092	MAHIS INVESCO LLC	1102 LAUTREC TER	SUNNYVALE	CA	94087-2700
6	17373	SAINT ARCHER	WY	726-07-093	MAHIS INVESCO LLC	1102 LAUTREC TER	SUNNYVALE	CA	94087-2700
7	17378	SAINT ARCHER	WY	726-07-094	MAHIS INVESCO LLC	1102 LAUTREC TER	SUNNYVALE	CA	94087-2700
8	17376	WALNUT	DR	726-07-096	MAHIS INVESCO LLC	1102 LAUTREC TER	SUNNYVALE	CA	94087-2700
9	17374	WALNUT	DR	726-07-097	MAHIS INVESCO LLC	1102 LAUTREC TER	SUNNYVALE	CA	94087-2700
10	17372	WALNUT	DR	726-07-098	MAHIS INVESCO LLC	1102 LAUTREC TER	SUNNYVALE	CA	94087-2700
11	761	DAKOTA	DR	726-09-103	YEAGER, TRAVIS W AND COURTNEY	761 DAKOTA DR	MORGAN HILL	CA	95037-0000
12	751	DAKOTA	DR	726-09-104	DUNNE, MICHAEL F JR AND JONNA	775 DIANA AVE	MORGAN HILL	CA	95037
13				726-09-105	DUNNE, MICHAEL F JR AND JONNA	775 DIANA AVE	MORGAN HILL	CA	95037
14				726-09-106	DUNNE, MICHAEL F JR AND JONNA	775 DIANA AVE	MORGAN HILL	CA	95037
15				726-13-050	UNION PACIFIC CORP	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
16		MCLAUGHLIN	AVE	726-23-019	MINTON, SINGLETON W AND	1450 W STANFORD RANCH	ROCKIN	CA	95765
17		MONTEREY	RD	726-23-020	ECA PARTNERS LLC	15700 WINCHESTER BLVD	LOS GATOS	CA	95030-3305
18	17620	MONTEREY	RD	726-23-021	DELMAR CAPITAL INVESTMENTS	2544 WESTGATE AVE	SAN JOSE	CA	95125-4043
19	E	CENTRAL	AVE	726-24-001	UNION PACIFIC CORP	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
20	17910	MONTEREY	RD	726-25-001	AFFORDABLE HOUSING LAND	P O BOX 260770	ENCINO	CA	91424
21	325	DIGITAL	DR	726-25-041	OPERATING ENGINEERS LOCAL	1620 S LOOP RD	ALAMEDA	CA	94502
22				726-25-091	MERSHO INVESTMENTS LLC	5752 COUNTRY CLUB PKWY	SAN JOSE	CA	95138-0000
23				726-25-092	MERSHO INVESTMENTS LLC	5752 COUNTRY CLUB PKWY	SAN JOSE	CA	95138-0000
24	18635	MADRONE	PK	726-33-025	MERSHO INVESTMENTS LLC	5752 COUNTRY CLUB PKWY	SAN JOSE	CA	95138

2025 WEED ABATEMENT PROGRAM
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CITY OF MORGAN HILL

Exhibit A

	Situs				APN			CITY/STATE		
25	225		COCHRANE	RD	726-34-006	MERSHO INVESTMENTS LLC	5752 COUNTRY CLUB PKWY	SAN JOSE	CA	95138-0000
26	875		LIGHTPOST	WA	726-35-015	LIGHTPOST LLC	20421 PACIFICA DR	CUPERTINO	CA	95014-3013
27	220		GINGER	WA	726-36-056	WALTON, GARY A AND JEAN M	PO BOX 1265	MORGAN HILL	CA	95038-1265
28			GINGER	WA	726-36-057	WALTON, GARY A AND JEAN M	PO BOX 1265	MORGAN HILL	CA	95038-1265
29					726-36-078	1493 INVESTORS LLC	15700 WINCHESTER BLVD	LOS GATOS	CA	95030
30	115		PEEBLES	AV	726-41-013	MARQUEZ ANTHONY J	10770 SIXTH ST	GILROY	CA	95020
31	25		PEEBLES	AVE	726-41-065	PEEBLES SQUARE LLC	1630 OAKLAND RD STE 215	SAN JOSE	CA	95131
32					726-58-001	EVERGREEN-BUTTERFIELD &	2390 E CAMELBACK RD UNIT	PHOENIX	AZ	85016
33					726-58-002	EVERGREEN-BUTTERFIELD &	2390 E CAMELBACK RD UNIT	PHOENIX	AZ	85016
34					726-58-003	TAMAL PROPERTIES LLC	2780 ALUM ROCK AVE	SAN JOSE	CA	95127-0000
35					726-58-006	CUTINA MORGAN HILL LLC	711 CALLE ARTIS	SAN JOSE	CA	95131
36					726-58-007	EVERGREEN-BUTTERFIELD &	2390 E CAMELBACK RD UNIT	PHOENIX	AZ	85016
37					726-58-008	EVERGREEN-BUTTERFIELD &	2390 E CAMELBACK RD UNIT	PHOENIX	AZ	85016
38					726-58-009	EVERGREEN-BUTTERFIELD &	2390 E CAMELBACK RD UNIT	PHOENIX	AZ	85016
39					726-58-011	EVERGREEN-BUTTERFIELD &	2390 E CAMELBACK RD UNIT	PHOENIX	AZ	85016
40					726-58-012	BRUCEVILLE POINT LLC	985 SW DISK DR UNIT 120	BEND	OR	97702
41	17200		KRUSE RANCH	LN	728-01-001	VALENCIA, ANDRES ET AL	17200 KRUSE RANCH LN	MORGAN HILL	CA	95037-6700
42	2275	E	DUNNE	AVE	728-02-003	SERENE HILLS LLC	11541 SEVEN SPRINGS DR	CUPERTINO	CA	95014
43	1565		LEAFY	CT	728-14-078	KHAN, SULTAN MAHMOOD	827 SAINT KITTS CT	SAN JOSE	CA	95127
44	1530		JASMINE	WA	728-14-082	PANIUTIN, OLEKSANDR AND	1530 JASMINE WAY	MORGAN HILL	CA	95037-3337
45	1370		JASMINE	WA	728-15-041	LANGDON, JOSEPH A	1370 JASMINE WAY	MORGAN HILL	CA	95037-3334
46	1415		JASMINE	WA	728-15-045	PRICHARD, CHARLES C ET AL	4242 CRESTVIEW DR	LA MESA	CA	91941
47	1485		COCHRANE	RD	728-36-017	M V S COMPANY	PO BOX 2067	SARATOGA	CA	95070
48	2790		THOMAS	AV	729-01-010	SCIALABBA, STEVE AND CAROL	12878 ARROYO DE	SARATOGA	CA	95070-3706

2025 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF MORGAN HILL

Exhibit A

	Situs			APN			CITY/STATE		
49	2990	THOMAS	AV	729-02-004	HINDIYEH, OMAR JR ET AL	2038 MURDELL LN	LIVERMORE	CA	94550
50		OAKWOOD	LN	729-16-021	MILLER, CLAYTON K AND ANNA M	PO BOX 93	GILROY	CA	95021-0093
51	16315	OAK CANYON	DR	729-17-010	CROISETTIER, RAMANAKUMARI M	16315 OAK CANYON DR	MORGAN HILL	CA	95037-6813
52	16280	OAK CANYON	DR	729-17-015	SHERMAN HOUSE ASSOCS	15600 OAKRIDGE CT	MORGAN HILL	CA	95037
53	16335	JACKSON	DR	729-18-015	MARIN, THERESA J TRUSTEE	1005 SUMMERVIEW DR	SAN JOSE	CA	95132-2951
54	0	DUNNE	AV	729-26-002	UNGER, EUGENE C AND ROSE A	134 VISTA DEL CAMPO	LOS GATOs	CA	95030-6313
55	17064	SHADY LANE	DR	729-29-017	HANSON, BRYAN F AND MIKEAL K	111 LOCUST AVE	HOLLISTER	CA	95023-3536
56	2220	ROLLING	DR	764-03-002	KOONTZ, THANE AND KRISTINE L	1425 QUAIL WALK DR	GILROY	CA	95020-7711
57	2180	ROLLING	DR	764-03-004	HEISER, CHRISTOPHER J AND	2180 ROLLING HILLS DR	MORGAN HILL	CA	95037-9438
58	2130	GREENWOOD	AVE	764-03-005	GRIKO, YURI	2130 GREENWOOD AVE	MORGAN HILL	CA	95037-9439
59		BLACK OAK	CT	764-03-017	MANTELLI, MICHAEL P TRUSTEE &	17670 BLACK OAK CT	MORGAN HILL	CA	95037
60	2055	ROCKY RIDGE	RD	764-03-023	WIECZOREK, MARISSA ET AL	1547 PRINCETON DR	SAN JOSE	CA	95118
61	17915	WOODLAND	AVE	764-03-034	AVELAR, ANTONIO M TRUSTEE & ET	1212 EL CAMINO REAL UNIT	SANTA CLARA	CA	95050
62		MONTEREY	RD	764-09-013	UNION PACIFIC CORP	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
63				764-10-003	UNION PACIFIC CORP	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
64		MONTEREY	RD	764-10-006	HABIB, MOHAMMAD	825 BURNETT AVE	MORGAN HILL	CA	95037-9023
65	18625	MONTEREY	RD	764-10-008	BW MORGAN HILL LLC	2175 FRANCISCO BLVD EAST	SAN RAFAEL	CA	94901
66	18545	MONTEREY	RD	764-10-013	TRINH, OANH OANH NGUYEN ET AL	1717 MESSINA DR	SAN JOSE	CA	95132
67	18565	MONTEREY	RD	764-10-015	TRINH, OANH OANH NGUYEN ET AL	1717 MESSINA DR	SAN JOSE	CA	95132
68	18580	MURPHY	CT	764-27-027	BERGIN, RUSSELL K AND NOREEN G	18580 MURPHY SPRINGS CT	MORGAN HILL C	CA	95037-3063
69	640	SPARHAWK	DR	764-31-037	RAUSCHNOT, MICHAEL J TRUSTEE &	P.O BOX 668	MORGAN HILL	CA	95038
70	600	CLAREMONT	DR	764-36-026	YOKOI, ELINOR M TRUSTEE	600 CLAREMONT DR	MORGAN HILL	CA	95037-4106
71	430	CLAREMONT	DR	764-36-059	MAHSENI, ALIREZA M AND ZEINALI ,	2544 WESTGATE AVE	SAN JOSE	CA	95125-4043
72	17635	PEAK	AVE	764-36-060	MAHSENI, ALIREZA M AND ZEINALI ,	2544 WESTGATE AVE	SAN JOSE	CA	95125-4043

2025 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF MORGAN HILL

Exhibit A

	Situs				APN			CITY/STATE		
73	17605		JOHN TELFER	DR	764-38-005	GRAVES, JEFF B AND VO , LYNN	1177 BRANHAM LN UNIT 109	SAN JOSE	CA	95118
74	17695		JOHN TELFER	DR	764-38-013	TORSTENSSON, GUSTAV P AND	17695 JOHN TELFER DR	MORGAN HILL	CA	95037-4012
75	18605		CASTLE HILL	DR	764-43-001	DOHERTY, SEAN AND SUSAN M	18605 CASTLE HILL DR	MORGAN HILL	CA	95037-9171
76	18470		CASTLE HILL	DR	764-45-007	GLENROCK BUILDERS INC	14500 SYCAMORE DR	MORGAN HILL	CA	95037
77	18580		CASTLE HILL	DR	764-45-021	GLENROCK BUILDERS INC	14500 SYCAMORE DR	MORGAN HILL	CA	95037
78			CASTLE HILL	DR	764-45-030	GLENROCK BUILDERS INC	14500 SYCAMORE DR	MORGAN HILL	CA	95037-0000
79			CASTLE HILL	DR	764-45-031	GLENROCK BUILDERS INC	14500 SYCAMORE DR	MORGAN HILL	CA	95037
80	18303		LLAGAS	CT	764-53-005	MELLOW, CATHY	9580 DOUGHERTY AVE	MORGAN HILL	CA	95037-9371
81		W	DUNNE	AVE	767-03-046	BETPOLICE, FARIDEH TRUSTEE	2377 CRENSHAW BLVD STE	TORRANCE	CA	90501
82	17205		MONTEREY	RD	767-08-006	BENNETT, KEVIN AND WU , MAGGIE	202 GOLD STAR DR	CEDAR PARK	TX	78613
83	50	W	4TH	ST	767-08-012	TONUS, VIRGINIA R TRUSTEE & ET	1654 SUNNYSLOPE RD	HOLLISTER	CA	95023
84	16805		MONTEREY	RD	767-10-046	SINGIREDDY, NINGA	2740 TORO VISTA CT	MORGAN HILL	CA	95037-3947
85	335		SPRING	AV	767-11-030	GIANCOLA, JOSEPH TRUSTEE & ET	2290 A COCHRANE RD	MORGAN HILL	CA	95037-9306
86			BARNELL	AVE	767-12-012	HAREN PROPERTIES LLC	17045 HILL RD	MORGAN HILL	CA	95037
87	16615		DEL MONTE	AV	767-16-045	CARUSO, SALVATORE AND	20431 MCKEAN RD	SAN JOSE	CA	95120-2403
88	180		FOOTHILL	CT	767-17-012	PRATT, TERYL L AND ELIZABETH A	180 FOOTHILL CT	MORGAN HILL	CA	95037-5003
89	16505		MONTEREY	RD	767-17-047	VCBLA NIDO LLC	6840 VIA DEL ORO STE 170	SAN JOSE	CA	95119
90	220	W	EDMUNDSON	AV	767-21-015	PANCAL EDMUNDSON LP	4125 BLACKFORD AVE #200	SAN JOSE	CA	95117
91	960		VIA DEL		767-30-025	RUSCH R A AND PATRICIA H TRUSTEI	960 VIA DEL CASTILLE	MORGAN HILL	CA	95037-5834
92	16755		DEWITT AVE		773-08-016	PENA JUAN TRUSTEE & ET AL	6371 El Paso Drive	San Jose	CA	95120
93	1862		LLAGAS	RD	773-18-029	KORTE, KYLE J ET AL	1862 LLAGAS RD	MORGAN HILL	CA	95037-9445
94	1210		LLAGAS	RD	773-20-012	WONG, GILBERT TRUSTEE & ET AL	P.O BOX 700005	SAN JOSE	CA	95170
95	1095		ROSE	PL	773-32-017	STROLATA PROPERTIES LLC	999 FRANQUETE AVE	SAN JOSE	CA	95125
96					773-32-018	STROLATA PROPERTIES LLC	999 FRANQUETE AVE	SAN JOSE	CA	95125

2025 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF MORGAN HILL

Exhibit A

	Situs			APN			CITY/STATE		
97				773-32-019	STROLATA PROPERTIES LLC	999 FRANQUETE AVE	SAN JOSE	CA	95125
98				773-32-020	STROLATA PROPERTIES LLC	999 FRANQUETE AVE	SAN JOSE	CA	95125
99				779-04-080	LIV MORGAN HILL LLC	5671 SANTA TERESA BLVD	SAN JOSE	CA	95123
100	14545	ATHERTON	CIR	779-49-001	SILVAS, YANCEY M AND LORINDA	14545 ATHERTON CIR	MORGAN HILL	CA	95037-0000
101	15090	WATSONVILLE	RD	779-51-055	MH DEVELOPMENT LLC	3619 LAGO DE BRACCIANO	SAN JOSE	CA	95148
102	16495	VINEYARD	BLV	817-02-043	TANSY DEVELOPMENT INC	1967 STANWOOD DR	SANTA BARBARA	CA	93103
103	16470	VINEYARD	BLV	817-02-044	TANSY DEVELOPMENT INC	1967 STANWOOD DR	SANTA BARBARA	CA	93103
104		MAST	ST	817-02-047	SEMAAN, FADI I AND KRALIAN ,	10538 PHIL PL	CUPERTINO	CA	95014-4670
105				817-02-055	LABRUCHERIE, ARMAND R AND	16373 REYNOLDS DR	MORGAN HILL	CA	95037-0000
106				817-02-056	LABRUCHERIE, ARMAND R AND	941 A BERRYESSA RD	SAN JOSE	CA	95133
107				817-02-057	LABRUCHERIE, ARMAND R AND	16373 REYNOLDS DR	MORGAN HILL	CA	95037-0000
108				817-02-060	LABRUCHERIE, ARMAND R AND	16373 REYNOLDS DR	MORGAN HILL	CA	95037-0000
109				817-02-061	LABRUCHERIE, ARMAND R AND	16373 REYNOLDS DR	MORGAN HILL	CA	95037-0000
110				817-02-062	LABRUCHERIE, ARMAND R AND	16373 REYNOLDS DR	MORGAN HILL	CA	95037-0000
111		RAILROAD	AVE	817-05-070	UNION PACIFIC CORP	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
112		TENNANT	AVE	817-08-015	COX, EUGENE R TRUSTEE & ET AL	4223 CHABOYA HILLS CT	SAN JOSE	CA	95148-3700
113		TENNANT	AVE	817-08-019	PANWALA, KUSUM S TRUSTEE & ET	17380 RINGEL DR	MORGAN HILL	CA	95037-3382
114		TENNANT	AVE	817-08-029	RAIL AND TENN LLC	600 TENNANT AVE	MORGAN HILL	CA	95037-5519
115	800	TENNANT	AVE	817-08-030	D DEVI OIL INC	41805 ALBRAE ST	FREMONT	CA	94538-3120
116				817-09-056	BFH CM RESIDENTIAL LLC	12657 ALCOSTA BLVD STE 25(	SAN RAMON	CA	94583
117	235	SAN PEDRO	AV	817-11-066	GREIF CONTAINERS INC A DELW CO	425 WINTER RD	DELAWARE	OH	43015
118	16375	CONDIT	RD	817-13-021	NG, BETTY TRUSTEE & ET AL	1835 FRANKLIN APT 903	SAN FRANCISCO	CA	94109-3457
119	1075	CONDIT	AV	817-13-022	NG, BETTY TRUSTEE & ET AL	1835 FRANKLIN APT 903	SAN FRANCISCO	CA	94109-3457
120		HILL	RD	817-20-031	LEWIS MORGAN HILL LLC	POBOX 5368	SAN JOSE	CA	95150

2025 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF MORGAN HILL

Exhibit A

	Situs			APN			CITY/STATE		
121		BARRETT	AVE	817-30-080	SANDHU, ATAM PARKASH SINGH	1800 SILVERWINGS CT	MORGAN HILL	CA	95037-9308
122	16695	SORREL	WA	817-50-016	HARDESTY, DANIEL J ET AL	16695 SORREL WAY	MORGAN HILL	CA	95037-3925
123	470	SAN PEDRO	AV	817-59-068	AHMADI, RAHMATOLLAH AND SHIVA	3629 BERCAW LN	SAN JOSE	CA	95124-2831
124	16680	NINA	LN	817-60-024	BUTTERICK, TIMOTHY W AND	16680 NINA LN	MORGAN HILL	CA	95037-5240
125	2785	TORO VISTA	CT	817-70-007	NGUYEN, NGUYEN PHAM QUOC	848 POINT CREEK DR	SAN JOSE	CA	95133-2913

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: January 15, 2025

PREPARED BY:
Adam Paszkowski, Principal Planner
APPROVED BY: City Manager

ADOPT RESOLUTION AMENDING THE TEXT OF THE MORGAN HILL 2035 GENERAL PLAN TO ELIMINATE THE FLOOR AREA RATIO FOR THE MIXED USE FLEX LAND USE DESIGNATION AND INTRODUCE ORDINANCE (ZA2024-0002) AMENDING CHAPTER 12.32 (RESTRICTIONS ON REMOVAL OF SIGNIFICANT TREES) WITHIN TITLE 12 (STREET, SIDEWALKS AND PUBLIC PLACES) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL AND VARIOUS CODE PROVISIONS WITHIN TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL IMPLEMENTING UPDATES TO ACCESSORY DWELLING UNIT PROVISIONS TO COMPLY WITH SENATE BILL 477 AND SENATE BILL 1211; IMPLEMENTING REPRODUCTIVE HEALTH COMMUNITY CLINICS BY-RIGHT TO COMPLY WITH ASSEMBLY BILL 2085; UPDATES TO PARKING PROVISIONS TO COMPLY WITH ASSEMBLY BILL 2097; AND IMPLEMENTING MINOR AMENDMENTS DUE TO CLERICAL ERRORS AND INCONSISTENCIES

RECOMMENDATION(S)

1. Open/close the public hearing;
2. Adopt a Resolution approving an amendment to the text of the Morgan Hill 2035 General Plan to eliminate the Floor Area Ratio for the Mixed Use Flex land use designation;
3. Waive first and second reading of the Ordinance Amendment; and
4. Introduce Ordinance Amendment.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Supporting our Youth, Seniors, and Entire Community
Fostering a Positive Organizational Culture
Enhancing Diversity and Inclusiveness

2024-2025 Strategic Priorities

Affordable Housing and Homelessness
Economic Development and Tourism
Healthy Community

Guiding Documents
Climate Action Plan
Morgan Hill 2035 General Plan

REPORT NARRATIVE:
General Plan Text Amendment:
Staff is proposing a General Plan text amendment to better align the intensity of allowed land uses within the Mixed Use Flex designation with recent changes in State law, the Monterey Corridor Form-Based Code, and the overall goals of the General Plan. The City adopted a comprehensive update of the City's General Plan in 2016 which established the Mixed Use Flex land use designation primarily along the Monterey Road corridor, north and south of Downtown. The General Plan vision for the Monterey Corridor is as follows:

> "North and south of Downtown will transform from its current predominantly strip commercial character to a vibrant mixed use corridor that encourages walking and biking. Buildings will front onto the street and a range of commercial and office uses will be located within close proximity to attached residential units. Density will decrease with distance from Downtown."

Currently, the Mixed Use Flex designation limits new development to a maximum Floor Area Ratio (FAR) of 0.5. To achieve a 0.5 FAR, development would be limited to one-story for half of the site, two-story for one quarter of the site, and so on, with a ratio of total building area no more than 50% of the total site area. For commercial development, this would correspond to auto-oriented, low-intensity commercial uses. The current FAR of 0.5 will not support the achievement of the walkable, mixed-use corridor of Monterey Road as envisioned within the General Plan or the Monterey Corridor Form-Based Code. Therefore, the proposed text amendment will better align the text of the General Plan with the City's overarching vision for the Monterey Corridor.

Furthermore, the purpose of the proposed General Plan text amendment is to remove the Mixed Use Flex designation floor area ratio (FAR) in order to: 1) align with what State regulations promoting housing development already allow; 2) align with the development standards recently adopted through the Monterey Corridor Form-Based Code; and 3) provide equitable conditions for commercial and residential development.

Because State law allows higher densities of residential development along the Monterey Corridor than originally envisioned in the General Plan, it is necessary to make similar allowance for mixed-use and/or commercial development to achieve the overall vision for the corridor. If higher-density residential is allowed while commercial is constrained, market conditions will strongly favor residential over commercial use and over time the corridor will become completely residential. In contrast, the City's vision is that the corridor would have both residential and commercial uses. The proposed text

amendment will grant commercial development the same density allowances as residential to provide equitable conditions for the two land uses.

The proposed text change can be considered routine in that it brings the General Plan into alignment with State law and/or the Monterey Corridor Form-Based Code. It is also important in that it provides clarity and equitable conditions for residential and commercial development and thereby helps the City to achieve its vision for the Monterey Corridor to be a “vibrant mixed-use corridor” as stated in the General Plan. The Planning Commission held a public hearing regarding the proposed draft General Plan text amendment on August 27, 2024, and recommended approval of the amendments to the General Plan as presented by staff. Complete details of the proposed amendments are provided in the draft Resolution (Attachment 1) and in the Planning Commission staff report.

The proposed General Plan text amendment includes amending page CNF-13 of the 2035 General Plan regarding the description of the Mixed Use Flex Designation by removing the maximum Floor Area Ratio of 0.5 and revising it as follows:

> Mixed Use Flex. The Mixed Use Flex designation, which is primarily applied to properties along the Monterey Road corridor north and south of downtown, allows for a mix of residential, commercial, and office uses applied either vertically (i.e., one structure with multiple uses) or horizontally (i.e., structures with different land uses located adjacent to one another). Density should transition from higher to lower at the ends of the Monterey corridor. The Mixed Use Flex designation allows 7 to 24 units per acre.

Zoning Text Amendment:
Following the implementation of the Zoning Code, staff has found several clerical errors, inconsistencies between sections, and the need to update certain portions of the Municipal Code to implement recent Senate and Assembly Bills providing updates to Accessory Dwelling Unit provisions to comply with Senate Bill 477 and Senate Bill 1211, to allow reproductive health community clinics by-right to comply with Assembly Bill 2085, and updates to parking provisions pursuant to Assembly Bill 2097 to not impose or enforce any minimum automobile parking requirement on residential, commercial, or other development projects if the project is located within one-half mile of public transit. In addition, staff has proposed various other minor amendments throughout the Code to provide further clarification or to expand on certain topics within the Code. The purpose of the proposed Ordinance is to correct these issues. Staff regularly brings forward bundles of minor amendments as necessary to enhance, correct and/or refine the Code.

The following major amendments to the Municipal Code are proposed:

- Chapter 12.32 (Restrictions on Removal of Significant Trees) of Title 12 (Streets, Sidewalks and Public Places) is proposed to be renamed as the Protected and Significant Trees Chapter. Text within the Code is proposed to be revised to update language, provide internal consistency, and to be consistent with the Tree Removal Application process.

- Section 18.12.080 (Setbacks) of Chapter 18.12 (Rules of Measurement) is proposed to be amended to clarify definitions for setbacks and revising figures, thereby reducing interpretation by staff.
- Table 18.18-2 (Residential Attached Low Density Development Standards) and Table 18.18-3 (Residential Attached Medium Density and High Density Development Standards) within Section 18.18.030 (Development Standards) of Chapter 18.18 (Residential Attached Zoning Districts), as well as Table 18.40-2 (Medium Density Residential Development Standards) within Section 18.40.050 (Development Standards) of Chapter 18.40 (Alternative Standards for Medium Density Residential Development), are proposed to be modified to clarify that a zero-foot setback is acceptable for Duets along the property line on the shared building wall.
- Table 18.22-2 (Development Standards in Mixed Use Zoning Districts) within Section 18.22.040 (Development Standards) of Chapter 18.22 (Mixed Use Zoning Districts) is proposed to be amended to be consistent with the proposed General Plan text amendment to remove the maximum FAR and building coverage within the (Mixed Use Flex) MU-F zoning district.
- Table 18.24-1 (Permitted Land Uses in the Commercial Zoning Districts) within Section 18.24.020 (Land Use Regulations) of Chapter 18.24 (Commercial Zoning Districts) is proposed to be amended to allow Reproductive Health Community Clinics by-right consistent with Government Code Section 65914.900 to comply with Assembly Bill 2085 within the Highway Commercial (CH) and Special Commercial (CS) zoning districts; in addition, a new land use for Cat Café's is proposed by-right within the General Commercial (CG) zoning district.
- Table 18.29-2 (Permitted Land Uses in the Form-Based Zoning Districts) within Section 18.29.070 (Land Use Standards) of Chapter 18.29 (Monterey Corridor Form-Based Code) is also proposed to be amended to allow Cat Café's by-right within the Neighborhood Form-Based (FB-N), Corridor Form-Based (FB-C), and Urban General Form-Based (FB-UG) zoning districts.
- Subsection G is proposed to be added to Section 18.72.030 (Required Parking Spaces) of Chapter 18.72 (Parking and Loading) pursuant to Assembly Bill 2097 to not impose or enforce any minimum automobile parking requirement on residential, commercial, or other development projects if the project is located within one-half mile of public transit.
- Chapter 18.84 (Accessory Dwelling Units) proposes updates to Accessory Dwelling Unit provisions to comply with Senate Bill 477 and Senate Bill 1211 to allow up to eight detached accessory dwelling units on lots with existing multifamily dwellings, among other minor revisions.
- Subsection G of Section 18.88.020 (Definitions) of Chapter 18.88 (Signs) is proposed to be amended to provide definitions for Feather Signs and Political Signs.
- Subsection A of Section 18.88.040 (Signs Allowed Without Permits) of Chapter 18.88 (Signs) is proposed to be amended to allow one A-Frame Sign for each commercial business location per street frontage as long as the sign does not obscure or visually impair vehicular traffic, is not placed within the

right-of-way/publicly owned property, or does not affect access to a structure. This Subsection also allows up to three feather signs for thirty days after the initial opening of a business or housing development. The amendments to this subsection also clarify that Political Signs related to a scheduled election are allowed without a permit.

- Subsection C of Section 18.88.120 (Temporary Signs) of Chapter 18.88 (Signs) clarifies that temporary political signs may be erected 90 days prior to the scheduled election and removed within ten days after the election. Table 18.88-3: Temporary Sign Duration Standards establishes the maximum duration that various signs may be erected during a twelve-month period.
- The Medical Offices and Clinics definition listed within Subsection L of Section 18.124.030 (Public and Quasi-public Uses) of Chapter 18.124 (Land Use Definitions) is proposed to be amended to include reproductive health community clinics, consistent with Assembly Bill 2085.
- A definition for Cat Café is proposed within Subsection B (Animal-Related Uses) of Section 18.124.040 (Commercial Uses) of Chapter 18.124 (Land Use Definitions), of which it is proposed to be defined as an establishment whose principal business includes a restaurant/café at which cats may be adopted by patrons during normal business hours and boarded during off-business hours with a maximum of twenty (20) cats permitted at any time on the premises.
- Subsection A of Section 18.152.030 (Definitions) of Chapter 18.152 (Agricultural Mitigation) is proposed to be updated to refer to the current map of the Farmland Mapping and Monitoring Program (FMMP) of the California Department of Conservation as Prime Farmland, Farmland of Statewide Importance, and Unique Farmland instead of the 2010 FMMP map.

The purpose of the proposed Ordinance is to implement and correct these issues. Staff regularly brings forward minor amendments as necessary to enhance, correct and/or refine the Code. The Planning Commission held a public hearing regarding the proposed draft Ordinance on December 10, 2024, and recommended approval of the amendments to the Municipal Code as presented by staff. Complete details of the proposed amendments are provided in the draft Ordinance (Attachment 2) and in the Planning Commission staff report.

Following the Planning Commission's recommended approval of the amendments, the City Attorney's Office advised of the need to amend the proposed language for political signs, specifically amending Section 18.88.040.A.14 to state pollical signs "are *generally* placed not sooner than 90 days prior to the scheduled election and are *typically* removed within 10 days after that election". In addition, the City Attorney's Office advised that all political signs need to be treated the same as other signs. Therefore, Table 18.88-3 (Temporary Sign Duration Standards) within Section 18.88.120.C was amended to treat all temporary wall, freestanding, banner, and window signs the same, regardless of material used for the sign, to have a maximum duration of three months.

If the proposed Ordinance is approved, the Code Amendment becomes effective 30

days following the adoption of the Ordinance by the City Council. Pursuant to Section 18.114.060 (Findings for Approval), the City Council may approve a zoning code amendment if all the following findings are made:

1. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.
2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
3. The proposed amendment is internally consistent with other applicable provisions of the zoning code.

The proposed amendments are consistent with the above findings as they implement updates to Accessory Dwelling Unit provisions to comply with Senate Bill 477 and Senate Bill 1211, allow reproductive health community clinics by-right to comply with Assembly Bill 2085, provide updates to parking provisions pursuant to Assembly Bill 2097, provide further clarification or expand on certain topics within the Municipal Code and implement minor amendments due to clerical errors and inconsistencies.

PLANNING COMMISSION ACTION:
The Planning Commission reviewed the proposed General Plan text amendments on August 27, 2024. Following discussion, the Planning Commission unanimously approved Resolution No. 24-08 recommending the City Council approve the proposed General Plan text amendments regarding the description of the Mixed Use Flex Designation as presented by staff.

The Planning Commission reviewed the proposed Zoning text amendments on December 10, 2024. Following discussion, the Planning Commission unanimously approved Resolution No. 24-16 recommending the City Council approve the proposed Municipal Code Amendments as presented by staff. The Commission also expressed that the City should explore the need for a future Heritage/Oak Tree ordinance as a future work item. Staff will evaluate the need for a Heritage/Oak Tree ordinance and will report back to the Planning Commission at a future meeting.

COMMUNITY ENGAGEMENT:
Inform
A 10-day public hearing notice was published in the Friday, January 3, 2025, edition of the Morgan Hill Times pursuant to Government Code Sections 65090-65096. Notice was also provided on the website and email/social media with the City's 411 distribution. On August 27, 2024, the Planning Commission held a public hearing regarding the proposed General Plan text amendments in which a 10-day public hearing notice was published in the Friday, August 16, 2024, edition of the Morgan Hill Times. On December 10, 2024, the Planning Commission held a public hearing regarding the proposed Municipal Code amendments in which a 10-day public hearing notice was published in the Friday, November 29, 2024, edition of the Morgan Hill Times.

ALTERNATIVE ACTIONS:

If the City Council does not take action on the proposed General Plan amendment, the General Plan will remain as-is, and commercial development will continue to require a FAR of 0.5; whereas residential development will not have to meet the FAR requirement along the Monterey Road corridor.

If the City Council does not take action on the proposed ordinance amendments, the Municipal Code will remain as-is, and the City will not be consistent with Senate Bill 477, Senate Bill 1211, Assembly Bill 2085, and Assembly Bill 2097. In addition, the clerical errors and inconsistencies within the Code will remain. The Council may also make modifications to the proposed amendments, or not approve certain sections that the Council deems appropriate.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:
On June 15, 2016, the City Council adopted Ordinance No. 2205 N.S., amending Chapter 12.32 (Restrictions on Removal of Significant Trees) of Title 12 – Streets, Sidewalks and Public Places in its entirety.

On July 27, 2016, the City Council adopted Resolution No. 16-128, adopting a comprehensive update of the Morgan Hill General Plan entitled "Morgan Hill 2035 General Plan".

On June 6, 2018, the City Council adopted Ordinance No. 2277 N.S., a comprehensive update of Title 18 – Zoning of the City of Morgan Hill Municipal Code. The update included an amendment to the City's official zoning map consistent with the Morgan Hill 2035 General Plan.

On December 18, 2019, the City Council adopted Ordinance No. 2313 N.S. to update Chapter 18.84 (Accessory Dwelling Units) of Title 18 (Zoning) to implement changes to accessory dwelling units (ADUs) pursuant to Assembly Bill 68, Assembly Bill 881, and Senate Bill 13.

On September 6, 2023, the City Council unanimously adopted Ordinance No. 2348, establishing Chapter 18.29 (Monterey Corridor Form-Based Code) of Title 18 (Zoning).

On August 27, 2024, the Planning Commission considered and recommended, unanimously, the City Council approve the proposed Mixed Use Flex General Plan text Amendment.

On December 10, 2024, the Planning Commission considered and recommended, unanimously, the City Council approve the proposed draft Ordinance (Attachment 2).

FISCAL AND RESOURCE IMPACT:
The cost of City-initiated General Plan Amendments is borne, and work is accommodated, within the respective division's annual workplan and budget. Staff regularly brings forward municipal code amendments as necessary to enhance, correct, and/or refine the Code; and therefore, the cost is borne, and work is accommodated,

within the respective division's annual workplan and budget.

CEQA (California Environmental Quality Act):
The proposed amendments are categorically exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed project is covered by the common-sense exemption that CEQA applies only to projects that have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposed project will not result in any direct impact upon the physical environment. Any development that occurs in the future subject to such standards will undergo an independent analysis per the requirements of CEQA.

The Environmental Impact Report (EIR) for the Morgan Hill 2035 General Plan, which envisioned the transformation of the Monterey Corridor north and south of Downtown into a vibrant mixed-use corridor, was prepared in accordance with CEQA and certified by the Morgan Hill City Council on July 27, 2016 (SCH#2015022074).

RESOLUTION NO. 25-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ADOPTING A GENERAL PLAN AMENDMENT (GPA2024-0001) TO AMEND THE TEXT OF THE MORGAN HILL 2035 GENERAL PLAN TO ELIMINATE THE FLOOR AREA RATIO FOR THE MIXED USE FLEX LAND USE DESIGNATION

WHEREAS, the City of Morgan Hill (the "City") has an adopted General Plan, which includes all of the state mandated elements;

WHEREAS, the City proposes to amend the General Plan text to eliminate the Floor Area Ratio for the Mixed Use Flex land use designation to better align the intensity of allowed land uses within the Mixed Use Flex designation with recent changes in State law, the Monterey Corridor Form-Based Code, and the overall goals of the General Plan;

WHEREAS, this General Plan Amendment was found to be exempt from environmental review pursuant to Section15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines;

WHEREAS, on January 3, 2025, a public notice was published in the Morgan Hill Times, specifying the date, time, and location of the public hearing to consider the recommendation that the City Council adopt the General Plan Amendment to eliminate the Floor Area Ratio for the Mixed Use Flex land use designation;

WHEREAS, such requests were considered by the Planning Commission at its regular meeting of August 27, 2024 and by the City Council at its meeting of January 15, 2025; and

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

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The Morgan Hill City Council finds that the General Plan amendment meets the letter and intent of the General Plan goals and policies.

SECTION 2. That the City Council adopt the Resolution eliminating the Floor Area Ratio for the Mixed Use Flex land use designation as described in the attached Exhibit "A" and by this reference incorporated herein.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.

SECTION 4. This Resolution shall take effect immediately upon its adoption by the City Council.

PASSED AND ADOPTED THIS 15th DAY OF JANUARY 2025, AT A MEETING OF THE CITY COUNCIL BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED: **ATTEST:**

_____ _____
MARK TURNER, Mayor **MICHELLE BIGELOW, City Clerk**

☙ CERTIFICATION ❧

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 25-xxx adopted by the City Council at the meeting held on January 15, 2025.

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

DATE: _____ _____
MICHELLE BIGELOW, City Clerk

EXHIBIT 'A"

Amend page CNF-13 description of Mixed Use Flex Designation as follows:

> Mixed Use Flex. The Mixed Use Flex designation, which is primarily applied to properties along the Monterey Road corridor north and south of downtown, allows for a mix of residential, commercial, and office uses applied either vertically (i.e., one structure with multiple uses) or horizontally (i.e., structures with different land uses located adjacent to one another). Density should transition from higher to lower at the ends of Monterey corridor. The Mixed Use Flex designation allows 7 to 24 units per acre.

ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING CHAPTER 12.32 (RESTRICTIONS ON REMOVAL OF SIGNIFICANT TREES) WITHIN TITLE 12 (STREET, SIDEWALKS AND PUBLIC PLACES) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL AND VARIOUS CODE PROVISIONS WITHIN TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL IMPLEMENTING UPDATES TO ACCESSORY DWELLING UNIT PROVISIONS TO COMPLY WITH SENATE BILL 477 AND SENATE BILL 1211; IMPLEMENTING REPRODUCTIVE HEALTH COMMUNITY CLINICS BY-RIGHT TO COMPLY WITH ASSEMBLY BILL 2085; UPDATES TO PARKING PROVISIONS TO COMPLY WITH ASSEMBLY BILL 2097; AND IMPLEMENTING MINOR AMENDMENTS DUE TO CLERICAL ERRORS AND INCONSISTENCIES

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

Section 1. Chapter 12.32 (Restrictions on Removal of Significant Trees) of Title 12 (Streets, Sidewalks and Public Places) is hereby amended to read as follows:

Chapter 12.32 PROTECTED AND SIGNIFICANT TREES

12.32.010 Council determinations.

The city council finds and declares:

A. The intent of promoting the preservation and establishment of a diverse, abundant tree canopy in the city is vital to the health and character of the community. The existing and future trees and tree communities located in the city are a valuable and distinctive natural resource. The trees and tree communities of the city enhance the economic base through agricultural production, encouragement of tourism and enrichment of the living environment.

B. The following environmental consequences are among those which could result from the indiscriminate removal or destruction of trees and tree communities in the city:

1. Modification of microclimates;

2. Change or elimination of animal habitat, possibly including habitats of endangered

species;

3. Change in soil conditions, resulting in modified biological activity and erosion of soils;

4. Creation of increased susceptibility of flood hazards;

5. Increased risk of landslides;

6. Increased cost of construction and maintenance of drainage systems through increased flow and diversion of surface waters;

7. Degradation of the human habitat;

8. Loss of environmental benefits of trees in neighborhoods, such as noise reduction, oxygen replacement, carbon dioxide reduction, interception of particulates and aesthetic qualities; and/or

9. Potential for irreparable wind damage to adjacent trees.

C. The preservation and replacement of significant tree communities on private and public property is necessary to protect the ecology of the area and prevent undesirable changes to the natural and built environment.

D. It is necessary to enact the ordinance codified in this chapter for the reasons stated in this section and to promote the public health, safety, general welfare and prosperity of the city, while respecting and recognizing individual rights to develop, maintain and enjoy private property to the fullest possible extent, consistent with the public interest, convenience and necessity.

12.32.020 Definitions.

For the purposes of this chapter, the following words shall have the meaning ascribed to them in this section:

A. “Arborist” means any person certified in the professional care, examination, and maintenance of trees.

B. "City" means the city of Morgan Hill, California, acting by and through its authorized representatives.

C. "Community of trees" means a group of trees of any size which are ecologically or aesthetically related to each other, with a combined canopy cover of more than ten percent, and that loss of such community would cause a significant ecological, aesthetic, or environmental impact in the immediate area.

D. "Development services director" means the development services director of the city, including their authorized or appointed representatives.

E. “Diameter at breast height (DBH)” means the standard measurement for a tree trunk diameter, measured 4.5 feet above the average ground level.

F. “Native tree” means any tree which is native to the Morgan Hill region. Such trees include, but are not limited to, oaks (all types), California Bays, Madrones, Sycamore, and Alder.

G. “Nonnative tree” means any tree that is not native to the Morgan Hill region.

H. "Person" means an individual, public agency, including the city and its departments, firms, associations, and corporations, and their employees, agents, or representatives.

I. "Private property" means all property not owned by the city or any other public agency.

J. “Prohibited tree” means any trees that become liabilities due to structural weaknesses, disease or insect susceptibility, short life, destructive root systems, or requiring excessive watering or maintenance as defined in Chapter 12.28.050.

K. “Protected tree” means any native tree, significant tree, any tree designated for protecting during review and approval of a development project, public or street trees, and otherwise designated as significant status.

L. “Prune” means the selective removal or modification of twenty-five percent or more of the tree branches, roots, buds, or limbs in such a manner that impacts the structure of the tree.

M. “Public tree” means any tree located in any street, park, or public place or planted or maintained by the city.

N. "Public property" means all property owned by the city, and any other city, county, city and county, special district, or other public agency in the incorporated area of the city.

O. "Significant Tree" means any live woody plant rising above the ground with a single stem or trunk a diameter at breast height (DBH) of thirteen inches or more for nonnative tree species and a diameter at breast height (DBH) of six inches or more for native tree species. All commercial tree farms and orchards (including individual fruit trees) are exempted from the definition of tree for the purpose of this chapter.

P. "Street Tree" is a tree, of any size, situated within the public street right-of-way or publicly accessible private street (e.g., trees within a landscape park strip), or within five feet of a publicly accessible sidewalk adjacent to a public or private street in the case of a street without a landscape park strip.

Q. “Trimming” means the removal of less than twenty-five percent of the canopy, including overgrown or obstructing branches from a tree to maintain the shape and health of the tree, and to protect nearby structures or utilities.

12.32.030 Permit—Required.

It is unlawful for any person to cut down, prune, remove, poison, or otherwise kill or destroy, or

cause to be removed, any protected tree, significant tree, street tree, public tree, or a community of trees on any public or private property without first securing a permit as provided in this chapter; provided, however, that a permit shall not be required for commercial tree farms.

12.32.040 Permit—Application.

Any person desiring to cut down, prune, remove, destroy, or cause to be removed any tree regulated in this chapter shall apply to the development services department for a tree removal permit application provided by the department. The application shall be accompanied by such drawings including a site plan, written material such as a statement of request, photographs, arborist report, and other necessary information concerning trees within the affected area and which shall include:

A. The diameter and height of the tree;

B. The species of each tree;

C. A site plan or accurate sketch of location and trees proposed to be cut down, pruned, removed, or destroyed (showing other significant trees, shrubs, buildings or proposed buildings; photographs may be used to show the area);

D. Method for marking the tree proposed to be cut down, pruned, removed, or destroyed;

E. Description of methods to be used in cutting down, pruning, removing, or destroying the tree;

F. Description of tree planting or replacement program;

G. Reasons for proposing to cut down, prune, remove, or destroy the tree;

H. Address where tree is located;

I. Percentage of tree canopy to be removed or pruned;

J. Arborist report indicating general health of tree to be cut down, pruned, removed, or destroyed; and

K. Other information or materials which the development services director may require.

L. Payment of fees shall be due upon submittal of a tree removal application as designated on the current fee schedule. The date of submittal shall be designated by receipt of payment.

12.32.050 Permit—Public notice procedures.

Within five days after submission of a completed application, the applicant shall post a public notice of the tree removal or pruning application request, provided by the development services department, in at least two conspicuous locations clearly visible to the public on or close to the property affected, indicating the date of the application, a brief description thereof, identification

of the subject property, the address to which comments may be directed and from which further information may be obtained, and the final date for receipt of comments. No action shall be taken upon any application until the applicant has filed an affidavit that such posting has been completed and posted for ten days.

12.32.060 Permit—Review and action.

The development services director or their designee shall review the application and, if necessary, inspect the site, and shall determine on the basis of the information provided, the site inspection, and the criteria contained in this chapter whether to grant, grant with conditions, or deny the permit. Such action shall be taken within thirty days after receipt of the affidavit referred to in the preceding section and after the expiration of the ten-day public noticing period. Upon taking action, the development services director or their designee shall provide the applicant with a written statement indicating the action taken, any conditions of approval imposed, and the findings made in support thereof.

12.32.070 Permit—Approval—Criteria.

The development services director or any other person or body charged with determining whether to grant, conditionally grant, or deny a tree removal permit may approve a permit only if one or more of the following findings are made:

A. Removal of the tree is warranted because the tree meets one of the following conditions:

1. Is diseased as demonstrated in a report provided by a qualified arborist or tree surgeon documenting the extent and nature of the disease and how the diseased conditions warrants the trees removal,

2. Could adversely affect the general public health and safety,

3. Could cause substantial damage,

4. Is a public nuisance (e.g., obstructing the public right-of-way),

5. Is in danger of falling,

6. Is too closely located to existing structures,

7. All practical design alternatives for site layout have been exhausted without being able to design around the tree(s), etc.

8. Interferes with utility service,

9. Acts as a host for a plant which is parasitic to another species of tree which is in danger of being infested or exterminated by the parasite,

10. Is a substantial fire hazard,

11. Is necessary for the continuing agricultural use of the property, or

12. Is a street tree that is not identified on a list of suitable street trees maintained by the development services director.

B. The required action is necessary:

1. To utilize the property in a manner which is of greater public value than any environmental degradation caused by the action, or

2. To allow reasonable economic or other enjoyment of the property.

C. The tree will be replaced by plantings approved by the development services director, unless special conditions indicate otherwise.

12.32.080 Permit—Approval—Conditions.

In granting any permit as provided in this chapter, the development services director, planning commission, or city council may attach reasonable conditions to ensure compliance with the intent and purpose of this chapter including, but not limited to:

A. All protected or significant trees proposed for removal shall be replaced at a 1:1 ratio with a similar native tree species of at least minimum 15-gallon in size. In the case of nonnative trees to be removed, the replacement tree shall be a native species and at least minimum 15-gallon in size. The development services director may require additional replacement trees as necessary to mitigate the impact from the loss of tree canopy.

B. Use of measures to affect erosion control, soil and water retention and diversion or control of increased flow of surface waters;

C. Use of measures to ensure that the contemplated action will not have adverse environmental effects relating to shade, noise buffers, protection from wind, air pollution and historic features; and/or

D. Posting of a bond to ensure maintenance of substitute landscaping pursuant to the requirements of Chapter 18.64 (Landscaping) of this code.

12.32.090 Application constitutes permission to enter property.

Filing of an application for a tree removal permit shall constitute a grant of permission for city personnel concerned with administering this part to enter the subject permit area during normal working hours from the date of application to the completion of any approved action for the purpose of inspecting the area for compliance with the provisions of this chapter and applicable law.

12.32.100 Inspection—Notification of violations.

The development services department may cause sufficient inspections to be made of the permit

area to assure compliance with the provisions of this chapter and the requirements of any applicable law. Upon completion of any inspection, the permittee shall be given a written notice of any violations observed at the time of inspection for correction thereof.

12.32.110 Commencement of work—Time limitations.

If work authorized by an approved permit is not commenced within a period of one (1) year from the date of approval, the permit shall be considered void.

12.32.120 Emergencies.

In case of emergency caused by the hazardous or dangerous condition of a tree and requiring immediate action for the safety of life or property, such necessary action may be taken to remove the tree or otherwise reduce or eliminate the hazard without complying with the other provisions of this chapter, except that the person responsible for the cutting or removal of the tree shall report such action to the development services director within five working days thereafter and provide retroactive payment of the tree removal permit fee.

12.32.130Appeal procedures.

The applicant or any other person who is aggrieved by the issuance or denial of the permit or any conditions thereof may appeal in the manner set forth in Chapter 18.112 (Appeals).

12.32.140 Removal or pruning without a permit unlawful.

It is unlawful for any property owner, lessee, their agent, or representative to engage in removal or pruning or any other action that would result in tree removal or pruning without a valid tree removal permit. In addition to any other remedies that may exist by law, such party shall be liable to the city for an administrative penalty to be determined by the development services director as follows:

1. A fine equal to three times the valuation of the removed tree, as determined by a certified arborist; or

2. The amount of the cost of replacing a removed public tree with a new tree as comparable to the removed tree as is reasonably feasible; or

3. A fine equal to three times the amount of the current tree removal application permit fee.

Section 2. Subsection b of Subsection 7 of Subsection B of Section 17.20.040 (Form and Contents) of Chapter 17.20 (Map Requirements-Five or More Parcels) of Title 17 (Subdivisions) is hereby amended to read as follows:

b. Type, diameter at breast height, and canopy of any protected trees, significant trees, street trees, public trees, or a community of trees as defined by Chapter 12.32 (Protected and Significant Trees) on public and private property. Any trees proposed to be removed shall be so indicated and shall obtain a permit as required by Chapter 12.32 (Protected and Significant Trees),

Section 3. Subsection b of Subsection 7 of Subsection A of Section 17.24.030 (Form and Content) of Chapter 17.24 (Map Requirements-Four or Less Parcels) of Title 17 (Subdivisions) is hereby amended to read as follows:

b. Type, diameter at breast height, and canopy of any protected trees, significant trees, street trees, public trees, or a community of trees as defined by Chapter 12.32 (Protected and Significant Trees) on public and private property. Any trees proposed to be removed shall be so indicated and shall obtain a permit as required by Chapter 12.32 (Protected and Significant Trees);

Section 4. Section 18.12.080 (Setbacks) of Chapter 18.12 (Rules of Measurement) of Title 18 (Zoning) is hereby amended to read as follows:

A. Required Setback Area. Required setback areas shall be kept free of buildings and structures. Except as otherwise permitted, required setback areas shall be used only for landscaping, pedestrian walkways, driveways, uncovered off-street parking, recreational activities, or similar accessory activities.

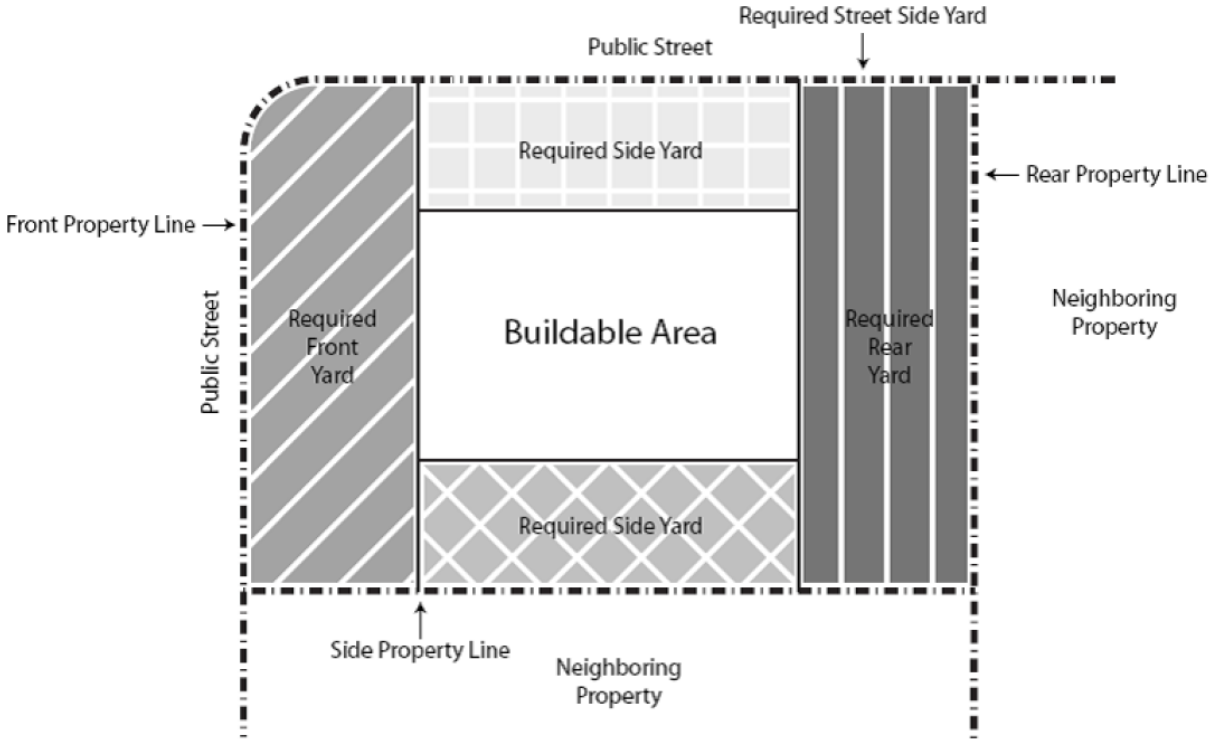
B Setback Measurements. Setback distances shall be measured at right angles from the designated property line (e.g., front, interior side, street-side, rear) establishing a setback area line parallel to the designated property line at the required setback distance. See Figure 18.12-4. Designated property lines are determined as follows:

1. Front Property Line. The front property line shall be the narrowest property line which abuts a public or private street easement or drive-aisle. For corner lots, the front property line shall be the shortest street frontage, regardless of where the front door is located. For flag lots, the front property line shall be the property line that abuts the access corridor.

2. Rear Property Line. The rear property shall be the property line which is opposite and most distant from the front property line and most parallel to the front property line.

3. Side Property Line. The side property line shall be those property lines that are not the front or rear property lines.

4. Street Side Property Line. The street side property line shall be those side property lines that abuts a public or private street.



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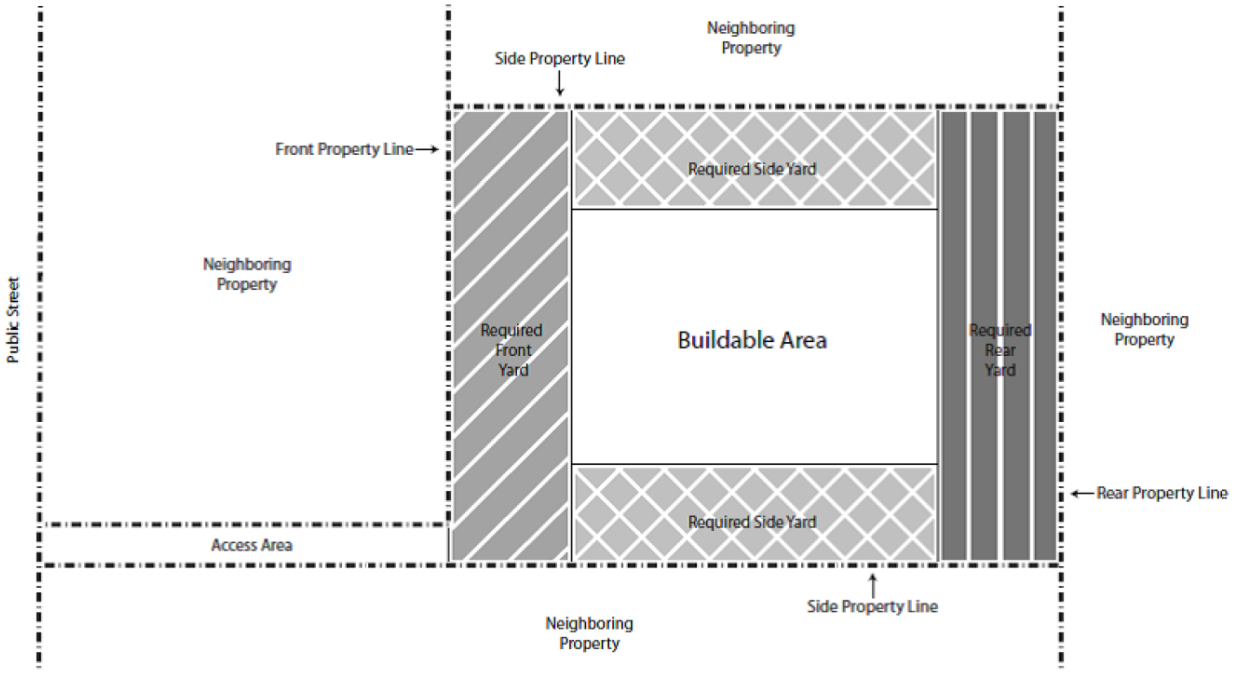


Note: not to scale

Figure 18.12-4: Setbacks

C. Planned Street Widening. Where a lot abuts a street designated for a future widening, required minimum setbacks shall be measured from the edge of the planned future right-of-way.

D. Future Street Right-of-Way. Where a future street right-of-way is planned or established, required minimum setbacks shall be measured from property lines that define the edge of the future right-of-way.

E. Alleys.

1. If side lot line abuts an alley, the lot line shall be treated as interior side lot line for the purpose of establishing minimum required setbacks.

2. The width of an adjoining alley is not included in the measurement of a required setback.

F. Irregularly Shaped Lots. Where the side lot lines converge to a point at the rear of the lot and make an angle ninety degrees or less, a line ten feet long within the lot, parallel to and at a maximum distance from the front lot line, shall be deemed to be the rear lot line for the purpose of determining the depth of the required rear setback area. Where the angle created by the convergence of two side lot lines at the rear of the lot is greater than ninety degrees, a line ten feet long measured from the point of convergence and perpendicular to the front lot line shall establish the location of the required rear setback line. See Figure 18.12-4.

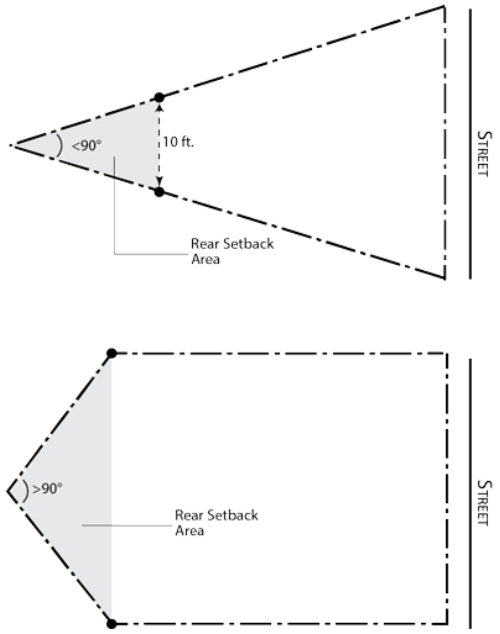


Figure 18.12-4: Rear Lot Lines for Irregularly Shaped Lots

G. Double-Frontage Lots. The location of the front and rear yard setbacks on double-frontage lots shall be determined by the development services director based on the placement of existing buildings on adjacent lots.

H. Measuring Structure Distance from Lot Lines. The distance of a structure from a lot line shall be measured as the distance between the lot line and the closest point on the exterior of a building or structure along a line at right angles to the lot line. See Figure 18.12-5.

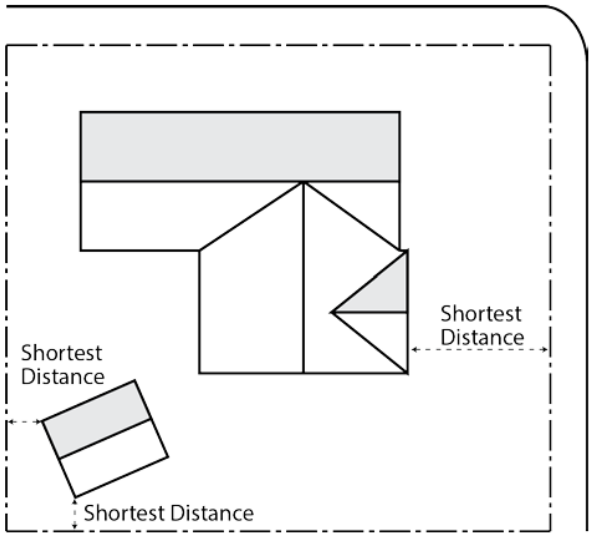


Figure 18.12-5: Measuring Structure Distance from Lot Lines

Section 5. Table 18.18-2 (Residential Attached Low Density Development Standards) within Section 18.18.030 (Development Standards) of Chapter 18.18 (Residential Attached Zoning Districts) of Title 18 (Zoning) is hereby amended to read as follows:

Table 18.18-2: Residential Attached Low Density Development Standards

	Residential Attached Low Density Subzones		
	RAL-3,500	RAL-3,000	Additional Standards
Site Requirements			
Lot Area, Minimum			
Duplex lots	7,000 sq. ft.	6,000 sq. ft.	
Duplex corner lots	7,500 sq. ft.	6,500 sq. ft.	
Duet lots	3,500 sq. ft.	3,000 sq. ft.	
Duet corner lots	3,750 sq. ft.	3,250 sq. ft.	
Multifamily and other uses	3,500 sq. ft.	3,000 sq. ft.	
Lot Width, Minimum			18.18.030.D
Duplex lots	70 ft.	70 ft.	
Duplex corner lots	80 ft.	80 ft.	
Duet and single-family attached lots	30 ft.	30 ft.	
Duet and single-family attached corner	40 ft.	40 ft.	

lots			
Other uses allowed in Table 18.18-1	50 ft. or as determined through the Conditional Use Permit		
Lot Depth, Minimum	85 ft.	85 ft.	
Building Coverage, Maximum	50%	50%	
Site Area per Dwelling Unit, minimum	3,500 sq. ft.	3,000 sq. ft.	
Structure Requirements			
Setbacks, Minimum			18.56.030
Front	20 ft.	20 ft.	18.18.030.E
Rear	15 ft.; or 20 ft. for two-story, located adjacent to a single-family district	15 ft.; or 20 ft. for two-story, located adjacent to a single-family district	
Interior Side	5 ft. [1]	5 ft. [1]	
Street Side	15 ft.	15 ft.	
Height, Maximum	30 ft.	30 ft.	18.56.020

Notes:

[1] A zero-foot setback is acceptable for Duets along the property line on the shared building wall.

Section 6. Table 18.18-3 (Residential Attached Medium Density and High Density Development Standards) within Section 18.18.030 (Development Standards) of Chapter 18.18 (Residential Attached Zoning Districts) of Title 18 (Zoning) is hereby amended to read as follows:

Table 18.18-3: Residential Attached Medium Density and High Density Development Standards

	RAM	RAH	Additional Standards
Site Requirements			
Lot Area, Minimum	6,000 sq. ft.; 4,500 sq. ft. for corner lots	6,000 sq. ft.; 6,500 sq. ft. for corner lots	
Lot Width, Minimum	60 ft.	40 ft.	18.18.030.D
Lot Depth, Minimum	85 ft.	75 ft.	

Building Coverage, Maximum	60%	60%	
Site Area per Dwelling Unit, Minimum	2,000 sq. ft.	1,100 sq. ft.	
Structure Requirements			
Setbacks, Minimum			18.56.030
Front	15	15	18.18.030.E
Rear	20	15	
Interior Side	5 [1]	5 [1]	
Street Side	15	15	
Height, Maximum	3 stories or 40 ft., whichever is less; min. 10 ft. for roof element on 3 story structure	3 stories or 40 ft., whichever is less; min. 10 ft. for roof element on 3 story structure	18.56.020

Notes:

[1] A zero-foot setback is acceptable for Duets along the property line on the shared building wall.

Section 7. Table 18.22-2 (Development Standards in Mixed Use Zoning Districts) within Section 18.22.040 (Development Standards) of Chapter 18.22 (Mixed Use Zoning Districts) of Title 18 (Zoning) is hereby amended to read as follows:

Table 18.22-2: Development Standards in Mixed Use Zoning Districts

	MU-D	MU-N	MU-F	Additional Standards
Site Requirements				
Lot Area, Minimum	3,500 sq. ft.	6,000 sq. ft.	6,000 sq. ft.	
Lot Width, Minimum	40 ft.	60 ft.	60 ft.	

Lot Depth, Minimum	80 ft.	100 ft.	100 ft.	
Floor Area Ratio, Maximum	2.0 [1]	1.0	None	
Residential Density				
Minimum	None	8 du/acre	7 du/acre	
Maximum	None	20 du/acre	24 du/acre	
Building Coverage, Maximum	None	75%	None	
Structure Requirements				
Setbacks	See Table 18.22-3			18.56.030
Height, Maximum	3 stories and 45 ft. [2]	35 ft. [3,4]	35 ft. [3]	18.56.020

Notes:

[1] 2.25 FAR permitted on sites 22,000 sq. ft. or more.

[2] Four stories and 55 ft. permitted on sites 22,000 sq. ft. or more.

[3] 45 ft. permitted with a minimum of 10 ft. devoted to a roof element.

[4] 40 ft. allowed for vertical mixed use, regardless of roof form.

Section 8. Table 18.24-1 (Permitted Land Uses in the Commercial Zoning Districts) within Section 18.24.020 (Land Use Regulations) of Chapter 18.24 (Commercial Zoning Districts) of Title 18 (Zoning) is hereby amended to read as follows:

Table 18.24-1 Permitted Land Uses in the Commercial Zoning Districts

Key P Permitted Use A Administrative Use Permit required C Conditional Use Permit required — Use not allowed	Zoning District					Additional Regulations
	CO	CN	CG	CH	CS	

Residential Uses						
Caretaker Quarters	—	—	C	—	C	
Nursing Homes and Long-Term Care	C	C	C	—	—	
Residential Care Facilities	—	C	—	—	—	
Public and Quasi-Public Uses						
Colleges and Trade Schools	—	C	C	—	—	
Community Assembly	C	C	C	—	—	
Cultural Institutions	C	C	C	—	C	
Day Care Centers	—	C	A	—	C	
Government Offices	—	P	P	—	C	
Instructional Services	P	A	A	A	A	
Medical Offices and Clinics	P	P	P	A [4]	C [4]	
Schools, Public and Private	C	C	C	—	—	
Social Services	C	C	C	—	C	
Commercial Uses						
Animal-Related Uses	—					
Animal Boarding	—	C	C	—	C	
Cat Café	—	—	P	—	—	Title 6
Veterinarian Clinics and Hospitals	P	A	A	A	P	
Banks and Financial Institutions	P	P	P	P	P	
Business Support Services	—	P	P	P	P	
Cinemas and Theatres	—	A	A	A	A	
Commercial Recreation, Indoor						
≤ 15,000 sq. ft.	C	P	P	P	P	
> 15,000 sq. ft.	—	C	C	C	C	
Drive-Through and Drive-In Facilities	C	C	C	C	C	18.92.040
Eating and Drinking Uses						
Bars and Nightclubs	—	C	C	—	—	

Restaurants, Fast Food	—	C	P	P	C	
Restaurants, Sit-Down	—	C	P	P	C	
Tasting Rooms	—	C	A	P	C	
Funeral Parlors and Mortuaries	—	—	C	—	C	
Lodging Facilities						
Hotels and Motels	—	C	A	P	A	
Mini-Storage	—	—	C	—	C	
Personal Services	P	P	P	—	C	
Plant Nurseries	—	—	C	—	P	
Professional Offices	P	P	P	P	P	
Retail Uses						
Convenience Markets	—	C	C	C	C	
Convenience Market with Fuel and Service Station	—	C	C	C	C	
General Retail	—	P	P	P	C	
Home Improvement Centers	—	—	P	—	P	
Liquor Store	—	C	C	C	C	
Large Commodity Retail	—	—	C	—	C	
Vehicle-Related Uses						
Convenience Market with Fuel and Service Station	—	C	C	C	C	
Fuel and Service Stations	—	C	C	C	C	
Towing and Impound	—	—	—	—	C	
Vehicle Rentals	—	C [2]	C [2]	P	P	
Vehicle Repair and Maintenance, Minor	—	—	C	—	P	
Vehicle Sales and Leasing	—	C [1]	C [1]	P	P	
Vehicle Washing	—	C	C	C	C	
Wholesaling	—	—	C	—	P	
Industrial Uses						
Construction and Material Yards	—	—	—	—	C	

Food and Beverage Production						
< 5,000 sq. ft. [3]	—	A	A	A	A	
5,000 sq. ft. to 10,000 sq. ft. [3]	—	A	A	C	A	
> 10,000 sq. ft.	—	—	—	—	C	
Research and Development	—	—	—	—	C	
Warehousing and Distribution, Large and Small	—	—	—	—	C	
Transportation, Communication, and Utility Uses						
Freight Terminals and Transfer	—	—	—	C	—	
Light Fleet-Based Services	—	C	C	—	C	
Parking Lots and Structures	—	—	C	—	C	
Recycling Facilities						
Reverse Vending Machine	—	C	C	C	C	
Recycling Collection Facility	—	—	—	—	C	
Transportation Terminals		—	—	—	C	
Utilities, Major	—	—	C	—	C	
Wireless Communications Facilities	See Chapter 18.96					
Other Uses						
Accessory Uses	See Chapter 18.44					
Temporary Uses	See Section 18.92.150					

Notes:

[1] Allowed only when conducted entirely within an enclosed building without outdoor storage and display of vehicles.

[2] Vehicles stored outdoors must be fully screened from public view.

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

[4] Reproductive health community clinics consistent with Government Code Section 65914.900 are permitted by right.

Section 9. Table 18.29-2 (Permitted Land Uses in the Form-Based Zoning Districts) within Section 18.29.070 (Land Use Standards) of Chapter 18.29 (Monterey Corridor Form-Based Code) of Title 18 (Zoning) is hereby amended to read as follows:

Table 18.29-2 Permitted Land Uses in the Form-Based Zoning Districts

P = Permitted Use

A = Administrative Use Permit required (See Section 18.108.020 (Administrative Use Permits))

C = Conditional Use Permit required (See Section 18.108.030 (Conditional Use Permits))

T = Temporary Use Permit required (See Chapter 18.108.090 (Temporary Use Permits))

- = Use not permitted

Land Use	Permit Required by Zone			Additional Regulations
	FB-N	FB-C	FB-UG	
Residential Uses				
Accessory Dwelling Unit (ADU)	P	P	P	See Chapter 18.84
Duplex/Duet	P	P	P	See Subsection 18.29.100.D
Group Housing	P	P	P	
Live/Work Unit	P	P	P	
Mixed-Use Residential	P	P	P	
Multi-Family Dwellings	P	P	P	See Subsection 18.29.070.C.3
Nursing Homes and Long-Term Care	C	C	C	
Residential Care Facilities	P	P	P	
Residential Care Facilities, Small	P	P	P	
Senior Housing, Independent Living	P	P	P	
Single-Family Attached Dwelling	P	P	P	
Single-Family Detached Dwelling	P	-	-	
Public and Quasi-Public Uses				

College and Trade Schools	C	P	P	
Community Assembly	C	C	C	
Cultural Institutions	A	A	A	
Day Care Centers	C	C	C	
Emergency Shelters	C	C	C	See Section 18.92.050
Government Offices	A	A	A	
Home Day Care, Large	P	P	P	
Home Day Care, Small	P	P	P	
Hospitals	-	C	C	
Instructional Services	A	P	P	
Medical Offices and Clinics	A	P	P	
Park and Recreational Facilities	P	P	P	
Public Safety Facilities	C	C	C	
Schools, Public and Private	C	C	C	
Social Services	C	C	C	
Commercial Uses				
Cat Café	P	P	P	See Title 6
Veterinarian Clinics and Hospitals	C	C	C	
Banks and Financial Institutions	P	P	P	
Business Support Services	P	P	P	
Cinemas and Theaters	A	A	P	
Commercial Recreation, Indoor				
≤ 15,000 sq. ft.	A	P	P	

> 15,000 sq. ft.	A	A	A	
Drive-Through Facilities	-	C	C	See Subsection 18.29.070.C.2
Eating and Drinking Uses				
Bars and Nightclubs	-	C	C	
Restaurant, Fast Food	C	P	P	
Restaurant, Sit Down	P	P	P	
Tasting Rooms	A	P	P	
Farmers Markets	A	A	A	
Lodging Facilities				
Bed and Breakfast	P	P	P	
Hotels and Motels	C	C	C	
Personal Services	A	P	P	
Professional Offices	A	P	P	
Retail				
Convenience Market	A	P	P	See Section 18.92.030
General Retail	A	P	P	
Vehicle-Related Uses				
Fuel and Service Station	-	-	C	
Vehicle Rentals	-	-	C	
Vehicle Washing	-	-	C	
Industrial Uses				
Food and Beverage Production				
< 5,000 sq. ft.[1]	-	P	P	

5,000 sq. ft. to 10,000 sq. ft.[1]	-	C	C	
Transportation, Communication, and Utility Uses				
Parking Lots or Structures[2]	C	C	C	
Recycling Facilities				
Reverse Vending Machines	-	C	C	
Transportation Terminals	-	-	-	
Wireless Communication Facilities	See Chapter 18.96			
Other Uses				
Accessory Use(s)	See Chapter 18.44			
Home Occupations	See Section 18.92.060			
Temporary Use(s)	See Section 18.92.150			
Urban Agriculture				
Community Garden	A	A	A	
Home Gardens	P	P	P	
Urban Farm	C	C	C	
Notes: 1. On-site wholesale or retail sales required. 2. When proposed as a primary use.				

Section 10. Table 18.40-2 (Medium Density Residential Development Standards) within Section 18.40.050 (Development Standards) of Chapter 18.40 (Alternative Standards for Medium Density Residential Development) of Title 18 (Zoning) is hereby amended to read as follows:

Table 18.40-2: Medium Density Residential Development Standards

	Housing Type

	Duet	Courtyard	SFD	TH	Duplex	Multi
Lot Area (min sq. ft.) [1] [2]	3,000	1,920—2,999	4,500—5,500	1,440—3,999	6,000	6,000
Lot Width (min)	30 ft.	24 ft.	40 ft.	24 ft.	60 ft.	60 ft.
Lot Depth (min)	85 ft.	60 ft.	80 ft.	60 ft.	85 ft.	85 ft.
Lot Coverage (max) [3]	50%	45%	N/A	55%	1 story: 40% 2+ story: 50%	60%
Floor Area Ratio (max)	N/A	N/A	52%	N/A	N/A	N/A
Height	See base zoning district					
Setbacks						
Front [4]	10 ft.	N/A	15 feet	N/A	20 ft.	15
Interior Side	3 ft. [5]	5 ft. [7]	4 ft. [6]	N/A	5 ft. [7]	5 ft.
Street Side	6 ft.	5 ft.	8 ft.	5 ft.	10 ft.	15 ft.
Rear	10 ft.	N/A	15 ft.	N/A	15 ft.	20 ft.

Notes:

[1] Subject to the density requirements specified in the General Plan.

[2] Standards are for individual lots and not for the subdivision as a whole.

[3] Lot coverage limits apply to individual, subdivided parcels and to accessory structures as well as the primary residential structure on the site. Development in the RAL and RAM zoning districts is also subject to an aggregate lot coverage limit for the entire subdivision. See Section 18.18.060.A.

[4] Additional requirements apply for street-facing garages. See Section 18.40.070.H.7.

[5] A zero-foot setback is acceptable for Duets along the property line on the shared building wall

[6] A reduced setback (as low as zero feet) is acceptable on one side yard; provided, that the sum of both side yard setbacks is at least eight feet.

[7] A reduced setback (as low as zero feet) is acceptable on one side yard; provided, that the sum of both side yard setbacks is at least ten feet.

Section 11. Subsection A of Section 18.44.030 (Accessory Structures in Residential Zoning Districts) of Chapter 18.44 (Accessory Structures and Uses) of Title 18 (Zoning) is hereby amended to read as follows:

A. Applicability. This section applies to the following types of accessory structures in residential zoning districts.

1. Roofed structures, including, but not limited to, detached garages, carports, sheds, shade structures, play structures, covered dog enclosures, and gazebos, over seven feet in height and/or one hundred twenty square feet in size.
2. Detached open, unroofed, and roofed structures such as decks.
3. Trellises and other similar structures over seven feet in height.
4. Mechanical equipment and mechanical equipment enclosures such as solar panels and water storage tanks, heating, and air conditioning equipment, and other similar mechanical equipment detached from the main building on the site.
5. Pools, spas and hot tubs.
6. Ponds eighteen inches or more in depth.
7. Fireplaces, barbeque structures, statuary, fountains, and other similar ornamental features.

Section 12. Subsection B of Section 18.44.030 (Accessory Structures in Residential Zoning Districts) of Chapter 18.44 (Accessory Structures and Uses) of Title 18 (Zoning) is hereby amended to read as follows:

B. Limitation on Use.

1. Accessory structures may not be used as living space which is heated and/or cooled.
2. Accessory structures, including pool houses, may be equipped with a half bath only (toilet and sink).
3. An accessory structure that does not comply with these use limitations shall be considered an accessory dwelling unit subject to the requirements of Chapter 18.84 (Accessory Dwelling Units).

Section 13. Subsection A of Section 18.64.070 (Landscaping Maintenance and Enforcement) of Chapter 18.64 (Landscaping) of Title 18 (Zoning) is hereby amended to read as follows:

A. Maintenance Required.

1. Approved Plans. Landscaping shall be maintained consistent with the plans approved as part of the design permit. Any significant alteration to the landscaping requires development services director's approval.
2. Dead and Dying Plants. All landscaping shall be maintained free of physical damage or injury from lack of water, excess chemical fertilizer or other toxic chemical, blight or disease. Dead or dying plants shall be removed and replaced with landscaping of similar size and maturity.
3. Weed Removal. Landscaping shall be kept free from weeds and undesirable grasses.

4. Tree Pruning. Trees shall be allowed to grow their natural size and shape. Periodic pruning shall be as appropriate for the health of the tree species and may not exceed twenty-five percent of the tree height or volume at any given time unless the development services director approves a tree removal permit in accordance with Municipal Code Chapter 12.32 (Protected and Significant Trees).

5. Tree Topping/Heading Cuts. Topping/heading cuts that reduce a tree's size and height by shortening of limbs or branches back to a predetermined crown limit is prohibited unless the development services director approves a tree removal permit in accordance with Municipal Code Chapter 12.32 (Protected and Significant Trees).

Section 14. Subsection G is hereby added to Section 18.72.030 (Required Parking Spaces) of Chapter 18.72 (Parking and Loading) of Title 18 (Zoning) to read as follows:

G. Parking Not Required within One-Half Mile of a Major Transit Stop.

1. Minimum parking requirements identified within this Section shall not be required within one-half mile of a major transit stop as defined in Public Resources Code Section 21155.

2. The city may impose minimum parking requirements within one-half mile of a major transit stop if written findings are made that not imposing or enforcing minimum parking requirements on the development would have a substantially negative impact on any of the following:

   a. The city's ability to meet its share of the regional housing need for low- and very low-income households.

   b. The city's ability to meet any special housing needs for the elderly or persons with disabilities.

   c. Existing residential or commercial parking within one-half mile of the housing development project.

3. For a housing development project, Subdivision 18.72.030.G.2 shall not apply if the housing development project satisfies any of the following:

   a. The development dedicates a minimum of twenty percent of the total number of housing units to very low-, low-, or moderate-income households, students, the elderly, or persons with disabilities.

   b. The development contains fewer than twenty housing units.

   c. The development is subject to parking reductions based on the provisions of any other applicable law.

4. Notwithstanding the above, an event center shall provide parking for employees and other workers.

5. This subsection shall not apply to hotels, motels, bed and breakfasts, or other transient lodging.

6. This subsection shall not reduce, eliminate, or preclude new multi-family residential or non-residential development to provide electric vehicle supply equipment installed parking spaces or parking spaces that are accessible to persons with disabilities.

Section 15. Section 18.84.010 (Purpose) of Chapter 18.84 (Accessory Dwelling Units) of Title 18 (Zoning) is hereby amended to read as follows:

This chapter establishes standards for the location and construction of accessory dwelling units and junior accessory dwelling units (jointly referred to "accessory units" in this chapter) in conformance with Government Code Sections 66314 through 66332 and 66333 through 66339, respectively. These standards are intended to allow for accessory units as an important form of affordable housing while preserving the character and integrity of residential neighborhoods in Morgan Hill, and to comply with State law.

Section 16. Section 18.84.050 (Site and Design Standards) of Chapter 18.84 (Accessory Dwelling Units) of Title 18 (Zoning) is hereby amended to read as follows:

A. General.

1. Accessory units are subject to the same requirements that apply to primary dwellings on the same lot in the applicable zoning district except as specified in this section.

2. An accessory dwelling unit shall be deemed to be an accessory use or an accessory building and shall not be considered to exceed the allowable density, building coverage, or floor area ratio for the lot upon which it is located, and shall be deemed to be a residential use that is consistent with the existing general plan and zoning designations for the lot.

B. Number of Accessory Units.

1. Single-Family Dwelling. No more than one detached accessory dwelling unit, no more than one attached accessory dwelling unit, and no more than one junior accessory dwelling unit is permitted on a single lot with an existing or proposed single-family dwelling.

2. Proposed Multifamily Dwellings. Proposed multifamily dwelling structures may have no more than two detached accessory dwelling units on a lot.

3. Existing Multifamily Dwellings.

a. Existing multifamily dwelling structures may have no more than eight detached accessory dwelling units on a lot. However, the number of accessory dwelling units allowable pursuant to this clause shall not exceed the number of existing units on the lot.

b. Existing multifamily dwelling structures may also have no more than one accessory dwelling unit or up to twenty-five percent of the existing multifamily dwelling units, whichever is larger, within portions of an existing multifamily dwelling structure that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings.

C. Relationship to Primary Dwelling.

1. An accessory dwelling unit may be within, attached to, or detached from the primary dwelling. Attachment to the primary dwelling shall be by sharing a common interior wall or common roof. No passageway (as defined in Government Code Section 66313(i)) is required in conjunction with the construction of an accessory dwelling unit.

2. An accessory dwelling unit shall have its own kitchen, bathroom facilities, and exterior access separate from the primary dwelling.

3. The city shall allow junior accessory dwelling units as defined in Government Code Section 66313(d) to be constructed within the walls of the proposed or existing single-family residence with a separate entrance from the main entrance to the primary dwelling, an efficiency kitchen (consisting of a cooking facility with appliances, a food preparation counter and storage cabinets that are of reasonable size in relation to the size of the junior accessory dwelling unit) and shared or independent bathroom facilities. If a junior accessory dwelling unit does not include a separate bathroom from the single-family residence, the junior accessory dwelling unit shall include an interior entry to the main living area of the single-family residence.

4. The accessory unit shall be clearly subordinate to the primary dwelling by size, appearance, and location on the parcel and shall comply with all applicable building and safety codes.

5. A detached accessory dwelling unit that does not exceed four-foot side and rear yard setbacks for a proposed or existing single-family dwelling may be combined with a junior accessory dwelling unit.

D. Maximum Unit Size.

1. Except as specified in this subsection, Table 18.84-1 identifies the maximum floor area for detached and attached accessory dwelling units.

Table 18.84-1: Maximum Accessory Dwelling Unit Floor Area

Zoning District	Maximum Floor Area
RE 10	1,200 sq. ft.
RE 2.5	1,000 sq. ft.
RE 1	900 sq. ft. (1 bedroom) 1,000 sq. ft. (2 or more bedrooms)
All other zoning districts	850 sq. ft. (1 bedroom) 1,000 sq. ft. (2 or more bedrooms)

2. The maximum floor area of junior accessory dwelling units shall be five hundred square feet.

3. The conversion of an existing accessory structure to an accessory dwelling unit, within the same location and to the same dimensions as the existing accessory structure, is not subject to unit size requirements.

4. An accessory dwelling unit or junior accessory dwelling unit created within an existing accessory structure or a portion of the existing or proposed single-family

dwelling may be expanded up to one hundred fifty square feet beyond the same physical dimensions as the existing accessory structure to accommodate ingress and egress only.

5. An attached accessory dwelling unit permitted within the front yard setback, pursuant to Subsection E of this Section, shall be limited to 800 square feet.

E. Property Line Setbacks.

1. No setback is required for an existing accessory structure or living area as defined by Government Code Section 66313 that is converted to an accessory dwelling unit.

2. No setback is required for an accessory dwelling unit constructed in the same location and the same footprint as an existing accessory structure.

3. A minimum setback of four feet from the side and rear property lines is required for an accessory dwelling unit.

4. An attached or detached accessory dwelling unit shall comply with the front setback requirements of the applicable zoning district. If an attached or detached accessory dwelling unit of at least eight hundred square feet in size is not permitted due to front, side, and rear setback requirements, then an attached accessory dwelling unit may be permitted within the front setback that complies with Section 18.92.080 (Intersection Sight Distance).

F. Height.

1. An attached accessory dwelling unit shall be limited to twenty-five feet in height or the height limitation of the applicable zoning district, whichever is less.

2. A detached accessory dwelling unit that does not comply with the side and rear setbacks of the applicable zoning district shall be limited to sixteen feet in height, unless any of the following applies:

a. On a lot within one-half mile walking distance of a major transit stop or a high-quality transit corridor, as defined in Section 21155 of the Public Resources Code, a detached accessory dwelling unit up to eighteen feet in height, and an additional two feet in height to accommodate a roof pitch, is permitted.

b. On a lot with an existing or proposed multifamily, multi-story dwelling, a detached accessory dwelling unit up to eighteen feet in height is permitted.

G. Parking.

1. Except as specified in this subsection, required minimum on-site parking for accessory dwelling units shall be one parking space per accessory dwelling unit. On-site parking spaces for accessory dwelling units may be covered or uncovered and may be located within the front, side or rear setback areas (may be tandem).

2. No off-street parking is required for an accessory dwelling unit in the following cases:

a. The accessory dwelling unit is located within one-half mile walking distance of public transit.

b. The accessory dwelling unit is located within an architecturally and historically significant historic district.

c. When an accessory dwelling unit is constructed within the primary residence or an accessory structure.

d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

e. When there is a car share vehicle pick-up/drop-off location within one block of the accessory dwelling unit.

3. When an existing garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an accessory dwelling unit, or converted to an accessory dwelling unit, the on-site parking spaces are not required to be replaced.

4. On-site parking spaces are not required for junior accessory dwelling units.

H. Design. The design of accessory units shall be compatible with the design and scale of the primary dwelling (using substantially the same landscaping, color, materials and design on the exterior) and the general character of the neighboring residential properties.

I. Doors and Windows. Openings (e.g., doors and windows) on exterior walls that are closest to and face adjacent residentially-zoned properties shall be designed to minimize privacy impacts and maintain access to light and ventilation on adjacent properties.

J. Utility Connections.

1. General. An accessory unit shall not be considered a new residential use for the purposes of calculating local agency connection fees or capacity charges for utilities, including water and sewer service unless constructed in conjunction with a new single-family residence.

2. Accessory Units in Existing Space. For accessory units within an existing primary dwelling, garage, or other accessory structure, the city shall not require an applicant to install a new or separate utility connection directly between the accessory unit and the utility or impose a related connection fee or capacity charge.

3. Attached and Detached Accessory Dwelling Units. Consistent with Government Code Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

4. Fire Sprinklers. The installation of fire sprinklers shall not be required in an accessory unit if sprinklers are not required for the primary residence.

K. Septic Tank Disposal System.

1. In areas where septic tank disposal systems are allowed due to lack of sanitary sewer lines, detached accessory dwelling units shall be served by separate and independent septic tank sewage disposal systems. All leach lines shall be designed and installed in

accordance with current septic system requirements of the Santa Clara County Environmental Health Services.

2. In other areas of the city, accessory dwelling units shall be connected to the sanitary sewer system through the existing lateral line serving the primary dwelling unit.

Section 17. Subsection G of Section 18.88.020 (Definitions) of Chapter 18.88 (Signs) of Title 18 (Zoning) is hereby amended to read as follows:

G. Types of Signs.

1. A-Frame Sign. A portable sign with two opposing flat faces designed to be self-supporting on the ground.

2. Awning Sign. A sign incorporated into, attached, or painted on the face or valance of an awning.

3. Banner Sign. A sign composed of lightweight, flexible, non-rigid material either enclosed or not enclosed in a rigid frame.

4. Beacon Sign. A beam of light designed to draw attention to a particular location.

5. Changeable Copy Sign. A sign with copy that that can be changed or rearranged electronically or manually without altering the face or surface of the sign.

6. Directional Signs. A sign that provides directions to a place, structure or use, excluding signs installed by a public agency.

7. Directory Sign. A sign which lists and identifies the location of the occupants of a multi-tenant building or site.

8. Hospital Sign. A sign for a medical facility providing patient services primarily on an in-patient basis.

9. Inflatable Balloon Sign. A sign consisting of a flexible envelope of nonporous materials that gains its shape from inserted air or other gas.

10. Feather Sign. A sign composed of durable lightweight fabric with a sturdy frame enclosing only a portion of the material's edge so that it can remain upright and still be flexible in the breeze, generally shaped to be tall and narrow when affixed into the ground or other bottom support, affixed to a pole. Includes Teardrop Signs.

11. Flags. Fabric, textile, or material with colors and/or patterns which display a symbol of a nation, state, company, or idea.

12. Freeway-Oriented Sign. A sign intended to be viewed primarily by motorists traveling on Highway 101.

13. Freestanding Sign. A sign attached to an independent, freestanding structure that is

not attached to a building.

14. Marque Sign. A sign made a part of or in any manner attached to a marquee.

15. Monument Signs. A freestanding sign that is supported by a solid-appearing base constructed of permanent material.

16. Pole Sign. A freestanding sign that is supported by one or more poles which do not have a solid-appearing base constructed of permanent material.

17. Political Sign. A temporary sign that encourages a particular vote in a scheduled election.

18. Post Sign. A temporary sign suspended from a horizontal swingpost that is attached to a vertical post mounted in the ground.

19. Projecting Sign. A sign permanently attached to a building or wall such that the sign face or faces are perpendicular to the building or wall.

20. Property Identification Sign. A sign identifying the name of a residential property or subdivision with ten or more units.

21. Roof Signs. A sign erected upon, against, or directly above a roof above the parapet of a building.

22. Site Sign. A temporary sign allowed on sites with uses under construction or not yet occupied.

23. Suspended Sign. A sign attached to or suspended from the underside of an arcade, canopy, or marquee and oriented to pedestrian traffic.

24. Wall Sign. A sign attached to or painted on the exterior wall of a structure with the display surface of the sign approximately parallel to the building wall.

25. Window Sign. A sign posted, painted, placed, or affixed in or on a window exposed to public view.

Section 18. Subsection A of Section 18.88.040 (Signs Allowed Without Permits) of Chapter 18.88 (Signs) of Title 18 (Zoning) is hereby amended to read as follows:

A. Types of Signs. The following signs are exempt from the permit requirements of this chapter and shall not be counted towards the allowable sign area or number of signs on a parcel:

1. A-Frame Signs. Each commercial business location shall be permitted one A-frame sign per street frontage. The sign shall not exceed four feet in height or a width of three feet, shall be unlighted, and shall be stored indoors during non-business hours. A multiple-occupancy building shall constitute one business location for the purpose

of determining the number of signs permitted. A-frame signs shall not obscure or visually impair vehicular traffic and shall not be placed within a public right-of-way or on publicly owned property or affect access to a structure.

2. Alley and Service Area Signs. Signs fronting an alley or service area mounted flat against a wall and not exceeding twenty-five square feet in aggregate area.

3. Commemorative Plaques. One commemorative plaque identifying a building name, date of construction, or similar information that is cut into, carved, or made of stone, concrete, metal, or other similar permanent material.

4. Decorations. Holiday and cultural observance decorations on private property which do not include any commercial advertising.

5. Directional Signs. On-site directional signs located entirely on the property to which they pertain, identifying direction to parking, restrooms, and similar public facilities, each not exceeding five feet in height and five square feet in area for non-residential uses and two square feet for residential uses.

6. Directory Signs. One directory sign per street frontage as follows:

    a. Maximum area: One square foot per tenant up to twenty-four square feet.

    b. Maximum height: Six feet if freestanding.

    c. Internal illumination prohibited.

7. Feather Signs. Up to three feather signs may be allowed for thirty days after the initial opening (i.e. grand opening) of a business or housing development. The sign shall not exceed nine feet in height or a width of three feet and shall be unlighted. The signs shall not obscure or visually impair vehicular traffic and shall not be placed within a public right-of-way or on publicly owned property or affect access to a structure.

8. Flags. Flags bearing noncommercial messages or graphic symbols as follows:

    a. No more than three flags are permitted per parcel.

    b. For flags flown on a flagpole longer than six feet, the longest dimension of the flag shall not exceed one-third the height of the flagpole; otherwise the longest flag dimension shall not exceed six feet.

9. Government Signs. Signs installed by a governmental agency, including signs advertising community activities and local nonprofit, civic, or fraternal organizations.

10. House Number and Nameplates. House numbers and nameplates up to four square feet for each residential dwelling.

11. Informational Signs. Signs with information for the safety and convenience of the

public such as address, hours and days of operation, whether a business is open or closed, no smoking notices, up to three square feet per sign and ten square feet in total.

11. Internal Signs. Signs within a building, or on the premises of a building, that are not visible from the public right-of-way and are intended for interior viewing only.

12. No Trespassing Signs. "No trespassing" signs, each not more than one square foot in size, placed at each corner and each entrance to property, and at intervals of not less than one hundred feet, or in compliance with the requirements of state or federal law.

13. Non-Commercial Bulletin Boards. One bulletin board on a parcel occupied by a non-commercial place of public assembly, with a maximum area of twelve square feet.

14. Political Signs. Temporary political signs consistent with Section 18.88.120 (Temporary Signs) that are generally placed not sooner than 90 days prior to the scheduled election and are typically removed within 10 days after that election and has a statement of responsibility filed with the city certifying a person who will be responsible for removing the temporary political sign and who will be responsible for any incurred violations of this Chapter.

15. Real Estate Listings. Real estate listings posted in the window of a real estate office, with a maximum area of twenty-five percent of the total window area.

16. Restaurant Menu Signs. Restaurant menu signs attached to a building, with a maximum area of three square feet.

17. Temporary Signs. Temporary signs consistent with Section 18.88.120 (Temporary Signs).

18. Traffic-Control Devices. Official traffic-control devices in accordance with Municipal Code Chapter 10.16 (Traffic-Control Devices)

Section 19. Subsection A of Section 18.88.120 (Temporary Signs) of Chapter 18.88 (Signs) of Title 18 (Zoning) is hereby amended to read as follows:

A. Residential Zoning Districts. Temporary signs in residential zoning districts shall comply with the standards in Table 18.88-1.

Table 18.88-1: Temporary Residential Sign Standards

	Type of Temporary Sign	
	Window, Wall, Freestanding, and Post Signs	Site Signs
Number of Signs	No max.	1 per property frontage; 2 max.
Area Per Sign	6 sq. ft. max.	32 sq. ft. max.
Area for All Signs Combined	24 sq. ft. max. per parcel	64 sq. ft. max. per site

Sign Height	6 ft. max.	8 ft. max. sign face, 12 ft. max. total
Setback from Property Line	No min. setback	5 ft. min.
Illumination	Not permitted	
Duration	See 18.88.120.C	
Other Requirements	—	Allowed only on sites with residential uses under construction or not yet occupied.

Section 20. Subsection C of Section 18.88.120 (Temporary Signs) of Chapter 18.88 (Signs) of Title 18 (Zoning) is hereby amended to read as follows:

C. Duration. Temporary signs in all zoning districts shall be removed the earliest of when:

1. A commercial message is obsolete and has become misleading (e.g., a "for lease" or "for sale" sign in front of a building that is leased or sold);
2. The sign falls into disrepair; or
3. The sign has been displayed for the maximum number of days shown in Table 18.88-3.

Table 18.88-3: Temporary Sign Duration Standards

Sign Type and Material	Maximum Duration within a twelve (12) month period
Wall, Freestanding, Banner, and Window Signs	
Paper or cardboard sign face	3 months
Laminated paper; plastic lined polyethylene bags and comparable materials	3 months
Wood, corrugated plastic, metal, or vinyl sign face	3 months
Post Signs	
Wood, corrugated plastic, or metal sign face and finished wood or metal structure	6 months
Site Signs	
Vinyl sign face	1 month

Corrugated plastic sign face	6 months
Wood or metal sign face	6 months

Section 21. Subsection C of Section 18.88.140 (Violations and Enforcement) of Chapter 18.88 (Signs) of Title 18 (Zoning) is hereby amended to read as follows:

C. Removal of Hazardous and Illegal Signs.

1. The city may immediately remove or cause the removal of any sign that places the public in immediate peril or that is located within the public right-of-way.

2. For illegal signs that do not place the public in immediate peril and are located on private property, the city shall serve the business owner, property owner, or person responsible for the sign a written certified notice that:

   a. Describes the physical characteristics of the subject sign.

   b. Explains the nature of the violation.

   c. States that the sign shall be removed or brought into compliance with this article within ten days after the notice is received.

   d. States that the city may remove the sign if the business owner, property owner, or person responsible for sign does not correct the violation within ten days after the notice is received.

   e. States that the city may destroy the illegal sign if it is not retrieved within ten days after removal by the city.

   f. States that the business owner, property owner, or person responsible for sign shall be responsible for all costs associated with the removal, storage, and destruction of the sign.

3. If an illegal sign is not removed or brought into compliance within ten days after a notice is received, the city may issue a citation to the business owner, property owner, or person responsible for the sign as provided in Chapter 18.120 (Enforcement) and Municipal Code Title 1 (General Provisions) and may remove or cause the removal of the sign.

4. Any accessory structures, foundations, or mounting materials which are unsightly or a danger to the public health, safety, and welfare shall be removed at the time of the sign removal.

Section 22. Subsection L of Section 18.124.030 (Public and Quasi-public Uses) of Chapter 18.124 (Land Use Definitions) of Title 18 (Zoning) is hereby amended to read as follows:

L. Medical Offices and Clinics. Facilities where medical, mental, dental, or other personal health services are provided on an outpatient basis using specialized equipment. Includes offices for physicians, dentists, and optometrists, diagnostic centers, blood banks and plaza centers, and emergency medical clinics offered exclusively on an out-patient basis. May include educational aspects such as medical instruction and/or training as well as house a laboratory, radiology/imaging, pharmacy, rehabilitation and other similar services as accessory uses. Excludes "hospitals." Includes reproductive health community clinics consistent with Government Code Section 6514.900 that provide medical, surgical, counseling, or referral services relating to the human reproductive system, including services relating to pregnancy or the termination of a pregnancy

Section 23. Subsection B of Section 18.124.040 (Commercial Uses) of Chapter 18.124 (Land Use Definitions) of Title 18 (Zoning) is hereby amended to read as follows:

B. Animal-Related Uses.

1. Animal Boarding. A facility for keeping, boarding, training, breeding or maintaining four or more dogs, cats, or other household pets not owned by the facility owner or operator. Includes kennels, pet day care, and animal shelters. Excludes "veterinarian clinics and hospitals" and pet shops that provide grooming service.
2. Cat Café. An establishment whose principal business includes a restaurant/café at which cats may be adopted by patrons during normal business hours and boarded during off-business hours with a maximum of twenty (20) cats permitted at any time on the premises. All cats made available for adoption at the cat café shall be obtained from an animal rescue organization, shall be spayed or neutered, and shall have received all required vaccinations prior to being permitted at the cat café premises. The cat café shall comply with Title 6 (Animals) and the Santa Clara County Department of Environmental Health.

2. Equestrian Centers. A commercial or private facility created and maintained for accommodating, training or competing horses. May includes barn or stables, riding halls, and riding academies.
3. Veterinarian Clinics and Hospitals. Office and medical treatment facilities used by veterinarians where animals receive medical and surgical treatment, including large and small animal veterinary clinics and animal hospitals. Grooming and temporary boarding of animals for thirty days is included if incidental to the hospital use. Excludes "animal boarding" and pet stores ("retail sales").

Section 24. Subsection 1 of Subsection S of Section 18.128.020 (Definitions) of Chapter 18.128 (General Terms) of Title 18 (Zoning) is hereby amended to read as follows:

1. Setback. The minimum distance between by which any building or structure must be separated from a lot line, public or private street easements, or drive-aisles.

Section 25. Subsection A of Section 18.152.030 (Definitions) of Chapter 18.152 (Agricultural

Mitigation) of Title 18 (Zoning) is hereby amended to read as follows:

A. Agricultural Land. For "agricultural land" that requires off-setting preservation/mitigation under this agricultural lands preservation program, agricultural land is defined as land that is depicted on the current map of the Farmland Mapping and Monitoring Program (FMMP) of the California Department of Conservation as Prime Farmland, Farmland of Statewide Importance, and Unique Farmland and that was not subsequently developed for non-agricultural use prior to August 1, 2014 or subsequently developed per the provisions of this ordinance. Lands identified as grazing land are not subject to the offsetting preservation/mitigation requirements set forth in this policy.

Section 26. **Severability.** Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 27. **Effective Date; Posting**. This Ordinance shall take effect on the 31st day following adoption. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE ___ DAY OF _____, 2025, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE ___ DAY OF _____, 2025, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED: **ATTEST:**

_____ _____

MARK TURNER, Mayor **MICHELLE BIGELOW, City Clerk**

CERTIFICATE OF THE CITY CLERK

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the ___ day of _____, 2025.

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

DATE: _____ _____

MICHELLE BIGELOW, City Clerk

CITY OF MORGAN HILL

GPA 2024-0001 & ZA2024-0002
MU-F General Plan Amendment & Miscellaneous Code Amendments

January 15, 2025

Project

CITY OF MORGAN HILL

Mixed Use Flex General Plan Amendment:

- Eliminate the Floor Area Ratio (FAR) for the Mixed Use Flex land use designation

Zoning Amendment:

- Chapter 12.32 (Restrictions on Removal of Significant Trees)
- Various sections of Title 18 (Zoning)
  - **Implements Assembly Bill 2085 (reproductive health community clinics)**
  - **Implements Senate Bill 477 and Senate Bill 1211 (Accessory Dwelling Units)**
  - **Implements Assembly Bill 2097 (parking provisions)**
  - **Implements minor amendments, provide further clarification, or expand on certain topics**

Request:

Adopt Resolution & Ordinance approving the amendments as recommended by Planning Commission on August 27, 2024 and December 10, 2024

Mixed Use Flex General Plan Amendment

CITY OF MORGAN HILL

Amend page CNF-13 description of Mixed Use Flex Designation as follows:

Mixed Use Flex. The Mixed Use Flex designation, which is primarily applied to properties along the Monterey Road corridor north and south of downtown, allows for a mix of residential, commercial, and office uses applied either vertically (i.e., one structure with multiple uses) or horizontally (i.e., structures with different land uses located adjacent to one another). Density should transition from higher to lower at the ends of Monterey corridor. The Mixed Use Flex designation allows 7 to 24 units per acre ~~and a maximum FAR of 0.5. Prior to development of Residential or Mixed-Use projects within the Mixed Use Flex designation a block level master plan is required to identify how commercial uses will be incorporated within the development of the block and how individual development projects will connect with each other. Commercial development may proceed without preparation of a block level master plan consistent with the Commercial designation~~.

Purpose to Remove Mixed Use Flex FAR

CITY OF MORGAN HILL

1. Align with State regulations

The proposed text amendment will address this change in context by referring to State law and by removing a standard that is no longer an effective limitation. This removes a potential point of confusion.

2. Align with the Monterey Corridor Form-Based Code

Removing the current density range from the General Plan text will remove an inconsistency between that text and the Monterey Form-Based Code.

3. Equitable conditions for residential and commercial development

The proposed text amendment will grant commercial development the same density allowances as residential to provide equitable conditions for the two land uses.

General Plan Consistency

CITY OF MORGAN HILL

- Monterey Corridor is intended to be redeveloped as a "vibrant mixed-use corridor that encourages walking and biking" where "a range of commercial and office uses will be located within close proximity to attached residential units"

- General Plan also calls for the subsequent adoption of implementation actions, which was achieved through the adoption of the Monterey Corridor Form-Based Code

- The current density range stated in the General Plan will not support the achievement of the walkable, mixed-use corridor; the proposed text amendment will align the text of the General Plan with the City's overarching vision

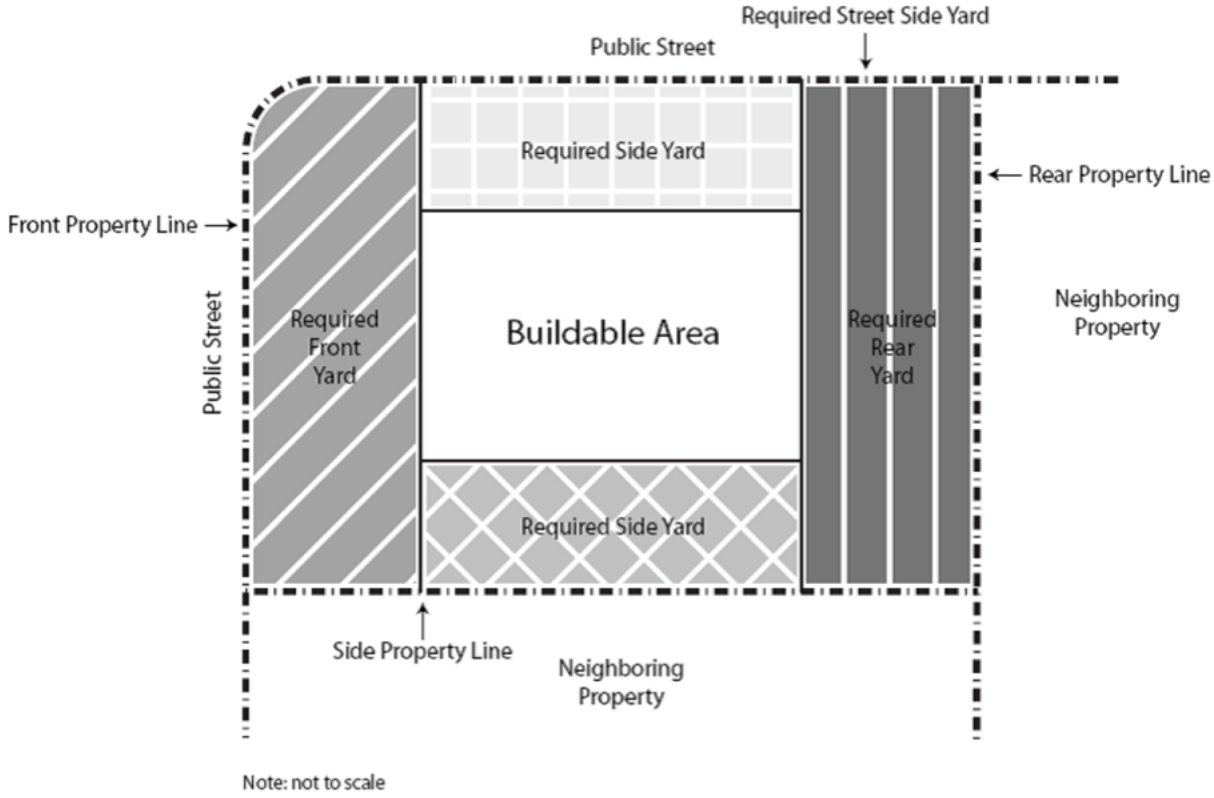
Chapter 12.32 (Restrictions on Removal of Significant Trees)

CITY OF MORGAN HILL

- Rename Chapter 12.32 to Protected and Significant Trees
- Consistency with Tree Removal Application
  - Update language
  - Provide internal consistency
  - Define Prune (>25% of canopy) and Trimming (<25% of canopy)
  - Require Tree removal permits for all trees
    - Nonnative tree DBH of 13 inches or more
    - Native tree DBH of 6 inches or more
  - Replacement at a 1:1 ratio
  - Penalties equal to valuation of the removed tree, cost of replacing tree, or 3 times the amount of the current Tree Removal Permit fee

Chapter 18.12 (Rules of Measurement)

- Section 18.12.080 (Setbacks)
  - Clarify definitions for setbacks and revised figures



Chapter 18.22 (Mixed Use Zoning Districts)

CITY OF MORGAN HILL

Table 18.22-2: Development Standards in Mixed Use Zoning Districts

	MU-D	MU-N	MU-F	Additional Standards
Site Requirements				
Lot Area, Minimum	3,500 sq. ft.	6,000 sq. ft.	6,000 sq. ft.	
Lot Width, Minimum	40 ft.	60 ft.	60 ft.	
Lot Depth, Minimum	80 ft.	100 ft.	100 ft.	
Floor Area Ratio, Maximum	2.0 [1]	1.0	~~0.5~~None	
Residential Density				
Minimum	None	8 du/acre	7 du/acre	
Maximum	None	20 du/acre	24 du/acre	
Building Coverage, Maximum	None	75%	~~50%~~None	
Structure Requirements				
Setbacks	See Table 18.22-3			18.56.030
Height, Maximum	3 stories and 45 ft. [2]	35 ft. [3,4]	35 ft. [3]	18.56.020

Chapter 18.24 (Commercial Zoning Districts)

CITY OF MORGAN HILL

Table 18.24-1 (Permitted Land Uses in the Commercial Zoning Districts)

Key P Permitted Use A Administrative Use Permit required C Conditional Use Permit required — Use not allowed	Zoning District				
	CO	CN	CG	CH	CS
Medical Offices and Clinics	P	P	P	A [4]	C [4]
Cat Café	-	-	P	-	-

[4] Reproductive health community clinics consistent with Government Code Section 65914.900 are permitted by right.

Implements:

Assembly Bill 2085 (allow Reproductive Health Community Clinics by-right consistent with Government Code Section 65914.900)

Chapter 18.29 (Monterey Corridor Form-Based Code)

CITY OF MORGAN HILL

Table 18.29-2 (Permitted Land Uses in the Form-Based Zoning Districts)

Key P Permitted Use A Administrative Use Permit required C Conditional Use Permit required — Use not allowed	Zoning District		
	FB-N	FB-C	FB-UG
Cat Café	P	P	P

Cat Café: an establishment whose principal business includes a restaurant/café at which cats may be adopted by patrons during normal business hours and boarded during off-business hours with a maximum of twenty (20) cats permitted at any time on the premises.

Chapter 18.72 (Parking and Loading)

CITY OF MORGAN HILL

Section 18.72.030 (Required Parking Spaces)

- Parking Not Required within One-Half Mile of a Major Transit Stop
  - Caltrain Station and VTA Bus Route 68
  - Does not apply if written findings are made that the development would have a substantially negative impact on any of the following:
    - The city's ability to meet its share of the regional housing need for low- and very low-income households.
    - The city's ability to meet any special housing needs for the elderly or persons with disabilities.
    - Existing residential or commercial parking within one-half mile of the housing development project.

<u>Implements:</u>

Assembly Bill 2097

Chapter 18.84 (Accessory Dwelling Units)

CITY OF MORGAN HILL

- ADU's do not count towards density, building coverage, FAR
- Existing Multifamily Dwellings are allowed up to 8 detached ADU's
- Clarification that JADU's kitchen is of reasonable size; JADU's shall include an interior entry to the SFD if bathroom is not provided; and JADU's may be expanded by 150 sq ft for ingress/egress
- Require 1 parking space per ADU, unless exempt

<u>Implements:</u>

Senate Bill 477 and Senate Bill 1211

Chapter 18.88 (Signs)

CITY OF MORGAN HILL

Section 18.88.020 (Definitions)

1. Feather Sign. A sign composed of durable lightweight fabric with a sturdy frame enclosing only a portion of the material's edge so that it can remain upright and still be flexible in the breeze. Includes Teardrop Signs.
2. Political Sign. A temporary sign that encourages a particular vote in a scheduled election.

Section 18.88.040 (Signs Allowed Without Permits)

1. A-Frame Signs. Each commercial business location shall be permitted one A-frame sign per street frontage. The sign shall not exceed four feet in height or a width of three feet.
2. Feather Signs. Up to three feather signs may be allowed for thirty days after the initial opening (i.e. grand opening) of a business or housing development. The sign shall not exceed nine feet in height or a width of three feet and shall be unlighted.
3. Political Signs. Temporary political signs that are generally placed not sooner than 90 days prior to the scheduled election and are typically removed within 10 days after that election and has a statement of responsibility filed with the city certifying a person who will be responsible for removing the temporary political sign and who will be responsible for any incurred violations.

Chapter 18.88 (Signs)

CITY OF MORGAN HILL

Table 18.88-3: Temporary Sign Duration Standards

Sign Type and Material	Maximum Duration within a twelve (12) month period
Wall, Freestanding, Banner, and Window Signs	
Paper or cardboard sign face	3 days
Laminated paper; plastic lined polyethylene bags and comparable materials	30 days
Wood, corrugated plastic, metal, or vinyl sign face	3 months
Post Signs	
Wood, corrugated plastic, or metal sign face and finished wood or metal structure	~~9~~ 6 months
Site Signs	
Vinyl sign face	1 month
Corrugated plastic sign face	6 months
Wood or metal sign face	~~1 year~~6 months

Chapter 18.152 (Agricultural Mitigation)

CITY OF MORGAN HILL

Section 18.152.030 (Definitions)

- Agricultural Land. For "agricultural land" that requires off-setting preservation/mitigation under this agricultural lands preservation program, agricultural land is defined as land that is depicted on the **~~2010~~ current** map of the Farmland Mapping and Monitoring Program (FMMP) of the California Department of Conservation as Prime Farmland, Farmland of Statewide Importance, **and** Unique Farmland**~~, and Farmland of Local Importance~~** and that was not subsequently developed for non-agricultural use prior to August 1, 2014 or subsequently developed per the provisions of this ordinance. Lands identified as grazing land are not subject to the offsetting preservation/mitigation requirements set forth in this policy.

Miscellaneous Code Amendments

CITY OF MORGAN HILL

Recommendation

1. Open/close public hearing
2. Adopt Resolution eliminating the Floor Area Ratio for the Mixed Use Flex land use designation
3. Waive reading of the Ordinance Amendment
4. Introduce the Ordinance Amendment

Findings

1. The proposed amendment meets the letter and intent of the general plan goals and policies
2. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by GC Section 65860
3. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City
4. The proposed amendment is internally consistent with other provisions of the zoning code

Questions?

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: January 15, 2025

PREPARED BY:
Matt Mahood, Economic Development Director
APPROVED BY: City Manager

DOWNTOWN MORGAN HILL IMPROVEMENT DISTRICT 2024 ANNUAL REPORT

RECOMMENDATION(S)
Accept and file the Downtown Morgan Hill Improvement District Annual Report.

COUNCIL PRIORITIES, GOALS & STRATEGIES
City Council Ongoing Priorities
Maintaining and Enhancing Infrastructure
Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities
Fiscal Sustainability
Economic Development and Tourism

Guiding Documents
Bikeways, Trails, and Recreation Master Plan
Downtown Strategic Plan
Economic Blueprint
Morgan Hill 2035 General Plan

REPORT NARRATIVE:
POLICY CONSIDERATIONS:

REPORT NARRATIVE:
The Purpose of this staff report is to present the Morgan Hill Property and Business Improvement District (MHPBID) Annual Report (Attachment 1) for acceptance by the City Council pursuant to Streets and Highways Code §36650.

Background:
On November 16, 2022, the City Council approved the formation of the Morgan Hill Property and Business Improvement District (MHPBID) to levy and collect a property assessment from commercial, government, or nonprofit parcels in Downtown. The MHPBID is designed to benefit the properties in the downtown that are bounded by

Main Avenue to the south, Dunne Avenue to the north, Butterfield Boulevard to the west and Del Monte Avenue to the east. The MHPBID funds improvements and activities related to clean and safe programs, capital improvements, marketing, special events, and related management and administration services designed to increase foot traffic, beautification, and vibrancy of the District.

The assessment is based on a combination of parcel type, parcel square footage, and in some cases, linear frontage. Commercial and government parcels are assessed at $0.10 per square foot and non-profit parcels are assessed at $0.04 per square foot. Commercial parcels fronting Monterey Road, East 3rd Street and Depot Street have a $5.00 per linear foot assessment, while non-profit parcels have a $2.00 per linear foot assessment.

The Streets and Highways Code §36650 requires the MHPBID to provide the City Council with an Annual Report that addresses the following:

• Any proposed changes in the boundaries of the improvement district or any benefit zones or classification of businesses within the district.
• The improvements, maintenance, and activities provided for that fiscal year.
• An estimate of the cost of providing improvements, maintenance, and activities for that fiscal year.
• The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against their business for that fiscal year.
• The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
• The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.
• A statement confirming that all required annual federal and state filings to ensure corporate good standing and to maintain tax-exempt status are completed and up to date.
• A copy of the previous year's accepted federal and state tax filings.

Management District Plan:
A Management District Plan (MDP) identifies the MHPBID's boundaries, budget, services, and governance. Below is a summary of MHPBID's Plan:

• Boundary: The MHPBID boundary includes parcels north of Dunne Avenue, east of Del Monte Avenue, south of Main Street, and west of Butterfield Boulevard.
• Term: Five (5)-year assessment beginning January 1, 2024, through December 31, 2028.
• Budget: Annual budget estimated at $284,640. Increases are allowed up to 3% annually.
• Mission: The purpose of the MHPBID is to provide improvements, maintenance, and activities which constitute and convey a special benefit to assessed parcels. The MHPBID will provide Clean and Safe programs, Capital Improvements and Art Installations, Marketing and Special Events, and related Management and

Administration directly and only to the assessed parcels within its boundaries.
• Governance: A non-profit corporation, Downtown Morgan Hill Improvement District (DMHID), serves as the “Owners' Association” charged with the management of funds and implementation of the MHPBID Management District Plan. An annual report is required to be provided to the City Council at the end of each year of operation. The owner’s association's first report shall be due after the first year of operation of the District (January 1, 2024-December 31, 2024).

Owners’ Association (DMHID Board of Directors):
The MHPBID is governed by the Downtown Morgan Hill Improvement District (DMHID) Board also known as the "Owner's Association." The Morgan Hill City Council provides oversight and approves the annual report. The DMHID corporation is composed of no less than five (5) and no more than nine (9) Directors. Three (3) Directors must be property owners or approved managers subject to the assessment, two (2) Directors must be City of Morgan Hill staff members representing Public Works and Economic Development, and up to four (4) Directors can be a combination of Downtown business owners, residents, and/or property owners or approved managers paying the assessment. Currently, the Economic Development Director and the Public Services Director serve on the DMHID Board on behalf of the City.

Annual Report
The 2024 DMHID Annual Report (Attachment 1) does not propose any changes to the boundaries, benefit zones, or classifications of businesses. Accomplishments in 2024 include the design and publication of a Downtown Business Brochure, lighting ten (10) trees on Depot St., sidewalk cleaning, expansion of the Sidewalk Saturdays Makers Market, and the creation and management of various events and marketing programs.

While the MHPBID did not begin collecting assessments until April 2024, a fund of $120,427 comprised of revenue rolled over from the previous property based improvement district ($107,984) and revenue generated through the Sidewalk Saturday Makers Market ($12,443) provided the organization with operating funds in 2023. In 2024, the MHPBID collected a total of $267,407 in assessments. Additional revenues were secured from marketing and events. A copy of the organization’s 2023 tax return (Attachment 2) and 2024 financial report (Attachment 3) have been attached for the City Council’s review. The MDP requires the generation of a minimum of $35,283 in non-assessment funds annually, which the MHPBID achieved in 2024.
Conclusion
The goal of the MHPBID is to ensure the Downtown provides a safe and inviting environment, attracting more businesses, shoppers, and visitors, which will result in increased property values. The DMHID will achieve these goals by providing clean and safe programs, capital improvements, art installations, marketing, special events, and related district management within the Downtown boundary.

COMMUNITY ENGAGEMENT:
Inform

Downtown property owners and businesses are contacted on a regular basis. The DMHID board of directors meets every month and conforms with Brown Act noticing requirements. These meetings are open to the public, and meeting records are kept at www.dmhid.org.

ALTERNATIVE ACTIONS:
No alternative action is recommended, as this is an annual report on activities which have already occurred.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:
On September 28, 2022, the City Council adopted a Resolution of Intent to form the PBID and authorized the City Manager to sign the ballot for all city-owned properties in support of the formation. On November 16, 2022, the City Council signed a resolution to form the Morgan Hill Property and Business Improvement District, approving the assessment formula and levying the assessments.

FISCAL AND RESOURCE IMPACT:
As provided by State Law, the MHPBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Santa Clara (County). The Santa Clara County Assessor's Office is responsible for collecting the assessment from the property owners and remitting it to the City on a bi-annual basis. The City forwards the assessments to the Owners' Association, known as the Downtown Morgan Hill Improvement District (DMHID), a nonprofit corporation managing the MHPBID funds in accordance with the MDP. The City gets paid a fee equal to two percent (2%) of the amount of assessment collected to cover its collection and administration costs. In 2024, the City collected the first assessment in the amount of $272,864 on behalf of the MHPBID. The City retained $5,457 for the administration fee. These revenues are separate from and in addition to the City's standard citywide property tax collections. The PBID funds are a combination of public and private funds managed by a non-profit board (DMHID).

CEQA (California Environmental Quality Act):
Not a Project
Pursuant to CEQA, organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment are not projects for purposes of environmental review.

MORGAN HILL PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

ANNUAL REPORT 2024

JAN 01-DEC 31

Prepared by:

DOWNTOWN MORGAN HILL IMPROVEMENT DISTRICT

ANNUAL REPORT

This report serves as the Annual Report from the Downtown Morgan Hill Improvement District Board (DMHID), responsible for the Downtown District and Morgan Hill Property and Business Improvement District (MHPBID) to the Morgan Hill City Council.

District Background

Developed by a coalition of Downtown property owners, the Morgan Hill Property and Business Improvement District (MHPBID) is a benefit assessment district whose main goal is to provide improvements, maintenance, and activities which constitute and convey a special benefit to assessed parcels. The MHPBID includes parcels north of Dunne, east of Del Monte, south of Main, and west of Butterfield. As required by state law, property owners have created this Management District Plan (Plan) to form the MHPBID. The Downtown MHPBID is managed by a 501c6 non-profit organization, the Downtown Morgan Hill Improvement District (DMHID), in agreement with the City and guided by a board of directors comprised of property owners, business owners, residents and city staff. The DMHID aligns services with the direct benefits to those who contribute, ensuring a vibrant future for Downtown Morgan Hill.

Downtown Morgan Hill Improvement District (DMHID)

The Downtown Morgan Hill Improvement District (DMHID) is dedicated to enhancing the vibrancy and economic success of Downtown Morgan Hill. Funded by Downtown commercial property owners, non-profits and the City, their mission is to promote a safe, clean, and welcoming environment through targeted programming, beautification, and marketing. The DMHID will achieve these goals by providing clean and safe programs, capital improvements, art installations, marketing, special events, and related district management within the Downtown boundary. This private/public partnership will have the ability to leverage parcel owners' investment with additional public investment to provide the financial resources necessary to develop and implement a focused strategy to support existing and future businesses and patrons in Downtown Morgan Hill.

ASSESSMENT OVERVIEW

District Boundary

The boundaries of the Assessment District include approximately 15 blocks surrounding the Monterey Road commercial corridor. The Assessment District is generally bounded on the south of Main Avenue, on the west of Butterfield Boulevard, on the north of Dunne Avenue, and on the East by Del Monte Avenue, as shown on the map below.

ASSESSMENT OVERVIEW

Assessment Formula

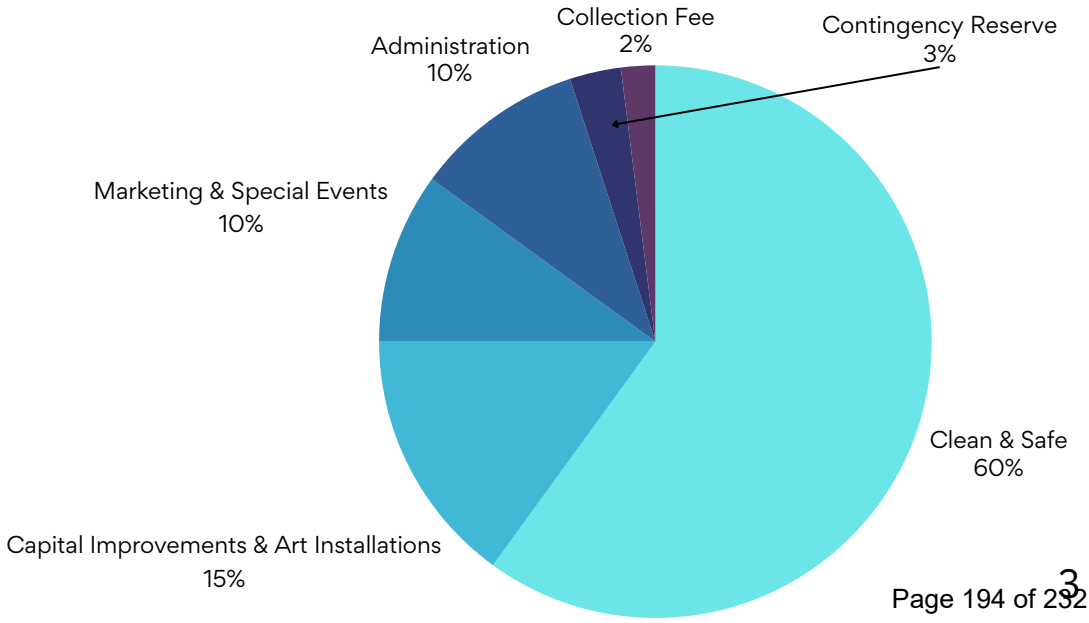
Parcels located within the District that are categorized as commercial, government, or nonprofit are subject to the assessment. The assessment rate (cost to the parcel owner) is based on parcel type, parcel square footage, and in some cases, linear frontage. To determine a parcel's assessment, the applicable square footage and linear frontage rates in the table below are applied to the parcels within the MHPBID. Frontage rates are applied to parcels fronting East 3rd St, after Monterey Rd. intersection, Monterey Rd., and Depot St. The initial annual assessment rates are shown below. Assessment rates may be subject to an increase of no more than three percent (3%) per year.

Parcel Type	Square Footage Assessment Rate (sq.ft.)	Linear Frontage Assessment Rate (ln.ft.)
Commercial/Government	$0.10	$5.00
Non-profit	$0.04	$2.00

58
Property Owners

92
Properties

$284,640
Annual Budget



ASSESSMENT OVERVIEW

Assessment Roll

The assessment roll is a listing of the proposed assessment for the Fiscal Year 2023/2024 apportioned to each parcel, as shown on the last equalized roll of the Assessor of the County of Santa Clara. The assessment roll for Fiscal Year 2023/2024 has been attached as Appendix 1.

Time and Manner of Collecting Assessments

As provided by State Law, the MHPBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Santa Clara (County). The Santa Clara County Assessor's Office is responsible for collecting the assessment from the property owner's and remitting it to the City on a bi-annual basis. The County levies and collects the assessments in the same manner and at the same time as ordinary *ad valorem* property taxes. The City forwards the assessments to the Owners' Association, known as the Downtown Morgan Hill Improvement District (DMHID), a nonprofit corporation managing the MHPBID funds in accordance with the MDP, defined as "Plan" above.

Resolution Disputes

If a property owner believes that an assessment has been calculated or applied in error, the owner may contact the Board to correct the property information used to calculate the assessment. For Fiscal Year 2023/2024, the DMHID did not receive any requested corrections from property owners.

KEY FOCUS AREAS

Service Plan

A service plan to provide special benefits to assessed properties was developed using several methods. A series of property owner meetings, a survey of property owners, and an analysis of current property conditions and needs were all conducted. The primary needs identified were: Clean and Safe programs, Capital Improvements and Art Installations, and Marketing and Special Events. The MHPBID can provide these services to the District and directly benefit the assessed parcels within its boundaries.

Clean and Safe

The Clean & Safe program will make the MHPBID cleaner, more accessible, and more attractive to potential tenants and customers, and a safer place to do business through enhanced maintenance.

Capital Improvements and Art Installations

The Capital Improvements and Art Installation program may use a multi-faceted approach to planning, design, and management of public spaces in the MHPBID.

Marketing and Special Events

Marketing and Special Events will create an image of the MHPBID as a single destination with a set of unique opportunities. Further, the marketing program will garner positive media coverage of the MHPBID and its services and to improve the overall image of the MHPBID.

DMHID BOARD OF DIRECTORS

As of December 31, 2024, the DMHID Board Members were:

DAN MCCRANIE
Chairman

ERIC WALLACE
Treasurer

MATT MAHOOD
Secretary

CHRIS GHIONE
Director

FRANK LEAL
Director

HONNIE MURPHY
Director

LARRY CARR
Director

ROSY BERGIN
Director

SAM CARLSON
Director

2024 PROGRAM ACTIVITIES

The focus of the Morgan Hill Property Business Improvement District (MHPBID) is to maintain the Downtown District as a safe and inviting environment, attract more tenants and shoppers, increase property values, and stabilize occupancy. Under the leadership of the elected members of the Association (the “Board”), the Association implements and funds various improvements, services, and activities that will benefit the nonresidential properties throughout the Assessment District. The Assessment District maintains a 3% operating reserve for unanticipated expenses and new programs or projects not listed below.

The improvements, services, and activities detailed below are collectively referred to as the Program Activities Plan. The City currently provides certain improvements, services, and activities throughout the Downtown area. The Program Activities Plan funded by assessment revenue is in addition to those services provided by the City. The Program Activities Plan may be amended in any year and is subject to the review and approval of the Board prior to City Council approval.

CLEAN & SAFE

- **Annual Sidewalk Cleaning**
  - Research and select a street cleaning company.
  - Create a sidewalk cleaning map and coordinate the schedule of work.
  - Notify Downtown businesses and residents.
  - **Completed Annually** (2023 and 2024)

- **Lighting project phase #1:**
  - Research and select a lighting company.
  - Select product that will wire elasticity and long-term/low-maintenance lifespan.
  - Illuminate (10) trees on Depot Street around the Railroad Park
  - **Completed October 2024**

- **Lighting Project Phase #2:**
  - Work with lighting company to match the lighting materials and design of the existing sidewalk tree lighting on Monterey Rd.
  - Illuminate all trees in the center median on Monterey Road from Main-Dunne.
  - **Estimated completion early 2025**

EVENTS

Back to School Block Party

- Organized and managed a Back to School Block Party Downtown Morgan Hill on Thursday, August 22nd
- Collaborated with 27 businesses to stay open after hours, and offer back to school specials and activities
- Approximate attendance- 100 families

Boots and Brews Week

- Collaborated with several Downtown businesses to create a list of 10 Downtown activities and promotions in advance of the 2024 Boots and Brews concert

Late-Night Shop Hop

- Organized 2 Late-Night Shop Hops on Thursday evenings from 4pm-7pm
- Collaborated with 4 Downtown businesses on February 17 and 7 Downtown businesses on April 18 to offer discounts and activities for patrons

EVENTS

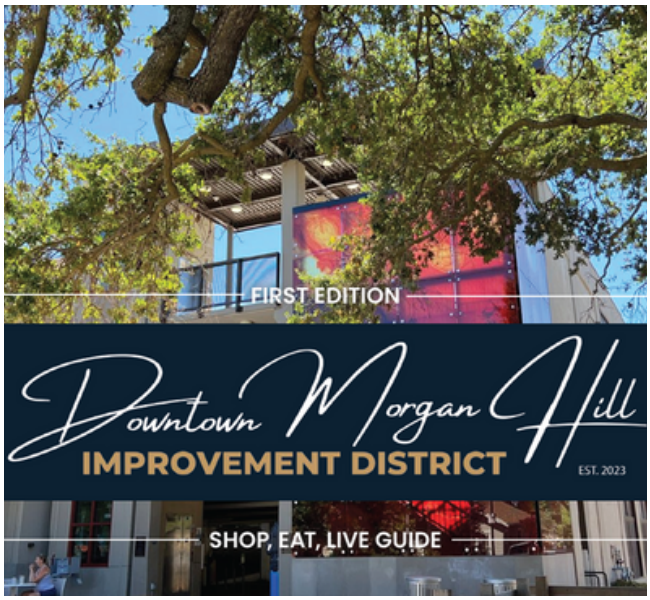
Oktoberfest

- Hosted a free Oktoberfest event on Saturday, October 19 from 1p-5p
- Partnered with Visit Morgan Hill and 7 local restaurants and retailers to offer beer, food, contests, and various Oktoberfest Activities
- Two participating businesses reported they had their highest Saturday revenues to date
- Approximate attendance- 500 people

Sidewalk Saturdays

- Organized and managed a local Makers Market on the 2nd Saturday of each Month during the months of April-December, 2024
- Coordinated an average of 40 vendors per event
- Included a partial closure of 3rd street

MARKETING



Downtown Business Brochure

- Designed a 46-page, glossy, full color Downtown Business Directory
- Coordinated professional photography and collected content for 41 Downtown businesses
- Distributed 2,150 brochures to date of total 5,000 brochures printed

Destination Downtown MH

- Secured social media address: Destination Downtown MH
- Created Instagram and Facebook pages
- Connected with local influencers and social media group accounts to cross-promote events

4.6K
Views

498
Followers

61
Posts

83.7%
Followers that are women

53.9%
Followers between the ages of 35-54

GENERAL ADMINISTRATION

- Launched logo, branding, and mission statement.
- Developed and implemented an Annual Budget.
- Identified improvements, services, and activities to be included in the 2024 Program Activities Plan.
- Prepared and filed required tax, insurance, and administrative filings.
- Created and maintained the DMHID.org website.
- Developed and maintained a Downtown Business Directory landing page.
- Launched and maintained social media sites identified as Destination Downtown MH.
- Created digital advertising, email, and marketing campaigns.
- Conducted Downtown business and property owner meetings and surveys.
- Attended and gave an activity report during partner organization meetings.
- Facilitated a Downtown Retail Subcommittee.
- Contracted a Business Engagement & Events Manager.

Downtown Morgan Hill
IMPROVEMENT DISTRICT
EST. 2023

FINANCIALS

* 2024 REVENUE $306,652

Non-Assessment Revenue	$37,760
Assessment Collection	$267,406
Other Revenue	$1,486

* 2024 EXPENSES $232,565

Administration	$29,675
Clean & Safe	$138,705
Marketing and Special Events	$51,284
PBID Startup Fund Repayment	$12,900

* 2024 NET REVENUE $74,087

The organization's 2023 financial report has been attached as Appendix 2 and the 2024 financial report has been attached as Appendix 3.

FINANCIALS

Taxes Prepared Without Audit

- DMHID/ MHPBID 2023 Federal Return of Organization Exempt from Income Tax was electronically filed and accepted with the Internal Revenue Service.
- No tax is payable with the filing of this return.
- DMHID's 2023 California Exempt Organization Annual Information Return was also electronically filed.
- No audit conducted for 2023.

Other Contributions

No other financial contributions to the DMHID were made.

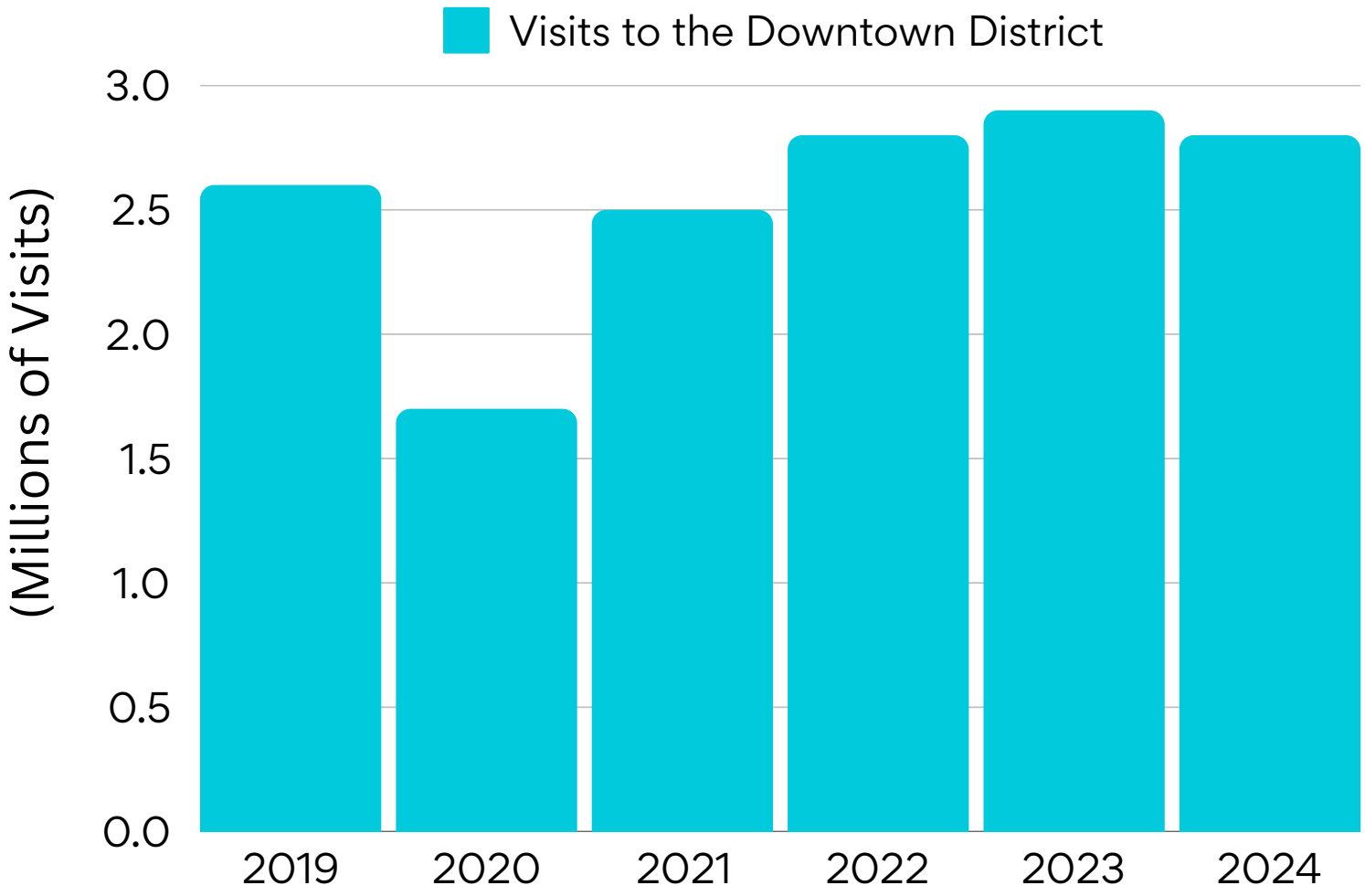
Proposed Changes

There are no proposed changes to the boundaries of the improvement district or to any of the benefit zones or classification of business within the district.

Conclusion

The Morgan Hill Property and Business Improvement District (MHPBID) is a benefit assessment district whose main goal is to provide improvements, maintenance, and activities which constitute and convey a special benefit to assessed parcels. This approach has been used successfully in other cities throughout the country to provide special benefits to property owners, namely increased sales, attraction of new tenants, increased occupancies, and specifically increased property values. The goal in years to come is to meet and exceed the criteria of each of the target areas outlined in the MDP, generate revenue and sales tax, and grow Downtown Morgan Hill as a vibrant, beautiful, and welcoming destination.

DOWNTOWN METRICS



2024 Visitors

474K*

Average Length of Stay

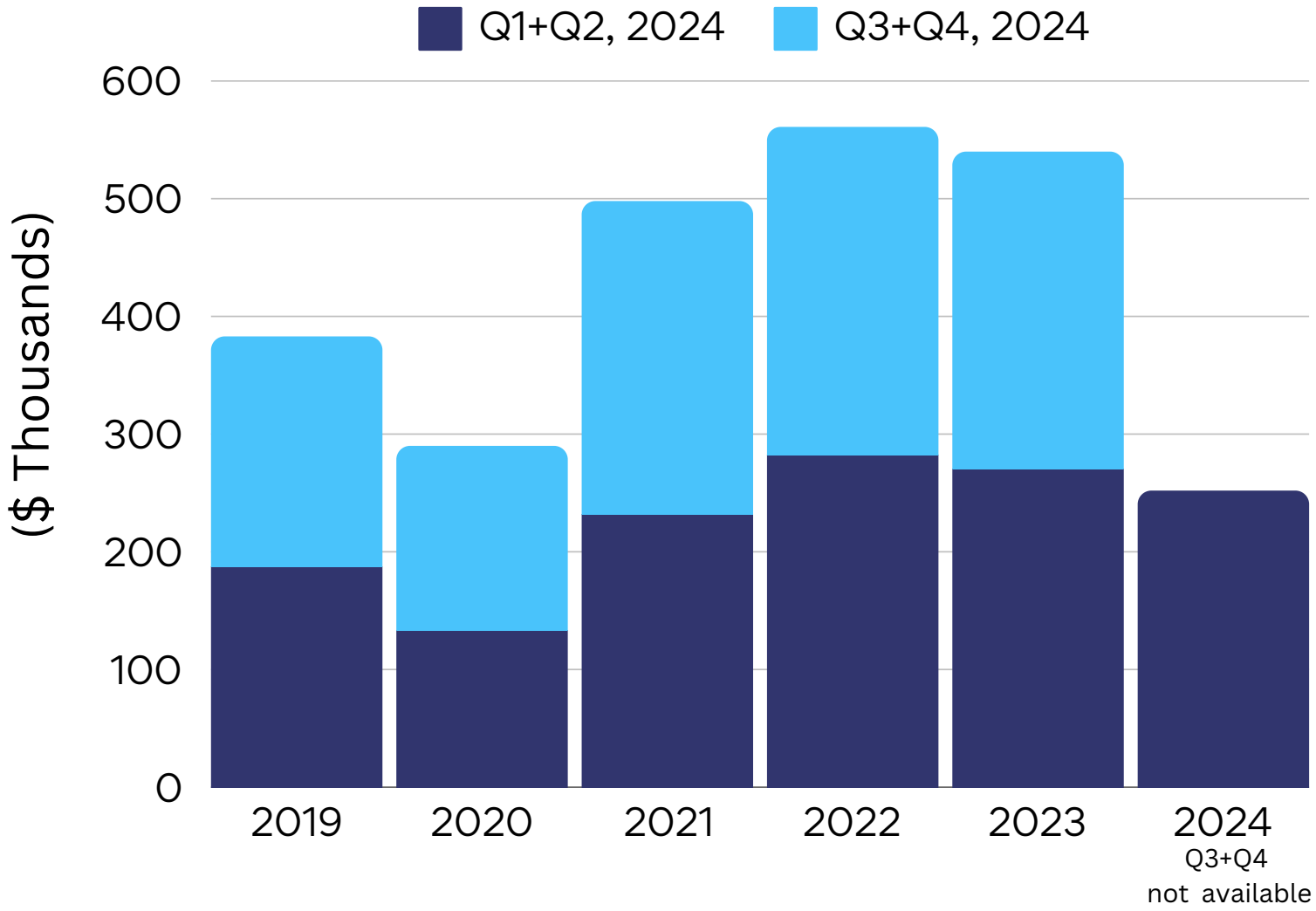
126 MINUTES*

Average Number of Visits per Visitor

5.15*

*Data collected from Placer.ai platform

DOWNTOWN METRICS



2023 Sales Tax

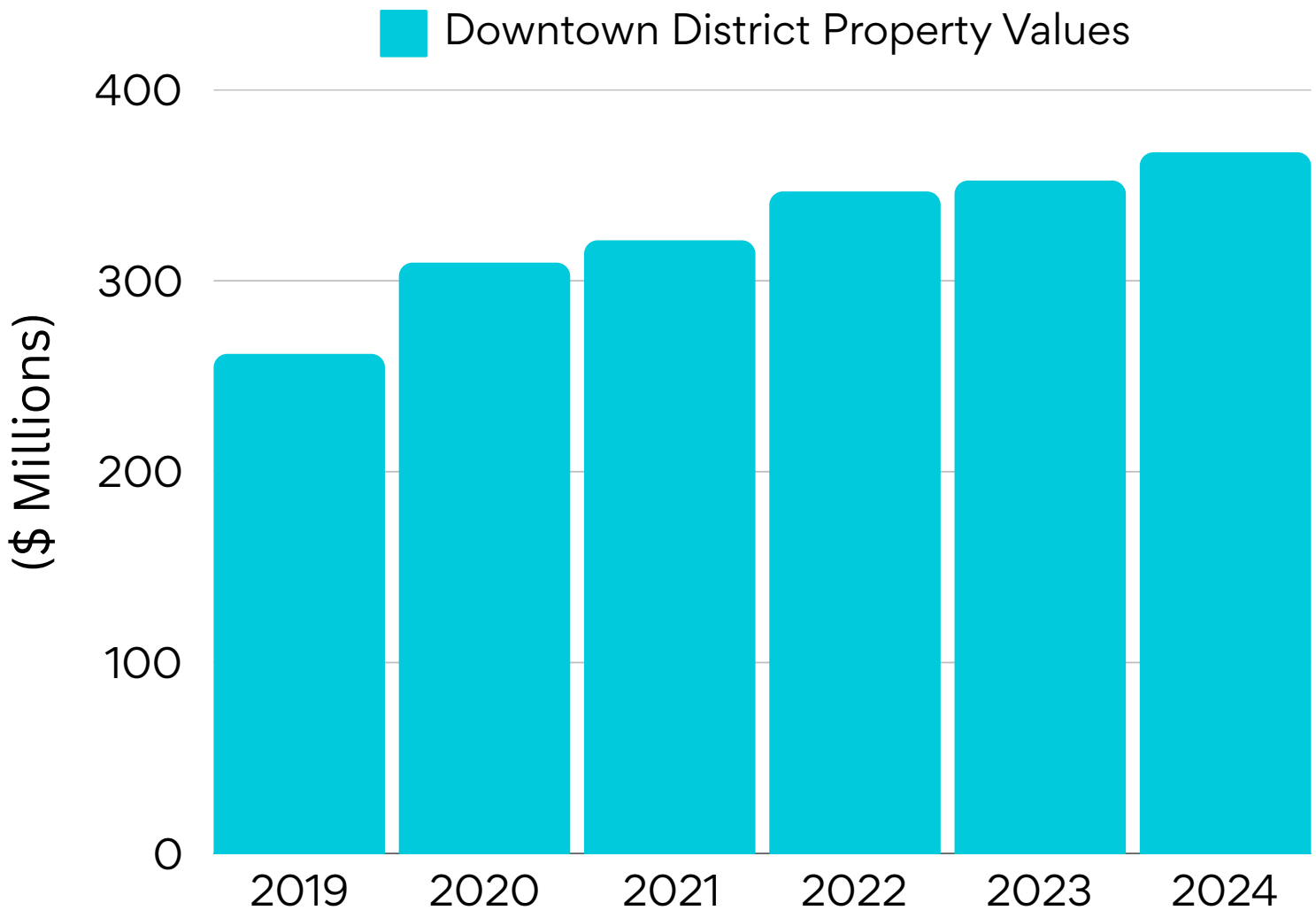
$540K*

2023 vs 2019

+41% *

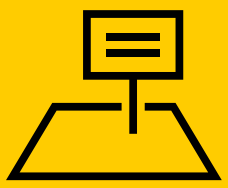
*Data collected from HdL Company

DOWNTOWN METRICS



2024 Property Value

$367.3 M*

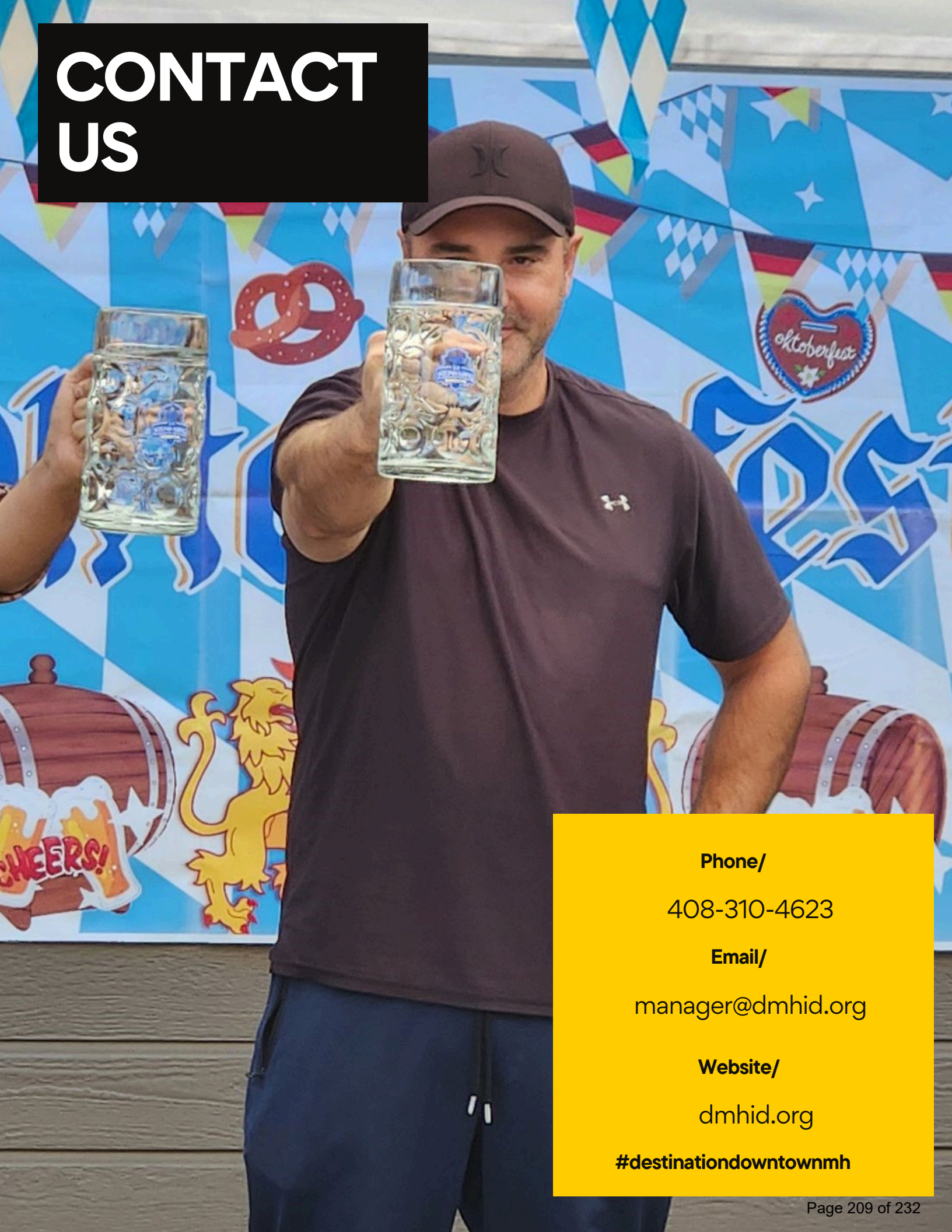


Vacancies

4

*Data collected from Santa Clara County Assessor's Office

CONTACT US



Phone/

408-310-4623

Email/

manager@dmhid.org

Website/

dmhid.org

#destinationdowntownmh

APPENDIX 1

Fiscal Year 2023/2024 Assessment Roll

Property APN	Lot Square Feet	Assessment
72615003	1,141	$ 114.10
72614008	3,200	$ 520.00
76708011	5,434	$ 543.40
76708003	5,600	$ 560.00
76707010	5,000	$ 700.00
76707011	5,000	$ 700.00
76707042	7,405	$ 740.50
72614007	5,600	$ 760.00
72614041	8,527	$ 1,252.70
76707050	10,000	$ 1,400.00
72614042	13,600	$ 1,760.00
72615004	23,031	$ 2,303.10
76707065	25,353	$ 2,535.30
72615070	40,306	$ 4,030.60
72613055	42,852	$ 5,060.20
72613047	40,946	$ 6,104.60
72614076	46,995	$ 7,119.50
72615072	77,536	$ 7,753.60
76708008	94,089	$ 9,408.90
72604001	98,058	$ 9,805.80
72612005	105,826	$ 10,582.60
72615071	264,409	$ 26,440.90
72613052	300,059	$ 34,795.90
		$ 134,991.70
72612006	354,578	$ 35,457.80
72614074	47,600	$ 5,560.00
72614028	11,530	$ 1,553.00
76707027	4,995	$ 699.50

APPENDIX 1

Fiscal Year 2023/2024 Assessment Roll

Property APN	Lot Square Feet	Assessment
76707028	5,000	$ 700.00
76707029	5,002	$ 700.20
76707041	21,700	$ 2,170.00
		$ 11,382.70
72613058	71,702	$ 9,800.20
72604015	54,450	$ 5,445.00
72613049	21,780	$ 6,488.00
72614075	31,609	$ 5,435.90
76708046	33,000	$ 4,300.00
72604008	34,816	$ 3,481.60
72614051	13,509	$ 1,350.90
72614050	13,872	$ 1,817.20
76707059	30,494	$ 3,049.40
76707031	5,000	$ 700.00
76707030	5,000	$ 700.00
76707066	12,117	$ 1,611.70
		$ 3,011.70
72614015	5,600	$ 560.00
72614013	5,662	$ 766.20
72614014	11,200	$ 1,520.00
		$ 2,846.20
76707064	21,200	$ 2,495.00
76707014	12,400	$ 1,240.00
		$ 2,444.50
76708034	16,932	$ 2,383.20
72613021	16,600	$ 2,260.00
72613037	11,200	$ 1,520.00
		$ 1,520.00

APPENDIX 1

Fiscal Year 2023/2024 Assessment Roll

Property APN	Lot Square Feet	Assessment
72613056	7,875	$ 1,677.50
72613057	10,525	$ 1,417.50
76708004	10,000	$ 1,400.00
72614052	13,851	$ 1,385.10
76708033	9,680	$ 1,368.00
72614047	12,800	$ 1,280.00
76707004	12,400	$ 1,240.00
72613050	11,605	$ 1,160.50
76708007	11,200	$ 1,120.00
76707007	11,200	$ 1,120.00
76708018	11,200	$ 1,120.00
76707006	11,200	$ 1,120.00
72614020	2,400	$ 240.00
72614019	5,840	$ 879.00
		$ 1,119.00
72614009	3,800	$ 1,055.00
72613031	8,276	$ 1,027.60
76708006	6,000	$ 1,000.00
72613060	6,880	$ 988.00
72613041	6,000	$ 975.00
72614048	6,720	$ 912.00
76707055	9,000	$ 900.00
72613022	22,400	$ 896.00
76708014	7,281	$ 371.24
76708015	6,797	$ 431.88
		$ 803.12
76707057	5,405	$ 775.50
72613018	5,600	$ 760.00
72614012	5,600	$ 760.00
72614011	5,600	$ 760.00
76708045	5,000	$ 700.00

APPENDIX 1

Fiscal Year 2023/2024 Assessment Roll

Property APN	Lot Square Feet	Assessment
76707047	5,000	$ 700.00
72614027	4,737	$ 678.70
72613059	6,776	$ 677.60
72614010	4,356	$ 660.60
72613017	5,600	$ 660.00
76707016	5,600	$ 560.00
76707017	5,600	$ 560.00
72654014	2,770	$ 277.00
72654031	1,810	$ 181.00
72654033	585	$ 58.50
72654032	585	$ 58.50
		$ 277,034.84

APPENDIX 2

Calendar Year 2023 Financial Report

Downtown Morgan Hill Improvement District

Statement of Activity

January - December 2023

	SIDEWALK SATURDAYS	NOT SPECIFIED	TOTAL
Revenue			
Event Revenue	13,537.67	-50.00	$13,487.67
One-time Contribution		107,983.94	$107,983.94
Revenue Realized Prior Year for Use This Year		0.75	$0.75
Sales		192.50	$192.50
Total Revenue	**$13,537.67**	**$108,127.19**	**$121,664.86**
GROSS PROFIT	**$13,537.67**	**$108,127.19**	**$121,664.86**
Expenditures			
Administration Expenses (10%)			$0.00
Bookkeeping		412.50	$412.50
Insurance		5,802.50	$5,802.50
Office Supplies & Software		178.50	$178.50
Service Contracts		412.50	$412.50
Total Administration Expenses (10%)		**6,806.00**	**$6,806.00**
Marketing & Special Events (10%)			$0.00
Event Expenses	1,587.00		$1,587.00
Total Marketing & Special Events (10%)	**1,587.00**		**$1,587.00**
Total Expenditures	**$1,587.00**	**$6,806.00**	**$8,393.00**
NET OPERATING REVENUE	**$11,950.67**	**$101,321.19**	**$113,271.86**
Other Revenue			
Interest Income		348.53	$348.53
Total Other Revenue	**$0.00**	**$348.53**	**$348.53**
NET OTHER REVENUE	**$0.00**	**$348.53**	**$348.53**
NET REVENUE	**$11,950.67**	**$101,669.72**	**$113,620.39**

APPENDIX 3

Calendar Year 2024 Financial Report

Downtown Morgan Hill Improvement District

Statement of Activity

January - December 2024

	TOTAL		
	JAN - DEC 2024	JAN - DEC 2023 (PY)	CHANGE
Revenue			
Event Revenue			
Downtown Brochure Revenue	7,650.00		7,650.00
Holiday Market Revenue		950.00	-950.00
Makers Market Car Show		600.00	-600.00
Oktoberfest Revenue	1,250.00		1,250.00
Sidewalk Saturdays Revenue	28,860.00	14,101.00	14,759.00
Total Event Revenue	**37,760.00**	**15,651.00**	**22,109.00**
Property Assessments	267,406.85	107,963.44	159,443.41
Total Revenue	**$305,166.85**	**$123,614.44**	**$181,552.41**
GROSS PROFIT	**$305,166.85**	**$123,614.44**	**$181,552.41**
Expenditures			
Administration Expenses (10%)			
Bank charges	30.00	15.00	15.00
Bookkeeping		412.50	-412.50
Insurance	2,039.00	2,099.00	-60.00
Meals	57.29		57.29
Office Supplies & Software	964.15	297.50	666.65
Service Contracts/Annual Report	1,317.50		1,317.50
Staff	21,000.00		21,000.00
Tax Preparation & Filing	800.00		800.00
Tax Roll Preparation & Submission	3,120.00		3,120.00
Website/Domain	347.88		347.88
Total Administration Expenses (10%)	**29,675.82**	**2,824.00**	**26,851.82**
Clean & Safe Programs (60%)			
Sidewalk Power Washing	22,553.52	18,794.60	3,758.92
Tree Lighting	116,152.11		116,152.11
Total Clean & Safe Programs (60%)	**138,705.63**	**18,794.60**	**119,911.03**
Marketing & Special Events (10%)			
Downtown Block Party Expenses	288.89		288.89
Downtown Business Brochure Expenses	26,484.93		26,484.93
Holiday Market Expenses		37.05	-37.05
Makers Market Car Show Expense		22.31	-22.31
Oktoberfest Expenses	24.69		24.69
Sidewalk Saturdays Expenses	24,485.99	5,212.87	19,273.12
Total Marketing & Special Events (10%)	**51,284.50**	**5,272.23**	**46,012.27**
PBID Start-up Funds Repayment	12,900.00		12,900.00
Total Expenditures	**$232,565.95**	**$26,890.83**	**$205,675.12**
NET OPERATING REVENUE	**$72,600.90**	**$96,723.61**	**$ -24,122.71**
Other Revenue			
Interest Income	1,486.10	508.45	977.65
Total Other Revenue	**$1,486.10**	**$508.45**	**$977.65**

	TOTAL		
	JAN - DEC 2024	JAN - DEC 2023 (PY)	CHANGE
NET OTHER REVENUE	**$1,486.10**	**$508.45**	**$977.65**
NET REVENUE	**$74,087.00**	**$97,232.06**	**$ -23,145.06**

NICHOLS, RICK & COMPANY
16360 MONTEREY ROAD, SUITE 170
MORGAN HILL, CA 95037
(408) 779-3313

May 7, 2024

DOWNTOWN MORGAN HILL
IMPROVEMENT DISTRICT
17575 PEAK AVENUE
MORGAN HILL, CA 95037

TAX PAYER'S COPY

Dear BRITTNEY:

Your 2023 Federal Return of Organization Exempt from Income Tax will be electronically filed with the Internal Revenue Service upon receipt of a signed Form 8879-TE - IRS e-file Signature Authorization. No tax is payable with the filing of this return.

Your 2023 California Exempt Organization Annual Information Return will be electronically filed with the Franchise Tax Board upon receipt of a signed Form 8453-EO. No tax is payable with the filing of this return.

Please be sure to call us if you have any questions.

Sincerely,

JOHN S RICK

Form **990-EZ**

Department of the Treasury
Internal Revenue Service

Short Form
Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form, as it may be made public.

Go to *www.irs.gov/Form990EZ* for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public Inspection

A For the 2023 calendar year, or tax year beginning , 2023, and ending ,

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [X] Initial return
- [ ] Final return/terminated
- [ ] Amended return
- [ ] Application pending

C
DOWNTOWN MORGAN HILL
IMPROVEMENT DISTRICT
17575 PEAK AVENUE
MORGAN HILL, CA 95037

D Employer identification number: 88-3740933

E Telephone number: (408) 310-4623

F Group Exemption Number

G Accounting Method: [X] Cash [ ] Accrual Other (specify):

H Check [X] if the organization is **not** required to attach Schedule B (Form 990).

I Website: https://www.dmhid.org/

J Tax-exempt status (check only one) – [ ] 501(c)(3) [X] 501(c) (6) (insert no.) [ ] 4947(a)(1) or [ ] 527

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other:

L Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are $200,000 or more, or if total assets (Part II, column (B)) are $500,000 or more, file Form 990 instead of Form 990-EZ $ 14,030.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)

Check if the organization used Schedule O to respond to any question in this Part I [X]

Revenue	1	Contributions, gifts, grants, and similar amounts received		1	
	2	Program service revenue including government fees and contracts		2	143.
	3	Membership dues and assessments		3	
	4	Investment income		4	349.
	5a	Gross amount from sale of assets other than inventory	5a		
	b	Less: cost or other basis and sales expenses	5b		
	c	Gain or (loss) from sale of assets other than inventory (subtract line 5b from line 5a)		5c	
	6	Gaming and fundraising events:			
	a	Gross income from gaming (attach Schedule G if greater than $15,000)	6a		
	b	Gross income from fundraising events (not including $ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds $15,000)	6b	13,538.	
	c	Less: direct expenses from gaming and fundraising events	6c	1,587.	
	d	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)		6d	11,951.
	7a	Gross sales of inventory, less returns and allowances	7a		
	b	Less: cost of goods sold	7b		
	c	Gross profit or (loss) from sales of inventory (subtract line 7b from line 7a)		7c	
	8	Other revenue (describe in Schedule O)		8	
	9	**Total revenue.** Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8		9	12,443.
Expenses	10	Grants and similar amounts paid (list in Schedule O)		10	
	11	Benefits paid to or for members		11	
	12	Salaries, other compensation, and employee benefits		12	
	13	Professional fees and other payments to independent contractors		13	412.
	14	Occupancy, rent, utilities, and maintenance		14	
	15	Printing, publications, postage, and shipping		15	
	16	Other expenses (describe in Schedule O) See Schedule O		16	6,395.
	17	**Total expenses.** Add lines 10 through 16		17	6,807.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 9)		18	5,636.
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)		19	0.
	20	Other changes in net assets or fund balances (explain in Schedule O) See Schedule O		20	107,984.
	21	Net assets or fund balances at end of year. Combine lines 18 through 20		21	113,620.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

Form **990-EZ** (2023)

TEEA0812L 08/07/23

Part II Balance Sheets (see the instructions for Part II)

Check if the organization used Schedule O to respond to any question in this Part II ☐

		(A) Beginning of year		(B) End of year
22	Cash, savings, and investments		22	113,620.
23	Land and buildings		23	
24	Other assets (describe in Schedule O)		24	
25	**Total assets**	0.	25	113,620.
26	**Total liabilities** (describe in Schedule O)	0.	26	0.
27	**Net assets or fund balances** (line 27 of column (B) **must** agree with line 21)	0.	27	113,620.

Part III Statement of Program Service Accomplishments (see the instructions for Part III)

Check if the organization used Schedule O to respond to any question in this Part III ☒

What is the organization's primary exempt purpose? See Schedule O

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

			Expenses (Required for section 501(c)(3) and 501(c)(4) organizations; optional for others.)
28	See Schedule O (Grants $) If this amount includes foreign grants, check here ☐	28a	
29	(Grants $) If this amount includes foreign grants, check here ☐	29a	
30	(Grants $) If this amount includes foreign grants, check here ☐	30a	
31	Other program services (describe in Schedule O) (Grants $) If this amount includes foreign grants, check here ☐	31a	
32	**Total program service expenses** (add lines 28a through 31a)	32	

Part IV List of Officers, Directors, Trustees, and Key Employees (list each one even if not compensated — see the instructions for Part IV)

Check if the organization used Schedule O to respond to any question in this Part IV ☐

(a) Name and title	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC/1099-NEC) (if not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
DAN McCRANIE Chairman	2	0.	0.	0.
ERIC WALLACE Treasurer	2	0.	0.	0.
MATT MAHOOD Secretary	2	0.	0.	0.
CHRIS GHIONE Director	2	0.	0.	0.
FRANK LEAL Director	2	0.	0.	0.
HONNIE MURPHY Director	2	0.	0.	0.
LARRY CARR Director	2	0.	0.	0.
ROSY BERGIN Director	2	0.	0.	0.
SAM CARLSON Director	2	0.	0.	0.

Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V.) Check if the organization used Schedule O to respond to any question in this Part V ☐

			Yes	No
33	Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O	33		X
34	Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O. See instructions	34		X
35a	Did the organization have unrelated business gross income of $1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?	35a		X
b	If "Yes" to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O	35b		
c	Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III	35c		X
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N.	36		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. 37a 0.			
b	Did the organization file **Form 1120-POL** for this year?	37b		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee; **or** were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a		X
b	If "Yes," complete Schedule L, Part II, and enter the total amount involved. 38b 0.			
39	Section 501(c)(7) organizations. Enter:			
a	Initiation fees and capital contributions included on line 9. 39a 0.			
b	Gross receipts, included on line 9, for public use of club facilities. 39b 0.			
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: N/A section 4911: 0. ; section 4912: 0. ; section 4955: 0.			
b	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b		
c	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.			
d	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax on line 40c reimbursed by the organization 0.			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T.	40e		X

41 List the states with which a copy of this return is filed: CA

42a The organization's books are in care of: BRITTNEY SHERMAN Telephone no. (408) 410-9333
Located at: 17575 PEAK AVENUE MORGAN HILL CA ZIP + 4 95037

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country:	42b		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
c	At any time during the calendar year, did the organization maintain an office outside the United States? If "Yes," enter the name of the foreign country:	42c		X

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041** – Check here ☐ N/A
and enter the amount of tax-exempt interest received or accrued during the tax year 43 N/A

			Yes	No
44a	Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44a		X
b	Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44b		X
c	Did the organization receive any payments for indoor tanning services during the year?	44c		X
d	If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	44d		
45a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a		X
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ. See instructions	45b		X

		Yes	No
46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	46		X

Part VI **Section 501(c)(3) Organizations Only**

All section 501(c)(3) organizations must answer questions 47-49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI ☐

		Yes	No
47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	47		
48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48		
49a Did the organization make any transfers to an exempt non-charitable related organization?	49a		
b If "Yes," was the related organization a section 527 organization?	49b		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees, and key employees) who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC/ 1099-NEC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation

f Total number of other employees paid over $100,000

51 Complete this table for the organization's five highest compensated independent contractors who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation

d Total number of other independent contractors each receiving over $100,000

52 Did the organization complete Schedule A? **Note:** All section 501(c)(3) organizations must attach a completed Schedule A ☐ Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer | Date

DAN McCRANIE TAX PAYER'S COPY Chairman

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JOHN S RICK	JOHN S RICK			P00067323

Firm's name: Nichols, Rick & Company

Firm's address: 16360 Monterey Road, Suite 170, Morgan Hill, CA 95037

Firm's EIN: 77-0454740

Phone no.: (408) 779-3313

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.

Go to *www.irs.gov/Form990* for the latest information.

OMB No. 1545-0047

2023

Open to Public Inspection

Name of the organization: DOWNTOWN MORGAN HILL IMPROVEMENT DISTRICT

Employer identification number: 88-3740933

Form 990-EZ, Part I, Line 16
Other Expenses

Insurance	$	5,803.
Office Expenses		179.
SERVICE CONTRACTS		413.
Total	$	6,395.

Form 990-EZ, Part I, Line 20
Other Changes In Net Assets Or Fund Balances

PRIOR PBID BALANCE TRANSFERRED	$	107,984.
Total	$	107,984.

Form 990-EZ, Part III - Organization's Primary Exempt Purpose

The goal of the Downtown Morgan Hill Improvement District is to maintain the Downtown District as a safe and inviting environment, attract more tenants and shoppers, increase property values, and stabilize occupancy. The company will provide Clean and Safe programs, Capital Improvements, Art Installations, Marketing, Special Events, and related Management and Administration directly and only to assessed parcels within the Downtown boundary. This entity will have the ability to leverage parcel owners' investment with additional public investment to provide the financial resources necessary to develop and implement a focused strategy to support existing and future businesses and patrons in Downtown Morgan Hill.

Form 990-EZ, Part III, Line 28 - Statement of Program Service Accomplishments

Pursuant to an agreement with the City of Morgan Hill, the Downtown Morgan Hill Improvement District was formed for the sole purpose of improving downtown Morgan Hill. Annual work plans and budgets are developed by a board composed of stakeholders that own property in downtown Morgan Hill. Improvements and activities provided are subject to private sector performance standards, controls, and accountability.

TAXABLE YEAR **2023**

California Exempt Organization Annual Information Return

FORM **199**

Calendar Year 2023 or fiscal year beginning (mm/dd/yyyy) _____, and ending (mm/dd/yyyy) _____.

Corporation/Organization name: DOWNTOWN MORGAN HILL IMPROVEMENT DISTRICT	California corporation number: 5154620
Additional information. See instructions.	FEIN: 88-3740933
Street address (suite or room): 17575 PEAK AVENUE	PMB no.
City: MORGAN HILL / State: CA	ZIP code: 95037
Foreign country name / Foreign province/state/county	Foreign postal code

A First return . . . [X] Yes [ ] No

B Amended return . . . ● [ ] Yes [X] No

C IRC Section 4947(a)(1) trust . . . [ ] Yes [X] No

D Final information return?
● [ ] Dissolved [ ] Surrendered (Withdrawn) [ ] Merged/Reorganized
Enter date: (mm/dd/yyyy) ● _____

E Check accounting method:
1 [X] Cash 2 [ ] Accrual 3 [ ] Other

F Federal return filed? 1 ● [ ] 990T 2 ● [ ] 990-PF 3 ● [ ] Sch H (990)
4 [ ] Other 990 series

G Is this a group filing? See instructions . . . ● [ ] Yes [X] No

H Is this organization in a group exemption . . . [ ] Yes [X] No
If "Yes," what is the parent's name?

I Did the organization have any changes to its guidelines not reported to the FTB? See instructions . . . ● [ ] Yes [X] No

J If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions . . . ● [ ] Yes [ ] No

N/A

K Is the organization exempt under R&TC Section 23701g? . . . ● [ ] Yes [X] No
If "Yes," enter the gross receipts from nonmember sources . . . $ _____

L Is the organization a limited liability company? . . . ● [ ] Yes [X] No

M Did the organization file Form 100 or Form 109 to report taxable income? . . . ● [ ] Yes [X] No

N Is the organization under audit by the IRS or has the IRS audited in a prior year? . . . ● [ ] Yes [X] No

O Is federal Form 1023/1024 pending? . . . [ ] Yes [ ] No
Date filed with IRS _____

Part I Complete Part I unless not required to file this form. See General Information B and C.

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8 . . . ●	1	14,030.
	2	Gross dues and assessments from members and affiliates . . . ●	2	
	3	Gross contributions, gifts, grants, and similar amounts received . . . ●	3	
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. **This line must be completed.** If the result is less than $50,000, see General Information B . . . ●	4	14,030.
	5	Cost of goods sold . . . ● 5		
	6	Cost or other basis, and sales expenses of assets sold . . . ● 6		
	7	Total costs. Add line 5 and line 6 . . .	7	
	8	Total gross income. Subtract line 7 from line 4 . . . ●	8	14,030.
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18 . . . ●	9	8,394.
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8 . . . ●	10	5,636.
Payments	11	Total payments . . . ●	11	
	12	Use tax. See General Information K . . . ●	12	
	13	Payments balance. If line 11 is more than line 12, subtract line 12 from line 11 . . . ●	13	
	14	Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12 . . . ●	14	
	15	Penalties and interest. See General Information J . . .	15	
	16	**Balance due.** Add line 12 and line 15. Then subtract line 11 from the result . . . ◉	16	0.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer ► TAX PAYER'S COPY | Title: CHAIRMAN | Date | ● Telephone: (408) 310-4623

Paid Preparer's Use Only

Preparer's signature ► JOHN S RICK | Date | Check if self-employed ► [ ] | ● PTIN: P00067323

Firm's name (or yours, if self-employed) and address ► NICHOLS, RICK & COMPANY
16360 MONTEREY ROAD, SUITE 170
MORGAN HILL, CA 95037

● Firm's FEIN: 77-0454740
● Telephone: (408) 779-3313

May the FTB discuss this return with the preparer shown above? See instructions . . . ● [X] Yes [ ] No

CACA1112L 01/02/24

Part II **Organizations with gross receipts of more than $50,000 and private foundations regardless of amount of gross receipts — complete Part II or furnish substitute information.**

Receipts from Other Sources	1 Gross sales or receipts from all business activities. See instructions	1	
	2 Interest	2	349.
	3 Dividends	3	
	4 Gross rents	4	
	5 Gross royalties	5	
	6 Gross amount received from sale of assets (See instructions)	6	
	7 Other income. Attach schedule SEE STATEMENT 1	7	13,681.
	8 **Total** gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	8	14,030.
Expenses and Disbursements	9 Contributions, gifts, grants, and similar amounts paid. Attach schedule	9	
	10 Disbursements to or for members	10	
	11 Compensation of officers, directors, and trustees. Attach schedule SEE STMT 2	11	0.
	12 Other salaries and wages	12	
	13 Interest	13	
	14 Taxes	14	
	15 Rents	15	
	16 Depreciation and depletion (See instructions)	16	
	17 Other expenses and disbursements. Attach schedule SEE STATEMENT 3	17	8,394.
	18 **Total** expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	18	8,394.

Schedule L **Balance Sheet**

	Beginning of taxable year (a)	(b)	End of taxable year (c)	(d)
Assets				
1 Cash				113,620.
2 Net accounts receivable				
3 Net notes receivable				
4 Inventories				
5 Federal and state government obligations				
6 Investments in other bonds				
7 Investments in stock				
8 Mortgage loans				
9 Other investments. Attach schedule				
10 a Depreciable assets				
b Less accumulated depreciation				
11 Land				
12 Other assets. Attach schedule				
13 **Total assets**				113,620.
Liabilities and net worth				
14 Accounts payable				
15 Contributions, gifts, or grants payable				
16 Bonds and notes payable				
17 Mortgages payable				
18 Other liabilities. Attach schedule				
19 Capital stock or principal fund				113,620.
20 Paid-in or capital surplus. Attach reconciliation				
21 Retained earnings or income fund				
22 **Total liabilities and net worth**				113,620.

Schedule M-1 **Reconciliation of income per books with income per return**

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than $50,000.

1 Net income per books	5,636.	7 Income recorded on books this year not included in this return. Attach schedule	
2 Federal income tax		8 Deductions in this return not charged against book income this year. Attach schedule	
3 Excess of capital losses over capital gains		9 Total. Add line 7 and line 8	
4 Income not recorded on books this year. Attach schedule		10 Net income per return. Subtract line 9 from line 6	5,636.
5 Expenses recorded on books this year not deducted in this return. Attach schedule			
6 Total. Add line 1 through line 5	5,636.		

Statement 1
Form 199, Part II, Line 7
Other Income

Income from Special Events	$ 13,538.
Program Service Revenue	143.
Total	$ 13,681.

Statement 2
Form 199, Part II, Line 11
Compensation of Officers, Directors, Trustees and Key Employees

Current Officers:

Name and Address	Title and Average Hours Per Week Devoted	Total Compen-sation	Contri-bution to EBP & DC	Expense Account/ Other
DAN McCRANIE 17575 PEAK AVENUE MORGAN HILL, CA 95037	Chairman 2.00	$ 0.	$ 0.	$ 0.
ERIC WALLACE 17575 PEAK AVENUE MORGAN HILL, CA 95037	Treasurer 2.00	0.	0.	0.
MATT MAHOOD 17575 PEAK AVENUE MORGAN HILL, CA 95037	Secretary 2.00	0.	0.	0.
CHRIS GHIONE 17575 PEAK AVENUE MORGAN HILL, CA 95037	Director 2.00	0.	0.	0.
FRANK LEAL 17575 PEAK AVENUE MORGAN HILL, CA 95037	Director 2.00	0.	0.	0.
HONNIE MURPHY 17575 PEAK AVENUE MORGAN HILL, CA 95037	Director 2.00	0.	0.	0.
LARRY CARR 17575 PEAK AVENUE MORGAN HILL, CA 95037	Director 2.00	0.	0.	0.
ROSY BERGIN 17575 PEAK AVENUE MORGAN HILL, CA 95037	Director 2.00	0.	0.	0.
SAM CARLSON 17575 PEAK AVENUE MORGAN HILL, CA 95037	Director 2.00	0.	0.	0.
	Total	$ 0.	$ 0.	$ 0.

Statement 3
Form 199, Part II, Line 17
Other Expenses

Accounting Fees	$	412.
Insurance		5,803.
Office Expenses		179.
SERVICE CONTRACTS		413.
Special Event Expenses		1,587.
Total	$	8,394.

Downtown Morgan Hill Improvement District

Statement of Activity

January - December 2024

	TOTAL		
	JAN - DEC 2024	JAN - DEC 2023 (PY)	CHANGE
Revenue			
Event Revenue			
Downtown Brochure Revenue	7,650.00		7,650.00
Holiday Market Revenue		950.00	-950.00
Makers Market Car Show		600.00	-600.00
Oktoberfest Revenue	1,250.00		1,250.00
Sidewalk Saturdays Revenue	28,860.00	14,101.00	14,759.00
Total Event Revenue	**37,760.00**	**15,651.00**	**22,109.00**
Property Assessments	267,406.85	107,963.44	159,443.41
Total Revenue	**$305,166.85**	**$123,614.44**	**$181,552.41**
GROSS PROFIT	**$305,166.85**	**$123,614.44**	**$181,552.41**
Expenditures			
Administration Expenses (10%)			
Bank charges	30.00	15.00	15.00
Bookkeeping		412.50	-412.50
Insurance	2,039.00	2,099.00	-60.00
Meals	57.29		57.29
Office Supplies & Software	964.15	297.50	666.65
Service Contracts/Annual Report	1,317.50		1,317.50
Staff	21,000.00		21,000.00
Tax Preparation & Filing	800.00		800.00
Tax Roll Preparation & Submission	3,120.00		3,120.00
Website/Domain	347.88		347.88
Total Administration Expenses (10%)	**29,675.82**	**2,824.00**	**26,851.82**
Clean & Safe Programs (60%)			
Sidewalk Power Washing	22,553.52	18,794.60	3,758.92
Tree Lighting	116,152.11		116,152.11
Total Clean & Safe Programs (60%)	**138,705.63**	**18,794.60**	**119,911.03**
Marketing & Special Events (10%)			
Downtown Block Party Expenses	288.89		288.89
Downtown Business Brochure Expenses	26,484.93		26,484.93
Holiday Market Expenses		37.05	-37.05
Makers Market Car Show Expense		22.31	-22.31
Oktoberfest Expenses	24.69		24.69
Sidewalk Saturdays Expenses	24,485.99	5,212.87	19,273.12
Total Marketing & Special Events (10%)	**51,284.50**	**5,272.23**	**46,012.27**
PBID Start-up Funds Repayment	12,900.00		12,900.00
Total Expenditures	**$232,565.95**	**$26,890.83**	**$205,675.12**
NET OPERATING REVENUE	**$72,600.90**	**$96,723.61**	**$ -24,122.71**
Other Revenue			
Interest Income	1,486.10	508.45	977.65
Total Other Revenue	**$1,486.10**	**$508.45**	**$977.65**

	TOTAL		
	JAN - DEC 2024	JAN - DEC 2023 (PY)	CHANGE
NET OTHER REVENUE	**$1,486.10**	**$508.45**	**$977.65**
NET REVENUE	**$74,087.00**	**$97,232.06**	**$ -23,145.06**

Downtown Morgan Hill Improvement District

Statement of Financial Position

As of December 31, 2024

	TOTAL		
	AS OF DEC 31, 2024	AS OF DEC 31, 2023 (PY)	CHANGE
ASSETS			
Current Assets			
Bank Accounts			
Heritage CKNG (*8837) - 1	17,239.76	5,764.89	11,474.87
Heritage MMKT (*8845) - 1	154,079.30	91,467.17	62,612.13
Total Bank Accounts	**$171,319.06**	**$97,232.06**	**$74,087.00**
Total Current Assets	**$171,319.06**	**$97,232.06**	**$74,087.00**
TOTAL ASSETS	**$171,319.06**	**$97,232.06**	**$74,087.00**
LIABILITIES AND EQUITY			
Liabilities			
Total Liabilities			**$0.00**
Equity			
Net Assets	97,232.06		97,232.06
Net Revenue	74,087.00	97,232.06	-23,145.06
Total Equity	**$171,319.06**	**$97,232.06**	**$74,087.00**
TOTAL LIABILITIES AND EQUITY	**$171,319.06**	**$97,232.06**	**$74,087.00**

No assurance is provided on these financial statements

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: January 15, 2025

PREPARED BY:
Kim Mancera, Deputy City Clerk
APPROVED BY: City Manager

SELECT AND APPOINT CITY COUNCIL MAYOR PRO TEMPORE

RECOMMENDATION(S)

1. Open floor to nomination(s) for Mayor Pro Tempore; and
2. Select a Council Member to serve as Mayor Pro Tempore per City Council Policy 99-01.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities
Enhancing Public Safety
Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure
Supporting our Youth, Seniors, and Entire Community
Fostering a Positive Organizational Culture
Preserving and Cultivating Public Trust
Preserving our Community History
Enhancing Diversity and Inclusiveness
Advocating for Local, Regional, and State Legislative Initiatives

2024-2025 Strategic Priorities
Fiscal Sustainability
Affordable Housing and Homelessness
Community Engagement
Economic Development and Tourism
Healthy Community

Guiding Documents
Bikeways, Trails, and Recreation Master Plan
Climate Action Plan
Communications, Outreach, and Engagement Plan
Economic Blueprint
Fire Services Standards of Coverage
GIS Strategic Plan
Morgan Hill 2035 General Plan
Public Safety Master Plan
Storm Drain Master Plan

Vision Zero
Water System Master Plan
Wastewater System Master Plan

REPORT NARRATIVE:
City Council Policy CP-99-01 sets forth the criteria for the selection of a Mayor Pro Tempore annually for a one-year term. The adopted policy is intended to provide every Council Member with the opportunity to serve as Mayor Pro Tempore. Nomination for the Mayor Pro Tempore seat is generally based on: (1) the length of time that an individual has served on the City Council and (2) whether or not the nominee has previously had the opportunity to serve as Mayor Pro Tempore. However, these factors are not binding, and every member is eligible to serve as Mayor Pro Tempore. The Mayor or any member of the City Council may nominate a member to serve as Mayor Pro Tempore. A copy of the Council Policy CP-99-01 is attached, and the recent Mayor Pro Tempore history is as follows:

CITY COUNCIL MAYOR PRO TEMPORE RECENT HISTORY

	FROM:	**TO:**
Council Member Carr	December 14, 2016	January 17, 2018
Council Member Constantine	January 17, 2018	December 19, 2018
Council Member Spring	December 19, 2018	December 4, 2019
Council Member Martínez Beltrán	December 4, 2019	December 16, 2020
Council Member McKay	December 16, 2020	November 17, 2021
Council Member Borgioli	November 17, 2021	January 11, 2023
Council Member Librers	January 11, 2023	January 15, 2025

COMMUNITY ENGAGEMENT:
Inform
This report serves to inform the community of the process for selection of the Mayor Pro Tempore.

ALTERNATIVE ACTIONS:
Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:
The Council selects a Council Member to serve as the Mayor Pro Tempore annually.

FISCAL AND RESOURCE IMPACT:

There are no fiscal impacts. Selection of Mayor Pro Tempore is an activity of the City Council's annual workplan.

CEQA (California Environmental Quality Act):
This action is not a project. Selection of a Mayor Pro Tempore is an administrative governmental activity that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL
CITY COUNCIL POLICIES AND PROCEDURES

CP 99-01

SUBJECT: **SELECTION OF MAYOR PRO TEMPORE**

EFFECTIVE DATE: **December 17, 1999**

REVISED DATE(S): **December 19, 2016, February 5, 2020**

ORIGINATING DEPARTMENT: CITY MANAGER

It is the policy of the City Council of the City of Morgan Hill to annually nominate and select a member to serve as Mayor Pro Tempore for a one year term. The Mayor or any member of the City Council may nominate a member, who shall be selected by majority vote.

In order to provide every member with an opportunity to serve as Mayor Pro Tempore, it is the policy of the City Council that nominations be made on the basis of the length of time that a nominee has served on the City Council, and whether or not the nominee has previously had the opportunity to serve. However, these factors are not binding, and every member is eligible to serve as Mayor Pro Tempore. If more than one individual is nominated, the first person to receive a majority of the votes shall be selected to serve.

Selection of Mayor Pro Tempore will take place at the first regular meeting of the City Council held after the general municipal election and after the new members have been sworn in and have taken their seats; or at the first regular meeting in December in each year that a general municipal election is not held.

The Mayor Pro Tempore shall serve at the pleasure of the City Council and may be removed from the appointed position by a majority vote of the Council. The City Council shall fill all vacancies for Mayor Pro Tempore in accordance with the selection procedure set forth herein.

This policy shall remain in effect until modified by the City Council.

APPROVED:

RICH CONSTANTINE, MAYOR