



City Council

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, March 18, 2026

6:00 p.m.

**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 it before joining 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 first from those attending in person, 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 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, at least two full business days before the start of the meeting.

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PROCLAMATIONS

Youth Arts Month

Women's History Month

PRESENTATIONS

YAC Presentation - Developmental Asset #17: Creative Activities

CITY COUNCIL REPORTS

Council Member Iwanaga

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

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 ORDINANCE NO. 2375, NEW SERIES, ROSEWOOD MEDICAL CAMPUS ZONING MAP AND PLANNED DEVELOPMENT (PD) MASTER PLAN AMENDMENT**

Recommendation:

Waive the reading, adopt Ordinance No. 2375, 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.

2. **APPROVE AGREEMENT FOR ANNUAL WELL SITE AND BOOSTER STATION PAINTING**

Recommendation:

1. Award a Maintenance Service Agreement to Vivid-Accent Painting Co. in the not to exceed amount of \$180,000 for annual painting of the City's well sites and booster stations; and
2. Authorize the City Manager to execute and administer an agreement with Vivid-Accent Painting Co.

3. **APPROVE THIRD AMENDMENT TO AGREEMENT WITH LUHDORFF AND SCALMANINI FOR TWO TEST WELLS**

Recommendation:

Approve and authorize the City Manager to execute and administer the third Amendment to Agreement with Luhdorff and Scalmanini Consulting Engineers to add \$68,000, for a new total not to exceed contract amount of \$415,100.

4. **APPROVE THE MARCH 4, 2026 CITY COUNCIL MEETING MINUTES**

Recommendation:
Approve the March 4, 2026 City Council Meeting Minutes.

5. **AUTHORIZE A LEASE AMENDMENT WITH COMMUNITY CHRISTIAN FOR THE FORMER EL TORO YOUTH CENTER BUILDING**

Recommendation:
Authorize the City Manager to execute a lease amendment with Community Christian for the use of the El Toro Building.

OTHER BUSINESS

6. **APPOINT ELISA TOLENTINO AS CITY ATTORNEY**

Recommendation:
Approve employment agreement, appointing Elisa Tolentino as City Attorney for the City of Morgan Hill.

7. **PROVIDE DIRECTION ON MAKING TEMPORARY DOWNTOWN DOG PARK PERMANENT**

Recommendation:

1. Receive update referred from the Parks and Recreation Commission on Downtown Dog Park trial; and
2. Provide direction on making the temporary Downtown Dog Park permanent.

8. **PROVIDE DIRECTION REGARDING COMMUNITY FUNDING REQUESTS**

Recommendation:

1. Review applications submitted for FY 2026-27 funding cycle; and
2. Provide staff direction on funding awards to be incorporated within the City's FY 2026-27 Operating Budget.

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.



SUSTAINABLE MORGAN HILL



Vision

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

Strategic Priorities 2026-2027

- Fiscal Sustainability
- Public Safety
- Affordable Housing and Homelessness
- Economic Development and Tourism
- Transportation
- Economic Mobility

Choose Morgan Hill

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

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
- Promoting a Healthy Community



March

Developmental Asset #17

Creative Activities:

Youth spends three or more hours per week in lessons or practice in music, theater, or other arts.



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

Extra-curricular Activities

Kasey Hare

Active member



- ASB leadership
- Working on my time management skills
- Sisterhood Support Club

Rhea Sandhu

Active Member



- Acting
- Content creation
- Photography

“You can’t use up creativity. The more you use, the more you have.” - Maya Angelou





CITY COUNCIL STAFF REPORT

MEETING DATE: March 18, 2026

PREPARED BY:

Vicky Rossi, Deputy City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2375, NEW SERIES, ROSEWOOD MEDICAL CAMPUS ZONING MAP AND PLANNED DEVELOPMENT (PD) MASTER PLAN AMENDMENT

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2375, 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

Supporting our Youth, Seniors, and Entire Community

Advocating for Local, Regional, and State Legislative Initiatives

2026-2027 Strategic Priorities

Economic Development and Tourism

Guiding Documents

Economic Blueprint

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

On March 4, 2026, the City Council introduced Ordinance No. 2375 New Series, by the following roll call vote: AYES: Vega, Iwanaga, Librers, Martinez Beltran, Turner; NOES: None; ABSTAIN: None; ABSENT: None.

The proposed PD Master Plan Amendment would allow development of up to 275,000 square feet of medical and related commercial uses on the medical campus portion of the Rosewood Master Plan area. The amendment modifies adopted development standards and the PD land use table. Key components include a limitation on non-medical square footage as well as pacing standards mandating any non-medical development must be paired with medical uses.

COMMUNITY ENGAGEMENT:

Inform/Consult:

Community engagement for this item has focused on informing the public and providing

formal opportunities to comment consistent with CEQA and City noticing requirements. Engagement actions to date:

- A project webpage has been established and is updated routinely with project materials, notices, and environmental documents.
- A project identification sign was posted on the site in accordance with Planning Division requirements.
- Public hearing noticing for the Planning Commission was completed through mailed notices to property owners and occupants in the surrounding area. For thoroughness, noticing was expanded beyond the minimum 600-foot radius to include full neighborhood blocks in the vicinity of the site to improve notice coverage and reduce the likelihood of inconsistent notice within the same block.
- CEQA public outreach was conducted for the Draft SEIR, including formal circulation of the document for public review and comment.
- A community open house was held during the Draft SEIR public review period to receive verbal comments for the public record.
- Written comments were received from public agencies and members of the public during the Draft SEIR review period, and responses are included in the Final SEIR.

Following Council action, future development would require submittal of a more detailed site plan and project program through subsequent discretionary permits, including a Design Permit and, if applicable, Conditional Use Permit(s). These future entitlements would include public noticing and are anticipated to return to the Planning Commission for approval due to the scale and significance of the proposed medical campus development.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

In November 2020, the City Council approved the original Lillian Commons Medical Mixed-Use Master Plan, including the PD Master Plan, Zoning Map Amendment, Tentative Parcel Map, and a Mitigated Negative Declaration under CEQA. The residential portion of the project is now under construction, and the applicant has requested amendments to the PD Master Plan to expand medical campus development capacity and update development standards. The City Council considered these amendments and introduced the ordinance on March 4, 2026.

FISCAL AND RESOURCE IMPACT:

This item is included in the Development Services Department work program and is processed on a cost-recovery basis. The applicant funds City staff time and any consultant support through planning and environmental review application fees. No direct City expenditures are requested or anticipated. This work is part of routine current planning and CEQA administration, does not require additional staffing, and is not expected to materially affect other departmental priorities or day-to-day service levels.

CEQA (California Environmental Quality Act):

The Rosewood Medical Mixed-Use Master Plan was previously evaluated under CEQA through a 2020 Initial Study/Mitigated Negative Declaration. Because the proposed amendments to the medical campus portion of the project could result in new or more severe impacts, the City prepared a Subsequent Environmental Impact Report evaluating air quality, greenhouse gas emissions and energy, noise, and transportation; the Final SEIR concludes that all impacts would be reduced to less-than-significant levels with mitigation.

ORDINANCE NO. 2375, NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING A ZONING MAP AMENDMENT AND PLANNED DEVELOPMENT (PD) MASTER PLAN AMENDMENT FOR THE ROSEWOOD (FORMERLY LILLIAN COMMONS) MEDICAL MIXED-USE PROJECT (FILE NOS. AAE2022-0008 / EA2022-0011) LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF JUAN HERNANDEZ DRIVE AND BARRETT AVENUE (APNS 817-09-040 AND 817-09-057)

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

ZONING MAP AMENDMENT FINDINGS (MHMC 18.114.060)

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

The project site is designated for commercial and mixed-use development under the Morgan Hill 2035 General Plan and is governed by the Rosewood (formerly Lillian Commons) Medical Mixed-Use Master Plan. The proposed Zoning Map Amendment and Planned Development Master Plan Amendment would allow expanded medical and healthcare-related uses within an area that was specifically planned and reserved for such uses under the original Master Plan. The amendment supports General Plan policies related to mixed-use development, employment-generating uses, access to healthcare services, and economic development. No specific plan applies to the site. Therefore, the proposed amendment is consistent with the General Plan, in compliance with Government Code Section 65860.

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

The proposed amendment has been evaluated through preparation of a Final Subsequent Environmental Impact Report in compliance with the California Environmental Quality Act. The environmental analysis evaluated potential impacts related to air quality, greenhouse gas emissions, noise, and transportation. With implementation of identified mitigation measures, all impacts would be reduced to a less-than-significant level. The amendment does not introduce incompatible land uses and retains discretionary review through future Design Permit approvals. As a result, the proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

SECTION 3. Finding 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 project site is a large, master-planned property that has been previously entitled for medical and mixed-use development. The site is relatively flat, previously disturbed, and served by existing public infrastructure, including roadways, utilities, and access to regional transportation facilities. The size and configuration of the site are sufficient to accommodate expanded medical campus development, including structured parking and appropriate buffering from adjacent residential uses. The proposed amendment builds upon the established Planned Development framework and includes future discretionary review to ensure compatibility with surrounding properties. Therefore, the site is physically suitable for the proposed land uses and development standards.

PLANNED DEVELOPMENT COMBINING DISTRICT FINDINGS (MHMC 18.30.050.H.7)

SECTION 4. Finding A: The proposed development is consistent with the general plan, zoning code and any applicable specific plan or area plan adopted by the city council.

The project site is designated for mixed-use development under the Morgan Hill 2035 General Plan and is governed by the Rosewood (formerly Lillian Commons) Medical Mixed-Use Planned Development Master Plan. The proposed PD Master Plan Amendment would allow expanded medical and healthcare-related uses within an area specifically planned and reserved for such uses. The amendment supports General Plan policies related to mixed-use development, employment-generating uses, access to healthcare services, and economic development. No specific plan or area plan applies to the site. Therefore, the proposed development is consistent with the General Plan and Zoning Code.

SECTION 5. Finding B: The proposed development is superior to the development that could occur under the standards applicable in the existing zoning districts.

Development under the existing base zoning districts would provide less flexibility to accommodate modern medical campus design, structured parking, and evolving healthcare delivery models. The Planned Development framework allows for coordinated site planning, shared infrastructure, and design flexibility. The proposed PD Master Plan Amendment enables a more efficient, cohesive, and thoughtfully planned medical campus than would be achievable under standard zoning regulations, resulting in superior site design and functionality.

SECTION 6. Finding C: The proposed project will provide a substantial public benefit. The public benefit provided shall be of sufficient value as determined by the Planning Commission to justify deviation from the standards of the zoning district that currently applies to the property.

The Planning Commission determined that the proposed amendment provides substantial public benefit by expanding local access to healthcare services, supporting Morgan Hill's role as a regional medical and service center, and creating employment opportunities in a key economic sector. The amendment enables development of a comprehensive medical campus that can reduce the need for residents to travel outside the City for specialized care and supports efficient land use, economic diversification, and long-term community health objectives, which collectively justify the requested deviations from standard zoning development standards.

SECTION 7. Finding D: The site for the proposed development is adequate in size and shape to accommodate the proposed land uses.

The medical campus portion of the Rosewood Master Plan consists of approximately 9.6 acres within a larger master-planned development. The site is relatively flat, previously disturbed, and of sufficient size and configuration to accommodate expanded medical office development, structured parking, internal circulation, landscaping, and buffering from adjacent residential uses. The site's size and shape are adequate to support the proposed land uses and development standards.

SECTION 8. Finding E: Adequate transportation facilities, infrastructure, and public services exist or will be provided to serve the proposed development.

The project site is served by existing roadway infrastructure, utilities, and public services. A Transportation Analysis prepared for the project evaluated CEQA transportation impacts using Vehicle Miles Traveled (VMT). It also included a traffic operations analysis using the City's General Plan Level of Service (LOS) methodology as supplemental information for General Plan consistency and future permitting. The analysis assumed up to 275,000 square feet under a worst-case scenario, with a probable 225,000 square foot scenario also evaluated, and it accounted for existing and previously approved conditions. The Transportation Analysis identifies intersections where project traffic could contribute to adverse operations under certain scenarios and identifies potential operational improvements. Any LOS-related operational improvements are not included as mitigation in the MMRP. Instead, they would be evaluated and, if warranted, incorporated through future discretionary approvals and conditions of approval, as determined necessary by the City Engineer. With implementation of applicable transportation requirements through future permits, and with utilities and public services provided consistent with City standards, adequate transportation facilities, infrastructure, and public services

will exist or will be provided to serve the proposed development.

SECTION 9. Finding F: The proposed development will not have a substantial adverse effect on surrounding property and will be compatible with the existing and planned land use character of the surrounding area.

Medical and healthcare-related uses are compatible with the surrounding residential, commercial, and public facility uses. The PD Master Plan Amendment does not approve final building design or site layout; compatibility will be ensured through future Design Permit review addressing building height, massing, setbacks, landscaping, and buffering. Environmental impacts have been evaluated through the Final Subsequent Environmental Impact Report and mitigated to a less-than-significant level. Accordingly, the proposed development will not have a substantial adverse effect on surrounding properties.

SECTION 10. Finding G: Findings required for the concurrent approval of a Zoning Map Amendment can be made.

As demonstrated in the Zoning Map Amendment findings, the proposed amendment is consistent with the General Plan, will not be detrimental to public health, safety, or welfare, is internally consistent with the Zoning Code, and the site is physically suitable for the proposed uses and development standards. Therefore, all required findings for concurrent approval of the Zoning Map Amendment can be made.

SECTION 11. The request was considered by the Planning Commission at its regular meeting of February 10, 2026, at which time the Planning Commission recommended approval of the Zoning Map Amendment and Planned Development Master Plan Amendment application AAE2022-0008 for the Rosewood (formerly Lillian Commons) Medical Campus Master Plan as described in the attached Exhibit "A" dated October 30, 2019, revised on March 13, 2020, October 6, 2020 and February 10, 2026, and by this reference incorporated herein. The City Council accepts the recommendation of the Planning Commission that the land uses proposed for conversion from conditional to permitted remain conditional and that Assisted Living Facilities and Skilled Nursing Facilities be allowed only with a Conditional Use Permit. The City Council also further accepts the recommendation of City Staff that daycare facilities, farmers markets, restaurants, and hotel/motel uses shall be permitted within the Medical Campus when ancillary to, and subordinate to, medical uses as determined during future discretionary review.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE 4th DAY OF MARCH 2026, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 18th DAY OF MARCH 2026, 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. 2375, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 18th day of March 2026.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT "A"

PD Master Plan Zoning Amendment / General Plan Amendment/
Application for Development Permit

Rosewood/Morgan Hill Medical Campus A Mixed Use Development

BFH CM Commercial, LLC-Applicant

Introduced March 4, 2026



Originally Prepared by EMC Planning Group
Updated by City of Morgan Hill City Staff March 4, 2026

INTRODUCTION

This Planned Development (PD) Master Plan has been prepared pursuant to the requirements of the City of Morgan Hill Municipal Code, and submittal requirements of the Community Development Department. This PD Master Plan also incorporates the requirements for a General Plan Amendment; the property has been concurrently re-designated from Commercial to Mixed Use Flex.

The PD Master Plan covers an area of approximately 19.7 acres east of Juan Hernandez Drive and north of Tennant Avenue. Refer to PD Master Plan section 4.5 for maps illustrating the plan boundary.

The PD Master Plan presents the following required information:

- Planning objectives;
- Community benefits;
- Land uses and approvals;
- Development standard deviations requested;
- Circulation plan;
- Locations of public facilities and open space;
- Diagrams showing various aspects of planned development;
- Development phasing; and
- Ongoing obligations

The PD Master Plan provides an overlay to the base Commercial Services (CS) zoning district. The purpose of the CS zoning district is to provide an area for commercial services that may be inappropriate in neighborhood or pedestrian-oriented shopping areas, and which generally require automotive access for customer convenience, servicing of vehicles or equipment, loading or unloading, or parking of commercial service vehicles.

The purpose of the Planned Development (PD) combining district is to allow for high quality development that deviates from standards and regulations applicable to base zoning districts in the City of Morgan Hill. Permitted land uses may deviate from the land use regulations of the applicable base zoning district, in this case Service Commercial, provided the PD combining district allows only those land uses permitted in the applicable general plan land use designation.

PLANNING OBJECTIVES

The PD Master Plan is designed to achieve the following planning objectives:

- Build off existing medical offices to provide a complete medical services center within the City.
- Include flex zoning that would allow a small commercial component with retail/restaurant uses to serve the employees and visitors to the medical office/hospital uses as well as the surrounding community.
- Provide housing for the medical office/ hospital uses that would be affordable to the employees of these uses.
- Provide high-density housing in proximity to a school, commercial services, and employment opportunities.

COMMUNITY BENEFITS AND GENERAL PLAN AMENDMENT JUSTIFICATION

3.1 Planned Development Community Benefits

The PD Master Plan will provide the following community benefits to the City of Morgan Hill:

- Provide the City with a well-rounded medical center featuring medical offices, urgent care/ pharmacy, and hospital beds.
- Provide the City with additional high-density housing to help the City achieve its Regional Housing Needs Allocation for lower income housing, and construct affordable housing units.
- Provide the neighborhood and City with open space, courtyards, and plazas that

provide opportunities for people to informally meet and gather.

- Provide the neighborhood and City with pedestrian and bicycle pathways that enhance circulation within the property and connect to the surrounding neighborhood.
 - Locate housing in proximity to parks, a school, retail, and employment opportunities to reduce vehicle miles traveled and greenhouse gas emissions.
 - Provide the City with green buildings and sustainable development features. These will include photovoltaic renewable energy and meeting or exceeding Title 24 standards by three to five percent.
 - Provide accessible parks and open space beyond the minimum required by the City. Park land will be dedicated to the City and the project will provide a walking/ jogging trail around the perimeter of the property to facilitate healthy living.

3.2 General Plan Amendment Justification

The PD Master Plan incorporates an amendment to the 2035 General Plan designation for the property to Mixed Use Flex (MU-F). The general plan amendment is necessary to permit the residential and hospital uses. Under the PD zoning, only those uses allowed in the property's general plan land use designation may be permitted by the PD zoning, and the general plan amendment to Mixed Use Flex accomplishes that purpose.

The 2035 General Plan defines the Mixed Use Flex district as follows:

The Mixed Use Flex designation, which is primarily applied to properties along the Monterey Road corridor north and south of downtown, allows for a mix of residential, commercial, and office uses applied either vertically (i.e., one structure with multiple uses) or horizontally (i.e., structures with different land uses located adjacent to one another). Density should transition from higher to lower at the ends of Monterey corridor. The Mixed Use Flex designation allows 7 to 24 units per acre and a maximum FAR of 0.5. Prior to development of Residential or Mixed-Use projects within the Mixed Use Flex designation a block level master plan is required to identify how commercial uses will be incorporated within the development of the block and how individual development projects will connect with each other. Commercial development may proceed without preparation of a block level master plan consistent with the Commercial designation. This amendment would change the FAR threshold on the medical parcels (A, B, and D) to 0.6.

This definition suits the development planned in the PD Master Plan, as the PD Master Plan conceptual Site Plan incorporates housing near the medical office/hospital uses that is intended to be affordable to the employees of these uses. The conceptual Site Plan shows how the medical office/hospital, and high-density residential uses will be arranged and connect with one another.

Best Interest of the Community

Why is the proposed amendment in the best interest of the community?

The residential uses are located within the property to provide a transition in intensity between the existing medical uses, Barrett Avenue Elementary School, and the single family residential uses abutting Juan Hernandez Drive to the west. The commercial, medical office/ hospital uses will be located adjacent to the existing medical offices, providing a campus feel on the property. The structured parking will provide adequate parking to accommodate the medical uses.

The medical office/hospital will be located close to a freeway access, and just off two thoroughfares (Tennant Avenue and Butterfield Boulevard) providing convenient access to Morgan Hill residents and those from elsewhere in the region.

Public Need

Is there currently a public need for this amendment?

The Commercial uses outlined in the 2035 General Plan, though appropriate for this property, do not include the “third leg” which provides a sustainable living solution for commercial and institutional employees. Housing, and especially affordable housing, are a critical public need throughout the State, and especially in the Bay Area. Apartments¹ are an affordable housing option for service workers and would provide employees the opportunity to eliminate their commute to work. The one and two bedroom apartments², with 15 percent affordable, would allow younger adults, families, and seniors to live and work in a sustainable manner. Additionally the proposed amendment to the 2035 General Plan for this property would go a long way toward meeting several General Plan policies, as listed below, and addressed in Section 7.0, 2035 General Plan Consistency.

Housing- Policy HE-4u: Mix of Housing Near Services. Encourage a mix of housing types in each neighborhood located convenient to shopping, services, recreation, and transit routes.

Healthy Community- Policy HC-3.8 Private Open Space. Encourage new development to permit public access to private open space and parks where feasible and appropriate.

City & Neighborhood Form- Policy CNF-13.1 Mixed Use Flex Development. Encourage a mix of uses, either vertically or horizontally, to allow residents and employees to meet daily needs without the use of the private automobile.

The proposed hospital would also provide for the public needs, adding a much-needed medical services to the City of Morgan Hill. The hospital will also provide a variety of jobs for the city and surrounding population.

¹ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

² All references to apartments instead refer to townhomes and single-family detached

dwellings as revised by the new site plan revised on October 6, 2020.

PROPERTY AND DEVELOPMENT DESCRIPTIONS

4.1 Property Description

Location

The property within the PD Master Plan is located in the City of Morgan Hill, California, on Juan Hernandez Drive between Tennant Avenue and Barrett Avenue, adjacent to South Valley Freeway (US Highway 101-Salinas Valley Freeway). [Figure 1, Regional Location Map](#), shows the property location in a regional setting. All figures discussed in this section are presented in Section 4.5. Regional access to the property is provided by US Highway 101, and local access to the property is provided by Tennant Avenue from the south and Barrett Avenue from the north. Ingress and egress to the project site will be primarily from Juan Hernandez Drive, along the western property boundary.

The approximately 19.67-acre property consists of two adjoining undeveloped parcels of land (13.94- acres and 4.04-acres) and one developed parcel (1.69-acres). [Figure 2, Location Map](#), illustrates the location of the property with the parcels delineated. [Figure 3, Assessor's Parcel Map](#), presents the parcel map for the property and the Assessor's Parcels Numbers (APNs) 817-09-041 (13.94-acres), 817-09- 039 (4.04-acres) and 817-09-040 (1.69-acres). Legal descriptions are presented in Section 9.0.

Property Characteristics

The undeveloped land is relatively flat, with several trees located on the northern parcel. Most of the property is vacant and has been farmed in the distant past. Two medical office buildings and related site improvements (driveway, parking, landscaping, and utilities) exist on the southern portion of the property as illustrated on [Figure 4, Existing Conditions Map](#).

Existing Land Use Designation and Zoning

The property is designated Commercial in the 2035 General Plan as illustrated in [Figure 5, Existing City General Plan Land Use Diagram](#), and is located in the Service Commercial zoning district with a Planned Development Combining District Overlay (PD) as illustrated in [Figure 6, Existing City Zoning Map](#).

Property Data

Project Location

City of Morgan Hill, CA (East of Juan Hernandez Drive, south of Barrett Avenue and west of US Highway 101 or Salinas Valley Freeway).

Street Address

0 and 16130 Juan Hernandez Drive, Morgan Hill, CA

Existing Assessor's Parcel Numbers

817-09-039, and 817-09-040, and 817-09-041

Acreage

Gross Property Acreage: 4.04, 1.69, and 13.94 (19.67 acres)

Net Property Acreage: 4.04, 1.69, and 13.94 (19.67 acres)

Zoning

Services Commercial District (CS) with Planned Development Combining District (PD) overlay

General Plan Designation

Mixed Use Flex (amended from Commercial)

4.2 PD Master Plan Description

General Plan Amendment

Incorporated into the PD Master Plan is an amendment to the 2035 General Plan land use diagram to change the designation for the property from Commercial to Mixed Use Flex (MU-F). [Figure 7, General Plan Amendment](#) indicated the existing and proposed land use designation.

Zoning Map Amendment

Concurrent with approval of the PD Master Plan, the property will be re-zoned by ordinance to reflect the application of the Planned Development combining district with a base CS district, and incorporation of this PD Master Plan for the property as illustrated in [Figure 8, Zoning Plat](#).

Parcel Map

A parcel map will divide the property's three existing parcels into four parcels to facilitate development or sale. The two vacant parcels would be subdivided into three parcels (A-C). The

existing medical office site (Parcel D), would be reconfigured and included as part of the overall PD Master Plan. [Figure 10](#), Site Plan, prepared by the project engineer indicates how the property will be subdivided. The three existing lots will be re-organized into four parcels: Parcel A, 6.30 acres, Parcel B, 1.62 acres, Parcel C, 10.06 acres, Parcel D, 1.69 acres.

Development

Development anticipated within the PD Master Plan would be in the range of 572,033-606,033 square feet of residential, commercial, office, and/or institutional uses, including up to 150 multi-family dwelling units. All land uses permitted in the PD Master Plan are presented in Section 5.0.

[Figure 10, Site Plan](#), is presented in Section 4.5. Figure 10 illustrates probable build-out on-site, which is commensurate with the low end of the square footage range indicated above. Figure 10B illustrates an alternative build-out that reflects the high end of the square footage range. The conceptual Site Plan (Figure 10) anticipates the uses described below. The square footage of each use is that provided on the conceptual Site Plan, and could slightly increase or decrease. These specific individual uses are for illustrative purposes only and none are individually required for future submissions to be in conformance.

- Approximately 16,000 square feet of existing medical facilities (to be retained);
- 10,000 square feet for flex commercial/medical;
- 215,000 square foot medical office, urgent care, residential care, assisted living, skilled nursing and/or hospital with a parking deck (multi-story with 46,500 square-foot footprint);
- 150-unit multifamily residential development.

All uses will share common driveway access to Juan Hernandez Drive. The conceptual Site Plan illustrates the overall development concept, including the proposed land uses, building placement, circulation patterns, parking, and open space. The descriptions in this section are based on the conceptual Site Plan.

Parcels A and B

The proposed medical/hospital facilities will occupy the buildings on Parcels A and B. Two pick-up/drop-off areas are located adjacent to the proposed buildings to assist patients. Development of Parcels A and B includes a parking structure that will be shared among the Medical uses along with access and utility infrastructure. Parcel A and B employees/residents/visitors will have access to the publicly-accessible park located on Parcel C via the sidewalk and trail connections.

Parcel C

Parcel C will be developed with 150 multifamily residential units... Parcel C may also be developed with Single Family attached and detached for-sale dwelling units or other medical office uses.

Parcel D

Parcel D includes two existing medical buildings totaling approximately 16,000 square feet and parking. The existing medical buildings will remain unless full build out is pursued at which point the buildings will be removed and replaced by buildings and/or parking.

Parkland/Open Space

The PD Master Plan includes the provision of approximately 2.0 acres of parks and open space. Amenities on Parcel C include a pickleball court, a tot lot/play area, open play lawns, shade structures, picnic tables, seating areas, and jogging/walking trail connections to adjacent sidewalk systems. If proposed, recreational parkland amenities in Parcel A could include passive recreational opportunities with a landscaped area and park benches. Trail connections are provided throughout the property including new pedestrian access to the existing medical campus (Parcel D).

Site Access/Circulation

Access to the project site will be provided by two new driveways. Rosewood Lane will provide the primary access to Parcels A-C through the middle of the property. St. James Drive will be extended into the site, forming a four-legged intersection at Juan Hernandez Drive. The existing driveway to the medical offices on Parcel D will be closed; access to the existing facilities will be provided from the St. James extension. All new accessways will be designed to meet City of Morgan Hill design and performance standards for streets, driveways, curb, gutter and sidewalks. The conceptual Site Plan provides a layout of the circulation system for the project.

Juan Hernandez Drive is a two lane street with striping at Barrett Avenue to allow for turn lanes. The street is wide enough to provide on street parking but individual spaces are not marked. Barrett Avenue is a two lane street primarily providing access to Barrett Elementary School. Two left turn lanes from Juan Hernandez Drive into the property are proposed.

Sidewalks will be extended into the property from the existing sidewalks along Juan Hernandez Drive and Barrett Avenue. Connection will be made to the existing sidewalks on Juan Hernandez Drive and Barrett Avenue. Within the project boundary, sidewalks will be provided on all internal driveways to meet Americans with Disabilities (ADA) standards. Bicycle traffic shares the paved area or uses the sidewalk. Pathways and sidewalks designated for bicycle use will meet Caltrans design standards for bikeways. The passive park with a jogging/walking trail for pedestrians, will serve as a passage way from Barrett Avenue to the south side of the property. Additionally, all the uses proposed in the development project will have pedestrian connections to the park.

Parking

Parking will be located on each parcel to meet the parking needs of the development.

Additionally, the mix of land uses will result in walking trips that will reduce parking demands for some uses. Proposed Medical site parking ratios are described below.

Signage and Lighting

A detailed signage and lighting plan will be submitted during the Design Review phase of the project review. Signage and lighting will comply with the City of Morgan Hill Municipal Code, Sections 18.88 and 18.72.060G. We anticipate signage will be located at the intersection of Juan Hernandez Drive and the main access drive into the property, currently labeled as Rosewood Lane on the conceptual Site Plan.

Additional internal signage locations have not been determined at this time.

Storm Water Infrastructure

All drainage systems will be designed to comply with City and Regional Water Quality Control Board requirements for storm water management. Bio swales will be dispersed throughout the development, and a storm water basin will be located in the southeast corner of the property. All drainage improvements will be designed and landscaped to meet City and State design criteria and performance standards. Where necessary, fencing around the ponds will consist of black chain link or decorative fencing and landscaping to shield views from US Highway 101 and onsite patrons.

Other Utilities

Sewer, water, and wastewater infrastructure will be designed and constructed in conformance with City standards. Ownership and maintenance will generally correspond to location within public or private property. Where utilities cross private property, easements will be established as necessary to provide access. Other utility infrastructure (gas, electric, communications, etc.) will be designed and constructed in conformance with State or utility standards. Ownership of these utilities will remain with the utility, with easements established as necessary to provide access.

Phasing

The proposed project would likely be constructed in phases starting with development of Parcel C, followed by development of Parcels B and D, and closing with the development of Parcel A. The hospital use will require approvals by the Office of Statewide Health Planning and Development (OSHPD) and the Division of the State Architect, some approvals could take as long as seven years, which is why it is expected to be the final element of the project to be developed. Market factors could result in a changed phasing sequence.

Conceptual Development Plans

Figure 10, *Conceptual Site Plan*, illustrates the overall development concept, including the proposed land uses, buildings, circulation patterns, parking, and open space and common areas. This plan documents the percentage of site area that will be dedicated for all types of open

space. It also illustrates the probable conceptual medical site plan layout. Figure 10B, Site Plan Alternative, illustrates a medical site layout that includes the anticipated maximum building square footage on Parcels A, B, and D.

Figure 11, Pedestrian Circulation/Open Space Plan, illustrates the connectivity of the project, how it relates to the surrounding pedestrian network, and open space proposed on the project site.

Figure 12, Illustrative Site Plan, is a conceptual color rendering of how all the elements come together on the property.

Figure 13, Conceptual Site and Utility Plan, provides locations of sewer, water and fire connection on the site plan and also shows the proposed storm water management areas.

Figure 14, Conceptual Grading Plan, provides conceptual contour grading, drainage and flood control facilities, easement, property lines, rights-of-ways, and existing features beyond the site boundaries. Structures, building footprint and floor elevations are also depicted on the conceptual Grading Plan.

Full Size Plans, Illustrative Building Elevations will be provided at the Design Review stage. The building architecture and design are expected to be inspired by a distinctly modern and geometric aesthetic, using classical materials for a timeless appearance. The elevations may be crafted of wood, stone and stucco. Transparent glazing panes may also be used to provide ample daylight and animate the buildings, flooding the interior spaces with natural light and the orthogonal volumes and surfaces complement each other. The parking deck form will be reduced in mass by using landscape screens facing US Highway 101.

Full Size Conceptual Landscape Plans, will be provided will be provided at the Design Review stage and will identify landscaped areas throughout the PD Master Plan and explain the main landscape concepts to be achieved for the project. The conceptual Landscape Plans will identify the major types of plant material to be used including street trees, parking lot trees, shrubbery to be used to screen the parking lots, and buffer plantings.

Conceptual Site Development Data

The PD Master Plan's conceptual Site Plan (see Figure 10) and the site plan alternative (Figure 10B) are used to provide the numbers that were used to prepare the project description and CEQA documentation. The Conceptual Site Plan shown in Figure 10 represents probable medical campus buildout areas; Figure 10B represents maximum medical campus buildout. The PD Master Plan allows a range of 572,033 – 606,033 square feet of commercial, office, and/or institutional floor space and a maximum of 150 multi-family or single family dwelling units. It is expected the conceptual Site Plan will be modified prior to Design Review. Modification will be kept to a limit acceptable to not trigger additional CEQA impacts or mitigation measures. If the conceptual Site Plan changes exceed this limit, additional CEQA documentation may be

necessary.

Medical / Hospital/Urgent Care/Pharmacy/Retail/Restaurant (Site Plan, Figure 10)

Building Coverage: 138,000 square feet (including the proposed Decked Parking listed directly below)

Floor Area: 241,000 square feet

Building Height: Four story (65-foot maximum including parapet)

Parking: 848 shared spaces within deck, including 30 ADA spaces (based on 9-foot-wide, 18-foot-deep parking stalls and a 25-foot-wide drive aisle)

Decked Parking

Building Coverage: 46,500 square feet

Building Height: Six story (65-feet)

Medical / Hospital/Urgent Care/Pharmacy/Retail/Restaurant (Site Plan Alternative, Figure 10B)

Building Coverage: 129,000 square feet (including the proposed Decked Parking listed directly below)

Floor Area: 275,000 square feet

Building Height: Four story (65-foot maximum including parapet)

Parking: 965 shared spaces within deck, including 30 ADA spaces (based on 9-foot-wide, 18-foot-deep parking stalls and a 25-foot-wide drive aisle)

Decked Parking

Building Coverage: 54,000 square feet

Building Height: Six story (65-feet)

Multi-Family Housing

Building Coverage: 51,750 square feet (apartments and clubhouse/leasing

office)³ **Floor Area:** 175,500 square feet – apartments; 3,000 square feet – club

house⁴ **Building Height:** Varies by building: Three story (35-foot maximum)

³ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

⁴ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

Dwelling Units: 150 Units

Parking: 359 spaces, including 8 ADA spaces, 200 covered spaces, and 7 EV spaces

Bicycle Parking: 36 covered bicycle spaces, 40 uncovered bicycle spaces

Existing Medical Buildings

Building Coverage: 15,900 square feet (12,300 square feet and 3,600 square feet)

Floor Area: 15,900 square feet

Building Height: One story

Parking: 50 existing automobile spaces, including 2 ADA spaces; and 4 uncovered bicycle spaces.

Park

Open Space / Passive Park Acreage: +/- 2.0 acres

Additional open space is provided on site in landscaped buffers including walking/jogging trails.

Total Building Coverage (Medical parcel)

(Net Property Land Area: 418,601 square feet / 9.61 acres)

Allowed: 209,300 square feet (based on 50% of net land area)

Proposed: Not to exceed 60% (Figure 10 conceptual Site Plan indicates 138,000 square feet (33% of net land area); Figure 10B Site Plan Alternative indicates 129,000 square feet (31% of net land area))

Floor Area Ratio (FAR) (Medical parcel)

(Net Property Land Area: 418,601 square feet / 9.61 acres)

Maximum FAR (per MU-F 0.5): 209,300 square feet

Proposed FAR: (0.58-0.66) 241,000 to 275,000 square feet (Figure 10 Site Plan indicates 241,000 square feet; Figure 10B indicates 275,000 square feet)

Total Square Feet (Medical)

Medical/Hospital/Urgent Care/Pharmacy/Retail/Restaurant/Skilled Nursing/Residential

Care/Assisted Living: 241,000 – 275,000 square feet

Total: 241,000 – 275,000 square feet – (does not include the medical parking structure)

Total Parking (Medical)

Proposed Vehicle Parking: 1,031 spaces total (Site Plan); 1,333 spaces total (Site Plan Alternative)

Covered Vehicle Parking: 848 spaces (Site Plan); 965 spaces (Site Plan Alternative) (within parking structure)

Surface Vehicular Parking: 183 spaces (Site Plan); 368 spaces Site Plan Alternative

Proposed Parking Ratio: 1 stall per 233 square feet (Site Plan); 1 stall per 206 square feet (Site Plan Alternative)

Bicycle Parking Required: 145 (48 covered spaces, 97 uncovered spaces)(Site Plan); 165 (55 covered spaces, 110 uncovered spaces)(Site Plan Alternative)

ADA Parking Required: 21 spaces (Site Plan); 27 (Site Plan Alternative)

Electric Vehicle (EV) Required: 21 spaces (Site Plan); 27 (Site Plan Alternative)

4.3 Implementing Approvals

After the actions noted above are complete (General Plan Amendment, Zoning Map Amendment, and Parcel Map), the following implementing actions will remain to be taken by the City prior to construction. These approvals will most likely be separate actions for each parcel within the PD Master Plan.

Final Maps. After the tentative parcel map is approved, final maps will be filed. It is anticipated that a separate final map may be filed for each parcel, along with a corresponding improvement plan.

Design Review Permits. Prior to construction, each structure will be required to obtain a design review permit. Each design review permit will be approved by resolution by the Planning Commission.

Conditional Use Permits. Some uses that are allowed within the PD Master Plan will require a conditional use permit. Each conditional use permit will be approved by resolution

by the Planning Commission.

4.4 Conditions Prior to Residential Construction

Prior to the issuance of building permits for residential construction on Parcel C, the Development Services Director shall confirm that Developer Lillian Commons L.L.C. has satisfied all

of the following criteria:

- (1) Obtained building permits for and commenced construction of:

a. Street A or B (as designated on the Conceptual Site Plan), with utility infrastructure suitable for a medical campus or hospital.

-or-

(2) Developer and healthcare provider have filed application with OSHPD, paid application fee and submitted construction documents and specifications to a warm shell standard.

4.5 Ownership and Ongoing Obligations

The PD Master Plan, General Plan Amendment, and subdivision proponent seeks to obtain City approval of the General Plan Amendment, PD Master Plan and subdivision entitlements. The applicant/ proponent intends to develop Parcel D with the Medical Center (e.g. urgent care/pharmacy, cancer center, medical offices, etc.).

Park land will be set aside within an easement upon filing of the final parcel map(s). Infrastructure will be constructed by future developers. Dedication and long-term maintenance financing of circulation, water, wastewater, and storm water infrastructure will be determined when development applications are processed.

A memorandum of agreement (MOA) or development agreement (DA) will be drafted by the applicant and distributed to the developers of each lot to allow for an orderly manner in which to provide capital improvements and maintenance of the infrastructure and common areas located throughout the property. It is expected that a shared parking agreement will be prepared as part of the MOA/DA to allow shared parking among the end users of the PD Master Plan development.

4.6 Maps and Diagrams

Maps and Diagrams are presented on the following pages.

Illustrative elevations to be replaced

Figure 15

Table 1, PD Master Plan Allowed and Conditional Uses, presents uses allowed by the PD Master Plan. The table identifies the use as a permitted (P) or conditionally permitted (C) land use. Uses in bold are new uses added to the permitted uses in the CS zoning district as part of this PD Master Plan. Some uses permitted in the CS district were eliminated from the list. The MU-F General Plan designation permits the property to be developed in a mixed use fashion allowing residential and hospital uses not currently allowed within the 2035 General Plan Commercial land use designation or the CS zoning district.

The conceptual Site Plan portrays five types of uses on the property; however, a revised site plan, or the future reuse or re-purposing of buildings after they are constructed and initially occupied, could change or add to those uses. Table 1, PD Master Plan Allowed and Conditional Uses, provides a comprehensive list of allowed and conditional land uses that could be approved within the PD Master Plan.

Table 1-1 Parcel C PD Master Plan Allowed and Conditional Uses

Use	Planned Development (PD)
Hospitals	P
Medical Offices and Clinics	P
Mixed Use Residential	P

Table 1-2 Parcels A, B, and D PD Master Plan Allowed and Conditional Uses*

Use	Planned Development (PD)
Assisted Living Facilities	C
Banks and Financial Institutions	P
Business Support Services	P
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	p ¹
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)
Emergency Shelters	C
Farmers Markets	P ¹
General Retail	P
Hospitals	P
Hotel and Motels	P ¹
Instructional Services	P
Medical Offices and Clinics	P
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	C
Residential Care Facilities, Small	C
Restaurant- Fast Food, Sit Down	P ¹
School, Public and Private	C
Skilled Nursing Facility	C
Social Services	C
Accessory Uses	(per Section 18.44)
Temporary Uses	(per Section 18.92.150)

1 – Day care centers, farmers markets, hotel and motels, and restaurants are allowed as permitted uses only when clearly incidental to, and supportive of, the primary medical-serving campus and shall not function as stand-alone primary site uses

- A. At buildout, at least 75% of the total developed gross building square footage on the Medical Campus shall be medical uses. Non-medical uses shall not exceed 25%.
- B. Medical uses include facilities providing non-residential diagnosis, treatment, surgery, imaging, or outpatient clinical services. This includes hospitals, medical office buildings, outpatient facilities, clinics, diagnostic and imaging centers, and similar uses consistent with Morgan Hill Municipal Code Title 18 and this Master Plan.
- C. The following are non-medical uses for purposes of this Master Plan and count toward the 25% cap: assisted living facilities, skilled nursing facilities, residential care facilities, nursing homes, and other long-term residential care or supportive healthcare residential uses, plus any other uses allowed by this PD that are not medical uses as defined above.
- D. Non-medical uses shall not be counted toward the 75% minimum medical square footage requirement.
- E. The City shall not approve or issue building permits for any non-medical uses until building permits have been issued for at least 50,000 square feet of medical uses.
- F. Non-medical uses may be approved concurrently only if the same phase includes at least 50,000 square feet of medical uses and the overall project will remain compliant with the 75% minimum medical and 25% maximum non-medical requirements at buildout and during all phases of the project.
- G. Any non-medical use must be clearly subordinate and incidental to the medical-serving campus and shall not function as the primary site use.

DEVELOPMENT STANDARDS

Development standards such as heights, setbacks, and building coverage within the planned development combining district are established in the PD Master Plan. Those standards may deviate from development standards in the Service Commercial base zoning district except that the maximum permitted floor area ratio and residential density may not exceed maximums established in the 2035 General Plan for the commercial land use designation. The floor area ratio for the Commercial land use designation in the 2035 General Plan is 0.6. The general plan amendment to Mixed Use Flex changes the floor area ratio to 0.5, which is reflected in the PD Master Plan. Standards in bold have been revised from those of the CS zoning district as part of this PD Master Plan. [Table 2, PD Master Plan Development Standards](#), presents the development standards.

Table 2 PD Master Plan Development Standards

Development Aspect	Parameter
Minimum Lot Size	10,000 square feet
Minimum Lot Dimensions	100-foot width; 100-foot depth
Maximum building coverage	60%
Minimum setbacks (front, rear, side, street) [1]	25, 0, 0, 15 feet (respectively)
Maximum height (exceptions 18.56.020)	Residential/Office – 3 stories or 35 feet Medical – 4 stories or 65 feet Medical Parking Structure – 6 stories or 65 feet
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
On-Site Parking	Per Section 18.72 [2]
Retail	1 space per 250 square feet of net floor area
Restaurant (sit down)	1 space per 100 square feet of net floor area
Medical Office	1 space per 250 square feet of net floor area
Residential (multi-family)	1 bedroom unit – 1 covered 2 bedroom unit – 1 covered and 1 uncovered per unit
Guest Parking	1 per 3 units (shared with Medical Office use)
Electrical Vehicle Parking	1 per 25 to 49 automobile spaces, 2 per 50 to 100 automobile spaces, plus 1 per 50 ratio over 100 automobile spaces
Non-Residential Bicycle Parking	Short term: 10% of required automobile spaces; long term (enclosed): 5% of required automobile spaces
Residential Bicycle Parking	10% of automobile spaces; long-term (enclosed), 1 per 5 units

NOTE:

[1] Outdoor seating, courtyards, and other publicly-accessible spaces **may occupy** the front setback. Residential porches and similar entry features may project **ten** feet into the front setback.

[2] Unless otherwise modified in this table.

[3] Minimum parking stall dimensions within a parking deck/parking structure: 9-foot width; 18-foot depth when the drive aisle is at least 25-foot wide

PD Master Plan Development Standards for Single Family Residential

Development Aspect	Parameter
Minimum Lot Size (Single Family Residential)	1,000 square feet
Minimum Lot Dimensions	22-foot width; 45-foot depth
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Minimum Setbacks (front, rear, interior side, street side)	5 or N/A, 5 or N/A, 0 [1] or 3, 5 feet (respectively)
Maximum Height	3 stories or 35 feet [2]
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
Open Space	Per Section 18.40-4 based on lot size
Parking Residential (Single Family) Guest Parking	Per Section 18.72 [3] 2 spaces - 1 covered space for each housing unit 1 per housing unit [4] (shared with Medical Office use)

NOTE:

[1] A setback of zero feet is acceptable on one side yard; provided, that the sum of both side yard setbacks is at least eight feet

[2] Roof elements with minimum 5:12 roof pitch may exceed the building plate height by up to eight feet.

[3] Unless otherwise modified in this table.

[4] These guest spaces may include a combination of driveway parking, alley parking, on-street parking in front of the residence, and designated guest parking spaces.

CONSISTENCY WITH 2035 GENERAL PLAN

7.1 General Plan Land Use Designations

2035 General Plan- Commercial. The Commercial designation is primarily located along arterial roadways west of US Highway 101 and along the eastern freeway frontage. This designation is intended to allow a wide range of retail businesses, administrative and executive office uses, and professional services, either in stand-alone buildings or as part of shopping centers. The largest concentrations of this designation are found along Monterey Road and at the freeway interchanges, where retail stores are emphasized. The Service Commercial overlay along Monterey Road, north of Wright Avenue, allows auto-related uses, except for sales. The Commercial designation allows a maximum FAR of 0.6 and Mixed Use Flex designation allows a maximum FAR of 0.5.

The General Plan goals and policies for Commercial with a Planned Development Combining District overlay are described below. In general, the 2035 General Plan encourages neighborhood-scale shopping near residential neighborhoods to foster walking and biking and to avoid car trips.

2035 General Plan - Mixed Use Flex. The Mixed Use Flex designation, which is primarily applied to properties along the Monterey Road corridor north and south of downtown, allows for a mix of residential, commercial, and office uses applied either vertically (i.e., one structure with multiple uses) or horizontally (i.e., structures with different land uses located adjacent to one another). Density should transition from higher to lower at the ends of Monterey corridor. The Mixed Use Flex designation allows 7 to 24 units per acre and a maximum FAR of 0.5. Prior to development of a Residential or Mixed-Use project within the Mixed Use Flex designation, a block level master plan is required to identify how commercial uses will be incorporated within the development of the block and how individual development projects will connect with each other. Commercial development may proceed without preparation of a block level master plan consistent with the Commercial designation.

Because the PD Master Plan includes a mix of uses on the property including retail, medical office, medical hospital, multi-family apartments⁵, and a park element as part of the Planned Development Combining District, Mixed Use in addition to Commercial 2035 General Plan goals and policies have been analyzed.

⁵ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

7.2 General Plan Goals and Policies

Applicable 2035 General Plan Goals, Policies, and Implementation Measures are presented in Table 3 through Table 9 below, along with an assessment of PD Master Plan consistency.

City and Neighborhood Form

Table 3 General Plan 2035 - City and Neighborhood Form Goals and Policies

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
Residential Neighborhoods-GOAL CNF-10 A variety of housing types and densities available to all residents.	Consistent: The PD Master Plan allows for a variety of housing types. The conceptual Site Plan shows multifamily residential which will provide the community with new housing types including one and two bedroom apartments. ⁶
Policy CNF-10.3 Adequate Supply of Multi-Family Housing. Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.	The PD Master Plan will assist the City in achieving an adequate housing supply as the PD Master Plan allows for 150 residential units. The conceptual Site Plan provides for a mix of residential, commercial, and medical uses that will allow for the placement of housing convenient to the shops, services, and offices, and adjacent to major transportation routes.
Policy CNF-10.6 Density Near Infrastructure. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.	Consistent: The property is adjacent to Juan Hernandez Road and Barrett Avenue in an area with existing utilities. A survey was completed by Whitson Engineers that determined there was adequate infrastructure available around the project site to support the uses identified in the PD Master Plan.
New Subdivisions-GOAL CNF-11 High quality, aesthetically pleasing, livable, sustainable, well-planned residential neighborhoods, well-connected to neighborhood services.	Consistent: The PD Master Plan's conceptual Site Plan provides a well-planned, aesthetically pleasing, livable, sustainable and well-connected residential neighborhood with integrated commercial/retail and medical offices.

⁶ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

<p>Policy CNF-11.5 Outside Connections. Require new subdivisions to provide multiple connections to the surrounding community. Methods to achieve this may include:</p> <ul style="list-style-type: none"> ▪ Providing multiple points of entry into the project for motorists, bicyclists and pedestrians. ▪ Extending the existing street pattern at the edges of the subdivision into the site. Extended streets should match the type and scale of streets to which they connect. ▪ Installing landscaping and street improvements at the edge of subdivisions that appear as common amenities shared with adjacent neighborhoods. 	<p>Consistent: As shown in the PD Master Plan conceptual Site Plan, development within the property will be designed to be compatible with the surrounding neighborhood. Multiple points of pedestrian ingress/egress are provided along Barrett Avenue and Juan Hernandez Drive, with connections to existing sidewalks. Two points of ingress/egress for vehicles and bicycles are provided along Barrett Avenue, and two along Juan Hernandez Drive. A private drive is provided along the southern portion of the property that could provide connectivity to the adjacent vacant parcel to the south when it is developed in the future. The conceptual Site Plan provides for connectivity to this adjacent vacant parcel to facilitate connectivity in anticipation of its eventual development. Residential and open space/park uses will be adjacent to existing residential uses and</p>
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General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
<ul style="list-style-type: none"> ▪ Minimizing the use of gates, fences, and walls that separate the subdivision from the surrounding community. ▪ Planning for future connections to adjacent undeveloped property. 	<p>Barrett Elementary School, and connectivity within the property will be provided via several pedestrian paths. The open space area abuts Barrett Avenue, which is adjacent to Barrett Elementary School, and will be made accessible to the school. The northern most open space/park area will be dedicated by easement for public use, including use by the Barrett Elementary School, to be used as a common amenity.</p>
<p>Policy CNF-11.10 Open Space. Require new subdivisions to feature integrated common open spaces, parks, and community facilities that serve as social and design focal points. Open spaces should be a close walking distance from all residents and should be large enough to be useful for residents.</p>	<p>The conceptual Site Plan includes approximately three acres of passive park/open space. Approximately 1.7 acres of the open space will be available to the elementary school for its use and benefit. The remainder of open space, including walking trails, serves the residential, commercial and office components of the plan, as well as neighboring residents. The open space and park areas are within walking distance of all of these uses and connected by pedestrian paths.</p>
<p>Policy CNF-12.1 Neighborhood Center Design. Allow neighborhood centers within future residential neighborhoods. Neighborhood centers are envisioned as nodes or focal points that offer neighborhood-serving services and amenities within a reasonable walking distance from adjoining residential areas. These centers should be designed to increase the accessibility of goods and services within existing residential neighborhoods, particularly for the benefit of senior citizens and those with limited mobility, and to offer opportunities for socialization.</p>	<p>Consistent: The PD Master Plan includes neighborhood serving uses and amenities including retail, restaurant, and medical office/hospital uses to serve the proposed and existing neighborhood. These uses include public gathering areas and pedestrian access. These services will be within walking distance to the existing and proposed neighborhoods and will increase the accessibility of services for the existing neighborhood, particularly for the benefit of senior citizens by providing close walkable medical offices.</p>
<p>Policy CNF-12.4 Neighborhood Center Requirements. Require future neighborhood centers to meet the following requirements:</p> <ul style="list-style-type: none"> ▪ The design of neighborhood center should provide a sense of place, promote casual interaction, and enhance overall well-being. ▪ The design of neighborhood center should complement the residential character of its immediate surroundings, including site design, access, building style, building materials, signage, lighting, and landscaping. 	<p>Consistent: The PD Master Plan conceptual Site Plan includes pedestrian pathways that connect the open space, residential, retail, and medical components of the plan. The PD Master Plan includes a small retail center and open space/park areas that, along with the pedestrian access ways, will provide gathering areas and a sense of place, thereby promoting casual interaction and overall wellbeing. The project will be required to undergo design review with the City of Morgan Hill to ensure that the design complements the residential character of the adjacent neighborhood.</p>

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
<p>Mixed Use Flex-GOAL CNF-13 Mixed use flex developments that include a variety of uses and forms to foster a dynamic urban environment.</p> <p>Policy CNF-13.1 Mixed Use Flex Development. Encourage a mix of uses, either vertically or horizontally, to allow residents and employees to meet daily needs without the use of the private automobile.</p>	<p>Consistent: The PD Master Plan allows for a variety of uses including retail, residential, and medical uses. The combination of uses within the property provides for walkability to services for residents and employees.</p>
<p>Commercial and Office- GOAL CNF-15 Sufficient, sustainable, and concentrated commercial and office uses.</p> <p>Policy CNF-15.3 Retail Uses at Major Intersections. Encourage retail sales use at major intersections as the focus of clustered commercial development.</p>	<p>Consistent: The PD Master Plan provides for clustered commercial, medical, and retail uses near a major intersection at the south side of Morgan Hill.</p>
<p>Policy CNF-15.5 Office Development. Encourage new regional and local-serving office development at appropriate locations.</p>	<p>Consistent: The PD Master Plan allows for medical offices / hospital uses to create a campus of medical offices to serve the community and region.</p>
<p>Commercial / Industrial-GOAL CNF-18 Integrated job-generating centers that offer workers and businesses a range of services to meet their daily needs.</p> <p>Policy CNF-18.1 Vibrant Job Centers. Encourage land with a Commercial/Industrial designation to develop with job-generating uses with amenities that support workers and businesses, such as restaurants, lodging, fitness centers, and hair salons.</p>	<p>Consistent: The PD Master Plan allows for concentrated and integrated retail, medical offices and hospital uses that will provide jobs for the City and the surrounding neighborhood. The medical office/ hospital is expected to produce approximately 472 jobs. The PD Master Plan also allows for amenities such as restaurants, and personal services to serve the neighborhood and the surrounding community.</p>

Housing

Table 4 General Plan 2035 - Housing Goals and Policies

General Plan Housing Goals and Policies	Consistency Analysis
<p>Goal HE-4 A range of housing types for all age groups, served by transit, recreational amenities, shopping, and health and personal services, that allows residents to age in place.</p>	<p>Consistent: The PD Master Plan allows for a range of housing types including one and two bedroom units and affordable units. The PD Master Plan allows for housing conveniently co-located with services including medical office / hospital and retail uses. Residents of the neighborhood would live within walking distance of health and personal services that would allow for them to age in place.</p>
<p>Policy HE-4u: Mix of Housing Near Services. Encourage a mix of housing types in each neighborhood located convenient to shopping, services, recreation, and transit routes.</p>	<p>The PD Master Plan allows for a range of housing types including one and two bedroom units and affordable units. The PD Master Plan allows for housing conveniently co-located with services including medical office / hospital, retail uses, open space/park uses, and Barrett Elementary School. The nearest Valley Transportation Authority bus route is located more than one mile from the property, but the applicant is open to the establishment of service at the property.</p>

Economic Development

Table 5 General Plan 2035 - Economic Development Goals and Policies

General Plan Economic Development Goals and Policies	Consistency Analysis
<p>Policy ED-7.4 Compatible Uses in Retail Centers. Encourage the evolution of retail centers into mixed-use activity nodes by supporting integration of uses that provide necessary or useful services or amenities that will benefit nearby residential areas and commercial establishments. Such uses may include but shall not be limited to:</p> <ul style="list-style-type: none"> a. Health services and fitness facilities. b. Childcare. c. Housing, including affordable and senior housing. d. Religious facilities. e. Education/training facilities. f. Parks/community facilities/public gathering places. 	<p>Consistent: The PD Master Plan provides a mix of retail and medical uses convenient to the proposed and existing adjacent neighborhood. The medical and retail uses will provide health and retail services and amenities to the existing and proposed neighborhood. The PD Master Plan also includes public plaza and gathering locations.</p>
<p>GOAL ED-8 Office and industrial areas that provide high-quality work locations for existing and new businesses.</p> <p>Policy ED-8.1 Office and Industrial Development. Support the development of office and industrial facilities to meet local demand, compete for regional growth opportunities, and create high-quality jobs that match with local housing opportunities.</p>	<p>Consistent: The PD Master Plan allows for medical and retail uses to meet local demand and create high quality jobs. The PD Master Plan also allows for residential uses thereby providing local housing opportunities adjacent to places of employment.</p>

Healthy Community

Table 6 General Plan 2035 - Healthy Community Goals and Policies

General Plan Healthy Community Goals and Policies	Consistency Analysis
<p>Parks, Recreation, and Trails- GOAL HC-3 Usable, complete, well-maintained, safe, and high-quality activities and amenities, including active and passive parks and recreational facilities, community gardens, and trails that are accessible to all ages, functional abilities, and socio-economic groups.</p>	<p>Consistent: As shown in the conceptual Site Plan, the PD Master Plan includes over three acres of passive park areas, open space buffer areas, and a tot lot connected by meandering pedestrian pathways. The passive park and open space on the property will allow for multiple activities for all socio-economic groups, functional ability, and ages.</p>
<p>Policy HC-3.8 Private Open Space. Encourage new development to permit public access to private open space and parks where feasible and appropriate.</p>	<p>Consistent: The PD Master Plan identifies open space areas that will be available to residents and patrons of the medical and retail facilities.</p>

General Plan Healthy Community Goals and Policies	Consistency Analysis
<p>Access to Health Care- GOAL HC-7 Access for all residents to health care facilities and other important community health amenities.</p> <p>Policy HC-7.2 Professional Education. Encourage increased education and professional development resources to support students and employees in the health care field.</p>	<p>Consistent: The PD Master Plan provides for 130,400square feet of medical facilities and important health amenities for residents. It is expected that a wide variety of medical practices will be provided within a campus setting that could encourage increased professional development resources to support students/interns in the health care field.</p>

Transportation

Table 7 General Plan 2035- Transportation Goals and Policies

General Plan Transportation Goals and Policies	Consistency Analysis
<p>GOAL TR-3 A coordinated, continuous network of streets and roads.</p> <p>Policy TR-3.16 Private Development Access along Arterials. Require development that occurs along arterial streets to obtain access through a local street or major entrance and not through curb cuts directly onto the arterial street wherever possible.</p>	<p>Consistent: The property is not accessed directly from an arterial. Tennant Avenue and Butterfield Boulevard are the nearest arterials too the property. The property is accessed from Juan Hernandez Drive and Barrett Avenue, which connect to these arterials.</p>
<p>Policy TR-3.17 Planned Development Access near Highway 101. Require Planned Developments (PDs) for commercial, office, or industrial uses at the intersections of Highway 101 and arterial streets to take access from a public street intersecting with the arterial street at a minimum distance of 600 feet from the freeway on and off ramps, unless the City Engineer finds that direct access to the arterial street or closer access will meet safety standards, or that mitigating actions will be taken to ensure safe access and minimum interference with traffic flows.</p>	<p>Consistent: Access to the property will be from Juan Hernandez Drive and Barrett Avenue. Juan Hernandez Drive is an existing City street that intersects Tennant Avenue at a safe distance from the offramp of US Highway 101. The nearest property driveway is more than 700 feet north of Tennant Avenue.</p>

<p>Parking-GOAL TR-5 Adequate off-street parking.</p> <p>Policy TE-5.1 Adequate Parking Supply. Ensure that all developments provide adequate and convenient parking...</p>	<p>Consistent: The conceptual Site Plan provides for a 500-space parking structure and 96 additional spaces for the existing and proposed medical uses, 55 spaces for the retail use, and 359 spaces for residential use, which totals 1,010 on-site parking spaces. Based on the parking demand study, the parking supply for the entire project is proposed to total 1,010 spaces, as indicated in the study. The total gross parking requirement for the entire project is 965 spaces using the more conservative approach. There will be an overall surplus of about 45 spaces using City gross parking requirements with selected ITE peak parking rates. The project therefore will provide an adequate total parking supply to meet the overall project demand.</p> <p>Parking is conveniently located within walking distance to the various uses, and can be easily facilitated through a shared parking arrangement.</p>
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<p>Policy TR-5.3 Parking Lot Connection. Require cross-connection of parking lots, where feasible and practical, at the time of design review for all commercial and industrial developments.</p>	<p>Consistent: As shown in the PD Master Plan conceptual Site Plan, parking lots are cross-connected where practical.</p>
<p>Bikeways-GOAL TR-8 A useable and comprehensive bikeway system that safely connects neighborhoods with workplaces and community destinations.</p> <p>Policy TR-8.12 Bicycle Parking. Bicycle parking and other supportive facilities shall be provided at all schools, parks, recreation facilities, commercial centers, civic buildings (including the library), transit centers, and workplaces based on the recommendations and standards in the Bikeways Master Plan.</p>	<p>Consistent: Existing bike lanes on Juan Hernandez Drive will serve the development providing a safe bikeway system to get to and from the property. Bicycle parking will be provided at each use on the property to encourage residents, employees, and patrons to use alternative means of transportation. On-site bicycle parking will adhere to the Bikeways Master Plan guidelines, and zoning code requirements.</p>
<p>Pedestrian Network- GOAL TR-9 Expanded pedestrian opportunities.</p> <p>Policy TR9.7 Concurrent Implementation. Where feasible, implement the trails and pedestrian system concurrent with adjacent developments.</p>	<p>Consistent: As shown in the conceptual Site Plan, sidewalks and pathways will be provided throughout the property to encourage walking on the campus. Sidewalks connect to those located on adjacent streets to provide connectivity.</p>
<p>Policy TR 10.3 and TR-10.4 Flexible Work Hours. Encourage employers to provide a flexible set of working hours to ease traffic congestion. Carpooling. Support a Countywide car/ vanpool matching program.</p>	<p>Consistent: The applicant will provide educational materials to end uses or future developers to encourage employers to provide flexible work hours, carpooling options, and other alternative transportation methods as may be available. Bay Area employers with 50 or more full-time employees within the Bay Area Air Quality Management District geographic boundaries are required to register and offer commuter benefits to their employees in order to comply with Air District Regulation 14, Rule1.</p>

Natural Resources and Environment

Table 8 General Plan 2035 - Natural Resources and Environment Goals and Policies

General Plan Natural Resources and Environment Goals and Policies	Consistency Analysis
<p>Water Quality and Conservation - GOALNRE-7 Conservation of water resources.</p> <p>Policy NRE-7.1 Water Standards for Private Development. Promote water conservation and efficient water use in all private development projects. Require development to exceed State standards for the use of water.</p>	<p>Consistent: Water saving measures will be implemented on the development project in the way of “green” design features. Very low flow toilets, efficient landscaping, and water capture and reuse will be used to conserve water.</p>

Policy NRE-7.3 Water Efficiency and Landscaping. Promote water conservation and efficient water use in all public and private landscaping plans.	Consistent: Drought tolerant and area-suitable landscape materials will be utilized on the development project to promote water conservation.
EnergyEfficiency-GOALNRE-16Conservationofenergy resources. Policy NRE-16.1 Energy Standards for New Development. New development, including public buildings, should be designed to exceed State standards for the use of energy.	Consistent: New development will be designed consistent with energy standards that meet and exceed the City and State standards for use of energy.
Policy NRE-16.7 Renewable Energy. Encourage new and existing developmenttoincorporate renewable energy generating features, like solar panels and solar hot water heaters.	Consistent: Future development of the property will adhere to new State climate change regulations, which include requirements to provide solar energy and otherwise reduce electrical use. Design approval of development is required, during which the merits of the project site plan and design will be considered, including renewable energy.

Safety, Services, and Infrastructure

Table 9 General Plan 2035- Safety, Services, and Infrastructure Goals and Policies

General Plan Safety, Services and Infrastructure Goals and Policies	Consistency Analysis
<p>Noise GOAL SSI-8 Prevention of noise from interfering with human activities or causing health problems.</p> <p>Policy SSI-8.1 Exterior Noise Level Standards. Require new development projects to be designed and constructed to meet acceptable exterior noise level standards (see Table SSI-1), as follows:</p> <ul style="list-style-type: none"> ▪ Apply a maximum exterior noise level of 60 dBA Ldn in residential areas where outdoor use is a major consideration (e.g., backyards in single-family housing developments and recreation areas in multi-family housing projects). Where the City determines that providing an Ldn of 60 dBA or lower cannot be achieved after the application of reasonable and feasible mitigation, an Ldn of 65 dBA may be permitted. ▪ Indoor noise levels should not exceed an Ldn of 45 dBA in new residential housing units. 	<p>Consistent: The conceptual Site Plan includes a 25 foot buffer from the US Highway 101 off-ramp and places the parking and parking garage closest to the freeway to further buffer the medical and residential uses. Residentially occupied buildings are located a minimum of 250 feet from the US Highway101s through lanes. A noise analysis was completed for the project that determined all exterior and interior noise levels would be met with implementation of the recommendations contained therein. Mitigation measures will be implemented when the buildings are constructed to ensure the acceptable noise levels are met.</p>

<ul style="list-style-type: none"> ▪ Noise levels in new residential development exposed to an exterior Ldn 60dBA or greater should be limited to a maximum instantaneous noise level (e.g., trucks on busy streets, train warning whistles) in bedrooms of 50dBA. Maximum instantaneous noise levels in all other habitable rooms should not exceed 55 dBA. The maximum outdoor noise level for new residences near the railroad shall be 70 dBA Ldn, recognizing that train noise is characterized by relatively few loud events. 	
<p>Policy SSI-8.4 Office Noise Level Standards. Interior noise levels in office buildings should be maintained at 45 dBA Leq (hourly average) or less, rather than 45 dBA Ldn (daily average).</p>	<p>Consistent: Mitigation measures including noise reduction measures and emergency generator noise suppressors will be implemented when the buildings are constructed to ensure the acceptable noise levels are met. A noise analysis is provided as part of the CEQA documentation.</p>
<p>Policy SSI-8.9 Site Planning and Design. Require attention to site planning and design techniques other than sound walls to reduce noise impacts, including: a) installing earth berms, b) increasing the distance between the noise source and the receiver; c) using non-sensitive structures such as parking lots, utility areas, and garages to shield noise sensitive areas; d) orienting buildings to shield outdoor spaces from the noise source; and e) minimizing the noise at its source.</p>	<p>Consistent: Building location was taken into account in the conceptual Site Plan to locate sensitive uses a minimum of 250feetfromthethroughlanes of US Highway101. Building placement and strategically placed landscaping will help to minimize noise at its source. Additionally, the noise analysis recommends an 8 foot sound wall along Highway 101 to reduce noise impacts to the residential component of the project.</p>

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PD MASTER PLAN AND ZONING FINDINGS

8.1 PD Master Plan Findings

The following statements describe how the PD Master Plan complies with the findings required for the approval of a planned development project per Municipal Code Section 18.30.050.H.7 (Findings).

General Plan and Zoning Consistency

- a. *The proposed development is consistent with the general plan, zoning code and any applicable specific plan or area plan adopted by city council.*

Finding

The PD Master Plan incorporates an amendment of the 2035 General Plan. The 2035 General Plan designation of Mixed Use Flex with a seven dwelling unit per acre minimum and 24 dwelling unit per acre maximum will allow the residential uses proposed within the PD Master Plan and the hospital use, not currently an allowed use on the property. Section 7 outlines in greater detail how the PD Master Plan is consistent with the goals and policies of the 2035 General Plan. As allowed by Municipal Code Section 18.30.050, the PD Master Plan identifies several changes to the development standards that apply in the CS district; these changes include increased building heights and modifications to parking standards for shared parking arrangements. The floor area ratio is reduced from 0.6 to 0.5. The Planning Commission will have say on two aspects of future development, to ensure consistency with zoning regulations. Design approval is required for all development, during which the merits of the site plan and architectural design will be considered. Some uses may require a conditional use permit, and those will require a hearing to determine suitability. During these reviews, consistency with zoning code requirements will be analyzed as they specifically relate to the development project. The PD Master Plan is not located within a specific plan or area plan.

Superior to Development Under Existing Zoning

- b. *The proposed development is superior to the development that could occur under the standards applicable in the existing zoning districts.*

Finding

The PD Master Plan allows a mix of compatible uses, including a much-needed residential component to provide sustainability to the remainder of the uses, and a retail and medical office / hospital component to provide work opportunities to the neighborhood and community. The urgent care/ pharmacy would provide a convenient location for the surrounding neighborhood and patrons to the school to utilize the services it will provide. The affordable multi-family residential uses will allow tenants to age in place, and will provide a near-by down-sizing option for empty nesters in the adjacent single family houses. The passive park with a walking/jogging trail system, located along Barrett Avenue and US Highway 101, will allow for enjoyment by the retail and medical office employees and visitors, as well as by the apartment residents⁷ and residents of the surrounding neighborhood. The high-density residential use will allow elementary school-aged children to walk to Barrett Elementary School. The retail area will provide convenience services to both the medical/office uses and residents.

Substantial Public Benefit

- c. *The proposed project will provide a substantial public benefit as defined in Paragraph 8 (Substantial Public Benefit Defined) below. The public benefit provided shall be of sufficient value as determined by the planning commission to justify deviation from the standards of the zoning district that currently applies to the property.*

Substantial Public Benefit Defined. When used in this section, "substantial public benefit" means a project feature not otherwise required by the zoning code or any other provision of local, state, or federal law that substantially exceeds the city's minimum development standards and significantly advances goals of the general plan. A project must include one or more substantial public benefits to be rezoned as a planned development. The public benefit provided shall be of sufficient value as determined by city council to justify deviation from the standards of the zoning district that currently apply to the property. Examples of substantial public benefits include but are not limited to:

- a. ***Housing that is affordable to lower-income households.***
- b. ***Public plazas, courtyards, open space, and other public gathering places that provide opportunities for people to informally meet and gather.***
- c. ***New or improved pedestrian and bicycle pathways that enhance circulation within the property and connectivity to the surrounding neighborhood.***
- d. ***Green building and sustainable development features that substantially exceed the city's minimum requirements.***
- e. *Preservation, restoration, or rehabilitation of a historic resource.*
- f. *Increased transportation options for residents and visitors to walk, bike, and take public transit to destinations and reduce greenhouse gas emissions.*
- g. ***Publicly accessible parks and open space beyond the minimum required by the city or other public agency.***

h. Habitat restoration and or protection of natural resources beyond the minimum required by the city or other public agency.

⁷ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

Finding

The items shown in bold above are items for which the PD Master Plan exceeds the City's minimum development standards.

Affordable Housing. The PD Master Plan adds residential uses on the property in conjunction with an amendment to the 2035 General Plan. The residential units are planned at a density of about 20 units per acre, thus increasing the inherent affordability, and 15 percent of the units will be deed restricted affordable units. The PD Master Plan proponent agrees to enter into a contract with the City to ensure the continued affordability of all affordable rental units for 55 years or a longer period of time if required by an applicable construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for the lower income density bonus units will be set at an affordable rent as defined in Section 50053 of the Health and Safety Code.

Single Family for-sale units will comply with the City of Morgan Hill Municipal Code Section 18.48.070, and the city shall ensure that the initial occupant of all affordable for-sale units are households of low-, very low-, or moderate-income, as applicable, that the units are offered at an affordable housing cost as defined in Health and Safety Code Section 50052.5, and that affordability covenants and restrictions continue for 55 years.

Under Municipal Code Section 18.156, residential units are subject to Residential Development Control System (RDCS), and require an application for Residential Building Allotment for any units proposed. SB-330 (2019 – Nancy Skinner) was recently signed by the Governor and eliminates this program that is designed to meter new housing development over time.

Parks and Public Gathering Places. A passive park along Barrett Avenue, a passive park between the retail and medical uses, and installation of a walking/jogging trail around the perimeter of the property are proposed to provide a public benefit. The two park areas encompass approximately 2.20 acres of land. This acreage does not include the walking trail within other open areas of the property. This area can be used by residents, employees, and the general public as they visit the uses on the project site. The tenants on the property may also use the passive park as an amenity for people to informally meet and gather.

Pedestrian and Bicycle Pathways. Pathways are proposed within the park to allow walking opportunities and exercise for seniors and youth. Walkways will connect from the park to all other uses on the property and to the surrounding local streets to provide full connectivity. This will encourage visitors to walk, bike, and use other forms of transportation to reduce greenhouse gas emissions and promote a healthy community. The pathways will provide a connection between the high-density residential uses and Barrett Elementary School, and will connect all uses to the retail commercial area.

Because the development is a Commercial subdivision, the applicant is technically not required to dedicate open space per Title 17, Section 17.28.150. However the proponents, because they are submitting for a PD Master Plan, would like to dedicate a portion of the property as park area, available to the public and to the adjacent Barrett Elementary School. The minimum required open space for this project, if it were a multi-family subdivision, would be to provide recreation amenities in the amount

of .0088 acres per dwelling unit, at 200 dwelling units this would equal 1.76 acres of land. The park area and open space adjacent to Barrett Avenue is approximately 1.73 acres and would be dedicated with an easement, and be available to the general public. Additional public open space is provided where the pathway continues along US Highway 101. Additional open space and amenities are provided for private use of the multi-family residences (approximately 0.70 acres) and as a break area for the employees (approximately 0.44 acres); these would remain in private ownership.

Green and Sustainable Design. The buildings and site furnishings will include green building and sustainable development features such as LED smart lighting, solar power, very low flow toilets, and building materials to encourage healthy indoor air quality.

Residential market-rate and affordable housing rental units are proposed to provide a sustainable land use pattern that reduces the number and length of vehicle trips. This higher density residential and mixed use development is within walking distance to Barrett Elementary School, and will also provide for convenient services within walking distance for the on-site employees and residents.

Bicycle parking and pathways are provided to promote alternative modes of transportation. Landscaping will be designed to meet and exceed the state standards for water conservation, including low water use trees and shrubs, and plantings to provide shade to reduce the need for excessive building cooling.

Community Benefits from the Project

Healthcare Facilities. The PD Master Plan would provide much needed medical facilities to serve the community. The Urgent Care/Pharmacy would reduce trips traveled to receive routine medical care. The Cancer Center would provide services to meet the growing need for this service in the area.

Retail Component. Providing an appropriately sized retail/restaurant building would provide onsite workers the opportunity to have breakfast or lunch within walking distance from their place of employment, avoiding automobile travel.

Creates Jobs for Morgan Hill. The hospital, urgent care/pharmacy, medical office and retail uses proposed will provide varied work opportunities for the people living in Morgan Hill and the surrounding area.

Parks and Public Gathering Places. A passive park along Barrett Avenue, a passive park between the retail and medical uses, and installation of a walking/jogging trail around the perimeter of the property are proposed to provide a public health benefit. The two park areas encompass approximately 2.20 acres of land. It is expected the Restaurants will also have outdoor dining areas, providing places to gather.

Pedestrian and Bicycle Pathways. Pathways are proposed within the parks to allow walking opportunities and exercise for all ages. Walkways will connect from the park and to all other uses on the property and to the sidewalks on the surrounding streets, providing full connectivity.

Affordable Housing. The PD Master Plan adds residential uses on the property in conjunction with an amendment to the 2035 General Plan. As proposed in the Conceptual Site Plan, the residential units

are planned at a density of about 20 units per acre, thus increasing the inherent affordability, and 15 percent of the units will be deed restricted affordable units. If the project is designed with Single Family for-sale units, affordable housing will be provided per the City code.

School Drop-off. The project will help to alleviate the parking and drop-off issues associated with Barrett Avenue Elementary School. Cross walks will be installed on both adjoining streets to enhance walkability to and from the project. Parking to serve the school and public is expected to be provided in the park adjacent to Barrett Avenue.

Green and Sustainable Design. The buildings and site furnishings will include green building and sustainable development features.

Landscape the Site. The development will provide abundant landscaping throughout to create a green and aesthetic feel, as well as screen development from the traffic on US Highway 101, Juan Hernandez Drive and Barrett Avenue.

Restore Habitat. The project tree and landscape planting will enhance wildlife on the project site as well as provide a visually pleasing atmosphere for the surrounding area. Flowering plants and trees are proposed to accomplish this restoration. Adequate Property Size

Adequate Property Size

d. The site for the proposed development is adequate in size and shape to accommodate proposed land uses.

Finding

With approximately 19.67 acres of land, there is adequate land area to provide the uses proposed in the PD Master Plan. The medical office / hospital uses proposed are intentionally located adjacent to the existing medical office to promote a walkable medical campus. The retail uses, including public services, are proposed along the active local street to ensure visibility and ease of access by the surrounding residential uses and provide easy access by the residents and employees on the property. Residential uses, providing affordable housing, are located on the property to provide adequate separation from the highway and close proximity to the passive park and Barrett Elementary School.

The PD Master Plan under a Mixed Use Flex general plan designation, which includes multi-family residential uses, retail commercial and restaurant, medical office/hospital uses, and open space parks, will provide a dynamic environment of compact living. This will allow residents and employees to meet daily needs and lessen the need for a private automobile.

Adequate Infrastructure

e. Adequate transportation facilities, infrastructure, and public services exist or will be provided to serve the proposed development.

Finding

The PD Master Plan, which abuts the US Highway 101 off-ramp, is surrounded on two sides by local streets and has a driveway connection just south of the existing medical offices, used for access to the medical campus and additional driveways are proposed for site access. Juan Hernandez Drive and Barrett Avenue are existing local streets with the capacity to handle the development of this property. Circulation to the property from within Morgan Hill is provided by Tennant Avenue and Butterfield Boulevard. Public utilities exist in the surrounding streets and can serve the proposed development.

Compatible with Surroundings

- f. The proposed development will not have a substantial adverse effect on surrounding property and will be compatible with the existing and planned land use character of the surrounding area.*

Finding

The PD Master Plan deviates from the approved commercial zoning existing on the property by the addition of hospital and multi-family residential uses. With the incorporated general plan amendment to Mixed Use Flex, and the mixed use development envisioned in the conceptual Site Plan, suitable transitions between the existing uses will be provided. There are no uses included in the conceptual Site Plan that would have an adverse effect on the surrounding residential and school uses. The existing residential uses adjacent to Juan Hernandez Drive and Barrett Avenue, and Barrett Elementary School will benefit from the retail and restaurant uses that the PD Master Plan provides. The park and open space provided on the property will benefit the adjacent Barrett Elementary School and the adjacent residences. The high density residential use will provide a suitable buffer between the adjacent single-family residences and school, and the walkable medical campus. The uses proposed will not cause odors, health risks, or safety issues to the surrounding sensitive uses. Adequate measures will be taken during the construction phase to protect the surrounding property from noise, vibration, dust, and construction traffic.

Zoning Map Findings

- g. Findings required for the concurrent approval of a zoning map amendment can be made.*

Finding

The project site is in a Services Commercial zoning district with a PD combining overlay so the finding can be made that it is consistent with the zoning map. Amending the 2035 General Plan use to allow the residential and hospital use will not alter the zoning map.

8.2 Zoning Amendment Findings

The following statements describe how the PD Master Plan complies with the findings required for the approval of a planned development project per Municipal Code Section 18.114.060 - Findings for Approval.

A. *Findings for all Zoning Code and Zoning Map Amendments.*

General Plan Consistency

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

Finding

With the general plan amendment that is incorporated into the PD Master Plan, the zoning map amendment is consistent with the 2035 General Plan. The general plan land use diagram amendment from Commercial to Mixed Use Flex allows specific residential uses to be included in the CS district with the PD overlay.

Public Interest, Health, Safety, Convenience, Welfare

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

Finding

The multi-family residential uses would be beneficial to the public interest, health, safety, convenience, and welfare of the city. The multi-family residential uses would provide more opportunities for residents to work near the medical offices, retail uses, and medical/hospital facility on the property, all of which provide job opportunities for the onsite and surrounding residential uses. The residential uses, including 15 percent affordable units, would also allow seniors the opportunity to age in place, consistent with 2025 General Plan policy. Providing residential uses in close proximity to the commercial and office uses would also reduce the greenhouse gas emissions if the residents were employees or were patrons of the proposed uses, and would enable school-aged children to walk to school. The multi-family residential housing added on this property, when capped at 150 units, would not create an overload on the local street system. Additionally, where the housing is positioned on the property allows for a step down from the existing residential and public facility use to the denser office and commercial uses. The hospital use would also be beneficial to the public interest, health, safety, convenience, and welfare of the city. The hospital would provide much needed medical service to the community and a variety of job opportunities.

Internal Consistency

- B. *Additional Finding for Zoning Code Text Amendments. The proposed amendment is internally consistent with other applicable provisions of the zoning code.*

Finding

No changes to the existing zoning code text will be made. The PD Master Plan continues to rely on Zoning Code development standards for the most part. Several deviations from established standards are specifically outlined in the PD Master Plan, consistent with the regulations for establishing PD districts and PD Master Plans. There would be no internal inconsistencies as a result of the PD Master Plan.

Physically Suitable Site

- C. *Additional Finding for Zoning Map Amendments. 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.*

Finding

The 19.67 acre parcel is suitable in design, location, shape and size to accommodate the uses allowed by the PD Master Plan. The multi-family residential use would be appropriate next to the passive park located on the property along Barrett Avenue and would serve as a buffer from the more intense uses of office/commercial on the southern end of the property. With the amendment to the 2035 General Plan changing the land use designation from Commercial to Mixed Use Flex, the PD Master Plan is consistent with the general plan and zoning code. All of the uses in the PD Master Plan will contribute to the health, safety, and welfare of persons living or working on the property and surrounding properties, and to the community at large. The PD Master Plan promote community health and social interaction within the neighborhood by providing retail stores, a restaurant, plazas, and open spaces as gathering places. The pathways provide places for healthful exercise.

LEGAL DESCRIPTIONS

Legal Description – APN 817-09-039 and 817-09-041

Real property in the City of Morgan Hill, County of Santa Clara, State of California, described as follows:

All of parcels “D” and “E”, as shown on that certain Parcel Map filed for record in the Office of the Recorder, County of Santa Clara, State of California on May 24, 1983 in Book 513 of Maps, on Pages 14, 15, and 16, more particularly described as follows:

Beginning at the most southerly corner of said parcel “D”, as shown on said Parcel Map; thence

- 1) South 89°03’ 48” West, 637.61’, thence
- 2) Along a non-tangent circular curve, concave west, the center of which bears South 89°03’ 47” West, with a radius 536.00’, through a central angle 3° 44’ 38”, an arc length of 35.02 feet; thence
- 3) North 89° 03’ 48” East, 276.87 feet; thence
- 4) North 19° 31’ 04” East, 203.35 feet; thence
- 5) North 70° 28’ 56” West, 58.00 feet; thence
- 6) North 25° 28’ 56” West, 83.00 feet; thence
- 7) South 64° 31’ 04” West, 321.00 feet; thence
- 8) Along a non-tangent circular curve, concave southwest, the center of which bears South 68° 32’ 11” West, with a radius 536.00’, through a central angle 4° 00’ 40”, and arc length of 37.52 feet; thence
- 9) North 25° 28’ 29” West, 711.68 feet; thence
- 10) Along a tangent circular curve, concave east, with a radius 20.00 feet, through a central angle 89° 59’ 29”, and arc length of 31.41 feet; thence
- 11) North 64° 31’ 00” East, 717.84 feet; thence
- 12) Along a non-tangent circular curve, concave south, the center of which bears South 15° 32’ 49” East, with a radius 20.00 feet, through a central angle 42° 46’ 35”, an arc length 14.93 feet; thence

- 13) Along a tangent reverse circular curve, concave northwest, with a radius 42.06 feet, through a central angle 137° 35' 51", an arc length 101.01 feet; thence
- 14) South 20° 31' 38" East, 842.39 feet; thence
- 15) Along a non-tangent circular curve, concave west, the center of which bears South 69° 29' 06" West, with a radius 547.00 feet, through a central angle 46° 59' 24", an arc length 448.61 feet; thence
- 16) South 26° 26' 41" West, 17.26 feet, more or less to the Point of Beginning End of

Description

All of parcels "C", as shown on that certain Parcel Map filed for record in the Office of the Recorder, County of Santa Clara, State of California

Legal Description - APN 817-09-040

The land referred to herein below is situated in the City of Morgan Hill, County of Santa Clara, State of California and is described as follows:

Parcel One:

Parcel C, as shown on Parcel Map recorded in Book 513 of Maps, at Pages 14, 15, 16, Santa Clara County Records, and being a portion of Lot 25 and lot 52 of "Catherine Dune Ranch Map No. 7", as shown on Map thereof, recorded in Book "L" of Maps, at page 26, Santa Clara County Records.

Parcel two:

An easement for ingress and egress over, under, on and across a strip of land 35.00 feet wide, described as follows:

Beginning at an iron pipe distant thereon South 25 degrees 57' 55" East 126.93 feet from the Southerly corner common to Lots 24 and 25, as shown on said Map and running thence North 89 degrees 03' 48" East 276.87 feet, South 00 degrees 56 deg. 12" East 35.00 feet, and South 89 degrees 03' 48" West 272.72 feet; thence along a curve to the left from a tangent bearing of North 00 degrees 56' 12" West, having a radius of 536.00 feet and a Central Angle of 3 degrees 44' 48", a distance of 35.03 feet to the Point of Beginning.



CITY COUNCIL STAFF REPORT

MEETING DATE: March 18, 2026

PREPARED BY:
Inga Alonzo, Management Analyst
APPROVED BY: City Manager

APPROVE AGREEMENT FOR ANNUAL WELL SITE AND BOOSTER STATION PAINTING

RECOMMENDATION(S)

1. Award a Maintenance Service Agreement to Vivid-Accent Painting Co. in the not to exceed amount of \$180,000 for annual painting of the City’s well sites and booster stations; and
2. Authorize the City Manager to execute and administer an agreement with Vivid-Accent Painting Co.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure

2026-2027 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Water System Master Plan

REPORT NARRATIVE:

REPORT NARRATIVE:

The City’s 10 water booster stations and 17 water well sites require ongoing maintenance and upkeep, including painting. The scope of work consists of industrial maintenance painting of all exposed piping, valves, and metal appurtenances, including the necessary surface preparation work for iron and steel surfaces and the painting of buildings and floors when needed. The selected contractor will be responsible for furnishing all labor, paint and painting supplies, travel time, expenses, and equipment necessary to do the work. The scheduled facilities for this agreement are listed below but are subject to change based on necessity:

FY2026-2028 Painting Schedule

	FY 26	FY 27	FY28
Booster	Llagas	Encino	Woodland

Well	Butterfield	Nordstrom	Boys Ranch 1
Well	Diana 3	Boys Ranch 3	Dunne 1 and 2

A detailed Request for Proposal (RFP) was issued to select a qualified Contractor for the annual maintenance painting of well sites and booster stations on a time and materials basis. The RFP was advertised in the Morgan Hill Times. Additionally, the RFP was posted to both the City's website and the Public Purchase website. The City received three proposals that were reviewed by a team of evaluators to score per the scope for Experience, Capability, and References. A score of 30 or higher out of 40 was required to move on to the price scoring. All three contractors had scores that met that qualification. Staff recommends the award of the three-year annual painting maintenance services contract to Vivid-Accent Painting Company, who scored the highest overall in the evaluation. The final bid tabulation is shown in the attachments.

COMMUNITY ENGAGEMENT:

Not Applicable

Since maintenance of the City's water infrastructure is a regular operational function of the City, no efforts were made to inform the community about this proposed project.

ALTERNATIVE ACTIONS:

City Council could choose to reject the proposals and reissue an RFP. This is not recommended as the formal process was followed per the purchasing policy, and a rebid is not likely to result in a contract with added value. City Council could decide not to approve the agreement and direct staff to postpone maintenance painting of these facilities. This is not recommended because not keeping up on the annual maintenance of the water infrastructure can lead to system failure.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 4, 2023, Council approved a three-year agreement with HB Restoration, Inc. for annual painting services in the amount of \$180,000.

FISCAL AND RESOURCE IMPACT:

Funds for this maintenance services agreement were budgeted at \$60,000 annually in the current biennial budget, within the Water Operations Division 650.80.40.5710.42510. Subsequent years (Fiscal Years 2027-28) are subject to budget appropriations by the City Council.

CEQA (California Environmental Quality Act):

Categorical Exemption

The planned maintenance and management of existing City infrastructure falls within the CEQA categorical exemption of Class 1, Existing Facilities.

	Total Average Score Results		
Painting of Wells and Boosters	Vivid Accent	Primal Paint	Certified Coatings
1. Experience and Qualifications - Qualifications, experience, and background of the contractor and the staff proposed to provide these services to the City. Experience and backgrounds of those who will be providing services for the City.			
POINTS 20	18.25	20.00	19.75
2. Capability - Well organized communication systems and capabilities that demonstrate an ability to complete tasks safely, efficiently, and effectively and do not require constant supervision by the City.			
POINTS 15	14.75	14.00	13.25
3. References - Assessments of work quality, performance and working relationships by current and recent clients that indicate high levels of satisfaction and effectiveness as evidenced by references.			
POINTS 5	3.45	3.83	2.70
EXPERIENCE, CAPABILITY, REFERENCE SCORE	36.45	37.83	35.70
All submittals are above the 30 points needed to move to the cost portion of the scoring.			
*BID SCHEDULE POINTS 60	59.28	30.09	11.03
TOTAL AVERAGE SCORE	95.7	67.9	46.7

*BID SCHEDULE SCORING - Points are allocated by Line Item. The average cost of the line item over the three year period is calculated per line item. The lowest bidder for each line, receives the full points for that line item. The remaining Contractors receive points for that same line item based on a comparison of their proposed price to the lowest bidder's price. The lowest bidder's average line-item price is divided by each Contractor's average line-item price and multiplied by the number of points available for that line item.

Line Item	Average Price Per Line item		
	Vivid Accent	Primal Paint	Certified Coatings
1	\$2.92	\$7.00	\$12.49
2	\$4.31	\$4.00	\$27.99
3	\$2.82	\$11.00	\$7.63
4	\$4.00	\$5.00	\$23.24
5	\$3.84	\$14.00	\$58.27
6	\$6.00	\$23.00	\$50.66

	Score - points		
	Vivid Accent	Primal Paint	Certified Coatings
1	10.00	4.17	2.34
2	9.28	10.00	1.43
3	10.00	2.56	3.70
4	10.00	8.00	1.72
5	10.00	2.74	0.66
6	10.00	2.61	1.18
Total Points - Cost	59.28	30.09	11.03

**MAINTENANCE SERVICE AGREEMENT
VIVID-ACCENT PAINTING CO.**

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

1. **City Authority.** This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until June 30, 2028 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum of two one-year extensions. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be Annual Well Site and Booster Station Painting Services as further described in **Exhibit A.**
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$180,000.00. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed One Hundred Eighty Thousand dollars and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for each subsequent extended one-year term exceed 105% of the maximum compensation allowed to be paid to SERVICE PROVIDER for one year of service during the immediately preceding prior year of service.
 - 4.2. **Billing.** SERVICE PROVIDER shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 14 Notices. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

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

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

5.2. **Temporary Suspension of Services.** CITY'S need for services may be suspended due to unforeseeable or unavoidable circumstances beyond its control. Such circumstances include, but are not limited to, earthquake, fire, explosion, flood, or other natural catastrophe; governmental legislation, condemnation, acts, orders, or regulation; war or acts of terrorism; strikes or labor difficulties; and quarantine, epidemic, or pandemic. CITY shall provide a 5-days' written notice or less under urgent circumstances to temporarily suspend services at specific CITY facilities. CITY reserves the right to request which CITY facilities are to be serviced or not serviced due to unforeseeable or unavoidable circumstances; and the level of service at each CITY facility. Upon suspension, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid up to the date of the suspension. No further payments will be made for services provided after the date of the suspension. CITY shall provide 5 days' written notice when the circumstances for the suspension of specific facilities' services are removed for SERVICE PROVIDER to commence providing services.

6. **Performance of Work.** SERVICE PROVIDER represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by SERVICE PROVIDER in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of SERVICE PROVIDER'S profession. By delivery of completed work, SERVICE PROVIDER certifies that the work conforms to the requirements of this Agreement and all applicable federal, state, and local laws. SERVICE PROVIDER is liable for any property damage caused by SERVICE PROVIDER or its Subcontractors during performance of the services and shall notify the CITY of damage within 24 hours of the occurrence. SERVICE PROVIDER must promptly repair or replace any real or personal property damage, and must promptly restore the property to its original or intended condition. CITY may repair or replace the real or personal property damage if SERVICE PROVIDER fails to do so, and the cost of the repairs or replacement may be deducted or offset from any compensation due to SERVICE PROVIDER.

6.1. **Schedule.** SERVICE PROVIDER shall perform all work and services under this Agreement in conformance with the time schedule set forth on **Exhibit C**, "Schedule of Performance," attached hereto and incorporated herein by this reference. The City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement.

6.2. **Storage of Service Provider's Equipment.** If SERVICE PROVIDER desires to leave or store any of SERVICE PROVIDER'S equipment at a CITY site while SERVICE PROVIDER is performing work or service pursuant to this Agreement, SERVICE PROVIDER will first obtain the consent of the City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at SERVICE PROVIDER'S sole risk.

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

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

8.1. **Insurance Types and Amounts.**

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

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

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

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

8.1.5. Professional Liability.

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

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

- 8.1.6. **Sexual Abuse/Molestation Liability (SML)**: If the performance of SERVICE PROVIDER'S work or service under this Agreement involves contact with minors, SERVICE PROVIDER shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars (\$200,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 8.2. **Endorsements**. SERVICE PROVIDER shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:
- 8.2.1. **General Liability and pollution liability (when pollution liability applies)**.
- 8.2.1.1. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds on a form at least as broad as ISO Form CG 20 10 for ongoing operations.
- 8.2.1.2. "Waiver of Rights of Subrogation" - The insurer waives the right of subrogation against the City of Morgan Hill and CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and
- 8.2.1.3. "Primary and Non-Contributing" - Insurance shall be endorsed to be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 01.
- 8.2.2. **Workers Compensation**.
- If the performance of SERVICE PROVIDER'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, SERVICE PROVIDER'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.
- 8.3. **Qualification of Insurers**. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.
- 8.4. **Certificates**. SERVICE PROVIDER shall furnish CITY with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, SERVICE PROVIDER shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to SERVICE PROVIDER'S agreement with CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 8. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

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

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

10. **Compliance with Law.**

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

10.2. Without limiting the provisions of Section 10.1 above, each worker performing work under this Agreement shall be paid at a rate not less than the prevailing wage as defined in Sections 1771 and 1774 of the Labor Code. The prevailing wage rates are available online at <http://www.dir.ca.gov/dlsr>. SERVICE PROVIDER shall post a copy of the applicable prevailing rates at the Worksite.

10.2.1. Pursuant to Labor Code Section 1775, SERVICE PROVIDER and any subcontractor shall forfeit to CITY as a penalty up to two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the applicable prevailing wage rate. SERVICE PROVIDER shall also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.

10.2.2. SERVICE PROVIDER must comply with the provisions of Labor Code Sections 1776 and 1812 and all implementing regulations, which are fully incorporated by this reference, including requirements for electronic submission of payroll records.

10.2.3. As applicable, if the Agreement Amount exceeds Thirty Thousand Dollars (\$30,000.00), SERVICE PROVIDER is responsible for compliance with the requirements governing employment and payment of apprentices, as set forth in Labor Code Section 1777.5, which is fully incorporated by reference.

10.2.4. SERVICE PROVIDER must comply with the provisions of Labor Code Section 1815 with respect to payment of overtime.

10.2.5. Under Labor Code Section 1813, SERVICE PROVIDER will forfeit to CITY as a penalty, the sum of Twenty-Five Dollars (\$25.00) for each day during which a worker employed by SERVICE PROVIDER or any subcontractor is required or permitted to work more than eight (8) hours in any one (1) calendar day or more

than forty (40) hours per calendar week, except if such workers are paid overtime under Labor Code Section 1815.

- 10.3. DIR Registration. CITY will not accept a Bid Proposal from or enter into a contract with a SERVICE PROVIDER, without first receiving proof to the satisfaction of CITY that SERVICE PROVIDER and its subcontractors are registered with the California Department of Industrial Relations to perform public work under Labor Code Section 1725.5, subject to limited legal exceptions. Under Labor Code section 1771.4, this Agreement is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.
- 10.4. Compliance with Wage and Hour Laws. SERVICE PROVIDER, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state, and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

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

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

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

City’s Right to Withhold Payment: Where SERVICE PROVIDER or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or

government agency, CITY reserves the right to withhold payment to SERVICE PROVIDER until such judgment, decision or order has been satisfied in full.

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

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

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

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

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

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

Address of SERVICE PROVIDER is as follows:

Vivid-Accent Painting Co.
225 Main Street #1953
Watsonville, CA 95076

Address of CITY is as follows:

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

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

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

17. **Maintenance of Records.**

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

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

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

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

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

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

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

22. **Defense and Indemnification.**

22.1. **Defense and Indemnification.** SERVICE PROVIDER shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily

injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by SERVICE PROVIDER, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

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

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

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

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

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

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

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

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

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

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

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

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

Signatures on the following page.

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

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

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

City Clerk/Deputy City Clerk

City Manager

Michelle Bigelow
Print Name

Christina J. Turner
Print Name


Date: _____

Date: _____

APPROVED AS TO FORM:

Vivid-Accent Painting Co. 1001

City Attorney

By: Bernardo Sanchez 


Donald A. Larkin
Print Name

President

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

Date: _____

Date: 03-07-2026

By: Prudencia Sanchez 

Assistant Secretary

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

Date: 03-07-2026

1035844

Contractor's License Number(s) (if applicable)

1001086068

Contractor's DIR Registration Number(s) (if applicable)

Expiration Date(s) 07-26-26 enter text

Expiration Date(s) 06/2026 enter text

**EXHIBIT A
SCOPE OF SERVICES**

The scope of the work for this project includes the painting of water well sites and water booster stations operating by the City of Morgan Hill Utilities Division. There is a total of 25 operational facilities at this time: 15 water well sites and 10 water booster stations. Over the three-year term of the agreement, a total of nine facilities will require paint maintenance (three each year). The City will select one booster station and two water well sites each year for painting maintenance. The City reserves the right to make substitutions of like facilities to be painted in any given year. The City reserves the right to add possible painting work at any of its Lift Station sites during any given year as part of the agreement.

1.00 Contractor’s Responsibility

For each facility the work will consist of painting maintenance of the buildings and all exposed piping, valves, and metal appurtenances, including the necessary surface preparation work for iron and steel surfaces. The selected contractor will be responsible for furnishing any and all labor, paint and painting supplies, travel time, expenses, and equipment necessary to do the work required.

2.00 Schedule for Painting of Well Sites and Booster Stations

The well sites and booster stations are to be painted during the months of October through May in order to minimize any detrimental operational impact during the City’s peak water pumping activities during the warm weather periods.

3.00 City-wide Listing of City-wide Water Well Sites and Water Booster Stations

Following is a citywide listing of the water well sites and water booster stations currently in operation in the City of Morgan Hill:

Water Well Sites and Booster Stations

Booster Stations	Water Well Sites
E. Dunne Booster	Boys Ranch #1 Well
Easy St. Booster	Boys Ranch #2 Well
El Toro Booster	Boys Ranch #3 Well
Encino Booster	Butterfield Well
Glen Ayre Booster	Diana #1 Well
Hydro-Pneumatic Booster	Diana #2 Well
Jackson Booster	Diana #3 Well
Llagas Booster	Diana #4 Well
Peak & Main Booster	Dunne #1 Well
Woodland Booster	Dunne #2 Well
	Jackson Well
	Main #1 Well
	Main #2 Well
	Nordstrom Well
	San Pedro Well

4.00 Grouping of Water Well Sites and Water Booster Stations into “Types”

The water booster stations and water well sites vary in structure, layout, equipment, and accessories. These booster stations and well sites can be categorized generally as described below:

- **Booster Stations:** These consist of two different general types
- **Water Well Sites:** These consist of one general type

Each year, the City will identify the facilities to be painted in the upcoming fiscal year. The City Representative will work with the chosen contractor to come up with the list of the most critical painting needs for the said facilities, and the contractor will provide a task order quote for that fiscal year. The task order quote must have the pricing quoted in the contract documents per square foot and must be within the budgeted amount each year of the agreement of \$60,000. No work is to be done until the task order quote is accepted by the City Representative in writing. A tentative three-year schedule is below but this schedule is subject to change:

	FY26-FY28 Tentative Painting Schedule		
	FY 2026	FY 2027	FY 2028
Booster	Llagas	Encino	Woodland
Well	Butterfield	Nordstrom	Boy's Ranch 1
Well	Diana #3	Boy's Ranch 3	Dunne 1,2

Painting Specifications

Part 1 – General

1.01 Scope

This section includes everything necessary for, or incidental to, the painting and coating of all metal, above ground station piping, well pump motor and discharge head, concrete slabs, concrete masonry units, walls, ceilings, or other surfaces requiring painting.

All necessary ventilation, lighting equipment, and scaffolding shall be furnished and installed by the Contractor. Such scaffolding shall conform to regulations of the State Industrial Accident Commission and local ordinances.

1.02 Submittals

The Contractor shall submit the following items to the Utility Supervisor for review and color selection:

A. Color cards

Submit Color cards for all proposed coatings for use showing full range of standard colors.

B. Product Data

Submit product data including generic description, complete technical data, surface preparation and application instructions.

C. Coating System Data Sheets

Submit Coating System Data Sheets. A sample is included at the end of this Section.

D. Manufacturer's Certification

Submit the manufacturer's certification that coatings comply with specified requirements and are suitable for intended application.

E. Warranty

Submit the manufacturer's standard warranty.

1.03 Surfaces Requiring Painting

The following items shall be painted on-site. All exposed pump components including the motor; discharge head and base plate; piping, including valves and fittings; electrical conduits; building walls; floors and ceilings, and associated interior and exterior appurtenances.

1.04 Work Not Included

Factory coated equipment such as the motor control center, telemetry, pneumatic components, roofing, and chlorination equipment is not included in this Section.

1.05 Quality Assurance

A. Single Source

All materials of a paint system, including primer and finish coats, shall be produced by the same paint manufacturer unless otherwise approved by the Project Manager. Thinners, cleaners, driers, and other additives shall be as recommended by the paint manufacturer of the particular coating.

B. Surface Preparation

Preparation of surfaces and application of coatings shall be in conformance with the applicable AWWA, SSPC, and ASTM specifications, this Specification, and the printed recommendations of the paint manufacturer.

C. Weather

Prepare surfaces and apply and cure coatings within air and surface temperature range in accordance with the manufacturer's instructions. The surface temperature shall be a minimum of 40-degrees F and 5-degrees above the dew point. Do not prepare surfaces or apply coatings in dust, smoke, rain, fog, or damp or humid weather or if the wind velocity is above the manufacturer's limit. Schedule coating work to avoid excessive dust and airborne contaminants.

D. Ventilation

Provide ventilation during coating evaporation stage in confined or enclosed areas.

E. Inspection

The Contractor shall give advance notice of the start of any surface preparation work or coating application work.

Inspection by the Utility Supervisor, or the waiver of inspection of any particular portion of the work, shall not be construed to relieve the Contractor of any responsibility to perform the work in accordance with these Specifications.

For all coatings subject to immersion, full cure must be obtained for the completed system prior to submersion. Consult the coating manufacturer written instructions for these requirements. The coating shall not be immersed for any purpose until completion of the curing cycle.

Part 2 – Materials

2.01 General

All materials used, except as otherwise specified in carrying out the provisions of this contract, shall be manufactured by the following companies, or approved equals:

- Sherwin Williams
- ICI Devoe
- TNEMEC
- Rain Guard

2.02 Paint Materials

The following surface preparations and paint and coating materials shall apply to this project.

A. System Number 1 – Exterior Steel Tanks, Station Piping, Valves, Conduits, Fittings, Pump Discharge Heads, Pump Motors, and Pump Base Plates.

All exposed steel surfaces including station piping, valves, pump discharge heads, conduits and fittings that are exposed to weather or are located above grade inside a pump station building shall be coated as follows:

1. **Surface Preparation: Clean and Dry**
2. **Paint Material: Aliphatic Acrylic Polyurethane**
 - i. **TNEMEC Endura-Shield II Series 1075 @ 3 to 5 mils DFT or**
 - ii. **Devoe Devthane 379 H @ 2 to 3 mils DFT**

B. System Number 2 – Factory Primed Steel Doors and Frames

All exterior and interior steel doors, frames, and miscellaneous equipment that are exposed to weather or are located inside the pump station building shall be coated as follows:

1. **Surface Preparation: Clean and Dry**
2. **Paint Material: High Solids Epoxy @ 4 to 5 mils DFT**
 - i. **TNEMEC Epoxoline-HS Series V69F or**
 - ii. **Devoe Bar-Rust 235 H**
3. **Paint Material-Exterior Applications: Aliphatic Acrylic Polyurethane**
 - i. **TNEMEC Endura-Shield II Series 1075 @ 3 to 5 mils DFT or**
 - ii. **Devoe Devthane 379H @ 2 to 3 mils DFT**

C. System Number 3 – Exterior Ductile and Cast Iron Pipe, Valves, and Fittings

Ductile iron and cast iron piping, valves, and fittings exposed to weather and ultraviolet light deterioration or underground conditions shall be coated as follows:

1. **Surface Preparation:** In accordance with manufacturer's instructions.
2. **Paint Material - Exterior Applications: Aliphatic Acrylic Polyurethane**
 - i. **TNEMEC Endura-Shield II Series 1075 @ 3 to 5 mils DFT** or
 - ii. **Devoe Devthane 379H @ 2 to 3 mils DFT**

D. System Number 4 – Interior Ductile and Cast Iron Pipe Valves and Fittings
Ductile iron and cast iron piping, valves, and fittings located in the booster pump station building or exposed to other interior humid conditions shall be coated as follows:

1. **Surface Preparation:** In accordance with manufacturer's instructions
2. **Paint Material: High Solids Epoxy @ 4 to 5 mils DFT**
 - i. **TNEMEC Epoxoline HS Series V69F** or
 - ii. **Devoe Bar-Rust 235 H**

E. System Number 5 – Exterior Concrete Masonry Units and Concrete Walls (Clear Water Repellent Coating)
The exterior of concrete masonry unit block walls, split face block walls, or concrete walls that are to receive a clear water repellent that are exposed to weather, driving rain and mildew, but are not subject to graffiti shall be coated where called for on the Plans, as follows:

1. **Surface Preparation:** Level protrusions and mortar splatter.
2. **Paint Material: Water Repellent Siloxane/Silane Blend or Polysilane**
 - i. **TNEMEC Prime-A-Pell H20 Series 633** or
 - ii. **Rain Guard (Do not apply a second coat)**

F. System Number 6 – Exterior Concrete Masonry Units and Concrete Walls (Clear Water Repellent and Anti-Graffiti Coating)
The exterior of concrete masonry unit block walls, split face block walls, or concrete walls that are in public areas that may be exposed to graffiti and that are exposed to weather, driving rain and mildew, shall be coated with a clear water repellent anti-graffiti coating where called for on the Plans, as follows:

1. **Surface Preparation:** Level protrusions and mortar splatter.
2. **Paint Material: Co-polymer Graffiti Protectant**
 - i. **TNEMEC (None required)** or
 - ii. **Rain Guard Vandl-Guard**

G. System Number 7 – Exterior Concrete Masonry Units and Concrete Walls (Water Repellent and Colored Coating)
The exterior of concrete masonry unit block walls or concrete walls that are to receive a colored coating and are exposed to weather, driving rain and mildew, but are not subject to graffiti shall be coated where called for on the Plans as follows:

1. **Surface Preparation:** Level protrusions and mortar splatter.
2. **Paint Material:** Aliphatic Acrylic Urethane or Waterborne Acrylic Polyurethane @ 2 to 3 mils DFT
 - i. **TNEMEC Endura-Shield W.B. Series 1080** or
 - ii. **Devoe Devthane 379 H**

H. System Number 8 - Interior Concrete Masonry Units and Concrete Walls

Concrete masonry unit walls and concrete walls in the interior of the pump station building or elsewhere shall be coated as follows:

1. **Surface Preparation:** Level protrusions and mortar splatter. Voids and openings in concrete block surfaces shall be pointed.
2. **Paint Material:** High Solids Epoxy @ 4 to 6 mils DFT
 - i. **TNEMEC Epoxoline HS Series V69F** or
 - ii. **Devoe Bar-Rust 235 H**

I. System Number 9 - Sheet Rock

The sheet rocked walls and ceilings in the interior of the station building shall be coated as follows:

1. **Surface Preparation:** All surfaces shall be clean, dry, and free of oil, grease and other contaminants.
2. **Paint Material:** High Solids Epoxy @ 4 to 6 mils DFT
 - i. **TNEMEC Epoxoline HS Series V69F** or
 - ii. **Devoe Bar-Rust 235 H**

J. System Number 10- Chemical Room Protective Coatings (High Chemical Concentrations)

The concrete masonry unit walls and sheet rocked walls, and moldings of the chemical treatment rooms that are exposed to high concentrations of chlorine, fluoride, or other chemicals that are to be painted grey in color shall be coated as follows. Chemical rooms with low concentrations of chemicals shall be coated per the applicable System 9 - Interior Concrete Masonry Units and Concrete Walls or System 10 – Sheet Rock.

1. **Surface Preparation:** Level protrusions and mortar splatter by sanding or other approved method.
2. **Paint Material:** Novolac Epoxy @ Manufacturer's Recommended DFT
 - i. **TNEMEC Tneme-Glaze Series 282** or
 - ii. **Devoe Devran 124** or **Devmat 111**

K. System Number 11 - Interior Concrete Floors

All concrete floors in the pump station building including the chemical room(s) shall have a non-skid protective coating suitable for moderate chemical exposure and heavy traffic and impact exposure. The Contractor shall be responsible for any preparatory work required by the coating manufacturer.

1. **Surface Preparation: Verify dryness, followed by Shot Blast or Mechanically Abrade.**
2. **Paint Material: Novolac Epoxy**
 - i. **TNEMEC-Remove excess silica when dry to foot traffic and then coat with Tneme-Glaze Series 282 @ 6 to 8 mils DFT or**
 - ii. **Devoe-Remove excess silica when dry to foot traffic and then coat with Devran 124 @ 20 to 25 mils DFT.**

L. System Number 12 – Exterior Aluminum (Gutters and Downspouts), Non-Ferrous Metals (Copper, Brass, or Bronze), and Galvanized Metal.

Exterior aluminum materials such as gutters and downspouts, non-ferrous metals such as copper, brass or bronze, and galvanized metal that is to be painted rather than repaired with zinc coating and that are exposed to weather shall be coated as follows:

1. **Surface Preparation: Remove water-soluble dirt and chemicals with water and detergent and solvent-soluble contaminates with Solvent Clean (SP1). Allow to dry and then Hand Tool (SP2) or Power Tool (SP3) to remove oxides. Scarify to provide a minimum 1-mil profile to aid adhesion.**
2. **Paint Material: Aliphatic Acrylic Urethane or Waterborne Acrylic Polyurethane @ 2 to 3 mils DFT**
 - i. **TNEMEC Endura-Shield W.B. Series 1080 or**
 - ii. **Devoe Devthane 379 H**

M. System Number 13 – Interior Aluminum, Non-Ferrous Metals (Copper, Brass, or Bronze), and Galvanized Metal.

Interior aluminum materials such as ducting, non-ferrous metals such as copper, brass or bronze, and galvanized metals such as conduits, pipe hangers, and pipe supports that are to be painted rather than repaired with zinc coating and that are exposed to highly humid atmospheres shall be coated as follows:

1. **Surface Preparation: Remove water-soluble dirt and chemicals with water and detergent and solvent-soluble contaminates with Solvent Clean (SP1). Allow to dry and then Hand Tool (SP2) or Power Tool (SP3) to remove oxides. Scarify to provide a minimum 1-mil profile to aid adhesion.**
2. **Paint Material: High Solids Epoxy @ 6 to 8 mils DFT**
 - i. **TNEMEC Epoxoline HS Series V69F or**
 - ii. **Devoe Bar-Rust 235 H**

N. System Number 14 - Galvanized Metal (Repair)

Defects in factory applied galvanized items such as galvanized fencing, ladders rain gutters, down spouts, metal doors, door hangers and pipe hangers, shall be coated with a Zinc-Rich coating with a minimum of 14-pounds of metallic zinc content per gallon. The coatings for potable and non-potable applications shall be as follows:

1. **Surface Preparation: Solvent Clean (SP1), followed by Hand Tool (SP2), Power Tool (SP3) or Brush-off Blast (SP7). Provide a minimum 1-mil profile to aid adhesion.**
2. **Paint Material: Potable Water: NSF Zinc-Rich Urethane @ 2.5 to 3.5 mils DFT**
 - i. **TNEMEC Hydro-Zinc 91-H20**
 - ii. **Devoe Catha-Coat 316**
3. **All Other Applications: Inorganic Zinc-Rich Urethane**
 - i. **TNEMEC Tneme-Zinc Series 90-97 @ 2.5 to 3.5 mils DFT or**
 - ii. **Devoe Catha-Coat 302H @ 2 to 4 mils DFT**

O. System Number 15 – Exterior Wood

Exterior wood such as tails, trim, soffits and all other wood that is exposed to weather or highly humid atmospheres shall be coated as follows:

1. **Surface Preparation: Sand rough areas. Seal knots and pitch pockets and fill cracks and nail holes after primer has cured.**
2. **Paint Material: Acrylic Emulsion**
 - i. **TNEMEC Tneme-Crete 180 @ 4 to 10 mils DFT**
 - ii. **Devoe 2200 Dulux Professional 100% Acrylic Flat Finish@ 300 to 400 sq ft/gal**

P. System Number 16 – Interior Wood

Interior wood such as trim, cabinets and all other wood shall be coated as follows:

1. **Surface Preparation: Sand rough areas. Seal knots and pitch pockets and fill cracks and nail holes after primer has cured.**
2. **Paint Material: Acrylic Polymer or Waterborne Epoxy Polyamide**
 - i. **TNEMEC Series 28 @ 1.5 to 2.0 mils DFT**
 - ii. **Devoe Tru-Glaze 4406 WB Epoxy @ 2 to 4 mils DFT**

Part 3 – Execution

3.01 General

No paint shall be reduced or applied in any way except as herein specifically called for, or as recommended by the manufacturer. Should conflict occur between specifications and manufacturer's recommendations and/or standard practice, the City shall be notified prior to bid submittal for clarification.

It is the responsibility of the Contractor to inspect and provide substrata surfaces that are prepared in accordance with these Specifications and the printed directions and recommendations of the paint manufacturer whose product is to be applied.

All doors, windows, trim, moldings, base boards, electrical boxes, light fixture boxes, penetrations through the ceilings, walls or floors, shall be caulked prior to coating.

3.02 Material Delivery and Storage

All materials shall be new and shall be delivered to the worksite in unopened containers that plainly show, at the time of use, the designated name, date of manufacturer, and name of manufacturer. Materials shall be stored in a suitable protected area that is heated or cooled as required to maintain temperatures within the range recommended by the manufacturer.

3.03 Air Quality

All coatings shall conform to the pertinent Volatile Organic Compound (VOC) requirements and any other air quality regulations applicable at the location of use. Coating materials, which cannot be guaranteed by the manufacturer to conform, whether or not specified by product designation, shall not be used.

3.04 Coating Compatibility

The Contractor shall be responsible for ensuring the compatibility of field coatings with each other or with the coatings on shop coated or previously coated surfaces. Coatings used in the first field coat over shop coated or previously coated surfaces shall cause no wrinkling, lifting, or other damage to underlying coats. Coatings used in successive field coats shall be produced by the same manufacturer.

3.05 Protection of Materials Not to be Painted

Remove, mask, or otherwise protect hardware, lighting fixtures, switch plates, aluminum surfaces, machined surfaces, couplings, shafts, bearings, nameplates on machinery and other surfaces not intended to be painted. Provide drop cloths to prevent paint materials from falling on or marring any adjacent surfaces. Protect working parts of all mechanical and electrical equipment from damage during surface preparation and painting process. All openings in motors shall be masked to prevent paint and all other materials from entering the motors.

3.06 Paint Mixing

Multiple-component coatings shall be prepared using all of the contents of the container for each component as packaged by the paint manufacturer. No partial batches will be permitted. Multiple-component coatings that have been mixed shall not be used beyond their pot life.

3.07 Scaffolding

All necessary scaffolding shall be furnished and installed by the Contractor. Such scaffolding shall conform to regulations of the State Industrial Accident Commission and local ordinances.

3.08 Safety

Painting shall be performed in strict accordance with the safety recommendations of the paint manufacturer; with the safety recommendations of the National Association of Corrosion Engineers contained in the publication, Manual for Painter Safety; Federal, state, and local agencies having jurisdiction.

All necessary precautions shall be taken to prevent fire. Rags and waste soiled with paint shall be removed from the premises at the end of each day's work or stored in metal containers with metal covers.

3.09 Surface Preparation

A. Metal Surface Preparation

All sharp edges and corners shall be ground smooth, and all weld spatter, slag burrs, and other objectionable surface conditions must be removed prior to the surface preparation for coating.

No surface preparation blasting will be permitted prior to submission of samples. All workmanship for metal surface preparation as specified shall be in strict conformance with the current Steel Structures Painting Council (SSPC) Specifications as follows:

Solvent Cleaning	SP 1
Hand Tool Cleaning	SP 2
Power Tool Cleaning	SP 3
White Metal Blast Cleaning	SP 5
Commercial Blast Cleaning	SP 6
Brush-Off Blast Cleaning	SP 7
Pickling	SP 8
Near-White Blast Cleaning	SP 10

Coat abrasive blast-cleaned surfaces with primer before visible rust forms on surface. Do not leave blast-cleaned surface uncoated for more than 8 hours.

Where OSHA or EPA regulations preclude standard abrasive blast cleaning, wet or vacu-blast methods may be required. Coating manufacturers recommendations for wet blast additives and first coat application shall apply.

B. Other Surfaces

All other surfaces shall be prepared in accordance with these specifications and the manufacturer's recommendations.

3.10 Application of Paint

A. General

Manufacturer's written instructions for applying each type of paint or protective coating shall be furnished to the Project Manager prior to application. Cleaned surfaces and all coats shall be inspected prior to the succeeding coat. Schedule such inspection with the Project Manager in advance. Apply all coatings in strict accordance with the paint manufacturer's recommendations, as approved by the Project Manager. Succeeding coats shall be painted in a different color to facilitate inspection. Final color shall be as selected by the Owner. Sufficient time shall be allowed between coats to ensure thorough drying of previously applied paint. Coating shall be applied in a neat manner that will produce an even film of uniform and proper thickness, with finished surfaces free of runs, sags, ridges, laps, and brush marks. Units to be bolted together shall be painted prior to assembly or installation, unless otherwise specified.

B. Shop Primed Surfaces

All shop primed items shall be inspected at the jobsite for compliance with these Specifications. Schedule such inspection with the Project Manager in advance. Areas of chipped, peeled, or abraded primer shall be hand or power sanded feathering the edges. The areas shall then be spot primed with the specified primer.

C. Manufacturer Applied Paint Systems

Abraded areas on factory finished items shall be repaired in strict accordance with the manufacturer's directions. Repaired areas shall be carefully blended into the original finish.

D. Film Thickness

Coverage is listed as either total dry film thickness in mils (DFT) or the spreading rate in square feet per gallon (SFPG). The number of coats is the minimum required irrespective of the coating thickness. Additional coats may be required to obtain the minimum required paint thickness, depending on method of application, differences in manufacturers' products, and atmospheric conditions. Maximum film build per coat shall not exceed the coating manufacturer's recommendations.

E. Damaged Coatings

Damaged coatings, pinholes and holidays shall have the edges feathered and repaired in accordance with the recommendations of the paint manufacturer, as approved by the Project Manager. Recoat entire surface where touch-up result is visibly different, either in sheen, texture, or color.

F. Unsatisfactory Application

Work shall be free of runs, bridges, shiners, laps, delamination, peeled, blistered, cracked, chipped, abraded or other imperfections. Evidence of these conditions shall be cause for rejection. All visible areas of imperfections shall be hand or power sanded feathering the edges. The areas shall then be primed and finish coated in accordance with the Specifications. Depending on the extent of repair and its appearance, a finish sanding and topcoat may be required by the Project Manager.

If the item has insufficient film thickness, the surface shall be cleaned and then prepared as required by the manufacturer taking into account the recoat window, and top coated with the specified paint material to obtain the specified appearance and coverage. Specific surface preparation requirements shall be determined by the coating manufacturer, as approved by the Project Manager.

All areas of overspray including floors, windows, and equipment shall be cleaned or repainted if unable to be cleaned, to the satisfaction of the Project Manager.

Leave all staging up until areas are inspected and approval is given by the Project Manager, for each surface or coating. Staging removed prior to inspection shall be replaced.

Any defects in the coating system shall be repaired by the Contractor per written recommendations of the coating manufacturer, at no additional cost to the Owner.

3.11 Shipping

In all cases where pre-coated items are to be shipped to the jobsite, all efforts shall be made to protect the coating from damage. Coated items shall be battened to prevent abrasion. Contractor shall use nonmetallic or padded slings and straps in handling. Items will be rejected for excessive damage.

3.12 Anniversary Inspection for Tanks

A. Failure

Any location where coating has delaminated, peeled, blistered, or cracked; and any location where rusting is evident will be considered a failure of the coating system.

B. Remedial Work

Repair all failures by removing the deteriorated coating, cleaning the surface, and recoating with the same system in accordance with this Section and the coating manufacturer. With the approval of the City, surface preparation of small failures (areas less than 1 sq./ft.) may be made by cleaning to bare metal in accordance with appropriate SSPC-SP standards.

C. Schedule of Remedial Work

The City shall establish a starting date and reasonable time of completion for the remedial work. The starting date shall be no more than thirty (30) calendar days after the submittal of the inspection report to the Contractor. Should the Contractor fail to start the remedial work within ten (10) calendar days after the starting date established by the City, the City may at its option perform the remedial work, and the Contractor shall pay to the City the actual cost of such work, plus 20 percent to cover added engineering and administrative costs.

D. Cost

Warranty inspections of the remedial work shall be at the expense of the Contractor.

Coordinating Work

1. The Contractor shall provide a work schedule approved by the Utility Supervisor prior to start of work.
2. The Contractor shall schedule his work, in advance, with the Utility Supervisor.
3. The Contractor shall coordinate his schedule with any other work that might interfere or be impacted.

Other On-call Work

During the term of the agreement, there may be other various painting maintenance or touch-up projects throughout the City that surface on an as needed basis. If this occurs, a separate scope for the work will be developed and presented to the contractor for a quote. The City retains the right to accept or reject any quotes.

Work Hours

The work hours for all painting will be scheduled with City Utility Staff during regular business hours (7:00 a.m. to 3:00 p.m. Monday through Thursday).

Deviation from the above will not be permitted except by written permission of the City Maintenance Manager or designated representative from the facility. From time to time, the City may take on improvement projects or other construction. The Contractor shall cooperate with the City or its agents while said work is underway.

Workmanship and Quality level

All work shall be performed by staff directly employed and supervised by the Contractor. The Contractor shall provide management and technical supervision through competent supervisors as required to provide the painting. The Contractor shall be responsible for the skills, methods and actions of all employees, subcontractors and for all work done.

The Contractor shall cooperate with the representative authorized by the City to enable them to determine the Contractor's conformity with these specifications and the adequacy of the work being performed. The Contractor shall give personal supervision to the work and will meet with the Utility Supervisor or designated City representative as needed.

Safety

The Contractor and staff shall follow all established safety procedures and shall take special care not to endanger the public in any way.

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

Task/Item

Systems Described in Scope	Year 1	Year 2	Year3
1. Exterior Walls	\$2.85	\$2.92	\$2.98
2. Exterior Trim	\$4.20	\$4.31	\$4.42
3. Interior Wall and Ceiling	\$2.75	\$2.82	\$2.89
4. Interior Trimm	\$3.90	\$4.00	\$4.10
5. Interior Floors	\$3.75	\$3.84	\$3.94
6. Interior Piping & Appurtenances	\$5.90	\$6.00	\$6.10

The above rates include any and all labor, paint, painting supplies, travel time, expenses and equipment necessary to do the work required.

For any other on-call work and work not listed above- The City shall request a quote from the contractor before work is done. A notice to proceed shall be issued to the contractor if the City agrees on the pricing. The city reserves the right to contract with other contractors for other on-call work or work not listed above if the City feels it would be in the City's best interest.

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

This is a three year annual on-call agreement. The well sites and booster stations are to be painted during the months of October through May in order to minimize any detrimental operational impact during the City's peak water pumping activities during the warm weather periods. Each year, the City will identify the facilities to be painted in the upcoming fiscal year.

CITY COUNCIL STAFF REPORT

MEETING DATE: March 18, 2026

PREPARED BY:

David Gittleson, Associate Engineer

APPROVED BY: City Manager

APPROVE THIRD AMENDMENT TO AGREEMENT WITH LUHDORFF AND SCALMANINI FOR TWO TEST WELLS

RECOMMENDATION(S)

Approve and authorize the City Manager to execute and administer the third Amendment to Agreement with Luhdorff and Scalmanini Consulting Engineers to add \$68,000, for a new total not to exceed contract amount of \$415,100.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety and Quality of Life

Maintaining and Enhancing Infrastructure

2026-2027 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Water System Master Plan

REPORT NARRATIVE:

On September 6, 2023, the City Council approved a Consultant Agreement with Luhdorff and Scalmanini for drilling two test wells for a cost not to exceed \$347,100. The two potential test well sites were located at Eagle View Drive and Laurel Drive. In December 2023, a first test well was drilled at the Eagle View Drive site (Attachment 1). This test well was successful with favorable water quality results and the development of this well into a full-scale municipal well is underway. The second test well at Laurel Drive was investigated by Luhdorff and Scalmanini and was determined to not meet water well setback requirements and therefore was not drilled. Since then, staff has been researching a replacement location for the Laurel well site.

On August 7, 2024, a First Amendment to the Consultant Agreement with Luhdorff and Scalmanini was authorized by the City Manager to extend the contract duration by one year. The time extension was necessary to continue the research to locate a suitable replacement test well site. During the search, a recent development project in the planning stages agreed to allow the City to drill a test well on their property located behind Jackson Park (Attachment 2). Luhdorff and Scalmanini have examined this site

(Jackson Park test well) and have determined this location shows promise for a future well site. If this test well shows favorable results, an agreement to secure an easement on the property with the owner will be executed.

On August 2, 2025, a Second Amendment to the Consultant Agreement with Luhdorff and Scalmanini was authorized by the City Manager to further extend the contract duration through August 31, 2026. This extension was necessary to provide additional time to plan and drill the Jackson Park test well. Shortly after the Second Amendment was executed, Luhdorff and Scalmanini requested additional compensation to drill the Jackson Park test well, as the original quote was provided in 2023 and costs have escalated due to higher labor and material costs. The additional cost being requested for the Third Amendment is \$68,000, which will cover the increases for drilling the Jackson Park test well.

Staff therefore recommends the approval of the Third Amendment to the Consultant Agreement with Luhdorff and Scalmanini (Attachment 3) as new municipal wells are a vital component to the City's water distribution system. If approved, the Jackson Park test well may be drilled as early as April/May 2026.

If the Jackson Park test well provides favorable results, a larger municipal well will be constructed at the site, which will include a building, piping, pump system, electrical system, fencing and landscaping. If the well demonstrates low production or poor water quality, the test well will be abandoned and new location(s) will be proposed at a later date.

COMMUNITY ENGAGEMENT:

Staff will continue to provide monthly updates on the City's website and will provide weekly information through Nextdoor and the City's email subscriber list.

ALTERNATIVE ACTIONS:

None. Test wells are necessary in order to determine the depth of clean drinking water available at the proposed well site prior to constructing a larger capacity and more expensive well for municipal use.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On September 6, 2023, the City Council approved a Consultant Agreement with Luhdorff and Scalmanini for drilling two test wells for a cost not to exceed \$347,100.

FISCAL AND RESOURCE IMPACT:

Fiscal:

If approved, the Third Amendment to the Consultant Agreement with Luhdorff and Scalmanini may provide one new municipal water well for the City. The not-to-exceed maximum contract amount is \$415,100. There is sufficient funding for this action in the current Capital Improvement Budget, in project #601000 – Water Wells, from the Water Impact Fund (651).

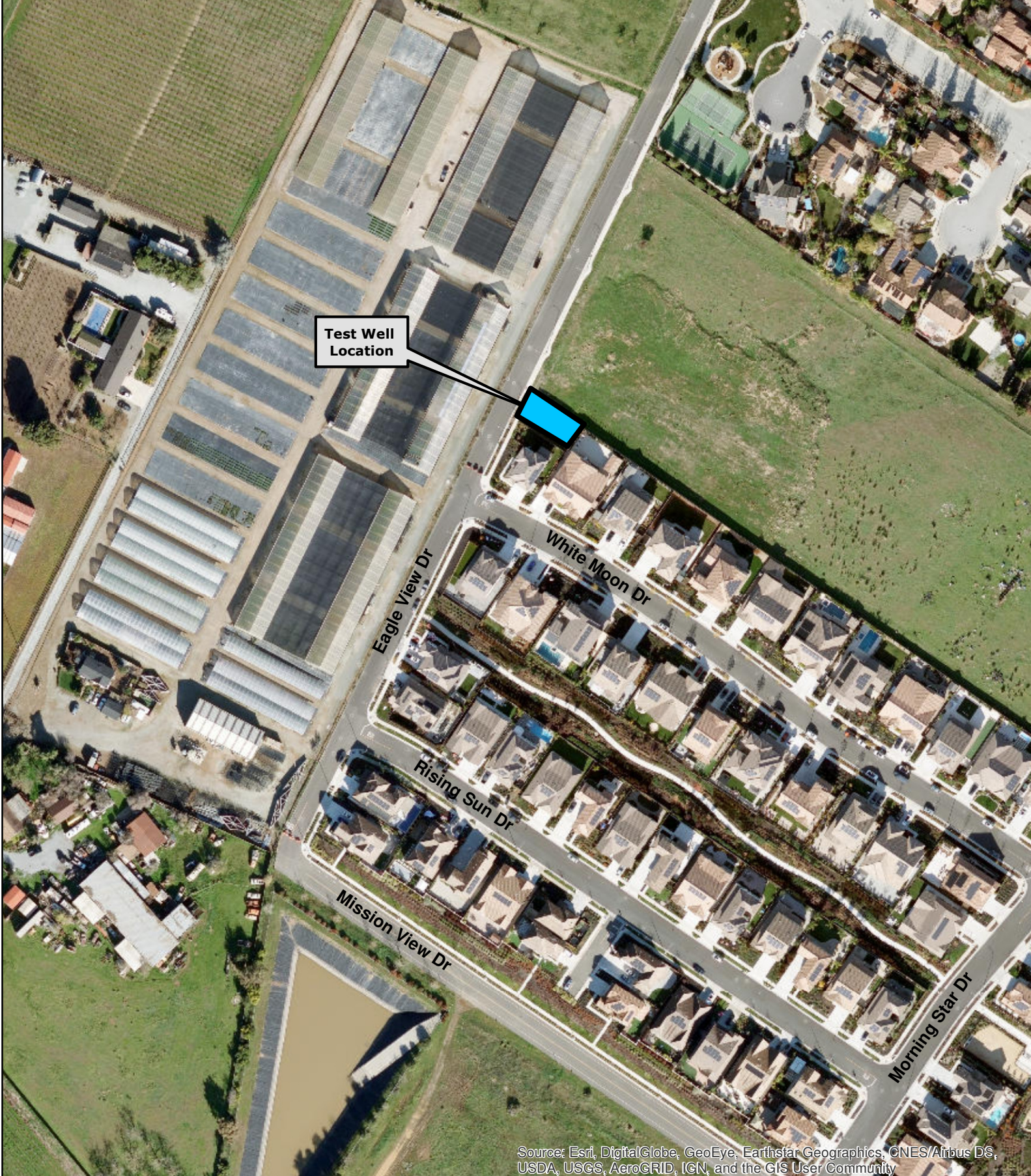
Resource:

Significant time is not required of staff for this work. This work is mostly performed by a consultant and a drilling contractor. Minor oversight will be required during the drilling due to the close proximity to residential properties.

CEQA (California Environmental Quality Act):

Categorical Exemption

New construction or conversion of small structures (CEQA Guidelines Section 15303d).



Test Well Location

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

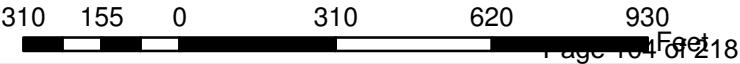


CITY OF MORGAN HILL

Engineering and Utilities Department
CIP Engineering Division

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TEST WELL #1 PROJECT LOCATION





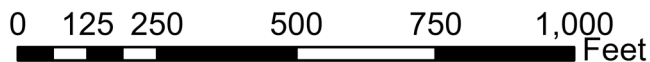
County of Santa Clara, Vantor



CITY OF MORGAN HILL
PUBLIC SERVICES DEPARTMENT
CIP ENGINEERING DIVISION

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TEST WELL LOCATION #2



**THIRD AMENDMENT TO AGREEMENT
LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC.**

This THIRD AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC., a California Corporation ("CONSULTANT"), hereinafter referred to collectively as the "Parties".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Third Amendment to Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. The CITY and CONSULTANT entered into that "CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS" made as of September 17, 2023, for consultant services, for a maximum compensation of Three Hundred Forty-Seven Thousand One Hundred Dollars (\$347,100.00) ("CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS").
3. The CITY and CONSULTANT entered into a "First Amendment to Agreement" made as of August 7, 2024, under which the term of the Agreement was extended until August 31, 2025.
4. The CITY and CONSULTANT entered into a "Second Amendment to Agreement" made as of August 2, 2025, under which the term of the Agreement was extended until August 31, 2026. The CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS, and the First and Second Amendments, thereto are attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS, as amended, as attached as Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:
 - A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from September 17, 2023, until August 31, 2027. The City Manager is authorized to extend the term of this Agreement, provided the compensation does not exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code, unless otherwise authorized by City Council. Any such extension shall be in writing and signed by both parties to this Agreement."
 - B. Paragraph 4.1 shall be amended to reflect the increased total compensation that shall not exceed Four Hundred Fifteen Thousand One Hundred Dollars (\$415,100.00).
 - C. Exhibit B and Exhibit C are hereby amended to conform to the new end date of the Agreement of August 31, 2027.
2. **Electronic Signatures.** Unless otherwise prohibited by law or CITY policy, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal

effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the CITY.

3. **Counterpart Signatures.** This Agreement may be signed in multiple counterparts, which shall, when executed by all the Parties, constitute a single binding agreement.
4. **Conflicts.** In the event of a conflict between the terms and provisions of this THIRD AMENDMENT to Agreement and the terms and provisions of the CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS or any earlier amendment, the terms of this THIRD AMENDMENT to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER, OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

Michelle Bigelow, City Clerk

Christina Turner, City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:
Donald A. Larkin, City Attorney

LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC.

Date: _____

Scott Lewis

By: _____
Title: President
Print Name and Title of Signer.
If Corporate: Chairman, President, or Vice President

Date: 2/27/26

Peter Seffler

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

Date: 3/2/26

**SECOND AMENDMENT TO AGREEMENT
LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC**

This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on 8/2/2025 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC., a California Corporation ("CONSULTANT") or ("LSCE"), hereinafter referred to collectively as the "Parties".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Second Amendment to Agreement is entered into based upon the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. The CITY and CONSULTANT entered into that "CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS" made as of September 17, 2023, for consultant services, for a maximum compensation of Three Hundred Forty-Seven Thousand One Hundred Dollars (\$347,100.00) ("CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS").
3. The CITY and CONSULTANT entered into a "First Amendment to Agreement" made as of August 7, 2024, under which the term of the Agreement was extended until August 31, 2025. The CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS and the First Amendment thereto are attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS, as amended, as attached as Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:
 - A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from September 17, 2023, until August 31, 2026. The City Manager is authorized to extend the term of this Agreement, provided the compensation does not exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code. Any such extension shall be in writing and signed by both parties to this Agreement."
 - B. Paragraph 4.1 and 4.2 shall be updated to reference the rates and basis set forth in both Exhibit A and Exhibit B.
 - C. Exhibit B—Schedule of Fees and Exhibit C—Schedule of Performance are hereby amended to conform to the new end date of the Agreement of August 31, 2026.
 - D. Paragraph 12 shall be amended and replaced in its entirety by the following:

"12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement including, without limitation, complying with California Government Code section 1090 et seq., the

California Political Reform Act (California Government Code section 87100 et seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations section 18700 et seq.). CONSULTANT will further comply and will ensure that its agents and its subcontractors comply, with California Government Code section 84308 (“Levine Act”) and the applicable regulations of the Fair Political Practices Commission concerning campaign disclosure (2 California Code of Regulations sections 18438.1 – 18438.8).”

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

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

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

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5. **Conflicts.** In the event of a conflict between the terms and provisions of this SECOND AMENDMENT to Agreement and the terms and provisions of the CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS or any earlier amendment, the terms of this SECOND AMENDMENT to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:


- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER, OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

Signed by:

 Michelle Bigelow, City Clerk


DocuSigned by:

 Christina Turner, City Manager


Date: 8/4/2025

Date: 8/2/2025

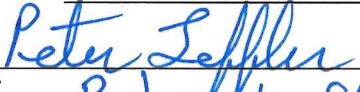
APPROVED AS TO FORM:
Donald A. Larkin, City Attorney

**LUHDORFF & SCALMANINI
CONSULTING ENGINEERS, INC.**

DocuSigned by:

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 Date: 7/29/2025


 By: _____
 Title: Scott Lewis - President
 Print Name and Title of Signer.
 If Corporate: Chairman, President,
 or Vice President

Date: July 22, 2025


 By: _____
 Title: Peter Leffler - CFO
 Print Name and Title of Signer.
 If Corporate: Secretary, Assistant
 Secretary, Chief Financial Officer, or
 Assistant Treasurer

Date: 7/22/25

EXHIBIT 1

FIRST AMENDMENT TO AGREEMENT
LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC.

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 8/7/2024 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC., a California Corporation ("CONSULTANT"), hereinafter referred to collectively as the "Parties".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into based upon the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. The CITY and CONSULTANT entered into that "Consultant Agreement for Design Professionals" made as of September 17, 2023, for consultant services for a maximum compensation of Three Hundred Forty-Seven Thousand One Hundred Dollars (\$347,100.00) ("CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS"). The CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS is attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

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

A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from September 17, 2023, until August 31, 2025."

B. The end date referenced in Exhibit C is hereby amended to conform to the new end date of this Agreement of August 31, 2025.

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

3. **Conflicts.** In the event of a conflict between the terms and provisions of this First Amendment to Agreement and the terms and provisions of the CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS, the terms of this First Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

DocuSigned by:

Michelle Bigelow

Michelle Bigelow, City Clerk

Date: 8/7/2024

APPROVED AS TO FORM:
Donald Larkin, City Attorney

DocuSigned by:

Donald Larkin

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Date: 8/7/2024

CITY OF MORGAN HILL

DocuSigned by:

Christina Turner

Christina Turner, City Manager

Date: 8/7/2024

LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC.

William Halligan

By: William Halligan, President

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

Date: August 6, 2024

Scott Lewis

By: Scott Lewis, Vice President

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

Date: August 6, 2024

EXHIBIT 1

**CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS
Luhdorff and Scalmanini Consulting Engineers**

THIS AGREEMENT is entered into and becomes effective on 9/17/2023 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Luhdorff and Scalmanini Consulting Engineers a California corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on September, 6, 20 23.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until September 1, 2024 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by CONSULTANT shall be to drill two (2) test wells and analyze whether the well sites are suitable for further development into municipal wells as further described in **Exhibit A**.
4. **Compensation.** CONSULTANT shall be compensated as follows:
 - 4.1. **Amount.** \$347,100.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed Three Hundred Forty Seven Thousand One Hundred dollars and shall be billed based on the rate and basis set forth in **Exhibit B**. If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement, and provided further that in no event shall such maximum compensation allowed for the term exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code, unless otherwise authorized by City Council.
 - 4.2. **Billing.** CONSULTANT shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 13 Notices. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such

termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT. The City Manager of CITY is authorized to terminate this Agreement, in whole or in part, on behalf of CITY.

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

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

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

7.1. **Insurance Types and Amounts.**

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

- 7.1.2. Automobile Liability. CONSULTANT shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if CONSULTANT does not own automobiles, then CONSULTANT shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.3. Workers' Compensation Insurance and Employer's Liability. CONSULTANT shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If CONSULTANT is self-insured, CONSULTANT shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.
- 7.1.4. Pollution (Environmental) Liability. If the performance of CONSULTANT'S work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, CONSULTANT shall procure and maintain Pollution Liability covering the CONSULTANT'S liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.5. Professional Liability.
- 7.1.5.1. If the performance of CONSULTANT'S work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), CONSULTANT shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CONSULTANT maintains a claims-made policy, CONSULTANT shall provide written evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.
- 7.1.5.2. If the performance of CONSULTANT'S work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers,

hardware engineers, or other systems consultants), CONSULTANT shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

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

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

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

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

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

7.2.2. Workers Compensation.

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

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

7.4. Certificates. CONSULTANT shall furnish CITY of Morgan Hill with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the CONSULTANT'S

agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 7. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

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

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

9. **Compliance with Law.**

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

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

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

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

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

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

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

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

10. **Independent Contractor.** CONSULTANT is an independent contractor and not an agent or employee of CITY.
11. **Confidentiality.** All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.
12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
13. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

Luhdorff and Scalmanini
500 First Street
Woodland, CA 95695
(530) 661-0109

Address of CITY is as follows:

Development Services Center	with a copy to:
David Gittleson, P.E.	City Clerk
City of Morgan Hill	City of Morgan Hill
17575 Peak Avenue	17575 Peak Avenue
Morgan Hill, CA 95037	Morgan Hill, CA 95037

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

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

16. **Maintenance of Records.**

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

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

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

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

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

19. **No Assignment.** Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be

void and, at CITY'S option, shall terminate this Agreement effective as of the date of such attempted assignment.

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

21. **Defense and Indemnification.**

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

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

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

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

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

- 21.6. **Interpretation.** This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the CONSULTANT to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.
22. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified, or provisions waived, only by a subsequent mutual written agreement executed by CITY and CONSULTANT. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.
23. **Governing Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.
24. **Interpretation.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.
25. **Preservation of Agreement.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.
26. **Binding Agreement.** Notwithstanding the provisions of Section 19 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of CONSULTANT in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.
27. **Data Sharing.** This Agreement requires access by CONSULTANT to CITY'S Geographic Information System (GIS) DATA for CONSULTANT to perform the work. CITY agrees to provide the GIS DATA to CONSULTANT solely for the purpose of performance of contracted work with the CITY upon the terms and conditions specified in Exhibit D, incorporated herein by this reference.
28. **Electronic Signatures.** Unless otherwise prohibited by law or CITY policy, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the CITY.

[Signatures on Next Page]

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

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

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:
DocuSigned by:
Michelle Bigelow
City Clerk/Deputy City Clerk
 Michelle Bigelow
 Print Name
 Date: 9/18/2023

APPROVED AS TO FORM:
DocuSigned by:
Donald Larkin
City Attorney
 Donald A. Larkin
 Print Name
 Date: 9/13/2023

CITY OF MORGAN HILL
DocuSigned by:
Christina Turner
City Manager
 Christina J. Turner
 Print Name
 Date: 9/17/2023

Luhdorff and Scalmanini
 By: William Halligan
William Halligan President
 Print Name and Title of Signer.
 If Corporate: Chairman, President or Vice President
 Date: 8-16-2023

By: Scott Lewis
Scott Lewis Secretary
 Print Name and Title of Signer.
 If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer
 Date: 9/10/23



EXHIBIT A

July 2023
File No. 21-2-120

Mr. David Gittleson
City of Morgan Hill
Engineering and Utilities
17575 Peak Avenue
Morgan Hill, CA 95037

Subject: Work Plan and Cost Estimate for the Investigation and Design Services for New Domestic Supply Wells – City of Morgan Hill

Dear Mr. Gittleson,

Luhdorff and Scalmanini, Consulting Engineers (LSCE) has prepared this detailed work plan and budget to provide the City of Morgan Hill (City) with site-specific hydrogeologic investigation services including borehole drilling, nested monitoring well installation, and well design services for two new water supply production wells to be constructed within the City.

Our work plan and budget are based on our current understanding of City's project goals and objectives and our experience working on similar projects in the City and throughout California.

We appreciate the opportunity to provide you with this scope and budget and would be pleased to respond if you have any questions regarding our work plan or budget.

Sincerely,

LUHDORFF AND SCALMANINI
CONSULTING ENGINEERS

Handwritten signature of Charlie Jenkins in black ink.

Charlie Jenkins, P.G.
Project Geologist

Handwritten signature of Scott Lewis in black ink.

Scott Lewis, P.G.
Senior Principal Geologist

Attachments: Sub-Contractor Bid Item Payment Sheet – Test Hole Monitoring Well Installation
2021-2022 Schedule of Fees for Engineering and Field Services

Mr. David Gittleson
July 2023
Page 2

The Scope of Work outlined below includes the tasks required to investigate and evaluate the potential of two sites within the City for the installation of new wells to augment the City's current groundwater supply well network. If the sites are determined to be favorable for new wells, LSCE will prepare new well designs. The proposed work plan detailed below was developed based on our understanding of the City's needs and our experience with projects of similar size and scope.

SCOPE OF WORK

The Scope of Work is outlined in the following tasks:

- Task 1 – Project Coordination, Meetings, and Administration
- Task 2 – Site Specific Investigations
- Task 3 – Monitoring Well Sampling

Task 1 – Project Coordination, Meetings, and Administration

Task 1.1 – Project Kickoff

LSCE's work on the project will begin with a kickoff meeting with City staff and key LSCE team members to discuss the various aspects of the project. Items such as contact information, chain of command, the City's project expectations, respective roles and responsibilities, schedule, design preferences and parameters, and site constraints shall be discussed at the kick-off meeting.

Task 1.2 - Project Coordination, Meetings, and Administration

Key LSCE team members will attend regular design meetings with the City to discuss various aspects of the project. For each meeting, LSCE will prepare and distribute meeting agendas, minutes, and action item summaries. LSCE will also provide frequent updates via email or telephone throughout the project as needed. This task also provides for project management and administrative activities such as: (a) contractual arrangements, (b) ongoing examination regarding adherence to scope, budget, and schedule, (c) coordination of staff resources (d) internal review of work products, (e) management of subcontractors, (f) billing review, and (g) scoping and budgeting.

Task 2 – Site Specific Investigations

Task 2 includes site specific investigations that will include exploratory drilling to characterize subsurface materials, identify potential aquifer units, collection of water samples for analysis, collection of lithologic and geophysical data to be used to design a production well(s), and to estimate potential well yield. It is LSCE's understanding that the City has selected two sites for site specific investigations. One site is located at the Centennial Recreation Center, while the other is located at Galvin Park.

Task 2.1 Test Hole and Monitoring Well Evaluation

Task 2.1 will include test hole drilling and monitoring well installation at each of the two sites mentioned above. A test hole will be drilled at each site to collect lithologic samples for analysis and to conduct down hole geophysical surveys that will be used evaluate subsurface materials and to design the new production well(s). Based on the results of test hole drilling, LSCE will recommend converting the test holes to multiple completion monitoring well that will allow for the collection of zone-specific water levels and water quality samples. The preliminary test hole depth will be based on the information collected during the hydrogeologic investigation conducted previously and is assumed to be 375 feet for the purposes of

Mr. David Gittleston
 July 2023
 Page 3

project cost estimate. LSCE will provide subcontracted test hole drilling services from a licensed drilling contractor and will oversee the work to ensure that it is performed in accordance with our stringent specifications and high expectations.

LSCE will provide documentation and sampling services during the drilling process including a drilling log, geological samples at a minimum of 10-foot intervals, geophysical (electric) logs, and grain size distribution analysis. If the nature, depth, and thickness of aquifer materials from the test holes are favorable in terms of potential water supply, LSCE will recommend converting each of the test holes to a multiple completion monitoring well. A typical monitoring well may include up to three, 2-inch diameter polyvinyl chloride (PVC) piezometers, completed in different zones. The screen section(s) of each piezometer will be isolated from one another using intermediate bentonite seals allowing for discrete water level measurements and water quality sampling. LSCE will oversee the construction and development of the monitoring wells. After development of the monitoring wells, LSCE will mobilize equipment to collect water samples from each piezometer and submit the samples to a state certified laboratory for a modified Title 22 Drinking Water analysis and other constituents of concern in the area.

If the results of the test hole investigation are not favorable for the construction of a drinking water supply well, and after discussions with the City, the test hole(s) will be abandoned in compliance with all State and local standards.

LSCE will compare the lithology encountered during drilling, geophysical logs, and zonal water quality to that of existing City wells and other wells (production and monitoring) in the vicinity of the project area. The performance of existing City wells and other wells completed by LSCE will be used to estimate the yield of wells constructed at each site. Based on favorable results from the test hole and monitoring well phases, LSCE will prepare preliminary production well designs.

Task 2.2 Investigation Summary and Preliminary Well Designs

LSCE will prepare and deliver to the City an Investigation Summary and Preliminary Well Design Report that will summarize the findings of the site assessment and site characterization work performed at each site as part of Tasks 2.1. The report will include:

- A summary of all field activities associated with test hole drilling, monitoring well construction and development, and water quality testing
- A lithologic log based upon interpretation of collected lithologic samples and geophysical logs
- Geophysical logs
- Grain size distribution charts of selected formation samples
- Monitoring well as-built diagrams
- Daily inspection sheets
- A summary of water quality results and analytical reports
- Copies of all project permits
- Copy of Well Completion Reports

LSCE will prepare site specific preliminary production well designs based on data gathered during test hole and monitoring well evaluation and our experience in the area. The principal design elements to achieve a hydraulically efficient and sand-free well include:

- Borehole and casing depths and diameters
- Casing material type(s)
- Screen placements
- Screen type and material

Mr. David Gittleson
 July 2023
 Page 4

- Casing and screen wall thickness
- Gravel pack gradation
- Screen slot size
- Seal depths
- Accessory pipe depth, material, and diameter

The report will include drafted preliminary well design profiles. The design elements of the wells and yield estimation will be discussed in the report. An engineer’s estimate for the construction and testing of the wells will be included in the reports. LSCE will meet with the City to discuss the results and findings of the test hole/monitoring well investigation and new well design recommendations. LSCE will incorporate the City’s design comments into the final well design(s).

Task 3– Monitoring Well Sampling

Task 3 includes sampling of the newly installed monitoring wells (up to six individual piezometers). LSCE will provide technicians and equipment to purge and sample each piezometer. LSCE will deliver the samples to a California state certified laboratory for water quality analysis which will include a Title 22 Drinking Water analysis. The results of the water quality laboratory analysis will be tabulated in a water quality summary spreadsheet for reference.

COST ESTIMATE

The estimated budget to complete the Scope of Work described herein is based on our current understanding of the project and the effort that would be reasonably expected for a project of this size and scope. The attached worksheet summarizes the estimated costs per Task.

Table 1. Budget Estimate

Task	Engineering Services Cost	Outside Services Cost
Task 1: Project Coordination, Meetings, and Administration	\$9,800	
Task 2: Site Specific Investigations	\$60,100	\$243,600
Task 3: Monitoring Well Sampling	\$10,100	\$23,500
Totals	\$80,000	\$267,100
Grand Total	\$347,100	

LSCE proposes to perform the work described in this proposal for a sum of \$347,100. LSCE will bill monthly for labor and materials, only as incurred, in accordance with LSCE’s 2021-2022 Schedule of Fees (attached). Prevailing wage rates shall be paid to all LSCE and subcontractor personnel for applicable work.

In the event that the City directs LSCE to deviate from the proposed scope of work, or as dictated by unforeseen conditions or events, LSCE will provide notification of any potential changes in the estimated cost to complete the work. LSCE will not proceed with any work that deviates from the approved scope and budget until approval to proceed is granted by the City.



**Payment and Bid Sheet
City of Morgan Hill
Test Hole/Monitoring Well Installation**

Item	Task	Units	Estimated Quantities	Unit Price	Total
1a	Mobilization	Lump Sum	1	28,000.00	\$28,000.00
1b	Site-to-Site Mobilization	Lump Sum	1	6,000.00	\$6,000.00
2	Test Hole Drilling	Linear Foot	750	35.00	\$26,250.00
3	Geophysical Logging	Lump Sum	2	3,200.00	\$6,400.00
4	Borehole Reaming	Linear Foot	550	30.00	\$16,500.00
5	Blank Monitoring Well Casing - 2" Sch 40 PVC	Linear Foot	1530	18.00	\$27,540.00
6	Monitoring Well Screen - 2" Sch. 40 PVC	Linear Foot	60	30.00	\$1,800.00
7	Gravel Envelope	Linear Foot		45.00	\$19,800.00
8	Intermediate Bentonite Seals	Linear Foot	60	45.00	\$2,700.00
9	Annular Surface Seal	Linear Foot	250	45.00	\$11,250.00
	Well Development	Each	6	2,000.00	\$12,000.00
11	Surface Completion	Lump Sum	2	1,800.00	\$3,600.00
12	Full Containment and Disposal of Fluids and Cuttings	Lump Sum	2	25,000.00	\$50,000.00
13	Standby Time	Hour	0	475.00	\$0.00
Total Price					\$211,840.00

Bidder: _____

Signed: _____

Date: _____





Luhdorff & Scalmanini
Consulting Engineers

500 FIRST STREET • WOODLAND, CA 95695

2021-2022 SCHEDULE OF FEES ENGINEERING AND RELATED FIELD SERVICES

Professional*

Senior Principal	\$235/hr.
Principal Professional.....	\$230/hr.
Supervising Professional	\$220/hr.
Senior Professional	\$175 to 200/hr.
Project Professional	\$155 to 175/hr.
Staff Professional	\$140 to 155/hr.

Technical

Engineering Inspector	\$140/hr.
ACAD Drafting/GIS	\$140/hr.
Engineering Assistant.....	\$115 to 140/hr.
Scientist.....	\$115 to 140/hr.
Technician.....	\$115 to 140/hr.

Clerical Support

Word Processing, Clerical.....	\$90/hr.
Digital Communications Specialist	\$90/hr.
Project Admin/Accounting Assistant	\$90/hr.

Vehicle Use	\$0.58/mi.
Subsistence	Cost Plus 15%
Groundwater Sampling Equipment (Includes Operator)	\$170.00/hr
Copies	\$0.20 ea.

Professional or Technical Testimony	200% of Regular Rates
Technical Overtime (if required)	150% of Regular Rates
Outside Services/Rentals	Cost Plus 15%
Services by Associate Firms	Cost Plus 15%


* Engineer, Geologist, Hydrogeologist, and Hydrologist

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

All work shall be completed by September 1, 2024

City of Morgan Hill

Contract Checklist

Contract # <u>126-04-23-038</u>
Is FPPC Required (<i>completed by CA</i>)? <input type="checkbox"/> No <small>DocuSigned by:</small>  <small>BFE66AF9672C451...</small>

Date: 7/24/2025

Project Name: Investigation & Design Services for Domestic Supply Wells

Contractor's Name: Luhdorff & Scalmanini Consulting Engineers Inc.

Project Manager: David Gittleson

Department: Engineering

STANDARD CITY/AGENCY FORM:

Is this a Standard City/Agency Form without any changes:
 YES **NO**

[If there are changes to the Standard City/Agency Form, describe in attached memo/ email]

Are there funds for this request?
 YES **NO**

Fund/GL Account: WA6001.651.CONSTR

CONTRACTOR'S INSURANCE

*****To be completed before agreement is routed for signatures.**

*****Please fill in one of the section below:**

Insurance reviewed and approved on date of: _____

Insurance is not required per email dated: _____

Amendment - Insurance not needed:

Certificate Of Completion

Envelope Id: 832804F2-2B5E-4A33-B01C-FF024F3422FD	Status: Completed
Subject: Complete with Docusign: Luhdorff Scalmanini - Second Amendment	
Source Envelope:	
Document Pages: 23	Signatures: 4
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	City Clerk's Office
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	17575 Peak Ave
	Morgan Hill, CA 95037
	cityclerk@morganhill.ca.gov
	IP Address: 35.131.77.142

Record Tracking

Status: Original	Holder: City Clerk's Office	Location: DocuSign
7/25/2025 3:53:01 PM	cityclerk@morganhill.ca.gov	
Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: City of Morgan Hill	Location: Docusign

Signer Events

Cynthia Hasson
 cynthia.hasson@morganhill.ca.gov
 Assistant City Attorney
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

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 Signature Adoption: Pre-selected Style
 Using IP Address: 35.131.77.142


Timestamp

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 Signed: 7/29/2025 10:09:51 AM

Electronic Record and Signature Disclosure:

Accepted: 7/29/2025 9:56:44 AM
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Christina Turner
 christina.turner@morganhill.ca.gov
 City Manager
 City of Morgan Hill
 Security Level: Email, Account Authentication (None)

DocuSigned by:

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 Signature Adoption: Pre-selected Style
 Using IP Address: 174.85.68.26

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 Signed: 8/2/2025 8:47:45 AM

Electronic Record and Signature Disclosure:

Accepted: 8/2/2025 8:45:03 AM
 ID: 38da7420-120f-46e2-91ff-cc479ddb4c83

Michelle Bigelow
 michelle.bigelow@morganhill.ca.gov
 City Clerk
 Security Level: Email, Account Authentication (None)

Signed by:

 66B887310D154F2...
 Signature Adoption: Pre-selected Style
 Using IP Address: 68.189.124.152

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 Signed: 8/4/2025 7:42:37 AM

Electronic Record and Signature Disclosure:

Accepted: 8/4/2025 7:42:29 AM
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Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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<p>Chris Ghione chris.ghione@morganhill.ca.gov Public Services Director Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Accepted: 7/23/2025 8:12:19 AM ID: e5ce1111-9c71-40cd-a8ae-fd80ab494b62</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 8/4/2025 7:42:38 AM</p>
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<p>David Gittleston david.gittleston@morganhill.ca.gov Associate Engineer Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Accepted: 9/13/2023 9:07:46 AM ID: de920fa4-c1d0-4fdb-86dd-7c269237317f</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 8/4/2025 7:42:39 AM Viewed: 8/4/2025 7:44:23 AM</p>
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<p>Vicky Rossi vicky.rossi@morganhill.ca.gov Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Accepted: 9/11/2023 11:49:25 AM ID: ca57495b-d33d-4cea-9932-0924b42d41f2</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 8/4/2025 7:42:40 AM</p>
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<p>Angel Echavarria angel.echavarria@morganhill.ca.gov Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Accepted: 1/7/2025 8:48:39 AM ID: 17589a47-16a9-4ae4-93a6-049caad62a18</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 8/4/2025 7:42:40 AM</p>
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	8/4/2025 7:42:40 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Morgan Hill:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: michelle.bigelow@morganhill.ca.gov

To advise City of Morgan Hill of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at michelle.bigelow@morganhill.ca.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from City of Morgan Hill

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to michelle.bigelow@morganhill.ca.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Morgan Hill

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to michelle.bigelow@morganhill.ca.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify City of Morgan Hill as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Morgan Hill during the course of your relationship with City of Morgan Hill.



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, March 4, 2026

**5:00 p.m. Special Meeting
Commission Interviews - Open to the Public**

6:00 p.m Regular Meeting

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

SPECIAL/REGULAR MEETING

A special meeting of the City Council was called at 5:00 p.m. for the purpose of conducting Commission Interviews.

SPECIAL MEETING

5:00 p.m. Commission Interviews

CALL TO ORDER

Mayor Turner called the City Council meeting to order at 5:00 p.m.

ROLL CALL ATTENDANCE

Deputy City Clerk Rossi called the roll.

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

DECLARATION OF POSTING AGENDA

Deputy City Clerk Rossi declared the posting of the agenda.

COMMISSION INTERVIEWS

1. INTERVIEW CANDIDATES TO FILL TWO SEATS ON THE PARKS AND RECREATION COMMISSION AND ONE SEAT ON THE PLANNING COMMISSION

Recommendation:

1. Mayor shares the characteristics/traits that a successful applicant(s) would possess;
2. Conduct Interviews;
3. Council Members identify the top applicant(s) and provide recommendations to the Mayor; and
4. Discuss and/or appoint applicant(s).

Mayor Turner shared the characteristics and traits the council looks for in candidates.

The following applicants were interviewed:

Kais Zafer
Mike Braxton
Steve Adamo

The Mayor appointed Steve Adamo to the Planning Commission and Kais Zafer to the Parks and Recreation Commission. The Mayor offered the second Parks and Recreation Commission appointment to Mike Braxton who declined. He later expressed his interest and was appointed.

The meeting recessed at 5:27 p.m. and reconvened at 5:33 p.m.

The special session meeting adjourned at 5:34 p.m.

REGULAR MEETING

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

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITIONS

Wayne Tanda

Kathy Devine

PRESENTATIONS

Children's Advocacy Center of South County

CITY COUNCIL REPORTS

Council Member Vega shared her appreciation for her student's attendance at tonight's meeting. She reported that she attended a City prayer night, participated in the Read Across America event, reading to second-grade students at P.A. Walsh Elementary School. In addition, she served as a guest speaker alongside Mayor Turner at Leadership Morgan Hill's Local Government Day, where they shared their experiences and discussed their paths to public service.

CITY MANAGER'S REPORT

City Manager Turner shared that the South County Regional Wastewater Authority received multiple 2025 awards from the California Water Environment Association Monterey Bay Section, including Plant of the Year, Safety Plant of the Year, and individual recognitions for staff members. She also thanked the 26 residents who attended the recent ELEVATE Morgan Hill coffee event, which included a bilingual discussion on affordable housing, small business support, and community networking. Additionally, she noted that ten community members graduated from the latest Community Emergency Response Team (CERT) training program. She reminded the community that the Mayor's State of the City Address will take place on March 11 at the Granada Theatre and that the next regular City Council meeting would be held on March 18.

CITY ATTORNEY'S REPORT

None.

OTHER REPORTS

Council Member Martinez Beltran shared that she attended the Cal Cities Board meeting in Berkeley on February 19 and 20, where sales tax policy matters were discussed. She also attended the First Responders Pancake Breakfast and Senior Appreciation event at the Grange, where she expressed appreciation to the first responders and seniors who participated. In addition, she attended the Celebration of Life for Beth Wyman and participated in a Legislative Day event with Assemblymember Robert Rivas and colleagues, where regional transportation and housing issues were discussed.

Council Member Iwanaga shared that she attended a Legislative Day event at the State Capitol, where she met with Assembly Speaker Robert Rivas and other legislative representatives and participated in discussions on housing and transportation matters. She also attended a presentation by a Holocaust survivor who spoke about her experiences at the Auschwitz concentration camp and her journey of resilience, describing the event as moving and inspiring.

Mayor Turner shared that he attended the Speaker’s Legislative Day at the State Capitol, where he participated in discussions with state representatives on housing legislation and other matters. He noted that housing laws were discussed, including the approximately 140 housing bills which were introduced and 50 or so that were passed this year.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Public comment opened at 6:35 p.m. With no requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

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

CONSENT CALENDAR

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

MOTION:

Approving consent calendar items 4 and 5.

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

4. **APPROVE THE FEBRUARY 18, 2026 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the February 18, 2026 City Council Meeting Minutes.

5. **RECEIVE MONTHLY BUDGET UPDATE AND JANUARY 2026 FINANCIAL AND INVESTMENT REPORTS**

Recommendation:

Receive and file reports.

ITEMS PULLED FOR DISCUSSION

2. **ADOPT UPDATES TO THE SUSTAINABLE MORGAN HILL DOCUMENT**

Recommendation:

Adopt updates to the Sustainable Morgan Hill document.

City Manager Turner provided a report.

MOTION:

Adopting the recommended action.

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

3. **ADOPT UPDATES TO COUNCIL POLICY (CP) 97-01 RULES FOR CONDUCT OF COUNCIL MEETINGS, PLACEMENT OF ITEMS ON THE AGENDA, AND MATTERS TO BE RECONSIDERED, MEMORIALIZING PUBLIC COMMENT TIME LIMIT PRACTICES**

Recommendation:

Adopt updates to City Council Policy CP 97-01, memorializing the City Council's current public comment time limit practices.

City Manager Turner provided a report.

Public comment opened at 6:51 p.m. With no requests to speak, public comment closed.

MOTION:

Adopting the recommended action.

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

PUBLIC HEARINGS

6. APPROVE ROSEWOOD MEDICAL CAMPUS ZONING MAP AND PLANNED DEVELOPMENT (PD) MASTER PLAN AMENDMENT

Recommendation:

1. Open and close the public hearing;
2. Certify the Final Subsequent Environmental Impact Report (SEIR) for the Rosewood (formerly Lillian Commons) Medical Mixed-Use Project, adopt the CEQA Findings of Fact, and adopt the Mitigation Monitoring and Reporting Program (MMRP); and
3. Waive the first and second reading and introduce an ordinance approving the Zoning Map Amendment and Planned Development (PD) Master Plan Amendment for the Rosewood Medical Campus, with the following land use direction: retain land uses proposed for conversion from conditional to permitted as conditional, except that Daycare Facilities, Farmers Markets, Hotel and Motels, and Restaurants may be permitted when clearly ancillary and subordinate to the medical campus, and allow Assisted Living Facilities and Skilled Nursing Facilities only with a Conditional Use Permit.

Associate Planner Dinh and Development Services Director Carman provided a presentation and report.

The public hearing opened at 7:26 p.m. The following people were called to speak:

- Vahram Massenhian (Zoom) Applicant
- Rene Baez
- Clinton Lam-Song (Zoom)

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

MOTION:

Adopting resolution certifying the Final SEIR, and approving the CEQA Findings of Fact and the Mitigation Monitoring and Reporting Program.

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

MOTION:

Waiving the first and second reading of the ordinance.

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

MOTION:

Introducing the ordinance.

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

The meeting recessed at 8:11 p.m. and reconvened at 8:16 p.m.

OTHER BUSINESS

7. CONTINUED DISCUSSION OF FISCAL SUSTAINABILITY

Recommendation:

Receive report and provide direction to staff regarding whether to pursue

placement of a local tax measure on the 2026 ballot.

City Manager Turner and Finance Director Nguyen provided a presentation and report.

Public comment opened at 9:23 p.m. Doug Muirhead was called to speak. With no further requests to speak, public comment closed.

Report received.

8. PROVIDE DIRECTION TO STAFF ON PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEM REGARDING BLIGHTED PROPERTIES

Recommendation:

Determine if the majority of the City Council wants the following item agendized at a future meeting for discussion:

- Develop a clear and enforceable “Blight” Policy.

City Manager Turner and Mayor Turner provided a report.

Public comment opened at 9:43 p.m. With no requests to speak, public comment closed.

MOTION:

Directing staff to bring the item to a future meeting.

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

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Martinez Beltran requested a discussion on the local hire policy.

Council Member Martinez Beltran requested a discussion on transportation - help with VTA marketing to create ridership.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 9:44 p.m.

Minutes Prepared by:
Vicky Rossi, Deputy City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: March 18, 2026

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

AUTHORIZE A LEASE AMENDMENT WITH COMMUNITY CHRISTIAN FOR THE FORMER EL TORO YOUTH CENTER BUILDING

RECOMMENDATION(S)

Authorize the City Manager to execute a lease amendment with Community Christian for the use of the El Toro Building.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community

Enhancing Diversity and Inclusiveness

2026-2027 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Bikeways, Trails, Parks and Recreation Master Plan

REPORT NARRATIVE:

On February 7, 2018, the City Council authorized the lease of the El Toro Building to Community Christian. As part of this lease, Community Christian was to provide space at the facility for the Alcoholics Anonymous and Narcotics Anonymous groups previously housed at the Friendly Inn Non-profit Center. The lease was extended by the Council for 5 additional years in June 2022.

This lease agreement has worked successfully for the last 8 years. This success is measured both from a fiscal perspective and community resource perspective. Community Christian has significantly renovated the building and helped to transform the area. They have taken on 100 percent of all costs associated with the property and used their own funds to invest in improvement of the property, which has removed the City from any ongoing maintenance costs at the aging facility. Additionally, Community Christian has provided space at the facility for community supporting organizations to utilize. Currently, Community Christian facilitates use for Alcoholics Anonymous and Narcotics Anonymous and is estimated to support 1,500 visits per month, with the organizations holding dozens of meetings. Community Christian also supports the City

by using the facility as a cold weather shelter during severe weather events and uses the office space in the building to support their efforts in partnering with Second Harvest to provide food distribution.

The current lease agreement is scheduled through June 2027. While the conclusion of the lease is over a year away, Community Christian desires to continue to make long-term investments in the building, which this lease extension would support. The most urgent upcoming investments include repairs to the roof and heating/cooling systems at the facility. The lease of the site is provided at the low cost of \$100 per month, as the lease requires a very significant amount of time to be provided to the community organizations using the site (at very low costs) and that all costs and liability for use of the site be transferred to the tenant. The agreement continues to be viewed by City staff as a “win/win” partnership scenario, in which the tenant is allowed to make significant repairs to a City facility for the City, while ensuring their investment and providing required support to other community organizations.

The updated lease would continue through June 2032. It is important to note that the City would be able to terminate the lease agreement early should extenuating circumstances require it.

COMMUNITY ENGAGEMENT:

Not Applicable

This amendment was negotiated by City staff and the City’s tenant, Community Christian. This report serves to share the details of the amendment with the community.

ALTERNATIVE ACTIONS:

The City Council may choose not to approve the amendment and provide City staff with additional direction on the use of the El Toro Building.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- On February 7, 2018, the City Council authorized the lease of the El Toro Youth Center Building to Community Christian.
- On December 5, 2018, the City Council authorized the Third Amendment to the lease allowing significant long-term improvements to the building to be made by Community Christian.
- On June 1, 2022, the City Council authorized the Fourth Amendment to the lease allowing additional significant long-term improvements to the building to be made by Community Christian.

FISCAL AND RESOURCE IMPACT:

The lease supports receipt of \$1,200 annually for the General Fund. Should the City wish to take on management of the facility with continued use of the facility by the non-profit organizations currently using the site, it is anticipated that the City would need to

appropriate \$20,000 annually to support ongoing maintenance and operations.

CEQA (California Environmental Quality Act):

Categorical Exemption

The planned maintenance and management of city facilities falls within the CEQA categorical exemption of Class 1, Existing Facilities.

**FIFTH AMENDMENT
TO LEASE AGREEMENT BETWEEN
THE CITY OF MORGAN HILL AND COMMUNITY CHRISTIAN**

This FIFTH AMENDMENT (Fifth Amendment) to the LEASE AGREEMENT ("Lease Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and Community Christian, a non-profit corporation ("User") formerly known as First Baptist Church Morgan Hill, sets forth the respective roles of City and User in regard to use of City facilities and is made and entered into as of _____, 2026 ("Effective Date"). Throughout this Agreement, City and User are referred to collectively as the "Parties" and individually as a "Party."

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Fifth Amendment to Lease Agreement is entered into pursuant to the action of City Council taken on March 18, 2026.
2. Parties entered into that Lease Agreement made as of March 12, 2018, for the use of the City facilities described in that Lease Agreement.
3. On March 5, 2018, the First Baptist Church of Morgan Hill formally changed its name to Community Christian.
4. Parties entered into a First Amendment to the Lease Agreement made as of December 20, 2018 ("First Amendment"), a Second Amendment to the Lease Agreement made as of April 25, 2019 ("Second Amendment"), a Third Amendment to the Lease Agreement made as of November 4, 2020 ("Third Amendment") and a Fourth Amendment to the Lease Agreement made as of August 11, 2022 ("Fourth Amendment").
5. The Lease Agreement and the First Amendment, Second Amendment, Third Amendment, and Fourth Amendments are attached as "Exhibit 1" to this Fifth Amendment and made part of and incorporated herein.

AMENDMENT

1. **Amendments:** All terms and conditions of the LEASE AGREEMENT, as amended, attached as Exhibit "1", shall remain in full force and effect, except that the following amendments shall be made as set forth below:
 - A. Paragraph 1 shall be amended and replaced in its entirety by the following:

"1. Term. The term of this Agreement is effective from the Effective Date to June 30, 2032 ("Termination Date)". The term of the Agreement may be extended for up to five (5) years by mutual consent of the Parties, and City's City Manager is authorized to extend the term of this Agreement upon the same other terms and conditions contained herein on the Effective Date on behalf of City."
 - B. The date of action taken by the City Council, referenced in Paragraph 1 of the Recitals of the Fourth Amendment to Lease Agreement, is hereby corrected to the June 1, 2022, Meeting.

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

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

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

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[Signatures on the Next Page]

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

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

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

ATTEST:

CITY OF MORGAN HILL

City Clerk

City Manager

Michelle Bigelow

Print Name

Christina J. Turner

Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

COMMUNITY CHRISTIAN

City Attorney

W. Sawkins

By:

Donald A. Larkin

Print Name

William Sawkins

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

Date: _____

Date: 12/22/2025

W. Sawkins

By:

William Sawkins

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

Date: 12/22/2025

**FOURTH AMENDMENT
TO LEASE AGREEMENT BETWEEN
THE CITY OF MORGAN HILL AND COMMUNITY CHRISTIAN**

This FOURTH AMENDMENT (Fourth Amendment) to the LEASE AGREEMENT ("Lease Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and Community Christian, a non-profit corporation ("User") formerly known as First Baptist Church Morgan Hill, sets forth the respective roles of City and User in regard to use of City facilities and is made and entered into as of 8/11/2022, 2022 ("Effective Date"). Throughout this Agreement, City and User are referred to collectively as the "Parties" and individually as a "Party."

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Fourth Amendment to Lease Agreement is entered into pursuant to the action of City Council taken on May 18, 2022.
2. Parties entered into that Lease Agreement made as of March 12, 2018, for the use of the City facilities described in that Lease Agreement.
3. On March 5, 2018, First Baptist Church of Morgan Hill formally changed its name to Community Christian.
4. Parties entered into a First Amendment to the Lease Agreement made as of December 20, 2018 ("First Amendment"), a Second Amendment to the Lease Agreement made as of April 25, 2019 ("Second Amendment"), and a Third Amendment to the Lease Agreement made as of November 4, 2020 ("Third Amendment").
5. The Lease Agreement and the First Amendment, Second Amendment and Third Amendment are attached as "Exhibit "1" to this Fourth Amendment and made part of and incorporated herein.

AMENDMENT

Now, therefore, for mutual consideration the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, the Parties hereby agree, all terms and conditions of the Lease Agreement, as amended and attached as Exhibit "1" shall remain in full force and effect, except that the following amendment shall be made as set forth below:

- A. Paragraph 1. Term shall be amended and replaced in its entirety by the following:

1. TERM

The term of this Agreement is effective from the Effective Date to June 30, 2027 ("Termination Date"). The term of the Agreement may be extended for up to five years by mutual consent of the Parties, and City's City Manager is authorized to extend the

term of this Agreement upon the same other terms and conditions contained herein on the Effective Date on behalf of City.

B. **Signatures.** The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective entities.

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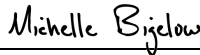
C. **Conflicts.** In the event of a conflict between the terms and provisions of this Fourth Amendment to Agreement and the terms and provisions of the Agreement or any earlier amendment, the terms of this Fourth Amendment to Agreement shall govern and control.

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

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT;
- AND (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER, OR ASSISTANT TREASURER.


ATTEST:

DocuSigned by:

 Michelle Bigelow
 City Clerk

Michelle Bigelow
 Print Name

Date: 8/12/2022

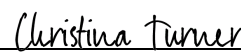
APPROVED AS TO FORM:

DocuSigned by:

 Cynthia Hanson
 City Attorney

Donald A. Larkin
 Print Name

Date: 8/11/2022

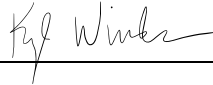
CITY OF MORGAN HILL

DocuSigned by:

 Christina Turner
 City Manager

Christina J. Turner
 Print Name

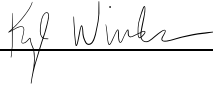
Date: 8/11/2022

COMMUNITY CHRISTIAN


 By:

Kyle Windsor, Senior Pastor
 Print Name and Title of Signer.
 If Corporate: Chairman, President, or Vice President

Date: March 22, 2022


 By:

Kyle Windsor, Senior Pastor
 Print Name and Title of Signer.
 If Corporate: Secretary, Assistant Secretary, Chief Financial Officer,, or Assistant Treasurer

Date: March 22, 2022

EXHIBIT 1

**THIRD AMENDMENT
TO LEASE AGREEMENT BETWEEN**

THE CITY OF MORGAN HILL AND COMMUNITY CHRISTIAN

This THIRD AMENDMENT (Third Amendment) to the LEASE AGREEMENT ("Lease Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and Community Christian, a non-profit corporation formerly known as First Baptist Church Morgan Hill ("User"), sets forth the respective roles of City and User in regard to use of City facilities and is made and entered into as of ^{11/4/2020} 2020 ("Effective Date"). Throughout this Amendment, City and User are referred to collectively as the "Parties" and individually as a "Party."

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Third Amendment to Lease Agreement is entered into pursuant to the action of City Council taken on February 7, 2018:
2. Parties entered into that Lease Agreement made as of March 12, 2018, for the use of the City facilities described in that Lease Agreement.
3. On March 5, 2018, First Baptist Church of Morgan Hill formally changed its name to Community Christian.
4. Parties entered into a First Amendment to the Lease Agreement made as of December 20, 2018 ("First Amendment") and entered into a Second Amendment to the Lease Agreement made as of April 25, 2019 ("Second Amendment").
5. The Lease Agreement and the First and Second Amendments thereto are attached as Exhibit "1" to this Agreement and made part of and incorporated herein.

AGREEMENT

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

A. Paragraph 1. Term shall be amended and replaced in its entirety by the following:

1. TERM

The term of this Agreement is effective from the Effective Date to June 30, 2023 ("Termination Date"). The term of the Agreement may be extended for up to one additional year by mutual consent of the Parties, and City's City Manager is authorized to extend the term of this Agreement upon the same other terms and conditions contained herein on the Effective Date on behalf of City. User understands that City is contemplating the sale of the Premises, which may affect the renewal term.

2. **Signatures.** The individuals executing this Third Amendment represent and warrant that they have the legal capacity and authority to do so on behalf of their respective entities.

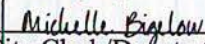
3. **Conflicts.** In the event of a conflict between the terms and provisions of this Third Amendment to Agreement and the terms and provisions of the Agreement or any earlier amendment, the terms of this Third Amendment to Agreement shall govern and control.

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

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

DocuSigned by:


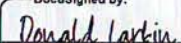
 City Clerk/Deputy City Clerk

Michelle Bigelow

 Print Name

Date: 11/4/2020

APPROVED AS TO FORM:

DocuSigned by:


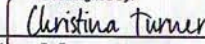
 City Attorney

Donald A. Larkin

 Print Name

Date: 10/29/2020

CITY OF MORGAN HILL

DocuSigned by:


 City Manager

Christina J. Turner

 Print Name

Date: 11/4/2020

COMMUNITY CHRISTIAN

DocuSigned by:


 By: DE3ACC6A64F6A4AD...

kyle windsor

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

Date: 11/12/2020

By: _____

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

Date: _____

126-04-18-022

**SECOND AMENDMENT
TO LEASE AGREEMENT BETWEEN
THE CITY OF MORGAN HILL AND COMMUNITY CHRISTIAN**

This SECOND AMENDMENT (Second Amendment) to the LEASE AGREEMENT ("Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and First Baptist Church Morgan Hill doing business as Community Christian, a non-profit corporation ("User"), sets forth the respective roles of City and User in regard to use of City facilities and is made and entered into as of April 25, 2019 ("Effective Date"). Throughout this Agreement, City and User are referred to collectively as the "Parties" and individually as a "Party."

The City and User entered into that Lease Agreement made as of March 12, 2018, for the use of the City facilities described in that Agreement. The City and User entered into a First Amendment as of December 20, 2018. The lease Agreement and the First Amendment are attached as "Exhibit 1" to this Second Amendment and made part of and incorporated herein.

1. AMENDMENT:

Now, therefore, for mutual consideration the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, the Parties hereby agree, all terms and conditions of the Agreement, as amended and attached as Exhibit "1" shall remain in full force and effect, except that the following amendment shall be made as set forth below:

A. Paragraph 1. Term shall be amended and replaced in its entirety by the following:

1. TERM

The term of this Agreement is effective from the Effective Date to December 31, 2020 ("Termination Date"). The term of the Agreement may be extended for up to three and one-half years by mutual consent of the Parties, and City's City Manager is authorized to extend the term of this Agreement upon the same other terms and conditions contained herein on the Effective Date on behalf of City. User understands that City is contemplating the sale of the Premises, which may affect the renewal term.

B. SIGNATURES

The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective entities.

C. CONFLICTS. In the event of a conflict between the terms and provisions of this Second Amendment to Agreement and the terms and provisions of the Agreement or any earlier amendment, the terms of this Second Amendment to Agreement shall govern and control.

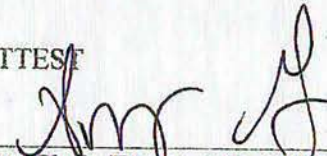
CG
Second

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

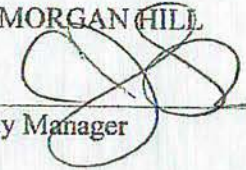
AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS;

(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT;
AND (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST



City Clerk /Deputy City Clerk

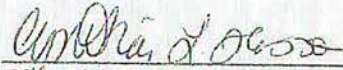
CITY OF MORGAN HILL


City Manager

for Michelle Wilson
Print Name
Date: 5/17/19

Christina Turner
Print Name
Date: 4-25-19

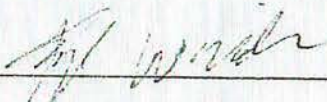
APPROVED AS TO FORM:



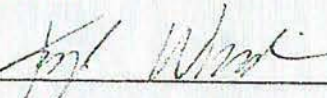
City Attorney

Community Christian

for Donald A Larkin
Print Name
Date: 4-23-19

By: 

Kyle Windsor Senior, MSPIC
Print Name and Title of Signer.
If Corporate: Chairman, President for Vice President

By: 

Kyle Windsor Senior, MSPIC
Print Name and/Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 4/15/19

**FIRST AMENDMENT TO THE LEASE AGREEMENT BETWEEN
THE CITY OF MORGAN HILL AND COMMUNITY CHRISTIAN**

This FIRST AMENDMENT TO AGREEMENT ("FIRST AMENDMENT") is made and entered into as of this 20 day of December 2018 (the "EFFECTIVE DATE"), by and between the CITY OF MORGAN HILL, a municipal corporation ("CITY") and the FIRST BAPTIST CHURCH MORGAN HILL DOING BUSINESS AS COMMUNITY CHRISTIAN ("USER"), a California non-profit corporation.

RECITALS

The Parties intend that the following recitals are a substantive part of this FIRST AMENDMENT:

1. This FIRST AMENDMENT is entered into based upon City of Morgan Hill City Council action taken on December 5, 2018.
2. CITY and USER entered an Agreement for the lease of the El Toro Youth Center Building ("AGREEMENT"). The AGREEMENT is attached as Exhibit "B" to this FIRST AMENDMENT and incorporated herein by this reference.

AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED BY THE PARTIES HERETO, THE PARTIES FURTHER MUTUALLY AGREE AS FOLLOWS:

SECTION 1. Amendments: Pursuant to the provisions of Section 9 of the AGREEMENT, the Parties agree that all of the terms and conditions of the AGREEMENT attached hereto as Exhibit "B", shall remain in full force and effect except that the parties hereto agree that the following amendments shall be made and incorporated into the AGREEMENT, as amended to date, as follows:

A. SECTION 1.2 of the AGREEMENT, shall be amended to read in its entirety as follows:

1.2 Termination of Agreement This Agreement may be terminated by either Party hereto for any reason upon thirty (30) days written notice to the other Party. City's City Manager is authorized to terminate this Agreement on behalf of City.

1.2.1 Should the lease agreement be terminated prior to ten years from the Effective Date the City shall pay the User up to a maximum of \$20,000 for improvements made for by the User during the agreement term and specifically approved in Exhibit A, so long as the User has provided the City proof of payment for the improvements and improvements have been made in accordance with Section 2.6. This payment shall not be required should the agreement be terminated for sale of the Premises to the User.

IN WITNESS WHEREOF, the parties to this FIRST AMENDMENT have executed this AMENDMENT to be effective as of the EFFECTIVE DATE first set forth hereinabove.

ATTEST:

Michelle Wilson
Michelle Wilson, Deputy City Clerk
Date: 12/21/18

APPROVED AS TO FORM:

for Donald Larkin
Donald Larkin, City Attorney
Date: 12-20-18

CITY OF MORGAN HILL:

Christina Turner
Christina Turner, City Manager
Date: 12/20/18

FIRST BAPTIST CHURCH MORGAN HILL
DBA COMMUNITY CHRISTIAN:

Kyle Wind
By: Senior Pastor
Title: Senior Pastor
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President

Date: Nov 18 2018

Kyle Wind
By: Senior Pastor
Title: Senior Pastor
Print Name and Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: Nov 18 2018

Exhibit A

List of Approved Improvements

1. Replacement of windows, window frames, and wall areas associated with windows.
2. Floor coverings.
3. Structural repairs, including relocating/replacement of walls, improvements to ceilings and attic areas.
4. Other improvements specifically intended to support the capital improvements intended to last for over 10 years, approved in writing by the City's Community Services Director.

EXHIBIT "1"

LEASE AGREEMENT
BETWEEN THE CITY OF MORGAN HILL AND
COMMUNITY CHRISTIAN

This LEASE AGREEMENT ("Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and First Baptist Church Morgan Hill doing business as Community Christian, a non-profit corporation ("User"), sets forth the respective roles of City and User in regard to use of City facilities and is made and entered into as of March 12 2018 ("Effective Date"). Throughout this

Agreement, City and User are referred to collectively as the "Parties" and individually as a "Party."

NOW, THEREFORE, for mutual consideration the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, the Parties hereby agree as follows:

1. TERM

The term of this Agreement is effective from the Effective Date to June 30, 2019 ("Termination Date"). The term of the Agreement may be extended for up to five years by mutual consent of the Parties, and City's City Manager is authorized to extend the term of this Agreement upon the same other terms and conditions contained herein on the Effective Date on behalf of City. User understands that City is contemplating the sale of the Premises, which may affect the renewal term.

1.1. Holding Over. If User or any assignee or sublessee thereof continues to occupy the Premises after the term of this Agreement has expired or terminated in any manner and City has not objected thereto, such holding over shall be deemed a month to month agreement terminable on thirty (30) days' notice given by either Party (the "Hold-Over Agreement") on the same terms and conditions as provided in this Agreement.

1.1.1 Notwithstanding the foregoing, nothing contained in this Agreement shall give User any right to occupy the Premises at any time after expiration of the term of this Agreement or its earlier termination. User acknowledges and agrees that upon such expiration or termination, it shall not be entitled to any relocation assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16, of the Government Code of the State of California (Paragraphs 7260 et seq.) or pursuant to any other laws or regulations with respect to any relocation of its business or activities upon the expiration of the term of this Agreement, upon its earlier termination, or upon the termination of any holdover tenancy pursuant to this paragraph. User hereby waives and releases to City all rights, if any, to which User may be entitled under said provisions or other law or regulations.

1.1.2 If User or any assignee or sublessee thereof shall continue to occupy the Premises after the term of this Agreement has expired or is terminated in any manner and City has objected thereto, then City shall be entitled to reenter the Premises and enforce any other right available to it under the laws of California or the provisions of this Agreement.

1.2 Termination of Agreement. This Agreement may be terminated by either Party hereto for any reason upon thirty (30) days written notice to the other Party. City's City Manager is authorized to terminate this Agreement on behalf of City.

2. PROPERTY USE

2.1. The Premises. The Parties hereto acknowledge that City is the owner of The El Toro Youth Center facility located at 17620 Crest Avenue, Morgan Hill, CA 95037 ("Premises"). City desires to

use the Premises as a non-profit service center ("Center"). The Premises are further described in Exhibit A.

2.2. El Toro Youth Center Policy. The parties hereto acknowledge that a 2018 Policy Statement of City's City Council regarding the use of the El Toro Youth Center Facility at the Premises states: "The purpose of the El Toro Building is to enhance the quality of community life. It is the City's intent to provide subsidized space at the facility for non-profit organizations that strive to meet an identifiable, social service, community need. The El Toro Youth Center Building is not intended to serve as a rental, event, or recreation center that directly competes with existing City services. The City Council anticipates partnering with organization(s) that recognize the value in leveraging resources to provide service to the Community. Partner organization(s) shall support providing community-wide services and manage the facility in a manner that helps to support the adjacent Crest Street area. The City Council recognizes the fact that the future need for and use of the facility may need to evolve over time and intends to formally review the facility's purpose and tenants every five years." (the goals set forth by the City Council Policy Statement are collectively referred to herein as, the "Policy".)

2.3. Permitted Use. City agrees to permit User to use the Premises to provide services to the community ("Program"), for the purposes, in the locations and manner, and subject to the terms and conditions described in this Agreement in fulfillment of the Policy. User shall not use or permit the Premises to be used for any other purpose without City's prior written consent, which consent may be granted or withheld in City's sole discretion.

2.3.1 It is further the Intent of this lease to require the User to provide space to other tenants, as further described herein in this Agreement, who also provide services to the community (Subtenants). All subtenants must meet the eligibility criteria established in the El Toro Youth Center policy adopted by City's City Council in February 2018 to be considered for tenancy at the Premises. User managing and allowing non-profit uses for former Friendly Inn tenants is a specific consideration for the reduced rent provided for in this Agreement.

2.3.2 User shall accommodate use by other non-profits, including Alcoholics Anonymous (AA) and Narcotics Anonymous (NA). User shall be allowed to charge NA and AA rent at a level equal to the current use fees paid by those organizations to the User.

- o Rent for NA shall be \$280 per month.
- o Rent for AA shall be \$300 per month.

2.3.2.1 AA and NA shall be provided at least the main conference room or an alternative space for the scheduled meetings currently occurring. Meeting schedule is attached as Attachment 1. Alternate locations to be approved by NA or AA. New meeting times or changes to meeting times to be approved by User.

2.3.2.2. AA and NA to be provided 50 square feet of locking storage space within the El Toro Youth Center.

2.3.2.3. User shall be allowed to sublease to other organizations with written approval from the City.

2.3.3 City shall be entitled to 20 use hours per year for meetings and programs at the facility during times not in use by User, NA or AA. City may utilize additional hours at established fees to be negotiated by the Parties.

2.3.4 User shall provide to City an annual report on operations. Report to include:

- o Programs/activities offered
- o Program costs for participation
- o Financial assistance provided
- o Demographic information including location of youth served (if possible)

2.3.5 Parking for the El Toro Youth Center is available at the adjacent Galvan Park public parking lot. Participants in programs offered out of the El Toro Youth Center shall be allowed to park in the parking lot, but will not have any priority over general members of the public utilizing the public parking.

2.3.6 Compliance with "No Smoking Law" (2003 Assembly Bill 846): User shall ensure that the Premises are in compliance with Government Code Title 1, Division 7, Chapter 32 (commencing with section 7596), as may be amended from time to time, and, if necessary, shall modify the Premises to comply with the law and the regulations promulgated to implement 2003 Assembly Bill 846, as well as Morgan Hill Municipal Code Chapter 8.44.

2.5. "As Is" Condition. User accepts the Premises permitted for its use under the Agreement in its present condition, "as is" and subject to (1) all easements, covenants, conditions, restrictions, reservations, rights of way, liens, encumbrances, and other matters of record, (2) all matters discoverable by physical inspection of the Premises or that would be discovered by an accurate survey of the Premises, and (3) all matters known to User or of which User has notice, constructive or otherwise. The taking of possession of the Premises shall, in itself, constitute acknowledgment by User that the Premises is in a condition satisfactory for its use and that City has not agreed to undertake any modifications, alterations, or improvements to the Premises except as specifically provided in this Agreement. User specifically acknowledges that, except as otherwise may be expressly provided herein, City has made no representations concerning the condition of the Premises, the fitness of the Premises for User's intended use, or the compliance of the Premises with any federal, state, or local building codes or ordinances or with any laws, regulations, or guidelines regarding disabled or handicapped person, including, without limitation, the Americans with Disabilities Act of 1990.

2.6. Maintenance, Repairs, and Alterations. User shall, at its own cost, keep and maintain the interior and exterior of the Premises including, but not limited to, all fixtures, in good repair and lawful condition. Maintenance includes all exterior landscaping, all windows, the mechanical, plumbing, fire sprinklers, and electrical equipment serving the Premises, and the structure itself in reasonably good order and condition, excluding normal wear and tear, caused by User. Damage by User shall be repaired by User at User's expense. The standard of maintenance shall be equal to that of other City office buildings of a similar class in Morgan Hill. Proof of maintenance of systems must be submitted to the City quarterly, including but not limited to fire backflow, fire sprinklers, and fire alarm system.

2.6.1. City Inspections. A minimum of quarterly maintenance inspections of the Premises will be conducted by the City. User shall be responsible to address deficiencies outlined in the inspection reports in a timely manner. If after thirty (30) days written notice from City, User has failed to commence and diligently pursue completion of any and all maintenance, replacement, and repair which may be required to restore the Premises and any of its fixtures, equipment, and mechanical systems as a result of the neglect of or loss or damage caused by User or any of

its officers, employees, agents, invitees, or licensees or which otherwise results from User's use or occupancy of the Premises, then City shall have the right, but not the duty, to perform such maintenance, replacement, and repair at User's expense and User shall reimburse City for such costs promptly upon City's written demand. The performance of maintenance and repair by City shall, in no event, be construed as a waiver of User's duty to maintain and repair as herein provided. Unless City's written approval has been first obtained in each instance, User shall not alter the point of supply of any utilities in the Premises. User shall indemnify, defend, and hold harmless City against all actions, claims, and damages by reason of User's failure to comply with and perform the provisions of this section. Within one week of the effective date of this agreement an initial inspection shall be conducted of the premise and to identify the existing condition of the premises. Conditions outlined in the initial inspection shall not be noted as deficiencies in future inspection reports.

2.6.2 Alterations. User may make no alterations, additions or improvements to the Premises without prior written permission of City. Improvements must be approved by the City's Community Services Director. The Community Services Director shall respond to written requests for alterations, additions or improvements within 30 days. All required permit fees (Building Permits) are responsibility of User. User shall pay for all labor done and materials furnished in any repairs or any permitted alterations, additions, or improvements to the Premises. Upon User's completion of any improvements within the Premises, User shall furnish to City a set of reproducible, final "as built" drawings of any and all such alterations, additions, or improvements. User waives the right to make repairs at the expense of City or, in lieu thereof, to vacate the Premises, and waives the benefit of the provisions of Paragraph 1941 and 1942 of the California Civil Code or any successor statute thereto and any other similar law now or hereafter in effect.

2.6.3 Liens or Encumbrances. User shall keep the Premises free and clear of any liens or encumbrances of any kind whatsoever created by or through User. If any such liens or encumbrances are filed, User shall not be deemed to be in default if such liens or encumbrances have been removed of record within forty-five (45) days of the filing thereof. If User fails to do so, City shall have the right and option, but not the duty, to pay or otherwise discharge, stay or prevent the execution of any liens or encumbrances. In such event, City shall not be deemed to have waived City's right to declare User in default under this Agreement, and User shall reimburse City for all sums expended in connection with such liens or encumbrances, including City's reasonable attorney's fees and costs. Such reimbursement shall be due and payable ten (10) days after City's written demand for any such payments, fees, or costs.

2.6.4 Waste. User shall not commit, nor permit to be committed, any waste upon the Premises, or carry on any nuisances or illegal activities on the Premises.

2.6.5 User's Property. Any and all property belonging to or brought onto the Premises by User or any of its officers, employees, agents, invitees, or licensees shall be at the sole risk of User. User is hereby advised and understands that the personal property of User, and any of its tenants, is not insured by the City for either damage or loss, and the City assumes no liability for such loss. Subject to City's right of approval, User may place and install trade fixtures and other personal property in the Premises for use in connection with its operations hereunder and the same shall be and remain the property of User. User shall, however, be responsible for the cost of repairing any damage to the Premises or any other improvements of City which are caused by the removal of any such trade fixtures and personal property. Notwithstanding the foregoing, however, if User shall at any time be in default hereunder, then City shall have the benefit of

any statutory liens on User's property located in the Premises which are available to City under the laws of the State of California and User shall not remove or permit the removal of any of such property until all amounts secured by such liens have been paid and all other defaults under this Agreement have been cured.

2.6.6 City's Right to Enter. City and its designated agents shall have the right to enter any and all part or spaces on the Premises at any reasonable time for inspection, maintenance, repair, attending to emergencies or any other reasonable purpose.

2.7. Rules and Regulations. User covenants and agrees to observe and comply with all rules and regulations of City, including all safety, security and operations directives of the Manager, which now exist or may hereafter be promulgated from time to time governing conduct on and operations at the Premises and the use of facilities at the Center. User further covenants and agrees to observe and comply with any and all valid and applicable requirements of all duly-constituted public authorities and with all federal, state and local statutes, ordinances, and regulations applicable to User, the Premises or City. User agrees to pay or reimburse City for any fines which may be assessed against City as a result of the violation by User of any applicable security regulation at City, which payment shall be made by User within fifteen (15) days from receipt of City's invoice for such amount. Documentation showing that payment of such fine is User's responsibility hereunder.

2.8. Waiver of Damage. User hereby expressly waives and releases any cause of action or right of recovery for compensation for any and all loss or damage sustained by reason of any fire, defect, deficiency, or impairments of any of the services in or to the Premises or City, including, but not limited to, 1) electrical power, gas, telephone service, steam, heating, air conditioning, water supply, drainage, or sewage systems, 2) from wires leading to or inside of any space or structure, or 3) by reason of any loss resulting from the failure of any such system or facility, unless such loss or damage is due to the sole negligence or willful misconduct of City or its officers, agents, or employees.

2.9. End of Term. At the end of the term or upon the earlier termination of this Agreement, User shall deliver to City possession of the Premises and all of the fixtures and equipment of City in their original condition in all respects, reasonable use and wear excepted. User agrees to reimburse City for the cost of any alterations, replacement, repairs or cleaning required to restore the same to such condition provided, however, in the event User has caused any alterations, additions, or improvements to be made to the Premises, including, but not limited, to the addition, relocation, or removal of partitions and doorways (which such alterations or improvements shall be made at User's cost and only with the prior express written approval of City in each instance), City may elect, with respect to each such alteration, addition, or improvement, to accept it as it was at the time it was made or constructed, reasonable use and wear excepted, or to require the same to be restored to its original condition at User's expense.

2.10. Nondiscrimination. User covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that this Agreement is made and accepted upon and subject to the following conditions: there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, gender, sexual orientation, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, or enjoyment of the portion of the Premises herein leased nor shall User, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, invitees, permittees, subtenants, or vendees in the portion of the Premises herein leased.

2.11. Hazardous Materials. User shall not keep or maintain any Hazardous Substance on or in the Premises without City's prior written approval. User shall not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire on the Premises. User shall promptly give notice to City of any Hazardous Substance dispersal, spill, or Hazardous Substance claim of which it is aware. User shall defend, with counsel acceptable to City, indemnify and hold City harmless from any and all claims, costs, damages, penalties, or liabilities arising out of the use or release of any Hazardous Substance at, in, or on the Premises dated from the time the User occupied the Premises. The term "Hazardous Substance" as used in this Agreement shall mean any products, substances, chemical, material, or waste whose presence, nature, quantity, and/or intensity of existence, use, manufacture, disposal, transportation, spill, release, or effect, either by itself or in combination with other materials expected to be on the Premises, is either (a) potentially injurious to the public health, safety, or welfare, the environmental, or the Premises, (b) regulated or monitored by any governmental authority, or (c) a basis for liability of City to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but is not be limited to, hydrocarbons, MTBE, petroleum, gasoline, crude oil, or any products, by-products, or fractions thereof.

2.12. City's Reserved Rights

2.12.1 City reserves the right for itself and others to utilize and maintain existing utility easements over, under, across and through the Premises and to run water, electrical, telephone, gas, drainage, communications and other lines over, under, across, and through the Premises and to grant necessary utility easements therefore.

2.12.2 City reserves the right (a) to further develop, improve, repair and alter the Premises and all facilities and buildings as it may see fit, free from any and all liability to User for loss of business or damages of any nature whatsoever to User occasioned during the making of such improvements, repairs, alterations, and additions, including, but not limited to, any damages resulting from negligence of City or its employees, agents or contractors, and (b) to establish such fees and charges for the use of the Premises.

2.13. Destruction of Premises. In the event the Premises are partially destroyed from any cause, City shall have the right to repair the Premises without providing any alternative space for User. If the repairs cannot be made within one hundred eighty (180) days, this Agreement may be terminated at the option of either Party by written notice given to the other Party. In the event the Premises suffer the destruction of more than twenty-five percent (25%) of the replacement cost or in the event insurance proceeds are not sufficient to cover at least ninety percent (90%) of the cost of repairs, City may elect to terminate this Agreement. City shall not be obligated to replace any of the User's personal property which may be damaged or destroyed.

3. FEES AND CHARGES

3.1. Rent. As consideration for User's use of Premises pursuant to the terms and conditions of this Agreement, User agrees to pay to City one hundred dollars (\$100.00) per month on the Effective Date and on the first of the month thereafter during such time as this Agreement continues to remain in effect.

3.2 Building Service Charges. User shall pay all Building Service Charges. "Building Service Charges" shall include charges and fees for utility charges (electricity, water and sewer), trash

collection, if any, property insurance premiums for the Premises, personal property taxes, reception services, operation of community rooms, and cost of on-site personnel employed by the User, if any, to implement maintenance or services. User shall be responsible for obtaining and paying for any other utilities (including, without limitation, telephone, cable, wireless internet service) as is necessary for User's use of the Premises.

4. INSURANCE REQUIREMENTS. User shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of User, including liability for damage or injury to the property or person (including death) of any User or invitee of User or any other person entering upon or using the Premises, or any structure thereon, or any part thereof, and arising from User's use and occupancy thereof, and must remain in full force and effect at all times during the period covered by this Agreement. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. User further understands that City reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to User, at any time as deemed necessary to protect the interests of City.

4.1. Insurance Types and Amounts.

4.1.1. Commercial General Liability (CGL). User shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least five hundred thousand dollars (\$500,000.00) for property damage, or (ii) the maximum amount of such insurance available to User under User's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

4.1.2. Automobile Liability. User shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if User does not own automobiles, then User 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) for bodily injury or death to any one person for any one accident or occurrence and at least five hundred thousand dollars (\$500,000.00) for property damage, or (ii) the maximum amount of such insurance available to User under User's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

4.1.4. Other Liability Insurance. If the User's activity outlined in Section 2.3 (Permitted Use) involves contact with minors, User shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to User under User combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

4.2.1. General Liability.

4.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

4.2.1.2. the insurer waives the right of subrogation against the City of Morgan Hill and the City's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

4.2.1.3. insurance shall be primary non-contributing.

4.2.2. Workers Compensation.

The insurer waives the right of subrogation against the City of Morgan Hill and the City's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

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

4.4. Certificates. User shall furnish City with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to this Agreement shall be canceled or materially changed except after thirty (30) days' notice by the insurer to City. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address as follows:

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

5. INDEMNIFICATION

User agrees to indemnify, defend, and hold harmless City, its governing board (including, without limitation, members of the City Council), officers, employees, and agents, including the Manager in its function as the agent of City, from and against all liabilities, losses, suits, claims, demands, judgments, damages, fines, penalties, costs, and expenses (including attorney's fees and costs), which may be incurred by, charged to, or recovered from any of the foregoing (i) by reason or on account of damage to or destruction of any property of City, damage to any property of, injury to, or death of any person resulting from or arising out of the User's use, operation, occupancy, or maintenance of the Premises or any improvements thereto, or the acts or omissions of User's officers, agents, employees, contractors, subcontractors, invitees, subtenants, or licensees, regardless of where the damage, destruction, injury, or death occurred, unless such liability, loss, suit, claim, demand, judgment, damage, fine, penalty, cost, or expense was caused by City's sole negligence or willful misconduct, or (ii) arising out of the failure of User to keep, observe, or perform any of the covenants or agreements in this Agreement to be kept, observed, or performed by User. In carrying out its obligations hereunder, User shall use counsel reasonably acceptable to City's City Attorney. The provisions of this Paragraph shall survive the

expiration or earlier termination of the term of this Agreement with respect to any acts or omissions occurring during the term of this Agreement.

6. ACCESS DISCLOSURE

The Premises have not undergone an inspection by a Certified Access Specialist (CASp), and a disability access inspection certificate, as described in subdivision (e) of Section 55.53 of the California Civil Code, has not been issued for the Premises. In accordance with Section 1938 of the California Civil Code, Tenant is advised of the following: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Accordingly, the parties hereby agree that Tenant shall have the right, but not the obligation, to have a CASp inspect the Premises and determine whether the Premises complies with all of the applicable construction-related accessibility standards under state law. If it is determined that the Premises do not meet all applicable construction-related accessibility standards, then Tenant shall promptly make, as soon as reasonably possible, but subject to Section 10 hereof, any repairs necessary to correct violations of construction-related accessibility standards identified by such inspection, at Tenant's sole cost and expense.

7. DEFAULT

In the event that (a) User or any of its officers, employees, agents, invitees, subtenants or licensees violates any other term, covenant or condition of this Agreement and such violation continues beyond thirty (30) days after City has given written notice thereof to User, or if the nature of the cure of such term, covenant or condition reasonably requires more than thirty (30) days to remedy, if User does not commence the cure of such term, covenant or condition within such thirty (30) day period and diligently pursues such cure to completion thereafter, (b) User ceases to use the Premises or to operate its services as set forth in this Agreement beyond ten (10) days after City has given written notice to resume operation, or (c) if a trustee or receiver is appointed to take possession of substantially all of User's assets located in the Premises or of User's interest in this Agreement, where possession is not restored to User within thirty (30) days, then in any such event User will be in default under this Agreement. On the occurrence of any such default, City may elect to terminate this Agreement (which termination shall only be evidenced by a written notice of termination from City to User) and resume possession of the Premises, thereafter using the same for its own purposes without having to account to User therefore, and User shall immediately return to City all unexpended and unencumbered funds provided to User by City under this Agreement.

8. WAIVER

The waiver by either Party of a breach by the other Party of any agreement herein shall not be deemed to be a waiver by that Party of any covenant of this Agreement. Such waiver by either Party shall not constitute a waiver of any future breach by the other Party of the same or other covenants of this Agreement.

9. AMENDMENTS

Amendments to this Agreement may be made by written mutual agreement between the Parties.

10. ASSIGNMENT AND SUBLETTING

Except as otherwise provided herein, User may not assign this Agreement or any of the rights granted to it hereunder or sublet the Premises or any portion thereof without the prior written consent of the City. Subtenants must meet the eligibility criteria established in the Policy to be considered for tenancy at the El Toro Youth Center.

11. SUCCESSORS AND ASSIGNS.

This lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors, and assigns of User.

12. DOCUMENT REVIEW

User will, upon reasonable advance written notice from City, make books and other documents relating to the Program available for inspection to City.

13. NOTICES

Any notice or instrument required or permitted to be given hereunder shall be deemed received upon personal delivery or five (5) days after deposit in any United States mail depository, first class postage prepaid and addressed to the party for whom intended.

For City: City Manager
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Copies to: City Attorney
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

For User: Community Christian
305 W. Main Avenue
Morgan Hill, CA 95037

Correspondence other than notices may be given by phone, regular mail, email or facsimile through the Community Services Director or his or her designee.

14. SEVERABILITY

The partial or total invalidity of one or more parts of this Agreement will not affect the intent or validity or remaining parts of this Agreement.

15. JURISDICTION; GOVERNING LAW

Jurisdiction over any disputes arising out of this Agreement shall be vested in the courts of the County of Santa Clara, State of California, and the provisions of this Agreement shall be interpreted under and according to the laws of the State of California.

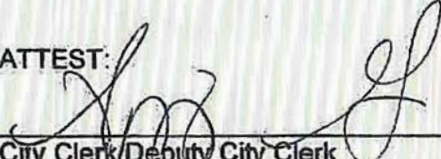
16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof, and any representation or statements heretofore or contemporaneously made with respect to such subject matter, whether oral or written, are merged herein.

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

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST: 

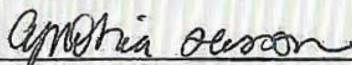
 City Clerk/Deputy City Clerk

for Michelle Wilson

 Print Name

Date: 3/13/18

APPROVED AS TO FORM:



 City Attorney

for Donald A. Larkin

 Print Name

Date: 3-5-18

CITY OF MORGAN HILL


 City Manager

Christina Turner

 Print Name

Date: 3/12/18

Community Christian




 By:

Kyle Widmer Senior Pastor

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

Date: 2/12/18



 By:

Kyle Widmer Senior Pastor

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

Date: 2/12/18

Exhibit A

Premises

Premises are located at 17666 Crest Avenue, Morgan Hill, California 95037

Attachment 1 – Alcoholics Anonymous and Narcotics Anonymous Weekly Meeting Schedule

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
7:30am AA	7am AA	7am AA	7am AA	7am AA	7am AA	
11am AA	12:30pm AA	12:30pm AA	12:30pm AA	12:30pm AA	12:30pm AA	12:30pm AA
6pm NA	5:30pm AA		5:30pm AA			
7:30PM AA	7pm NA	6pm AA	7pm NA	6:30pm NA	6pm AA	6pm NA
		8pm NA		8pm AA	7:30pm NA	8pm AA

20 AA meetings per week + 1 meeting second Sunday of every month

7 NA meetings per week + 1 meeting second Monday of every month and 1 meeting first Sunday of every month

City of Morgan Hill

Contract Checklist

Date: 8/11/20

Contract # _____
FPPC Required <i>(completed by CA)</i> no _____ Yes _____ No
DocuSigned by: <i>Cynthia Hasson</i> BFE66AF9672C451...

Project Name: El Toro Building Lease

Contractor's Name: Community Christian

Project Manager: Chris Ghione

Department: Community Services

Contract Term:

Start Date/Executed: execution

End Date/Completed: 6/30/27

Insurance Attached: YES NO

- \$60,000 or less authorizes City Manager approval*
 - Attach Memo Explaining Services*
 - Provide funding source code _____ (ex. 010.2410.42231)*
- \$60,000 or more requires City Council approval (Attach approved staff report).*
- \$10,000 or less Department Director Approval (attach memo explaining services)*

TYPE OF DOCUMENT

- Amendment to Agreement – Original Contract # _____
- Consultant Services Agreement (Standard)
- Maintenance Services Agreement
- BMR Resale Agreement
- Construction or Public Bid Agreement
- Informal Bid Contract
- Lease
- Subdivision Improvement Agreement
- Development Agreement
- Other: _____

<p>CONTRACTOR'S INSURANCE</p> <p>To be completed by the Risk Manager:</p> <p>Required? ____ Yes ____ No</p> <p>Reviewed by: _____</p> <p>Date: _____</p>
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Are counterpart signatures required Yes No

Certificate Of Completion

Envelope Id: B58C35647A0149B1ABC6A1C60033A94D	Status: Completed
Subject: Please DocuSign: Community Christian -Fourth Amendment	
Source Envelope:	
Document Pages: 25	Signatures: 4
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	City Clerk's Office
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	17575 Peak Ave
	Morgan Hill, CA 95037
	cityclerk@morganhill.ca.gov
	IP Address: 68.189.124.152

Record Tracking

Status: Original	Holder: City Clerk's Office	Location: DocuSign
8/11/2022 4:02:34 PM	cityclerk@morganhill.ca.gov	
Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: City of Morgan Hill	Location: DocuSign

Signer Events

Cynthia Hasson
 cynthia.hasson@morganhill.ca.gov
 Assistant City Attorney
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:


 BFE66AF9672C451...
 Signature Adoption: Pre-selected Style
 Using IP Address: 47.153.131.254

Timestamp

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 Viewed: 8/11/2022 4:06:11 PM
 Signed: 8/11/2022 4:11:09 PM

Electronic Record and Signature Disclosure:
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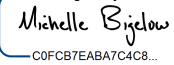
Christina Turner
 christina.turner@morganhill.ca.gov
 City Manager
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 6D0198AF54994D...
 Signature Adoption: Pre-selected Style
 Using IP Address: 174.87.104.195

Sent: 8/11/2022 4:11:11 PM
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 Signed: 8/11/2022 7:19:55 PM

Electronic Record and Signature Disclosure:
 Accepted: 8/11/2022 7:19:17 PM
 ID: 3c5a6356-65a7-40fa-85e6-1e165e40d777

Michelle Bigelow
 michelle.bigelow@morganhill.ca.gov
 City Clerk/Public Information Officer
 City of Morgan Hill
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 C0FCB7EABA7C4C8...
 Signature Adoption: Pre-selected Style
 Using IP Address: 68.189.124.146

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 Signed: 8/12/2022 10:47:25 AM

Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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<p>Chris Ghione chris.ghione@morganhill.ca.gov Public Services Director Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Accepted: 8/16/2022 12:12:08 PM ID: ff07c3a2-613c-483b-929c-79eae910b4fd</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block;">COPIED</div>	<p>Sent: 8/12/2022 10:47:26 AM Viewed: 8/23/2022 6:11:53 AM</p>
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<p>Kim Mancera kim.mancera@morganhill.ca.gov Municipal Services Assistant City of Morgan Hill Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block;">COPIED</div>	<p>Sent: 8/12/2022 10:47:27 AM</p>
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	8/11/2022 4:05:12 PM
Certified Delivered	Security Checked	8/12/2022 10:47:22 AM
Signing Complete	Security Checked	8/12/2022 10:47:25 AM
Completed	Security Checked	8/12/2022 10:47:27 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Morgan Hill (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Morgan Hill:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: michelle.bigelow@morganhill.ca.gov

To advise City of Morgan Hill of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at michelle.bigelow@morganhill.ca.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from City of Morgan Hill

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to michelle.bigelow@morganhill.ca.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Morgan Hill

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to michelle.bigelow@morganhill.ca.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify City of Morgan Hill as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Morgan Hill during the course of your relationship with City of Morgan Hill.



CITY COUNCIL STAFF REPORT

MEETING DATE: March 18, 2026

PREPARED BY:

Michael Horta, Human Resources Director

APPROVED BY: City Manager

APPOINT ELISA TOLENTINO AS CITY ATTORNEY

RECOMMENDATION(S)

Approve employment agreement, appointing Elisa Tolentino as City Attorney for the City of Morgan Hill.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety and Quality of Life

Protecting the Environment and Preserving Open Space and Agricultural Land

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

Strategic Priorities 2026-2027

Fiscal Sustainability

REPORT NARRATIVE:

In August 2025, the City retained Gary Phillips and the firm Bob Murray and Associates to conduct an extensive recruitment process for the position of City Attorney for the City of Morgan Hill. There were numerous applicants and a series of interviews were conducted with the candidates. This included interviews with City Council and members of the Leadership Team. Following background and reference checks, the City Council decided to hire Elisa Tolentino as the City's next City Attorney.

Ms. Tolentino has a strong background in municipal law and substantial experience. Ms. Tolentino has practiced law for 19 years. Ms. Tolentino currently services as Chief Deputy City Attorney for the City of San Jose with her primary assignment being a litigation attorney. She has held numerous positions such as Senior Deputy City Attorney, Deputy City Attorney and Associate Deputy City Attorney at the City of San Jose. Prior to the City of San Jose, she was a research Attorney for the Superior Court of California, County of Santa Clara. Ms. Tolentino has expertise in the Public Records Act, the Governments Claims Act, land use and CEQA, labor and employment, constitutional law, and municipal finance.

Ms. Tolentino has agreed to the terms in the attached Employment Agreement, which is recommended for City Council approval. Under this agreement, Ms. Tolentino will start

on April 27, 2026 with a salary of \$300,000. Below is a summary of the contract terms and the City Attorney also receives the standard benefit package for Department Directors as outlined in the Management Resolution.

	Contract Terms
Term of Agreement	Reviewed annually, the agreement shall commence on the effective date and terminate on June 30 of the following year unless either (1) the term is modified hereafter by written of the parties, (2) the Agreement renews automatically in accordance with the provisions of 4.3 herein. 4.3 At the conclusion of the term of this Agreement, it shall automatically renew each year, effective every July 1, unless terminated by the delivery of an Election of Non-Renewal by either party no later than December 30 of the then current term. Notice of an Election of Non-Renewal shall be conveyed by written notice of the other party.
Salary	\$300,000 annually
Severance	12 month salary and benefits (lump sum)
Car Allowance	\$6,000 annually
Deferred Compensation – City Contribution	\$24,500 annually (based on IRS 2026 limit)
Cost of Living Increase	Annually based on Urban Wage Earner Index
Vacation Accrual	160 hours annually (no maximum accrual limit)
Administration Leave	120 hours annually (no maximum accumulation)
Sick Leave	96 hours annually
Additional Sick Leave at the time of hire	40 hours
Leave hour cash out	Up to 240 hours annually
Holiday Leave	11 holidays, 2 floating holidays, 1 holiday during the furlough period.
Retirement Formula	Miscellaneous Classic Member – 2.5% @ 55

COMMUNITY ENGAGEMENT:

N/A

ALTERNATIVE ACTIONS:

N/A

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On June 18, 2025, the City Council adopted a resolution approving an exception to the CALPERS 180-day waiting period to hire Donald Larkin as a retired annuitant City Attorney contracted through Burke Williams & Sorensen, LLP.

FISCAL AND RESOURCE IMPACT:

The cost of the agreement will be accommodated within the budget of the City Attorney's Office.

CEQA (California Environmental Quality Act):

Not a project

**EMPLOYMENT AGREEMENT BETWEEN
CITY OF MORGAN HILL AND ELISA TOLENTINO**

1. **Parties:** The parties to this agreement ("Agreement") Agreement are the CITY OF MORGAN HILL ("CITY") and ELISA TOLENTINO ("TOLENTINO").
2. **Purpose:** The purpose of the Agreement is to provide for the employment of TOLENTINO as City Attorney of CITY, as currently provided by Title 2, Chapter 2.09 of the Municipal Code of the City of Morgan Hill.
3. **Duties:** CITY hereby agrees to employ TOLENTINO to perform the functions and duties of City Attorney for the CITY as specified in the Municipal Code of the City of Morgan Hill, the Job Description, and any other applicable Ordinances, Resolutions or Policies, and to perform such other legally permissible and proper duties and functions as the City council shall from time-to-time assign. TOLENTINO agrees that, to the best of her ability and experience, she will at all times loyally and conscientiously perform all of the duties and obligations required of her either expressly or implicitly by the terms of the Agreement. TOLENTINO also warrants that she meets the qualification for employment recited in the job description bulletin released by the CITY in connection with the position being assumed by TOLENTINO through this Agreement. TOLENTINO agrees to work Full Time for the CITY and not to engage in any other practice of law except as specifically permitted herein. The term "Full Time" shall not preclude TOLENTINO from working from time-to-time on pro bono legal services. Such work is expressly permitted so long as it does not interfere in any way with her work as City Attorney or present any conflict of interest that creates an adverse consequence for the CITY. Further, working Full Time shall not be construed to preclude occasional teaching, writing or pro bono service performed on TOLENTINO's time off.
4. **Term of Agreement:**
 - 4.1 CITY and TOLENTINO agree that employment shall start on April 27, 2026.
 - 4.2 This Agreement shall commence on the Effective Date as defined in Section 17.3 of this Agreement and terminate on June 30, 2027 (the "Termination Date") unless either (1) the term is modified hereafter by written agreement of the Parties, (2) the Agreement renews automatically in accordance with the provisions of 4.3 herein. TOLENTINO agrees to remain in the exclusive employ of the CITY during the term of the term of the Agreement and neither to accept other employment nor become employed by another employer until the Termination Date, unless the term is modified as provided herein.
 - 4.3 At the conclusion of the term of this Agreement, it shall automatically renew each year, effective every July 1, unless terminated by the delivery of an Election of Non-Renewal by either party no later than December 30 of the then current term. Notice of an Election of Non-Renewal shall be conveyed by written notice of the other party.

5. Separation from Employment:

5.1 The City Council may terminate the services of TOLENTINO at any time, for any reason or no reason, it being expressly understood and agreed between the parties that TOLENTINO serves as an at-will employee of the City Council.

5.2 Only in the event of termination from employment by the City Council without "Good Cause," as defined below, shall TOLENTINO be entitled to receive compensation consisting of a lump-sum payment of twelve (12) months of base salary and Benefits, as defined below (collectively "Severance Payment"). "Good Cause" shall include, but not be limited to, breach of contract, embezzlement, fraud, disbarment or suspension from any state bar, self-dealing, abandonment of the job, conviction of any felony, conviction of a misdemeanor involving moral turpitude, any illegal act involving personal gain to TOLENTINO, or disability as defined in Paragraph 6, below. No Severance Payment shall be made if the term of the Agreement is complete and the Agreement is not renewed or extended.

"Benefits" shall include all benefits payable to or on behalf of TOLENTINO with the exception of: vacation, management leave, and administrative leave (other than those amounts already earned by TOLENTINO as of the date of separation). Both salary and benefits shall be computed as of the rates in effect as of the date of separation from employment.

The Severance Payment will release CITY from any further obligations under the Agreement, and any claims of any nature that TOLENTINO might have against the CITY by virtue of her employment or termination thereof. Contemporaneously with the delivery of the Severance Payment and in consideration therefore, TOLENTINO agrees to execute and deliver to the CITY a signed document releasing CITY of all claims that TOLENTINO may have against CITY. In return for such Severance Payment, TOLENTINO agrees to be available for consultation and assistance to the Interim City Attorney or any other Council appointee.

If, and only if, TOLENTINO is not terminated for the Good Cause set forth above, TOLENTINO shall be entitled to severance in an amount equal to the difference between the Severance Payment and any amount of CITY insurance disability payments she received in the first year of Disability, defined below in paragraph 6. Such payment shall be made monthly or in a lump sum at the CITY's sole discretion. Such payment shall not exceed the Severance Payment and such payment shall not exceed the difference, in the first year, between the Severance Payment and any amount of CITY Insurance disability payments. Such payment shall be treated as the Severance Payment for all other purposes.

5.3 TOLENTINO may resign at any time from her position with the CITY provided that she gives the CITY thirty (30) days' written notice. Should TOLENTINO not provide the CITY with thirty (30) days' written notice, she shall not be entitled to cash out of any benefits other than as required by law.

6. **Disability:** "Disability" shall be defined as the inability to perform the full range of the duties and essential functions of the employee's position because of sickness, accident, injury, mental incapacity or other health reasons, for a period of four (4) successive weeks beyond exhaustion of all accrued sick leave and exhaustion of all leave available under the Americans with Disabilities Act, the California Fair Employment and Housing Act, the Family Medical Leave Act, the California Family Leave Act and any other statutorily provided leave.

7. **Compensation:**

7.1 CITY shall pay TOLENTINO the annual salary of Three Hundred Thousand Dollars (\$300,000).

7.2 CITY agrees to provide TOLENTINO a car allowance of Five Hundred Dollars (\$500) per month.

7.3 CITY agrees to pay TOLENTINO's California State Bar membership dues and expenses reasonably incurred to satisfy her MCLE requirements. All other professional development, conference fees and similar expenses are to be paid out of the City Attorney's Department Budget as provided in Paragraph 11.

7.4 TOLENTINO shall be entitled to the same benefits provided to CITY employees in the range of the "A" group of the City's Management salary resolution to the extent that provision of such benefits are not in conflict or duplicative of the specific benefits set forth in this Agreement.

7.5 TOLENTINO shall be entitled to receive deferred compensation equal to the current 457(b) retirement plans elective deferral limit, not including catch-up contributions. In no event shall the CITY's total contribution exceed the maximum listed herein. Payments shall be made on the same schedule as salary payments.

7.6 TOLENTINO shall receive no annual cost of living adjustment ("COLA") in her base salary during the initial term of this Agreement, i.e. prior to July 1, 2027. Thereafter, except as otherwise provided in this Agreement, on each July 1 (commencing on July 1, 2027) while TOLENTINO is employed under this Agreement, TOLENTINO shall receive a COLA increase in base salary equal to the percentage increase in the San Francisco-Oakland/San Jose Urban Wage Earner Index, Base Rate Index for the twelve month period ending on June 30. The City Council in its sole discretion and at a duly noticed public meeting, may grant additional merit increases to TOLENTINO during the term of this Agreement.

8. **Performance Goals and Evaluation:** The City Council shall review and evaluate the performance of TOLENTINO annually between October 1 and November 30 of each year of her employment starting in the first full year of her employment. These evaluations shall be private and confidential, and the results shall be summarized and discussed in closed session, to the extent permitted by law. Nothing in this provision shall prevent the

parties from evaluation of performance at times other than as stated herein. Any delay or other failure to satisfy any or all of the evaluation steps described herein shall not affect the CITY's or TOLENTINO's rights regarding separation from employment or obligations under this Agreement.

9. **Sick Leave, Holidays, Vacation, Leave without Pay, Bereavement Leave, Sick Leave Buy Out and Management Leave:** TOLENTINO shall be entitled to accrue, and to have credited to her personal account, vacation at the annual accrual rate of one hundred sixty (160) hours per year based on years of service, with no maximum accumulation limit. Sick leave shall be as provided to department directors. Unless a greater amount is specified in this Agreement, TOLENTINO shall be entitled to holiday, leave without pay, bereavement leave and sick leave buy-out the same as other management employees of the CITY. It is recognized that TOLENTINO must devote a great deal of time outside of normal working hours to the business of CITY. To that end, TOLENTINO is granted total annual administrative leave of one hundred twenty (120) hours per fiscal year with no maximum accumulation. Administrative leave may be taken at TOLENTINO'S discretion. The accrued amount up to the maximum of two hundred forty (240) hours of vacation and/or management leave may be cashed out at TOLENTINO'S option annually.

TOLENTINO shall begin employment with a balance of five (5) days of sick leave (40 hours).

10. **Retirement:** TOLENTINO shall make periodic payments to CalPERS in an amount commensurate with CITY employees in the range of the "A" group of the CITY's Management Salary Resolution.
11. **Professional Development:** The CITY hereby agrees to budget for and to pay membership fees/dues, conference/meeting registrations, and the travel and subsistence expenses of TOLENTINO for professional development and official travel, meetings and occasions adequate to continue the professional development of the City Attorney and to adequately pursue necessary official and other functions of the CITY, including, but not limited to, the Annual Conference of the League of California Cities, and the Spring City Attorneys' Conference. Travel and conference expenses shall be reimbursed for reasonable expenses only, and in accordance with the City's standard policies governing travel and conference expense reimbursement.
12. **Non-Liability of Officials and Employees:** No official or employee of the CITY shall be personally liable for any default or liability under this Agreement.
13. **Bonding:** CITY shall bear the full cost of any fidelity or other bonds required of TOLENTINO under any law or ordinance.
14. **Other Terms and Conditions of Employment:**

14.1 The City Council, in conjunction with TOLENTINO, shall fix any other terms and conditions of employment, as it may determine from time-to-time, relating to the

performance of TOLENTINO, provided such terms and conditions are not inconsistent with or conflict with the provisions of this Agreement or other applicable law.

14.2 Except as provided herein, all provisions of the CITY's Municipal Code, and regulations and rules of the CITY relating to vacation and sick leave, retirement and pension system contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to the City Attorney as they do other employees of the CITY, in addition to said benefits enumerated specifically for the benefit of TOLENTINO, except as to the extent that such rules and regulation are in conflict with this Agreement.

15. No Reduction in Benefits: The City shall not at any time during the term of this Agreement reduce the salary, compensation or financial benefits to TOLENTINO.

16. Notice: Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid. Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial proceedings. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service to the addresses set forth below or as subsequently communicated by one party to the other in writing.

16.1 Notice to TOLENTINO shall be sent to:

ELISA TOLENTINO
City Attorney
17575 Peak Avenue
Morgan Hill, CA 95037

16.2 Notice to CITY shall be sent to:

Mayor
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

And, City Manager
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

17. General Provisions:

17.1 The text herein shall constitute the entire agreement between the parties.

17.2 The Agreement shall be binding and inure to the benefit of the heirs at law and executors of TOLENTINO.

17.3 This Agreement shall become effective on the latest date listed below. This Agreement supersedes any other contract or agreement between the CITY and TOLENTINO.

17.4 If any provision, or any portion therefore, contained in this Agreement is held unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be effective, and shall remain in full force and effect.

17.5 The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

17.6 This Agreement constitutes the entire agreement between the parties and supersedes any previous Agreements, oral or written. This Agreement may be modified or provisions waived only by subsequent mutual written agreement executed by CITY and TOLENTINO.

17.7 In the event that any action is commenced to enforce the terms of this Agreement, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs.

17.8 This Agreement shall be interpreted as though prepared by both parties.

ATTEST:

THE CITY OF MORGAN HILL

Michelle Bigelow, City Clerk
Date: _____

Mark Turner, Mayor
Date: _____

ELISA TOLENTINO

Approved as to Form

By: Elisa Tolentino

Donald A. Larkin
Outside Counsel

Title: City Attorney
Date: _____

CITY COUNCIL STAFF REPORT

MEETING DATE: March 18, 2026

PREPARED BY:

Keri Russell, Maintenance Manager

APPROVED BY: City Manager

PROVIDE DIRECTION ON MAKING TEMPORARY DOWNTOWN DOG PARK PERMANENT

RECOMMENDATION(S)

1. Receive update referred from the Parks and Recreation Commission on Downtown Dog Park trial; and
2. Provide direction on making the temporary Downtown Dog Park permanent.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

REPORT NARRATIVE:

Within the Parks and Recreation Commission's Council approved Work Plan for Fiscal Year 25/26 was an item "Research opportunities for the creation of additional dog parks in existing or new park spaces". The intent of the Commission was not to create another large community wide dog park similar to the one at Community Park, but instead to provide smaller off-leash areas in parks within walking distance of residents' homes. In 2021, the Commission proposed a site to the Council at the former Community Garden location. However, at the time the future Butterfield Fire Station footprint was unknown so the Council declined to move forward with a trial dog park and the Commission postponed any trial until the station was developed.

In October 2025, the trial dog park was opened behind the Butterfield Fire Station. The park is approximately 11,000 square feet utilizing temporary fencing, double gate entry, and arbor mulch for ground cover. The cost to implement the trial dog park was minimal as the City already owned temporary fencing, arbor mulch was obtained at no cost and the mulch was spread by volunteers. The trial dog park was advertised on social media, the scoop, the downtown email notification list, and at the Community Park Dog Park.

The Parks and Recreation Commission has been working with staff since October to

evaluate the trial. At its February 17 meeting, the Commission conducted its final review and deemed the trial dog park successful. Comments from park users were collected using online forms that were promoted at the park. The positive evaluation was based on comments received from the park users, lack of complaints from nearby residents and businesses, and observations done by the Commission and staff. The Commission has recommended that the City Council consider improving the site to a permanent dog park.

Understanding the City's fiscal constraints, the Commission and staff have made a significant effort to find opportunities to manage the dog park as inexpensively as possible. For this reason, a proposed permanent park would continue to utilize mulch as the surfacing which will be the least expensive from a capital and maintenance cost perspective. The other options of artificial turf or grass will have much more significant ongoing operation costs. Improvements to a permanent dog park would include permanent fencing, a water service for dog drinking water, and seating area. The water and seating were identified from the trial dog park user feedback.

Estimated Capital costs include the following:

- Permanent fencing/gates/signage - \$35,000-\$50,000
- Water Service - \$25,000
- Seating Area - \$2,500

Ongoing maintenance costs would need to be funded within the Park Maintenance Budget. New ongoing annual maintenance costs include the following:

- Water Service - \$1,000
- Backflow Testing/Repair - \$2,000
- Mutt Mitts/Trash Bags - \$500
- Teammate Time - \$5,000 (Support volunteers and respond for repairs and issues)

There is an annual landscape maintenance contract cost for the area, but this is already in place and would be paid with or without the dog park. The additional annual maintenance cost would be estimated at \$8,500 annually.

Based on the direction provided by Council on this item, the City Manager will incorporate that direction into the upcoming budget process.

COMMUNITY ENGAGEMENT:

A trial dog park website was established along with a QR code for users to provide feedback on the trial dog park. A total of 34 surveys (Attachment 1) were completed and 100% were in support of the dog park. Approximately 81% live in the downtown area and 79% have used the Community Dog Park. Suggested improvements included water for the dogs and seating within the dog park. There was a mix of reactions in the type of

surfacing desired with some wanting turf and others in favor of the mulch.

ALTERNATIVE ACTIONS:

The Council could choose not to move forward with a future permanent dog park. If the Council chooses this option, the trial dog park would be fully removed.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On May 26, 2021 the Commission previously brought forward doing a trial dog park in the downtown area. At the time the new Fire Station footprint had not been established so Council did not approve moving forward.

On February 17, 2026, the Commission made recommendations to the City Council to construct and operate a permanent dog park.

FISCAL AND RESOURCE IMPACT:

There would be between \$62,500 and \$77,500 in capital costs, which could be included and funded through the Park Impact Fund (301). The capital costs would not impact the City's General Fund. Ongoing costs of approximately \$8,500 annually would necessitate General Fund (010) dollars allocated in the Park Maintenance Budget.

CEQA (California Environmental Quality Act):

Categorical Exemption

The proposed trial dog park is categorically exempt from CEQA pursuant to Section 15301 (Class 1), as it involves a minor alteration of existing park facilities with no significant expansion of use; Section 15303 (Class 3), for the installation of small accessory structures such as fencing and signage; and Section 15304 (Class 4), as it consists of minor alterations to the land surface (mulch) that do not involve the removal of mature trees.



BUTTERFIELD
FIRE STATION

TRIAL DOG PARK
(±11,000 SQFT)

VTA
PARKING
LOT

ENTRY
STAGING

COURTHOUSE
PARKING
LOT

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/4/2025 10:31	Yes	Yes				<p>Very excited for this location. I live right next to it and there are so many dogs in and around downtown.</p> <p>I think the biggest issue could end up being that it isn't large enough.</p>
10/8/2025 8:40	Yes	Yes				It's great to have another dog Park, this one closer to downtown.
10/9/2025 13:59	Yes	No	Yes	Yes	<p>Yes. Anywhere for dogs to be off-leash and owners to socialize is good. We need a dozen of these small parks around town. As far as improvements: Somewhere to sit for owners. Didn't notice if there was water available.</p>	Make it larger! Seating.

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/9/2025 15:49	Yes	Yes	Yes	Yes	I have used it. I like the location and shade from the trees. We don't love the mulch - it hides any poop left behind by owners and is also a little difficult to walk on.	
10/9/2025 20:57	Yes	Yes	Yes	Yes	Its great having one near downtown. Can you please add a water fountain or water supply for dogs?	
10/9/2025 21:02	Yes	No	Yes	Yes	I loved it! Thank you for trying out another space for dogs to play.	Thank you so much again for trying this!

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/11/2025 11:19	Yes	Yes	Yes	Yes	<p>location is amazing. It does need some improvements if and when made permanent. Benches/chairs, water dispenser/bowl, and some landscaping (the mulch is a bit annoying to walk through but it may be nice to keep if it helps prevent mud during rainy seasons, not sure.) Also the gate is scraping the concrete when you open the door, that will need to be improved when a permanent installation goes in. It is a perfect location since there are so many townhomes around and those dog owners do not have back yards. Additionally, there are a lot of people walking dogs in the downtown area who will love the park. The area its in is always available even when events are going on in downtown (i.e., mushroom market, farmer's market, etc.) so there isn't a point where it will not be available, moreover it'll be</p>	<p>Not sure if you're planning section the park to have a small dog area and big dog area but it would need to really be thought through. There is maybe just enough space to do it but you'll need to make sure the big dogs still have plenty of room.</p>

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/12/2025 9:15	Yes	Yes	Yes	Yes	<p>I really like having the trial dog park. It's a perfect location.</p> <p>Improvement: maybe having a bench or two</p>	

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/14/2025 9:52	Yes	Yes	No	No	<p>We use the area to walk our dog, but have not used the facility yet. But I wrote to the city council with a proposal for Outdoor Exercise Stations Near the New Dog Park!! Below is what I wrote to the city council. I think it would only add value to the dog park as a full recreational area!</p>	<p>I hope this message finds you well. I'm writing to propose a community enhancement that would benefit residents of all ages and promote healthier lifestyles: the installation of outdoor exercise stations near the new dog park, located behind the fire department.</p> <p>This area already has several features that make it ideal for such an initiative:</p> <ul style="list-style-type: none"> -A circular layout perfect for a fitness circuit -Existing rock structures that could be repurposed for signage or integrated into exercise stations -Walkways, shaded trees, and benches that support rest and observation -A central downtown location where people frequently walk, jog, and gather <p>Currently, the space feels underutilized and lacks landscaping. By adding fitness stations, we could transform it</p>

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/16/2025 17:11	Yes	Yes	Yes	Yes	Good location. Everything else isn't great. No watering station for dogs. The mulch is a terrible option for the floor. So many prickly bark and droppings from the trees that hurt my dogs paws. Also it's so difficult to tell where the dog pooped.	It would be nice to have benches for owners or hooks on the fence for leashes
10/18/2025 12:11	Yes	No	Yes	Yes	Yes, but the way it's fenced in is very poorly designed. We went to a Offleash dog park in San Francisco called. Like Esprit. It has a fence around the perimeter with two entrances to allow your dog to run free. The entrance was not gated.	
10/18/2025 17:02	Yes	Yes	Yes	Yes	Great use of under utilized space, and so great to have a dog Park within walking distance of downtown	
10/18/2025 19:33	Yes	Yes	Yes	Yes		

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/18/2025 19:35	Yes	Yes	Yes	Yes	I like how it's near down town which is perfect. I would add some grass instead of the mulch and add some benches inside.	
10/19/2025 10:46	Yes	Yes	Yes	Yes	Yes, we love it. The current ground cover is fine. It is so nice to have this space downtown where so many people have small backyards.	
10/21/2025 19:17	Yes	Yes	Yes	Yes	Yes, we were just there this weekend, and our dog had a great time with the other dogs. The mulch, specifically, is appreciated.	Definitely keep it. Great addition to the neighborhood!

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/21/2025 19:57	Yes	Yes	Yes	No	I have used the trial dog park and I loved it. My dog played with other dogs with respectful owners, and she had a blast. Also I quite prefer the current wood chips ground over grass, which gets messy and muddy very easily. If there's a water spout for dogs to drink water that would be great.	

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/23/2025 21:34	Yes	Yes	Yes	Yes	<p>We have used the dog park which is absolutely wonderful and a great location. With all the high density housing nearby the dog park and no yards it is absolutely delightful to be able to walk my furry friends to a place where they can feel like they have a place to run around a big area. It is great. I would maybe do bonfide tan bark or just dirt but other than that we feel lucky to have this option.</p>	<p>Please keep this park for our furry community members in the downtown area.</p>

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
10/30/2025 18:34	Yes	No	Yes	Yes	Great idea, thank you. Discovered the new trial park via The Scoop. I hope it stays. If permanent it would be a great to add a water fountain somewhere in the area, the kind that works for both dogs and people. We also enjoyed walking down the informal path behind the courthouse toward Dunne. Seems like this could be easily developed into a small park.	See above, thanks.
11/5/2025 7:47	Yes	No	Yes	Yes		We should have one more at the Vida park on Sutter. There is a field all the dogs use already.
11/8/2025 10:07	Yes	Yes	Yes	No		

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
11/8/2025 10:12	Yes	Yes	Yes	No	I have used the park. I walk to downtown daily and enjoy the fact that I dont need to drive to the community park. Include benches at different ends of the park for owners.	

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
11/9/2025 9:28	Yes	Yes	Yes	No	<p>Yes, I've used it and I love it!</p> <p>We were looking for a dog park because our apartment complex doesn't have one, and our dogs needed a place to run "freely".</p> <p>The area size is okay since it let's so see where our dogs are going (no one else was there but if there were more dogs and suddenly they go into a fight or other emergency, I think it will be easier to act).</p> <p>I think the dog park could have a bench for us to sit while we watch our furry friends play, some water station for them, and maybe some cameras in case something happens (dog fights, dog's running out, etc.).</p>	<p>The only thing that worries me is if the other dog owners will be responsible too to maintain the dog park secure, friendly and clean. An example: if they are going to pick up after their dogs (if they are offleash, they might get distracted and not see where they did their necessities), if suddenly a dog attacks another dog and they need to be responsible, etc.</p> <p>Other than that, my family and our two dogs appreciate this new initiative which we love!</p>

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
11/12/2025 8:42	Yes			Yes	<p>I like that it has trees for shade. I like that it has plenty of mulch therefor, no mud.</p> <p>I would like to have access to water for the dogs. I would like to have seating/benches.</p>	<p>I think it's a great addition for all the new condos in the neighborhood.</p> <p>Will this dog park be for small or large dogs?</p>
11/15/2025 10:12	Yes	No	Yes	Yes	<p>Artificial turf instead of mulch would be great for rainy seasons. Also mulch makes dog poo harder to locate. More lights would be great</p> <p>Its great to have a dog park in downtown. Please make it permanent!</p>	
11/19/2025 17:29	Yes	Yes	Yes	Yes		

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
11/24/2025 8:43	Yes	Yes	Yes	No	I have used the park and have met many new residents along with their dogs. This is a much needed park for those of us that live close to downtown.	
11/28/2025 20:15	Yes	Yes	Yes	Yes	Yes. I like the proximity to the downtown area, providing pet relief (especially off leash). I would add a grass section and benches. The trees should be enough to provide ample shade. The dog park is bit small to divide into a big dog and a small dog section. Maybe fence off another area for smaller dogs.	

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12/9/2025 16:49	Yes	Yes	Yes	Yes	I have used the trial dog park and love how is close in distance to downtown. I like that it is big enough for my dog and many like her to have a good time. I have a couple of suggestions for improvement. One being a water station nearby. Second changing the ground to either grass or turf.	
1/10/2026 9:52	Yes	Yes	Yes	Yes	I've used this space. Our city needs this service to support pet owners and the growing amount of residents close to downtown. Great idea!! Let's do this. Would like to have a water source added.	This space is an inclusionary addition. It perfectly complements the playground and farmers markets and another draw to bring people downtown.

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1/10/2026 10:25	Yes	Yes	Yes	Yes	We need better signage. I don't think a lot of people know this park exists. You would get more feed back from community if more people knew about. Add signs by playground/farmers market area	I would wrap the fence around to include the cement shaded picnic tables so there's a place to sit or add seating

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
1/14/2026 19:42	Yes	Yes	Yes	No	<p>I had no idea that there was a trial run and unfortunately found the dog park this week in january, but i love it! The other dog park being on the opposite side of town and how crowded it can be has made me refrain from using it after taking my dog over a year ago and we havent been back since. Its smaller and compact so my dog feels very comfortable. Its right in the middle of morgan hill so a lot more accessible to a variety of people. the mulch however, got stuck in my dogs fur because he is a fluffy dog with "hair" rather than fur. i'd prefer clover cover or grass, but would still use the park if the change wasn't possible.</p>	<p>Seating inside the park would be nice for owners who just want to sit while their dog roams around. Having water for the dogs would also be amazing! I adore the location and size of the new dog park and i really hope it stays! me and my dog will definitely be a frequent goer!</p>

Submission Date	Are you in support of an off lease dog park behind the new Butterfield Fire Station?	Do you live near the downtown area?	Do you own a dog?	Do you currently use the Community Park Dog Park?	Have you used the trial dog park? If yes what do you like about it? What would you improve?	Please provide us any other thoughts on the off leash dog park.
1/29/2026 13:29	Yes	Yes	Yes	Yes	Love the park location and the amount of t of space. Would love to see a garbage can for the doggie bags and maybe a grassy spot / leveling out of the ground. I saw a big root that could be a tripping hazard and or a spot a dog hurts themselves on.	Keep it:~!
1/31/2026 10:09	Yes	Yes	Yes	Yes	We have used it. I think it is great. Maybe a grass section would be nice.	We are thrilled with the idea that we could have a dog park so close to downtown.

CITY COUNCIL STAFF REPORT

MEETING DATE: March 18, 2026

PREPARED BY:

Nichole Martin, Community Services Coordinator

APPROVED BY: City Manager

PROVIDE DIRECTION REGARDING COMMUNITY FUNDING REQUESTS

RECOMMENDATION(S)

1. Review applications submitted for FY 2026-27 funding cycle; and
2. Provide staff direction on funding awards to be incorporated within the City's FY 2026-27 Operating Budget.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Preserving and Cultivating Public Trust

Enhancing Diversity and Inclusiveness

2026-2027 Strategic Priorities

Fiscal Sustainability

Economic Development and Tourism

REPORT NARRATIVE:

Annually, the City Council considers funding requests from local non-profit organizations that host events, programs, or activities that provide direct benefit to the Morgan Hill Community. In November 2021, City Council adopted Council Policy CP-21-02, to establish a process for community organizations to request funding to support fee waivers, event sponsorship, and other funding requests from City Council. The policy is included in Attachment 2.

The funding for these events, programs, and activities is funded via the City Council Budget and fully funded through General Fund discretionary revenue. Council Members have the opportunity to carefully review each application to ensure applications align with the priorities of the Council. A hyperlink to each application is included in Attachment 1.

The City opened the FY 2026-27 Community Funding Request Application process on February 6, 2026, notifying previous recipients and posting details on the City's website.

Applications were due March 2, 2026. A total of 19 applications were received, requesting approximately \$458,651 in funding. All applications meet the eligibility criteria established by City Council policy. For the FY 2025-26 budget, City Council allocated \$291,086 to support 16 organizations.

Inflationary costs continue to impact some events and are especially impactful on larger events. Moving forward, police expenses will be higher due to double overtime for officers working events per the City's approved Memorandum of Understanding with the Morgan Hill Police Officers Association. City staff continue to work with event organizers on planning for event safety and security, which is the priority for the City. These cost increases will have the largest impact on the Freedom Fest, Mushroom Festival, and Holiday Lights Parade, although all events are seeing some increases in costs.

Staff is requesting City Council direction as to which funding option(s) to include in the budget. Funding options are outlined below with detail provided in Attachment 1. The City Council may choose to adjust funding levels, utilizing the Council Funding Policy (Attachment 2) as guidance. As the Council reviews the funding options outlined, Council Members are encouraged to consider the City's current General Fund fiscal constraints, which currently forecast only \$180,000 in available funds. Based on the guidance provided by the City Council on this item, the City Manager will include appropriate funding in the proposed FY 2026-27 and FY 2027-28 Operating Budgets. City staff have outlined the following options for the Council:

- Option 1 includes allocations for events and programs funded in FY 2025-26 at the same levels, with increases to Independence Day Celebrations (Freedom Fest), Morgan Hill Kiwanis (Holiday Lights Parade), and facility fee waivers only events (to coincide with increased City rental fees).
- Option 2 includes allocations for only long-serving historical events that are open to the public without a fee, and does not include funding for any programs.
- Option 3 includes allocations only for Independence Day Celebrations' Freedom Fest.
- Option 4 includes allocations for past events only at funding levels from FY 2025-26, which comes in slightly less than the total for FY 2025-26 as not all organizations funded in the previous year submitted new applications for the upcoming year.
- Option 5 includes full funding for all requests submitted for FY 2026-27 programs and events.
- Option 6 (not included within Attachment 1), provides the Council with an opportunity to provide alternate direction and potentially add or remove funding for specific events within the previous options.

COMMUNITY ENGAGEMENT:

The Community Promotion Funding Request Applications were sent via email to organizations that applied for or received Council support for events, fee waivers/facility use, or for partnership program support. Additionally, the application was posted to the City's website on the Community Funding and Partners page as well as a Newsflash on

the homepage.

ALTERNATIVE ACTIONS:

Alternative options for Council consideration are outlined in Attachment 1.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Annually, the City Council makes decisions to provide funding to support non-profit community events that benefit the entire community. In November 2021, City Council adopted Council Policy (CP-21-02) Council Funding Requests.

FISCAL AND RESOURCE IMPACT:

Community Funding has historically been budgeted within the City Council's budget, in the General Fund (010). Requests for FY 2026-27 total \$458,651. The City Council could choose to award Community Funding at lower levels as outlined in Attachment 1. Note that funding at more than \$180,000 is not in the budget forecast and would require additional expenditures.

CEQA (California Environmental Quality Act):

Council funding ultimately supports events held on public property. The support and permitting of the City to allow these events is categorically exempt under Class 1 Existing facilities, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

FY26-27 Community Funding Requests and Funding Options													
Organization Name	Event/Program Name	Event Date	Use of Funds	FY25-26 Allocation	FY26-27 Request - (Option 5, Full Funding)	Option 1 - FY25-26 Levels with Increase to IDC, Kiwanis & Fee Waiver	Option 2 - Long Serving Historical Public Events Only, No Programs	Option 3 - IDC Only	Option 4 - Past Events Only at FY25-26 Levels	Funding Type	New Event	Years Received	Notes
Chabad Jewish Center	Morgan Hill Chanukah Celebration	12/6/2026	Funds will be used to assist with paying the City fees and permits, the live band, the children's entertainer (led juggler etc.), crafts, and food at the Morgan Hill Chanukah Celebration planned at the Morgan Hill Community and Cultural Center.	2,500	6,000	2,500	0	0	2,500	Funding	No	4+	
Healthier Kids Foundation	VisionFirst, HearingFirst, DentalFirst, and My HealthFirst Programs	July 2026-June 2027	Funding will be used for vision, dental, hearing screenings and My HealthFirst screenings; as well as the care coordination for children who screen out of range to ensure that they receive the care needed. For example, if a child at Los Pasos Elementary School was screened for vision, hearing, and dental, and screened out of range for vision, his or her parents would receive case management from our care navigation team to ensure the child has health insurance, a vision home, and receives a complete eye exam and/or the vision care they need.	26,000	42,000	26,000	0	0	26,000	Funding	No	12+	
Independence Day Celebrations, Inc	Freedom Fest	7/3 and 7/4/2026	Funds will be used for police services, additional security guards, security cameras, water walls, and safety and security components of the Patriotic Sing, Family Music Fest, Freedom Run, Car Show, Parade, and Fireworks.	143,000	194,500	194,500	194,500	194,500	143,000	Funding	No	10+	
Living Above The Influence (LATI)	LATI Community Event (Resource Fair)	10/10/2026	LATI is requesting to use the amphetheater area for the Living Under the Influence event at the Morgan Hill Community and Cultural Center.	3,480	3,785	3,785	3,785	0	3,480	Facility Fee Waiver	No	4+	
Morgan Hill Chamber of Commerce	Friday Night Music Series	6/12-8/8/26, plus Cultural Event on 5/17/26	Funds will be used to cover fees for the use of the Amphitheater and Madrone Room at the Morgan Hill Community and Cultural Center for the Friday Night Music Series (6/12-8/8) and the Cultural Event (5/17)	25,000	25,260	25,260	25,260	0	25,000	Fee Wavier	No	6+	
Morgan Hill Community Foundation	Open Studios	10/24 and 10/25/2026	Funds will be used for the graphic design and full color printing of the brochures for the Open Studios event held in Morgan Hill and Santa Clara County.	1,250	2,700	1,250	0	0	1,250	Funding	No	3+	
Morgan Hill Community Foundation	Philanthropy Night Awards Gala	11/14/2026	The funds will be used to cover facility rental expenses for the Morgan Hill Community and Cultural Center. This annual event provides recognition to individuals who have been nominated by their nonprofit organizations for their dedication to, and valuable impacts on, the charitable missions of their organizations for the betterment of the people and quality of life in our local community.	4,528	4,528	4,528	0	0	4,528	Facility Fee Waiver	No	8+	
Morgan Hill Community Foundation	Feeding Morgan Hill	July 2026-June 2027	Funds would be used for food collection bins and labeling 15 bins (2,250), as well as funding for a video (7,500).	0	9,750	0	0	0	0	Funding	Yes	0	
Morgan Hill Downtown Association	Safe Trick or Treat	10/31/2026	Fees related to City services and permitting (street closure, portable bathrooms, police/security, candy, posters) for the annual Safe Trick or Treat event.	9,000	9,000	9,000	9,000	0	9,000	Funding	No	10+	
Morgan Hill Downtown Association	Holiday Tree	12/1/2026	Funding for the Holiday Tree at the Community and Cultural Center at the corner of Dunne Avenue and Monterey Road.	6,000	6,000	6,000	6,000	0	6,000	Funding	No	10+	
Morgan Hill Historical Society	Founders Dinner	9/18/2026	Funding will be used to cover space rental, caterer, live music, printing and mailing expenses connected with the Founders Dinner event at the Morgan Hill Community and Cultural Center.	2,624	5,000	2,877	0	0	2,624	Funding and Fee Waiver	No	3+	
Morgan Hill Historical Society	Film Debut and Reception	7/3/2026	Funding will cover fees for the rental of the playhouse at the Morgan Hill Community and Cultural Center and service/security personnel required by the contract.	504	528	528	0	0	504	Facility Fee Waiver	No	3+	

FY26-27 Community Funding Requests and Funding Options													
Organization Name	Event/Program Name	Event Date	Use of Funds	FY25-26 Allocation	FY26-27 Request - (Option 5, Full Funding)	Option 1 - FY25-26 Levels with Increase to IDC, Kiwanis & Fee Waiver	Option 2 - Long Serving Historical Public Events Only, No Programs	Option 3 - IDC Only	Option 4 - Past Events Only at FY25-26 Levels	Funding Type	New Event	Years Received	Notes
Morgan Hill Kiwanis	Holiday Lights Parade	12/5/2026	Funding will be used to pay for expenses incurred in putting on Holiday Lights Parade. Expected expenses include City permit, police and city maintenance charges, road closure plans and expenses, sound system, security expenses and medical support for the Morgan Hill Holiday Lights Parade.	41,000	50,000	50,000	50,000	0	41,000	Funding	No	10+	
Morgan Hill Mushroom Festival	Morgan Hill Mushroom Festival	5/29, 5/30/2027	Funding will be used for facility rental and City services include Police Services for the Morgan Hill Mushroom Festival.	11,500	75,000	12,500	0	0	11,500	Funding and Fee Waiver	No	2+	
Sentinel Soccer Club	Grumaza Fiestas Patrias	9/13/2026	Funds will be used to rent the park area, secure the required event insurance, rent a stage and portable restrooms, and retain entertainment - including mariachis, folkloric and Aztec dancers, local musicians, and other performers. Funding will also support event promotion and advertising to ensure broad community awareness and participation for the Fiestas Patrias event.	3,500	4,500	3,500	3,500	0	3,500	Funding	No	4+	
South Valley Civic Theatre	SVCT and Limestone Theater Productions	July 2026-June 2027	As the resident theater company at the Morgan Hill Community Playhouse, we are always looking to find ways to improve that facility and our productions in it. One of the most significant expenses of that facility is the use of theatrical lighting. SVCT would like to begin the transition to LED for the instruments we own by deploying the retrofit package. We have over a dozen lights that can be retrofitted at a cost of roughly \$750 each. While this will then cost over \$9000, we can do these over time. We are requesting a grant of \$5000 to begin the transition. We will also work with City staff to explore options for the many lighting instruments owned by the city.	3,000	5,000	3,000	0	0	3,000	Funding	No	6+	
CARAS	Nueva Esperanza - 6th Annual Morgan Hill Dia De Los Muertos Altar	10/24/2026	The funding will be used for the venue at the Morgan Hill Community and Cultural Center, deposit for the event, sound equipment such as speakers, entertainment, DJ/band, food, drinks, supplies, dessert, health permit, posters, advertising, activity supplies, prizes, decorations, flyers, banners	0	3,100	0	0	0	0	Funding and Fee Waiver	No	2+	
CARAS	Nueva Esperanza - 7th Annual Holiday Posada	12/6/2026	The funding will be used for the venue at the Morgan Hill Community and Cultural Center, deposit for the event, sound equipment such as speakers, live entertainment, DJ, mariachi, band, song books, baile folklorico, lights, food for attendees, drinks, desserts, activity supplies, prizes, pinatas, posters, advertising, decorations, flyers, banners	0	5,000	0	0	0	0	Funding and Fee Waiver	No	2+	
Poppy Jasper International Film Festival	Poppy Jasper International Film Festival	4/8/27-4/15/27	If awarded, the City of Morgan Hill Community Funding grant of \$7,000 will be allocated directly to Morgan Hill-based Festival Week programming and downtown activation. \$4,000 toward the facility rental at the Morgan Hill Community and Cultural Center Playhouse and \$3,000 toward production and installation of banners in the downtown.	3,700	7,000	4,000	0	0	3,700	Funding and Fee Waiver	No	3+	
				286,586	458,651	349,228	292,045	194,500	286,586				

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-21-02

SUBJECT: CITY COUNCIL FUNDING REQUESTS

EFFECTIVE DATE: NOVEMBER 3, 2021

REVISED DATE: NA

ORIGINATING DEPARTMENT: COMMUNITY SERVICES DEPARTMENT

Purpose

The purpose of this policy is to establish a process for community organizations to request funding to support fee waivers, event sponsorship, and other funding requests from the City Council. The policy is intended to allow the City Council to fully evaluate all funding requests at one time along with budget appropriation.


Policy

1. Applicant Criteria
 - a. The organization requesting funding must be a nonprofit.
 - b. The program, event, or activity provides a direct benefit to the Morgan Hill community.
 - c. Programs in alignment with the City Council's Goals and Priorities shall be given priority. City Council priorities are established by the City Council in January of each year.
 - d. Each organization must submit an inclusivity statement describing how the organization and/or the proposed activity is inclusive of the entire community.
 - e. Existing programs and events may be given priority.
2. Application Availability and Deadline
 - a. Applications for the next Fiscal Year (July-June) will be available on the City's website annually in February.
 - b. Completed applications will be due annually in March.
3. Review and Approval Process
 - a. Applications will be reviewed by the City staff.
 - b. Funding applications and details will be included annually in the Budget Development or Mid-Cycle Budget Review process.
 - c. The City Manager will make recommendations on funding to the City Council based on established Council priorities and funding constraints.
 - d. The City Council shall award and include final funding within the Budget.
4. Reporting Requirements

- a. Within thirty days following the conclusion of the funded activity, the organization must submit a report to the City reporting out pertinent information related to the activity. For ongoing activities, an annual report must be submitted by July 30 for the prior fiscal year.
 - b. The report shall include a record of the use of City funds and statistics and information that provides details on the activity's impact to the community.
5. Late Requests
- a. Requests received after the deadline shall not be accepted by City staff.
6. Council Member Initiated Event and Fee Waiver Requests
- a. A member of the City Council may request a fee waiver or funding be provided for an event by applying with the above application process by the March deadline.
 - b. All Council Member initiated requests occurring after the March deadline must be provided to the City Manager 90 days in advance of the event to allow sufficient time to bring to City Council for approval.
 - c. The City Staff shall prepare a report for the City Council for approval of any Council Member initiated requests.

This policy shall remain in effect until modified by the City Council.

APPROVED:

DocuSigned by:

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RICH CONSTANTINE, MAYOR