



City Council

Special/Regular Meeting Agenda

<i>Mark Turner</i>	-	<i>Mayor</i>
<i>Marilyn Librers</i>	-	<i>Mayor Pro Tem</i>
<i>Soraida Iwanaga</i>	-	<i>Council Member</i>
<i>Yvonne Martínez Beltrán</i>	-	<i>Council Member</i>
<i>Miriam Vega</i>	-	<i>Council Member</i>

Wednesday, November 19, 2025

5:00 p.m. Closed Session

6:00 p.m. Regular Session

**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 and Facebook page.

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 who 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.

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 5:00 p.m. for the purpose of conducting a closed session.

SPECIAL MEETING

5:00 p.m. Closed Session

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

CLOSED SESSION

Public Employment (§ 54957)

Title: City Attorney

OPPORTUNITY FOR PUBLIC COMMENT ON CLOSED SESSION

ADJOURN TO CLOSED SESSION

REGULAR MEETING

6:00 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PRESENTATIONS

RECOGNITIONS

YAC Recognition of Mike Cox

CITY COUNCIL REPORTS

Council Member Vega

OTHER REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

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. **ADOPT WEED ABATEMENT RESOLUTION, DECLARING WEEDS TO BE A PUBLIC NUISANCE AND SETTING A PUBLIC HEARING DATE OF FEBRUARY 18, 2026**

Recommendation:

Adopt the resolution declaring weeds and brush to be a nuisance and setting the hazardous vegetation public hearing for February 18, 2026.

2. **ADOPT ORDINANCE NO. 2369, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING CHAPTER 5.28 (“AMUSEMENT AND ENTERTAINMENT PREMISES”) TO TITLE 5 (“BUSINESS LICENSES GENERALLY”) OF THE MORGAN HILL MUNICIPAL CODE**

Recommendation:

Waive the reading, adopt Ordinance No. 2369, 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.

3. **ADOPT ORDINANCE NO. 2370, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED DEVELOPMENT (PD) OVERLAY ZONE ON A 25.3-ACRE SITE ON THE SOUTHWEST CORNER OF CONDIT ROAD AND DIANA AVENUE (ZA2025-0001 CONDIT – AUTO PARK PD) APN’S: 728-17-031, -035, and -036**

Recommendation:

Waive the reading, adopt Ordinance No. 2370, 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.

4. **ADOPT ORDINANCE NO. 2371, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT PLAN FOR A PLANNED UNIT DEVELOPMENT (PUD) ON A 35 ACRE SITE ON THE WEST SIDE OF CONDIT ROAD BETWEEN DUNNE AND TENNANT AVENUES (ZA2025-0002 CONDIT – CONDIT ROAD PUD) APN’S 817-12-001,-003, -004, -018, -019; 817-13-019-022, -024, -026,027, 029-032, and 034-035**

Recommendation:

Waive the reading, adopt Ordinance No. 2371, 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.

5. **ADOPT ORDINANCE NO. 2372, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED DEVELOPMENT (PD) OVERLAY ZONE ON A 9.27 ACRE SITE ON THE NORTH SIDE OF THE EASTERN TERMINUS OF LAUREL ROAD (ZA2025-0005 LAUREL – HONDA) APN’S: 726-01-001, 726-01-006, AND 726-01-007**

Recommendation:

Waive the reading, adopt Ordinance No. 2372, 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. **ADOPT ORDINANCE NO. 2373, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE TENNANT STATION SHOPPING CENTER PLANNED UNIT DEVELOPMENT (PUD) ON A 21.88 ACRE SITE ON THE SOUTHEAST CORNER OF MONTEREY ROAD AND TENNANT AVENUE (AAE2025-0003 TENNANT-TENNANT STATION PD) APN'S: 817-06-041, 055, 056, 057, AND 058**

Recommendation:

Waive the reading, adopt Ordinance No. 2373, 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.

7. **ADOPT MORGAN HILL'S APPROACH TO PUBLIC SERVICE**

Recommendation:

Adopt "Morgan Hill's Approach to Public Service."

8. **APPROVE THE SECOND AMENDMENT TO SUBDIVISION IMPROVEMENTS AGREEMENT FOR MANZANITA PARK - TRACT NO. 10585 LOCATED EAST OF THE MONTEREY ROAD/TILTON AVENUE INTERSECTION (APN:725-01-035 and 725-16-001)**

Recommendation:

1. Approve the Second Amendment to Subdivision Improvements Agreement for Manzanita Park - Tract No. 10585;
2. Authorize the City Manager to execute the Second Amendment to Subdivision Improvements Agreement with TOLL WEST COAST LLC (Subdivider); and
3. Authorize the recordation of the Second Amendment to Subdivision Improvements Agreement.

9. **APPROVE THE NOVEMBER 5 AND NOVEMBER 10, 2025 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the November 5 and November 10, 2025 City Council Meeting Minutes.

10. **RECEIVE REPORT REGARDING UPCOMING 2026 COMMISSION VACANCIES PER THE MADDY ACT**

Recommendation:

Receive report.

PUBLIC HEARINGS

11. **ADOPT ORDINANCE 2368, NEW SERIES, AMENDING CHAPTERS 15.08 (BUILDING CODE), 15.12 (ELECTRICAL CODE), 15.16 (MECHANICAL**

CODE), 15.20 (PLUMBING CODE), 15.44 (FIRE CODE), AND TO ADOPT BY REFERENCE THE 2025 CALIFORNIA BUILDING STANDARDS CODES KNOWN AND DESIGNATED AS CALIFORNIA CODE OF REGULATIONS, TITLE 24

Recommendation:

1. Open/close the public hearing;
2. Waive the second reading of the ordinance; and
3. Adopt the ordinance.

12. CONDUCT TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) HEARING APPROVING ISSUANCE OF BONDS FOR VILLAGE AT MADRONE APARTMENT PROJECT LOCATED AT 18730 MINER LANE WITHIN THE CITY OF MORGAN HILL

Recommendation:

1. Open and close public hearing consistent with the requirements of the Federal Tax and Equity Fiscal Responsibility Act ("TEFRA") and Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"); and
2. Adopt a resolution approving the issuance of revenue bonds by the California Municipal Finance Authority (CMFA), for the acquisition, construction, improvement and equipping of Village at Madrone, a 249-multifamily rental housing project located at 18730 Miner Lane, Morgan Hill, California (the "Project").

OTHER BUSINESS

13. APPROVE THE 2026 CITY COUNCIL MEETING SCHEDULE

Recommendation:

Review, discuss, if needed, amend, and approve the 2026 City Council meeting schedule.

14. RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2025 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Receive and file reports.

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.

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.

AMERICANS WITH DISABILITIES ACT (ADA)

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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



November

Developmental Asset #41

Positive Cultural Identity: Young person feels comfortable with and is proud of their identity.



A real-life topic that connects with this month developmental assets is:

Imposter Syndrome

Kahmani Joseph

YAC Active Member



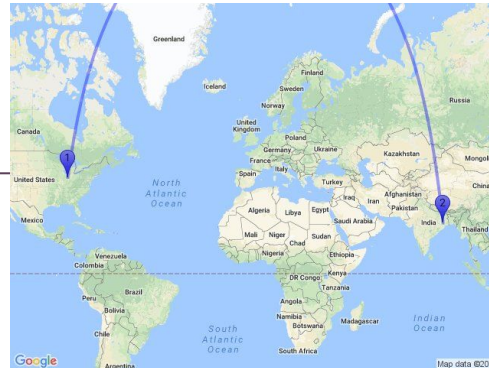
- Staying connected with long distance family
- Positive self image
- Culturally connected



DJ William YAC President



- Experiencing my Culture through Food
- Coping with Distance
- The Impact of exploring other cultures



Aakash Shakya

YAC Active Member



- Cultural Connection and Family Values
- Balancing Dual Identities
- Pride and Resilience in Heritage



*“Your culture is your most valuable asset.
Guard it with your life.” — Brian Chesky,
co-founder of Airbnb*





CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Nichole Martin, Community Services Coordinator

APPROVED BY: City Manager

ADOPT WEED ABATEMENT RESOLUTION, DECLARING WEEDS TO BE A PUBLIC NUISANCE AND SETTING A PUBLIC HEARING DATE OF FEBRUARY 18, 2026

RECOMMENDATION(S)

Adopt the resolution declaring weeds and brush to be a nuisance and setting the hazardous vegetation public hearing for February 18, 2026.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

REPORT NARRATIVE:

Under Government Code section 39561, cities may adopt a resolution declaring weeds and dry brush to be a public nuisance and order their abatement (Attachment 1). Weed and brush abatement services constitute the City's weed abatement program and are key to reducing fire risk and protecting public safety.

The City of Morgan Hill has contracted with Santa Clara County for weed and brush abatement services since 1996. In the last several years, City and County staff have successfully worked together to streamline program administration and improve communications with Morgan Hill property owners. The County's Consumer and Environmental Protection Agency - Weed Abatement Program manages the program. As in prior years, staff has combined the initial resolution for both the weed and brush abatement programs. Staff proposes that the abatement program commencement hearing take place on February 18, 2026.

Once the resolution is adopted, County staff will notify the affected property owners of the February 18th public hearing and of their obligations to abate hazardous vegetation before the deadline. In response to the City's past request for more notification to the property owners, the County will also be mailing a courtesy notice out to affected property owners in the early Spring to further remind them of their obligations. The City's Fire Department and the County's Weed Abatement Division are continuing to integrate their efforts and communication methods to enhance customer service. The improvements instituted have eliminated customer complaints about receiving conflicting information from the two programs.

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. The 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 got onto the list as a result of a complaint from a community member about a hazardous situation.

ALTERNATIVE ACTIONS:

The Council could choose not to act or delay action on this resolution. Not declaring weeds and brush to be a nuisance would potentially compromise community fire safety. Delaying action would ultimately provide the affected property owners with less notice and time to plan for abating their hazardous vegetation.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

While this will be the first Council action addressing hazardous vegetation for the 2026 fire season, the recommended approach is consistent with the actions taken by the Council for over a decade.

FISCAL AND RESOURCE IMPACT:

The Weed Abatement Program is designed to be 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. Based on the City's agreement with the County, the City may need to ultimately contribute to the program's costs if user fee revenues do not completely cover all of the County's costs. Administering this program is an activity anticipated in the Public Services and Fire Departments' work programs and budgets. Fees imposed by the County Program do not cover the cost of the City staff time associated in providing oversight and those resources are budgeted and funded through the General Fund (010).

CEQA (California Environmental Quality Act):

Categorical Exemption 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).

RESOLUTION NO. 25-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DECLARING CERTAIN HAZARDOUS VEGETATION GROWING IN THE CITY OF MORGAN HILL TO BE A PUBLIC NUISANCE, DESCRIBING PROPERTIES WHERE SUCH NUISANCE EXISTS; ORDERING ABATEMENT AND SETTING A PUBLIC HEARING THEREON

WHEREAS, the City Council finds that certain weeds and brush are growing in the City of Morgan Hill upon the various streets, alleys, sidewalks, and upon private property, which said weeds and brush bear seeds of a wingy or downy nature, or may attain such growth as to become, when dry, a fire menace, or which are otherwise noxious and dangerous; and

WHEREAS, the City Council further finds and declares that said weeds and brush constitute a public nuisance.

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

1. That the weeds, as described in the above recital, constitute and will continue to constitute a public nuisance, and it is ordered that this public nuisance be abated in the manner provided in Title 8, Chapter 8.20 of the Morgan Hill Municipal Code.

2. That the nuisance exists upon all streets, alleys, sidewalks, and private property within said City as shown, described and delineated on the several maps of the property in the City, which are recorded in the Office of the County Recorder of the County of Santa Clara, reference in each instance for the description of any particular street, alley, or private property being hereby made to the several maps mentioned, and in the event of there being several subdivision maps on which lots are shown, reference is hereby made to the latest subdivision map.

3. That it is ordered that Wednesday, the 18th day of February 2026, at 6:00 p.m., in the Council Chambers of the City Council of the City of Morgan Hill is hereby fixed as the time and place when objections to the proposed destruction or removal of weeds shall be heard and be given due consideration.

4. That the City Clerk of the City of Morgan Hill is hereby ordered and directed to cause notice of the adoption of this Resolution and notice of hearing to be given to property owners pursuant to Section 39562.1 of the Government Code.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 19th day of November 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

∞ **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 November 19, 2025.

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

DATE: _____

MICHELLE BIGELOW, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2369, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING CHAPTER 5.28 (“AMUSEMENT AND ENTERTAINMENT PREMISES”) TO TITLE 5 (“BUSINESS LICENSES GENERALLY”) OF THE MORGAN HILL MUNICIPAL CODE

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2369, 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.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2022-2023 Strategic Priorities

Fiscal Sustainability

Economic Development

Guiding Documents

Economic Blueprint

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

On November 5, 2025, the City Council introduced Ordinance No. 2369 New Series, by the following roll call vote: AYES: Vega, Iwanaga, Martinez Beltran, Turner; NOES: None; ABSTAIN: None; ABSENT: Librers.

The proposed ordinance modernizes Chapter 5.28 of the Morgan Hill Municipal Code to update entertainment permit regulations first adopted in 1998. The amendments clarify definitions, allow live entertainment by right until 10:00 p.m. for compliant establishments, and align the permit process with other City policies to ensure public safety and consistency. The updates aim to support a lively, diverse, and safe entertainment environment consistent with the City’s Economic Blueprint and Tourism goals.

COMMUNITY ENGAGEMENT:

Inform.

The City's Economic Development team had one-on-one conversations with several restaurant operators to share the draft amendment and gather their feedback.

The City's Economic Development team conducted outreach by attending meetings and sharing a draft of the ordinance amendment with the following organizations.

Morgan Hill Chamber of Commerce
Downtown Morgan Hill Improvement District
Morgan Hill Downtown Association

On October 13, 2025, the City's Economic Development team, along with the Chief of Police, conducted a virtual Zoom meeting with business operators and property owners to share the draft amendment and gather their feedback.

Feedback from business owners and operators has been supportive, emphasizing flexibility for daytime entertainment and clarity in permitting requirements.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On November 5, 2025, the City Council introduced the ordinance.

FISCAL AND RESOURCE IMPACT:

The ordinance modernization is not anticipated to have a significant fiscal impact. Staff time for application review and enforcement will be offset by permit fees.

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.

ORDINANCE NO. 2369, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING CHAPTER 5.28 (“AMUSEMENT AND ENTERTAINMENT PREMISES”) TO TITLE 5 (“BUSINESS LICENSES GENERALLY”) OF THE MORGAN HILL MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA DOES ORDAIN AND ENACT AS FOLLOWS:

SECTION 1: Chapter 5.28 (“Amusement and Entertainment Premises”) of Title 5 (“Business Licenses Generally”) is hereby amended to read as follows:

“5.28 Amusement and Entertainment Premises

5.28.010 Purpose.

The purpose of this chapter is the protection of the public safety and welfare by allowing establishments to provide entertainment which does not create a public nuisance or require excessive public safety resources to maintain order.

5.28.020 Definitions.

The following definitions shall be for the purpose of this chapter only, unless specifically adopted by another section of the Morgan Hill Municipal Code.

"Dancing" means the movement of the human body, accompanied by music or rhythm, except however, dancing as used in this chapter means dancing by patrons only.

"Entertainment" means a single event or series of events, or an ongoing activity or business, occurring as a principle use or business or part of another business, to which the public may be invited to watch, listen, or participate, or is conducted for the purposes of holding the attention of, gaining the attention of or diverting or amusing guests or patrons, including but not limited to:

1. Any amusement or event such as live music or other performance which is knowingly permitted by an establishment subject to this chapter, including presentations by performer(s) such as musicians, disc jockeys (DJs), operators of karaoke, hypnotists, pantomimes, poets, comedians, song or dance acts, dancing by the patrons, or other such demonstrations of talent or such activity which may be attended by members of the public whether or not the participants in said activities are compensated by the establishment.
2. Establishments are exempt from this chapter which only provide juke boxes, televisions, video games, video programs, or recorded music and no other entertainment as herein defined.

"Establishment" means any location within the limits of the City of Morgan Hill to which the public may be invited where food and/or alcoholic beverages are served.

"Lewd conduct" is the touching of genitals, buttocks or breasts in public view for the purposes of sexual, arousal, gratification or affront, or any violation of Sections 288, 288(a), 311.6, 314, 647(a) or 647(b) of the California Penal Code.

"Obscene" is defined by any applicable current standard set by California or federal case law.

5.28.030 Entertainment permit required.

- A. Entertainment or dancing conducted between the hours of 8:00 a.m. and 10:00 p.m. shall be allowed by right, provided the establishment complies with all other applicable laws and ordinances.
- B. No person shall provide or permit any type of entertainment or dancing in a restaurant, nightclub, bar or establishment where food and/or alcoholic beverages are served and which is open to the public between the hours of 10:00 P.M. and 8:00 A.M unless such person shall first obtain a permit to do so from the Chief of Police or their designee as hereinafter provided.

5.28.040 Exemptions.

Entertainment events which are conducted by or sponsored by nonprofit charitable organizations, community service organizations or are provided for members and their guests at a private club where admission is not open to the public, or at a private residence where the public is not invited, or conducted in connection with regularly established community recreation programs, carnivals, or recreation parks are exempt from the provisions of this chapter.

5.28.050 Entertainment restrictions.

Entertainment provided by or allowed by the permittee shall be restricted to that type of entertainment which is specified in the entertainment permit. In addition, the permittee is responsible to preserve the peace and maintain order within and immediately adjacent to the premises upon which the entertainment permit has been granted and to comply with all conditions specified in the permit.

5.28.060 Entertainment permit—Application.

- A. If a conditional use permit, or any other entitlement or license, except a certificate of occupancy, is required for the use of any establishment which proposes to provide, or which does provide, entertainment or dancing, the provisions of those permits shall be satisfied before application is made to the City for a permit under the provisions of this chapter.
- B. An application for an entertainment permit or the renewal of such permit shall be filed with the police department at least thirty days in advance of the term, date or dates for

which the application is made on forms provided by the City and shall be accompanied by the appropriate fee.

5.28.070 Permit—Application contents.

Each application for an entertainment permit shall contain:

- A. A complete identification of the applicant;
- B. The name, address, and telephone number of the owner of the real property upon, in, or from which the establishment is to be operated. In the event the applicant is not the legal owner of the property, the application shall be accompanied by a copy of any written lease between the applicant and the property owner authorizing the establishment to offer live entertainment on its premises, or, alternatively, if there is no written lease, then a written, notarized acknowledgment from the property owner that the property owner has been advised that live entertainment will be offered by the applicant upon, in, or from the property owner's property.
- C. The names, residential addresses, business addresses and phone numbers of the managers or persons in charge;
- D. The names, residential addresses, business addresses and phone numbers and written consent of the owner of the premises who shall give consent to entertainment being conducted upon the premises by signing the application in the space provided;
- E. A floor plan and site plan showing the building interior rooms and grounds, including parking spaces, the square footage, seating capacity of the area thereof to be used for dancing or entertainment and emergency exits;
- F. The exact nature of the proposed business which the permit is being requested and the exact nature in detail of the dancing or entertainment which is being proposed;
- G. Whether or not any person referred to in subsections A through D of this section has had a permit for the same or similar business suspended or revoked anywhere and, if so, the circumstances of such suspension or revocation. The suspension of an Alcoholic Beverage Control license shall be considered as being included within the purposes of the subsection;
- H. The hours of operation; and
- I. Such other related information as the Chief of Police may require to preserve the public peace, safety, health and welfare of the city or its inhabitants.

5.28.75 Permit—Denial.

- A. The Chief of Police or their designee may deny an application for a live entertainment permit on any of the following grounds:
 - 1. The live entertainment, as proposed by the applicant, would not comply with the requirements of this chapter.

2. The live entertainment, as proposed by the applicant, would not comply with any applicable law, including, but not limited to, the City's building, fire, zoning, and health regulations.
 3. The applicant has knowingly made any false, misleading or fraudulent statement of material fact in the application for a live entertainment permit. Any omission or falsified information within the application will result in an automatic denial.
 4. Any owner of the establishment offering live entertainment, within five years immediately preceding the date of filing of the application, has been convicted in a court of competent jurisdiction of any offense that relates directly to the offering of live entertainment or has at any time been convicted in a court of competent jurisdiction of any felony the commission of which occurred on the premises of the establishment.
 5. Any owner of the establishment offering live entertainment in the City of Morgan Hill that is not in good standing due to the existence of uncorrected violations or unpaid fines or fees.
 6. Within the last five years, the applicant has failed to comply with a final court order or administrative action of an investigatory agency finding a violation of applicable federal, state and local wage and hour laws, including, but not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and any local minimum wage ordinance or prevailing wage requirements. For purposes of this subsection, a final court order or administrative action is one as to which there is no pending appeal and the time for filing an appeal has passed.
 7. The establishment offered live entertainment within the City without first obtaining a live entertainment permit from the Police Department of the City of Morgan Hill.
- B. The City shall not accept an application for the same or substantially similar live entertainment permit for the same site for a period of twelve months following the denial of a permit, or the date the denial was upheld, whichever is later.
- C. The notices provided to the establishment offering live entertainment pursuant to this section may also be sent to the owner of the premises where the establishment is located. However, failure to provide notice to the property owner shall not invalidate any actions taken by the City.
- D. The applicant or employee has been issued a citation for an ABC violation within 1 year of application.

5.28.080 Permit—Granting.

Upon receipt of an application, and after an investigation, the Chief of Police or their designee shall approve the application for the entertainment permit or the renewal of such permit upon finding that:

- A. A completed written application form therefore has been filed and the required fee has been paid to the City; and

- B. As a result of such investigation all applicable provisions of this chapter with regard to permit application have been met and that the operation by the applicant will be carried on in a building, structure, and location which complies with and meets all of the health, zoning, fire, building and safety requirements and standards of the law of the State and the City applicable to business operation; and
- C. The applicant, employees, agents or any person connected with or associated with the applicant as a partner, director, officer or manager has not been convicted in a court of competent jurisdiction by final judgement within the last ten years of:
 - 1. An offense involving the presentation, exhibition, or performance of an obscene production or play, or
 - 2. An offense involving lewd conduct, or
 - 3. A felony offense involving the use of force and violence upon the person of another; and
- D. That the applicant, employees, agents, or any person connected with or associated with the applicant as a partner, director, officer or manager has not knowingly made any false, misleading or fraudulent statement of a material fact in the application for the permit or in any report or record required to be filed with any City agency; and
- E. That the applicant has not had a similar type of permit previously revoked for good cause within the past year, unless the applicant has shown a material change in the circumstances since the date of revocation.

5.28.090 Permit—Conditions.

- A. Upon the approval of the application for an entertainment permit or the renewal of such permit, the Chief of Police or their designee shall issue such permit to the applicant upon such terms and conditions and restrictions not in conflict with any paramount law and as may be necessary to protect the public peace, health, safety and general welfare of the city or its inhabitants.

Such conditions may include, for restaurants, bars, and nightclubs, the implementation and maintenance of a security plan consistent with a nationally recognized standard for nightlife safety, surveillance and monitoring system, entry and identification controls, responsible alcohol service, including trained and licensed security personnel, incident reporting and police cooperation, environmental and preventive crime design, compliance and enforcement, and appropriate crowd management measures.
- B. Every person holding a permit issued pursuant to this chapter shall keep the permit posted in a conspicuous place in clear view upon the premises to which it applies.

The permit shall be physically displayed similar to a food safety card and must include details of the permit and contact information for the Code Enforcement Division for the purpose of receiving complaints.
- C. The permittee shall provide neighbor notification as part of the permitting process. Notification procedures shall include timely written notice to property owners and tenants

within a reasonable radius of the proposed establishment, with instructions on how to submit concerns or objections to the City.

- D. The operator shall not shut, turn off, or reduce the intensity of lighting in the area used for dancing to such an extent as to provide less lighting or illumination than is customary for rooms or areas of like dimensions, or to a degree that makes it difficult or impossible to clearly see or identify individuals dancing on the floor provided for dancing.
- E. All entertainers and employees shall be clothed in such a way as to not expose specified anatomical areas, as defined in Section 18.92.020, at any time while working or performing at the establishment.
- F. The floor space provided for dancing shall be free of any furniture, obstructions, or partitions and maintained in a safe condition at all times.

5.28.100 Permit Issuance.

Notice of the decision of the chief of police or their designee with reference to a permit application pursuant to this chapter shall be given to the applicant or any other such person requesting such notice within thirty days after the receipt of an application for a permit or the renewal of such permit.

5.28.110 Permit—Terms.

The term date or dates for the permitted entertainment shall be for the dates of the specific occasion requested, or if the request is for a continuous permit, the permit shall be issued for a period of not longer than one year from the original date of issue, renewable at the time the establishment's annual business license is renewed.

5.28.120 Revocation of permit—Hearing.

- A. The Chief of Police or their designee shall give written notice of the proposed revocation or suspension of any permit granted pursuant to this chapter to the permittee. The notice shall set forth the date that the revocation or suspension is effective, the time and place of the informal meeting with the police chief or their designee, the ground or grounds upon which the revocation or suspension is based, the pertinent code sections, and a brief statement of the factual issues in support thereof. The notice shall be mailed to the permittee at the business address at least ten business days prior to the effective date of the suspension or revocation, unless immediate revocation is necessary to protect the public health and safety, such as criminal activity resulting in the arrest of one or more individuals at the establishment or building code violations that render the establishment unsafe to occupy.
- B. No appeal may be taken to any such administrative decision made by the Chief of Police or their designee pursuant to the provisions of this chapter unless such decision to appeal has been first taken up with the Chief of Police. This shall be an informal meeting to allow the permittee to provide evidence that the permit should not be suspended or revoked.

- C. Failure to attend an informal meeting with the Chief of Police or their designee shall be deemed a forfeiture of any right to appeal the decision to suspend or revoke a permit.
- D. Within ten business days of the informal meeting, the Chief of Police or their designee shall render his or her decision in writing, stating his or her findings and the action taken, if any. The decision letter shall be mailed to the permittee at the business address. The decision letter shall include the information of the right to appeal.
- E. The permittee may appeal the decision to suspend or revoke a live entertainment permit by filing a written notice of appeal with the City Manager, within ten days from the deposit of the decision letter in the mail or its receipt by the permittee, whichever occurs first, specifying in detail the ground or grounds for the appeal.
- F. The City Manager or their designee shall set a time and place for the hearing on the appeal not less than fifteen days and not more than sixty days from the date the appeal was received by the City Manager or their designee and shall give at least five days' written notice by mail to the permittee of the date, time, and place for the hearing. The hearing shall be conducted in accordance with Section 5.28.121.
- G. After the hearing on the appeal, the hearing officer may refer the matter back to the Chief of Police for a new investigation and decision, may affirm the decision of the Chief of Police or their designee, may dismiss the disciplinary action, or may revoke or suspend the permit. The permittee will be notified by the City Manager or their designee. The decision of the hearing officer upon such appeal shall be final and shall be subject to judicial review according to the provisions and time limits set forth in Code of Civil Procedure Section 1094.6.
- H. The notices provided to the live entertainment permit holder pursuant to this section may also be sent to the owner of the premises where the live entertainment is offered. However, failure to provide notice to the property owner shall not invalidate any actions taken by the city.

5.28.125 Hearing Rules.

The following rules shall apply to any hearing required by this chapter.

- A. The City Manager or their designee may hear the appeal or designate a City employee or third party to act as the hearing officer.
- B. All parties involved shall have the right to offer testimonial, documentary, and tangible evidence bearing on the issues, to be represented by counsel, and to confront and cross-examine witnesses.
- C. Any relevant evidence may be admitted if it is the sort of evidence upon which reasonable persons are accustomed to rely in the conduct of serious affairs.
- D. The hearing officer may conduct the hearing informally, both as to rules of procedure and admission of evidence, in any manner which will provide a fair hearing.
- E. A continuance may be granted for good cause if the party seeking the continuance has made a good faith effort to prevent the recurrence of the incident that led to the notice of intent to revoke or suspend.

- F. If the Chief of Police or their designee submits an additional written report concerning the revocation or suspension to the hearing officer for consideration at the hearing, then a copy of this report also shall be mailed to the person requesting the hearing at least five days prior to the date of the hearing. Any administrative citation, revocation or suspension letter, and any additional report submitted by the Chief of Police shall constitute prima facie evidence of the respective facts contained in those documents.
- G. The standard of proof shall be by a preponderance of the evidence.
- H. Failure to attend an appeal hearing is grounds for dismissal of the appeal and constitutes a failure to exhaust the administrative remedies.

5.28.130 Revocation of permit—Reapplication.

Whenever a permit is revoked under the terms of this chapter, no other application for a permit under this chapter shall be considered from the same applicant for the same type of use for a period of one year from the date of such revocation.

5.28.140 Violations.

Any establishment offering live entertainment operated, conducted, or maintained contrary to the provisions of this chapter is unlawful and a public nuisance.

SECTION 2. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 3. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its passage and adoption. The City Clerk is hereby directed to publish in full or summary this ordinance pursuant to §36933 of the Government Code in a newspaper of general circulation in the City of Morgan Hill.

THE FOREGOING ORDINANCE WAS INTRODUCED AND THE TITLE THEREOF READ AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL HELD ON THE 5TH DAY OF NOVEMBER 2025, AND WAS FINALLY ADOPTED AT A REGULAR MEETING OF SAID COUNCIL ON THE 19TH DAY OF NOVEMBER 2025, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: None
NOES: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: None

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. 2369, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 19th day of November 2025.

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

DATE: _____

MICHELLE BIGELOW, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2370, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED DEVELOPMENT (PD) OVERLAY ZONE ON A 25.3-ACRE SITE ON THE SOUTHWEST CORNER OF CONDIT ROAD AND DIANA AVENUE (ZA2025-0001 CONDIT – AUTO PARK PD) APN’S: 728-17-031, -035, AND -036

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2370, 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.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2022-2023 Strategic Priorities

Fiscal Sustainability

Economic Development

Guiding Documents

Economic Blueprint

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

On November 5, 2025, the City Council introduced Ordinance No. 2370 New Series, by the following roll call vote: AYES: Vega, Iwanaga, Martinez Beltran, Turner; NOES: None; ABSTAIN: None; ABSENT: Librers.

This Ordinance amends the allowed uses of the Planned Development zoning to eliminate limitations on the number of vehicle sales establishments.

COMMUNITY ENGAGEMENT:

A 10-day public hearing notice was published in the Friday, October 24, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project sites.

A 20-day public hearing notice was published in the Friday, August 29, 2025, edition of

the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project sites.

On September 23, 2025, the Planning Commission held a duly noticed public hearing where they considered public testimony along with a [Staff Report](#), exhibits, and other materials. The Planning Commission agenda packet including the Public comments received at the hearing is linked [here](#).

Prior to the June 24, 2025, Planning Commission workshop and the September 23, 2025, Planning Commission meeting, City staff conducted individual outreach to the Auto Dealers within the Auto Park PUD.

On July 10, 2025, City staff provided an update to the Morgan Hill Chamber of Commerce Economic Development Committee on the proposed Zoning Amendments.

On June 24, 2025, staff conducted a Planning Commission workshop for the commission to review and provide feedback on the proposed zoning amendments, except for ZA2025-0005: Laurel - Honda PD Amendment, which was added to the City-initiated PUD amendments after the workshop. In advance of the June 24, 2025, Planning Commission Workshop, business and property owners located within the Auto Park and Condit Road PUDs were contacted via email and standard mail. The Planning Commission agenda packet including the Public comments received at the hearing is linked [here](#).

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On September 23, 2025, the Planning Commission recommended approval of the Zoning Amendment of the City Council with no changes.

On November 5, 2025 the City Council introduced the Zoning Amendment ordinance.

FISCAL AND RESOURCE IMPACT:

The proposed City initiated zoning amendments are aimed at stimulating Economic Development, thus increasing the amount of sales tax and transient occupancy tax (TOT) collected by the City.

CEQA (California Environmental Quality Act):

This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects that have the potential for causing 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.

ORDINANCE NO. 2370, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED DEVELOPMENT (PD) OVERLAY ZONE ON A 25.3-ACRE SITE ON THE SOUTHWEST CORNER OF CONDIT ROAD AND DIANA AVENUE (ZA2025-0001 CONDIT-AUTO PARK PD) APN'S: 728-17-031, -035, and -036

WHEREAS, On March 25, 2009, the City Council adopted ordinance No. 1926 approving a zoning amendment to establish a Development Plan and Guidelines for a Planned Development area including the allowance for four motor vehicle sales dealerships at the southwest corner of Condit Road and Diana Avenue.

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

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

The proposed zoning amendments are consistent with the City's General Plan, as they support commercial development in alignment with the site's existing Commercial land use designation. The Commercial designation is primarily applied to properties located along arterial roadways west of Highway 101 and along the eastern freeway frontage. This designation is intended to accommodate a broad range of retail and service-oriented uses, including automobile dealerships.

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

The proposed amendment will not introduce hazardous activities or increase risks to public health or safety. Any new development or business will still be subject to building codes, fire codes, and environmental regulations.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

The site is presently developed with vehicle sales use and the allowance for additional dealerships within the same area will not be detrimental to the health, safety, and welfare of the property, surrounding properties, and the community at large.

SECTION 4. This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing 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.

SECTION 5. The proposed amendment shall apply to those parcels identified by assessor parcel number attached hereto, as Exhibit “A”

SECTION 6. The City Council hereby amends the Auto Park PD Guidelines as shown in Exhibit B.

SECTION 7. The request was considered by the Planning Commission at its regular meeting of September 23, 2025, at which time the Planning Commission recommended approval of Zoning Amendment application, ZA2025-0001: Condit – Auto Park PD. The City Council accepts the recommendation of the Planning Commission.

SECTION 8. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 9. Effective Date; Publication. 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 AND THE TITLE THEREOF READ AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL HELD ON THE 5TH DAY OF NOVEMBER 2025, AND WAS FINALLY ADOPTED AT A REGULAR MEETING OF SAID COUNCIL ON THE 19TH DAY OF NOVEMBER 2025, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	None
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

CERTIFICATE OF THE CITY CLERK

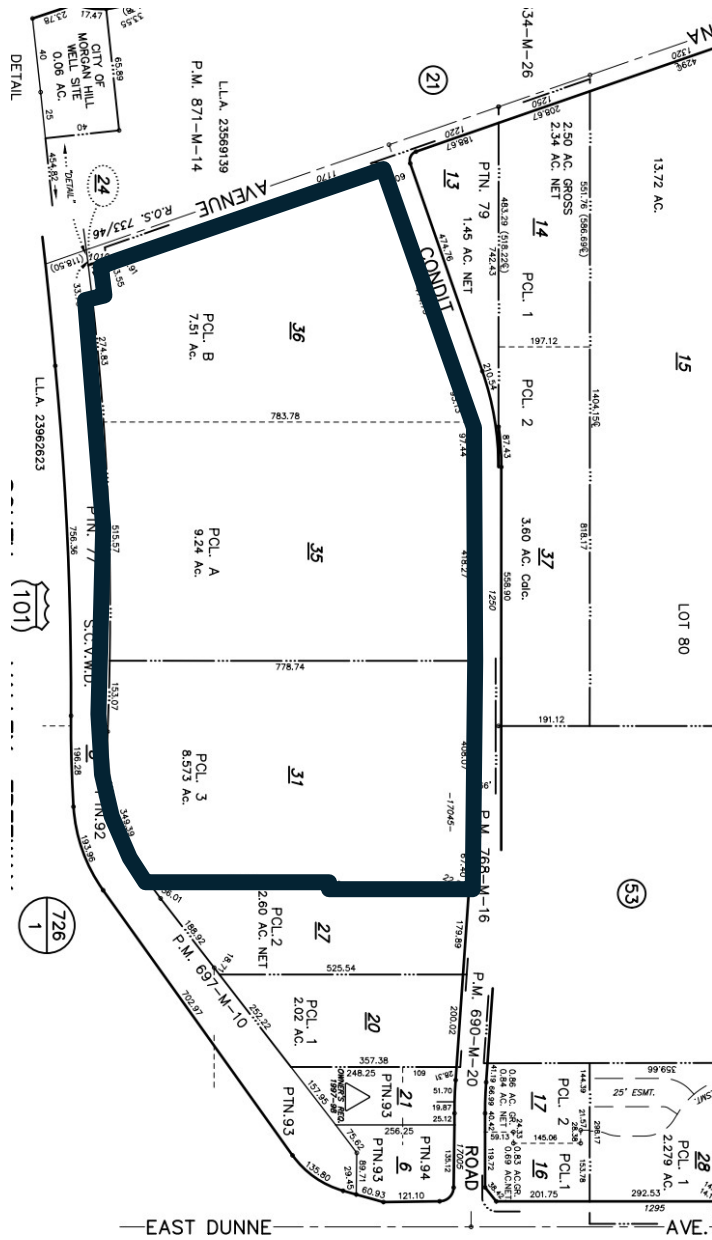
I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2370, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 19th day of November, 2025.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT A



**‘EXHIBIT B’
AUTO PARK P GUIDELINES
REVISED OCTOBER 2025**

Allowed Uses

AU-1. **Vehicle Sales and Leasing per (MHMC 18.124.40).**

AU-2. Any other use proposed in the PD shall require an amendment to the PD Guidelines and zoning.

Design (Site, Building and Landscape)

D-1. Future development within the PD shall comply with the adopted PD Guidelines as contained herein.

D-2. Future development of the PD shall require a Design Permit and shall be subject to compliance with the site development standards of the HC, Highway Commercial Zoning District and the City of Morgan Hill Architectural Review Handbook. The following design measures shall be implemented in the PD:

- a. A minimum 30-ft wide landscape buffer (excluding any landscaping in the public right-of-way) shall be provided along the Condit Road frontage. The 30-ft wide Condit Road landscape buffer shall include rolling berms and minimum 24-inch box size trees.
- b. A minimum 15-ft wide landscape buffer (excluding any landscaping in the public right-of-way) shall be provided along the Diana Avenue frontage.
- c. A minimum 30-ft wide landscape buffer shall be provided along the Madrone Channel frontage.
- d. Areas of required parking shall be landscaped in strict adherence to the Morgan Hill Architectural Review Handbook, including but not limited to the provision of landscape planters and minimum five feet of landscaping between the interior side property lines and parking stalls and/or drive aisles.
- e. A path of travel from the sidewalk to each building shall be provided via a four-ft wide sidewalk set within a minimum 14-ft wide landscape area on at least one side of both internal drive aisles labeled Utility Drive and Sales Avenue on the Auto Park PD Development Plan.
- f. The buildings for the ~~three~~ new dealerships shall be compatible in design and scale with the existing Ford Store dealership.

- g. To the greatest extent possible, service bay roll-up doors should not face Condit Road or Diana Avenue. If service bay roll-up doors do face Condit Road and/or Diana Avenue, landscape screening shall be provided to minimize visibility from the public right-of-way.
 - h. Any flag poles installed on-site shall not exceed 30 feet in height, except as may be permitted by approval of a conditional use permit for a telecommunications facility.
- D-3. On-site stormwater detention/retention will be required with development of the site, subject to the review and approval of the Morgan Hill Public Works Department. Detention/retention pond(s) shall not be located within the required Condit Road or Diana Avenue landscape buffers, and there shall be no new storm drainage outfalls directly into Madrone Channel from the project site.

Circulation

- C-1. Cross access circulation shall be maintained between the adjoining dealerships and throughout the PD as shown on the Auto Park PD Development Plan. As part of any future subdivision of the project site, the applicant shall record cross access easements along common drive aisles and reciprocal ingress/egress easements at all driveway entrances.
- C-2. To the greatest extent possible, dead end drive aisles should be avoided. Dead end drive aisles shall only be allowed in areas designated for vehicle display, storage, or temporary parking of service vehicles. Dead end drive aisles shall not be allowed in any public or customer parking areas.
- C-3. The internal drive aisles labeled Utility Drive and Sales Avenue on the Auto Park PD Development Plan shall be a minimum 30 ft in width.
- C-4. Test driving of vehicles shall be limited to Condit Road, Highway 101 and segments of Dunne Avenue, Cochrane Road and/or Tennant Avenue required for access to and from the freeway. Test driving of vehicles is prohibited along Murphy Avenue, on Condit Road north of Main Avenue and south of Dunne Avenue and on East Dunne Avenue, east of Condit Road. A map of the approved, designated test driving route as described above shall be included in all Sales Employee Handbooks for all dealerships located within the Auto Park PD.

Parking

- P-1. The parking and/or display of vehicles in any landscape area are expressly prohibited within the PD.

- P-2. All employee and customer parking shall be clearly marked and shall be provided entirely on-site.
- P-3. Parking required for an ancillary motor vehicle service use shall be calculated separately and in addition to parking required for the principally permitted motor vehicle sale use.

Deliveries/Loading & Unloading

- D/L&U-1. Motor vehicle deliveries to the dealerships shall be restricted to the hours of 9 a.m. to 4 p.m. Monday through Saturday to minimize traffic/circulation conflicts.
- D/L&U-1. All loading and unloading of motor vehicles shall be conducted entirely on-site.

Lighting

- L-1. As part of the Design Permit review process for any future dealership, the applicant shall provide for City review and approval a photometric plan identifying lighting levels resulting from all exterior lighting. Lighting levels at the new dealerships shall be equal to or less intensive than the lighting levels at the existing Ford Store dealership. Also, lighting standards for the PD shall include the following:
- a. Parking lot lights located between the building and Condit Road and/or Diana Avenue shall not be more than 18 ft in overall height, except that lights located within 85 feet of Condit Road and/or Diana Avenue shall not be more than 15 ft in overall height (e.g., 2'-6" base with 12'-6" pole or 3'-0" base with 12'-0" pole). All other parking lot lights shall not exceed an overall height of 20 ft.
 - b. The existing lights at the Ford Store dealership shall remain at their current height as approved under Building Permit No. BLD2003-01108.
 - c. Flood lights aimed at the sky or used to spot light display areas are expressly prohibited. Accent uplighting of buildings and/or landscaping may be permitted subject to review and approval of the required Design Permit.
- L-2. All lighting shall be shielded and directed in such a manner so as not to produce harmful effects upon neighboring property. Adjustments to the lighting intensity may be required after commencement of the use. I

Signage

- S-1. One (1) shared use freeway sign advertising the names of the ~~four~~ dealerships shall be allowed for the Auto Park PD. The freeway sign shall be designed in accordance with the provisions of the City Sign Code, and shall not be installed until after a second dealership is established within the Auto Park PD.

- S-2. All signs shall comply with Chapter 18.76, Sign Code, of the Morgan Hill Municipal Code and require sign permits prior to installation.
- S-3. Individually mounted channel letters shall be utilized for building attached signs-
- S-4. The use of flags, banners, tassels, balloons or other inflatable objects is prohibited in the PD except as expressly permitted in Chapter 18.88, Sign Code, of the Morgan Hill Municipal Code.

Noise

- N-1. The use of any exterior public address system or other noise intrusive communication system is expressly prohibited in the PD.

General Provisions

- GP-1. Any modification to these PD Guidelines shall be subject to review and approval of a PD Amendment.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2371, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT PLAN FOR A PLANNED UNIT DEVELOPMENT (PUD) ON A 35 ACRE SITE ON THE WEST SIDE OF CONDIT ROAD BETWEEN DUNNE AND TENNANT AVENUES (ZA2025-0002 CONDIT – CONDIT ROAD PUD) APN’S 817-12-001,-003, -004, -018, -019; 817-13-019-022, -024, -026,027, 029-032, AND 034-035

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2371, 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.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2024-2025 Strategic Priorities

Fiscal Sustainability

Economic Development and Tourism

Healthy Community

Guiding Documents

Economic Blueprint

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

On November 5, 2025, the City Council introduced Ordinance No. 2371 New Series, by the following roll call vote: AYES: Vega, Iwanaga, Martinez Beltran, Turner; NOES: None; ABSTAIN: None; ABSENT: Librers.

The ordinance is summarized below:

Hotel Development Flexibility

Removes the existing cap of five hotels within the PUD to accommodate additional hotel development in response to market demand and evolving hospitality needs.

Temporary Uses

Adds provisions to allow temporary uses, enabling interim activities such as live entertainment, recreational events, and community gatherings.

Commercial Indoor Recreation

Allows indoor recreation uses up to 30,000 square feet by right, eliminating the requirement for a Conditional Use Permit and supporting expanded recreational opportunities.

Athletic Training Facilities with Onsite Accommodations

Allows specialized athletic training facilities that include onsite lodging to meet the operational needs of professional sports teams.

Retail Development

Expands permitted retail uses by allowing grocery stores by right and permitting convenience stores with a Conditional Use Permit, enhancing access to essential goods and services.

Restaurants with Drive-through

Removes the existing limitation of one restaurant with a drive-through, allowing for greater flexibility in food service options within the PD.

Motor Vehicle Sales

Removes the restriction of two motor vehicle sales with outdoor display, thereby allowing additional dealerships with outdoor display areas within the PD.

Tasting Rooms

Revises the permitted uses to identify "Tasting Rooms" as an allowed use, replacing the outdated reference to "Wine Tasting." The term "Tasting Room," as defined in the Zoning Code, encompasses the on-site tasting and retail sale of wine, beer, and/or other alcoholic beverages, with both on-site and off-site sales directly to the public.

COMMUNITY ENGAGEMENT:

A 10-day public hearing notice was published in the Friday, October 24, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project sites.

A 20-day public hearing notice was published in the Friday, August 29, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project sites.

On September 23, 2025, the Planning Commission held a duly noticed public hearing where they considered public testimony along with a [Staff Report](#), exhibits, and other materials. The Planning Commission agenda packet including the Public comments

received at the hearing is linked [here](#).

Prior to the June 24, 2025, Planning Commission workshop and the September 23, 2025, Planning Commission meeting, City staff conducted individual outreach to the Auto Dealers within the Auto Park PUD.

On July 10, 2025, City staff provided an update to the Morgan Hill Chamber of Commerce Economic Development Committee on the proposed Zoning Amendments.

On June 24, 2025, staff conducted a Planning Commission workshop for the commission to review and provide feedback on the proposed zoning amendments, except for ZA2025-0005: Laurel - Honda PD Amendment, which was added to the City-initiated PUD amendments after the workshop. In advance of the June 24, 2025, Planning Commission Workshop, business and property owners located within the Auto Park and Condit Road PUDs were contacted via email and standard mail. The Planning Commission agenda packet including the Public comments received at the hearing is linked [here](#).

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On September 23, 2025, the Planning Commission recommended approval of the Zoning Amendment of the City Council with no changes.

On November 5, 2025 the City Council Introduced the ordinance.

FISCAL AND RESOURCE IMPACT:

The proposed City initiated zoning amendments are aimed at stimulating Economic Development, thus increasing the amount of sales tax and transient occupancy tax (TOT) collected by the City.

CEQA (California Environmental Quality Act):

This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects that have the potential for causing 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.

ORDINANCE NO. 2371, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT PLAN FOR A PLANNED UNIT DEVELOPMENT (PUD) ON A 35 ACRE SITE ON THE WEST SIDE OF CONDIT ROAD BETWEEN DUNNE AND TENNANT AVENUES (ZA2025-0002 CONDIT – CONDIT ROAD PUD) APN'S 817-12-001,-003, -004, -018, -019; 817-13-019-022, -024, -026,027, 029-032, and 034-035

WHEREAS, On March 25, 2009, the City Council adopted ordinance No. 1926 approving a zoning amendment to establish a Development Plan and Guidelines for a Planned Development area including the allowance for four motor vehicle sales dealerships at the southwest corner of Condit Road and Diana Avenue.

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

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

The proposed zoning amendments are consistent with the City's General Plan, as they support commercial development in alignment with the site's existing Commercial land use designation. The Commercial designation is primarily applied to properties located along arterial roadways west of Highway 101 and along the eastern freeway frontage. This designation is intended to accommodate a broad range of retail and service-oriented uses, including automobile dealerships.

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

The proposed amendment will not introduce hazardous activities or increase risks to public health or safety. Any new development or business will still be subject to building codes, fire codes, and environmental regulations.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

The property on the west side of Condit Road, between East Dunne Avenue and Tennant Avenue, is predominantly developed with retail and hotel uses. The proposed amendment will facilitate additional development that will contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

SECTION 4. This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing 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.

SECTION 5 The proposed amendment shall apply to those parcels identified by assessor parcel number attached hereto, as Exhibit “A.”

SECTION 6. The City Council hereby amends the permitted and conditional uses as contained in the certain series of documents date stamped December 17, 2001 on file in the Community Development Department, entitled “Condit PUD planned development and phasing plan” prepared by DpC, Development Process Consultants.

Uses allowed within the PUD shall be amended as follows:

Permitted Uses

Restaurants, Sit down.

Tasting Rooms

General Retail uses including grocery and excluding liquor stores. Motels and hotels

Conference centers, banquet, and meeting rooms

Commercial indoor and outdoor recreation **30,000 square feet or less.**

Conditional Uses

Commercial indoor recreation greater than **30,000 square feet.** ~~3,000 square feet~~

Motor vehicle sales and service uses.

Service uses shall only be allowed when ancillary to motor vehicle sales.

Restaurants **with drivethrough,**

Other commercial uses with an outdoor sales display area.

Any other use, which the Planning Commission determines to be similar to permitted or conditional uses

Convenience Markets (per MHMC 18.92.030)

Athletic Training Facility with ancillary accommodations

Any other use, which the Planning Commission determines to be similar to permitted and conditional uses.

Temporary Uses

Limited to 1-year with (2) 1-year extensions

In addition to those temporary uses identified in section 18.92.150 c.

- **Live Entertainment**
- **Recreation**
- **Social Gatherings**

Any other temporary uses which the Development Services Director deems to be similar to other temporary uses

SECTION 7. The request was considered by the Planning Commission at its regular meeting of September 23, 2025, at which time the Planning Commission recommended approval of Zoning Amendment application, ZA 2025-0002 Condit – Condit Road PD. The City Council accepts the recommendation of the Planning Commission.

SECTION 8. Severability; If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 9. Effective Date; Publication. 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 AND THE TITLE THEREOF READ AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL HELD ON THE 5TH DAY OF NOVEMBER 2025, AND WAS FINALLY ADOPTED AT A REGULAR MEETING OF SAID COUNCIL ON THE 19TH DAY OF NOVEMBER 2025, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	None
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

CERTIFICATE OF THE CITY CLERK

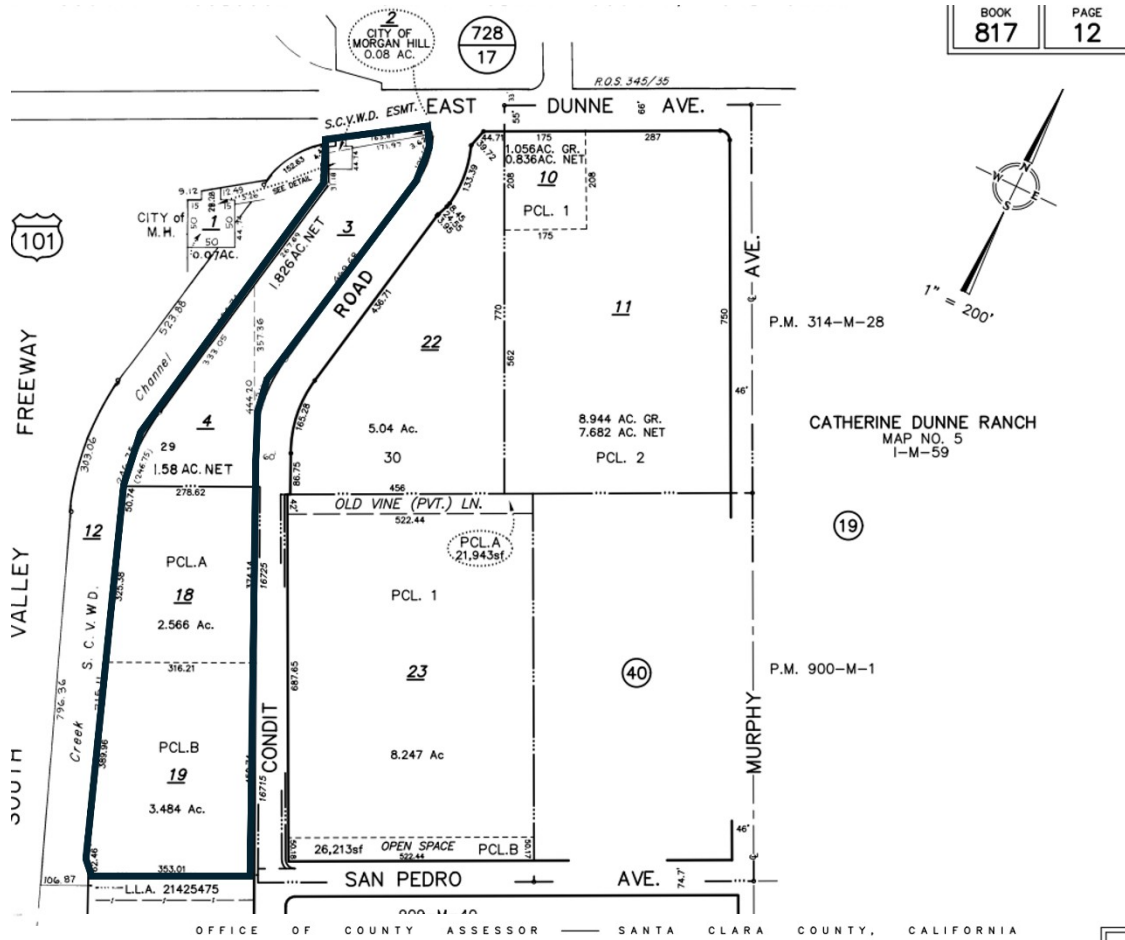
I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2371, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 19th day of November 2025.

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

DATE: _____

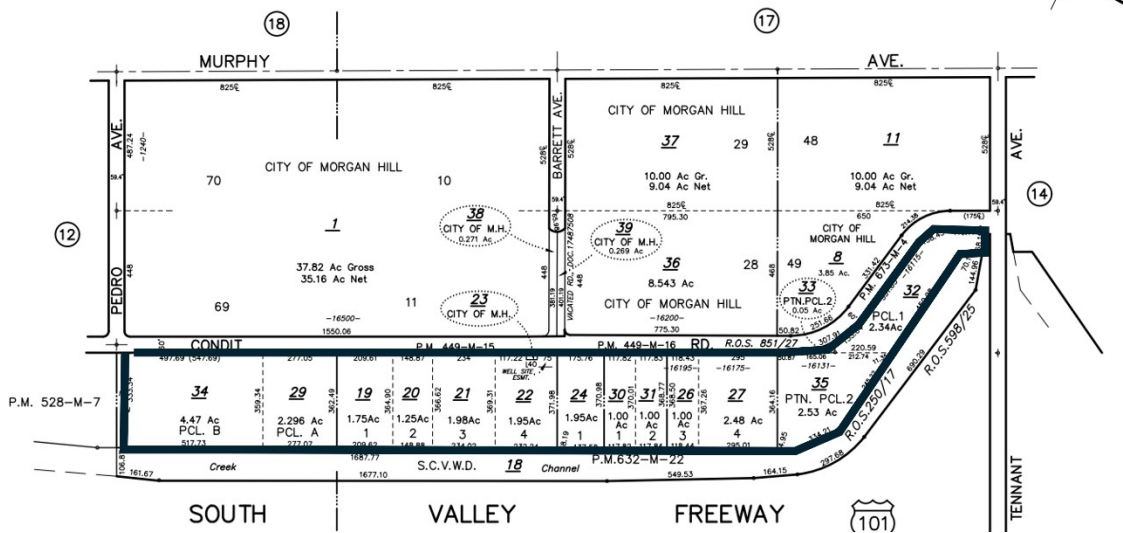
MICHELLE BIGELOW, City Clerk

EXHIBIT A



CATHERINE DUNNE RANCH MAP NO. 5
 I-M-59

CATHERINE DUNNE RANCH MAP NO. 7
 L-M-26





CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2372, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED DEVELOPMENT (PD) OVERLAY ZONE ON A 9.27 ACRE SITE ON THE NORTH SIDE OF THE EASTERN TERMINUS OF LAUREL ROAD (ZA2025-0005 LAUREL – HONDA) APN’S: 726-01-001, 726-01-006, AND 726-01-007

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2372, 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.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2024-2025 Strategic Priorities

Fiscal Sustainability

Economic Development and Tourism

Healthy Community

Guiding Documents

Economic Blueprint

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

On November 5, 2025, the City Council introduced Ordinance No. 2372 New Series, by the following roll call vote: AYES: Vega, Iwanaga, Martinez Beltran, Turner; NOES: None; ABSTAIN: None; ABSENT: Librers.

This Ordinance proposes to eliminate the restriction that limits the Planned Development (PD) area to only one motor vehicle sales dealership, thereby allowing for the development of additional vehicle sales businesses.

COMMUNITY ENGAGEMENT:

A 10-day public hearing notice was published in the Friday, October 24, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project sites.

A 20-day public hearing notice was published in the Friday, August 29, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project sites.

On September 23, 2025, the Planning Commission held a duly noticed public hearing where they considered public testimony along with a [Staff Report](#), exhibits, and other materials. The Planning Commission agenda packet including the Public comments received at the hearing is linked [here](#).

Prior to the June 24, 2025, Planning Commission workshop and the September 23, 2025, Planning Commission meeting, City staff conducted individual outreach to the Auto Dealers within the Auto Park PUD.

On July 10, 2025, City staff provided an update to the Morgan Hill Chamber of Commerce Economic Development Committee on the proposed Zoning Amendments.

On June 24, 2025, staff conducted a Planning Commission workshop for the commission to review and provide feedback on the proposed zoning amendments, except for ZA2025-0005: Laurel - Honda PD Amendment, which was added to the City-initiated PUD amendments after the workshop. In advance of the June 24, 2025, Planning Commission Workshop, business and property owners located within the Auto Park and Condit Road PUDs were contacted via email and standard mail. The Planning Commission agenda packet including the Public comments received at the hearing is linked [here](#).

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On September 23, 2025, the Planning Commission recommended approval of the Zoning Amendment of the City Council with no changes.

On November 5, 2025, the City Council introduced the Zoning Amendment ordinance.

FISCAL AND RESOURCE IMPACT:

The proposed City initiated zoning amendments are aimed at stimulating Economic Development, thus increasing the amount of sales tax and transient occupancy tax (TOT) collected by the City.

CEQA (California Environmental Quality Act):

This ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of

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

ORDINANCE NO. 2372, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED DEVELOPMENT (PD) OVERLAY ZONE ON A 9.27 ACRE SITE ON THE NORTH SIDE OF THE EASTERN TERMINUS OF LAUREL ROAD (ZA2025-0005 LAUREL – HONDA) APN'S: 726-01-001, 726-01-006, AND 726-01-007

WHEREAS, On April 17, 1996, the City Council adopted Ordinance No. 1273, N.S., establishing a Highway Commercial (CH) and Planned Unit Development (PUD) overlay zone to allow one motor vehicle dealership use on parcel 726-01-001 and unspecified highway commercial uses within the remainder of the zoning area on the north side of the eastern terminus of Laurel Road.

WHEREAS, On December 3, 2014, the City Council adopted Ordinance No 2125, to revise the boundaries of the PUD to include parcels 726-01-001, -006, and -007 in their entirety as shown in EXHIBIT A.

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

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

The proposed zoning amendments are consistent with the City's General Plan, as they support commercial development in alignment with the site's existing Commercial land use designation. The Commercial designation is primarily applied to properties located along arterial roadways west of Highway 101 and along the eastern freeway frontage. This designation is intended to accommodate a broad range of retail and service-oriented uses, including automobile dealerships.

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

The proposed amendment will not introduce hazardous activities or increase risks to public health or safety. Any new development or business will still be subject to building codes, fire codes, and environmental regulations.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health,

safety, and welfare of the property, surrounding properties, and the community at large.

The site is presently developed with a vehicle sales use and the allowance for additional dealerships within the same area will not be detrimental to the health, safety, and welfare of the property, surrounding properties, and the community at large.

SECTION 4. This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing 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.

SECTION 5 The proposed amendment shall apply to those parcels identified by assessor parcel number numbers attached hereto, as EXHIBIT “A”

SECTION 6. The City Council hereby amends the permitted uses of the subject Planned Unit Development (PUD) overlay zone as follows:

Allowable Uses:

Land Uses of the Highway Commercial (CH) Zoning District
Vehicle Sales and Leasing per (MHMC 18.124.40).

SECTION 7. The request was considered by the Planning Commission at its regular meeting of September 23, 2025, at which time the Planning Commission recommended approval of Zoning Amendment application, ZA2025-0005: Laurel– Honda PUD. The City Council accepts the recommendation of the Planning Commission.

SECTION 8. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 9. Effective Date; Publication. 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 AND THE TITLE THEREOF READ AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL HELD ON THE 5TH DAY OF NOVEMBER 2025, AND WAS FINALLY ADOPTED AT A REGULAR MEETING OF SAID COUNCIL ON THE 19TH DAY OF NOVEMBER 2025, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	None
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

CERTIFICATE OF THE CITY CLERK

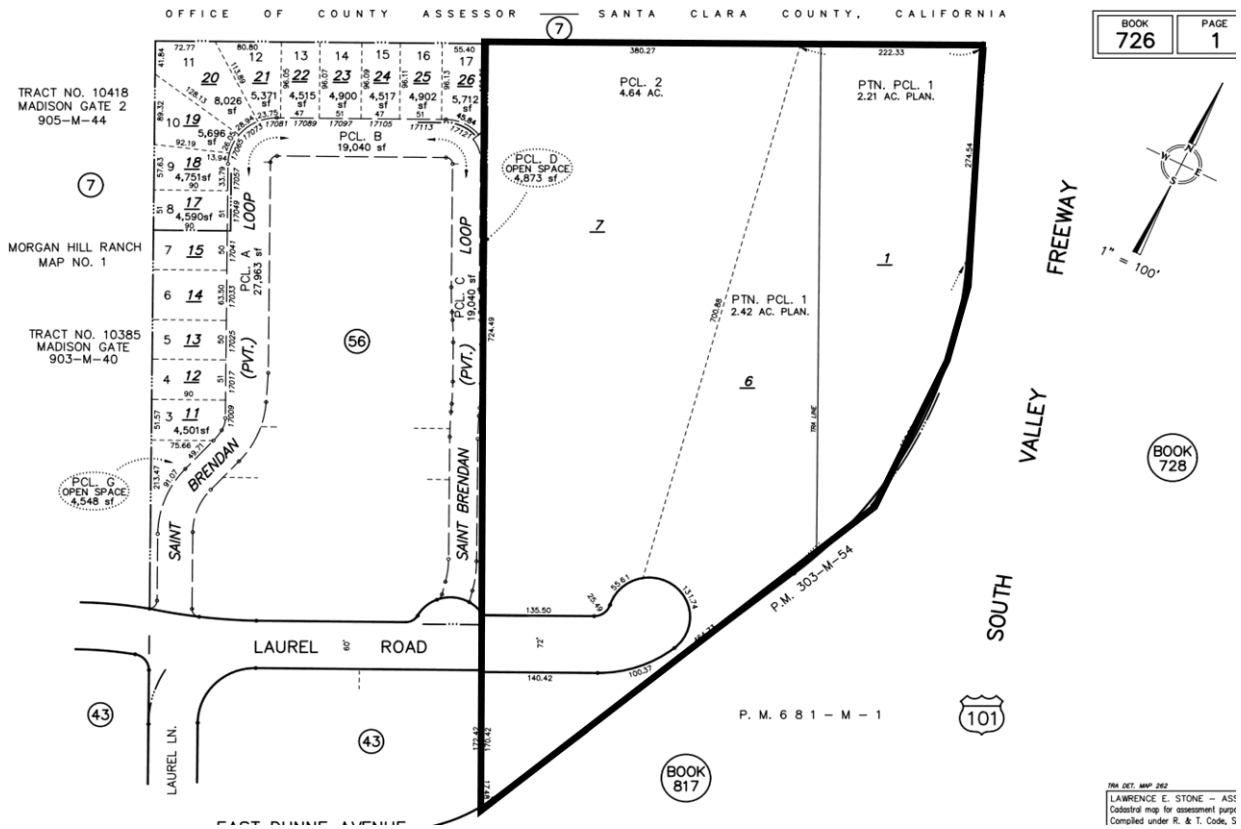
I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2372, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 19th day of November 2025.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT A





CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2373, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE TENNANT STATION SHOPPING CENTER PLANNED UNIT DEVELOPMENT (PUD) ON A 21.88 ACRE SITE ON THE SOUTHEAST CORNER OF MONTEREY ROAD AND TENNANT AVENUE (AAE2025-0003 TENNANT-TENNANT STATION PD) APN'S: 817-06-041, 055, 056, 057, AND 058

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2373, 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.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities

Economic Development and Tourism

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

On November 5, 2025, the City Council introduced Ordinance No. 2373 New Series, by the following roll call vote: AYES: Vega, Iwanaga, Martinez Beltran, Turner; NOES: None; ABSTAIN: None; ABSENT: Librers.

This Ordinance is an amendment to a Planned Development (PD) for the Tennant Station shopping center that modifies restrictions on square footages for the Fitness, Cinema and Bowling Alley uses within the center. Instead of specific square footage limits, any proposed expansion of these uses will require review by the Development Services Director and future permitting if deemed required rather than requiring an amendment to the Planned Development.

COMMUNITY ENGAGEMENT:

A 10-day public hearing notice was published in the Friday, October 24, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project site.

A 20-day public hearing notice was published in the Friday, September 19, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project site.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council adopted Ordinance No. 336 N.S., on January 3, 1973, rezoning 75 acres of property located at the southeast corner of Tennant Avenue and Monterey Road to Planned Unit Development (PUD).

The City Council adopted Ordinance No. 1039 N.S. on August 7, 1991, incorporating a detailed development plan for 21-acres of the site.

The City Council adopted Ordinance No. 1546 N.S. on May 15, 2002, establishing design guidelines for the PUD and amending the precise development plan for the site.

The Planning Commission recommended approval of the proposed ordinance on October 14, 2025.

The City Council introduced the ordinance on November 5, 2025.

FISCAL AND RESOURCE IMPACT:

None.

CEQA (California Environmental Quality Act):

This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects that have the potential for causing 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.

ORDINANCE NO 2373, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE TENNANT STATION SHOPPING CENTER PLANNED UNIT DEVELOPMENT (PUD) ON A 21.88 ACRE SITE ON THE SOUTHEAST CORNER OF MONTEREY ROAD AND TENNANT AVENUE (AAE2025-0003 TENNANT-TENNANT STATION PD) APN'S: 817-06-041, 055, 056, 057, AND 058

WHEREAS. On August 7, 1991, the City Council adopted Ordinance No. 1039, N.S., incorporating a detailed development plan for Tennant Station.

WHEREAS. On May 15, 2002, the City Council adopted Ordinance No 1546 establishing design guidelines for the PUD and amending the precise development plan for the site as shown in EXHIBIT A.

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

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

The proposed zoning amendment is consistent with the City's General Plan, as it supports commercial development in alignment with the site's existing Commercial land use designation.

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

The amendment supports the purpose of the Zoning Code—to implement the General Plan and protect public health, safety, and welfare.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

The affected site is an existing shopping center and the proposed PUD amendment does not change the use, orientation or size of the center. Future development proposals will be subject to the appropriate level of design review to ensure compliance with the PUD and City guidelines.

SECTION 4. This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing 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.

SECTION 5. The City Council hereby amends the Section II of the subject Planned Unit Development (PUD) overlay zone as follows:

II. ALLOWED USES/GENERAL PROVISIONS

2. The following existing uses shall be allowed in specific locations ~~and sizes~~ shown on Figure 1. Any enlargement or relocation of the following uses shall be reviewed by the Development Services Director for master plan consistency and potential impacts to the center. If an increase to the size of the uses results in impacts to the center, the appropriate permitting process will be required. ~~will require amendment to the PUD.~~

Bowling Alley 26,525 sq. ft.

Movie Theater 23,009 sq. ft.

Fitness Center 24,708 sq. ft.

SECTION 6. The request was considered by the Planning Commission at its regular meeting of October 14, 2025, at which time the Planning Commission recommended approval of Zoning Amendment application, AAE2025-0003: Tennant – Tennant Station PUD. The City Council accepts the recommendation of the Planning Commission.

SECTION 7. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. Effective Date; Publication. 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 AND THE TITLE THEREOF READ AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL HELD ON THE 5TH DAY OF NOVEMBER 2025, AND WAS FINALLY ADOPTED AT A REGULAR MEETING OF SAID COUNCIL ON THE 19TH DAY OF NOVEMBER 2025, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: None
NOES: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: None

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. 2373, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 19th day of November 2025.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT A

ORDINANCE NO. 1546, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A ZONING AMENDMENT TO AMEND THE PRECISE DEVELOPMENT PLAN FOR THE TENNANT STATION SHOPPING CENTER AND ESTABLISHING DESIGN GUIDELINES FOR THE PUD DISTRICT LOCATED ON THE SOUTH EAST CORNER OF THE INTERSECTION OF MONTEREY ROAD AND TENNANT AVENUE. (APN's 817-06-039, 040 & 41)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

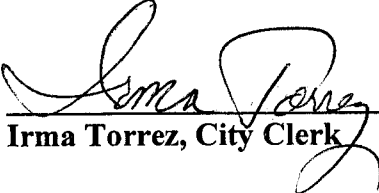
- SECTION 1.** The proposed zoning amendment hereby amends Ordinance No. 1036 New Series and is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** The PUD amendment is exempt pursuant to CEQA section 15332-Infill development
- SECTION 4.** The City Council hereby approves development guidelines as contained in Exhibit "A" dated May 1, 2002, entitled *Tennant Station Shopping Center* and hereby approves a precise development plan dated 4-01-02 prepared by Craig and Grant Architect, shown as Figure I within Exhibit A. The precise development plan (Figure I), amended by the Architectural and Site Review approval, illustrates the exact location and dimensions of all proposed buildings, vehicle and pedestrian circulation ways, parking areas, landscape areas and any other purposeful uses on the project and by this reference is incorporated herein. Changes to the PUD which differs substantially from the approved precise development plan shall require an amendment through the public hearing process.
- SECTION 5.** The Council finds that the changes incorporated in this exhibit are necessary to comply with the minimum zoning requirements as set forth in Chapter 18.30 of the Municipal Code (Zoning Code) and Division III, Chapter 18.76 of the Municipal Code (Sign Code).
- SECTION 6.** The precise development plan and the guidelines contained within Exhibit "A" supercede the precise development plan and guidelines adopted as part of Ordinance No. 1036 New Series.
- SECTION 7.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. Effective Date Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Morgan Hill held on the 1st day of May, 2002 and was finally adopted at a regular meeting of said Council on the 15th day of May, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

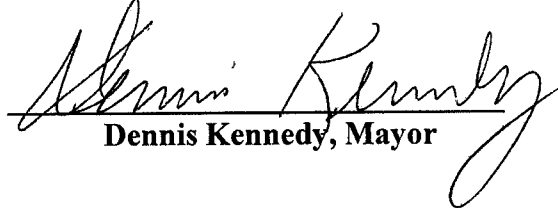
AYES:	COUNCIL MEMBERS:	Larry Carr, Hedy L. Chang, Dennis Kennedy, Greg Sellers, Steve Tate
NOES:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None

ATTEST:



Irma Torrez, City Clerk

APPROVED:




Dennis Kennedy, Mayor

☛ CERTIFICATE OF THE CITY CLERK ☛

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1546, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 15th day of May, 2002.

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

DATE: June 6, 2002



IRMA TORREZ, City Clerk

Exhibit A

Tennant Station Shopping Center

PLANNED UNIT DEVELOPMENT (PUD) GUIDELINES

I. PUD SITE PLAN

- A. The project site for this PUD is illustrated in Figure 1. All new or remodeled development within this delineated area shall be required to meet the standards described herein.
- B. Proposed building foot prints illustrated in Figure 1. may be modified, so long as those modifications meet standard site development requirements.

II. ALLOWED USES/GENERAL PROVISIONS

- A. Permitted uses listed in the General Commercial (CG) Zoning District (Chapter 18.22) shall be allowed in the PUD. Conditional uses listed in the CG zoning district will still be considered conditional uses and would require conditional use permit approval prior to issuance of a business licence.
- B. The following existing uses shall be allowed on specific locations and sizes shown on Figure 1. Any enlargement or relocation of the following uses will require amendment to the PUD.

Bowling Alley	26,525 sq. ft.
Movie Theater	23,009 sq. ft.
Fitness Center	24,708 sq. ft.
- C. In the event that an existing use changes, either through a business license application or through a conditional use permit, the Community Development Department may require a parking utilization study prior to issuance of a permit or license to determine if the site provides adequate parking for the new use.
- D. All plans shall be subject to architectural and site review approval by the City of Morgan Hill Architectural Review Board (ARB).
- E. All public improvements necessary to support the shopping center or a use within the shopping center shall be completed prior to occupancy of the supermarket.
- F. A public restroom(s) shall be provided at the fuel center.
- G. An "Exit Clause" be recorded prior to the issuance of a building permit for the construction of a fuel center. The language for the "Exit Clause" shall be to the review and approval of the City Attorney. The "Exit Clause" shall include some form of surety to guarantee the removal of the fuel center use if abandoned by Safeway and a new

operator is not found within a one year period. The Planning Commission may approve up to two, one-year extensions upon receipt of documentation of a pending agreement with a new operator or other indication of potential sale or reuse.

- H. One year after the opening of the grocery store, a review shall be completed by the Police Department to assess the safety of the Vineyard Boulevard drive aisle. If additional safety improvements are deemed necessary, by the the Planning Commission, after conducting a public hearing, may require the owner to install safety improvements to mitigate the identified safety hazards. Examples of such improvements are speed control devices such as speed bumps or stop signs. Safety improvements would not require any change to the size of the buildings.

III. DESIGN

A. THEME

1. General aesthetic character of the building exteriors shall be architecturally compatible. Exterior materials and colors shall be consistent throughout the center.

B. SITE DEVELOPMENT

1. General Information

- a. Site development shall adhere to the following Municipal Code Sections, unless specific deviation is addressed elsewhere in this document
 1. Section 18.22.040, with respect to setbacks, minimum lot size, building coverage, and height restrictions. (Site Development Standards for the CG Zoning District)
 2. PUD, Planned Unit Development District, Chapter 18.30
 3. Flood Damage Prevention, Chapter 18.42
 4. Commercial and Industrial Performance Standards, Chapter 18.48
 5. Off-Street Parking and Paving Standards, Chapter 18.50
 6. Exceptions and Modifications, Chapter 18.56
 7. Design Review, Chapter 18.74
 8. Signs, Chapter 18.76

2. Site Planning

a. *Trash Enclosures*

1. Trash enclosures shall be constructed in accordance with design guidelines developed in the Architectural Review Handbook.
2. Trash enclosures shall be located in areas which would minimize visual impact from the public right of way.
3. Shrubs and vine planting shall be provided to screen utilities and trash enclosures.
4. In the event that excessive trash begins to accumulate, the City may require the owner to arrange for additional refuse pick-up.

5. All refuse bins shall be kept within trash enclosures.
6. The trash enclosure at the gas station site shall be moved back behind the kiosk. All trash enclosures shall be located out of public view to the greatest extent possible.
7. A trash enclosure shall be placed on Pad 5 and shall be constructed with a shade trellis.

b. Fences and Walls

1. Walls shall be designed to be compatible with the surrounding landscape and architectural concept.
2. Compressors shall be screened by a wall and shall be located below the fascia and/or roof line of the building. Further, they shall be located on the rear or hidden side of the building and shall be painted to match the surface to which attached, if that surface is visible.

c. Parking and Loading/Circulation

1. All parking shall be screened from public view through the use of berming, hedge row planting, shrubs, trees, fences or walls, or any combination thereof. At the time of installation plantings shall be a minimum of 15 gallon trees and 5 gallon shrubs
2. Vertical and horizontal sight lines should be sufficient to ensure safe vehicular, as well as pedestrian movement.
3. Parking shall be screened from roadways.
4. No angled parking or one way drive aisles shall be utilized in new or revised parking lots.
5. Access to the property and circulation thereon should be safe and convenient for pedestrians, cyclists and vehicles.
6. Cross access easements shall be provided throughout the PUD.
7. Dead end drive aisles shall be eliminated and avoided wherever possible.
8. All main drive aisles within the PUD shall be a minimum of 30 ft. in width at the project's entrances/exits
9. Adequate auto stack-up areas of at least 40 ft. shall be designed to permit a minimum of two cars to enter the parking lot area without obstructing either street through traffic or vehicle backup areas within the parking lot.
10. The drive aisles along the Tennant Avenue and Monterey Road frontage (from the first driveway to the corner) shall be reduced to 25 ft. and the excess area added to the perimeter landscaping in order allow for berming within the landscape area. The objective is to add approximately 8ft. to the Monterey Road side and approximately 5 ft. to the Tennant Avenue side.

d. Walkways

1. Parking areas shall be designed to include provision for pedestrian walkways to provide access to building entrances.
2. Walkways that cross traffic lanes shall have special design features such as raised and/or textured pavement, narrowed roadway, or combination thereof.

3. Walkways shall be provided through landscaped areas to protect landscaping from foot traffic damage.
4. The overall design of the project shall allow for safe and a free unrestricted flow of vehicular flow and pedestrian traffic from one lot to another.
5. Access to property and circulation shall be safe and convenient for pedestrians and vehicles.
6. Vertical and horizontal sight lines shall be sufficient to ensure safe vehicular and pedestrian movements.
7. In order to facilitate vehicle and pedestrian safety, walkways shall extend a minimum of 5 ft. past a building or architectural feature.

e. Merchandise Loading and Deliveries

1. Two (2) off-street loading spaces (each space measuring at least twelve feet wide, forty feet long and fourteen feet high exclusive of necessary area for maneuvering, ingress and egress) shall be provided for the supermarket or any other use that requires frequent or large deliveries.
2. Loading areas shall be screened from view by a solid wall. The wall shall be architecturally treated and screened with landscaping.
3. Loading areas shall not be located adjacent to or visible from a public right of way.

C. ARCHITECTURE

1. General Provisions

1. No building within the PUD shall exceed 30 feet in height. Exception to the maximum height limitation may be granted through the minor exception process.
2. Materials, textures, colors and details shall be compatible with those used though out the shopping center.
3. All commercial buildings shall be one-story in appearance and shall contain a full roof element.
4. Any outdoor storage of goods, material or equipment shall be limited to 8 ft. in height and screened from view of any roadway or adjacent property. The screening shall be designed as on integral part of the building design and site layout.
5. No franchise architecture shall be permitted.
6. Building design shall be compatible with the immediate environment and provide harmonious transition between various uses.

2. Roof and Eve Elements

- a. Roof materials shall be consistent throughout the shopping center.
- b. No visual flat roof lines shall be allowed.
- c. Mechanical and utility equipment shall be located below the roof line or parapet wall and out of public view. Location within the building or at ground level is preferred to roof-mounting. When such equipment cannot be so located, all roof-mounted mechanical equipment or duct work which project vertically above the roof or roof parapet shall be screened by an enclosure which is detailed consistently with the building design.

- d. Compressors shall be screened by a wall or fence and be located below the fascia and/or roof line of the building. Further, they shall be located on the rear or hidden side of the building and shall be painted to match the surface to which attached, if that surface is visible.
- e. No mechanical equipment is to be exposed on the wall surface of a building.

3. Elevations and details

- a. Colors of windows and window frames shall be consistent throughout the center.
- b. All exterior wall elevations visible from and/or facing roadways shall have architectural treatment. No building surface fronting on a street shall have a flat, void surface without architectural treatment.
- c. Structures shall incorporate breaks in horizontal planes by stepping or staggering setbacks and recessing windows and entrances, to provide substance and scale.
- d. Doors and windows shall be enhanced by use of various sizes and shapes, and highlighted by the use of accent trim (e.g., molding, or wood trim).
- e. The design shall be complementary to the existing architectural style of the shopping center.
- f. Gutters and down spouts shall be designed interior to the walls when adjacent to a street or drive aisle frontage. All other gutters and down spouts that are located exterior to the wall shall be treated to blend into the facade to which it is attached.
- g. Facade architectural treatment shall be applied to all building elevations with the same degree of detail as the building entrance.
- h. The Architecture and Site Review Board shall study the possibility of including some kind of public art or mural on the east elevation of the Safeway building.

D. LANDSCAPING

1. General Provisions

- a. Design criteria for landscaping shall be consistent throughout the PUD.
- b. All existing mature landscaping shall be maintained to the greatest extent possible.
- c. Street trees, measuring a minimum of 24-inch box having a minimum height of ten feet and crown diameter of four feet at the time of planting, shall be planted and maintained along the entire shopping center frontage.
- d. A canopy tree shall be planted in the parking lot planter islands to produce shade.
- e. Parking islands shall also include a variety of low ornamental grasses and flowering shrubs.
- f. Existing perimeter landscape setbacks shall not be decreased in size.
- g. Building perimeters shall be landscaped (including trees and planters) adjacent to and around each building, with emphasis placed along the primary building frontage.
- h. Street trees (minimum 24-inch box) shall be provided every 25 ft. on center, within the curb side planter around the entire shopping center.
- i. Landscaping at the entrance of a building shall include box size and/or accent trees to create a focal point to help direct people to the building entrance.
- j. All shrub planting shall be a minimum of 5 gallon size and all tree plantings shall be a minimum of 15 gallon.

- k. Native oaks and field stones shall be incorporated into the landscape plan.
- l. All trees planted within the landscape setback along all street frontages shall be a minimum of 24 inch box shall have a minimum height of ten feet and crown diameter of four feet at the time of planting.
- m. The entrances to the shopping center shall be well landscaped and serve as a focal point.
- n. A large significantly sized specimen tree shall be located and maintained in the landscape area at the corner of Tennant Avenue and Monterey Road.
- o. Landscaping shall be compatible with, and complement the site planning, as well as the architecture of the building. Plantings in parking lots shall help soften and visually tie the buildings to landscaping.
- p. Shrubs and vine planting shall be provided to screen utilities and trash enclosures.
- q. Landscaping shall be added to the existing buildings located along the east side of the Vineyard Boulevard entrance. The landscaping shall be in the form of shrubs and/or container flowers.
- r. All backflow devices, fire risers and check valves shall be screened with landscaping.

2. Lighting

- a. The design of the exterior building lighting and parking lot lighting fixtures shall be compatible with the architecture and the existing fixtures within the shopping center.
- b. The maximum height of all new lighting installed within the shopping center shall be 20 ft. The site lighting shall be high pressure sodium.
- c. All lighting shall be shielded and directed in such a manner so as not to produce harmful effects upon neighboring property.
- d. The lighting for all of the uses within the PUD shall be to the review and approval of the Community Development Director and Police Chief.
- e. Adjustment to the lighting intensity may be requested after the commencement of the use.
- f. Roof top lighting is prohibited.
- g. Landscape up-lighting is acceptable.
- h. Lighting for pedestrian pathways shall be reduced in height and scale, to create a more human-scale feeling and atmosphere.
- i. The lighting throughout the shopping center shall be supplemented with additional fixtures and maintained to meet the Police Department specifications.
- j. Additional lighting shall be added to the existing building on the east side of the Vineyard Boulevard entrance.

E. MISCELLANEOUS

1. Signs-General Requirements

- a. All building attached and freestanding signs shall be consistent with the uniform sign program adopted for the shopping center and shall not exceed the sign height and area limited as set forth in Section 18.76.250 of the Morgan Hill Municipal Code.

- b. Each tenant shall submit 1 set of drawings to the representative of the shopping center for approval of proposed sign before applying for a sign permit with the Community Development Department. Said plans shall accompany a formal sign permit application.
- c. A sign permit must be approved by the City of Morgan Hill's Community Development Department before installation of proposed signs.
- d. Address numbers shall contrast with their background and shall be a minimum of six inches in height. Address numbers shall also occur on the monument sign.
- e. The monument sign located at the corner of Tennant Avenue and Monterey Road shall have a curvilinear design.
- f. The Architectural and Site Review Board shall study the possibility of reducing the number and size of the signs.

2. Appurtenant Uses/Devices

a. *Shopping Carts*

1. Commercial uses providing shopping carts shall provide indoor storage of the carts and shall provide for collection areas consistent with detail "A" attached, throughout the parking lot.
 2. If shopping carts are provided the shopping center shall post, in a prominent and conspicuous location near major entrances to the retail establishment, a sign with the following information: "REMOVAL OF SHOPPING CARTS (OR LAUNDRY CARTS) FROM THESE PREMISES IS PROHIBITED BY LAW (CMC SECTION 8.46.0400) AND WILL SUBJECT THE VIOLATOR TO A MINIMUM FINE OF \$100.00."
 3. Shopping carts shall be identified with a sign stating the following information in a typeface which is easily readable and in at least fourteen point type: identification of the owner of the cart or the retailer, or both; notification of the procedure to be utilized for authorized removal of the cart from the premises; notification that the unauthorized removal of the cart from the premises or parking area of the retail establishment, or the unauthorized possession of the cart, is a violation of state law and the Municipal Code of the City of Morgan Hill; and listing of a valid telephone number or address for returning the cart removed from the premises or parking area to the owner or retailer.
- b. Vending machines, rides, newspaper racks or any coin operated devices shall not be placed on the exterior of any building.
 - c. No exterior retail displays shall be allowed.

3. Utilities

- a. All backflow devices, fire risers and check valves shall be screened with landscaping.
- b. All future development shall be subject to review by the appropriate utility and public service providers for the City of Morgan Hill.

- c. No utility equipment shall be located within the front setback area unless placed within an underground vault.
- d. All transformers shall be located interior to the site, outside of the front setback area, and shall be screened with landscape material.



TENNANT STATION SITE DATA

SITE BUILDING AREA SUMMARY

MAJOR TENANTS:		GROSS BUILDING AREA SQ.FT.
SAFeway	(THIS APPLICATION)	54,799 S.F.
FUEL CENTER KIOSK	(THIS APPLICATION)	400 S.F.
ROSSO FURNITURE (A-0)	(EXISTING)	40,428 S.F.
HOUSE OF FABRICS (B-0)	(EXISTING)	14,720 S.F.
MORGAN HILL BOWL (H-0)	(EXISTING)	28,525 S.F.
MAJOR (B-0)	(EXISTING)	19,541 S.F.
CINEMACAL (1-0,1-1,1-2)	(EXISTING)	23,009 S.F.
24-HOUR FITNESS (J-0)	(EXISTING)	24,708 S.F.
SUBTOTAL		184,589 S.F.

SHOPS BUILDINGS:		
SHOPS (A)	(EXISTING)	7,275 S.F.
SHOPS (B)	(EXISTING)	11,811 S.F.
SHOPS (C)	(TO BE REMOVED)	7,563 S.F.
SHOPS (D)	(TO BE REMOVED)	4,961 S.F.
SHOPS (E)	(TO BE REMOVED)	7,052 S.F.
SHOPS (F)	(TO BE REMOVED)	15,363 S.F.
SHOPS (G)	(TO BE REMOVED)	3,513 S.F.
SHOPS (H)	(EXISTING)	19,283 S.F.
SHOPS (J)	(EXISTING)	4,137 S.F.
SUBTOTAL		42,506 S.F.

PAD BUILDINGS:		
PAD (1)	(EXISTING)	4,950 S.F.
PAD (2)	(EXISTING)	6,000 S.F.
PAD (3)	(EXISTING INCL. 2ND FLOOR)	9,252 S.F.
PAD (4)	(NOT USED)	N/A S.F.
PAD (5)	(THIS APPLICATION)	7,000 S.F.
PAD (6)	(EXISTING)	2,800 S.F.
SUBTOTAL		30,002 S.F.
TOTAL BUILDING AREA		257,097 S.F.

ZONING:

FUD / GENERAL COMMERCIAL ASSESSOR PARCEL NUMBER: 817-06-039 / 817-06-040

BUILDING AREA:

TOTAL EXISTING FLOOR AREA TO REMAIN 194,898 S.F.
 TOTAL NEW FLOOR AREA 66,299 S.F.
 TOTAL AREA 257,097 S.F.

SITE AREA INFORMATION:

TOTAL SITE AREA: 929,489 SQ. FT. / 21.34 ACRES
 FLOOR AREA RATIO: 21%

PARKING DATA:

PARKING REQUIRED:
 BUILDING AREA / 250 = No. OF STALLS REQUIRED
 257,097 S.F. / 250 = 1,056 STALLS REQUIRED

	REQUIRED	PROVIDED
STANDARD STALLS:	718 STALLS	923 STALLS
COMPACT STALLS:	317 STALLS 30% MAX.	146 STALLS
HANDICAP STALLS:	21 STALLS 2% TOTAL	27 STALLS
TOTAL:	1,056 STALLS	1,096 STALLS

FULL SIZE STALLS: 9' x 19.8'(60') / 9' x 18'(90')
 COMPACT STALLS: 8' x 16' (60') / 8' x 16'(90')

PROVIDED AISLE WIDTH FOR 60' STANDARD PARKING: 15'
 COMPACT PARKING: 16'

PROVIDED AISLE WIDTH FOR 90' STANDARD PARKING: 25'
 COMPACT PARKING: 25'

SAFEWAY SITE DATA

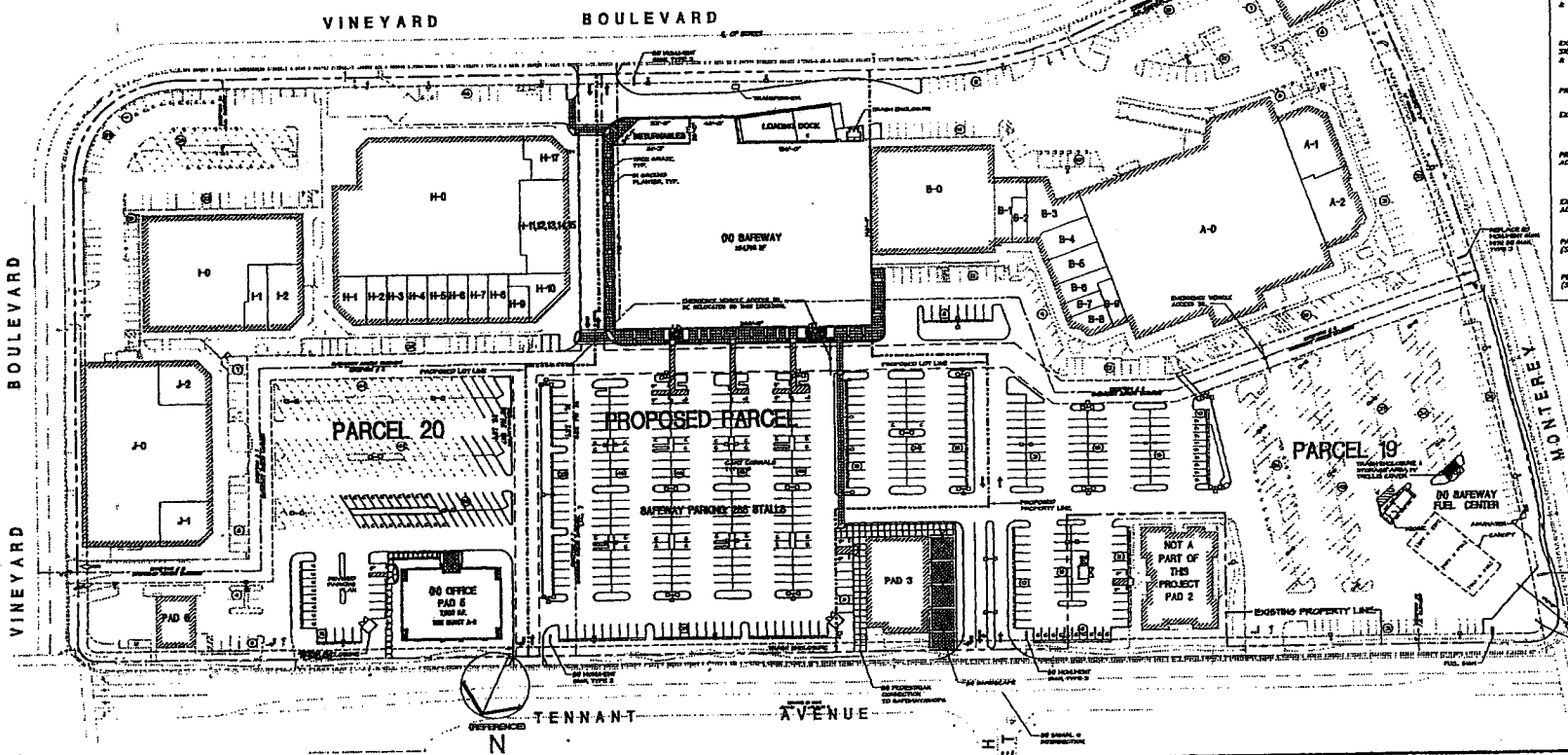
SITE DATA

BUILDING AREA = 54,799 S.F. (NOT INCL. FUEL CENTER KIOSK)
 PROPOSED PARCEL = 216,925 S.F. (4.97AC)
 FLOOR AREA RATIO = 54,799 S.F. / 216,925 S.F. (4.97 A.C.)
 FLOOR AREA RATIO = 25%

PARKING DATA

PARKING REQUIRED:
 BUILDING AREA / 250 = No. OF STALLS REQUIRED
 54,799 S.F. / 250 = 219 STALLS REQUIRED

	REQUIRED	PROVIDED
STANDARD STALLS:	149 STALLS	249 STALLS
COMPACT STALLS:	66 STALLS 30% MAX.	30 STALLS
HANDICAP STALLS:	4 STALLS	7 STALLS
TOTAL:	219 STALLS	286 STALLS



LEGEND

EXISTING BUILDING	[Symbol: Dashed outline]
PROPOSED BUILDING	[Symbol: Solid outline]
NEW CURB, CUTTER, SIDEWALK, LANDSCAPE & STAMPA TO REMAIN	[Symbol: Hatched area]
EXISTING CURB, CUTTER, SIDEWALK, LANDSCAPE & STAMPA	[Symbol: Dotted area]
PROPOSED LOT LINE	[Symbol: Dashed line]
EXISTING PROPERTY LINE	[Symbol: Solid line]
PROPOSED EMERGENCY ACCESS EASEMENT	[Symbol: Dashed line with arrows]
EXISTING EMERGENCY ACCESS EASEMENT	[Symbol: Solid line with arrows]
PARKING LOT (LANELINES) (SINGLE, DOUBLE OR TRIPLE)	[Symbol: Parallel lines]
EXISTING LANELINE (SINGLE OR DOUBLE)	[Symbol: Single line]



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

ADOPT MORGAN HILL'S APPROACH TO PUBLIC SERVICE

RECOMMENDATION(S)

Adopt "Morgan Hill's Approach to Public Service."

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:

At the November 10, 2025, Special City Council Meeting - Facilitated Session, consultants Jacob Green and Associates presented "Morgan Hill's Approach to Public Service" as a replacement for the City Council's previously adopted "[City Council Norms](#)" document after interviews with the Mayor and Council Members. Following a review of "Morgan Hill's Approach to Public Service," the City Council directed staff to bring it for formal approval at the November 19, 2025, City Council meeting.

COMMUNITY ENGAGEMENT:

Inform.

This report serves to inform the community of the upcoming review and adoption of "Morgan Hill's Approach to Public Service."

ALTERNATIVE ACTIONS:

The City Council could choose to modify "Morgan Hill's Approach to Public Service."

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council Norms were initially adopted in January 2019 and have been reviewed annually since then.

FISCAL AND RESOURCE IMPACT:

None.

CEQA (California Environmental Quality Act):

Not a Project. This is an administrative activity that will not result in direct or indirect physical changes in the environment.

Consolidated Set of Norms
“Morgan Hill Approach to Public Service”

Morgan Hill Approach to Public Service

- I. Stewardship of the Public Trust (your behaviors)**
We earn and preserve the community’s trust and investment through ethical conduct, professionalism, and integrity in every action (consistent with adopted City Council Norms).
- II. Collaboration for Collective Impact (your contribution)**
We create greater outcomes together by valuing diverse perspectives, building alignment, and working as one team in service to the community.
- III. Managing the Public’s Business (your process and decisions)**
We conduct the public’s business through orderly, civil, transparent, and well-reasoned processes that ensure fairness and efficiency through City Council Policy 97-01 (Rules for the Conduct of City Council Meetings, Placement of Items on the Agenda, and Matters to be Reconsidered).

CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Maria Angeles, Senior Civil Engineer

APPROVED BY: City Manager

APPROVE THE SECOND AMENDMENT TO SUBDIVISION IMPROVEMENTS AGREEMENT FOR MANZANITA PARK - TRACT NO. 10585 LOCATED EAST OF THE MONTEREY ROAD/TILTON AVENUE INTERSECTION (APN:725-01-035 AND 725-16-001)

RECOMMENDATION(S)

1. Approve the Second Amendment to Subdivision Improvements Agreement for Manzanita Park - Tract No. 10585;
2. Authorize the City Manager to execute the Second Amendment to Subdivision Improvements Agreement with TOLL WEST COAST LLC (Subdivider); and
3. Authorize the recordation of the Second Amendment to Subdivision Improvements Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

Manzanita Park – Tract 10585 is a 67-unit residential condominium development (“Project”) located at the northernmost part of the City, just east of the Monterey Road/Tilton Avenue intersection as shown on the attached Site Map (Attachment 1). The Final Map for the Project was approved by the City Council on August 23, 2023, and the Final Map and original Subdivision Improvements Agreement were recorded on September 6, 2023.

The subdivider of the Project, TOLL WEST COAST LLC, executed the Subdivision Improvements Agreement (SIA) (Attachment 2) with the City requiring that the public improvements be completed within eighteen (18) months from the date of the recording of the Final Map (no later than March 6, 2025). Due to delays involved with the removal of a utility pole by PG&E in front of the project and obtaining approval from Union Pacific Railroad (UPRR) to modify the Monterey Road and Tilton Avenue traffic signal, the

Subdivider asked for and was granted a six-month extension to the SIA (“First Amendment to SIA”) (Attachment 3) which extended the completion date for the Project’s public improvements to September 6, 2025.

There is still a delay in the UPRR permitting process. Based on recent correspondence with UPRR staff, it is estimated that the issuance of the UPRR permit and the actual signal construction work will not be finalized until the Spring of 2027. Given this continued delay, the Subdivider has requested an additional time extension to complete the required public improvements for the project.

The project’s SIA allows for the amendment of the SIA by mutual consent of the original parties or their successors in interest, provided that any such amendment is executed in writing by the parties. This Second Amendment to Subdivision Improvements Agreement is necessary for the Subdivider to proceed with completing the remaining public improvements, including the signal work within the UPRR rights-of-way.

Staff recommends that City Council approve the Second Amendment to the Subdivision Improvements Agreement (Attachment 4) to extend the deadline to complete the public improvements by an additional eighteen (18) months from the expiration date of the First Amendment to SIA (no later than March 6, 2027) and a subsequent extension of not more than six (6) months to be granted by the City Manager as needed by the Project.

Staff also recommends that City Council authorize the City Manager to sign and record the Second Amendment to Subdivision Improvements Agreement on behalf of the City.

COMMUNITY ENGAGEMENT:

Inform

This report serves to inform the community of the recommended Second Amendment to Subdivision Improvements Agreement for Manzanita Park - Tract No. 10585.

ALTERNATIVE ACTIONS:

The City Council could decide not to approve the Second Amendment to Subdivision Improvements Agreement. The Subdivider will then be required to enter into a new Subdivision Improvements Agreement with the City to complete the remaining public improvements required of the Project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

August 23, 2023 - City Council approved the Final Map and authorized execution of the Subdivision Improvements Agreement by the City Manager for Manzanita Park - Tract No. 10585.

FISCAL AND RESOURCE IMPACT:

Development review costs for this project are paid for from development processing fees.

CEQA (California Environmental Quality Act):

Project - A Mitigated Negative Declaration was adopted for the Project on March 22, 2022.

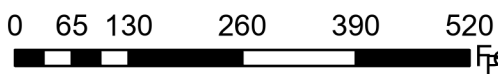


County of Santa Clara, Microsoft, Vantor



CITY OF MORGAN HILL
Public Services Department
Land Development Engineering Division

Site Map
Manzanita Park
Tract No. 10585



25527058

Regina Alcomendras
Santa Clara County - Clerk-Recorder
09/06/2023 10:25 AM

CONFORMED COPY

Copy of document recorded.
Has not been compared with original.

RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

CITY OF MORGAN HILL
City Clerk's Office
17575 PEAK AVENUE
MORGAN HILL, CA 95037

CONFORMED BY THE COUNTY OF SANTA CLARA
RECORDER'S OFFICE

(RECORD AT NO FEE PURSUANT TO
GOVERNMENT CODE SECTION 27383)

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

SUBDIVISION IMPROVEMENTS AGREEMENT

TOLL WEST COAST LLC

MANZANITA PARK – TRACT NO. 10585

This Subdivision Improvements Agreement (“Agreement”) between the City of Morgan Hill, a municipal corporation (“City”), and **TOLL WEST COAST LLC**, a Delaware Limited Liability Company (“Subdivider”), is entered into this 1st day of September, 2023. City and Subdivider hereby acknowledge the following:

1. Subdivider has filed a Tentative Subdivision Map and supporting documents for Tract No. 10585, the subdivision known as **Manzanita Park** (“Map”).
2. City desires, as part of the conditions of approval (“Conditions”) of the Final Tract Map or Parcel Map (“Final Map”), that certain improvements be installed by Subdivider (“Improvements”) as shown on the City Engineer approved and signed Subdivision Improvement Plans entitled “Improvement Plans - Manzanita Park, Tract No. 10585” (“Plans”).
3. Subdivider has been unable to complete, prior to filing of the Final Map, all of the improvements required by City to the satisfaction of the City Engineer.
4. Subdivider is required by the terms of the Morgan Hill Municipal Code (“Municipal Code”), to improve all streets, highways, or public areas which are part of the development, including but not limited to necessary paving, curbs, sidewalks, catch basins, water mains, culverts, storm drains, and sanitary sewers, in accordance with the plans and specifications on file with the City Engineer and to post certain securities to secure the completion of the Improvements.
5. To assure City that Subdivider will construct, install and complete all Improvements required for the Subdivision, the parties have entered into this Agreement.
6. This Agreement is executed pursuant to California Government Code Section 66410 et seq., and Chapter 17.32 of the Municipal Code in order to provide for the manner in which Improvements shall be constructed and completed.

NOW, THEREFORE, and in consideration of the approval of the Final Map, and in order to ensure satisfactory performance by Subdivider of Subdivider's obligations under the Conditions, the Subdivision Map Act, and applicable ordinances of City, the parties hereto, for themselves, their successors, and assigns, hereby agree as follows:

Section 1. Incorporation by Reference

The Development Agreement between Subdivider and City, if applicable, Subdivider's Map application, the Conditions, the Map, all Plans as referenced in Section 2 below and all items submitted to the Planning Department, Planning Commission and City Council, all are incorporated herein by reference. In the event of any inconsistency between their representations in any incorporated documents and this Agreement, this Agreement shall govern.

Section 2. Construction of Improvements

(a) Subdivider shall construct, as provided for in the Conditions, the Improvements as shown fully executed in the Plans entitled "Improvement Plans - Manzanita Park, Tract No. 10585" subject to the approval of City.

(b) Subdivider shall acquire and dedicate, or pay the cost of acquisition by City, of all rights-of-way, easements, and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances.

(c) Survey Monumentation:

(1) Subdivider shall place survey monumentation as described on the Map.

(2) Subdivider shall replace or repair all survey monumentation that is destroyed or damaged as a result of Subdivider's activities. Any such repair or replacement shall be to the satisfaction and subject to the approval of City.

(d) Injury to Improvements, Public Property or Public Utilities Facilities.

(1) Subdivider shall replace or have replaced, or repair or have repaired, as the case may be, all Improvements, public utilities facilities and surveying or subdivision monuments which are destroyed or damaged as a result of any work under this Agreement.

(2) Subdivider shall bear the entire cost of replacement or repairs of any and all public or public utility property damaged or destroyed by reason of any work done under this Agreement, whether such property is owned by the State of California, or any agency or political subdivision thereof, or by City, or any public or private utility corporation, or by any combination of such owners. Any repair or replacement shall be to the satisfaction, and subject to the approval, of the City Engineer.

Section 3. Modification of Plans

Subdivider agrees that, if during the construction of the Improvements, it is determined by City that revisions to the Plans are necessary in the interest of the public, Subdivider will undertake such design and construction changes required by City.

Section 4. Security

(a) Pursuant to California Government Code Section 66499.3(a), and the Municipal Code, Subdivider shall, concurrently with the execution hereof, furnish a surety bond in an amount equal to at least one hundred percent (100%) of the estimated construction cost of the Improvements as security guaranteeing the faithful performance of the Improvements and this Agreement (“Performance Bond”).

Improvements and the City Engineer’s Estimated Costs of Improvements as of 6/21/2023 are attached hereto as Exhibit “A”.

The Performance Bond shall be in a form substantially the same as Exhibit “B”.

(b) Pursuant to California Government Code Section 66499.3(b), Subdivider shall, concurrently with the execution hereof, furnish a surety bond in an amount equal to one hundred percent (100%) of the estimated construction cost of the Improvements (as listed in Section 4(a) above) as security guaranteeing the payment to the contractors, subcontractors and persons furnishing labor, materials, or equipment in connection with this Agreement (“Labor and Materials Bond”). The Labor and Materials Bond shall be in a form substantially the same as Exhibit “C”.

(c) Subdivider shall, upon completion of the Improvements, furnish a surety bond in an amount equal to fifty percent (50%) of the construction cost of the Improvements to secure the guarantee and warranty of the work for a period of one year following the completion and acceptance thereof by the City Council (“Warranty Period”) against any defective work or labor performed, or defective materials furnished by Subdivider in connection with this Agreement (“Warranty Bond”). The Warranty Bond shall be in a form substantially the same as Exhibit “D”.

(d) Pursuant to Government Code Section 66499.9, any liability upon the security given for faithful performance of any act or agreement shall be limited to:

(1) The performance of the work covered by the Agreement or the performance of the required act.

(2) The performance of any changes or alterations in such work; provided that all changes or alterations do not exceed ten percent of the original estimated cost of the Improvements.

(3) The guarantee and warranty of the work for a period of one year following completion and acceptance thereof, against any defective work or labor done or defective materials furnished in the performance of the Agreement or the performance of the act.

(4) Costs and reasonable expenses and fees, including reasonable attorneys’ fees.

(e) The surety on each bond and the form thereof shall be satisfactory to City. The surety shall be furnished by a surety company authorized to write the same in the State of California and that is approved and accepted by the City's risk manager.

(f) Subdivider agrees to furnish any bonds required by the State or County for Improvements outside the City's jurisdiction.

(g) The release of any securities shall be governed by the provisions of Government Code Section 66499.7.

Section 5. Inspections

At least fifteen (15) calendar days prior to the commencement of any work hereunder, Subdivider shall notify City in writing of the fixed start date of construction so that City shall be able to provide inspection services. Subdivider shall at all times maintain proper facilities and provide safe access to all parts of the work site(s) for City inspections, including any workshops or plants where work related to the Improvements is being conducted.

Subdivider shall pay and reimburse City for all expenses incurred by City for inspecting and checking all work to be performed under the provisions of the Municipal Code or this Agreement. City Engineering plan checking and field improvement inspection costs are included in the Department of Public Works Fee Schedule which may be revised from time to time.

Upon completion of the work, the Subdivider's Engineer shall file original sealed "as-built" plans with City Engineer and shall submit a sealed letter to City Engineer certifying that Subdivider's Engineer has inspected the Improvements throughout construction and that said Improvements are completed in conformance with the Improvement Plans and in accordance with this Agreement.

Section 6. Timing of Performance

Subdivider agrees to perform and complete all Improvements within eighteen (18) months from the date of the recording of the Final Map; provided however, the City Manager may extend the deadline for completion by not more than six (6) months at his or her reasonable discretion and determination that granting the extension will not be detrimental to the public welfare. No extension of this deadline for completion shall be made except upon the basis of a written application made by Subdivider stating fully the ground for the application and the facts relied upon for an extension.

It is further agreed by and between Subdivider and City that any extension granted shall in no way affect the validity of this Agreement or release the surety(ies) on any bond attached hereto or the financial institution guaranteeing the same. Subdivider further agrees to maintain the securities described in Section 4 above in full force and effect during the terms of this Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by City.

Section 7. Work Performance and Warranty

(a) Subdivider shall construct, at Subdivider's own expense, all of the Improvements in a good and workmanlike manner, and furnish all required materials incident thereto, in accordance with the Plans

and to the satisfaction of City, including any changes required by City which in City's opinion are necessary to complete the Improvements.

(b) All work shall be conducted and completed in accordance with the Plans and federal, state, Municipal Code, laws, ordinances, and regulations. For any Improvements partially completed prior to this Agreement, Subdivider agrees to complete the Improvements in accordance with this Agreement.

(c) Neither Subdivider, nor any of Subdivider's agents or contractors in connection with Subdivider's obligations under this Agreement are, or shall be considered to be, employees or agents of City.

(d) The work performance for the Improvements shall not be deemed complete until such time as such Improvements have been accepted for maintenance by the City Council.

(e) Subdivider warrants that: (1) it has investigated the work to be performed under this agreement, (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 Subdivider discover any conditions materially differing from those inherent in the Improvements or work or as represented by City, it shall immediately inform City and shall not proceed, except at Subdivider's risk, until written instructions are received from City.

(f) Subdivider guarantees and warrants the work required by this Agreement and agrees to remedy any defects in the Improvements or work arising from faulty or defective materials or construction occurring within one year after its acceptance. Following notice, Subdivider shall, without delay or cost to City, repair, replace, or construct any defective or unsatisfactory portion of the Improvements. City may, at its sole option, perform the repair or replacement itself if Subdivider or its surety has failed to commence repair within twenty (20) days after City has mailed written notice to Subdivider. In such event, Subdivider or its surety agrees to pay the cost of repair and replacement to City, plus fifteen percent (15%); and City may recover such costs as a lien against the Subdivision. City may proceed immediately to make repairs should an emergency arises.

Section 8. Acquisition and Dedication of Easements or Rights-of-Way

(a) No construction or installation of the Improvements shall be commenced before:

(1) The offer of dedication to City of appropriate rights-of-way, easements, or other interests in real property for the Improvements, which offer of dedication shall be irrevocable and remain open pursuant to California Government Code Section 66477.2, and authorization from the property owner to allow construction or installation of Improvements, or

(2) The dedication to, and acceptance by, City of appropriate rights-of-way, easements, or other interests in real property, as determined by the City Engineer, or

(3) The issuance by a court of competent jurisdiction pursuant to state Eminent Domain Law of an order of possession.

(b) Except as otherwise provided by this Agreement, City rejects all lands, rights-of-way, and easements offered for dedication on the Final Map of the Subdivision. All such offers shall, however,

remain open, and shall constitute irrevocable offers of dedication in accordance with Government Code Section 66477.2. All such offers may be accepted by City in its sole discretion at any later date without further notice to Subdivider as provided by law. By way of explanation only, it is the current intention of City to accept all or part of the irrevocable offers to dedicate upon acceptance of the Improvements called for in this Agreement.

(c) Nothing in this Section 8 shall be construed as authorizing or granting an extension of time to Subdivider.

Section 9. Indemnity

Subdivider hereby agrees to save harmless and indemnify, including, without limitation, City's defense costs (including reasonable attorney's fees), from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of any injuries or damages sustained by any person or property resulting or arising, or alleged to have resulted or arisen, from Subdivider or Subdivider's contractors, subcontractors, agents, or employees activities, omissions or operations pursuant to this Agreement. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, Subdivider will defend City, (at City's request and with counsel satisfactory to City) and will indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise.

Subdivider shall defend, indemnify, and hold harmless the City and its elective and appointive boards, officials, officers, agents, employees and volunteers from any claim, action, or proceeding to review, set aside, void, or annul an approval of the City concerning the Map and acts made in respect thereof, provided any such action is brought within the time period provided for in California Government Code Section 66499.37.

City shall promptly notify Subdivider of any claim, action, or proceeding, and cooperate fully in the defense of any claim, action, or proceeding.

It is expressly understood and agreed that this Section 9 will survive termination of this Agreement.

Section 10. Insurance

Concurrent with the execution of this Agreement, Subdivider is required to 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 Subdivider and its Subcontractors relating to or arising from the performance of work associated with the Improvements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by the City. 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. If the Subdivider will utilize the services of a General Contractor to perform all of the work associated with the Improvements, then Subdivider may opt to have all coverages provided by Subdivider's General Contractor, provided that a written contract is executed between Subdivider and the General Contractor whereby the written contract specifically required General Contractor to fulfill all of the City insurance requirements as outlined in this Agreement, including all endorsements in favor of the

City. Verification of the written contract must be provided to City upon request. If Subdivider fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement City shall issue a stop work order, or terminate the Agreement for default. Subdivider further understands that the City reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to Subdivider, at any time as deemed necessary to protect the interests of the City.

(a) Policies and Limits. The following insurance policies and limits are required for this Agreement:

(1) Commercial General Liability Insurance ("CGL"): Subdivider shall maintain CGL and shall include coverage for liability arising from Subdivider's or its Subcontractor's acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) five million dollars (\$5,000,000.00) combined single limit each occurrence and either a general aggregate limit of ten million dollars (\$10,000,000.00) or a general aggregate limit of five million dollars (\$5,000,000) as applied on a "per project" or "per location" basis, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CGL coverage is being provided by Subdivider's General Contractor pursuant to Section 10, General Contractor may elect to insure the CGL exposures under an "Owners and Contractors Protective Liability Policy (OCP)" on which the City is included as an additional insured.

a. CGL policy may not exclude explosion, collapse, underground excavation hazard, or removal of lateral support.

b. CGL policy must include blanket contractual and completed operations.

c. CGL policy will apply as though separate policies have been issued to each insured ("separation of insureds").

(2) Workers' Compensation Insurance and Employer's Liability: Subdivider shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers' Compensation Insurance and Safety Act and provide protection 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 Subdivider under Subdivider's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If Subdivider is self-insured, Subdivider must provide its Certificate of Permission to Self-Insure, duly authorized by the State of California Department of Industrial Relations.

(3) Automobile Liability: Subdivider shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if Subdivider does not own automobiles, then Subdivider 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, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider's

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

(4) Pollution (Environmental) Liability: The performance of Subdivider’s work or service under this Agreement involves handling of hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials. Subdivider shall procure and maintain Pollution Liability covering the Subdivider'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 Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

(b) Required Endorsements. Subdivider shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below. Further, if coverages are being provided by Subdivider’s General Contractor pursuant to Section 10, endorsements may not be restricted to work performed “under a written contract” (i.e. “blanket endorsements”)

(1) ALL Policies:

“Waiver of Subrogation” - Each required policy must include an endorsement providing that the carrier agrees to waive any right of subrogation it may have against the City of Morgan Hill and the City’s elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

(2) ALL Policies except Workers Compensation:

a. “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 and at least as broad as ISO Form CG 20 37 for completed operations.

b. “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.

(c) Subcontractors. Subdivider must ensure that each Subcontractor is required to maintain the same insurance coverage required under this Section 10 as appropriate based on each subcontractor’s scope of work, with respect to its performance of work associated with the Improvements, including those requirements related to the additional insureds and waiver of subrogation.

(d) 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 “VIII” or better.

(e) Certificates. Subdivider shall furnish City with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, Subdivider shall promptly furnish City of Morgan Hill with copies of all policies outlined herein. No policy subject to the Subdivider's agreement with the City shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days' notice by the insurer to City, unless due to non-payment of premiums, in which case ten (10) days written notice must be made to City. 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

Section 11. Permits and Requisite Fees

(a) Subdivider shall pay all current fee obligations in the total amount of **\$3,315,063.95** due under City Resolution No. 5592, as amended, in accordance with the Department of Public Work fee schedule, as follows:

(1) **\$1,100,646.95** payable at the time of recording of the Final Map, and

(2) **\$2,214,417.00** payable on a pro-rata basis for each individual unit in the Subdivision prior to final inspection of each and every residence.

(3) All fees payable pursuant to this Subsection (a) constitutes valid and due consideration for City's approval of the Final Map, and amounts set forth are estimates that are subject to change prior to the issuance of building permit(s), subject to resolution or ordinance of the City Council.

(b) Subdivider shall, at its expense, obtain all necessary permits and licenses for the construction of the Improvements, give all necessary notices, and pay all fees and taxes required by law.

(c) Subdivider shall obtain a City of Morgan Hill Business License.

(d) Subdivider agrees to procure, at its expense, any necessary permits for Improvements outside the City's jurisdiction.

Section 12. On-Site Supervision

Subdivider shall designate an on-site supervisor, satisfactory to City, who shall be on the work site(s) at all times during the construction of the Improvements, and who has the authority to act on behalf of Subdivider when communicating with City personnel.

Section 13. Waiver

Waiver by City or Subdivider of any breach of any of the provisions of the Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of the same or any other provision of this Agreement. Acceptance by City of any work by Subdivider shall not be a waiver of any of the provisions of this Agreement.

Section 14. Notices. All notices shall be personally delivered or mailed, via first class mail to the below listed addresses. 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.

a. Address of Subdivider is as follows:

Rick Nelson
Toll Brothers – Northern California Division
6800 Koll Center Parkway, Suite 320
Pleasanton, CA 94566-7053

b. Address of City is as follows:

City Engineer
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

Section 15. Noncompliance

If City determines that Subdivider is in violation of any federal, state, County or City laws, ordinances, rules, regulations, and requirements, and/or the terms and provisions of this Agreement, it may issue a cease and desist order, stop work order, or other action City deems necessary.

Section 16. Notice of Breach and/or Default

City may serve written notice upon Subdivider and surety of breach of this Agreement or of any portion thereof, and default of Subdivider for any of the following circumstances:

- (a) Subdivider refuses or fails to complete the Improvements as required in Section 6 above.
- (b) Subdivider refuses or fails to perform or cure any defects in the Improvements as required in Section 7.
- (c) Subdivider is insolvent, is subject to a receivership, or files any petition in bankruptcy, either voluntary or involuntary which Subdivider fails to discharge within thirty (30) days.
- (d) The commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance in lieu of or in avoidance of foreclosure.

(e) Subdivider or any of Subdivider's contractors, subcontractors, agent, or employees materially violates any of the provisions of this Agreement and not cure the violation within a reasonable time.

Section 17. Performance by Surety or City

(a) In the event of a material breach and/or default by Subdivider, Subdivider's surety shall have the duty to take over and complete the Improvements.

(b) If the surety, within a reasonable time after receiving notice of Subdivider's default does not provide City written notice to take over the performance of this Agreement or if the surety does not commence performance thereof within the time specified in such notice to City, City may take over the construction of the Improvements and prosecute the same to completion, by contract or by any method City may deem advisable, on behalf and at the expense of Subdivider, and Subdivider's surety shall be liable to City for any excess cost or damages incurred by City thereby. In such event, City, without liability for so doing, may take possession of and utilize such materials, appliances, and other property belonging to Subdivider as may be on the work site(s) and necessary therefore to complete the Improvements.

(c) City shall have the right to draw upon or utilize the appropriate security provided for in Section 4 to recover costs and damages to City damages. The right of City to draw upon or utilize the security is additional and not in lieu of any other remedy available to City at law or in equity. The parties agree that the estimated costs and security amounts may not reflect the actual cost of construction or installation of Improvements, and therefore, City damages for Subdivider's default shall be measured by the cost of completing the required Improvements.

(d) Failure of Subdivider to comply with terms of this Agreement shall constitute consent to filing by City of a notice of violation against all lots in the Subdivision, or to rescind the approval or otherwise revert the Subdivision to acreage. The remedies provided in this Subsection (d) are in addition to and not in lieu of other remedies available to City.

(e) In the event that Subdivider fails to perform any obligation under this Agreement, Subdivider agrees to pay all costs and expenses incurred by City in securing performance of such obligation, including the costs of suit and reasonable attorney's fees.

(f) The failure by City to take an enforcement action with respect to a default, or to declare a breach, shall not be construed as a waiver of that default or breach or subsequent default or breach.

Section 18. Successors in Interest

This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties. It shall be recorded in the Office of the Recorder of Santa Clara County concurrently with the Final Map of the Subdivision and shall constitute a covenant running with the land and an equitable servitude upon the real property within the Subdivision. It shall be the responsibility of City to cause the executed Agreement to be recorded. Sale of all or part of the lands of the underlying Subdivision shall not serve to transfer the obligations of the Subdivider under this Agreement. All obligations under this Agreement attach to Subdivider until all obligations of Subdivider are fulfilled or transferred by substitution of replacement agreement and replacement securities acceptable to City.

Section 19. Effective Date

This Agreement shall be effective as of the date and year first above written.

Section 20. Amendment of Agreement

This Agreement may only be amended by mutual consent of the original parties or their successors in interest, provided that any such amendment is executed in writing by the parties to be bound thereby.

Section 21. Execution

By signing this Agreement, the person signing states that he or she is authorized to enter into contracts on behalf of Subdivider. The undersigned, on behalf of Subdivider, binds Subdivider, its partners, successors, executors, administrators, and assigns with respect to the terms and conditions of this Agreement.

Section 22. 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.

Section 23. Law to Govern: Venue

The law of the State of California shall govern this Agreement. In the event of litigation between the parties, the action must be filed in the Santa Clara County Superior Court.

Section 24. Limitations Upon Subcontracting and Assignment.

Neither this Agreement or any portion shall be assigned by Subdivider without prior written consent of City. Subdivider shall provide City with written notice of any assignment or transfer of all or a portion of the Subdivision property no later than thirty calendar days prior to such action. The notice shall indicate the portion of the Subdivision to be assigned and describe, with supporting evidence, the proposed assignee's reputation, experience, financial resources and access to credit, and capability to successfully carry out the development of the Subdivision Improvements to completion.

Section 25. Miscellaneous

(a) Compliance with Law: Subdivider shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

(b) Non-Discrimination. Subdivider covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, ancestry, or sexual orientation in any activity pursuant to this Agreement.

(c) Conflict of Interest and Reporting. Subdivider shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

(d) Time of Essence. Time is of the essence in the performance of this Agreement.

(e) Interpretation. This Agreement shall be interpreted as though prepared by both parties.

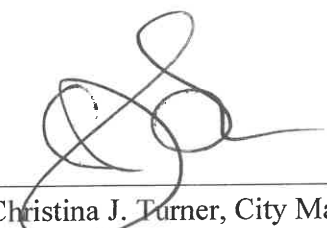
(f) Preservation of Agreement. Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

(g) Negotiated Document. It is agreed and understood by the parties hereto, that this Agreement has been arrived at through negotiations and that neither party is deemed to be the party which prepared the Agreement within the meaning of Civil Code Section 1654.

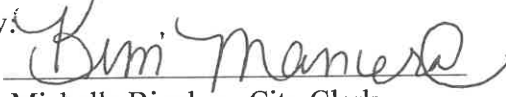
IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

[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.]

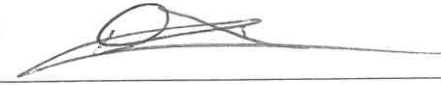
CITY OF MORGAN HILL

By: 
Christina J. Turner, City Manager
Date: 9-1-23

ATTEST:

By: 
FOR: Michelle Bigelow, City Clerk
Deputy City Clerk
Date: 9/1/23

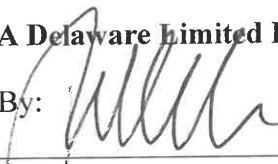
APPROVED AS TO FORM:

By: 
Donald A. Larkin, City Attorney
Date: 8/28/2023

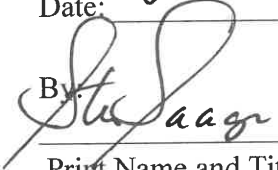
"Subdivider"

TOLL WEST COAST LLC,

A Delaware limited Liability Company

By: 
Print Name and Title REGIONAL PRESIDENT
TODD CALLAHAN
(If Corporation, must be Chairperson of the Board, President, or Vice President)

Date: 8-2-23

By: 
Print Name and Title Vice President
Steve Savage
(If Corporation, must be Secretary, Assistant Secretary, CFO, or Assistant Treasurer)

Date: 8-2-23

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Alameda)

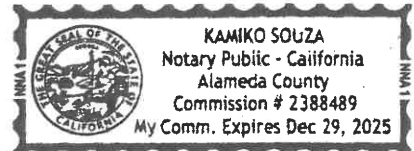
On August 2, 2023 before me, Kamiko Souza, Notary Public
(insert name and title of the officer)

personally appeared Todd Callahan,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


State of California
County of Alameda)

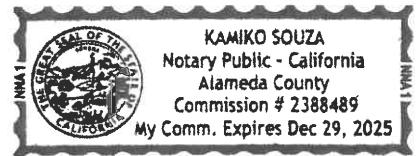
On August 2, 2023 before me, Kamiko Souza, Notary Public
(insert name and title of the officer)

personally appeared Steve Savage,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Clara

On September 1 2023, before me, Kim Mancera a Notary Public in and for said County and State, personally appeared Christina Turner proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Kim Mancera
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Clara

On _____ 20____, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT "A"

IMPROVEMENTS AND

ESTIMATED COSTS OF IMPROVEMENTS

AS OF 6/21/2023

Item	Item Description	Quantity	Unit	Unit Price	Total
<i>Schedule I - Surface Improvements</i>					
1	Street finish grading	43,572	SF \$	0.50	\$ 21,786.00
2	Tilton Avenue street pavement (4.5"AC on 11" agg base)	15,264	SF \$	9.00	\$ 137,376.00
3	Monterey Road widening pavement (5"AC on 10.5" agg base)	11,983	SF \$	9.50	\$ 113,838.50
4	City std Sidewalk on agg base (incl. HC ramps & driveways)	7,257	SF \$	13.00	\$ 94,341.00
5	City std 'Type 2' PCC raised curb median with Brickform Concrete backfill	1	LS \$	8,000.00	\$ 8,000.00
6	City std Curb & Gutter on agg base	1,329	LF \$	40.00	\$ 53,160.00
7	City std Street name signs	5	EA \$	1,200.00	\$ 6,000.00
8	City std Street monuments	5	EA \$	1,000.00	\$ 5,000.00
9	City std Electroliers (incl. conduit & pull boxes)	9	EA \$	5,500.00	\$ 49,500.00
10	Rock lined swale at Monterey Road basin outlet	1	LS \$	2,800.00	\$ 2,800.00
11	Street Striping & markings	1	LS \$	20,000.00	\$ 20,000.00
12	'No Parking R26 (CA)' Signs along Monterey Road	13	EA \$	400.00	\$ 5,200.00
13	City Std 'A-32' Street Barricade	1	LS \$	3,600.00	\$ 3,600.00
13	Erosion Control	1	LS \$	15,000.00	\$ 15,000.00
14	Contingency	1	LS \$	53,560	\$ 53,560
Total Schedule I					\$ 535,601.50
<i>Schedule II - Water, Sewer & Storm</i>					
1	8"Ø DIP Water main (includes valves & fittings)	2,181	LF \$	80.00	\$ 174,480.00
2	Monterey Road pavement restoration for 8" water trench	1	LS \$	50,000.00	\$ 50,000.00
3	Fire Hydrant assembly (complete) added one hydrant on Monterey Rd	7	EA \$	7,500.00	\$ 52,500.00
4	1"Ø City std domestic water service (includes Rec. Building)	68	EA \$	1,600.00	\$ 108,800.00
5	2"Ø City std landscape water service with RPBF	2	EA \$	4,000.00	\$ 8,000.00
6	8"Ø PVC (SDR-26) sewer (includes 32'-C900 pipe)	383	LF \$	60.00	\$ 22,980.00
7	Monterey Road pavement restoration for 8" sewer trench	1	LS \$	40,000.00	\$ 40,000.00
8	City std Sewer Manhole	1	EA \$	10,000.00	\$ 10,000.00
9	36"Ø RCP (CI V) with cement slurry backfill	485	LF \$	160.00	\$ 77,600.00
10	24"Ø RCP (CI V) with cement slurry backfill	358	LF \$	185.00	\$ 66,230.00
11	18"Ø RCP (CI V) with cement slurry backfill	43	LF \$	90.00	\$ 3,870.00
12	15"Ø RCP (CI V) with cement slurry backfill	9	LF \$	80.00	\$ 720.00
13	12"Ø C900 with cement slurry backfill	70	LF \$	60.00	\$ 4,200.00
14	City std SD-8 curb inlet with 7' gallery	4	EA \$	5,000.00	\$ 20,000.00
15	City std SD-5 curb inlet	3	EA \$	4,000.00	\$ 12,000.00

(SEE NEXT PAGE FOR CONTINUATION)

EXHIBIT "A"

(CONTINUED)

16	City std. Storm Manhole	7	EA	\$	5,000.00	\$	35,000.00
17	City std. 60"Ø Conflict Manhole including 12'-C900 jointless sleeve	1	LS	\$	8,500.00	\$	8,500.00
18	Contingency	1	LS	\$	69,488	\$	69,488
					Total Schedule II		\$ 764,368.00
					Total Schedule I & II		\$ 1,299,969.50

Additional Items of Work

1	Traffic Control	1	LS	\$	15,000	\$	15,000.00
2	Traffic Signal Modification	1	LS	\$	271,700	\$	271,700.00
2	Mobilization	1	LS	\$	12,500	\$	12,500.00
3	Street Trees & Park Strip Landscaping along Monterey Road & Tilton Avenue	1	LS	\$	25,000	\$	25,000.00
4	Offsite Irrigation Systems	1	LS	\$	15,000	\$	15,000.00
5	Joint Trench Installation	1	LS	\$	100,000	\$	100,000.00
6	Construction Survey	1	LS	\$	80,000	\$	80,000.00
7	Existing Overhead undergrounding along Monterey Road	1	LS		NA		NA
8	Existing Guardrail removal along westside of Monterey Road to provide UPRR access to RR track	1	LS	\$	12,000	\$	12,000.00
9	Existing Street Striping removal along Monterey Road & Tilton Avenue	1	LS	\$	2,000	\$	2,000.00
10	Existing Sign Removal along Monterey Road & Tilton Avenue	1	LS	\$	2,000	\$	2,000.00
11	Contingency	1	LS	\$	53,520	\$	53,520.00
					Total Schedule III		\$ 588,720.00
					Total Schedule I		\$ 535,601.50
					Total Schedule II		\$ 764,368.00
					Total Schedule III		\$ 588,720.00
					Total Estimate		\$ 1,888,689.50

EXHIBIT "B"
FORM OF PERFORMANCE BOND
(100% of Engineer's Estimate)

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **TOLL WEST COAST LLC** (hereinafter designated as "principal") have entered into a Subdivision Improvements Agreement:

TOLL WEST COAST LLC
MANZANITA PARK – TRACT NO. 10585

whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 20_____, and identified as project **Manzanita Park**, is hereby referred to and made a part hereof; and

Whereas, said principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

Now, therefore, we, the principal and _____, as surety, are held and firmly bound unto the City of Morgan Hill hereinafter called ("City"), in the penal sum of _____ dollars (\$_____) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The Surety's office is located at _____,

Telephone No. _____; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number are as follows:

License No.:

Address: _____

Telephone No.: _____

The non-resident agent for the Surety, if any, is a party to the transaction:

Name of non-resident _____

agent:

Non-resident agent's office
address: _____

Telephone _____
No.: _____

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

Executed this _____ day of _____ 20 _____ .

[form document – do not execute]
Principal

[form document – do not execute]
Principal

By: [form document – do not execute]

Surety

By: *[form document – do not execute]*

Attorney-in Fact

By: *[form document – do not execute]*

California Resident Agent

By: *[form document – do not execute]*

Non-resident Agent - Attorney-in-Fact

APPROVED:

[form document – do not execute]

Scott Creer, City Engineer

Date:

APPROVED AS TO FORM:

By: *[form document – do not execute]*

Donald A. Larkin, City Attorney

Date:

(Acknowledgment on following page.)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20____, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20____, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT "C"
FORM OF LABOR AND MATERIAL BOND
(100% of Engineer's Estimate)

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **TOLL WEST COAST LLC** (hereinafter designated as "the principal") have entered into a Subdivision Improvements Agreement:

TOLL WEST COAST LLC
MANZANITA PARK – TRACT NO. 10585

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated _____, 20_____, and identified as project **Manzanita Park**, is hereby referred to and made a part hereof; and

Whereas, under the terms of the agreement, the principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Morgan Hill to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

Now, therefore, the principal and the undersigned as corporate surety, and their successors and assigns are held firmly bound unto the City of Morgan Hill and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the agreement and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of _____ dollars (\$_____), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City of Morgan Hill in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety's office is located at _____,

Telephone No. _____; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number as follows:

License No.:

Address:

Telephone No.:

The following non-resident agent, if any, for the Surety is a party to the transaction:

Name of non-resident agent:

Non-resident agent's office address:

Telephone No.:

The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

Executed this _____ day of _____, 20____.

[form document – do not execute]

[form document – do not execute]

Principal

Principal

By: *[form document – do not execute]*

Surety

By: *[form document – do not execute]*

Attorney-in Fact

By: *[form document – do not execute]*

California Resident Agent

By: *[form document – do not execute]*

Non-resident Agent - Attorney-in-Fact

APPROVED:

[form document – do not execute]

Scott Creer, City Engineer

Date:

APPROVED AS TO FORM:

By: *[form document – do not execute]*

Donald A. Larkin, City Attorney

Date:

(Acknowledgment on following page.)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20____, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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State of **California**
County of **Santa Clara**

On _____ 20____, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT "D"
FORM OF WARRANTY BOND
(50% of Cost of Construction)

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California (hereinafter designated as "City"), and **TOLL WEST COAST LLC** (hereinafter designated as "Principal") have entered into a Subdivision Improvements Agreement (hereinafter "Agreement"):

TOLL WEST COAST LLC
MANZANITA PARK – TRACT NO. 10585

whereby the Principal agrees to install and complete certain designated public improvements (hereinafter "Improvements"), which said Agreement, dated _____, 20_____, and identified as project **Manzanita Park**, is hereby referred to and made a part hereof; and

Whereas, under the terms of said Agreement, the Principal is required to furnish a bond to guarantee and warrant the work required by said Agreement for a period of one year following the completion and acceptance by the City of the Improvements, against any defective work or labor performed, or defective materials furnished by Principal.

Now, therefore, we, the Principal and _____ as Surety, are held and firmly bound unto the City of Morgan Hill in the penal sum of _____ dollars (\$____) for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

If Principal faithfully carries out and performs its guarantee and warranty under the Agreement, and, on due notice from City, repairs and make good at its sole expense any and all defects in materials and workmanship in the Project which are discovered during the Warranty Period, or if Principal promptly reimburses City for all loss and damage that City sustains because of Principal's failure to makes such repairs in accordance with the Agreement requirements, then Surety's obligations under this Bond will be null and void. Otherwise, Surety's obligations will remain in full force and effect.

Surety waives the provisions of Civil Code Sections 2819 and 2845. Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

Warranty Bond Page 1 of 4
Version July 2017

Any notice to Surety may be given in the manner specified in the Agreement and delivered or transmitted to Surety as follows:

Attn: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

This Bond will be governed by California law, and any dispute pursuant to this Bond will be venued in the Superior Court of Santa Clara County, and no other place. Surety will be responsible for City's attorneys' fees and costs in any action to enforce the provisions of this Bond.

In witness whereof, this instrument has been duly executed by the principal and surety above named.

SURETY:

Principal:

Date: _____

Date: _____

s/ *[form document – do not execute]*

s/ *[form document – do not execute]*

Name: _____

Name: _____

Title: _____

Title: _____

(Attach Acknowledgment with Notary
Seal and Power of Attorney)

APPROVED:

[form document – do not execute]

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

By: *[form document – do not execute]*

Donald A. Larkin, City Attorney

Date: _____

END OF WARRANTY BOND

25807645

Regina Alcomendras
Santa Clara County - Clerk-Recorder
05/16/2025 08:24 AM

CONFORMED COPY

Copy of document recorded.
Has not been compared with original.

RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

CITY OF MORGAN HILL
City Clerk's Office
17575 PEAK AVENUE
MORGAN HILL, CA 95037

(RECORD AT NO FEE PURSUANT TO
GOVERNMENT CODE SECTION 27383)

CITY OF MORGAN HILL

COPY

CONFORMED BY THE COUNTY OF SANTA CLARA
RECORDER'S OFFICE

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

FIRST AMENDMENT TO SUBDIVISION IMPROVEMENTS AGREEMENT

TOLL WEST COAST LLC

MANZANITA PARK-TRACT NO. 10585

THIS FIRST AMENDMENT TO THE SUBDIVISION IMPROVEMENTS AGREEMENT ("AMENDMENT") is dated as of this 8th day of May, 2025, and is entered into by and between the CITY OF MORGAN HILL, a California municipal corporation ("CITY"), and TOLL WEST COAST LLC, a Delaware Limited Liability Company, ("SUBDIVIDER"), duly authorized to do business in California and will remain so during the term of this Agreement. SUBDIVIDER and CITY are collectively referred to as the "Parties".

RECITALS

The following recitals are a substantive portion of this FIRST AMENDMENT:

1. The CITY and SUBDIVIDER entered into that Subdivision Improvements Agreement (ORIGINAL AGREEMENT) on September 1, 2023, to develop the property known as **Manzanita Park** in Morgan Hill, California (APN: 725-01-035 and 725-16-001) as a residential development project designated as Tract No. 10585 ("Project"). The ORIGINAL AGREEMENT was recorded on September 6, 2023, with the Santa Clara County Recorder as document number 25527058.
2. On September 6, 2023, the final map for Tract No. 10585 was recorded with the Santa Clara County Recorder in Book 957 of Maps, pages 3 through 6.
3. Pursuant to the ORIGINAL AGREEMENT, the SUBDIVIDER is required to perform and complete all public improvements within eighteen (18) months from the date of the recording of the Final Map (March 6, 2025). Pursuant to Section 6 of the ORIGINAL AGREEMENT, the City Manager may extend the deadline for completion by not more than six (6) months at her reasonable discretion and determination that granting the extension will not be detrimental to the public welfare.

4. On March 19, 2025, the SUBDIVIDER submitted a written request to extend the deadline by an additional six (6) months, no later than September 6, 2025, to complete the public improvements due to PG&E's delays to remove an existing overhead utility pole located on the Project's Monterey Road frontage, and delay in acquiring UPRR/City approval for signalization on the western portion of Monterey Road and Tilton Avenue intersection.
5. The City Engineer deemed that the extension of the deadline by an additional six (6) months is necessary to allow the SUBDIVIDER to continue the completion of the remaining public improvements which include the traffic signal improvements.
6. Pursuant to Section 17.32.270 of the Morgan Hill Municipal Code (Chapter 17.32, Improvements and Improvement Agreements), the completion date may further be extended by the City Council upon written request by the SUBDIVIDER not less than thirty days prior to expiration of the Subdivision Improvements Agreement and the submittal of adequate evidence to justify the extension. If City Council approves the extension, the SUBDIVIDER shall enter into a Subdivision Improvements Extension Agreement with the CITY.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. All terms and conditions of the ORIGINAL AGREEMENT shall remain in full force and effect, except that the following amendments shall be made as set forth below.

The first paragraph of Section 6 of the ORIGINAL AGREEMENT is amended to read as follows:

Section 6. Timing of Performance

Subdivider agrees to perform and complete all Improvements within twenty-four (24) months from the date of the recording of the Final Map. The Subdivider may request the City Council to further extend the deadline for completion upon written request by the Subdivider and the submittal of adequate evidence to justify the extension.

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[Signatures on the Next Page]


2. Those individuals who are signing this FIRST AMENDMENT 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 FIRST AMENDMENT.

IN WITNESS THEREOF, the parties have executed this FIRST AMENDMENT on the day and year shown below.

ATTEST:

CITY OF MORGAN HILL

By: 
FOR: Michelle Bigelow, City Clerk
Deputy City Clerk


By: 
Christina J. Turner, City Manager


Date: 5/8/25

Date: 5/8/25

APPROVED AS TO FORM:

"Subdivider"

By: 
Donald A. Larkin, City Attorney
Cynthia Hasson, Assistant City Attorney

TOLL WEST COAST LLC
By: 
Steve Savage, VP Land Development

Date: 5-8-25

Date: 4-29-25

By: 
Ben Helber, VP Community Planning

Date: 4-29-25

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On May 8 2025, before me, Victoria Rossi a Notary Public in and for said County and State, personally appeared Christina Turner proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

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State of **California**
County of **Santa Clara**

On _____ 20____, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Alameda

On April 29, 2025 before me, Rosana Haydee Martinez Sedano, Notary Public
(insert name and title of the officer)

personally appeared Benjamin C. Helber and Steve Savage,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are
subscribed to the within instrument and acknowledged to me that ~~he~~/~~she~~/they executed the same in
~~his~~/~~her~~/their authorized capacity(ies), and that by ~~his~~/~~her~~/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Rosana Martinez Sedano* (Seal)



RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

CITY OF MORGAN HILL
City Clerk's Office
17575 PEAK AVENUE
MORGAN HILL, CA 95037

(RECORD AT NO FEE PURSUANT TO
GOVERNMENT CODE SECTION 27383)

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

SECOND AMENDMENT TO SUBDIVISION IMPROVEMENTS AGREEMENT

TOLL WEST COAST LLC

MANZANITA PARK - TRACT NO. 10585

THIS SECOND AMENDMENT TO THE SUBDIVISION IMPROVEMENTS AGREEMENT ("AMENDMENT") is dated as of this _____ day of _____, 2025, and is entered into by and between the CITY OF MORGAN HILL, a California municipal corporation ("CITY"), and TOLL WEST COAST LLC, a Delaware Limited Liability Company, ("SUBDIVIDER"), duly authorized to do business in California and will remain so during the term of this Agreement. SUBDIVIDER and CITY are collectively referred to as the "Parties".

RECITALS

The following recitals are a substantive portion of this SECOND AMENDMENT:

1. The CITY and SUBDIVIDER entered into that Subdivision Improvements Agreement ("ORIGINAL AGREEMENT") on September 1, 2023, to develop the property known as **Manzanita Park** in Morgan Hill, California (APN: 725-01-035 and 725-16-001) as a residential development project designated as Tract No. 10585 ("Project"). The ORIGINAL AGREEMENT was recorded on September 6, 2023, with the Santa Clara County Recorder as document number 25527058.
2. On September 6, 2023, the final map for Tract No. 10585 was recorded with the Santa Clara County Recorder in Book 957 of Maps, pages 3 through 6.
3. Pursuant to the ORIGINAL AGREEMENT, the SUBDIVIDER is required to perform and complete all public improvements within eighteen (18) months from the date of the recording of the Final Map (completion deadline of March 6, 2025). Pursuant to Section 6 of the ORIGINAL AGREEMENT, the City Manager may extend the deadline for completion by not more than six (6) months at her reasonable discretion and determination that granting the extension will not be detrimental to the public welfare.

4. The SUBDIVIDER submitted a written request to extend the deadline by an additional six (6) months, to no later than September 6, 2025, to complete the public improvements due to PG&E's delays to remove an existing overhead utility pole located on the Project's Monterey Road frontage, and delay in the permit approval by Union Pacific Railroad (UPRR) for the signalization work on the western portion of Monterey Road and Tilton Avenue intersection.
5. The City Engineer deemed that the extension of the deadline by an additional six (6) months was necessary to allow the SUBDIVIDER to continue the completion of the remaining public improvements which included the traffic signal improvements.
6. On May 8, 2025, CITY and SUBDIVIDER entered into a First Amendment to Subdivision Improvements Agreement ("FIRST AMENDMENT"), recorded with the Santa Clara County Recorder on May 16, 2025 as document number 25807645, extending the time for performance by six (6) months to September 6, 2025.
7. The UPRR permit is still pending. It is estimated that the issuance of the UPRR permit and the actual construction of the signalization work on the western portion of Monterey Road and Tilton Avenue intersection, within both the UPRR and City rights-of-way, may be completed in early 2027.
8. The SUBDIVIDER submitted a second request to the City to extend the time to perform the remaining public improvements due to the continued delay in obtaining the UPRR permit.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. All terms and conditions of the ORIGINAL AGREEMENT, as amended, shall remain in full force and effect, except that the following amendments shall be made as set forth below.

The first paragraph of Section 6 of the ORIGINAL AGREEMENT is amended to read as follows:

"Section 6. Timing of Performance

SUBDIVIDER agrees to perform and complete all Improvements within forty-two (42) months from the date of the recording of the Final Map; provided however, the City Manager may extend the deadline for completion by not more than six (6) months at his or her reasonable discretion and determination that granting the extension will not be detrimental to the public welfare. The SUBDIVIDER may request the City Council to further extend the deadline for completion upon written request by the SUBDIVIDER and the submittal of adequate evidence to justify the extension."

2. Those individuals who are signing this SECOND AMENDMENT 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 SECOND AMENDMENT.

IN WITNESS THEREOF, the parties have executed this SECOND AMENDMENT on the day and year shown below.

ATTEST:

CITY OF MORGAN HILL

By:

By:

Michelle Bigelow, City Clerk

Christina J. Turner, City Manager

Date:

Date:

APPROVED AS TO FORM:

"Subdivider"

By:

TOLL WEST COAST, LLC

Donald A. Larkin, City Attorney

By:

Steve Savage, VP Land
Development

Date:

Date:

By:

Ben Helber, VP Community
Planning

Date:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20____, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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State of **California**
County of **Santa Clara**

On _____ 20____, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)



City Council

Meeting Minutes

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

Wednesday, November 5, 2025

5:00 p.m. Closed Session
6:00 p.m. Regular Session

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

SPECIAL/REGULAR MEETING

A special meeting of the City Council was called at 5:18 p.m. for the purpose of conducting a closed session.

SPECIAL MEETING

5:00 p.m. Closed Session

CALL TO ORDER

Mayor Turner called the City Council meeting to order at 5:18 p.m.

ROLL CALL ATTENDANCE

Deputy City Clerk Rossi called the roll.

PRESENT	Mark Turner, Soraida Iwanaga, Yvonne Martinez Beltran, Miriam Vega
ABSENT	Marilyn Librers

DECLARATION OF POSTING AGENDA

Deputy City Clerk Rossi declared the posting of the agenda.

CLOSED SESSION

City Attorney Larkin announced the closed session item.

CONFERENCE WITH LABOR NEGOTIATORS

Authority: Pursuant to Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney; Michael Horta, Human Resources Director; Dat Nguyen, Finance Director; Chris Ghione, Assistant City Manager, Public Services

Employee Organization: Morgan Hill Police Officers Association; Employees Covered under Management Resolution #23-051

OPPORTUNITY FOR PUBLIC COMMENT ON CLOSED SESSION

Public comment opened at 5:18 p.m. With no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 5:18 p.m.

REGULAR MEETING

The regular meeting convened at 6:00 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Martínez Beltrán shared a highlight of her weekend, attending the Morgan Hill Ride event. She compared the event to San Jose’s Viva Calle Rides, an initiative she had long hoped to bring to Morgan Hill after first experiencing a similar concept while abroad. She met with Ed Solis from Open Space Alliances, who supported the idea, and with funding assistance from Supervisor Sylvia Arenas, the event took off. There were two hubs, one of which ended at Guglielmo Winery, offering a scenic showcase of Morgan Hill’s landscapes, commercial districts, and local wineries. Martínez Beltrán noted that this event serves as a great economic multiplier for Morgan Hill.

CITY MANAGER'S REPORT

City Manager Turner shared that the Winter/Spring Recreation Activity Guide is now available on the City's website, with registration for 2026 programs beginning Monday, November 10 at 8:00 a.m. for classes and Wednesday, November 12 at 8:00 a.m. for swim lessons. Morgan Hill Parks and Recreation has concluded the annual Haunted Home Decorating Contest, with winners to be recognized at the upcoming Parks and Recreation Commission meeting. Registration is now open for the Holiday Lights Home Decorating Contest, with judging scheduled for December. Additionally, on Monday morning, November 10, the City Council will participate in a Governance Training Workshop led by a professional facilitator to reaffirm their commitment to governance best practices.

CITY ATTORNEY'S REPORT

City Attorney Larkin shared that the Council met in closed session earlier in the evening and there was no reportable action.

OTHER REPORTS

Council Member Iwanaga expressed how much fun the past two weeks of community celebrations have been. She highlighted the "Terror at the Pirate's Cove" event, which she was fortunate to attend for the second time, noting how enjoyable it was to see everyone dressed up and participating. She also attended the Safe Trick-or-Treat event Downtown for the first time and described it as heartwarming to see families and children showcasing their creativity through costumes while enjoying a true community gathering.

Mayor Turner congratulated David Dindak, President of the Downtown Association, noting the Downtown Trick-or-Treating event was well-run and highly successful. He also attended the Morgan Hill Ride event and thanked Council Member Martínez Beltrán for her support in helping the event develop over the past two years, adding that he looks forward to continued conversations and future growth for the event. In recent weeks, he attended the Open Studios event hosted by the Library, Culture, and Arts Commission, which he has supported and sponsored for several years, visiting vendors and art exhibits throughout the City. He also participated in the Food Truck Fly-In, providing opening remarks and noting that Council Member Vega and her mother were among the attendees. Additionally, Mayor Turner reported having productive meetings with community members, including farmers, ranchers, and winery owners, regarding proposed county zoning amendments that may impact them. He added that he is working on another meeting with Supervisor Betty Duong's office and shared his gratitude to the Supervisors for their efforts to gain a better understanding of the potential impacts.

Council Member Vega shared that she was pleased to welcome her students from Salinas who attended tonight's meeting.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Public comment opened at 6:08 p.m. With no requests to speak, public comment closed.

ADOPTION OF AGENDA

Adopting the agenda as posted.

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

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 through 5.

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

1. ACCEPTANCE OF 2023 INFLOW AND INFILTRATION SANITARY SEWER PROJECT IN THE AMOUNT OF \$2,634,308

Recommendation:

1. Accept as complete the 2023 Inflow and Infiltration Sanitary Sewer

Project;

2. Authorize the City Engineer to sign the Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

2. **APPROVE FINAL MAP FOR DIANA AVENUE SINGLE FAMILY HOMES - TRACT NO. 10669 AND RELATED SUBDIVISION IMPROVEMENTS AGREEMENT**

Recommendation:

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with MH Diana 2025 Inc., a California Corporation; and
3. Authorize the recordation of the Final Map and the Subdivision Improvements Agreement.

3. **APPROVE SECOND AMENDMENT TO HOUSING-RELATED CONSULTANT AGREEMENT FOR LEGAL SERVICES**

Recommendation:

Approve and authorize the City Manager to execute and administer a second amendment to the Burke, Williams & Sorensen, LLP housing-related consultant agreement for legal services to increase the amount from \$60,000 to \$220,000.

4. **APPROVE MEMORANDUM OF UNDERSTANDING (MOU) WITH MORGAN HILL AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES (AFSCME) AND MOU WITH COMMUNITY SERVICE OFFICERS' ASSOCIATION (CSOA) AND CORRESPONDING SALARY SCHEDULES**

Recommendation:

1. Approve a MOU with AFSCME effective December 21, 2025 - December 31, 2028 and corresponding salary schedules; and
2. Approve a MOU with CSOA effective December 21, 2025 - December 31, 2028 and corresponding salary schedules.

5. **APPROVE THE OCTOBER 15, 2025 AND OCTOBER 22, 2025 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the October 15 and October 22, 2025 City Council Meeting Minutes.

OTHER BUSINESS

6. APPROVE A MEMORANDUM OF UNDERSTANDING WITH THE SANTA CLARA VALLEY OPEN SPACE AUTHORITY FOR A PUBLIC ACCESS PARTNERSHIP ON DEVELOPMENT OF THE EL TORO MOUNTAIN AREA

Recommendation:

Authorize the City Manager to execute and administer a Memorandum of Understanding with the Santa Clara Valley Open Space Authority for a partnership on public access development of the El Toro Mountain area.

Public Services Director Ghione provided a presentation and report.

Santa Clara Valley Open Space Authority, District 1 Director Alex Kennett and General Manager, Andrea Mackenzie spoke.

Public comment opened at 6:23 p.m. With no requests to speak, public comment closed.

MOTION:

Approving the recommended action.

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

7. APPROVE REQUEST TO RENAME NOB HILL TRAIL PARK AFTER COMMUNITY MEMBER MARTY CHEEK OR PROVIDE ALTERNATIVE DIRECTION

Recommendation:

Approve or do not approve the renaming of the Nob Hill Trail Park in recognition of Marty Cheek.

Public Services Director Ghione provided a presentation and report.

Public comment opened at 6:33 p.m. The following people were called to speak:

John McKay

Nick Gaich

With no further requests to speak, public comment closed.

MOTION:

Approve an alternate recognition of an amenity within the park area, direct City staff to work with the requestor to finalize the specific recognition, and delegate the item to the Parks and Recreation Commission for approval of the alternate recognition within the park area.

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

8. INTRODUCE ORDINANCE AMENDING CHAPTER 5.28 (AMUSEMENT AND ENTERTAINMENT PREMISES) OF THE MUNICIPAL CODE

Recommendation:

1. Waive the first and second reading of the Ordinance amendment; and
2. Introduce the Ordinance.

Economic Development Director Mahood provided a presentation and report.

Public comment opened at 7:10 p.m. The following people were called to speak:

Nick Gaich

David Dindak

With no further requests to speak, public comment closed.

MOTION:

Waiving the first and second reading of the ordinance.

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

MOTION:

Introducing the ordinance.

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

PUBLIC HEARINGS

9. INTRODUCE ORDINANCES APPROVING THE FOLLOWING CITY-INITIATED ZONING AMENDMENTS:

CONDIT - AUTO PARK: PLANNED DEVELOPMENT (PD) ZONING AMENDMENT TO THE DEVELOPMENT PLAN FOR THE AUTO PARK PLANNED UNIT DEVELOPMENT (PUD) LOCATED ON THE SOUTHWEST CORNER OF CONDIT ROAD AND DIANA AVENUE (ZA2025-0001)

CONDIT - CONDIT ROAD: PLANNED DEVELOPMENT (PD) ZONING AMENDMENT TO THE DEVELOPMENT PLAN FOR THE CONDIT ROAD PLANNED UNIT DEVELOPMENT (PUD) LOCATED ON THE WEST SIDE OF CONDIT ROAD BETWEEN E. DUNNE AVENUE AND TENNANT AVENUE (ZA2025-0002)

LAUREL - HONDA: PLANNED DEVELOPMENT (PD) ZONING AMENDMENT TO THE ALLOWED USES OF THE HIGHWAY COMMERCIAL - CH (PD) OVERLAY ZONE ON THE EASTERLY TERMINUS OF LAUREL ROAD (ZA2025-0005)

Recommendation:

1. Open/close public hearing;
2. Waive first and second reading of the Zoning Amendment ZA2025-0001: Condit – Auto Park PUD;
3. Introduce Ordinance approving Zoning Amendment ZA2025-0001;
4. Waive first and second reading of the Zoning Amendment ZA2025-0002: Condit – Condit Road PUD;
5. Introduce Ordinance approving Zoning Amendment ZA2025-0002;

- 6. Waive first and second reading of the Ordinance approving Zoning Amendment ZA2025-0005: Laurel Road – Honda PUD; and
- 7. Introduce Ordinance approving Zoning Amendment ZA2025-0005.

Economic Development Director Mahood provided a presentation and report.

The public hearing opened at 7:45 p.m.

Nick Gaich was called to speak.

With no further requests to speak, the public hearing was closed.

MOTION:

Waiving the first and second reading of the Zoning Amendment ZA2025-0001: Condit – Auto Park PUD ordinance.

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

MOTION:

Introducing the Zoning Amendment ZA2025-0001: Condit – Auto Park PUD ordinance.

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

MOTION:

Waiving the first and second reading of the Zoning Amendment ZA2025-0002: Condit – Condit Road PUD ordinance.

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

MOTION:

Introducing the Zoning Amendment ZA2025-0002: Condit – Condit Road PUD ordinance.

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

MOTION:

Waiving the first and second reading of the Zoning Amendment ZA2025-0005: Laurel Road – Honda PUD ordinance.

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

MOTION:

Introducing the Zoning Amendment ZA2025-0005: Laurel Road – Honda PUD ordinance.

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

10. INTRODUCE ORDINANCE TO AMEND THE TENNANT STATION PLANNED UNIT DEVELOPMENT (PUD) TO MODIFY THE MAXIMUM SQUARE FOOTAGES ALLOWED FOR THREE MAJOR USES AND ADD AN ADMINISTRATIVE FUNCTION TO MAKE MINOR CHANGES TO SQUARE FOOTAGES IN THE FUTURE

Recommendation:

1. Open/close public hearing;
2. Waive first and second reading of the Ordinance; and
3. Introduce Ordinance amending the Tennant Station Planned Unit Development.

Development Services Director Carman provided a presentation and report.

The public hearing opened at 7:57 p.m.

Mitchell Gardner was called to speak (Zoom).

With no further requests to speak, the public hearing was closed.

MOTION:

Waiving first and second reading of the ordinance.

RESULT:	Passed
MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None

ABSENT:	Mayor Pro Tem Librers
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MOTION:

Introducing the ordinance.

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

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 8:00 p.m.

Minutes Prepared by:

Vicky Rossi, Deputy City Clerk



City Council

Meeting Minutes

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

Monday, November 10, 2025

Facilitated City Council Session

8:30 a.m.

**Community and Cultural Center
17000 Monterey Rd, Morgan Hill, CA 95037**

CALL TO ORDER

Mayor Turner called the meeting to order at 8:38 a.m.

ROLL CALL ATTENDANCE

City Clerk Bigelow called the roll.

PRESENT	Mark Turner, Marilyn Librers, Soraida Iwanaga, Yvonne Martinez Beltran, Miriam Vega
ABSENT	None

DECLARATION OF POSTING AGENDA

City Clerk Bigelow declared the posting of the agenda.

OTHER BUSINESS

1. **CITY COUNCIL GOVERNANCE TRAINING WORKSHOP**
Recommendation:

1. Affirm City Council's commitment to supporting and implementing governance best practices as described in the attached CP 97-01 - Rules for the Conduct of City Council Meetings, Placement of Items on the Agenda, and Matters to be Reconsidered; and
2. Consider adoption of a consolidation of the concepts contained within the adopted City Council Norms, which is retitled as the attached "Morgan Hill Approach to Public Service."

City Manager Turner introduced Jacob Green and Greg Devereaux with Jacob Green and Associates.

The consultants presented on organizational alignment and high-functioning teams.

They then presented a consolidated list of norms. The Council directed staff to bring the consolidated norms, "Morgan Hill's Approach to Public Service," to a future meeting for formal adoption.

The meeting recessed at 9:59 a.m. and reconvened at 10:17 a.m.

City Manager Turner led a discussion and review of the following documents:

- CP 97-01 - Rules for the Conduct of City Council Meetings, Placement of Items on the Agenda, and Matters to be Reconsidered
- CP 05-01 - Ethics Policy
- CP 24-01 - Code of Conduct of Public Meetings in the Council Chamber and Conference Rooms
- City Council Norms

The City Council directed staff to bring the Harassment Prevention Policy, Outside Assignments, and City Council Meeting Schedule and policy for review at a future meeting.

Public comment opened at 11:50 a.m. The following people were called to speak:

Doug Muirhead

Nick Gaich

Yvonne Randolph

With no further requests to speak, public comment closed.

CLOSED SESSION

City Attorney Larkin announced the closed session items.

Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to § 54956.9(b): Number of Cases
Unknown

Conference with Legal Counsel—Existing Litigation (§ 54956.9)

Guerrero v. Encarnacion, et al., Santa Clara County Superior Court Case No. 21-
CV-379735

OPPORTUNITY FOR PUBLIC COMMENT

Public comment opened at 11:59 a.m. With no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 11:59 a.m.

The meeting reconvened at 12:15 p.m.

City Attorney Larkin announced that the first closed session item was continued, and there was no reportable action from the second closed session item.

ADJOURNMENT

The meeting adjourned at 12:15 p.m.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

RECEIVE REPORT REGARDING UPCOMING 2026 COMMISSION VACANCIES PER THE MADDY ACT

RECOMMENDATION(S)

Receive report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Fostering a Positive Organizational Culture

Preserving our Community History

Enhancing Diversity and Inclusiveness

2024-2025 Strategic Priorities

Community Engagement

REPORT NARRATIVE:

Government Code Section 54972 (Maddy Act) requires that before December 31st of each year, the City Council cause to be prepared a list of appointments to all ongoing boards, commissions, and committees that the City Council appoints. The list includes which terms will expire during the next calendar year, including the name of the incumbent appointee, the date of appointment, the date the term expires, and the necessary qualifications for the position. Chapter 2.22.010 - Master Provisions for Boards and Commissions of the Municipal Code established the following commissions: Planning Commission (PC); Parks and Recreation Commission (PRC); and the Library, Culture, and Arts Commission (LCAC).

Chapter 2.22.010, Section B, states that: "Unless otherwise set forth, all members of boards, commissions, and committees shall be residents of the city and shall continue to be residents of the city during their terms of office. Notwithstanding the foregoing, individuals who reside within the Morgan Hill Unified School District boundary and who do not otherwise reside in any city other than Morgan Hill may be appointed to boards, commissions, and committees provided that no more than thirty percent of the members of any board, commission, or committee shall be non-Morgan Hill residents."

The attached "Local Appointment List" highlights the Parks and Recreation (PRC) and

Library, Culture, and Arts Commissioners (LCAC) whose terms expire in 2026. The PRC has four members, and the LCAC has three members whose terms expire on April 1, 2026. No terms for the Planning Commission expire in the 2026 calendar year.

COMMUNITY ENGAGEMENT:

This report serves to inform the public of the upcoming board, commission, and committee vacancies.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Per Resolution No. 7082, adopted by the City Council on December 17, 2014, this report is being presented as an informational item. The City Clerk's Office will post the "Local Appointment List" in accordance with Government Code Section 54972.

FISCAL AND RESOURCE IMPACT:

The time necessary to prepare this report is accommodated in the Administrative Services Budget.

CEQA (California Environmental Quality Act):

Not a Project. This is an administrative activity that will not result in direct or indirect physical changes in the environment.

Chapter 2.22 MASTER PROVISIONS FOR BOARDS AND COMMISSIONS*

Sections:

[2.22.010 Establishment of boards and commissions.](#)

[2.22.030 Clerk and secretary.](#)

[2.22.040 Rules of procedure.](#)

[2.22.050 Rules of attendance.](#)

[2.22.060 Meetings.](#)

[2.22.070 Compensation.](#)

[2.22.080 Effect.](#)

* Prior ordinance history: Ords. 811 N.S., 890 N.S., 891 N.S., 1607 N.S. and 1719 N.S.

2.22.010 Establishment of boards and commissions.

A. There are established within the city the following boards and commissions:

1. Planning commission;
2. Parks and recreation commission;
3. Library, culture and arts commission; and
4. Disaster council.

B. Unless otherwise set forth, all members of boards, commissions and committees shall be residents of the city and shall continue to be residents of the city during their terms of office. Notwithstanding the foregoing, individuals who reside within the Morgan Hill Unified School District boundary and who do not otherwise reside in any city other than Morgan Hill may be appointed to boards, commissions and committees provided that no more than thirty percent of the members of any board, commission or committee shall be non-Morgan Hill residents.

C. Members shall be appointed by the mayor subject to approval of a majority vote of the city council and may be removed without cause by vote of any three members of the city council.

D. The appointment terms of members may be extended, at the discretion of the city council, until such time as a successor member may be appointed and take office.

E. Vacancies in the commission occurring other than by expiration of term shall be filled for the unexpired term in the same manner as original appointments.

F. The members of the commission shall organize the commission and shall elect from its members a chair and vice-chair and such other officers as may be necessary in accordance with adopted city council policy.

(Ord. 1778 N.S. § 2 (part), 2006)

(Ord. No 1930 N.S., § 2, 4-22-2009; Ord. No. 1935 N.S., § 1, 6-3-2009)

2.22.030 Clerk and secretary.

The city clerk or designate shall also act as clerk for each of the boards and commissions and shall have authority to sign any official notices and also to certify any resolution of the commissions or boards. The city council may appoint a person not a member of the commission or board to act as secretary of the commission or board. The secretary shall keep a record of all proceedings of said board or commission, its resolutions, its findings and actions, which records shall be a public record and kept with the city clerk in the City Hall building.

(Ord. 1778 N.S. § 2 (part), 2006)

2.22.040 Rules of procedure.

A. The chair shall preside at all meetings of the board or commission. The vice chair shall assume the duties of the chair in the absence of or in case of inability of the chair.

B. A majority of the members of the commission or board shall constitute a quorum for the transaction of business.

C. Unless otherwise specified herein, each board or commission may adopt its own rules and regulations for the transaction of its business. Such rules shall be subject to approval of the city council before becoming effective.
(Ord. 1778 N.S. § 2 (part), 2006)

2.22.050 Rules of attendance.

If any member is absent from three of any six consecutive regular board or commission meetings, unless such absence is with the permission of the chair, or vice chair in absence of the chair, expressed in the official minutes, the member's seat shall be deemed vacated. The city manager shall so notify the city council and the council shall take action to fill the seat within a reasonable period of time.
(Ord. 1778 N.S. § 2 (part), 2006)

2.22.060 Meetings.

Unless otherwise specified, the commission shall hold regular meetings once every two months at a designated time and place which shall be fixed and determined by the commission and entered upon in its minutes. Special meetings of the commission may be called at any time by the chair or by a majority of the members of the board upon notice being given to all members of the board and to all news media at least twenty-four hours in advance of the meetings, as required by the laws of the state of California.
(Ord. 1778 N.S. § 2 (part), 2006)
(Ord. No. 1930 N.S., § 3, 4-22-2009)

2.22.070 Compensation.

Members of the boards and commissions shall serve without compensation but may receive reimbursement for actual and necessary expenditures made or incurred in the performance of their prescribed duties in accordance with state law and the Municipal Code and policies of the city of Morgan Hill.
(Ord. 1778 N.S. § 2 (part), 2006)

2.22.080 Effect.

Nothing in this chapter shall be construed as restricting or curtailing any of the powers of the city council or city officers as defined by the laws of the state of California or by this Municipal Code. Except as otherwise set forth in Chapter 2.36, the city council declares that the public interest and convenience require the appointment of the boards and commissions established pursuant to Section 2.22.010 to act purely in an advisory capacity to the city council.
(Ord. 1778 N.S. § 2 (part), 2006)

Chapter 2.32

PARKS AND RECREATION COMMISSION*

Sections:

2.32.010 Created.

2.32.020 Membership—Terms of office.

2.32.030 Powers and duties.

* Prior ordinance history: Ord. 1368 N.S.

2.32.010 Created.

There is established a new commission which is entitled the "Morgan Hill parks and recreation commission" to serve in an advisory capacity to the city council. (Ord. 1778 N.S. § 4 (part), 2006)

2.32.020 Membership—Terms of office.

The commission shall consist of seven members. Members shall not be officials or employees of the city nor be paid members of any organization receiving financial support from the city. Notwithstanding any language to the contrary, the mayor and city council may appoint a Morgan Hill Unified School District official as a member of the commission.

For the first seven members appointed, the terms of three of the members shall expire on May 1, 1999, and the terms of four of the members shall expire on May 1, 2000. All new full term appointments after April 1, 2006 shall be for a period of four years. (Ord. 1778 N.S. § 4 (part), 2006)

2.32.030 Powers and duties.

The powers and functions of the commission shall be as follows, provided that nothing in this Chapter 2.32 shall be construed to give the commission power or duty to supervise or administer any public buildings, public parks, streets or other public property or programs:

A. To hold hearings on matters pertaining to planning and development of parks, trails, recreation programs for all segments of the population,

bicycle facilities, and capital expenditures related to parks, trails, recreational facilities, and bicycle facilities;

B. To facilitate coordination of the efficient and effective use of recreation facilities by other public, private, and non-profit groups and organizations to city residents;

C. To consider, formulate and propose fiscally prudent programs, activities, resources, plans and development designed to provide for, regulate, and direct the future growth and development of the parks facilities and recreation programming for the people of the city;

D. To make investigations and reports for future acquisition of park sites;

E. To review opportunities for joint use of recreation/parks, and storm retention/detention;

F. To act on behalf of the city and function as the City of Morgan Hill Bicycle and Trails Advisory Committee;

G. To conduct such other hearings as are necessary and in accordance with its own rules and regulations for the transaction of its business, or rules for conduct; and

H. To report its decisions and recommendations relating to the above matters, in writing to the city council. (Ord. 1778 N.S. § 4 (part), 2006) (Ord. No. 1930 N.S., § 4, 4-22-2009)

Chapter 2.68

LIBRARY, CULTURE AND ARTS COMMISSION

Sections:

- 2.68.010** **Created.**
- 2.68.020** **Membership—Terms of office.**
- 2.68.030** **Powers and duties.**

2.68.010 **Created.**

There is established a new commission which is entitled the “library, culture and arts commission” to serve in an advisory capacity to the city council. (Ord. 1778 N.S. § 9 (part), 2006; Ord. 1374 N.S. § 1 (part), 1998)

2.68.020 **Membership—Terms of office.**

The commission shall consist of seven members. Members shall not be officials or employees of the city, county library employees nor paid members of any organization receiving financial support from the city for library and art services. (Ord. 1778 N.S. § 9 (part), 2006; Ord. 1559 N.S. § 1, 2002; Ord. 1407 N.S. § 5, 1998; Ord. 1382 N.S. § 1, 1998; Ord. 1374 N.S. § 1 (part), 1998)

2.68.030 **Powers and duties.**

The powers and functions of the commission shall be as follows:

- A. To act in an advisory capacity to the city council in all matters pertaining to library, culture and arts in the community;
- B. To serve as a liaison between the city and the Santa Clara County library;
- C. To consult with private community groups supportive of library, culture and art programs and serve as a liaison between such groups and the city;
- D. To provide advice and recommendations regarding the adequacy of existing library facilities and operations;
- E. To look for opportunities for participation of artists and performers in city-sponsored activities, and ways to encourage community involvement in the arts;

F. To work cooperatively with city boards and commissions and other public and private organizations in creating and promoting art and cultural programs and activities within the city;

G. To coordinate and strengthen existing organizations in the arts and develop cooperation with regional organizations;

H. To make recommendations to the city council regarding the funding of community art projects, including the search for private and public grants, and regarding the disbursement of revenues consistent with the needs of the community;

I. To review and make recommendations to the city council upon all works of art to be acquired by the city, either by purchase, gift or otherwise, and exterior works of art installed in the city on public property;

J. To recommend to the city council the adoption of such ordinances or policies as it may deem necessary for the administration and preservation of the arts and cultural development of the city;

K. To perform such other tasks as may be expressly requested of it by the city council;

L. To conduct such other hearings as are necessary and in accordance with its own rules and regulations for the transaction of its business, or rules for conduct; and

M. To report its decisions and recommendations relating to the above matters, in writing to the city council. (Ord. 1778 N.S. § 9 (part), 2006; Ord. 1374 N.S. § 1 (part), 1998)



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general@morganhill.ca.gov

POSTED ON November 19, 2025, PER MADDY ACT

LOCAL APPOINTMENTS LIST

Unless otherwise set forth, all members of boards, commissions, and committees shall be residents of the city and shall continue to be residents of the city during their terms of office. Notwithstanding the foregoing, individuals who reside within the Morgan Hill Unified School District boundary and who do not otherwise reside in any city other than Morgan Hill may be appointed to boards, commissions, and committees provided that no more than thirty percent of the members of any board, commission, or committee shall be non-Morgan Hill residents.

LIBRARY, CULTURE & ARTS COMMISSION

(Four-Year Term)

Meets monthly to serve as a liaison with the County Library, advise the City Council and City staff on culture and art-related projects and programming, and support efforts to initiate art and cultural events in the community.

<u>Date Appointed</u>	<u>Name</u>	<u>Term Expires</u>
April 24, 2024	Robyn Carillo	April 1, 2028
April 24, 2024	Tanaya Rose	April 1, 2028
July 22, 2020	Patrice Lyn	April 1, 2026
March 20, 2019	Suman Ganapathy	April 1, 2028
September 4, 2024	Mark Fiorenza	April 1, 2026
May 4, 2022	Cindy Blanton	April 1, 2026
April 21, 2021	Amanda Santiago	April 1, 2028

PARKS & RECREATION COMMISSION

(Four-Year Term)

Meets monthly to make recommendations regarding the planning and development of parks, cultural facilities, and recreation programs.

<u>Date Appointed</u>	<u>Name</u>	<u>Term Expires</u>
May 4, 2022	Harpreet Vittal	April 1, 2026
February 15, 2023	Julie Lucido	April 1, 2026
May 4, 202	Shweta Maniar	April 1, 2026
April 24, 2024	Poonam Chabra	April 1, 2028
April 24, 2024	Saied Zargar	April 1, 2028
May 4, 1998	Craig C. van Keulen	April 1, 2026
July 22, 2020	John Moniz	April 1, 2028

PLANNING COMMISSION

(Four-Year Term)

Meets twice monthly to advise on matters related to City growth and development.

<u>Date Appointed</u>	<u>Name</u>	<u>Term Expires</u>
July 15, 2015	Liam Downey	June 1, 2027
May 3, 2017	Mohammad Habib	June 1, 2029
August 3, 2022	James Wilson	June 1, 2029
May 21, 2025	David Lovato	June 1, 2029
January 28, 1989	Joseph Mueller	June 1, 2027
March 2, 2022	Paul Lake	June 1, 2027
April 25, 2007	Wayne Tanda	June 1, 2027

Note: Yellow-highlighted Commissioners have terms expiring in 2026

CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Eric Blomquist, Building Official

APPROVED BY: City Manager

ADOPT ORDINANCE 2368, NEW SERIES, AMENDING CHAPTERS 15.08 (BUILDING CODE), 15.12 (ELECTRICAL CODE), 15.16 (MECHANICAL CODE), 15.20 (PLUMBING CODE), 15.44 (FIRE CODE), AND TO ADOPT BY REFERENCE THE 2025 CALIFORNIA BUILDING STANDARDS CODES KNOWN AND DESIGNATED AS CALIFORNIA CODE OF REGULATIONS, TITLE 24

RECOMMENDATION(S)

1. Open/close the public hearing;
2. Waive the second reading of the ordinance; and
3. Adopt the ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Preserving and Cultivating Public Trust

REPORT NARRATIVE:

POLICY CONSIDERATIONS:

This item was introduced at the October 15, 2025, City Council meeting, and is now coming back for public hearing, second reading, and adoption.

Pursuant to the California Health and Safety Code, the California Building Standards Commission is required to adopt certain building standards codes on a triennial basis. This code, known as the California Building Standards Codes, is Title 24 of the California Code of Regulations. It provides uniform building standards to be used throughout the state of California, and it consists of thirteen different parts. These parts include Administrative, Building, Residential, Electrical, Mechanical, Plumbing, Energy, Wildland-urban Interface, Historical, Fire, Existing Building, Green Building, and Referenced Standards.

Local agencies may amend the California Building Standards upon making findings related to specific local geographic, topographic, and/or climatic conditions. AB130, signed into law on June 30, 2025, restricts local jurisdictions from making new

amendments that would apply to residential construction. However, there is an exception to AB130 that allows amendments that are substantially equivalent to an amendment previously filed by the jurisdiction and in effect as of September 30, 2025, to be applied towards residential construction.

In order to maintain the current Morgan Hill code amendments that were made to the previous editions of the California Building Standards Codes, it is necessary to revise certain Chapters of Title 15 (Building and Construction) of the City's Municipal Code. Chapters 15.08 (Building Code), 15.20 (Plumbing Code), and 15.44 (Fire Code) to adopt the 2025 California Building Standards Codes including the findings to incorporate the previously adopted local code amendments. These revisions are aligned with changes allowed under AB130. All other parts of Title 24 of the California Code of Regulations will be adopted by reference without amendments.

During the ordinance introduction at the City Council meeting on October 15, 2025, staff addressed inquiries regarding code requirements for electric readiness and the installation of heat pump mechanical units. Staff determined that between the adopted provisions of the California Energy Code (Title 24, Part 6) and Morgan Hill Municipal Code (Chapter 15.63), all new residential and non-residential buildings are required to be constructed with electric readiness and utilize heat pump mechanical units. These requirements for electric readiness and heat pumps are generally not required during the permitting of improvements to existing construction, with the key exception that the replacement of certain smaller non-residential rooftop mechanical units must comply with efficiency standards, often requiring replacement with a heat pump unit or equivalent energy efficiency measures.

Although electric readiness is not a code requirement for the permitting of improvements to an existing structure, staff provides information to the applicant during the permitting process for remodels about voluntarily incorporating electric readiness measures. If an applicant chooses to incorporate electric readiness within their permitted scope of work, they may do so without causing a delay or increasing permit fees for their project.

COMMUNITY ENGAGEMENT:

Inform: The Building Division will provide building code update outreach to the local development community, contractors, and homeowners to inform them of the changes from the 2022 to the 2025 California Building Standards.

A notice of ordinance adoption was published in the Morgan Hill Times on Friday, October 31, 2025.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 15, 2025, Council introduced Ordinance 2368 proposing amending

Chapters 15.08 (Building Code), 15.12 (Electrical Code), 15.16 (Mechanical Code), 15.20 (Plumbing Code), 15.44 (Fire Code) and to adopt by reference the 2025 California Building Standards Codes known and designated as California Code of Regulations, Title 24. On November 2, 2022, Council adopted Ordinance 2337 adopting the 2022 California State Building Standards Codes.

FISCAL AND RESOURCE IMPACT:

Periodic reviews and updates of the City's Municipal Code, including Building Standards, are part of the staff's annual workplan. The primary resources allocated to this update were from the Development Services Department.

CEQA (California Environmental Quality Act):

Not a Project

Adoption of an ordinance and resolution regarding Building and Fire Codes is exempt from the requirements of the California Environmental Quality Act (CEQA) under Title 14 of the California Code of Regulations, Section 15061(b)(3), in that it is not a Project which has the potential for causing a significant effect on the environment. The action being considered by the City Council is an administrative activity of government that will not result in the direct or indirect physical change in the environment. This action entails adoption of State mandated Building Codes that are enforceable by the City. Minor amendments will not have a significant effect on the environment because the strengthened requirements reduce hazards and accommodate features to reduce environmental effects.

ORDINANCE NO. 2368, NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING CHAPTERS 15.08 (BUILDING CODE), 15.12 (ELECTRICAL CODE), 15.16 (MECHANICAL CODE), 15.20 (PLUMBING CODE), 15.44 (FIRE CODE) AND TO ADOPT BY REFERENCE THE 2025 CALIFORNIA STATE BUILDING STANDARDS CODES KNOWN AND DESIGNATED AS CALIFORNIA CODE OF REGULATIONS, TITLE 24.

WHEREAS, Health and Safety Code Section 17922 requires that the State adopt building standards and rules and regulations (“State Building Standards Code”) and that such State Building Standards Code impose substantially the same requirements as are contained in the most recent editions of specified uniform industry codes; and

WHEREAS, Health and Safety Code Section 17958 allows the City Council to adopt ordinances or regulations which impose the same requirements as the State Building Standards Code or make changes or modifications to the State Building Standards Code upon express findings that that such modifications or changes are reasonably necessary because of local climatic, geological, or topographical conditions; and

WHEREAS, the Building Standards, along with any changes or modifications made by the City Council, become effective 180 days after publication by the California Building Standards Commissions; and

WHEREAS, the City Council desires to adopt the 2025 State Building Standards Code, including the California Building Code, the California Electrical Code, the California Mechanical Code, the California Plumbing Code, and the California Fire Code, as published by the California Building Standards Commission, along with changes and modifications reasonably necessary because of local climatic, geological, or topographical conditions, based on findings set forth in this ordinance; and

WHEREAS, the Building Official and the Fire Department have determined that local amendments to the State Building Standards Codes are necessary due to unique conditions that exist in the City of Morgan Hill; and

WHEREAS, amendments related to fire and life-safety contained in the 2025 State Building Standards Code as recommended by the City Building Official and the Fire Department are hereby found to be reasonably necessary due to the following local conditions, along with additional express findings that are already on file with the California Building Standards Commission:

A. Climatic Conditions

Santa Clara County and the City of Morgan Hill are located in a semi-arid Mediterranean type climate which predisposes all fuels to rapid ignition and spread of fire. Hot, dry winds and low humidities are common to all areas within the City of Morgan Hill and

Santa Clara County in general. Winter rains promote the growth of grass and brush. This vegetation presents heavy dry fuel loads in the summer months. These conditions are conducive to the ready ignition, propagation, and spread of grass, brush, and structure fires. These conditions, which can cause small brush fires that spread quickly, are a contributing factor to the high fire danger in the area and create the need for an increased level of fire protection. This added protection will supplement normal fire department response and provide immediate protection for life and safety of multiple occupancy occupants during fire occurrences.

B. Topographic Conditions

The topography of Morgan Hill has hillside homes on each side of the City with long response times for safety equipment. The City's foothills cause many problems for firefighters, including long response times, inadequate water supply, and unlimited fuel. Fog, heavy rains, mudslides, and earthquakes are common occurrences which negatively affect the ability of the City's public safety resources to respond to emergency situations. The City is in a Category D seismic activity classification. Many traffic corridors such as Highway 101, Monterey Road, Union Pacific Railroad, related bridges, underpasses, and crossings are subject to obstruction in the event of an earthquake, traffic accident, hazardous material spill, or other disaster.

C. Geographic Conditions

1. Santa Clara County and the City of Morgan Hill are located within the seismically active San Francisco Bay region. The significant earthquakes in the region are generally associated with the crustal movements along well-defined, active fault zones. The nearest known active faults are the San Andreas Fault, approximately 12 miles southwest of Morgan Hill and the Calaveras Fault, approximately one mile northeast. Both faults have produced major earthquakes in the past and have estimated maximum credible Richter magnitudes of 8.3 and 7.3, respectively. The Sargent-Berrocal Fault, a potentially active fault, lies approximately ten miles away and has an estimated maximum credible Richter magnitude of 7.3. The Coyote Creek Fault is located in Morgan Hill and is classified as potentially active as well. In addition, several unnamed faults traverse the western slopes of the upland areas.
2. Regional planning for reoccurrence is recommended by the State Department of Conservation. The October 17, 1989 Santa Cruz earthquake resulted in only one major San Francisco fire in the Marina district but, when combined with the 34 other fires and over 500 responses, the fire department was taxed to its full capabilities. The Marina fire was difficult to contain because mains supplying water to the district burst during the earthquake. If more fires had been ignited by the earthquake, it would have been difficult for the fire department to contain them. Experts predict a major earthquake in our area. This situation creates the need for both additional fire protection measures and automatic on-site fire protection for building occupants since a multitude of fires may result from breakage of gas lines and electric lines as a result of an earthquake.
3. Traffic and circulation congestion presently existing in the City of Morgan Hill often places fire department response time to fire occurrences at risk. This condition will

- be exacerbated by any major disaster, including any earthquake where damage to the highway system will occur. This condition makes the need for additional on-site protection for property occupants necessary.
4. The City of Morgan Hill is located in an area subject to climatic conditions of high winds and low humidity. This combination of events creates an environment which is conducive to rapidly spreading fires. Control of such fires requires rapid response. Obstacles generated by strong winds, such as fallen trees, streetlights, and utility poles, greatly impact the response time to reach an incident scene.
 5. The City of Morgan Hill is located in the middle of a seismically active area. The viability of the public water system would be questionable at best after a major seismic event. A severe seismic event has the potential to negatively impact any rescue or fire suppression activities because it is likely to create obstacles similar to those indicated under the high wind section above. With the probability of strong aftershocks, there exists a need to provide increased protection for anyone on upper floors.
 6. The City of Morgan Hill is located approximately sixteen (16) miles from the ocean. The City's typical ground water level is between ten and twenty feet. This condition makes the City more prone to subsidence issues than most inland communities and cities.

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

SECTION 1. Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) of the Morgan Hill Municipal Code is hereby amended to read (additions in underline, deletions in ~~strikeout~~):

"Chapter 15.08 - BUILDING CODE

Sections:

- | | |
|------------------|---|
| 15.08.010 | Adoption of the 2025 California Building Code and the 2025 California Residential Code, and other parts of the State Buildings Standards Code. |
| 15.08.020 | Short title. |
| 15.08.030 | Organization, enforcement, fees, and inspections. |
| 15.08.040 | Additions, amendments, and deletions. |
| 15.08.050 | Building over utility easements. |
| 15.08.060 | Section R309.1 and R309.2 amended – Automatic Fire Sprinklers Systems |
| 15.08.070 | Section 2308.10.3 and R602.10.4 , amended – Braced wall panel methods (gypsum board and Portland cement plaster). |
| 15.08.080 | R506.1 amended - Minimum slab provisions. |
| 15.08.90 | Section J103.2 amended - Exemptions |
| 15.08.100 | Violation—Penalty. |

15.08.010 - Adoption of the 2025 California Building Code, the 2025 California Residential Code and other parts of the State Building Standards Code.

Thereby adopted by reference that certain code known and designated as the California Code of Regulations, Title 24, Parts 1, 2, 2.5, 3, 4, 5, 6, 7, 8, 10, 11, and 12 as published by the California Building Standards Commission, as further described and including the following:

- 2025 California Administrative Code (California Code of Regulations Title 24, Part 1).
- 2025 California Building Code (California Code of Regulations Title 24, Part 2) based on the 2024 International Building Code; as prepared by the International Code Council, and as amended by the State of California.
- 2025 California Residential Code (California Code of Regulations Title 24, Part 2.5) based on the 2024 International Residential Code; as prepared by the International Code Council, and as amended by the State of California.
- 2025 California Energy Code (California Code of Regulations Title 24, Part 6).
- 2025 California Wildland-Urban Interface Code (California Code of Regulations Title 24, Part 7) based on the 2024 International Wildland-Urban Interface Code; as prepared by the International Code Council, and as amended by the State of California.
- 2025 California Historical Building Code (California Code of Regulations Title 24, Part 8).
- 2025 California Existing Building Code (California Code of Regulations Title 24, Part 10) based on the 2024 International Existing Building Code; as prepared by the International Code Council, and as amended by the State of California.
- 2025 California Green Building Standards Code (California Code of Regulations Title 24, Part 11).
- 2025 California Referenced Standards Code (California Code of Regulations Title 24, Part 12).

Such code shall include those sections requiring enforcement by the Morgan Hill Building Department, and, as further amended by the City of Morgan Hill, provisions intended to address local climatic, geologic, and topographic conditions as permitted by state law. Adoption of said code shall include the adoption of Appendices I, and J, including Division II Scope and Administration, contained in the 2025 California Building Code and Appendices BF, and BH, including Division II Scope and Administration of the 2025 California Residential Code.

Such code shall be and become the City of Morgan Hill Building Code regulating the erection, construction, alteration, repair, relocation, demolition, occupancy, use, height, area, and maintenance of all buildings and structures and certain equipment therein specifically regulated. The provisions of said code shall provide for the issuance of permits and certificates of occupancy, the collection of fees thereof, and penalties for violation of such code.

At least one copy of the City of Morgan Hill Building Code has been deposited in the office of the city building official and is available for public inspection.

15.08.020 - Short title.

This chapter shall be known as the "building code" and may be cited as such.

15.08.030 - Organization, enforcement, fees, and inspections.

The organization, enforcement, fees, and inspections shall comply with the 2025 California Building Code. The building official may use the building valuation data from the International Code Council and incorporate a regional cost modifier for determining a "cost per square foot."

15.08.040 - Additions, amendments, and deletions.

The following provisions of the California Building Code and California Residential Code shall be added, amended, or deleted as follows:

- A. The following sections in the California Building Code are amended by this chapter: 2308.6.3, 1907.1, and J103.2.
- B. The following section in the California Residential Code is amended by this chapter: R309.1, R309.2, R506.1 and R602.10.4.

15.08.050 - Building over utility easements.

It is unlawful for any person, firm, or corporation to erect, construct, or maintain any structure, building, garage, carport, storage shed, or other similar building over or within the boundary of any utility easement. "Utility easement" as used in this section includes any easement for a gas line, water line, storm drainage line, sewer line or buried or overhead electrical or telephone lines.

15.08.060 – Section R309.1 and R309.2 amended—Automatic Fire Sprinkler Systems.

A. Section R309.1 of the 2025 California Residential Code, is hereby amended to read in its entirety:

R309.1 Townhouse automatic fire sprinkler systems. An automatic residential fire sprinkler system shall be installed in townhouses.

Exception: An automatic residential fire sprinkler system shall not be required where additions or alterations are made to existing townhouses if the addition does not exceed 1200 square feet or result in a total building area of more than 3600 square feet and an existing automatic residential fire sprinkler system is not installed.

B. Section R309.2 of the 2025 California Residential Code is amended to read in its entirety:

R309.2 One- and two-family dwellings automatic fire sprinkler systems. An automatic residential fire sprinkler system shall be installed in one- and two-family dwellings.

Exception:

1. An automatic residential fire sprinkler system shall not be required where additions or alterations are made to existing buildings if the addition does not exceed 1200 square feet or result in a total building area of more than 3600 square feet and an existing automatic residential fire sprinkler system is not installed.

2. Accessory Dwelling Unit, provided that all of the following are met:

2.1. The unit meets the definition of an Accessory Dwelling Unit as defined in the Government Code Section 65852.2.

2.2. The existing primary residence does not have automatic fire sprinklers.

2.3. The accessory detached dwelling unit does not exceed 1,200 square feet in size.

2.4. The unit is on the same lot as the primary residence.

C. Findings. The City of Morgan Hill is located in an area subject to a climatic condition of high winds and low humidity. This combination of events creates an environment which is conducive to rapidly spreading fires. Control of such fires requires rapid response. Obstacles generated by a strong wind, such as fallen trees, street lights, and utility poles, greatly impact the response time to reach an incident scene. This condition makes the requirement for additional on-site protection for property occupants necessary. These amendments comply with the exception allowed by AB130 as the changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city and were in effect as of September 30, 2025.

15.08.070 - Section 2308.10.3 and R602.10.4 amended—Braced wall panel methods (gypsum board and Portland cement plaster).

A. Section 2308.10.3 of the 2025 California Building Code, which allows the use of gypsum board and Portland cement plaster for wall bracing, is hereby amended to read in its entirety:

2308.10.3 Braced wall panel methods

Construction of braced wall panels shall be by one or a combination of the methods in Table 2308.10.3(1). Braced wall panel length shall be in accordance with Section 2308.10.4 or 23010.6.5. The use of Gypsum Board (GB) or Portland Cement Plaster (PCP) type braced wall panels are not allowed.

B. Section R602.10.4 of the 2025 California Residential Code, which allows the use of gypsum board and Portland cement plaster for wall bracing, is hereby amended to read in its entirety:

R602.10.4 Construction methods for braced wall panels.

Intermittent and continuously sheathed braced wall panels shall be constructed in accordance with this section and the methods listed in Table R602.10.4. The use of Gypsum Board (GB) or Portland Cement Plaster (PCP) type braced wall panels are not allowed.

C. Findings. The city is in a Category D seismic activity classification. Gypsum wallboard and exterior Portland cement plaster have performed poorly during California seismic events. Shear values for gypsum wallboard and Portland cement plaster contained in the code are based on monodirectional testing. It is appropriate to eliminate the use of these materials until cyclic loading tests are performed and evaluated. These amendments comply with the exception allowed by AB130 as the changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city and were in effect as of September 30, 2025.

15.08.080 - Section R506.1 amended—Minimum slab provisions.

A. Section R506.1 of the 2025 California Residential Code is hereby amended to read in its entirety:

R506.1 General. Concrete slab-on-ground floors shall be designed and constructed in accordance with the provisions of this section or ACI 332. Floors shall be a minimum 3-1/2 inches (89 mm) thick (for expansive soils, see Section R403.1.8). The slab shall be reinforced with not less than six inches by six inches ten-gauge wire mesh or an approved alternate. The specified compressive strength of concrete shall be as set forth in Section R402.2.

B. Findings. To avoid damage due to soil expansion, shrinkage and seismic activity which causes damage to concrete slab flooring throughout the city, imposing the above requirements eliminates the need for a soils report for some small projects. These amendments comply with the exception allowed by AB130 as the changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city and were in effect as of September 30, 2025.

15.08.90 – Section J103.2 amended—Exemptions

A. Section J103.2 of the 2025 California Building Code is hereby amended to read in its entirety:

J103.2 Exemptions. A grading permit shall not be required for the following:

1. Grading of less than 50 cubic yards in an isolated, self-contained area, provided that the public is not endangered and that such grading will not adversely affect adjoining properties.
2. Excavation for construction of a structure permitted under this code.
3. Cemetery graves.
4. Refuse disposal sites controlled by other regulations.
5. Excavations for wells, or trenches for utilities.

B. Findings. The City includes hillside properties in geological sensitive areas. The valley surface soil is characterized by peculiarly high expansivity and includes properties subject to flooding. The City also has water tributaries leading to the San Francisco and Monterey Bays and projects must comply with strict Best Management Practices. This amendments complies with the exception allowed by AB130 as the changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city and were in effect as of September 30, 2025.

15.08.100 - Violation.

A. A violation of the code adopted by this chapter occurs when a person:

1. Fails to comply with this code;
2. Violates or fails to comply with any order made under this code;

3. Builds in violation of any detailed statement of specifications or plans submitted and approved thereunder or any certificate or permit issued thereunder and from which no appeal has been taken; or
 4. Fails to comply with such an order as affirmed or modified by the city council or by a court of competent jurisdiction, within the time fixed in this chapter.
- B. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue and all such persons shall be required to correct or remedy such violations or defects within a reasonable time.
- C. The application of the above penalty shall not be held to prevent the enforced removal of prohibited conditions.

SECTION 2. Chapter 15.12 (Electrical Code) of Title 15 (Buildings and Construction) of the Morgan Hill Municipal Code is hereby amended to read (additions in underline, deletions in ~~strikeout~~):

"Chapter 15.12 - ELECTRICAL CODE

Sections:

- 15.12.010** **Short title.**
15.12.020 **Adoption of the 2025 California Electrical Code.**
15.12.030 **Scope, organization, enforcement, fees, and inspections.**
15.12.040 **Violation.**

15.12.010 - Short title.

This chapter shall be known as the "electrical code" and may be cited as such.

15.12.020 - Adoption of the 2025 California Electrical Code.

There is adopted by reference that certain code known and designated as the California Code of Regulations, Title 24, Part 3, further described and referred to as the 2025 California Electrical Code published by the California Building Standards Commission and based on the National Electric Code, 2023 Edition, prepared by the National Fire Protection Association. Adoption of said code shall include those sections and annexes requiring enforcement by the Morgan Hill Building Department and, as further amended by the City of Morgan Hill, provisions intended to address local climatic, geologic, and/or topographic conditions, as permitted by state law. Such code shall be and become the Morgan Hill Electrical Code, regulating and controlling the design, construction, installation, quality of materials, location, operation, and maintenance of electrical systems, equipment, and appliances. The provisions of said Code shall provide for the issuance of permits and collection of fees thereof and penalties for violation of such code.

At least one copy of the City electrical code has been deposited in the office of the City building official and is available for public inspection.

15.12.030 - Scope, Organization, Enforcement, Fees, And Inspections.

The scope, organization, enforcement, fees, and inspections of the 2025 California Electrical Code must comply with those set forth in the 2025 California Building Code and 2025 California Electrical Code.

15.12.040 - Violation.

- A. A violation of the code adopted by this chapter occurs when a person:
 - 1. Fails to comply with this code;
 - 2. Violates or fails to comply with any order made under this code;
 - 3. Builds in violation of any detailed statement of specifications or plan submitted and approved thereunder or any certificate or permit issued thereunder and from which no appeal has been taken; or
 - 4. Fails to comply with such an order as affirmed or modified by the city council or by a court of competent jurisdiction, within the time fixed in this chapter.
- B. Such person shall be liable severally and for each and every violation and noncompliance respectively.
- C. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue and all such persons shall be required to correct or remedy such violations or defects within a reasonable time.
- D. The application of the above penalty shall not be held to prevent the enforced removal of prohibited conditions.

SECTION 3. Chapter 15.14 (Mechanical Code) of Title 15 (Buildings and Construction) of the Morgan Hill Municipal Code is hereby amended to read (additions in underline, deletions in ~~strikeout~~):

"Chapter 15.16 - MECHANICAL CODE

Sections:

- 15.16.010** Short title.
- 15.16.020** Adoption of the 2025 California Mechanical Code.
- 15.16.030** Scope, organization, enforcement, fees, and inspections.
- 15.16.040** Violation—Penalty.

15.16.010 - Short title.

This chapter shall be known as the "mechanical code" and may be cited as such.

15.16.020 - Adoption of the 2025 California Mechanical Code.

There is hereby adopted by reference that certain code known and designated as the California Code of Regulations, Title 24, Part 4, further described and referred to as the 2025 California Mechanical Code published by the California Building Standards Commission and based on the Uniform Mechanical Code; 2024 Edition, prepared by the International Association

of Plumbing and Mechanical Officials. The adoption of said Code shall include those sections requiring enforcement by the Morgan Hill Building Department. Such code shall be and become the Morgan Hill Mechanical Code, regulating heating, ventilating, comfort cooling, refrigeration systems, and other miscellaneous heating appliances, prescribing conditions under which such work may be performed within the city, and providing for the issuance of permits and the collection of fees therefore and penalties for violation of such code.

At least one copy of the city mechanical code has been deposited in office of the city building official and is available for public inspection.

15.16.030 - Scope, organization, enforcement, fees, and inspections.

The scope, organization, enforcement, fees, and inspections of the California Mechanical Code must comply with those set forth in the 2025 California Building Code and the 2025 California Mechanical Code.

15.16.040 - Violation.

- A. A violation of the code adopted by this chapter occurs when a person:
 - 1. Fails to comply with this code;
 - 2. Violates or fails to comply with any order made under this code;
 - 3. Builds in violation of any detailed statement of specifications or plans submitted and approved thereunder or any certificate or permit issued thereunder and from which no appeal has been taken; or
 - 4. Fails to comply with such an order as affirmed or modified by the city council or by a court of competent jurisdiction, within the time fixed in this chapter.
- B. Such person shall be liable severally, and for each and every such violation and noncompliance respectively.
- C. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue and all such persons shall be required to correct or remedy such violations or defects within a reasonable time.
- D. The application of the above penalty shall not be held to prevent the enforced removal of prohibited conditions.

SECTION 4. Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) of the Morgan Hill Municipal Code is hereby amended to read (additions in underline, deletions in ~~strikeout~~):

"Chapter 15.20 - PLUMBING CODE

Sections:

- 15.20.010** Short title.
- 15.20.020** Adoption of the 2025 California Plumbing Code.
- 15.20.030** Scope, organization, fees, and inspections.
- 15.20.040** Amendments and deletions.

- 15.20.050 Section 604.3 amended--Copper tube.**
- 15.20.060 Sections 609.3 amended-- Under concrete slab.**
- 15.20.070 Violation-Penalty.**

15.20.010 - Short title.

This chapter shall be known as the "plumbing code" and may be cited as such.

15.20.020 - Adoption of the 2025 California Plumbing Code.

There is hereby adopted by reference that certain code known and designated as the California Code of Regulations, Title 24, Part 5, further described and referred to as the 2025 California Plumbing Code published by the California Building Standards Commission and based on the Uniform Plumbing Code, 2024 Edition, prepared by the International Association of Plumbing and Mechanical Officials. The adoption of said code shall include those sections requiring enforcement by the local building department as mandated by the State and as further amended by the City of Morgan Hill with provisions intended to address local climatic, geologic, and topographic conditions, as permitted by state law. Such code shall be and become the Morgan Hill Plumbing Code, regulating plumbing and drainage systems, house sewers, private sewage disposal, drainage systems, and prescribing conditions under which such work may be carried on within the city and providing for the issuance of permits and the collection of fees therefore.

At least one copy of the city plumbing code has been deposited in the office of the city building official and is available for public inspection.

15.20.030 - Scope, organization, fees, and inspections.

The scope, organization, enforcement, fees, and inspections of the California Plumbing Code must comply with those set forth in the 2025 California Building Code and 2025 California Plumbing Code.

15.20.040 - Amendments and deletions.

The following provisions of the 2025 California Plumbing Code shall be amended or deleted:

A. The following sections of the California Plumbing Code are amended by this chapter: 604.3 and 609.3.

15.20.050 - Section 604.3 amended—Copper tube.

A. Section 604.3 of the 2025 California Plumbing Code is hereby amended to read in its entirety:

604.3 Copper or Copper Alloy Tube. Copper or copper alloy tube for potable water piping shall have a weight of not less than type "L."

Exceptions: None

B. Finding. Due to water hardness in the city, type "L" copper shall be required. This amendment complies with the exception allowed by AB130 as the changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city and were in effect as of September 30, 2025.

15.20.060 - Sections 609.3 amended—Under concrete slab.

A. Section 609.3 of the 2025 California Plumbing Code is hereby amended to read in its entirety:

609.3 Under Concrete Slab. Water piping shall not be installed directly in or under a concrete floor slab within a building without prior approval of the Building Official.

B. Findings.

1. Most of the surface soils in Morgan Hill are relatively young and unconsolidated sedimentary materials formed from a wide variety of parent materials. The varying chemical composition, degree of weathering, and the relatively acid environment have created soils of varying types, which are peculiarly corrosive in nature.
2. Much of the surface soil in Morgan Hill is characterized by peculiarly high expansivity (i.e., shrink-swell behavior) and low bearing strength. There are two types of expansive soils in the area:
 - a. The organic silty clays which are the recent bay muds; and
 - b. The plastic silty clays which weather from the shale found in the hills surrounding Santa Clara Valley.
3. The local climate is characterized by markedly delineated rainy and dry seasons, which tend to maximize the volume changes occurring within the soil.
4. Areas of the city have hard water, which may be corrosive to ferrous pipe.
5. The groundwater table is unusually high in many places.
6. Morgan Hill is a seismically active region.
7. This amendment complies with the exception allowed by AB130 as the changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city and were in effect as of September 30, 2025.

15.20.070 - Violation.

A. A violation of the code adopted by this chapter occurs when a person:

1. Fails to comply with this code;
2. Violates or fails to comply with any order made under this code;
3. Builds in violation of any detailed statement of specifications or plans submitted and approved thereunder or any certificate or permit issued thereunder and from which no appeal has been taken; or
4. Fails to comply with such an order as affirmed or modified by the city council or by a court of competent jurisdiction, within the time fixed in this chapter.

B. Such person shall be liable severally and for each and every such violation and noncompliance respectively.

- C. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue and all such persons shall be required to correct or remedy such violations or defects within a reasonable time.
- D. The application of the above penalty shall not be held to prevent the enforced removal of prohibited conditions.

SECTION 5. Chapter 15.44 (Fire Code) of Title 15 (Buildings and Construction) of the Morgan Hill Municipal Code is hereby amended to read (additions in underline, deletions in ~~strikeout~~):

"Chapter 15.44 FIRE CODE

Sections:

- 15.44.010 Adoption of the 2025 California Fire Code.**
- 15.44.015 Adoption of appendix chapters**
- 15.44.020 Short title; International Fire Code and California Fire Code Defined.**
- 15.44.030 Establishment and duties of the bureau of fire prevention.**
- 15.44.040 Modification of provisions by chief.**
- 15.44.050 Establishment of limits of districts.**
- 15.44.060 Additions, amendments, and deletions.**
- 15.44.070 Scope and general requirements.**
- 15.44.080 Chapter 2 - Definitions.**
- 15.44.090 Chapter 5 – Fire Service Features.**
- 15.44.100 Chapter 9 – Fire Protection Systems.**
- 15.44.110 Chapter 33 - Fire Safety During Construction and Demolition.**
- 15.44.120 Chapter 50 - Hazardous Materials - General Provisions.**
- 15.44.130 Chapter 56 – Explosives and Fireworks.**
- 15.44.140 Chapter 57 – Flammable and Combustible Liquids.**
- 15.44.150 Chapter 58 – Flammable Gases and Flammable Cryogenic Fluids.**
- 15.44.180 ~~Chapter 64 – Pyrophoric Materials.~~**
- 15.44.160 Appendix C.**
- 15.44.170 Violation.**

15.44.010 - Adoption of the 2025 California Fire Code.

There is hereby adopted by reference that certain code known and designated as the California Code of Regulations, Title 24, Part 9, further described and referred to as the 2025 California Fire Code published by the California Building Standards Commission and based on the International Fire Code;, 2024 Edition, prepared by the International Code Council, including Appendix Chapters B and C, save and except such portions as are hereinafter deleted, modified, or amended by this chapter. Such code shall be and become the Morgan Hill Fire Code, regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling, and use of hazardous substances, materials, and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises in the City of Morgan Hill.

One (1) copy of the code shall be kept on file at all times in the office of the city building official and the administrative offices of the Morgan Hill Fire Department for use and examination by the public.

15.44.015 - Adoption of appendix chapters.

The following Appendix Chapters from the 2025 California Fire Code are hereby adopted:

Appendix B: Fire Flow Requirements for Buildings.

Appendix C: Fire Hydrant Locations and Distribution.

Appendix D: Fire Apparatus Access Roads

15.44.020 - Short Title; International Fire Code and California Fire Code Defined.

This chapter shall be known as the "Fire Code" and may be cited as such. Whenever the phrase "International Fire Code" appears in this code or any ordinance of the city, such phrase shall be deemed and construed to refer to and apply to the International Fire Code, 2024 Edition, as adopted and amended by this chapter. Whenever the phrase "California Fire Code" appears in this code or any ordinance of the city, such phrase shall be deemed and construed to refer to and apply to the 2025 California Fire Code, as adopted and amended by this chapter. Sections amended or modified in this chapter shall refer to the sections of the California Fire Code unless otherwise specified.

15.44.030 - Establishment and duties of bureau of fire prevention.

The California Fire Code and International Fire Code shall be enforced by the bureau of fire prevention in the Morgan Hill Fire Department, which shall be operated under the supervision of the chief of the fire department.

15.44.040 - Modification of provisions by chief.

- A. The Chief of the Morgan Hill Fire Department shall have power to modify any of the provisions of the fire code upon application in writing by the owner or lessee, or their duly authorized agent, when there are practical difficulties in the way of carrying out the strict letter of the codes, provided that the spirit of the codes shall be observed, public safety secured, and substantial justice done.
- B. The particulars of such modification, when granted or allowed, and the decision of the chief shall be entered in the records of the fire department and a signed copy shall be furnished to the applicant for modification.

15.44.050 - Establishment of limits of districts.

- A. Storage of stationary tanks of flammable cryogenic fluids are to be prohibited. The limits referred to in Section 5806.2 of the 2025 California Fire Code, in which the storage of flammable cryogenic fluids in stationary containers is prohibited, are hereby established as to all locations of the City of Morgan Hill which are residential and congested commercial areas as determined by the fire code official.
- B. Storage of Class I and II liquids in outside aboveground tanks is prohibited. The limits referred to in Section 5704.2.9.6.1 of the 2025 California Fire Code, in which the storage of flammable or combustible liquids in aboveground tanks is prohibited, are hereby established as to all locations of the City of Morgan Hill that are residential or congested commercial areas as determined by the fire code official.

- C. Storage of Class I and II liquids in aboveground tanks is prohibited. The limits referred to in Section 5706.2.4.4 of the 2025 California Fire Code, in which the storage of flammable or combustible liquids in aboveground tanks is prohibited, are hereby established as to all locations of the City of Morgan Hill that are residential or other locations as determined by the fire code official.
- D. Storage of liquefied petroleum gases ("LPG") is prohibited. The limits referred to in Section 6104.2 of the 2025 California Fire Code, in which storage of liquefied petroleum gas is restricted, are hereby established as to all locations of the City of Morgan Hill that are residential or congested commercial areas as determined by the fire code official.

Exceptions: LPG may be used for industrial operations or when natural gas is not available or would not provide a viable substitute for LPG. Portable containers for temporary heating and/or cooking uses may be permitted if stored and handled in accordance with this code. Facilities in commercial areas for refueling portable or mobile LPG containers may be approved by the fire code official on a case by case basis.

15.44.060 - Additions, amendments, and deletions.

- A. In accordance with California Health and Safety Code Section 17958.7, certain modifications to the California Fire Code as set forth in this Chapter are reasonably necessary because of local climatic, geologic, or topographical conditions.

B. Climatic Conditions

Santa Clara County and the City of Morgan Hill are located in a semi-arid Mediterranean type climate which predisposes all fuels to rapid ignition and spread of fire. Hot, dry winds, and low humidities, are common to all areas within the City of Morgan Hill and Santa Clara County in general. Winter rains promote the growth of grass and brush. This vegetation presents heavy dry fuel loads in the summer months. These conditions are conducive to the ready ignition, propagation and spread of grass, brush and structure fires. These conditions, which can cause small brush fires which spread quickly, are a contributing factor to the high fire danger in the area, and create the need for an increased level of fire protection. This added protection will supplement normal fire department response available and provide immediate protection for life and safety of multiple occupancy occupants during fire occurrences.

C. Topographic Conditions

The topography of Morgan Hill has hillside homes on each side of the city with long response times for safety equipment. The City foothills cause many problems for firefighters, including long response times, inadequate water supply and unlimited fuel. Fog, heavy rains, mudslides and earthquakes are other common occurrences which negatively affect the ability of the city's public safety resources to respond to emergency situations. The City is in a Category D seismic activity classification. Many traffic corridors such as Highway 101 and Monterey Road, Southern Pacific Railroad, related bridges, underpasses and crossings are subject to obstruction in the event of an earthquake, traffic accident, hazardous material spill or other disaster.

D. Geographic Conditions

1. Santa Clara County and the City of Morgan Hill are located within the seismically active San Francisco Bay region. The significant earthquakes in the region are generally associated with the crustal movements along well-defined, active fault zones. The nearest known active faults are the San Andreas Fault, approximately 12 miles southwest of Morgan Hill, and the Calaveras Fault, approximately 1 mile northeast. Both faults have produced major earthquakes in the past, and have estimated maximum credible Richter magnitudes of 8.3 and 7.3, respectively. The Sargent-Berrocal Fault, a potentially active fault, lies approximately 10 miles away and has an estimated maximum credible Richter magnitude of 7.3. The Coyote Creek Fault is located in Morgan Hill and is classified as potentially active as well. In addition, several unnamed faults traverse the western slopes of the upland areas.
2. Regional planning for reoccurrence is recommended by the State of California, Department of Conservation. The October 17, 1989, Santa Cruz earthquake resulted in only one major San Francisco fire in the Marina district, but when combined with the 34 other fires and over 500 responses, the department was taxed to its full capabilities. The Marina fire was difficult to contain because mains supplying water to the district burst during the earthquake. If more fires had been ignited by the earthquake, it would have been difficult for the fire department to contain them. Experts predict a major earthquake in our area within the next 50 years. This situation creates the need for both additional fire protection measures and automatic on-site fire protection for building occupants since a multitude of fires may result from breakage of gas lines and electric lines as a result of an earthquake.
3. Traffic and circulation congestion presently existing in the City of Morgan Hill often places fire department response time to fire occurrences at risk. This condition will be exacerbated by any major disaster, including any earthquake where damage to the highway system will occur. This condition makes the need for additional on-site protection for property occupants necessary.
4. The City of Morgan Hill is located in an area subject to a climatic condition of high winds and low humidity. This combination of events creates an environment which is conducive to rapidly spreading fires. Control of such fires requires rapid response. Obstacles generated by a strong wind, such as fallen trees, street lights and utility poles greatly impact the response time to reach an incident scene.
5. The City of Morgan Hill is located in the middle of a seismically active area. The viability of the public water system would be questionable at best after a major seismic event. A severe seismic event has the potential to negatively impact any rescue or fire suppression activities because it is likely to create obstacles similar to those indicated under the high wind section above. With the probability of strong aftershocks, there exists a need to provide increased protection for anyone on upper floors.

6. The City of Morgan Hill is located approximately sixteen (16) miles from the ocean. The City's typical ground water level is between ten (10) and twenty (20) feet. This condition makes the City more prone to subsidence issues than most inland communities.
7. These amendments comply with the exception allowed by AB130 as the changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city and were in effect as of September 30, 2025.

15.44.070– Scope and general requirements.

- A. Section 101.1 of the 2025 California Fire Code is hereby amended to read in its entirety:

[A] 101.1 Title. These regulations shall be known as *the Fire Code* of Morgan Hill, hereinafter referred to as "this code."

15.44.80- Chapter 2—Definitions.

- A. The following definitions in Section 202 of the 2025 California Fire Code is hereby added to read:

CORROSIVE LIQUID.

Corrosive liquid is

- 1) any liquid which, when in contact with living tissue, will cause destruction or irreversible alteration of such tissue by chemical action; or
- 2) any liquid having a pH of 2 or less or 12.5 or more; or
- 3) any liquid classified as corrosive by the U.S. Department of Transportation; or
- 4) any material exhibiting the characteristics of corrosivity in accordance with Title 22, California Code of Regulations §66261.22.

MODERATELY TOXIC GAS. A chemical or substance that has a median lethal concentration (LC50) in air more than 2000 parts per million but not more than 5000 parts per million by volume of gas or vapor, when administered by continuous inhalation for an hour, or less if death occurs within one hour, to albino rats weighing between 200 and 300 grams each.

HEALTH HAZARD-OTHER. A hazardous material which affects target organs of the body, including but not limited to, those materials which produce liver damage, kidney damage, damage to the nervous system, act on the blood to decrease hemoglobin function, deprive the body tissue of oxygen or affect reproductive capabilities, including mutations (chromosomal damage), sensitizers or teratogens (effect on fetuses).

SECONDARY CONTAINMENT. Secondary containment is that level of containment that is external to and separate from primary containment and is capable of safely and securely containing the material, without discharge, for a period of time reasonably necessary to ensure detection and remedy of the primary containment failure.

SPILL CONTROL. That level of containment that is external to and separate from the primary containment and is capable of safely and securely containing the contents of the largest container and prevents the materials from spreading to other parts of the room.

WORKSTATION. A defined space or an independent principal piece of equipment using flammable or unstable (Class 3 or 4 as ranked by NFPA 704) hazardous materials where a specific function, laboratory procedure or research activity occurs. Approved or listed hazardous materials storage cabinets, flammable liquid storage cabinets, or gas cabinets serving a workstation are included as part of the workstation. A workstation is allowed to contain ventilation equipment, fire protection devices, detection devices, electrical devices and other processing and scientific equipment.

15.44.90 - Chapter 5—Fire Service Features.

A. Section 503.1 of the 2025 California Fire Code is hereby amended to read in its entirety:

503.1 Where required. Fire apparatus access roads shall be provided and maintained in accordance with Sections 503.1.1 through 503.1.3 and in accordance with Appendix D and comply with the Fire Department Standard Details and Specifications.

B. Section 503.2.1 of the 2025 California Fire Code is hereby amended to read in its entirety:

503.2.1 Dimensions. Fire apparatus access roads shall have an unobstructed width of not less than 20 feet (6096 mm) for engines, and 26 feet (7925 mm) for aerial fire apparatus exclusive of shoulders, except for approved gates or barricades in accordance with Sections 503.5.1 and 503.6. The unobstructed vertical clearance shall be a minimum of 13 feet 6 inches (4115 mm), or as determined by the fire code official.

C. Section 503.2.4 of the 2025 California Fire Code is hereby amended to read in its entirety:

503.2.4 Turning radius. The required turning radius of a fire apparatus access road shall be a minimum of 30 feet (9144 mm) inside, and a minimum of 50 feet (15240 mm) outside.

D. Section 503.2.7 of the 2025 California Fire Code is hereby amended to read in its entirety:

503.2.7 Grade. The maximum grade of a fire apparatus access road shall not exceed 15-percent, unless approved by the fire code official

E. Section 503.5 of the 2025 California Fire Code is hereby amended to read in its entirety:

503.5 Required gates or barricades. The fire code official is authorized to require the installation and maintenance of gates or other approved barricades across fire apparatus access roads, trails, or other accessways, not including the public streets, alleys, or highways. The minimum width shall be 12 feet (4268 mm) for single-family dwellings and 20 feet (6096 mm) for all others. Electric gate operators, where provided shall be listed in

accordance with UL 325. Gates intended for automatic operation shall be designed, constructed, and installed to comply with the requirements of ASTM F2200

F. Section 503.6 of the 2025 California Fire Code is hereby amended to read in its entirety:

503.6 Security gates. The installation of security gates across a fire apparatus access road shall be approved by the fire code official. Where security gates are installed, they shall have an approved means of emergency operation. The security gates and the emergency operation shall be maintained operational at all times. Electric gate operators, where provided, shall be listed in accordance with UL 325. Gates intended for automatic operation shall be designed, constructed and installed to comply with the requirements of ASTM F2200. The minimum width shall be 12 feet (4268 mm) for single-family dwellings and 20 feet (6096 mm) for all others.

15.44.100 - Chapter 9—Fire Protection Systems.

A. Section 903.2 of the 2025 California Fire Code is hereby amended to read in its entirety:

903.2 Where required. Approved automatic sprinkler systems in new and existing buildings and structures shall be provided in the locations described in this Section or in Sections 903.2.1 through 903.2.12 and Sections 903.2.14 through 903.2.21 , whichever is the more restrictive. For the purposes of this section, firewalls and fire barriers used to separate building areas shall be constructed in accordance with the California Building Code and shall be without openings or penetrations.

1. An automatic sprinkler system shall be provided throughout all new buildings and structures, other than Group R occupancies, greater than 1,200 square feet of building area.

Exceptions:

a. Group S-2 or U occupancies, including photovoltaic support structures, used exclusively for vehicle parking which meet all of the followings:

i. Noncombustible construction;

ii. Maximum building areas not to exceed 5,000 square feet;

iii. Structure is open on three (3) or more sides; and

iv. Minimum of 10 feet separation from property line and existing buildings, or similar structures, unless area is separated by fire walls.

2. An automatic sprinkler system shall be installed throughout all new buildings with a Group R fire area.

Exception:

a. Accessory Dwelling Unit (ADU), provided that all of the following are met:

- i. The unit meets the definition of an Accessory Dwelling Unit as defined in the Government Code Section 65852.2.
 - ii. The existing primary residence does not have automatic fire sprinklers.
 - iii. The accessory detached dwelling unit does not exceed 1,200 square feet in size.
 - iv. The unit is on the same lot as the primary residence.
 - v. The unit meets all apparatus access and water supply requirements of Chapter 5 and Appendix B of the 2025 California Fire Code
3. An automatic sprinkler system shall be provided throughout existing Group A, B, E, F, I, L, M, R, S and U buildings and structures, when additions are made that increase the building area by more than 1,200 square feet or where the resulting area exceeds 3,600 square feet.
 4. An automatic sprinkler system shall be provided throughout all new basements regardless of size and throughout existing basements that are expanded by more than 50%.
 5. Any change in the character of occupancy or in use of any building which, in the opinion of the City fire code official or building official, would place the building into a more hazardous division of the same occupancy group or into a different group of occupancies and constitutes a greater degree of life safety ¹ or increased fire risk ², shall require the installation of an approved fire automatic fire sprinkler system.

¹ Life Safety—Increased occupant load, public assembly areas, public meeting areas, churches, indoor amusement attractions, buildings with complex exiting systems due to increased occupant loads, large schools/daycare facilities, large residential care facilities with non ambulatory.

² Fire Risks—High-piled combustible storage, woodworking operations, hazardous operations using hazardous materials, increased fuel loads (storage of moderate to highly combustible materials), increased sources of ignition (welding, automotive repair with use of flammable liquids and open flames).

15.44.110 - Chapter 33—Fire Safety During Construction and Demolition.

A. Section 3307.1 is hereby added to read:

3307.1 Required Access: All construction sites shall be accessible by fire department apparatus by means of roadways having an all-weather driving service of not less than 20ft. of unobstructed width. The roads shall have the ability to withstand the live loads of a 75,000 pound fire apparatus, and have a minimum 13ft. 6 in. of vertical clearance. Dead end fire access roads in excess of 150 ft. in length shall be provided with approved turnarounds.

When approved by the Fire Code Official, temporary access roadways may be utilized until such time that the permanent roadways are installed. As a minimum, the roadway shall consist of a compacted sub base and eight (8”) inches of road base material (Class 2

aggregate base rock) both compacted to a minimum 95%. The perimeter edges of the roadway shall be contained and delineated by curb and gutter or other approved method. The use of geotextile reinforcing fabric underlayment or soils lime-treatment may be required if so determined by the project civil engineer. Provisions for surface drainage shall also be provided where necessary. The integrity of the roadway shall be maintained at all times.

15.44.120 - Chapter 50—Hazardous Materials—General Provisions.

A. Section 5001.2.2.2 of the 2025 California Fire Code is hereby amended to read in its entirety:

5001.2.2.2 Health hazards. The material categories listed in this section are classified as health hazards. A material with a primary classification as a health hazard can also pose a physical hazard.

1. Highly toxic and toxic materials.
2. Corrosive materials.
3. Moderately toxic gas.
4. Health hazards-Other.

B. Section 5003.2.2.1 of the 2025 California Fire Code is hereby amended to read in its entirety:

5003.2.2.1 Design and construction. Piping, tubing, valves, fittings and related components used for hazardous materials shall be in accordance with the following:

1. Piping, tubing, valves, fittings, and related components shall be designed and fabricated from materials compatible with the material to be contained and shall be of adequate strength and durability to withstand the pressure, structural and seismic stress, and exposure to which they are subject.
2. Piping and tubing shall be identified in accordance with ASME A13.1 and Santa Clara County Fire Chiefs Marking Requirements and Guidelines for Hazardous Materials and Hazardous Waste to indicate the material conveyed.
3. Readily accessible manual valves or automatic remotely activated fail-safe emergency shutoff valves shall be installed on supply piping and tubing at the following locations:
 - 3.1 The point of use.
 - 3.2 The tank, cylinder or bulk use.
4. Manual emergency shutoff valves and controls for remotely activated emergency shutoff valves shall be identified and the location shall be clearly visible accessible and indicated by means of a sign.
5. Backflow prevention or check valves shall be provided when the backflow of hazardous materials could create a hazardous condition or cause the unauthorized discharge of hazardous materials.

6. Where gases or liquids having a hazard ranking of Health hazard Class 3 or 4, Flammability Class 4, or Reactivity Class 4 in accordance with NFPA 704 are carried in pressurized piping above 15 pounds per square inch gauge (psig)(103 Kpa), an approved means of leak detection, emergency shutoff and excess flow control shall be provided. Where the piping originates from within a hazardous material storage room or area, the excess flow control shall be located within the storage room or area. Where the piping originates from a bulk source, the excess flow control shall be located as close to the bulk source as practical.

Exceptions:

1. Piping for inlet connections designed to prevent backflow.
2. Piping for pressure relief devices.

7. Secondary containment or equivalent protection from spills shall be provided for piping for liquid hazardous materials and for highly toxic and toxic corrosive gases above threshold quantities listed in Tables 6004.2.1.4. Secondary containment includes but is not limited to double walled piping.

Exceptions:

1. Secondary containment is not required for toxic corrosive gases if the piping is constructed of inert materials.
2. Piping under sub-atmospheric conditions if the piping is equipped with an alarm and fail-safe-to-close valve activated by a loss of vacuum.

8. Expansion chambers shall be provided between valves whenever the regulated gas may be subjected to thermal expansion. Chambers shall be sized to provide protection for piping and instrumentation and to accommodate the expansion of regulated materials.

C. Section 5003.2.2.2 of the 2025 California Fire Code is hereby amended to read in its entirety:

5003.2.2.2 Additional regulation for supply piping for health hazard materials. Supply piping and tubing for gases and liquids having a health hazard ranking of 3 or 4 shall be in accordance with ASME B31.3 and the following:

1. Piping and tubing utilized for the transmission of toxic, highly toxic, or highly volatile corrosive liquids and gases shall have welded, or brazed connections throughout except for connections within an exhausted enclosure if the material is a gas, or an approved method of drainage or containment is provided for connections if the material is a liquid.
2. Piping and tubing shall not be located within corridors, within any portion of a means of egress required to be enclosed in fire-resistance-rated construction or in concealed spaces in areas not classified as Group H Occupancies.
3. All primary piping for toxic, highly toxic and moderately toxic gases shall pass a helium leak test of 1×10^{-9} cubic centimeters/second where practical, or shall pass testing in accordance with an approved, nationally recognized standard. Tests shall be conducted by a qualified "third party" not involved with the construction of the piping and control systems.

D. Section 5004.2.1 of the 2025 California Fire Code is hereby amended to read in its entirety:

5004.2.1 Spill control for hazardous material liquids. Rooms, buildings or areas used for storage of hazardous material liquids shall be provided with spill control to prevent the flow of liquids to adjoining areas. Floors in indoor locations and similar surfaces in outdoor locations shall be constructed to contain a spill from the largest single vessel by one of the following methods:

1. Liquid-tight sloped or recessed floors in indoor locations or similar areas in outdoor locations.
2. Liquid-tight floors in indoor and outdoor locations or similar areas provided with liquid-tight raised or recessed sills or dikes.
3. Sumps and collection systems, including containment pallets in accordance with Section 5004.2.3.
4. Other approved engineered systems.

Except for surfacing, the floors, sills, dikes, sumps and collection systems shall be constructed of noncombustible material, and the liquid-tight seal shall be compatible with the material stored. When liquid-tight sills or dikes are provided, they are not required at perimeter openings having an open-grate trench across the opening that connects to an approved collection system.

E. Section 5004.2.2.2 of the 2025 California Fire Code is hereby amended to read in its entirety:

5004.2.2.2 Incompatible materials. Incompatible materials shall be separated from each other in independent secondary containment systems.

15.44.130 – Chapter 56 — Explosives and Fireworks.

A. Section 5601.1.3 of the 2025 California Fire Code is hereby amended to read in its entirety:

5601.1. 3 Fireworks. The possession, manufacture, storage, sale, handling, and use of fireworks, including those fireworks classified as Safe and Sane by the California State Fire Marshal, are prohibited. Exception: The use of fireworks for fireworks displays as allowed in Section 5608.

15.44.140 - Chapter 57—Flammable and Combustible Liquids.

A. Section 5704.2.7.5.8 of the 2025 California Fire Code is hereby amended to read in its entirety:

5704.2.7.5.8 Overfill prevention. An approved means or method in accordance with Section 5704.2.9.7.5 shall be provided to prevent the overfill of all Class I, II and IIIA liquid storage tanks. Storage tanks in refineries, bulk plants or terminals regulated by Sections 5706.4 or 5706.7 shall have overfill protection in accordance with API 2350.

Exception: Outside aboveground tanks with a capacity of 1320 gallons (5000 L) or less need only comply with Section 5704.2.9.7.5.1 (Item1, Sub-item 1.1)

An approved means or method in accordance with Section 5704.2.9.7.5 shall be provided to prevent the overfilling of Class IIIB liquid storage tanks connected to fuel-burning equipment inside buildings.

15.44.150 – Chapter 58 — Flammable gases and flammable cryogenic fluids.

A. Section 5809.3.3 of the 2025 California Fire Code is hereby amended to read in its entirety:

5809.3.3 Site plan. For other than emergency roadside service, a site plan shall be developed for each location at which mobile gaseous hydrogen fueling occurs. The site plan shall be of sufficient detail to indicate the following:

1. All buildings and structures.
2. Lot lines or property lines.
3. Solar photovoltaic parking lot canopies.
4. Appurtenances on-site and their use *and* function.
5. All uses adjacent to the lot lines of the site.
6. Hydrogen fueling locations.
7. Scale of the site plan.

15.44.160 – Appendix C- Fire Hydrant Locations and Distribution

A. Section C102.1 of the 2025 California Fire Code is hereby amended to read in its entirety:

C102.1 Minimum number of fire hydrants for a building. The number of fire hydrants available to a building shall be not less than the minimum specified in Table C102.1, utilizing the base fire flow without fire sprinkler reduction.

B. Section C103.1 of the 2025 California Fire Code is hereby amended to read in its entirety:

C103.1 Hydrant spacing. Fire apparatus access roads and public streets providing required access to buildings in accordance with Section 503 of the California Fire Code shall be provided with one or more fire hydrants, as determined by Section C102.1. Where more than one fire hydrant is required, the distance between required fire hydrants shall be in accordance with Sections C103.2 and C103.3, but in no case shall the average spacing be more than 300 feet on center.

15.44.1700 - Violation.

A. A violation of the code adopted by this chapter occurs when a person:

1. Fails to comply with this code;
2. Violates or fails to comply with any order made under this code;

3. Builds in violation of any detailed statement of specifications or plans submitted and approved thereunder or any certificate or permit issued thereunder and from which no appeal has been taken; or
 4. Fails to comply with such an order as affirmed or modified by the city council or by a court of competent jurisdiction, within the time fixed in this chapter.
- B. Such person may be liable severally and for each and every such violation and noncompliance respectively.
- C. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue and all such persons shall be required to correct or remedy such violations or defects within a reasonable time.
- D. The application of the above penalty shall not be held to prevent the enforced removal of prohibited conditions.

Section 6. References to Prior Code. Unless superseded and expressly repealed, references in City forms, documents and regulations to the chapters and sections of the former Morgan Hill Building Code 2022, shall be construed to apply to the corresponding provisions contained within the Morgan Hill Building Code 2025. Ordinance No. 2337 of the City of Morgan Hill and all other ordinances or parts of ordinances in conflict herewith are hereby superseded and expressly repealed.

Section 7. CEQA. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), that the adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no potential for causing a significant effect on the environment.

Section 8. 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 9. Effective Date; Publication. This Ordinance shall take effect on January 1, 2026. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

This ordinance was introduced at a meeting of the City Council held on the 15th day of October 2025, and adopted at a meeting held on the 19th day of November 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. 2368, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 19th day of November 2025.

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

DATE: _____

MICHELLE BIGELOW, City Clerk



City Council Meeting

2025 Building Code Adoption and Amendments

November 19, 2025



Prior City Council Actions

This item was introduced at the October 15, 2025, City Council meeting, and now coming back for the public hearing, second reading, and adoption.

Morgan Hill's Building and Construction Code

- Provides regulations for the built environment under construction within the City limits.
- Based on California Code of Regulations, Title 24 published by California Building Standards Commission with minor local amendments.
- Updated on a triennial basis.

California Code of Regulations Title 24

- Part 1 California Administrative Code
- Part 2 California Building Code
- Part 2.5 California Residential Code
- Part 3 California Electrical Code
- Part 4 California Mechanical Code
- Part 5 California Plumbing Code
- Part 6 California Energy Code
- Part 7 California Wildland-Urban Interface Code
- Part 8 California Historical Building Code
- Part 9 California Fire Code
- Part 10 California Existing Building Code
- Part 11 California Green Building Standards Code
- Part 12 California Referenced Standards Codes

Amendments

Local Jurisdictions may amend state-mandated standards to be stricter upon express findings that the amendments are reasonably necessary due to:

- Local Climatic Conditions
- Local Geological Conditions
- Local Topographical Conditions

Note: AB 130 restricts new amendments on residential construction.

Building Standards Code Adoption

Propose adopting the entire 2025 California Building Standards Codes by reference and amend certain sections of the:

- California Building Code
- California Residential Code
- California Plumbing Code
- California Fire Code

Proposed amendments were part of the 2022 Code cycle adoption.

California Building Standards Amendments

- Automatic fire sprinklers required in existing structures when an addition increases the square footage by 1,200 SF, **or** the addition increases the total building area to more than 3,600 SF.
- Requires fire sprinklers for new non-residential buildings larger than 1,200 SF.
- Integrates local fire apparatus access standards.
- Prohibits the use of gypsum board and Portland cement plaster as a braced wall panel method.
- Requires reinforcement in buildings' concrete slabs.
- Removes the exception that would allow Type M copper in the potable water piping system.
- Prohibits water piping to be installed directly in or under a concrete floor of a building without prior approval.
- Includes other Fire Code amendments for consistency with other local agencies.

Electric Ready

Electric Ready is to install electrical infrastructure in buildings to allow future installation of electric appliances when replacing the existing gas appliances.

- All new construction is required to comply with the electric ready requirements.
- Staff provides information to applicants during the permitting process of existing structures allowing the applicants to voluntarily incorporate electric ready measures into their project.

Heat Pump Mechanical Unit

A Heat pump is an electric system that heats and cools a structure utilizing an indoor coil, refrigeration and an outdoor air heat exchanger. The unit changes the refrigerant flow direction to provide heating or cooling within the structure.

- All new construction will utilize heat pump mechanical units.
- Existing construction is not required to install heat pumps with the exception that the replacement of small non-residential rooftop mechanical units must comply with efficiency standards, often requiring replacement with a heat pump.
- Although not required, 49% of all residential replacements have voluntarily installed heat pump systems (64 out of 130 permits)

Next Step

Open/close public hearing, waive the second reading, and adopt the ordinance

Questions?

CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Crystal Zamora, Housing Coordinator

APPROVED BY: City Manager

CONDUCT TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) HEARING APPROVING ISSUANCE OF BONDS FOR VILLAGE AT MADRONE APARTMENT PROJECT LOCATED AT 18730 MINER LANE WITHIN THE CITY OF MORGAN HILL

RECOMMENDATION(S)

1. Open and close public hearing consistent with the requirements of the Federal Tax and Equity Fiscal Responsibility Act ("TEFRA") and Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"); and
2. Adopt a resolution approving the issuance of revenue bonds by the California Municipal Finance Authority (CMFA), for the acquisition, construction, improvement and equipping of Village at Madrone, a 249-multifamily rental housing project located at 18730 Miner Lane, Morgan Hill, California (the "Project").

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Enhancing Diversity and Inclusiveness

Advocating for Local, Regional, and State Legislative Initiatives

2024-2025 Strategic Priorities

Affordable Housing and Homelessness

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

JEMCOR Development Partners, LLC ("JEMCOR" or the "Borrower"), built a 100 percent affordable housing development project known as the Village at Madrone, comprised of 249-multifamily units, ranging from 30% of the Area Median Income (AMI) to 60% AMI. The apartments serve as workforce housing and is located at 18730 Miner Lane (the "Project") in the City of Morgan Hill, California (the "City").

JEMCOR had applied for and received a very competitive award for Federal Low Income Housing Tax Credits (“LIHTC”) from the California Tax Credit Allocation Committee and a tax-exempt bond allocation from the California Debt Limit Allocation Committee (“CDLAC”).

As the nature of the financing vehicle is tax-exempt, the Tax and Equity Fiscal Responsibility Act (“TEFRA”) requires the local jurisdiction to support the transaction. The City held a TEFRA hearing for this project on April 20, 2022. Morgan Hill City Council approved the TEFRA hearing associated with the bond issuance.

The Borrower requested that the California Municipal Finance Authority (“CMFA”), a joint exercise of powers authority and a public entity of the State of California, serve as the municipal issuer of the tax-exempt revenue bonds in an aggregate principal amount not to exceed \$85,000,000 (the “Bonds”). The tax-exempt bond financing is a “conduit” financing in which the City of Morgan Hill has no exposure for the debt. Rather, JEMCOR, the Borrower, asks the CMFA to issue the bonds upon CDLAC’s authorization and then solicits a lender who purchases all the bonds in a private sale. CMFA is a public entity that is authorized and experienced in the issuance of such bonds. CMFA issued bonds on June 2, 2022.

The Borrower is now seeking a modification to their permanent loan amount but not the aggregate principal bond amount of \$85,000,000. This change triggers a technical re-issuance of the bonds, which requires an additional TEFRA hearing.

For the Bonds to qualify as tax-exempt bonds, the City of Morgan Hill must conduct an additional public hearing (the “TEFRA Hearing”) providing for the members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project.

The City Council’s only role is to listen to public testimony regarding the appropriateness of bond financing. Following the close of the TEFRA hearing, the City must approve the issuance of the bonds for the financing of the Project through a resolution. The City has no financial obligation or legal risk with the bond issuance.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY:

The CMFA was created on January 1, 2004, pursuant to a joint exercise of powers agreement to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 350 municipalities have become members of CMFA.

The CMFA assists local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA’s representatives and its Board of Directors have considerable experience in bond financing.

The bonds to be re-issued by the CMFA for the Project will be the sole responsibility of the Borrower, JEMCOR, and the City will have no financial, legal, moral obligation,

liability, or responsibility for the Project or the repayment of the bonds for the financing of the Project. All financing documents with respect to the issuance of the bonds will contain clear disclaimers that the bonds are not obligations of the City or the State but are to be paid for solely from funds provided by the Borrower. Outside of holding the TEFRA Hearing and adopting the required resolution, no other participation or activity of the City or the City Council with respect to the issuance of the bonds will be required.

COMMUNITY ENGAGEMENT:

The community was informed by a notice published in the Morgan Hill Times on November 7, 2025.

ALTERNATIVE ACTIONS:

There are no alternative actions as the City must approve the resolution after the public hearing.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City held a TEFRA hearing for this project on April 20, 2022. Morgan Hill City Council approved the TEFRA hearing associated with an \$85,000,000 bond issuance. CMFA issued bonds on June 2, 2022.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact on the city. The Bonds will be issued as limited obligations of CFMA, payable solely from revenues and receipts derived from a loan made by CFMA to the Borrower with the Bond proceeds. The Project will be the sole responsibility of the Borrower, and the City will have no financial, legal, moral obligation, liability or responsibility for the Project or the repayment of the Bonds for the financing of the Project. The City bears no liability with respect to issuance of the Bonds. Further, the City is not a party to any financing documents related to the issuance of the Bonds and will contain clear disclaimers that the Bonds are not obligations of the City or the State of California but are to be paid for solely from funds provided by the Borrower.

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation (the "Foundation"), acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities. With respect to the City of Morgan Hill, it is expected that a portion of the issuance fee attributable to the City will be granted by the CMFA to the general fund of the City. It is anticipated the portion of issuance fees that would be returned to the City will be approximately \$20,000. Such grant may be used for any lawful purpose of the City.

CEQA (California Environmental Quality Act):

This is not a project but rather an administrative activity that will not result in direct or indirect physical changes in the environment. Thus, the administrative activity of the project is exempt from the California Environmental Quality Act (CEQA) pursuant to

Section 15061(b)(3).

RESOLUTION NO.25-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$85,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF VILLAGE AT MADRONE APARTMENTS AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, Village at Madrone, LP (the “Borrower”) a partnership of which JEMCOR Development Partners, LLC (the “Developer”) or a related person to the Developer is the general partner, has requested that the California Municipal Finance Authority (the “Authority”) adopt a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the “Code”) in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$85,000,000 in aggregate principal amount (the “Bonds”), to finance or refinance the acquisition, construction, improvement and equipping of a multifamily rental housing project located at 18730 Miner Lane, Morgan Hill, California (the “Project”); and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by the City of Morgan Hill (the “City”) because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the “City Council”) is the elected legislative body of the City and is one of the "applicable elected representatives" required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “Agreement”), among certain local agencies, including the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority;

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

Section 1. The foregoing resolutions are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the

applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.

Section 3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

Section 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation, installation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

Section 5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 6. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the November 19, 2025.

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

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

APPROVE THE 2026 CITY COUNCIL MEETING SCHEDULE

RECOMMENDATION(S)

Review, discuss, if needed, amend, and approve the 2026 City Council meeting schedule.

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

REPORT NARRATIVE:

The City Council has adopted City Council Policy CP-06-02 regarding its meeting schedule. The team requests that the City Council review its meeting schedule through the beginning of February 2027 (see attached). The following meetings are proposed to be canceled or scheduled:

1. January 7 City Council meeting - canceled per Council Policy CP-06-02.
2. January 21 City Council meeting - canceled to allow the Mayor and Council Members to attend the CalCities Mayors and Council Members Academy.
3. February 4 City Council meeting - canceled due to the Goal Setting Workshop that Friday, February 6, and Saturday, February 7.

4. April 22 City Council meeting - canceled to allow the Mayor and Council Members to attend the Cal Cities City Leaders Summit.
5. July 1, 15, and 22 City Council meetings - canceled pursuant to Council Policy CP-06-02.
6. September 23 City Council meeting - canceled to allow the Mayor and Council Members to attend the Cal Cities Annual Conference.
7. November 25 City Council meeting - canceled pursuant to Council Policy CP-06-02.
8. December 23 City Council meeting - canceled pursuant to Council Policy CP-06-02.
9. January 6, 2027 City Council meeting - canceled per Council Policy CP-06-02.
10. January 20, 2027 City Council meeting - canceled to allow the Mayor and Council Members to attend the CalCities Mayors and Council Members Academy.
11. February 3, 2027 City Council meeting - canceled due to the Goal Setting Workshop that Friday, February 5, and Saturday, February 6.

Given the above information, the City Council may wish to retain, adjust, and/or cancel regularly scheduled meetings.

COMMUNITY ENGAGEMENT:

This report serves to inform the public of the 2026 City Council meeting schedule.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council reviews the meeting schedule annually.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with this action.

CEQA (California Environmental Quality Act):

Not a Project. Administrative activities of governments that do not result in direct physical changes in the environment do not qualify as a project for purposes of CEQA.

CITY OF MORGAN HILL CITY COUNCIL POLICIES AND PROCEDURES

CP-06-02

SUBJECT: CITY COUNCIL MEETING SCHEDULE

EFFECTIVE DATE: April 1, 2023

ORIGINATING DEPT: City Clerk

The City Council has ordained that regular meetings are to be held on the first, third, and fourth Wednesdays of every month at 6:00 p.m. In the event of a legal holiday occurring on a regular City Council meeting day, the meeting(s) will be canceled. Should the Mayor and City Manager determine that the third meeting of the month is not necessary, they shall have the authority to cancel the meeting.

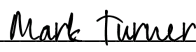
The City Council desires to take official legislative recesses, at various times, to accommodate community and civic commitments, vacations, and the City’s operations schedule. As such, the following meeting schedule will apply for the months of January, July, September, October, November and December of every year:

- For the month of January, should the City furlough its employees the last week in December, the first meeting in January shall be canceled.
- The Council will hold its annual Goal Setting retreat the first Friday and Saturday of February.
- The Council will hold its annual Budget Workshop during the month of May.
- For the month of July, all meetings are to be canceled for summer recess.
- For the months of September and October, regular meetings will be held on the first, third, and fourth Wednesdays, beginning at 6:00 p.m.; unless the meeting date falls on Rosh Hashanah or Yom Kippur. In which case, said meeting will be canceled.
- For the month of November, regular meetings will be held on the first, third, and fourth Wednesdays, beginning at 6:00 p.m.; unless the Wednesday meeting date falls the day before the Thanksgiving Holiday. In which case, said meeting will be canceled.
- For the month of December, regular meetings will be held on the first, third, and fourth Wednesdays, beginning at 6:00 p.m.; unless the Wednesday meeting date(s) fall on the Christmas Holiday and/or during the Holiday furlough. In which case, said meeting(s) will be canceled.

The City Council shall have the ability to adjust and/or add other meeting dates, as deemed appropriate.

This policy shall remain in effect until modified by the City Council respectively.

APPROVED:

DocuSigned by:


MARK TURNER, Mayor

**DRAFT 2026 City Council
Meeting Schedule**

Meeting Date	Type of Meeting	Notes
1/7/2026 Wednesday	Regular CC	Canceled per Council Policy (CP 06-02)
1/21/2026 Wednesday	Regular CC	Canceled Cal Cities Mayors and Council Members Academy
1/28/2026 Wednesday	Regular CC	
02/04/2026 Wednesday	Regular CC	Canceled Subsequent Goal Setting
02/06/2026 Friday	Special CC	Goal Setting Workshop – Day 1 9:00 am – 5:00 pm
02/07/2026 Saturday	Continued from 02/06/2026	Continued Goal Setting Workshop – Day 2 9:00 am – 5:00 pm
02/18/2026 Wednesday	Regular CC	
02/25/2026 Wednesday	Regular CC	
03/04/2026 Wednesday	Regular CC	
03/18/2026 Wednesday	Regular CC	
03/25/2026 Wednesday	Regular CC	
04/01/2026 Wednesday	Regular CC	
04/15/2026 Wednesday	Regular CC	
04/22/2026 Wednesday	Regular CC	Canceled Cal Cities City Leaders Summit
05/06/2026 Wednesday	Regular CC	
05/20/2026 Wednesday	Regular CC	Budget Workshop
5/27/2026 Wednesday	Regular CC	
06/03/2026 Wednesday	Regular CC	
06/17/2026 Wednesday	Regular CC	

**DRAFT 2026 City Council
Meeting Schedule**

Meeting Date	Type of Meeting	Notes
06/24/2026 Wednesday	Regular CC	
07/01/2026 Wednesday	Regular CC	Canceled per Council Policy (CP 06-02)
07/15/2026 Wednesday	Regular CC	Canceled per Council Policy (CP 06-02)
07/22/2026 Wednesday	Regular CC	Canceled per Council Policy (CP 06-02)
08/05/2026 Wednesday	Regular CC	
08/19/2026 Wednesday	Regular CC	
08/26/2026 Wednesday	Regular CC	Mid-Year Goal Check-in Workshop 5:00 pm
09/02/2026 Wednesday	Regular CC	
09/16/2026 Wednesday	Regular CC	
09/23/2026 Wednesday	Regular CC	Canceled Cal Cities Annual Conference 9/23/2026-9/25/2026
10/07/2026 Wednesday	Regular CC	
10/21/2026 Wednesday	Regular CC	
10/28/2026 Wednesday	Regular CC	
11/04/2026 Wednesday	Regular CC	
11/18/2026 Wednesday	Regular CC	
11/25/2026 Wednesday	Regular CC	Canceled per Council Policy (CP 06-02)
12/02/2026 Wednesday	Regular CC	
12/16/2026 Wednesday	Regular CC	
12/23/2026 Wednesday	Regular CC	Canceled per Council Policy (CP 06-02)

**DRAFT 2026 City Council
Meeting Schedule**

Meeting Date	Type of Meeting	Notes
1/6/2027 Wednesday	Regular CC	Canceled per Council Policy (CP 06-02)
1/20/2027 Wednesday	Regular CC	Canceled Cal Cities Mayors and Council Members Academy
1/27/2027 Wednesday	Regular CC	
02/03/2027 Wednesday	Regular CC	Canceled Subsequent Goal Setting
02/05/2027 Friday	Special CC	Goal Setting Workshop – Day 1 9:00 am – 5:00 pm
02/06/2027 Saturday	Continued from 02/05/2027	Continued Goal Setting Workshop – Day 2 9:00 am – 5:00 pm

CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2025

PREPARED BY:

Dat Nguyen, Finance Director

APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2025 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

RECOMMENDATION(S)

Receive and file reports.

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 are providing this monthly budget update, along with the September 2025 financial and investment reports.

September 2025 Financial Report

The Revenue and Expense Summary through September 2025 is included on page 4 of the attached monthly financial and investment reports. Overall, General Fund revenues total \$6.1 million or about 11% of the budget. Expenditures and encumbrances through September totaled \$16.4 million, of which approximately \$2.3 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$15.6 million. This represents an increase of \$0.8 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures also increased by about \$0.8 million, primarily due to negotiated salary adjustments, and overall cost increases.

Budget Update

There has been no material change since the last budget update to the Council on September 17, 2025. Regarding water revenue, Morgan Hill residents consumed approximately 6% more water through September compared to the prior three-year average. As a result, no revenue stabilization water rate was implemented.

City Manager's Authority Report

Pursuant to the City Council Policy 18-05 - Report on delegation of authority to City Manager, Page 21 of Attachment 1 lists the contracts and/or agreements entered into between August 4, 2025 through October 31, 2025 between the amounts of \$25,000 to \$75,000, or the limit of the California Uniform Public Construction Cost Accounting Act (CUPCCAA).

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 agendaized 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

September 30, 2025 - 25% of Year Complete



CITY OF MORGAN HILL

Prepared by:

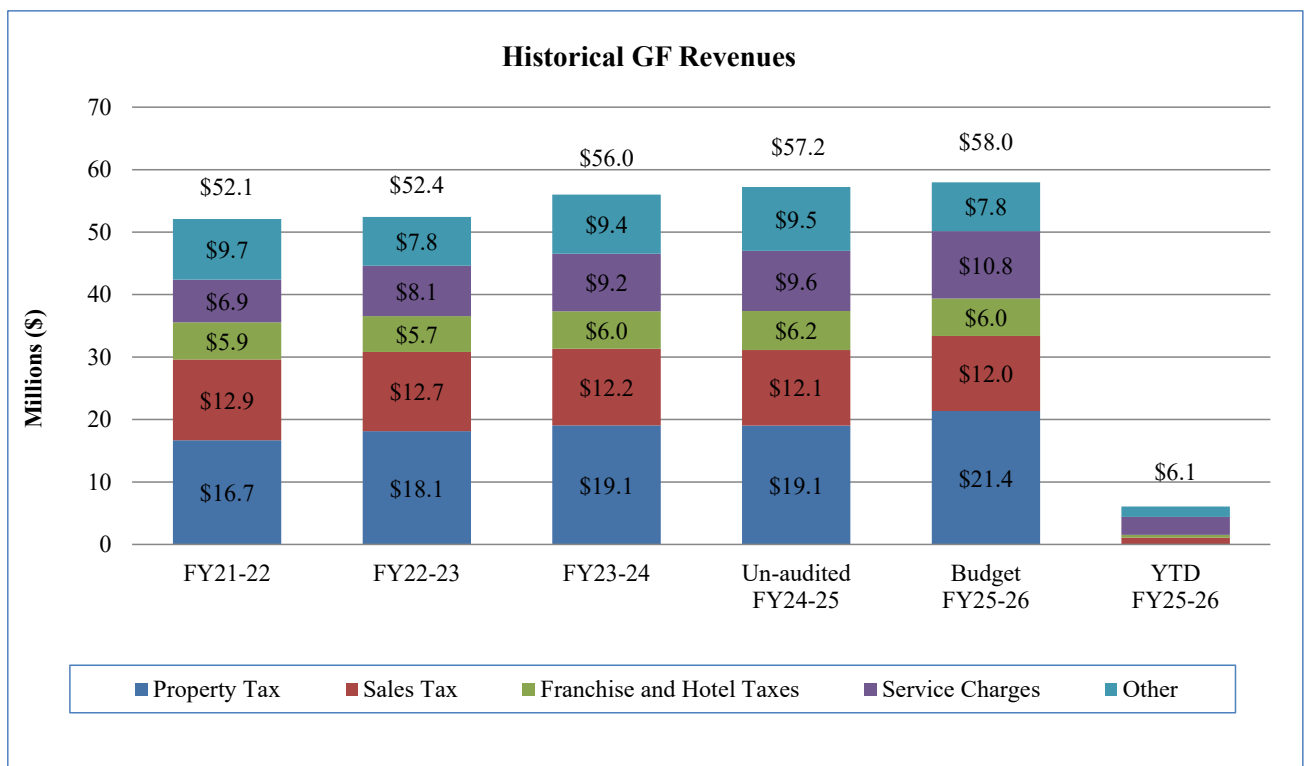
FINANCE DEPARTMENT



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2025-26
FOR THE MONTH ENDED SEPTEMBER 2025 – 25% OF YEAR COMPLETE

- General Fund** – Revenues through September totaled \$6.1 million, or about 11% of the budgeted as some of the major revenue categories such as property tax are received later in the fiscal year. Regarding the property tax revenue forecast, the County estimates the City will receive approximately \$21.7 million in property tax revenue for the current fiscal year, slightly exceeding the budget of \$21.4 million. However, after adjusting for the excess ERAF set-aside of 20%, or \$0.6 million, the property tax revenue shows a slight decrease over the budget. As for sales tax, there’s been no changes to prior forecast. The City's current fiscal year sales tax revenue estimate, before tax rebates, is \$12.1 million.

The chart below shows historical General Fund revenues by major revenue category from FY21-22 through FY23-24 Actual, Un-audited FY24-25, FY25-26 Budget, and YTD as of September 30, 2025.



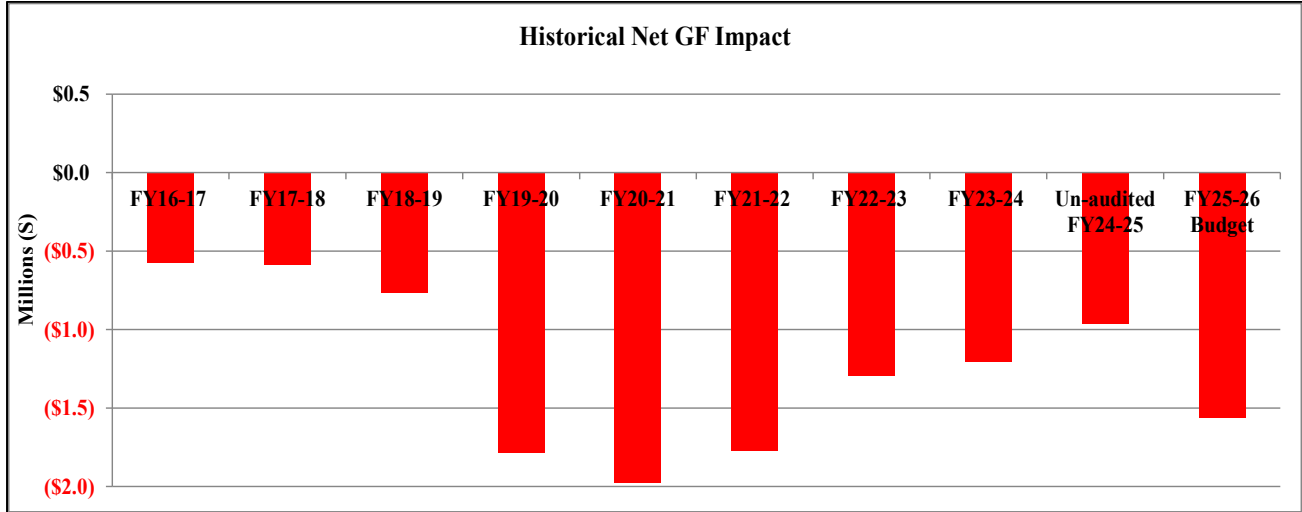
General Fund expenditures and encumbrances through September totaled \$16.4 million, of which approximately \$2.3 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$15.6 million. This represents an increase of \$0.8 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures increased by about \$0.8 million, primarily due to negotiated salary adjustments, and 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 \$1.7 million as of September 30, 2025. Recreation operations are expected to be on target with budget.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2025-26
FOR THE MONTH ENDED SEPTEMBER 2025 – 25% OF YEAR COMPLETE

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 September totaled \$1.6 million compared to the prior year to date amount of approximately \$1.3 million. Expenditures, including encumbrances, totaled \$1.8 million.
- **Debt Service Funds** – Expenditures through September totaled \$2,018. The debt service for the first half of the year includes both interest and principal, while the second half will include interest only. Debt service payments were scheduled when the bonds were issued and are budgeted for the months specified 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.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2025-26
FOR THE MONTH ENDED SEPTEMBER 2025 – 25% OF YEAR COMPLETE

- **Wastewater Operations** – Revenues through September 30, 2025 totaled \$3.6 million. Expenditures and outstanding encumbrances totaled \$4.3 million or 23% of the budget. The table below shows historical Wastewater Operations revenues and expenditures from FY21-22 through FY23-24 Actual, Un-audited FY24-25, FY25-26 Budget, and YTD as of September 30, 2025.

(amount in millions)				Un-audited	Budget	YTD
	FY21-22	FY22-23	FY23-24	FY23-24	FY25-26	FY25-26
Revenues	14.9	15.3	15.2	18.2	18.4	3.6
Expenditures	14.8	16.0	14.9	18.1	18.5	4.3
Operating Margin	0.1	(0.7)	0.3	0.1	(0.1)	(0.7)
Operating Margin without Encumbrances	0.1	(0.7)	0.3	0.1	(0.1)	(0.6)

- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues through September 30, 2025 totaled \$4.7 million. Water Operations expenditures, including outstanding encumbrances, totaled \$5.1 million. Morgan Hill residents consumed about 6% more water through September 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 FY21-22 through FY23-24 Actual, Un-audited FY24-25, FY25-26 Budget, and YTD as of September 30, 2025.

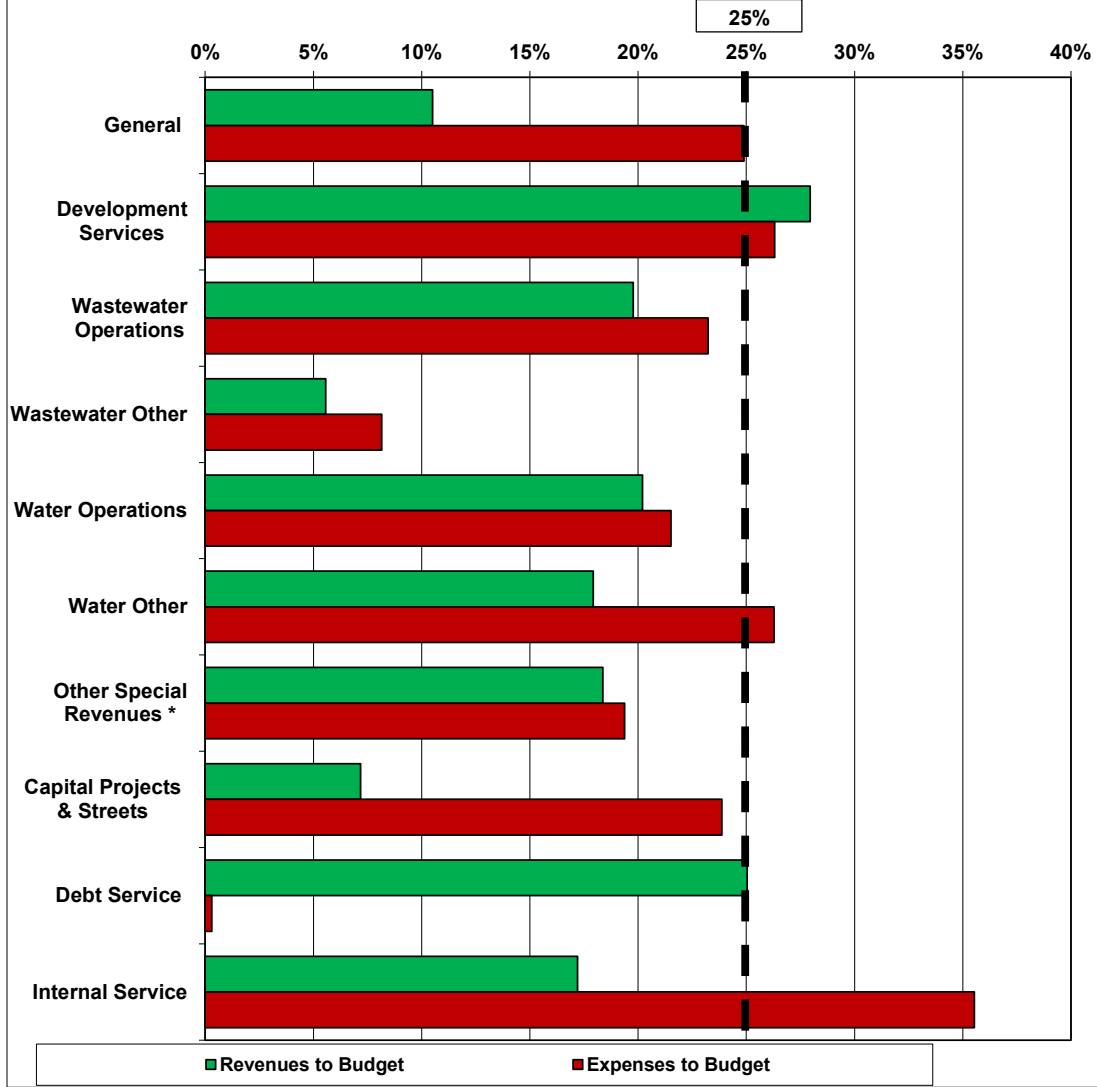
(amount in millions)				Un-audited	Budget	YTD
	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY25-26
Revenues	16.0	18.1	18.7	21.5	23.5	4.7
Expenditures	15.2	18.0	19.1	21.5	23.8	5.1
Operating Margin	0.8	0.1	(0.4)	-	(0.3)	(0.4)
Operating Margin without Encumbrances	0.8	0.1	(0.4)	-	(0.3)	0.1

- **Investments** – Eight securities were called, and nine new securities were purchased. Total interest earnings received on investments were \$813,000 during the month.



Morgan Hill YTD Revenue & Expense Summary September 30, 2025 - 25% of Year Complete

Percentage of Actual to Budget



FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 6,092,592	11%	\$ 16,427,355	25%
Development Services	1,643,080	28%	1,816,385	26%
Wastewater Operations	3,643,027	20%	4,288,931	23%
Wastewater Other	2,547,312	6%	6,705,490	8%
Water Operations	4,737,452	20%	5,114,132	22%
Water Other	2,292,392	18%	10,388,383	26%
Other Special Revenues *	1,305,083	18%	2,733,462	19%
Capital Projects & Streets	2,363,389	7%	10,800,616	24%
Debt Service	174,458	25%	2,018	0%
Internal Service	2,811,006	17%	5,719,258	36%
TOTAL FOR ALL FUNDS	\$ 27,609,791	12%	\$ 63,996,029	21%

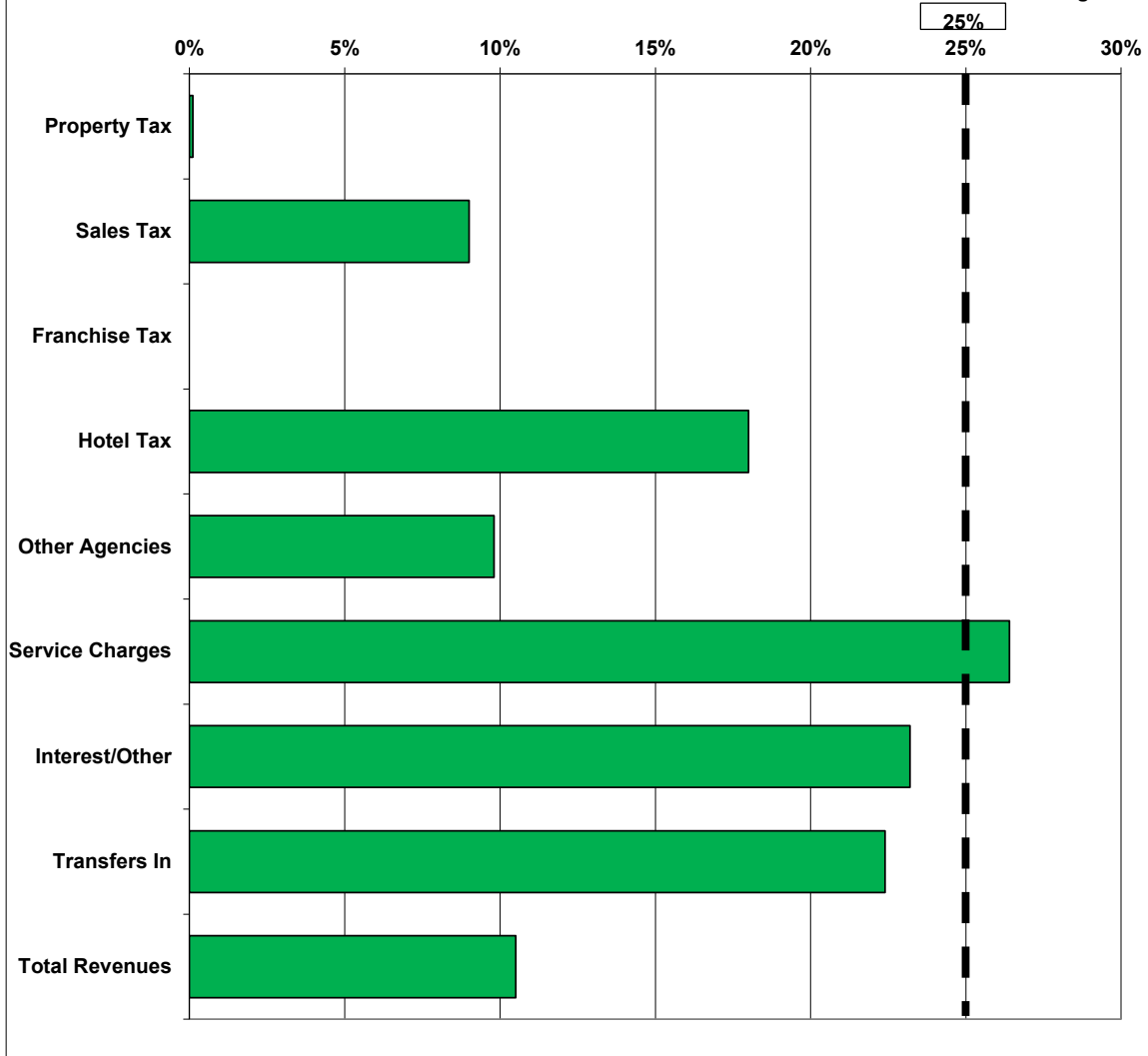
* Includes all Special Revenue Funds except Development Services Fund and Street Funds.



Morgan Hill YTD General Fund Revenues

September 30, 2025 - 25% of Year Complete

Percent of Actual to Budget

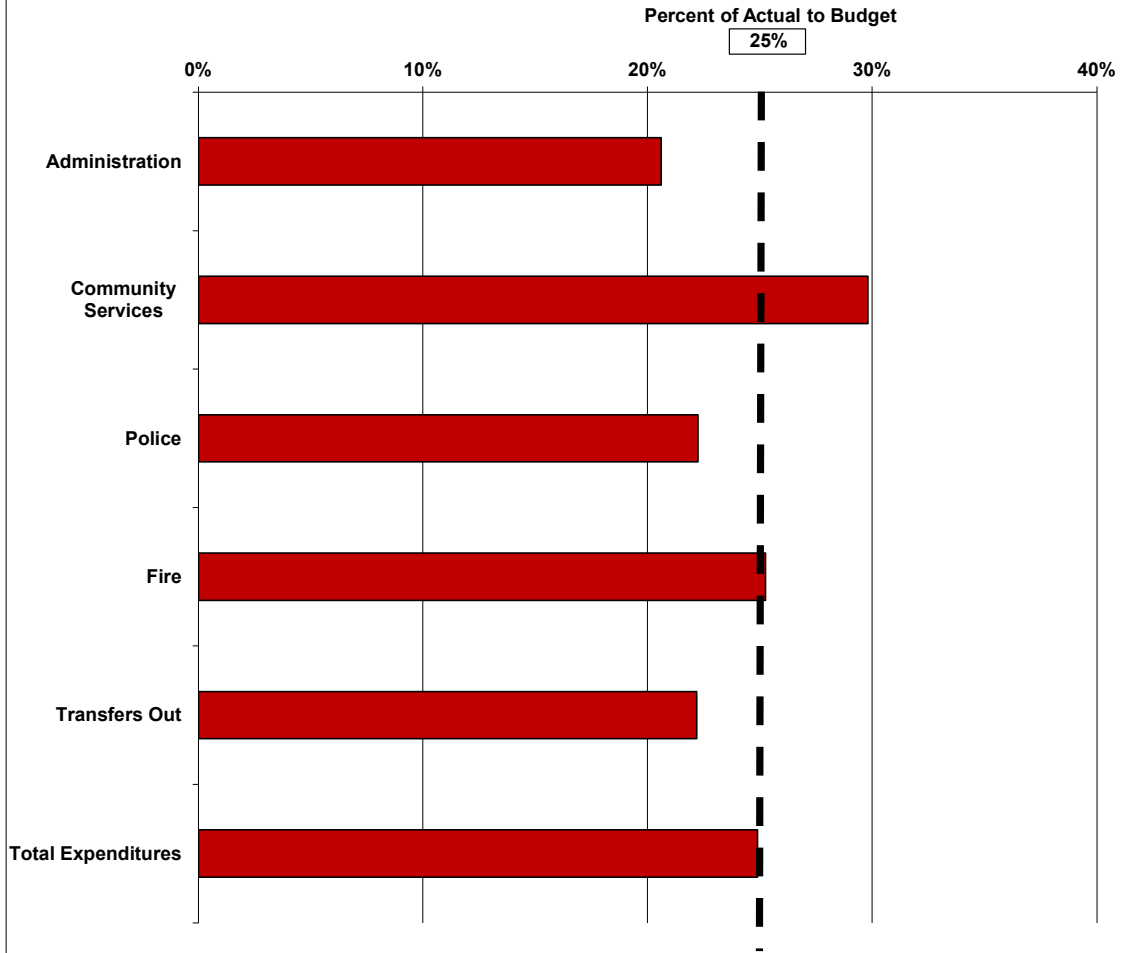


REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$ 21,369,792	\$ 25,230	0%	\$ 25,899	-3%
Sales Tax	11,989,269	1,082,920	9%	1,025,941	6%
Franchise Tax	3,354,166	-	-	-	N/A
Hotel Tax	2,658,340	477,305	18%	502,529	-5%
Other Agencies	940,183	92,326	10%	210,641	-56%
Service Charges	10,794,856	2,846,867	26%	2,926,782	-3%
Interest/Other	3,468,411	804,056	23%	860,115	-7%
Transfers In	3,411,140	763,889	22%	751,546	2%
TOTAL REVENUES	\$ 57,986,156	\$ 6,092,592	11%	\$ 6,303,453	-3%



Morgan Hill YTD General Fund Expenditures

September 30, 2025 - 25% of Year Complete



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 7,097,361	\$ 1,462,785	21%	\$ 1,272,196	15%
Community Services	20,176,055	6,015,000	30%	5,759,120	4%
Police	26,079,133	5,803,081	22%	5,419,265	7%
Fire	11,212,073	2,831,719	25%	2,772,404	2%
Transfers Out	1,418,558	314,769	22%	364,558	-14%
TOTAL EXPENDITURES	\$ 65,983,180	\$ 16,427,355	25%	\$ 15,587,542	5%

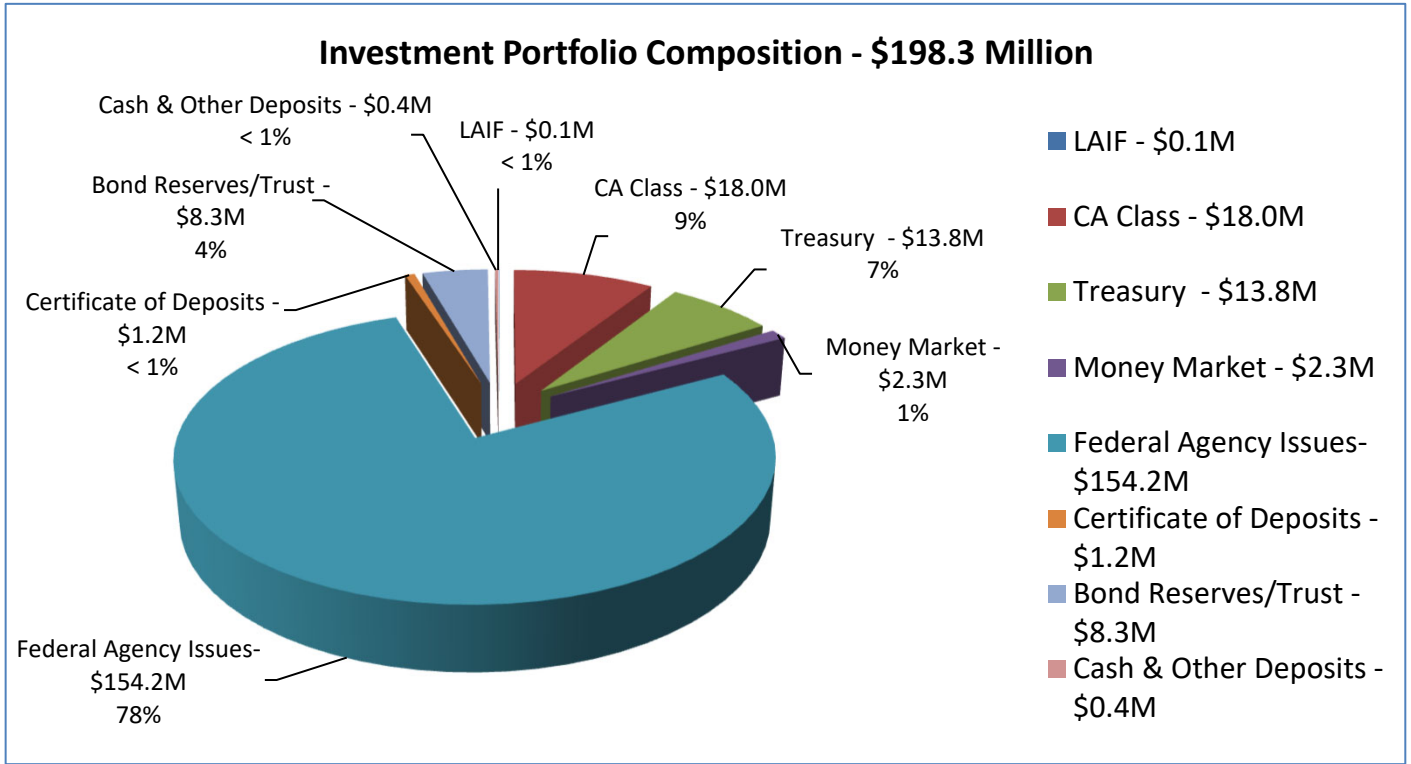


City of Morgan Hill
Recreation Report - Fiscal Year 2025-26
For the Month Ended September 30, 2025
25% of Year Complete

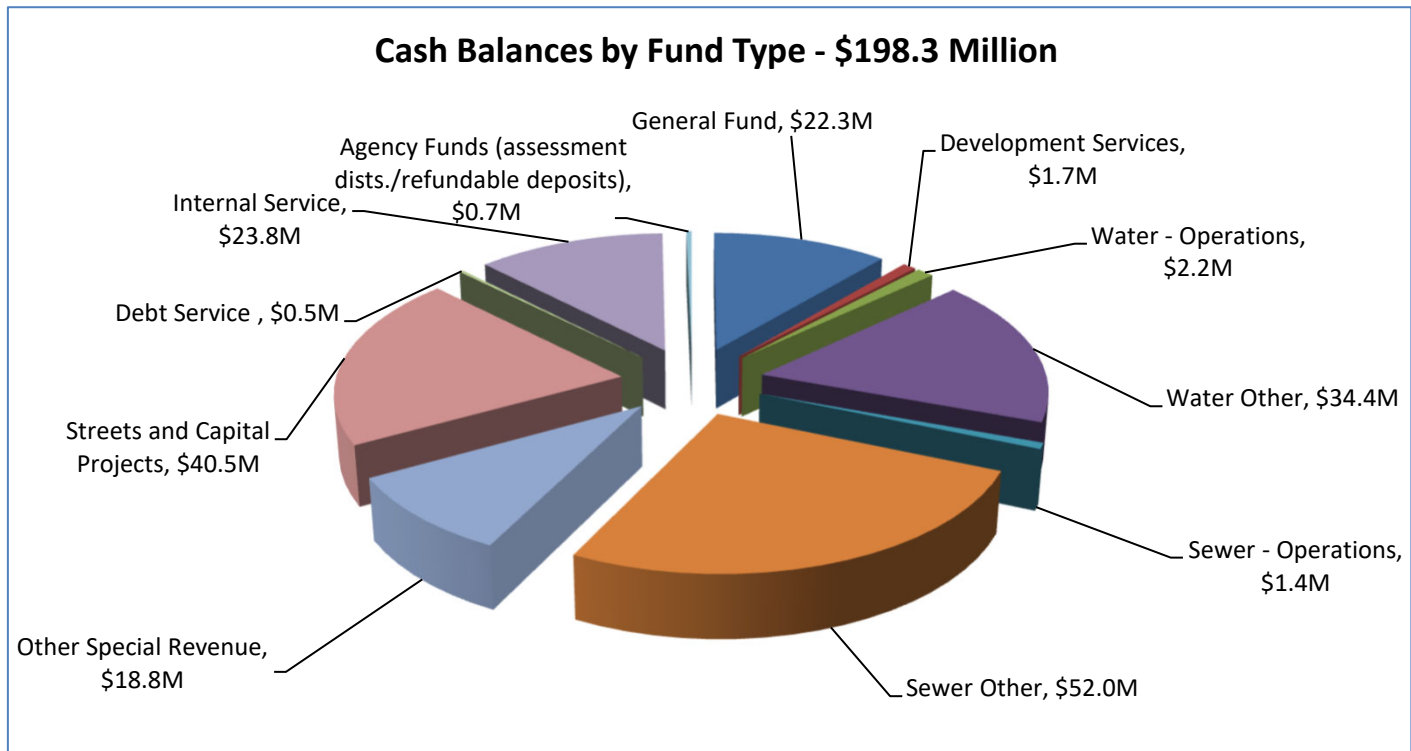
	<u>Budget</u>	<u>September 2025</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 6,830,960	\$ 453,398	\$ 1,836,975	
Facility Rentals	1,245,612	131,119	424,759	
Community Services	138,498	4,009	13,797	
Transfers in	100,000	6,250	25,000	
Total Revenues	<u>\$ 8,315,070</u>	<u>\$ 594,775</u>	<u>\$ 2,300,530</u>	28%
Less: Expenditures				
Membership & Program Services	\$ 7,541,945	\$ 347,258	\$ 1,810,931	
Facility Rentals	1,451,514	65,236	282,131	
Community Services	883,254	16,815	192,829	
Total Expenditures	<u>\$ 9,876,714</u>	<u>\$ 429,308</u>	<u>\$ 2,285,891</u>	23%
Net Impact without encumbrances	<u>\$ (1,561,644)</u>	<u>\$ 165,467</u>	<u>\$ 14,639</u>	
Encumbrances	-	-	1,739,956	
Net Impact with encumbrances	<u>\$ (1,561,644)</u>	<u>\$ 165,467</u>	<u>\$(1,725,316)</u>	

City of Morgan Hill
Monthly Investment Report - September 30, 2025

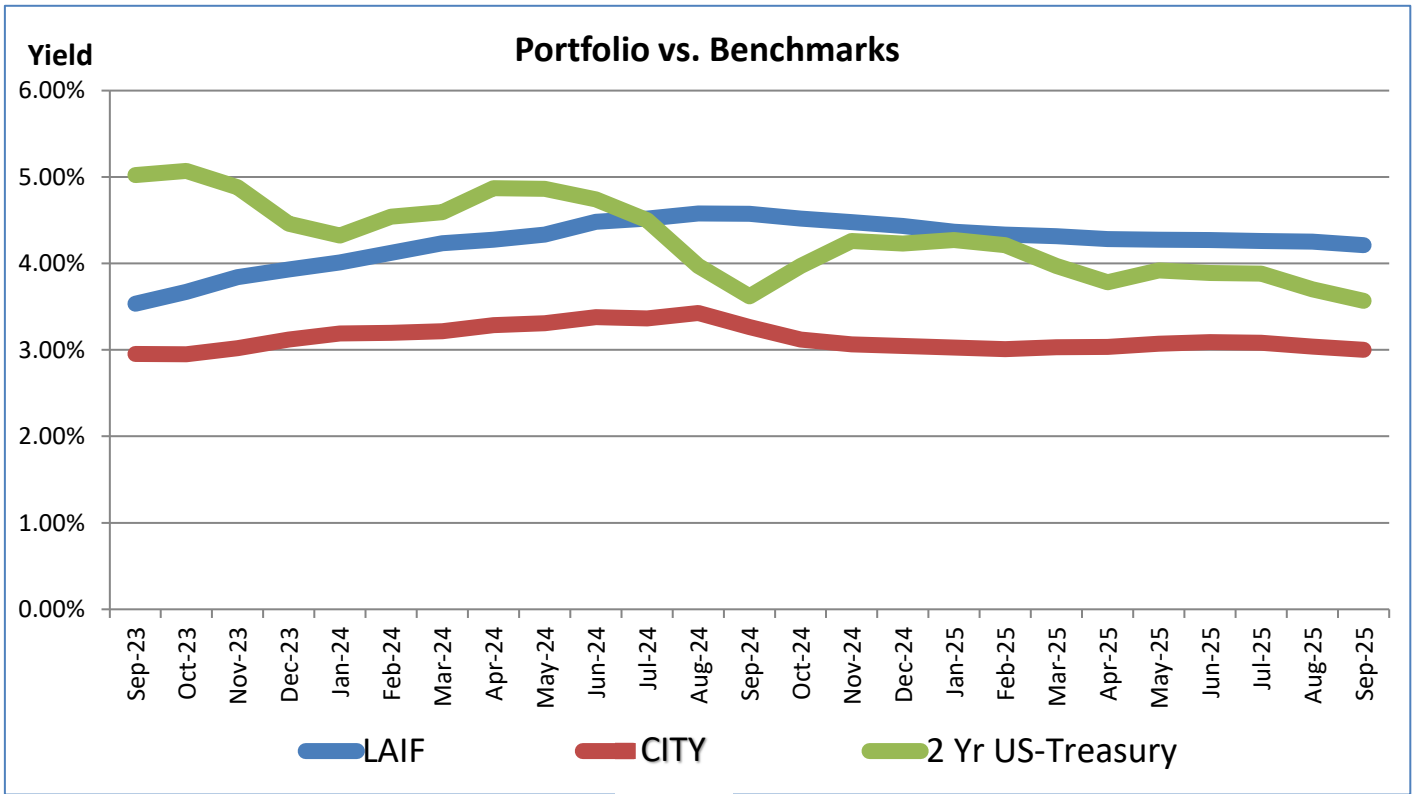
The following are the snapshots of City's investment portfolio as of September 30, 2025. The first chart shows the portfolio composition by investment type:



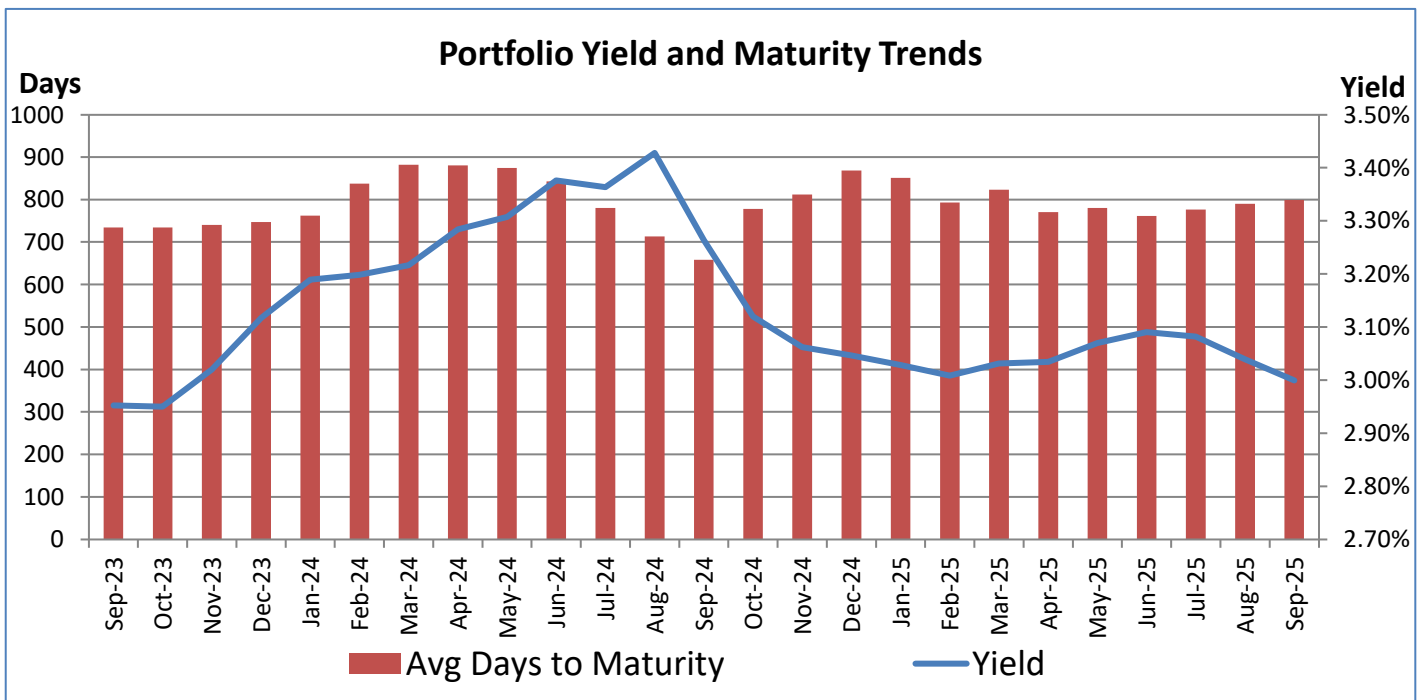
The chart below shows cash balances by fund type reconciled to the City's financial system:



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 September 30, 2025**

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			\$ 63,918	\$ 63,918	0.0%	\$ 63,994	4.21%		
California C L A S S			17,992,961	17,992,961	9.1%	17,992,961	4.27%		
WFB Money Market			2,114,831	2,114,831	1.1%	2,114,831	4.10%		
US Bank - Portfolio of Securities									
Dreyfus Treasury Agency MM	261908107		182,626	182,626	0.1%	182,626	4.14%		
Treasury Note	91282CCZ2	10/8/2021	1,987,656	1,997,522	1.0%	1,944,740	1.00%	9/30/2026	9/30/2026
Treasury Note	912828U24	6/13/2022	1,904,688	1,975,759	1.0%	1,962,340	3.16%	11/15/2026	11/15/2026
Treasury Note	91282CFL0	9/30/2024	2,031,719	2,025,378	1.0%	2,013,680	3.53%	9/30/2029	9/30/2029
Treasury Note	91282CLL3	10/1/2024	1,994,323	1,994,261	1.0%	1,990,780	3.53%	9/15/2027	9/15/2027
Treasury Note	91282CCV1	10/4/2024	1,822,536	1,865,852	0.9%	1,862,420	3.61%	8/31/2028	8/31/2028
Treasury Note	31282CFJ5	10/7/2024	1,949,794	1,954,731	1.0%	1,959,060	3.76%	8/31/2029	8/31/2029
Treasury Note	91282CFY2	12/19/2024	1,959,077	1,962,124	1.0%	2,012,900	4.39%	11/30/2029	11/30/2029
FHLMC Bond	3134GWZG4	10/20/2020	2,000,000	2,000,000	1.0%	1,996,200	0.60%	10/20/2025	10/20/2025
FHLMC Bond	3134GW3X2	10/27/2020	2,000,000	2,000,000	1.0%	1,994,860	0.63%	10/27/2025	10/27/2025
FFCB Bond	3133EMFR8	11/3/2020	2,000,000	2,000,000	1.0%	1,993,280	0.54%	10/5/2025	11/3/2025
FNMA Bond	3135GA4P3	11/18/2020	2,000,000	2,000,000	1.0%	1,990,680	0.65%	11/18/2025	11/18/2025
FHLMC Bond	3134GXEJ9	11/24/2020	2,000,000	2,000,000	1.0%	1,989,800	0.64%	11/24/2025	11/24/2025
FFCB Bond	3133EMHF2	11/24/2020	1,000,000	1,000,000	0.5%	994,810	0.60%	10/5/2025	11/24/2025
FHLMC Bond	3134GXCS1	11/25/2020	3,000,000	3,000,000	1.5%	2,984,040	0.63%	11/25/2025	11/25/2025
FHLMC Bond	3134GXFA7	11/30/2020	2,000,000	2,000,000	1.0%	1,989,400	0.65%	11/26/2025	11/26/2025
FFCB Bond	3133EMLC4	12/22/2020	2,000,000	2,000,000	1.0%	1,983,900	0.47%	10/5/2025	12/22/2025
FHBL Bond	3130AKQ74	1/22/2021	2,000,000	2,000,000	1.0%	1,979,260	0.63%	11/22/2025	1/22/2026
FNMA Bond	3135G06R9	1/28/2021	2,000,000	2,000,000	1.0%	1,978,160	0.55%	11/28/2025	1/28/2026
FHBL Bond	3130AKRN8	1/28/2021	2,000,000	2,000,000	1.0%	1,978,280	0.65%	11/28/2025	1/28/2026
FHBL Bond	3130ALCV4	2/24/2021	2,000,000	2,000,000	1.0%	1,974,660	0.75%	11/24/2025	2/24/2026
FHBL Bond	3130ALDB7	2/25/2021	2,000,000	2,000,000	1.0%	1,974,280	0.66%	11/25/2025	2/25/2026
FHBL Bond	3130AKZ25	2/26/2021	2,000,000	2,000,000	1.0%	1,973,300	0.65%	11/26/2025	2/26/2026
FHBL Bond	3130ALGS7	3/10/2021	2,000,000	2,000,000	1.0%	1,973,180	0.85%	12/10/2025	3/10/2026
FHBL Bond	3130ALEP5	3/16/2021	2,000,000	2,000,000	1.0%	1,970,880	0.70%	12/16/2025	3/16/2026
FHBL Bond	3130ALDN1	3/16/2021	2,000,000	2,000,000	1.0%	1,971,780	0.80%	12/16/2025	3/16/2026
FHBL Bond	3130AMNH1	6/9/2021	2,000,000	2,000,000	1.0%	1,964,280	1.08%	10/5/2025	6/9/2026
FHBL Bond	3130AMYJ5	6/30/2021	2,000,000	2,000,000	1.0%	1,958,980	1.00%	12/30/2025	6/30/2026
FHBL Bond	3130AMYP1	7/15/2021	3,000,000	3,000,000	1.5%	2,939,430	1.13%	10/15/2025	7/15/2026
FHBL Bond	3130ANJC5	8/26/2021	2,000,000	2,000,000	1.0%	1,948,900	0.80%	8/26/2026	8/26/2026
FHBL Bond	3130ANLW8	8/26/2021	3,000,000	3,000,000	1.5%	2,928,750	1.00%	11/26/2025	8/26/2026
FHBL Bond	3130ANLZ1	8/26/2021	2,000,000	2,000,000	1.0%	1,949,440	0.90%	8/26/2026	8/26/2026
FHBL Bond	3130A8XY4	9/13/2021	2,103,340	2,019,599	1.0%	1,965,880	0.82%	9/11/2026	9/11/2026
FFCB Bond	3133EM4X7	9/28/2021	1,982,960	1,996,749	1.0%	1,946,760	0.98%	9/10/2026	9/10/2026
FHBL Bond	3130APCH6	9/29/2021	3,000,000	3,000,000	1.5%	2,924,310	1.13%	10/5/2025	9/29/2026
FHBL Bond	3130ANZE3	9/30/2021	2,000,000	2,000,000	1.0%	1,945,200	0.88%	9/30/2026	9/30/2026
FHBL Bond	3130AP6N0	9/30/2021	3,000,000	3,000,000	1.5%	2,923,800	1.05%	12/30/2025	9/30/2026
FHBL Bond	3130AP6M2	9/30/2021	3,000,000	3,000,000	1.5%	2,922,240	1.02%	12/30/2025	9/30/2026
FHBL Bond	3130APCG8	10/19/2021	2,000,000	2,000,000	1.0%	1,944,520	1.00%	10/19/2025	10/19/2026
FHBL Bond	3130APNX9	11/18/2021	2,000,000	2,000,000	1.0%	1,946,860	1.30%	11/18/2025	11/18/2026
FHBL Bond	3130AQHU0	1/19/2022	2,000,000	2,000,000	1.0%	1,962,960	1.74%	1/19/2027	1/19/2027
FHLMC Bond	3134GXUZ5	6/15/2022	2,000,000	2,000,000	1.0%	1,997,600	3.28%	12/15/2025	12/15/2025
FHBL Bond	3130ASPE3	7/28/2022	2,000,000	2,000,000	1.0%	1,998,260	4.30%	10/28/2025	7/28/2027
FHLMCMTN Bond	3134HAKY8	9/13/2024	2,985,210	2,988,308	1.5%	2,994,030	4.11%	12/13/2025	9/13/2029
FHBL Bond	3130B2P58	9/26/2024	2,003,014	2,000,000	1.0%	1,996,120	3.87%	9/10/2026	9/10/2029
FHBL Bond	3130B35N9	10/8/2024	2,000,000	2,000,000	1.0%	2,000,000	4.50%	10/1/2025	10/1/2029
FHLMCMTN Bond	3134HARE5	10/11/2024	2,000,000	2,000,000	1.0%	1,995,020	4.75%	10/11/2025	10/11/2029
FHBL Bond	3130B36N8	10/15/2024	1,944,000	1,995,150	1.0%	1,992,100	4.32%	4/15/2026	10/15/2029
FHLMCMTN Bond	3134HAC92	11/19/2024	3,000,000	3,000,000	1.5%	3,003,990	5.00%	11/19/2025	11/19/2029
FFCB Bond	3133ERF48	12/4/2024	2,000,000	2,000,000	1.0%	2,002,720	4.77%	12/4/2025	12/4/2028
FHBL Bond	3130B5A73	2/26/2025	2,000,000	2,000,000	1.0%	2,011,320	4.75%	8/26/2026	2/26/2030
FHLMCMTN Bond	3134HBBE0	3/11/2025	2,000,000	2,000,000	1.0%	1,995,120	4.88%	12/11/2025	3/11/2030
FNMA Bond	3136GABW8	3/12/2025	2,000,000	2,000,000	1.0%	1,999,080	5.00%	12/12/2025	3/12/2030

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
FFCB Bond	3133ETDL8	4/17/2025	2,000,000	2,000,000	1.0%	1,999,680	4.87%	10/17/2025	10/17/2029
FHLB Bond	3130B64X1	4/30/2025	2,000,000	2,000,000	1.0%	1,998,320	4.50%	10/17/2025	4/17/2028
FAMCMTN Bond	31424WZC9	5/7/2025	3,000,000	3,000,000	1.5%	2,988,360	4.55%	5/7/2026	5/7/2030
FHLMCMTN Bond	3134HBQZ7	5/19/2025	2,000,000	2,000,000	1.0%	2,001,000	4.50%	11/19/2025	5/19/2027
FHLB Bond	3130B6F50	5/28/2025	2,000,000	2,000,000	1.0%	2,005,540	4.75%	5/14/2026	5/14/2030
FAMCMTN Bond	31424WB50	5/28/2025	2,000,000	2,000,000	1.0%	1,998,200	4.74%	5/28/2026	5/28/2030
FFCB Bond	3133ER3L3	6/6/2025	2,029,443	2,000,000	1.0%	2,002,700	4.69%	2/13/2026	2/13/2029
FAMCMTN Bond	31424WG30	6/26/2025	1,200,000	1,200,000	0.6%	1,207,200	4.33%	6/26/2026	6/26/2028
FFCB Bond	3133ETMB0	6/27/2025	2,000,775	2,000,000	1.0%	2,004,800	4.65%	6/24/2026	6/24/2030
FAMCMTN Bond	31424WG55	7/1/2025	2,000,000	2,000,000	1.0%	2,006,860	4.60%	7/1/2026	7/1/2030
FFCB Bond	3133ETNA1	7/2/2025	2,000,000	2,000,000	1.0%	2,004,280	4.50%	7/2/2026	1/2/2030
FHLMCMTN Bond	3134HBYC9	7/15/2025	2,000,000	2,000,000	1.0%	2,002,760	4.75%	1/15/2026	7/15/2030
FHLMCMTN Bond	3134HBZA2	7/15/2025	2,000,000	2,000,000	1.0%	2,000,820	4.50%	1/15/2026	7/14/2028
FHLMCMTN Bond	3134HBA35	7/22/2025	2,000,000	2,000,000	1.0%	1,999,460	4.60%	10/21/2025	7/21/2028
FHLMCMTN Bond	3134HBB59	7/30/2025	2,000,000	2,000,000	1.0%	2,004,700	4.64%	4/30/2026	7/30/2030
FNMA Bond	3136GAM22	8/12/2025	2,988,270	2,998,316	1.5%	2,992,470	4.14%	2/12/2026	8/12/2030
FAMCMTN Bond	31424WVN81	8/12/2025	2,000,000	2,000,000	1.0%	2,000,180	4.39%	8/12/2026	8/12/2030
FFCB Bond	3133ETUP0	8/20/2025	2,000,000	2,000,000	1.0%	1,996,720	4.49%	2/20/2026	5/20/2030
FFCB Bond	3133ETUN5	8/25/2025	2,000,000	2,000,000	1.0%	1,998,340	4.45%	2/25/2026	2/25/2030
FHLB Bond	3130B7KG8	8/25/2025	2,000,000	2,000,000	1.0%	1,995,420	4.38%	11/25/2025	8/25/2028
FFCB Bond	3133ETWC7	9/2/2025	2,000,000	2,000,000	1.0%	2,000,300	4.35%	12/2/2025	3/2/2029
FNMA Bond	3136GAQF9	9/3/2025	2,000,000	2,000,000	1.0%	1,991,220	4.25%	6/3/2026	6/3/2030
FFCB Bond	3133ETWB9	9/5/2025	2,000,000	2,000,000	1.0%	1,998,920	4.31%	12/5/2025	9/5/2028
FFCB Bond	3133ETXY8	9/16/2025	2,000,000	2,000,000	1.0%	1,997,480	4.00%	9/16/2026	9/16/2030
FHLB Bond	3130B7SF2	9/18/2025	2,000,222	2,000,000	1.0%	1,997,460	4.00%	9/17/2026	9/17/2030
FNMA Bond	3136GAUR8	9/25/2025	2,000,000	2,000,000	1.0%	1,999,540	4.20%	3/18/2026	9/18/2030
FNMA Bond	3136GAVD8	9/26/2025	2,000,000	2,000,000	1.0%	1,996,200	4.13%	6/26/2026	9/26/2030
FNMA Bond	3136GAVW6	9/30/2025	2,000,000	2,000,000	1.0%	1,997,140	4.45%	12/30/2025	9/30/2030
CD - Morgan Stanley Bank	61690DGT9	11/8/2023	250,000	250,000	0.1%	259,965	5.05%	11/8/2028	11/8/2028
CD - Morgan Stanley Private Bank	61768EE82	11/8/2023	250,000	250,000	0.1%	259,965	5.05%	11/8/2028	11/8/2028
CD - American Express	02589AF98	11/8/2023	250,000	250,000	0.1%	259,603	5.00%	11/8/2028	11/8/2028
CD - State Bank India	8562834U7	11/24/2023	250,000	250,000	0.1%	262,000	5.00%	11/24/2028	11/24/2028
CK - JPMorgan Chase	46659CLN8	9/30/2025	250,000	250,000	0.1%	250,448	4.13%	9/30/2030	9/30/2030
Sub Total/Average			\$ 169,319,654	\$ 169,406,376	85.4%	\$ 168,255,016	2.85%		
Total City Managed/Average			\$ 189,491,364	\$ 189,578,086	95.6%	\$ 188,426,803	3.00%		
Bond Reserve Accounts - Held By Trustees			\$ 460,619	\$ 460,619	0.2%	\$ 460,619			
Cash/Deposits			\$ 403,811	\$ 403,811	0.2%	\$ 403,811			
PARS and CALPERS CERBT Trust			\$ 7,887,404	\$ 7,887,404	4.0%	\$ 10,694,389			
GRAND TOTAL/AVERAGE			\$ 198,243,198	\$ 198,329,920	100.0%	\$ 199,985,622			



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF SEPTEMBER 30, 2025
FOR THE FISCAL YEAR OF 2025-26

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	4.21%	\$ 63,918	0.0%	\$ 63,994
California CLASS	All Funds Pooled	4.27%	17,992,961	9.1%	17,992,961
US Bank - Portfolio of Securities	All Funds Pooled	2.85%	169,406,376	85.4%	168,255,016
WFB MMA	All Funds Pooled	4.10%	2,114,831	1.1%	2,114,831
	SUBTOTAL		\$ 189,578,086	95.6%	\$ 188,426,803
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility	Debt Service	3.78%	83	0.0%	83
Blackrock Liq Fund	Debt Service	3.78%	109	0.0%	109
Zions Bank - MH Police Facility Lease Revenue Bonds	Debt Service	3.78%			
Blackrock Liq Fund	Debt Service	3.78%			
BNY - RDA Bonds	Agency Fund	3.70%	460,428	0.2%	460,428
Dreyfus Cash Mgmt 521	Agency Fund	3.70%	460,428	0.2%	460,428
	SUBTOTAL		460,619	0.2%	460,619
Other Cash/Deposits					
General Checking	All Funds		357,961	0.2%	357,961
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	General Fund		5,237,404	2.6%	7,079,011
PARS - PENSION Trust	General Fund		2,650,000	1.3%	3,615,379
	SUBTOTAL		8,291,215	4.2%	11,098,200
Total Cash and Investments			\$ 198,329,920	100.0%	\$ 199,985,622


CASH ACTIVITY SUMMARY
FY 2025-26

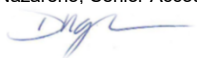
Fund Type	Unaudited 07/01/2025 Balance	Change in Cash Balance	9/30/2025 Balance
General Fund	\$ 28,702,713	\$ (6,445,993)	\$ 22,256,720
Development Services	1,246,457	482,628	1,729,085
Water - Operations	2,679,551	(466,935)	2,212,615
Water Other	32,583,151	1,820,352	34,403,503
Sewer - Operations	2,580,060	(1,163,281)	1,416,779
Sewer Other	49,922,041	2,035,073	51,957,115
Other Special Revenue	18,977,650	(135,489)	18,842,161
Streets and Capital Projects	40,999,603	(490,817)	40,508,787
Debt Service	355,257	172,172	527,429
Internal Service	27,988,139	(4,170,296)	23,817,843
Agency Funds (assessment dists./refundable deposits)	6,701,471	(6,043,588)	657,883
Total	\$ 212,736,093	\$ (14,406,173)	\$ 198,329,920

Note: See Investment Portfolio 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

Approved by: 
 Cindy Murphy, Treasurer

Reviewed by: 
 Dat Nguyen, Finance Director



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2025-26
For the Month Ended September 30, 2025
25% 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	\$ 17,345,642	17,945,642	\$ -	n/a	\$ -	\$ -	n/a
Property Tax - RPTTF Residual Distribution	3,098,634	3,098,634	-	n/a	-	-	n/a
Property Tax - Supplemental Roll	325,515	325,515	25,230	8%	25,899	(669)	-3%
Sales Tax	12,711,087	11,511,087	1,046,452	9%	991,800	54,652	6%
Public Safety Sales Tax	478,182	478,182	36,468	8%	34,141	2,326	7%
Transient Occupancy Taxes	2,958,340	2,658,340	477,305	18%	502,529	(25,224)	-5%
Franchise (Refuse ,Cable ,PG&E)	3,354,166	3,354,166	-	n/a	-	-	n/a
Property Transfer Tax	642,000	642,000	106,531	17%	80,805	25,726	32%
TOTAL TAXES	40,913,566	40,013,566	1,691,985	4%	1,635,174	56,811	3%
LICENSES/PERMITS							
Business License	200,000	200,000	61,688	31%	61,879	(191)	0%
Other Permits	82,750	82,750	100,930	122%	100,509	421	0%
TOTAL LICENSES/PERMITS	282,750	282,750	162,618	58%	162,388	229	0%
FINES AND PENALTIES							
Parking Enforcement	9,800	9,800	862	9%	2,573	(1,711)	-66%
Bails & Fines	55,000	55,000	5,753	10%	4,774	979	21%
Administrative Citations	20,000	20,000	6,500	33%	11,150	(4,650)	-42%
TOTAL FINES AND PENALTIES	84,800	84,800	13,116	15%	18,497	(5,382)	-29%
OTHER AGENCIES							
Motor Vehicle in-Lieu	63,654	63,654	70,915	111%	-	70,915	n/a
Other Revenue - Other Agencies	434,545	940,183	92,326	10%	210,641	(118,315)	-56%
TOTAL OTHER AGENCIES	498,199	1,003,837	163,241	16%	210,641	(47,399)	-23%
CHARGES CURRENT SERVICES							
Police False Alarm Charge	33,500	33,500	3,805	11%	6,037	(2,232)	-37%
Business License Application Review	84,872	84,872	11,873	14%	13,649	(1,776)	-13%
Membership Services & Rec Programs	6,830,960	6,830,960	1,836,975	27%	1,752,626	84,348	5%
Facility Rentals	1,245,612	1,245,612	424,759	34%	442,161	(17,402)	-4%
Community Services	138,498	138,498	13,797	10%	25,488	(11,691)	-46%
General Administration Overhead	1,727,037	1,727,037	454,119	26%	439,028	15,091	3%
Other Charges Current Services	734,377	734,377	101,540	14%	247,793	(146,253)	-59%
TOTAL CURRENT SERVICES	10,794,856	10,794,856	2,846,867	26%	2,926,782	(79,915)	-3%
OTHER REVENUE							
Use of money/property	1,283,417	1,583,417	368,917	23%	543,239	(174,322)	-32%
Other Revenues	548,648	811,790	81,959	10%	55,186	26,774	49%
TOTAL OTHER REVENUE	1,832,065	2,395,207	450,876	19%	598,425	(147,548)	-25%
TRANSFERS IN							
One Time Transfer	165,000	165,000	41,250	25%	41,250	-	0%
Public Safety Facilities Fund	50,000	50,000	12,500	25%	12,500	-	0%
Supplemental Law Enforcement Fund	100,000	100,000	-	n/a	-	-	n/a
Countywide Solid Waste	563,961	544,328	140,990	26%	135,082	5,908	4%
Streets	851,932	851,932	144,179	17%	148,089	(3,910)	-3%
Park Maintenance	650,000	650,000	162,500	25%	162,500	-	n/a
Sewer Operations	434,390	434,390	108,598	25%	103,425	5,173	5%
Water Operations	434,390	434,390	108,598	25%	103,425	5,173	5%
Open Space	81,100	81,100	20,275	25%	20,275	-	n/a
Park Development	100,000	100,000	25,000	25%	25,000	-	n/a
TOTAL TRANSFERS IN	3,430,773	3,411,140	763,889	22%	751,546	12,343	2%
TOTAL GENERAL FUND	57,837,009	57,986,156	6,092,592	11%	6,303,453	(210,861)	-3%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	851,932	851,932	142,339	17%	146,404	(4,065)	-3%
Interest / Other Revenue/Other Charges	1,665	1,665	1,840	111%	1,685	155	9%
202 STREET MAINTENANCE	853,597	853,597	144,179	17%	148,089	(3,910)	-3%



City of Morgan Hill
 Year to Date Revenues - Fiscal Year 2025-26
 For the Month Ended September 30, 2025
 25% 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	11,065	11,065	4,541	41%	5,034	(492)	-10%
Police Grant/SLEF/JAG	100,000	100,000	-	n/a	-	-	n/a
205 SUPPLEMENTAL LAW ENFORCEMENT FUND	111,065	111,065	4,541	4%	5,034	(492)	-10%
206 DEVELOPMENT SERVICES							
Building Fees	3,655,850	3,578,850	866,765	24%	844,214	22,551	3%
Planning Fees	954,276	1,059,276	311,007	29%	198,319	112,688	57%
Engineering Fees	723,341	723,341	377,285	52%	241,371	135,914	56%
Other Revenue/Current Charges	544,851	516,851	88,023	17%	61,321	26,702	44%
206 DEVELOPMENT SERVICES	5,878,318	5,878,318	1,643,080	28%	1,345,226	297,854	22%
207 LONG RANGE PLANNING	827,760	827,760	242,881	29%	186,108	56,773	31%
215 and 216 HCD BLOCK GRANT							
Interest Income/Other Revenue	994	994	615	62%	880	(265)	-30%
215 and 216 HCD BLOCK GRANT	994	994	615	62%	880	(265)	-30%
225 ASSET SEIZURE	1,631	1,631	929	57%	1,343	(414)	-31%
229 LIGHTING AND LANDSCAPE	207,135	207,135	1,665	1%	2,605	(940)	-36%
230 COMMUNITY FACILITIES DISTRICT	28,314	28,314	1,432	5%	2,017	(584)	-29%
232 ENVIRONMENTAL PROGRAMS	525,286	525,286	123,788	24%	119,265	4,524	4%
234 MOBILE HOME PARK RENT STAB.	2,447	2,447	757	31%	4,183	(3,426)	-82%
236 HOUSING MITIGATION	3,061,720	3,478,220	333,528	10%	454,230	(120,702)	-27%
240 EMPLOYEE ASSISTANCE	481	481	2,158	449%	1,839	319	17%
246 COUNTYWIDE SOLID WASTE	2,393,478	1,716,866	554,839	32%	432,896	121,943	28%
255 HOUSING SUCCESSOR AGENCY	418,260	418,260	37,627	9%	266,243	(228,615)	-86%
260 PUBLIC ART	869	869	323	37%	-	323	n/a
TOTAL SPECIAL REVENUE FUNDS	14,311,356	14,051,244	3,092,343	22%	2,969,957	122,386	4%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	2,324,852	2,324,852	142,266	6%	1,652,734	(1,510,468)	-91%
302 PARK MAINTENANCE	1,008,792	1,008,792	16,423	2%	37,028	(20,605)	-56%
303 LOCAL DRAINAGE	3,672,294	3,672,294	32,639	1%	358,199	(325,560)	-91%
304 LOCAL DRAINAGE/NON AB1600	28,357	187,838	31,830	17%	69,667	(37,837)	-54%
306 AGRICULTURE & OPEN SPACE PRESERVATION	10,461	10,461	54,685	523%	44,221	10,464	24%
308 STREET CIP	7,777,340	7,777,340	595,709	8%	619,781	(24,073)	-4%
309 TRAFFIC IMPACT	3,584,714	3,584,714	160,189	4%	1,162,573	(1,002,384)	-86%
315 PUBLIC SAFETY FACILITIES IMPACT	2,217,137	2,217,137	602,711	27%	1,294,174	(691,463)	-53%
346 PUBLIC FACILITIES NON-AB1600	26,226	26,226	16,733	64%	33,350	(16,616)	-50%
347 PUBLIC FACILITIES IMPACT	994,483	994,483	39,529	4%	289,455	(249,926)	-86%
348 LIBRARY	2,180,740	2,180,740	220,121	10%	1,186,079	(965,958)	-81%
350 UNDERGROUNDING	47,258	47,258	15,511	33%	23,179	(7,668)	-33%
360 COMMUNITY/REC IMPACT FUND	3,802,095	3,802,095	232,061	6%	1,962,035	(1,729,973)	-88%
375 QUIMBY FEE	4,268,487	4,268,487	58,803	1%	1,221,556	(1,162,753)	-95%
TOTAL CAPITAL PROJECTS FUNDS	31,943,236	32,102,717	2,219,210	7%	9,954,030	(7,734,820)	-78%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	302,376	302,376	76,155	25%	76,167	(12)	0%
441 POLICE FACILITY BOND	394,304	394,304	98,303	25%	97,239	1,064	1%
TOTAL DEBT SERVICE FUNDS	696,680	696,680	174,458	25%	173,406	1,053	1%



City of Morgan Hill
 Year to Date Revenues - Fiscal Year 2025-26
 For the Month Ended September 30, 2025
 25% 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	17,871,000	17,871,000	3,565,870	20%	2,571,130	994,740	39%
Interest Income/Transfers	121,041	121,041	12,858	11%	26,809	(13,951)	-52%
Other Revenue/Current Charges	428,860	428,860	64,300	15%	61,381	2,919	5%
640 WASTEWATER OPERATION	18,420,901	18,420,901	3,643,027	20%	2,659,320	983,708	37%
641 WASTEWATER EXPANSION							
Interest Income	164,788	164,788	195,967	119%	276,018	(80,051)	-29%
Development Impact Fee	30,415,728	30,415,728	630,869	2%	7,580,710	(6,949,842)	-92%
641 WASTEWATER EXPANSION	30,580,516	30,580,516	826,836	3%	7,856,728	(7,029,892)	-89%
642 WASTEWATER RATE STABILIZATION	93,037	93,037	28,897	31%	40,736	(11,838)	-29%
643 WASTEWATER CAPITAL PROJECT	15,076,739	15,076,739	1,691,579	11%	1,962,726	(271,148)	-14%
TOTAL SEWER FUNDS	64,171,193	64,171,193	6,190,339	10%	12,519,510	(6,329,170)	-51%
650 WATER OPERATION							
Water Sales	21,385,800	21,385,800	4,249,968	20%	3,918,873	331,095	8%
Meter Install & Service	110,000	110,000	6,176	6%	42,665	(36,489)	-86%
Transfers-In / Interest Income	911,184	911,184	208,331	23%	219,601	(11,270)	-5%
Other Revenue/Current Charges	1,044,838	1,044,838	272,977	26%	383,585	(110,609)	-29%
650 WATER OPERATION	23,451,822	23,451,822	4,737,452	20%	4,564,725	172,727	4%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	40,273	40,273	51,300	127%	55,431	(4,131)	-7%
Development Impact Fee	4,833,886	4,833,886	239,523	5%	2,151,320	(1,911,797)	-89%
651 WATER EXPANSION	4,874,159	4,874,159	290,822	6%	2,206,751	(1,915,929)	-87%
652 WATER RATE STABILIZATION	99,247	99,247	30,908	31%	44,251	(13,343)	-30%
653 WATER CAPITAL PROJECT	7,809,380	7,809,380	1,970,662	25%	1,741,725	228,937	13%
TOTAL WATER FUNDS	36,234,608	36,234,608	7,029,844	19%	8,557,451	(1,527,608)	-18%
TOTAL ENTERPRISE FUNDS	100,405,801	100,405,801	13,220,183	13%	21,076,961	(7,856,778)	-37%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	3,038,971	3,038,971	758,663	25%	723,784	34,879	5%
740 BUILDING MAINTENANCE	1,270,189	1,270,189	320,543	25%	356,696	(36,153)	-10%
741 BUILDING REPLACEMENT	1,049,288	2,299,288	274,792	12%	285,709	(10,917)	-4%
745 CIP ADMINISTRATION	2,880,028	2,880,028	-	n/a	-	-	n/a
760 UNEMPLOYMENT INSURANCE	8,298	8,298	2,398	29%	3,627	(1,228)	-34%
770 WORKERS COMPENSATION	1,211,610	1,211,610	53,386	4%	238,932	(185,547)	-78%
790 EQUIPMENT REPLACEMENT	1,615,158	1,615,158	416,617	26%	490,125	(73,508)	-15%
791 EMPLOYEE BENEFITS	1,251,963	1,251,963	295,390	24%	288,680	6,710	2%
795 GENERAL LIABILITY INSURANCE	2,769,881	2,769,881	689,217	25%	629,026	60,191	10%
TOTAL INTERNAL SERVICE FUNDS	15,095,386	16,345,386	2,811,006	17%	3,016,580	(205,574)	-7%
TOTAL FOR ALL FUNDS	\$ 220,289,468	\$ 221,587,983	\$ 27,609,791	12%	\$ 43,494,386	\$ (15,884,595)	-37%



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2025-26
 For the Month Ended September 30, 2025
 25% 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	\$ 54,717	\$ 631,504	\$ 224,309	\$ -	\$ 224,309	36%	\$ 153,255
	CITY ATTORNEY	(26,691)	1,151,353	178,556	58,877	237,433	21%	219,853
	CITY MANAGER	(31,123)	1,041,692	153,275	-	153,275	15%	107,144
	HUMAN RESOURCES	(3,218)	1,032,289	227,706	-	227,706	22%	258,475
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	(11,198)	627,757	120,429	-	120,429	19%	119,556
	Elections	(204)	38,516	8,087	-	8,087	21%	(369)
	COUNCIL SVCS & RECORDS MGMT	(11,402)	666,273	128,516	-	128,516	19%	119,186
	FINANCE	(7,763)	2,574,249	415,562	75,983	491,545	19%	430,007
	TOTAL ADMINISTRATION	(25,480)	7,097,361	1,327,925	134,860	1,462,785	21%	1,287,920
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	347,258	7,541,945	1,810,931	1,560,462	3,371,394	45%	1,970,500
	Recreation Facility Rentals	65,236	1,451,514	282,131	92,222	374,353	26%	123,315
	Innovative Transit	-	-	-	-	-	n/a	141,491
	Community Services	16,815	883,254	192,829	87,271	280,100	32%	137,648
	Park Maintenance	71,543	1,563,784	252,905	16,314	269,219	17%	235,122
	Environmental Services	37,504	885,890	175,797	-	175,797	20%	136,888
	Countywide Solid Waste Program	(841)	546,317	107,583	-	107,583	20%	103,674
	Street Maintenance	161,070	3,600,422	688,957	1,674	690,631	19%	601,965
	Downtown Maintenance	27,741	398,326	65,438	16,478	81,916	21%	46,171
	PD Building Maintenance	35,876	729,167	134,691	72,196	206,888	28%	96,184
	Cable Television	6,670	91,406	22,551	-	22,551	25%	22,400
	COMMUNITY SERVICES	768,871	17,692,025	3,733,814	1,846,618	5,580,432	32%	3,615,358
	CODE COMPLIANCE	(513)	420,943	92,475	-	92,475	22%	84,614
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	17,188	644,253	106,267	-	106,267	16%	86,116
	ECONOMIC DEVELOPMENT PROGRAMS	(1,011)	1,418,834	215,422	20,404	235,826	17%	183,839
	TOTAL COMMUNITY SERVICES	784,536	20,176,055	4,147,978	1,867,022	6,015,000	30%	3,969,927
III. PUBLIC SAFETY								
POLICE								
	PD Administration	(64,260)	1,964,769	418,756	26,003	444,759	23%	408,684
	Field Operations	(541,527)	14,237,974	2,939,280	240,213	3,179,493	22%	2,396,048
	Support Services	163,411	2,766,134	666,794	-	666,794	24%	604,744
	Emergency Services/Haz Mat	(4,902)	278,548	53,013	-	53,013	19%	53,026
	Special Operations	(239,025)	4,405,650	933,335	-	933,335	21%	992,227
	Dispatch Services	(13,830)	2,426,058	525,689	-	525,689	22%	495,038
	POLICE	(700,133)	26,079,133	5,536,866	266,216	5,803,081	22%	4,949,767
	FIRE	834,207	11,212,073	2,831,719	-	2,831,719	25%	2,749,307
	TOTAL PUBLIC SAFETY	134,074	37,291,206	8,368,585	266,216	8,634,801	23%	7,699,074
IV. TRANSFERS								
	Other	104,923	1,418,558	314,769	-	314,769	22%	364,558
	TOTAL TRANSFERS	104,923	1,418,558	314,769	-	314,769	22%	364,558
	TOTAL GENERAL FUND	998,053	65,983,180	14,159,258	2,268,097	16,427,355	25%	13,321,478



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2025-26
 For the Month Ended September 30, 2025
 25% 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	463	857,492	145,569	-	145,569	17%	148,089
205	PUBLIC SAFETY/SUPP.LAW	115	101,380	345	-	345	0%	338
206 DEVELOPMENT SERVICES FUND								
	Planning	16,669	1,734,431	369,968	-	369,968	21%	348,550
	Building	43,066	3,331,894	638,463	142,350	780,813	23%	575,328
	Engineering	33,632	1,837,532	348,917	316,688	665,605	36%	331,026
206	DEVELOPMENT SERVICES FUND	93,367	6,903,857	1,357,348	459,037	1,816,385	26%	1,254,904
207	LONG RANGE PLANNING	92,792	2,201,195	311,215	406,782	717,997	33%	197,307
215/216	CDBG	8	90	23	-	23	25%	22
225	ASSET SEIZURE	70	840	210	-	210	25%	205
229	LIGHTING AND LANDSCAPE	11,783	221,603	29,534	21,663	51,197	23%	37,507
230	COMMUNITY FACILITIES DISTRICT	1,287	24,377	6,842	-	6,842	28%	6,347
232	ENVIRONMENTAL PROGRAMS	5,580	470,920	82,985	9,900	92,885	20%	86,923
234	MOBILE HOME PARK	81	970	242	-	242	25%	238
236	HOUSING MITIGATION	4,554	2,488,831	199,933	-	199,933	8%	179,829
240	EMPLOYEE ASSISTANCE	1,764	21,010	1,933	-	1,933	9%	248
246	COUNTYWIDE SOLID WASTE PROGRAM	46,997	1,927,635	140,990	758,844	899,834	47%	232,214
255	HOUSING SUCCESSOR AGENCY	(3,501)	1,375,331	395,632	364,781	760,413	55%	379,409
260	PUBLIC ART	536	6,430	1,607	-	1,607	25%	1,576
TOTAL SPECIAL REVENUE FUNDS		255,894	16,601,960	2,674,409	2,021,008	4,695,417	28%	2,525,156
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	166,611	4,134,937	249,328	1,099,524	1,348,852	33%	263,971
302	PARK MAINTENANCE	54,167	650,000	163,850	-	163,850	25%	164,091
303	LOCAL DRAINAGE	20,167	2,618,694	929,382	32,628	962,010	37%	9,597
304	LOCAL DRAIN. NON-AB1600	47,159	556,459	47,698	143,500	191,198	34%	8,561
306	AGRICULTURE & OPEN SPACE PRESERVATI(K	10,731	128,770	32,192	-	32,192	25%	32,039
308	STREET CIP	115,555	7,569,224	139,683	46,508	186,191	2%	1,986,194
309	TRAFFIC IMPACT	43,384	4,050,898	125,782	256,621	382,403	9%	263,159
315	PUBLIC SAFETY FACILITIES IMPACT	51,519	4,651,282	168,120	1,004,933	1,173,053	25%	1,034,539
346	PUBLIC FAC.NON AB1600	117,917	291,774	125,414	105,789	231,203	79%	19,529
347	PUBLIC FACILITIES IMPACT	2,465	2,838,513	7,395	1,010,368	1,017,763	36%	323,226
348	LIBRARY IMPACT	17,957	215,486	53,871	-	53,871	25%	678,404
350	UNDERGROUNDING	105	1,050,456	315	-	315	0%	309
360	COMM/REC CENTER IMPACT	9,573	4,438,720	54,878	141,524	196,402	4%	211,210
375	QUIMBY FEE	301,348	11,203,793	551,742	4,164,002	4,715,744	42%	957,666
TOTAL CAPITAL PROJECTS FUNDS		958,657	44,399,006	2,649,649	8,005,397	10,655,047	24%	5,952,494
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	289	294,598	868	-	868	0%	851
441	POLICE FACILITY BOND DEBT	383	389,293	1,150	-	1,150	0%	1,126
TOTAL DEBT SERVICE FUNDS		673	683,891	2,018	-	2,018	0%	1,977



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2025-26
 For the Month Ended September 30, 2025
 25% 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	1,128,293	18,456,050	4,237,521	51,410	4,288,931	23%	2,682,362
641	WASTEWATER CAPITAL EXPANSION	94,346	49,012,211	297,325	292,987	590,311	1%	1,812,474
642	WASTEWATER RATE STABILIZATION	168	2,010	503	-	503	25%	491
643	WASTEWATER CAPITAL PROJECTS	945,308	33,236,798	1,010,834	5,103,842	6,114,676	18%	1,455,782
TOTAL SEWER FUND(S)		2,168,114	100,707,069	5,546,183	5,448,239	10,994,421	11%	5,951,110
WATER								
	Water Operations	1,238,862	21,768,518	4,202,205	487,019	4,689,224	22%	3,707,846
	Utility Billing	18,513	1,547,081	292,118	-	292,118	19%	266,742
	Water Conservation	(1,054)	451,335	59,703	73,087	132,790	29%	60,447
650	WATER OPERATIONS	1,256,320	23,766,933	4,554,026	560,106	5,114,132	22%	4,035,035
651	WATER CAPITAL EXPANSION	206,476	11,503,055	336,894	2,086,996	2,423,890	21%	186,970
652	WATER RATE STABILIZATION	125	1,500	375	-	375	25%	368
653	WATER-CAPITAL PROJECTS	626,402	28,017,341	699,900	7,264,218	7,964,118	28%	483,613
TOTAL WATER FUND(S)		2,089,323	63,288,829	5,591,194	9,911,321	15,502,515	24%	4,705,986
TOTAL ENTERPRISE FUNDS		4,257,438	163,995,898	11,137,377	15,359,559	26,496,936	16%	10,657,095
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	(10,450)	3,072,099	708,349	18,440	726,789	24%	683,825
740	BUILDING MAINTENANCE	46,942	1,332,278	233,772	17,235	251,007	19%	322,519
741	BUILDING REPLACEMENT	75,412	3,696,301	148,740	463,882	612,621	17%	393,810
745	CIP ADMINISTRATION	3,917	2,746,811	596,819	-	596,819	22%	511,910
760	UNEMPLOYMENT	-	15,000	2,937	-	2,937	20%	3,922
770	WORKERS COMPENSATION	18,663	1,007,970	712,017	-	712,017	71%	646,194
790	EQUIPMENT REPLACEMENT	11,011	599,178	256,650	35,528	292,179	49%	528,047
791	EMPLOYEE BENEFITS FUND	42,361	1,000,000	135,910	-	135,910	14%	130,414
795	GEN. LIABILITY INSURANCE	25,917	2,623,909	2,388,978	-	2,388,978	91%	2,034,731
TOTAL INTERNAL SERVICE FUNDS		213,773	16,093,546	5,184,173	535,085	5,719,258	36%	5,255,372
REPORT TOTAL		\$ 6,684,487	\$ 307,757,481	\$ 35,806,883	\$ 28,189,146	\$ 63,996,029	21%	\$ 37,713,573



City of Morgan Hill
Fund Activity Summary - Fiscal Year 2024-25
For the Month Ended September 30, 2025
25% of Year Complete

Fund No.	Fund Description	Unaudited Beg Fund Balance 07-01-25	Revenues		Expenses		Year to-Date Deficit or Carryover	Preliminary Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
010	GENERAL FUND	\$ 26,948,255	\$ 6,092,592	11%	\$ 14,159,258	21%	\$ (8,066,666)	\$ 2,268,097	\$ 16,613,493
TOTAL GENERAL FUND		\$ 26,948,255	\$ 6,092,592	11%	\$ 14,159,258	21%	\$ (8,066,666)	\$ 2,268,097	\$ 16,613,493
202	STREET MAINTENANCE	75,854	\$ 144,179	17%	\$ 145,569	19%	\$ (1,390)	\$ -	\$ 74,464
205	PUBLIC SAFETY/SUPPL. LAW	523,410	4,541	4%	345	19%	4,196	-	527,606
206	DEVELOPMENT SERVICES	(1,031,227)	1,643,080	28%	1,357,348	20%	285,732	459,037	(1,204,533)
207	LONG RANGE PLANNING	1,219,462	242,881	29%	311,215	14%	(68,334)	406,782	744,346
215 / 216	CDBG	34,690	615	62%	23	25%	592	-	35,282
225	ASSET SEIZURE	107,136	929	57%	210	25%	719	-	107,855
229	LIGHTING AND LANDSCAPE	214,107	1,665	1%	29,534	13%	(27,869)	21,663	164,575
230	COMMUNITY FACILITIES DISTRICT	169,530	1,432	5%	6,842	28%	(5,410)	-	164,120
232	ENVIRONMENTAL PROGRAMS	576,223	123,788	24%	82,985	18%	40,803	9,900	607,126
234	MOBILE HOME PK RENT STAB.	86,775	757	31%	242	25%	514	-	87,289
235	SENIOR HOUSING	245,426	-	n/a	-	n/a	-	-	245,426
236	HOUSING MITIGATION	9,109,270	333,528	10%	199,933	8%	133,595	-	9,242,865
240	EMPLOYEE ASSISTANCE	60,337	2,158	449%	1,933	9%	226	-	60,563
246	COUNTYWIDE SOLID WASTE	360,737	554,839	32%	140,990	7%	413,848	758,844	15,741
255	HOUSING SUCCESSOR AGENCY	3,230,526	37,627	9%	395,632	29%	(358,005)	364,781	2,507,740
260	PUBLIC ART	37,920	323	37%	1,607	25%	(1,284)	-	36,636
TOTAL SPECIAL REVENUE FUNDS		\$ 15,020,176	\$ 3,092,343	22%	\$ 2,674,409	16%	\$ 417,934	\$ 2,021,008	\$ 13,417,102
301	PARK DEV. IMPACT FUND	\$ 3,298,774	\$ 142,266	6%	\$ 249,328	6%	\$ (107,062)	\$ 1,099,524	\$ 2,092,188
302	PARK MAINTENANCE	2,054,152	16,423	2%	163,850	25%	(147,427)	-	1,906,725
303	LOCAL DRAINAGE	4,518,059	32,639	1%	929,382	35%	(896,743)	32,628	3,588,688
304	LOCAL DRAINAGE/NON-AB1600	1,344,145	31,830	17%	47,698	9%	(15,867)	143,500	1,184,778
306	AG. AND OPEN SPACE PRESERVATION	1,600,469	54,685	523%	32,192	25%	22,492	-	1,622,961
308	STREET CIP	4,518,484	595,709	8%	139,683	2%	456,025	46,508	4,928,001
309	TRAFFIC IMPACT FUND	2,629,914	160,189	4%	125,782	3%	34,408	256,621	2,407,700
315	PUBLIC SAFETY FACILITIES IMPACT	(6,894,240)	602,711	27%	168,120	4%	434,590	1,004,933	(7,464,582)
346	PUBLIC FACILITIES NON-AB1600	1,880,148	16,733	64%	125,414	43%	(108,680)	105,789	1,665,679
347	PUBLIC FACILITIES IMPACT FUND	1,302,131	39,529	4%	7,395	0%	32,134	1,010,368	323,897
348	LIBRARY IMPACT FUND	3,502,406	220,121	10%	53,871	25%	166,250	-	3,668,656
350	UNDERGROUNDING	1,731,031	15,511	33%	315	0%	15,196	-	1,746,227
360	COMM/REC CTR IMPACT FUND	4,530,347	232,061	6%	54,878	1%	177,184	141,524	4,566,007
375	QUIMBY FEE	6,736,104	58,803	1%	551,742	5%	(492,939)	4,164,002	2,079,163
TOTAL CAPITAL PROJECT FUNDS		\$ 32,751,924	\$ 2,219,210	7%	\$ 2,649,649	6%	\$ (430,440)	\$ 8,005,397	\$ 24,316,087
420	CIVIC CENTER DEBT	\$ 192,703	\$ 76,155	25%	\$ 868	0%	\$ 75,288	\$ 83	\$ 267,908
441	POLICE FACILITY BOND DEBT	162,556	98,303	25%	1,150	0%	97,153	109	259,600
TOTAL DEBT SERVICE FUNDS		\$ 355,259	\$ 174,458	25%	\$ 2,018	0%	\$ 172,441	\$ 191	\$ 527,509
640	WASTEWATER OPERATIONS	\$ 4,071,098	\$ 3,643,027	20%	\$ 4,237,521	23%	\$ (594,494)	51,410	3,425,194
641	WASTEWATER IMPACT FUND*	22,641,769	826,836	3%	297,325	1%	529,511	292,987	22,878,293
642	WASTEWATER RATE STABILIZATION	3,226,384	28,897	31%	503	25%	28,395	-	3,254,779
643	WASTEWATER CAPITAL PROJECTS	23,988,360	1,691,579	11%	1,010,834	3%	680,745	5,103,842	19,565,263
650	WATER OPERATIONS	4,405,083	4,737,452	20%	4,554,026	19%	183,426	560,106	4,028,403
651	WATER IMPACT FUND*	5,747,243	290,822	6%	336,894	3%	(46,071)	2,086,996	3,614,176
652	WATER RATE STABILIZATION	3,450,823	30,908	31%	375	25%	30,533	-	3,481,356
653	WATER -CAPITAL PROJECT	22,898,194	1,970,662	25%	699,900	2%	1,270,762	7,264,218	16,904,738
TOTAL ENTERPRISE FUNDS		\$ 90,428,954	\$ 13,220,183	13%	\$ 11,137,377	7%	\$ 2,082,806	\$ 15,359,559	\$ 77,152,201
730	INFORMATION SERVICES	\$ 880,494	\$ 758,663	25%	\$ 708,349	23%	\$ 50,314	\$ 18,440	\$ 912,368
740	BUILDING MAINTENANCE	355,211	320,543	25%	233,772	18%	86,771	17,235	424,746
741	BUILDING REPLACEMENT	4,392,689	274,792	12%	148,740	4%	126,053	463,882	4,054,860
745	CIP ENGINEERING	7,113	-	n/a	596,819	22%	(596,819)	-	(589,706)
760	UNEMPLOYMENT	287,174	2,398	29%	2,937	20%	(539)	-	286,635
770	WORKERS COMPENSATION	1,978,237	53,386	4%	712,017	71%	(658,632)	30,000	1,289,605
790	EQUIPMENT REPLACEMENT	9,979,994	416,617	26%	256,650	43%	159,966	35,528	10,104,432
791	EMPLOYEE BENEFITS FUNDS	383,874	295,390	24%	135,910	14%	159,480	-	543,354
795	GEN. LIABILITY INSURANCE	1,139,856	689,217	25%	2,388,978	91%	(1,699,761)	-	(559,905)
TOTAL INTERNAL SERVICE FUNDS		\$ 19,404,642	\$ 2,811,006	17%	\$ 5,184,173	32%	\$ (2,373,167)	\$ 565,085	\$ 16,466,390



City of Morgan Hill
Fund Activity Summary - Fiscal Year 2024-25
For the Month Ended September 30, 2025
25% of Year Complete

Fund No.	Fund Description	Unaudited Beg Fund Balance 07-01-25	Revenues		Expenses		Year to-Date Deficit or Carryover	Preliminary Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved

SUMMARY BY FUND TYPE

GENERAL FUND GROUP	\$ 26,948,255	\$ 6,092,592	11%	\$ 14,159,258	21%	\$ (8,066,666)	\$ 2,268,097	\$ 16,613,493
SPECIAL REVENUE GROUP	15,020,176	3,092,343	22%	2,674,409	16%	417,934	2,021,008	13,417,102
DEBT SERVICE GROUP	355,259	174,458	25%	2,018	0%	172,441	191	527,509
CAPITAL PROJECTS GROUP	32,751,924	2,219,210	7%	2,649,649	6%	(430,440)	8,005,397	24,316,087
ENTERPRISE GROUP	90,428,954	13,220,183	13%	11,137,377	7%	2,082,806	15,359,559	77,152,201
INTERNAL SERVICE GROUP	19,404,642	2,811,006	17%	5,184,173	32%	(2,373,167)	565,085	16,466,390
TOTAL ALL GROUPS	\$ 184,909,210	\$ 27,609,791	12%	\$ 35,806,883	12%	\$ (8,197,092)	\$ 28,219,337	\$ 148,492,781

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 Manager's Signature Authority

Contracts and Agreements Between \$25,000 to \$75,000 Entered From 8/4/2025 to 10/31/2025

Vendor Name	Description of Service	Begin Date	End Date	Department	Amount
Morgan Hill Historical Society	MOU - funding of Support Maintenance of Villa Mira Monte	8/5/2025	6/30/2026	PS	\$35,000
Morgan Hill Kiwanis Club	MOU - Funding for Holiday Lights Parade	8/5/2025	6/30/2026	PS	\$41,000
North American Youth Activites LLC, DBA Kidz Love Soccer	Provide youth soccer classes and/or camps	8/29/2025	6/30/2026	PS	\$40,000
Silicon Valley Synergy	Ad-hoc real estate and financial analysis for housing division	9/3/2025	6/30/2026	DS	\$25,000
South County Community Services	Case management services for MH Safe "Focus" program	9/26/2025	6/30/2026	DS	\$68,346
Healthier Kids Foundation	MOU - Funding for Health Screenings for children	10/1/2025	6/30/2025	PS	\$26,000
Tesco Controls, LLC	On-Call Technical Services and Software for SCADA	10/15/2025	4/30/2028	E&U	\$40,000