



Special - Regular Meeting Agenda
City Council

Steve Tate - Mayor
Larry Carr - Mayor Pro Tem
Rich Constantine - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Wednesday, June 21, 2017 5:30 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

(5:30 Council/Commissioner Sexual Harassment Training / 6:00 P.M. Commission Interviews / 7:00 P.M. Regular Meeting)

SPECIAL MEETING

A special meeting of the City Council is called at 5:30 p.m. for the purpose of conducting sexual harassment training and commission interviews.

5:30 P.M.

CALL TO ORDER

Mayor Tate

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Wilson

DECLARATION OF POSTING AGENDA

Deputy City Clerk Michelle Wilson

COMMISSION INTERVIEWS

1. INTERVIEWS TO FILL ONE (1) VACANCY ON THE LIBRARY, CULTURE, AND ARTS COMMISSION AND ONE (1) VACANCY ON THE PLANNING COMMISSION

Recommendation:

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

REGULAR MEETING

7:00 P.M.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Carr

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PRESENTATIONS

YAC Presentation - Asset #10 Safety

PUBLIC COMMENT

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. (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.

Time Estimate for Consent Calendar: 1 - 10 Minutes

2. SECOND AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT WITH HARRIS & ASSOCIATES FOR LAND DEVELOPMENT REVIEW

Recommendation:

Adopt resolution:

1. Approving the Second Amendment to the professional service agreement with Harris & Associates for land development review services to increase the fee by \$110,000 for a total not-to-exceed amount of \$175,000 and extending the term of the agreement through June 30, 2018; and
2. Authorizing the City Manager to execute the Second Amendment.

3. UTILITY BILLING - PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT AND PAYMENT (EBPP) SERVICES

Recommendation:

Authorize the City Manager to execute an agreement with Infosend not to exceed \$158,752, for utility bill printing, mailing, and electronic bill presentment and payment services.

4. AWARD HVAC MAINTENANCE AND REPAIR AGREEMENT

Recommendation:

Approve the following actions:

1. Award a Maintenance Services Agreement to Mechanical Technologies Corporation dba MTECH Corp for \$104,394 (\$52,197 annually for preventative maintenance for a Two-Year Period plus additional repair costs to be performed on an as-needed basis and pre-approved by City Maintenance Staff) Subject to Future Annual Budget Appropriations by the City Council; and
2. Authorize the City Manager to execute and administer that certain Maintenance Services Agreement with Mechanical Technologies Corp. dba MTECH Corp.

5. RESOLUTION DECLARING END OF LEVEL 1 WATER SUPPLY SHORTAGE CONDITION

Recommendation:

Adopt resolution declaring end of level 1 water supply shortage condition.

6. ADOPT ORDINANCE 2049, AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING DEVELOPMENT AGREEMENT, DA2017-0002: BUTTERFIELD MWEST FOR APPROXIMATELY 39 ACRES IN THE MORGAN HILL RANCH BUSINESS PARK. THE PROPERTIES ARE LOCATED ON THE WEST SIDE OF BUTTERFIELD BOULEVARD BETWEEN JARVIS DRIVE AND DIGITAL DRIVE (APN'S 726-25-046, -047, -059, -066, -067, -070, -073, -078 AND -079)

Recommendation:

Waive the reading, adopt Ordinance No. 2249, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

7. APPROVE THE MAY 17, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

8. APPROVE THE MAY 19, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

9. APPROVE THE MAY 24, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

10. COMMISSION FISCAL YEAR 17/18 WORK PLANS

Recommendation:

1. Approve the proposed Parks and Recreation Commission FY 2017/18 Work Plan; and
2. Approve the proposed Library, Culture and Arts Commission FY 2017/18 Work Plan.

11. APRIL 2017 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

PUBLIC HEARING

12. CITY COUNCIL TRANSITION TO BY-DISTRICT ELECTIONS

Recommendation:

Open/close the public hearing.

Estimated Time: 30 Minutes

**13. CITY OF MORGAN HILL LANDSCAPE ASSESSMENT DISTRICT NUMBER 1
RESOLUTION ORDERING ANNUAL ASSESSMENTS AND RELATED ACTIONS**

Recommendation:

1. Open and close the Public Hearing; and
2. Adopt resolution confirming Fiscal Year 17/18 annual assessments and ordering the levy of assessments for the District.

Estimated Time: 5 Minutes

OTHER BUSINESS

14. DOWNTOWN SPECIAL EVENTS AND STREET CLOSURES

Recommendation:

Approve the proposed Downtown Special Events Street Closure Policy.

Estimated Time: 45 Minutes

15. MEMORANDUM OF UNDERSTANDING WITH THE MORGAN HILL HISTORICAL SOCIETY

Recommendation:

Authorize the City Manager to execute and subsequently administer a memorandum of understanding with the Morgan Hill Historical Society for the operation of Villa Mira Monte.

Estimated Time: 10 Minutes

16. PARKS AND RECREATION CAPITAL FUNDING REPORT

Recommendation:

Adopt resolution amending the Fiscal Year 2017/18 Budget appropriating funding for capital improvement projects relating to park and recreation facilities.

Estimated Time: 15 Minutes

17. DEVELOPMENT OF A USE TAX INCENTIVE PROGRAM

Recommendation:

1. Waive the first and second reading of the ordinance amending Title 3 of the Morgan Hill Municipal Code to add a new Chapter 3.21 to create a use tax incentive program; and
2. Introduce the ordinance.

Estimated Time: 10 Minutes

18. IMPLEMENTATION OF A DEVELOPMENT IMPACT FEE FREEZE PROGRAM

Recommendation:

Adopt resolution freezing development impact fees based upon Fiscal Year 16/17 for new commercial or industrial development for the next three years through fiscal year FY 19/20 in order to stimulate new development in Morgan Hill.

Estimated Time: 15 Minutes

PUBLIC HEARING

19. CONTINUATION OF ADOPTION OF ORDINANCE 2247, NEW SERIES, AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO DEVELOPMENT AGREEMENT DA 14-10 (AAE2017-0018): DUNNE BUSK GRANTING A SIX-MONTH EXTENSION FOR SEVEN (7) FISCAL YEAR 2015-2016 AND FIVE (5) FISCAL YEAR 2016-2017 BUILDING ALLOTMENTS (APN 817-19-044)

Recommendation:

Waive the reading, adopt Ordinance No. 2247, 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.

Estimated Time: 5 Minutes

20. APPROVE RDCS COMPETITION MANUAL - SECTION I, II, AND IV

Recommendation:

Adopt resolution approving RDCS Competition Manual Section I – Competition Manual Overview, Section II – Competition Criteria Summary, and Section IV – RDCS Implementation Policies.

Estimated Time: 30 Minutes

21. DEVELOPMENT AGREEMENT AMENDMENTS FOR EAH AFFORDABLE HOUSING SCATTERED SITE PROJECT A. AAE2017-0023 (DAA-15-06): MONTEREY – EAH; B. AAE2017-0024 (DAA-15-07): CIOLINO – EAH; AND AAE2017-0025 (DAA-15-08): EAST DUNNE - EAH

Recommendation:

1. Open/close public hearing on Development Agreement Amendment requests A through C;
2. Waive first and second reading of Development Agreement Amendment Ordinances A, B, and C incorporating extension of allotments due to rain delays; and
3. Introduce Development Agreement Amendment Ordinances A, B, and C (by individual roll call vote.)

Estimated Time: 15 Minutes

22. DEVELOPMENT AGREEMENT AMENDMENT, AAE2017-0013, ZONING AMENDMENT, AAE2017-0021: BUTTERFIELD - DIVIDEND: REQUEST FOR APPROVAL OF A DEVELOPMENT AGREEMENT AMENDMENT AND ZONING AMENDMENT; ADD SIX LOTS AND APPROVE EXTENSION TO THE COMMENCEMENT OF CONSTRUCTION DEADLINES. THE PROPERTY IS LOCATED ON THE NORTHWEST CORNER OF THE INTERSECTION OF BUTTERFIELD BOULEVARD AND EAST CENTRAL AVENUE. (APN 726-26-005 & 008)

Recommendation:

1. Open/close public hearing on Development Agreement Amendment and Zoning Amendment requests;
2. Waive first and second reading of Development Agreement Amendment Ordinance adding six lots and incorporating extension of allotments due to rain delays;
3. Introduce Development Agreement Amendment Ordinance;
4. Waive first and second reading of Zoning Amendment Ordinance amendment to Precise Development Plan and Planned Development Overlay; and
5. Introduce Zoning Amendment Ordinance.

Estimated Time: 15 Minutes

23. APPROVAL OF AN ORDINANCE ADOPTING A DEVELOPMENT AGREEMENT AMENDMENT FOR THE MONTEREY GUNTER PROJECT UNDER SETTLEMENT AGREEMENT WITH GUNTER LLC

Recommendation:

1. Open/close public hearing on Development Agreement Amendment;
2. Waive first and second reading of Development Agreement Amendment Ordinance;
3. Introduce Development Agreement Amendment Ordinance.

Estimated Time: 15 Minutes

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Pursuant to Government Code Section 54956.9(d)(1)
Case Name: Morgan Hill Hotel Coalition, et al. v. City of Morgan Hill
Case Number: Santa Clara County Superior Court Case No: 16-CV-292595
Court of Appeal, Sixth Appellate District Case No: H043426

RECONVENE

CLOSED SESSION ANNOUNCEMENT

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 that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Council on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council Chambers, and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the 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 by 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 plan an item on the agenda for a future City Council meeting. Should your comments require Council action, your request may be placed on the next appropriate agenda. 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 michelle.wilson@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting



Sustainable Morgan Hill Vision

Morgan Hill is a socially responsible, environmentally conscious, and economically sound community that embraces inclusiveness with participation by all.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage

2017 STRATEGIC PRIORITIES

High Speed Rail

Inclusiveness

Infrastructure

Regional Initiatives

Telecommunications

2017 STRATEGIC PRIORITIES:



High Speed Rail

The City of Morgan Hill will directly advocate for our community's needs through our communications, discussions, and decisions. We will continue to engage the community, the High Speed Rail Authority, our state and federal legislators, and other regional agencies to mitigate negative impacts and convey our position that the High Speed Rail Authority should only use the existing Highway 101 right-of-way to avoid all impacts to residents, schools, and businesses. Should the Authority decide the 101 right-of-way is not feasible, we will strongly advocate for the route with the least impact on Morgan Hill.



Inclusiveness

We will celebrate the diversity, history, and culture of our community. Through City Council workshops, community meetings, and researching successes in other communities, the City will listen to and collaborate with the community to define how inclusiveness will be further woven into our community's fabric and to increase public participation. The City's communications, services, public spaces, and projects will embrace all community members as partners, advancing our vision of being a socially responsible community.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs initially by updating its 2014 infrastructure study to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for the Santa Teresa extension and road maintenance. We will continue to work closely with our community to inform them of the needs and engage them to find an affordable and sustainable solution.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. This regional involvement will include, but not be limited to, partnering with the League of California Cities, Valley Transportation Authority, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.



Telecommunications

The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Development Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure. The plan will be used to signal Morgan Hill's support for business expansion.



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Michelle Wilson, Deputy City Clerk
APPROVED BY: City Manager

INTERVIEWS TO FILL ONE (1) VACANCY ON THE LIBRARY, CULTURE, AND ARTS COMMISSION AND ONE (1) VACANCY ON THE PLANNING COMMISSION

RECOMMENDATION(S)

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

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Fostering a Positive Organizational Culture
Preserving and Cultivating Public Trust
Preserving Our Cultural Heritage

2017 Strategic Priorities

Inclusiveness
Infrastructure

REPORT NARRATIVE:

On April 26, 2017, staff received an email from Linda Vrabel stating that she could no longer serve on the LCAC and that she would be resigning effective immediately. Recruitment efforts were conducted and resulted in two applications being submitted for Library, Culture, and Arts Commission appointment consideration: Brigitte Crawford and Tim Hennessey. The appointed applicant would fill the vacant seat with a term ending April 1, 2018.

On April 25, 2017, Planning Commissioner Patricia Toombs notified staff that she had moved out of the school district boundaries and could no longer serve on the Planning Commission. Recruitment efforts were conducted and resulted in three applications being submitted for Planning Commission appointment consideration: Juan Miguel Munoz-Morris, Michael Robertson, and Troy Knapp. The appointed applicant would fill the vacant seat with a term ending June 1, 2019.

All applicants have been invited and confirmed availability to interview before the City Council on June 21, 2017. Their applications are attached for Council consideration.

COMMUNITY ENGAGEMENT: Involve

Recruitment efforts were undertaken to encourage citizens to apply for City Council appointment consideration to the Library, Culture & Arts Commission and Planning Commission via the Morgan Hill Times, City Website, Government Access Channel, and social media.

ALTERNATIVE ACTIONS:

The City Council may choose to make appointments to fill some or none of the two vacant seats. If the City Council desires to have a larger pool of applicants, it could decide to re-open the application process to solicit more applicants to fill those seats not appointed at the June 21, 2017 meeting.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Library, Culture & Arts Commissioners serve two-year terms, with possible reappointment consideration. Every year, recruitment efforts are conducted to maintain the seven (7) member Commission.

Planning Commissioners serve four-year terms with possible reappointment consideration. Every year, recruitment efforts are conducted to maintain the seven (7) member Commission.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with the actions to interview and appoint, as the recruitment and appointment process is accommodated in the Administrative Services operating budget.

CEQA (California Environmental Quality Act):

Not a project.

The interview and appointment of commissioners is not a project, as defined in Section 15378 of the State CEQA guidelines.

LINKS/ATTACHMENTS:

1. FUNDAMENTAL PRINCIPLES FOR A
2. chapter 2.22 Master Provisions for boards and commissions
3. chapter 2.68 Library, Culture and Arts Commission
4. Chapter 2.36 Planning Commission
5. Brigitte Crawford LCAC Application package 2017_Redacted
6. Tim Hennessey application and resume redacted
7. Juan Miguel Munoz-Morris application and resume redacted
8. Michael Robertson application and resume redacted
9. Troy Knapp application and resume redacted

**FUNDAMENTAL PRINCIPLES FOR A
RECRUITMENT, INTERVIEW AND APPOINTMENT PROCESS
ADOPTED JULY 6, 2005
AMENDED APRIL 25, 2007**

1. Conduct active outreach for candidates
2. Council discussion of expectations of Board, Commission or Committee members
3. Application questionnaire to focus on Council expectations
4. Council to conduct interviews
5. Individual council members have the opportunity to suggest top candidates
6. Mayor may have at least one week to consider Council suggestions and other factors, including the need for continuity, match up candidates with needs, etc.
7. Mayor makes appointments subject to Council ratification, after further Council discussion.

The specific process is as follows:

- Council to identify the characteristics it is looking for in candidates to be appointed on boards, commissions and committees prior to conducting interviews.
- Council to identify specific questions to be included in the Board, Commission, or Committee applications relative to their charge
- Include a question for incumbents to inquire whether they are currently serving as chair/vice-chair, next in line to serve as chair/vice-chair to the board or commission, and/or are assigned to a special project
- Council to conduct interviews and ask clarifying questions.
- Council to discuss the characteristics of each candidate (e.g., new voice, experience, etc.)
- Each Councilmember would identify their top candidates to fill vacancies plus one. Councilmembers can vote for the number of candidates for vacancies available plus one. (See attached)
- Mayor to consider Council members' top candidates; returning to the Council at a following meeting with a recommended appointment(s)
- Council to discuss recommended appointment(s)
- Council ratifies the Mayor's appointment

**STEVE TATE, MAYOR
APRIL 25, 2007**

Chapter 2.22

MASTER PROVISIONS FOR BOARDS AND COMMISSIONS*

Sections:

- 2.22.010 Establishment of boards and commissions.**
- 2.22.030 Clerk and secretary.**
- 2.22.040 Rules of procedure.**
- 2.22.050 Rules of attendance.**
- 2.22.060 Meetings.**
- 2.22.070 Compensation.**
- 2.22.080 Effect.**

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

2.22.010 Establishment of boards and commissions.

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

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

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

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

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

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

F. The members of the commission shall organize the commission and shall elect from its members a chair and vice-chair and such other officers as may be necessary in accordance with adopted city council policy. (Ord. 1778 N.S. § 2 (part), 2006)
(Ord. No 1930 N.S., § 2, 4-22-2009; Ord. No. 1935 N.S., § 1, 6-3-2009)

2.22.030 Clerk and secretary.

The city clerk or designate shall also act as clerk for each of the boards and commissions and shall have authority to sign any official notices and also to certify any resolution of the commissions or boards. The city council may appoint a person not a member of the commission or board to act as secretary of the commission or board. The secretary shall keep a record of all proceedings of said board or commission, its resolutions, its findings and actions, which records shall be a public record and kept with the city clerk in the City Hall building. (Ord. 1778 N.S. § 2 (part), 2006)

2.22.040 Rules of procedure.

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

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

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

2.22.050 Rules of attendance.

If any member is absent from three of any six consecutive regular board or commission meet-

2.22.050

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

2.22.060 Meetings.

Unless otherwise specified, the commission shall hold regular meetings once every two months at a designated time and place which shall be fixed and determined by the commission and entered upon in its minutes. Special meetings of the commission may be called at any time by the chair or by a majority of the members of the board upon notice being given to all members of the board and to all news media at least twenty-four hours in advance of the meetings, as required by the laws of the state of California. (Ord. 1778 N.S. § 2 (part), 2006)

(Ord. No. 1930 N.S., § 3, 4-22-2009)

2.22.070 Compensation.

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

2.22.080 Effect.

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

Chapter 2.68**LIBRARY, CULTURE AND ARTS
COMMISSION****Sections:**

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

2.68.010 Created.

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

2.68.020 Membership—Terms of office.

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

2.68.030 Powers and duties.

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

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

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

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

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

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

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

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

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

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

Chapter 2.36 PLANNING COMMISSION*

Sections:

[2.36.010 Created--Statutory authority.](#)

[2.36.020 Membership--Terms of office--Vacancies.](#)

[2.36.030 Meetings.](#)

[2.36.040 Powers and duties.](#)

* Prior ordinance history: Ords. 470 N.S. and 483 N.S.

2.36.010 Created--Statutory authority.

The planning commission is established pursuant to the authority contained in Chapter 3 of Title VII of the California Government Code, entitled "Local Planning, " as existing or hereafter amended. Reference shall be made to said Chapter 3 for interpretation of this chapter.

(Ord. 811 N.S. § 1 (II-3-1), 1987)

2.36.020 Membership--Terms of office--Vacancies.

A. The city planning commission shall consist of seven members. Members of the planning commission shall serve the following terms:

1. In the year 1998, three members shall be appointed to serve terms ending June 1, 2001;
2. The four members who were appointed in 1996 shall serve terms ending June 1, 1999;
3. Thereafter, all terms shall be for four years and shall expire on June 1st.

(Ord. 1778 N.S. § 5, 2006; Ord. 1407 N.S. § 2, 1998; Ord. 1083 N.S. § 1, 1992; Ord. 811 N.S. § 1 (II-3-2), 1987)

2.36.030 Meetings.

The commission shall hold regular meetings at least twice a month or as otherwise deemed necessary by the commission. All meetings of the commission shall be held in the city council chambers at City Hall or other location designated by minute order of the city council or at a location deemed necessary or appropriate by the planning commission.

(Ord. 1197 N.S. § 1 (part), 1994; Ord. 811 N.S. § 1 (II-3-3), 1987)

2.36.040 Powers and duties.

The planning commission shall have the powers and shall perform all the duties conferred and imposed upon city planning commissions by the applicable provisions of Chapter 3 of Title VII of the Government Code of the state and, in addition, the planning commission shall:

- A. Perform all the functions assigned to the commission by the subdivision and zoning ordinances (Titles 17 and 18 of this code) of the city, and all general laws of the state of California;
- B. Serve as an advisory body to the city council on matters related to city growth and development and on such other matters as may be requested by the council;
- C. Promote public interest in and understanding of the subdivision and zoning ordinances of the city, and also of all master plans and other official plans and regulations pertaining to planning which have been approved officially by the city council;

- D. Review and advise the city council on all proposed amendments to Title 17, Subdivisions, and Title 18, Planning and Land Use Regulations;
 - E. Approve or disapprove application for designation of cultural resources and historic districts pursuant to Chapter 18.75 of this code, or as amended;
 - F. Approve or disapprove permits sought to remove or demolish a cultural resource, cultural resource site or historic district pursuant to Chapter 18.75 of this code, or as amended.
- (Ord. 1111 N.S. §§ 2, 3, 1992; Ord. 899 N.S. § 18, 1989; Ord. 811 N.S. § 1 (II-3-4), 1987)



CITY OF MORGAN HILL APPLICATION FOR APPOINTMENT TO COMMISSION OR COMMITTEE

(In order to be considered for appointment, this application form must be fully executed and all questions answered by applicant, including those who are Incumbents. If you prefer to type your answers on the form, an electronic version will be e-mailed to you upon request.)

Name: Brigitte A Crawford *E-mail Address: [REDACTED]

*Home address: [REDACTED] *City: Morgan Hill

*Telephone: (Work) () (Home) () (Cell) ()

Occupation: retired Employer:

Number of Years lived within City Limits: 3.00 Are you a registered voter? Yes ☒ No ☐

If not a MH resident, years worked in City Limits: -or-

Years lived within the MH School District boundary:

Do you have any relatives currently employed by the City of Morgan Hill? Yes ☐ No ☒

Properties owned in Morgan Hill/Address(es):
N/A

*I consent to the release to the public of the above contact information marked with an *: Yes ☒ No ☐

QUESTIONNAIRE

(Please attach additional sheets, as necessary, to provide complete answers)

1. Please attach a resumé, or briefly describe your background, listing the qualifications and skills, which you can contribute to the Commission.

See attached

2. Have you served on any other citizen advisory commissions or committees? If so, please list and briefly explain the purpose of each committee.

Starting when I was a youth I served on an Inter-generational committee to unite seniors and students in rural Nevada County, since then I have served on various committees for the Pleasant Ridge School District.

3. What do you believe to be the role of the Commission, and why you would like to serve on this Commission?

I believe it begins with community involvement. Giving back to your neighborhood. Getting an opportunity to speak on behalf of your fellow residents in items such as ample books and programs for the public library up to looking and ultimately deciding on the cultural and artistic flavor of Morgan Hill. Always taking in to consideration the needs and wants of the community, not my own personal agenda.

4. What skills and experience do you believe would be important to your role as a Commissioner?

Effective communication skills (both verbal and written), dependability (commitment to attending meetings), preparedness, respect for others at all times, prior experience in group/team environments and an open mind and open heart to consider both the new as well as the familiar

5. How would you know if the Commission is successful in supporting the City Council's Goals?

The Council's affirmation and ease of decision making based on the Commission's due-diligence as well as effective communication skills (listening, raising questions for clarification) to ensure that the Commission is providing the best of intentions in support of the City Council.

6. What would you like to accomplish as a member of the Commission?

I would like to know that at the end of my time on the Commission, I did my best to fairly and accurately represent the community at large. I feel that it is important, and with every opportunity, to give back and support one's community. Easy ways are through commerce and support of local business, but also by giving back in a more civic manner and be a voice for your community.

7. What are the greatest opportunities facing the community in regards to this Commission?

Paper books and print media are unfortunately waning, but with new technology comes new opportunity. Sustaining a public library offers a new opportunity to meet the needs of card holders and their current requirements. As Morgan Hill continues its slow and steady growth pattern, Art and Culture will be an integral part in preserving the past and celebrating the future. A well thought out and articulated plan for residents, business owners and business developers is key to supporting City Council and other aspects of Morgan Hill (public safety, recreation, leisure).

8. If you are an incumbent seeking reappointment:

- | | | |
|--|------------------------------|--|
| • Are you currently serving on a Committee? | Yes ☐ | No ☒ |
| • Are you next in line to serve as Chair or Vice-Chair? | Yes ☐ | No ☒ |
| • Are you assigned to a special project? | Yes ☐ | No ☒ |
| • If assigned to a special project, please identify the project: | | |

Name of commission

9. I am interested in serving on the following Commission or Committee? Please indicate:

☒ **LIBRARY, CULTURAL AND ARTS COMMISSION**

The Library, Culture and Arts Commission provides the City Council with advice and recommendations regarding the adequacy of library facilities; seeks opportunities for city sponsored artistic and performance opportunities; encourages community involvement in the arts; and reviews and recommends works of art to be acquired by the City or installed on public property. This seven member Committee meets on the second Tuesday of odd numbered months at 7:00 p.m. at the Morgan Hill Library.

☐ **PARKS & RECREATION COMMISSION**

The Parks and Recreation Commission provides the City Council with advice and recommendations on recreation programs, activities and resources. The Commission also plans for the future growth and development of parks facilities and recreation programming. This seven member Commission meets on the third Tuesday of odd numbered months at 7:00 p.m.

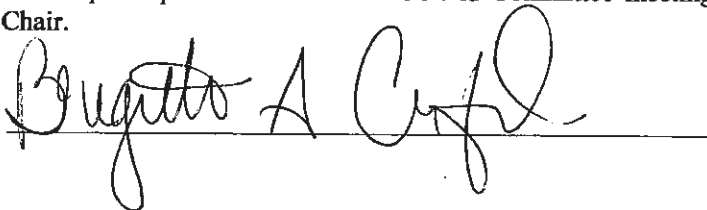
☐ **PLANNING COMMISSION**

The Planning Commission performs duties and exercises power and authority with regard to planning, subdivisions, zoning, zoning administration, residential development control, and other land use regulatory controls as prescribed by ordinance and state law. The Commission serves as an advisory body to the City Council on Zoning and General Plan related matters. The Commission is a seven member body, and each commissioner serves a term of four years and meets on the second and fourth Tuesday each month.

By my signature below, I acknowledge that I will be subject to the City's Conflict of Interest Code; the City Council's requirement of a two hour "Fair Political Practices Commission AB1234 Ethics" training session, and the requirement to file Statements of Economic Interest forms with the City of Morgan Hill when I assume office, annually thereafter, and when leaving office.

By my signature below, I consent to comply with all government regulations, should I be appointed to serve on a City of Morgan Hill Commission or Committee, and confirm that I have read the attached Ethics Policy; that I do subscribe to this Policy; that I will apply it to the specific responsibilities which I may be assigned; and that I will practice the core values set forth in this Policy in my public service for the City of Morgan Hill. Additionally, I commit to attend and participate in all Commission and Committee meetings to which I am appointed, unless excused by the Chair.

SIGNATURE:

A handwritten signature in dark ink, appearing to read "Brigitte A. Crawford", written over a horizontal line.

Date:

3/30/17

Attachment: Brigitte Crawford LCAC Application package 2017_Redacted (1287 : Commission Interviews)

BRIGITTE A CRAWFORD

[REDACTED], Morgan Hill, CA 95037 | [REDACTED]

Summary

Art Docent Program District Liaison for more than 13 years, provided leadership, training and guidance to more than 60 docent volunteers each year for the Pleasant Ridge Union School District.

Highlights

- Training & Development
- Recruiting
- Classroom Liaison
- Gallery Visit Program Creation
- District Liaison
- Studio Lesson Coordinator

Accomplishments

Earned 2 schools the National Blue Ribbon Award for Specialty Programs

Experience

The Art Docent Program (ADP) is a nationally acclaimed program that brings museums to the students. Through portfolios of famous art from around the world, students are exposed to art and have a chance to be an artist and develop skills for seeing art in their every day life. I Worked with K-6 students, teachers and parent volunteers in a four campus school district. Created an annual rotation schedule of Gallery Visits and Studio Lessons for entire school district. Recruited, trained and supported art docents (60+ per year) through the Art Docent Program. Created an Art Cart full of hard-to-find and unique art supplies for gallery lessons at each campus. Created supplemental Gallery Lessons for alternative options. In my work-world, I was a Department Manager for Bel Air Markets (part of the Nob Hill Chain). I was an HR Recruiter for Coherent as well as Tektronix and Grass Valley Group. Lastly I have owned two small businesses: the Handmade Candle co. and up until recent, Pu'ali Fitness.

Education

A.A. Degree in Communications, Sierra College
English major with a minor in History, CSU Sacramento
AMFPT Certified Personal Trainer and Nutritionist

Affiliations

BNI - Nevada County Business Builders Chapter , President (2014), VP (2015) and Sec/Treas (2013)
Community Solutions Advocate Volunteer (Sexual Assault/Domestic Violence) 2016-Present
Morgan Hill Community Police Academy Graduate November 2016
Leadership Morgan Hill Class of 2017
National Organization of Professional Women (2011 - present)

10 - Commission Member

Contact Information -- Person ID: 32557873

Name: TIMOTHY J. HENNESSEY Address: [REDACTED]
MORGAN
HILL, California 95037 US

Home Phone: (408) [REDACTED] Alternate Phone:

Email: [REDACTED] Former Last Name:

Month and Day of Birth: 04/22

Personal Information

Driver's License: Yes, California , [REDACTED] Class C

Can you, after employment, submit proof of your legal right to work in the United States? Yes

What is your highest level of education? Associate's Degree

Preferences

Preferred Salary:

Types of positions you will accept:

Types of work you will accept:

Types of shifts you will accept:

Objective**Education**

High School Did you graduate: Yes
Live Oak High School Highest Level Completed: Other
[Unspecified Start] - 1995 Did you receive a GED?
Morgan Hill, California Degree Received: High School Diploma

Work Experience

Commissioner Hours worked per week: 0
9/2011 - Present Monthly Salary: \$0.00
May we contact this employer? Yes

City of Morgan Hill
Morgan Hill, California

Duties

Currently serving my 3rd Term as appointed by the Mayor with the consent of the City Council, to the City's Library, Cultural, and Arts Commission

Oath of office taken on September 13 2011

Aroner Hours worked per week: 40
9/2014 - 2/2015 Monthly Salary: \$0.00
May we contact this employer? No

Franklin Armory
Morgan Hill, California

Duties

Manufactured, assembled and tested AR-15 platform weapons for Military and Law Enforcement contracts, and civilian uses. Trained on principles of weapon origins and functionality. Also trained to troubleshoot and fix

Attachment: Tim Hennessey application and resume redacted (1287 : Commission Interviews)

Weapon malfunctions in any caliber. Was laid off when production was moved out of the State of California.

Reason for Leaving

Laid off, Position moved to Nevada

Board of Directors

1/2014 - 1/2015

Hours worked per week: 40

Monthly Salary: \$0.00

May we contact this employer?

Granada Theatre Preservation society
Morgan Hill, California

Duties

2014

Create policy and implement programming, and fundraise for Morgan Hill's historical movie house "Granada". 1 year term served.

Board of Directors

1/2011 - 1/2014

Hours worked per week: 40

Monthly Salary: \$0.00

May we contact this employer?

Morgan Hill Chamber Of Commerce
Morgan Hill, California

Duties

Served as a corporation general board member, created and assisted in implementing company policies, created marketing strategies for the Chamber of Commerce events such as the Taste of Morgan Hill festival, Friday Night Music Series, monthly chamber member mixers, and business networking events. As a MHCC board member I represented Morgan Hill's business community to the local, county and state political offices to secure a healthy and thriving business community in the city of Morgan Hill.

General Manager

1/2007 - 1/2008

Hours worked per week: 40

Monthly Salary: \$0.00

May we contact this employer?

Johnny V's (Nightclub)
San Jose, California

Duties

As General Manager I over saw the day to day operations of the entire nightclub including but not limited to, Hiring and Terminating employees, Booking all entertainment, Keeping daily records, Making bank deposits and oversight of record keeping, Balancing all money at the close of business, Ordering of all supplies and alcohol from vendors, Created and Implemented a diverse marketing plan for weekly events, Customer relations, Assisting security and bar staff when needed, Bartending.

Certifications City of San Jose Police Issued Entertainment Management permit.

Law Enforcement Officer

10/2001 - 6/2005

Hours worked per week: 40

Monthly Salary: \$0.00

May we contact this employer?

County of Santa Clara Office Of Protective Services
San Jose, California

Duties

Was a member of the uniformed Patrol Division of Valley Medical Center health and hospital system's Law Enforcement Department, Self initiated active patrol, crime suppression through visual deterrence, community interaction, arrest's, response to 911 calls, patrolling assigned beats, working with other County, State, Federal, and City Law Enforcement Agencies. Was Medically Retired after sustaining an injury on duty.

Certifications Work place violence prevention 1257.8 HS
P.O.S.T. Academy certified 832 P.C.

Accreditations 4 ~ Letters of Accommodation for exemplarily performance In the line of
Duty

1 ~ Live Saving Award for the successful delivery of an Infant which
required infant CPR upon birth

Security Officer
6/1999 - 2/2002

Hours worked per week: 40
Monthly Salary: \$0.00
May we contact this employer?

Eastridge Mall Security
San Jose, California

Duties

Was a uniformed security officer for the Eastridge Shopping Mall. Provided basic Security services.
Left position to accept full time employment with the County Of Santa Clara.

Certifications Certified with the State Of California Dept of Consumer affairs to carry,
Baton, Pepper Spray, ASP collapsible Baton.

Certified by the American Red Cross for use of AED, First Responder
CPR and First Aid (State of California P.O.S.T. Certified First Responder)

Accreditations 2 ~ Letters of Accommodation for exemplarily performance in the line of duty.

Infantryman
6/1995 - 6/1997

Hours worked per week: 40
Monthly Salary: \$0.00
May we contact this employer?

United States Army, California National Guard
Ft Benning , Georgla

Duties

Member of the 40th Infantry Division.

Certifications Dept. of the United States Navy certificate of nuclear,
biological, chemical warfare.

Certificates and Licenses

Skills

Office Skills

Typing:

Data Entry:

Additional Information

Professional Associations

Bear swim club Award

Honors & Awards

1 ~ Live Saving Award for the successful delivery of an infant which

Honors & Awards

1 ~ Award, presented by the City of San Jose Police Department

Honors & Awards

World Crest Award, Quality Unit Award 1989, Camp Hi-Sierra Polar

Honors & Awards

Bear swim club Award

References

Professional

Libbers, Marilyn

President Silicone Valley China

4088923883

Professional

Firato, Rich

4083162403

Professional

Airoidi, Robert

Founder / Owner / Editor - Morgan Hill Life (Newspaper)

(408) 427-5865

robertairoidi@yahoo.com

Resume

Text Resume

City of Morgan Hill has chosen not to collect this information for this job posting.

Attachments

Attachment	File Name	File Type	Created By
resume.docx	resume.docx	Resume	Job Seeker
coverletterMHCCCLCAC.doc	coverletterMHCCCLCAC.doc	Cover Letter	Job Seeker

Agency-Wide Questions

1. Q: Were you ever discharged from employment or forced to resign?

A: No

2. Q: Are you now or have you ever been employed by the City of Morgan Hill?

A: Yes

3. Q: Do you have a relative who is an official or employee of the City of Morgan Hill?

A: No

Supplemental Questions

1. Q: Which commission are you interested in serving?

A: Library, Culture, and Arts Commission

2. Q: Please attach a resume or briefly describe your background listing the qualifications and skills which you can contribute to the Commission.

A: Current member

3. Q: Have you served on any other citizen advisory commissions or committees? If so, please list and briefly explain the purpose of each committee.

A: Current member

4. Q: What do you believe to be the role of the commission you are interested in serving on

and why would you like to serve on this commission?

A: current member

5. Q: What skills and/or experience do you believe would be important to your role as a commissioner?

A: current member

6. Q: How would you know if the commission is successful in supporting the City Council's Goals, Priorities, and Strategies?

A: current member

7. Q: What would you like to accomplish as a member of the commission?

A: current member

8. Q: What are the greatest opportunities facing the community in regards to this commission?

A: current member

9. Q: If you are an Incumbent seeking reappointment, check all that apply:

A: You are currently serving on a committee
You are next in line to serve as chair or vice-chair
You are assigned to a special project

10. Q: If you are assigned to a special project, please identify the project:

A: Library remodel

• MORGAN HILL, CA. • 95037

TIMOTHY J. HENNESSEY

WORK OF EXPERIENCE

Commissioner, City of Morgan Hill

2011 - Present

Currently serving my 3rd Term as appointed by the Mayor with the consent of the City Council, to the City's Library, Cultural, and Arts Commission .

Oath of office taken on September 13th 2011
Chairman of the Commission for the 2014-2015 term

Armorer *Franklin Armory* 2015

2014 -

Certified small arms weapons Armorer. Licensed from State of California. Manufactured, assembled and tested AR-15 platform weapons for Military and Law Enforcement contracts, and civilian uses. Trained on principles of weapon origins and functionality. Also trained to troubleshoot and fix Weapon malfunctions in any caliber. Was laid off when production was moved out of the State of California.

Board of Directors, Granada Theatre Foundation 2014 - 2014

Create policy and implement programming, and fundraise for Morgan Hill's historical movie house "Granada". 1 year term served.

Board of Directors, Morgan Hill Chamber Of Commerce - 2014

2011

Served as a corporation general board member, created and assisted in implementing company policies, created marketing strategies for the Chamber of Commerce events such as the Taste of Morgan Hill festival, Friday Night Music Series, monthly chamber member mixers, and business networking events. As a MHCC board member I represented Morgan Hills business community to the local, county and state political offices to secure a healthy and thriving business community in the city of Morgan Hill.

Chairman of the Government Relations Committee (2011 - 2013)
Co-Chairman of the Friday Night Music Series (2012 - 2014)
Director of Taste of Morgan Hill festival (2013)

Candidate San Jose City Council 2009 - 2010

Was the principle challenging Candidate for San Jose's 3rd City Council district.
The City of San Jose was the nations 10th Largest City at the time of the campaign

Attachment: Tim Hennessey application and resume redacted (1287 : Commission Interviews)

General Manager *Johnny V's (Nightclub)*
2007 - 2008

As General Manager I over saw the day to day operations of the entire nightclub including but not limited to, Hiring and Terminating employees, Booking all entertainment, Keeping daily records, Making bank deposits and oversight of record keeping, Balancing all money at the close of business, Ordering of all supplies and alcohol from vendors, Created and implemented a diverse marketing plan for weekly events, Customer relations, Assisting security and bar staff when needed, Bartending.

Certifications City of San Jose Police issued Entertainment Management permit.

Law Enforcement Officer *County of Santa Clara Office Of Protective Services*

2001 - 2005

Was a member of the uniformed Patrol Division of Valley Medical Center health and hospital system's Law Enforcement Department, Self initiated active patrol, crime suppression through visual deterrence, community interaction, arrest's, response to 911 calls, patrolling assigned beats, working with other County, State, Federal, and City Law Enforcement Agencies. Was Medically Retired after sustaining an injury on duty.

Certifications Work place violence prevention 1257.8 HS
P.O.S.T. Academy certified 832 P.C.

Accreditations 4 ~ Letters of Accommodation for exemplarily performance in the
line of
Duty
1 ~ Live Saving Award for the successful delivery of an
infant which
required infant CPR upon birth

Security Officer *Eastridge Mall Security*
1999 - 2002

Was a uniformed security officer for the Eastridge Shopping Mall. Provided basic Security services. Left position to accept full time employment with the County Of Santa Clara.

Certifications Certified with the State Of California Dept of Consumer affairs to
carry,
Baton, Pepper Spray, ASP collapsible Baton.

Responder
Responder) Certified by the American Red Cross for use of AED, First
CPR and First Aid (State of California P.O.S.T. Certified First

Accreditations 2 ~ Letters of Accommodation for exemplarily
performance in the
line of duty.

Jose Police Department 1 ~ Award, presented by the City of San
Liaison to Eastridge Mall for

participation in the defense of

Hillview Municipal Airport

September the 11th 2001.

Eastridge Transit Center, and Reid

during the Terrorist Attacks of

Soldier, Infantryman *U. S. Army National Guard*
1995 - 1997

Member of the 40th Infantry Division.

Certifications

Dept. of the United States Navy certificate of nuclear,
biological, chemical warfare.

EDUCATION

1995	Live Oak High School Morgan Hill, Ca. <i>Graduated, High School Diploma</i>	
1996	South Bay Regional Training Consortium Gilroy, Ca. <i>Graduated, P.O.S.T. Certificate (Reserve Police Academy)</i>	San Jose, Ca. /
2010	Gavilan Community College <i>Attending, Enrolled in a SJSU transfer program, Major; Political Science</i>	Gilroy, Ca.
2011	Leadership Morgan Hill <i>Graduated the Class of 2011</i>	Morgan Hill, Ca.
	<i>Letter of Recognition;</i> Sam Blakeslee, Ca. State Senate <i>Letter of Recognition;</i> Bill Monning, Ca. State Assembly <i>Letter of Recognition;</i> Mike Wasserman, Santa Clara Co. Board of Supervisors	

MEMBERSHIPS

F. & A. M. Free and Accepted Masons of California (Freemason)
Present

2009 -

Marshal of Golden Rule Lodge # 479, 341st Masonic District

Boy Scouts of America Troop 792, Gilroy Ca.
1989 - 1992

Accreditations

Rank : First Class, assigned as Patrol Leader.

11 earned Merit Badges.

World Crest Award, Quality Unit Award 1989, Camp

Hi-Sierra Polar

Bear swim club Award.

REFERENCES

Marilyn Librers - City Council, City of Morgan Hill
 (408) 892 - 3883 Marilyn.Librers@morganhill.ca.gov

Hank Vlcek Past Inspector - Grand Lodge of California Masons
 (408) 757-1774 haggler@gmail.com

Robert Airoidi Founder / Owner / Editor - Morgan Hill Life (Newspaper)
 (408) 427-5865 robertairoidi@yahoo.com

10 - Commission Member

Contact Information -- Person ID: 5602421

Name: Juan Miguel Munoz-Morris Address: [REDACTED]
Morgan Hill, California 95037
US

Home Phone: [REDACTED] Alternate Phone:
Email: [REDACTED] Former Last
Name:
Month and Day of
Birth:

Personal Information

Driver's License: Yes, California , [REDACTED] Class C
Can you, after employment, submit proof of
your legal right to work in the United States? Yes
What is your highest level of education? Master's Degree

Preferences

Preferred Salary:
Types of positions you will accept: Regular
Types of work you will accept: Full Time
Types of shifts you will accept: Day , Evening ,
Night , Rotating
, Weekends

Objective

I wish to improve my community and the lives of its citizens through civil
service. I wish to guide the community to a better, more sustainable future while
at the same time preserving our cultural and historical heritage.

Education

College <i>Santa Monica College</i> www.smc.edu 8/2009 - Present Santa Monica, California	Did you graduate: No College Major/Minor: Continuing Education Units Completed: 9 Semester Degree Received: No Degree
Graduate School <i>Purdue University</i> 8/2010 - 7/2011 Hannover, International	Did you graduate: Yes College Major/Minor: International Business Administration Degree Received: Master's
College <i>California Polytechnic Institute</i> www.calpoly.edu 9/2001 - 12/2005 San Luis Obispo, California	Did you graduate: Yes College Major/Minor: Modern Languages and Literatures Units Completed: 180 Quarter Degree Received: Bachelor's
High School <i>Atascadero High School</i> 8/1997 - 6/2001 Atascadero, California	Did you graduate: Yes Highest Level Completed: 12 Did you receive a GED? No Degree Received: High School Diploma

Work Experience

Management Ananlyst Hours worked per week: 40

12/2016 - Present

County of Santa Clara Social Services
Agency
333 W. Julian St
San Jose, California 95110

Monthly Salary: \$0.00

Name of Supervisor: Jorge Montes - Program
Manager II

May we contact this employer? Yes

Duties

Responsible for managing the full lifecycle for contracts with internal and external contractors. Prepare RFP documents, negotiate contract terms, establish service goals and measurable outcomes, manage monthly/quarterly documentation, review financial information and performance, provide reports and analysis for senior staff. Develop intergovernmental agreements, Interagency agreements and MOUs with partner agencies. Coordinate renewals and contract approvals by the Board of Supervisors and Procurement team, work with program managers to ensure appropriate service delivery. Other duties as needed.

Reason for Leaving

N/A

ASO II, Prevention & Outreach
8/2015 - 11/2016

County of San Luis Obispo Behavioral
Health Department
2180 Johnson St
San Luis Obispo, California 93401

Hours worked per week: 40

Monthly Salary: \$0.00

of Employees Supervised: 2

Name of Supervisor: Frank Warren - Division
Manager, Prevention & Outreach

May we contact this employer? Yes

Duties

Responsible for the management of Prevention and Early Intervention (PEI) and Innovation (INN) Program components of the Mental Health Services Act (MHSA)

Collect and analyze program data following State guidelines as approved by MHSOAC, and report program outcomes to the State in the Annual Update and 3- Year Expenditure Plan

Coordinate with the Innovation Stakeholder group in the development of INN projects. Prepare

Innovation Plan and present to local stakeholder groups as well as seek approval from State

Serve as Ethnic Services Manager, participating in policy forums and updating the Cultural

Competence Plan as per CBHDA and DHCS guidelines.

Maintain regular, professional communication with community based organizations, and provide guidance and assistance regarding program requirements, involving, data collection and reporting, RFP and grant preparation, and participate in local stakeholder groups as appropriate

Provide Outreach and Information to residents and partners at local events.

Provide assistance related to programmatic requirements to counselors, service providers and other partners to ensure accuracy and timeliness of data.

Other duties as needed

Reason for Leaving

Relocated to San Jose/Morgan Hill area

Supplier Account Manager
9/2013 - 11/2014

Superior Foods
www.superiorfoods.com
275 Westgate Dr
Watsonville, California 95076

Hours worked per week: 40

Monthly Salary: \$4,000.00

of Employees Supervised: 0

Name of Supervisor: Asun Romero - Director of
Supply and Procurement

May we contact this employer? Yes

Duties

- Monitor Master Contracts' performance from approval to end, confirm volumes and specifications, and identify at-risk contracts for non-completion. Make adjustments and ensure visibility to all parties

- Coordinate all shipments from plants throughout Latin America, Asia, and Europe. Adjust shipments based on plant capacity/capability, and sales and customer needs

- Communicate changing priorities, and serve as main point of contact and CSR for suppliers
- Assist suppliers with packaging needs, shipping line inquiries, documentation, and communicate supplier needs to Sales and Operations. Manage the process of vetting and sampling product offerings, and communicate findings to Sales, Operations, Quality Assurance, and Supply Chain
- Maintain product catalogs for all suppliers and Identify new Industry trends
- Prepare and share weekly reports with Executive Team, Sales, Supply Chain, and Operations
- Coordinate with Sales Development and partners/suppliers to Identify new business opportunities
- Assist Accounting team with the processing of debits and credits, pricing, cash flows and Inventory calculations
- Internal Auditor, C-TPAT Committee

Reason for Leaving

Departmental restructuring, position terminated

Communications & Engagement Specialist, Sustainability
8/2011 - 8/2013

Driscoll's
www.driscolls.com
345 Westridge Dr.
Watsonville, California 95076

Hours worked per week: 40
Monthly Salary: \$4,000.00
of Employees Supervised: 0
Name of Supervisor: Katie Montano - Sustainability Manager
May we contact this employer? No

Duties

- Define the communications, engagement, marketing and education strategy for Sustainability, including desired outcomes and metrics
- Track and communicate progress for all sustainability activity In North America and Mexico, leveraging SharePoint and traditional communications channels
- Write and/or coordinate all Internal communications for newsletters, reports and online presence
- Create slides, photos, video, etc., and present to appropriate internal audiences on all aspects of Driscoll's sustainability
- Establish employee educational workshops; prepare and conduct trainings for all employees aimed at increasing awareness and engagement based on sustainability goals for the company; travel to all sites to conduct training
- Manage all Green Team structure, activity, budgets and projects. Increased membership by 20%
- Elevate department's visibility Internally, making sustainability part of all planning processes and employee trainings; collaborate across functional teams and regional offices both locally and Internationally
- Stay current on sustainability trends and technologies; identify best practices, reporting requirements and benchmark Driscoll's performance against other companies
- Represent company externally and participate in industry membership groups where appropriate

Reason for Leaving

The communications efforts were outsourced, and thus the position was terminated

Residential Greening Program Director's Assistant
10/2009 - 8/2010

Sustainable Works
www.sustainableworks.org
1744 Pearl St.
Santa Monica, California 90405
(310) 458-8716

Hours worked per week: 15
Monthly Salary: \$0.00
Name of Supervisor: Barent Roth - Executive Director
May we contact this employer? Yes

Duties

Assist Residential Program Director and other staff in promoting the company's mission statement. Answer calls, schedule meetings and provide information to visitors and students. Update contacts, data entry, manage workshop materials, and outreach.
Special projects: The complete translation of their book, Sustainable Works WorksBook to Spanish.

Instructor, student sustainable workshops. Lead crew of college students in learning about key global, national and local issues/problems relating to sustainability. Topics include Water, Energy, Waste, Chemicals, Transportation and Shopping and Food.

Reason for Leaving

I was an intern, and left to go to graduate school.

Certificates and Licenses

Type: Apttus Quote to Cash Certified

Number: Certificate without number

Issued by: Apttus

Date Issued: 2 /2015 Date Expires:

Skills**Office Skills**

Typing: 45

Data Entry: 0

Other Skills

Microsoft Office Tools Expert - 10 years and 0 months

Technical Research Skilled - 5 years and 0 months

Languages

Spanish - Speak, Read, Write

French - Speak, Read, Write

Additional Information**Volunteer Experience**

Volunteer, San Luis Obispo County Animal Services- Dog Walker

Community Committee Chairman, Superior Foods

Internal Auditor, CTPAT Committee, Superior Foods

Member, Development Committee for the Santa Cruz Animal Shelter.

Multiple beach cleanups coordinated by Heal the Bay and Save Our Shores, among others

Volunteer Coordinator, UCLA Opportunity Green Expo, 2009

Honors & Awards

Eco Star Award, 2009- Sustainable Works

References**Professional**

Zarate, Laura

Executive Assistant to Health Agency

Director

2180 Johnson St.

San Luis Obispo, California 93401

8055506080

Professional

Chavez, Crystal

Management Analyst

Watsonville, California

408.755.7719

crystal.chavez@ssa.sccgov.org

Resume**Text Resume**

City of Morgan Hill has chosen not to collect this information for this job posting.

Attachments

Attachment	File Name	File Type	Created By
City of Morgan Hill Cover Letter.docx	City of Morgan Hill Cover Letter.docx	Cover Letter	Job Seeker
CV 2017.docx	CV 2017.docx	Resume	Job Seeker

Agency-Wide Questions

1. Q: Were you ever discharged from employment or forced to resign?

A: Yes

2. Q: Are you now or have you ever been employed by the City of Morgan Hill?

A: No

3. Q: Do you have a relative who is an official or employee of the City of Morgan Hill?

A: No

Supplemental Questions

1. Q: Which commission are you interested in serving?

A: Parks and Recreation Commission
Planning Commission

2. Q: Please attach a resume or briefly describe your background listing the qualifications and skills which you can contribute to the Commission.

A: I believe that my resume demonstrates that I am committed to thinking globally but acting locally in order to maximize impact. I want to bring a global perspective to the Commission and be able to adapt it for local impact. My experience with team leadership, supervision, program/event management, contract negotiations and desire to be a student first, then a teacher would complement the work of the Commission. My desire to improve my community will fuel my determination to provide sound, sustainable recommendations and solutions to the challenges ahead.

3. Q: Have you served on any other citizen advisory commissions or committees? If so, please list and briefly explain the purpose of each committee.

A: I was a member of the San Luis Obispo County Suicide Prevention Council. The council met regularly to develop a countywide suicide prevention framework, as well as promote suicide awareness through outreach and policy recommendations. As a member of the team I personally worked with the Board of Supervisors to proclaim September 2016 as Suicide Prevention and Awareness Month in SLO County.

4. Q: What do you believe to be the role of the commission you are interested in serving on and why would you like to serve on this commission?

A: I would like to serve on the Planning and/or Parks and Rec Commissions because they are both intimately connected to the way the community grows, evolves and improves. I would like to actively participate in the conversations guiding the development of policies and recommendations for both the natural and built environments of Morgan Hill. The commission provides a way for the community to express their thoughts and have them turned into actions, as well as act as an advisory body for matters concerning overall city planning. I would like to be an active participant of the efforts to make Morgan Hill a leading municipality in Santa Clara County and the greater Bay area.

Attachment: Juan Miguel Munoz-Morris application and resume redacted (1287 : Commission Interviews)

- 5. Q:** What skills and/or experience do you believe would be important to your role as a commissioner?
- A:** I think a good commissioner has to know how to listen to public concerns and then translate those into actions, recommendations, and policies. A good commissioner is a problem solver who is capable of thinking laterally, incorporate new methods into traditional processes, and have enough flexibility to make changes as needed. A good commissioner also needs to be impartial, and know how to balance their personal opinion and the majority opinion, and should always put the collective above the individual.
-
- 6. Q:** How would you know if the commission is successful in supporting the City Council's Goals, Priorities, and Strategies?
- A:** As a former member of the American Evaluation Association, I know the value of having clear goals and expectations and would bring a similar approach to my work as Commissioner. As a contract manager for a public entity, I have been able to negotiate program deliverables with service providers and establish measurable outcomes and measurement tools. Success could be measured in a combination of ways to include positive community feedback on projects, meeting targets/goals, and evaluating financial performance among others.
-
- 7. Q:** What would you like to accomplish as a member of the commission?
- A:** Simply put, I would like to end my tenure as Commissioner by leaving the Morgan Hill community better off than it was the start of my term. I do not have specific goals in mind as I believe I would need to become familiar with present and past work before suggesting new projects.
-
- 8. Q:** What are the greatest opportunities facing the community in regards to this commission?
- A:** Morgan Hill is an ideal place to live because of where it is located and its natural surroundings. It's close enough to the big urban centers but far enough as well. I think that one of the greatest challenges for the community in the next few years will be to manage the demand for growth in a sustainable way, ensuring the city doesn't lose its identity or charm. The expansion of public transportation and the preservation of a rural feel are two interesting opportunities where the Commissions, and Morgan Hill as a whole, can drastically shape the future of the area.
-
- 9. Q:** If you are an incumbent seeking reappointment, check all that apply:
- A:** You are assigned to a special project
-
- 10. Q:** If you are assigned to a special project, please identify the project:
- A:** PLEASE NOTE: I checked option 3 on question 9 because I had to make a selection on that required questions. I am not assigned to any special projects, nor am I a current member of any commission.

City of Morgan Hill
Application as Commissioner

05.22.2017

Dear Sir or Madam,

Please consider my attached application for the position of Planning Commissioner.

I am a MBA graduate of Purdue University's international business school in Hannover, Germany, where I completed my studies in 2011. Along with my academic qualifications I have a background in corporate sustainability, supply chain and procurement, and most recently in public service as a program and contract manager.

After my graduate degree I worked for several years in the Sustainability team at Driscoll's. During my time there, I performed data analysis of sustainability metrics, worked to streamline and automate the collection of data, and performed research on new technologies, including ROI and feasibility studies. I also developed and managed the team's outreach and education programs as part of its greater communication strategy, and oversaw the projects undertaken by Green Teams in the US and Mexico. I was a quarterly contributor to the corporate newsletter, and one of its editors for Spanish content. Our team coordinated with and supported most departments within the company, allowing me to work on projects ranging from introducing biodegradable packaging, energy upgrades, water conservation, composting and waste reduction.

In my current role I manage the procurement and delivery of social services for Santa Clara County, participating on the entire contract lifecycle. I have experience developing RFPs and other solicitation documents, managing bid processes, coordinating the evaluation and awarding of contracts, as well as negotiating terms and deliverables, payment structures, and tracking the financial performance of public programs. I have worked with the Board of Supervisors to approve programming, resolutions, and to provide information and context on important services.

As a homeowner and resident of Morgan Hill I wish to become an active member of my community, guiding the planning and development of the area. I am a strong believer in volunteerism and in giving back locally. I have strived to find ways in which to do so beyond my professional career, whether it was participating in beach cleanups in the Santa Cruz area, volunteering as a dog walker at the Santa Cruz and San Luis Obispo County shelters, or volunteering in sporting events to promote a healthy lifestyle. Becoming a Commissioner would allow me to continue to grow my passion for local engagement, and do so at a higher level.

I feel that my professional and academic background has provided me with the knowledge necessary to succeed as Commissioner. My passion for volunteerism will inject a new energy to the important work of the commission. I welcome the opportunity to discuss the role and my suitability for it through an interview at your convenience, and look forward to hearing from you.

Yours sincerely,

Juan Miguel Muñoz Morris

Attachment: Juan Miguel Munoz-Morris application and resume redacted (1287 : Commission Interviews)

Juan Miguel Muñoz-Morris

Morgan Hill, CA 95037

Phone:

CORE COMPETENCIES

- Corporate training and communications
- Sustainability Data Analysis
- International education & business experience
- Native speaker of Spanish and English

EDUCATION:

M.B.A., Purdue University, Krannert School of Management, West Lafayette, Indiana USA	2010-2011
M.B.A., Leibniz University, Hannover, Lower Saxony Germany	2010-2011
B.A., Modern Languages and Literatures, California Polytechnic State University, San Luis Obispo	2001-2005

EMPLOYMENT HISTORY:

Management Analyst, County of Santa Clara Social Services Agency December 2016-Present

- Coordinating contacts including creation of request for proposal, bid tracking, drafting purchase orders, and ongoing contract administration
- Overseeing payable functions of the team
- Perform data and program analysis and prepare reports for vendors, County Management and the public
- Setting and scheduling meetings and workshops; managing those meetings.
- Serve as point of contact for Community Based Organizations

Administrative Services Officer II, County of San Luis Obispo Behavioral Health Dept. August 2015- December 2016

- Day to day management of Innovation and Early Intervention programs under the Mental Health Services Act (MHSA or Proposition 63) programming
- Participate in State level committee meetings and provide feedback to the Mental Health Services Oversight and Accountability Commission (MHSOAC). Participate in planning meetings for MHSA as well as attend Behavioral Health Board meetings to present new projects and inform the Board of new developments
- Prepare RFPs, review bids and develop contracts, coordinate with the Board of Supervisors for contract execution
- Perform program data analysis and create reports and executive summaries
- Participate in local committees and commissions. Member of the SLO County Suicide Prevention Council
- Serve as Ethnic Services Manager and member of Cultural Competence Committee
- Develop, launch and manage the department's social media strategy. Curate content in both English and Spanish for various platforms, respond to requests/comments, and leverage social media for departmental goals (@slobehavioralhealth)
- Participate in and manage outreach activities, such as Bike Breakfast 2016, National Alliance on Mental Illness (NAMI) Local Chapter meetings, benefit walks and film festivals
- Additional duties as requested

Supplier Account Manager. Superior Foods September 2013- November 2014

- Monitor Master Contracts' performance from approval to end, confirm volumes and specifications, and identify at-risk contracts for non-completion. Make adjustments and ensure visibility to all parties
- Coordinate all shipments from plants throughout Latin America, Asia, and Europe. Adjust shipments based on plant capacity/capability, and sales and customer needs
- Participate in the demand and supply planning processes, and make weekly adjustments to forecasts.
- Monitor production of goods and communicate any changes to Sales and Operations teams.
- Communicate changing priorities, and serve as main point of contact and CSR for suppliers
- Maintain product catalogs and certification documents for all suppliers and identify new industry trends
- Prepare and share weekly reports with Executive Team, Sales, Supply Chain, and Operations
- Coordinate with Sales Development and partners/suppliers to identify new business opportunities
- Assist Accounting team with the processing of debits and credits, pricing, cash flows and inventory calculations
- Internal Auditor, C-TPAT Committee, and Chair of the Community Committee

Attachment: Juan Miguel Munoz-Morris application and resume redacted (1287 : Commission Interviews)

Communications & Engagement Specialist, Sustainability, Driscoll's Strawberries

January 2012- August 2013

- Define the communications, engagement, marketing and education strategy for Sustainability
- Track and communicate progress for all sustainability activity in North America and Mexico, leveraging SharePoint and traditional communications channels
- Write and/or coordinate all internal communications for newsletters, reports and online presence
- Create slides, photos, video, etc., and present to internal audiences on all aspects of Driscoll's sustainability
- Establish employee educational workshops; prepare and conduct trainings for all employees aimed at increasing awareness and engagement based on sustainability goals for the company; travel to all sites to conduct training
- Manage all Green Team structure, activity, budgets and projects. Increased membership by 20%
- Elevate department's visibility internally, making sustainability part of all planning processes and employee trainings; collaborate across functional teams and regional offices both locally and internationally
- Stay current on sustainability trends and technologies; identify best practices, reporting requirements and benchmark Driscoll's performance against other companies
- Represent company externally and participate in industry membership groups where appropriate

Sustainability Data Analyst, Driscoll's Strawberries

August 2011- January 2012

- Complete retroactive data collection and analysis for 2010 metrics; work with external suppliers to streamline data collection and automation
- Verify and consolidate sustainability data; control for accuracy and completeness
- Apply data to conduct cost-benefit analysis and ROI calculations on new sustainability projects, including lighting retrofits and waste audits at all corporate offices, with a cost savings of \$600,000 annually
- Prepare executive reports emphasizing resource efficiency and underscoring areas for improvement
- Incorporate new tools for cross-departmental collaboration in the automation of data collection
- Research, recommend, and implement a new sustainability management system (SMS) to streamline and automate the collection process, reducing labor costs, eliminating redundancies and limiting human error

Consultant, Rohstoff Recycling GmbH, Dortmund, Germany

January 2011-May 2011

- Consulting internship during international MBA program in Hannover, Germany
- Research and estimate current size, growth rate, and trends of scrap metal market in Germany
- Evaluate financial ramifications for company of investment in various new scrap metal sorting technologies
- Deliver a profitability and feasibility report, including final recommendation. Using these findings, the company invested in a scrap metal sorting system that provided a new revenue stream worth 13M EUR over 7 years
- Project team speaker/coordinator; maintain regular communication with company executives; compile and present information and findings to the board

Office Manager, Sustainable Works, Santa Monica, USA

August 2009 - August 2010

- Manage daily office functions, including customer inquiries, interviewing candidates, and coordinate office staff
- Collaborate with sponsors/partners of the organization in the preparation and management of events, including UCLA's Opportunity Green Business Conference, 2009
- Act as representative of the organization in Associated Student Body meetings at Santa Monica College
- Take initiative to start new projects, including the complete translation into Spanish of the organization's student handbook. Project manager and lead translator/editor
- Instructor, Student Sustainable Workshops for Santa Monica College students

AWARDS, HONORS, AND CERTIFICATIONS:

- Apttus Quote to Cash Certified (February 2015)
- Member, Santa Cruz County Animal Services Development Committee (2011-Present)
- Dean's List, Purdue University (Spring 2011)
- GISMA Foundation scholarship recipient (2010-11)
- Recipient of the Sustainable Works Eco Star Award, for outstanding achievements in the Residential and Student Greening Programs. (September 2010)
- Scholarly Essay Award recipient, School of Liberal Arts, Cal Poly University (May 2005)
- Dean's List, Cal Poly University (Spring 2002)

10 - Commission Member

Contact Information -- Person ID: 32554828

Name: Michael L. Robertson Address: [REDACTED]
Morgan Hill, California 95037
US

Home Phone: (408) [REDACTED] Alternate Phone:
Email: [REDACTED] Former Last
Name:

Month and Day of Birth: 10/21

Personal Information

Driver's License: Yes, California, [REDACTED], Class C

Can you, after employment, submit proof of your legal right to work in the United States? Yes

What is your highest level of education? Bachelor's Degree

Preferences

Preferred Salary:
Types of positions you will accept:
Types of work you will accept:
Types of shifts you will accept:

Objective**Education**

College <i>Chapman University</i> 8/1998 - 12/2002 Orange, California	Did you graduate: Yes College Major/Minor: Business Administration Units Completed: 124 Semester Degree Received: Bachelor's
Professional <i>Macquire University</i> 1/2000 - 7/2000 Sydney, International	Did you graduate: Yes College Major/Minor: Marketing and Economics Units Completed: 16 Quarter Degree Received: Professional

Work Experience

Commercial Business Development 9/2013 - Present First American Title National Commercial Services 1737 North First St Suite 500 San Jose, California 95037 (408)206-0704	Hours worked per week: 40 Monthly Salary: \$0.00 May we contact this employer? Yes
---	--

Duties
 Develop, establish and maintain sales strategies throughout the Bay Area. Establishing First American Title's escrow service and title products through professional sales techniques, excellent customer service, and long-term customer relationships.
 Possess a firm understanding of the Bay Area's real estate market trends and development pipeline.
 Solid understanding of the title underwriting and the escrow process.

Outside Sales Representative 5/2006 - 9/2013	Hours worked per week: 40 Monthly Salary: \$0.00
--	---

May we contact this employer?

Sunstate Equipment Company
Fremont, California

Duties

for one of the largest privately held rental equipment companies in the nation.
Managed a \$2.5 million territory by calling on key accounts working on multi-million dollar construction projects.
Increased sales by 125% and active customer base by 95% during the first 2 years
Focused on understanding customers business and how superior service will add value to their bottom line, while not lowering pricing or rate structure.
A firm understand of competitors strategies, business levels, and tactics used to win over customers.
Qualified customers, assessed needs, provided solutions, negotiated pricing, established strong relationships and repeat business.

Sales Representative

4/2004 - 9/2005

Hours worked per week: 40

Monthly Salary: \$0.00

May we contact this employer?

Hilti Inc
San Jose, California

Duties

for a commercial power tool company specializing in concrete tools, laser positioning systems, and powder actuated systems.
Operate a sales center selling to small and medium size contractors requiring specialized equipment for a variety of construction applications.
Advertise and manage promotional events to increase overall sales and public awareness.
Develop cross mechanizing campaigns to promote specific items and create brand recognition.
Increased sales by 85% in one year.

Certificates and Licenses

Type: N/A

Number:

Issued by:

Date Issued: 6 /2012 Date Expires: 6 /2012

Skills

Office Skills

Typing:

Data Entry:

Additional Information

Professional Associations

of the Pi Kappa Alpha national fraternity

Honors & Awards

Awarded Pi Kappa Alpha's Brother of the Year in 2001

Honors & Awards

Member of the Pi Kappa Alpha national fraternity

Honors & Awards

Graduated from the Dale Carnegie course "How to Win Friends and Influence People"

Honors & Awards

Attachment: Michael Robertson application and resume redacted (1287 : Commission Interviews)

Feb 2003 thru Nov 2003 worked and traveled around the world

Honors & Awards

Have to upgrade knowledge base by taking courses in sales management and investment management at local colleges

References

Resume

Text Resume

City of Morgan Hill has chosen not to collect this information for this job posting.

Attachments

Attachment	File Name	File Type	Created By
Resume for Michael Robertson 2.doc	Resume for Michael Robertson 2.doc	Resume	Job Seeker
Resume for Michael Robertson 2.doc	Resume for Michael Robertson 2.doc	Cover Letter	Job Seeker

Agency-Wide Questions

- Q: Were you ever discharged from employment or forced to resign?
A: No
- Q: Are you now or have you ever been employed by the City of Morgan Hill?
A: No
- Q: Do you have a relative who is an official or employee of the City of Morgan Hill?
A: No

Supplemental Questions

- Q: Which commission are you interested in serving?
A: Planning Commission
- Q: Please attach a resume or briefly describe your background listing the qualifications and skills which you can contribute to the Commission.
A: Resume Attached
- Q: Have you served on any other citizen advisory commissions or committees? If so, please list and briefly explain the purpose of each committee.
A: No
- Q: What do you believe to be the role of the commission you are interested in serving on and why would you like to serve on this commission?
A: The role of the Planning Commission is to advise the City Council on land use, the general plan and development issues affecting the long-term economic viability of the community. The Commission should listen and respond to the needs of Morgan Hill's citizens and formulate a plan that balances the best usage of the City's most precious resource, land.

I would like to serve on this Commission because I have an immense pride in the City of Morgan Hill. I intend to be a resident of the City into my old age and I want to continue to see this community flourish and prosper. In addition, I want to serve on this

commission to ensure the community capitalizes upon the opportunities and potential it now has.

5. Q: What skills and/or experience do you believe would be important to your role as a commissioner?

A: My experience in the commercial real estate industry gives me the knowledge to understand general plans, the impact of zoning changes, and how cities and developers are implementing mixed-use development projects. I have seen how some cities are providing community amenities to attract top-tier development companies. Daily I work with parcel maps, tract maps, CC&R's, easements, and environmental impact studies. I have also seen why some cities have flourished and some cities have struggled with the growth rate of the Silicon Valley. I know my skills and my experiences will add value to the Planning Commission.

6. Q: How would you know if the commission is successful in supporting the City Council's Goals, Priorities, and Strategies?

A: The commission works within the parameters set forth by the council, city general plan and the citizens of Morgan Hill.

7. Q: What would you like to accomplish as a member of the commission?

A: To make the community a better place than when I was appointed. I want to have a better understanding of what the citizens of Morgan Hill want from its leaders and planners. I want to help implement a plan that will generate sustainable growth and provide a foundation for future generations to continue to enjoy our open spaces and family orientated values.

8. Q: What are the greatest opportunities facing the community in regards to this commission?

A: There are a number of developments impacting the Bay Area. These include high-speed rail, electrification of Cal Trains, the Diridon Station, self-driving cars, and BART in the South Bay. We live in an area with mature and well established technology companies, one of the best climates in the world, an incredible Silicon Valley brain trust, the Levi Stadium, and have many vacant infill locations throughout the city, a less than 5% vacancy rate in the industrial sectors of the city, strong anchor retailers, an outstanding wine trail and a downtown revitalization effort. We have the opportunity to make Morgan Hill of the best cities in the Bay Area, so let's capitalize on it.

9. Q: If you are an incumbent seeking reappointment, check all that apply:

A: You are currently serving on a committee

10. Q: If you are assigned to a special project, please identify the project:

A: Not an incumbent

Michael L. Robertson

[REDACTED] . Morgan Hill, CA 95037 Cell: (408) [REDACTED]

EDUCATION

Chapman University

Orange, CA

Bachelor of Science in Business Administration, Jan 2003

- Emphasis in Entrepreneurship and Marketing
- GPA in major = 3.39 on a 4.0 scale

Macquire University, Studied Abroad 2000

Sydney, Australia

- Courses taken in Marketing and Economics

PROFESSIONAL EXPERIENCE

First American Title National Commercial Services

Sept. 2013 - Present

Commercial Business Development

- Develop, establish and maintain sales strategies throughout the Bay Area. Establishing First American Title's escrow service and title products through professional sales techniques, excellent customer service, and long-term customer relationships.
- Possess a firm understanding of the Bay Area's real estate market trends and development pipeline.
- Solid understanding of the title underwriting and the escrow process.

Sunstate Equipment Company, Fremont, CA

May 2006 – Sept. 2013

Outside Sales Representative for one of the largest privately held rental equipment companies in the nation.

- Managed a \$2.5 million territory by calling on key accounts working on multi-million dollar construction projects.
- Increased sales by 125% and active customer base by 95% during the first 2 years
- Focused on understanding customers business and how superior service will add value to their bottom line, while not lowering pricing or rate structure.
- A firm understand of competitors strategies, business levels, and tactics used to win over customers.
- Qualified customers, assessed needs, provided solutions, negotiated pricing, established strong relationships and repeat business.

Hilti Inc., San Jose, CA

April 2004 - September 2005

Sales Representative for a commercial power tool company specializing in concrete tools, laser positioning systems, and powder actuated systems.

- Operate a sales center selling to small and medium size contractors requiring specialized equipment for a variety of construction applications.
- Advertise and manage promotional events to increase overall sales and public awareness.
- Develop cross mechanizing campaigns to promote specific items and create brand recognition.
- Increased sales by 85% in one year.

MEMBERSHIPS AND AWARDS

- Member of the Pi Kappa Alpha national fraternity
- Awarded Pi Kappa Alpha's Brother of the Year in 2001.

OTHER

- Graduated from the Dale Carnegie course "How to Win Friends and Influence People".
- Feb 2003 thru Nov 2003 worked and traveled around the world.
- Have continued to upgrade knowledge base by taking courses in sales management and investment management at local colleges.



CITY OF MORGAN HILL APPLICATION FOR APPOINTMENT TO COMMISSION OR COMMITTEE

(In order to be considered for appointment, this application form must be fully executed and all questions answered by applicant, including those who are Incumbents. If you prefer to type your answers on the form, an electronic version will be e-mailed to you upon request.)

Name: TROY STERLING KNAPP

*E-mail Address: [REDACTED]

*Home address: [REDACTED]

*City: MORGAN HILL, CA

*Telephone: (Work) [REDACTED]

([REDACTED] Cell) [REDACTED]

Occupation: CLIENT ACCOUNT MANAGER

Employer: ADP

Number of Years lived within City Limits: 4

Are you a registered voter? Yes ☒ No ☐

If not a MH resident, years worked in City Limits: N/A

-or-

Years lived within the MH School District boundary: 4

Do you have any relatives currently employed by the City of Morgan Hill? Yes ☐ No ☒

Properties owned in Morgan Hill/Address(es):

[REDACTED] MORGAN HILL, CA 95037

*I consent to the release to the public of the above contact information marked with an *: Yes ☒ No ☐

QUESTIONNAIRE

(Please attach additional sheets, as necessary, to provide complete answers)

1. Please attach a resumé, or briefly describe your background, listing the qualifications and skills, which you can contribute to the Commission.

PLEASE SEE ATTACHED SHEETS

2. Have you served on any other citizen advisory commissions or committees? If so, please list and briefly explain the purpose of each committee.
3. What do you believe to be the role of the Commission, and why you would like to serve on this Commission?
4. What skills and experience do you believe would be important to your role as a Commissioner?
5. How would you know if the Commission is successful in supporting the City Council's Goals?

Attachment: Troy Knapp application and resume redacted (1287 : Commission Interviews)

6. What would you like to accomplish as a member of the Commission?

7. What are the greatest opportunities facing the community in regards to this Commission?

8. If you are an incumbent seeking reappointment:

- | | | |
|--|------------------------------|--|
| • Are you currently serving on a Committee? | Yes ☐ | No ☒ |
| • Are you next in line to serve as Chair or Vice-Chair? | Yes ☐ | No ☒ |
| • Are you assigned to a special project? | Yes ☐ | No ☒ |
| • If assigned to a special project, please identify the project: | | |

Name of commission

9. I am interested in serving on the following Commission or Committee? Please indicate:

PLANNING COMMISSION

☐ LIBRARY, CULTURAL AND ARTS COMMISSION

The Library, Culture and Arts Commission provides the City Council with advice and recommendations regarding the adequacy of library facilities; seeks opportunities for city sponsored artistic and performance opportunities; encourages community involvement in the arts; and reviews and recommends works of art to be acquired by the City or installed on public property. This seven member Committee meets on the second Tuesday of odd numbered months at 7:00 p.m. at the Morgan Hill Library.

☐ PARKS & RECREATION COMMISSION

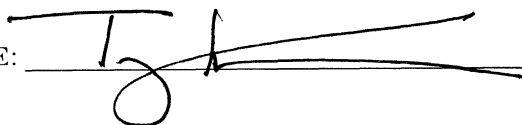
The Parks and Recreation Commission provides the City Council with advice and recommendations on recreation programs, activities and resources. The Commission also plans for the future growth and development of parks facilities and recreation programming. This seven member Commission meets on the third Tuesday of odd numbered months at 7:00 p.m.

☒ PLANNING COMMISSION

The Planning Commission performs duties and exercises power and authority with regard to planning, subdivisions, zoning, zoning administration, residential development control, and other land use regulatory controls as prescribed by ordinance and state law. The Commission serves as an advisory body to the City Council on Zoning and General Plan related matters. The Commission is a seven member body, and each commissioner serves a term of four years and meets on the second and fourth Tuesday each month.

By my signature below, I consent to comply with all government regulations, should I be appointed to serve on a City of Morgan Hill Commission or Committee, and confirm that I have read the attached Ethics Policy; that I do subscribe to this Policy; that I will apply it to the specific responsibilities which I may be assigned; and that I will practice the core values set forth in this Policy in my public service for the City of Morgan Hill. Additionally, I commit to attend and participate in all Commission and Committee meetings to which I am appointed, unless excused by the Chair.

SIGNATURE: _____



Date: _____

1/12/17

1. Please attach a resumé, or briefly describe your background, listing the qualifications and skills, which you can contribute to the Commission.

Many of my professional experiences, trainings and competencies can complement and assist the work the Planning Commission. As a career professional, I have 20+ years of personnel and process management, process improvement and implementation, organizational development/design, training, coaching and mentoring, client management, change management, vendor management and compliance adherence. Additionally, I have significant leadership development and practical experience during eight years of honorable and decorated service in the United States Marine Corps.

I would be a good candidate for appointment as I have a strong professional background in taking over large initiatives and being able to quickly come up to speed on critical issues. Living and working in this community I have had ample opportunities to volunteer and serve. My base desire is to continue to serve this community and seek common ground and sensible solutions for our pressing issues. My professional corporate career, volunteerism, and service in the United States Marine Corps position me well for this challenge.

Please find my resume with a more detailed synopsis of my background, skill and competencies attached.

2. Have you served on any other citizen advisory commissions or committees? If so, please list and briefly explain the purpose of each committee.

Yes, I have served on citizen advisory commissions and committees.

I served as an appointed ombudsman between the United States Marine Corps 1st Armored Assault Battalion and Prefecture Mayor of Naha, Japan. This role was providing strategic and tactical leadership of a bi-cultural community committee focused on finding common interest and ground between the local populace and military stationed personnel. The primary purpose was to reduce strife and tension by building on and enforcing mutual and common understanding.

Additionally, I was recognized by the Denver Police Department for leading the creation and actively managing a neighborhood watch program in the high-risk Steele Neighborhood area.

3. What do you believe to be the role of the Commission, and why you would like to serve on this Commission?

The role of this commission is to provide sound, reasonable and measured advice and options to the City Council on issues relating to community development and growth in keeping with state law and local ordinance. I believe said advice and options must be measured and considered in such a way as to provide benefit to the entire civic, business, and developmental community.

I wish to serve on this commission to provide service to our community. I would add that I have had a long personal interest in zoning philosophy and how it can grow vibrant communities.

4. What skills and experience do you believe would be important to your role as a Commissioner?

In addition to the longstanding career in corporate leadership and decorated service in the United States Marine Corps I have some additional experiences that could provide value to the commission.

As a homeowner with a wife the three children I am invested in the local community and have a desire to see appropriate use of land for local citizenry.

I have been a small business creator and corporate officer of a custom industrial screen printing business focused on biomedical applications. I have an understanding of small business and their needs in the community.

I have involvement in agricultural use of land within our family's holdings of approximately 300 acres of dry farm land. I have and awareness of the concerns of farmers and ranchers.

Through family business and holdings I have been involved in both subdivision creations, residential and light commercial development. I have some understanding of developmental concerns.

5. How would you know if the Commission is successful in supporting the City Council's Goals?

You would know if the Commission is successful in supporting the City Council through active listening and continuously open dialogue. I am clear that in open debate common consensus is not always readily achieved. What can be achieved is providing options and opinion in an open, transparent, thoughtful and ethical manner. We may agree or we may agree to disagree. We are successful when all participants in the dialogue are sure that that thought and concern has been openly considered and weighed in the final opinion.

6. What would you like to accomplish as a member of the Commission?

I would hope to accomplish providing advice, option and counsel to both the Planning Commission and City Council that is in the best long-term interests of the entire community. I would endeavor to ensure that advice is provided in keeping with approved doctrine and procedure.

7. What are the greatest opportunities facing the community in regards to this Commission?

The greatest opportunity is to keep the small town local community atmosphere of Morgan Hill in-place while creating an environment conducive to a robust and broad tax base consisting of a balanced mix of residential, commercial, mixed-use, agricultural and

recreational land use. This opportunity is afforded the Commission via their open and continued support of City Council.

Troy Knapp

[REDACTED], Morgan Hill, CA 95037 | p: [REDACTED] | e: [REDACTED]

PROFILE

Versatile account manager adept at sourcing, screening, presenting, and closing candidates from C-level executives to the individual contributor | A creative and experienced talent acquisition professional that efficiently develops, implements, and manages scalable and repeatable recruiting and staffing programs | Wide spectrum of experience across numerous industries including; Biotechnology, Research, Medical, Information Technology, Financial Services, Consulting, and Government | Well versed in numerous staffing/interviewing methodologies and applicant tracking systems | United States Marine Corps trained recruiter and decorated combat veteran.

EMPLOYMENT HIGHLIGHTS

Client Account Manager, ADP (Clients: Amgen & Onyx Pharmaceuticals) 10/10 – Present

- Lead a large talent acquisition team in seven states and Puerto Rico.
- Consult with hiring managers, staffing partners, and recruiters ensuring flawless staffing execution.
- Manage recruiter audits and compliance (position attributes, AAP/EEO, dispositions, job descriptions, etc).
- Develop and implement leading edge staffing methodologies anticipating talent needs to best attract and recruit candidates of the highest quality.
- Committed promoter of Amgen as an employer of choice. Ownership of Veterans Advocacy program to drive hiring to comply with VEVRAA regulations.

Staffing Consultant, Sterling Associates 03/06 – 10/10

- Senior recruiter for clients including; Alcon, ACS, Medicare y Mucho Mas, Xerox, University of Colorado, Hewitt Associates, Halliburton, BP, IAP-WS, L3 Communications, Union Bank, etc.

Senior Staffing Manager, Hewitt Associates, LLC 02/03 - 03/06

- Staffing Manager responsible for the hiring, training and leadership of a team of 25 responsible for 3,000 annual hires for McKesson and 15 geographically dispersed recruiters responsible for 1,200 national and international hires for Sun Microsystems.
- Account Manager with responsibilities for Sun's Technical Services, Global Sales Organization, Marketing, Services, Government and University Relations. Provide market knowledge, closing strategies and compensation guidance to Hiring Managers, Recruiters and Business Partners.
- Developed and implemented University Relations Recruitment Program for early identification of candidates involved in graduate/post-graduate research aligned with Sun's strategic hiring plan. Trained staff on these sourcing methods; including, literature review, white papers, lectures, etc.

Staffing Consultant for Countrywide, Transamerica and Sterling Associates 08/99 - 02/03

- Full life cycle recruiting for the TSA, rStar Networks, AskDrTech, and Bank of America.
- Lead recruiter for Transamerica's National Internal Sales Desk. This \$3 million project comprised the complete staffing of sales centers in the home offices and three regional marketing centers.

United States Marine Corps 01/89 - 01/97

- Operations Officer during the first Gulf War. Developed the specialized equipment and techniques to coordinate division level intelligence and operations from an array of Assault Amphibian Vehicles.
- Interpreted space and aviation imagery to provide intelligence analysis and operational recommendations at the top-secret level for the Commanding General of the 4th Marine Division.

EDUCATION

B.A. in Psychology at the University of Colorado at Boulder (GPA: 3.351)

Graduate work in Organizational Development at John F. Kennedy University (GPA: 4.0)

Attachment: Troy Knapp application and resume redacted (1287 : Commission Interviews)

Troy Knapp

[REDACTED], Morgan Hill, Ca 95037 | p: [REDACTED] | e: [REDACTED]

ARTICLES AND PUBLICATIONS

- Compiled, evaluated, and implemented the requests of three editors and 32 independent reviewers for the textbook, "Neuroscience, a Psychological Approach, by Dr. T. Smock. Completed technical research as directed by the author. Wrote all figure captions for the text and portions of 3 chapters.
- Researched, wrote, and presented scientific literature reviews on stress related pathway in the brain. Developed protocol procedures to test effectiveness of 5 separate anesthetics on research subjects. Performed several neurosurgical procedures. Collected and statistically analyzed data for significance. Participated heavily in authorship of the final research publication, "Corticotrophin Releasing Factors in Stress Mediated Pathways between the Central Amygdaloidal Nucleus and the Bed Nucleus of the Stria Terminalis"
- Authored and presented numerous pre-deployment seminars encompassing the customs and legal regulations of overseas deployment for a 650+ man military battalion. Composed and submitted over 200 press releases to champion the work and success of servicemen in local media outlets.

PRESENTATIONS

- Guest Lecturer at John F. Kennedy University; "The Role of the Standard Pattern of Affective Dynamics in Organizational Transformation."
- Presented abstract on the role of mental illness in the authorship of Virginia Wolfe to the American Psychological Association – division of Abnormal Psychology.
- Presenter for the University of Colorado Graduate Neuroscience program, "Success & Failures in the Methodologies of Single Unit Neuroelectrode Recording Protocols in Anesthetized Subjects."

AWARDS**Professional:**

- Management Recruiters International Top Producing Account Executive Award.
- Countrywide Home Loans; Branch Expansion Award.
- Citation from the United States Marine Corps for exceptional work in the field of Recruiting.
- Received four meritorious military promotions.
- Military Awards include:
Two Navy Achievement Medals (one for garrison operations and one for combat operations); Combat Action Ribbon; Navy Unit Citation; Good Conduct Medal; National Defense Service Medal; Southwest Asia Service Medal with two bronze stars; Two Sea Service Deployment Ribbons; Kuwait Liberation Medal, awarded by the Kingdom of Saudi Arabia; Kuwait Liberation Medal, awarded by the Emirate of Kuwait; Commanding Generals Certificate of Commendation for excellence in Military Recruiting; Commanding Generals Certificate of Commendation for leadership in the U.S. Military Professional Literature Development Program; Commanding Officers Meritorious Mast for service above and beyond the call of duty; Recognized as Non-Commissioned Officer of the quarter for two quarters; Rifle Expert, second award. Pistol Expert.

Civic:

- Appointed as ombudsman for the 1st Armored Assault Battalion and Mayor of Naha, Japan.
- Recognized by the Denver Police Department for creating and managing a neighborhood watch program in the high-risk area Steele Neighborhood.
- Labor Relations liaison for the Denver mayoral campaign of George Knapp.

Scholastic:

- Member of the Gold Key National Honor Society & Dean's list for 6 semesters; Graduation with Honors.



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Maria Angeles, Senior Civil Engineer
APPROVED BY: City Manager

SECOND AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT WITH HARRIS & ASSOCIATES FOR LAND DEVELOPMENT REVIEW

RECOMMENDATION(S)

Adopt resolution:

1. Approving the Second Amendment to the professional service agreement with Harris & Associates for land development review services to increase the fee by \$110,000 for a total not-to-exceed amount of \$175,000 and extending the term of the agreement through June 30, 2018; and
2. Authorizing the City Manager to execute the Second Amendment.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

REPORT NARRATIVE:

The City has a current contract with Harris & Associates for staff augmentation services to assist with land development engineering review and stormwater program support. The services performed by Harris & Associates are on an as-needed basis and include the following: plan check review of engineering plans, mapping reviews, stormwater plan reviews and stormwater compliance support, and floodplain management support functions. Harris & Associates plays a vital role in augmenting the land development engineering team for timely processing of development applications and program management support. The original contract was for a one-year term that expires on June 30, 2017 with a contract amount of \$40,000. A subsequent First Amendment was approved by Council to increase the contract by \$25,000 which resulted in a total not-to-exceed contract amount of \$65,000.

The purpose of this Second Amendment is to: a) increase the total not-to-exceed contract amount by \$110,000 [\$10,000 for Fiscal Year (FY) 2016-17 and \$100,000 for FY 2017-18]; and b) to extend the term of the agreement through June 30, 2018. This Second Amendment ensures that services from Harris & Associates can continue as development activity exceeded projections for FY 2016-17 and additional consultant support will still be needed for FY 2017-18 to address on-going development reviews, stormwater program and floodplain management program activities.

For FY 2017-18, Harris & Associates' services will mostly focus on stormwater development compliance and will also include assistance with preparing documentation

before and after a scheduled Federal Emergency Management Agency (FEMA) verification visit on August 15, 2017 as part of the City's participation in FEMA's Community Rating System (CRS) Program. The CRS Program rewards communities, through flood insurance premium adjustments, for implementing activities that exceed the minimum FEMA floodplain management standards.

Harris & Associates has been assisting the land development engineering team with the stormwater program implementation since 2008. The City has been implementing a Stormwater Management Program to prevent stormwater pollution and to protect the water quality of our creeks and streams which complies with the State Water Resources Control Board's National Pollutant Discharge Elimination System (NPDES) General Permit (Water Quality Order No. 2013-0001-DWQ, Phase II MS4 Permit). The City's NPDES General Permit is a five-year permit with various tasks required to be developed and implemented each year. The City is currently in Year 4 (July 1, 2016 to June 30, 2017) of the Permit. The Permit includes the following requirements for the City to:

1. Have inspection oversight of a development project's stormwater construction activities, to ensure site construction practices prior, during, and after storm events do not discharge pollutants to local storm drains, creeks, or streams.
2. Have post-construction inspection oversight of a development project's stormwater development standards to ensure stormwater management facilities are constructed and function as required to treat water quality per the approved development plans. Examples of such facilities (referred to as post-construction best management practices or BMPs), are retention/detention basins, bioretention facilities, underground percolation rain tanks, media filters, etc.
3. Meet additional stormwater permit compliance to further address construction and post-construction stormwater activities.

Harris & Associates' services for FY 2017-18 will require a minimum of 16 consultant work hours per week. The table below shows the tasks and corresponding estimated costs for this proposed second contract amendment:

Task	Cost Estimate	
	Remaining Work in FY 2016-17	New Work in FY 2017-18
National Pollutant Discharge Elimination System (NPDES) Stormwater Development Compliance	\$ 8,500	\$ 86,200
Land Development Plan Checking & Flood Program Support Services	\$ 1,500	\$ 13,800
	\$ 10,000	\$ 100,000

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the recommended amendment to the contract for land development review and program support services.

ALTERNATIVE ACTIONS:

The Council could decide to not approve this amendment. This will halt the current project reviews and stormwater program support services being performed by Harris & Associates. This may also delay building permit issuance and other project approvals during FY 2017-18 as the land development engineering team will have to perform the required program tasks.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council approved the First Amendment to the Harris & Associates agreement on January 18, 2017 which appropriated an additional \$25,000 to the original contract amount of \$40,000 from the Community Development Fund (Fund 206). This resulted in a revised not-to-exceed contract amount of \$65,000. The original Professional Service Agreement with Harris & Associates was executed by the City Manager on July 19, 2016 without Council approval as the original contract amount did not exceed \$45,000.

FISCAL AND RESOURCE IMPACT:

The current agreement with Harris & Associates expires on June 30, 2017 and has a total not-to-exceed amount of \$65,000. If the requested appropriation and Second Amendment are approved, the total not-to-exceed amount will be increased to \$175,000, an increase of \$110,000. The \$110,000 will be funded from Community Development Fund 206. Services rendered by Harris & Associates are paid for by developer fees.

CEQA (California Environmental Quality Act):

Not a Project: Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment are exempted from environmental review under Section 15061(b)(3) of the State CEQA Guidelines. The contract is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

LINKS/ATTACHMENTS:

1. Resolution
2. Resolution Exhibit A - Scorecards
3. Resolution Exhibit B - Harris & Associates Second Amendment

RESOLUTION NO. 17-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEARS 2016-2017 AND 2017-2018 ANNUAL BUDGETS IN THE COMMUNITY DEVELOPMENT FUND (FUND 206) TO APPROPRIATE \$110,000, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AND ADMINISTER, THAT CERTAIN SECOND AMENDMENT TO THE SERVICE AGREEMENT FOR DESIGN PROFESSIONALS WITH HARRIS AND ASSOCIATES TO PROVIDE DEVELOPMENT REVIEW SERVICES FOR A REVISED NOT TO EXCEED FEE OF \$175,000.

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

WHEREAS, the reasons supporting the entrance of the City into that certain agreement described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "APPROVE SECOND AMENDMENT TO THE SERVICE AGREEMENT WITH HARRIS & ASSOCIATES FOR DEVELOPMENT REVIEW SERVICES" submitted for City Council consideration at its meeting of June 21, 2017, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Annual Budgets for Fiscal Years 2016-2017 and 2017-2018, as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

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

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

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

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

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

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

- a. That the City's previously adopted Fiscal Years 2016-2017 and 2017-2018 Annual Budgets, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Years 2016-2017 and 2017-2018 Annual Budgets of City.
- c. That the SECOND Amendment to the Service Agreement for Design Professionals with Harris & Associates substantially in the form attached hereto as Exhibit B and incorporated herein by this reference (the "Agreement") is hereby approved.
- d. That the City Manager is hereby delegated authority to and is authorized and directed to execute, and subsequently administer including the authority to terminate as necessary or appropriate, the Agreement substantially in the form attached hereto as Exhibit B; provided, specifically, that the total amounts to be paid by City under the Agreement shall in no event exceed One Hundred Seventy-Five Thousand Dollars (\$175,000).

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

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 21st day of June, 2017 by the following vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Steve Tate, MAYOR

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 17-XXX, adopted by the City Council at the meeting held on June 21, 2017.

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

DATE: _____

Irma Torrez, CITY CLERK

EXHIBIT A

2.b

AGENDA BUDGET SCORECARD

FISCAL YEAR 2016-17

ADJUSTMENT #

078

FUND:

206

Community Development Fund

DEPARTMENT:

5410

PW Engineering

OBJECT:

42231

CONTRACT SERVICES

AGENDA DATE:

06/21/17

AGENDA ITEM TITLE:

Second Amendment Harris & Associates

	07/01/16 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	APPROPRI- ATIONS	06/30/17 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	2,778,585	4,378,624	5,117,141	2,040,068
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	42,500	(42,500)
RECOMMENDED ACTION	-	-	10,000	(10,000)
RESULT OF RECOMMENDED ACTION	<u>2,778,585</u>	<u>4,378,624</u>	<u>5,169,641</u>	<u>1,987,568</u>

Attachment: Resolution Exhibit A - Scorecards (1248 : SECOND AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT WITH HARRIS &

EXHIBIT A**AGENDA BUDGET SCORECARD****FISCAL YEAR 2017-18****ADJUSTMENT #**

079

FUND:

206 Community Development Fund

DEPARTMENT:

5410 PW Engineering

OBJECT:

42231 CONTRACT SERVICES

AGENDA DATE:

06/21/17

AGENDA ITEM TITLE:

Second Amendment Harris & Associates

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	2,778,585	4,378,624	5,117,141	2,040,068
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	52,500	(52,500)
RECOMMENDED ACTION	-	-	100,000	(100,000)
RESULT OF RECOMMENDED ACTION	<u>2,778,585</u>	<u>4,378,624</u>	<u>5,269,641</u>	<u>1,887,568</u>

Attachment: Resolution Exhibit A - Scorecards (1248 : SECOND AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT WITH HARRIS &

**SECOND AMENDMENT TO AGREEMENT
HARRIS & ASSOCIATES**

This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, HARRIS & ASSOCIATES, a California Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Second Amendment to Agreement is entered into based upon City Council's approval on June 21, 2017.
2. The CITY and CONSULTANT entered into that "Service Agreement For Design Professionals" made as of July 19, 2016, for consultant services for a maximum compensation of Forty Thousand Dollars (\$40,000) ("ORIGINAL AGREEMENT").
3. The CITY and CONSULTANT entered into that First Amendment to the ORIGINAL AGREEMENT on January 30, 2017 for an additional compensation of Twenty Five Thousand Dollars (\$25,000) which revised the maximum compensation to Sixty Five Thousand Dollars (\$65,000).
4. The ORIGINAL AGREEMENT and First Amendment are attached collectively hereto as Exhibit "A" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the ORIGINAL AGREEMENT, as amended, as attached as Exhibit "A," shall remain in full force and effect; except that the following amendments shall be made as set forth below:
 - A. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

"4.1 Amount. \$175,000. Total Compensation under this Agreement shall not exceed One Hundred Seventy Five Thousand Dollars (\$175,000) and shall be billed based on the rate and basis set forth in Exhibit B."
2. **Notices:** The City contact person, Mr. Karl Bjarke, shall be replaced with the new City contact:

Ms. Jennifer Carman
City of Morgan Hill
3. **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 ORIGINAL AGREEMENT and First Amendment, the terms of this Second Amendment to Agreement shall govern and control.

EXHIBIT B

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

City Clerk_____
City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

HARRIS & ASSOCIATES_____
City AttorneyBy: GARY H. YAGADE

Date: _____

Title: VICE PRESIDENT

Print Name and Title of Signer.

If Corporate: Chairman, President or
Vice PresidentDate: 6/12/17By: Steven WinchesterTitle: CFO

Print Name and Title of Signer.

If Corporate: Secretary, Assistant
Secretary, Chief Financial Officer or
Assistant TreasurerDate: 6/12/17

Exhibit "A"**FIRST AMENDMENT TO AGREEMENT
HARRIS & ASSOCIATES**

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 1/30/17 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, HARRIS & ASSOCIATES, a California Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into based upon City Council's approval on January 18, 2017.
2. The CITY and CONSULTANT entered into that "Service Agreement For Design Professionals" made as of July 19, 2016, for consultant services for a maximum compensation of Forty Thousand Dollars (\$40,000) ("CONSULTANT AGREEMENT") are attached as Exhibit "A" to this Agreement.

AGREEMENT**THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

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

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

"4.1 **Amount.** \$65,000. Total Compensation under this Agreement shall not exceed Sixty Five Thousand Dollars (\$65,000) and shall be billed based on the rate and basis set forth in Exhibit B.

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2. **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, 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:

Deputy City Clerk

Date:

1/30/17

APPROVED AS TO FORM:

City Attorney

Date:

1/24/2017

CITY OF MORGAN HILL

City Manager

Date:

1/30/17

HARRIS & ASSOCIATES

By: GARY H. YAGARE

Title:

VICE PRESIDENT

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date:

1/6/17

By:

Steve Winchester

Title:

CFO

Print Name and Title of Signer.

If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date:

1/6/17

SERVICE AGREEMENT FOR DESIGN PROFESSIONALS HARRIS & ASSOCIATES, INC.

THIS AGREEMENT is entered into and becomes effective on 7/19/16 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and HARRIS & ASSOCIATES, INC. a California corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until June 30, 2017 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 land development plan checking services and NPDES Stormwater development compliance as further described in **Exhibit A**.
4. **Compensation.** CONSULTANT shall be compensated as follows:
 - 4.1. **Amount.** \$40,000.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed Forty 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 for up to one year pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed during the extended term period exceed an additional five percent (5%) above the compensation allowed to be paid to CONSULTANT during the initial term of this Agreement.
 - 4.2. **Billing.** CONSULTANT shall provide CITY with a monthly 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. 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 on behalf of CITY.

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 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, 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. 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) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, 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) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, 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 contractor'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, 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.

7.1.5.3. 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) 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.

- 7.2. **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.**

7.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

7.2.1.2. 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,

7.2.1.3. Insurance shall be primary non-contributing.

7.2.2. **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.

- 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 an financial size rating of "VII" or better.

- 7.4. **Certificates.** CONSULTANT shall furnish CITY of Morgan Hill with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. 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. 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.** 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 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. **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:

Mr. Patrick Dobbins
Harris & Associates, Inc.
17540 Monterey Road #150
Morgan Hill, CA 95037

Address of CITY is as follows:

Mr. Karl Bjarke	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

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. **Maintenance of Records.**
- 15.1. **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.
- 15.2. **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.

- 15.3. **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.

16. **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.

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

18. **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.

19. **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.

20. **Defense and Indemnification.**

20.1. **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").

20.2. **Defense and Indemnification for Non-Design Professional Services.** For all services performed under this agreement not covered by Section 20.1 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").

- 20.3. 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.
- 20.4. 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.
- 20.5. 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 (20) 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.
- 20.6. 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.
21. 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.
22. 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.
23. 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.
24. 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.
25. Binding Agreement. Notwithstanding the provisions of Section 18 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.

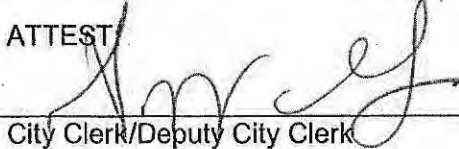
26. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

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

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

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

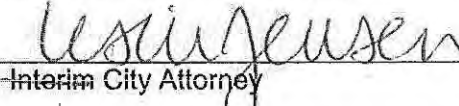
ATTEST


 City Clerk/Deputy City Clerk

for Michelle Wilson
 Print Name

Date: 7/26/16

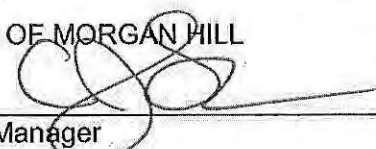
APPROVED AS TO FORM:


 Interim City Attorney

for Gary M. Baum
 Print Name

Date: 07/18/16

CITY OF MORGAN HILL


 City Manager

for Steve Rymer
 Print Name

Date: 7/19/16

HARRIS & ASSOCIATES, INC.


 By: GARY H. YAGADE

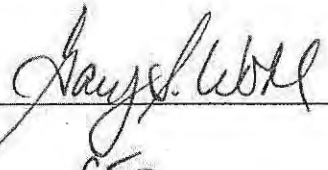
Title: VICE PRESIDENT

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date: 6/24/2016

By:


 Title: CFO

Print Name and Title of Signer.

If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 6/24/2016

**EXHIBIT A
SCOPE OF SERVICES**

On an as-needed basis, Harris Associates shall provide:

Land development plan checking services:

Review subdivision improvement plans to comply with but not limited to tentative maps, design review, FEMA flood standards, Stormwater quality standards, city standard details, and city standard specifications.

Nation Pollutant Discharge Elimination Systems (NPDES) Stormwater development compliance:

Oversee subdivisions construction activities and post construction activities for NPDES Stormwater compliance with Federal, State, and City requirements.

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

Project Director: \$190 - \$240

Project Manager: \$150 - \$210

Project Engineer: \$125 - \$195

Technical Support: \$75 to \$130

Administration: \$75- \$100

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

The City will request land development plan checking services and NPDES Stormwater development compliance on an as-needed basis, until the expiration of the service agreement



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Harjot Sangha, Accounting Manager

APPROVED BY: City Manager

UTILITY BILLING - PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT AND PAYMENT (EBPP) SERVICES

RECOMMENDATION(S)

Authorize the City Manager to execute an agreement with Infosend not to exceed \$158,752, for utility bill printing, mailing, and electronic bill presentment and payment services.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment

Maintaining Fiscal Responsibility

REPORT NARRATIVE:

The City of Morgan Hill currently bills utility (water and wastewater) customers on a monthly basis. The City has been using Infosend, Inc. for numerous years to process the weekly bill printing and mailing. In 2009, City revamped its website to provide customers with an on-line option to receive and pay their bills. On March 18, 2009, staff recommended, and City Council authorized a contract with Infosend, Inc for combined billing services of printing, mailing, and electronic bill presentment and payment (EBPP).

As part of the Finance work plan, staff conducted a request for proposals (RFP) for these services and invited various vendors to participate. The purpose of the RFP was to evaluate current market rate for the services, as well as to evaluate new enhancements/features which can be made available to our customers. In addition to directly emailed to various known vendors, staff also posted the RFP on the California Society of Municipal Finance Officers' website.

A total of nine (9) responses were received by the following vendors.

1. American Conservation and Billing Solution, Inc (AmCoBi) / Paymentus
2. Business Ink, Co.
3. DataProse (Print & Mail) & Paymentus (EBPP)
4. Infosend, Inc.
5. Metro Presort
6. Moonlight BPO
7. Nextrust Inc.
8. Sorriso Technologies

9. WaterSmart

Current Needs

Print and Mail

As mentioned above, the city bills customers monthly for utility services. Currently, the city is divided into 4 geographical “zones”, and a zone is billed each week on Friday. It is important to select a vendor which provides adequate client support, core print/mail services and has a production facility within California, ensuring a time delivery of paper bills each week, while utilizing discounted postage rates offered by United States Postal Services. Having a production facility outside of California would add at least two days to the delivery of paper bills. Currently, about 69% of our customers are still receiving a paper bill statement. Timely paper bill delivery is a key consideration, as our customers continue their transition to paperless or e-billing.

EBPP

Electronic bill presentment and payment solutions are becoming a necessary component across various sectors, and governments is no exception. The City staff and City Council recognized electronic bill presentment and payment services as a necessary component in 2009, when it made available the online option to receive and pay bills. As more customers move away from paper-based transactions, to electronic-based transaction, it's important for us to continue providing the online platform to our customers. It is important to pick a vendor which offers a reliable, easy to use platform, while offering various features as: one-time express payments, paperless billing, e-bill notifications, AutoPay using ACH, and credit/debit cards, and now Mobile Pay.

Evaluation

An evaluation team involving Finance, and Engineering and Utilities staff evaluated the proposals. The team considered several factors for its final recommendation. Factors such as; one-time implementation cost, ongoing monthly costs, functionality, location of production facility, combined services, availability of client support, and capability of a Single Sign-On (SSO) environment for customers to access online BillPay and WaterSmart portal. After first round of reviews, the team narrowed selection to Infosend and DataProse/Paymentus for final consideration.

Infosend: Infosend is a privately held California corporation, headquartered in Anaheim, California, with production facilities in Anaheim, CA, Downers Grove, Illinois, and

Carrollton, Texas. Infosend solely owns and operates its data processing, print and mail, and EBPP platforms.

DataProse: DataProse is a limited liability corporation, headquartered in Coppell, Texas, with production facilities in Coppell, Texas, and Oxnard, California. DataProse responded to the RFP in partnership with Paymentus. DataProse bid on the Print and Mail services and Paymentus bid of the EBPP services of the RFP.

In the matrix below, staff has outlined key core services which combined will offer our customers an elevated level of customer service. Both proposers are qualified and offer majority of the core services.

	Infosend	DataProse/Paymentus
Core Service: Print and Mail		
Electronic Bill File Processing	x	x
Production facility in California	x	x
Bill Inserts	x	x
Change of Address Database Link	x	x
Online Archive PDF Bill Images	x	x
Bill Supression (For e-bills)	x	x
Print Bill Messaging	x	x
Live integration for bill supression	x	
Client Support on PST	x	
Core Service: EBPP		
Hosted site with City Branding	x	x
One-Time Payment Option	x	x
Customer Self-Enrollment & Management	x	x
Paper/Paperless Bill Delivery Option	x	x
Auto-Pay	x	x
PDF E-Bill archive	x	x
Mobile Pay	x	x
E-Check and Debit/Credit Card	x	x
2-way Online Customer Service Portal	x	
E-Bill Messaging	x	
Other Considerations		
Integration with WaterSmart	x	x
Single Vendor- Combined Services	x	
No implementation Cost	x	
No Re-enrollment required	x	
On-going Monthly Cost Savings		x

Print and Mail

Infosend is the single provider for print, mail and EBPP services. It maintains paperless billing enrollment data as part of its EBPP services and utilizes this live information to suppress paper bills from printing. In comparison, DataPose partners Paymentus for

EBPP services, however live integration exists between both vendors for bill suppression. Paperless status reports would be shared on a weekly basis. City staff would obtain paperless enrolled customer data from Paymentus, and manually submit it to DataProse for suppressing paper bills from printing, each week. Additional staff time would be spent each week to ensure this task is performed.

Ensuring client support for Utility Billing staff is available each week is also a key component of the print and mail service. Billing files are uploaded on Friday afternoons, each week. A successful review and sign-off of the billing files, after it's processed, is required by utility billing staff. Any issues are usually resolved over phone with client support. While both have production facilities in California, their client support resides in different states, and time zones. Infosend's client support is on Pacific Standard Time (PST) and for DataProse it resides at their headquarters in Texas. Client support for DataProse would be limited after 3pm PST. This key component was also considered when selecting the final recommendation.

EBPP

In the EBPP realm, Infosend and Paymentus offer the same core features except for customer service portal and e-bill messaging. Currently, our customers can communicate with our Utility Billing staff via electronic messaging, while signed into their BillPay account. This is an excellent feature which our customers often use to inquire on their bills, payments and other services on their own time. This feature is an alternative communication method outside of the customer service and business hours. All customer service portal messages are responded to throughout the day.

Another feature available by Infosend is the e-bill messaging. City staff are now able to communicate specific announcement to its customers enrolled in receiving e-bills. These messages were previously only received by customers on the paper billing statements.

In 2014, City Council authorized an agreement with WaterSmart Software to provide home water reports and a web portal for customers engagement. This program has successfully evolved into an on-going engagement for our customers. WaterSmart now integrates with the City's automated metering infrastructure system, and remits near real-time consumption data and send out possible leak alerts. As part of the RFP, staff requested responders to include a single sign-on environment possibility with WaterSmart. Meaning, customers which currently have two separate registration, one for EBPP and WaterSmart, should seamlessly be able to transition from their EBPP account to WaterSmart account. Infosend and Paymentus, responded to have relationship with WaterSmart to provide a Single Sign-On environment so customers using online BillPay site can easily transition to WaterSmart portal to view their water usage data.

Other Consideration, including cost

The pricing offered by both proposals are deemed reasonable. DataProse's proposal includes partnering with Paymetus for EBPP services, while Infosend is the single provider for combined services. There are slight ongoing monthly cost savings for switching to DataProse/Paymentus, currently estimated at about \$714 a month.

While this amount may be considered by the City to switch service providers, the team believes the actual cost of switching, including staff time expended during implementation, impact of no-live bill suppression integration, and the impact to our customers for re-enrolling for online services, would greatly exceed the estimated savings.

It's also important to reiterate that Infosend is the single provider for combined services of print and mail, and EBPP. The Customers and staff would also continue to benefit from the live integration of bill suppression data, two-customer services portal, and benefit from Infosend's capability to provide single-sign on environment with WaterSmart.

As a result, the evaluation team recommends retaining Infosend for the print, mail and EBPP services. The total contract amount is \$158,752, over a five (5) year term, expiring June 30, 2022.

COMMUNITY ENGAGEMENT: Inform

This staff report will serve to inform the public of the consultant agreement with Infosend for printing, mailing, and EBPP services.

ALTERNATIVE ACTIONS:

City Council can elect to switch services to DataProse for printing and mailing, and Paymentus for EBPP services.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On March 18, 2009, City Council authorized contract with Infosend for printing, mailing, and EBPP services.

On September 11, 2013, City Council approved a three-year term with Infosend for printing, mailing, and EBPP services.

FISCAL AND RESOURCE IMPACT:

The costs for these services are budgeted in the current adopted budget.

CEQA (California Environmental Quality Act):

Not a Project: Fiscal activities that do not involve any commitment to any specific project that may result in physical environmental impacts are not projects for CEQA purposes.

LINKS/ATTACHMENTS:

1. InfoSend response_RFP for utility billing_Technical Proposal

2. Infosend Agreement - 7-1-17



TECHNICAL PROPOSAL

An Innovative Outsourcing Partner

InfoSend is appreciative for the opportunity to present this bid response for:

City of Morgan Hill
Electronic Bill Presentment and Payment
Bill Printing and Mailing
and Water Customer Engagement

Prepared for:

Finance Department
 Harjot Sangha, Accounting Manager

Due: Friday, April 7, 2017

Time: 5:00 PM

Provided by:

Kelly Law – PRIMARY CONTACT
 Territory Sales Manager
 kelly.l@infosend.com
 O: 714-993-2690
 M: 949-566-3891

Robert Crawford
 Territory Sales Manager
 robert.c@infosend.com
 O: 714-993-2690
 M: 714-795-7974

InfoSend, Inc.

4240 E. La Palma Ave.
 Anaheim, CA 92807

Anaheim, CA | Downers Grove, IL | Carrollton, TX
www.infosend.com

InfoSend is a proud member and supporter of



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Transmittal Letter

April 6, 2017

City of Morgan Hill
Finance Department
City of Morgan Hill
17575 Peak Avenue
Morgan Hill CA 95037

Dear review committee,

InfoSend Incorporated is pleased to present this response to the City of Morgan Hill's Request for Proposals for Electronic Bill Presentment and Payment, Bill Printing and Mailing, and Water Customer Engagement services. Since 2009, InfoSend has had the pleasure of providing Electronic Bill Presentment and Payment as well as Bill Printing and Mailing services to the City of Morgan Hill. InfoSend team is confident that our offering and benefits presented herein will continue to provide the City and its residents with the greatest value in the market today.

InfoSend is a privately held California corporation, incorporated in 1997, with 108 current employees delivering more than 140 million print/electronic documents across the nation per year. Our core competencies are information technology, data processing, document formatting, and document production/delivery – with a core focus on providing excellent service for municipal utilities. The Software as a Service (SaaS) approach allows InfoSend to continually refine its services and equipment without requiring software installation and maintenance at your site.

In our response, we have provided context about the City's current setup on InfoSend's platform, as well as areas where we are offering improvements. InfoSend's current offering to the City is primarily supported by two product offerings:

- 1. Data Processing, Printing, and Mailing (DPPM)**

DPPM includes InfoSend's processing of the City's raw data export from Tyler Incode. We facilitate a secure file transfer via our cloud-based web portal, match your data to an InfoSend-hosted PDF design, CASS certify mailing addresses and apply the Full Service Intelligent Mail Barcode, and provide completed PDF exports to be released to both our DPPM print stream and EBPP presentment portal. Statements destined for a print output are then managed by our production facility in Anaheim, CA and printed/mailed reflecting the highest quality standard and at the lowest attainable USPS postage cost.

- 2. Electronic Bill Presentment and Payment (EBPP)**

InfoSend's EBPP offering works seamlessly with our processed outputs from DPPM by using formatted PDF statements for online presentment and payment. With this offering, InfoSend manages the process of enrolling customers for paperless statements and suppressing those customers printed bills from the DPPM run in order to save the City money. The City experiences the benefit of working with one vendor for its multiple customer communications outputs. There are no discrepancies between what a customer receives on a printed statement and what they have access to for email or online viewing. AutoPay adoption is incentivized by the City's absorbed convenience fee model supported by InfoSend's low-cost partner, EPX.

InfoSend will refer to DPPM and EBPP throughout this response, and will expand upon new offerings available to the City.

Summary of New Offerings

Our proposal herein reflects updated pricing for the City to continue DPPM and EBPP service with the InfoSend going forward. In addition, we are offering the following improvements that the City may adopt at its discretion:

1. Single Sign-On (SSO) handoff from InfoSend's EBPP portal to a **water customer engagement solution** with a one-click button. InfoSend will work with the City's vendor of choice and recommends are partner WaterSmart Software to the City
2. **Interactive Voice Response** linked to the same EPX merchant accounts the City uses for InfoSend EBPP, supporting low-cost payment processing fees.
3. **InfoSend Mobile-web** supporting mobile-optimized web viewing from any phone or tablet device. This feature is currently developed and is awaiting City sign-off for roll-out.
4. Improved customer communications with a **modernized utility bill design**, featuring full color printing at a discounted rate from the City's current two-color bill setup.

InfoSend Advantages and Differentiators

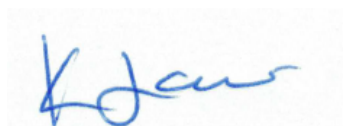
Integrity is at the core of InfoSend, with a stated goal to retain and provide complete satisfaction for each client. InfoSend places a high priority on employee relations, and the company culture has led to high employee retention, affording clients' familiarity and quality service. From our internal operations, to how we support our valuable clients, InfoSend's client-focused service has led to an industry leading client retention and satisfaction rate. A synopsis of our market advantages and unique differentiators are as follows:

- Existing City of Morgan Hill vendor, already familiar with billing data for both the print and mail and EBPP applications
- Jobs are processed 100% by InfoSend, on demand, 24/7/365
- Solely owned and operated Data Processing, Print and Mail platform, with secure manufacturing environments in CA, TX and IL.
- Print and mail capabilities are never subcontracted to third party providers
- Printing jobs processed out of our Anaheim facility using cutting edge roll fed full color production inkjet technology – meaning you are free to make design changes without being constrained to preprinted form orders or inventory on hand
- Solely owned and operated Electronic Billing, Payment and Presentment platform, with PCI-Level 1 certification.
- Payment processor agnostic, allowing the City to seek the lowest possible pricing. We suggest continuing the existing setup with EPX as an absorbed-model processor
- InfoSend Mobile-web, does not require an app store download, and will be immediately available customers viewing/paying bills from a mobile or tablet device. Mobile-web view also supports linking out a water customer engagement solution via SSO
- More than 140 million print and electronic documents distributed annually.
- Company culture prioritizes client satisfaction, leading to industry best client retention and satisfaction rate.

Summary

The InfoSend solution is a complete, proven technology practice that ensures both client customer communications are distributed and payments are captured efficiently. InfoSend provides unequalled technical support, based on our proven experience with clients such as the City of Morgan Hill, and our continued investment in staff and R&D roadmap. We believe that efficiencies can be improved by introducing new thoughts and ideas, and are looking forward to discussing added improvements with the City. We are proud to say that in 20 years we have never had a public agency customer discontinue services with InfoSend due to programming, production, quality, customer service, or operational issues. We think this fact makes us pretty unique in our industry.

We firmly believe that continuing the City's partnership with the InfoSend will result in an efficient and cost effective continued outsourced billing operation. Thank you for this opportunity to present our services. We are hopeful for a long, continued partnership with the City of Morgan Hill.



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Detailed Proposal

a. Business Profile

Include in the response a business profile of your firm and any partnerships or joint venture firms or individuals; and, a description of the training and experience of the firm's professional and technical staff assigned to the project.

Get to Know InfoSend

InfoSend has provided business process outsourcing services since 1996. Since that time InfoSend has provided the processing and handling of critical documents for industries throughout the United States. Utilizing the most current technology, InfoSend offers an innovative approach with flexible and secure solutions for organizations seeking outsourced data processing, printing and mailing (DPPM), and electronic presentment and or payment capabilities (EBPP). Choosing InfoSend as your outsourcing partner will significantly reduce total overhead costs. Together, we can reach your customers more effectively.

InfoSend is a privately held California corporation that delivers more than 144 million print/electronic documents per year. InfoSend's core competencies are information technology, data processing, document formatting, electronic payments, and document production/delivery. Our clients' unique data is transferred into our database where it is then output to multiple destination channels. Documents are printed and mailed as well as delivered via email and archived for historical viewing. Electronic payments can be initiated over the web or telephone. The Software as a Service (SaaS) approach allows InfoSend to continually refine its offerings and equipment without requiring software installation and maintenance at your site.

You can use the eBusiness Products or the DPPM related services as stand-alone offerings or together as integrated customer communications solutions. When multiple services are outsourced to InfoSend you receive the benefit of having one data processing platform generate all of your outbound communications. Easily customize business rules for processes like paperless billing and automatic payments with our applications. Leverage the experience InfoSend has built up from years of working with organizations similar to your own.

A Reliable Partner

Integrity is at the core of everything we do. Our goal is to retain each client. From our internal operations to how we serve our valuable clients, we create solutions with an innovative approach that keeps your business's best interests at mind.

We do not have exclusive partnerships with billing software providers or electronic payment processors. This neutral standing allows us to provide you the best possible service at competitive rates. InfoSend is your resource that you can look to for bill production and electronic payment advice.

Facilities

InfoSend is located strategically across the nation, ensuring both disaster mitigation and regional access to the USPS.

Corporate Headquarters & Western US Production Facility

4240 E. La Palma Ave · Anaheim CA 92807 Ph: 714.993.2690 Fax: 714.993.1306

This is the InfoSend that currently supports production for the City of Morgan Hill, and will remain so if we are retained as the City's vendor going forward.



InfoSend owns and operates its 77,000 sq. ft. headquarters and Western US production facility. This facility sits on a 4.3-acre lot and is one of the premier bill processing centers in California. This facility provides disaster recovery to the other facilities, and has a 600KW backup generator that can power the entire facility in the event of a grid failure. InfoSend's Anaheim facility is designated as a USPS Detached Mail Unit (DMU) with USPS representatives working on-site.

Midwest & Northeastern US Production Facility
1406 Centre Circle · Downers Grove IL 60515



InfoSend owns and operates a 25,000-sq. ft. Midwest production and disaster recovery facility located In Downers Grove, just west of Chicago, Illinois. This facility is used to process mail for clients located in the Midwest or Northeast, and also serves as an out of state disaster recovery facility. The location is designated as a USPS Detached Mail Unit (DMU) with USPS representatives working on-site. T

Texas & Southeastern US Production Facility
1624 W Crosby Road #128 · Carrollton TX 75006



InfoSend's 10,000 sq. ft. Texas Production facility is located near Dallas and is the main production center for clients in the South and the Southeast. This facility also provides out-of-state disaster recovery for InfoSend's other locations.

Partnerships

As a standard, InfoSend does not enter into exclusive partnerships with payment processors or other services providers.

Data Processing, Printing, and Mail

InfoSend does not require the use of partnerships for any DPPM work. 100% of the work for the City of Morgan Hill will be performed by work, and jobs are never outsourced to third parties. Disaster recovery protection is 100% supported by InfoSend's out-of-state production facilities

Electronic Bill Presentment and Payment

InfoSend also does not subcontract the processing, security/compliance, and maintenance of its EBPP portals. InfoSend is not a payment processor and therefore requires clients to work with an approved payment processor vendor. The City of Morgan Hill currently contracts with EPX for credit card and ACH processing supporting an absorbed model. InfoSend recommends that the City continue with this setup. In addition, we are referring an IVR partner that has the capability of tying into the City's current EPX merchant accounts.

Interactive Voice Response

InfoSend has partnered with Palitto Consulting Services for an EPX compatible IVR provider. In this response we are proposing a cloud based IVR solution that would be built by Palitto Consulting Services (PCS), and would tie directly into the same EPX merchant accounts used by InfoSend EBPP.

Water Conservation Customer Engagement

InfoSend will provide single sign-on access (via our EBPP portal) to the water customer engagement vendor of the City of Morgan Hill's choosing. This SSO offering is available to the City free of charge from InfoSend's side of the setup. InfoSend has worked with WaterSmart Software for a number of years, and has current integrations between our water agency clients and WaterSmart's portal. WaterSmart has provided InfoSend a letter of support (see next page), and we have also written a letter of support for inclusion in their separate response.



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San Francisco, CA 94111

415.366.8622
WaterSmart.com

March 31, 2017

Kelly Law
Territory Sales Manager
InfoSend Inc.
4240 East La Palma Ave.
Anaheim, CA 92807-1816

Dear Kelly,

This letter is to certify that WaterSmart's product team has discussed integration between the InfoSend EBPP portal and WaterSmart's customer engagement portal in order to provide a seamless customer experience. We are pleased to be able to use the successful, secure, and reliable interface between our respective sites currently in use at the Santa Margarita Water District that enables users to land on the WaterSmart portal from the InfoSend payment portal without logging in again. Further, we are excited to work with your team to deploy a single sign on using SAML2.0 or OAuth2 later this year.

Sincerely,

Emily Kleeman
Director of Product
WaterSmart Software

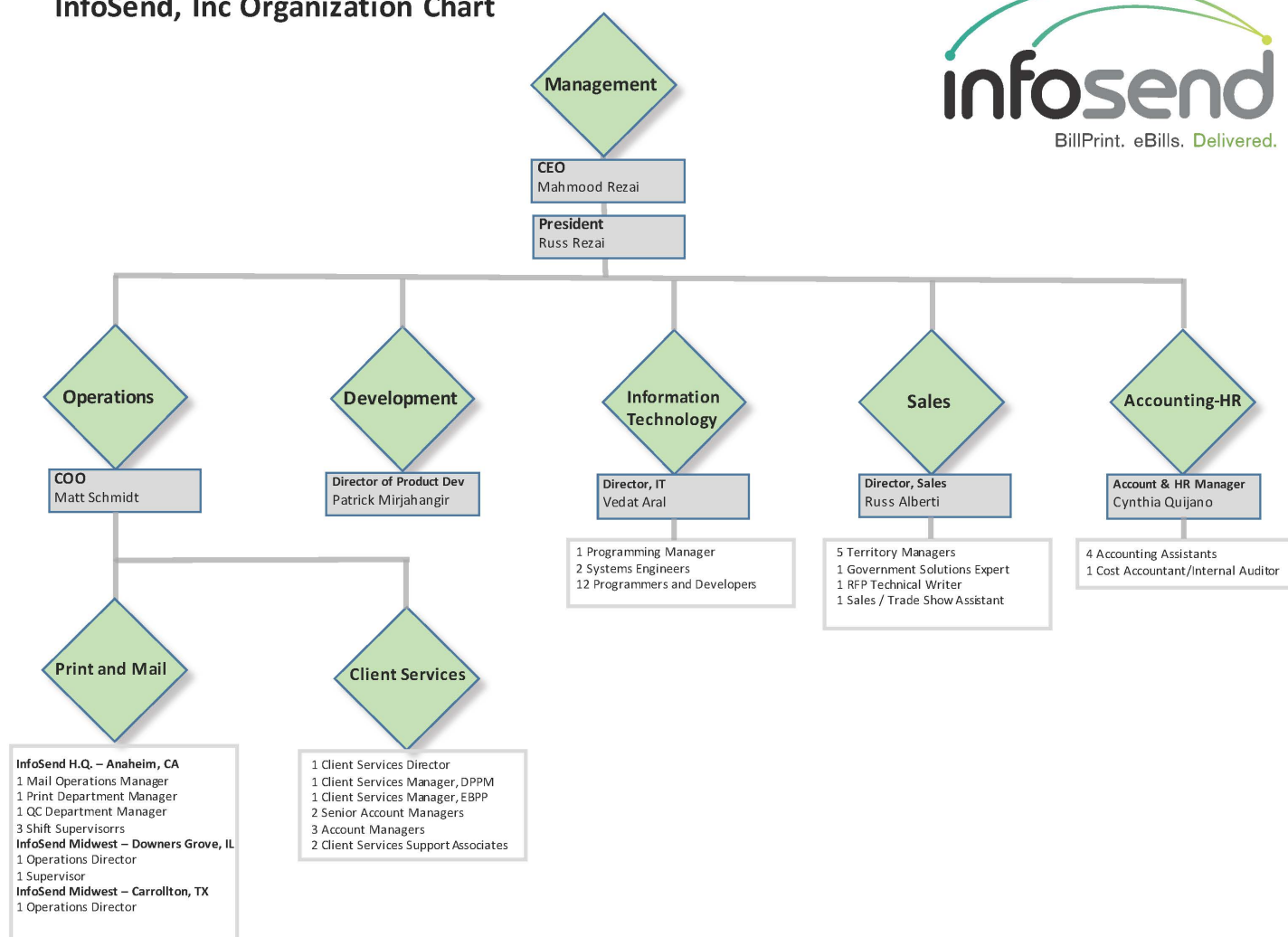
InfoSend Client Services Training and Experience

The City of Morgan Hill is in the unique position of currently experiencing live production on InfoSend's DPPM and EBPP platforms. Because the City has been a longstanding InfoSend client, we are sure that you are familiar with InfoSend's initial implementation, and more extensively, ongoing client services support. InfoSend puts a high priority on our Client Services department, including extensive training and an emphasis on providing our clients with an excellent support experience.

InfoSend's mission to provide the industry-best support requires excellence and attention to detail within the Client Services (CS) department. InfoSend has designed support around extensive procedural controls to ensure client output is handled accurately and issues are addressed expeditiously.

Since the City is currently live on our platforms, City Staff CSR training is not required for continued service with InfoSend. We have provided our Organization Chart below, as well as details on key staff, which should provide insight into our organization structure and ongoing support.

InfoSend, Inc Organization Chart



InfoSend's Key Support Personnel

InfoSend's mission to provide the industry-best support requires excellence and attention to detail within the Client Services (CS) department. InfoSend has designed support around extensive procedural controls to ensure client output is handled accurately and issues are addressed expeditiously. If InfoSend is awarded the continuance of the City's contract, we will at that point assign a dedicated Account Manager to work with the City on any improvement projects. This Account Manager will remain the City's main point of contact throughout the implementation and after go-live of any improvements.

Executive Management and Sales:

InfoSend designated Contract Administrator: Russ Rezai, President

InfoSend designated Contract Manager: Matt Schmidt, COO

InfoSend sales contact: Kelly Law, Territory Sales Manager and Robert Crawford, Territory Sales Manager

Delivery Team:

- **Executive Management and Sales Team:** will serve as the City's main contact for RFP questions and contract negotiations.
- **Client Services Team:** manage ongoing processing, and will be main points of contact during any DPPM or EBPP improvement projects. The Client Services team will work extensively with the City's project team on EBPP improvements and any requested statement re-design projects. Tom Gryder will continue to support the City with EBPP items, and a dedicated DPPM account manager will be assigned for DPPM related projects.
- **IT team:** provides back-end support for the City of Morgan Hill's jobs. IT works in conjunction with InfoSend Client Services during any improvement projects (such as adding SSO to a water customer engagement portal) and actively monitors program functions after go-live.

Matt Schmidt is InfoSend's Chief Operating Officer, responsible for overseeing our client services, programming, and production departments. He works primarily with our client services and production teams to monitor our statement processing load to ensure that each of our jobs are implemented, processed, and printed within the tight constraints we are given.

Name	Matt Schmidt
Experience	InfoSend, Inc. Anaheim, CA (2007 – present) Chief Operating Officer • Manages Operations for InfoSend's 3 facilities • Manages Client Services team responsible for all client implementation and support • Works with management team on new product planning, development and support • Works on strategic planning for operations including new technologies and services InfoSend, Inc. Anaheim, CA Director, Client Services • Supervise employees and operations of the Client Services, Quality Control

	and Direct Communications departments. Provided consultative solutions for prospect and clients. • Develop, monitor and improve client implementation and support procedures. • Coordinate and implement internal cross-functional processes in an environment of continuous improvement. • Work with executive management to develop and evaluate long-term strategies to achieve organizational goals.
Education	MBA - University of California, Irvine BA - California State University, Chico

Josue Martinez is InfoSend's Director of Client Services, responsible for overseeing new implementations and current client improvement projects led by InfoSend's Account Managers.

Name	Josue Martinez
Experience	InfoSend, Inc. Anaheim, CA (2016 – present) Director, Client Services • Responsible for all implementation and support services • Oversee Account Management and dedicated support staff • Act as escalation point for InfoSend clients • Design new printed document formats InfoSend, Inc. Anaheim, CA (2000 – 2016) Senior Project Manager • Managed over 75+ implementations and software conversions •
Education	BA, Business Administration concentrating in Information Systems, California State University Fullerton. Proficient in Website/Forms Design using Following Applications/Languages: HTML, Crystal Reports, Adobe Illustrator, Visual Basic and MS Visual FoxPr

Tom Gryder is InfoSend's Client Service Manager for eBusiness. Tom will work with the City of Morgan Hill on the implementation of SSO to a water customer engagement portal, and will also work with the City to roll out the mobile optimized version of our EBPP site that is currently pending the City's approval.

Name	Tom Gryder
Experience	InfoSend, Inc. Anaheim, CA (2010 - Present) Client Services Manager, eBusiness Division Manage new client eBusiness implementations Provide improvements and ongoing support to existing clients Track client inquiries to closure Sun Microsystems, Inc. El Segundo, CA (2000 – 2008) Product Line Manager Managed EBPP product marketing for iPlanet, a Sun-Netscape Alliance Managed software product line for Developer Tools Developed and launched global, integrated Go to Market Programs Key Account Management: Citigroup, John Hancock, Wells Fargo Xerox Corporation El Segundo, CA 80301 (1985 – 2000) Financial Services Industry Marketing Developed business plan for Xerox solutions in the EBPP space Delivered global marketing and launch programs for Financial Services solutions, including EBPP Developed and delivered international training on Xerox EBPP solutions Key Account Management: Bank for International Settlements, US Navy NPPS.
Education	BS degree Arizona State University – 1981

b. Solutions

Provide detailed proposed solutions and how they will achieve the City's goals and needs. Including EBPP, print and mail, and customer engagement and water analytics.

The City of Morgan Hill has contracted with InfoSend for data processing, printing, and mailing (DPPM) and electronic bill presentment and payment (EBPP) since 2009. As such, the City currently interacts with InfoSend's solutions on a daily basis. For consideration of this RFP response, we have provided high level detail of outlining our DPPM, EBPP, and added customer engagement pieces for further information to those not already familiar with our system:

Services Overview

CCM: Customer Communications Management with a Single Platform

- One data processing platform manages the import and handling of your data files. This core system can then output the information to all delivery channels.
- Upload data via our secure website, FTP with optional PGP encryption, or SFTP.
- Bill redesign consulting – we create your new document look and feel and then our document composition creates bill images for both printed and paperless bills.
- Web-based system to track and view samples of print or eBills before they are sent.
- A variety of standard reports can be accessed via web portal or emailed to you.
- Create and schedule document messages that can be selective by customer type or account number.
- Bill design, mailing options, and EBPP business rules are tailored to suit your organization's needs.
- Simplify your process by partnering with a provider to consult and manage your entire bill formatting and delivery needs.

DPPM: Data Processing, Print, and Mail Service

- Cloud-based data processing of raw data and print files.
- Print statements, invoices, letters, postcards, notices, or other various documents.
- USPS Postal presorting to the lowest available rates.
- Fully implemented Full-service Intelligent Mail Barcode, meaning that mail produced from InfoSend's system will be sent out at the lowest available rate. The current lowest First Class mail rate is \$0.37 per mail piece.
- Dynamic duplex printing from roll-fed inkjet printers, including full color print options
- Inserts and special flyers can be used to target specific customers. Submit your printed materials or artwork to be printed by InfoSend in grayscale or color.
- Quick turn-around of document folding, inserting, presorting, and delivery to the USPS.

eBusiness Products

- Electronic billing and payment related products hosted in the cloud.
- Mobile solutions, compatible with all tablet and smartphone devices.
- All Payment-Related eBusiness Products are Level 1 PCI Compliant.
- Online BillPay (EBPP) and QuickPay (No Enrollment).
- CSRPAY
- Interactive Voice Response (IVR) via a partner solution
- Single sign-on (SSO) integration to Water Customer Engagement program such as WaterSmart available from within InfoSend's EBPP portal.

InfoSend's Data Processing, Print & Mail Solutions

InfoSend, as a single source provider of customer communications management (CCM), offers a cloud-based Data Processing platform that is paired with multiple secure manufacturing environments for Printing and Mailing critical documents. InfoSend's Data, Processing, Print & Mail (DPPM) solution allows clients to reach their customers with effective and timely communications across multiple channels.

InfoSend's DPPM solution accepts data streams from any system and includes all the tools necessary to submit, approve and track all details of the manufacturing and distribution process, including all aspects of USPS compliance, updates and tracking. The fully redundant data processing platform handles the hosting and distribution of the critical documents, allowing businesses to focus on innovating for their customers. Capabilities are as follows:

- Deep experience handling input data streams from a countless variety of systems, including the City's Incode data
- Customizable document composition with variable and ad hoc messaging options.
- Multi-channel distribution of documents: USPS, eBilling, Online Hosted Archive, API, FTP, Bank Networks, and more.
- Online job tracking, customer service, sample approval, and production service level agreement (SLA) detail.
- Print variable full color, removing the need to inventory pre-printed forms or inserts
- Industry leading Quality Control (QC) process, leveraging the latest technologies to ensure error free manufacturing.
- Full USPS compliance, postage savings and reporting, including return mail solutions.
- Dedicated support for production and distribution of marketing, informational inserts, postcard and special mailings.
- Partnered solutions: tracked delivery via FedEx, cash payments from retail locations via PayNearMe, Online Banking via FIS, and more!

InfoSend's eBusiness Solutions

Online BillPay: Standard Features

Online BillPay is InfoSend's flagship eBusiness service. The following features are available as part of the City's current setup with InfoSend. Online BillPay is a biller-direct application that gives your customers the ability to view and pay their bills online without going through an online banking portal. For an interactive walk-through of InfoSend's Online BillPay offering please visit <http://www.infosend.com/onlinebillpaysolution.html>.

Customer Self Enrollment

No need to collect or maintain customer email addresses. Customers start the enrollment process using their account number and one other validation field. InfoSend validates customer enrollment by sending an email containing an activation link that the customer must click on.

Branding of Web Portal

InfoSend's Online BillPay Portal has been customized with the City's logo and banner at the top of the page. Specific text areas of the portal have also been customized according to your Agency. The banner design or images on the landing page of this portal can be updated at the City's request.

Mobile Billing



InfoSend's application is mobile-web friendly and works with all mobile and tablet devices, including Apple, Android, Microsoft and Blackberry, without requiring an app store download. The portal will adapt to the customer's device, and provides all functions of the desktop portal, including enrollment, payment and viewing bill. The City's current EBPP site is pending rollout of the mobile version of the site. Screenshots of the landing page as well as QuickPay page are provided below. The mobile sites are already developed and are just awaiting City sign-off before being placed in our live production environment.

Bill Presentment – Replica PDF with Inserts

InfoSend presents the City's eBills using PDF files. By using PDF, bills presented online can be an exact replica of what would otherwise have been printed and mailed. InfoSend will can also include any special inserts or other communications as additional pages within the PDF, ensuring continuity and convenience for the customers who migrate online.

Bill Delivery Options

Increase paperless billing adoption by giving customers the option to have their full eBill “pushed” to them via email. Or the customer can choose to receive a brief bill summary via email and sign in to the secure web portal for full bill history. One of InfoSend’s core EBPP strengths is offering customers the flexibility to set individual eBill delivery preferences. This flexibility also encourages customers to opt-in to paperless billing. InfoSend’s application can also be configured to require paperless for all customers.

Add Additional Accounts

Customers can associate multiple accounts with their username to efficiently view and pay bills for different service locations. This feature is referred to as “householding”. Customers can create multiple payment profiles and pay accounts using different payment methods, all without having to manage multiple login accounts.

Automated Username/Password Retrieval

If a customer forgets their username or password they can click the “Forgot Username/Password” button to have a temporary password sent to the email address on file in the eBusiness system. This feature was set up to reduce calls to your customer service department.

One-Time Payments

Customers can pay immediately or schedule future payments. Real-time credit/debit card authorizations are performed. Customers can initiate payments as soon as they enroll – there is no need to wait for the next billing cycle. Convenience fee options exist if you do not wish to absorb the payment processing fees.

Single Sign On Integrations

InfoSend's application handles the registration and authentication of users, and is able to hand them off to third party systems that handle other aspects of client organization's business. This secure protocol and model for user authentication provides higher usage of ancillary services, as customers paying their bill on a routine basis will be granted access to additional portals without additional registration.

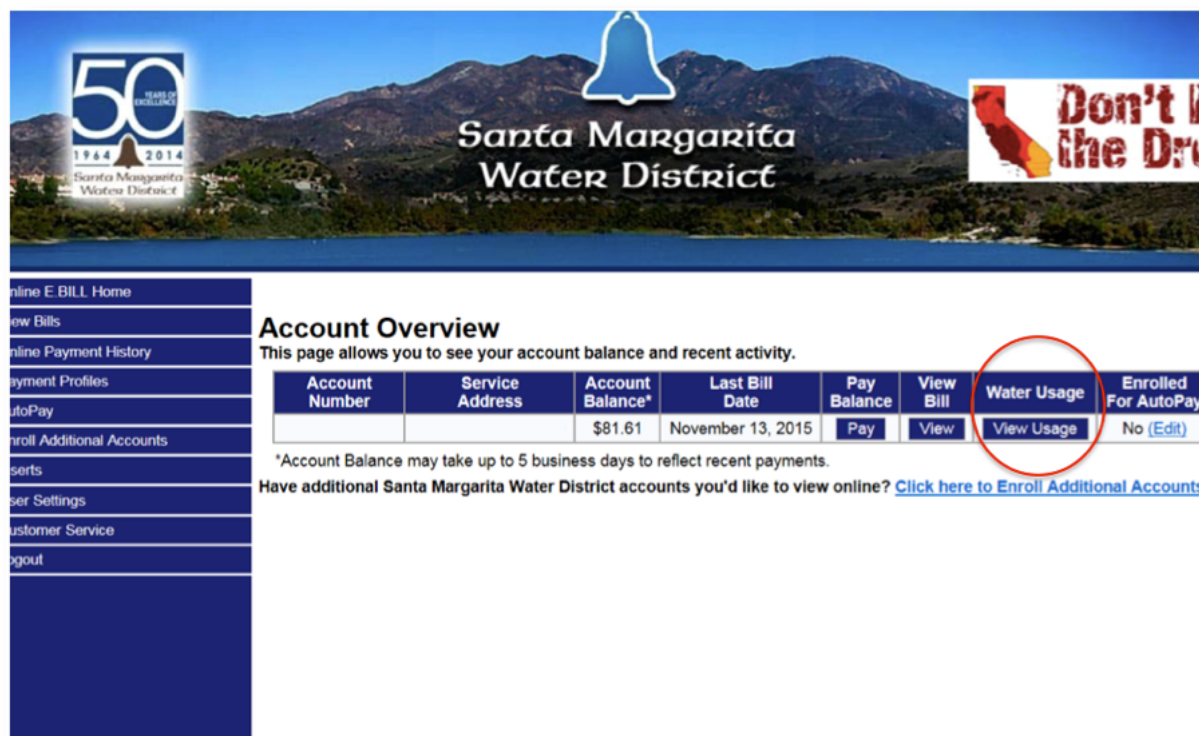
New Offerings Available to the City of Morgan Hill

As part of InfoSend's commitment to continually improving an enhancing products and services, we are pleased to offer two new options available to Morgan Hill.

1. Water Customer Engagement and Data Analytics

InfoSend has created a single sign on solution that provides Online BillPay clients to integrate third party engagement and analytics applications. This feature allows existing Online BillPay customers the option to easily utilize the third-party application without needing to visit another portal or re-register. Most importantly, it ensures our clients receive a high adoption rate, as all customers who pay online will be given access.

While the function will work with nearly any third-party engagement solution, InfoSend's understanding is that Morgan Hill has contracted with WaterSmart software, an InfoSend integrated partner. InfoSend and WaterSmart have an active integration between the EBPP portal and WaterSmart portal that has been deployed at the Santa Margarita Water District. In the last year, **4,500 new WaterSmart users** have used this integration successfully. As shown below (red circle), customers that are in the current InfoSend EBPP Portal may click a link to view “Water Usage”. This link brings the customer directly to their WaterSmart Customer Portal without the need to sign in again.



Should InfoSend be retained, the normal implementation fee to set up the single sign-on link will be waived.

2. IVR Payments via EPX and Palitto Consulting Services (PCS)

InfoSend understands that Morgan Hill prefers to provide customers with value and convenience, while also ensuring payment processing fees are kept to a minimum. Morgan Hill already enjoys a relationship with EPX, a direct processor that does not mark up or obscure credit card interchange fees. As such, InfoSend is including information for an EPX compatible IVR provider. The cloud based IVR solution would be built by Palitto Consulting Services (PCS), and would tie directly into the same EPX merchant accounts used by InfoSend EBPP.

PCS is a highly respected custom development and business solutions consulting firm with over 20 years' experience in creating business solutions for thousands of organizations globally. PCS solutions are powering millions of customer interactions in telephony implementations ranging from 50 to 20,000 users. PCS specializes in coming beside our clients with a listening approach and disciplined expertise in creating great communication process and simple interactions.

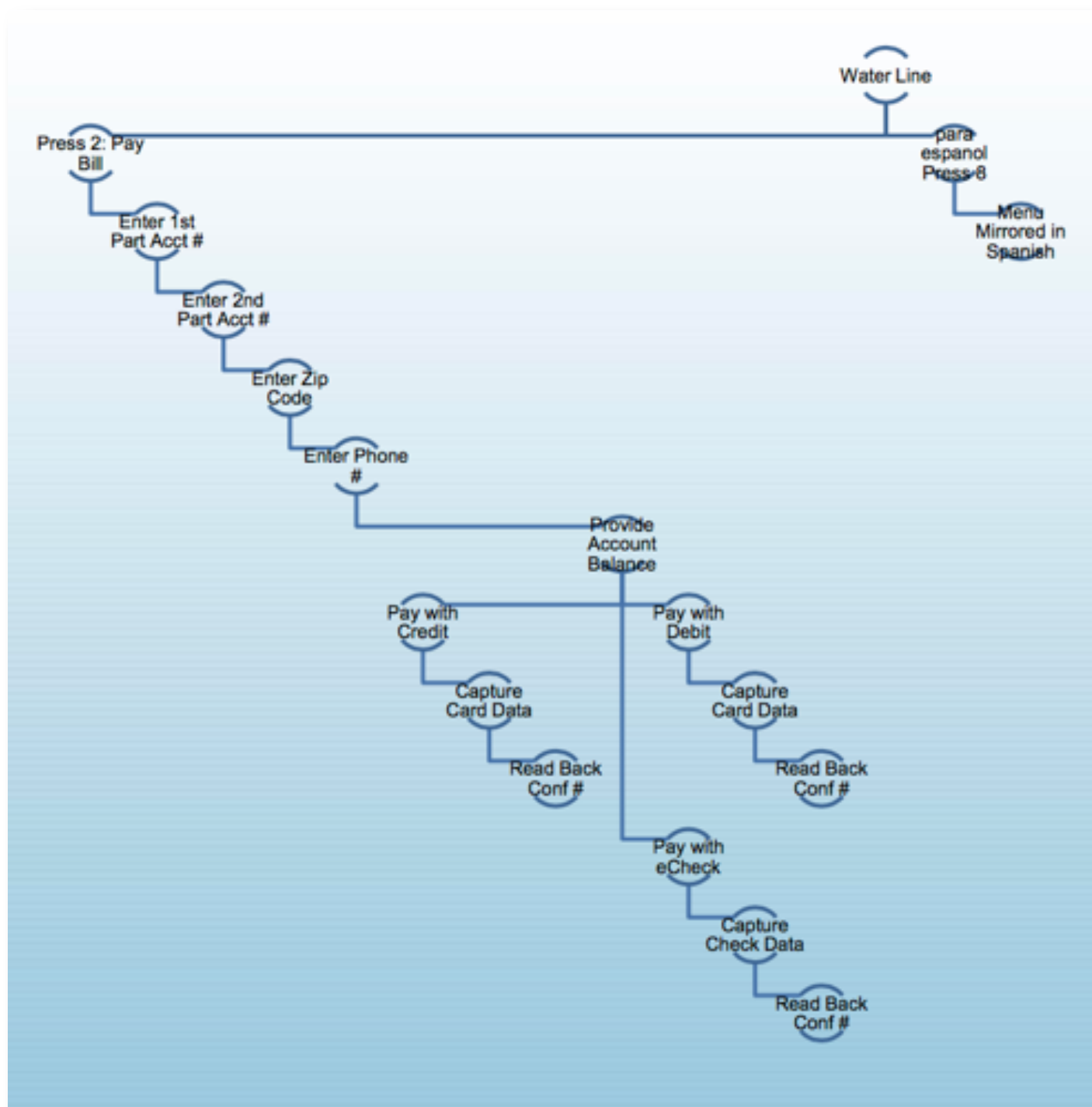
- Over 60,000 hours written against the world's most popular telephony platforms.
- Focused Telephony player since 2004.
- Solutions powering key communications systems on six continents.
- Project Outcome Focused.

PCS provides a web hosted solution powered by Shoretel to accomplish transactions. The simple solution would not require any software or hardware be hosted on premises by the City of Morgan Hill. The average call time will be:

- New callers: 2 to 3 minutes
- Repeat callers: 60 to 90 seconds

By using the PCS built solution, Morgan Hill will enjoy low cost IVR that ties in with the existing EPX merchant account. InfoSend will facilitate the contact with PCS should there be interest in evaluating further.

IVR Call Flow supported by PCS



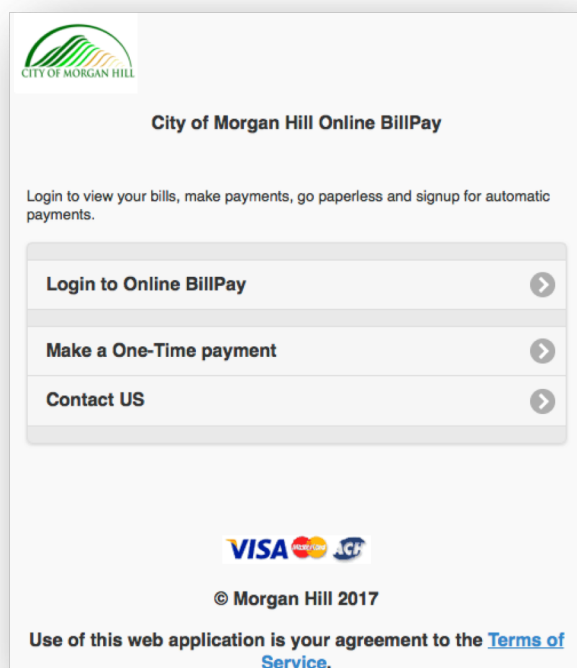
3. Roll-out of mobile-optimized version of InfoSend's Online BillPay site

This improvement has already been developed and is currently pending City sign-off before launching. InfoSend's upgraded mobile-optimized version of Online BillPay has the ability to detect the type of device that customers are using to access the site, and will adjust the page view accordingly. See below for sample screenshots from our development site depicting the City's Online BillPay landing page as well as a one-time payment page through QuickPay that the customer would experience accessing the site via mobile.

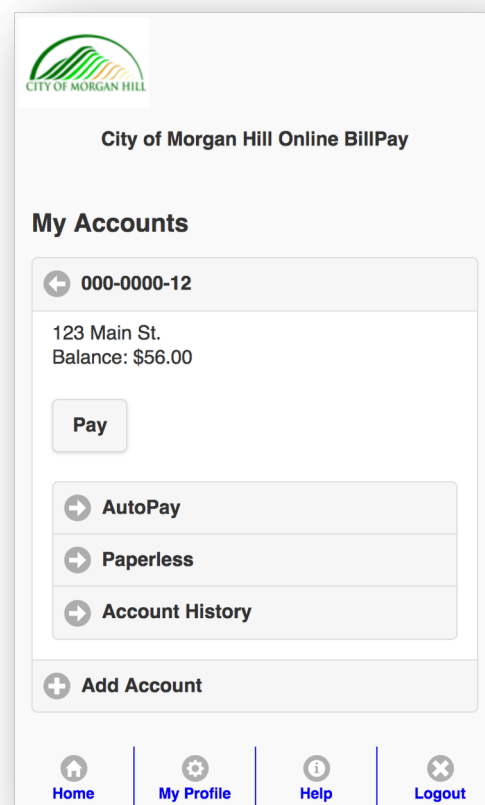
The mobile-optimized site:

- Detects tablet or mobile device and automatically displays touch-friendly interface.
- Does not require an "app store" download.
- Compatible with Apple, Android, Blackberry, Microsoft--any device with a modern mobile web-browser.
- Contains all functionality of desktop website, including enrollment, presentment and all aspects of payment.
- Customers will not be required to first register at a desktop site, or see "less" than they would on a desktop view.

Mobile view of Online BillPay landing page:



Mobile view of the City's QuickPay page:



4. Opportunity to upgrade the City's existing bill design to take advantage of full color printing options

InfoSend has taken this RFP opportunity to offer the City of Morgan Hill the ability to upgrade its current "look and feel" with a complimentary redesign option. In 2016 InfoSend made a significant investment in adding roll-fed inkjet printing capability to our Anaheim, CA facility. This printer allowed us to move from the old setup of using cut-sheet pre-printed forms to now printing full color variable data dynamically onto blank paper. The City has been given the option to utilize full color printing as one of the improvements that InfoSend is presenting in this response.

One of the benefits of moving to a full color form is that the City will have the option of taking advantage of our Inline Inserting option. Since your organization often includes static inserts with its bills, InfoSend can convert them to Inline Inserts and print them as subsequent bill pages using our inkjet press. An automated process is set up to selectively print the inserts immediately after each bill is printed. This increases your ability to target specific customer types and provide one-to-one messaging. Inline inserts can be printed in black or **full color**.

InfoSend's Account Managers are trained in the use of various graphic design tools which are leveraged to create your documents. An Account Manager assigned to this project will work with the City's project team to create new design outputs. Wherever possible we will look to provide suggestions to improve the look, feel, readability, and/or response rate for your custom communications using our extensive experience in a wide-variety of industries. All of the graphic design work for your projects will be conducted in-house at InfoSend allowing for us to maintain a high level of quality and responsiveness to your requirements.

Often InfoSend will consult to provide clients with best practices and design options which leverage the data and printing technology to their fullest. InfoSend's design team can assist in making sure a utility statement has information hierarchy, use of color and white space and innovative graphics.

InfoSend provides document composition services for **hundreds of utilities nationwide**. On the following two pages, we've provided an example design which is using the latest in customer insights, preferences and printed output technology. Typical design considerations include:

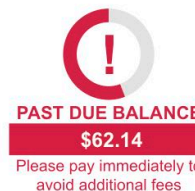
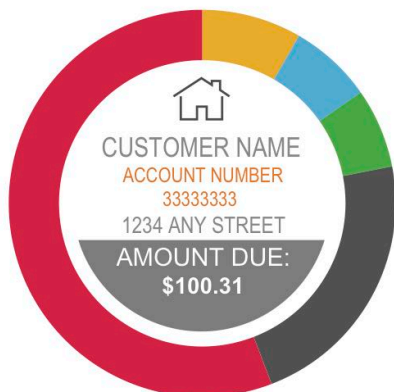
- Information hierarchy based on customer feedback, ensuring Amount Due and Due Date are very clear. Amount Due is placed strategically in multiple locations.
- Color schemes are utilized to enhance labeling of various services and/or charges.
- Usage and historical information are given prime real estate.
- Dynamic message area used.
- Graph done in a circular manner, utilizing multiple colors to communicate the various charges that lead to the total.
- Backside of the bill utilized to communicate details of charges and payment options, labeling with different colors by channel.

Sample Full Color Statement, Front:

infosend
4240 E. La Palma Avenue
Anaheim, CA 92807
800-955-9330 • www.infosend.com

FINAL BILL

Bill Date				Service Period		Due Date
02/23/16				01/20/16 to 02/17/16		03/15/16
Last Bill	Payments/Credits	Deposits	Adjustments	Balance Forward	New Charges	Amount Due
\$62.14	\$0.00	\$0.00	\$0.00	\$62.14	\$38.17	\$100.31



SPECIAL MESSAGES

This is a special message area, used to to inform customers about upcoming events, changes to their bill, or any other marketing or important information.

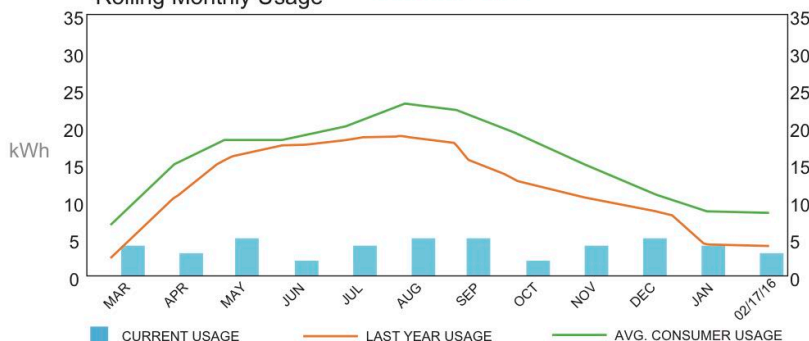
This is your FINAL BILL. Thank you for being a valued customer of InfoSend!

Your account has a PAST DUE balance. Please pay this amount immediately to avoid additional fees and/or disconnection.

Payment Arrangement Information:

Remaining Pay Arrangement: \$628.04
Pay Arrangement End Date: Jul-15-2016

Rolling Monthly Usage



Current Read	Previous Read	Days	Multi	Usage (kWh)
597	587	29	1	10
Read Dates	Cycle	Rate	District	
01/20/16 to 02/17/16	07	E1	7	
Curr. Month's Avg kWh/Day: 10.76		Last Year kWh Used: 309	YTD kWh Used: 861	
Average Cost per Day: \$2.12		Last Year Billing: \$62.84	YTD Billing: \$151.97	



4240 E. La Palma Avenue
Anaheim, CA 92807
800-955-9330 • www.infosend.com

See reverse for information on eBilling, AutoPay, budget billing, and energy assistance.

☐ Check box for contact information changes or to SIGN UP FOR EBILL. Fill out information on reverse side.

Addressee

INFO308M
1000000001



CUSTOMER NAME
1234 ANY STREET
ANYTOWN, ST 00000

PLEASE RETURN THIS PORTION WITH YOUR REMITTANCE TO ENSURE PROPER CREDIT TO YOUR ACCOUNT

Cycle: 07

Service Period	Due Date	Account Number
01/20/16 to 02/17/16	03/15/16	33333333
Amount Due	Amount Paid	
\$100.31	\$ AUTOPAY - DO NOT PAY	

FINAL BILL

Any Past Due Balance
DUE IMMEDIATELY

Your Automatic Payment Date is:
MAR 15, 2016

Please Make Checks Payable And Remit To



INFOSEND
4240 E. LA PALMA AVENUE
ANAHEIM, CA 92807

0033333333 0000000 0000000 000000000 5

Sample Full Color Statement, Back:

Billing Detail			
	BILLED USE	RATE	AMOUNT
 ENERGY CHARGE	190	0.11309	\$21.49
TOTAL ENERGY CHARGES			\$21.49
 BASIC SERVICE CHARGE			\$12.60
TOTAL SERVICE CHARGES			\$12.60
 EXCISE			\$1.36
TOTAL SALES TAX			\$2.72
TOTAL EXCISE + TAX			\$4.08
 DISCONNECT NOTICE FEE			\$9.25
TOTAL MISCELLANEOUS			\$9.25
CURRENT CHARGES			\$47.42

Meter Readings

Meter #	Read Dates		Days	Readings			Actual Use	Details
	From	To		Previous	Current	Multi		
22222	03/06/14	04/03/14	29	587	597	1	10	kWh



4240 E. La Palma Avenue
Anaheim, CA 92807
(714) 993-2690

Chicago Office
Downers Grove, IL
(800) 955-9330

Dallas Office
Carrollton, TX
(800) 955-9330

Another Office
Anytown, USA
(800) 955-9330



Customer Service
1-800-955-9330
(6-6 M-F)



Email
ClientServices@infosend.com



Online
www.infosend.com



Outages (24/7)
1-555-555-1234



Twitter
@-----



Facebook
infosendfacebookpage

Automatic Bill Pay (Electronic Funds Transfer)

If remembering to pay your electric bill every month is another task you'd like to scratch off your to-do list, then Automatic Bill Payment is the perfect solution for you! This service is free of charge. Please visit our website to download the authorization form:
<http://www.infosend.com>

Budget Billing

Helps you equalize your monthly electric service budget. For more information please visit our website at: <http://www.infosend.com>

Electronic Billing

Convenience at its best! Receive your bill securely via your email inbox rather than through the regular mail. Visit our website to sign up:
<http://www.infosend.com>

Energy Assistance

If you would like more information on Energy Assistance, please visit our website at <http://www.infosend.com>



Scan this QR Code with your phone to sign up for eBilling or fill out the information on the change form below.

CONTACT INFORMATION CHANGES

☐ Sign me up for eBill using the email address below. (Email must be provided.)

E-MAIL: _____

BILLING ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

DAY PHONE: _____ EVENING PHONE: _____

NAME: _____

EFFECTIVE DATE: _____

c. Implementation Approach

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Services of this RFP. This section should include: i. An implementation plan that describes in detail 1. The methods, including controls by which your firm or entity manages projects of the type sought by this RFP. 2. Methodology for soliciting and documenting views of internal and external stakeholders. 3. Any other project management or implementation strategies or techniques that the provider intends to employ in carrying out the work.

InfoSend has already fully implemented the City of Morgan Hill to our DPPM platform for print and mail, and EBPP platform for electronic presentment/payments. As such, the Scope of Services of this RFP are currently being met without the need for a lengthy new implementation project. Should InfoSend have the honor of retaining the City's business, current DPPM and EBPP operations will continue to run as they are.

InfoSend is proposing four improvements for the City's consideration: single sign-on integration to a water conservation customer engagement portal such as WaterSmart, the implementation of an Interactive Voice Response (IVR) offering as a supplement to the City's existing EBPP with InfoSend, rollout of InfoSend's mobile-optimized EBPP site, and a full utility bill re-design with upgrade to full color printing. Please see item iii. Detailed Project Schedule below for implementation timeline information.

InfoSend Implementation Highlights

- Dedicated Account Manager acts as primary contact and project manager, coordinating all internal setup activities with InfoSend programming and operations staff.
- All setup and training performed virtually, using phone, email and web-based tools for issue tracking and screen sharing.
- All communications, documentation and test files tracked and stored securely within the InfoSend CRM system, allowing other InfoSend personnel to contribute or take ownership of the project.
- Key milestones are established at kickoff, then tracked and reported throughout project.
- During programming, InfoSend's Data Processing platform is configured to automate client-specific Quality Assurance (QA) during processing.
- Parallel Testing is run prior to go-live, ensuring all aspects of the application are validated before launch.
- Go-Live includes an "all-hands" approach, with all key InfoSend managers required to review the launch day activity and sign off before application output is final.

InfoSend Client Services Support Highlights

- Dedicated Account Manager from implementation also assigned to monitor and provide support.
- Dedicated Support Staff for reviewing and responding to incoming issues.
- Multiple communication channels available for client preference: web support ticketing tool, email and phone.
- Proactive support initiated by InfoSend staff when client data issues are detected by InfoSend Quality Control processes.
- Issues tracked via InfoSend CRM tool, ensuring full resolution before ticket can be closed.

Client Application Change Management

InfoSend's Client Services team is experienced in assisting clients with change requests that range from quick document updates through complex conversions that affect the underlying data and complete document design. Throughout the life of the application, InfoSend's dedicated Account Manager will remain the point of contact, providing client specific insight and knowledge to ensure change requests are handled with expertise and first hand experienced. InfoSend maintains a tightly controlled Client Application Change Management program to ensure accuracy, quality and timeliness of changes to output.

Client Application Change Management Highlights

- Dedicated Account Manager ensures client application specific knowledge and expertise.
- All aspects of client application change requests and project history logged within InfoSend CRM.

- Account Manager builds Statement of Work (SOW), accurately capturing scope for client sign off.
- Changes made and tested within dedicated development environment, with source control check in.
- Transparently tracked project, with samples and mockups provided to client for sign off.
- Strict deployment procedure, which includes options for detailed sample review on first live run.

InfoSend System and Software Updates Highlights

- Dedicated staff for Research and Development, ensuring InfoSend products and services evolve continually.
- System Architecture separates client-specific programming from core system workflow, ensuring backwards compatibility and eliminating client impact during key platform security upgrades and enhancements.
- Agile methodologies used, allowing team to prioritize and ship critical updates quickly and on-demand.
- Changes to the system must undergo rigorous regression testing, with software changes following OWASP standards.
- Requests for system improvements directed to the client Account Manager are escalated to the development team for analysis, feedback and release timeline.
- System enhancements communicated via periodic email updates, with dedicated client Account Manager available to assist further.

ii. Detailed description of efforts your firm or entity will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Services" section.

InfoSend is currently the City's vendor for both print and mail as well as EBPP and therefore is satisfying each of the mandatory requirements outlined in the Scope of Services section.

iii. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments

Electronic Bill Presentment and Payment (EBPP) & Bill Printing and Mailing Services

The City of Morgan Hill is already live on InfoSend's print and mail and EBPP platforms. A detailed implementation isn't necessary for continued service. We have provided a detailed schedule for optional improvements available to the City.

Customer Engagement and Data Analytics

InfoSend expects to need approximately 1 week to complete changes that allow a third party to integrate to InfoSend. The third party, in this case WaterSmart, will have their own timeline to complete the integration on their end that should be analyzed and referenced.

IVR Payments via EPX and Palitto Consulting Services (PCS)

Expected implementation timeline for IVR Payment functionality are as follows:

- Connectivity Phase - PCS works with the customer to ensure proper connectivity and credentials to key systems. Estimated 1-3 days
- Development - PCS works to configure the IVR and the customer teams. Estimated 2-3 weeks.
- Implementation - PCS to install and configure all systems on the customer equipment. Estimate 5-10 days
- PCS Testing - PCS to work in testing the IVR system with the customer Staff. Estimate 3-5 days

- Customer Testing - Customer to work in testing the IVR system, PCS addressing problems as they arise. Estimate 1 week
- Cut Over Support - PCS to address any problems found during first few days of cut over. Estimate 1-2 days

Mobile-optimized EBPP

The work for this has already been completed. InfoSend will push a mobile optimized version of the City's EBPP site as soon as we have sign-off.

Utility Statement Re-Design

Any statement re-design can be worked on concurrently with the City's current print and mail projects, meaning that there will be no impact to current operations. If the City would like to move forward with a bill redesign, InfoSend will assign a dedicated account manager to work with the City's project team. Specific time constraints aren't required since the City's current statement jobs are already live, however we have provided a sample timeline to use as a benchmark:

Sample statement re-design timeline

Weeks 1-2

- Discuss the client requests and requirements
- Discuss requested formatting changes to client output
- Begin development of mockups incorporating client feedback
- Provide first draft mockups
- Begin to discuss data processing details and data mapping in correlation to mockup

Week 3-4:

- Finalize mockups
- Create new statement programs in InfoSend's system to map programming logic to new bill
- Print sample statements and send to Client for review
- If applicable, work with Lockbox vendor to ensure successful barcode scanning
- Begin work on "how to read your new bill" insert
- Client reviews the output samples and provides feedback to your Account Manager about requested changes
- Client feedback is communicated to InfoSend's development team for incorporation into the outputs
- Begin payment/lockbox/other ancillary testing (if applicable)
- Milestone, Week 7: Draft training schedule is created for the Client's operations team

Week 5:

- Additional rounds of sample review are conducted for the outputs
- InfoSend and the Client will meet to discuss changes and work to refine the outputs

Week 6:

- Receive approval on the outputs
- Go live

iv. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Services.

The City of Morgan Hill has already been fully implemented onto InfoSend's DPPM and EBPP platform. No additional tasks are required from City staff for the ongoing processing of services as defined in the Scope of Services.

d. Training

City employees must be provided complete written operating instructions and the necessary hands-on training required to operate and maintain the system. Proposal must include a comprehensive staff training plan to include instructions related to the installation, maintenance, use, and transfer of data for the various elements of the solution.

InfoSend will support this requirement as needed. Since the City is already live on InfoSend's DPPM and EBPP platform, additional staff training is not required at this time. Should the City hire additional staff that require training, or should InfoSend roll out new features of product updates, all training will be presented to the City virtually, using phone, email and web-based tools for issue tracking and screen sharing. Written operating instructions can also be provided.

e. References

Please provide at least three references that received similar services from you. The City of Morgan Hill reserves the right to contact any of the organizations or individuals listed. Information provided shall include: i. Client Name ii. Project Description iii. Project start and end dates iv. Client project manager name, telephone number and email address

City of Gilroy, CA	408.846.0420
610 Foster City Blvd.	Arica Hernandez
Foster City, CA 94404	arica.hernandez@ci.gilroy.ca.us
• Contracted Since: 2006 • Billing System: SunGard Pentamation • Volume: Approximately 14,000 Mail Pieces Monthly • InfoSend Products Used: Data Processing Print and Mail, Online BillPay, Electronic Bill Presentment and Payment The City of Gilroy's Online BillPay portal supports both Credit Card and ACH payments. The City transmits regular statements, data replacement statements, shut off notices, and closing statements to InfoSend for monthly data processing, printing, mailing, and online presentment.	

City of Santa Cruz, CA	831.420.5223
212 Locust St., Suite D	Marilyn DeMartini
Santa Cruz, CA 95060	MDemartini@cityofsantacruz.com
• Contracted Since: 2007 • Billing System: Eden Inforum Gold • Volume: 30,000 statements, monthly • InfoSend Products Used: Data Processing Print and Mail, Online BillPay, Electronic Bill Presentment and Payment, QuickPay The City Santa Cruz uploads files to InfoSend on a daily basis for data processing, printing, mailing, and presentment. Santa Cruz utilizes other InfoSend features such as its Message Manager, Insert Request form, as well as its archiving service. Upon completion of each print file, InfoSend presents PDF replicas of the City's utility bills for customer viewing and payment.	

City of Watsonville, CA	831.768.3483
275 Main St, #400	Silvia Diaz, Financial Analyst
Watsonville, CA 95076	Silvia.diaz@cityofwatsonville.org
• Contracted Since: 2009 • Billing System: Harris • Volume: 13,000 statements, monthly • InfoSend Products Used: Data Processing Print and Mail, Online BillPay, QuickPay The City of Watsonville chose InfoSend's solution out of a pool of regional and national service providers. After implementation of the City's BillPrint and Mail service, Watsonville opted to also move to InfoSend's EBPP service. InfoSend has worked extensively with the staff at the City of Watsonville on data customizations and value-added features. The City transmits data to InfoSend from its Harris utility billing system.	

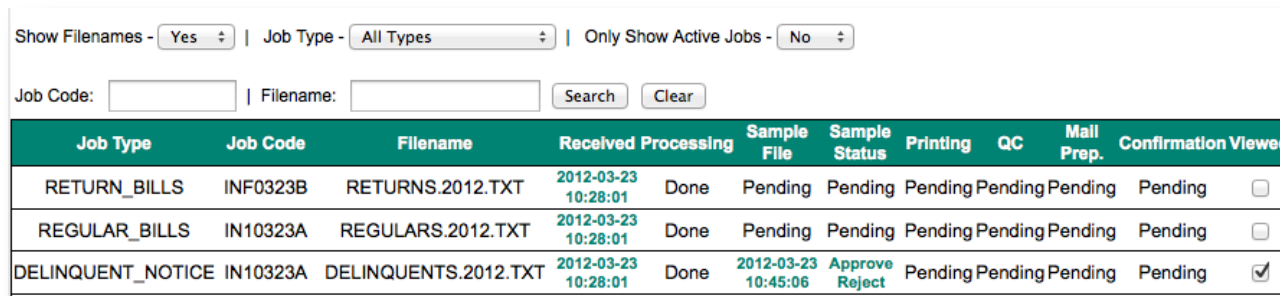
Exhibit 1 – Data Processing, Print and Mail Detailed Information

A high-level overview of the City's current setup for InfoSend DPPM is provided below:

Job Tracking

This free account management tool allows your staff to log onto www.infosend.com to view the progress and completion of your print or electronic bill files. Confirmation reports are accessible from the job tracker for easy access. Check off the "Viewed" checkbox after auditing the completion time of a finished batch.

A sample screenshot of the Job Tracking tool is provided below:



Job Type	Job Code	Filename	Received	Processing	Sample File	Sample Status	Printing	QC	Mail Prep.	Confirmation	Viewed
RETURN_BILLS	INF0323B	RETURNS.2012.TXT	2012-03-23 10:28:01	Done	Pending	Pending	Pending	Pending	Pending	Pending	☐
REGULAR_BILLS	IN10323A	REGULARS.2012.TXT	2012-03-23 10:28:01	Done	Pending	Pending	Pending	Pending	Pending	Pending	☐
DELINQUENT_NOTICE	IN10323A	DELINQUENTS.2012.TXT	2012-03-23 10:28:01	Done	2012-03-23 10:45:06	Approve Reject	Pending	Pending	Pending	Pending	☒

Sample Approval

InfoSend can provide PDF samples of your documents before they are printed or loaded to the eBusiness system. A screenshot of the sample approval window is shown:



Quality Control

This free process reduces the likelihood of production mistakes. InfoSend's Quality Control (QC) is one of the company's most unique internal programs. Printed documents are always put through a QC process before being released to the mailing department. Each QC operator checks for print quality and follows on-screen prompts that can be configured to be specific to the client. Each individual mailing application can have its own set of items to check for.



In addition to checking the quality of printed documents before they are mailed InfoSend also uses automated quality control tools in the mailing department. During data processing a 2D barcode is added to your documents and used with intelligent mail inserting equipment. This equipment folds and inserts documents using "mail piece integrity" software to prevent inserting errors such as double stuffing. The barcodes are read before and after the documents are inserted into the envelopes to ensure proper sequencing and handling.

Address Validation and Presorting



All addresses are put through CASS certified address validation. InfoSend creates the USPS Full-Service Intelligent Mail Barcode, and digitally presorts the addresses. Exact pass-through postage is how we will invoice you for postage unless you specifically request a flat average per-piece postage rate. With pass-through postage InfoSend obtains the Full Service discount and passes it on to you. InfoSend will obtain the maximum presort postage discounts for you. InfoSend puts extensive effort into staying compliant with all USPS rules, regulations, and workflow rules to minimize your postage costs.

USPS Move Updates

InfoSend will ensure that you comply with the USPS Move Update requirements. Customers often fill out a change of address form without informing billers of the change. The USPS does not forward first class mail to

the new address at no cost as it once did. You must use a USPS approved method to keep your customer address database up to date to qualify for presort discounts.

InfoSend offers two move update services that are compliant with the USPS. There is no set-up or monthly fee, just a per-item reporting fee that is available in the pricing section of this proposal.

The first Move Update option is the Address Change Service (ACS). When this option is selected, the USPS forwards your mail to the new address and records the action in their database. InfoSend retrieves this information weekly and sends you an electronic report of the forwards. Per USPS requirements you must update the addresses in your database using the information that is reported back to you by the USPS. Failure to update your addresses within the USPS's deadline (currently 90 days) will result in the loss of presort postage discounts.

The second Move Update option is the NCOALink service. With this option InfoSend uses the NCOALink database to find the new addresses during data processing. The new addresses can be printed on your bills before they are mailed, or printed as-is and forwarded to the new address by the USPS. In either scenario you receive electronic reports of the new addresses after each batch is mailed. If you elect to have the USPS forward the mail you must use the report to update your database within 90 days.

Print Image Archive

The Print Image Archive is an optional service. This is a document archiving tool used by your customer service representatives to download PDF copies of any document that InfoSend mails. You can also choose to have InfoSend store paperless documents in the archive to give you one central location to view all paper and electronic bills. This web application allows authorized users to query the database by customer name, account number, or up to **three other custom fields**. Your support representatives can use this service to research customer inquiries by viewing an exact copy of the printed bill. You can also email documents to your customers directly from the application. Pricing is based on how long the documents are retained.

This service can be used to reproduce exact copies of your printed bills. A screenshot of the application's search form is included below. You can pick up to 3 custom fields to index. For example the "Bill Date", "Due Date", and "Service Address" fields in the image below were added to the search form and mapped to the custom data file format for a utility client of ours.

415493 Total Record(s)
PLEASE ENTER SEARCH CRITERIA BELOW TO DISPLAY RECORDS

Name:

Account Number:

Job Code:

Bill Date:

Due Date:

Service Address:

Received Date (MM-DD-YY): To

SPCL Status:

If you purchase the Print Image Archive service then you will automatically get mail tracking at no additional cost! Mail tracking data will be accessible via the Print Image Archive interface. InfoSend stores the Intelligent Mail Barcode tracing information supplied by the USPS. The USPS scans the barcode as the mail moves through their system. You can use the tracking information to verify that individual bills were mailed and see the timestamps provided by the USPS.

Should you purchase the Print Image Archive service then there is no additional service charge from InfoSend to give third party applications access to the archive. You only pay one per PDF archive fee and can access it from the search screen on the InfoSend management portal and let other applications access the documents by integrating with InfoSend's secure API (application program interface). Setup fees may apply depending on your configuration needs.

Details on the Print Image Archive search and view interface that's accessible via a web browser by logging in to www.infosend.com.

Print Capability: the Print Image Archive stores documents in the PDF format. This gives you a replica of the printed bills. You can print copies of the archived documents on your local printer.

- Most of our clients have InfoSend print the bills in color on white paper. When this option is selected you don't need to store any pre-printed forms at your site to reproduce the documents. You can just print the bills in grayscale on a black printer or in color on a color printer.
- If you do elect to use a pre-printed form then you will have two options for document printing. You can either have InfoSend ship you a box or of forms to use when reprinting documents or we can include the form elements in the archive PDFs to allow you to print the bills on white paper.

Process for Viewing Archived Document Images:

- You can enter your search criteria in the search fields and optionally add a date range to narrow the search results to the time period you are interested in.
- An example search result set is shown in the image below.

PIA Viewer 2.0 Search Fields
 Search Returned 3 Result(s) - Displaying 1 - 3
 Clear Search Results
 Default search is 'Starts with'.
 % (Percent symbol): Match 0 or more characters; _ (Underscore): Match any single character

Name: InfoSend
 Mail Sequence:
 Cy-Rt:
 Cyc:
 Rte:
 CID:
 LID:
 Address:
 Received Date (MM-DD-YY): 06-01-15 To 09-01-15
 SPCL Status:

Submit Search

First Page Back Ten Pages Previous Page Next Page Forward Ten Pages Last Page
 <<< << < > >> >>>
 Show 25 Records Per Page

Name	Cyc	Rte	CID	LID	Address	Received Date	SPCL	Amount	Mail Sequence	Mailed ZipCode	Mailed Time	Current ZipCode	Current Time	Save	View
INFOSEND, INC	71	7102	0128309000		4240 E LA PALMA AVE	07-14-15		14619.08798081317							
INFOSEND, INC	71	7102	0128309000		4240 E LA PALMA AVE	06-11-15		12628.63766148527	92899	2015-06-13 23:30:15	2015-06-14 22:58:18	92899			
INFOSEND, INC	71	7102	0128309000		4240 E LA PALMA AVE	08-13-15		13956.22824470245	92899	2015-08-15 17:08:47	2015-08-16 19:16:43	92899			

© 2015 InfoSend, Inc.

- You can view bills by clicking on the diskette icon to save them to a disk before viewing or you can click on the Adobe PDF icon to immediately view the document.

Process for Emailing Archived Document Images:

- To email the archived document directly to a customer you click on the Adobe PDF icon to immediately view the PDF.
- The PDF will be opened in the browser if you have a PDF plugin for your web browser.
- To email it you enter the email address in the "E-Mail This Document:" field and click on the "Send E-Mail" button.

Message Manager

This free account management tool is a custom-built web-based application that allows you to control the messages that print on your documents. You can schedule the messages months or even years in advance! You can assign unique messages to different types of customers, or even to individual account. A PDF preview displays the message in the actual font that will be used.

To add a new message, begin by selecting the document type from the drop-down menu, and then click the "Add Message" button:

Below you will find a list of all messages your company currently has pending:

File Type	Message Name	Message Type	Message Area	Start Date	End Date	Status	Test?	Message
STATEMENTS	Rate Change Notice	HtmlMessage	HTMLBox	2013-01-01	2013-02-28	Active	No	Rates are ...
STATEMENTS	Holiday Schedule	HtmlMessage	HTMLBox	2012-12-01	2012-12-31	Active	No	Please not...
STATEMENTS	Fall Marketing Message	HtmlMessage	HTMLBox	2012-10-01	2012-11-30	Active	No	This fall ...
STATEMENTS	New Community Center	HtmlMessage	HTMLBox	2012-08-01	2012-09-30	Active	No	Visit the ...
STATEMENTS	Revised Business Hours	HtmlMessage	HTMLBox	2012-06-01	2012-07-31	Active	No	Business h...

Add Message For: Please Select Add Message

Individual names should be assigned to each message stored. Users are given the ability to automatically schedule message run dates according to billing cycles. Message run dates and content may be updated on an ad-hoc basis. Messages may be in plain text or HTML formatted. The Message Manager also enables users to designate selective messaging for various account types:

File Type: STATEMENTS

Message Type: HtmlMessage - HTMLBox

Message Name:

Start Date (YYYY-MM-DD): - -

End Date (YYYY-MM-DD): - -

Accounts (See Description Above):

Message:

Customers who are signed up for Online BillPay and have elected to go paperless will automatically be entered in a raffle. Enable paperless billing by May 14th to be eligible for the raffle. A customer will be selected at random and will win a \$400 gift card to Best Buy.

Test (Check this if this is a test message that should "NOT" be included on production jobs): ☐

Next

InfoSend's Message Manager enables you to view samples of created messages in the same formatting and position as they appear on printed statements and/or eBills. The message information summary also includes the message name, run dates, and selected accounts:

Message Manager

Click on the "DOWNLOAD SAMPLE OF MESSAGE" link below to view a PDF sample of your message exactly as it will appear on your document. It is very important to check your message for spelling, grammar and special characters, as well as make sure that your entire message fits inside the box. If your message is being cut off, you must go back and edit the message to make it fit.

Please wait 30 seconds for the preview to be generated before clicking the link.

[DOWNLOAD SAMPLE OF MESSAGE](#)

(Close the popup window once the download is complete)

Message Information Summary:

Message Name: Online BillPay Raffle
Start Date: 2013-03-01
End Date: 2013-04-30
Accounts: **ALL**

If you are satisfied with your message click the "Submit Message" button below to complete this process. If you need to edit the message or any other information, please use the "Go Back And Edit Message" button. **DO NOT USE YOUR BROWSER'S BACK BUTTON.**

[Submit Message](#)

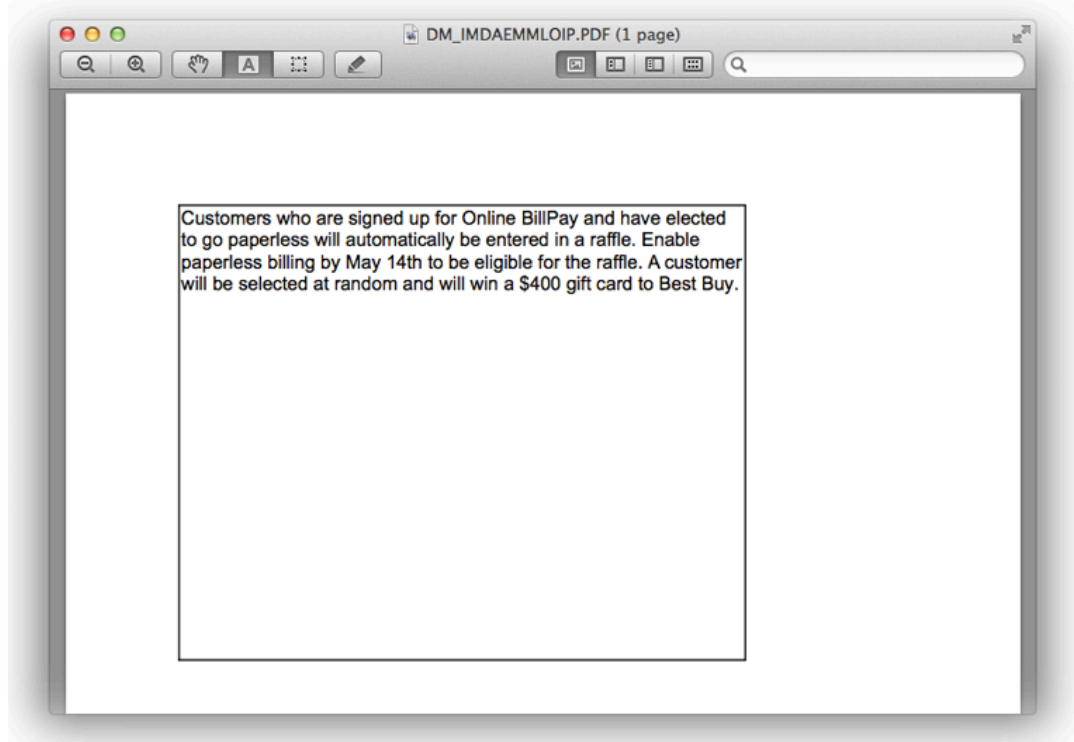
[Go Back And Edit Message](#)

Successfully scheduled messages are confirmed via the below confirmation screen. Clicking on the link initiates a download of a PDF of the submitted message:

Message Manager

Your message has been added! [Click Here](#) to view your pending messages.

The sample PDF contains the exact formatted text and location of the message:



Insert Management

InfoSend's Insert Management tool can be accessed by logging into InfoSend's secure web portal. Users can access active and historical inserts, as well as create new insert requests. The Insert Management tool is made available for clients to request InfoSend Produced Inserts as well as schedule drop-shipped inserts:

Here is a list of the last 50 insert requests made by your organization.

Show All Inserts

Insert Name	Run Date	Request Submitted On	Insert Status	Programs	Insert Type	Details
*** June 2012 EU Today Newsletter	2012-05-25 to 2012-06-25	2012-05-18 16:04:21	Insert is Approved and Active	INF	Drop Shipped	View
*** May 2012 Electric Dispatch	2012-04-25 to 2012-05-24	2012-04-30 07:27:32	Insert is Approved and Active	INF	Drop Shipped	View
*** May 2012 EU insert	2012-05-03 to 2012-06-01	2012-04-04 12:05:06	Insert is Approved and Active	INF	InfoSend Produced	View

The Insert Management tool pre-populates forms with the user's information:



Insert Request

The Insert Request is used for scheduling and quoting insert requests. InfoSend requires that an Insert Request be completed for every insert. Please familiarize yourself with our Insert Guidelines Document before requesting your inserts.

Please take a moment to ensure that the contact information below is correct.

Close

Next >>

Organization Name:	Demo Company
User Name:	Joe Rep
E-mail:	joe@client.com
Title/Department:	Finance
Street Address:	123 Main Street
City:	Sample City
State & Zip Code:	California 92807
Phone Number:	(800) 955-9330
After Hours Contact:	Joe Rep - (800) 955-9330
☐ Same as above	

This form asks users to input an insert name as well as select the type of insert. InfoSend Produced Inserts will be printed at InfoSend's facility or a local offset printing partner, Drop Shipped inserts must be sent to InfoSend, and Online Billing inserts are electronically presented:



Insert Request

The Insert Request is used for scheduling and quoting insert requests. InfoSend requires that an Insert Request be completed for every insert. Please familiarize yourself with our Insert Guidelines Document before requesting your inserts.

<< Back

Next >>

Insert Name:	Quarter 2 Update
Insert Type*:	☒ Please Select ☐ InfoSend Produced ☐ Drop Shipped ☐ Online Billing (EBPP Only)

(*) Insert Type

1. **InfoSend Produced:** Printing of the insert will be performed at InfoSend's facility.
2. **Drop Shipped:** Printing of the insert will be performed by either the client or a 3rd party, and will be shipped to InfoSend for insertion.
3. **Online Billing (EBPP Only):** Insert art-work is made available for download by Electronic Billing users.

For InfoSend Produced inserts, users are able to use the automated Insert Management tool to select insert printing specifications. This form also allows users to upload artwork files for review by InfoSend's team:

Insert Name:	Quarter 2 Update
Insert Type*:	InfoSend Produced
Paper:	White (24lb)
Insert Size:	8.5 x 3.66"
Duplex Printing:	☒
Front Print Color:	4 Colors
Back Print Color:	Black Only
Folding Required:	Yes
Cutting Required:	☒
Display with Online Bills:**	☒
Art-work File***	To help ensure accuracy, please attach a copy of the insert artwork. Choose File Q2 Update.pdf

This page allows users to designate the job types inserts should be included with, as well as specify quantity and run dates. InfoSend also enables users to utilize selective inserting. Selective inserting is a dynamic technology that specifies which inserts will be included for certain account types:

Insert Name:	Quarter 2 Update
Insert Type:	InfoSend Produced
Insert With*:	☐ PARKING CITATIONS (DMO) ☐ PAST DUES (DMP) ☒ STATEMENTS (INF)
Estimated Quantity:	150,000
Run Dates:	Start on Date & run until supply is depleted
Start Date:	08/29/2011 (mm/dd/yyyy)
If Mail Piece Weight Exceeds 1 Ounce:	Please Contact Us Before Sending
Notes:	
Selective Inserting**:	☐

You can also designate insert billing options on the next screen. Once the insert request has been completed, users will receive an email confirmation detailing the request. Users must authorize the confirmation before an insert request is activated.



InfoSend Produced Insert Request

Please provide billing information.

<< Back
 Next >>

Insert Name:	Quarter 2 Update
Insert Type:	InfoSend Produced
Billing Options:	☒ Please Choose ☐ Regular Invoice ☐ Separate Invoice, Instructions Below ☐ Third-party Billing, Contact Information Below

Exhibit 2 – eBusiness Services Detailed Information

Online BillPay: Standard Features

Online BillPay is InfoSend's flagship eBusiness service. The following features are available as part of the standard offering. Online BillPay is a biller-direct application that gives your customers the ability to view and pay their bills online without going through an online banking portal. For an interactive walk-through of InfoSend's Online BillPay offering please visit <http://www.infosend.com/onlinebillpaysolution.html>.

Customer Self Enrollment

No need to collect or maintain customer email addresses. Customers start the enrollment process using their account number and one other validation field. InfoSend validates customer enrollment by sending an email containing an activation link that the customer must click on.

Branding of Web Portal



InfoSend's Online BillPay Portal will be customized with your logo and banner at the top of the page. Specific text areas of the portal can also be customized according to your Agency.

Bill Presentment – Web Browser

InfoSend will present eBills using PDF files unless noted otherwise. Any modern browser that supports the current minimum encryption standard for secure HTTPS sessions and JavaScript can be used. Web presentment is also supported on full-featured smart phone browsers.

Bill Delivery Options

Increase paperless billing adoption by giving customers the option to have their full eBill “pushed” to them via email (not available for health care clients). Or the customer can choose to receive a brief bill summary via email and sign in to the secure web portal for full bill history. One of InfoSend's core EBPP strengths is offering customers the flexibility to set individual eBill delivery preferences. This flexibility also encourages customers to opt-in to paperless billing. Automatic payment customers will not have to log in to the web portal to view current bills. Paperless billing can be forced for EBPP users, for AutoPay only, or not at all.

Add Additional Accounts

Customers can associate multiple accounts with their username to efficiently view and pay bills for different service locations. This feature is sometimes referred to as “householding”. Customers can create multiple payment profiles and pay accounts using different payment methods, all without having to manage multiple login accounts.

Automated Username/Password Retrieval

If a customer forgets their username or password they can click the “Forgot Username/Password” button to have a temporary password sent to the email address on file in the eBusiness system. This feature was set up to reduce calls to your customer service department.

One-Time Payments

Customers can pay immediately or schedule future payments. Real-time credit/debit card authorizations are performed. Customers can initiate payments as soon as they enroll – there is no need to wait for the next billing cycle. Convenience fee options exist if you do not wish to absorb the payment processing fees.

Automatic Payments

Customers can self-enroll for automatic payments by activating the AutoPay feature located within the Online BillPay portal. Automatic payments are triggered by the due dates on your eBills. Once scheduled, the automatic payments are reduced or cancelled, if necessary, by automatically processing a daily account balance file from your system.

Payment Types

You designate which payment types are available to the customer. Accept checks electronically via ACH for a low-cost payment method that any customer can use.

All popular credit cards can be offered as well – Visa, MasterCard, Discover, and American Express. Utility clients can benefit from the special interchange fees that Visa and MasterCard offer for qualified Utility Discount transactions.

Customer Service Portal



The CSR Portal gives your management and customer service representatives a dashboard to view transactions in each of InfoSends eBusiness offerings. It includes a tool to securely view and track open customer service requests. Your CSRs can view account snapshots, archived documents, and customer payment history.

Additionally you can elect to give CSRs access to initiate one-time or recurring payments on the customer's behalf with InfoSend's CSRPAY offering.

QuickPay

QuickPay is a cost-effective service that provides customers with the ability to make one-time electronic payments. It is not necessary to enroll with a username/password to make payments with QuickPay. All payments are processed immediately; they cannot be scheduled for the future as they can in Online BillPay.

This service can be configured to provide credit/debit card, ACH, or both types of payments. With QuickPay, customers enter their payment account each time they make a payment. Most clients only allow the credit/debit card option since the payment account must be typed in each time a payment is made and credit/debit payments provide real-time validation of the account number and funds available. If you elect to offer ACH payments in the QuickPay portal then the routing number will be validated at the time of payment but the bank account number and available funds cannot be validated. InfoSend will report any ACH returns and will include the billing account number associated with the payment (unless you utilize an online payment processor that does not support providing the ACH return information back to InfoSend electronically). ACH returns will also trigger an email to the customer indicating the payment failure.

By default, QuickPay will require that customers enter an email address when making a payment. A payment confirmation email containing a confirmation ID will be sent to the customer. Your agents can use this ID number to look up the payment history for the transaction using InfoSend's CSR Portal.

QuickPay is usually not sold as a stand-alone service; it is most often sold to existing InfoSend Data Processing, Print, and Mail clients or bundled with another eBusiness offering. QuickPay is especially helpful to clients that do not yet have a payment-enabled IVR channel for their customers to make telephone payments with. Convenience fee options exist if you do not wish to absorb the payment processing fees.

Electronic Inserts - eInserts

Electronic Inserts, or eInserts, is an optional service. PDF copies of your physical inserts can be included in eBills at an additional cost. This will allow you to include the inserts in the eBill PDFs that are presented to your customers via the Online BillPay portal or emailed to your customers via Email eBilling.

MAINTENANCE SERVICE AGREEMENT
For Printing, Mailing and Electronic Bill Presentment and Payment of Utility Customers

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

1. **City Authority.** This Agreement is entered into pursuant to 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, 2022 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 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 SERVICE PROVIDER shall be Utility Billing Customer Services as further described in **Exhibit A.**
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$158,752.00. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed ONE HUNDRED FIFTY-EIGHT THOUSAND SEVEN HUNDRED FIFTY-TWO AND NO/100 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 for up to one year 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 during the extended term period exceed an additional five percent (5%) above the compensation allowed to be paid to SERVICE PROVIDER during the initial term of this Agreement.
 - 4.2. **Billing.** SERVICE PROVIDER shall provide CITY with a monthly 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. 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. **Piggyback Cooperative:** SERVICE PROVIDER and CITY agree that SERVICE PROVIDER may offer the prices and the terms and conditions offered herein to other government agencies that wish to participate in a cooperative purchase program with the CITY. SERVICE PROVIDER will review these requests from other government agencies on a case-by-case basis to decide whether this Agreement can be extended

to the new agency. At a minimum, the following requirements must be met for the prices in this Agreement to be extended to the new agency:

- 5.1. The new agency must require similar types of service for similar document types (i.e. utility bills and notices).
- 5.2. The monthly document volume that SERVICE PROVIDER will produce must be similar, or at a minimum, acceptable.
- 5.3. The new agency must agree to use SERVICE PROVIDER'S standard envelopes.
- 5.4. If the above conditions are not met, then SERVICE PROVIDER will provide the new agency with revised pricing that it can elect to accept if it moves forward with the cooperative purchase program. Other agencies will be responsible for entering into separate agreements with the contract and for all payments thereunder

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

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

8. **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.

9. **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. SERVICE PROVIDER further understands that the CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days’ notice provided to SERVICE PROVIDER, at any time as deemed necessary to protect the interests of the CITY.

9.1. **Insurance Types and Amounts.**

- 9.1.1. **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) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, 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.
- 9.1.2. **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) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, 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.
- 9.1.3. **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.
- 9.1.4. **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 contractor’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.

9.1.5. Professional Liability.

9.1.5.1. 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 the CITY for at least five (5) years after the completion of work performed under this Agreement.

9.1.5.2. 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.

9.1.5.3. 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) 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.

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

9.2.1. General Liability.

9.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

9.2.1.2. 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,

9.2.1.3. insurance shall be primary non-contributing.

9.2.2. 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.

- 9.3. **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.
- 9.4. **Certificates.** SERVICE PROVIDER shall furnish CITY of Morgan Hill with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to the SERVICE PROVIDER's agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. 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

10. **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.

11. **Compliance with Law.**

- 11.1. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.
- 11.2. Without limiting the provisions of Section 11.1 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. 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.
- 11.3. DIR Registration. The City will not accept a Bid Proposal from or enter into a contract with a Contractor, without first receiving proof to the satisfaction of City that Contractor 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, the Contract for this Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

12. **Independent Contractor.** SERVICE PROVIDER is an independent contractor and not an agent or employee of CITY.
13. **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.
14. **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.
15. **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:

Infosend, Inc
4240 E La Palma Ave
Anaheim, CA 92807-1816

Address of CITY is as follows:

Utility Billing 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

16. **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.
17. **Maintenance of Records.**
- 17.1. **Maintenance.** SERVICE PROVIDER shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. SERVICE PROVIDER shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3 year period, then SERVICE PROVIDER shall retain said records until such action is resolved.
- 17.2. **Access to and Audit of Records.** The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the SERVICE PROVIDER and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part

of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

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

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

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

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

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

22. **Defense and Indemnification.**

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

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

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

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

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

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

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

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

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

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

[Signatures on Next Page]

28. **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 Wilson
 Print Name

 Steve Rymer
 Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

Infosend, Inc.

 City Attorney

By: Russ Rezai

 Donald A. Larkin
 Print Name

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

Date: _____

Date: _____

By: Roxana Weil

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

Date: _____

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

_____ Expiration Date(s) _____

Seal:

**EXHIBIT A
SCOPE OF SERVICES**

Weekly data processing, printing and mailing of utility bills.

Weekly data processing, eletronically sending utility bills, customers accounts data for web based access and collection of online customer payments.

Attachment: Infosend Agreement - 7-1-17 (1255 : Utility Billing Print/Mail/Electronic Bill Presentment and Payment)

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

DP / Print/Mail Prep:

4/1 Printing	0.076 ea
4/4 Printing	0.080 ea
Y 8 1/2 x 11 Forms	0.014 ea
#10 double window envelopes	0.016 ea
#9 single window envelopes	0.014 ea
Address change service	0.350 ea
EBPP Monthly maintenance	100.00 mo
Upload invoices - electronic	400.00 mo
Invoice viewed or paid electronically	0.080 ea
SSO Connection to WaterSmart - Setup Fee Waived	

Annually

FY2017-18 - \$32,111
FY2018-19 - \$30,091
FY2019-20 - \$31,109
FY2020-21 - \$32,169
FY2021-22 - \$33,272

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

As directed by City staff.

Attachment: Infosed Agreement - 7-1-17 (1255 : Utility Billing Print/Mail/Electronic Bill Presentment and Payment)



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Cynthia Iwanaga, Management Analyst

APPROVED BY: City Manager

AWARD HVAC MAINTENANCE AND REPAIR AGREEMENT

RECOMMENDATION(S)

Approve the following actions:

1. Award a Maintenance Services Agreement to Mechanical Technologies Corporation dba MTECH Corp for \$104,394 (\$52,197 annually for preventative maintenance for a Two-Year Period plus additional repair costs to be performed on an as-needed basis and pre-approved by City Maintenance Staff) Subject to Future Annual Budget Appropriations by the City Council; and
2. Authorize the City Manager to execute and administer that certain Maintenance Services Agreement with Mechanical Technologies Corp. dba MTECH Corp.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

Preserving and Cultivating Public Trust

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

The City has contracted for Heating, Ventilation and Air Conditioning (HVAC) preventative maintenance and repairs for many years, most recently with Prime Mechanical Service, Inc. The City's current annual HVAC maintenance and repair contract is expiring on June 30, 2017.

Proposals for a new annual HVAC maintenance and repair contract were solicited in April and May. In soliciting proposals for the annual HVAC maintenance contract, the City advertised in the Morgan Hill Times on April 21st, on the City website and Public Purchase, an online bid solicitation service. Staff also contacted all registered C-20 (HVAC) licensed contractors on the City's Informal Bidder's List.

The bid opening was held on May 17, 2017, and seven proposals were received. Two proposals were disqualified, the first because their proposal was submitted after the deadline and the second because the required narrative was not provided, which accounted for 50 of the possible 100-point score.

The remaining proposals were evaluated based on weighted average scoring for the contractors' pricing of the following items: price per quarterly maintenance visit, price per annual maintenance visit, annual coil cleaning cost and hourly rates for regular business hours, after hours, and weekends and holidays. Proposal narratives from the

following five contractors were reviewed by City staff: DeHaro Mechancial, Servi-Tech Controls, MTECH Corp., Emcor/Mesa Energy Systems, Inc. and Prime Mechanical Service, Inc. The narratives were scored for previous experience, work quality, qualifications of staff, company policies and organized communication systems. Based on a combination of the weighted average scoring for the contractors' pricing and scoring of each contractor's narrative, four contractors were selected to be interviewed. Interviews were conducted with Servi-Tech Controls, MTECH Corp., Emcor/Mesa Energy Systems, Inc. and Prime Mechanical Service, Inc. on June 9th and June 12th. Attached is the scoring summary.

Staff recommends the award of this annual HVAC maintenance service contract to MTECH Corp. for \$104,394 for two years, which is \$52,197 per year subject to future annual budget appropriations by the City Council. In addition to the \$52,197 per year in preventative maintenance costs, the contract would allow for additional repair costs (labor and materials) to be performed on an as-needed basis based upon pre-approval by City maintenance staff. The City's actual repair costs will be contingent upon the circumstances and frequency of repair needs. There is also an option to renew the contract for one additional year with an increase of up to 5% in pricing. The contract would begin on July 1, 2017.

Although the new annual preventative maintenance cost of \$52,197 per year is substantially higher than the current HVAC maintenance contract of \$15,240 per year, in the long-term staff anticipates substantial savings in the areas of ongoing repair costs and repeat service visits. In the first year of the current HVAC contract, repair costs totaled \$52,170 and in the second year \$100,425. It is anticipated that repair calls for service will be substantially lower with MTECH Corp. because they are a larger contractor with in-house resources to solve both mechanical systems and control systems related HVAC issues. An initial assessment of system conditions and recommendations for corrective maintenance to avoid predictable failures will also be conducted. In the past, there have been repeat service visits with no resolution of the reported repair issues for a variety of reasons, including the HVAC mechanical contractor's uncertainty if the issues were mechanical or control issues; unclear understanding of the root cause of the problems; and lack of knowledge of integrated systems.

Also, the current HVAC maintenance contract does not include services for annual coil cleaning and annual replacement of box filters, which also contributes to the increased annual preventative maintenance costs under the new contract.

COMMUNITY ENGAGEMENT: Not Applicable

ALTERNATIVE ACTIONS:

An alternative action is to not approve this agreement, and to direct staff to extend the current contract with Prime Mechanical Service, Inc. for six months. Staff would release another Request for Proposals in September 2017 in anticipation of a new contract starting on January 1, 2018.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The cost for the Annual HVAC Maintenance and Repair Agreement is included within the adopted FY 17-18 budget for the City's building maintenance contract services (Fund 740). It is anticipated that the appropriated funds will adequately cover the increased preventative maintenance and repair costs through a reduction in service calls due to MTECH's expertise and increased preventative maintenance at the facilities. The contract's second year for \$52,197 in preventative maintenance costs and allowance for additional repair costs is subject to future annual budget appropriations by the City Council.

FISCAL AND RESOURCE IMPACT:

The \$52,197 annual HVAC preventative maintenance costs and allowance for additional repair costs will be paid proportionally by the FY 17-18 budgets for the following facilities: Aquatics Center, Centennial Recreation Center, City Hall, Community and Cultural Center and Playhouse, Council Chambers, El Toro Youth Center, Friendly Inn, Police Department, Corporation Yard and The Villas.

CEQA (California Environmental Quality Act):

Categorical Exemption

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities), as the subject work involves the repair, maintenance or minor alterations of existing City facilities involving negligible or no expansion of use of those facilities.

LINKS/ATTACHMENTS:

1. HVAC Final Scoring Matrix
2. MTECH HVAC Maintenance Service Agreement

City of Morgan Hill HVAC RFP-May 17, 2017 @ 11:00 a.m.

Item	BID PRICING	77,501.49	78,814.00	52,197.00	58,013.00	34,765.00	POINT SCORING					
	Price from Lowest Bidder	DeHaro Mechanical	Servi-Tech Controls	MTECH	Emcor Services	Prime Mechanical	Points Available	DeHaro Mechanical	Servi-Tech Controls	MTECH	Emcor Services	Prime Mechanical
Price Per Quarterly Maintenance Visit	3,560.00	15,719.20	17,368.20	6,712.00	11,477.00	3,560.00	10.0	2.3	2.0	5.3	3.1	10.0
Price Per Annual Maintenance Visit	10,585.00	22,993.89	19,760.40	25,860.00	17,197.00	10,585.00	10.0	4.6	5.4	4.1	6.2	10.0
Annual Coil Cleaning	6,201.00	7,350.00	6,949.00	6,201.00	6,385.00	13,500.00	5.0	4.2	4.5	5.0	4.9	2.3
8:00 a.m. to 5:00 p.m.	103.50	140.00	137.00	145.00	155.00	103.50	10.0	7.4	7.6	7.1	6.7	10.0
5:00 p.m. to 8:00 a.m.	155.25	189.00	205.50	217.50	232.50	155.25	10.0	8.2	7.6	7.1	6.7	10.0
Weekends and Holidays	205.50	239.00	205.50	290.00	232.50	207.00	5.0	4.3	5.0	3.5	4.4	4.96
SUBTOTAL-PRICING POINTS							50.0	31.0	32.0	32.2	31.9	47.3

Point Score is lowest bidder's item price divided by each Contractor's item price times the number of points available. For example, Deharo's Quarterly Maintenance Price = $3,810/15,719.20 \times 10$ points = 2.3 points

	NARRATIVE SCORING						NARRATIVE SCORING					
		DeHaro Mechanical	Servi-Tech Controls	MTECH	Emcor Services	Prime Mechanical	Points Available	DeHaro Mechanical	Servi-Tech Controls	MTECH	Emcor Services	Prime Mechanical
Previous Experience							15.0	13.3	14.3	14.7	13.7	10.3
Work Quality							15.0	12.7	13.3	14.7	13.0	12.0
Qualifications of Staff							10.0	9.3	9.7	10.0	9.7	3.7
Company Policies							5.0	3.7	4.7	5.0	5.0	3.3
Organized Communication Systems							5.0	4.0	4.3	5.0	5.0	3.2
SUBTOTAL- NARRATIVE POINTS							50.0	43.0	46.3	49.4	46.4	32.5
GRAND TOTAL							100.0	74.0	78.3	81.6	78.3	79.8

MAINTENANCE SERVICE AGREEMENT Mechanical Technologies Corporation

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Mechanical Technologies Corp. dba MTECH Corp. 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 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, 2019 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 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 SERVICE PROVIDER shall be full service maintenance and repair of heating, ventilating and air conditioning (HVAC) equipment at City Facilities as further described in **Exhibit A**.
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$104,394.00 for preventative maintenance services plus additional repair costs (labor and materials) performed on an as-needed basis and pre-approved by City Maintenance Staff. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed one hundred four thousand three hundred ninety four dollars plus additional repair costs to be performed on an as-needed basis and pre-approved by City Maintenance Staff 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 for up to one year 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 during the extended term period exceed an additional five percent (5%) above the compensation allowed to be paid to SERVICE PROVIDER during the initial term of this Agreement.
 - 4.2. **Billing.** SERVICE PROVIDER shall provide CITY with a monthly 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. 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 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 on behalf of CITY.

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 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. 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 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. 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) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, 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) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, 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 contractor'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.

8.1.5.3. 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) 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.

8.2. **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.**

8.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

8.2.1.2. 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. insurance shall be primary non-contributing.

8.2.2. **Workers Compensation.**

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.

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 an financial size rating of "VII" or better.

8.4. **Certificates.** SERVICE PROVIDER shall furnish CITY with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. 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. 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 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. 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.

10.3. 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.

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.

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:

Mechanical Technologies Corp. (MTECH)
385 Reed Street
Santa Clara, CA 95050

Address of CITY is as follows:

Michael Donovan, President	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. **Maintenance of Records.**

16.1. **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.

16.2. **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.

16.3. **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.

17. **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.

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 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.

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.** 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").

21.2. **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.

21.3. **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.

21.4. **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 (20) 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.

21.5. **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.

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 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.

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 18 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.

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27. **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 Wilson
 Print Name

 Steve Rymer
 Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

Mechanical Technologies Corporation

 City Attorney

 By: MICHAEL DONOVAN

 Donald A. Larkin
 Print Name

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

Date: _____

Date: 6/12/17

 By: JOHN DONOVAN

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

Date: 6/12/2017

870394 class C-20
 Contractor's License Number(s) (if applicable)

 Expiration Date(s) 01/31/2018

Seal:

EXHIBIT A SCOPE OF SERVICES

SERVICE PROVIDER agrees to perform all of the preventative maintenance and repair work required for the heating, ventilation and air conditioning systems at the City of Morgan Hill facilities as specified in the Contract Documents, all of which are fully incorporated herein. SERVICE PROVIDER shall provide, furnish, and supply all things necessary and incidental for the timely performance and completion of the Work, including, but not limited to, provision of all necessary labor, materials, equipment, transportation, and utilities, unless otherwise specified in the Contract Documents. SERVICE PROVIDER also agrees to use its best efforts to complete the Work in a professional and expeditious manner and to meet or exceed the performance standards required by the Contract Documents. The Scope of Work includes the base bid services for preventative maintenance of City Facilities and the bid alternate annual coil cleaning service.

The Contract Documents include the Request for Proposals (issued by the CITY in April 2017); the Instructions to Bidders, All Attachments, All Addenda (Addendum #1 and #2), the Proposal submitted by the SERVICE PROVIDER, and attachments thereto; and this Contract.

EXHIBIT B SCHEDULE OF COMPENSATION RATES

Compensation shall be based on the two bid schedules (Preventative Maintenance and Hourly Repair Rates) submitted in the proposal dated May 17, 2017 by Mechanical Technologies Corporation:

1. Revised Bid Schedule-Preventative Maintenance Fee Including Travel Time.

Per Quarterly Visit \$6,712 (3 times per year) = \$20,136.00

Per Annual Visit \$25,860 (1 time per year)= \$25,860.00

Annual Coil Cleaning Service (1 time per year) = \$6,201.00

Total Annual Preventative Maintenance Amount is \$52,197.00

Two Year Preventative Maintenance Amount is \$104,394.00

2. Bid Schedule-Hourly Repair Rates

Miscellaneous Call Out/Repair Rates

8:00 a.m. to 5:00 p.m. \$145 per hour

5:00 a.m. to 8:00 a.m. \$217.50 per hour

Weekends and Holidays \$290.00 per hours

TOTAL CONTRACT AMOUNT IS \$104,394.00 plus additional repair costs to be performed on an as-needed basis and pre-approved by City Maintenance Staff.

BIDDER'S NAME: Mechanical Technologies Corp.

REVISED BID SCHEDULE- PREVENTATIVE MAINTENANCE FEE INCLUDING TRAVEL TIME

Quarterly Preventative Maintenance of Heating, Ventilating and Air Conditioning (HVAC)
Equipment at City Facilities as described in the technical specifications:

Bid Item	Description of Bid Item	Quarterly (Per Quarterly Visit)	Annually (Per Annual Visit)
1	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at Aquatics Center	\$ 423.00	\$ 3371.00
2	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at Centennial Recreation Center	\$ 1230.00	\$ 6358.00
3	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at City Hall	\$ 902.00	\$ 6478.00
4	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at Community and Cultural Center and Playhouse	\$ 560.00	\$ 756.00
5	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at Council Chambers	\$ 635.00	\$ 2167.00
6	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at El Toro Youth Center	\$ 220.00	\$ 260.00
7	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at Friendly Inn	\$ 731.00	\$ 991.00
8	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at Police Department	\$ 1090.00	\$ 1614.00
9	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at Public Works Corporation Yard	\$ 552.00	\$ 3496.00

Bid Item	Description of Bid Item	Quarterly (Per Quarterly Visit)	Annually (Per Annual Visit)
10	Provide quarterly HVAC maintenance (including travel time and all anticipated costs (filters, etc.) at the Villas	\$ 369.00	\$ 369.00
	BASE BID TOTALS	\$ 6712.00	\$ 25,860.00

Bid Alternate Item	Description of Bid Item	Annually (Per Annual Visit)
1	Annual Coil Cleaning Service	\$ 6201.00
	BID ALTERNATE TOTAL	\$ 6201.00

THIS FORM MUST BE USED WHEN SUBMITTING PROPOSAL.

BIDDER'S NAME: Mechanical Technologies Corp

BID SCHEDULE-HOURLY REPAIR RATES

Hourly Rates for Additional Maintenance and Repair of Heating, Ventilating and Air Conditioning (HVAC) Equipment at City Facilities:

MISCELLANEOUS CALL OUT/REPAIR RATES*	
a. 8:00 a.m. to 5:00 p.m.	\$ <u>145.00</u> /hour
b. 5:00 p.m. to 8:00 a.m.	\$ <u>217.50</u> /hour
c. Weekends & Holidays	\$ <u>290.00</u> /hour
*Quantities for Items a., b. & c. cannot be pre-determined, but shall be on an "as needed" basis. A flat travel fee of \$50 will be charged for all repair visits.	

THIS FORM MUST BE USED WHEN SUBMITTING PROPOSAL

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

Three Quarterly preventative maintenance visits to be scheduled with the City Maintenance Manager or designated City Maintenance Staff.

Annual preventative maintenance visits to be scheduled with the City Maintenance Manager or designated City Maintenance Staff.

Annual coil cleaning services to be scheduled with the City Maintenance Manager or designated City Maintenance Staff.

Repairs to be scheduled as needed with City Maintenance Manager or designated City Maintenance Staff.



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Anthony Eulo, Program Administrator
APPROVED BY: City Manager

RESOLUTION DECLARING END OF LEVEL 1 WATER SUPPLY SHORTAGE CONDITION

RECOMMENDATION(S)

Adopt resolution declaring end of level 1 water supply shortage condition.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment

REPORT NARRATIVE:

The City has been in either a Level 1 or Level 2 water supply shortage for the past three years. With the drought officially over and groundwater levels in Morgan Hill fully recovered, it is necessary for the City Council to officially declare an end to the Level 1 Water Supply Shortage Condition that the City began in June, 2016. As the Council recently adopted permanent conservation measures, the end of the Level 1 Water Supply Shortage will only slightly change water consumption in Morgan Hill. Most notably, the changes will allow for the establishment of new landscaping as the community recovers from the drought.

COMMUNITY ENGAGEMENT: Inform

Communications implementing the City's irrigation scheduling rules and restrictions will no longer include any mention of the Level 1 Water Supply Shortage, but will instead emphasize the need to permanently conserve water

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council has taken several actions over the past several years addressing the water shortages caused by the drought. These include the Declaration of a Level 1 Condition on April 2, 2014, the Declaration of a Level 2 Condition on April 1, 2015, and the Declaration of the end of the Level 2 Condition and Declaration of a Level 1 Condition on June 15, 2016. In addition, the City Council adopted an ordinance establishing permanent water conservation measures on June 7, 2017.

FISCAL AND RESOURCE IMPACT:

No fiscal impacts are anticipated from this resolution. Administering the City's drought response activities is included in the work program of the Community Services Department.

CEQA (California Environmental Quality Act):

Categorical Exemption

The declaration of the end of a Level 1 Water Supply Shortage and its related regulatory effects are categorically exempt from environmental review under the California Environmental Quality Act pursuant to California Code of Regulations, Title 21, Section 15307 (actions by regulatory agencies for protection of natural resources).

LINKS/ATTACHMENTS:

1. Resolution Ending Stage 1 Shortage 2017

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ENDING A DECLARED A LEVEL 1 WATER SHORTAGE CONDITION

WHEREAS, the Governor of the State of California made a series of drought declarations declaring a drought emergency based on the State's water supply storage and outlook during the past several years; and

WHEREAS, on June 15, 2016 the City Council declared a Level 1 Water Supply Shortage Condition; and

WHEREAS, the underground water aquifers that the City relies on for 100% of its water supply are recharged by the Santa Clara Valley Water District using water supplies imported into the District; and

WHEREAS, the Santa Clara Valley Water District's imported water supply allocations have been significantly increased for 2016 and 2017 by the State and Federal government water systems enabling them to increase the amount of water released to recharge the City's aquifers; and

WHEREAS, as a result of the increased groundwater recharge, the City's aquifers have fully recovered from the drought; and

WHEREAS, the Governor officially declared the drought over on April 7, 2017.

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

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

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

- a. That the City Council of the City of Morgan Hill formally ends the declared Level 1 Water Shortage;
- b. That the City Council hereby finds based upon the facts and information in the record for this Resolution that the declaration of the end of a Level 1 Water Supply Shortage and its related regulatory effects are categorically exempt from environmental review under the California Environmental Quality Act pursuant to California Code of Regulations, Title 21, Section 15307 (actions by regulatory agencies for protection of natural resources)

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 21st day of June 2017 by the following vote:

City of Morgan Hill
 Resolution No.
 Page - 2 -

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

∞ CERTIFICATION ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No., adopted by the City Council at a Regular Meeting held on June 21, 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Resolution Ending Stage 1 Shortage 2017 (1277 : End Drought Declaration)



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Angie Gonzalez, Council Services Assistant

APPROVED BY: City Manager

ADOPT ORDINANCE 2049, AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING DEVELOPMENT AGREEMENT, DA2017-0002: BUTTERFIELD MWEST FOR APPROXIMATELY 39 ACRES IN THE MORGAN HILL RANCH BUSINESS PARK. THE PROPERTIES ARE LOCATED ON THE WEST SIDE OF BUTTERFIELD BOULEVARD BETWEEN JARVIS DRIVE AND DIGITAL DRIVE (APN'S 726-25-046, -047, -059, -066, -067, -070, -073, -078 AND -079)

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2249, 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

Ongoing Priorities

Protecting the Environment

Maintaining Fiscal Responsibility

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

On June 7, 2017, the City Council Introduced Ordinance No. 2249 New Series, by the Following Roll Call Vote: AYES: Carr, Constantine, Spring, Robinett Jachimowicz; NOES: None; ABSTAIN: None; ABSENT: Tate.

The City Council unanimously stated that they would not support any additional industrial land conversion for residential purposes. There was a lengthy discussion regarding the timing of the construction of the first industrial building, wanting to see some industrial development in the near future. The developer volunteered to add a clause to the Development Agreement that would allow the City to terminate the Development Agreement in 36 months if building has not been commenced.

COMMUNITY ENGAGEMENT: Inform

The Morgan Hill Community was informed about the project through public notification, including newspaper notice, and direct mail to property owners within 300 feet.

ALTERNATIVE ACTIONS:

None

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On May 6, 2015, the City Council approved a General Plan Amendment by Resolution No. 15-102 for a portion of the subject property

On September 2, 2015, the City Council adopted Ordinance No. 2163, approving a Zoning Amendment for 19.5 acres.

On July 26, 2016, the Planning Commission reviewed a Preliminary Plan Review for the industrial development.

On November 16, 2016, the City Council reviewed a Preliminary Plan Review for the industrial development.

On February 15, 2017, the City Council affirmed and approved the Planning Commission distribution of building allotments, in which the DivcoWest residential project was awarded 10 allotments.

The Development Agreement was reviewed by the Planning Commission at its May 9, 2017 meeting, at which the Commission held a public hearing. The Planning Commission recommended approval of the Development Agreement with modifications.

FISCAL AND RESOURCE IMPACT:

The City development review functions are cost-recovery, with the fees collected from applicants to cover the cost of services. These fees have been collected.

CEQA (California Environmental Quality Act):

An Environmental Impact Report (EIR) was approved by the City on March 18, 1981 for the Morgan Hill Ranch Business Park Planned Unit Development (PUD). In addition, a subsequent Initial Study was prepared and Mitigated Negative Declaration adopted by the City allowing an amendment to the PUD on April 5, 2000. In accordance with Section 15162 (Subsequent EIRs and Negative Declarations) of the CEQA Guidelines, no subsequent EIR or Negative Declaration would be required unless conditions change warranting a subsequent environmental document

LINKS/ATTACHMENTS:

1. Ordinance 2249 Butterfield-MWest
2. Morgan Hill - Developer Executed Industrial DA

ORDINANCE NO.2249, NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING DEVELOPMENT AGREEMENT, DA2017-0002: BUTTERFIELD MWest FOR APPROXIMATELY 39 ACRES IN THE MORGAN HILL RANCH BUSINESS PARK. THE PROPERTIES ARE LOCATED ON THE WEST SIDE OF BUTTERFIELD BOULEVARD BETWEEN JARVIS DRIVE AND DIGITAL DRIVE (APN'S 726-25-046, -047, -059, -066, -067, -070, -073, -078 AND -079)

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

- SECTION 1.** The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.
- SECTION 2.** An Environmental Impact Report (EIR) was approved by the City on March 18, 1981 for the Morgan Hill Ranch Business Park PUD. In addition, a subsequent Initial Study was prepared and Mitigated Negative Declaration adopted by the City allowing an amendment to the PUD on April 5, 2000. This project is located within the Morgan Hill Ranch Business Park PUD and is consistent with the development projections analyzed in the EIR for the project site. No further environmental assessment is required. The project shall comply with the mitigation measures of the Morgan Hill Ranch Business Park PUD EIR on file in the Community Development Department.
- SECTION 3.** The Development Agreement is consistent with the Morgan Hill Ranch Business Park Planned Unit Development (PUD) and the Zoning Ordinance.
- SECTION 4.** The City Council hereby finds that the Development Agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.
- SECTION 5. ADOPTION OF DEVELOPMENT AGREEMENT.** The City Council hereby adopts Development Agreement DA2017-0002: Butterfield MWest as shown in the attached Exhibit A.
- SECTION 6.** Authority is hereby granted for the City Manager to execute all Development Agreements approved by the City Council during the Public Hearing Process including the Development Agreement for DA2017-0002: Butterfield MWest in the form attached.
- SECTION 7.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect

the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

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

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 7th DAY OF JUNE 2017, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 21ST DAY OF JUNE 2017, 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:

DATE:

STEVE TATE, Mayor

ATTEST:

DATE:

IRMA TORREZ, City Clerk

Effective Date: July 21, 2017

Attachment: Ordinance 2249 Butterfield-MWest (1269 : Adopt Ordinance 2249)

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2249, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 21st day of June 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Ordinance 2249 Butterfield-MWest (1269 : Adopt Ordinance 2249)

RECORD WITHOUT FEE
PURSUANT TO GOVERNMENT CODE § 6103

RECORDING REQUESTED BY
AND
WHEN RECORDED MAIL TO:

City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

RECORDING FEES EXEMPT
PURSUANT TO GOVERNMENT
CODE SECTION 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

DEVELOPMENT AGREEMENT
BETWEEN CITY OF MORGAN HILL,
a California municipal corporation,
AND
MWEST PROPCO XXIII LLC REGARDING
THE BUTTERFIELD TECHNOLOGY CENTER

Effective Date: _____

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EXHIBITS

- 1. Legal Description of Property
- 2. Illustrative Project Site Plan
- 3. Sutter Road Extension
- 4. Existing Impact Fee List
- 5. Insurance Requirements

DEVELOPMENT AGREEMENT

This Development Agreement ("**Agreement**") is entered into on the below-stated "**Effective Date**" by and between the City of Morgan Hill, a California municipal corporation, ("**City**"), and MWest PropCo XXIII LLC, a Delaware limited liability company, ("**Developer**"), pursuant to Section 65864 *et seq.* of the Government Code of the State of California and City's police powers. City and Developer are also referred to individually as a "**Party**" and collectively as the "**Parties**."

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other considerations, the value and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

RECITALS

Developer and City enter into this Agreement on the basis of the following facts, understandings, and intentions. The following recitals are a substantive part of this Agreement:

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864 *et seq.* ("**Development Agreement Statute**"), which regulates development agreements with any person having a legal or equitable interest in real property providing for the development of that property and establishes certain development rights in the property. In accordance with the Development Agreement Statute, and by virtue of its police powers, City has the authority to enter into development agreements, and has reflected that authority in its Morgan Hill Municipal Code (Chapter 18.80 *et seq.*) ("**Enabling Ordinance**"). This Agreement has been drafted and processed pursuant to the Development Agreement Statute and the Enabling Ordinance.

B. Developer is currently the legal fee title owner of the property ("**Property**") governed by this Agreement. The Property consists of those parcels totaling approximately 38.8 acres, as further described in **Exhibit "1"**, attached hereto and incorporated by this reference.

C. The Developer proposes to plan, develop, construct, operate and maintain the Butterfield Technology Center Project consisting of up to 600,000 gross square feet of new industrial development, public park, landscaping, parking, streets and infrastructure consistent with the Existing Approvals (as defined below) and this Agreement ("**Project**"). The Project is depicted, for illustrative purposes only, on the site plan attached as **Exhibit "2"** ("**Illustrative Site Plan**").

D. Developer also currently owns approximately 19.5 acres which are contiguous to the Property ("**Residential Property**"). The Developer is separately, but concurrently, processing an application for a multi-family residential development on the Residential Property ("**Residential Project**"). The Residential Project is being developed to provide high quality apartments in close proximity to the Project and to meet the need for quality rental housing in the City.

E. As described in Recital F(2), the Property is located within the Morgan Hill Business Park Planned Unit Development. A prior Development Agreement with Morgan Hill Development Partners for the Morgan Hill Business Park, that included the Property, was approved on March 1, 2001, but expired by its own terms in 2011. Since the approval of the Morgan Hill Business Park, the market for development of industrial or other appropriate commercial uses on the Property has not been strong enough to spur development, so the Property has remained vacant. In support of economic development in the City generally, and in particular within the Morgan Hill Business Park, one of the City's core job centers, and to provide for the retention and expansion of jobs within Morgan Hill, the City wishes to encourage and expedite the development and occupancy of industrial and other permitted uses on the Property. Therefore, the Developer requested that City enter into a Development Agreement as a means to encourage and expedite such development and occupancy. Developer and the City now desire to enter into this Agreement to facilitate industrial development and to take the steps necessary to make the site "business ready" to catalyze near term development.

F. As of the Effective Date, various land use regulations, entitlements, grants, permits, and other approvals have been adopted, issued, and/or granted by City relating to the Project (collectively "**Existing Approvals**"), including without limitation, all of the following:

1. The 2016 Morgan Hill General Plan ("**General Plan**")

2. The Morgan Hill Business Park Planned Unit Development, originally established by Ordinance No. 545, An Ordinance of the City of Morgan Hill Amending Ordinance No. 44, The General Zoning Ordinance by Rezoning from ML or Light Industrial to PUD, Planned Unit Development Certain Parcels of Land Owned by the Wiltron Company and Located on the South Side of Cochrane Road Between Monterey Road and the South Valley Freeway, adopted on March 18, 1981, and as amended by the following ordinances (collectively, the "**PUD**"):
 - (a) Ordinance No. 1340, An Ordinance of the City Council of Morgan Hill Amending Ordinance No. 545, New Series to Amend the Development Plan and Architectural Review Guidelines for the Planned Unit Development Located on the South Side of Cochrane Road Between Monterey Road and Highway 101, adopted June 25, 1997;
 - (b) Ordinance No. 1474, An Ordinance of the City Council of the City of Morgan Hill Approving an Amendment to Ordinance No. 545, New Series, Amending the Plan and Text to the Development Plan for the Planned Unit Development Located on the South Side of Cochrane Road Between Monterey Road and Highway 101, ZA 99-12: Cochrane-Morgan Hill Development Partners, adopted April 9, 2000; and
 - (c) Ordinance No. 1476, An Ordinance of the City Council of the City of Morgan Hill Approving an Amendment to Ordinance No. 545, New Series, Amending the Development Plan for the Planned Unit Development Located on the South Side of Cochrane Road Between Monterey Road and Highway 101, ZA 00-03: Cochrane Rd – Morgan Hill Development Partners (APN 726-32-015), adopted May 24, 2000.

3. The Environmental Impact Report prepared for the Morgan Hill Business Park, which includes, (a) the Draft Environmental Impact Report for Planned Unit Development and Construction of Improvements, and (b) Morgan Hill Business Park Environmental Impact Report Addendum (June 1980) (“**EIR**”).

4. The Parties acknowledge that the Developer will be required to comply with the Subdivision Map Act and the City’s subdivision ordinance in obtaining any future subdivision of the Property (including but not limited to any tentative and final maps) of the Property that may be necessary and appropriate to sell and/or lease portions of the Property to end users.

G. For the reasons recited herein, Developer and City have determined that the Project is the type of industrial development for which this Agreement is appropriate pursuant to Section 18.80.030(E)(2)(b)(i)-(iii) of the Enabling Ordinance. The Developer and City have identified a mutual interest in making the Property “business ready” and this Agreement would help eliminate uncertainty in planning, provide for the orderly development of the Project consistent with the planning goals, policies, and other provisions of the City’s General Plan and City’s Municipal Code, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted.

H. City is willing to enter into this Agreement for the reasons enumerated in Chapter 18.80 of the Morgan Hill Municipal Code, including but not limited to: (a) strengthening the public planning process, (h) encouraging private participation in comprehensive planning by providing a greater degree of certainty, (c) reducing the economic costs of development, (d) allowing for orderly planning of public improvements and services, and the allocation of costs in order to achieve the maximum utilization of public and private resources in the development process, (e) ensuring that appropriate measures to enhance and protect the environment are achieved, and (f) ensuring that all conditions of approval, including the construction of off-site improvements made necessary by land development, will proceed in an orderly and economical fashion to the benefit of City.

I. Developer acknowledges and recognizes that material inducements for City to enter into this Agreement are: (a) an opportunity to encourage and expedite a high quality business park within the City that will help attract new industrial tenants and/or owners, and help retain existing businesses by providing opportunities for companies to grow and expand in Morgan Hill, (b) the voluntary contributions and commitments by Developer including, but not limited to those listed in Article 4; and (c) an opportunity to protect the Property from pressure to convert to residential development. City’s willingness to enter into this Agreement is a material inducement to Developer to implement the Project, and Developer proposes to enter into this Agreement in order to obtain assurances from City that the Property may be developed, constructed, completed and used pursuant to this Agreement, and in accordance with existing policies, rules and regulations of City, subject to the exceptions and limitations expressed herein and the term of this Agreement; and to provide for a coordinated and systematic approach to funding the cost of certain public improvements and facilities planned by City, and to establish the timing and extent of contributions required from Developer for these purposes.

J. On May 9, 2017, following a duly noticed and conducted public hearing, the Planning Commission of the City, the initial hearing body for purposes of the Development

Agreement Statute and the Enabling Ordinance, adopted Resolutions that affirmed CEQA compliance for this Agreement, adopted findings that this Agreement is consistent with the City's General Plan and the Existing Approvals, and recommended that this Agreement be approved by the City Council.

1. ADMINISTRATION

1.01 Effective Date and Recordation. On June 7, 2017, following a duly noticed and conducted public hearing, the Morgan Hill City Council ("**City Council**") introduced Ordinance No. _____, an ordinance that affirms CEQA compliance, that adopts findings that this Agreement is consistent with the City's General Plan and the Existing Approvals, that approves this Agreement, and that directs this Agreement's execution by City ("**Approving Ordinance**"). The City adopted the Approving Ordinance on ____, 2017. The Approving Ordinance became effective thirty (30) days later, and the Parties signed the Agreement. The "**Effective Date**" in this Agreement shall be the date that the Approving Ordinance became effective, *i.e.*, the date that is thirty days after the date of the adoption of the Approving Ordinance. The Effective Date shall be inserted on the cover page of this Agreement prior to recordation. The Clerk of the City shall record, within ten (10) days after the Effective Date, a copy of this Agreement in the Official Records Office of Santa Clara County. Developer shall be responsible for all recordation fees, if any.

1.02 Definitions.

(a) The following terms, phrases, and words shall have the meanings and be interpreted as set forth in this Section:

"**ADR**" shall have the meaning set forth in Section 24 of this Agreement.

"**Agreement**" shall mean this Development Agreement by and between the Developer and City.

"**Applicable Law**" shall have the meaning set forth in Section 3.01 of this Agreement.

"**Approving Ordinance**" shall have the meaning set forth in Section 1.01 of this Agreement.

"**Butterfield Park Land**" shall have that meaning set forth in Section 4.07 of this Agreement.

"**CEQA**" shall mean the California Environmental Quality Act, California Public Resources Code Section 21000, *et seq.*, and the State CEQA Guidelines, (California Code of Regulations, Title 14, Section 15000, *et seq.*), as each is amended from time to time.

"**Changes in the Law**" shall have the meaning set forth in Section 6.01 of this Agreement.

"**City**" shall mean the City of Morgan Hill, a California municipal corporation.

"**City Council**" shall have the meaning set forth in Section 1.01 of this Agreement.

"**Compliance Letter**" shall have the meaning set forth in Section 8.02 of this Agreement.

“Compliance Certificate” shall have the meaning set forth in Section 8.03 of this Agreement.

“Conflicting Law” shall have the meaning set forth in Section 6.02(a) of this Agreement.

“Construction Codes” shall have the meaning set forth in Section 6.14 of this Agreement.

“CPI” shall have the meaning set forth in Section 6.09 of this Agreement.

“Developer” shall mean MWest PropCo XXIII LLC, a Delaware limited liability company, and its successors and assigns under this Agreement.

“Development Agreement Statute” shall have the meaning set forth in Recital A of this Agreement.

“Development Factors” shall have that meaning set forth in Section 6.06 of this Agreement.

“District” shall mean any assessment or financing district(s) established by the City pursuant to the Community Facilities District Act of 1982 (Mello-Roos), Government Code Sections 53311 *et seq.*, the Streets and Highways Code, Division 10 and 12, the Landscape and Lighting Act of 1972, or other similar law to finance all or part of the public improvements through the issuance of bonds and the imposition of assessments, fees, or taxes on the benefiting land, including, but not limited to, the Property.

“Effective Date” shall have the meaning set forth in Section 1.01 of this Agreement.

“EIR” shall have that meaning set forth in Recital F of this Agreement.

“Enabling Ordinance” shall have the meaning set forth in Recital A of this Agreement.

“Existing Approvals” shall have that meaning set forth in Recital F of this Agreement.

“Existing City Laws” shall mean all City ordinances, resolutions, rules, regulations, guidelines, motions, practices, and official policies governing land use, zoning, and development, permitted uses, density and intensity of use, maximum height, bulk and size of proposed buildings, and other City land use regulations in force and effect on the Effective Date of this Agreement.

“Existing Impact Fees” shall mean those fees set forth on **Exhibit “4”** imposed so that developments bear a proportionate share of the cost of public facilities and service improvements that are reasonably related to the impacts and burdens of the Project, adopted pursuant to Morgan Hill Municipal Code Chapter 3.56 and California Government Code Section 66001 *et seq.*

“Fee Locking Period” shall have that meaning set forth in Section 6.09 of this Agreement.

“Financing Mechanisms” shall have the meaning set forth in Section 3.05 of this Agreement.

“First Extension” shall have that meaning set forth in Section 1.05(a) of this Agreement.

“Force Majeure Event” shall have the meaning set forth in Section 21 of this Agreement.

“General Plan” shall have that meaning set forth in Recital F of this Agreement.

“Illustrative Site Plan” shall have that meaning set forth in Recital C of this Agreement.

“Indemnified Parties” shall have the meaning set forth in Section 16.08 of this Agreement.

“JAMS” shall have the meaning set forth in Section 24 of this Agreement.

“Legal Effect” shall mean the ordinance, resolution, permit, license, or other grant of approval has been adopted by City and has not been overturned or otherwise rendered without legal and/or equitable force and effect by a court of competent jurisdiction, and all applicable administrative appeal periods and statutes of limitations have expired.

“Local Rules” shall have the meaning set forth in Section 6.04 of this Agreement.

“Litigation Tolling” shall have the meaning set forth in Section 1.04(b) of this Agreement.

“Marketing Activities” shall have that meaning set forth in Section 4.02 of this Agreement.

“Mortgage” shall have the meaning set forth in Section 13.01 of this Agreement.

“Mortgagees” shall have the meaning set forth in Section 13.01 of this Agreement.

“New City Laws” shall mean any and all City ordinances, resolutions, orders, rules, official policies, standards, specifications, and other regulations, whether adopted or enacted by City, its staff or its electorate (through their powers of initiative, referendum, recall or otherwise) that is not a Subsequent Approval, that takes Legal Effect after the Effective Date of this Agreement, and that applies City wide.

“Other City Regulations” shall have the meaning set forth in Section 3.01(f) of this Agreement.

“Oversizing” shall have the meaning set forth in Section 6.08 of this Agreement.

“Party” or “Parties” shall have the meaning set forth in the Introduction Paragraph of this Agreement.

“Permits” shall have the meaning set forth in Section 7.03 of this Agreement.

“Permitted Uses” shall have the meaning set forth in Section 3.03 of this Agreement.

“Project” shall have the meaning set forth in Recital C. Any reference in this Agreement to the Project shall mean and include the Property.

"Project Approvals" mean, collectively, the Project's Existing Approvals and the Subsequent Approvals.

"Project Mitigation" shall have the meaning set forth in Section 3.05 of this Agreement.

"PUD" shall have the meaning set forth in Recital F of this Agreement.

"Property" shall have the meaning set forth in Recital B of this Agreement.

"Residential Project" shall have the meaning set forth in Recital D of this Agreement.

"Residential Property" shall have the meaning set forth in Recital D of this Agreement.

"Second Extension" shall have that meaning set forth in Section 1.05(b) of this Agreement.

"Severe Economic Recession" means a decline in the monetary value of all finished goods and services produced in the United States, as measured by initial quarterly estimates of US Gross Domestic Product ("**GDP**") published by the US Department of Commerce Bureau of Economic Analysis (and not BEA's subsequent monthly revisions), lasting more than four (4) consecutive calendar quarters. Any quarter of flat or positive **GDP** growth shall end the period of such Severe Economic Recession.

"Sutter Road Extension" shall have the meaning set forth in Section 4.05 of this Agreement.

"Sutter Greenway" shall have the meaning set forth in Section 4.06 of this Agreement.

"Subdivision Document" means, pursuant to Government Code section 66452.6(a) and this Agreement, the term of any tentative map, vesting tentative map, parcel map, vesting parcel map, final map or vesting final maps, or any such new map or any amendment to any such map, or any re-subdivision.

"Subsequent Approvals" and "Subsequent Approval" mean those City permits, entitlements, approvals or other grants of authority (and all text, terms and conditions of approval related thereto), that may be necessary or desirable for the development of the Project, that are sought by Developer, and that are granted by City after the City Council adopts the Approving Ordinance, including without limitation, subdivision maps and any Subdivision Document.

"Tender" shall have the meaning set forth in Section 22.02 of this Agreement.

"Term" shall have the meaning set forth in Section 1.03 of this Agreement.

"Third Party Challenge" shall have the meaning set forth in Section 22.01 of this Agreement.

"Transfer" shall have the meaning set forth in Section 14 of this Agreement.

“**Vested Elements**” shall have the meaning set forth in Section 3.02 of this Agreement.

“**Vesting Map**” shall have the meaning set forth in Section 1.04(a) of this Agreement.

“**VTA**” shall have the meaning set forth in Section 4.04(c) of this Agreement.

(b) To the extent that any defined terms contained in this Agreement are not defined in this Section 1.02, then such terms shall have the meaning otherwise ascribed to them elsewhere in this Agreement, or if not in this Agreement, by controlling law.

1.03 Term Date. The term (“**Term**”) of this Agreement shall commence on the Effective Date set forth in Section 1.01 above, and shall continue for a period of five (5) years, unless sooner terminated or extended as hereinafter provided.

1.04 Expiration. Following expiration of the Term or any extension, or if sooner terminated, this Agreement shall have no force and effect, subject, however, to any express post-termination obligations of Developer and City identified in this Agreement.

(a) Any improvement agreement entered into pursuant to the Subdivision Map Act (Gov. Code §§ 66410 *et seq.*) or other State or local regulation shall have that term determined by City. If this Agreement terminates for any reason prior to the expiration of vested rights otherwise given under the Subdivision Map Act to any vesting tentative map, vesting parcel map, vesting final map or any other type of vesting map on the Property (or any portion of the Property) (collectively, “**Vesting Map**”), such Vesting Map approved during the Term of this Agreement shall NOT extend the Applicable Law beyond the stated Term of this Agreement and the City rules, regulations and official policies applicable to that portion of the Property covered by such Vesting Map shall become those City rules, regulations and official policies in effect as of the date of the termination of this Agreement; provided, however, that City and Developer may agree to an extension of the Term of this Agreement with respect to the area covered by any such Vesting Map. (b) If any Third Party Challenge (as that term is defined in Section 22 of this Agreement) is filed, then the Term of this Agreement shall be tolled for the period or periods of time from the date of the filing of such litigation until the conclusion of such litigation by dismissal or entry of a final judgment (“**Litigation Tolling**”). Notwithstanding the foregoing, regardless of the number of Third Party Challenges that may be filed during the Term of this Agreement, the sum total of such Litigation Tolling shall not exceed five (5) years. The filing of any Third Party Challenge shall not delay or stop the development, processing or construction of the Project, or the approval or issuance of any Project Approvals, unless enjoined or otherwise controlled by a court of competent jurisdiction. The Parties shall not stipulate to the issuance of any such order unless the Parties mutually agree to do so.

1.05 Term Extension. At the Developer’s request, in Developer’s sole discretion, by written notice to the City prior to the expiration of the then-applicable Term, the Term shall be extended as follows:

(a) A five-year extension, (“**First Extension**”) (for a total Term of 10 years) if the Developer has commenced and thereafter diligently completed either: (i) the Sutter Road Extension or, (ii) at least 50,000 square feet of new building(s) for industrial, office and/or

research and development uses consistent with the Project Approvals (and any portion of the Sutter Road Extension required to serve such industrial development).

(b) A second five-year extension, ("**Second Extension**") (for a total Term of 15 years) if the Developer has completed the Sutter Road Extension and at least 150,000 square feet of new buildings, in the aggregate, for industrial, office and/or research and development uses consistent with the Project Approvals.

(c) The City commits to consider good faith requests to extend portions of the Agreement, if requested by an end user to facilitate development.

2. COVENANTS RUN WITH THE LAND

The terms of this this Development Agreement is legislative in nature and applies to the Property as a regulatory ordinance. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall run with the land and shall be binding upon the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns, devisees, administrators, representatives, lessees and all other persons or entities acquiring the Property, any lot, parcel or any portion thereof and any interest therein, whether by sale, operation of law or other manner, and shall inure to the benefit of the Parties and their respective successors.

3. APPLICABLE LAW

3.01 Applicable Law—Generally.

As used in this Agreement, "**Applicable Law**" shall mean all of the items listed below in this Section, subject only to the limitations set forth in Section 6 of this Agreement. The order of their importance is the order in which they are listed (with highest importance listed first, second most important listed second, etc.). In the event of a conflict between them, their order shall determine which one controls (the one listed higher controlling over the one listed lower):

(a) All the provisions, terms, and conditions of this Agreement.

(b) The Existing Approvals. Developer hereby waives any legal or equitable right to challenge administratively or judicially any Existing Approvals including conditions of those Existing Approvals. Such waiver includes any requirements for notice, acts of protest and/or right to litigation pursuant to the Mitigation Fee Act and/or any other applicable law.

(c) The Subsequent Approvals, provided such Subsequent Approvals are:

- (1) In compliance with all controlling California law;
- (2) Mutually agreed to by the Parties; and
- (3) Duly enacted by City.

(d) The Existing City Laws that are not in conflict with this Agreement and the Project Approvals.

(e) Any New City Laws Developer is subject to under this Agreement. Additionally, any New City Laws to which Developer elects, in writing and in its sole discretion, to be subject to.

(f) All other applicable City plans, policies, programs, regulations, ordinances, and resolutions of City in effect as of the Effective Date, which regulate development of the Property and implementation of the Project, and which are not inconsistent with the terms of this Agreement ("**Other City Regulations**").

The Parties acknowledge that the Subsequent Approvals may be processed in stages and therefore one or more Subsequent Approvals may be adopted and approved before other Subsequent Approvals needed for development of the Project are adopted and approved by City.

The Parties shall cooperatively assemble all of the necessary documents to memorialize, to the best of their abilities, the Project Approvals, Existing City Laws, and the terms and conditions contained in this Agreement, to assist Developer to maintain the documents assembled and to provide a continuing reference source for the approvals granted and the ordinances, policies and regulations in effect on the Effective Date of this Agreement.

3.02 Vested Elements. The Permitted Uses of the Property, the maximum density and intensity of use, the maximum heights, locations, numbers and gross square footage of the proposed buildings, the provisions for vehicular access and parking, reservation or dedication of land for public purposes, provision for construction of public improvements as described in the Applicable Law, shall be vested and are hereby vested and referred to as vested elements ("**Vested Elements**"). In addition to the foregoing Vested Elements, other terms and conditions of development applicable to the Project are set forth in the following documents as they exist as of the Effective Date:

- (a) The General Plan of City of Morgan Hill, current as of the Effective Date, the terms and conditions of which are incorporated herein by this reference.
- (b) Morgan Hill Municipal Code, current as of the Effective Date, including the zoning of the Property.
- (c) The Other City Regulations as defined in Section 3.01(f).
- (d) Any permits and/or subsequent approvals, including but not limited to additional subdivision maps or lot line adjustments, if any, final maps, site and architectural review, demolition permits, building permits, grading permits, and infrastructure improvement plans processed in accordance with the terms of this Agreement. Upon approval, such Subsequent Approvals shall be incorporated into this Agreement and vested hereby for the Term of the Agreement.

3.03 Permitted Uses. The “**Permitted Uses**” of the Project shall mean any use permitted (expressly or with a use permit) in the PUD. The parties acknowledge that they have not yet confirmed what, if any, additional City entitlements or approvals may be necessary for the construction and future use of a public park on the Butterfield Park Land, and the parties therefore agree to work in good faith to identify and expeditiously process any such approvals (including but not limited to a General Plan, rezoning or other approval determined by the City to be necessary).

3.04 Vested Right to Applicable Law.

(a) During the Term of this Agreement, Developer shall have the vested right to develop the Project subject only to, and in accordance with, the Applicable Law, and during the Term of this Agreement, City shall have the right to regulate the development and use of the Project subject only to, and in accordance with, the Applicable Law. Nothing contained herein will give Developer a vested right to obtain a sewer connection for said Project in the absence of sewer capacity available to the Project. Under this Agreement, the Applicable Law will be an expanding body of law, such as, for example, when Subsequent Approvals are granted by City, and/or when Developer becomes subject to a New City Law pursuant to this Agreement.

(b) Developer agrees that the terms and conditions of this Agreement and conditions of approval issued pursuant to this Agreement shall govern and dictate the vesting of the Developer’s right to develop in lieu of any other instrument of vesting, including any vesting tentative map or any other agreement, instrument or document purporting to vest any right of development. Developer agrees to waive any vesting rights by operation of any otherwise applicable city, state or federal law.

3.05 Project Impacts and Costs. Notwithstanding any other express or implied term or condition of this Agreement (or the Project Approvals) to the contrary, throughout the Term of this Agreement, the full and complete mitigation of all environmental (including any mitigation measure adopted pursuant to CEQA), physical, fiscal and other impacts of the Project and the Property on the community and on the City and its services, facilities, operations and maintenance (collectively, “**Project Mitigation**”) shall be borne by and shall be the sole and exclusive responsibility of the Project (and the Developer who is the owner of same). The financing of any such Project Mitigation may include a mix of different approaches, including without limitation, Developer construction of and/or financing of such services, facilities, operations, and maintenance through the payment of impact fees or other fees, taxes, levies, assessments, or other financing mechanisms including without limitation, reimbursement agreements, Landscaping and Lighting Districts, Mello-Ross Districts, Community Facilities Districts, Assessment Districts, Tax-Exempt and Taxable Financing Mechanisms, Maintenance Districts, Homeowners Associations, and participation in the Statewide Communities Infrastructure Program (collectively, “**Financing Mechanisms**”). The necessary scope and extent of such Project Mitigation, and which combination of Financing Mechanisms should be employed relating to such Project Mitigation to assure success of the Project Mitigation, shall be agreed to between City and Developer. The City agrees to work with Developer, at Developer’s request and cost, to secure Financing Mechanisms for public infrastructure to serve the Project.

3.06 Approval of the Financing Mechanisms. The City and the Developer agree that the construction of public improvements (including but not limited to, Sutter Road Extension, other infrastructure to serve the project but not including any costs related to the value of the dedication of the Butterfield Park Land or future park improvements on the Butterfield Park Land) may be financed by a District or Districts which could encompass the Property, and, to the extent other property owners outside the Property are interested or benefit and are made part of such District in accordance with all applicable law, such other lands. If the Developer requests formation of a District, the Developer will be deemed to have consented to formation of such District(s), to the assessments or taxes ratably allocated to the Property by the District(s), and to having the Property included within the District(s). The Developer agrees to cooperate in the City's formation of the District or Districts and in the performance by the District(s) of its responsibilities. The City and Developer agree that, unless the City and the Developer agree otherwise, the assessments or special taxes for any District formed will be collected from any parcels only after the issuance of building permits for such parcels. City, as the legislative body of any District, shall proceed with all good faith to consider at a noticed public meeting of the legislative body, the adoption of a resolution of intention and a rate and method of apportionment or an engineer's report, establishing a special tax or assessment to be levied semi-annually on property within the District(s), subject to the provisions of subsections (a) and (h) below. City, as legislative body of the District(s), shall thereafter, in accordance with the appropriate legislation for the Financing Mechanism, consider a resolution of formation for the adoption of such District(s) and shall further hold all elections of the qualified voters thereof in connection with the establishment of a District(s) and the approval of such special tax or assessment. City, as legislative body of the District, further agrees to simultaneously consider (or at such time as California law shall otherwise require) the adoption of a resolution of issuance of bonds secured by such special tax or assessment in an amount as is necessary to finance the Improvements and the Impact Fees that may be required in connection with the development of the Project; provided, however, that the amount of such bonds shall be dictated by prudent underwriting standards, as may be required by an underwriter selected by the City. In all respects, City agrees to use its good faith efforts to implement such requests, and Owner shall rely on such good faith efforts in connection with the consideration provided hereunder by Owner. City shall also use its good faith efforts to enter into joint facilities financing agreements with other eligible recipients of District proceeds.

(a) General Parameters for Financing Mechanisms.

1. Upon written request of City, Developer will advance amounts necessary to pay all costs and expenses of City to evaluate and structure any Financing Mechanism, to the end that City will not be obligated to pay any costs related to the formation or implementation of any Financing Mechanism. City staff shall meet with the Developer to establish a preliminary budget for such costs, and will confer with Developer from time to time as to any necessary modifications to that budget.

2. Any Financing Mechanism may provide for the reimbursement to Developer of any advances by Developer for any costs incurred in Section (a)1 above, and any other costs incurred by Developer that are related to the Financing Mechanism, such as the costs of legal counsel, special tax consultants, engineers, etc. Developer agrees to promptly submit to City a detailed accounting of all such other costs incurred by Developer at such time as Developer makes application for reimbursement. Prior to the filing by Developer of a petition to request that

the City institute proceedings to create a District, City and Developer shall enter into a deposit and reimbursement agreement, mutually acceptable to both City and Developer that provides for the deposit by Developer of funds sufficient to commence proceedings to form any Financing Mechanism and the reimbursement of such amounts from the available bond or assessment proceeds.

(b) Financing Parameters for Financing Mechanisms.

1. Any public financing shall be secured solely by assessments or special taxes levied within the respective District, proceeds of the bonds issued that are placed in a bond fund, reserve fund or other such fund for the financing and investment earnings thereon. City's general fund shall not be pledged to the repayment of any public financing contemplated by this Section. Notwithstanding anything to the contrary in this Agreement, nothing herein would preclude the City from pursuing other financing alternatives as is necessary to finance infrastructure, public facilities, including but not limited to the Improvements and/or Impact Fees, if it would be in the best interest of the City.

2. The payment of reasonable initial and annual administrative costs of the City to be incurred in connection with any Financing Mechanism shall be adequately assured, through the inclusion in any assessment or special tax methodology and the City's general fund shall not be called upon to provide for initial or any annual administrative costs related to the Financing Mechanism.

4. DEVELOPER OBLIGATIONS AND COMMITMENTS

The following commitments are voluntarily assumed by Developer in return for benefits derived from this Agreement and may be included and/or referenced by the City in any conditions of approval applicable to Subsequent Approvals, as appropriate and applicable.

4.01 No Residential Conversion. Developer shall not convert or apply to convert any additional portion of the Property to residential use for the Term of this Agreement, including any extensions.

4.02 Marketing Activities.

(a) Developer shall retain a qualified broker or other qualified marketing professional (either an in-house professional or third party) to actively market the Property for Permitted Uses ("**Marketing Activities**").

(b) Developer shall provide regular (no less than quarterly) updates to the City on the Developer's Marketing Activities. The frequency of the updates may be adjusted in the future based on the status of the Project.

(c) Developer shall use good faith efforts to participate in collaborative marketing efforts with the City including no fewer than two (2) broker events annually and no fewer than two (2) marketing advertorials produced and distributed annually and other similar activities that directly benefit the marketing of the Property for Permitted Uses.

4.03 Good Faith Planning of Property. The Parties acknowledge that the Developer has spent significant resources since 2015 to study and plan the entire Property, as shown in the Illustrative Site Plan at **Exhibit "2."** The Parties acknowledge that the Illustrative Site Plan is conceptual only and is not intended to supersede or alter the Existing Approvals, but rather illustrate a potential development plan for the Project, that the City has determined is consistent with the Existing Approvals, to facilitate the future processing of entitlements in connection with the Marketing Activities and the needs of the potential end users. The Developer will continue, with the cooperation of the City, to use good faith efforts to make the site "business ready" to catalyze development as end users are identified.

4.04 Development of the Property. In the development of the Project, the Developer shall, as appropriate to the order in which the Property develops, and in light of the particular business needs of end users as they are identified, use good faith efforts to ensure the following:

(a) Adequate bicycle trails and amenities (e.g. bike racks, bike fix-it station) and pedestrian connections throughout the site, including connections to the existing Jarvis neighborhood and neighboring industrial uses, and a detached sidewalk along the Butterfield Boulevard frontage.

(b) To the extent acceptable to end users, implement good faith Transportation Demand Management Plan measures to promote alternate means of transportation and reduce single occupancy vehicle trips to and from the Project.

(c) Work cooperatively with the City and Valley Transportation Authority ("VTA") to establish a bus stop on Butterfield Boulevard adjacent to the Property, if acceptable to VTA and warranted by demand.

4.05 Sutter Road Extension.

(a) In order to help attract users and accelerate new investment in the Project, at the time set forth below, the Developer shall dedicate, design and construct a slightly re-aligned 68-foot public street right-of-way from the intersection of Butterfield Boulevard and Sutter Boulevard to the extension of Sutter Place off of Digital Drive, as conceptually shown on the attached **Exhibit "3"** ("**Sutter Road Extension**"), with an approximate full length of 1,490 lineal feet. The proposed realignment is intended to increase the marketability of the industrial lots and allow for a future park on the Butterfield Park Land as shown on the Illustrative Site Plan. Developer shall submit revisions to the approved November 30, 2001 "Plans for the Improvement of Sutter Place" to reflect the realignment and current standards per the attached Industrial standard 48-feet (curb-to-curb). Improvements for the Sutter Road Extension shall include, but not be limited to, curb and gutter, compaction, sidewalks, driveway entrances, street paving, joint trench, storm drainage facilities, sewer and water mainlines and laterals, fire hydrants and street lighting. Driveway entrances and sidewalks may be deferred for construction on an individual parcel basis concurrent with the construction of each building site subject to reasonable approval of the City Engineer.

(b) City will allow Developer to phase the construction of the Sutter Road Extension so long as access and circulation needs are met to the reasonable satisfaction of the City Engineer.

(c) Developer and City acknowledge that, as shown on **Exhibit “3”** approximately 820 linear feet of the Sutter Road Extension is anticipated to be required to provide adequate circulation and a secondary access and connection for the Residential Project to Butterfield Boulevard. However, in order to expedite development and make the Property “business ready,” if the Residential Project develops in advance of the Project, Developer commits to and shall commence construction (and complete in 270 days) of the entire length of the Sutter Road Extension from Butterfield Boulevard to Digital Drive once Developer receives 165 residential allotments under the Residential Development Control System and all necessary approvals, including building permits for those units.

4.06 Sutter Greenway. In accordance with appropriate phasing of the development of Study Area 1 of the Project, as such phasing is determined during the Design Review process in accordance with Chapter 18.74 of the Morgan Hill Municipal Code pursuant to Section 7.02, the Developer will design and construct appropriate transitions and buffers between the Residential Project and this Project, including a minimum 40-foot wide (to the Property boundary) landscaped buffer/greenway extending from Jarvis Drive to Sutter Place, as generally shown on the Illustrative Site Plan (“**Sutter Greenway**”). The Sutter Greenway is intended to provide an open space buffer, bioswales, trees and landscaping as shown generally on the Illustrative Site Plan. Developer shall construct, own and maintain the Sutter Greenway and will provide public access in perpetuity. Ownership and maintenance may be transferred to a property owner’s association. It is anticipated that the Sutter Greenway, in combination with the portion of the open space buffer to be located on the Residential Project, will be approximately 1.8 acres.

4.07 Butterfield Park Land Dedication.

(a) At the time set forth in Section 4.07(b) below, the Developer shall offer to dedicate to the City in fee the approximately 2.67 net acres, not including roadways (“**Butterfield Park Land**”) in the location generally depicted on the Illustrative Site Plan. It is anticipated that the Butterfield Park Land, in combination with the portion of the park to be located on the Residential Project, will be approximately 3.2 net acres.

(b) Developer shall offer to dedicate the Butterfield Park Land prior to the issuance of the final Certificate of Occupancy for both Site Areas 2 and 3 of the Project, as those areas are depicted on **Exhibit “2.”**

(c) Nothing in this Agreement is intended to limit the Developer’s ability to request credits or points under and through the Residential Development Control System process for the dedication of the Butterfield Park Land to the City. The Developer acknowledges and agrees that nothing in this Agreement is in anyway intended to commit the City to grant any credits or points in the Residential Development Control System process for any dedication of land for the Butterfield Park Land or construction of improvements on the Butterfield Park Land.

(d) As noted in Section 3.03, the parties acknowledge that they have not yet confirmed what, if any, additional City entitlements or approvals may be necessary for the construction and future use of the Butterfield Park Land as a public park, and the parties therefore agree to work in good faith to identify and expeditiously process any such approvals

(including but not limited to a General Plan, rezoning or other approval as may be determined by the City to be necessary). The parties acknowledge that in light of the potential need for discretionary entitlements from the City and that the public park improvements have not yet been designed or approved by the City, it is possible the City will not be able to accept or will reject the Developer's offer of the Butterfield Park Land. Therefore, until such time as the City formally accepts the offer of the Butterfield Park Land, the Developer has the right to construct and operate a private park on the Butterfield Park Land (subject to Developer obtaining any necessary permits from the City as required under the Existing Approvals). And, if the City, at any time after the Effective Date of this Agreement (1) notifies the Developer in writing of its intent not to accept the Butterfield Park Land if offered, or (2) formally rejects the offer when made by the Developer, the obligations of the Developer under this Section 4.07 are deemed satisfied in full and have no further force or effect.

5. INTENTIONALLY DELETED

6. EFFECT OF AGREEMENT

6.01 Subsequent State or Federal Laws or Regulations. As provided in California Government Code §65869.5, this Agreement shall not preclude the application to the Project of changes in laws, regulations, plans or policies, to the extent that such changes are required by changes in county, regional, state or federal laws or regulations ("**Changes in the Law**"). In the event Changes in the Law prevent or preclude compliance with one or more material provisions of this Agreement, Developer may request that such material provisions be modified or suspended, or performance delayed, as may be necessary to comply with Changes in the Law, and City may take such action as it deems necessary to be consistent with the intent of this Agreement.

6.02 Changes to Existing Regulations. Except as otherwise specifically provided, only the following changes to the Vested Elements, including such changes to the Vested Elements adopted by the electorate through the powers of initiative, or otherwise, shall apply to the development of the Property:

(a) Citywide regulations, ordinances, policies, programs, resolutions, or fees adopted after the Effective Date that are not in conflict with the Vested Elements and the terms and conditions for development of the Property established by this Agreement, or otherwise applicable regulations existing as of the Effective Date. Changes to the General Plan, Morgan Hill Municipal Code, or Other Regulations shall be deemed to conflict with the approvals and this Agreement ("**Conflicting City Law**") if such changes prevent development of the Property in substantial accordance with the Project Approvals, require significant changes in the development of the Property from what is contemplated by the Project Approvals, significantly delay, ration, or impose a moratorium on development of the Property, or require the issuance of discretionary or nondiscretionary permits or approvals by City other than those required as of the Effective Date. This Section is subject to the restrictions on fee increases listed in Section 6.09.

(b) Any law, regulation or policy that would otherwise be Conflicting City Law, but through this Agreement or by later separate document, application to the Property has been consented to in writing by the Developer, in the Developer's sole and absolute discretion.

6.03 Further Reviews. Developer acknowledges that existing land use regulations, the Vested Elements and this Agreement contemplate the possibility of further reviews of elements or portions of the Project by City including potential CEQA analysis, if required as set forth in Section 6.15. Nothing in this Agreement shall be deemed to limit the legal authority of City with respect to these reviews as provided by and otherwise consistent with this Agreement.

6.04 Local Rules. Future development on the Property shall be subject to all the official rules, regulations and policies (collectively “**Local Rules**”) of City which govern uses, architectural design, landscaping, public improvements and construction standards, and which are in effect as of the Effective Date, with the exception that revisions or amendments to the Local Rules necessitated by reasonable public health or fire and life-safety considerations shall apply as though the rules were in effect as of the Effective Date. Notwithstanding any other provision of this Agreement, and without limitation as to any other exceptions contained in this Agreement, City shall retain the authority to take the following actions, so long as such action is applied on a citywide basis to similarly situated projects:

- (a) Adopt and apply property transfer taxes and/or excise taxes;
- (b) Adopt updates to the Construction Codes, as defined in Section 6.14;
- (c) Maintain the right of voters to act by initiative or referendum, but only to the extent that the initiative or referendum does not affect or interfere with any Vested Elements acquired by the Developer in this Agreement; except that this Agreement itself is subject to referendum; and,
- (d) Take other actions not expressly prohibited by the terms or provisions of this Agreement.

6.05 Future Exercise of Discretion by City. This Agreement shall not be construed to limit the authority or obligation of City to hold necessary public hearings, or, except as provided herein, to limit discretion of City or any of its officers or officials with regard to rules, regulations, ordinances or laws which require the exercise of discretion by City or any of its officers or officials. Except as provided, this Agreement shall not prevent City from applying new rules, regulations and policies, or from conditioning future Project development approval applications on new rules, regulations and policies that do not conflict with the terms of the Project Approvals or this Agreement.

6.06 Timing of Development. The parties acknowledge that Developer cannot at this time predict when or the rate at which phases of its Property will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market orientation and demand, interest rates, absorption, completion and other similar factors (the “**Development Factors**”). Since the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal. 3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later-adopted initiative restricting the timing of development to prevail over such parties’ agreement, it is the parties’ intent to cure that deficiency by acknowledging and providing that the Developer shall have the right to develop its Property in such order and at such rate and at such times as the Developer deems appropriate within the exercise of its subjective business judgment. In the event that a New City Law is enacted, whether by action of the City Council or by initiative or otherwise, which governs the rate, timing, phasing or sequencing of new

development or construction in the City, such New City Law shall not apply to the Project or any portion thereof. The Parties have a mutual desire to have the Project develop as quickly as the Development Factors permit.

6.07 Improvements. In any instance where Developer is required to install improvements, Developer shall obtain City approval of the plans and specifications and the timing and manner of the installation of improvements, and provided Developer has supplied all information required by City, City shall review and act on the application for such approval with good faith, promptly and in a reasonable manner pursuant to Section 7. Where the actual cost of any improvement exceeds Developer's estimated cost or commitment, Developer shall be solely responsible for all improvement costs in excess of those approved by City.

6.08 Overcapacity, Oversizing. City may require Developer to construct on-site and off-site improvements in a manner that provides for oversizing or overcapacity so that the constructed improvement will serve other development or residents or facilities and services outside of the Project ("**Oversizing**"). Such Oversizing shall be reasonable in scope. The Parties recognize that the City shall not require any Oversizing from Developer except in connection with the Project Approvals and in accordance with provisions of the Subdivision Map Act and Applicable Law. The Developer may request a reimbursement agreement to receive reimbursement from any future development served by such required Oversizing.

6.09 Impact Fees. In order to help catalyze development by providing a level of certainty and stability with respect to the costs of development, for a period of thirty-six (36) months from the Effective Date ("**Fee Locking Period**"), the Developer shall pay, when due and as applicable, only those Existing Impact Fees identified on **Exhibit "4."** Duly adopted impact fees as of the Effective Date which are inadvertently omitted from the Impact Fee list, **Exhibit "4"** are also included and must be paid by the Developer when due and as applicable. For a period of twenty-four (24) months, the Developer shall pay such Existing Impact Fees at the rate in effect as of the Effective Date. After twenty-four (24) months to the end of the Fee Locking Period, if the City has otherwise increased the rate of any Existing Impact Fee on a citywide and nondiscriminatory basis, the City may only increase any such increased Existing Impact Fees applicable to the Project by up to the San Francisco-Oakland-San Jose Consumer Price Index CPI-U ("**CPI**") for the prior year. After the end of the Fee Locking Period, the Developer shall pay all duly enacted impact fees, when due, that apply on a citywide or area-wide basis.

6.10 Processing Fees. New processing fees may be imposed by City if such new fees apply to all similarly situated projects or works within City and if the application of these processing fees to the Property is prospective only. Processing fees shall be due and payable on a phase-by-phase basis, so that only those fees applicable to the actual construction of each phase shall be paid upon the issuance of the appropriate permits for that phase. Developer shall pay the costs associated with the planning, processing, and environmental review process for the Project, provided that such costs shall be limited to (i) fees ordinarily charged by City for processing land use applications and permits, provided that such fees and costs are applied to Developer in the same manner as other similarly situated applicants seeking similar land use approvals and are not limited in applicability to the Project or to related uses; and (ii) fees associated with third-party permit plan checking, if applicable, above those normally charged by City. Developer shall reimburse City for reasonable staff overtime expenses incurred by City in processing review, approval,

inspection and completion of the Project provided that such overtime expenses are reasonably necessary for the completion of the Project in accordance with Developer's schedule.

6.11 Contribution to Costs of Facilities and Services. Developer agrees to contribute to the costs of public facilities and services as required herein to mitigate impacts of the development of the Property, and City agrees to assure that Developer may proceed and complete development of the Property in accordance with the terms of this Agreement. City and Developer recognize and agree that but for Developer's contributions to mitigate the impacts arising as a result of the development entitlement granted pursuant to this Agreement, City would not and could not approve the development of the Property as provided by this Agreement. City's approval of development of the Property is in reliance upon and in consideration of Developer's agreement to make contributions toward the cost of public improvements and public services as provided to mitigate the impacts of development of the Property.

6.12 Water, Sewer Facilities, Storm Drains and Runoff. This Agreement does not affect the Developer's obligations to provide water system improvements as required by City to serve the Project, or to pay for or construct improvements in the storm drain system required to implement the Project, or the Developer's obligations to meet any applicable federal, state and local discharge limits and requirements pertaining to sewer facilities, storm drains, or runoff.

6.13 Limited Effect on Right to Tax, Assess, or Levy Fees or Charges. Except as expressly provided herein at Section 6.09 with respect to impact fees, this Agreement does not limit the power and right of City to impose the same taxes, levy the same assessments, or require the payment of the same permit fees and charges by the Developer as City requires for all other nonresidential development or property on a citywide basis.

6.14 No Limit on Right of City to Adopt and Modify Uniform Codes. With respect to the development of any or all of the Project or the Property, Developer shall be subject to the California Building Code and all those other State-adopted construction, fire and other codes applicable to improvements, structures, and development, and the applicable version or revision of said codes by local City action (collectively referred to as "**Construction Codes**") in place at that time that a plan check application for a building, grading or other permit subject to such Construction Codes is submitted to City for approval, provided that such Construction Codes have been adopted by City and are in effect on a City-wide basis. This Agreement does not limit the right of City, to the extent permitted by state law, to adopt local modifications of those Construction Codes, from time to time.

6.15 CEQA. City has prepared and certified an EIR and has imposed mitigation measures as conditions of approval prior to the execution of this Agreement. This Agreement does not limit City's duty to comply with the provisions of CEQA and the associated Guidelines, as they may be amended from time to time, that comply with the provisions of § 21082 of CEQA. However, City shall not undertake additional environmental review under CEQA unless required to do so by CEQA. In the event that any such further environmental review is required for a subsequent approval or other discretionary action, it shall be in accordance with §§ 15162-15164 of the CEQA Guidelines, and the scope of analysis and evaluation shall be as required by CEQA.

6.16 No General Limitation on Future Exercise of Police Power. City retains its right to exercise its general police power except when such exercise would conflict with the vested rights granted under this Agreement. The police powers so retained and enforceable under this Agreement shall include, but are not limited to, the enactment of regulations that apply generally to City concerning the disposition of construction and demolition materials.

6.17 Drainage Improvements. Developer shall provide onsite and offsite drainage improvements as required by City consistent with this Agreement, the Existing Approvals and Subsequent Approvals.

6.18 Water System Improvements. Developer shall provide water system improvements as required by City consistent with this Agreement, the Existing Approvals and Subsequent Approvals.

6.19 Compliance with Government Code Section 65867.5. IN ACCORDANCE WITH THE REQUIREMENTS OF GOVERNMENT CODE SECTION 65867.5, CITY AND DEVELOPER AGREE THAT ANY TENTATIVE SUBDIVISION MAP(S) FOR THE PROJECT IS HEREBY MADE SUBJECT TO A CONDITION THAT A SUFFICIENT WATER SUPPLY SHALL BE AVAILABLE. PROOF OF THE AVAILABILITY OF A SUFFICIENT WATER SUPPLY SHALL BE SECURED IN ACCORDANCE WITH THE PROVISIONS OF GOVERNMENT CODE SECTION 66473.7

7. COOPERATION IN IMPLEMENTATION

7.01 Cooperation in Implementation. So long as the Developer is in good faith compliance with this Agreement, and in the spirit of the mutual benefit of ensuring the Property is "business ready," the City shall prioritize processing of applications related to the Project and shall proceed in a reasonable and expeditious manner, in compliance with the deadlines mandated by applicable agreements, statutes or ordinances, to complete all steps necessary for implementation of this Agreement and development of the Project, including the following actions:

- (a) Scheduling all required public hearings by the Planning Commission and City Council;
- (h) Processing and checking all maps, plans, land use and architectural review permits, permits, building plans, and specifications and other plans relating to development of the Property filed by Developer as necessary for complete development of the Property. Developer, in a timely manner, shall provide City with all documents, applications, plans and other information necessary for City to carry out its obligations hereunder and to cause City's planners, engineers and all other consultants to submit in a timely manner all necessary materials and documents. It is the Parties' express intent to cooperate with one another and diligently work to implement all land use and building approvals for development of the Property in accordance with the Development Plan and the terms hereof. At Developer's request and sole expense, City shall retain outside building consultants to review plans or otherwise assist City's efforts in order to expedite City processing and approval work. City shall cooperate with Developer, and assist Developer in obtaining any third-party governmental or private party permits, approvals, consents, rights of entry, or encroachment permits needed for development of the Project or any other on or offsite improvements.

7.02 Design Review. Developer shall apply for Design Review to obtain architectural, site and landscape approval prior to construction. So long as the proposed Project, or portion thereof subject to a formal application, meets the Project Approvals and is in conformance with CEQA pursuant to Section 6.15, City shall expedite review and approval of projects through the Design Review process in accordance with Chapter 18.74 of the Morgan Hill Municipal Code. It is the parties' intent to utilize the administrative portion of Chapter 18.74 in the review and approval of architectural, site and landscape approvals; but nothing herein is intended to prohibit the City from referring an approval to the Planning Commission (or the Developer's right to appeal a decision of the Community Development Director in the normal course).

7.03 Standard of Review for Issuance of Ministerial Permits. All permits ("Permits") required by Developer to develop the Property, including (a) road construction permits, (b) grading permits, (c) building permits, (d) fire permits, and (e) certificates of occupancy, shall be issued by City after City's review and approval of Developer's applications, provided that City's review of the applications is limited to determining whether the following conditions are met:

- (a) The application is complete; and
- (b) The application demonstrates that Developer has complied with this Agreement, the Project Approvals and Applicable Law.

8. ANNUAL REVIEW

8.01 Annual Review. City and Developer shall review all actions taken pursuant to the terms of this Agreement annually during each year of the Term, within thirty (30) days prior to each anniversary of the Effective Date. Except as affected by the terms hereof, the terms of Morgan Hill Municipal Code Section 18.80.070 shall govern City's compliance review process. During any review, Developer shall bear the burden of proof to demonstrate good faith compliance with the terms of this Agreement.

8.02 Developer's Submittal. Within ninety (90) days before each anniversary of the Effective Date, Developer shall submit a compliance letter ("Compliance Letter") to the City Manager with copies to the Community Development Director and the City Attorney, describing Developer's compliance with the terms of the Conditions of Approval and this Agreement during the preceding year. The Compliance Letter shall include a statement that the Compliance Letter is submitted to City pursuant to the requirements of Government Code Section 65865.1, this Agreement, and Morgan Hill Municipal Code Section 18.80.070.

8.03 City's Finding of Compliance. Within sixty (60) days after receipt of the Compliance Letter, the City Manager shall determine whether, for the year under review, Developer has demonstrated good faith substantial compliance with the terms of this Agreement. If the City Manager finds and determines that Developer has complied substantially with the terms of this Agreement, or does not determine otherwise within sixty (60) days after delivery of the Compliance Letter, the annual review shall be deemed concluded, Developer shall be deemed to have complied in good faith with the terms and conditions of this Agreement during the year under review, and this Agreement shall remain in full force and effect. Upon a determination of compliance, the City Manager shall, if requested by Developer, issue a recordable certificate

confirming Developer's compliance through the year under review ("**Compliance Certificate**"). Developer may record the Compliance Certificate with the Santa Clara County Recorder's Office.

8.04 City's Finding of Non-Compliance. If the City Manager finds the Developer has not complied in good faith with the terms and conditions of this Agreement during the year under review, the City Manager shall specify in writing to the Developer the respects in which the Developer has failed to comply, and shall set forth terms of compliance and specify a reasonable time for the applicant to meet the terms of compliance. Within ten (10) days of receipt of the notice of noncompliance the Developer may, at its option and in its sole discretion, file a written appeal to the City Council. If the Developer files an appeal, the City Council shall, expeditiously, hold a duly noticed public hearing on the matter. If, after such hearing, the Council finds and determines based on substantial evidence that Developer has complied in good faith, then the City Manager shall issue a Compliance Certificate pursuant to Section 8.03. If, however, the City Council determines based on substantial evidence that Developer has not complied in good faith, the City Manager shall give written notice thereof to Developer terms of compliance and specify a reasonable time for the applicant to meet the terms of compliance, and such notice shall serve as a notice of default under Section 11.01. If after receipt of a notice of non-compliance, Developer fails to cure the noncompliance within a reasonable period of time as established by the City Manager, in his or her discretion, may (a) grant additional time for compliance by Developer, or (b) refer the Agreement to the City Council to modify this Agreement to the extent necessary to remedy or mitigate the noncompliance or terminate this Agreement.

9. REIMBURSEMENTS

The Parties agree that Developer shall not be entitled to any reimbursement for the construction of any private or public improvement required by this Agreement, unless expressly provided by this Agreement.

10. INSURANCE

During the term of this Agreement, Developer shall maintain in full force and effect the insurance policies required in **Exhibit "5"**. These policies shall be maintained with coverage amounts, required endorsements, certificates of insurance and coverage verifications included, as defined in **Exhibit "5"**, attached hereto and incorporated by this reference.

11. DEFAULT AND REMEDIES

11.01 Default. Failure by either Party to perform any material term or provision of this Agreement shall constitute a default, provided that the Party alleging the default gave the other Party advance written notice of the default and thirty (30) days to cure the condition, or, if the nature of the default is such that it cannot be cured within thirty (30) days, the Party receiving notice shall not be in default if the Party commences performance of its obligations within the thirty (30) day period and diligently completes that performance. Written notice shall specify in detail the nature of the obligation to be performed by the Party receiving notice.

11.02 Remedies. It is acknowledged by the Parties that City and Developer would not have entered into this Agreement if City were to be liable in damages under, or with respect to, this

Agreement or the application thereof. City and Developer shall not be liable in damages to one another, or to any assignee, transferee or any other person, and Developer covenants not to sue for or claim damages. Each Party shall have the right to (a) bring any proceeding in the nature of specific performance, injunctive relief or mandamus, and/or (b) bring any action at law or in equity as may be permitted by law or this Agreement. The Parties acknowledge that monetary damages and remedies at law generally are inadequate upon the occurrence of a default. Therefore, specific performance or other extraordinary equitable relief (such as injunction) is an appropriate remedy for the enforcement of this Agreement, other remedies at law being inadequate under all the circumstances pertaining as of the Effective Date of this Agreement and any such equitable remedy shall be available to the Parties. Nothing in this Section 11.02 is intended to limit the City's remedies that are otherwise available under Applicable Law to require compliance with the Project Approvals (e.g., compliance with building permit requirements).

12. AMENDMENT OR TERMINATION

12.01 Amendments. No alterations or changes to the terms of this Agreement shall be valid unless made in writing and signed by both Parties, and completed in compliance with the procedures listed in the Development Agreement Statute or Enabling Ordinance.

12.02 Administrative Amendments.

(a) Upon the written request of Developer for an amendment or modification of this Agreement or a Project Approval, the City Manager or his designee shall determine: (1) whether the requested amendment or modification is minor; and (2) whether the requested amendment or modification is consistent with this Agreement and the Applicable Law. If the City Manager or his designee finds that the proposed amendment or modification is both minor and consistent with this Agreement and the Applicable Law, the City Manager or his designee may approve the proposed amendment or modification without notice and public hearing. Any minor amendment must be made in writing signed by the City Manager (and approved by the City Attorney) of the City and by the Developer. After approval and signatures from the City Manager and the Developer, the amendment shall be recorded with the Santa Clara county recorder.

(b) A "minor amendment" shall not include any of the following:

(i) Any material amendment or modification, or elimination of provisions required pursuant to the Morgan Hill Municipal Code and California Government Code Section 65865.2, or its successor legislation, including provisions relating to: (1) the duration or term of this Agreement, (2) the Permitted Uses of the subject property, (3) the density or intensity of uses, (4) the maximum height and size of proposed buildings allowed under the Existing Project Approvals, (5) provisions for reservation or dedication of land for public purposes, or (6) general location of the uses or proposed buildings allowed under the Existing Project Approvals; or

(ii) Any material amendment or modification or eliminations of the Developer commitments set forth in Article 4 of this Agreement, any reduction in fees, or any reduction or elimination of any Project Mitigations hereunder.

12.03 Termination upon Completion of Development. This Agreement shall terminate upon the expiration of the Term, or when the Property has been fully developed and all of the Developer's obligations are satisfied as determined by City. Upon termination of this Agreement, City may record a Notice of Termination in a form satisfactory to the City Attorney.

12.04 Effect of Termination Upon Developer Obligations. Termination of this Agreement as to the Developer shall not affect any of the Developer's obligations to comply with City General Plan and the terms and conditions of any applicable zoning, or subdivision map or other land use entitlement approved with respect to the Project, nor shall it affect any other covenants or development requirements in this Agreement that are expressly specified to continue after the termination of this Agreement, or obligations to pay assessments, liens, fees or taxes.

12.05 Effect of Termination Upon City. Upon any termination of this Agreement as to the Developer, the entitlement, conditions of development, limitations on fees and all other terms and conditions of this Agreement shall no longer be vested with respect to the Property. City shall no longer be limited by this Agreement and may make any changes or modifications to the entitlement, conditions, or fees applicable to the Property.

12.06 Elements of Termination. This Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

- (a) Expiration of the Term;
- (b) The City Council elects, in its discretion, to terminate this Agreement if the Developer has not commenced construction of a building (e.g., obtained a building permit from the City and commenced work on the foundation) on the Property by the date that is 36 months after the Effective Date;
- (c) Entry after all appeals have been exhausted of a final court judgment or issuance of a final court order directed to City to set aside, withdraw, or abrogate City's approval of this Agreement or any material part thereof; or
- (d) The effective date of a Party's election to terminate the Agreement as provided in this Agreement.

13. MORTGAGEE PROTECTION: CERTAIN RIGHTS OF CURE

13.01 Mortgagee Protection. This Agreement shall be superior and senior to all liens placed upon the Property or any portion thereof after the date on which this Agreement or a memorandum thereof is recorded, including the lien of any deed of trust or mortgage ("**Mortgage**"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all of the terms and conditions contained in this Agreement shall be binding upon and effective against all persons and entities, including all deed of trust beneficiaries or mortgagees ("**Mortgagees**") who acquire title to the Property or any portion thereof by foreclosure, trustee's sale, deed in-lieu-of foreclosure, voluntary transfer or otherwise.

13.02 Mortgagee Obligations. City, upon receipt of a written request from a foreclosing Mortgagee, shall permit the Mortgagee to succeed to the rights and obligations of Developer under this Agreement, provided that all defaults by Developer that are reasonably susceptible of being cured are cured by the Mortgagee as soon as reasonably possible, provided, however, that in no event shall such Mortgagee personally be liable for any defaults or monetary obligations of Developer arising prior to acquisition of possession of such Property by such Mortgagee. The foreclosing Mortgagee shall have the right to find a substitute developer to assume the obligations of Developer, which substitute shall be considered for approval by City pursuant to Section 14 of this Agreement.

13.03 Notice of Default to Mortgagee. If City receives notice from a Mortgagee requesting a copy of any notice of default given to Developer and specifying the address for service thereof, City shall endeavor to deliver to the Mortgagee, concurrently with service thereof to Developer, all notices given to Developer describing all claims by City that Developer has defaulted hereunder. If City determines that Developer is not in compliance with this Agreement, City also shall endeavor to serve notice of noncompliance on the Mortgagee concurrently with service on Developer. Each Mortgagee shall have the right, but not the obligation, during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the condition of default claimed or the areas of noncompliance set forth in City's notice.

14. ASSIGNABILITY

14.01 Assignment. Except as provided in Section 13 with respect to Mortgagees, neither Party shall convey, assign or transfer, in whole or in part, ("**Transfer**") any of its interests, rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. In no event shall the obligations conferred upon Developer under this Agreement be transferred except through a Transfer of all or a portion of the Property. Should Developer Transfer any of its interests, rights or obligations under this Agreement, in whole or in part, it shall nonetheless remain liable for performance of the obligations under this Agreement, unless the transferee executes an Assumption Agreement in a form reasonably acceptable to City whereby the transferee agrees to be bound by the relevant Terms of the Agreement. If a Transfer is for less than all of the Developers rights and obligations, the allocation of such rights and obligations shall be clearly specified by the Assumption Agreement. During the Term, Developer shall provide City with written notice of a request to Transfer any interest in this Agreement forty-five (45) days prior to any such contemplated Transfer. Any such request for a Transfer shall be accompanied by quantitative and qualitative information that substantiates, to City's reasonable satisfaction, that the proposed transferee has the financial capability to assume the rights and fulfill those obligations of this Agreement that are proposed to be Transferred. Within thirty (30) days of such a request and delivery of information, the Morgan Hill City Manager shall make a determination, in his or her reasonable discretion, as to whether the Transfer shall be permitted or whether such Transfer necessitates approval by the City Council. The Assumption Agreement, once approved and executed, shall be recorded by City in the Santa Clara County Recorder's Office promptly upon execution by each of the Parties.

14.02 Foreclosure. Nothing contained in this Section shall prevent a Transfer of the Property, or any portion thereof, to a lender as a result of a foreclosure or deed in lieu of foreclosure, and any lender acquiring the Property, or any portion thereof, as a result of foreclosure or a deed in lieu of

foreclosure shall take such Property subject to the rights and obligations of Developer under this Agreement; provided, however, in no event shall such lender be liable for any defaults or monetary obligations of Developer arising prior to acquisition of title to the Property by such lender, and provided further, in no event shall any such lender or its successors or assigns be entitled to a building permit or occupancy certificate until all fees due under this Agreement (relating to the portion of the Property acquired by such lender) have been paid to City.

15. CONTROLLING LAW

This Agreement shall be governed by the laws of the State of California, and the exclusive venue for any disputes or legal actions shall be the Superior Court of California in and for the County of Santa Clara. In the implementation of this Agreement and the Project, the Developer shall comply with all applicable requirements of state and federal law, including, without limitation, the payment of prevailing wages, where applicable and to the extent legally required.

16. GENERAL

16.01 Construction of Agreement. The language in this Agreement in all cases shall be construed as a whole and in accordance with its fair meaning.

16.02 No Waiver. No delay or omission by either Party in exercising any right or power accruing upon the other Party's noncompliance or failure to perform under the provisions of this Agreement shall impair or be construed to waive any right or power. A waiver by either Party of any of the covenants or conditions to be performed by Developer or City shall not be construed as a waiver of any succeeding breach of the same or other covenants and conditions.

16.03 Agreement is Entire Agreement. This Agreement and all exhibits attached hereto or incorporated herein are the sole and entire Agreement between the Parties concerning the Property. The Parties acknowledge and agree that they have not made any representation with respect to the subject matter of this Agreement or any representations inducing the execution and delivery, except representations set forth herein, and each Party acknowledges that it has relied on its own judgment in entering this Agreement. The Parties further acknowledge that all statements or representations that heretofore may have been made by either of them to the other are void and of no effect, and that neither of them has relied thereon in its dealings with the other.

16.04 Estoppel Certificate. Either Party from time to time may deliver written notice to the other Party requesting written certification that, to the knowledge of the certifying Party, (a) this Agreement is in full force and effect and constitutes a binding obligation of the Parties, (b) this Agreement has not been amended or modified either orally or in writing, or, if it has been amended or modified, specifying the nature of the amendments or modifications, and, (c) the requesting Party does not have knowledge of default in the performance of its obligations under this Agreement, or if in known default, describing therein the nature and monetary amount, if any, of the default. A Party receiving such a request shall execute and return the certificate within thirty (30) days after receipt thereof. City Manager shall have the right to execute the certificates requested by Developer. At the request of Developer, the certificates provided by City establishing the status of this Agreement with respect to any lot or parcel shall be in recordable form, and

Developer shall have the right to record the certificate for the affected portion of the Property at its cost.

16.05 Severability. Each provision of this Agreement which is adjudged by a court of competent jurisdiction to be invalid, void or illegal shall in no way affect, impair or invalidate any other provisions, and the other provisions shall remain in full force and effect.

16.06 Further Documents. Each Party shall execute and deliver to the other all other instruments and documents as may be reasonably necessary to carry out this Agreement.

16.07 Time of Essence. Time is of the essence in the performance of each and every covenant and obligation to be performed by the Parties hereunder.

16.08 Defense, Indemnification and Hold-Harmless Provisions. Developer shall hold City, its elective and appointive boards, commissions, officers, agents, and employees (the "**Indemnified Parties**") harmless from any liability for damage for personal injury, including death, as well as from claims for property damage which may arise from Developer's contractors, subcontractors', agents' or employees' operations on the Project, whether the actions be by the Developer or by any of Developer's contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for Developer or any of Developer's contractors or subcontractor's. Developer shall indemnify and defend Indemnified Parties from any suit or actions at law or in equity for damages caused, or alleged to have been caused, by reason of the operations and Developer shall pay all reasonable attorneys' fees and costs that City may incur. City does not, and shall not waive any rights against Developer that it may have by reason of the aforesaid hold-harmless requirement of Developer because of the acceptance of improvements by City, or the deposit of security with City by Developer. The hold-harmless requirement of Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the operations referred to in this paragraph, regardless of whether or not City has prepared, supplied or approved of, plans and/or specifications for the Project. Notwithstanding anything to the contrary, Developer's indemnification of the Indemnified Parties shall not apply to the extent that such action, proceedings, demands, claims, damages, injuries or liability is based upon the active negligence or willful misconduct of the Indemnified Parties.

16.09 Construction. This Agreement has been reviewed and revised by legal counsel for both City and Developer and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

16.10 Section Headings. All Section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

16.11 Attorneys' Fees. Should any legal action be brought by a Party for breach of this Agreement or to enforce any provision herein, the prevailing party of such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the court.

17. NOTICES

Except as otherwise expressly provided herein, all notices and demands pursuant to this Agreement shall be in writing and delivered in person, by commercial courier or by first-class certified U.S. mail, postage prepaid. Except as otherwise expressly provided herein, notices shall be considered delivered when personally served, upon delivery if delivered by commercial courier, or two (2) days after mailing if sent by U.S. mail. Notices shall be sent to the addresses below for the respective Parties; provided, however, that either Party may change its address for purposes of this Section by giving written notice to the other Party. These addresses may be used for service of process:

<u>If to City:</u>	City Clerk 17575 Peak Avenue Morgan Hill, CA 95037 Tel: (408) 779-7271 Tel: (408) 779-7259 Fax: (408) 779-3117
<u>With a Copy To:</u>	Donald Larkin City Attorney 17575 Peak Avenue Morgan Hill, CA 95037 Tel: (408) 779-7271 Fax: (408) 779-1592
<u>If to Developer:</u>	Mwest PropCo XXIII LLC c/o Mwest Properties Attn: Ryan McDaniel 3351 Olcott Street Santa Clara, CA 95054 Tel: (408) 450-3823 Fax: (408) 982-9594
<u>With a Copy To:</u>	Holland & Knight LLP 50 California Street, Suite 2800 San Francisco, CA 94111 Attention: Tamsen Plume Tel: (415) 743-6941 Fax: (415) 743-6910

Any Party may change the address stated herein by giving notice in writing to the other Parties, and thereafter notices shall be addressed and transmitted to the new address. Any notice given to the Developer as required by this Agreement shall also be given to any lender which requests that such notice be provided. Any lender requesting receipt of such notice shall furnish in writing its address to the Parties to this Agreement.

18. DEVELOPER INDEPENDENT CONTRACTOR

Developer is not an agent or employee of City, but is an independent contractor with full rights to manage its employees subject to the requirements of the law. All persons employed or utilized by Developer in connection with this Agreement are employees or contractors of Developer and shall not be considered employees of City in any respect.

19. PROJECT AS A PRIVATE UNDERTAKING

It is specifically understood and agreed that the Project is a private development. No partnership, joint venture or other association of any kind between City and Developer is formed by this Agreement.

20. NONDISCRIMINATION

Developer shall not discriminate, in any way, against any person on the basis of race, color, national origin, gender, marital status, sexual orientation, age, creed, religion or disability in connection with or related to the performance of this Agreement.

21. FORCE MAJEURE.

Performance by any Party hereunder shall be excused, waived or deemed not to be in default where delays or defaults are due to acts beyond a Party's control such as war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, unexpected acts of governmental entities other than City, including revisions to capacity ratings of the wastewater plant by the Regional Water Quality Control Board or the State Water Resources Board, enactment of conflicting State or Federal laws or regulations, Severe Economic Recession, or Third Party Challenge as provided in Section 1.04(b) (each a "**Force Majeure Event**").

22. THIRD PARTY LEGAL ACTIONS

22.01 Cooperation. In the event of any administrative, legal or equitable action or other proceeding instituted by any person, entity or organization (that is not a Party to this Agreement) challenging the validity of this Agreement, any Project Approvals, or the sufficiency of any environmental review under CEQA ("**Third Party Challenge**"), the Parties shall cooperate with each other in good faith in the defense of any such challenge.

22.02 Option to Tender Defense. City shall have the option to defend such Third Party Challenge or to tender the complete defense of such Third Party Challenge to the Developer ("**Tender**"). If City chooses to defend the Third Party Challenge or Developer refuses City's Tender, City shall control all aspects of the defense and Developer shall pay City's actual and reasonable attorneys' fees and costs (including related court costs).

22.03 Developer's Control of Defense. If Developer accepts City's Tender, Developer shall control all aspects of the defense and shall pay its own attorneys' fees and costs (including related court costs), and shall indemnify and hold harmless City against any and all third-party fees and costs arising out of such Third Party Challenge. Developer shall pay its own attorneys' fees and costs (including related court costs), and shall indemnify and hold harmless City against any and all third-party fees and costs arising out of such Third Party Challenge.

23. NO THIRD-PARTY BENEFICIARY

This Agreement shall not be construed or deemed to be an Agreement for the benefit of any third-party or Parties, and no third-party or Parties shall have any claim or right of action hereunder for any cause whatsoever.

24. ALTERNATE DISPUTE RESOLUTION

The Parties agree to meet and confer regarding any dispute, in an effort to agree on utilizing Judicial Arbitration Mediation Services ("JAMS") for Alternative Dispute Resolution ("ADR"). However, no party shall be required to use JAMS or ADR. The parties shall, in good faith, attempt to resolve any dispute through mediation prior to filing a lawsuit concerning this Agreement.

25. CONSENT

Where consent or approval of a Party is required or necessary under this Agreement, the consent or Agreement shall not be unreasonably withheld or delayed. Where consent or approval of the City is required or necessary under this Agreement, the consent or approval shall be by the City Manager, or his or her delegee, unless specified otherwise or required by Applicable Law.

26. COVENANT OF GOOD FAITH AND FAIR DEALING

Neither Party to this Agreement shall do anything which shall have the effect of harming or injuring the right of the other Party to receive benefits of this Agreement; each Party shall refrain from doing anything which would render its performance under this Agreement impossible; and, each Party shall do everything which this Agreement contemplates to accomplish the objectives and purpose of this Agreement.

27. AUTHORITY TO EXECUTE

The person or persons executing this Agreement on behalf of Developer warrant and represent that they have the authority to execute this Agreement on behalf of Developer, and further represent that they have the authority to bind Developer to the performance of its obligations in this Agreement.

28. COUNTERPARTS

This Agreement may be executed in multiple originals, each of which is deemed an original, and may be signed in Counterparts.

SIGNATURES ON FOLLOWING PAGES

CITY OF MORGAN HILL, CALIFORNIA
a California municipal corporation

APPROVED AS TO FORM:

DONALD A. LARKIN
City Attorney

Steve Rymer
City Manager
17575 Peak Avenue
Morgan Hill, CA 95037

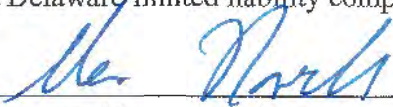
ATTEST:

IRMA TORREZ
City Clerk
"CITY"

[SEAL]

DEVELOPER:

Mwest PropCo XXIII LLC, a Delaware limited liability company

By: 
Signature of Person executing the Agreement on behalf of Developer
Name: Steve Novick
Title: Authorized Signatory
Local Address: 575 Market Street, 35th Floor
San Francisco, CA 94015

(ALL SIGNATURES, EXCEPT CITY CLERK AND CITY ATTORNEY,
MUST BE ACKNOWLEDGED BY A NOTARY)

CALIFORNIA CIVIL CODE §1189: A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)
) ss.
COUNTY OF San Francisco)

On June 6, 2017, before me, JOCELYN CLARIN RICHARDS,
a Notary Public, personally appeared STEVE NOVIK,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same
in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



Notary Public

Commission Expiration Date October 26, 2019

[SEAL]



**DEVELOPMENT AGREEMENT
BETWEEN CITY OF MORGAN HILL,
a California municipal corporation,
AND**

MWEST PROPCO XXIII LLC

EXHIBIT 1

LEGAL PROPERTY DESCRIPTION

AND MAP OF PROPERTY

"EXHIBIT A"
LEGAL DESCRIPTION

All that real property situated in the City of Morgan Hill, County of Santa Clara, State of California, being all of Lot 11, Lot 12 and Lot 24 as shown on the Parcel Map Filed September 27, 2000 in Book 732 of Maps, Pages 16 Through 19, Records of Santa Clara County, California; all of Parcel 3, Parcel 4, Parcel 5, Parcel 6, Parcel 7 Parcel 8 and Sutter Place as shown on the Parcel Map filed October 10, 2001 in Book 743 of Maps, Pages 3 through 6, Records of Santa Clara County, California; and all of Lot 1, Lot 2 and Lot 3 as described in the Certificate of Compliance for Lot Line Adjustment Recorded _____, 2017 as Doc# _____ Official Records of Santa Clara County, California being more particularly described as follows:

Beginning at a point along the north right-of-way line of Southern Pacific Railroad, said point also being the south corner of said "Parcel 4" as shown on said "Parcel Map" recorded in book 743 of Maps, Pages 3 through 6 Records of Santa Clara County, California; thence along said north right-of-way line of Southern Pacific Railroad, N39°22'00"W, a distance of 747.35 feet; thence leaving said right-of-way line and along the northwest line of said "Parcel 3" as shown on the "Parcel Map" recorded in Book 743 of Maps, Pages 3 through 6, Records of Santa Clara County, California, N48°32'01"E, a distance of 65.31 feet; thence continuing along said northwest line, N35°01'07"E, a distance of 405.84 feet; thence along the west line of said "Lot 3", a distance of 138.37 feet; thence along the north line of said "Lot 3", N63°26'46"E, a distance of 490.38 feet; thence continuing along said north line, N36°26'43"W, a distance of 79.74 feet to a tangent curve to the right having a radius of 336.00 feet; thence continuing along said north line and the west line of said "Lot 2", northwesterly along said curve, through a central angle of 18°22'58", a distance of 107.80 feet; thence continuing along said west line of said "Lot 2" and the west line of said "Lot 1", N18°03'45"W, a distance of 472.41 feet to a tangent curve to the right having a radius of 336.00 feet; thence continuing along said west line of said "Lot 1", northerly along said curve, through a central angle of 13°42'47", a distance of 80.42 feet; thence continuing along said west line, N04°20'58"W, a distance of 222.47 feet to the beginning of a non-tangent curve to the left, from which the radius point bears S85°39'03"W, a radial distance of 164.00 feet; thence continuing along said west line, northerly along said curve, through a central angle of 31°49'46", a distance of 91.11 feet; thence continuing along said west line, N36°10'43"W, a distance of 34.01 feet to a tangent curve to the left having a radius of 20.00 feet; thence continuing along said west line, northwesterly along said curve, through a central angle of 37°22'12", a distance of 13.04 feet to the north line of said "Lot 1"; thence along said north line, N53°57'38"E, a distance of 283.48 feet to a tangent curve to the right having a radius of 30.00 feet; thence continuing along said north line, easterly along said curve, through a central angle of 92°19'36", a distance of 48.34 feet to a compound curve to the right having a radius of 1,754.00 feet; thence along the east line of said "Lot 1", said line also being the west right-of-way line of Butterfield Boulevard, as shown on said "Parcel Map" Recorded in Book 749 of Maps, Pages 6 through 7, Records of Santa Clara County, California, southeasterly along said curve, through a central angle of 15°37'29", a distance of 478.32 feet; thence continuing along said right-of-way line, S18°05'17"E, a distance of 161.05 feet to a tangent curve to the left having a radius of 1,846.00 feet; thence continuing along said right-of-way line, southeasterly along said curve, through a central angle of 18°33'13", a distance of 597.77 feet; thence continuing along said right-of-way line, S36°38'30"E, a distance of 818.40 feet to a

tangent curve to the right having a radius of 1,377.00 feet; thence continuing along said right-of-way line, southeasterly along said curve, through a central angle of $04^{\circ}54'26''$, a distance of 117.94 feet to a compound curve to the right having a radius of 30.00 feet; thence along the south boundary of said "Lot 12", southerly along said curve, through a central angle of $92^{\circ}33'12''$, a distance of 48.46 feet; thence continuing along said south line, $S60^{\circ}49'08''W$, a distance of 22.66 feet to a tangent curve to the right having a radius of 220.00 feet; thence continuing along said south line, westerly along said curve, through a central angle of $18^{\circ}16'35''$, a distance of 70.18 feet; thence continuing along said south line, and along the south line of said "Lot 11", $S79^{\circ}05'43''W$, a distance of 139.23 feet to a tangent curve to the left having a radius of 280.00 feet; thence continuing along said south line of said "Lot 11", southwesterly along said curve, through a central angle of $32^{\circ}06'53''$, a distance of 156.94 feet; thence along the west line of said "Lot 11", $N44^{\circ}36'06''W$, a distance of 234.11 feet; thence along the south line of the Boundary Line as shown on said "Parcel Map" Recorded as Book 743 of Maps, Pages 3 through 6, Records of Santa Clara County, California, $S45^{\circ}23'54''W$, a distance of 548.19 feet; thence continuing along said Boundary Line, $S50^{\circ}38'00''W$, a distance of 351.39 feet to the **Point of Beginning**.

Containing or 38.839 acres, more or less.

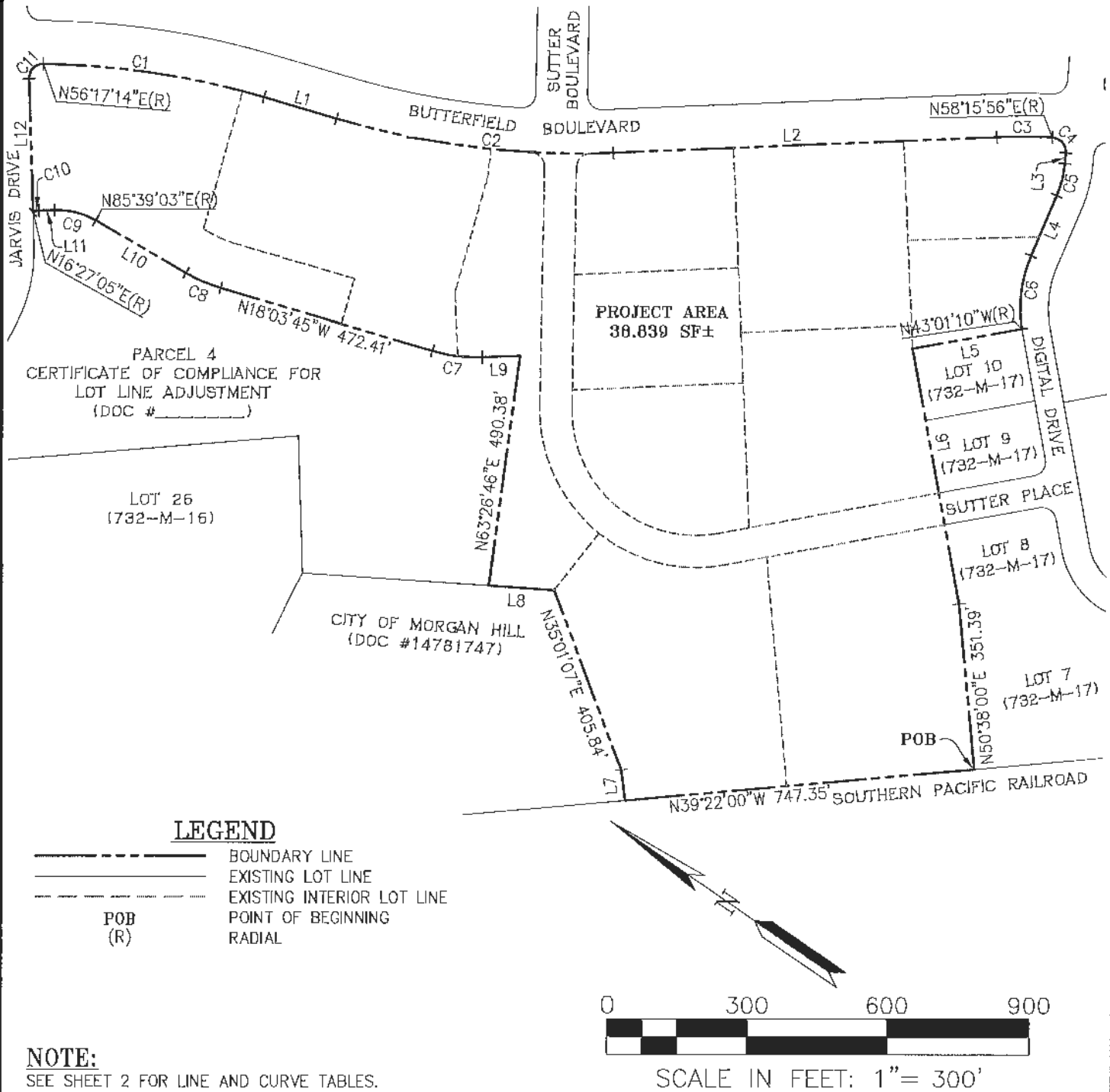
As shown on "Exhibit B", attached hereto and made a part hereof.

END OF DESCRIPTION.

This description was prepared by me or under my direction pursuant to the requirements of the Professional Land Surveyor's Act.

Bryan Pierce, PLS 8859
Expires: 12/31/2017

Date

**"EXHIBIT B"**

BEING ALL OF LOT 11, LOT 12 AND LOT 24 AS SHOWN ON THE PARCEL MAP FILED SEPTEMBER 27, 2000 IN BOOK 732 OF MAPS, PAGES 16 THROUGH 19, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; ALL OF PARCEL 3, PARCEL 4, PARCEL 5, PARCEL 6, PARCEL 7, PARCEL 8 AND SUTTER PLACE AS SHOWN ON THE PARCEL MAP FILED OCTOBER 10, 2001 IN BOOK 743 OF MAPS, PAGES 3 THROUGH 6, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; AND ALL OF LOT 1, LOT 2 AND LOT 3 AS DESCRIBED IN THE CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT RECORDED _____, 2017 AS DOC# _____ OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA.

MORGAN HILL, CA

SHEET 1 OF 2

RJA
RUGGERI-JENSEN-AZAR
 ENGINEERS • PLANNERS • SURVEYORS
 8032 CAMINO ARROYO SILICON VALLEY, CA 95020
 PHONE: (408) 648-9300 FAX: (408) 648-0302

SCALE:
1"=300'

DATE:
05/17/2017

JOB NO.:
142002

LINE TABLE		
LINE	BEARING	DIST
L1	N18°05'17"W	161.05'
L2	N36°38'30"W	818.40'
L3	N60°49'08"E	22.66'
L4	N79°05'43"E	139.23'
L5	S44°36'06"E	234.11'
L6	N45°23'54"E	548.19'
L7	N48°32'01"E	65.31'
L8	N30°29'11"W	138.37'
L9	N36°26'43"W	79.74'
L10	N04°20'58"W	222.47'
L11	N36°10'43"W	34.01'
L12	N53°57'38"E	283.48'

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	478.32'	1754.00'	015°37'29"
C2	597.77'	1846.00'	018°33'13"
C3	117.94'	1377.00'	004°54'26"
C4	48.46'	30.00'	092°33'12"
C5	70.18'	220.00'	018°16'35"
C6	156.94'	280.00'	032°06'53"
C7	107.80'	336.00'	018°22'58"
C8	80.42'	336.00'	013°42'47"
C9	91.11'	164.00'	031°49'46"
C10	13.04'	20.00'	037°22'12"
C11	48.34'	30.00'	092°19'36"

"EXHIBIT B"

BEING ALL OF LOT 11, LOT 12 AND LOT 24 AS SHOWN ON THE PARCEL MAP FILED SEPTEMBER 27, 2000 IN BOOK 732 OF MAPS, PAGES 16 THROUGH 19, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; ALL OF PARCEL 3, PARCEL 4, PARCEL 5, PARCEL 6, PARCEL 7, PARCEL 8 SUTTER PLACE AND PORTIONS OF PARCEL 1 AND PARCEL 2 AS SHOWN ON THE PARCEL MAP FILED OCTOBER 10, 2001 IN BOOK 743 OF MAPS, PAGES 3 THROUGH 6, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; AND PORTIONS OF PARCEL 3 AND PARCEL 4 AS SHOWN ON THE PARCEL MAP FILED MAY 29, 2002 IN BOOK 749 OF MAPS, PAGES 6 THROUGH 7, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA.

MORGAN HILL, CA

SHEET 2 OF 2

RJA
RUGGERI-JENSEN-AZAR
 ENGINEERS • PLANNERS • SURVEYORS
 9055 CAMPING / FERRY RD. SILICON VALLEY, CA 95026
 PHONE: (408) 848-0300 FAX: (408) 848-0302

SCALE:
NO SCALE

DATE:
05/17/2017

JOB NO.:
142002

**DEVELOPMENT AGREEMENT
BETWEEN CITY OF MORGAN HILL,
a California municipal corporation,**

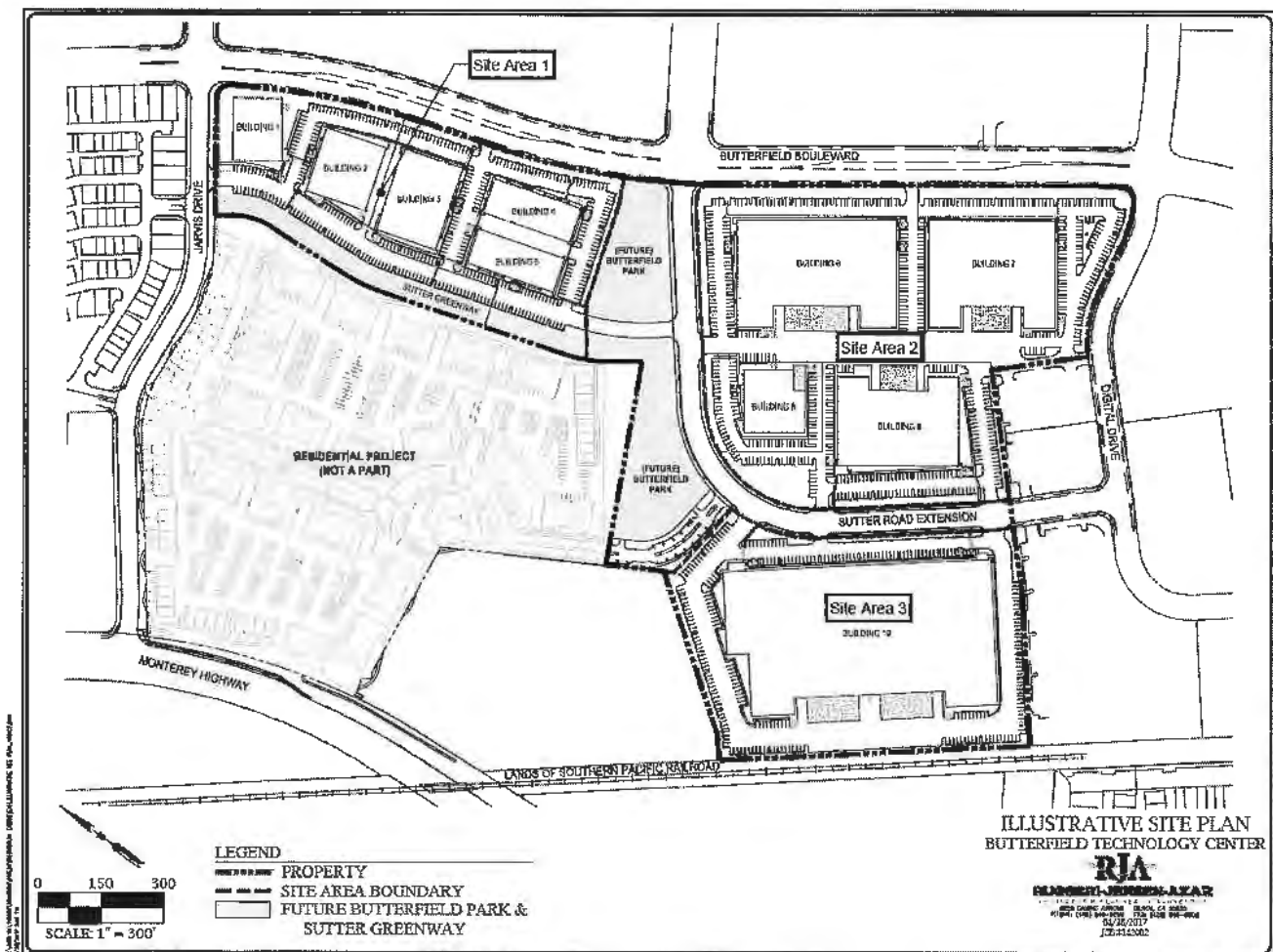
AND

MWEST PROPCO XXIII LLC

EXHIBIT 2

ILLUSTRATIVE SITE PLAN

This plan is for illustrative purposes only and is subject to the City's Design Review process.



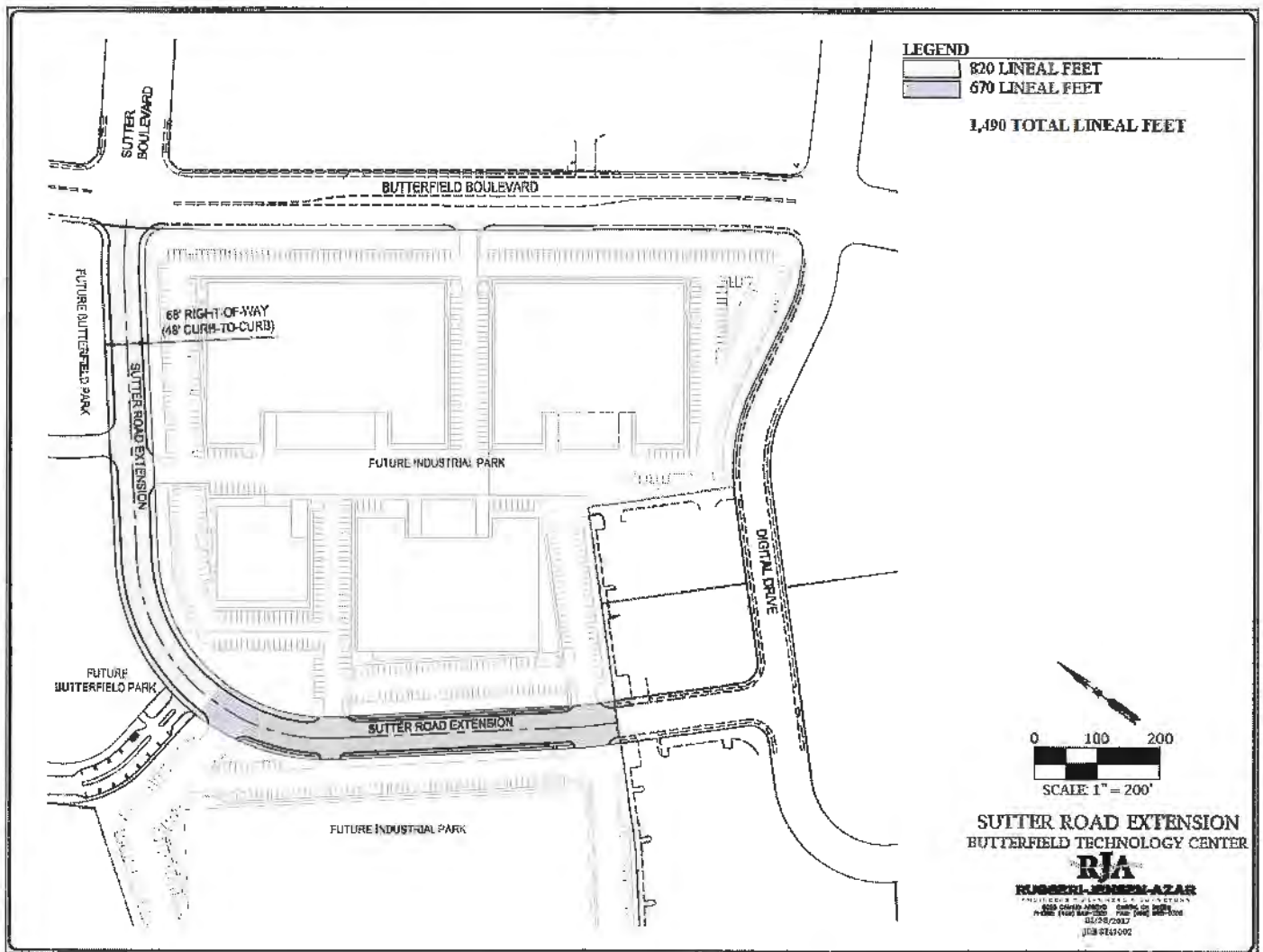
DEVELOPMENT AGREEMENT
BETWEEN CITY OF MORGAN HILL,
a California municipal corporation,

AND

MWEST PROPCO XXIII LLC

EXHIBIT 3

SUTTER ROAD EXTENSION



**DEVELOPMENT AGREEMENT
BETWEEN CITY OF MORGAN HILL,
a California municipal corporation,**

**AND
MWEST PROPCO XXIII LLC**

EXHIBIT 4

EXISTING IMPACT FEE LIST



CITY OF MORGAN HILL

CITY OF MORGAN HILL PUBLIC WORKS DEPARTMENT

17575 Peak Avenue Morgan Hill CA 95037 - Office (408)778-6480 Fax (408)779-7236

FEE SCHEDULE: 01.15.2017

DATE _____

TRACT / APN _____

ADDRESS / LOT _____

PROJECT DESCRIPTION _____

PER RESOLUTION 5902,
EFFECTIVE JULY 1, 2006
AND PER RESOLUTION 5592,
INCREASED JANUARY 15, 2009
AND PER RESOLUTION 6082,
EFFECTIVE FEBRUARY 5, 2007
**SEE BACK PAGE FOR ADDITIONAL FEE
RESOLUTIONS

FEE SCHEDULE EXPIRATION DATE _____

NAME _____

MAILING ADDRESS _____

CITY, STATE, ZIP CODE _____

PHONE NUMBER _____

NOTES:

1. PRESSURE REGULATORS ARE REQUIRED ON ALL WATER SERVICES.
2. BACKFLOW PREVENTORS ARE REQUIRED ON ALL NON-RESIDENTIAL WATER SERVICES & FIRE SPRINKLER SERVICES. BACKFLOW INSPECTION FEE SHALL BE PAID PRIOR TO INSPECTION.
3. MULTI-FAMILY IS DEFINED AS ANY UNIT WITH TWO BEDROOMS OR LESS.
SINGLE FAMILY IS DEFINED AS ANY UNIT WITH 3 BEDROOMS OR MORE.

☐ **THIS FEE SCHEDULE IS ESTIMATE ONLY**

CALCULATED BY _____

CHECKED BY _____

BUILDING PERMIT # _____

DATE BLD PERMIT ISSUED _____

SEWER IMPACT FEES WITHIN RDA BOUNDARY**CHECK APPLICABLE SCENARIO BELOW**☐ **COMMERCIAL OR INDUSTRIAL WITHIN RDA BOUNDARY**

SEWER IMPACT FOR COMMERCIAL & INDUSTRIAL PROJECTS
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07 PER RES# 6082.

☐ **RESIDENTIAL PROJECTS WITHIN RDCS DOWNTOWN AREA**

SEWER IMPACT FOR SINGLE-FAMILY AND MULTI-FAMILY RESIDENTIAL
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07.

☒ **NOT IN RDA AREA BOUNDARY**

** BOTH NORMAL FEES AND ADJUSTED FEES ARE SUBJECT
TO ANNUAL CPI INCREASES.

☐ **COMMERCIAL OR INDUSTRIAL SHELL**

**RDA SEWER ALLOCATION
COMPLETED BY:**

(write Initials below)

version 01.15.17 std

WATER FEES:**1. METER DEPOSIT: 650-37672**

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)

1"	\$468	x		=	
1 1/2"	\$1,434	x		=	
2"	\$1,619	x		=	
3" or larger-Time & Material + Meter Cost				=	

METER CREDITS

x =

SUBTOTAL =**2. BACKFLOW CONST. INSPECTION: 650-37859**

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)

\$62 x Each =

3. WATER FRONTAGE CHARGE: 650-37663

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)

1 Side	\$66	x		LF	=	
2 Sides	\$37	x		LF	=	

4. WATER IMPACT FEE: 651-37648

(Auth: Res. #5592 approved 08.21.02, Increased 01.15.17)

a) Residential					
\$3,751 /DU	x		DU	=	
(Single Family)					
\$3,384 /DU	x		DU	=	
(Multi Family)					

b) Commercial & Industrial					
(Includes Landscape Service)					
\$10,648 /AC	x		AC	=	

WATER CREDITS

x =

SUBTOTAL =**WATER FEE TOTALS =****5. ENGINEERING & INSPECTION FEE: 206-38734**

(Minimum \$500.00):

(Authority: Res. #5902 approved 05.04.05, Updated 07.01.09)

ENGINEERING ESTIMATE:					
DATE ENGINEERING EST. SUBMITTED:					
% APPLIES TO ENGINEER'S ESTIMATE					
13.3%	\$1	to	\$100,000	=	
11.8%	\$100,001	to	\$200,000	=	
10.3%	\$200,001	to	\$500,000	=	
8.8%	OVER		\$500,000	=	
ENGINEERING FEE				=	
DEPOSIT PAID				=	

ENGINEERING FEE TOTAL =**5A. LONG RANGE PLANNING FEE: 207-37912**

LONG RANGE PLANNING FEE (15% of E&I) =

SEWER FEES:**6. SEWER FRONTAGE CHARGE: 640-37663**

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)

1 Side	\$66	/LF	x		LF	=	
2 Sides	\$37	/LF	x		LF	=	

7. SEWER IMPACT FEE: 641-37648

(Auth: Res. #6082 approved 02.05.07 &

Res. #5592 approved 08.21.02, Increased 01.15.17).

a) Residential					
\$14,680 /DU	x		DU	=	
(Single Family)					
\$12,424 /DU	x		DU	=	
(Multi Family)					
b) Commercial & Industrial					
\$50.26 /GPD	x		GPD	=	
\$50.26 /GPD	x		GPD	=	

SEWER CREDITS

x =

RDA ASSUMED SEWER OBLIGATION

\$14,680 /DU	x		DU	=	
(Single Family)					
\$12,424 /DU	x		DU	=	
(Multi Family)					
\$50.26 /GPD	x		GPD	=	
(Commercial & Industrial)					

SUBTOTAL =**SEWER FEE TOTALS =****STORM DRAIN FEES:****8. STORM DRAIN FRONTAGE CHARGE: 304-37663**

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)

1 Side	\$108	/LF	x		LF	=	
2 Sides	\$53	/LF	x		LF	=	

9. STORM DRAIN IMPACT FEE: 303-37648

(Auth: Res. #5592 approved 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$3,982 /DU	x		DU	=	
(Single Family)					
\$2,071 /DU	x		DU	=	
(Multi Family)					
\$43,364 /ACRE	x		AC	=	
(Commercial & Office)					
\$31,572 /ACRE	x		AC	=	
(Industrial)					

STORM CREDITS

x =

SUBTOTAL =**STORM DRAIN FEE TOTALS =**

10. UNDERGROUNDING UTILITIES: 350-37649

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)

1 Side \$681 x _____ LF = _____
 2 Sides \$343 x _____ LF = _____

11a. PARK IMPACT FEE: 301-37648

(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$5,566 /DU x _____ DU = _____
 (Single Family - Sub)
 \$4,047 /DU x _____ DU = _____
 (Single Family - No Sub)
 \$5,363 /DU x _____ DU = _____
 (Multi Family - Sub)
 \$3,903 /DU x _____ DU = _____
 (Multi Family - No Sub)

11b. PARK MAINTENANCE DEV. FEE: 302-37649

_____ x _____ EACH = _____

PARK CREDITS

_____ x _____ = _____

PARK FEE TOTAL = _____**12. TRAFFIC IMPACT FEE: 309-37648**(Auth: Res. #15-152 approved 06.17.15 &
Res. #5592 approved 08.21.02, Increased 01.15.17)

\$1,928 /DU x _____ DU = _____
 (Single Family)
 \$1,196 /DU x _____ DU = _____
 (Multi Family)
 \$1,928 /PHT x _____ PHT = _____
 (Commercial)
 \$1,928 /PHT x _____ PHT = _____
 (Industrial)

TRAFFIC CREDITS

_____ x _____ = _____

TRAFFIC FEE TOTAL = _____**13. LIBRARY IMPACT FEE: 348-37648**

(Auth: Res. #5837 appr'd 09.01.04, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$2,044 /DU x _____ DU = _____
 (Single Family)
 \$1,969 /DU x _____ DU = _____
 (Multi Family)

LIBRARY CREDITS

_____ x _____ = _____

LIBRARY FEE TOTAL = _____**14. BURROWING OWL MITIGATION: 232-38145**

(Authority: Res. #5765 approved 01.21.04, Increased 07.01.16)

\$200 /DU _____ DU = _____
 (Residential)
 \$1,395 /AC _____ AC = _____
 (Commercial/Industrial)

15a. MAP CHECK FEE: 206-38716

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)

PARCEL MAP: \$3,805 = _____
 TRACT MAP: \$5,667 = _____

16. POLICE IMPACT FEE: 311-37648

(Auth: Res. #5686 appr'd 06.18.03, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$794 /DU x _____ DU = _____
 (Single Family)
 \$767 /DU x _____ DU = _____
 (Multi Family)
 \$1,724 /ACRE x _____ AC = _____
 (Commercial)
 \$2,415 /ACRE x _____ AC = _____
 (Industrial)

POLICE CREDITS

_____ x _____ = _____

POLICE FEE TOTAL = _____**17. FIRE IMPACT FEE: 313-37648**

(Auth: Res. #6671 approved 07.17.13, Increased 01.15.17)

\$122 /DU x _____ DU = _____
 (Single Family)
 \$116 /DU x _____ DU = _____
 (Multi Family)
 \$1,604 /ACRE x _____ AC = _____
 (Commercial)
 \$1,604 /ACRE x _____ AC = _____
 (Industrial)

FIRE CREDITS

_____ x _____ = _____

FIRE FEE TOTAL = _____**18. PUBLIC FACILITIES IMPACT FEE: 347-37648**

(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$530 /DU x _____ DU = _____
 (Single Family)
 \$510 /DU x _____ DU = _____
 (Multi Family)
 \$1,167 /ACRE x _____ AC = _____
 (Commercial)
 \$1,634 /ACRE x _____ AC = _____
 (Industrial)

PUBLIC FACILITIES CREDITS

_____ x _____ = _____

PUBLIC FACILITIES FEE TOTAL = _____**20. COMMNTY/REC CTRS IMPACT FEE: 360-37648**

(Auth: Res. #15-152 appr'd 8.17.15, increased 01.15.17)

\$3,791 /DU x _____ DU = _____
 (Single Family)
 \$3,326 /DU x _____ DU = _____
 (Multi Family)

PUBLIC FACILITIES CREDITS

_____ x _____ = _____

PUBLIC FACILITIES FEE TOTAL = _____

**BETWEEN CITY OF MORGAN HILL,
a California municipal corporation,**

**and
MWEST PROPCO XXIII LLC**

EXHIBIT 5

INSURANCE REQUIREMENTS

Developer is required to procure and provide proof of the insurance coverage required by this Agreement in the form of certificates and endorsements. The required insurance must cover the activities of Developer and its Subcontractors relating to or arising from the performance of work associated with the Agreements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Agreement terminates.

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. If Developer fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement, City may, at its sole discretion, purchase such coverage at Developer’s expense, or terminate the Agreement for default. Developer further understands that the City reserves the right to modify the insurance requirements set forth herein, with thirty (30) days’ notice provided to Developer, at any time as deemed necessary to protect the interests of the City.

A. Upon execution of Agreement:

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

(1) Commercial General Liability Insurance (“CGL”): Developer shall maintain CGL and shall include coverage for liability arising from Developer’s (including its agents, representatives, officers, employees, invitees, volunteers, and contractors) activity, use and maintenance of the property 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 one million dollars (\$1,000,000.00) for property damage.

(b) Required Endorsements. Developer shall provide proof of the following endorsement to the General Liability policy:

a. “Additionally Insured” - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds.

B. Ten (10) days prior to start of any construction within the Project:

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

(1) Commercial General Liability Insurance (“CGL”): Developer shall maintain CGL and shall include coverage for liability arising from Developer’s or its Subcontractor’s acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) five million dollars (\$5,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least five million dollars (\$5,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to Developer under Developer’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

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

b. CGL policy must include contractor’s protected coverage, blanket contractual, and completed operations.

(2) Workers’ Compensation Insurance and Employer’s Liability: Developer shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers’ Compensation Insurance and Safety Act and provide protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Developer under Developer’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater. If Developer is self-insured, Developer must provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

(3) Automobile Liability: Developer shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if Developer does not own automobiles, then Developer 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 one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to Developer under

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

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

(b) Required Endorsements. Developer shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

(1) ALL Policies:

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

(2) General Liability:

a. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

b. "Primary and Non-Contributing" - Insurance shall be primary non-contributing;

c. "Separation of Insureds" - The inclusion of more than one insured will not operate to impair the rights of one insured against another, and the coverages afforded will apply as though separate policies have been issued to each insured.

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

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

C. Certificates. Developer shall furnish City with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to the Developer's agreement with the City shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days' notice by the insurer to City, unless due to non-payment of premiums, in which case ten days written notice must be made to City. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

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

DRAFT



Meeting Minutes City Council

Steve Tate - Mayor
Larry Carr - Mayor Pro Tem
Rich Constantine - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Wednesday, May 17, 2017 5:00 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

(5:00 P.M. Closed Session/ 5:30 P.M. Workshop/ 7:00 P.M. Regular Meeting)

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

SPECIAL MEETING

5:00 P.M.

CALL TO ORDER

Mayor Tate called the special meeting to order at 5:00 p.m.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Wilson called the role.

Attendee Name	Title	Status	Arrived
Steve Tate	Mayor	Present	
Larry Carr	Mayor Pro Tem	Present	

Rich Constantine	Council Member	Present	
Caitlin Jachimowicz	Council Member	Present	
Rene Spring	Council Member	Present	

DECLARATION OF POSTING AGENDA

Deputy City Clerk Michelle Wilson declared the posting of the agenda.

CLOSED SESSION

City Attorney Donald Larkin read the closed session into the record.

OPPORTUNITY FOR PUBLIC COMMENT

The public comment was opened at 5:01 p.m.

There being no requests to speak, the public comment was closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 5:01 p.m.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to: Government Code Section 54956.9(d)(2)

Number of Cases: One (1)

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to: Government Code Section 54956.8

Property: APN 817-21-001

Agency Negotiators: Steve Rymer and Anthony Eulo

Negotiating Parties: Fountain Oaks Ranch, LLC

County of Santa Clara

Open Space Authority

Under Negotiation: Price and Terms of Payment

RECONVENE

The special meeting was reconvened at 5:42 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney Donald Larkin announced that there was no reportable action.

WORKSHOP

Community Development Director Jennifer Carman, Principal Planner John Baty, and Interim Principal

Planner Gina Paolini facilitated the workshop discussing potential Measure S Residential Development Control System (RDCS) process changes.

The public comment was opened at 6:43 p.m.

Dick Oliver was called to speak.

Kerry Williams was called to speak.

John Telfer was called to speak.

Rick Nelson was called to speak.

There being no further requests to speak, the public comment was closed.

Mayor Tate called a recess at 6:58 p.m.

REGULAR MEETING

The regular meeting was convened at 7:04 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Constantine shared that as part of his outside duties, he sits on the Policy Advisory Committee (PAC) for the Valley Transportation Authority (VTA). They have been charged with advising the Board on the Next Network Plan, which will streamline the current transportation structure. Some services to Morgan Hill and Gilroy will be reduced, but he is confident that the PAC will advise and work with the Board to add services where most needed. He will provide updates as he gets more information.

On Saturday, May 6th he attended an event with Mayor Tate and Council Member Spring that was organized by Live Oak High School's Voices Group celebrating immigration. He commended the students for putting the event together and for showing compassion to their fellow residents.

CITY MANAGER'S REPORT

City Manager Steve Rymer recognized Sergeant Troy Hoefling for living the City's core values. While out on patrol he came across an individual in need and he took the time to stop and work with the individual and that person is now in a better place because of Sergeant Hoefling's efforts. He thanked all Fire Fighters and Police throughout the south County region. He also recognized Kenny Christensen, Senior Utility Worker, for his outstanding customer service.

He announced that the Aquatics center will open on Weekends starting Memorial weekend and the following weekend. Starting June 10th, the Aquatics center will be open every day. He shared that the City Council Mid-Cycle Budget workshop will take place on Friday, May 19th at 9:00 a.m. in the Council Chamber.

He reminded the community that the County is starting a safety improvement project on DeWitt Avenue at the "S" curve. The north bound lane will be closed in the near future with both lanes being closed after that.

He concluded by speaking to the evening's supplements and presentations.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin had no report.

OTHER REPORTS

Mayor Tate announced that his next Coffee with the Mayor will take place on June 24th from 10:00 a.m. to 11:30 a.m. at Grinds, Vines, and Automobiles. His guest will be City Attorney Donald Larkin.

He also shared with the Council that he would like to ride bikes in the 4th of July parade.

PROCLAMATIONS

Proclaiming the week of May 12-19, 2017 as Affordable Housing Week
Proclaiming the Month of May 2017 as Older Americans Month

COMMENDATIONS

Sakata Seeds 40th Anniversary Commendation
John Nelson, Director of Sales and Marketing

PRESENTATIONS

YAC presentation- Asset # 18 - Youth Programs

Recycler of the Year Presentation to The Lodge
by Julie Alter, Recology South Valley

PUBLIC COMMENT

The public comment was opened at 7:25 p.m.

There being no requests to speak, the public comment was closed.

COMMENTS RECEIVED FROM THE PUBLIC

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rich Constantine, Council Member
SECONDER:	Larry Carr, Mayor Pro Tem
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

CONSENT CALENDAR

MOTION

Approving consent calendar items 1 through 10.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

1. COMMUNITY PROMOTIONS FUNDING REQUESTS FOR 2017

Recommendation:

1. Receive report; and
2. Direct staff to provide \$41,300 for the requested Community Promotions Funding Support.

2. AUTHORIZATION TO PARTICIPATE IN REGIONAL AGRICULTURAL CONSERVATION EASEMENT GRANT

Recommendation:

Adopt resolution approving and authorizing the City's participation in a grant application to the State for the purchase of an agricultural conservation easement.

3. EXTENSION OF THE AGREEMENT BETWEEN THE CITY OF MORGAN HILL AND CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION FOR FIRE PROTECTION SERVICES IN THE CITY OF MORGAN HILL

Recommendation:

Approve an extension of the Fire Protection Reimbursement Agreement (Agreement) between the City of Morgan Hill (City) and California Department of Forestry and Fire Protection (CAL FIRE) for fire protection services in the City of Morgan Hill per the terms of the Agreement.

4. THIRD AMENDMENT TO AGREEMENT WITH BRIGHTVIEW LANDSCAPE SERVICES, INC.

Recommendation:

Approve the third amendment to the maintenance service agreement with Brightview Landscape Services, Inc.

5. THIRD AMENDMENT TO FIRATO SERVICE COMPANY AGREEMENT FOR JANITORIAL SERVICES

Recommendation:

Approve the third amendment to the maintenance service agreement with Firato Service Company.

6. EMPLOYEE COMPENSATION GUIDING PRINCIPLES

Recommendation:

Approve Employee Compensation Guiding Principles

7. CITY POSITION ON COMMUNITY DEVELOPMENT BLOCK GRANT TRAILER BILL

Recommendation:

Receive legislative correspondence in opposition of trailer bill language proposing to cut Community Development Block Grant funding from State budget.

8. MARCH 2017 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

9. ADOPT ORDINANCE 2235, NEW SERIES, AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING SECTION 1.19.040 OF CHAPTER 1.19 OF TITLE 1, OF THE MORGAN HILL MUNICIPAL CODE REGARDING THE AMOUNT OF FINES FOR ADMINISTRATIVE PENALTIES

Recommendation:

Waive the reading, adopt Ordinance No. 2235, 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

10. APPROVE THE MAY 3, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

11. INITIATE ANNUAL ASSESSMENT PROCESS FOR LANDSCAPE ASSESSMENT DISTRICT NUMBER 1

Recommendation:

Adopt resolutions approving the following actions:

1. Initiate the proceedings for the levy of assessments for Fiscal Year 2017-18;
2. Provide approval of the Engineer's Annual Report and the proposed assessment levy; and
3. Declare the City Council's intention to levy the assessments in the District and to set the Public Hearing date for June 7, 2017.

Community Services Director Chris Ghione presented the report.

The public comment was opened at 7:30 p.m.

There being no requests to speak, the public comment was closed.

MOTION

Approving the recommended action.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

12. COMMUNICATIONS AND ENGAGEMENT UPDATE

Recommendation:

Receive report.

Communications and Engagement Manager Maureen Tobin presented the report.

RESULT: NO ACTION TAKEN

13. DOWNTOWN PARKS NAMING

Recommendation:

Approve the names recommended by the Parks and Recreation Commission for the new downtown parks.

Community Services Director Chris Ghione presented the report.

The public comment was opened at 7:44 p.m.

There being no requests to speak, the public comment was closed.

MOTION

Approving the following park names; Railroad Park, Third Street Creek Park, and Nob Hill Trail Park.

RESULT: APPROVED [UNANIMOUS]
MOVER: Rene Spring, Council Member
SECONDER: Caitlin Jachimowicz, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

14. OUTDOOR SPORTS CENTER UPDATE

Recommendation:

1. Receive the report on Outdoor Sports Center Operations; and
2. Provide direction as necessary.

Community Services Director Chris Ghione presented the report.

Mayor Tate called a recess at 8:02 p.m.

The meeting was reconvened at 8:15 p.m.

The public comment was opened at 8:15 p.m.

Jeff Dixon was called to speak.

There being no further requests to speak, the public comment was closed.

RESULT: NO ACTION TAKEN

PUBLIC HEARING

15. AMENDMENTS TO CITY'S WATER WASTE ORDINANCE EXPANDING PERMANENT CONSERVATION POLICIES

Recommendation:

1. Open/Close public hearing;
2. Waive the first and second reading of the ordinance;
3. Introduce ordinance.

Program Administrator Anthony Eulo presented the report.

The public hearing was opened at 8:58 p.m.
There being no requests to speak, the public hearing was closed.

MOTION

Waiving the first and second reading of the Ordinance.

RESULT:	WAIVED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

MOTION:

Introducing the ordinance.

RESULT:	INTRODUCED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

16. AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING TITLE 17 (SUBDIVISIONS), CHAPTER 17.34 (STANDARDS FOR RESIDENTIAL AND PRIVATE STREETS), PARAGRAPH 17.34.060 (PRIVATE STREETS) TO ADD A SUB-PARAGRAPH DIRECTING THAT PRIVATE STREETS BE CONSTRUCTED TO PUBLIC STREETS STANDARDS

Recommendation:

1. Open/Close Public Hearing;
2. Waive the first and second reading of the Ordinance; and
3. Introduce the Ordinance.

Public Works Director Karl Bjarke presented the report.

The public hearing was opened at 9:14 p.m.
There being no further requests to speak, the public hearing was closed.

MOTION

Waiving the first and second reading of the Ordinance.

RESULT:	WAIVED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Caitlin Jachimowicz, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

MOTION

Introducing the Ordinance.

RESULT: INTRODUCED [UNANIMOUS]
MOVER: Larry Carr, Mayor Pro Tem
SECONDER: Rich Constantine, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

17. ORDINANCE ADDING A NEW CHAPTER 15.22 (BELOW MARKET RATE (BMR) HOUSING IN LIEU FEE) TO TITLE 15 (HOUSING CODE) OF THE MORGAN HILL MUNICIPAL CODE, ADDING 15.22.10 PURPOSE, 15.22.20 DEFINITIONS, AND 15.22.30 APPLICABILITY.

Recommendation:

1. Open/Close Public Hearing;
2. Waive the First and Second Reading of the Ordinance; and
3. Introduce Ordinance that:
 - A. Institutes a \$12.92 housing in-lieu fee (based on 8% affordability provision), per square foot of livable space of the entire project, effective with the Fiscal Year (FY) 2019-20 Residential Development Control System (RDCS) competition year; and
 - B. Maintains the existing .5 fractional threshold for payment and providing the unit on site.

Housing Manager Rebecca Garcia presented the report.

The public hearing was opened at 9:17 p.m.

There being no requests to speak, the public hearing was closed.

MOTION

Waiving the first and second reading of the Ordinance.

RESULT: WAIVED [UNANIMOUS]
MOVER: Larry Carr, Mayor Pro Tem
SECONDER: Rich Constantine, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

MOTION

Introducing the Ordinance.

RESULT: INTRODUCED [UNANIMOUS]
MOVER: Larry Carr, Mayor Pro Tem
SECONDER: Rich Constantine, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

18. DEVELOPMENT AGREEMENT AMENDMENTS A. AAE 2017-0004 (DAA 14-06): COCHRANE – CAL ATLANTIC; B. AAE 2017-0009 (DAA 16-05): CONDIT -MANA; C. AAE 2017-0008 (DAA 15-05): LAUREL - DEROSE; D. AAE 2017-0014 (DAA 15-10): ALTIMIRA – DIVIDEND; E. AAE 2017-0017 (DAA 09-05): COCHRANE – TOLL BROTHERS; F. AAE 2017-0006 (DAA 14-09): MONTEREY - KB; G. AAE 2017-0012 (DAA 15-02): SAN PEDRO – PRESIDIO; H. AAE 2017-0015 (DAA 12-03): WATSONVILLE – DIVIDEND; J. AAE 2017-0018 (DAA 14-10): E. DUNNE – BUSK; AND K. AAE 2017-0019 (DAA 14-11): MONTEREY – CENTRAL ECA

Recommendation:

1. Open/close public hearing on requests A through H;
2. Waive first and second reading of Development Agreement Amendment Ordinances A and B incorporating allotments from the 2016 RDCS competition;
3. Introduce Development Agreement Amendment Ordinances A and B (by individual roll call vote);
4. Waive first and second reading of Development Agreement Amendment Ordinances C, D, and E incorporating allotments from the 2016 RDCS competition and incorporating extensions to allotments due to rain delays;
5. Introduce Development Agreement Amendment Ordinances C, D, and E (by individual roll call vote.);
6. Waive first and second reading of Development Agreement Amendment Ordinances F, G, and H incorporating extensions to allotments due to rain delays;
7. Introduce Development Agreement Amendment Ordinances F, G, and H (by individual roll call vote.);
8. Open/close public hearing on request J;
9. Waive first and second reading of Development Agreement Amendment Ordinance J incorporating a four-month extension to allotments due to City delay; and
10. Introduce Development Agreement Amendment Ordinance J.

Interim Planning Manager Terry Linder presented the report.

The public hearing for Ordinances A - H was opened at 9:25 p.m.

Rick Nelson was called to speak.

Dick Oliver was called to speak.

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

MOTION

Waiving the first and second reading of Development Agreement Amendment Ordinances A and B.

RESULT:	WAIVED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE A

MOTION

Introducing Development Agreement Amendment Ordinance A.

RESULT:	INTRODUCED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE B**MOTION**

Introducing Development Agreement Amendment Ordinance B.

RESULT: **INTRODUCED [UNANIMOUS]**
MOVER: Larry Carr, Mayor Pro Tem
SECONDER: Rich Constantine, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCES C, D, AND E**MOTION**

Waiving the first and second reading of Development Agreement Amendment Ordinances C, D, and E.

RESULT: **WAIVED [UNANIMOUS]**
MOVER: Rich Constantine, Council Member
SECONDER: Caitlin Jachimowicz, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE C**MOTION**

Introducing Development Agreement Amendment Ordinance C.

RESULT: **INTRODUCED [UNANIMOUS]**
MOVER: Rich Constantine, Council Member
SECONDER: Caitlin Jachimowicz, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE D**MOTION**

Introducing Development Agreement Amendment Ordinance D.

RESULT: **INTRODUCED [UNANIMOUS]**
MOVER: Rich Constantine, Council Member
SECONDER: Caitlin Jachimowicz, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE E**MOTION**

Introducing Development Agreement Amendment Ordinance E.

RESULT: **INTRODUCED [UNANIMOUS]**
MOVER: Rich Constantine, Council Member
SECONDER: Caitlin Jachimowicz, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCES F, G, AND H

MOTION

Waiving the first and second reading of Development Agreement Amendment Ordinances F, G, and H.

RESULT:	WAIVED [UNANIMOUS]
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE F

MOTION

Introducing Development Agreement Amendment Ordinance F.

RESULT:	INTRODUCED [UNANIMOUS]
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE G

MOTION

Introducing Development Agreement Amendment Ordinance G.

RESULT:	INTRODUCED [UNANIMOUS]
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE H

MOTION

Introducing Development Agreement Amendment Ordinance H.

RESULT:	INTRODUCED [UNANIMOUS]
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE J

The public hearing for Ordinance J was opened at 9:45 p.m.
 Scott Murray was called to speak.
 Bill McClintock was called to speak.
 There being no further requests to speak, the public hearing was closed.

MOTION

Re-opening the public hearing.

The public hearing for Ordinance J was re-opened at 10:39 p.m.
 Bill McClintock was called to speak.
 Liam Downey was called to speak.
 Michael Orosco was called to speak.
 Yvonne Martinez Beltran was called to speak.
 Joe Mueller was called to speak.
 Wayne Tanda was called to speak.
 There being no further requests to speak, the public hearing was closed.

RESULT:	RE-OPENED [4 TO 1]
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz
NAYS:	Spring

MOTION

Extending the meeting to 11:45 p.m.

RESULT:	EXTENDED [UNANIMOUS]
MOVER:	Rich Constantine, Council Member
SECONDER:	Larry Carr, Mayor Pro Tem
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

ORDINANCE J

Mayor Tate called a recess 10:58 p.m.
 The meeting was reconvened at 11:04 p.m.

MOTION

Waiving the first and second reading of Development Agreement Amendment Ordinance J with an extension of six months with a commencement of construction date of December 30, 2017.

RESULT:	WAIVED [3 TO 2]
MOVER:	Rich Constantine, Council Member
SECONDER:	Steve Tate, Mayor
AYES:	Tate, Carr, Constantine
NAYS:	Jachimowicz, Spring

ORDINANCE J

MOTION

Introducing Development Agreement Amendment Ordinance J with an extension of six months with a commencement of construction date of December 30, 2017.

RESULT:	INTRODUCED [3 TO 2]
MOVER:	Rich Constantine, Council Member
SECONDER:	Steve Tate, Mayor
AYES:	Tate, Carr, Constantine
NAYS:	Jachimowicz, Spring

19. ZA2017-0003: AN ORDINANCE ESTABLISHING A COMPETITION MANUAL FOR THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDSCS)

Recommendation:

1. Open/close public hearing;
2. Waive first and second reading of RDSCS Competition Manual Ordinance; and
3. Introduce RDSCS Competition Manual Ordinance.

Principal Planner John Baty presented the report.

The public hearing was opened at 11:36 p.m.

Rocke Garcia was called to speak.

Vince Burgos was called to speak.

Kerry Williams was called to speak.

Wayne Tanda was called to speak.

John Telfer was called to speak.

Wayne Tanda was called to speak.

Dick Oliver was called to speak.

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

MOTION

Extending the meeting to 12:05 p.m.

RESULT:	EXTENDED [UNANIMOUS]
MOVER:	Rich Constantine, Council Member
SECONDER:	Larry Carr, Mayor Pro Tem
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

MOTION:

Tabling the item to a future meeting.

RESULT:	TABLED [UNANIMOUS]
MOVER:	Rich Constantine, Council Member
SECONDER:	Rene Spring, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

FUTURE COUNCIL INITIATED AGENDA ITEMS

Mayor Tate would like to invite our innovative community members to a future City Council meeting to share their ideas and the work they are doing.

ADJOURNMENT

The meeting was adjourned at 11:59 p.m.

MINUTES PREPARED BY

Michelle Wilson, Deputy City Clerk



Sustainable Morgan Hill Vision

Morgan Hill is a socially responsible, environmentally conscious, and economically sound community that embraces inclusiveness with participation by all.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage

2017 STRATEGIC PRIORITIES

High Speed Rail

Inclusiveness

Infrastructure

Regional Initiatives

Telecommunications

2017 STRATEGIC PRIORITIES:



High Speed Rail

The City of Morgan Hill will directly advocate for our community's needs through our communications, discussions, and decisions. We will continue to engage the community, the High Speed Rail Authority, our state and federal legislators, and other regional agencies to mitigate negative impacts and convey our position that the High Speed Rail Authority should only use the existing Highway 101 right-of-way to avoid all impacts to residents, schools, and businesses. Should the Authority decide the 101 right-of-way is not feasible, we will strongly advocate for the route with the least impact on Morgan Hill.



Inclusiveness

We will celebrate the diversity, history, and culture of our community. Through City Council workshops, community meetings, and researching successes in other communities, the City will listen to and collaborate with the community to define how inclusiveness will be further woven into our community's fabric and to increase public participation. The City's communications, services, public spaces, and projects will embrace all community members as partners, advancing our vision of being a socially responsible community.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs initially by updating its 2014 infrastructure study to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for the Santa Teresa extension and road maintenance. We will continue to work closely with our community to inform them of the needs and engage them to find an affordable and sustainable solution.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. This regional involvement will include, but not be limited to, partnering with the League of California Cities, Valley Transportation Authority, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.



Telecommunications

The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Development Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure. The plan will be used to signal Morgan Hill's support for business expansion.

DRAFT



Meeting Minutes City Council

Steve Tate - Mayor
Larry Carr - Mayor Pro Tem
Rich Constantine - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Friday, May 19, 2017 9:00 AM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

MID-CYCLE BUDGET REVIEW WORKSHOP

CALL TO ORDER

Mayor Tate called the Mid-Cycle Budget Workshop to order at 9:05 a.m.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Wilson called the roll.

Attendee Name	Title	Status	Arrived
Steve Tate	Mayor	Present	
Larry Carr	Mayor Pro Tem	Present	
Rich Constantine	Council Member	Present	
Caitlin Jachimowicz	Council Member	Present	
Rene Spring	Council Member	Present	

DECLARATION OF POSTING OF AGENDA

Deputy City Clerk Michelle Wilson declared the posting of the agenda.

Minutes Acceptance: Minutes of May 19, 2017 9:00 AM (CONSENT CALENDAR)

PUBLIC COMMENT

The public comment was opened at 9:05 a.m.

Jim Sergi was called to speak.

There being no further requests to speak, the public comment was closed.

WORKSHOP

City Manager Steve Rymer and Assistant City Manager for Administrative Services Christina Turner facilitated the workshop.

The public comment was opened and closed multiple times throughout the workshop.

Doug Muirhead was called to speak.

Kathy Sullivan was called to speak.

Ava Geddes was called to speak.

Brian Sullivan was called to speak.

Doug Muirhead was called to speak.

MID-CYCLE BUDGET REVIEW WORKSHOP

Recommendation:

- Review budget development
- Review significant changes to the revenue and expenditure assumptions
- Consider service level enhancements
- Preview next two-year budget cycle

ADJOURNMENT

The meeting was adjourned at 1:18 p.m.

Minutes Prepared By:

Michelle Wilson, Deputy City Clerk



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DRAFT



Meeting Minutes City Council

Steve Tate - Mayor
Larry Carr - Mayor Pro Tem
Rich Constantine - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Wednesday, May 24, 2017 5:30 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

(5:30 P.M. Workshops / 7:00 P.M. Regular Meeting)

A special meeting of the City Council was called at 5:30 p.m. for the purpose of conducting two workshops.

SPECIAL MEETING

5:30 P.M.

CALL TO ORDER

Mayor Tate called the meeting to order at 5:36 p.m.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Wilson

Attendee Name	Title	Status	Arrived
Steve Tate	Mayor	Present	

Minutes Acceptance: Minutes of May 24, 2017 5:30 PM (CONSENT CALENDAR)

Larry Carr	Mayor Pro Tem	Present	
Rich Constantine	Council Member	Present	
Caitlin Jachimowicz	Council Member	Present	
Rene Spring	Council Member	Present	

DECLARATION OF POSTING AGENDA

Deputy City Clerk Michelle Wilson declared the posting of the agenda.

WORKSHOP I

Climate and Agriculture Protection Program (CAPP) Update

The purpose of this workshop is to receive an update about the CAPP's progress to date and next steps.

City Manager Steve Rymer introduced Kirk Gerard with the County of Santa Clara to provide the CAPP update.

WORKSHOP II

Agricultural Preservation and Annexations/Urban Service Area (USA) Extension Policies

The purpose of this workshop is to discuss the City's existing policies and current efforts.

Program Administrator Anthony Eulo, Principal Planner John Baty, and Tom Scharffenberger with Scharffenberger Planning & Design provided the presentation.

The public comment was opened at 6:49 p.m.

Doug Muirhead was called to speak.

There being no further requests to speak, the public comment was closed.

The meeting went into recess at 6:57 p.m.

REGULAR MEETING

7:00 P.M.

The regular meeting was called to order at 7:03 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Jachimowicz spoke regarding a Cities Association meeting she attended with the Mayor. She shared that the Mayor has asked her to start tracking State legislation. She also reported that Mayor

Pro Tem Carr and her had the opportunity and privilege to participate in the Relay for Life opening ceremonies this past weekend. It was a very touching, emotional, and wonderful event where members of our community supported each other as well as raised over \$100,000 for cancer research. She thanked Nikkie Underhill, Kelly Carmichael, and Valeria Renggli for an amazing event. It was a wonderful showing from our community. She thanked everyone for their participation.

CITY MANAGER'S REPORT

City Manager Steve Rymer recognized the Council Services team; Angie Gonzalez, Jindy Garfias, Maria Volpe, and Michelle Wilson for their great internal service as well as their service to the public and community. He also pointed out the youth artwork in the back of the room as one way that the Council always lives their on-going priority of Supporting Youth, Seniors, and the Entire community. On behalf of the City Council and the City team, he wished the entire community a safe and enjoyable Memorial Day weekend. He shared that the Mushroom Mardi Gras will take place this weekend and that the Aquatics Center will open for summer this weekend.

He concluded by speaking to the evening's supplements and presentations.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin had no reports.

OTHER REPORTS

None.

RECEIPT OF AWARD

Receive the American Public Works Association Silicon Valley Chapter's 2017 Project of the year award for the Downtown Parking Garage

PUBLIC COMMENT

The public comment was opened at 7:12 p.m.

Connie Ludewig was called to speak.

Carol Vatuone was called to speak.

Linda Cambareri was called to speak.

There being no further requests to speak, the public comment was closed.

ADOPTION OF AGENDA

MOTION

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

CONSENT CALENDAR

MOTION:

Approving Consent Calendar item 1.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Rich Constantine, Council Member
SECONDER:	Larry Carr, Mayor Pro Tem
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

1. TEMPORARY APPOINTMENTS TO THE LIBRARY, CULTURE, AND ARTS COMMISSION AND PLANNING COMMISSION

Recommendation:

1. Appoint Tim Hennessey to serve on the Library, Culture, and Arts Commission until such time that the current vacancy is filled; and
2. Appoint Michael Orosco to serve on the Planning Commission until such time that the current vacancy is filled.

OTHER BUSINESS

2. ESTABLISHMENT OF A COMPETITION MANUAL FOR THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDSCS)

Recommendation:

1. Continue discussion on potential Measure S Residential Development Control System (RDSCS) process changes;
2. Open/close public hearing;
3. Waive first and second reading of RDSCS Competition Manual Ordinance (for Section III – Competition Criteria, Standards, and Points);
4. Introduce RDSCS Competition Manual Ordinance; and
5. Adopt Resolution approving RDSCS Competition Manual Section I – Competition Manual Overview, Section II – Competition Criteria Summary, and Section IV – RDSCS Implementation Policies.

Principal Planner John Baty, Interim Principal Planner Gina Paolini, and Community Development Director Jennifer Carman provided the presentation.

The public comment was opened at 7:42 p.m.

Rocke Garcia was called to speak.

Jan Malles was called to speak.

Dick Oliver was called to speak.

John Telfer was called to speak.

There being no further requests to speak, the public comment was closed.

Motion:

Waiving the first and second reading of the ordinance.

RESULT: WAIVED [UNANIMOUS]
MOVER: Rich Constantine, Council Member
SECONDER: Rene Spring, Council Member
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

MOTION:
Introducing the ordinance.

RESULT: INTRODUCED [UNANIMOUS]
MOVER: Rene Spring, Council Member
SECONDER: Larry Carr, Mayor Pro Tem
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

3. CALIFORNIA HIGH SPEED RAIL AUTHORITY UPDATE AND CONSIDERATION OF CONSULTANT CONTRACTS WITH MICHAEL BAKER INTERNATIONAL FOR REVIEW OF HIGHWAY 101 CORRIDOR HIGH SPEED RAIL ALIGNMENT, URBAN FIELD STUDIO FOR HIGH SPEED RAIL DESIGN GUIDELINES, AND KITCHELL FOR HIGH SPEED RAIL CITY STANDARDS

Recommendation:

1. Receive verbal project update from the California High Speed Rail Authority;
2. Approve consultant agreement with Michael Baker International for technical railroad and transit engineering support services to review the High Speed Rail Highway 101 Corridor alignment through Morgan Hill for \$64,026;
3. Approve consultant agreement with Urban Field Studio for development of Design Guidelines to mitigate potential impacts from all High Speed Rail alignments for \$153,440; and
4. Approve consultant contract with Kitchell CEM for an amount not to exceed \$255,000 to update current and develop new municipal code standards that address potential impacts from the High Speed Rail project.

Mayor Tate called a recess at 8:24 p.m.
The meeting was reconvened at 8:31 p.m.

Council Member Carr recused himself and left the dais.

Economic Development Director Edith Ramirez provided the report. Ben Tripousis and Gary Kennerley with High Speed Rail provided a project update presentation.

The public comment was opened at 9:54 p.m.
Linda Vrabel was called to speak.
John Horner was called to speak.
Carla Ernest was called to speak.
Linda Cambareri was called to speak.
Kevin Creed was called to speak.
Jan Malles was called to speak.
Roland Lebrun was called to speak.
Sam Diaz was called to speak.
Diane Holmes was called to speak.
Hesham Eassa was called to speak.
Brian Sullivan was called to speak.
Yvonne Martinez was called to speak.
Brian Faircloth was called to speak.
There being no further requests to speak, the public comment was closed.

MOTION:

Approving the recommended action.

RESULT:	APPROVED [4 TO 0]
MOVER:	Rich Constantine, Council Member
SECONDER:	Caitlin Jachimowicz, Council Member
AYES:	Tate, Constantine, Jachimowicz, Spring
RECUSED:	Carr

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

The meeting was adjourned at 10:51 p.m.

Minutes Prepared By:

Michelle Wilson, Deputy City Clerk



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2017 STRATEGIC PRIORITIES

High Speed Rail

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Infrastructure

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Telecommunications

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CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Chris Ghione, Community Services Director

APPROVED BY: City Manager

COMMISSION FISCAL YEAR 17/18 WORK PLANS

RECOMMENDATION(S)

1. Approve the proposed Parks and Recreation Commission FY 2017/18 Work Plan; and
2. Approve the proposed Library, Culture and Arts Commission FY 2017/18 Work Plan.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
 Protecting the Environment
 Maintaining Fiscal Responsibility
 Supporting Our Youth
 Seniors
 and Entire Community
 Fostering a Positive Organizational Culture
 Preserving and Cultivating Public Trust
 Preserving Our Cultural Heritage

2017 Strategic Priorities

Inclusiveness
 Infrastructure

REPORT NARRATIVE:

Each year, the Library, Culture and Arts Commission (LCAC) and the Parks and Recreation Commission (PRC) submit Work Plans for approval by the City Council. After approval by the Council, the Commissions use these Work Plans to guide their work over the next year.

In development of this year's proposed Work Plans, both the LCAC and the PRC reviewed the Council priorities for 2017 to align their work with the Council. As has become practice, the Commissions held a special joint meeting on April 18th, at which the Mayor presented an update on Sustainable Morgan Hill and the Council's priorities. Some of the key areas of alignment include supporting youth and inclusiveness by supporting special events and programs, planning efforts for the Library, Centennial Recreation Center and Outdoor Sports Center, and support in the planning for new art programs.

COMMUNITY ENGAGEMENT: Consult

The development of the Work Plans occurred at noticed public meetings of the PRC and the LCAC. Specific Work Plan items will include appropriate public engagement.

ALTERNATIVE ACTIONS:

The Council could alternatively modify a Commission's Work Plan to eliminate, add, or change specific items within a Work Plan.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Parks and Recreation Commission approved their Work Plan for City Council review on May 23, 2017 and the LCAC approved their Work Plan for City Council review on June 6, 2017.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact associated with the approval of the commission work plans. Each work plan identifies the estimated staff resources necessary to support the specific work plan items. Supporting the LCAC and PRC is an ongoing activity for the Community Services Department.

CEQA (California Environmental Quality Act):

Not a Project

Development of Commission work plans is an administrative activity of government that will not result in direct or indirect physical changes in the environment. While some projects on the work plans may result in changes to the physical environment, those projects would undergo appropriate environmental review on a project by project basis to meet CEQA requirements.

LINKS/ATTACHMENTS:

1. LCAC 2017-2018 Workplan Draft for Council
2. PRC 2017-2018 Workplan Draft for Council

Library, Culture & Arts Commission

FY 2017-18 Work Plan**City Council Approved: Draft**

Overall Mission: To assist the City Council in accomplishing its goals by fostering an environment conducive to and supportive of the arts, culture, and life-long learning in Morgan Hill, working with existing community groups to promote resources, and facilitate partnerships.

Project Area	City Council Goal Supported	Start Date	Complete Date	Staff Resources Required	Specific Task / Commissioners Assigned
Liaison with City Departments, Other Community Groups, MH Citizens	Supporting our Youth, Seniors and Entire Community Inclusiveness	July 1	June 30	CS Director (minimal)	(1) Participate with other groups to support community outreach and support arts and culture in the community (including Valle del Sur, El Toro Arts) (Paul/Bussing)
Permanent and Proposed Public Art	Supporting our Youth, Seniors and Entire Community Preserving Our Cultural Heritage	July 1	June 30	CS Director (minimal) Com Srvs Supervisor (minimal) CS Srvs Coordinator (minimal)	(1) Partner with local Artists to display their work. Review the possibility of implementing a utility box art program or other programs (doors, walls, etc.) (Paul/Antunes/Khera) (2) Form subcommittees as needed to support special art requests that come forward (All) (3) Review opportunities for funding Public Art and Performing Arts in the Future (Paul) (4) Support the Downtown Art Project Selection. (Antunes/Bussing) (5) Develop Tarantula branding and promotion. (Hennessey/Paul/Antunes)
Art and Culture Events	Supporting our Youth, Seniors and Entire Community Inclusiveness	July 1	June 30	CS Director (minimal) CS Srvs Coordinator (minimal)	(1) Facilitate the Art a la Carte event and look to incorporate culture and music into the event. (Lake/Hennessey are leads/all members will support) (2) Explore opportunity to partner with artists on a children's art show. (Paul) (3) Explore partnership opportunities for the City supporting performing arts with South Valley Civic Theater. (Lake/Khera)

Attachment: L CAC 2017-2018 Workplan Draft for Council (1270 : Commission FY 17/18 Work Plans)

Project Area	City Council Goal Supported	Start Date	Complete Date	Staff Resources Required	Specific Task / Commissioners Assigned
Library Outreach and Support	Supporting our Youth, Seniors and Entire Community Inclusiveness	July 1	June 30	Library Staff (moderate) Senior Project Manager (significant)	(1) Support Library Outreach, including possible pop up locations (Lake/Paul) (2) Redefine and support Commissioner's Corner in Library to provide book recommendations (Hennessey) (3) Support the Library Expansion Project (a) Coordinate with Friends of Library on Library Development (Hennessey/Paul) (b) Coordinate on Library Expansion with a special focus on youth technology (Redfield) (c) Participate in the Library design process making recommendations to the City Council (All) (4) Participate in annual Library Commissioners Forum (All) (5) Support incorporation of Children's art into the Library (Lake/Paul) (6) Review and make recommendation on Library Hours (Khera/Antunes)
Support Integration of Historical Resources into Commission Area of Support	Preserving our Cultural Heritage	July 1	June 30	CS Director (moderate) CS Srvs Coordinator (moderate)	(1) Coordinate with the Morgan Hill Historical Society to define LCAC support of Villa Mira Monte operations. (Hennessey/Paul/Khera)

Staff Resources Required:

0-50 hours: Minimal; 51-100 hours: Moderate; 100+ hours: Significant

Parks & Recreation Commission

FY 2017-18 Work Plan - DRAFT

Project (Commissioner Responsible)	City Council Priority Supported	Start Date	Com- pletion Date	Staff Resources Required	Desired Outcome
1. Develop a Plan to Get Youth More Active in Parks and Recreation (Locicero)	Support Youth, Seniors and Entire Community	7/17	6/18	Recreation Manager (Minimal)	Plan for youth involvement.
2. Support Bicycle and Trails Coordination Effort (Haskell, Green)	Support Youth, Seniors and Entire Community	7/17	6/18	CS Director (Minimal)	Support the VTA Bicycle and Pedestrian Advisory Committee. Coordinate sub-committee working with community members on bicycle and trails issues with volunteer Bicycle and Pedestrian Advocacy Group.
3. Support efforts to create an inclusive playground (Locicero, Wendt, Scott)	Support Youth, Seniors and Entire Community	7/17	6/18	CS Director (Significant) CS Coordinator (Moderate)	Support the group that has formed for the creation of an inclusive playground in Morgan Hill. Support in the planning and fundraising efforts.
4. Support planning for updated operations at the Outdoor Sports Center (van Keulen, Haskell)	Support Youth, Seniors and Entire Community Maintaining Fiscal Responsibility	7/17	6/18	CS Director (Significant)	Support development of RFP for OSC operator. Provide recommendations on capital improvement projects.
5. Support the Planning for the CRC Health and Wellness Expansion Project (van Keulen/Seehaffer/Green)	Support Youth, Seniors and Entire Community	7/17	6/18	Recreation Manager (Significant)	Support planning for future health and wellness needs. Provide recommendations on proposals and designs.

Staff Resources Required: **0-50 hours = Minimal** **51-100 hours = Moderate** **100+ hours = Significant**



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Dat Nguyen, Finance Director

APPROVED BY: City Manager

APRIL 2017 FINANCIAL AND INVESTMENT REPORT

RECOMMENDATION(S)

Accept and file report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

Preserving and Cultivating Public Trust

REPORT NARRATIVE:

As part of the City Council's expectation to maintain a high level of transparency and to be responsible stewards of public funds, attached are the Financial and Investment Reports for the month ended April 30, 2017. The Year-to Date Revenue and Expense Summary is included on the first page. Overall, General Fund revenues totaled \$30.1 million or 83% of the budget. Expenditures totaled \$31.8 million, and including encumbrances amounted to \$32.9 million or 84% of the budget. The encumbrances represent commitments or contractual obligations that the City entered with vendors or suppliers such as Cal-West Lighting and Signal Maintenance for the maintenance of the City's streetlights and traffic signals, and the partnership agreement with the YMCA of Silicon Valley for the management and operation of the Community Recreation Center. The services from these vendors are expected to be utilized by the City and paid throughout the fiscal year.

COMMUNITY ENGAGEMENT: Inform

Finance staff prepares these monthly reports in an effort to keep City officials, the Council, the community, and various lenders and stakeholders informed on the financial health of the organization, which assists each one of the interested parties in making sound financial and investment decisions.

ALTERNATIVE ACTIONS:

No alternative action is recommended, as this is a monthly financial report on City transactions which have already occurred.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council receives and files the financial and investment report for each month. At the September 16, 2015 meeting, City Council recommended monthly financial and investment reports be agendaized under the Consent Agenda, and quarterly financial

and investment reports be presented to City Council as an “Other Business” item.

FISCAL AND RESOURCE IMPACT:

The preparation of the report is a part of the Finance workplan.

CEQA (California Environmental Quality Act):

Not a Project.

This report is not a project, as defined in Section 15378 of the State CEQA Guidelines. Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. April 2017 Financial Statement Analysis
2. April 2017 Financial and Investment Report



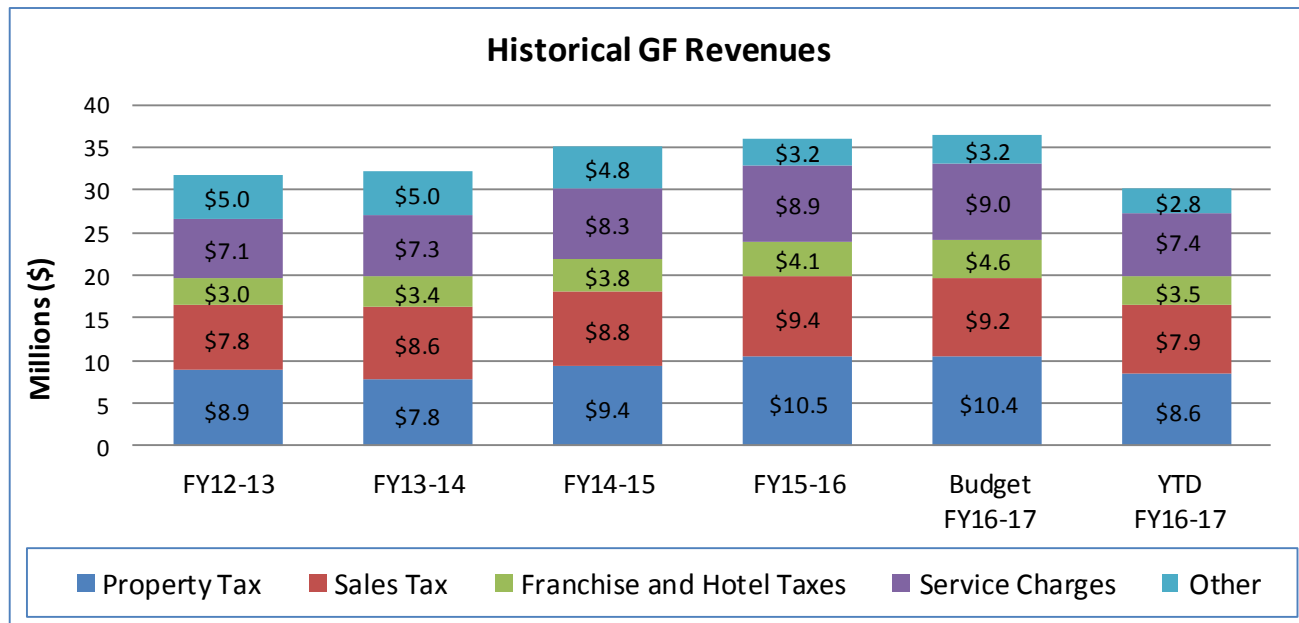
CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2016-17
FOR THE MONTH ENDED APRIL 2017 – 83% OF YEAR COMPLETE

- **General Fund** – Overall, revenues received through April totaled \$30.1 million, or 83% of the budgeted revenues. The amount received is 20% or \$5.1 million higher than a year ago at this time primarily led by sales tax and property tax. The increase in sales tax collection is primarily due to the end of the “triple-flip.”

As for property tax, the increase was primarily due to an early payment of the 4th advance for the 4/10/17 secured and unsecured property tax installment in the amount of \$1.9 million. Excluding the timing differences for the 4th advance payment, the amount received is approximately \$400,000 higher than a year ago at this time. Property tax revenue, excluding property transfer tax, is forecasted to end the year at \$10.7 million, which is approximately \$700,000 more than the adopted budget. Property tax is the largest source of Morgan Hill’s General Fund revenue. However, it accounts for only 27.4% of the approximately \$36.4 million General Fund revenue. Although property tax tends to be a more predictable revenue source, other major revenue categories such as sales tax and transient occupancy tax, which account for a large portion of the City’s General Fund revenue, are more volatile and tend to fluctuate more with swings in the economy.

The small category of licenses was already at 91% of the budgeted amount as annual business license renewal payments are usually received in July.

The chart below shows historical General Fund revenues by major revenue category from FY12-13 through FY15-16 Actual, FY16-17 Budget, and YTD as of April 30, 2017.



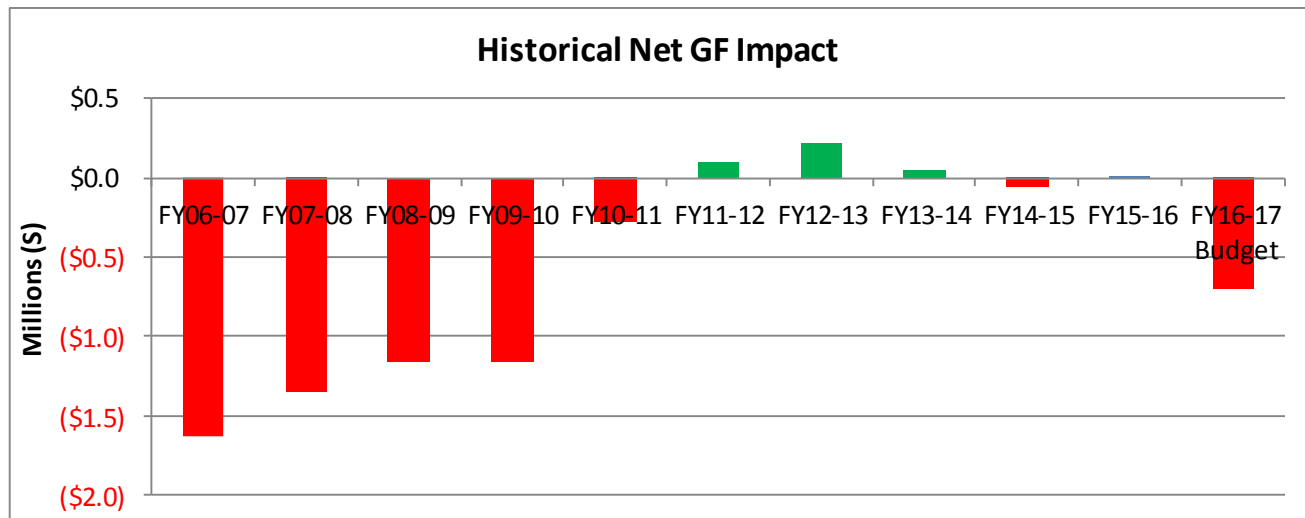
General Fund expenditures and encumbrances as of April 30, 2017 totaled \$32.9 million, of which approximately \$1.0 million is attributable to outstanding encumbrances.

- **Community Services** - The Community Services Department’s recreation operations, as reflected in the schedule presented on page 4 of the Monthly Financial and Investments Reports, shows a negative impact to the General Fund of approximately \$883,000 through April. Without the carry-over



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2016-17
FOR THE MONTH ENDED APRIL 2017 – 83% OF YEAR COMPLETE

encumbrances, operations through April resulted in a smaller net negative impact to the general fund of approximately \$364,000. Any net impact from the recreation operations increases (decreases) reserves in the General Fund. The chart below shows the historical net impact of Recreation Operations to the general fund.



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

- **Community Development Fund** – Revenues through April totaled \$3.9 million, or approximately 90% of the budget. Expenditures and encumbrances totaled \$4.2 million, or approximately 78% of the budgeted appropriation. Without the outstanding encumbrances, however, expenditures through April amounted to \$3.9 million. The fund is budgeted to end the fiscal year with an operating deficit of approximately \$1.0 million and a fund balance of approximately \$1.8 million.
- **Debt Service Funds** – Expenditures through April totaled \$680,000. The debt service for the first half of the year includes both interest and principal, while the second half of the year will include interest only. Debt service payments were all scheduled when the bonds were issued, and are budgeted for in the months delineated in the underlying bond documents.
- **Sewer Operations** – Revenues from Sewer Operations through April totaled \$8.2 million. Expenditures and outstanding encumbrances totaled \$8.1 million or 76% of the budget. The table below shows historical Sewer Operations revenues and expenditures from FY12-13 through FY15-16 Actual, FY16-17 Budget, and YTD as of April 30, 2017.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2016-17
FOR THE MONTH ENDED APRIL 2017 – 83% OF YEAR COMPLETE

(amount in millions)	FY12-13	FY13-14	FY14-15	FY15-16	Budget FY16-17	YTD FY16-17
Revenues	9.7	9.4	10.3	10.2	10.4	8.2
Expenditures	9.0	8.6	8.8	12.0	10.6	8.1
Operating Margin	0.7	0.8	1.5	(1.8)	(0.2)	0.1
Operating Margin without Encumbrances	0.7	0.8	1.5	(1.8)	(0.2)	0.2

- Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues from Water Operations through April totaled \$8.8 million, approximately \$2.1 million more than a year ago at this time primarily due to the rate adjustment and slightly higher water consumption compared to prior year. Revenues for the current fiscal year are budgeted at approximately 16% more than the prior fiscal year primarily due to the Water Revenue Adjustment approved by Council in January 2016. Water Operations expenditures, including outstanding encumbrances, through April 30, 2017 totaled \$8.6 million. Without the encumbrances, however, the expenditures amounted to \$8.1 million. The table below shows Water Operations revenues and expenditures from FY12-13 through FY15-16 Actual, FY16-17 Budget, and YTD as of April 30, 2017.

(amount in millions)	FY12-13	FY13-14	FY14-15	FY15-16	Budget FY16-17	YTD FY16-17
Revenues	10.2	12.2	8.8	8.5	10.0	8.8
Expenditures	9.1	12.1	9.3	9.7	11.2	8.6
Operating Margin	1.1	0.1	(0.5)	(1.2)	(1.2)	0.2
Operating Margin without Encumbrances	1.1	0.1	(0.5)	(1.2)	(0.8)	0.7

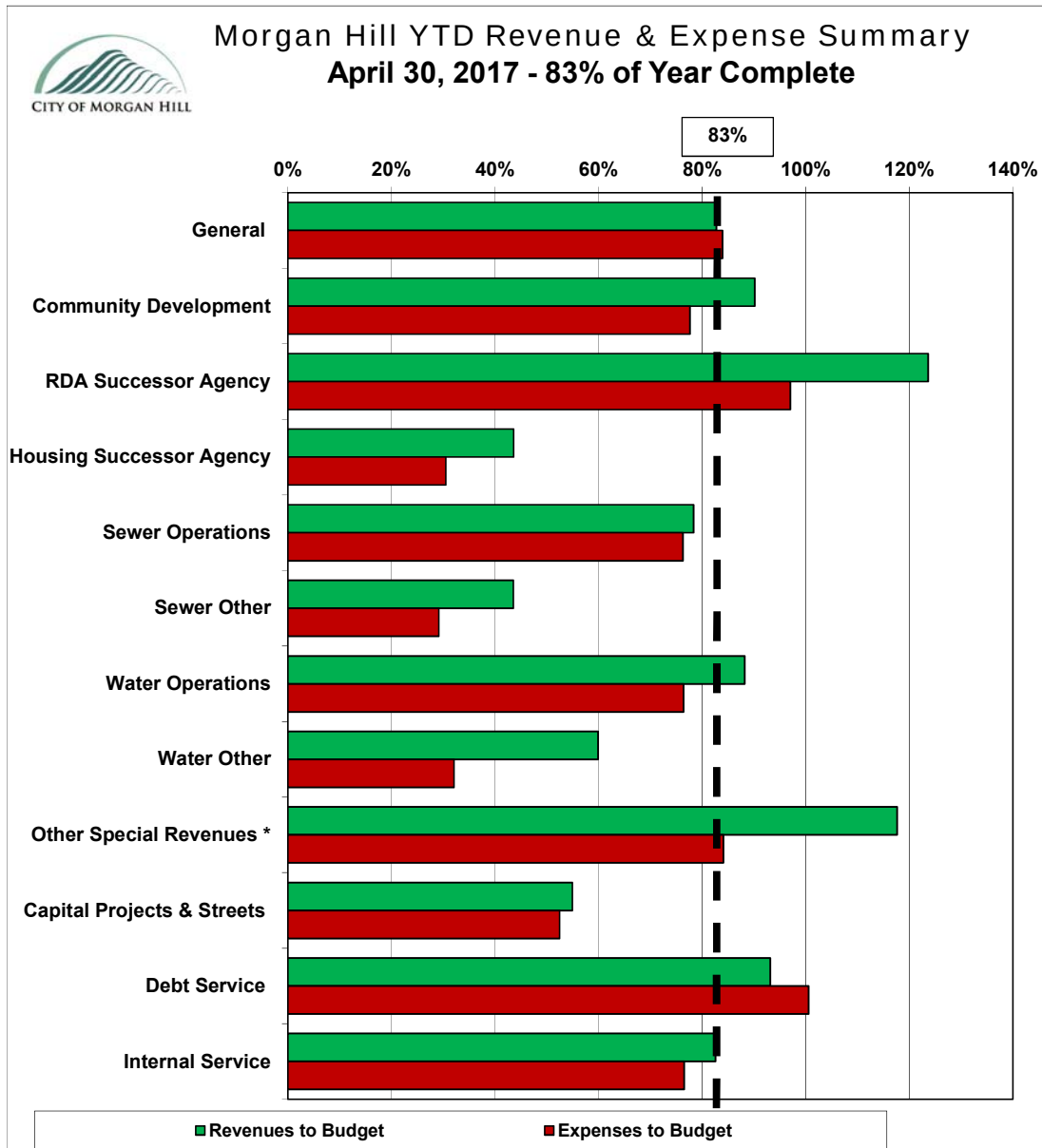
- Investments** - No purchases were made during the month of April 2017. Total interest earnings received on investments were \$127,000 during the month.

CITY OF MORGAN HILL
Monthly Financial and Investment Reports
April 30, 2017 - 83% of Year Complete



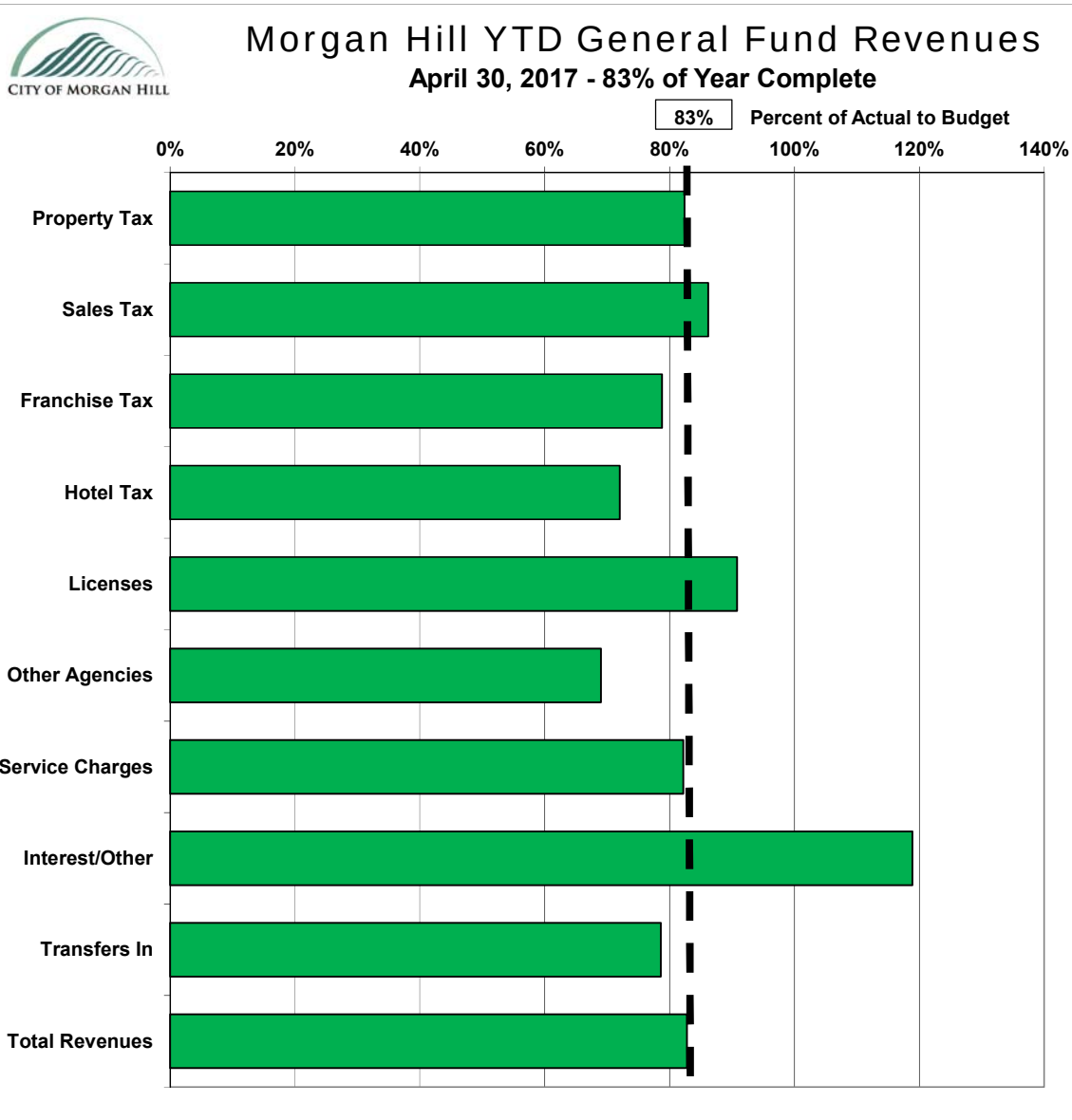
CITY OF MORGAN HILL

Prepared by:
FINANCE DEPARTMENT

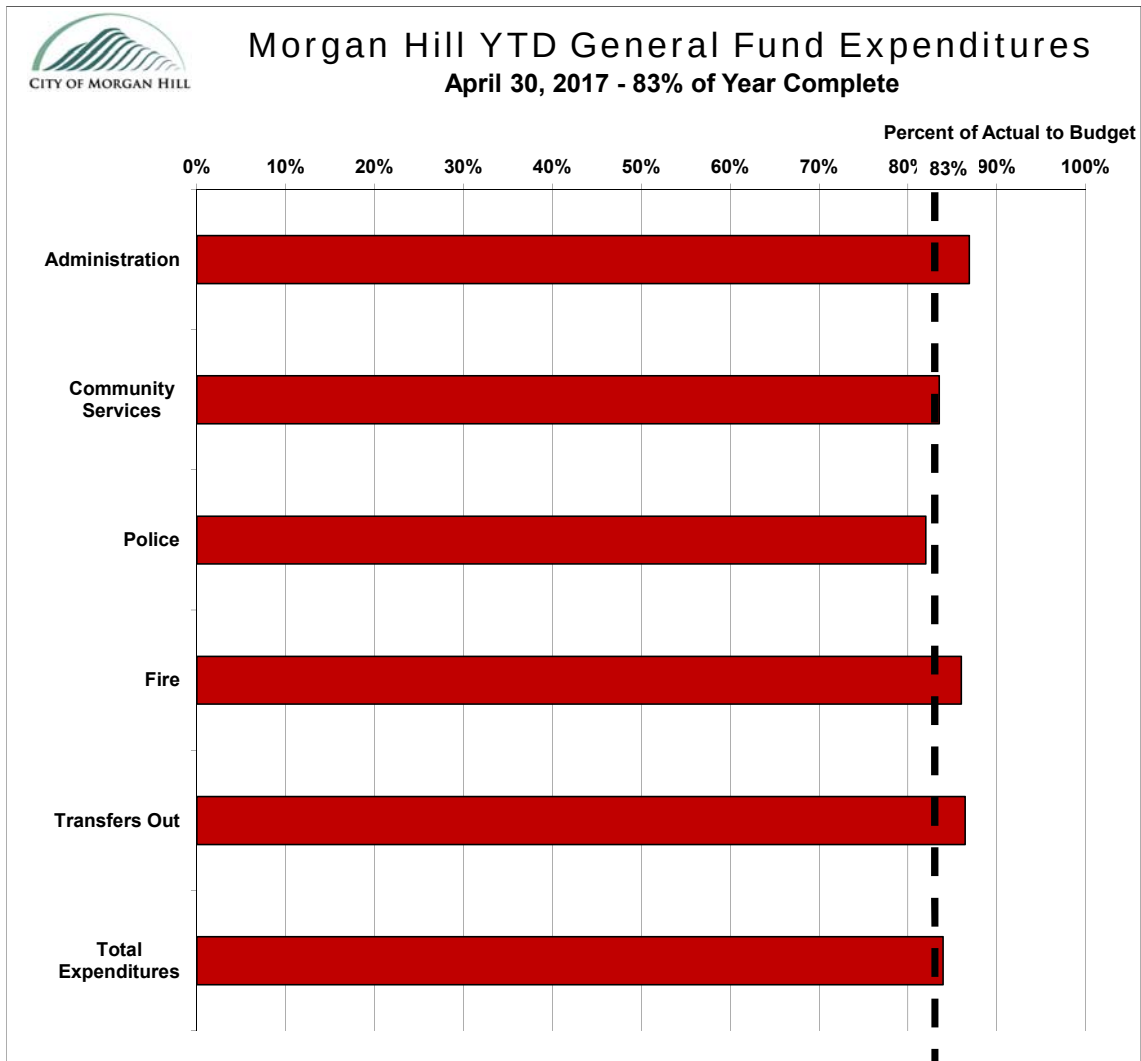


FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 30,140,291	83%	\$ 32,883,204	84%
Community Development	3,946,181	90%	4,196,718	78%
RDA Successor Agency	9,078,045	124%	8,616,047	97%
Housing Successor Agency	545,645	44%	851,988	31%
Sewer Operations	8,152,547	78%	8,116,052	76%
Sewer Other	3,666,309	44%	5,454,908	29%
Water Operations	8,819,820	88%	8,584,941	76%
Water Other	1,655,939	60%	5,553,843	32%
Other Special Revenues *	4,043,109	118%	4,718,534	84%
Capital Projects & Streets	9,953,864	55%	12,882,880	52%
Debt Service	632,684	93%	679,773	101%
Internal Service	8,798,915	83%	9,546,525	77%
TOTAL FOR ALL FUNDS	\$ 89,433,349	79%	\$ 102,085,413	68%

* Includes all Special Revenue Funds except Community Development, Street Funds, and RDA and Housing Successor Agencies.



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$10,430,000	\$ 8,594,981	82%	\$ 6,278,258	37%
Sales Tax	9,170,767	7,906,110	86%	6,192,635	28%
Franchise Tax	1,927,359	1,518,165	79%	1,411,161	8%
Hotel Tax	2,684,700	1,933,692	72%	1,645,469	18%
Licenses	206,474	187,492	91%	196,364	-5%
Other Agencies	641,506	442,584	69%	318,321	39%
Service Charges	8,953,220	7,356,061	82%	7,216,386	2%
Interest/Other	775,597	922,177	119%	726,610	27%
Transfers In	1,627,581	1,279,028	79%	1,095,958	17%
TOTAL REVENUES	\$36,417,204	\$30,140,291	83%	\$ 25,081,162	20%



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Administration	\$ 5,968,432	\$ 5,187,311	87%	\$ 3,696,707	40%
Community Services	10,372,425	8,663,583	84%	7,896,484	10%
Police	15,339,657	12,579,224	82%	12,009,022	5%
Fire	5,428,841	4,669,123	86%	4,581,526	2%
Transfers Out	2,064,119	1,783,963	86%	1,308,288	36%
TOTAL EXPENDITURES	\$ 39,173,474	\$ 32,883,204	84%	\$ 29,492,026	11%

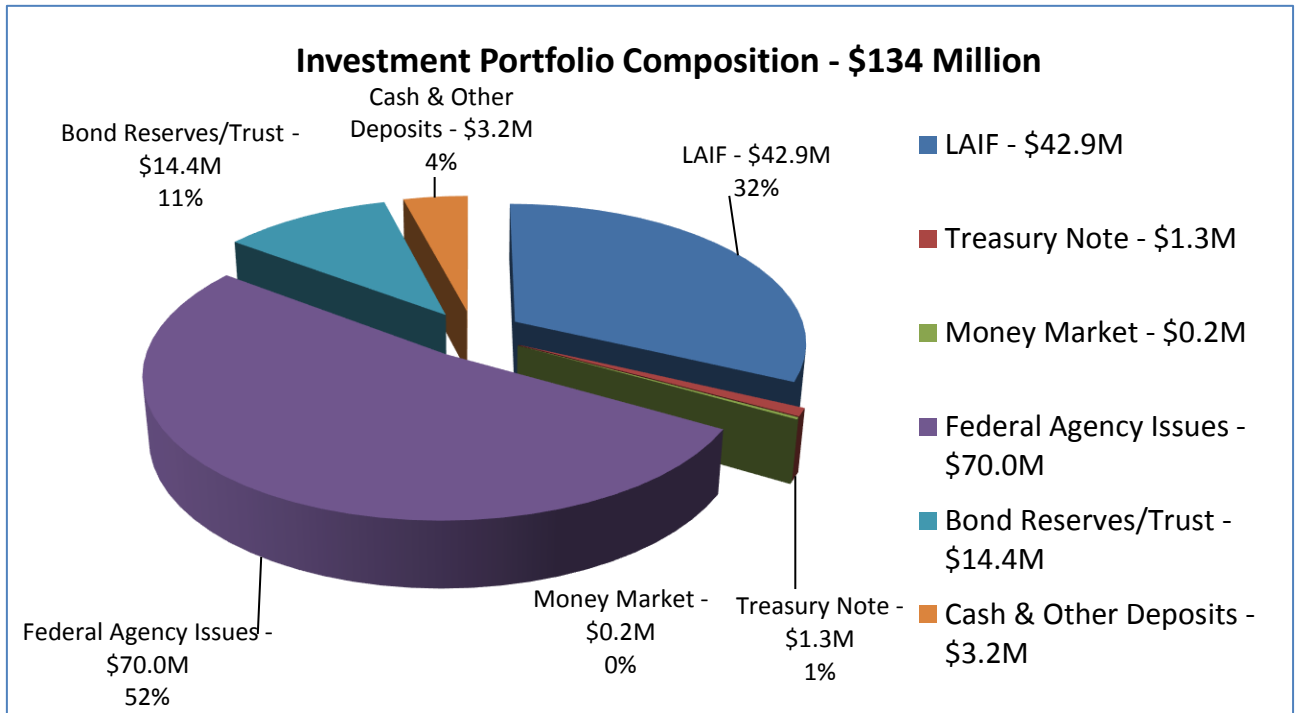


**City of Morgan Hill
Recreation Report - Fiscal Year 2016-17
For the Month and Ten Months Ended April 30, 2017
83% of Year Complete**

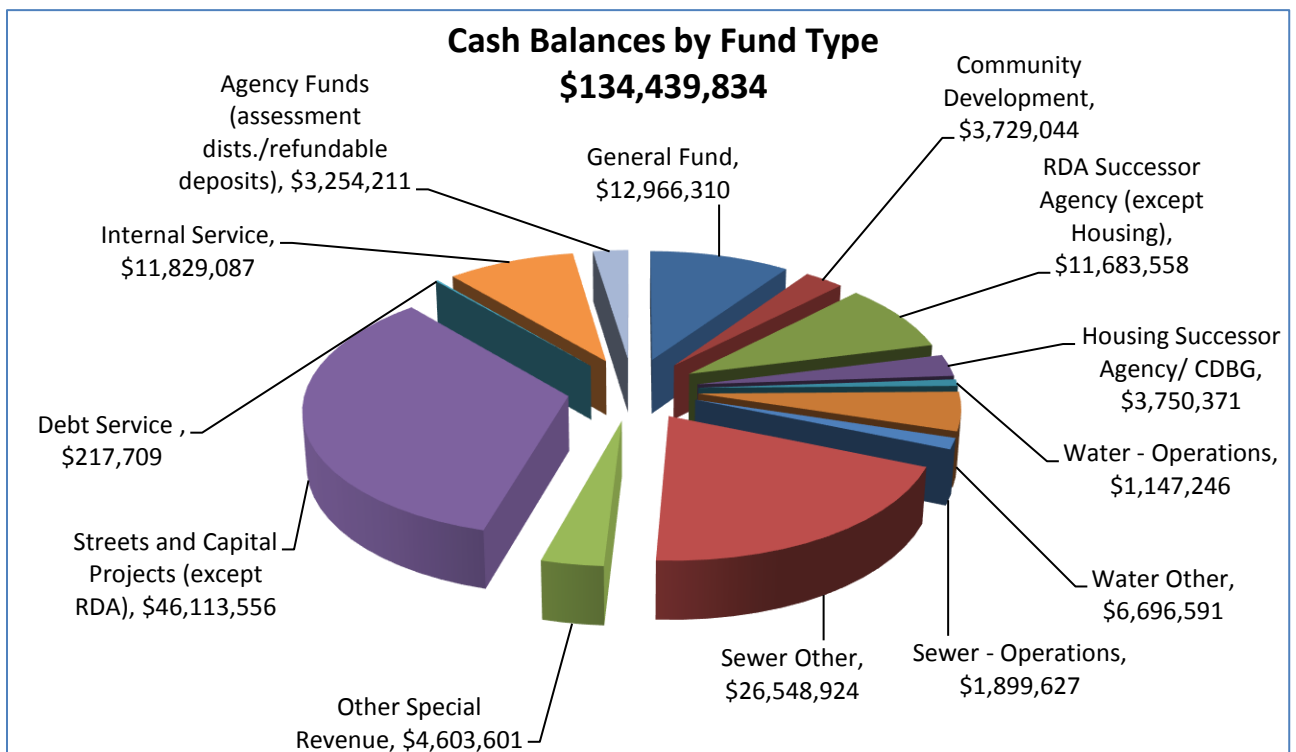
	<u>Budget</u>	<u>April 2017</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 5,702,573	\$ 437,842	\$ 4,623,008	
Facility Rentals	874,020	84,600	768,117	
Community Services	152,915	8,422	113,028	
Transfers in	75,000	6,250	62,500	
Total Revenues	\$ 6,804,508	\$ 537,114	\$ 5,566,653	82%
Less: Expenditures				
Membership & Program Services	\$ 5,529,949	\$ 313,664	\$ 4,335,427	
Facility Rentals	1,250,322	102,111	1,046,773	
Community Services	719,212	49,242	548,316	
Total Expenditures	\$ 7,499,484	\$ 465,016	\$ 5,930,515	79%
Net Impact without encumbrances	\$ (694,976)	\$ 72,099	\$ (363,862)	
Encumbrances	-	-	519,376	
Net Impact with encumbrances	\$ (694,976)	\$ 72,099	\$ (883,238)	

City of Morgan Hill
Monthly Investment Report - April 30, 2017

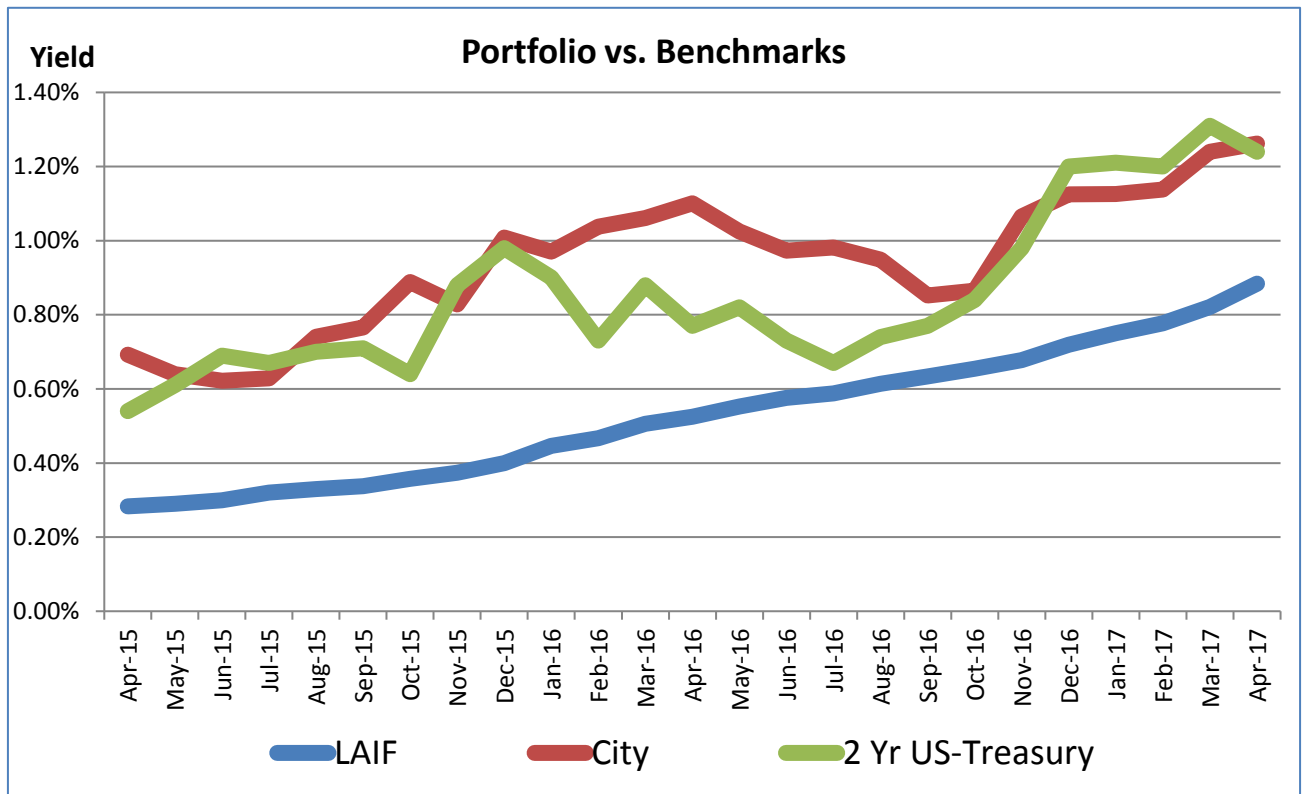
The following are the snapshots of City's investment portfolio as of April 30, 2017. The first chart shows the portfolio composition by investment type:



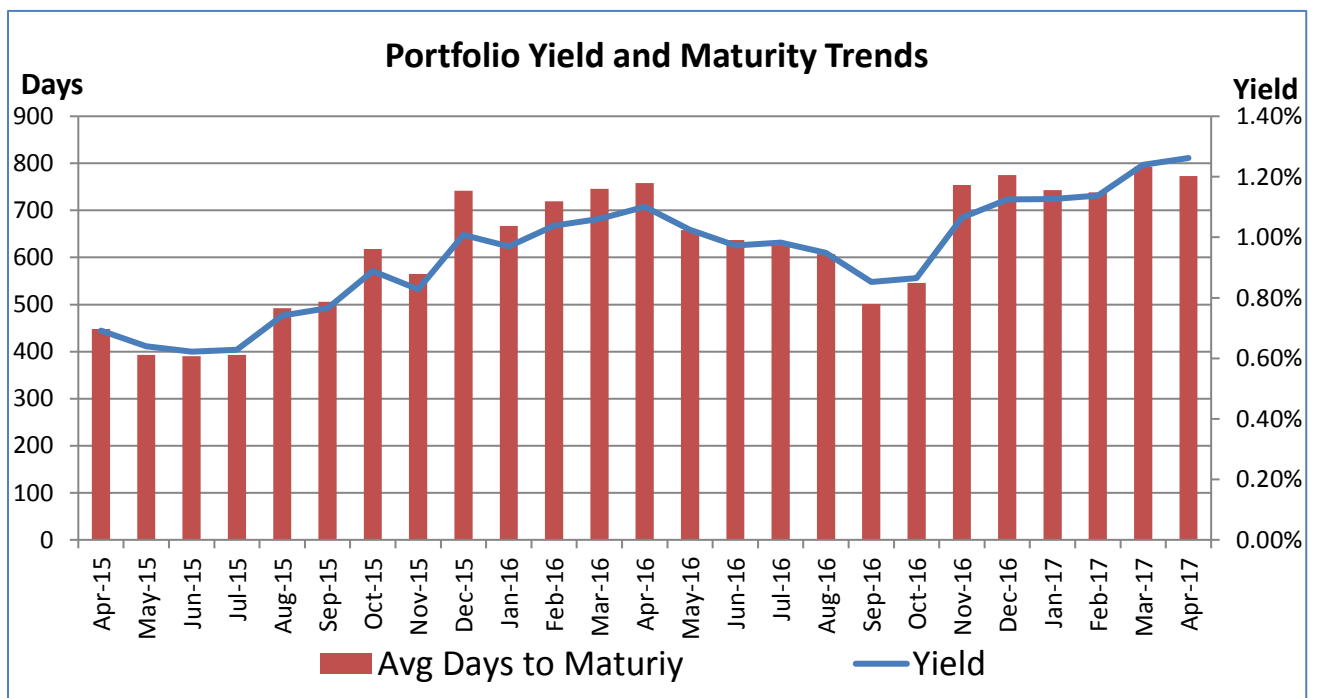
The chart below shows cash balances by fund type reconciled to City's financial system:



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



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





City of Morgan Hill
Investment Portfolio Detail
As of April 30, 2017

Investment Type	Settlement Date	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F		\$ 42,980,790	31.97%	\$ 42,956,025	0.88%		
City Managed							
Fed Home Loan Bank	12/3/2012	\$ 2,000,519	1.49%	\$ 2,000,320	0.93%	9/20/2017	9/20/2017
Fed Home Loan Mortgage	1/31/2013	499,100	0.37%	498,850	1.01%	1/12/2018	1/12/2018
Fed Home Loan Mortgage	8/12/2013	996,976	0.74%	998,370	1.36%	12/12/2017	12/12/2017
Fed Home Loan Bank	3/21/2014	1,001,866	0.75%	1,001,850	0.86%	5/17/2017	5/17/2017
Treasury Note	12/15/2014	753,201	0.56%	753,045	1.01%	10/31/2017	10/31/2017
Federal Farm Credit Bank	5/28/2015	1,000,936	0.74%	1,000,470	0.99%	2/20/2018	2/20/2018
Treasury Note	6/12/2015	498,618	0.37%	498,240	1.06%	3/31/2018	3/31/2018
Fed Natn'l Mortgage Assn	6/12/2015	500,139	0.37%	499,080	1.10%	2/28/2018	2/28/2018
Fed Home Loan Mortgage	7/2/2015	999,233	0.74%	997,750	0.97%	3/7/2018	3/7/2018
Fed Home Loan Mortgage	8/31/2015	999,887	0.74%	999,450	0.79%	8/25/2017	8/25/2017
Fed Home Loan Bank	9/30/2015	1,000,506	0.74%	998,320	0.95%	4/24/2018	4/24/2018
Fed Home Loan Bank	9/30/2015	511,703	0.38%	511,316	0.80%	10/12/2017	10/12/2017
Fed Home Loan Bank	10/19/2015	4,000,000	2.98%	3,983,520	1.70%	10/19/2017	10/19/2020
Fed Home Loan Bank	6/30/2016	4,000,000	2.98%	3,919,160	1.50%	6/30/2017	6/30/2021
Fed Natn'l Mortgage Assn	8/25/2016	4,000,000	2.98%	3,896,240	1.40%	8/25/2017	8/25/2021
Fed Home Loan Mortgage	9/29/2016	2,000,000	1.49%	1,969,760	1.65%	6/29/2017	9/29/2021
Fed Natn'l Mortgage Assn	9/29/2016	4,000,000	2.98%	3,916,760	1.60%	6/29/2017	9/29/2021
Fed Home Loan Mortgage	10/27/2016	4,000,000	2.98%	3,898,400	1.60%	7/27/2017	10/27/2021
Fed Natn'l Mortgage Assn	10/28/2016	4,000,000	2.98%	3,896,400	1.55%	7/28/2017	10/28/2021
Fed Home Loan Mortgage	10/28/2016	2,000,000	1.49%	1,951,840	1.65%	7/28/2017	10/28/2021
Fed Home Loan Bank	11/15/2016	4,000,000	2.98%	3,930,320	1.55%	5/15/2017	11/15/2021
Fed Home Loan Bank	11/23/2016	3,000,000	2.23%	2,953,770	1.65%	5/23/2017	11/23/2021
Fed Home Loan Bank	11/23/2016	4,000,000	2.98%	3,917,240	1.63%	5/23/2017	11/23/2021
Fed Home Loan Mortgage	11/30/2016	4,000,000	2.98%	3,972,720	1.88%	5/26/2017	11/26/2021
Fed Home Loan Mortgage	3/29/2017	5,000,000	3.72%	5,002,350	2.38%	9/29/2017	3/29/2022
Sub Total/Average		\$ 58,762,685	43.71%	\$ 57,965,541	1.56%		
Money Market		\$ 259,632	0.19%	\$ 259,632	0.01%		
Total City Managed/Average		\$ 102,003,106	75.87%	\$ 101,181,196	1.03%		
City Managed - HighMark							
Fed Natn'l Mortgage Assn	8/18/2016	\$ 749,209	0.56%	\$ 745,418	1.06%	1/25/2019	1/25/2019
Fed Natn'l Mortgage Assn	8/18/2016	749,531	0.56%	744,278	1.18%	1/26/2019	7/26/2019
Fed Natn'l Mortgage Assn	8/23/2016	749,942	0.56%	745,748	1.25%	5/23/2017	8/23/2019
Fed Home Loan Mortgage	8/31/2016	750,000	0.56%	741,195	1.25%	8/15/2019	8/15/2019
Fed Home Loan Mortgage	9/13/2016	750,000	0.56%	748,290	1.10%	6/13/2017	9/3/2018
Fed Home Loan Bank	9/15/2016	750,000	0.56%	747,008	1.00%	6/15/2017	6/15/2018
Fed Home Loan Bank	9/21/2016	749,791	0.56%	748,590	1.12%	6/21/2017	9/21/2018
Fed Home Loan Mortgage	10/7/2016	749,727	0.56%	744,555	1.29%	6/12/2017	9/12/2019
Fed Natn'l Mortgage Assn	10/11/2016	749,763	0.56%	744,570	1.22%	5/23/2017	5/23/2019
Fed Home Loan Mortgage	10/24/2016	738,954	0.55%	734,961	1.03%	7/30/2018	1/30/2019
Fed Natn'l Mortgage Assn	10/24/2016	749,938	0.56%	745,433	1.25%	6/30/2017	9/30/2019
Federal Farm Credit Bank	11/1/2016	749,493	0.56%	746,003	1.02%	11/1/2017	11/1/2018
Fed Home Loan Mortgage	12/13/2016	1,008,230	0.75%	1,007,770	1.35%	5/30/2019	5/30/2019
Fed Home Loan Bank	12/13/2016	999,655	0.74%	998,900	1.27%	1/16/2019	1/16/2019
Fed Home Loan Mortgage	12/29/2016	746,498	0.56%	747,075	1.37%	4/15/2019	4/15/2019
Fed Natn'l Mortgage Assn	12/29/2016	745,590	0.55%	745,631	1.39%	6/20/2019	6/20/2019
Money Market		59,094	0.04%	59,094	0.01%		
Sub Total/Average		\$ 12,545,417	9.33%	\$ 12,494,516	1.20%		
Bond Reserve Accounts - Held By Trustees		\$ 13,194,089	9.81%	\$ 13,135,235			
Cash/Deposits		\$ 5,509,817	4.10%	\$ 5,509,817			
PARS Trust		\$ 1,187,404	0.88%	\$ 1,277,372 *			
GRAND TOTAL/AVERAGE		\$ 134,439,834	100.00%	\$ 133,598,138			

*Value as of 3/31/17

Attachment: April 2017 Financial and Investment Report (1275 : April 2017 Financial and Investment Report)



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF APRIL 30, 2017
FOR THE FISCAL YEAR OF 2016-17

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	0.88%	\$ 33,746,865	25.10%	\$ 33,727,421
2014 Water Rev Bonds - Water Impact	Water Fund	0.88%	650,913	0.48%	650,538
2014 Water Rev Bonds - Water CIP	Water Fund	0.88%	1,626,804	1.21%	1,625,866
2015 Wastewater Rev Bonds - CIP	Wastewater Fund	0.88%	6,956,208	5.17%	6,952,200
Federal Issues	All Funds Pooled	1.30%	69,997,189	52.07%	69,149,678
US Treasury Notes	All Funds Pooled	1.06%	1,251,819	0.93%	1,251,285
Dreyfus Treas Cash Management Acct	All Funds Pooled	0.01%	318,726	0.24%	318,726
	SUBTOTAL		\$ 114,548,523	85.20%	\$ 113,675,713
Bond Reserve Accounts - held by trustees					
BNY - 2002 SCRWA Bonds	Sewer				
BNY - 2015 Wastewater Bonds					
Cash Balance	Wastewater Fund	0.00%	9,214	0.01%	9,214
Zions Bank - Civic Center/Library Facility					
Cash	Debt Service	0.00%	0	0.00%	0
Zions Bank - MH Police Facility Lease Revenue Bonds					
Cash	Debt Service	0.00%	0	0.00%	0
BNY - RDA Bonds					
Dreyfus Cash Mgmt 521	Successor Fund	0.00%	161,651	0.12%	161,651
US Treasury Notes	Successor Fund	1.52%	11,910,268	8.86%	11,851,414
Zions Bank - MH Ranch 2015					
Blackrock Liq Funds Fed Fund -DI -2015	Agency Fund	0.00%	563,089	0.42%	563,089
Zions Bank - Madrone Bus Park Taxable/ Tax Exempt 2015					
Blackrock Liquidity Temp Fund-2015	Agency Fund	0.00%	549,867	0.41%	549,867
	SUBTOTAL		13,194,089	9.81%	13,135,235
Other Cash/Deposits					
General Checking	All Funds		5,473,317	4.07%	5,473,317
Workers' Comp Administrators	Workers' Comp		30,000	0.02%	30,000
Petty Cash & Emergency Cash	General Fund		6,500	0.00%	6,500
PARS - OPEB Trust			687,404	0.51%	751,228 *
PARS - PENSION Trust			500,000	0.37%	526,144 *
	SUBTOTAL		6,697,221	4.98%	6,787,190
Total Cash and Investments			\$ 134,439,834	100.00%	\$ 133,598,138

CASH ACTIVITY SUMMARY
FY 2016-17

Fund Type	07/01/16 Balance	Change in Cash Balance	4/30/2017 Balance
General Fund	\$ 13,201,659	\$ (235,349)	\$ 12,966,310
Community Development	4,543,600	(814,556)	3,729,044
RDA Successor Agency (except Housing)	12,256,697	(573,139)	11,683,558
Housing Successor Agency/ CDBG	3,985,770	(235,399)	3,750,371
Water - Operations	1,060,105	87,141	1,147,246
Water Other	10,255,589	(3,558,998)	6,696,591
Sewer - Operations	1,945,525	(45,898)	1,899,627
Sewer Other	27,868,909	(1,319,984)	26,548,924
Other Special Revenue	4,863,862	(260,262)	4,603,601
Streets and Capital Projects (except RDA)	42,728,700	3,384,856	46,113,556
Debt Service	264,719	(47,010)	217,709
Internal Service	11,679,121	149,965	11,829,087
Agency Funds (assessment dists./refundable deposits)	4,278,419	(1,024,208)	3,254,211
Total	\$ 138,932,675	\$ (4,492,842)	\$ 134,439,833

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

*Value as of 03/31/17

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

Prepared by:

Harjot Sangha, Accounting Manager

Approved by:

Reviewed by:

Dat Nguyen, Finance Director

David Clink, Treasurer



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2016-17
For the Ten Months Ended April 30, 2017
83% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
TAXES							
Property Tax - Secured/Unsecured	\$ 8,566,000	\$ 8,566,000	\$ 7,684,825	90%	\$ 5,421,375	\$ 2,263,450	42%
Property Tax - RPTTF Residual Distribution	1,233,000	1,233,000	412,978	33%	385,599	27,379	7%
Property Tax - Supplemental Roll	162,000	162,000	177,275	109%	147,442	29,833	20%
Sales Tax	8,819,767	8,819,767	7,654,026	87%	5,948,786	1,705,240	29%
Public Safety Sales Tax	351,000	351,000	252,083	72%	243,849	8,234	3%
Transient Occupancy Taxes	2,684,700	2,684,700	1,933,692	72%	1,645,469	288,224	18%
Franchise (Refuse ,Cable ,PG&E)	1,927,359	1,927,359	1,518,165	79%	1,411,161	107,004	8%
Property Transfer Tax	469,000	469,000	319,903	68%	323,842	(3,939)	-1%
TOTAL TAXES	24,212,826	24,212,826	19,952,948	82%	15,527,523	4,425,425	29%
LICENSES/PERMITS							
Business License	198,900	198,900	185,177	93%	189,009	(3,832)	-2%
Other Permits	7,574	7,574	2,315	31%	7,355	(5,040)	-69%
TOTAL LICENSES/PERMITS	206,474	206,474	187,492	91%	196,364	(8,872)	-5%
FINES AND PENALTIES							
Parking Enforcement	12,000	12,000	6,654	55%	11,849	(5,195)	-44%
Bails & Fines	64,000	64,000	46,752	73%	35,239	11,513	33%
Administrative Citations	-	-	700	n/a	600	100	17%
TOTAL FINES AND PENALTIES	76,000	76,000	54,106	71%	47,687	6,318	13%
OTHER AGENCIES							
Motor Vehicle in-Lieu	17,194	17,194	19,552	114%	16,857	2,695	16%
Other Revenue - Other Agencies	525,550	641,506	442,584	69%	318,321	124,264	39%
TOTAL OTHER AGENCIES	542,744	658,700	462,136	70%	335,178	126,959	38%
CHARGES CURRENT SERVICES							
Police False Alarm Charge	32,000	32,000	42,836	134%	31,997	10,839	34%
Business License Application Review	35,914	35,914	34,935	97%	36,466	(1,531)	-4%
Membership Services & Rec Programs	5,702,573	5,702,573	4,623,008	81%	4,565,170	57,838	1%
Facility Rentals	874,020	874,020	768,117	88%	792,415	(24,298)	-3%
Community Services	152,915	152,915	113,028	74%	108,248	4,781	4%
General Administration Overhead	1,260,075	1,260,075	1,047,850	83%	997,949	49,901	5%
Other Charges Current Services	895,723	895,723	726,288	81%	684,141	42,146	6%
TOTAL CURRENT SERVICES	8,953,220	8,953,220	7,356,061	82%	7,216,386	139,675	2%
OTHER REVENUE							
Use of money/property	269,133	269,133	275,811	102%	232,978	42,833	18%
Other Revenues	312,558	413,270	572,707	139%	429,087	143,620	33%
TOTAL OTHER REVENUE	581,691	682,403	848,519	124%	662,065	186,453	28%
TRANSFERS IN							
Public Safety	100,000	100,000	113,192	113%	112,029	1,163	1%
Streets	762,581	762,581	528,336	69%	362,414	165,922	46%
Sewer Operations	345,000	345,000	287,500	83%	297,663	79,838	38%
Water Operations	345,000	345,000	287,500	83%	363,853	(76,353)	-21%
Park Development	75,000	75,000	62,500	83%	50,000	12,500	25%
TOTAL TRANSFERS IN	1,627,581	1,627,581	1,279,028	79%	1,095,958	183,070	17%
TOTAL GENERAL FUND	36,200,536	36,417,204	30,140,291	83%	25,081,162	5,059,129	20%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	761,458	761,458	528,012	69%	518,332	9,679	2%
Interest / Other Revenue/Other Charges	60	60	993	1655%	1,119	(126)	-11%
202 STREET MAINTENANCE	761,518	761,518	529,005	69%	519,452	9,553	2%

Attachment: April 2017 Financial and Investment Report (1275 : April 2017 Financial and Investment Report)



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2016-17
For the Ten Months Ended April 30, 2017
83% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
SPECIAL REVENUE FUNDS							
205 PUBLIC SAFETY TRUST							
Interest Income	265	265	350	132%	339	11	3%
Police Grant/SLEF/JAG	100,000	100,000	87,657	88%	80,453	7,204	9%
205 PUBLIC SAFETY TRUST	100,265	100,265	88,007	88%	80,792	7,215	9%
206 COMMUNITY DEVELOPMENT							
Building Fees	2,507,862	2,507,862	2,044,621	82%	1,831,736	212,885	12%
Planning Fees	1,117,358	1,117,358	694,661	62%	849,493	(154,832)	-18%
Engineering Fees	741,563	741,563	962,434	130%	685,081	277,354	40%
Other Revenue/Current Charges	11,840	11,840	244,465	2065%	31,918	212,547	666%
206 COMMUNITY DEVELOPMENT	4,378,623	4,378,623	3,946,181	90%	3,398,228	547,953	16%
207 GENERAL PLAN UPDATE	658,035	658,035	626,184	95%	719,882	(93,698)	-13%
215 and 216 HCD BLOCK GRANT							
HCD allocation	70,000	70,000		0%	68,455	(68,455)	-100%
Interest Income/Other Revenue	278	278	21,239	7640%	4,397	16,842	383%
215 and 216 HCD BLOCK GRANT	70,278	70,278	21,239	30%	72,852	(51,613)	-71%
225 ASSET SEIZURE	167	167	66,661	39917%	12,364	54,297	439%
229 LIGHTING AND LANDSCAPE	185,810	185,810	99,918	54%	117,900	(17,982)	-15%
230 COMMUNITY FACILITIES DISTRICT	41,999	41,999	21,487	51%	1	21,486	1568320%
232 ENVIRONMENTAL PROGRAMS	382,640	382,640	317,416	83%	252,689	64,727	26%
234 MOBILE HOME PARK RENT STAB.	3,831	3,831	3,900	102%	3,791	109	3%
235 SENIOR HOUSING	1,089	1,089	1,732	159%	1,394	338	24%
236 HOUSING MITIGATION	1,601,328	1,601,328	2,773,055	173%	1,652,812	1,120,242	68%
240 EMPLOYEE ASSISTANCE	30,298	30,298	22,340	74%	21,476	864	4%
247 ENVIRONMENT REMEDIATION	736	736	1,171	159%	942	228	24%
250 COMH-SUCCESSOR AGENCY-MHRDA	7,343,954	7,343,954	9,078,045	124%	10,604,981	(1,526,936)	-14%
255 HOUSING SUCCESSOR AGENCY	1,251,430	1,251,430	545,645	44%	1,588,324	(1,042,679)	-66%
TOTAL SPECIAL REVENUE FUNDS	16,812,002	16,812,002	18,141,986	108%	19,047,882	(905,896)	-5%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	1,850,595	3,358,695	1,994,942	59%	1,941,224	53,718	3%
302 PARK MAINTENANCE	1,038,123	1,038,123	859,411	83%	1,321,762	(462,351)	-35%
303 LOCAL DRAINAGE	1,624,857	1,624,857	1,204,438	74%	1,423,292	(218,854)	-15%
304 LOCAL DRAINAGE/NON AB1600	84,735	84,735	159,733	189%	99,575	60,158	60%
306 AGRICULTURE & OPEN SPACE PRESERVATI	1,943,781	1,943,781	243,415	13%	1,255,155	(1,011,740)	-81%
308 STREET CIP	2,731,146	2,731,146	1,222,532	45%	1,423,202	(200,669)	-14%
309 TRAFFIC MITIGATION	1,360,910	1,360,910	507,018	37%	943,868	(436,850)	-46%
311 POLICE MITIGATION	272,506	272,506	90,630	33%	294,038	(203,407)	-69%
313 FIRE MITIGATION	139,152	139,152	109,336	79%	83,482	25,855	31%
346 PUBLIC FACILITIES NON-AB1600	786,626	786,626	777,946	99%	1,041,869	(263,923)	-25%
347 PUBLIC FACILITIES	182,245	182,245	58,729	32%	210,848	(152,119)	-72%
348 LIBRARY	813,403	813,403	324,106	40%	905,397	(581,291)	-64%
350 UNDERGROUNDING	1,104,276	1,104,276	896,545	81%	2,239	894,306	39934%
355 SCHOOL PEDESTRIAN/TRAFFIC SAFETY	666,766	666,766	835,967	125%	207,250	628,717	303%
360 COMMUNITY/REC IMPACT FUND	1,249,999	1,249,999	140,111	11%	760	139,351	18339%
TOTAL CAPITAL PROJECTS FUNDS	15,849,120	17,357,220	9,424,859	54%	11,153,960	(1,729,101)	-16%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	301,123	301,123	249,885	83%	340,879	(90,995)	-27%
441 POLICE FACILITY BOND	378,121	378,121	382,711	101%	435,467	(52,756)	-12%
545 COCHRANE BUSINESS PARK	56	56	89	159%	72	17	24%
TOTAL DEBT SERVICE FUNDS	679,300	679,300	632,684	93%	776,418	(143,734)	-19%



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2016-17
For the Ten Months Ended April 30, 2017
83% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
ENTERPRISE FUNDS							
640 SEWER OPERATION							
Sewer Service Fees	10,190,979	10,190,979	7,782,415	76%	8,218,539	(436,123)	-5%
Interest Income/Transfers	32,807	32,807	16,908	52%	32,254	(15,345)	-48%
Other Revenue/Current Charges	179,543	179,543	353,223	197%	144,761	208,462	144%
640 SEWER OPERATION	10,403,329	10,403,329	8,152,547	78%	8,395,554	(243,007)	-3%
641 SEWER EXPANSION							
Interest Income	62,457	62,457	113,497	182%	90,980	22,517	25%
Development Impact Fee	5,670,371	5,670,371	1,237,504	22%	4,098,204	(2,860,700)	-70%
Transfers/Other	-	-	600	0%	1,625	(1,025)	-63%
641 SEWER EXPANSION	5,732,828	5,732,828	1,351,601	24%	4,190,809	(2,839,208)	-68%
642 SEWER RATE STABILIZATION	9,237	9,237	56,029	607%	221,852	(165,823)	-75%
643 SEWER-CAPITAL PROJECT	2,670,698	2,670,698	2,258,678	85%	515,173	1,743,505	338%
TOTAL SEWER FUNDS	18,816,092	18,816,092	11,818,855	63%	13,323,388	(1,504,533)	-11%
650 WATER OPERATION							
Water Sales	8,972,175	8,972,175	7,680,836	86%	5,797,531	1,883,305	32%
Meter Install & Service	154,700	154,700	134,017	87%	135,482	(1,465)	-1%
Transfers-In / Interest Income	407,582	407,582	346,597	85%	266,117	80,480	30%
Other Revenue/Current Charges	464,152	464,152	658,369	142%	480,787	177,583	37%
650 WATER OPERATION	9,998,609	9,998,609	8,819,820	88%	6,679,916	2,139,903	32%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	8,340	8,340	29,771	357%	26,701	3,071	12%
Development Impact Fee	1,301,089	1,301,089	397,058	31%	1,341,774	(944,716)	-70%
651 WATER EXPANSION	1,309,429	1,309,429	426,829	33%	1,368,474	(941,645)	-69%
652 Water Rate Stabilization	501,248	501,248	418,522	83%	236	418,285	176955%
653 Water Capital Project	953,461	953,461	810,588	85%	951,371	(140,783)	-15%
TOTAL WATER FUNDS	12,762,747	12,762,747	10,475,758	82%	8,999,998	1,475,761	16%
TOTAL ENTERPRISE FUNDS	31,578,839	31,578,839	22,294,614	71%	22,323,386	(28,772)	0%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	1,592,348	1,592,348	1,339,185	84%	1,060,016	279,169	26%
740 BUILDING MAINTENANCE	3,014,227	3,014,227	2,563,928	85%	2,303,776	260,152	11%
741 BUILDING REPLACEMENT	450,969	450,969	395,196	88%	371,013	24,182	7%
745 CIP ADMINISTRATION	1,820,194	1,820,194	1,130,406	62%	1,368,010	(237,604)	-17%
760 UNEMPLOYMENT INSURANCE	831	831	1,353	163%	1,202	151	13%
770 WORKERS COMPENSATION	735,723	735,723	651,942	89%	531,232	120,711	23%
790 EQUIPMENT REPLACEMENT	994,315	994,315	879,783	88%	669,136	210,647	31%
791 EMPLOYEE BENEFITS	1,193,659	1,193,659	1,118,620	94%	862,409	256,211	30%
793 CORPORATION YARD COMMISSION	-	-	1,010	0%	1,552	(542)	-35%
795 GENERAL LIABILITY INSURANCE	854,937	854,937	717,492	84%	941,162	(223,671)	-24%
TOTAL INTERNAL SERVICE FUNDS	10,657,203	10,657,203	8,798,915	83%	8,109,508	689,407	9%
TOTAL FOR ALL FUNDS	\$111,777,000	\$113,501,768	\$ 89,433,349	79%	\$ 86,492,315	\$ 8,369,686	10%



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2016-17
For the Month and Ten Months Ended April 30, 2017
83% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
010 GENERAL FUND								
I. ADMINISTRATION								
	CITY COUNCIL	\$ 9,491	\$ 342,142	\$ 260,784	\$ 66,527	\$ 327,310	96%	\$ 211,000
	CITY ATTORNEY	50,734	724,002	557,557	52,177	609,734	84%	571,000
	CITY ATTORNEY LOAN	-	835,000	835,000	-	835,000	100%	-
	CITY MANAGER	62,027	1,016,115	708,812	184,938	893,750	88%	541,000
	HUMAN RESOURCES	49,850	721,806	557,575	1,035	558,610	77%	471,000
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	42,814	577,125	463,781	-	463,781	80%	471,000
	Elections	1,357	165,522	133,202	-	133,202	80%	211,000
	COUNCIL SVCS & RECORDS MGMT	44,172	742,647	596,983	-	596,983	80%	491,000
	FINANCE	116,171	1,586,721	1,360,203	5,721	1,365,925	86%	1,161,000
	TOTAL ADMINISTRATION	332,444	5,968,432	4,876,913	310,398	5,187,311	87%	3,461,000
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	313,664	5,529,949	4,335,427	495,197	4,830,624	87%	4,051,000
	Recreation Facility Rentals	102,111	1,250,322	1,046,773	4,525	1,051,298	84%	971,000
	Community Services	49,242	719,212	548,316	19,655	567,970	79%	401,000
	Solid Waste Management	12,937	275,796	150,528	(500)	150,028	54%	251,000
	Street Maintenance	165,777	2,095,917	1,574,998	136,887	1,711,885	82%	1,341,000
	Downtown Maintenance	16,950	242,063	144,687	13,242	157,929	65%	21,000
	Cable Television	1,401	48,258	23,218	-	23,218	48%	21,000
	COMMUNITY SERVICES	662,082	10,161,517	7,823,946	669,006	8,492,952	84%	7,091,000
	CODE COMPLIANCE	10,037	135,689	101,279	-	101,279	75%	-
	CONGESTION MANAGEMENT	5,274	75,219	69,352	-	69,352	92%	61,000
	TOTAL COMMUNITY SERVICES	677,393	10,372,425	7,994,577	669,006	8,663,583	84%	7,151,000
III. PUBLIC SAFETY								
	POLICE							
	PD Administration	163,512	1,157,010	995,235	22,372	1,017,607	88%	1,061,000
	Field Operations	537,414	7,596,138	6,204,050	14,702	6,218,752	82%	5,761,000
	Support Services	160,696	2,065,701	1,701,698	13,079	1,714,777	83%	1,641,000
	Emergency Services/Haz Mat	12,915	195,542	153,054	-	153,054	78%	141,000
	Special Operations	188,904	2,685,665	2,180,669	-	2,180,669	81%	2,081,000
	Dispatch Services	128,122	1,639,601	1,294,365	-	1,294,365	79%	1,191,000
	POLICE	1,191,564	15,339,657	12,529,071	50,153	12,579,224	82%	11,881,000
	FIRE	408,397	5,428,841	4,649,823	19,300	4,669,123	86%	4,491,000
	TOTAL PUBLIC SAFETY	1,599,961	20,768,497	17,178,894	69,453	17,248,347	83%	16,371,000
IV. TRANSFERS								
	Other	145,078	2,064,119	1,783,963	-	1,783,963	86%	1,301,000
	TOTAL TRANSFERS	145,078	2,064,119	1,783,963	-	1,783,963	86%	1,301,000
	TOTAL GENERAL FUND	2,754,876	39,173,474	31,834,348	1,048,857	32,883,204	84%	28,301,000

Attachment: April 2017 Financial and Investment Report (1275 : April 2017 Financial and Investment Report)



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2016-17
For the Month and Ten Months Ended April 30, 2017
83% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
SPECIAL REVENUE FUNDS								
202	STREET MAINTENANCE	189,288	764,507	529,946	-	529,946	69%	36%
205	PUBLIC SAFETY/SUPP.LAW	58,691	100,000	113,192	-	113,192	113%	11%
206	COMMUNITY DEVELOPMENT FUND							
	Planning	157,074	2,355,225	1,632,642	141,547	1,774,189	75%	1,98%
	Building	132,124	1,863,218	1,418,912	66,529	1,485,441	80%	1,32%
	Engineering	79,761	1,186,172	839,178	97,910	937,088	79%	72%
206	COMMUNITY DEVELOPMENT FUND	368,959	5,404,615	3,890,732	305,986	4,196,718	78%	4,03%
207	GENERAL PLAN UPDATE	56,338	1,086,553	458,060	346,451	804,511	74%	53%
215/216	CDBG	7,235	78,830	28,099	10,501	38,599	49%	6%
229	LIGHTING AND LANDSCAPE	11,082	205,192	130,003	30,276	160,279	78%	11%
230	COMMUNITY FACILITIES DISTRICT	1,081	50,850	14,745	1,689	16,434	32%	4%
232	ENVIRONMENT PROGRAMS	21,239	331,143	484,587	5,090	489,677	148%	21%
234	MOBILE HOME PARK	68	840	680	-	680	81%	6%
236	HOUSING MITIGATION	36,537	3,337,298	2,954,091	113,471	3,067,563	92%	1,63%
240	EMPLOYEE ASSISTANCE	4,099	41,188	27,599	-	27,599	67%	2%
250	COMH-SUCCESSOR AGENCY-MHRDA	16,333	8,881,727	8,569,490	46,558	8,616,047	97%	25,62%
255	HOUSING SUCCESSOR AGENCY	66,667	2,792,194	756,294	95,695	851,988	31%	63%
TOTAL SPECIAL REVENUE FUNDS		837,617	23,074,937	17,957,518	955,716	18,913,234	82%	33,36%
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	53,496	8,785,319	917,893	4,882,229	5,800,122	66%	5,66%
302	PARK MAINTENANCE	61,257	950,987	771,882	18,449	790,330	83%	70%
303	LOCAL DRAINAGE	2,238	27,808	18,942	-	18,942	68%	5%
304	LOCAL DRAIN. NON-AB1600	1,374	54,922	19,101	-	19,101	35%	15%
306	AGRICULTURE & OPEN SPACE PRESERVATION	4,016	1,904,843	821,626	103,277	924,903	49%	7%
308	STREET CIP	18,062	3,393,276	138,030	6,806	144,835	4%	1,46%
309	TRAFFIC MITIGATION	109,500	2,040,440	1,063,359	466,624	1,529,983	75%	28%
311	POLICE MITIGATION	109,082	270,999	262,581	-	262,581	97%	22%
313	FIRE MITIGATION	119	26,316	1,121	-	1,121	4%	1%
346	PUBLIC FAC.NON AB1600	18,428	3,003,479	530,236	607,037	1,137,273	38%	30%
347	PUBLIC FACILITIES	139	431,177	1,077	-	1,077	0%	3%
348	LIBRARY IMPACT	23,942	629,913	337,875	285,919	623,794	99%	21%
350	UNDERGROUNDING	43	1,094,900	706,095	28,904	734,999	67%	2%
355	SCHOOL PEDESTRIAN & TRAFFIC SAFETY	1,585	1,162,543	6,787	355,975	362,762	31%	30%
360	COMM/REC CENTER IMPACT	267	-	1,111	-	1,111	0%	5%
TOTAL CAPITAL PROJECTS FUNDS		403,547	23,776,922	5,597,715	6,755,219	12,352,934	52%	9,58%
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	77,864	298,643	297,261	-	297,261	100%	34%
441	POLICE FACILITY BOND DEBT	100,285	377,578	382,511	-	382,511	101%	41%
TOTAL DEBT SERVICE FUNDS		178,150	676,221	679,773	-	679,773	101%	75%

Attachment: April 2017 Financial and Investment Report (1275 : April 2017 Financial and Investment Report)



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2016-17
 For the Month and Ten Months Ended April 30, 2017
 83% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
ENTERPRISE FUNDS								
SEWER								
640	SEWER OPERATIONS	786,777	10,643,452	8,045,952	70,100	8,116,052	76%	6,161
641	SEWER CAPITAL EXPANSION	320,730	11,195,314	1,561,221	479,311	2,040,533	18%	7,411
642	SEWER RATE STABILIZATION	310	3,714	3,100	-	3,100	83%	1
643	SEWER-CAPITAL PROJECTS	51,386	7,505,173	3,249,825	161,450	3,411,275	45%	961
TOTAL SEWER FUND(S)		1,159,203	29,347,653	12,860,099	710,861	13,570,960	46%	14,541
WATER								
	Water Operations	866,760	10,237,562	7,458,724	376,206	7,834,930	77%	6,981
	Utility Billing	52,259	811,093	580,523	24,929	605,451	75%	511
	Water Conservation	5,717	191,935	93,355	51,204	144,559	75%	231
650	WATER OPERATIONS	924,736	11,240,589	8,132,601	452,339	8,584,941	76%	7,731
651	WATER CAPITAL EXPANSION	16,904	5,267,930	1,358,743	333,289	1,692,032	32%	791
652	WATER RATE STABILIZATION	48	632	480	-	480	76%	1
653	WATER-CAPITAL PROJECTS	80,591	6,137,249	3,287,858	573,472	3,861,331	63%	1,281
TOTAL WATER FUND(S)		1,022,279	22,646,400	12,779,683	1,359,100	14,138,784	62%	9,811
TOTAL ENTERPRISE FUNDS		2,181,482	51,994,054	25,639,782	2,069,962	27,709,743	53%	24,351
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	101,717	1,747,198	1,054,805	1,192	1,055,998	60%	941
740	BUILDING MAINTENANCE	273,421	3,154,554	2,493,210	160,099	2,653,308	84%	2,521
741	BUILDING REPLACEMENT	184,797	1,155,566	749,745	231,820	981,565	85%	131
745	CIP ADMINISTRATION	109,623	1,820,194	1,130,359	3,494	1,133,853	62%	1,361
760	UNEMPLOYMENT	-	20,000	7,189	-	7,189	36%	1
770	WORKERS COMPENSATION	8,040	792,948	436,471	-	436,471	55%	611
790	EQUIPMENT REPLACEMENT	4,200	2,236,123	1,293,324	53,616	1,346,940	60%	571
791	EMPLOYEE BENEFITS FUND	16,014	537,056	1,093,594	-	1,093,594	204%	391
793	CORP YARD COMMISSION	1,205	-	6,265	-	6,265	0%	1
795	GEN. LIABILITY INSURANCE	22,016	1,008,256	831,343	-	831,343	82%	781
TOTAL INTERNAL SERVICE FUNDS		721,034	12,471,894	9,096,305	450,221	9,546,525	77%	7,361
REPORT TOTAL		\$ 7,076,705	\$ 151,167,502	\$ 90,805,439	\$ 11,279,974	\$ 102,085,413	68%	\$ 103,741

Attachment: April 2017 Financial and Investment Report (1275 : April 2017 Financial and Investment Report)

City of Morgan Hill Fund Activity Summary - Fiscal Year 2016-17 For the Ten Months Ended April 30, 2017 83% of Year Complete										
Fund No.	Fund	Fund Balance 06-30-16		Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
		YTD Actual	% of Budget	YTD Actual	% of Budget	Reserved ¹	Unreserved			
010	GENERAL FUND	\$ 17,398,147	83%	\$ 30,140,291	83%	\$ 31,834,348	81%	\$ (1,694,057)	\$ 1,048,857	\$ 14,655,234
TOTAL GENERAL FUND		\$ 17,398,147	83%	\$ 30,140,291	83%	\$ 31,834,348	81%	\$ (1,694,057)	\$ 1,048,857	\$ 14,655,234
202	STREET MAINTENANCE	1,662	69%	529,005	69%	529,946	76%	(941)	-	721
205	PUBLIC SAFETY/SUPPL. LAW	25,185	88%	88,007	88%	113,192	71%	(25,185)	-	0
206	COMMUNITY DEVELOPMENT	2,778,585	90%	3,946,181	90%	3,890,732	72%	55,449	305,986	2,528,048
207	GENERAL PLAN UPDATE	1,045,698	95%	626,184	95%	458,060	42%	168,124	346,451	867,371
210	COMMUNITY REC CENTERS START-UP	298	0%	-	0%	-	0%	-	-	298
215 / 216	CDBG	67,727	30%	21,239	30%	28,099	0%	(6,860)	10,501	50,367
225	ASSET SEIZURE	66,884	39917%	66,661	39917%	-	0%	66,661	-	133,545
229	LIGHTING AND LANDSCAPE	160,501	54%	99,918	54%	130,003	63%	(30,085)	30,276	100,140
230	COMMUNITY FACILITIES DISTRICT	36,575	51%	21,487	51%	14,745	0%	6,743	1,689	41,629
232	ENVIRONMENTAL PROGRAMS	323,595	83%	317,416	83%	484,587	146%	(167,171)	5,090	151,334
234	MOBILE HOME PK RENT STAB.	35,998	102%	3,900	102%	680	81%	3,220	-	39,218
235	SENIOR HOUSING	218,348	1732	1,732	159%	-	0%	1,732	-	220,080
236	HOUSING MITIGATION	2,632,682	173%	2,773,055	173%	2,954,091	89%	(181,037)	113,471	2,338,174
240	EMPLOYEE ASSISTANCE	43,179	74%	22,340	74%	27,599	67%	(5,259)	-	37,920
247	ENVIRONMENT REMEDIATION	147,550	159%	1,171	159%	-	0%	1,171	-	148,721
250	COMH-SUCCESSOR AGENCY-MHRDA	3,958,263	124%	9,078,045	124%	8,569,490	96%	508,556	12,118,477	(7,651,658)
255	HOUSING SUCCESSOR AGENCY	3,901,936	44%	545,645	44%	756,294	27%	(210,649)	2,608,970	1,082,318
TOTAL SPECIAL REVENUE FUNDS		\$ 15,444,667	108%	\$ 18,141,986	108%	\$ 17,957,518	78%	\$ 184,468	\$ 15,540,910	\$ 88,224
301	PARK DEV. IMPACT FUND	7,162,036	59%	1,994,942	59%	917,893	10%	1,077,049	4,882,229	3,356,856
302	PARK MAINTENANCE	5,404,028	83%	859,411	83%	771,882	81%	87,530	18,449	5,473,109
303	LOCAL DRAINAGE	7,080,630	74%	1,204,438	74%	18,942	68%	1,185,496	-	8,266,125
304	LOCAL DRAINAGE/NON-AB1600	1,150,352	189%	159,733	189%	19,101	35%	140,631	-	1,290,983
306	AGRICULTURE AND OPEN SPACE PRESERV	6,612,245	13%	243,415	13%	821,626	0%	(578,211)	103,277	5,930,757
308	STREET CIP	955,386	45%	1,222,532	45%	138,030	4%	1,084,503	6,806	2,033,083
309	TRAFFIC IMPACT FUND	5,109,589	37%	507,018	37%	1,063,359	52%	(556,341)	466,624	4,086,624
311	POLICE IMPACT FUND	44,712	33%	90,630	33%	262,581	97%	(171,950)	-	(127,238)
313	FIRE IMPACT FUND	3,681,468	79%	109,336	79%	1,121	4%	108,216	-	3,789,684
346	PUBLIC FACILITIES NON-AB1600	1,272,644	99%	777,946	99%	530,236	18%	247,710	-	1,520,354
347	PUBLIC FACILITIES IMPACT FUND	268,285	32%	58,729	32%	1,077	0%	57,652	285,919	40,018
348	LIBRARY IMPACT FUND	2,171,424	40%	324,106	40%	337,875	54%	(13,769)	28,904	2,128,751
350	UNDERGROUNDING	318,891	81%	896,545	81%	706,095	64%	190,450	355,975	153,366
355	SCHOOL PEDESTRIAN/TRAFFIC SFTY	998,252	125%	835,967	125%	6,787	1%	829,180	-	1,827,432
360	COMM/REC CTR IMPACT FUND	37,257	11%	140,111	11%	1,111	0%	139,000	-	176,257
TOTAL CAPITAL PROJECT FUNDS		\$ 42,267,197	54%	\$ 9,424,859	54%	\$ 5,597,715	24%	\$ 3,827,144	\$ 6,148,182	\$ 39,946,159
420	CIVIC CENTER DEBT	159,200	83%	249,885	83%	297,261	100%	(47,376)	0	111,823
441	POLICE FACILITY BOND DEBT	94,402	101%	382,711	101%	382,511	101%	200	0	94,601
545	COCHRANE BUSINESS PARK	11,196	159%	89	159%	-	0%	89	-	11,285
TOTAL DEBT SERVICE FUNDS		\$ 264,797	93%	\$ 632,684	93%	\$ 679,773	101%	\$ (47,088)	0	\$ 217,709

 CITY OF MORGAN HILL City of Morgan Hill Fund Activity Summary - Fiscal Year 2016-17 For the Ten Months Ended April 30, 2017 83% of Year Complete										
Fund No.	Fund	Fund Balance 06-30-16		Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
		YTD Actual	% of Budget	YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved

640	SEWER OPERATIONS	\$ 3,137,175		\$ 8,152,547	78%	\$ 8,045,952	76%	\$ 106,595	70,100	3,173,669
641	SEWER IMPACT FUND*	14,119,765		1,351,601	24%	1,561,221	14%	(209,620)	479,311	13,430,834
642	SEWER RATE STABILIZATION	2,478,572		56,029	607%	3,100	83%	52,929	-	2,531,501
643	SEWER-CAPITAL PROJECTS	9,630,531		2,258,678	85%	3,249,825	43%	(991,147)	7,126,872	1,512,511
650	WATER OPERATIONS	1,593,089		8,819,820	88%	8,132,601	72%	687,218	452,339	1,827,968
651	WATER IMPACT FUND*	4,540,130		426,829	33%	1,358,743	26%	(931,914)	984,201	2,624,015
652	WATER RATE STABILIZATION	36,701		418,522	83%	480	76%		-	454,743
653	WATER -CAPITAL PROJECT	4,050,727		810,588	85%	3,287,858	54%	(2,477,271)	2,200,276	(626,820)
TOTAL ENTERPRISE FUNDS		\$ 39,586,690	\$ 22,294,614	71%	\$ 25,639,782	49%	\$ (3,345,168)	\$ 11,313,101	\$ 24,928,421	

730	INFORMATION SERVICES	\$ 384,159		\$ 1,339,185	84%	\$ 1,054,805	60%	\$ 284,380	\$ 1,192	\$ 667,347
740	BUILDING MAINTENANCE	209,188		2,563,928	85%	2,493,210	79%	70,718	160,099	119,807
741	BUILDING REPLACEMENT	2,472,241		395,196	88%	749,745	65%	(354,550)	231,820	1,885,872
745	CIP ENGINEERING	34,049		1,130,406	62%	1,130,359	62%	47	3,494	30,602
760	UNEMPLOYMENT	177,459		1,353	163%	7,189	36%	(5,836)	-	171,623
770	WORKERS COMPENSATION	1,357,898		651,942	89%	436,471	55%	215,471	30,000	1,543,369
790	EQUIPMENT REPLACEMENT	4,348,478		879,783	88%	1,293,324	58%	(413,540)	53,616	3,881,322
791	EMPLOYEE BENEFITS FUNDS	464,099		1,118,620	94%	1,093,594	204%	25,026	-	489,125
793	CORP YARD COMMISSION	(3,934)		1,010	0%	6,265	0%	(5,255)	-	(9,189)
795	GEN. LIABILITY INSURANCE	990,072		717,492	84%	831,343	82%	(113,851)	-	876,221
TOTAL INTERNAL SERVICE FUNDS		\$ 10,433,709	\$ 8,798,915	83%	\$ 9,096,305	73%	\$ (297,390)	\$ 480,221	\$ 9,656,099	

SUMMARY BY FUND TYPE

GENERAL FUND GROUP	\$ 17,398,147	\$ 30,140,291	83%	\$ 31,834,348	81%	\$ (1,694,057)	\$ 1,048,857	\$ 14,655,234
SPECIAL REVENUE GROUP	15,444,667	18,141,986	108%	17,957,518	78%	184,468	15,540,910	88,224
DEBT SERVICE GROUP	264,797	632,684	93%	679,773	101%	(47,088)	0	217,709
CAPITAL PROJECTS GROUP	42,287,197	9,424,859	54%	5,597,715	24%	3,827,144	6,148,182	39,946,159
ENTERPRISE GROUP	39,586,690	22,294,614	71%	25,639,782	49%	(3,345,168)	11,313,101	24,928,421
INTERNAL SERVICE GROUP	10,433,709	8,798,915	83%	9,096,305	73%	(297,390)	480,221	9,656,099
TOTAL ALL GROUPS	\$ 125,395,207	\$ 89,433,349	79%	\$ 90,805,439	60%	\$ (1,372,091)	\$ 34,531,270	\$ 89,491,846

For Enterprise Funds: Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

*Unreserved fund balance includes bond proceeds reserved for projects listed in bond documents.

¹ Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

² Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Michelle Wilson, Deputy City Clerk
APPROVED BY: City Manager

CITY COUNCIL TRANSITION TO BY-DISTRICT ELECTIONS

RECOMMENDATION(S)

Open/close the public hearing.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Preserving and Cultivating Public Trust

2017 Strategic Priorities

Inclusiveness

REPORT NARRATIVE:

At the June 7, 2107 City Council meeting, the City Council adopted a resolution of intent to move to district-based elections after receiving a Demand for Compliance with the California Voting Rights Act (CVRA) letter alleging that the City's at-large election system violates the CVRA and demanding that the City move to by-district elections. The Resolution was adopted in accordance with Elections Code section 10100, which limits the City's liability for costs and fees for voluntarily making the change to district elections.

Staff recommends that the City Council create four electoral voting districts in which each Council Member must live within the district they wish to represent and voters may only vote for candidates within their voting district. Any changes to the procedures for electing the Mayor would need to be approved by the voters. Staff is not recommending placing measure on the ballot at this time. Under staff's recommendation, the Mayor will continue to be directly elected. through an at-large election allowing all residents with the City to vote for Mayor.

The City is processing a contract with National Demographics Corporation (NDC), whose proposal is attached, to provide the resources of; experience, technical expertise, and legal/political know-how to assist the City with a successful and inclusive transition to by-district elections. Along with NDC, the City will hold community outreach meetings to involve the community in the electoral district map drawing process.

COMMUNITY ENGAGEMENT: Involve

We are planning for an extensive engagement effort with a goal of both informing the community about this process and involving the community in the mapping of the new

districts. As the City Council directed, we will have a focused effort on outreaching to our Spanish speaking community. All information will be provided in both English and Spanish. Translators and translation equipment will be available at all public meetings.

As previously indicated, we will be working with NDC to support and provide expertise. They will provide and manage a website that will be the repository for all information related to the transition to district elections including an interactive tool that allows for online creation of district maps. Additionally, every version of a map submitted from community members will be uploaded and available for viewing on this site. The site will be directly linked to our website for ease of access

We will utilize all our communication channels providing all information in both English and Spanish: Website newsflashes, Eblasts, Nextdoor, Facebook, Twitter, and print. Additionally, we have reached out to several individuals and churches that have connections to our Spanish speaking community to have them share our communications both electronically and in print.

A detailed community engagement plan is attached.

ALTERNATIVE ACTIONS:

The City Council could take no action to change the City Council election system and direct staff to defend against any CVRA lawsuits that may be filed; this option could be very expensive to defend and would likely expose the City to costly attorneys' fees.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- May 17, 2017 City Council directed the team to bring this matter back to the City Council for consideration in open session
- June 7, 2107 City council adopted a resolution of intent to transition to by-district elections

FISCAL AND RESOURCE IMPACT:

There will be significant resource impacts to teammates throughout the organization due to the amount of time needed to ensure thorough community engagement and to meet the legal requirements of transitioning to by-district elections. Additionally, the City is processing a contract with NDC in the amount of \$43,000 to provide demographic and mapping expertise.

CEQA (California Environmental Quality Act):

Not a project.

The forming of electoral districts is not a project as defined in Section 15378 of the State CEQA guidelines.

LINKS/ATTACHMENTS:

1. June 7, 2017 City Council Staff Report
2. District Based Election Timeline
3. NDC Districting Proposal for Morgan Hill 20170614



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2017

PREPARED BY: Michelle Wilson, Deputy City Clerk

APPROVED BY: City Manager

CITY COUNCIL CONSIDERATION TO MOVE TO DISTRICT ELECTIONS

RECOMMENDATION(S)

1. Adopt resolution:
 - a. Authorizing staff to commence the transition process of moving to by-district elections;
 - b. Establishing a process for determining the district boundaries; and
 - c. Hiring a demographic consultant.
2. Provide direction on creating an advisory committee on electoral districts to assist the City in the transition process.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Preserving and Cultivating Public Trust

2017 Strategic Priorities

Inclusiveness

REPORT NARRATIVE:

Staff recommends that the City Council take steps towards district-based elections to replace the current at-large election system for City Council elections which has been in place since the City's incorporation in 1906. In a district-based election system, a candidate must live within the district they wish to represent and voters may only vote for candidates within their voting district.

Staff's recommendation is due to the receipt of a Demand for Compliance with the California Voting Rights Act (CVRA) letter received on May 5, 2017 containing unsubstantiated allegations that the City's at-large election system violates the CVRA. The letter was written by Oakland-based law firm Goldstein, Borgen, Dardarian, & Ho (GBDH) on behalf of unidentified clients. The letter alleges that there is evidence of "polarized voting" in the City of Morgan Hill electorate. The CVRA creates a strong preference for district elections for local offices. Under the CVRA, any evidence of racially polarized voting is sufficient to require a court to order a change from at-large voting to district-based voting, even without actual evidence of an electoral injury such as the inability of a protected class to elect a candidate of its choice. Racially polarized voting occurs when there is a difference between the choice of candidates preferred by voters in a protected class and the choice of candidates preferred by voters in the rest of the electorate.

Elections Code section 10010 (effective on January 1, 2017) provides a “safe harbor” from CVRA litigation for cities. If a city receives a demand letter, such as in this case, the city is given 45 days of protection from litigation to determine its options. If within that 45 days, a city adopts a resolution declaring the Council’s intent to transition from at-large to district-based elections, outlining specific steps to be undertaken to facilitate the transition, and estimating a time frame for action, then a potential plaintiff is prohibited from filing a CVRA action for an additional 90-day period. This provides time for the city to voluntarily transition to a district-based election system without having to litigate the district election system. The legislation sets forth a number of steps a city must take in the effort to assess and transition to a district-based election system, including five (5) public hearings. Under section 10010, a city’s liability is capped at \$30,000 if it follows this process after receiving a threat. The \$30,000 in liability is not automatic. A prospective plaintiff must prove that the alleged costs were actually incurred.

Staff recommends that the City Council adopt the proposed resolution authorizing the staff to commence the process of transitioning the Council election process to by-district elections, including the establishment of a process for determining the district boundaries, and hiring a demographic consultant to assist the City in the transition process.

Additionally, staff is recommending the City Council provide direction on creating an advisory committee on electoral districts to assist in the development of district maps and to receive public input on the mapping process. The committee along with the demographic consultant would make a recommendation to the City Council, the body which would make the final decision regarding the district maps.

The team believes the public interest is best served by avoiding a costly lawsuit and spending significant amounts of tax payer dollars, which would likely result if the Council did not adopt the resolution. Such a lawsuit would be very costly, whether the City could successfully defend against it or not. Even cities that have settled (without conceding the merits) lawsuits brought under the CVRA have incurred significant expenses, not only to pay their own attorneys’ fees, but to pay the attorneys’ fees for the plaintiffs. For example, in February 2015, the City of Santa Barbara reportedly paid \$80,000 in attorneys’ fees and expert costs to settle its CVRA lawsuit. However, the costs are much higher for those cities that have litigated cases to judgment. For example, the City of Palmdale incurred expenses in excess of \$4.5 million in its unsuccessful attempt to defend against a lawsuit brought under the CVRA. Moreover, according to the League of California Cities, no city has successfully defended an “at-large” system of election under a claim filed by any individual or group under the CVRA.

COMMUNITY ENGAGEMENT: Involve

It is recommended that the City Council consider creating an advisory committee on electoral districts which would be comprised of members of the community. Residents are encouraged to attend and participate in the process by attending community meetings and providing valuable input. Residents will have the opportunity to present

their ideas to the committee and demographic consultant, including submitting maps with suggestions for district boundaries. We welcome our community members in taking part in shaping Morgan Hill's future.

ALTERNATIVE ACTIONS:

The City Council could take no action to change the City Council election system and direct staff to defend against any CVRA lawsuits that may be filed; this option could be very expensive to defend and would likely expose the City to costly attorneys' fees.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council, City Manager, and City Attorney discussed the demand letter in closed session at the May 17, 2017 City Council meeting and the City Council directed the team to bring this matter back to the City Council for consideration in open session.

FISCAL AND RESOURCE IMPACT:

There will be significant resource impacts to teammates throughout the organization due to the amount of time needed to ensure thorough community engagement and to meet the legal requirements of transitioning to district-based elections. Additionally, the City will need to hire a demographics consultant. The team is in the process of requesting quotes. Based on information from other cities, the estimated cost for the consultant will be between \$25,000 and \$60,000. A portion of this cost would be covered by approximately \$20,000 remaining in the FY 2016-17 elections budget. The team will provide recommendations as to where the remaining funds should come from at a later date. The City may also be required to reimburse the plaintiff for its attorneys' fees and costs up to \$30,000.

CEQA (California Environmental Quality Act):

Not a Project

The forming of electoral districts is not a project as defined in Section 15378 of the State CEQA guidelines.

LINKS/ATTACHMENTS:

1. Demand Letter 5-5-17
2. District Election Resolution
3. Draft District Based Election Timeline

Shareholders
Linda M. Dardarian
Laura L. Ho



Goldstein, Borgen,
Dardarian & Ho

Received
City of Morgan Hill

Of Counsel
Barry Goldstein
David Borgen
Morris J. Baller

MAY - 5 2017

May 2, 2017

City Clerk

Steve Rymer
City Manager
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Via Registered Mail

Re: Demand for Compliance with California Voting Rights Act

Dear Mr. Rymer:

We have received complaints from, and now represent, Latino citizens and voters of the City of Morgan Hill, as well as other members of your community, who believe that the use of an at-large election system for the election of candidates to the City Council results in vote dilution and prevents Latino voters from electing candidates of their choice or influencing the results of elections. Upon those complaints, we have investigated demographic and electoral information for your jurisdiction with particular attention to the prohibitions of the California Voting Rights Act of 2001 ("CVRA"). Based on that investigation, we believe that Morgan Hill's at-large election system violates the CVRA and must be changed to a district election system. This letter is sent pursuant to section 10010(e)(1) of the California Elections Code, as amended by AB 350 (enacted September 28, 2016).

The CVRA, which is a part of the California Elections Code, states in relevant part:

§ 14027. [A]n at-large method of election may not be imposed or applied in a manner that impairs the ability of a protected class to elect candidates of its choice or its ability to influence the outcome of an election, as a result of the dilution or abridgement of the rights and privileges of members of a protected class.

Latino residents of Morgan Hill are of course such a "protected class," and we believe that the at-large election system does result in dilution of their voting rights. Our analysis of population data from census figures shows that approximately 34% of the total population of the city is Latino. Of the citizen voting age population, those eligible to vote, approximately 26% is Latino. (Both figures are based on the 2011-2015 American Community Survey 5-Year Estimates.) Based on our review of election returns and demographic information, as well as on information provided by our clients and other local residents, it is clear that disproportionately few Latinos, and other candidates favored by Latino voters but not by non-Latino voters, have been successful in winning election to the Morgan Hill City Council. For instance, none of the five current members of the City Council (including the Mayor) is a Latino. Our review of

Attachment: June 7, 2017 City Council Staff Report (1284 : District Elections - Public Hearing No. 1)

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election results since the year 2000 reveals that not a single Latino has been elected since at least that date although there have been several Latinos who ran for City Council over that period.

We believe that the lack of success of Latinos in gaining election and of Latino voters in selecting candidates of their choice results from racially polarized voting by the Morgan Hill electorate. The CVRA defines racially polarized voting as “voting in which there is a difference ... in the choice of candidates or other electoral choices that are preferred by voters in a protected class, and in the choice of candidates and electoral choices that are preferred by voters in the rest of the electorate.” Elections Code § 14026(e). The CVRA further specifies that racially polarized voting is determined by examining the results of elections in which “one candidate is a member of a protected class or elections involving ballot measures, or other electoral choices that affect the rights and privileges of a protected class.” *Id.* § 14208(a)-(b). Demonstration of minority vote dilution due to racially polarized voting under an at-large election system is sufficient to prove a violation of the CVRA.

We have studied voting patterns both in Morgan Hill City Council elections, and other elections for County and State offices in which we analyzed the votes of residents of precincts within the boundaries of the City of Morgan Hill. In most elections the candidate(s) of choice of Latino voters have not been the candidate(s) chosen by most non-Latino voters. For example, in the 2010 election for two council positions, the two Latino candidates, Moreno and Castelan, were the top two choices of Latino voters, but they both lost, while non-Latino voters supported the two successful candidates, Constantine and Siebert, at 1.5 to four times the rate they gained support from Latino voters. In the race for mayor that same year, non-Latino voters supported the winning candidate, Tate, by a 58% majority, while Latinos supported the runner-up, College, by a 55% majority; but due to non-Latino voters not supporting that Latino-choice runner-up candidate, he lost the election by a wide margin. In the 2014 city council election, two non-Latinos won, and one Spanish-surnamed candidate finished a distant last among the four candidates. In 2016, the two Latino candidates finished last among the five candidates for the two seats, and the Spanish-surnamed candidate for mayor finished last among the three candidates for that position.

Pronounced patterns of racially polarized voting are also evident in elections other than those for City Council, when voting results in Morgan Hill precincts are analyzed. For example, in the 2014 Water District election, the Latino candidate, Cruz, lost although he received 78% of the Latino vote because the winning non-Latino candidate, Kennedy, received 67% of the non-Latino vote. In the 2014 election for Morgan Hill Unified School District, the Latino candidate, Benavides, was the top vote-getter among Latino voters but received the smallest percentage of votes from non-Latino voters, and therefore lost by a wide margin. Voting in City of Morgan Hill precincts for statewide offices in the 2010 statewide elections was highly polarized. The Latino-favored candidate for Insurance Commissioner, De la Torre, had the support of 77% of Latino voters but only 30% of non-Latino voters, and lost overall in those precincts. For Superintendent of Schools, Latino voters favored the Latino-choice and Latina candidate, Gutierrez, by a 59% majority, while non-Latino voters cast only 21% of their ballots for her; in contrast, the winning non-Latino candidate, Torlakson, outpolled Gutierrez among non-Latino voters by over a 2-to-1 ratio. For Controller, the Latino and Latino-choice candidate, Perez

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received only 12% of the Anglo vote, while the first-choice candidate of non-Latino voters received 28% support; but Perez was able to win in the Morgan Hill precincts because he had a huge 6-1 margin among Latino voters (72% of their votes). We are confident that close analysis of last year's statewide elections in Morgan Hill precincts, which we have not yet conducted, would yield similar results.

In light of the facts summarized above, we are confident that a violation of the CVRA can be shown. The constitutionality of the CVRA has been upheld by the California Court of Appeal, and both the California Supreme Court and the United States Supreme refused to disturb that decision. *Sanchez v. City of Modesto*, 145 Cal. App. 4th 660 (2006), *review denied*, 2007 Cal. LEXIS 2772 (Cal. March 21, 2007) (No. S149500), *cert. denied* 552 U.S. 974 (2007). A number of jurisdictions, including the Cities of Modesto, Bellflower, Tulare, Compton, Escondido, San Juan Capistrano, and Whittier, have converted their election systems from at-large to by-district systems after being sued by their minority citizens under the CVRA. In the most prominent lawsuits, the City of Palmdale has been ordered by a court to change its election system from at-large to by-district and the City of Anaheim settled by agreeing to put a charter amendment measure for conversion of its election system to the voters, who passed it by an overwhelming margin in November 2014. In all of those cases, in which lawsuits were necessary to obtain compliance with the CVRA, the cities wound up paying substantial attorneys' fees to the plaintiffs' attorneys, as well as their own attorneys – in the Modesto, Anaheim and Palmdale cases, in amounts of several million dollars for both sides' attorneys, and in the Palmdale case the court awarded several million dollars to plaintiffs' attorneys alone. A large number of other cities, including Los Banos and, just this past year, Corona and Eastvale, have recently abandoned at-large systems and adopted district election plans when they were required to review their election systems in light of demands similar to this one. Within Santa Clara County, the undersigned attorneys filed a CVRA action against the City of Santa Clara just this month after that City chose to ignore a similar demand letter, and the Morgan Hill Unified School District changed its system of electing trustees from at-large to by-district in 2015, after it received a demand letter from one of the undersigned attorneys. Many of those jurisdictions also were required to spend substantial amounts of attorneys' fees before they came brought into compliance with the CVRA even without the need for litigation.

In light of the lack of Latino representation and the inability of Latino voters to select candidates of their choice and to influence the outcome of elections, in violation of the California Voting Rights Act, and in the context of racially polarized voting as occurs in Corona elections, we demand that the City of Morgan Hill change its election system from at-large to district elections. In the absence of a satisfactory response, we and our clients will be forced to consider seeking judicial relief in the form of an action to obtain an order changing the election system from at-large to district elections, together with other relief provided for in the CVRA, including awards of litigation and expert witness costs.

Attachment: June 7, 2017 City Council Staff Report (1284 : District Elections - Public Hearing No. 1)

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We would be pleased to discuss the subject of this letter with you should you believe such discussion would be productive toward the goal of bringing your city's election system into compliance with the CVRA.

Sincerely yours,

Goldstein, Borgen, Dardarian & Ho



By: Morris J. Baller
Of Counsel

Law Office of Robert Rubin



By: Robert Rubin

MJB/ct

cc:

(by US Mail)

Steve Tate, Mayor
Rich Constantine, Council Member
Larry Carr, Member, City Council
Rene Spring, Member, City Council
Caitlin Robinett Jachimowicz, Member, City Council

Attachment: June 7, 2017 City Council Staff Report (1284 : District Elections - Public Hearing No. 1)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DECLARING ITS INTENT TO TRANSITION FROM AT-LARGE TO DISTRICT-BASED ELECTIONS FOR CITY COUNCIL ELECTIONS

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

WHEREAS, members of the City Council of the City of Morgan Hill ("City") are currently elected in "at-large" elections, in which each City Councilmember is elected by the registered voters of the entire City; and

WHEREAS, California Government Code Section 34886 authorizes the legislative body of a city to adopt an ordinance to change its method of election from an "at-large" system to a "district-based" system in which each council member is elected only by the voters in the district in which the candidate resides; and

WHEREAS, the City received a certified letter on May 5, 2017, from Morris J. Baller of the law firm of Goldstein, Borgen, Dardarian & Ho, asserting that the City's at-large council member electoral system violates the California Voting Rights Act ("CVRA").

WHEREAS, a violation of the CVRA is established if it can be proven that racially polarized voting occurs in elections (Elections Code Section 14028(a)). "Racially polarized voting" means voting in which there is a difference in the choice of candidates or other electoral choices that are preferred by voters in a protected class, and in the choice of candidates and electoral choices that are preferred by voters in the rest of the electorate (Elections Code Section 14026(e)); and

WHEREAS, although the letter was not accompanied by any credible evidence to support the claim of a CVRA violation, the City Council has directed staff to initiate the process to establish by-district elections to avoid costs and attorneys' fees associated with defending a lawsuit based on the CVRA, even if that lawsuit settles; and

WHEREAS, Elections Code Section 10010 provides a process for expeditiously changing to a by-district election system, which provides a "safe harbor" to avoid the high cost of litigation under the CVRA; and

WHEREAS, the public interest would be better served by Council consideration of a proposal to transition to a district-based electoral system because of: 1) the extraordinary cost to defend against a CVRA lawsuit, 2) the risk of losing such a lawsuit which would require the City to pay the prevailing plaintiffs' attorneys' fees, and 3) the City's liability would be capped at a maximum of \$30,000 by following the procedures set forth in Elections Code Section 10010; and

WHEREAS, prior to the City Council's consideration of an ordinance to establish district boundaries for a district-based electoral system, California Elections Code Section 10010 requires all of the following:

1. Prior to drawing a draft map or maps of the proposed boundaries of the districts, the City shall hold at least two (2) public hearings over a period of no more than thirty (30) days, at which the public will be invited to provide input regarding the composition of the districts;
2. After all draft maps are drawn, City shall publish and make available for release at least one draft map and, if members of the City Council will be elected in their districts at different times to provide for staggered terms of office, the potential sequence of the elections shall also be published. The City Council shall also hold at least two (2) additional hearings over a period of no more than forty-five (45) days, at which the public shall be invited to provide input regarding the content of the draft map or maps and the proposed sequence of elections, if applicable. The first version of a draft map shall be published at least seven (7) days before consideration at a hearing. If a draft map is revised at or following a hearing, it shall be published and made available to the public for at least seven (7) days before being adopted; and

WHEREAS, the adoption of a district-based elections system will not affect the current terms of any sitting Council Member.

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

Section 1. The City Council hereby resolves to consider adoption of an ordinance to transition to a district-based election system as authorized by Government Code Section 34886 for use in the City's General Municipal Election for City Council Members beginning in November 2018.

Section 2. The City Council directs staff to engage a demographer and any other appropriate consultants as needed, to provide a detailed analysis of the City's current demographics and any other information or data necessary to prepare a draft map that divides the City into voting districts in a manner consistent with the intent and purpose of the California Voting Rights Act and the Federal Voting Rights Act.

Section 3 The City Council authorizes the Mayor to appoint an Advisory Board of not more than seven Morgan Hill electors. Appointments will be made based on the recommendations of the City Council. The Commission will be charged with taking public input on the proposed districts and making recommendations to the City Council regarding the proposed districts.

Section 4. The City Council hereby approves the tentative timeline as set forth in Exhibit A, attached to and made a part of this resolution, for conducting a public process to solicit public input and testimony on proposed district-based electoral maps before adopting any such map.

Section 5. The timeline contained in Exhibit A may be adjusted by the City Manager, provided that such adjustments shall not prevent the City from complying with the time frames specified by Elections Code Section 10010.

Section 6. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 7th day of June, 2017.

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

APPROVED:

ATTEST:

STEVE TATE, Mayor

IRMA TORREZ, City Clerk

∞ **CERTIFICATION** ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. ____, adopted by the City Council at a regular meeting held on June 7, 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

EXHIBIT A
DRAFT
TIMELINE / CHECKLIST

Letter Received by City Clerk's Office: May 5, 2017
 45-Day Deadline [AB 350(e)(3)(A)]: June 19, 2017
 90-Day Deadline [AB 350(e)(3)(B)]: September 17, 2017

No.	Task	Date / Timeline	Notes
1	Closed Session	May 17 th	
2	Council Meeting – Initial Consideration of Topic – Item to Introduce Topic, Seek Council Direction on How to Proceed, Subcommittee Assignment/Adopt Resolution	June 7 th	
3	Council Meeting/Public Hearing #1	June 21 st	Before Map(s) Drawn – E.C. 10010(a)(1)
4	Council Meeting/Public Hearing #2	June 28th (4 th Wednesday of the month)	Before Map(s) Drawn – E.C. 10010(a)(1), within 30 days of Public Hearing #1
5	Draft Map(s) Drawn (Subcommittee Review)	June 29 th – July 7 th	
6	Publish Draft Map(s) and Sequencing	July 14 th	E.C. 10010(a)(2), Published Once at Least 7 Days Prior to Public Hearing #3
7	Council Meeting / Public Hearing #3	July 26th (4 th Wednesday of the month)	After Map(s) and Sequencing Published E.C. 10010(a)(2), More than 7 Days After Draft Map(s) and Sequencing Publication
8	Council Meeting / Public Hearing #4 – Introduction / First Reading of Ordinance	August 23rd (4 th Wednesday of the month)	After Map(s) and Sequencing Published E.C. 10010(a)(2), within 45 days of Public Hearing #3
9	Council Meeting – Second Reading of Ordinance	September 6 th	Publish Entire Adopted Ordinance
10	Ordinance Effective 30 Days After Adoption (If Required)	October 7 th	Government Code 36937 (Election Ordinance Effective Immediately) Unless Charter Requires Otherwise
11	Council Members Transition to Representing Their Respective Districts via Ordinance	November 2018 November 2020	

Attachment: June 7, 2017 City Council Staff Report (1284 : District Elections - Public Hearing No. 1)



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

City of Morgan Hill 2017 Transition to City Council District Elections Tentative Public Meeting Schedule

(Translation equipment and a Spanish language interpreter will be present at all meetings)

Date	Public Meeting	Description
June 21, 2017 7:00PM City Council Chamber 17555 Peak Avenue	City Council Meeting/ Public Hearing #1	Initial Council discussion of process and outreach. First public hearing to gather public input regarding the design of potential draft maps.
June 28, 2017 7:00PM City Council Chamber 17555 Peak Avenue	City Council Meeting/ Public Hearing #2	Additional discussion of process and outreach. Second public hearing to gather public input regarding the design of potential draft maps
July 10, 2017 7:00PM City Council Chamber 17555 Peak Avenue	Community Workshop	Public forum discussion of process and map-drawing criteria. Demonstration of, and Q&A regarding, map-drawing tools.
July 26, 2017 5:30 p.m. City Council Chamber 17555 Peak Avenue	Community Workshop	Public forum discussion of process and map-drawing criteria. Demonstration of, and Q&A regarding, map-drawing tools.
July 26, 2017 7:00PM City Council Chamber 17555 Peak Avenue	City Council Meeting/ Public Hearing #3	Presentation of Draft Maps. Public hearing to gather public input regarding the draft maps and election sequencing.
August 23, 2017 7:00PM City Council Chamber 17555 Peak Avenue	City Council Meeting/ Public Hearing #4	Public hearing and Council vote to introduce ordinance (including selection of a map and election sequence).
September 6, 2017 7:00PM City Council Chamber 17555 Peak Avenue	City Council Meeting	Second reading of and final adoption of ordinance.

Attachment: District Based Election Timeline (1284 : District Elections - Public Hearing No. 1)



A Proposal to the City of Morgan Hill for Demographic Services

By National Demographics Corporation
Douglas Johnson, President

June 14, 2017



National Demographics Corporation

June 14, 2017

Ms. Michelle Williams
Manager/Deputy City Clerk
City of Morgan Hill
17575 Peak Ave.
Morgan Hill, CA 95037

Dear Ms. Williams,

Thank you for the opportunity to provide this proposal to the City of Morgan Hill. NDC has 38 years of experience districting and redistricting local jurisdictions, together with unmatched experience working with jurisdictions facing California Voting Rights Act (CVRA) concerns. Based in Glendale, NDC has worked on CVRA analysis and districting efforts for over 50 cities, 250 school districts, and a variety of other local California jurisdictions. We know the Morgan Hill area well, as we have twice redistricting the Santa Clara Valley Water District and we did the districting work for Morgan Hill Unified School District. We welcome the opportunity to bring the firm's expertise and skills to assist the City.

For each project, there are certain required basic elements, and there are several options that the City can include or leave out at its option. NDC carefully tailors each project to the needs and goals of the individual client partner. NDC welcomes the opportunity to work with the City to encourage public participation in the districting process, and NDC offers a number of tools developed specifically for public engagement in this effort. And we offer templates and samples for every step of the project: analysis and staff reports; outreach materials; web pages and even resolution and ordinance templates.

The attached proposal consists of a brief introduction; specific proposed project elements and options; timeline and cost information; conclusion; and signature section. An appendix provides additional information on NDC, including company history; methodology; technical approach; and references.

NDC looks forward to working with you on this effort. Please call or email if you have any questions, concerns, or requests regarding this proposal.

Sincerely,

Douglas Johnson
President

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National Demographics Corporation

Executive Summary of Proposal

Includes all of the services listed below:.....\$43,000

- Project Setup and coordination:
 - Development of redistricting database including Census and California Statewide Database data;
 - Incorporation of any Geographic Information System (GIS) data that the City wishes to include and provides (often including school locations; school attendance areas; important local landmarks; or local neighborhood boundaries);
 - Initial discussion with key staff and/or Council members about demographics, communities of interest, schedule and criteria;
 - Any phone- or web-conference calls to discussion the project's progress or answer any Council, staff or media questions that may arise;
 - An NDC-designed and managed project website;
- Plan Development:
 - Creation of and user help for “public participation kits” with Microsoft Excel and interactive online supplements;
 - Creation of and user help for an online map-drawing tool that allows members of the public to draw and submit redistricting proposals online;
 - Creating of 2 to 4 initial draft maps for Council and public consideration;
 - Analysis and preparation for Council consideration of all whole or partial plans submitted by the public;
 - Conversion of all maps and reports to web-friendly versions for online posting;
 - Online posting of all maps to an interactive website for detailed Council and public review;
 - Any requested additional maps and/or map revisions requested;
- Plan Presentation:
 - Up to four in-person presentations at Council meetings and/or public forums (additional in-person meetings add \$2,000 per meeting; no cost for NDC participation in meetings by phone- or web-conference);
- Work with the County Registrar of Voters to implement the final adopted plan.

National Demographics Corporation

About National Demographics Corporation:

Brief Company History

NDC has served hundreds of local governments over the past 36 years. Founded in 1979, NDC has performed work in all regions of the country, serving clients as varied as the States of Mississippi, Arizona, Florida and Illinois, Clark County Nevada, American Waterworks, California's Franchise Tax Board, the San Diego Unified School District, the Foundation for California, and the Arizona cities of Glendale, Mesa, Peoria, Phoenix, Mesa and Surprise. In the Central Valley, NDC has worked with clients in and around Hanford, Dinuba, Tulare, Kings County, Coalinga, Corcoran, Reedley, Lemoore, and Fresno, among others.

The company is especially well known for its work in local and state government. Since 2002, NDC has established a reputation as the state's leading demographic expert on the California Voting Rights Act (CVRA), having performed demographic assessments of potential CVRA liability for over 250 jurisdictions.

No company has been responsible for addressing the electoral demographic needs of more local governments, as NDC has districted and/or redistricted well over 150 local school districts, cities, water districts, county boards, and other local districts. Nationally recognized as a pioneer in good government districting and redistricting, NDC is especially experienced in working with local jurisdictions in California, Arizona and Nevada.

This background gives us unmatched expertise in the issues, questions, and decisions jurisdictions face in any discussion regarding the California and Federal Voting Rights Act and related election system choices.

NDC and the California Voting Rights Act

NDC has performed analysis of potential demographic liability under the California Voting Rights Act (CVRA) for over 250 jurisdictions in California. For those jurisdictions sued under CVRA (none of which were NDC clients prior to the filing of the lawsuit), NDC has assisted in evaluating their demographics, voting history, legal situation, and options for, among others, Madera Unified, Modesto, the City of Madera, Visalia, Compton, the City of Escondido, Palmdale, Santa Clarita Community College District, Glendale Community College District, ABC Unified, and Anaheim.

No other firm even comes close to NDC's experience with this still-new law, and many of the jurisdictions listed above came to NDC after discovering the demographers they initially hired either did not sufficiently understand California and Federal Voting Rights law and the related demographics to help, or the demographers so badly handled the project that their own demographers' work directly resulted in the jurisdiction being sued.

NDC's expertise in both Voting Rights demographics and in the drawing of election districts is widely recognized. NDC's personnel are responsible for numerous books and articles on the subject, and President Douglas Johnson has been a speaker on the CVRA at conferences of the California School Board Association, the California Latino School Board Member Association, the California League of Cities, and other state and national conferences.

National Demographics Corporation

NDC's Districting Process

The following information is provided for information and for use if a jurisdiction decides to move to by-district elections. If the client decides not to move to by-district elections, the work would end with the demographic analysis described above.

Technical Expertise

NDC's personnel are nationally recognized as leaders in the districting field, and are responsible for numerous books and articles on the subject. NDC possesses all the hardware and software necessary to the districting and redistricting needs of any jurisdiction, and its personnel have extensive experience in performing graphics districting and redistricting work as well as in developing databases for districting use.

The technical demands of a districting effort are high, and NDC is the undisputed leader in this area. But far more important than technical expertise are the interpersonal understanding and experience working with all parties in the process, including the public.

Public Involvement

NDC pioneered the "transparent districting" approach which involves the public at every stage of the process. The company invented the "public participation kit" for public participation in districting efforts, which many of the firm's competitors now attempt to duplicate. Perhaps NDC's most valuable service is the firm's experience transforming often-contentious and passionate debates on this difficult subject into thoughtful, constructive discussions focused on the options and outcomes rather than individual personalities or positions. NDC also has considerable experience working with translators in public forums and providing materials in English and Spanish.

Minority Group Outreach/Partnerships

U.S. Supreme Court decisions are constantly changing the rules regarding districting, "race-based districting," and the establishment of districts focused on the electoral power of "protected classes." It is crucial that the consultant work with the racial, ethnic, and other community groups at the beginning of the process to welcome their ideas and develop the appropriate expectations regarding minority representation prospects. No NDC local districting or redistricting plans has ever been challenged in Court or by the Department of Justice.

Openness

Any change in election systems can have momentous implications for the distribution of political power in a jurisdiction and for access by groups and individuals to the governance process. Not surprisingly, such changes often attract much public attention, sometimes generate intense controversy, and may draw charges of manipulation and abuse of power. Indeed, disputes over the form and substance of the process may often result in stalemate or legal challenge. It is crucial, therefore, that the jurisdiction establish, at the beginning, a process that is not only fair, but that is seen to be fair, to all contending groups and individuals.

National Demographics Corporation

Media Outreach

The firm's work has been widely praised in the media, and NDC has worked extensively on background, off the record, and on the record with all types of press including radio, television, newspaper, and new media.

Local Leadership

NDC views its role as an advisor and technical resource. The firm advises its clients, but every project remains the client's project. NDC offers guidance based on its experience and expertise, but ultimately the decisions are made by the jurisdiction itself. NDC welcomes the chance to assist this project under the guidance and direction of the jurisdiction's elected leadership, key staff members, and the entire community.

Impeccable References

All of NDC's former clients – without exception – can be contacted for references. The firm has no embarrassing projects. All NDC's local districting and redistricting plans have been accepted into law with a minimum of controversy.

Mr. Rick Haydon, City Manager, City of Santa Maria, 110 E. Cook Street, Santa Maria, CA 93454-5190. Phone: (805) 925-0951 ext. 2200. Email: rhaydon@cityofsantamaria.org

Ms. Pam Abel, Superintendent, Modesto City Schools, 426 Locust Street, Modesto, CA 95351-2631. Phone: (209) 574-1616. Email: able.p@mcs4kids.com

Mr. Darrell Talbert, City Manager, City of Corona, 400 S Vicentia Avenue, Corona, CA 92882-2187. Phone: 951.279.3670. Email: Darrell.Talbert@ci.corona.ca.us

Mr. Steve Carrigan, City Manager, City of Merced, 678 West 18th Street, Merced, CA 95340. Phone: 209- 385-6834 Email: citymanager@cityofmerced.org

Mr. Devin Reif, Strategic Planning, City of Oakland, 250 Frank H. Ogawa Plaza, Suite 3315, Oakland, CA 94612. Phone: 510-238-3550 Email: DReiff@oaklandnet.com

Mr. David Silberman, Deputy County Counsel, San Mateo County, 400 County Center, 6th Floor, Redwood City, CA 94063. Phone: 650-363-4749 Email: dsilberman@smcgov.org

Judge Hugh Rose (retired), Chairman, City of Modesto Districting Commission. 508 King Richard Lane, Modesto, CA 95350. Phone (209) 522-0719. Email: hhrose@hotmail.com.

Ms. Lucinda Aja. City Clerk, City of Buckeye, Arizona. 100 N Apache Rd, Suite A, Buckeye, AZ 85326. Phone (623) 349-6007. Fax (623) 349-6098. Email: laja@buckeyeaz.gov.

Mr. Michael E. Smith, Partner, Lozano Smith, 7404 North Spalding Ave., Fresno, CA 93720, (559)431-5600, MSmith@lozanosmith.com.

Ms. Marguerite Leoni, Partner, Nielsen, Merksamer, Parrinello, Gross & Leoni, 2350 Kerner Boulevard, Suite 250, San Rafael, CA 94901, (415)634-6840, mleoni@nmgovlaw.com (or ask for Mr. Chris Skinnell)

National Demographics Corporation

Proposed Scope of Work

Each level of work is a discrete and separate part of this proposal. As each level is complete, NDC will consult with the client on the decision whether to proceed with the next level, skip to a later stage or review, or to decide the review is complete. NDC will only proceed from one level to the next on direction from the client. The client can end the project after any level is complete, or the client can choose to skip levels as it wishes.

To provide the flexibility to meet the needs of the client if it decides to move to by-district elections, NDC offers a full menu of districting options:

Includes all of the services listed below:.....\$43,000

- Project Setup and coordination:
 - Development of redistricting database including Census and California Statewide Database data;
 - Incorporation of any Geographic Information System (GIS) data that the City wishes to include and provides (often including school locations; school attendance areas; important local landmarks; or local neighborhood boundaries);
 - Initial discussion with key staff and/or Council members about demographics, communities of interest, schedule and criteria;
 - Any phone- or web-conference calls to discussion the project's progress or answer any Council, staff or media questions that may arise;
 - An NDC-designed and managed project website;
- Plan Development:
 - Creation of and user help for “public participation kits” with Microsoft Excel and interactive online supplements;
 - Creation of and user help for an online map-drawing tool that allows members of the public to draw and submit redistricting proposals online;
 - Creating of 2 to 4 initial draft maps for Council and public consideration;
 - Analysis and preparation for Council consideration of all whole or partial plans submitted by the public;
 - Conversion of all maps and reports to web-friendly versions for online posting;
 - Online posting of all maps to an interactive website for detailed Council and public review;
 - Any requested additional maps and/or map revisions requested;
- Plan Presentation:
 - Up to four in-person presentations at Council meetings and/or public forums (additional in-person meetings add \$2,000 per meeting; no cost for NDC participation in meetings by phone- or web-conference);
- Work with the County Registrar of Voters to implement the final adopted plan.

Stated prices include all travel, printing (except public participation kits and any large-plot maps), and other anticipated expenses.



National Demographics Corporation

Timeline

A detailed project timeline will be established in consultation with the client and depends heavily on the client's specific needs and goals.

Other Potential Project-Related Expenses:

The only anticipated additional districting expenses would be any site or staff costs for conducting the community forums; and the cost of printing or copying paper copies of the "Public Participation Kit." In NDC's experience, most public participants will download and print the Kits in their own homes or offices.

Additional Analysis

NDC is happy to assist with any additional analysis that the client requests at our standard hourly rates:

Principal (Dr. Douglas Johnson)	\$200 per hour
Vice President (Justin Levitt).....	\$125 per hour
Senior Analyst.....	\$75 per hour
Analyst / Clerical.....	\$50 per hour

Dr. Johnson is also available for deposition and/or testimony work if needed, at \$250 per hour.

Requested Payment terms:

NDC requests that one-half payment be made at project start and one-half at the conclusion.

National Demographics Corporation

Conclusion

Since its founding NDC has been the preeminent company in the nation devoted to local election systems. To summarize:

- NDC, founded in 1979, has a demonstrated record of financial solvency.
- NDC's hardware and software resources were specially designed and acquired for districting and redistricting purposes.
- NDC's highly respected personnel have impeccable credentials in each aspect of the districting and redistricting processes.
- NDC's suggested approach has been tested in many jurisdictions.
- Any NDC client can be contacted for testimonials and reference.
- NDC has more experience in the field of municipal political election systems than any other company of which NDC is aware.
- NDC has demonstrated experience over many years in working with the press and media on local election system issues.
- NDC possesses fully up-to-date and highly effective geographic retrieval systems with applications specifically designed for districting and redistricting.
- Neither the Justice Department nor any Court has ever rejected any local government districting or redistricting plan submitted by NDC.

It should be clear that NDC has all of the resources of experience, technical expertise, and legal/political know-how to assist the City in its current effort. NDC looks forward to the opportunity to work with the City on this project.

National Demographics Corporation

Clients moved or moving from at-large to by-district elections

Counties

San Mateo

Cities

Apple Valley
Anaheim
Banning
Bellflower
Buckeye
Buena Park
Ceres
Chino
Compton
Corona
Eastvale
El Cajon
Escondido
Firebaugh
Fowler
Fullerton

Glendale (AZ)
Hemet
Hesperia
Highland
King City
Los Banos
Madera
Menifee
Merced
Mesa (AZ)
Modesto
Moreno Valley
Palmdale
Parlier
Pasadena
Peoria (AZ)

Rancho Cucamonga
Redlands
Reedley
Riverbank
San Marcos
Sanger
Santa Barbara
Surprise
Tulare
Turlock
Victorville
Visalia
Whittier
Wildomar
Yucaipa

Community College Districts

Antelope Valley
Cuesta
Glendale
Grossmont-Cuyamaca
MiraCosta

Rancho Santiago
San Diego
Santa Clarita
Sierra
Southwestern

Water, Irrigation & Conservation Districts

Fresno Irrigation
Imperial Irrigation District
Mojave Water Agency
Palmdale Water
Rowland Water

Alta Irrigation
San Bernardino Water
Santa Clara Valley Water
Upper San Gabriel Valley
Western Municipal Water
Winton Water

Other Special Districts

Jurupa Community Service District
Kings River Conservation District

Tulare Health Care District
Westside Community Health Care District

School Districts

Alpine Union
Alpine Union Elementary
Alta Vista
Bakersfield City Schools
Bonsall Union
Elementary
Borrego Springs Unified
Buena Park Elementary

Burton Elementary
Cajon Valley Union
Cajon Valley Union
Elementary
Calistoga Joint Unified
Capistrano Unified
Capistrano Unified
School District

Cardiff Elementary
Carlsbad Unified
Caruthers
Cayucas
Centinela Valley
Central Unified
Centralia Elementary
Chula Vista Elementary

National Demographics Corporation

Clients moved or moving from at-large to by-district elections

Clay Elementary	Kings River	Rancho Santa Fe
Clovis Unified	Kingsburg Elementary	Elementary
Coalinga-Huron	Kingsburg High	Richland School District
Coronado Unified	La Mesa-Spring Valley	Riverbank
Dehesa Elementary	Lake Elsinore	Riverdale Unified
Del Mar Union	Lakeside Union	Salida Union
Elementary	Elementary	San Dieguito Union High
Dinuba Unified	Lakeside Union School	San Marcos Unified
Eastern Sierra Unified	Lancaster Elementary	San Pasqual Union
Eastside Union	Lawndale Elementary	Elementary
Elementary	Lemon Grove	San Ysidro Elementary
Encinitas Union	Elementary	Santee Elementary
Elementary	Lindsay Unified	Selma Unified
Escalon Unified	Lucia Mar	Solana Beach Elementary
Escondido Union	Madera Unified	South Bay Union
Elementary	Magnolia Elementary	Spencer Valley
Escondido Union High	Merced Union High	Elementary
Exeter Elementary	School District	Strathmore Elementary
Exeter High	Modesto City Schools	Sundale Union
Exeter Unified	Modoc Unified	Elementary
Fallbrook Union	Monson Soltana	Sweetwater Union High
Elementary	Morgan Hill Unified	Tulare City Elementary
Fallbrook Union High	Mountain Empire	Tulare City High
Firebaugh-Las Deltas	Unified	Tulelake
Unified	Napa Valley Unified	Turlock Unified
Fresno Unified	National Elementary	Twin Rivers Unified
Fullerton Union High	Newhall Elementary	Vallecitos Elementary
Glendale Unified	Newman Crows Landing	Valley Center Pauma
Greenfield	Oak Grove Elementary	Unified
Grossmont Union High	School District	Visalia Unified
Hughson Unified	Oceanside Unified	Vista Unified
Jamul-Dulzura Union	Pacific Union	Walnut Valley Water
Elementary	Panama Buena Vista	Warner Unified
Julian Union Elementary	Pasadena Unified	Washington Union
Julian Union High	Pixley Union	Waterford Union
Kerman Unified	Pleasant View	Whittier Union High
Kern High	Pomona Unified	Woodlake Union
Keyes Union	Porterville	
Kings Canyon Unified	Poway Unified	
School District	Ramona Unified	

Douglas Mark Johnson

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Employment

President, National Demographics Corporation, 2006 – present.
Senior Analyst, National Demographics Corporation, 2001 – 2006.
Fellow, Rose Institute of State and Local Government, 2001 – present.
Project Manager and Senior Manager at three internet startup companies, 1999 - 2001.
U.S. Representative Stephen Horn, Legislative Director and System Manager. 1993 – 1997.
Coro Foundation, Fellowship in Public Affairs. 1992 – 1993.
Rose Institute for State and Local Government, Student Manager. 1989 – 1992.

Education

Claremont Graduate University, Ph.D. in Political Science, 2015. Dissertation: “Independent Redistricting Commissions: Hopes and Lessons Learned.”
UCLA Anderson Graduate School of Management, MBA, 1999.
Claremont McKenna College, BA in Government (Political Science), 1992.

Academic Honors

Graduated Cum Laude from Claremont McKenna College.
Phi Beta Kappa. Philip Roland Prize for Excellence in Public Policy.

Publications and Articles

Christian Science Monitor “Let the public help draw voting districts,” October 25, 2013.
New York Times, “The Case for Open Primaries,” February 19, 2009.
Los Angeles Times Opinion Articles:
 “A neighbor’s help on redistricting” June 24, 2007.
 “A Trojan horse primary for the GOP” February 25, 2007.
 “Where a porn palace stood” (article on redevelopment), July 30, 2006.
Fresno Bee Opinion Article: “The Poison Handshake” June 15, 2004.
Redistricting in America. Rose Institute of State and Local Government, 2010.
Restoring the Competitive Edge: California's Need for Redistricting Reform and the Likely Impact of Proposition 77. Rose Institute of State and Local Government, 2005.
“Competitive Districts in California” Rose Institute of State and Local Government, 2005.
Latinos and Redistricting: “Californios For Fair Representation” and California Redistricting in the 1980s. Rose Institute of State and Local Government, 1991.

Speaker or Panelist

California School Board Association Annual Education Conference panelist: “The California Voting Rights Act: What Board Members Must Know.” December 4, 2015.
Associated Cities of California – Orange County, Keynote Speaker, Newly Elected Officials’ Reception and Dinner, “The California Voting Rights Act,” January 29, 2015.
California League of Cities, City Manager Department, 2015 Department Meeting: “Opportunity to Engage Residents: The California Voting Rights Act.” January 29, 2015.
California League of Cities, City Clerk Department, 2014 Annual Meeting: “Whose Line Is It Anyway: Making the transition from at-large to by-district elections.” September 3, 2014.
National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2007 Spring Forum, “The Arizona Independent Redistricting Commissions' experiences with the first-ever independent redistricting.”
National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2008 Spring Forum, “Communities of Interest In Redistricting: A Practical Guide.”

Douglas Mark Johnson

National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2009 Fall Forum, "The Key to Successful Redistricting."

National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2010 Spring Forum, "Communities of Interest in Redistricting: A key to drawing 2011 plans (and for their defense)."

National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2011 Winter Forum, "Citizen Voting Age Data from a line-drawer's viewpoint."

Luncheon Keynote Speaker, Santa Barbara's Channel Cities Club, "California's next experiment: independent, public redistricting," January 18, 2011.

Annual Conference, Arizona League of Cities and Towns, Presenter at "Redistricting Law and the Voting Rights Act: What It Means for Your City or Town in 2011," August 25, 2010.

Redistricting, The 2010 Census, and Your Budget, Sponsored by the Rose Institute of State and Local Government, California League of Cities, October 15, 2009.

Arizona Election Law 2010 Continuing Legal Education Conference, "Communities of interest and technology in redistricting," sponsored by the Arizona State Bar Association, March 2010

California's New Independent Redistricting Commission, sponsored by the Irvine Foundation and the California Redistricting Collaborative, December 15, 2009

Tribal Association of Sovereign Indian Nations (TASIN) Legislative Day 2009, "The 2010 Census and 2011 Redistricting in California," December 2, 2009.

California School Board Association, "Litigation Issues and the California Voting Rights Act," December 4, 2009.

California Latino School Boards Association, "Introduction to the California Voting Rights Act," August 20, 2009.

Building a National Reform Movement, Salt Lake City, Utah, 2006, conference on redistricting reform hosted by the League of Women Voters, Campaign Legal Center, and The Council for Excellence in Government

Texas Tech University, "A Symposium on Redistricting," May, 2006

California League of Cities, "Introduction to the California Voting Rights Act."

Voices of Reform, a project of the Commonwealth Club of San Francisco: multiple forums on redistricting and / or term limits, 2006 – 2007

Classroom speaker at Pepperdine University, the University of La Verne, Pomona College and Claremont McKenna College

Justin Mark Levitt

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Employment

Vice-President, National Demographics Corporation, 2012 – present.
Senior Analyst, National Demographics Corporation, 2003 – 2011.
Instructor in Political Science, University of California, San Diego, 2012 – present.
Graduate Research Fellow, Center for US-Mexico Studies, 2010 – present.
Graduate Research Fellow, University of California, San Diego, 2008 – 2010 and 2013 – 2014.
Jesse M. Unruh California Assembly Fellow. 2006 – 2007.
Rose Institute for State and Local Government, Student Manager. 2005 – 2006.

Education

University of California, San Diego, Ph.D. Political Science, 2016. Dissertation title: “The Impact of Geographic Patterns on Tradeoffs in Redistricting.”
Claremont McKenna College, BA in Philosophy, Politics and Economics (PPE), 2006.

Academic Honors

California Studies Fellow, University of California, San Diego, 2007 – 2009
Graduated Cum Laude from Claremont McKenna College.

Publications and Conference Presentations

Settle, Jamie, Robert Bond, and Justin Levitt. 2011. “The Social Origins of Adult Political Behavior.” *American Politics Research*. 39 (2). 239-263

Miller, Kenneth and Justin Levitt. 2007. “The San Joaquin Valley.” In The New Political Geography of California. Eds. Frederick Douzet, Thad Kousser, and Kenneth Miller. Berkeley: Institute of Government Studies.

“The Political Geography of Tradeoffs in Redistricting” Paper presented at the State Politics and Policy Conference, Iowa City, IA, 2013

Getting What You Want: A Bargaining Approach to Fair Division in Redistricting. Paper presented at the “Challenging Urban Borders : the geopolitics of immigration and segregation” workshop, Berkeley, CA, 2013 and the State Politics and Policy Conference, Houston, TX, 2012

“An Atlas of Public Health in Mexico” (with Alberto Diaz Cayeros). Paper presented at the Hewlett Foundation Conference on Public Health, Mexico City, DF. 2012

“Remoteness and the Territoriality of Public Health” (with Alberto Diaz Cayeros). Paper presented at the American Political Science Association conference, Seattle, WA. 2011

“Initiatives as revealed preferences” Paper presented at the American Political Science Association conference, Seattle, WA. 2011

“No Se Puede: Latino Political Incorporation in Phoenix.”. Paper Presented at the New Political Geography of California conference, Berkeley, CA., 2009

Justin Mark Levitt

“Political Change in the Central Valley”. Paper Presented at the Western Political Science Association conference, Las Vegas, NV.,2007

Working Papers

Hill, Seth, Thad Kousser, Alex Hughes, and Justin Levitt. ND. *“How Competitiveness Shapes Infrequent Primary Voters Response to Receiving a GOTV Mailer.”*

Diaz-Cayeros, Alberto and Justin Levitt. ND. *“Remoteness and the Territoriality of Public Health.”*

Levitt, Justin. ND. *“Getting What You Want: A Bargaining Approach to Fair Division in Commission-led Redistricting.”*

Teaching Experience

California State University, Long Beach, Department of Political Science

Adjunct Professor—POSC 327 (Urban Politics)	Spring 2016-Present
Adjunct Professor—POSC 229 (Cases in Policy Analysis)	Present
Adjunct Professor—POSC 412 (Law and Social Change)	Spring 2016-Present
Adjunct Professor—POSC 399 (California Politics Short Course)	Present

University of California, San Diego, Department of Political Science

Co-Instructor—UPS 170 (Regional Governance Reconsidered)	Spring 2015
Instructor—Poli 100A (The Presidency)	Fall 2014
Instructor—Poli 160AA (Introduction to Public Policy Analysis)	Fall 2013
Instructor—Poli 10 (Introduction to American Politics)	Summer 2013



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

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

CITY OF MORGAN HILL LANDSCAPE ASSESSMENT DISTRICT NUMBER 1 RESOLUTION ORDERING ANNUAL ASSESSMENTS AND RELATED ACTIONS

RECOMMENDATION(S)

1. Open and close the Public Hearing; and
2. Adopt resolution confirming Fiscal Year 17/18 annual assessments and ordering the levy of assessments for the District.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

The City of Morgan Hill Landscape Assessment District No. 1 (District) was created to pay for the maintenance of the parks and common landscaping in neighborhoods benefiting from the open space within the District. The purpose of this item is to:

- A) Provide an opportunity for public input;
- B) Confirm the FY 17/18 Assessments; and
- C) Order the levy of the Assessments.

Per California Streets and Highways Code Sections 22623 to 22631, the Annual Report (Attachment 2) is required to set the annual assessments in the District. In addition to approving the report on May 17, 2017, the Council declared its intent to levy assessments in the District and established June 7, 2017 as the date of the official public hearing. However, the Public Hearing date was not correctly noticed, so the item was moved to June 21 and the appropriate notice of this hearing was posted in the newspaper in accordance with state law.

COMMUNITY ENGAGEMENT: Inform

Only one subarea is recommended for a change in assessment and that change is a decrease. All residents residing in this subarea will be informed via direct mail of the decrease in assessment.

ALTERNATIVE ACTIONS:

There is no other practical alternative action. Should the Council wish to evaluate an alternate method for managing the assessment district maintenance, it could choose to

approve the recommendations and direct staff to return to the Council with additional recommendations on alternate methods for managing the assessment district maintenance.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

In 1991, the City Council, under the Landscaping and Lighting Act of 1972, created the Fox Hollow/Murphy Springs Landscape Assessment District, and in 2010 chose to rename it to the City of Morgan Hill Landscape Assessment District No. 1.

On May 17, 2017, the City Council initiated the annual assessment process and approved the Engineer's Annual Report.

FISCAL AND RESOURCE IMPACT:

The cost for preparation of the Engineer's Annual Report will be paid for by the Assessment District. It is anticipated that the District will generate \$181,452 in revenues in Fiscal Year 2017-18. Expenses are budgeted at \$181,642 meaning that overall the District's reserves are projected to be reduced by \$190 in the coming year. Providing administrative oversight to the District is a core activity of the Community Services Department's work program.

CEQA (California Environmental Quality Act):

Categorical Exemption

The planned maintenance and management of the subareas within the lighting and landscape assessment district fall within the CEQA categorical exemption of Class 1, Existing Facilities.

LINKS/ATTACHMENTS:

1. Resolution Ordering Levy 17-18
2. Engineer's Report Fiscal Year 2017/18

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, CONFIRMING THE ASSESSMENT AND ORDERING THE LEVY FOR THE CITY OF MORGAN HILL LANDSCAPE ASSESSMENT DISTRICT NO. 1 FOR FISCAL YEAR 2017/18**

WHEREAS, the Council previously completed its proceedings in accordance with and pursuant to the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500) (the “Act”) to establish the City’s Fox Hollow/Murphy Springs Landscape Assessment District and has by previous resolution changed the name of said district to the City of Morgan Hill Landscape Assessment District No. 1 (the “Assessment District”); and,

WHEREAS, the City has retained NBS for the purposes of assisting with the annual levy of the Assessment District, and the preparation and filing of an Annual Report; and

WHEREAS, NBS has updated the Annual Report since the Council’s preliminary approval on May 17, 2017; and

WHEREAS, the Council has, by previous resolution, declared its intention to hold a Public Hearing concerning the levy and collection of assessments within the Assessment District; and

WHEREAS, notice of such Public Hearing was duly given in accordance with Section 22626 of the Act; and

WHEREAS, at the time and place specified in the aforementioned notice the Council held and conducted such Hearing, and considered all objections to the assessment.

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED BY THE COUNCIL, AS FOLLOWS:

- 1. Final Approval of Report:** The Council approves the Annual Report concerning the levy of assessments for the fiscal year commencing July 1, 2017 and ending June 30, 2018.
- 2. Confirmation of Assessment and Diagram:** The Council hereby confirms the assessment and the diagram as is described in full detail in the Annual Report on file with the City Clerk.
- 3. Levy of Assessment:** Pursuant to Section 22631 of the Act, the adoption of this resolution shall constitute the levy of an assessment for the fiscal year commencing July 1, 2017 and ending June 30, 2018.

- 4. Ordering of the Levy:** The Council hereby orders NBS to prepare and submit the levy of assessments to Santa Clara County for placement on the Fiscal Year 2017/18 secured property tax roll.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 21st day of June 2017 by the following vote:

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

ATTEST:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

CERTIFICATION

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. ____, adopted by the City Council at the meeting held on June 21, 2017.

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

DATE: _____

Irma Torrez, CITY CLERK

Attachment: Resolution Ordering Levy 17-18 (1246 : LAD Ordering Assessments)



CITY OF MORGAN HILL

Landscape Assessment District No. 1

Engineer's Report Fiscal Year 2017/18

May 2017

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

Prepared by:



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CITY COUNCIL

Steve Tate, Mayor

Larry Carr, Mayor Pro Tem

Rich Constantine, Council Member

Rene Spring, Council Member

Caitlin Robinett Jachimowicz, Council Member

CITY STAFF

Steve Rymer, City Manager

Christina Turner, Assistant City Manager for Administrative Services

Chris Ghione, Community Services Director

Judy Viegas, Administrative Analyst

NBS

Greg Davidson, Client Service Director

Kristin Harvey, Senior Consultant

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1. ENGINEER'S LETTER

WHEREAS, the City Council of the City of Morgan Hill (the "City"), State of California, directed NBS to prepare and file a report, in accordance with Chapter 1, Article 4 of the Landscaping and Lighting Act of 1972 (the "Act"), presenting the plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the City's Landscape Assessment District No. 1 (the "District") for Fiscal Year 2017/18. The report includes a diagram for the District, showing the area and properties proposed to be assessed, an assessment of the estimated costs of the maintenance, operations and servicing the improvements, and the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received and;

WHEREAS, the assessment for each parcel is in compliance with the Proposition 218 Omnibus Implementation Act and Section 4 of Article XIII D of the California Constitution. The proposed assessments are not proposed to increase by more than the approved maximum allowable increases.

NOW THEREFORE, assessments have been levied in accordance with the assessment methodology adopted and approved by the City Council at the time of District formation, and are made to cover the portion of the estimated costs of maintenance, operation, and servicing of the improvements, to be paid by the assessable real property within the District in proportion to the special benefit received:

Zone	Units	2017/18 Maximum Assessment Rate	2017/18 Actual Assessment Rate	Total Assessment (1)
Belle Estates	36	\$502.22	\$320.00	\$11,520.00
Chang/Bertelone	8	1,215.00	550.00	4,400.00
Conte Gardens	11	477.82	400.00	4,400.00
Diana Estates	64	139.39	139.39	8,920.96
Fox Hollow (2)	75	201.17	173.53	13,014.75
Hamilton Square	38	425.54	325.00	12,350.00
Jackson Meadows #6	70	108.10	108.00	7,560.00
Jackson Meadows #7	10	314.58	100.00	1,000.00
La Grande Estates	32	88.00	88.00	2,816.00
Lacrosse/Gera	24	142.99	50.00	1,200.00
Llagas Creek (2)	71	270.89	233.67	16,590.57
Llagas/Obata	5	629.16	143.92	719.60
Mill Creek	84	186.82	186.82	15,692.88
Oak Creek I, II, III	119	453.82	350.00	41,650.00
Parsons Corner	10	568.32	250.00	2,500.00
Rose Haven	27	488.47	488.00	13,176.00
Sandalwood	11	192.39	192.36	2,115.96
Sparhawk (2)	18	288.45	248.82	4,478.76
Stone Creek (2)	35	450.32	388.46	13,596.10
Sunnyside/Stonegate (2)	10	659.95	375.00	3,750.00
Totals	758			\$181,451.58

- (1) Actual amount placed on secured tax roll may be less due to Santa Clara County submittal requirements. Amounts placed on the tax roll must be rounded down to an even number.
- (2) Maximum Assessment Rate increases by 3% annually

2. OVERVIEW

2.1 Introduction

In 1991, the City Council created the Fox Hollow/Murphy Springs Landscape Assessment District, under the Act, and in 2010 chose to rename it to the City of Morgan Hill Landscape Assessment District No. 1. The District was formed in order to provide for the continued maintenance, operation, and administration of various improvements within the boundaries of the District. Following the initial formation, additional territory was annexed to the District as separate Zones. Currently, the District is comprised of 20 Zones.

The District provides for and ensures the continued maintenance, servicing, administration, and operation of various landscaping improvements and associated appurtenances located within the public right-of-way and dedicated easements within the boundaries of the District.

2.2 Description of Boundaries

Exhibits from the Engineer's Report at the formation of the District define the boundaries and maintenance areas of each Zone within the District. These exhibits are on file and available for review at the office of the City Engineer and, in conjunction with the County of Santa Clara (the "County") Assessor's maps of the areas annexed, comprise the assessment diagrams for the respective annexations. The Assessor's maps are on file in the office of the County Assessor and are, by reference, made a part of this Report.

2.3 Description of Improvements and Services

The improvements include the construction, operation, maintenance, and servicing of landscaping and appurtenant facilities; including, but not limited to, personnel, electrical energy, utilities such as water and gas, materials, contracting services, and other items necessary for the satisfactory operation of the following services:

"Landscape improvements provided within the District may include, but are not limited to: ground cover, shrubs, plants and trees, irrigation and drainage systems, graffiti removal, entry monuments, and associated appurtenant facilities. Services provided include all necessary service, operations, administration, and maintenance required to keep the above mentioned improvements in a healthy, vigorous, and satisfactory condition."

Reference is made to the Plans and Specifications for the improvements, which is on file with the City

3. ESTIMATE OF COSTS

3.1 Definitions of Budget Items

The following definitions describe some of the services and costs that may be included in the Zone Budgets:

Direct Expenses

Monthly Maintenance: Includes all regularly scheduled labor, material (i.e. pipe, fertilizer, insecticides, paint, etc.) and equipment required to properly maintain and ensure the satisfactory condition of all landscaping, irrigation and drainage systems, and appurtenant facilities.

Extra Contract Costs: Includes all labor, equipment, and material costs associated with unscheduled repairs and improvements needed to ensure the satisfactory condition of all landscaping, irrigation and drainage systems, and appurtenant facilities.

Water/Sewer: Includes the furnishing of water required for the operation and maintenance of the landscaping facilities.

Electricity Costs: Includes the furnishing of electricity required for irrigation systems for the operation and maintenance of the landscaping facilities.

Other Supplies: Includes costs that are generally unforeseen and not normally included in the yearly maintenance contract costs. This may include repair of damaged amenities due to vandalism, storms, heavy frost, etc. Also included may be planned upgrades that provide a direct benefit to the District. These upgrades could include replacing plant materials and/or renovation of irrigation systems.

Administrative Expenses

Salaries: Includes the cost to particular departments and staff of the City to provide the coordination of District services, operations, and maintenance of the improvements, response to public concerns and education, and procedures associated with the levy and collection of assessments.

Postage/Advertising: Includes the cost of providing any mailed notice to the property owners and publishing and posting the Resolution of Intention as required by the Act.

Internal Services: Includes overhead costs allocated to the District for various City staff services.

Administrative/Engineering Contract: Includes the costs associated with contracting with professionals to provide services specific to the administration of the levy.

Contingency/Capital Replacement Fund Balance (Reduction)/Reserve

Positive amounts are collected for various reasons that include, but are not limited to, any or all of the following:

- J To maintain reserves which enable the City to pay for costs associated with the District during the first six months of the fiscal year,

Contingency/Capital Replacement Fund Balance (Reduction)/Reserve (continued)

-) To reduce the current fund balance deficit (if any) that exists as of the beginning of the fiscal year, and
-) To plan for the replacement of capital improvements in the future.

3.2 Zone Budgets

The estimated costs of servicing, maintaining, repairing, and replacing the actual improvements for each Zone for Fiscal Year 2017/18 are shown on the following pages.

**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Belle Estates</u>
DIRECT EXPENSES	
Monthly Maintenance	\$3,552.00
Extra Contract Costs	1,000.00
Water/Sewer	2,200.00
Electricity Costs	0.00
Other Supplies	650.00
Subtotal Direct Expenses	<u>\$7,402.00</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$1,670.34
Postage/Advertising	9.69
Internal Services	532.88
Administrative/Engineering Contract	391.82
Subtotal Administrative Expenses	<u>\$2,604.73</u>
SUBTOTAL ZONE COST	\$10,006.73
Fund Balance (Reduction)/Reserve	1,513.27
TOTAL BALANCE TO LEVY	<u>\$11,520.00</u>
Number of Assessable Units	36
Assessment Rate per Unit	\$320.00
Estimated Beginning Fund Balance July 1, 2017	\$7,227.38
Fund Balance Change	<u>1,513.27</u>
Estimated Ending Fund Balance June 30, 2018	<u>\$8,740.65</u>

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)



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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	Chang / Bertelone
DIRECT EXPENSES	
Monthly Maintenance	\$2,040.00
Extra Contract Costs	0.00
Water/Sewer	1,314.00
Electricity Costs	0.00
Other Supplies	500.00
Subtotal Direct Expenses	\$3,854.00
ADMINISTRATIVE EXPENSES	
Salaries	\$371.19
Postage/Advertising	2.15
Internal Services	118.42
Administrative/Engineering Contract	87.07
Subtotal Administrative Expenses	\$578.83
SUBTOTAL ZONE COST	\$4,432.83
Fund Balance (Reduction)/Reserve	(32.83)
TOTAL BALANCE TO LEVY	\$4,400.00
Number of Assessable Units	8
Assessment Rate per Unit	\$550.00
Estimated Beginning Fund Balance July 1, 2017	\$7,468.95
Fund Balance Change	(32.83)
Estimated Ending Fund Balance June 30, 2018	\$7,436.12

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone

	<u>Conte Gardens</u>
DIRECT EXPENSES	
Monthly Maintenance	\$0.00
Extra Contract Costs	2,000.00
Water/Sewer	1,300.00
Electricity Costs	180.00
Other Supplies	750.00
Subtotal Direct Expenses	<u>\$4,230.00</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$510.38
Postage/Advertising	2.96
Internal Services	162.82
Administrative/Engineering Contract	119.72
Subtotal Administrative Expenses	<u>\$795.88</u>
SUBTOTAL ZONE COST	\$5,025.88
Fund Balance (Reduction)/Reserve	(625.88)
TOTAL BALANCE TO LEVY	<u>\$4,400.00</u>
Number of Assessable Units	11
Assessment Rate per Unit	\$400.00
Estimated Beginning Fund Balance July 1, 2017	\$13,075.57
Fund Balance Change	<u>(625.88)</u>
Estimated Ending Fund Balance June 30, 2018	\$12,449.69

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)



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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Diana Estates</u>
DIRECT EXPENSES	
Monthly Maintenance	\$3,540.00
Extra Contract Costs	500.00
Water/Sewer	300.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$4,340.00</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$2,969.50
Postage/Advertising	17.22
Internal Services	947.34
Administrative/Engineering Contract	696.57
Subtotal Administrative Expenses	<u>\$4,630.63</u>
SUBTOTAL ZONE COST	\$8,970.63
Fund Balance (Reduction)/Reserve	(49.67)
TOTAL BALANCE TO LEVY	<u>\$8,920.96</u>
Number of Assessable Units	64
Assessment Rate per Unit	\$139.39
Estimated Beginning Fund Balance July 1, 2017	\$8,551.13
Fund Balance Change	<u>(49.67)</u>
Estimated Ending Fund Balance June 30, 2018	\$8,501.46

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)



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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	Fox Hollow
DIRECT EXPENSES	
Monthly Maintenance	\$2,040.00
Extra Contract Costs	2,000.00
Water/Sewer	2,150.00
Electricity Costs	0.00
Other Supplies	500.00
Subtotal Direct Expenses	\$6,690.00
ADMINISTRATIVE EXPENSES	
Salaries	\$3,479.88
Postage/Advertising	20.18
Internal Services	1,110.16
Administrative/Engineering Contract	816.29
Subtotal Administrative Expenses	\$5,426.51
SUBTOTAL ZONE COST	\$12,116.51
Fund Balance (Reduction)/Reserve	898.24
TOTAL BALANCE TO LEVY	\$13,014.75
Number of Assessable Units	75
Assessment Rate per Unit	\$173.53
Estimated Beginning Fund Balance July 1, 2017	\$12,515.46
Fund Balance Change	898.24
Estimated Ending Fund Balance June 30, 2018	\$13,413.70

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)



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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Hamilton Square</u>
DIRECT EXPENSES	
Monthly Maintenance	\$4,693.80
Extra Contract Costs	2,000.00
Water/Sewer	2,700.00
Electricity Costs	265.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$9,658.80</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$1,763.14
Postage/Advertising	10.23
Internal Services	562.48
Administrative/Engineering Contract	413.59
Subtotal Administrative Expenses	<u>\$2,749.44</u>
SUBTOTAL ZONE COST	\$12,408.24
Fund Balance (Reduction)/Reserve	(58.24)
TOTAL BALANCE TO LEVY	<u>\$12,350.00</u>
Number of Assessable Units	38
Assessment Rate per Unit	\$325.00
Estimated Beginning Fund Balance July 1, 2017	\$22,258.37
Fund Balance Change	<u>(58.24)</u>
Estimated Ending Fund Balance June 30, 2018	\$22,200.13

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	Jackson Meadows #6
DIRECT EXPENSES	
Monthly Maintenance	\$1,725.00
Extra Contract Costs	0.00
Water/Sewer	300.00
Electricity Costs	400.00
Other Supplies	0.00
Subtotal Direct Expenses	\$2,425.00
ADMINISTRATIVE EXPENSES	
Salaries	\$3,247.89
Postage/Advertising	18.84
Internal Services	1,036.15
Administrative/Engineering Contract	761.87
Subtotal Administrative Expenses	\$5,064.75
SUBTOTAL ZONE COST	\$7,489.75
Fund Balance (Reduction)/Reserve	70.25
TOTAL BALANCE TO LEVY	\$7,560.00
Number of Assessable Units	70
Assessment Rate per Unit	\$108.00
Estimated Beginning Fund Balance July 1, 2017	(\$33.20)
Fund Balance Change	70.25
Estimated Ending Fund Balance June 30, 2018	\$37.05

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	Jackson Meadows #7
DIRECT EXPENSES	
Monthly Maintenance	\$0.00
Extra Contract Costs	500.00
Water/Sewer	0.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	\$500.00
ADMINISTRATIVE EXPENSES	
Salaries	\$463.98
Postage/Advertising	2.69
Internal Services	148.02
Administrative/Engineering Contract	108.84
Subtotal Administrative Expenses	\$723.53
SUBTOTAL ZONE COST	\$1,223.53
Fund Balance (Reduction)/Reserve	(223.53)
TOTAL BALANCE TO LEVY	\$1,000.00
Number of Assessable Units	10
Assessment Rate per Unit	\$100.00
Estimated Beginning Fund Balance July 1, 2017	\$5,106.89
Fund Balance Change	(223.53)
Estimated Ending Fund Balance June 30, 2018	\$4,883.36

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>La Grande Estates</u>
DIRECT EXPENSES	
Monthly Maintenance	\$0.00
Extra Contract Costs	0.00
Water/Sewer	0.00
Electricity Costs	0.00
Other Supplies	200.00
Subtotal Direct Expenses	\$200.00
ADMINISTRATIVE EXPENSES	
Salaries	\$1,484.75
Postage/Advertising	8.61
Internal Services	473.67
Administrative/Engineering Contract	348.28
Subtotal Administrative Expenses	\$2,315.31
SUBTOTAL ZONE COST	\$2,515.31
Fund Balance (Reduction)/Reserve	300.69
TOTAL BALANCE TO LEVY	\$2,816.00
Number of Assessable Units	32
Assessment Rate per Unit	\$88.00
Estimated Beginning Fund Balance July 1, 2017	(\$11,735.14)
Fund Balance Change	300.69
Estimated Ending Fund Balance June 30, 2018	(\$11,434.45)

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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone

	<u>Lacrosse/Gera</u>
DIRECT EXPENSES	
Monthly Maintenance	\$0.00
Extra Contract Costs	0.00
Water/Sewer	0.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	\$0.00
ADMINISTRATIVE EXPENSES	
Salaries	\$1,113.56
Postage/Advertising	6.46
Internal Services	355.25
Administrative/Engineering Contract	261.21
Subtotal Administrative Expenses	\$1,736.48
SUBTOTAL ZONE COST	\$1,736.48
Fund Balance (Reduction)/Reserve	(536.48)
TOTAL BALANCE TO LEVY	\$1,200.00
Number of Assessable Units	24
Assessment Rate per Unit	\$50.00
Estimated Beginning Fund Balance July 1, 2017	\$2,526.00
Fund Balance Change	(536.48)
Estimated Ending Fund Balance June 30, 2018	\$1,989.52

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Llagas Creek</u>
DIRECT EXPENSES	
Monthly Maintenance	\$5,700.00
Extra Contract Costs	2,705.00
Water/Sewer	3,000.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$11,405.00</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$3,294.29
Postage/Advertising	19.11
Internal Services	1,050.95
Administrative/Engineering Contract	772.76
Subtotal Administrative Expenses	<u>\$5,137.11</u>
SUBTOTAL ZONE COST	\$16,542.11
Fund Balance (Reduction)/Reserve	48.46
TOTAL BALANCE TO LEVY	<u>\$16,590.57</u>
Number of Assessable Units	71
Assessment Rate per Unit	\$233.67
Estimated Beginning Fund Balance July 1, 2017	\$10,837.05
Fund Balance Change	<u>48.46</u>
Estimated Ending Fund Balance June 30, 2018	<u>\$10,885.51</u>

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)



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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Llagas/Obata</u>
DIRECT EXPENSES	
Monthly Maintenance	\$1,200.00
Extra Contract Costs	0.00
Water/Sewer	300.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	\$1,500.00
ADMINISTRATIVE EXPENSES	
Salaries	\$231.99
Postage/Advertising	1.35
Internal Services	74.01
Administrative/Engineering Contract	54.42
Subtotal Administrative Expenses	\$361.77
SUBTOTAL ZONE COST	\$1,861.77
Fund Balance (Reduction)/Reserve	(1,142.17)
TOTAL BALANCE TO LEVY	\$719.60
Number of Assessable Units	5
Assessment Rate per Unit	\$143.92
Estimated Beginning Fund Balance July 1, 2017	\$1,155.80
Fund Balance Change	(1,142.17)
Estimated Ending Fund Balance June 30, 2018	\$13.63

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)



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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Mill Creek</u>
DIRECT EXPENSES	
Monthly Maintenance	\$4,573.80
Extra Contract Costs	1,700.00
Water/Sewer	2,500.00
Electricity Costs	200.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$8,973.80</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$3,897.47
Postage/Advertising	22.61
Internal Services	1,243.38
Administrative/Engineering Contract	914.25
Subtotal Administrative Expenses	<u>\$6,077.71</u>
SUBTOTAL ZONE COST	\$15,051.51
Fund Balance (Reduction)/Reserve	641.37
TOTAL BALANCE TO LEVY	<u>\$15,692.88</u>
Number of Assessable Units	84
Assessment Rate per Unit	\$186.82
Estimated Beginning Fund Balance July 1, 2017	\$514.12
Fund Balance Change	<u>641.37</u>
Estimated Ending Fund Balance June 30, 2018	\$1,155.49

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)



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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Oak Creek I, II, III</u>
DIRECT EXPENSES	
Monthly Maintenance	\$15,485.88
Extra Contract Costs	10,000.00
Water/Sewer	8,000.00
Electricity Costs	2,795.00
Other Supplies	500.00
Subtotal Direct Expenses	<u>\$36,780.88</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$5,521.41
Postage/Advertising	32.03
Internal Services	1,761.45
Administrative/Engineering Contract	1,295.18
Subtotal Administrative Expenses	<u>\$8,610.07</u>
SUBTOTAL ZONE COST	\$45,390.95
Fund Balance (Reduction)/Reserve	(3,740.95)
TOTAL BALANCE TO LEVY	<u>\$41,650.00</u>
Number of Assessable Units	119
Assessment Rate per Unit	\$350.00
Estimated Beginning Fund Balance July 1, 2017	\$22,314.91
Fund Balance Change	<u>(3,740.95)</u>
Estimated Ending Fund Balance June 30, 2018	\$18,573.96

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Parsons Corner</u>
DIRECT EXPENSES	
Monthly Maintenance	\$3,355.32
Extra Contract Costs	0.00
Water/Sewer	850.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$4,205.32</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$463.98
Postage/Advertising	2.69
Internal Services	148.02
Administrative/Engineering Contract	108.84
Subtotal Administrative Expenses	<u>\$723.53</u>
SUBTOTAL ZONE COST	\$4,928.85
Fund Balance (Reduction)/Reserve	(2,428.85)
TOTAL BALANCE TO LEVY	<u>\$2,500.00</u>
Number of Assessable Units	10
Assessment Rate per Unit	\$250.00
Estimated Beginning Fund Balance July 1, 2017	\$2,823.84
Fund Balance Change	<u>(2,428.85)</u>
Estimated Ending Fund Balance June 30, 2018	\$394.99

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Rose Haven</u>
DIRECT EXPENSES	
Monthly Maintenance	\$3,535.32
Extra Contract Costs	3,000.00
Water/Sewer	1,000.00
Electricity Costs	215.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$7,750.32</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$1,252.76
Postage/Advertising	7.27
Internal Services	399.66
Administrative/Engineering Contract	293.87
Subtotal Administrative Expenses	<u>\$1,953.56</u>
SUBTOTAL ZONE COST	\$9,703.88
Fund Balance (Reduction)/Reserve	3,472.12
TOTAL BALANCE TO LEVY	<u>\$13,176.00</u>
Number of Assessable Units	27
Assessment Rate per Unit	\$488.00
Estimated Beginning Fund Balance July 1, 2017	\$12,159.93
Fund Balance Change	<u>3,472.12</u>
Estimated Ending Fund Balance June 30, 2018	\$15,632.05

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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone

	<u>Sandalwood</u>
DIRECT EXPENSES	
Monthly Maintenance	\$0.00
Extra Contract Costs	0.00
Water/Sewer	0.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	\$0.00
ADMINISTRATIVE EXPENSES	
Salaries	\$510.38
Postage/Advertising	2.96
Internal Services	162.82
Administrative/Engineering Contract	119.72
Subtotal Administrative Expenses	\$795.88
SUBTOTAL ZONE COST	\$795.88
Fund Balance (Reduction)/Reserve	1,320.08
TOTAL BALANCE TO LEVY	\$2,115.96
Number of Assessable Units	11
Assessment Rate per Unit	\$192.36
Estimated Beginning Fund Balance July 1, 2017	(\$7,215.24)
Fund Balance Change	1,320.08
Estimated Ending Fund Balance June 30, 2018	(\$5,895.16)

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	Sparhawk
DIRECT EXPENSES	
Monthly Maintenance	\$2,040.00
Extra Contract Costs	100.00
Water/Sewer	1,000.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	\$3,140.00
ADMINISTRATIVE EXPENSES	
Salaries	\$835.17
Postage/Advertising	4.84
Internal Services	266.44
Administrative/Engineering Contract	195.91
Subtotal Administrative Expenses	\$1,302.36
SUBTOTAL ZONE COST	\$4,442.36
Fund Balance (Reduction)/Reserve	36.40
TOTAL BALANCE TO LEVY	\$4,478.76
Number of Assessable Units	18
Assessment Rate per Unit	\$248.82
Estimated Beginning Fund Balance July 1, 2017	\$3,797.61
Fund Balance Change	36.40
Estimated Ending Fund Balance June 30, 2018	\$3,834.01

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	<u>Stone Creek</u>
DIRECT EXPENSES	
Monthly Maintenance	\$7,380.00
Extra Contract Costs	1,000.00
Water/Sewer	3,000.00
Electricity Costs	0.00
Other Supplies	75.00
Subtotal Direct Expenses	<u>\$11,455.00</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$1,623.94
Postage/Advertising	9.42
Internal Services	518.07
Administrative/Engineering Contract	380.94
Subtotal Administrative Expenses	<u>\$2,532.37</u>
SUBTOTAL ZONE COST	\$13,987.37
Fund Balance (Reduction)/Reserve	(391.27)
TOTAL BALANCE TO LEVY	<u>\$13,596.10</u>
Number of Assessable Units	35
Assessment Rate per Unit	\$388.46
Estimated Beginning Fund Balance July 1, 2017	\$6,234.07
Fund Balance Change	<u>(391.27)</u>
Estimated Ending Fund Balance June 30, 2018	\$5,842.80

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	Sunnyside / Stone Gate
DIRECT EXPENSES	
Monthly Maintenance	\$888.00
Extra Contract Costs	650.00
Water/Sewer	500.00
Electricity Costs	250.00
Other Supplies	0.00
Subtotal Direct Expenses	\$2,288.00
ADMINISTRATIVE EXPENSES	
Salaries	\$463.98
Postage/Advertising	2.69
Internal Services	148.02
Administrative/Engineering Contract	108.84
Subtotal Administrative Expenses	\$723.53
SUBTOTAL ZONE COST	\$3,011.53
Fund Balance (Reduction)/Reserve	738.47
TOTAL BALANCE TO LEVY	\$3,750.00
Number of Assessable Units	10
Assessment Rate per Unit	\$375.00
Estimated Beginning Fund Balance July 1, 2017	\$7,920.98
Fund Balance Change	738.47
Estimated Ending Fund Balance June 30, 2018	\$8,659.45

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18 Budget by Zone**

	Total
DIRECT EXPENSES	
Monthly Maintenance	\$61,749.12
Extra Contract Costs	27,155.00
Water/Sewer	30,414.00
Electricity Costs	4,305.00
Other Supplies	3,175.00
Subtotal Direct Expenses	\$126,798.12
ADMINISTRATIVE EXPENSES	
Salaries	\$35,169.98
Postage/Advertising	204.00
Internal Services	11,220.01
Administrative/Engineering Contract	8,249.99
Subtotal Administrative Expenses	\$54,843.98
SUBTOTAL ZONE COST	\$181,642.10
Fund Balance (Reduction)/Reserve	(190.52)
TOTAL BALANCE TO LEVY	\$181,451.58
Number of Assessable Units	758
Assessment Rate per Unit	N/A
Estimated Beginning Fund Balance July 1, 2017	\$127,504.48
Fund Balance Change	(190.52)
Estimated Ending Fund Balance June 30, 2018	\$127,313.96

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4. ASSESSMENTS

The amount of the actual assessment for the Fiscal Year 2017/18 apportioned to each parcel as shown on the latest equalized roll at the County Assessor's office is listed in Section 6 of this Report. The description of each lot or parcel is part of the records of the County Assessor and such records are, by reference, made part of this Report.

4.1 Method of Apportionment

The assessments are levied in accordance with the assessment methodology adopted and approved by the City Council at the time of District formation.

Pursuant to the Act and Article XIII D of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of improvements shall be identified and the proportionate special benefit derived by each identified parcel shall be determined in relation to the entire cost of the maintenance and operation of the improvements. Only parcels that receive direct special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received.

Several Zones have been annexed into the District and it has been determined that by reason of variations in the nature, location, and extent of the improvements, those areas will receive differing degrees of benefit from the improvements.

Within the Zones, each parcel is allocated a number of units, where each such unit is deemed to receive the same proportional special benefit from the maintenance and operation of the improvements within that Zone. The typical parcel, with a single family residential use, will have one unit assigned. If the use or nature of a parcel confers special benefit in a greater or lesser degree than that typical use, that parcel may have greater than or less than one unit assigned

4.2 Belle Estates Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$502.22 per unit. There is currently no inflator associated with the Belle Estates Zone assessments.

There are currently 36 parcels within this Zone, and the total Zone costs are spread to each of the 36 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$11,520.00
Total Units	36
Fiscal Year 2017/18 Actual Assessment Per Unit	\$320.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$502.22

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$320.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$320.00
Change in the Actual Assessment Rate	\$0.00

4.3 Chang/Bertelone Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$1,215.00 per unit. There is currently no inflator associated with the Chang/Bertelone Zone assessments.

There are currently eight parcels within this Zone, and the total Zone costs are spread to each of the eight units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$4,400.00
Total Units	8
Fiscal Year 2017/18 Actual Assessment Per Unit	\$550.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$1,215.00

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$550.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$550.00
Change in the Actual Assessment Rate	\$0.00

4.4 Conte Gardens Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$477.82 per unit. There is currently no inflator associated with the Conte Gardens Zone assessments.

There are currently 11 parcels within this Zone, and the total Zone costs are spread to each of the 11 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$4,400.00
Total Units	11
Fiscal Year 2017/18 Actual Assessment Per Unit	\$400.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$477.82

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$400.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$400.00
Change in the Actual Assessment Rate	\$0.00

4.5 Diana Estates Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$139.39 per unit. There is currently no inflator associated with the Diana Estates Zone assessments.

There are currently 64 parcels within this Zone, and the total Zone costs are spread to each of the 64 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$8,920.96
Total Units	64
Fiscal Year 2017/18 Actual Assessment Per Unit (1)	\$139.39
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$139.39

(1) May be rounded down to even cents per parcel for County Tax Roll purposes.

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$139.39
Fiscal Year 2017/18 Actual Assessment Per Unit	\$139.39
Change in the Actual Assessment Rate	\$0.00

4.6 Fox Hollow/Murphy Springs Zone

The assessment rate originally approved at the time of District formation was \$106.15 per unit. In July 2005 the City conducted Proposition 218 proceedings to increase the maximum assessment rate and add an annual inflator of 3% for the Zone. Property owners approved the rate increase and the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The rate increase took effect in Fiscal Year 2005/06 and the 3% inflator took effect in Fiscal Year 2006/07.

There are currently 75 parcels within this Zone, and the total Zone costs are spread to each of the 75 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$13,014.75
Total Units	75
Fiscal Year 2017/18 Actual Assessment Per Unit (1)	\$173.53
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$201.17

(1) May be rounded down to even cents per parcel for County Tax Roll purposes.

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$173.53
Fiscal Year 2017/18 Actual Assessment Per Unit	\$173.53
Change in the Actual Assessment Rate	\$0.00

4.7 Hamilton Square Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$425.54 per unit. There is currently no inflator associated with the Hamilton Square Zone assessments.

There are currently 38 parcels within this Zone, and the total Zone costs are spread to each of the 38 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$12,350.00
Total Units	38
Fiscal Year 2017/18 Actual Assessment Per Unit	\$325.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$425.54

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$425.54
Fiscal Year 2017/18 Actual Assessment Per Unit	\$325.00
Change in the Actual Assessment Rate	(\$100.54)

4.8 Jackson Meadows 6A/6B Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$108.10 per unit. There is currently no inflator associated with the Jackson Meadows 6A/6B Zone assessments.

There are currently 70 parcels within this Zone, and the total Zone costs are spread to each of the 70 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$7,560.00
Total Units	70
Fiscal Year 2017/18 Actual Assessment Per Unit	\$108.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$108.10

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$108.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$108.00
Change in the Actual Assessment Rate	\$0.00

4.9 Jackson Meadows Number 7 Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$314.58 per unit. There is currently no inflator associated with the Jackson Meadows Number 7 Zone assessments.

There are currently 10 parcels within this Zone, and the total Zone costs are spread to each of the 10 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$1,000.00
Total Units	10
Fiscal Year 2017/18 Actual Assessment Per Unit	\$100.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$314.58

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$100.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$100.00
Change in the Actual Assessment Rate	\$0.00

4.10 La Grande Estates Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$88.00 per unit. There is currently no inflator associated with the La Grande Estates Zone assessments.

There are currently 32 parcels within this Zone, and the total Zone costs are spread to each of the 32 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$2,816.00
Total Units	32
Fiscal Year 2017/18 Actual Assessment Per Unit	\$88.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$88.00

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$88.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$88.00
Change in the Actual Assessment Rate	\$0.00

4.11 Lacrosse/Gera Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$142.99 per unit. There is currently no inflator associated with the Lacrosse/Gera Zone assessments.

There are currently 24 parcels within this Zone, and the total Zone costs are spread to each of the 24 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$1,200.00
Total Units	24
Fiscal Year 2017/18 Actual Assessment Per Unit	\$50.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$142.99

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$50.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$50.00
Change in the Actual Assessment Rate	\$0.00

4.12 Llagas Creek Estates Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$140.84 per unit. In July 2005 the City conducted Proposition 218 proceedings to increase the maximum assessment rate and add an annual inflator of 3% for the Zone. Property owners approved the rate increase and the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The rate increase took effect in Fiscal Year 2005/06 and the 3% inflator took effect in Fiscal Year 2006/07.

There are currently 71 parcels within this Zone, and the total Zone costs are spread to each of the 71 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$16,590.57
Total Units	71
Fiscal Year 2017/18 Actual Assessment Per Unit	\$233.67
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$270.89

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$233.67
Fiscal Year 2017/18 Actual Assessment Per Unit	\$233.67
Change in the Actual Assessment Rate	\$0.00

4.13 Llagas/Obata Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$629.16 per unit. There is currently no inflator associated with the Llagas/Obata Zone assessments.

There are currently five parcels within this Zone, and the total Zone costs are spread to each of the five units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$719.60
Total Units	5
Fiscal Year 2017/18 Actual Assessment Per Unit	\$143.92
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$629.16

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$143.92
Fiscal Year 2017/18 Actual Assessment Per Unit	\$143.92
Change in the Actual Assessment Rate	\$0.00

4.14 Mill Creek Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$186.82 per unit. There is currently no inflator associated with the Mill Creek Zone assessments.

There are currently 84 parcels within this Zone, and the total Zone costs are spread to each of the 84 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$15,692.88
Total Units	84
Fiscal Year 2017/18 Actual Assessment Per Unit	\$186.82
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$186.82

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$186.82
Fiscal Year 2017/18 Actual Assessment Per Unit	\$186.82
Change in the Actual Assessment Rate	\$0.00

4.15 Oak Creek I, II, III

The assessment rate originally approved at the time of annexing this Zone into the District was \$453.82 per unit. There is currently no inflator associated with the Oak Creek I, II, III Zone assessments.

There are currently 119 parcels within this Zone, and the total Zone costs are spread to each of the 119 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$41,650.00
Total Units	119
Fiscal Year 2017/18 Actual Assessment Per Unit	\$350.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$453.82

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$350.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$350.00
Change in the Actual Assessment Rate	\$0.00

4.16 Parsons Corner Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$568.32 per unit. There is currently no inflator associated with the Parsons Corner Zone assessments.

There are currently 10 parcels within this Zone, and the total Zone costs are spread to each of the 10 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$2,500.00
Total Units	10
Fiscal Year 2017/18 Actual Assessment Per Unit	\$250.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$568.32

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$250.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$250.00
Change in the Actual Assessment Rate	\$0.00

4.17 Rose Haven Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$488.47 per unit. There is currently no inflator associated with the Rose Haven Zone assessments.

There are currently 24 parcels with a total of 27 units within this Zone, and the total Zone costs are spread to each of the 27 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$13,176.00
Total Units	27
Fiscal Year 2017/18 Actual Assessment Per Unit	\$488.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$488.47

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$488.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$488.00
Change in the Actual Assessment Rate	\$0.00

4.18 Sandalwood Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$192.39 per unit. There is currently no inflator associated with the Sandalwood Zone assessments.

There are currently 11 parcels within this Zone, and the total Zone costs are spread to each of the 11 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$2,115.96
Total Units	11
Fiscal Year 2017/18 Actual Assessment Per Unit	\$192.36
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$192.39

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$192.36
Fiscal Year 2017/18 Actual Assessment Per Unit	\$192.36
Change in the Actual Assessment Rate	\$0.00

4.19 Sparhawk Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$174.77 per unit. In July 2005 the City conducted Proposition 218 proceedings to increase the maximum assessment rate and add an annual inflator of 3% for the Zone. Property owners approved the rate increase and the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The rate increase took effect in Fiscal Year 2005/06 and the 3% inflator took effect in Fiscal Year 2006/07.

There are currently 18 parcels within this Zone, and the total Zone costs are spread to each of the 18 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$4,478.76
Total Units	18
Fiscal Year 2017/18 Actual Assessment Per Unit	\$248.82
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$288.45

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$248.82
Fiscal Year 2017/18 Actual Assessment Per Unit	\$248.82
Change in the Actual Assessment Rate	\$0.00

4.20 Stone Creek Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$306.66 per unit. In July 2005 the City conducted Proposition 218 proceedings to add an annual inflator of 3% for the Zone. Property owners approved the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The inflator took effect in Fiscal Year 2005/06.

There are currently 35 parcels within this Zone, and the total Zone costs are spread to each of the 35 units as follows:

Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$13,596.10
Total Units	35
Fiscal Year 2017/18 Actual Assessment Per Unit	\$388.46
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$450.32

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2016/17 Actual Assessment Per Unit	\$388.46
Fiscal Year 2017/18 Actual Assessment Per Unit	\$388.46
Change in the Actual Assessment Rate	\$0.00

4.21 Sunnyside/Stone Gate Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$449.40 per unit. In July 2005 the City conducted Proposition 218 proceedings to add an annual inflator of 3% for the Zone. Property owners approved the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The inflator took effect in Fiscal Year 2005/06.

There are currently 10 parcels within this Zone, and the total Zone costs are spread to each of the 10 units as follows:

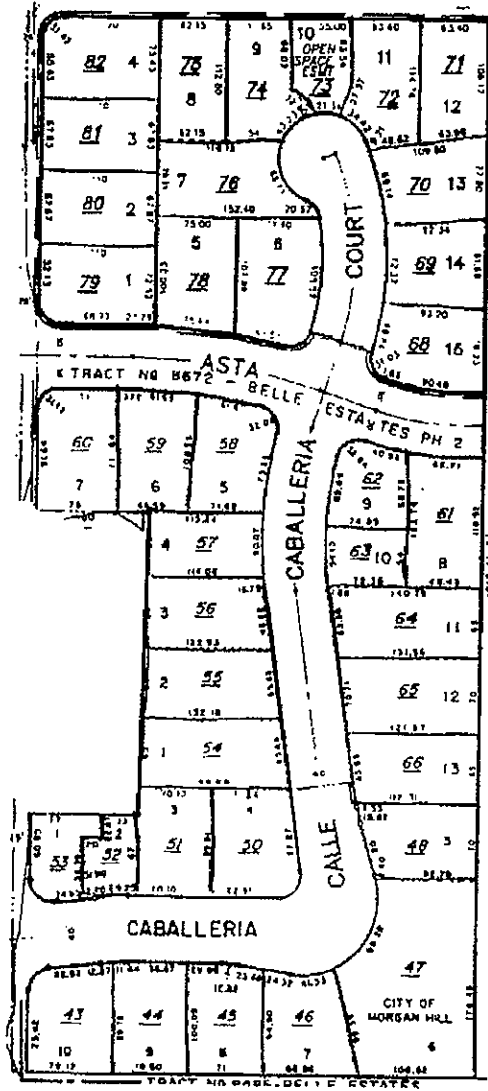
Estimated Fiscal Year 2017/18 Costs and Fund Adjustment	\$3,750.00
Total Units	10
Fiscal Year 2017/18 Actual Assessment Per Unit	\$375.00
Fiscal Year 2017/18 Maximum Assessment Per Unit	\$659.95

Any change in the assessment rate from the previous fiscal year is identified below:

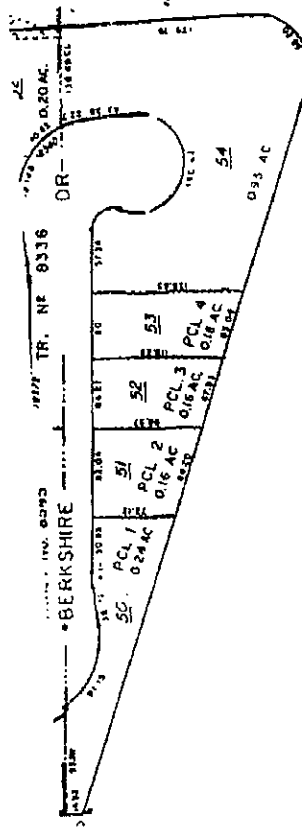
Fiscal Year 2016/17 Actual Assessment Per Unit	\$375.00
Fiscal Year 2017/18 Actual Assessment Per Unit	\$375.00
Change in the Actual Assessment Rate	\$0.00

5. ASSESSMENT DIAGRAMS

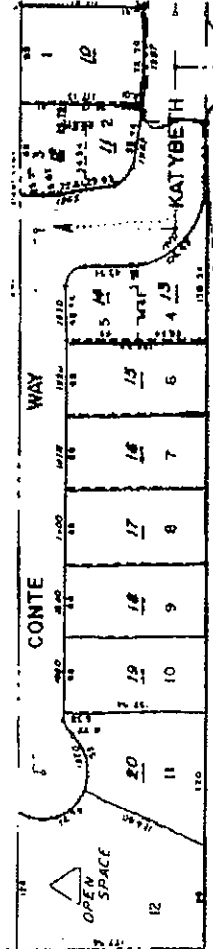
The Assessment Diagrams for each Zone in the District have been submitted to the City Clerk in the format required under the provisions of the Act. Copies of the diagrams are included herein. The lines and dimensions shown on maps of the County Assessor for the current year are, by reference, made part of this Report as well.



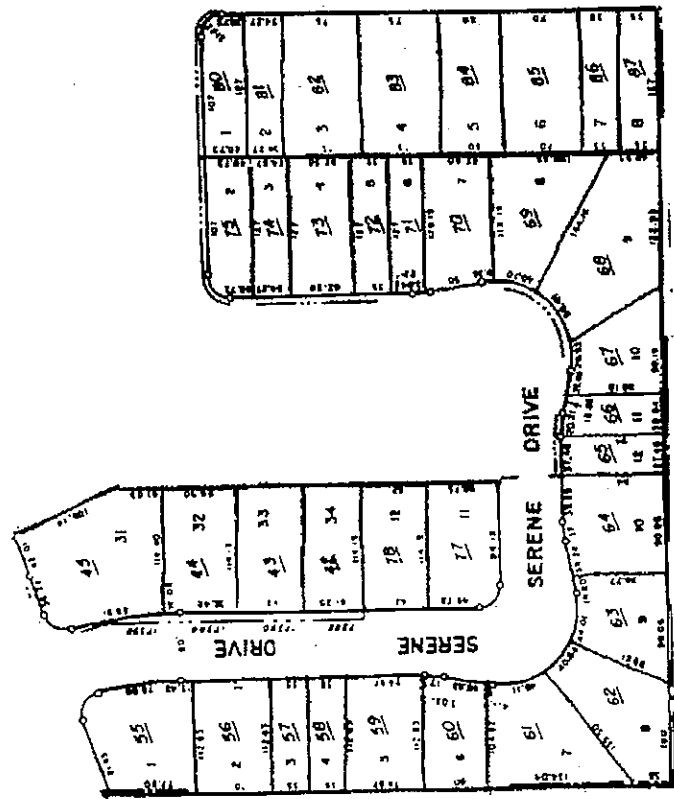
BELLE ESTATES ZONE



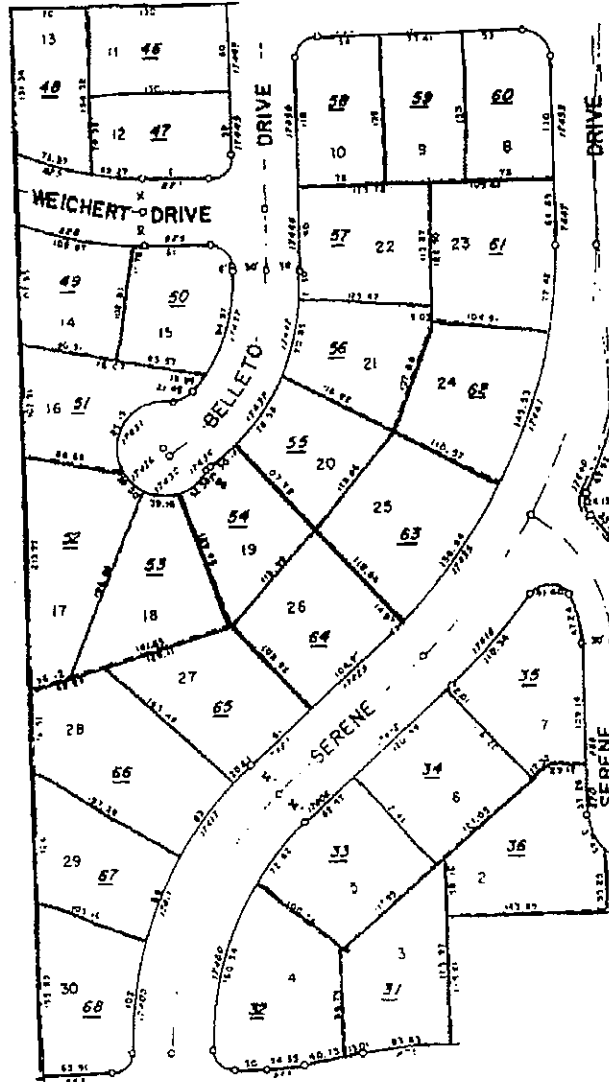
CHIANG/BERTELOONE ZONE

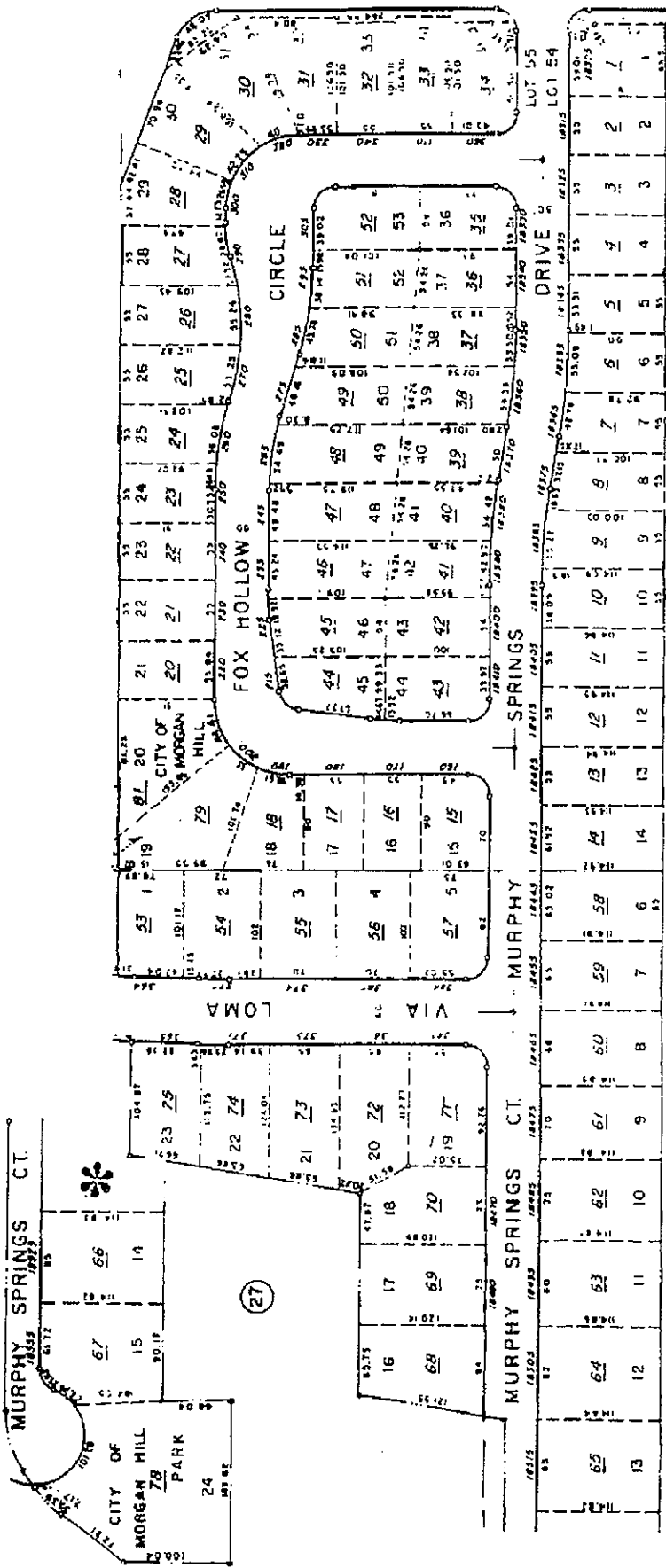


CONTE GARDENS ZONE

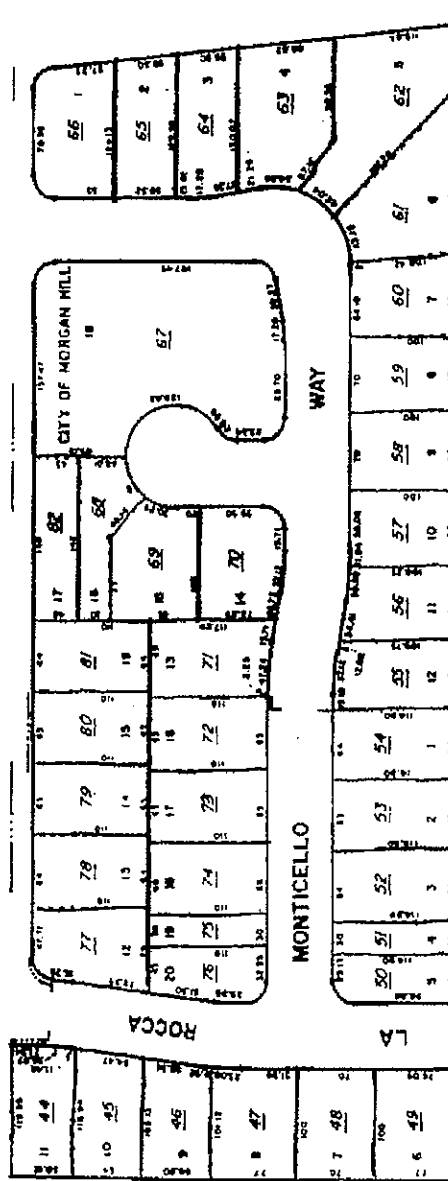


DIANA ESTATES ZONE SHEET 1

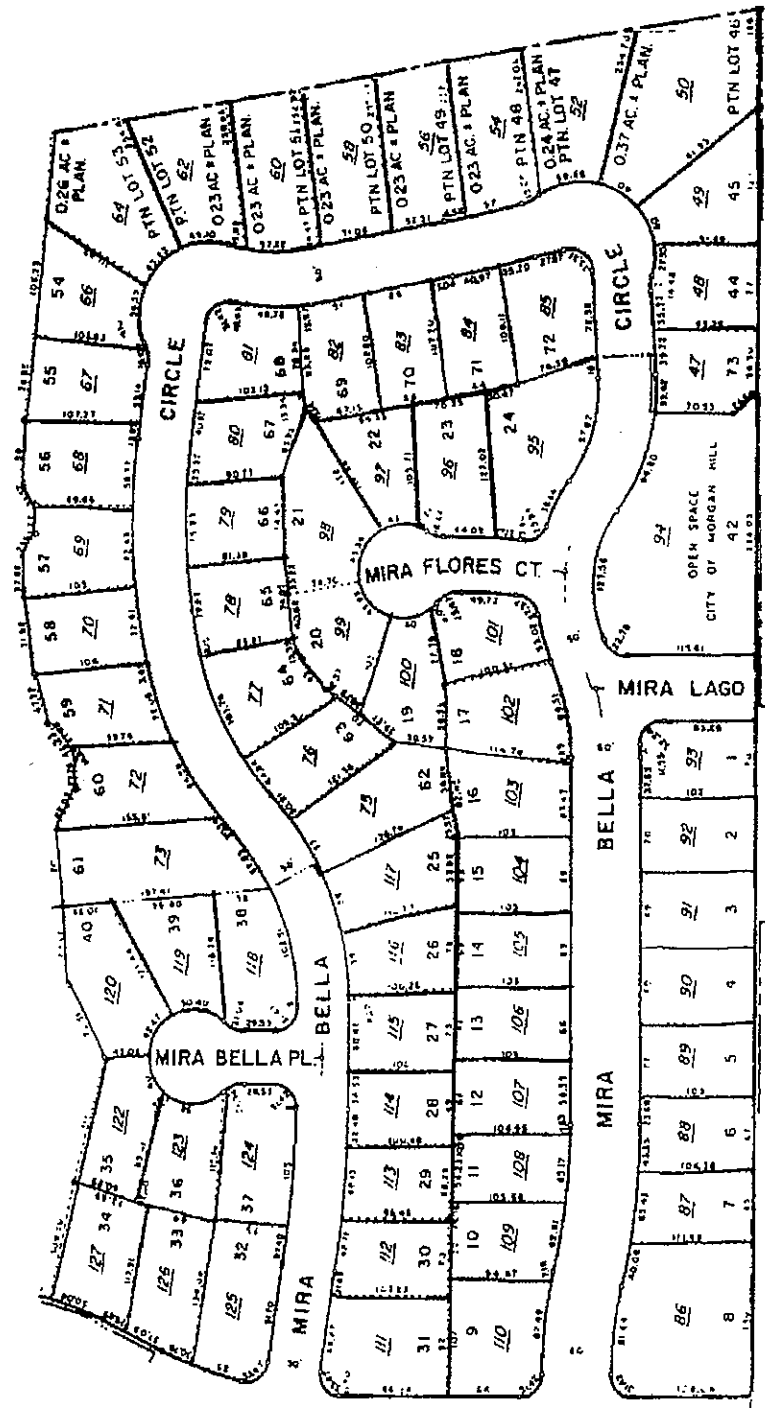




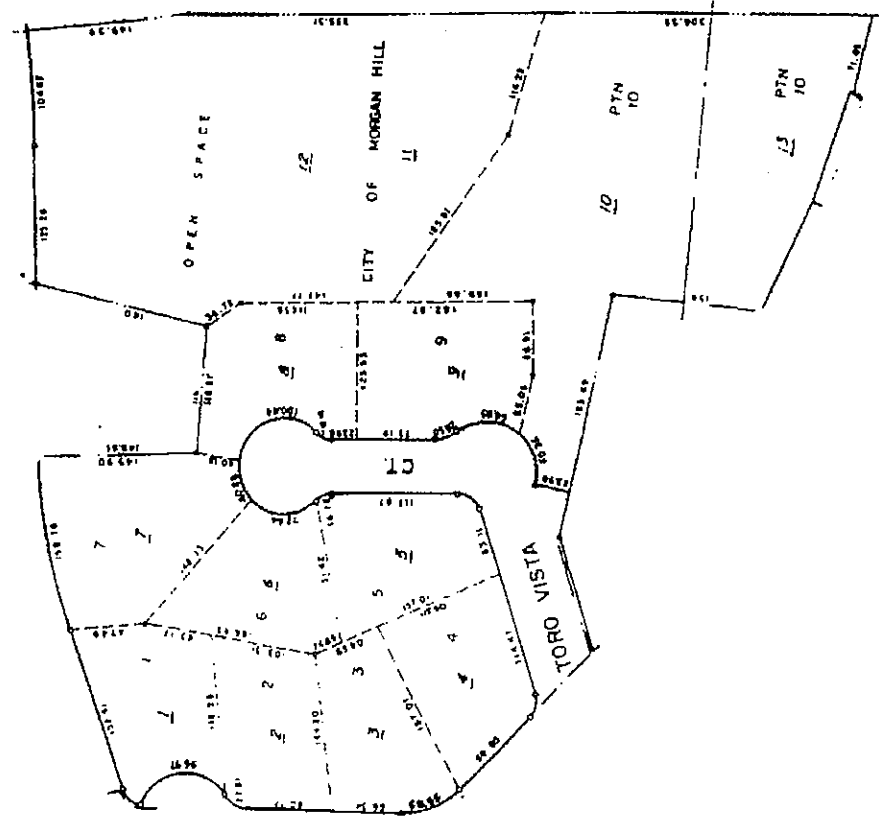
FOX HOLLOW/MURPHY SPRINGS ZONE



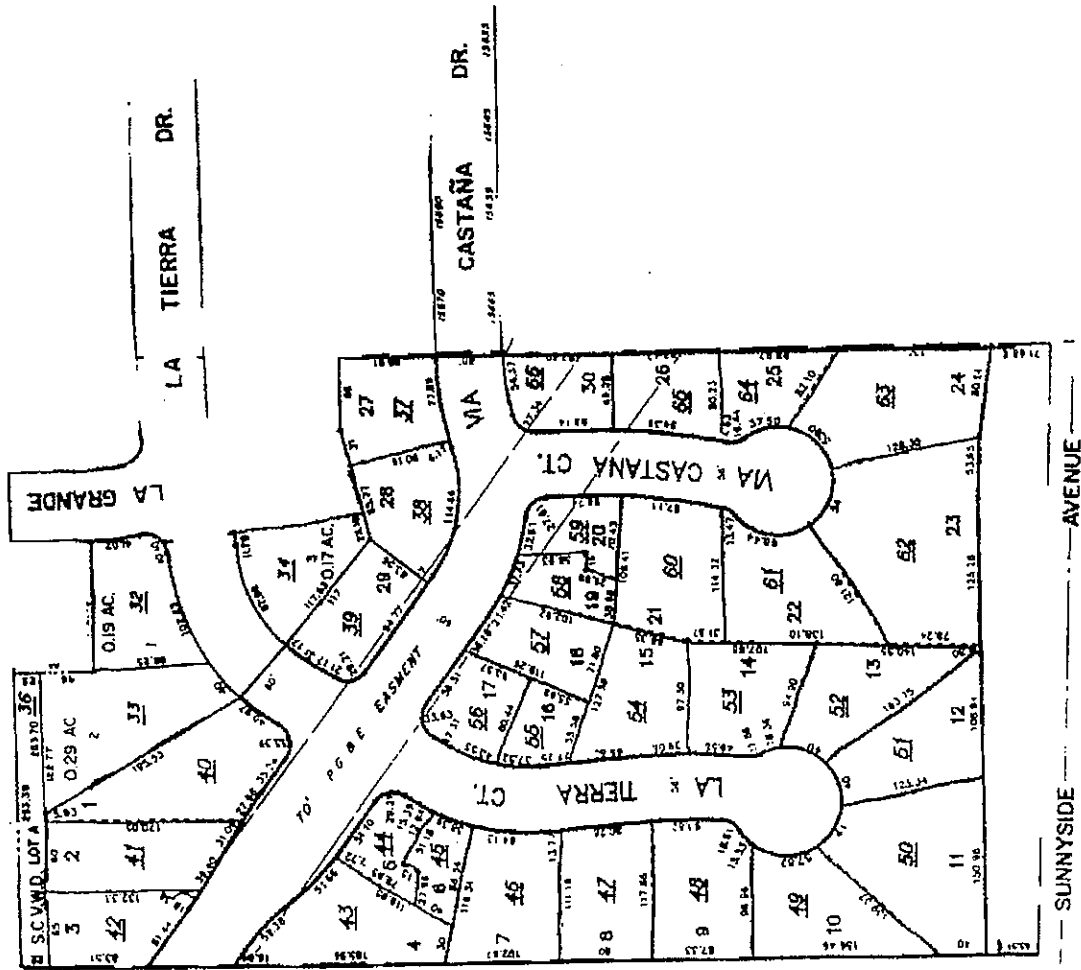
HAMILTON SQUARE ZONE



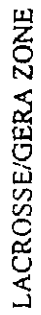
JACKSON MEADOWS #6 ZONE

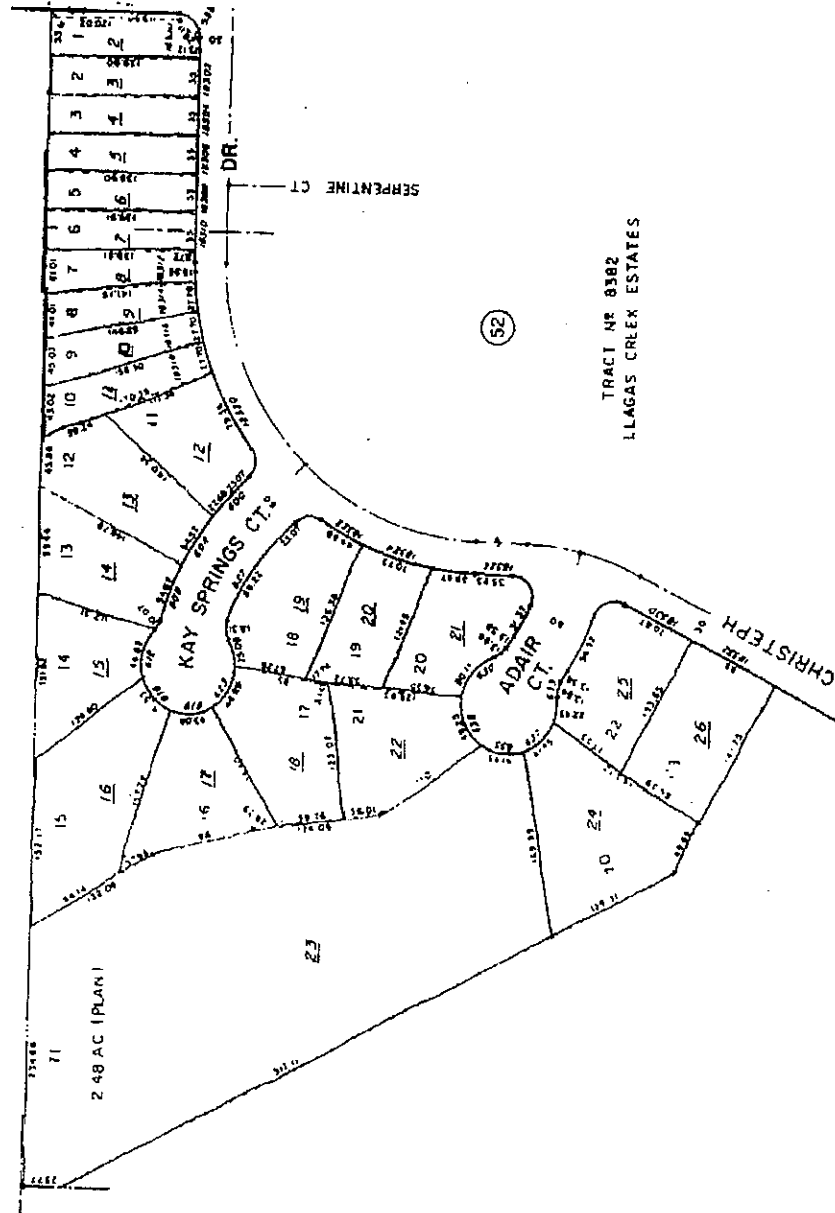


JACKSON MEADOWS #7 ZONE

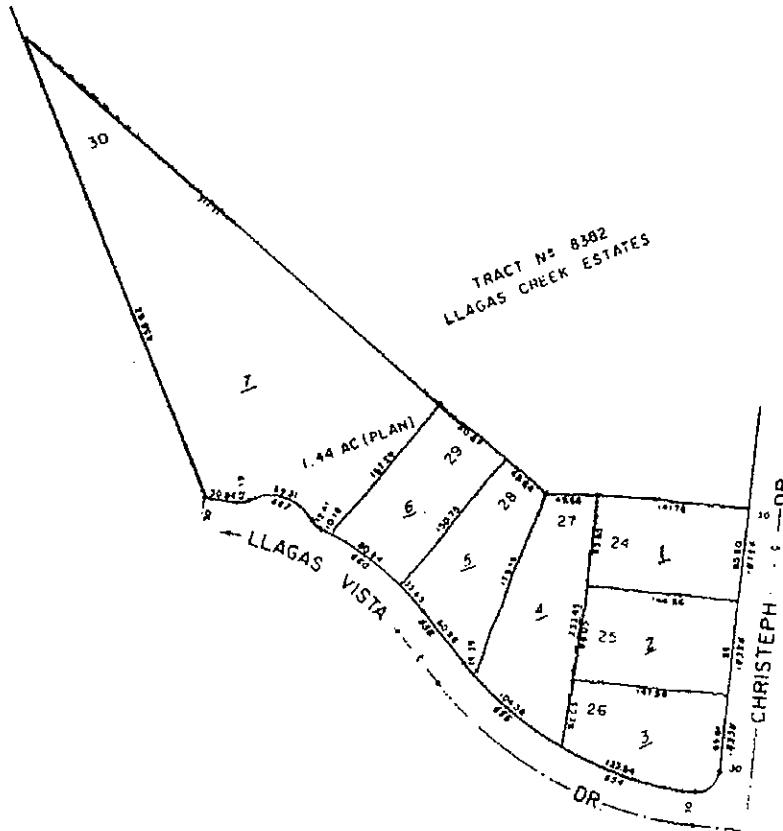


LA GRANDE ESTATES ZONE

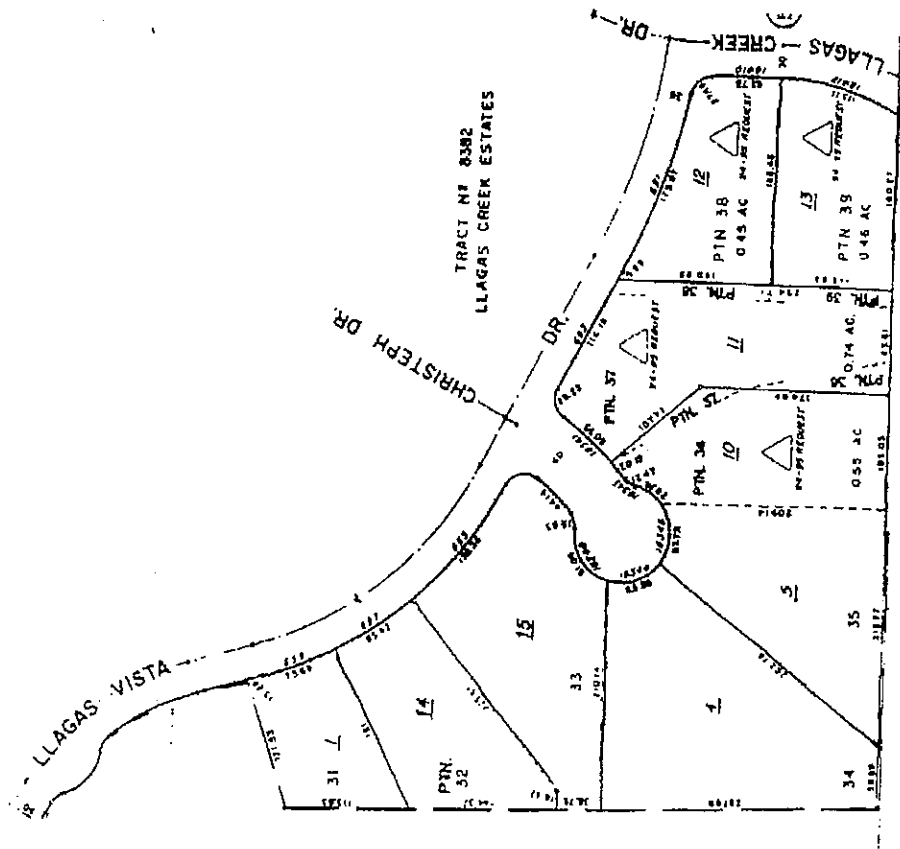




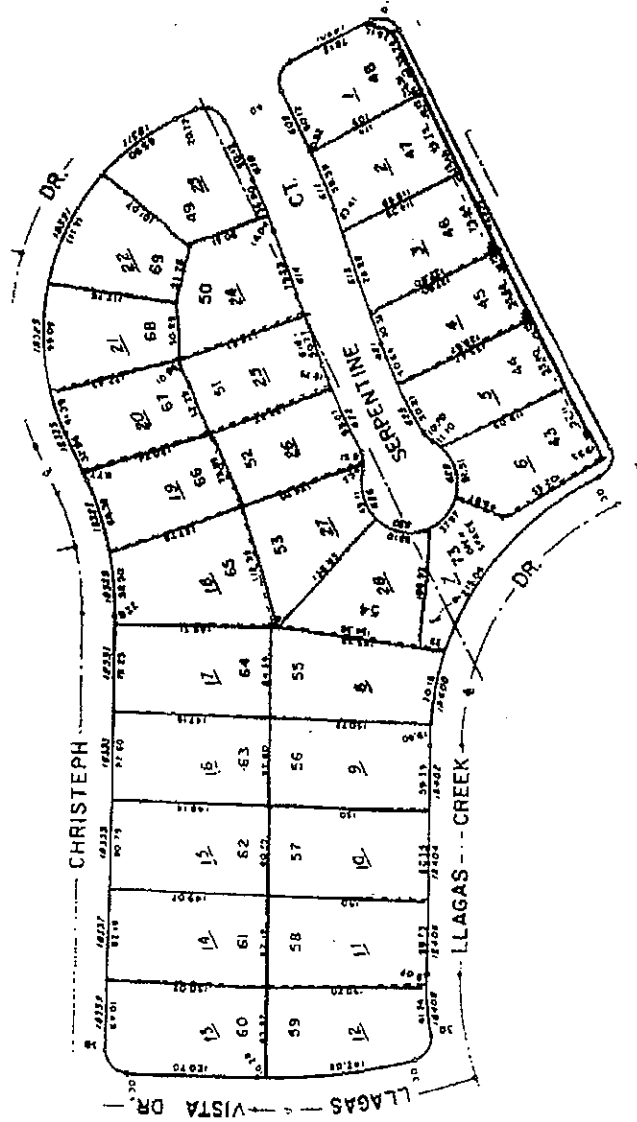
LLAGAS CREEK ESTATES ZONE SHEET 1



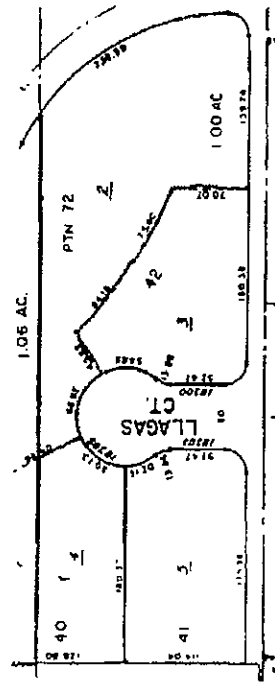
LLAGAS CREEK ESTATES ZONE SHEET 2



LLAGAS CREEK ESTATES ZONE SHEET 3

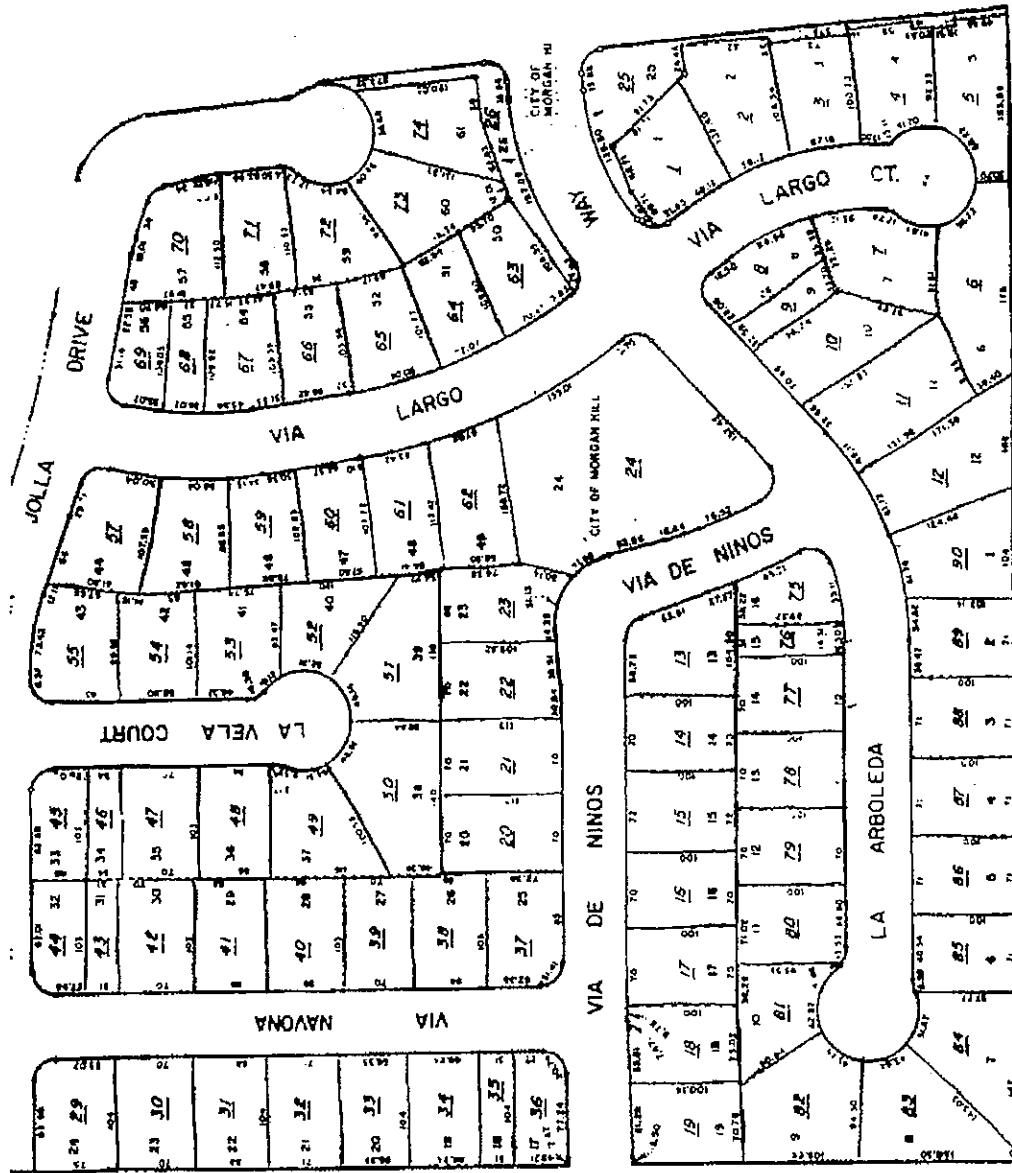


LLAGAS CREEK ESTATES ZONE SHEET 4

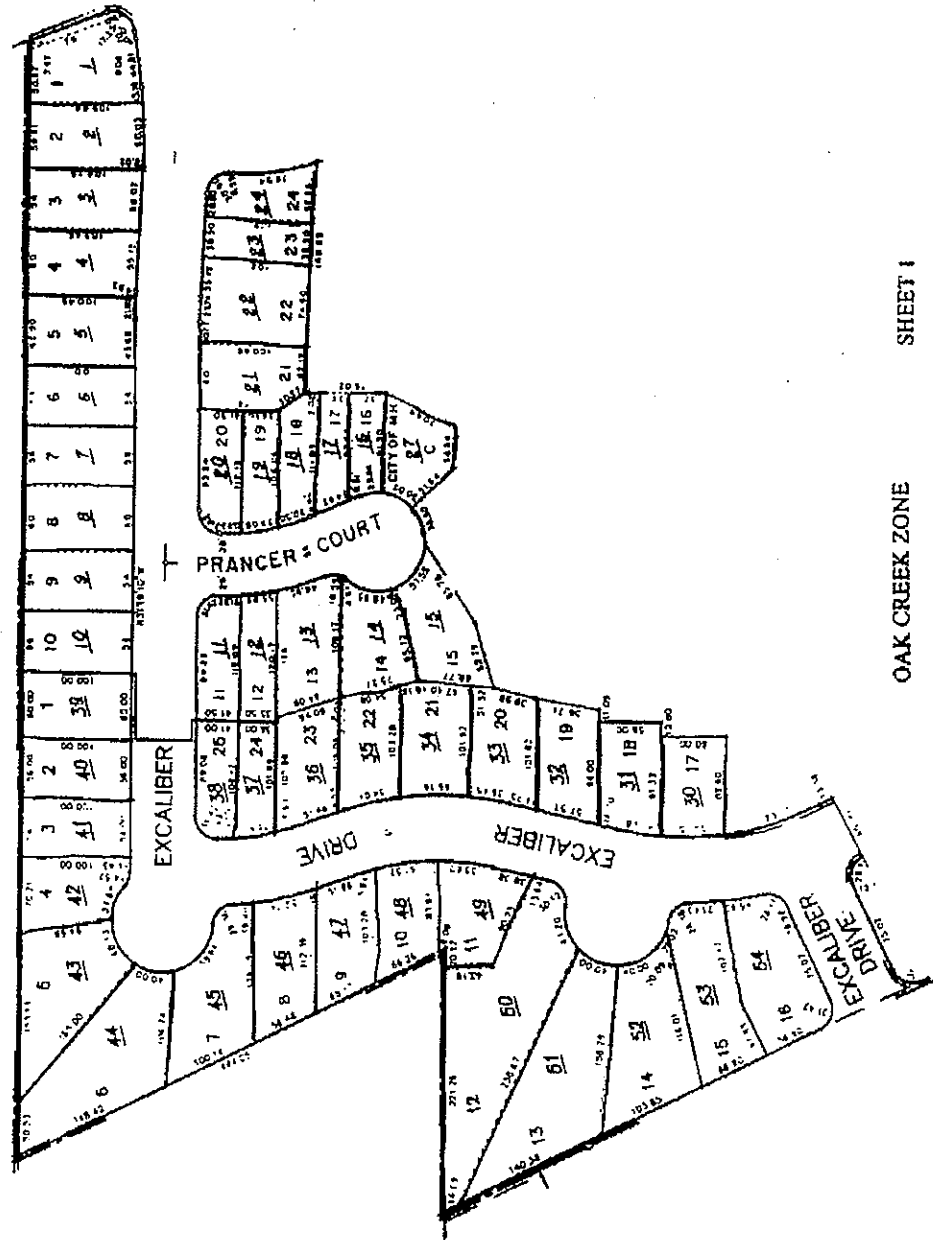


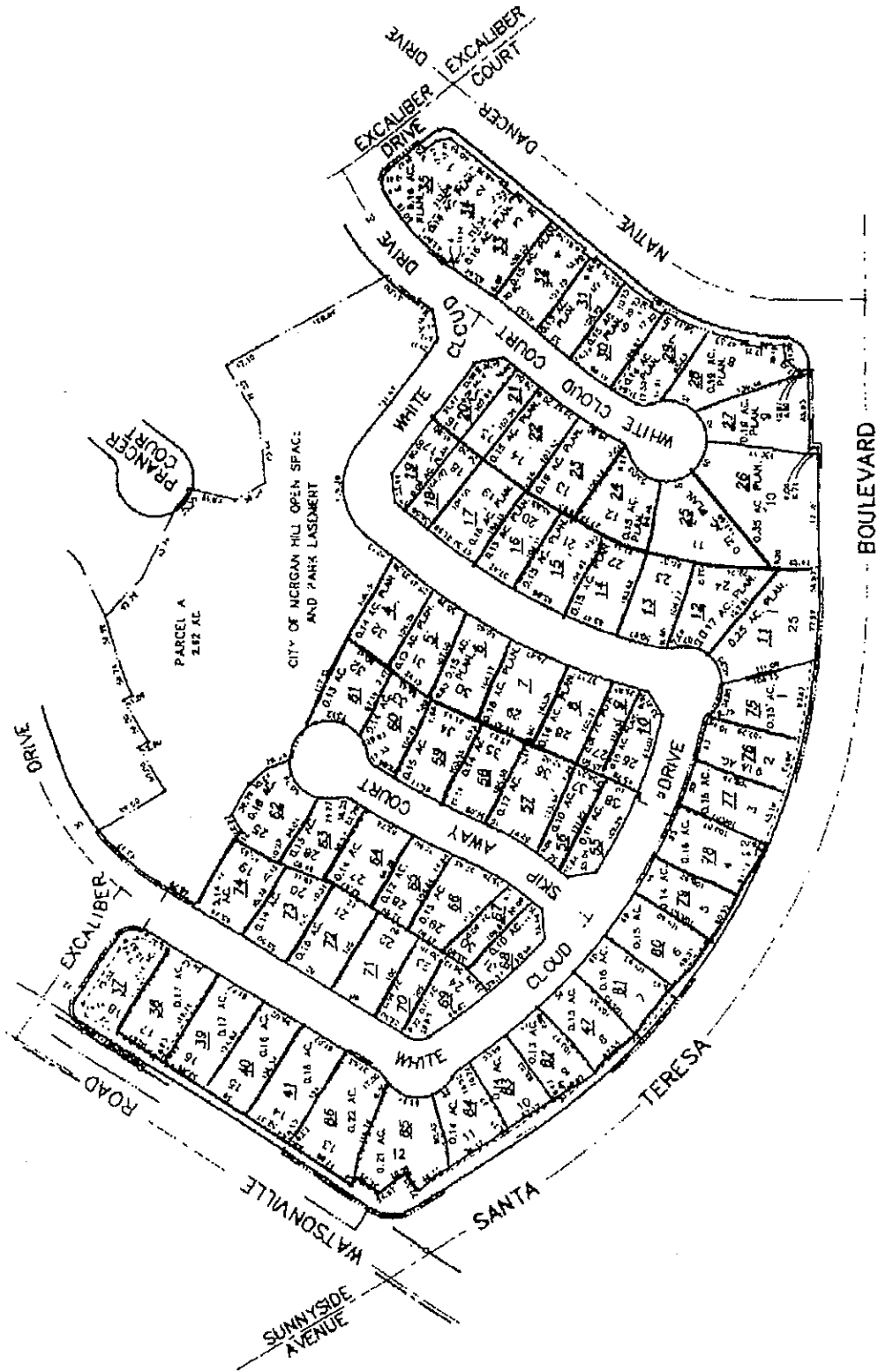
LLAGAS CREEK ESTATES ZONE SHEET 5



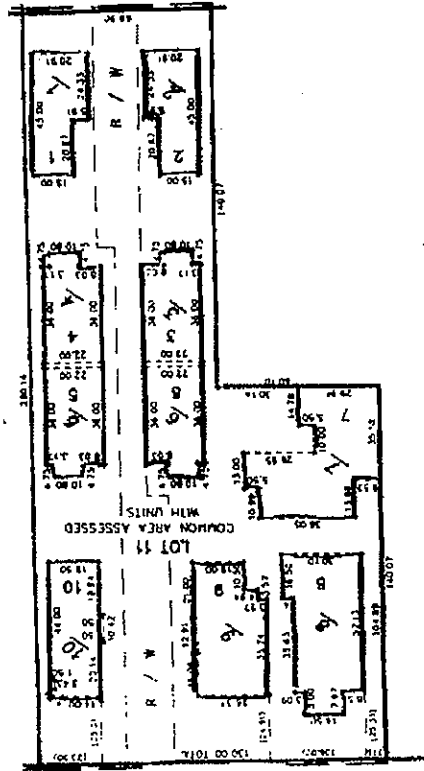


MILL CREEK ZONE

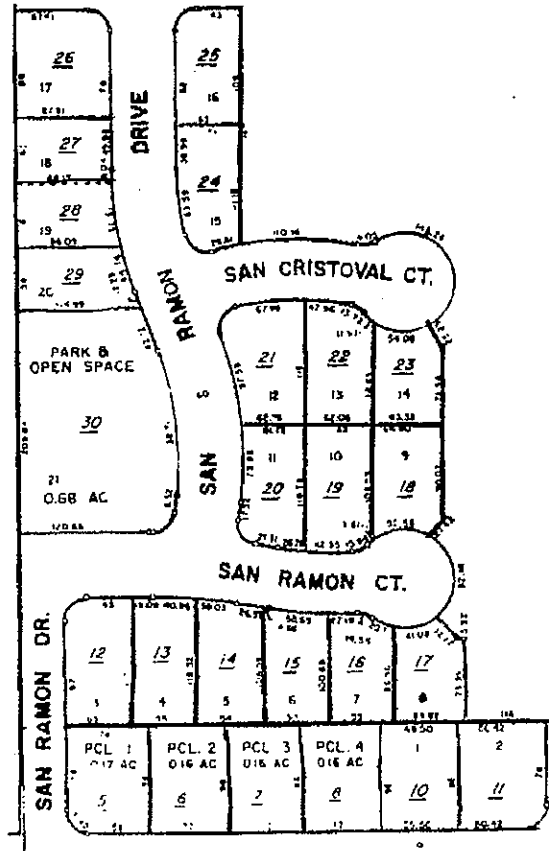




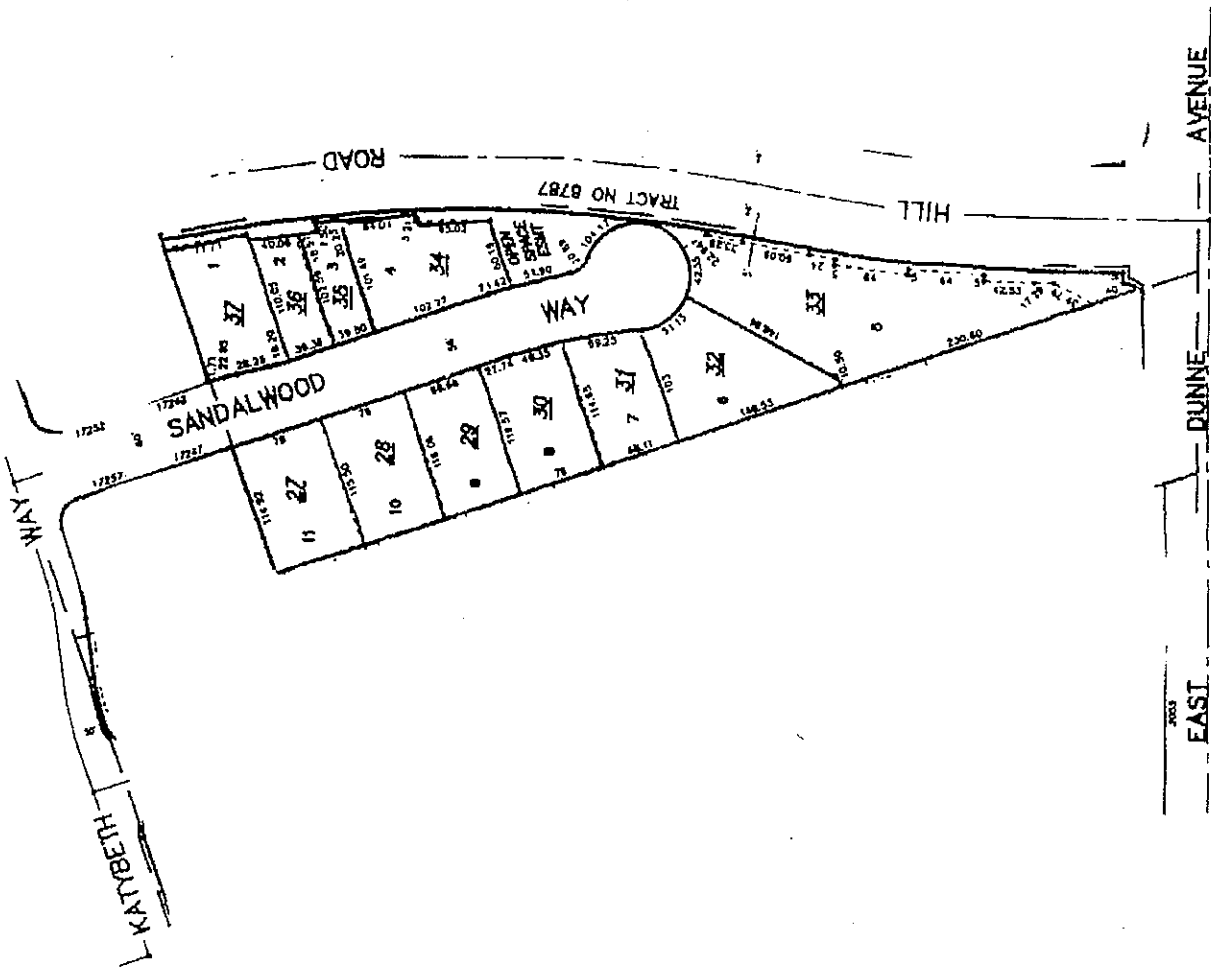
OAK CREEK ZONE SHEET 2



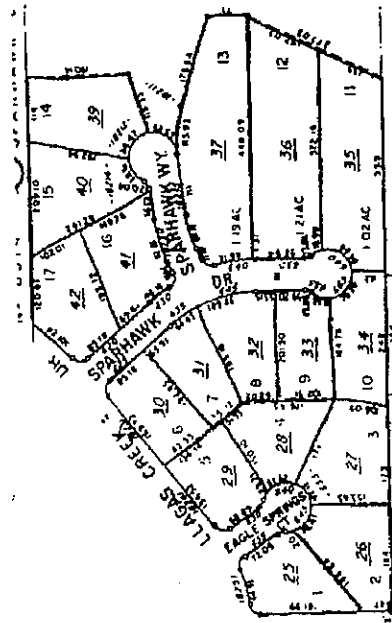
PARSONS CORNER ZONE



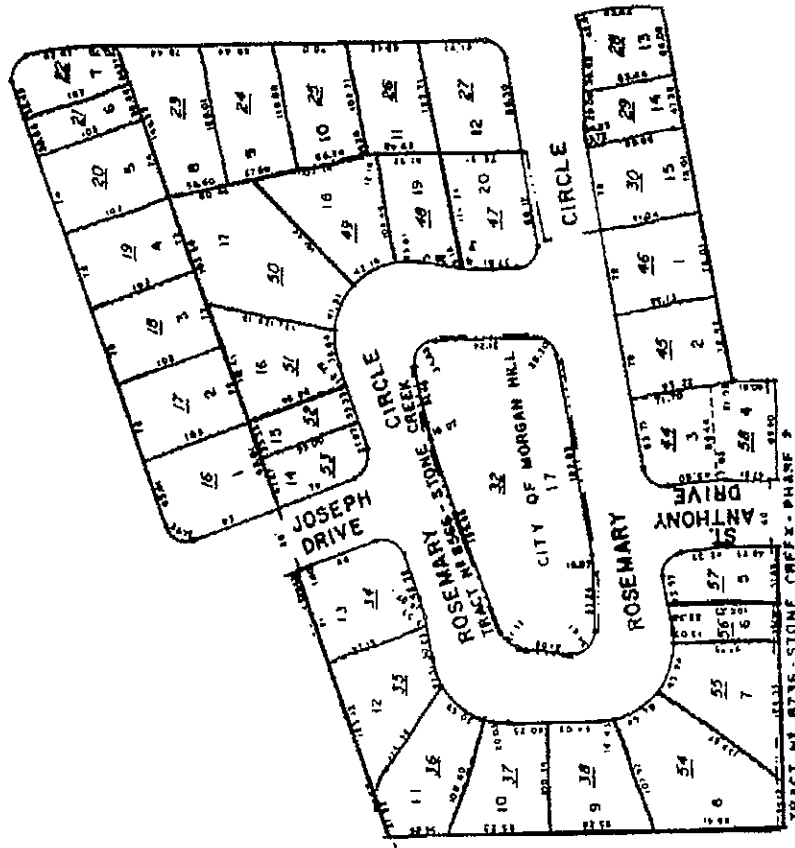
ROSEHAVEN ZONE



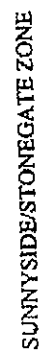
SANDALWOOD ZONE



SPARHAWK ZONE



STONE CREEK ZONE



6. ASSESSMENT ROLL

The listing of Fiscal Year 2017/18 assessments is provided per Zone on the following pages. The description of each lot or parcel as part of the records of the County Assessor are, by reference, made part of this Report as well.

**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll**

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Belle Estates	726-16-043	320.00	1.00	-	\$320.00
Belle Estates	726-16-044	320.00	1.00	-	320.00
Belle Estates	726-16-045	320.00	1.00	-	320.00
Belle Estates	726-16-046	320.00	1.00	-	320.00
Belle Estates	726-16-048	320.00	1.00	-	320.00
Belle Estates	726-16-050	320.00	1.00	-	320.00
Belle Estates	726-16-051	320.00	1.00	-	320.00
Belle Estates	726-16-052	320.00	1.00	-	320.00
Belle Estates	726-16-053	320.00	1.00	-	320.00
Belle Estates	726-16-054	320.00	1.00	-	320.00
Belle Estates	726-16-055	320.00	1.00	-	320.00
Belle Estates	726-16-056	320.00	1.00	-	320.00
Belle Estates	726-16-057	320.00	1.00	-	320.00
Belle Estates	726-16-058	320.00	1.00	-	320.00
Belle Estates	726-16-059	320.00	1.00	-	320.00
Belle Estates	726-16-060	320.00	1.00	-	320.00
Belle Estates	726-16-061	320.00	1.00	-	320.00
Belle Estates	726-16-062	320.00	1.00	-	320.00
Belle Estates	726-16-063	320.00	1.00	-	320.00
Belle Estates	726-16-064	320.00	1.00	-	320.00
Belle Estates	726-16-065	320.00	1.00	-	320.00
Belle Estates	726-16-066	320.00	1.00	-	320.00
Belle Estates	726-16-068	320.00	1.00	-	320.00
Belle Estates	726-16-069	320.00	1.00	-	320.00
Belle Estates	726-16-070	320.00	1.00	-	320.00
Belle Estates	726-16-071	320.00	1.00	-	320.00
Belle Estates	726-16-072	320.00	1.00	-	320.00
Belle Estates	726-16-074	320.00	1.00	-	320.00
Belle Estates	726-16-075	320.00	1.00	-	320.00
Belle Estates	726-16-076	320.00	1.00	-	320.00
Belle Estates	726-16-077	320.00	1.00	-	320.00
Belle Estates	726-16-078	320.00	1.00	-	320.00
Belle Estates	726-16-079	320.00	1.00	-	320.00
Belle Estates	726-16-080	320.00	1.00	-	320.00
Belle Estates	726-16-081	320.00	1.00	-	320.00
Belle Estates	726-16-082	320.00	1.00	-	320.00
Chang/Bertelone	764-23-050	550.00	1.00	-	550.00
Chang/Bertelone	764-23-051	550.00	1.00	-	550.00
Chang/Bertelone	764-23-052	550.00	1.00	-	550.00
Chang/Bertelone	764-23-053	550.00	1.00	-	550.00
Chang/Bertelone	764-23-057	550.00	1.00	-	550.00
Chang/Bertelone	764-23-058	550.00	1.00	-	550.00
Chang/Bertelone	764-23-059	550.00	1.00	-	550.00
Chang/Bertelone	764-23-060	550.00	1.00	-	550.00
Conte Gardens	728-10-010	400.00	1.00	-	400.00
Conte Gardens	728-10-011	400.00	1.00	-	400.00
Conte Gardens	728-10-012	400.00	1.00	-	400.00
Conte Gardens	728-10-013	400.00	1.00	-	400.00
Conte Gardens	728-10-014	400.00	1.00	-	400.00
Conte Gardens	728-10-015	400.00	1.00	-	400.00
Conte Gardens	728-10-016	400.00	1.00	-	400.00
Conte Gardens	728-10-017	400.00	1.00	-	400.00

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)

City of Morgan Hill
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Assessment Roll

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Conte Gardens	728-10-018	400.00	1.00	-	400.00
Conte Gardens	728-10-019	400.00	1.00	-	400.00
Conte Gardens	728-10-020	400.00	1.00	-	400.00
Diana Estates	726-07-042	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-043	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-044	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-045	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-055	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-056	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-057	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-058	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-059	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-060	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-061	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-062	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-063	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-064	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-065	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-066	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-067	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-068	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-069	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-070	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-071	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-072	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-073	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-074	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-075	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-077	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-078	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-080	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-081	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-082	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-083	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-084	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-085	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-086	139.39	1.00	(0.01)	139.38
Diana Estates	726-07-087	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-031	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-032	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-033	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-034	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-035	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-036	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-046	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-047	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-048	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-049	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-050	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-051	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-052	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-053	139.39	1.00	(0.01)	139.38

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City of Morgan Hill
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Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Diana Estates	726-08-054	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-055	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-056	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-057	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-058	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-059	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-060	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-061	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-062	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-063	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-064	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-065	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-066	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-067	139.39	1.00	(0.01)	139.38
Diana Estates	726-08-068	139.39	1.00	(0.01)	139.38
Fox Hollow/Murphy Sp	764-47-001	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-002	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-003	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-004	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-005	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-006	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-007	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-008	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-009	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-010	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-011	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-012	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-013	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-014	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-015	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-016	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-017	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-018	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-020	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-021	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-022	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-023	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-024	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-025	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-026	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-027	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-028	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-029	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-030	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-031	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-032	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-033	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-034	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-035	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-036	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-037	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-038	173.53	1.00	(0.01)	173.52

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City of Morgan Hill
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Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Fox Hollow/Murphy Sp	764-47-039	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-040	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-041	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-042	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-043	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-044	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-045	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-046	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-047	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-048	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-049	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-050	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-051	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-052	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-053	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-054	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-055	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-056	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-057	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-058	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-059	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-060	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-061	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-062	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-063	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-064	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-065	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-066	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-067	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-068	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-069	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-070	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-071	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-072	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-073	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-074	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-075	173.53	1.00	(0.01)	173.52
Fox Hollow/Murphy Sp	764-47-079	173.53	1.00	(0.01)	173.52
Hamilton Square	767-36-044	325	1.00	-	325.00
Hamilton Square	767-36-045	325	1.00	-	325.00
Hamilton Square	767-36-046	325	1.00	-	325.00
Hamilton Square	767-36-047	325	1.00	-	325.00
Hamilton Square	767-36-048	325	1.00	-	325.00
Hamilton Square	767-36-049	325	1.00	-	325.00
Hamilton Square	767-36-050	325	1.00	-	325.00
Hamilton Square	767-36-051	325	1.00	-	325.00
Hamilton Square	767-36-052	325	1.00	-	325.00
Hamilton Square	767-36-053	325	1.00	-	325.00
Hamilton Square	767-36-054	325	1.00	-	325.00
Hamilton Square	767-36-055	325	1.00	-	325.00
Hamilton Square	767-36-056	325	1.00	-	325.00
Hamilton Square	767-36-057	325	1.00	-	325.00

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**City of Morgan Hill
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Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Hamilton Square	767-36-058	325	1.00	-	325.00
Hamilton Square	767-36-059	325	1.00	-	325.00
Hamilton Square	767-36-060	325	1.00	-	325.00
Hamilton Square	767-36-061	325	1.00	-	325.00
Hamilton Square	767-36-062	325	1.00	-	325.00
Hamilton Square	767-36-063	325	1.00	-	325.00
Hamilton Square	767-36-064	325	1.00	-	325.00
Hamilton Square	767-36-065	325	1.00	-	325.00
Hamilton Square	767-36-066	325	1.00	-	325.00
Hamilton Square	767-36-068	325	1.00	-	325.00
Hamilton Square	767-36-069	325	1.00	-	325.00
Hamilton Square	767-36-070	325	1.00	-	325.00
Hamilton Square	767-36-071	325	1.00	-	325.00
Hamilton Square	767-36-072	325	1.00	-	325.00
Hamilton Square	767-36-073	325	1.00	-	325.00
Hamilton Square	767-36-074	325	1.00	-	325.00
Hamilton Square	767-36-075	325	1.00	-	325.00
Hamilton Square	767-36-076	325	1.00	-	325.00
Hamilton Square	767-36-077	325	1.00	-	325.00
Hamilton Square	767-36-078	325	1.00	-	325.00
Hamilton Square	767-36-079	325	1.00	-	325.00
Hamilton Square	767-36-080	325	1.00	-	325.00
Hamilton Square	767-36-081	325	1.00	-	325.00
Hamilton Square	767-36-082	325	1.00	-	325.00
Jackson Meadows #6	817-26-047	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-048	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-049	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-066	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-067	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-068	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-069	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-070	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-071	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-072	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-073	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-075	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-076	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-077	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-078	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-079	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-080	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-081	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-082	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-083	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-084	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-085	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-086	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-087	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-088	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-089	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-090	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-091	108.00	1.00	-	108.00

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Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Jackson Meadows #6	817-26-092	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-093	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-095	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-096	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-097	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-098	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-099	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-100	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-101	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-102	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-103	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-104	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-105	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-106	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-107	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-108	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-109	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-110	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-111	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-112	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-113	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-114	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-115	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-116	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-117	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-118	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-119	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-120	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-122	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-123	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-124	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-125	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-126	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-127	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-129	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-130	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-131	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-132	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-133	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-134	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-135	108.00	1.00	-	108.00
Jackson Meadows #6	817-26-136	108.00	1.00	-	108.00
Jackson Meadows #7	817-70-001	100.00	1.00	-	100.00
Jackson Meadows #7	817-70-002	100.00	1.00	-	100.00
Jackson Meadows #7	817-70-003	100.00	1.00	-	100.00
Jackson Meadows #7	817-70-004	100.00	1.00	-	100.00
Jackson Meadows #7	817-70-005	100.00	1.00	-	100.00
Jackson Meadows #7	817-70-006	100.00	1.00	-	100.00
Jackson Meadows #7	817-70-007	100.00	1.00	-	100.00
Jackson Meadows #7	817-70-008	100.00	1.00	-	100.00
Jackson Meadows #7	817-70-009	100.00	1.00	-	100.00
Jackson Meadows #7	817-70-017	100.00	1.00	-	100.00

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)

**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll**

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
La Grande Estates	767-45-032	88.00	1.00	-	88.00
La Grande Estates	767-45-033	88.00	1.00	-	88.00
La Grande Estates	767-45-034	88.00	1.00	-	88.00
La Grande Estates	767-45-037	88.00	1.00	-	88.00
La Grande Estates	767-45-038	88.00	1.00	-	88.00
La Grande Estates	767-45-039	88.00	1.00	-	88.00
La Grande Estates	767-45-040	88.00	1.00	-	88.00
La Grande Estates	767-45-041	88.00	1.00	-	88.00
La Grande Estates	767-45-042	88.00	1.00	-	88.00
La Grande Estates	767-45-043	88.00	1.00	-	88.00
La Grande Estates	767-45-044	88.00	1.00	-	88.00
La Grande Estates	767-45-045	88.00	1.00	-	88.00
La Grande Estates	767-45-046	88.00	1.00	-	88.00
La Grande Estates	767-45-047	88.00	1.00	-	88.00
La Grande Estates	767-45-048	88.00	1.00	-	88.00
La Grande Estates	767-45-049	88.00	1.00	-	88.00
La Grande Estates	767-45-050	88.00	1.00	-	88.00
La Grande Estates	767-45-051	88.00	1.00	-	88.00
La Grande Estates	767-45-052	88.00	1.00	-	88.00
La Grande Estates	767-45-053	88.00	1.00	-	88.00
La Grande Estates	767-45-054	88.00	1.00	-	88.00
La Grande Estates	767-45-055	88.00	1.00	-	88.00
La Grande Estates	767-45-056	88.00	1.00	-	88.00
La Grande Estates	767-45-057	88.00	1.00	-	88.00
La Grande Estates	767-45-058	88.00	1.00	-	88.00
La Grande Estates	767-45-059	88.00	1.00	-	88.00
La Grande Estates	767-45-060	88.00	1.00	-	88.00
La Grande Estates	767-45-061	88.00	1.00	-	88.00
La Grande Estates	767-45-062	88.00	1.00	-	88.00
La Grande Estates	767-45-063	88.00	1.00	-	88.00
La Grande Estates	767-45-064	88.00	1.00	-	88.00
La Grande Estates	767-45-065	88.00	1.00	-	88.00
Lacrosse/Gera	767-46-001	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-002	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-003	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-004	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-005	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-006	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-007	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-008	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-009	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-010	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-011	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-012	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-013	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-014	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-015	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-018	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-019	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-020	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-021	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-022	50.00	1.00	-	50.00

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)

**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll**

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Lacrosse/Gera	767-46-023	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-024	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-025	50.00	1.00	-	50.00
Lacrosse/Gera	767-46-026	50.00	1.00	-	50.00
Llagas Creek	764-49-002	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-003	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-004	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-005	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-006	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-007	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-008	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-009	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-010	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-011	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-012	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-013	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-014	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-015	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-016	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-017	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-018	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-019	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-020	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-021	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-022	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-023	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-024	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-025	233.67	1.00	(0.01)	233.66
Llagas Creek	764-49-026	233.67	1.00	(0.01)	233.66
Llagas Creek	764-50-001	233.67	1.00	(0.01)	233.66
Llagas Creek	764-50-002	233.67	1.00	(0.01)	233.66
Llagas Creek	764-50-003	233.67	1.00	(0.01)	233.66
Llagas Creek	764-50-004	233.67	1.00	(0.01)	233.66
Llagas Creek	764-50-005	233.67	1.00	(0.01)	233.66
Llagas Creek	764-50-006	233.67	1.00	(0.01)	233.66
Llagas Creek	764-50-007	233.67	1.00	(0.01)	233.66
Llagas Creek	764-51-001	233.67	1.00	(0.01)	233.66
Llagas Creek	764-51-004	233.67	1.00	(0.01)	233.66
Llagas Creek	764-51-005	233.67	1.00	(0.01)	233.66
Llagas Creek	764-51-010	233.67	1.00	(0.01)	233.66
Llagas Creek	764-51-011	233.67	1.00	(0.01)	233.66
Llagas Creek	764-51-012	233.67	1.00	(0.01)	233.66
Llagas Creek	764-51-013	233.67	1.00	(0.01)	233.66
Llagas Creek	764-51-014	233.67	1.00	(0.01)	233.66
Llagas Creek	764-51-015	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-001	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-002	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-003	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-004	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-005	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-006	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-008	233.67	1.00	(0.01)	233.66

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)

**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll**

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Llagas Creek	764-52-009	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-010	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-011	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-012	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-013	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-014	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-015	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-016	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-017	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-018	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-019	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-020	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-021	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-022	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-023	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-024	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-025	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-026	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-027	233.67	1.00	(0.01)	233.66
Llagas Creek	764-52-028	233.67	1.00	(0.01)	233.66
Llagas Creek	764-53-003	233.67	1.00	(0.01)	233.66
Llagas Creek	764-53-004	233.67	1.00	(0.01)	233.66
Llagas Creek	764-53-005	233.67	1.00	(0.01)	233.66
Llagas/Obata	764-23-032	143.92	1.00	-	143.92
Llagas/Obata	764-23-033	143.92	1.00	-	143.92
Llagas/Obata	764-23-034	143.92	1.00	-	143.92
Llagas/Obata	764-23-035	143.92	1.00	-	143.92
Llagas/Obata	764-23-036	143.92	1.00	-	143.92
Mill Creek	767-47-001	186.82	1.00	-	186.82
Mill Creek	767-47-002	186.82	1.00	-	186.82
Mill Creek	767-47-003	186.82	1.00	-	186.82
Mill Creek	767-47-004	186.82	1.00	-	186.82
Mill Creek	767-47-005	186.82	1.00	-	186.82
Mill Creek	767-47-006	186.82	1.00	-	186.82
Mill Creek	767-47-007	186.82	1.00	-	186.82
Mill Creek	767-47-008	186.82	1.00	-	186.82
Mill Creek	767-47-009	186.82	1.00	-	186.82
Mill Creek	767-47-010	186.82	1.00	-	186.82
Mill Creek	767-47-011	186.82	1.00	-	186.82
Mill Creek	767-47-012	186.82	1.00	-	186.82
Mill Creek	767-47-013	186.82	1.00	-	186.82
Mill Creek	767-47-014	186.82	1.00	-	186.82
Mill Creek	767-47-015	186.82	1.00	-	186.82
Mill Creek	767-47-016	186.82	1.00	-	186.82
Mill Creek	767-47-017	186.82	1.00	-	186.82
Mill Creek	767-47-018	186.82	1.00	-	186.82
Mill Creek	767-47-019	186.82	1.00	-	186.82
Mill Creek	767-47-020	186.82	1.00	-	186.82
Mill Creek	767-47-021	186.82	1.00	-	186.82
Mill Creek	767-47-022	186.82	1.00	-	186.82
Mill Creek	767-47-023	186.82	1.00	-	186.82
Mill Creek	767-47-029	186.82	1.00	-	186.82

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)

**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll**

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Mill Creek	767-47-030	186.82	1.00	-	186.82
Mill Creek	767-47-031	186.82	1.00	-	186.82
Mill Creek	767-47-032	186.82	1.00	-	186.82
Mill Creek	767-47-033	186.82	1.00	-	186.82
Mill Creek	767-47-034	186.82	1.00	-	186.82
Mill Creek	767-47-035	186.82	1.00	-	186.82
Mill Creek	767-47-036	186.82	1.00	-	186.82
Mill Creek	767-47-037	186.82	1.00	-	186.82
Mill Creek	767-47-038	186.82	1.00	-	186.82
Mill Creek	767-47-039	186.82	1.00	-	186.82
Mill Creek	767-47-040	186.82	1.00	-	186.82
Mill Creek	767-47-041	186.82	1.00	-	186.82
Mill Creek	767-47-042	186.82	1.00	-	186.82
Mill Creek	767-47-043	186.82	1.00	-	186.82
Mill Creek	767-47-044	186.82	1.00	-	186.82
Mill Creek	767-47-045	186.82	1.00	-	186.82
Mill Creek	767-47-046	186.82	1.00	-	186.82
Mill Creek	767-47-047	186.82	1.00	-	186.82
Mill Creek	767-47-048	186.82	1.00	-	186.82
Mill Creek	767-47-049	186.82	1.00	-	186.82
Mill Creek	767-47-050	186.82	1.00	-	186.82
Mill Creek	767-47-051	186.82	1.00	-	186.82
Mill Creek	767-47-052	186.82	1.00	-	186.82
Mill Creek	767-47-053	186.82	1.00	-	186.82
Mill Creek	767-47-054	186.82	1.00	-	186.82
Mill Creek	767-47-055	186.82	1.00	-	186.82
Mill Creek	767-47-057	186.82	1.00	-	186.82
Mill Creek	767-47-058	186.82	1.00	-	186.82
Mill Creek	767-47-059	186.82	1.00	-	186.82
Mill Creek	767-47-060	186.82	1.00	-	186.82
Mill Creek	767-47-061	186.82	1.00	-	186.82
Mill Creek	767-47-062	186.82	1.00	-	186.82
Mill Creek	767-47-063	186.82	1.00	-	186.82
Mill Creek	767-47-064	186.82	1.00	-	186.82
Mill Creek	767-47-065	186.82	1.00	-	186.82
Mill Creek	767-47-066	186.82	1.00	-	186.82
Mill Creek	767-47-067	186.82	1.00	-	186.82
Mill Creek	767-47-068	186.82	1.00	-	186.82
Mill Creek	767-47-069	186.82	1.00	-	186.82
Mill Creek	767-47-070	186.82	1.00	-	186.82
Mill Creek	767-47-071	186.82	1.00	-	186.82
Mill Creek	767-47-072	186.82	1.00	-	186.82
Mill Creek	767-47-073	186.82	1.00	-	186.82
Mill Creek	767-47-074	186.82	1.00	-	186.82
Mill Creek	767-47-075	186.82	1.00	-	186.82
Mill Creek	767-47-076	186.82	1.00	-	186.82
Mill Creek	767-47-077	186.82	1.00	-	186.82
Mill Creek	767-47-078	186.82	1.00	-	186.82
Mill Creek	767-47-079	186.82	1.00	-	186.82
Mill Creek	767-47-080	186.82	1.00	-	186.82
Mill Creek	767-47-081	186.82	1.00	-	186.82
Mill Creek	767-47-082	186.82	1.00	-	186.82

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)

City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Mill Creek	767-47-083	186.82	1.00	-	186.82
Mill Creek	767-47-084	186.82	1.00	-	186.82
Mill Creek	767-47-085	186.82	1.00	-	186.82
Mill Creek	767-47-086	186.82	1.00	-	186.82
Mill Creek	767-47-087	186.82	1.00	-	186.82
Mill Creek	767-47-088	186.82	1.00	-	186.82
Mill Creek	767-47-089	186.82	1.00	-	186.82
Mill Creek	767-47-090	186.82	1.00	-	186.82
Oak Creek I, II, III	779-51-001	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-002	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-003	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-004	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-005	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-006	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-007	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-008	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-009	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-010	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-011	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-012	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-013	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-014	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-015	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-016	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-017	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-018	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-019	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-020	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-021	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-022	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-023	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-024	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-030	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-031	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-032	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-033	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-034	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-035	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-036	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-037	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-038	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-039	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-040	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-041	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-042	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-043	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-044	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-045	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-046	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-047	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-048	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-049	350.00	1.00	-	350.00

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**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll**

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Oak Creek I, II, III	779-51-050	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-051	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-052	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-053	350.00	1.00	-	350.00
Oak Creek I, II, III	779-51-054	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-004	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-005	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-006	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-007	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-008	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-009	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-010	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-011	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-012	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-013	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-014	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-015	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-016	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-017	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-018	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-019	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-020	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-021	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-022	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-023	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-024	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-025	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-026	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-027	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-028	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-029	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-030	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-031	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-032	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-033	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-034	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-035	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-037	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-038	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-039	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-040	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-041	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-047	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-055	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-056	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-057	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-058	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-059	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-060	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-061	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-062	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-063	350.00	1.00	-	350.00

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)

**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll**

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Oak Creek I, II, III	779-52-064	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-065	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-066	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-067	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-068	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-069	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-070	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-071	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-072	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-073	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-074	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-075	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-076	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-077	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-078	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-079	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-080	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-081	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-082	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-083	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-084	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-085	350.00	1.00	-	350.00
Oak Creek I, II, III	779-52-086	350.00	1.00	-	350.00
Parsons Corner	767-48-001	250.00	1.00	-	250.00
Parsons Corner	767-48-002	250.00	1.00	-	250.00
Parsons Corner	767-48-003	250.00	1.00	-	250.00
Parsons Corner	767-48-004	250.00	1.00	-	250.00
Parsons Corner	767-48-005	250.00	1.00	-	250.00
Parsons Corner	767-48-006	250.00	1.00	-	250.00
Parsons Corner	767-48-007	250.00	1.00	-	250.00
Parsons Corner	767-48-008	250.00	1.00	-	250.00
Parsons Corner	767-48-009	250.00	1.00	-	250.00
Parsons Corner	767-48-010	250.00	1.00	-	250.00
Rosehaven	817-10-005	488.00	1.00	-	488.00
Rosehaven	817-10-006	488.00	1.00	-	488.00
Rosehaven	817-10-007	488.00	1.00	-	488.00
Rosehaven	817-10-008	488.00	1.00	-	488.00
Rosehaven	817-10-010	488.00	1.00	-	488.00
Rosehaven	817-10-011	488.00	2.00	-	976.00
Rosehaven	817-10-012	488.00	1.00	-	488.00
Rosehaven	817-10-013	488.00	1.00	-	488.00
Rosehaven	817-10-014	488.00	1.00	-	488.00
Rosehaven	817-10-015	488.00	1.00	-	488.00
Rosehaven	817-10-016	488.00	1.00	-	488.00
Rosehaven	817-10-017	488.00	1.00	-	488.00
Rosehaven	817-10-018	488.00	1.00	-	488.00
Rosehaven	817-10-019	488.00	1.00	-	488.00
Rosehaven	817-10-020	488.00	1.00	-	488.00
Rosehaven	817-10-021	488.00	2.00	-	976.00
Rosehaven	817-10-022	488.00	1.00	-	488.00
Rosehaven	817-10-023	488.00	1.00	-	488.00
Rosehaven	817-10-024	488.00	1.00	-	488.00

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)

**City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll**

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Rosehaven	817-10-025	488.00	1.00	-	488.00
Rosehaven	817-10-026	488.00	2.00	-	976.00
Rosehaven	817-10-027	488.00	1.00	-	488.00
Rosehaven	817-10-028	488.00	1.00	-	488.00
Rosehaven	817-10-029	488.00	1.00	-	488.00
Sandalwood	728-11-027	192.36	1.00	-	192.36
Sandalwood	728-11-028	192.36	1.00	-	192.36
Sandalwood	728-11-029	192.36	1.00	-	192.36
Sandalwood	728-11-030	192.36	1.00	-	192.36
Sandalwood	728-11-031	192.36	1.00	-	192.36
Sandalwood	728-11-032	192.36	1.00	-	192.36
Sandalwood	728-11-033	192.36	1.00	-	192.36
Sandalwood	728-11-034	192.36	1.00	-	192.36
Sandalwood	728-11-035	192.36	1.00	-	192.36
Sandalwood	728-11-036	192.36	1.00	-	192.36
Sandalwood	728-11-037	192.36	1.00	-	192.36
Sparhawk	764-31-025	248.82	1.00	-	248.82
Sparhawk	764-31-026	248.82	1.00	-	248.82
Sparhawk	764-31-027	248.82	1.00	-	248.82
Sparhawk	764-31-028	248.82	1.00	-	248.82
Sparhawk	764-31-029	248.82	1.00	-	248.82
Sparhawk	764-31-030	248.82	1.00	-	248.82
Sparhawk	764-31-031	248.82	1.00	-	248.82
Sparhawk	764-31-032	248.82	1.00	-	248.82
Sparhawk	764-31-033	248.82	1.00	-	248.82
Sparhawk	764-31-034	248.82	1.00	-	248.82
Sparhawk	764-31-035	248.82	1.00	-	248.82
Sparhawk	764-31-036	248.82	1.00	-	248.82
Sparhawk	764-31-037	248.82	1.00	-	248.82
Sparhawk	764-31-038	248.82	1.00	-	248.82
Sparhawk	764-31-039	248.82	1.00	-	248.82
Sparhawk	764-31-040	248.82	1.00	-	248.82
Sparhawk	764-31-041	248.82	1.00	-	248.82
Sparhawk	764-31-042	248.82	1.00	-	248.82
Stone Creek	726-06-016	388.46	1.00	-	388.46
Stone Creek	726-06-017	388.46	1.00	-	388.46
Stone Creek	726-06-018	388.46	1.00	-	388.46
Stone Creek	726-06-019	388.46	1.00	-	388.46
Stone Creek	726-06-020	388.46	1.00	-	388.46
Stone Creek	726-06-021	388.46	1.00	-	388.46
Stone Creek	726-06-022	388.46	1.00	-	388.46
Stone Creek	726-06-023	388.46	1.00	-	388.46
Stone Creek	726-06-024	388.46	1.00	-	388.46
Stone Creek	726-06-025	388.46	1.00	-	388.46
Stone Creek	726-06-026	388.46	1.00	-	388.46
Stone Creek	726-06-027	388.46	1.00	-	388.46
Stone Creek	726-06-028	388.46	1.00	-	388.46
Stone Creek	726-06-029	388.46	1.00	-	388.46
Stone Creek	726-06-030	388.46	1.00	-	388.46
Stone Creek	726-06-034	388.46	1.00	-	388.46
Stone Creek	726-06-035	388.46	1.00	-	388.46
Stone Creek	726-06-036	388.46	1.00	-	388.46

Attachment: Engineer's Report Fiscal Year 2017/18 (1246 : LAD Ordering Assessments)

City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2017/18
Assessment Roll

Zone	APN	Rate Per Unit	Units	Rounding Adjustment	2017/18 Assessment (1)
Stone Creek	726-06-037	388.46	1.00	-	388.46
Stone Creek	726-06-038	388.46	1.00	-	388.46
Stone Creek	726-06-044	388.46	1.00	-	388.46
Stone Creek	726-06-045	388.46	1.00	-	388.46
Stone Creek	726-06-046	388.46	1.00	-	388.46
Stone Creek	726-06-047	388.46	1.00	-	388.46
Stone Creek	726-06-048	388.46	1.00	-	388.46
Stone Creek	726-06-049	388.46	1.00	-	388.46
Stone Creek	726-06-050	388.46	1.00	-	388.46
Stone Creek	726-06-051	388.46	1.00	-	388.46
Stone Creek	726-06-052	388.46	1.00	-	388.46
Stone Creek	726-06-053	388.46	1.00	-	388.46
Stone Creek	726-06-054	388.46	1.00	-	388.46
Stone Creek	726-06-055	388.46	1.00	-	388.46
Stone Creek	726-06-056	388.46	1.00	-	388.46
Stone Creek	726-06-057	388.46	1.00	-	388.46
Stone Creek	726-06-058	388.46	1.00	-	388.46
Sunnyside/Stonegate	773-31-034	375.00	1.00	-	375.00
Sunnyside/Stonegate	773-31-035	375.00	1.00	-	375.00
Sunnyside/Stonegate	773-31-036	375.00	1.00	-	375.00
Sunnyside/Stonegate	773-31-037	375.00	1.00	-	375.00
Sunnyside/Stonegate	773-31-038	375.00	1.00	-	375.00
Sunnyside/Stonegate	773-31-039	375.00	1.00	-	375.00
Sunnyside/Stonegate	773-31-040	375.00	1.00	-	375.00
Sunnyside/Stonegate	773-31-043	375.00	1.00	-	375.00
Sunnyside/Stonegate	773-31-044	375.00	1.00	-	375.00
Sunnyside/Stonegate	773-31-045	375.00	1.00	-	375.00
Totals:			758.00	(2.10)	\$181,449.48

(1) Amounts placed on the tax roll must be rounded down to an even number. The Assessment includes the rounding adjustment.

7. HISTORICAL ASSESSMENT RATES

The historical assessment rates per Zone are identified on the following pages.

City of Morgan Hill
Landscape Assessment District No. 1
Actual Historical Assessment Rates Per Zone

Zone	Belle Estates	Chang/Bertelone	Conte Gardens	Diana Estates	Fox Hollow / Murphy Sp.	Hamilton Square	Jackson Meadows #6	Jackson Meadows #7	La Grande Estates	Lacrosse/Gera
Annexation Number	93-03	93-05	92-10	94-01	Original	94-03	93-06	91-03	95-03	91-04
Original Rate	\$502.22	\$1,215.00	\$477.82	\$139.39	\$106.15	\$425.54	\$108.10	\$314.58	\$88.00	\$142.99
Unit Count	36	8	11	64	75	38	70	10	32	24
1991/92	-	-	-	\$139.39	-	-	-	\$314.58	-	\$142.99
1992/93	-	-	-	-	-	-	-	-	-	-
1993/94	-	-	-	69.80	-	-	-	77.35	-	8.93
1994/95	-	-	-	69.80	\$106.15	-	-	77.35	-	8.93
1995/96	\$502.00	\$1,215.00	\$285.98	54.14	79.92	\$425.54	\$108.10	88.66	-	8.93
1996/97	71.00	8.93	477.82	21.94	49.11	214.08	76.04	194.70	-	8.93
1997/98	71.00	8.93	477.82	21.94	49.11	214.08	76.04	194.70	-	8.93
1998/99	71.00	8.93	477.82	21.94	49.11	214.08	76.04	194.70	-	8.93
1999/00	147.81	8.93	477.82	81.03	49.11	399.71	108.10	314.50	\$88.00	8.93
2000/01	147.81	8.93	477.82	81.03	49.11	399.71	108.10	314.50	88.00	8.93
2001/02	147.80	8.92	477.82	54.80	49.10	399.70	86.38	314.50	88.00	8.92
2002/03	147.80	8.92	477.82	70.00	101.10	399.70	104.18	314.50	88.00	8.92
2003/04	175.00	8.92	477.82	80.00	101.10	399.70	104.18	314.50	88.00	8.92
2004/05	180.00	8.92	477.82	80.00	101.10	399.70	108.10	314.50	88.00	8.92
2005/06	180.00	94.92	477.82	105.00	141.10	399.70	108.10	314.50	88.00	8.92
2006/07	180.00	94.92	477.82	105.00	141.10	399.70	108.10	314.50	88.00	8.92
2007/08	194.00	94.92	477.82	135.00	141.10	399.70	108.10	314.50	88.00	8.92
2008/09	234.00	94.92	477.82	139.39	149.69	425.54	108.10	314.50	88.00	130.00
2009/10	234.00	200.00	477.82	139.39	149.69	425.54	108.10	314.50	88.00	130.00
2010/11	234.00	300.00	477.82	139.39	149.69	425.54	108.10	314.50	88.00	130.00
2011/12	282.00	400.00	477.82	139.39	168.48	425.54	108.10	314.50	88.00	50.00
2012/13	282.00	400.00	477.82	139.39	173.53	425.54	98.10	140.00	88.00	50.00
2013/14	320.00	500.00	477.82	139.39	173.53	425.54	98.10	140.00	88.00	50.00
2014/15	320.00	500.00	477.82	139.39	173.53	425.54	98.10	140.00	88.00	50.00
2015/16	320.00	550.00	400.00	139.39	173.53	425.54	108.00	140.00	88.00	50.00
2016/17	320.00	550.00	400.00	139.39	173.53	425.54	108.00	100.00	88.00	50.00
2017/18	320.00	550.00	400.00	139.39	173.53	325.00	108.00	100.00	88.00	50.00

City of Morgan Hill
Landscape Assessment District No. 1
Actual Historical Assessment Rates Per Zone

Zone	Llagas Creek Estates	Llagas/Obata	Mill Creek	Oak Creek	Parsons Corner	Rose Haven	Sandalwood	Sparhawk	Stone Creek	Sunnyside / Stone Gate
Annexation Number	91-05	91-07	93-01	94-04	95-02	95-01	96-01	91-06	94-02	91-01
Original Rate	\$140.84	\$629.16	\$186.82	\$453.82	\$568.32	\$488.47	\$192.39	\$174.77	\$306.66	\$449.40
Unit Count	71	5	84	119	10	27	11	18	35	10
1991/92	\$140.85	\$629.16	-	-	-	-	-	\$174.77	-	\$449.40
1992/93	-	-	-	-	-	-	-	-	-	-
1993/94	19.13	335.37	-	-	-	-	-	93.03	-	15.05
1994/95	19.13	15.05	-	-	-	-	-	308.84	-	15.04
1995/96	76.60	15.05	\$186.82	\$453.82	-	-	-	226.46	\$306.66	15.04
1996/97	59.54	8.93	64.57	47.67	\$568.32	\$488.47	-	147.33	146.66	8.93
1997/98	59.54	8.93	64.57	47.67	457.40	189.73	-	147.33	146.66	8.93
1998/99	59.54	8.93	64.57	337.09	457.40	189.73	-	147.33	146.66	8.93
1999/00	140.85	8.93	95.83	320.52	457.40	189.73	\$192.36	147.33	275.00	8.93
2000/01	140.85	8.93	158.64	245.16	457.40	189.73	192.36	147.33	275.00	8.93
2001/02	105.86	8.92	158.64	150.00	457.40	189.72	192.36	147.32	275.00	8.92
2002/03	140.00	8.92	182.64	250.00	300.00	300.00	192.36	147.32	275.00	275.00
2003/04	140.00	8.92	120.00	300.00	300.00	300.00	192.36	147.32	275.00	192.50
2004/05	140.00	8.92	120.00	300.00	300.00	300.00	192.36	147.32	306.66	192.50
2005/06	190.00	53.92	138.00	300.00	430.00	300.00	192.36	202.32	306.66	332.50
2006/07	190.00	53.92	138.00	300.00	430.00	300.00	192.36	202.32	306.66	332.50
2007/08	190.00	53.92	168.00	300.00	460.00	330.00	192.36	208.38	306.66	332.50
2008/09	195.70	53.92	186.82	300.00	460.00	370.00	192.36	214.64	306.66	332.50
2009/10	195.70	53.92	186.82	300.00	460.00	370.00	192.36	214.64	306.66	332.50
2010/11	195.70	53.92	186.82	300.00	460.00	370.00	192.36	214.64	306.66	332.50
2011/12	195.70	53.92	186.82	350.00	250.00	450.00	192.36	241.58	306.66	332.50
2012/13	195.70	53.92	186.82	350.00	250.00	450.00	192.36	248.82	388.46	332.50
2013/14	233.67	53.92	186.82	350.00	250.00	450.00	192.36	248.82	388.46	412.50
2014/15	233.67	53.92	186.82	350.00	250.00	450.00	192.36	248.82	388.46	412.50
2015/16	233.67	143.92	186.82	350.00	250.00	450.00	192.36	248.82	388.46	375.00
2016/17	233.67	143.92	186.82	350.00	250.00	488.00	192.36	248.82	388.46	375.00
2017/18	233.67	143.92	186.82	350.00	250.00	488.00	192.36	248.82	388.46	375.00



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Chris Ghione, Community Services Director

APPROVED BY: City Manager

DOWNTOWN SPECIAL EVENTS AND STREET CLOSURES

RECOMMENDATION(S)

Approve the proposed Downtown Special Events Street Closure Policy.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
 Maintaining Fiscal Responsibility
 Supporting Our Youth
 Seniors
 and Entire Community
 Preserving and Cultivating Public Trust

2017 Strategic Priorities

Inclusiveness

POLICY CONSIDERATIONS:

The City regularly closes streets within the Downtown area for special events. This practice has been in place for many years for both large scale festivals and smaller one day events. With the recent downtown investment made by the City, requests for event closures Downtown and on Third Street in particular continue to increase. Closing streets for these events supports the City's Economic Blueprint, but can be inconvenient to Downtown residents living within event areas. Historically, the City and event organizers have worked with local residents and businesses to minimize the impact of events. More recently, residents on Third Street have communicated their continued concern with events limiting their vehicular access.

Due to the increased demand for Downtown events, it is now appropriate for the Council to consider establishing a policy that will provide the framework for staff, downtown residents and businesses, and event organizers. The Council may want to discuss the following policy considerations during its review of the proposed Downtown Special Event Street Closure Policy (Attachment 1).

- ☐ When and how often should street closures for events be allowed?
- ☐ Should there be specific criteria, such as attendance levels, established for street closures?
- ☐ Should Third Street continue to be identified as a primary location for mid-size events downtown?

REPORT NARRATIVE:

The City has long facilitated special events by allowing the closure of City streets to be used as event space. The vast majority of the special events requiring street closures are located in Downtown Morgan Hill. Many long-standing events such as the Taste of Morgan Hill, Fourth of July Parade and Mushroom Mardi Gras attract tens of thousands of visitors, while more recently started events have been attended by thousands. An outline of recent events and proposed events is included in Attachment 2.

Chapter 12.16 of the Morgan Hill Municipal Code, Events on Public Property, provide the framework for the use of public property for event purposes. The issuance of special event permits is coordinated by the City's Community Services Department and approval of major events (including those with street closures) is made by the City Manager. The purpose of this item is to further obtain clarification from the City Council relating to street closures for special events in the Downtown area.

The recent City downtown placemaking investment has increased the viability of the Downtown as a desirable event venue. When Third Street was first renovated, it was designed to be an area where special events could be accommodated. The recent addition of the parking structure and adjacent plaza area has furthered this concept. Specific details of Third Street make it very conducive for special events, including: sidewalks even with the street, numerous power supply locations, and a standard traffic control/street closure plan that is easy to implement. Furthermore, the approved, future private development has been designed to allow for continued special event use on Third Street.

Third Street is also home to five houses all of which are located in the center of the block. The City has received communication from residents of three of these homes, who have expressed concerns to closures of Third Street that prevent them from reaching their homes via vehicle during events. These concerns include convenience of access, safety, and health considerations. Accommodations have been made by event organizers (most notably, nearby resident parking) and the City's Fire Department has assured the residents of response in an emergency during events. However, residents expressed their desire to eliminate regular closures of Third Street.

The Morgan Hill Downtown Association has begun hosting additional events with the desired result of bring more visitors to the Downtown in support of businesses. The most recent of these events is the Moveable Feast, which is proposed to occur weekly for eight weeks. Additionally, the Downtown Association and one other event organizer have proposed events for later in the year, requesting full closure of Third Street.

During recent discussions with Third Street residents and the Downtown Association, alternative event locations to Third Street have been discussed for the Moveable Feast event. The first location considered was the parking lot on Depot Street adjacent to the train station. This location has been successfully used by the Farmers Market on Sundays for some time. However, for an evening event, it requires that parking be removed from the Downtown's available inventory during the event. With that lot being

one of the closest to the northern end of Downtown, this alternative was not viewed as a good option. Another option considered was utilizing only a portion of Third Street along with the City owned parking lot adjacent to Third Street. While this may have worked logistically for the event, it is not supported by the businesses adjacent to the parking lot and would have also left the event space disjointed from an event planning perspective.

In follow-up to the recent discussion with residents and businesses, City staff is recommending the Council approve the proposed Downtown Special Event Street Closure Policy. The policy would be designed to allow events to continue in the Downtown and specifically on Third Street, but also provide criteria for those events to meet before a special event permit is considered. The proposed policy criteria include:

Attendance Levels

1. Existing special events established prior to the development of this policy shall be allowed to continue in their existing locations regardless of attendance levels provided they continue to meet requirements outlined in the Municipal Code and all health and safety requirements outlined in the special event permit process.
2. Proposed closures of Monterey Road through the Downtown will only be considered for events with anticipated attendance of over 5,000 or of major community significance as determined by the City Council.
3. Proposed street closures for other streets in Downtown shall only be considered for events with anticipated attendance of 500 or greater.

Street Closure Traffic Considerations

1. Event permits shall not be issued for events that request full closure of Monterey Road during peak traffic hours, as determined by the City.

Downtown Parking Structure

1. During major downtown events, events may be granted approval to reserve parking for event staff and volunteers for up to 30 parking spaces, as determined by the City. Spaces shall only be reserved on the top floor of the parking structure.
2. The City may direct event organizers to provide reserved parking in designated areas for downtown residents that are unable to access their residences via vehicle during events.

The components of the policy are designed to continue to support events in the downtown area, while allowing for street closures only for events that bring larger numbers of people. The special event permit review process involving street closures is time intensive for City staff and has greater impact on downtown businesses and residences. In recognizing this, the minimum attendance numbers in the policy were developed.

COMMUNITY ENGAGEMENT: Collaborate

City staff has most recently discussed the issues with residents on Third Street, the Downtown Association, and some of the nearby businesses. Development of the Third Street area and adjacent plaza was discussed at length with the community prior to and during the recent construction downtown. City staff has done outreach to inform Downtown residents, businesses and event organizers of the Council's review of this item.

ALTERNATIVE ACTIONS:

The City Council may elect to make changes to the proposed policy or provide staff with additional direction. Should the Council not provide overall policy direction during this meeting, staff would request that the Council provide specific direction on the Moveable Feast event for the immediate future.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council previously updated Chapter 12.16 of the municipal code, relating to special events, on June 16, 1999.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact associated with the proposed policy. Special events support the inclusiveness, tourism, and economic development goals of the City.

CEQA (California Environmental Quality Act):

Categorical Exemption

The policy for Downtown Street Closure is categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities), as the subject policy involves the operation and permitting of existing City facilities involving negligible or no expansion of use of those facilities.

LINKS/ATTACHMENTS:

1. Draft CP DT Events
2. Special Events in Downtown 2017

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-17-XX

SUBJECT: **DOWNTOWN EVENT STREET CLOSURES**

EFFECTIVE DATE: **June 21, 2017**

ORIGINATING DEPARTMENT: ***COMMUNITY SERVICES DEPARTMENT***

PURPOSE

Chapter 12.16 of the Morgan Hill Municipal Code, Events on Public Property, outlines requirements for special events and the associated permit process. The primary purpose of this policy is to provide guidance to staff in the issuance of special event permits that close streets in Downtown Morgan Hill.

POLICY

In recognition of the economic and community benefits of facilitating events in the downtown area, while taking into consideration the residents whom which these events impact, the City Council establishes the following guidelines for use in the issuance of special event permits.

Attendance Levels

1. Existing special events established prior to the development of this policy shall be allowed to continue in their existing locations regardless of attendance levels provided they continue to meet requirements outlined in the Municipal Code and all health and safety requirements outlined in the special event permit process.
2. Proposed closures of Monterey Road through the Downtown will only be considered for events with anticipated attendance of over 5,000 or of major community significance as determined by the City Council.
3. Proposed street closures for other streets in Downtown shall only be considered for events with anticipated attendance of 500 or greater.

Street Closure Traffic Considerations

1. Event permits shall not be issued for events that request full closure of Monterey Road during peak traffic hours, as determined by the City.

Downtown Parking Structure

1. During major downtown events, events may be granted approval to reserve parking for event staff and volunteers for up to 30 parking spaces, as determined by the City. Spaces shall only be reserved on the top floor of the parking structure.
2. The City may direct event organizers to provide reserved parking in designated areas for downtown residents that are unable to access their residences via vehicle during events.

Attachment: Draft CP DT Events [Revision 1] (1282 : Downtown Special Events)

Third Street

1. Full Third Street closure permits may only be issued for events that need the entire street area for event space, as determined by the City. For events that do not need the entire area, a partial closure may be permitted for a portion of the space, allowing for resident access via vehicle.
2. Full Third Street closures shall not be permitted more than two days per week or six days per month. Full Third Street closures shall not take place more than one weekend per month (Saturday and/or Sunday).

This policy shall remain in effect until modified or revoked by the City Council.

APPROVED:

STEVE TATE, MAYOR

City of Morgan Hill - Special Events in Downtown

SEP Process	Special events taking place on public property in Morgan Hill that have attendance of more than 50 people, amplified sound, alcohol, and/or a bounce house/other entertainment must apply for a Special Event Permit (SEP). Applications are required 90 days prior to the event. The event organizer must provide event maps/traffic control plans, a copy of the notification letter, ADA/Downtown Guidelines, insurance documentation that meets the City's requirements, pay the SEP fee, any rental fees and any other fees that may apply, such as a fire permit fee. These applications are reviewed by Engineering, Maintenance, MHPD and the Fire Dept. Once all requirements are met, the final permit is reviewed, approved and issued to the event organizer.					
Event	Type / Years	Road Closures	Hours of Closure	Total Hours Closed	Estimated Attendance per day	Total Estimated Attendance
Mushroom Mardi Gras	Annual 10+	Depot Street, partial closure of side streets (1st - 5th on East side of Monterey) and use of CCC facility and parking lot.	Fri @ 5pm - Sun @ 10pm	53	25,000	70,000
Moveable Feast	Annual 2	Third Street between Depot and Monterey One day a week for 8 weeks	3pm-10:30pm	60	1,000	8,000
Freedom Fest	Annual 10+	July 3rd- Monterey Road between Dunne and Main, partial closures of side streets (1st - 5th on both sides of Monterey) AND July 4th - Monterey Road between Dunne and Main, full closure of side streets (1st-5th on both sides of Monterey) and Keystone Ave and Depot Street.	July 3rd @ noon - July 4th @ 4pm	28	July 3rd - 4,450 July 4th - 79,000	83,450
National Night Out	Annual 10+	Third Street between Depot and Monterey and partial closure of Northbound Monterey Road	2pm-9pm	7	500	500
Taste of Morgan Hill	Annual 10+	Monterey Road between Dunne and Main, including a partial closure of side streets on the East side (1st through 5th) and closed to thru traffic on West side of Monterey.	Fri @ 9pm to Sun at 9pm	48	20,000	40,000
British Fall Classic Car Show	Annual 5+	Monterey Road between 4th Street and Main	7am-4pm	9	500	500

Attachment: Special Events in Downtown 2017 (1282 : Downtown Special Events)

Safe Trick or Treat	Annual 10+	Monterey Road between 4th Street and Main and 1st, 2nd, 3rd from Del Monte to Depot Street	3pm-10pm	7	4,000	4,000
Holiday Lights Parade	Annual 10+	Depot Street and Monterey Road from Dunne to Main, including side streets (1st - 5th)	4pm-9pm	5	5,000	5,000
Farmers Market	Annual/ Parking closure only 10+	Depot Street parking lot between Second and Third Street Every Saturday, year round	6:30am-2:30pm	416	1,500	78,000
New/Proposed	New	Third Street between Depot and Monterey and partial closure of Northbound Monterey Road	9am - 10pm	13	1,000	1,000
New/Proposed	New	Third Street between Depot and Monterey	4pm-10:30pm	6.5	100	100
Veterans Day Run	No Closure 1	Route used sidewalks and followed the rules of the road	0	0	300	300
Plaza for Wine Stroll	No Closure 1	Use of Plaza	0	0	350	350
Plaza for Brew Crawl	No Closure 1	Use of Plaza	0	0	500	500
Leadership Morgan Hill Fundraiser	One-time	Third Street between Depot Street and Monterey Road Event only on West side of street	3pm-7pm	4	100	100
Garage Grand Opening	One-time	Third Street between Depot Street and Monterey Road	3pm-10pm	7	250	250
Indie Markets	One-time/ Parking closure only	West side parking spaces of Monterey Road between Main and 5th street Sundays - 9 weeks	10am-4pm	54	150	1,350
Total number of events: 17		Total closure hours: 798.5	Total visits to DT for events: 293,400			



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Chris Ghione, Community Services Director

APPROVED BY: City Manager

MEMORANDUM OF UNDERSTANDING WITH THE MORGAN HILL HISTORICAL SOCIETY

RECOMMENDATION(S)

Authorize the City Manager to execute and subsequently administer a memorandum of understanding with the Morgan Hill Historical Society for the operation of Villa Mira Monte.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Preserving Our Cultural Heritage

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

Through the update of the Bikeways, Trails, Parks and Recreation Master Plan, the Council indicated it was interested in supporting the Historical Society's Villa Mira Monte with operational and capital needs. A Memorandum of Understanding (Attachment 1) has been developed to provide the operational funding and outline the partnership framework between the City and Historical Society.

During the Master Plan process, teammates from the Community Services Department met with the Historical Society volunteers to discuss the opportunities for partnering. This review included discussions with other cities as it relates to city involvement in managing historical resources. The Historical Society's initial request for funding was to support the hiring of an office manager type position.

More recently, the Historical Society has changed their approach and believe the funding received from the City will be better served in supporting a backlog of identified maintenance projects which is currently estimated at \$392,000. The Historical Society is also pursuing a grant from the Santa Clara County Parks and Recreation Department for \$250,000 to assist with replacement of the roof and related repairs. The decision on the grant is expected before the end of the calendar year. In the Parks and Recreation Capital Funding Report under a separate agenda item on June 21, staff is recommending funding the remaining \$142,000 to preserve the community asset from the developer funded Park Maintenance fund (302). In addition, it is important to note that the City will be providing the asphalt grindings from the Monterey Road Preservation Project to improve existing parking conditions.

City staff has recommended a model where the Historical Society still serves as the primary manager of the Villa Mira Monte site. Within this model, the City's role, through funding and staff support in specific areas, is to continue to increase the Historical Society's ability to maintain and preserve the Villa Mira Monte site. The additional staff support would not provide direct service on the site, but would work with the Historical Society in support of revenue generation and cost savings.

An alternative approach that Council has requested City staff review is for the City to take on the overall maintenance of the facility. This is not the recommended approach by staff, because it is estimated to be much costlier and because of the recommendation to provide additional funds as described above to make the necessary repairs which in turn should assist in lowering ongoing maintenance needs. The Historical Society has recruited several volunteers with maintenance expertise and manage the maintenance of the site on a budget of approximately \$30,000 annually. The Historical Society utilizes volunteers and in-kind services for as many aspects as possible. As has been explained by the Historical Society, there is a need for greater investment into facility maintenance and at the current time there is a backlog of maintenance needs. City staff estimates that should the City assume responsibility for maintenance, the annual costs would be greater than \$100,000 annually and require additional management time.

In summary, understanding the backlog of maintenance work needed at Villa Mira Monte, staff is recommending that the City Council consider making an additional \$142,000 investment the next year to make some of the needed repairs to the existing facilities at Villa Mira Monte. Additionally, staff is recommending that a consultant be brought on to work with the City and the Historical Society to review and evaluate the current Villa Mira Monte facility master plan with consideration of best use of the site from a long-term sustainability perspective (cost recovery, revenue generation, and operations and maintenance). The funding for these components is included and explained in detail in the separate Parks and Recreation Capital Funding Report.

COMMUNITY ENGAGEMENT: Involve

Through the outreach performed in relation to the Bikeways, Trails, Parks and Recreation Master Plan Update process, significant input on community priorities was achieved in relation to supporting the operations of Villa Mira Monte as a historical park for the community.

ALTERNATIVE ACTIONS:

The Council could choose not to approve the Memorandum of Understanding or direct staff to make changes and further negotiate. The Council could also direct staff to develop a formal maintenance plan and operating model based the City maintaining the facility.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

1993 – The City transfers the Villa Mira Monte Property to the Historical Society.

1997 – The former redevelopment agency provides funding to the Historical Society for restoration of Villa Mira Monte.

2005 – The City conveys the current museum building to the Historical Society and the Redevelopment Agency provides funding to relocate and rehabilitate the building on the Villa Mira Monte site.

February 2017 – The City Council provided direction on including support for the Historical Society’s management of Villa Mira Monte within the City’s Bikeways, Trails, Parks and Recreation Master Plan Update.

February 2017 – The City Council added “Preserving our Cultural Heritage” as an ongoing Council Goal.

May 3, 2017 – The City Council reviewed the partnership framework that resulted in the attached Memorandum of Understanding.

June 7, 2017 – The City Council appropriated \$20,000 for the for Fiscal Year 2017/18 to support ongoing operations at Villa Mira Monte.

FISCAL AND RESOURCE IMPACT:

This Memorandum of Understanding will provide \$20,000 annually to the Historical Society from the City’s General Fund (010). The fiscal impact associated with the additional recommended City contribution is included in the Parks and Recreation Capital Funding Report.

CEQA (California Environmental Quality Act):

Categorical Exemption

The Memorandum of Understanding provides funding for the Historical Society to operate and maintain Villa Mira Monte. Operation and maintenance of an existing facility is categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities), as the subject work involves the repair, maintenance or minor alteration of existing City facilities involving negligible or no expansion of use of those facilities.

LINKS/ATTACHMENTS:

1. Funding and Partnership MOU- Final

**MEMORANDUM OF UNDERSTANDING FOR FUNDING ASSISTANCE
BETWEEN THE CITY OF MORGAN HILL AND THE
MORGAN HILL HISTORICAL SOCIETY FOR OPERATION THE
VILLA MIRA MONTE HISTORICAL PARK**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into and becomes effective on _____ (Effective Date), by and between the City of Morgan Hill, a municipal corporation, ("City"), and the Morgan Hill Historical Society, a California non-profit corporation ("Historical Society") hereinafter referred to collectively as "Parties."

RECITALS

The following recitals are a substantive part of the MOU:

1. The City Council has made Preserving Our Cultural Heritage an ongoing City Council Priority.
2. The City and the Historical Society desire to support the ongoing preservation, improvement, and use of Villa Mira Monte as a cultural resource for the entire community.
3. The Historical Society is the owner of Villa Mira Monte, a historical site, located at 17860 Monterey Road, Morgan Hill, CA 95037.
4. The City and Historical Society recognize that should the Historical Society become insolvent that ownership of the Villa Mira Monte site reverts to the City of Morgan Hill.
5. The City and the Historical Society desire to support the ongoing operations at Villa Mira Monte in a collaborative effort that provides for the most efficient use of limited public funds.

AGREEMENT

1. **City Authority.** This MOU is entered into pursuant to action of the Morgan Hill City Council on June 21, 2017 to provide financial support to the Historical Society for the operation of Villa Mira Monte.
2. **Term of Agreement.** The term of the MOU shall be until June 30, 2020. The City Manager is authorized to extend this agreement for additional terms provided funding has been allocated by the City Council.
3. **Funding Assistance and Collaboration.** City and Historical Society will work together, as described in this section, to support the ongoing operations of Villa Mira Monte.
 - 3.1. City shall commit to support the Historical Society in operating Villa Mira Monte as a public resource for the benefit of the Morgan Hill Community.
 - 3.2. City shall market, promote, and advertise the Villa Mira Monte site and Historical Society Programs as a component of the City's Community Services system, including use of email blasts, the City's Recreation Activity Guide, and other communication means.
 - 3.3. City shall assign a staff liaison to support the coordination of Historical Society programs into the marketing and promotions plan for the Community Services Department. Staff Liaison will regularly attend Historical Society meetings.
 - 3.4. City shall formally assign the Library, Culture and Arts Commission to support the Historical

Society on operation of Villa Mira Monte.

- 3.5. City shall support protection of the site through the coordination of public safety issues.
 - 3.6. City shall review and consider the funding for capital improvements to Villa Mira Monte during the City's budget as prioritized and approved by the City Council within its Capital Improvement Plan. Capital improvement funding shall be governed by future capital funding agreements.
 - 3.7. City shall support the Historical Society by providing a minimum \$20,000 annually to support operation of the Villa Mira Monte site. Annual payments shall be made by August 15 each year the MOU remains in effect.
 - 3.8. Historical Society shall operate and maintain Villa Mira Monte as a community resource.
 - 3.9. Historical Society shall consult with the City on the establishment of open public hours for the facility. Prior to changing public hours, the Historical Society shall consult with the City. The Historical Society shall commit to providing a minimum of 6 hours of open time per week at Villa Mira Monte, where the site is open free of charge.
 - 3.10. Historical Society shall apply for grants and collaborate with the City in grant applications for the maintenance, improvements and preservation of the Villa Mira Monte site.
 - 3.11. Historical Society shall identify and support the development of new funding sources to support maintenance, improvements and preservation at Villa Mira Monte.
 - 3.12. Historical Society shall provide an annual budget to clarify use of City funds provided for operations and a year-end reporting of expenses and revenues.
 - 3.13. Historical Society shall recognize the City as a partner in all communications and onsite materials.
4. **Termination.** City or Historical Society shall have the right to terminate this MOU, without cause, by giving thirty (30) days' written notice or less under urgent circumstances.
5. **Hold Harmless.** Historical Society shall, to the fullest extent permitted by law, indemnify, defend and hold harmless the City, and its respective 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 access or use of Villa Mira Monte.
- 6.
7. **Document Review.** Historical Society will, upon reasonable advance written notice from City, make available for inspection to City, books and other documents relating to the Program.

8. **Notice.** Any notice or instrument required or permitted to be given hereunder shall be deemed received upon personal delivery for 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

For Historical Society: Morgan Hill Historical Society
17860 Monterey Road
Morgan Hill, CA 95037

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

ATTEST:

CITY OF MORGAN HILL

City Clerk/Deputy City Clerk

City Manager

Michelle Wilson

Print Name

Steve Rymer

Print Name

Date: _____

Date: _____

APPROVED AS TO FORM

MORGAN HILL HISTORICAL SOCIETY

City Attorney

By:

Donald A. Larkin

Print Name

Title: _____

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

Date: _____

Date: _____

By:

Title: _____

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

Date: _____

Attachment: Funding and Partnership MOU- Final (1276 : Historical Society MOU)



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Chris Ghione, Community Services Director

APPROVED BY: City Manager

PARKS AND RECREATION CAPITAL FUNDING REPORT

RECOMMENDATION(S)

Adopt resolution amending the Fiscal Year 2017/18 Budget appropriating funding for capital improvement projects relating to park and recreation facilities.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Protecting the Environment
Supporting Our Youth
Seniors
and Entire Community
Preserving Our Cultural Heritage

2017 Strategic Priorities

Inclusiveness
Infrastructure

REPORT NARRATIVE:

Over the last two years the City has undertaken updating its Bikeways, Trails, Parks and Recreation Master Plan. The final draft plan was reviewed by the City Council in February. It is anticipated that the Plan will be used continually into the future in the development of the CIP. The City is at the midpoint of its two-year budget cycle, and a complete update of the City's CIP is not scheduled until next budget cycle. Since the priority projects identified by the City Council have been established, staff is bringing forward a proposed update to the Fiscal Year 2017/18 CIP Budget and an overview of highlighted projects for the next six years for Parks and Recreation related projects (Attachment 1).

The proposed CIP was developed based on the priority lists established by the City Council through the Master Plan process. These priority lists are located within Attachment 2. In addition to project priority other factors that would determine timing of projects include, eligibility of grant funds and timing of related projects by other agencies. The Parks and Recreation CIP six-year overview provides proposed CIP project timing listed funding source. The plan attempts to ensure that all top priority projects can be built within the next five years. Funding limitations will limit the amount of new projects that will be able to be funded. Additionally, many projects are listed without or with only partial funding needed to be implemented, as staff intends to pursue grants for these projects.

There are several projects already funded for Fiscal Year 17/18, including the Borello School Park Site funding. There are a number of new projects proposed that require new appropriations. These projects are listed below.

Community Garden Construction, \$250,000 – The City is planning to work with our local community gardeners to construct a new community garden site on City Property adjacent to the Butterfield Overpass. *This project will be completely grant funded.*

Urban Forestry Management Plan and Tree Planting, \$242,000 – The City has received a grant to develop a Citywide Urban Forestry Management Plan. The grant also includes funding for planting hundreds of trees. *This project will also be completely grant funded.*

Inclusive Playground, \$600,000 – Staff is proposing for Fiscal Year 2017/18 that the City Council allocate additional funding for the City to bring on a consultant to support the grant writing, fundraising and design development the Inclusive Playground Project. The project has a group of dedicated volunteers committed to supporting the project that has raised over \$200,000 in committed funds, but is still far from the overall goal of \$5,000,000. Bringing on a consultant to help in the design development would accelerate the fundraising effort and maximize grant revenue. Staff plans to return to the Council with a proposed agreement for this consultant by July. The project already has \$300,000 appropriated for Fiscal Year 2016/17 so an additional appropriation of \$600,000 for Fiscal Year 2017/18 is proposed from the Park Impact Fund (301).

Additionally, it is recommended that an additional \$500,000 be appropriated in FY18/19 to ensure this project is competitive for receiving upwards of \$2 million from the County's new inclusive playground grant program. It is not being proposed to amend the FY 18/19 CIP at this time though it is important to recognize that additional City funds may be necessary depending on the level of private donations.

El Toro Trail Funding, \$500,000 – In January, the Open Space Authority, with 50 percent funding from the City, purchased 6.6 acres of property at the west end of Main Avenue. At that time, the Council provided direction to staff to continue working on acquiring a southern access for the future trail system. Staff has continued to work with the Open Space Authority on this priority. Staff is proposing funding of \$500,000 to support the purchase of property for the purpose of a southern access. The project already has \$235,000 appropriated for Fiscal Year 2017/18 so an additional appropriation of \$265,000 is proposed from the Agriculture Preservation and Open Space Fund (306).

Villa Mira Monte Maintenance and Improvements, \$142,000 – The proposed partnership with the Morgan Hill Historical Society for the operation of Villa Mira Monte is outlined in a separate agenda item on June 21 titled "Memorandum of Understanding with the Morgan Hill Historical Society". A backlog of maintenance needs for the Villa Mira Monte site is estimated at \$392,000. The Historical Society is pursuing a grant from the Santa Clara County Parks and Recreation Department to fund replacement of the roof and related repairs, which accounts for \$250,000 of this backlog. Staff is

proposing funding the remaining \$142,000 in repairs to preserve the community asset. Funding would come from the developer funded Park Maintenance Fund (302).

Villa Mira Monte Enhancements, \$84,000 –Staff is further proposing the City invest an additional \$84,000 in Villa Mira Monte that would provide for security cameras at the site, the addition of security fencing, and hiring of a consultant to review the future planned development of the site. This consultant will work with the City and the Historical Society to review and evaluate the current Villa Mira Monte facility master plan with consideration of best use of the site from a long-term sustainability perspective (cost recovery, revenue generation, and operations and maintenance). The \$84,000 appropriation for these actions would be funded by the Recreation Center Impact Fund (360).

In addition to the new projects added for Fiscal Year 2017/18, there is a single project that will be delayed. Extension of the West Little Llagas Creek Trail has \$435,000 appropriated for Fiscal Year 2017/18 that is not anticipated to be needed until the following year. The project will only move forward following the construction of the major flood control project planned by the Santa Clara Valley Water District. It is not anticipated that this project will be in the stage where the trail can be constructed until at least Fiscal Year 2018/19.

On May 17, 2017, Staff presented an update on operations at the Outdoor Sports Center (OSC) and shared that the turf was at the end of its life and needed to be replaced. A detailed estimate on replacement cost has now been obtained. The total estimate is \$1.3 million. It is believed that the new artificial turf will have a much longer useful life (15-20 years) than the City's current fields, that have lasted 10 years. Staff has not yet determined a funding recommendation for the artificial turf fields, as impact fees cannot be used to replace an existing facility. Staff will present alternatives to the Council for funding replacement of the artificial turf in July, when the next update on the OSC is scheduled.

COMMUNITY ENGAGEMENT: Involve

The update of the Bikeways, Trails, Parks and Recreation Master Plan has involved extensive community outreach through public meetings, surveys, and a stakeholders group. The proposed changes to the Capital Improvement Plan are a direct result of the update to the Master Plan.

ALTERNATIVE ACTIONS:

The City Council could choose to not approve the proposed updates to the CIP Budget and not appropriate additional funds for some or all of the projects outlined. The Council could also choose to provide further direction to staff relating to project priorities and return with an updated proposed plan.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council has taken several actions in relation to the Bikeways, Trails, Parks and Recreation Master Plan Update over the past two years. On February 27, 2017, the Council provided policy direction on the plan and provided direction on the priority of

major projects. On April 18, 2017, the Parks and Recreation Commission reviewed proposed updates to the Capital Improvement Plan relating to Parks and Recreation and recommended approval staff's recommendation by the City Council.

FISCAL AND RESOURCE IMPACT:

To fund the scheduled and new projects outlined in the report, the following appropriations are necessary:

Fund 301(Park Impact) - \$657,000 (\$492,000 in associated grant revenue)

Fund 302 (Park Maintenance) - \$142,000

Fund 306 (Agriculture Preservation and Open Space) - \$265,000

Fund 360 (Recreation Center Impact Fund) – \$84,000

CEQA (California Environmental Quality Act):

Not a Project

Updating the Capital Improvement Plan for the City does not constitute a project under CEQA, as it is a governmental fiscal activity which does not commit the City to move forward with any of the projects. The projects included in the City's Capital Improvement Program have all been included in the City's Bikeways, Trails, Parks and Recreation Master Plan Update. The City is currently preparing an addendum to the Environmental Impact Report for the City's General Plan to specifically review the environmental impacts associated with the Bikeways, Trails, Parks and Recreation Master Plan. This Addendum and further environmental work will be utilized as necessary for each project to meet CEQA requirements.

LINKS/ATTACHMENTS:

1. Attachment 1 - Parks and Rec CIP 6.14.17
2. Attachment 2 - Updated Priority Sheets
3. Attachment 3 - Resolution
4. Exhibit A to Resolution - Budget Scorecards

Park Impact Fund Projects (301)

Project	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Notes
Borello School/Park	\$ 2,000,000						
New Community Garden Development	\$ 250,000						Fully Grant Funded.
Inclusive Playground (17/18 Fundraising/grants/design)	\$ 600,000	\$ 500,000					Grant Dependent.
Madrone Channel Paved Path		*****	*****				90% Grant Dependent.
Nordstrom Park - Improvements with the School District			\$ 400,000				
Silvera Lake and WLLC Creek Trail		\$ 400,000	*****	*****			75% Grant Funded
Outdoor Sports Center Phase 1 Improvements			\$ 1,000,000				Lighting and Irrigation Improvements
Butterfield Linear Park - Grant Dependent	*****						Grant Funding Dependent
Land Bank Community Park						\$ 2,000,000	
Park Shade Additions		\$ 40,000		\$ 40,000		\$ 40,000	
Park Restrooms						\$ 700,000	Dependent on Availability of Operational Funds
Ball Field Development - Phase 1							Not yet funded.
Land Bank Neighborhood Park							Not yet funded.
Parkland Purchase and Development - Lamonto+Ballfields	\$ 150,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	Property taxes. 1st Year Security/Well Destruction
Tree Planting and Urban Forestry Management Plan	\$ 242,000						
Madrone Channel Trail to North to Reach Coyote Creek					*****		Rely on future grant funds.
Ending Fund Balance	\$ 309,902	\$ 536,955	\$ 11,532	\$ 972,161	\$ 1,969,707	\$ 250,900	

Recreation Center Impact Fund Projects (360)

Project	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Notes
CRC Expansion (Facility and Parking) Design 17/18, Construction 18/19	\$ 160,000	\$ 2,000,000					
Sand Volleyball		\$ 30,000			\$ 250,000	\$ 1,000,000	
Villa Mira Monte	\$ 84,000		\$ 447,000	\$ 1,800,000			
Sports Facility Parking Lot Development						\$ 500,000	
Revenue 19/20							
Ending Fund Balance	\$ 2,028,530	\$ 932,275	\$ 1,220,001	\$ 238,086	\$ 806,629	\$ 141,388	

Park Maintenance Fund Projects (302)

Project							Notes
Villa Mira Monte Repairs	\$ 142,000						
Ending Fund Balance	\$ 5,290,490						

Agriculture Preservation and Open Space Funded Projects (306)

Project							Notes
Open Space Acquisition and El Toro Trail Development	\$ 500,000						
Ending Fund Balance	\$ 6,558,930						

Attachment 2

Updated Council Approved Priority Project Lists

Operating Cost Impact Definitions:

- Positive - Revenue Generating or Expense Reducing
- Break Even – No additional funds needed as operation will cover costs.
- Limited - Limited operating expense (\$0-10,000 annually)
- Moderate - Moderate operating expense (\$10,000-\$100,000 annually)
- High - High Operating expense (\$100,000+ annually)

Potential Funding Sources

- 010 – General Fund
- 301 – Park Impact Fund
- 302 – Park Maintenance Fund
- 306 – Agriculture and Open Space Preservation Fund
- 308 – Street CIP (Restriping During Pavement Projects)
- 309 – Traffic Impact Fund (Future possibility, not currently available)
- 346 – Public Facilities Fund
- 355 – Pedestrian Safety Fund
- 360 – Recreation Center Impact Fund
- GR – Various Grant Funds
- DV – Bikeway components to be constructed with streets during development
- OA – Funding from another agency (County Parks, OSA, etc.)
- DN – Donations
- OT – Other Funds

Bikeway Priority Project Sheet

Priority	Project Description	Planning- Level Capital Cost & Likely Funding Sources	Operating Cost Est	Time Frame	Project Ref #	Notes
1	Buffered Bike Lanes: Cochrane Rd and Malaguerra Ave from Monterey Rd to Coyote Creek Trailhead	\$1,200,000 GR, 308, 309, 346	Limited	Cochrane at 101 Improvements: 0- 5 years; Entire Corridor: 5-10 years	B-B2	Cochrane improvement in current CIP.
2	Buffered Bike Lanes: Monterey Rd from Tilton Ave to Butterfield Blvd/Watsonville Rd	\$2,400,000 308, 309, 346	Limited	Downtown: 0- 10 years; Entire corridor: 5-10 years	B-B0	
3	Buffered Bike Lanes: Burnett Rd from Monterey Rd to Coyote Creek (Sobrato School Access)	\$750,000 308, 309, 346	Limited	0-5 years	B-B4	
4	Buffered Bike Lanes: Hale Ave from Tilton Ave to W Main Ave	\$750,000 308, 309, 346	Limited	5-10 years	B-B3	
5	Buffered Bike Lanes: West Main Ave from Monterey Rd to Dewitt Ave	\$450,000 308, 309, 346	Limited	0-5 years	B-B1	
6	Protected Bike Lanes: E Main Ave from Monterey Rd to Hill Rd (Live Oak High School Access and Coyote Creek Connection) (Interim step Buffered Bike Lanes)	\$3,800,000 308, 309, 346	Limited	0-5 years	B-A2	
7	Bicycle Boulevard: Morning Star Dr/Peet Rd from Eagle View Dr to Cochrane Rd to Coyote Creek Trailhead	\$480,000 308, 309, 346	Limited	0-5 years	B-C1	
8	Bicycle Boulevard: Depot Street from E Main Ave to E Dunne Ave	\$380,000 308, 309, 346	Limited	0-5 years	B-C6	
Prioritize with Associated Route	Multi-Modal Intersection Improvements: Monterey Rd Downtown between E Main Ave and E Dunne Ave	\$790,000 308, 309, 346	Limited	0-5 years	B-D1	
Prioritize with Associated Route	Multi-Modal Intersection Improvements: E Main Ave and Butterfield Blvd	\$350,000 308, 309, 346	Limited	0-5 years	B-D2	
Prioritize with Associated Route	Multi-Modal Intersection Improvements: W Main Ave and Hale Ave	\$10,000 308, 309, 346	Limited	0-5 years	B-D3	
Prioritize with Associated Route	Multi-Modal Intersection Improvements: Cochrane Rd and Highway 101 (North & South ramps, Madrone Pkwy and Depaul Dr)	\$130,000 308, 309, 346	Limited	0-5 years	B-D4	
Prioritize with Associated Route	Multi-Modal Intersection Improvements: Monterey Rd and Cochrane Rd	\$350,000 308, 309, 346	Limited	0-5 years	B-D5	
Prioritize with Associated Route	Multi-Modal Intersection Improvements: Butterfield Blvd and Cochrane Rd	\$130,000 308, 309, 346	Limited	0-5 years	B-D6	
Prioritize with Associated Route	Multi-Modal Intersection Improvements: Monterey Rd and Tilton Ave/Burnett Ave	\$120,000 308, 309, 346	Limited	5-10 years	B-D7	

Attachment: Attachment 2 - Updated Priority Sheets (1285 : Parks and Recreation CIP Update)

Trail Priority Project Sheet

Priority	Project Description	Planning- Level Capital Cost & Likely Funding Sources	Operating Cost Estimate	Time Frame	Project Ref	Notes
1	Natural Surface Trail: El Toro Trails (Parking Lot/Trail Head Acquisition and Trail Development)	\$500,000 306, OA, GR	Moderate	0-10 years	T-B2	
2	Multi-Use Trail (Improvements): Pave and enhance access to the existing Madrone Channel Trail (Cochrane Rd to Tennant Ave)	\$1,000,000 GR, 301	Moderate	0-5 years	T-A2	
3	Multi-Use Trails / County Parks & Water District Partnership Projects: Madrone Channel Trail extension from Cochrane Rd to Burnett Ave Coyote Creek Trail – Malaguerra Staging Area to Burnett Staging Area Burnett Ave trail from Madrone Channel Trail to Coyote Creek Trail	\$600,000 (City Expense) OA, GR, 301	Limited	0-10 years	T - A 4	
4	Multi-Use Trail: Downtown Hilltop Trail connecting Del Monte Ave to the water tower and Hale Ave	\$600,000 GR, 301	Limited	5-10 years	T-A3	
5	Multi-Use Trail: Live Oak High School to the Madrone Channel Trail	\$790,000 GR, 301, 346	Limited	5-10 years	T-A5	
6	Multi-Use Trail: Silveira Park Trail around Atherton Way Hidden Pond with pedestrian bridges	\$1,970,000 GR, 301	Moderate	5-10 years	T-A8	

Attachment: Attachment 2 - Updated Priority Sheets (1285 : Parks and Recreation CIP Update)

Park Priority Project Sheet

Priority	Project Description	Planning-Level Capital Cost	Operating Cost Estimate	Time Frame	Project	Notes
1	Downtown Parks: Develop Depot Park, Little Llagas Creek Park, Hilltop Park and Trail	\$6,000,000 301, 355, GR	Moderate	In Process	P-B1	
2	Galvan Park Improvements: Improve handball courts and lighting	\$400,000 GR, 301	Limited	In Process	P-F2	
3	Community Garden: Relocate Community Garden	\$200,000 GR	Break Even	In Process	P-I1	
5	Borello School Park (Peet Road Future School Site) (Joint Use with the School District)	\$1,000,000 - \$2,000,000 301, 355	TBD	0-10 years	P-S	
5	Inclusive Playground: Develop Inclusive Playground at Community Park	\$5,000,000 GR, DN, 301	Moderate	0-5 years	P-A1	
6	New Community Park: Land bank and develop new Community Park (approximately 10 acres east of Hwy 101)	\$2,000,000 (land) \$8,000,000 (construction) 301, GR	High	Acquire land: 5-10 years Construction: 10+ years	P-C1	
7	New Recreational Open Space: Acquire new recreational open space on the East Side of El Toro Mountain	\$100,00 per acre 306, GR, OA	Limited	0-10 years	P-E1	
8	New Restrooms: Nordstrom Park	\$350,000 301	Moderate	1-10 years	P-H1	
9	New Restrooms: Paradise Park	\$350,000 301	Moderate	1-10 years	P-H2	
10	New Neighborhood Parks: Acquire land and develop two new parks (4-6 acres) -New park in northwest sector -New park between Hwy 101 and Monterey and between Dunne and Southern City Border	\$6,190,000 (each) 301, GR	Moderate	Northwest sector: 0-5 years West of Hwy 101: 10+ years	P-D1	
11	Nordstrom Park/School Improvements: Improve loop trail, play structures, shade, fitness equipment, others TBD per School District JUA	\$800,000 301, 355	Limited	0-5 years	P-F1	
12	Off-Leash Dog Area: Add One to Stone Creek or New Park	\$75,000 301	Limited	0-10 years	P-J1	
13	Enhance Play Environments	\$350,000 per small area \$600,000 per large area 302, 010	Limited	0-10 years	P-K1	
14	Shade Structures	\$18,500 per structure 302, 010, 301	Limited	0-20 years	P-L1	
15	Tennis/Pickleball Courts: Add courts striped for both tennis and pickleball at the Community Park/Corporation yard	\$100,000 per 2 tennis courts/4 pickleball courts 301, GR, OA	Limited	5-10 years	P-Q1	
16	New Recreational Open Space: Acquire new recreational open space in the foothills east of Hill Rd and north of E. Dunne Ave	\$200,000 per acre 306, GR	Limited	10+ years	P-E2	

Attachment: Attachment 2 - Updated Priority Sheets (1285 : Parks and Recreation CIP Update)

Facility Priority Project Sheet

Priority	Project Descriptions	Planning- Level Capital Cost	Operating Cost Estimate	Time Frame	Proje ct Refer ence	Notes
1	Increase Parking: Aquatic Center and Outdoor Sports Center	\$2,500,000 301, 360	Limited to Moderate	In Process	R-K1	
2	Centennial Recreation Center Expansion	\$2,000,000 360	Positive	0-5 years	R-A1	
3	Villa Mira Monte Phase 1 Parking and Landscape Improvements	\$2,000,000 360, 301	Break Even	0-5 years	R-E1.a	
4	Outdoor Sports Center Improvements: Phase 1: Walkway, lights, irrigation, and/or restrooms	\$2,000,000 301, 302, 360	Positive	0-5 years	R-B1.a	Items in the project do not include current maintenance and replacement needs.
5	Sand Volleyball Complex	\$50,000 Feasibility Analysis \$1,000,000 Construction 301, 360	Break Even	0-10 years	R-D1	
6	Villa Mira Monte Phase 2 New Buildings and Further Site Improvements	\$3,000,000 360, 301	Break Even	10+ years	R-E1.b	
7	Expand Preschool at CCC	\$500,000 360	Positive	0-5 years	R-J1	
8	Baseball /Softball Complex: Develop complex in the SE Quadrant	\$16,000,000 (Natural Grass Fields) 301, 360	Break Even	5-10 years	R-C1	
9	Install Solar Panels at Recreation Facilities	\$2,000,000 OT, 301, 360,010	Positive	0-10 years	R-K1	
10	Expand Senior Service Center: Conduct a feasibility analysis to determine potential new programming and facilities at the Senior Center Expansion. Possible additional program area and/or adjacent adult day care facility	\$1,000,000 (Existing Land) 360	Break Even - Moderate	5-10 years	R-H1	
11	Expand Gymnasium Capacity: Construct gymnasium facility at school or City site	\$2,500,000 360	Moderate	0-10 years	R-F1	
12	Expand Aquatic Capacity: Re-activate splash pad at Community and Cultural Center	\$0	Limited	0-5 years	R-G1	
13	Expand Aquatic Capacity: Improvements to existing Aquatic Center	\$500,000 360	Break Even	5-10 years	R-G2	
14	New Community Center: Re-purpose the Friendly Inn as a Community Center and relocate Non-profit Center	\$2,000,000 360	High	10+ years	R-I1	
15	Outdoor Sports Center Improvements: Phase 2: Add restaurant	\$1,000,000 OA	Positive	5-10 years	R-B1.b	

Attachment: Attachment 2 - Updated Priority Sheets (1285 : Parks and Recreation CIP Update)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AMENDMENTS TO THE CITY'S FISCAL YEAR 2017-2018 BUDGET BY APPROPRIATE AN ADDITIONAL \$1,148,000 FROM PARK IMPACT FUND 301 (\$657,000), PARK MAINTENANCE FUND 302 (\$142,000), AGRICULTURE PRESERVATION AND OPEN SPACE FUND 306 (\$265,000), AND RECREATION CENTER IMPACT FUND 360 (\$84,000)

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

WHEREAS, the reasons supporting the approval of an amendment to the City's Budget for Fiscal Year 2017/18 described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "Parks and Recreation Capital Funding Report" submitted for City Council consideration at its meeting of June 21, 2017, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Budget for Fiscal Year 2017/18, as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

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

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

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

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

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

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

- a. That the City's previously adopted Fiscal Year 2017-2018 Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 2017-2018 Budget of City.

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

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 21st day of June, 2017 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Steve Tate, MAYOR

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XXXX , adopted by the City Council at the meeting held on June 21, 2017.

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

DATE: _____

Irma Torrez, CITY CLERK

Attachment: Attachment 3 - Resolution [Revision 1] (1285 : Parks and Recreation CIP Update)

AGENDA BUDGET SCORECARD**FISCAL YEAR 2017-18****ADJUSTMENT #**

001

FUND:**DEPARTMENT:****OBJECT:**

301	Park Impact Fund
8051	Park Development
86360	CONSTRUCTION

AGENDA DATE:**AGENDA ITEM TITLE:**

06/21/17 FY 17-18 CIP Update

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	1,185,412	1,989,640	2,700,150	474,902
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION	-	492,000	657,000	(165,000)
RESULT OF RECOMMENDED ACTION	<u>1,185,412</u>	<u>2,481,640</u>	<u>3,357,150</u>	<u>309,902</u>

Attachment: Exhibit A to Resolution - Budget Scorecards (1285 : Parks and Recreation CIP Update)

AGENDA BUDGET SCORECARD**FISCAL YEAR 2017-18****ADJUSTMENT #**

002

FUND:**DEPARTMENT:****OBJECT:**

302 Park Maintenance Fund

8030 Park Maintenance

86360 CONSTRUCTION

AGENDA DATE:**AGENDA ITEM TITLE:**

06/21/17

FY 17-18 CIP Update

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	5,502,615	888,026	958,151	5,432,490
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION	-	-	142,000	(142,000)
RESULT OF RECOMMENDED ACTION	<u>5,502,615</u>	<u>888,026</u>	<u>1,100,151</u>	<u>5,290,490</u>

Attachment: Exhibit A to Resolution - Budget Scorecards (1285 : Parks and Recreation CIP Update)

AGENDA BUDGET SCORECARD**FISCAL YEAR 2017-18****ADJUSTMENT #**

003

FUND:**DEPARTMENT:****OBJECT:**

306	Agricultural Preservation and Open Space Fund
8063	Open Space
86360	CONSTRUCTION

AGENDA DATE:**AGENDA ITEM TITLE:**

06/21/17 FY 17-18 CIP Update

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	6,651,183	1,539,970	1,367,224	6,823,929
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION	-	-	265,000	(265,000)
RESULT OF RECOMMENDED ACTION	<u>6,651,183</u>	<u>1,539,970</u>	<u>1,632,224</u>	<u>6,558,929</u>

Attachment: Exhibit A to Resolution - Budget Scorecards (1285 : Parks and Recreation CIP Update)

AGENDA BUDGET SCORECARD**FISCAL YEAR 2017-18****ADJUSTMENT #**

004

FUND:

360 Com. Rec. Centers Impact Fund

DEPARTMENT:

8065 Com/Rec Center Impact

OBJECT:

86360 CONSTRUCTION

AGENDA DATE:

06/21/17

AGENDA ITEM TITLE:

FY 17-18 CIP Update

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	1,287,256	985,274	160,000	2,112,530
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION	-	-	84,000	(84,000)
RESULT OF RECOMMENDED ACTION	<u>1,287,256</u>	<u>985,274</u>	<u>244,000</u>	<u>2,028,530</u>

Attachment: Exhibit A to Resolution - Budget Scorecards (1285 : Parks and Recreation CIP Update)



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: John Lang, Economic Development Coordinator
APPROVED BY: City Manager

DEVELOPMENT OF A USE TAX INCENTIVE PROGRAM

RECOMMENDATION(S)

1. Waive the first and second reading of the ordinance amending Title 3 of the Morgan Hill Municipal Code to add a new Chapter 3.21 to create a use tax incentive program; and
2. Introduce the ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

2017 Strategic Priorities

Inclusiveness

Infrastructure

REPORT NARRATIVE:

Background

In 1956, the Bradley-Burns Uniform Local Sales and Use Tax was adopted creating a mechanism for local jurisdictions to capture sales tax revenue from local transactions. Over time sales tax revenue has become a vital source of General Fund dollars for all cities in California. In Morgan Hill, approximately 25% of the General Fund comes from sales and use tax transactions.

When a taxable transaction occurs in California, sales tax is applied. When a taxable purchase occurs out-of-state for consumption (use) in California, use tax is applied. Use Tax is collected when firms in California make purchases of fixtures (elevators, escalators, etc), tools, machinery and materials (steel, wood, etc.) from out-of-state companies.

Often, out-of-state sellers do not have reasonable means to determine which California jurisdiction the goods are shipped to and where the first functional use occurs. As a result, the State of California allocates use tax into county or statewide pools rather than a local jurisdiction. These "pools" are pots of tax money that are eventually allocated to local jurisdictions by an established formula. Conversely a traditional retail sale in California is easily determined by point of sale and the local portion of the tax flows back to the local jurisdiction. The State Board of Equalization (SBOE) distributes the money from these pools using pro-rata formulas to determine how much each jurisdiction gets from each of the pools, each quarter.

Comparison of Traditional Sales Tax Transaction versus Use Tax Pool Allocations

Process	Sale Price	Ratio of Tax (specific to Morgan Hill)	Tax Revenue Received by Morgan Hill
Traditional Sales Tax Transaction (point of sale)	\$100	1%	\$1
County Pool Allocation (Use Tax)	\$100	.02%	\$.02
Statewide Pool Allocation (Use Tax)	\$100	.0013%	\$.0013

To help ensure the City receives its full 1% share (\$.01 cent per dollar) for use tax transactions, a use tax strategy known as a Use Tax Incentive Program. This program relies on California State Board of Equalization (SBOE) regulations that allow firms, under limited circumstances, to allocate use tax to local jurisdictions.

Overview of Program

The Use Tax Incentive Program aids in capturing the full 1% (\$.01 cent per \$1 dollar) of Use Tax revenue on select projects.

- The practice of use tax programs implemented across cities is to encourage companies to obtain Direct Pay Permits. A Direct Pay Permit allows the buyer to hold and accrue use tax instead of the seller. The Buyer of the good then reports it to the SBOE making an allocation to the local jurisdiction. The SBOE will provide a Direct Pay Permit to any business that has more than \$500,000 in use tax revenue in the immediately preceding calendar year. This permit is revocable at any time. For example, a firm could register for a direct pay permit when they purchase \$6 million in computers or turbines for a new power generation facility.
- The SBOE also has a provision that allows for use tax to be allocated to local jurisdictions in the case of construction contracting. Through the construction company's sellers permit, construction purchases of materials, equipment and fixtures of \$5 million or more residing at the job site can have use tax from those purchases allocated to the job site. Through tax forms issued by the SBOE a firm can assume the tax liability, self-accrue the tax, and then report the collection of the tax to the state, thereby allocating the use tax back to the jurisdiction where the materials and fixtures will reside. (Sales and Use Tax Regulation 1521). For example, a firm might use the construction contracting allocation with the acquisition of steel for a new commercial construction project.

As encouragement to businesses that use Direct Pay Permits or Construction contracting, staff is proposing the incentive program, similar with San Jose, Stockton, Long Beach and San Diego, offering businesses a rebate of up to 30% of the additional net new local Use Tax collected by the SBOE.

Implementation of a Use Tax Incentive Program aligns with Economic Blueprint strategy #5, "Explore Incentive Programs to Attract Industry-Specific Development". A Use Tax Incentive Program helps ensure the City receives its full one percent share of sales and use tax transactions for merchandise that ultimately resides in Morgan Hill.

Rebate Process

Interested Participants

Any firm that is interested in participating in the Use Tax Incentive Program (Program) needs to contact Economic Development 90 days prior to making a claim for a use tax rebate and before the payment of use taxes to the State of California.

Business Outreach and Engagement includes:

- City staff conducting a personal property tax analysis of firms operating in Morgan Hill. Undertaking this analysis highlights firms that have substantive amounts of personal property which is traditionally subject to the collection of use tax.

- Identifying firms that are in the process of acquiring building materials, machinery and other fixtures that could be subject to use tax.
- Corporate Outreach/Business Appreciation meetings. This helps teammates identify companies long term plans and investment in Morgan Hill and market the Use Tax Incentive Program.
- Construction Projects seeking City permits (housing, commercial, industrial). Acquisition of construction materials may be subject to use tax.

Once a firm notifies Economic Development of their interest in the Program, the City will conduct a preliminary analysis of the firms' future purchases to determine the likelihood of a use tax allocation. Should the analysis determine the potential for use tax allocation, the City will work with the firm on the allocation process. If after the preliminary review, it is determined that none of the purchases qualify under the direct pay permit or construction contract allocation, the Program process ends.

Work with Firm on Allocation Process

Prior to the allocation of use tax, the City will need to determine an average baseline sales and use tax for each participating firm. This is accomplished through reviewing tax returns submitted to the SBOE for each firm. Determining the baseline sales and use tax revenue to the City is important because it will be used in the calculation of net new local tax revenue that would be generated by the Program. Based upon the terms proposed for the ordinance (Table A), the proposed Use Tax Incentive Program would provide firms a minimum rebate of 20% of the net new use tax revenue in exchange for their participation.

The City can assist the firm determining which process is most appropriate for use tax allocation, Direct Pay Permit or Construction contracting.

Participating companies will request in writing 90 days after the close of the reporting quarter a claim for rebate to the City. City staff will verify the claim to ensure the SBOE has received the use tax allocation. Upon verification, the City will process the appropriate rebate for the participating company as outlined under the terms of the ordinance.

Ordinance (Rebate Terms)

The ordinance outlines the terms for eligibility for use tax rebates and the amount of each rebate under the Use Tax Incentive Program. The thresholds are as follows:

Table A: Net New Use Tax Received by the City of Morgan Hill (Four Consecutive Quarters)	Rebate Percentage*
Tier 1: 0-\$100,000	20%
Tier 2: \$100,001-\$200,000	25%
Tier 3: \$200,001 and greater	30%

* Reimbursement is based upon the City's local 1% portion.

A participating firm, after submittal of a rebate claim, would be reimbursed at the Tier 1 level of 20%. If the total allocation for four consecutive quarters exceeds Tier 1 or Tier 2, there will be a one-time true up payment in the fourth quarter from the City at the next higher Tier. However, if a firm over four consecutive quarters does not exceed Tier 1 threshold, they would receive the minimum 20%. Upon completion of the four consecutive quarters, the rebate term of four consecutive quarters starts over beginning with the 1st quarter.

Validation and Reporting

The City of Morgan Hill currently contracts with Muniservices to provide sales tax auditing services. Muniservices is familiar with such programs and is able to inform the City when a participating business in fact allocates use tax revenue to the City.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the proposed Use Tax Incentive Program.

ALTERNATIVE ACTIONS:

The City could choose not to offer any incentives to businesses that are willing to participate undertaking the burden of allocating use tax in Morgan Hill.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None

FISCAL AND RESOURCE IMPACT:

With the adoption of an ordinance, a portion of the City's net new revenue associated with the Use Tax Incentive Program would be reimbursed to participating firms in the Program. The magnitude of how much the City will need to reimburse would be positively correlated with how much new revenue the program can generate. Below are examples of how the Program can generate revenue to the City of Morgan Hill.

<i>Traditional Sales Tax Transaction (no pool allocations)</i>		
Purchase Price of Widget		\$5,000,000
Santa Clara Co. Tax Rate		9.00%
Total Tax paid by Seller		\$450,000
Use Tax Rec'd by SBOE from Seller		\$450,000
State of CA Portion 6.00%		\$300,000
County/VTA Portion 2.00%		\$100,000
City of Morgan Hill Portion 1%		\$50,000

<i>Use</i>	<i>Tax</i>	<i>Transaction</i>
<i>(County Pool Allocation-MOST COMMON)</i>		
Purchase Price of Widget		\$5,000,000
Santa Clara Co. Tax Rate		9.00%
Total Tax paid by Seller		\$450,000
Use Tax Rec'd by SBOE from Seller		\$450,000
State of CA Portion 6.00%		\$300,000
County/VTA Portion 2.00%		\$100,000
Countywide Pool (will be distributed across Santa Clara Cities)		\$50,000
City of Morgan Hill Portion 2%		\$1,000

<i>Proposed Use Tax Incentive Program Participation</i>		
Purchase Price of Widget		\$5,000,000
Santa Clara Co. Tax Rate		9.00%
Total Tax owned by Buyer		\$450,000
Use Tax Rec'd by SBOE from Buyer		\$450,000
State of CA Portion 6.00%		\$300,000
County/VTA Portion 2.00%		\$100,000
City of Morgan Hill Portion 1%		\$50,000
Start the Rebate Process		
Participating Firm Reimburse 20%		\$10,000
Resulting City of Morgan Hill Share		\$40,000

CEQA (California Environmental Quality Act):

Not a Project: The creation of governmental funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project that may result in physical environmental impacts is not a project under CEQA.

LINKS/ATTACHMENTS:

Attachment A: Use Tax Incentive Ordinance

LINKS/ATTACHMENTS:

1. MorganHillUseTaxOrdinance

ORDINANCE NO., NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING TITLE 3 OF THE MORGAN HILL MUNICIPAL CODE TO ADD A NEW CHAPTER 3.21 TO CREATE A USE TAX INCENTIVE PROGRAM

WHEREAS, pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (California Revenue and Taxation Code Section 7200 et. seq.), the City of Morgan Hill receives 1% of all sales taxes collected from transactions occurring in the City. However, unless a taxpayer obtains certain permits from the State Board of Equalization specifying the location of the first use of a taxed purchase, the use tax collected on a transaction will be allocated to a County-wide pool; and

WHEREAS, the City Council of the City of Morgan Hill seeks to establish a Use Tax Incentive Program designed to provide incentives for anyone conducting business in Morgan Hill to obtain a Use Tax Direct Payment Permit from the State of California Board of Equalization pursuant to the State Sales and Use Tax Regulation 1699.6; and

WHEREAS, the Use Tax Incentive Program would provide incentives for anyone constructing or building in Morgan Hill to obtain a Sub Seller's Permit for their job site in Morgan Hill from the State of California Board of Equalization pursuant to the State Sales and Use Tax Regulation 1806 and State Board of Equalization Operations Memo No. 1023; and

WHEREAS, the benefit derived by the City of Morgan Hill from having businesses obtain Use Tax Direct Pay or Sub Seller's Permits is that the business reports the local use tax component to the jurisdiction in which the property is located at the time the state use tax is reported, thus ensuring that the City receives the entire local component of the use tax and it is not allocated to the Countywide Pool;

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

Section 1. Chapter 3.21 (Use Incentive Tax Program) is hereby added to Title 3 (Revenue and Finance) of the Morgan Hill Municipal Code to read as follows:

**CHAPTER 3.21.
USE TAX INCENTIVE PROGRAM**

3.21.010 Eligibility for Use Tax Rebate

Any person or entity doing business in the City of Morgan Hill is eligible for the Use Tax rebate described herein if all of the following conditions have been satisfied:

- A. The person or business is enrolled in the City's Use Tax Incentive Program.
- B. The person or entity has obtained a State of California Use Tax Direct Payment Permit pursuant to California Revenue and Taxation Code Section 7051.3, or a Sub Sellers Permit pursuant to State Board of Equalization Operations Memo No. 1023 ("Permit").
- C. The City of Morgan Hill is properly identified in the Permit as the jurisdiction in which the property acquired under the permit is first functionally used, stored or consumed, or sold from Morgan Hill in business to business transactions.

3.21.020 Rebate Claim Procedure

- A. Within forty-five (45) days after the close of the State's tax reporting quarter, an eligible person or entity doing business in Morgan Hill may file a rebate claim with the City's Finance Director, on a form provided by the Finance Director.

- B. The claim must contain evidence of the amount of the Use Tax paid to the State. The Director may request from the claimant any other information necessary to substantiate the rebate claim.

3.21.030 Calculation and Issuance of Use Tax Rebate

- A. The Finance Director shall issue the rebate within ninety (90) days of verification that the City received the correct amount of funds from the State. The use tax rebate shall be based upon the following schedule:

Net New Use Tax Received by the City of Morgan Hill (4 consecutive quarters)	Rebate Percentage
0-\$100,000	20%
\$100,001-\$200,000	25%
\$200,001 and greater	30%

- B. The rebate shall be paid by check directly to the claimant but shall be increased or decreased in accordance with any adjustment made by the State to a prior use tax payment by the claimant.
- C. Upon enrollment in the Use Tax Incentive Program, the City will determine the baseline use tax received by the City from the taxpayer as follows:
- (1) For Direct Payment Permittees, by averaging the amount of tax received by the City from that taxpayer over the twelve (12) quarters prior to enrollment;
 - (2) For Sub Sellers Permittees, by averaging the amount of tax received from that construction site over the twelve (12) quarters prior to enrollment.

- D. “Net New Use Tax”, for the purposes of this Chapter, shall mean the difference between the amount of taxes actually received by the City resulting from the taxpayer’s Permit and the baseline amount as calculated for the taxpayer upon enrollment in the Use Tax Incentive Program.
- E. The rebate will be paid quarterly based on twenty percent (20%) of the Net New Use Tax received in each quarter. After four (4) consecutive quarters, the City will adjust the percentage if warranted, based on the total Net New Use Tax received over the prior four (4) quarters. The rebate amount for the fourth consecutive quarter will reflect the amount attributed to the adjusted percentage, if applicable.
- F. For the purposes of this calculation, the quarters are based on the taxpayer’s tax reporting calendar, but the calculation is based on the four (4) consecutive quarters immediately following enrollment in the Use Tax Incentive Program.
- G. Once the rebate has been provided for the fourth consecutive quarter, the calculation of the rebate for the next four (4) quarters will begin again.

3.21.040 Amendment or Discontinuance

The City reserves the right to amend or discontinue any provision of this Use Tax Incentive Program without voter approval. Any amendment shall be made by ordinance and shall be applicable to any transaction made subsequent to the effective date of any ordinance.

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

Section 3. Effective Date; Publication. This Ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to Section 36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE __ DAY OF __ 2017 AND WAS FINALLY ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE — DAY OF ____ 2017 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:

DATE:

 STEVE TATE, Mayor

ATTEST:

DATE:

 IRMA TORREZ, City Clerk

Effective Date:

⌘ CERTIFICATE OF THE CITY CLERK ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. XXXX, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the — day of ____ 2017.

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



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: John Lang, Economic Development Coordinator
APPROVED BY: City Manager

IMPLEMENTATION OF A DEVELOPMENT IMPACT FEE FREEZE PROGRAM

RECOMMENDATION(S)

Adopt resolution freezing development impact fees based upon Fiscal Year 16/17 for new commercial or industrial development for the next three years through fiscal year FY 19/20 in order to stimulate new development in Morgan Hill.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

2017 Strategic Priorities

Infrastructure

POLICY CONSIDERATIONS:

Should the City freeze development impact fees for three years to incentivize development?

REPORT NARRATIVE:

The Bay Area has seen one of the single largest economic expansions in the last 50 years. With an unemployment rate in the single digits, new commercial and industrial development popping up throughout Santa Clara and San Mateo counties, the Bay Area economy continues to expand. The City of Morgan Hill has also benefited from the strong economy in having low unemployment, low vacancy and consecutive years of job growth. The industrial vacancy rate has dropped from 29% to 1% within five years. However, the City of Morgan Hill has not seen as much new commercial and industrial development. Most recent developments include La Quinta Hotel, the Ford and Honda Auto Dealer expansions, and the developments in Downtown.

While vacancy rates for industrial buildings are at an all-time low and warrant new construction, the rents for industrial buildings are relatively low, yet the construction costs are the same or higher than areas up north. This dynamic makes it challenging for developers and investors to build speculative development. One of the reasons why construction is in some cases higher than other areas is because much of the available land inventory in Morgan Hill is raw land that has not seen development before. Development in these properties require the initial investment in public infrastructure, connection to sewer, water and storm drain systems and have the added Santa Clara Habitat Conservation Plan development costs.

In 2015, the City commissioned a study by Strategic Economics comparing impact fees between the cities of San Jose, Morgan Hill and Gilroy using three sample prototype projects that included a hotel development, new automobile dealership and manufacturing/R&D development project. The study found that the City of Morgan Hill's development impacts fees were higher for both the advanced manufacturing/R&D development project and the automobile dealership project. In summary, the City of Morgan Hill seems to be less competitive in two out of the three prototypes. However, the City of Morgan Hill's Auto Dealer Strategy which provides a mechanism to offset impact fees through a sales tax rebate, makes Morgan Hill more competitive than Gilroy and San Jose.

Development Impact Fees charged by the City of Morgan Hill for commercial/industrial development at time of building permit include:

- Frontage Fees (Water, Sewer, Storm)
- Water Impact Fee
- Sewer Impact Fee
- Storm Drain Impact Fee
- Undergrounding
- Traffic Impact Fee
- Burrowing Owl Mitigation
- Police Impact Fee
- Fire Impact Fee
- Public Facilities Fee

These development impact fees are essential to the City to provide basic infrastructure and implement the City's Infrastructure Master Plans. In conversations with brokers and developers, there continues to be concerns about the costs associated with fees associated with new development. The fees, according to developers, present barriers to entry into the Morgan Hill market. The City Economic Development team has worked on many prospect developments that after a couple of years end up fizzling out due to the high fees associated with development.

To incentivize development and take advantage of this economic expansion and the nearly 13 million square feet of demand for space in Silicon Valley, staff is proposing an incentive program for City Council consideration to spur and stimulate new commercial and industrial development with the freezing of impact fees for three years. Locking the development impact fees communicates certainty and the City's willingness to support new commercial/industrial development and in a couple of years, this could also represent actual savings to the development community as impact fees go up annually between two to three percent.

This concept of locking development impact fees was recently embraced with the DivcoWest Industrial Development Agreement, approved by Council on June 7, 2017. The proposed program would lock (freeze) impact fees for commercial or industrial development for 36 months using the 2016/2017 fee schedule through a Development Agreement. The fees would still be collected when applicable to the City. By freezing impact fees, the developer now has certainty around future costs to development in

Morgan Hill. Traditionally, fees in Morgan Hill have increased annually at a rate of three percent.

Morgan Hill has an opportunity to capture more development during this period of high economic growth. Several Morgan Hill companies have communicated the need for additional space and would like the opportunity to expand in Morgan Hill. Currently, there is little to no product available. Development of an incentive program that freezes fees for a short-period of time in exchange for expedited development is specifically called out in action item #5 in the City's recently adopted Economic Blueprint to advance economic growth and prosperity in Morgan Hill.

COMMUNITY ENGAGEMENT: Inform

Implementation of a Development Impact Fee Freeze Incentive Program aligns with the Economic Blueprint Strategy #3 "Attract New Development", Action #5, "Explore Incentive Programs to Attract Industry Specific Development". The proposed program has been discussed and explored with developers, including Toeniskoetter, DivcoWest, Evergreen Development, and Browman Development. Staff has also shared the proposed program with the Chamber of Commerce Economic Development Committee chairs.

ALTERNATIVE ACTIONS:

As proposed, the current incentive program would freeze development impact fees for all commercial/industrial development over the next three years. Alternatively, a square footage cap could be implemented to provide an incentive to developments of a certain size projects. Or the Council may wish to limit the program to industrial development projects only.

Another alternative would be for the City to not freeze all development fees, only a few. For instance, water, sewer and traffic could be the development impact fees that are frozen and other fees such as police, fire, public facilities would not be subject to the freeze.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

As part of the adoption of the Development Agreement with DivcoWest on June 7, 2017, City Council approved a similar development impact fee freeze to stimulate new commercial industrial development for that specific property.

FISCAL AND RESOURCE IMPACT:

There are 247 acres of vacant industrial/commercial property in Morgan Hill. If all vacant industrial/commercial parcels were to develop simultaneously in the third year, the impact of the proposed freeze would be conservatively \$2.2 million dollars saved by developers. Total impact fees collected would exceed \$24 million. This also means that the City would receive at \$2.2 million less for infrastructure improvements. However, the City would receive new General Fund revenue from new development such as property tax and the potential for sales tax and transient occupancy taxes.

Estimated impacts will vary depending on how much impact fees could grow over the next three years. In addition, to create a uniform analysis, variable fees such as frontage fees and meters hookups are not included in the estimate.

CEQA (California Environmental Quality Act):

An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the General Plan Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. Commercial and industrial development as discussed above is consistent with the general plan policies for which the EIR was certified. There is no substantial evidence, in light of the whole record, that freezing of impact fees may have a significant effect on the environment beyond that already analyzed in the certified EIR; therefore, no further environmental analysis is required. Any development that occurs in the future will undergo an independent analysis pursuant to the requirements of CEQA.

LINKS/ATTACHMENTS:

1. AttachmentA_DevelopmentImpactFeeFreeze_Resolution

RESOLUTION NO. 17-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL FREEZING DEVELOPMENT IMPACT FEES BASED UPON FISCAL YEAR 2016-17 FOR NEW COMMERCIAL OR INDUSTRIAL DEVELOPMENT FOR THE NEXT THREE YEARS THROUGH FISCAL YEAR 2019-20 IN ORDER TO STIMULATE NEW DEVELOPMENT IN MORGAN HILL**

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

WHEREAS, the City collects impact fees from development projects to pay for basic infrastructure and to implement the City's Infrastructure Master Plans; and

WHEREAS, while the Bay Area has seen one of the single largest economic expansions in the last 50 years, the City of Morgan Hill has not experienced as much new commercial and industrial development as other Bay Area jurisdictions; and

WHEREAS, the City's industrial vacancy rate has dropped from 29% to 1% within five years; and

WHEREAS, construction costs in the City are the same or higher than areas north of Morgan Hill; and

WHEREAS, a 2015 study prepared by Strategic Economics for the City found that the City of Morgan Hill's development impact fees were higher than the cities of San Jose and Gilroy for an advanced manufacturing/R&D development project and an automobile dealership project, although the City of Morgan Hill's Auto Dealer Strategy provides a mechanism to offset development impact fees through a sales tax rebate, making Morgan Hill more competitive than Gilroy and San Jose; and

WHEREAS, based on input from brokers and developers in the community, the development impact fees present barriers to entry into the Morgan Hill market for new commercial and industrial development; and

WHEREAS, freezing development impact fees for three years would provide certainty to developers and signals the City's willingness to support new commercial and industrial development in the City; and

WHEREAS, the City Council has reviewed the discussion and recommendations contained in the June 21, 2017 Staff Report as submitted to the City Council for consideration in connection with the adoption of this Resolution together with any and all testimony and other evidence

submitted to the City Council through the hearing conducted by the Council on June 21, 2017 for this item; and

WHEREAS, the City Council finds that the public interest would be served by adopting an incentive program to spur and stimulate new commercial and industrial development in the City.

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

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

Section 2. The City Council does hereby find, that on the basis of the whole record before it, there is no substantial evidence that freezing of development impact fees for new commercial and industrial development may have a significant effect on the environment beyond that already analyzed in the Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the General Plan Update, certified by City Council on July 27, 2016.

Section 3. The City Council hereby resolves to freeze development impact fees using the 2016/2017 fee schedule for new commercial and industrial development for three years through fiscal year 19/20 to incentivize new commercial and industrial development.

Section 4. This Resolution shall take effect 30 days from the date of its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the ___ day of June, 2017.

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

APPROVED:

ATTEST:

STEVE TATE, Mayor

IRMA TORREZ, City Clerk

∞ **CERTIFICATION** ∞

Attachment: AttachmentA_DevelopmentImpactFeeFreeze_Resolution (1279 : Implementation of a Fee Freeze Program)

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 17-0, adopted by the City Council at a regular meeting held on June __, 2017.

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

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Michelle Wilson, Deputy City Clerk
APPROVED BY: City Manager

CONTINUATION OF ADOPTION OF ORDINANCE 2247, NEW SERIES, AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO DEVELOPMENT AGREEMENT DA 14-10 (AAE2017-0018): DUNNE BUSK GRANTING A SIX-MONTH EXTENSION FOR SEVEN (7) FISCAL YEAR 2015-2016 AND FIVE (5) FISCAL YEAR 2016-2017 BUILDING ALLOTMENTS (APN 817-19-044)

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2247, 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

Ongoing Priorities

Preserving and Cultivating Public Trust

2017 Strategic Priorities

Inclusiveness

REPORT NARRATIVE:

On June 7, 2017, the City Council continued item 28; Adopt Ordinance 2247, New Series, an Ordinance of the City of Morgan Hill approving an Amendment to Development Agreement DA 14-10 (AAE 2017-0018): Dunne-Busk granting a six-month extension for seven (7) fiscal year 2015-2016 and five (5) fiscal year 2016-2017 building allotments (APN 817-19-044) to the June 21, 2017 City council meeting.

COMMUNITY ENGAGEMENT: Inform

A 10-day public hearing notice was published in the Friday, May 5, 2017 edition of the Morgan Hill Times and notices were mailed to property owners within three hundred feet of the project pursuant to Government Code Sections 65090-65096. A noticed public hearing was also conducted by the Planning Commission on April 25, 2017.

ALTERNATIVE ACTIONS:

The City Council may choose to not adopt the Ordinance.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

This Development Agreement has been amended by ordinance multiple times. The most recent prior amendment was on December 14, 2016. Adoption of this ordinance supersedes all prior amendments.

The Planning Commission considered the application request at the April 25, 2017 meeting where they unanimously approved the amendment request.

FISCAL AND RESOURCE IMPACT:

Application processing fees were collected for the amendment request.

CEQA (California Environmental Quality Act):

The proposed development agreement amendment request does not alter the previous environmental determinations made for the project. Environmental determination for the project described in this report has been made as part of the previous application approval. Record of the project's CEQA determination is on file with the Community Development Department.

LINKS/ATTACHMENTS:

1. Item 28 Staff Report 6-7-17



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2017

PREPARED BY: Angie Gonzalez, Council Services Assistant
APPROVED BY: City Manager

ADOPT ORDINANCE 2247, NEW SERIES, AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO DEVELOPMENT AGREEMENT DA 14-10 (AAE2017-0018): DUNNE-BUSK GRANTING A SIX-MONTH EXTENSION FOR SEVEN (7) FISCAL YEAR 2015-2016 AND FIVE (5) FISCAL YEAR 2016-2017 BUILDING ALLOTMENTS (APN 817-19-044)

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2247, 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

Ongoing Priorities

Preserving and Cultivating Public Trust

2017 Strategic Priorities

Inclusiveness

REPORT NARRATIVE:

On May 17, 2017, the City Council Introduced Ordinance No. 2247, New Series, by the Following Roll Call Vote: AYES: Carr, Constantine, Tate; NOES: Spring, Robinett Jachimowicz; ABSTAIN: None; ABSENT: None.

Adoption of the ordinance will amend Development Agreement DA 14-10: E. Dunne-Busk incorporating a six-month extension to the 7, Fiscal Year 2015-16 and 5, Fiscal Year 2016-17 allotments for the 14-unit Busk project located on the southeast corner of the intersection of East Dunne Avenue and Murphy Avenue.

COMMUNITY ENGAGEMENT:

A 10-day public hearing notice was published in the Friday, May 5, 2017 edition of the Morgan Hill Times and notices were mailed to property owners within three hundred feet of the project pursuant to Government Code Sections 65090-65096. A noticed public hearing was also conducted by the Planning Commission on April 25, 2017.

ALTERNATIVE ACTIONS:

None

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

This Development Agreement has been amended by ordinance multiple times. The most recent prior amendment was on December 14, 2016. Adoption of this ordinance supersedes all prior amendments.

The Planning commission considered the application request at the April 25, 2017 meeting where they unanimously approved the amendment request.

FISCAL AND RESOURCE IMPACT:

Application processing fees were collected for the amendment request.

CEQA (California Environmental Quality Act):

The proposed development agreement amendment request does not alter the previous environmental determinations made for the project. Environmental determination for the project described in this report has been made as part of the previous application approval. Record of the project's CEQA determination is on file with the Community Development Department.

LINKS/ATTACHMENTS:

1. 2247 Dunne-Busk

ORDINANCE NO. 2247, NEW SERIES

**AN ORDINANCE OF THE CITY OF MORGAN HILL
APPROVING AN AMENDMENT TO DEVELOPMENT
AGREEMENT DA 14-10 (AAE2017-0018): DUNNE-BUSK
GRANTING A SIX-MONTH EXTENSION FOR SEVEN (7)
FISCAL YEAR 2015-2016 AND FIVE (5) FISCAL YEAR 2016-
2017 BUILDING ALLOTMENTS (APN 817-19-044)**

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

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. On February 25, 2014, the Planning Commission pursuant to Chapter 18.78.380 of the Morgan Hill Municipal Code, awarded seven (7) building allotments for application MC-13-16: East Dunne – MDMH Investors for FY 2015-2016 and five (5) building allotments for FY 2016-2017; and

SECTION 4. On April 6, 2016, the City Council adopted Ordinance No. 2195, N.S which approved a Development Agreement for application MC-13-16: East Dunne – MDMH Investors, said ordinance included a six-month extension to the seven (7) FY 2015-2016 allotments and established ‘commence construction’ dates for the 12-unit project. Reference is hereby made to that certain Agreement on file in the office of the City Clerk of the City of Morgan Hill. The agreement signed by the City of Morgan Hill and the property owner(s) set forth in detail the development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 5. On January 18, 2017, the City Council adopted Ordinance No. 2228 N.S. which approved an amended Development Agreement granting a six-month extension of time to commence construction on the seven (7) FY 2015-2016 allotments, said ordinance further stipulated as a condition of the six-month extension all dates within Exhibit B of the Development Agreement shall become hard deadlines and if any of the deadlines were missed, all allotments shall expire immediately. Ordinance No. 2228 further stipulated that no further extensions will be provided; and

SECTION 6. The City Council of the City of Morgan Hill found that, on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the Mitigated

Negative Declaration reflects the City Council's independent judgment and analysis, and that the Mitigated Negative Declaration was adopted prior to action taken to adopt the original project proposal. The custodian of the documents or other material which constitute the record shall be the Community Development Agency.

SECTION 7. A six-month extension is currently requested for the seven (7), FY 2015-2016 allotments and the five (5) FY 2016-2017 allotments;

SECTION 8. On April 25, 2017, pursuant to Section 18.78.170.F of the Municipal Code, the Planning Commission approved a four-month extension finding the applicant has demonstrated that there are circumstances from extended City processing of the Final Map and Improvement Plans that have precluded the issuance of permits or granting of approvals required to exercise the allotments.

SECTION 9. ADOPTION OF AMENDED DEVELOPMENT SCHEDULE, EXHIBIT B. The City Council hereby approves the Development Agreement Amendment attached to this Ordinance as Exhibit A.

SECTION 10. The amended development schedule attached to this Ordinance hereby supersedes and replaces the amended development schedule approved under Ordinance No. 2195.

SECTION 11. The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 12. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 13. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 17th DAY OF MAY 2017, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 7TH DAY OF JUNE 2017, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	Larry Carr, Rich Constantine, Steve Tate
NOES:	COUNCIL MEMBERS:	Rene Spring, Caitlin Robinett Jachimowicz
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:

DATE:

STEVE TATE, Mayor

ATTEST:

DATE:

IRMA TORREZ, City Clerk

Effective Date: July 7, 2017

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2247, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 17th day of May 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Item 28 Staff Report 6-7-17 (1286 : Ordinance 2247 Dunne-Busk)

EXHIBIT A

Exhibit B of the development agreement shall be amended as follows:

EXHIBIT B**DEVELOPMENT SCHEDULE****MC 13-16: E. Dunne- MDMH Investors 7 FY 2015-16 & 5 FY 2016-17 Allotments**

I.	SUBDIVISION AND ZONING APPLICATIONS	
	Applications Filed:	10-31-2014
II.	SITE REVIEW APPLICATION	
	Application Filed:	01-30-2017
III.	FINAL MAP SUBMITTAL	
	Map, Improvements Agreement and Bonds:	
	FY 2015-16 (7 units)	10-24-2016
	FY 2016-17 (5 units)	10-24-2016
IV.	BUILDING PERMIT SUBMITTAL	
	Submit plans to Building Division for plan check:	
	FY 2015-16 (7 units)	04-06-2017
	FY 2016-17 (5 units)	04-06-2017
V.	FINAL MAP RECORDATION	
	FY 2015-16 (7 units)	10-30-2017
	FY 2016-17 (5 units)	10-30-2017
VI.	COMMENCE CONSTRUCTION:	
	FY 2015-16 (7 units)	12-30-2017
	FY 2016-17 (5 units)	12-30-2017

Failure to obtain building permits by the dates listed above shall result in the loss of building allotments. Submitting a Final Map Application or a Building Permit one (1) or more months beyond the filing dates listed above shall result in the applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above may result in loss of building allotments. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

If a portion of the project has been completed (physical commencement on at least 7 dwelling units and lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allotments for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: John Baty, Principal Planner/Development Services

APPROVED BY: City Manager

APPROVE RDCS COMPETITION MANUAL - SECTION I, II, AND IV

RECOMMENDATION(S)

Adopt resolution approving RDCS Competition Manual Section I – Competition Manual Overview, Section II – Competition Criteria Summary, and Section IV – RDCS Implementation Policies.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment

Maintaining Fiscal Responsibility

Supporting Our Youth

Seniors

and Entire Community

Preserving and Cultivating Public Trust

POLICY CONSIDERATIONS:

Do the policies and guidance contained in Section IV of the Competition Manual adequately update or replace the need for City Council Policies:

- CP-06-01 Early Start of Construction for Residential Projects Awarded a Building Allotment;
- CP-06-04 Tentative Subdivision Map Approval Prior to the Award of Building Allocations;
- CP-07-01/02 Policy for Establishing Procedures for Scoring and Awarding the 100 Allotments Made Available November 2006 – Competition/No Competition;
- CP-07-04 RDCS Implementation Policies;
- CP-09-02 Policy Guidance for Decisions on ELBA Requests Filed by Developers; and
- CP-09-03 Allocations for On-Going Projects

REPORT NARRATIVE:

In a follow-up to a City Council RDCS workshop and continuation of a public hearing held May 17, 2017 on the RDCS Competition Manual, the City Council, on May 24, 2017, introduced an ordinance to approve Section III – Competition Criteria, Standards, and Points of the RDCS Competition Manual. The City Council adopted Ordinance No.

2248, approving Section III – Competition Criteria, Standards, and Points of the RDCS Competition Manual on June 7, 2017.

The City Council provided additional direction at its meeting of May 24, 2017, and requested that a resolution for adoption of the remaining sections of the Competition Manual: Section I – Competition Manual Overview; Section II – Competition Criteria Summary; and, Section IV – RDCS Implementation Policies be brought back for consideration.

Background information and recommendations (shown in track changes) have been provided detailing potential revisions to Section IV of the Competition Manual, including the following:

- Schedule for 2017 Competition: The details of three potential RDCS schedule options for moving the RDCS application submittal date beyond October 19, 2017 have been prepared and are attached as potential changes to Competition Manual Section IV.A. – Schedule for 2017 Competition. As requested by some representatives within the development community (see attached proposal from DPC/Burgos), the options include a submittal date of:
 - November 2, 2017
 - December 1, 2017
 - January 4, 2018

Options 2 and 3 both result in the submittal deadline for the 18/19 competition shifting to January 4, 2019. Measure S requires certain timelines for consideration of the allotments and pre-competition orientation that are unchangeable. (See attached list of RDCS schedule milestones). Option 2, submittal deadline of December 1, 2017 coordinates well with holidays and furloughs and allows the pre-application process to be completed prior to the Thanksgiving break, the General Plan/Zoning consistency review prior to the Christmas break and completion of project scoring following the Christmas break. Option 3, submittal deadline of January 4, 2018 eliminates coordination with both Thanksgiving and Christmas breaks and any potential delays in turnaround due to limited staff resources over the holiday period. Option 3 also enables the pre-application tasks to be completed prior to the holiday break. Finally, it provides additional time for applicants to refine their applications while City Hall is closed.

The Planning team analyzed the attached proposal from DPC/Burgos and determined the proposed schedule was compressed regarding certain activities that could make it difficult to achieve. Option 2 is the closest schedule to the DPC/Burgos proposal.

The attached option graphic shows how the three schedules for the 2017 competition would likely transition into the 2018/19 competition. For the reasons stated above, staff recommends that the Application Submission Deadline be

revised for the upcoming 2017 competition to January 4, 2018 (Option 3) and continue with a January deadline for subsequent years.

- Exemptions: Policy language has been added to clarify that projects may receive credit for legal residences that exist on the project site at the time of an RDCS application.
- RDCS Agreement: The policy has been modified to define a Development Agreement, as required within Chapter 18.78 (RDCS) of the Morgan Hill Municipal Code to mean an RDCS Agreement. Similar to a Development Agreement, an RDCS Agreement would be adopted by Ordinance; however, time extensions and allotment adjustments could then be approved by Planning Commission resolution. In the future, a zoning amendment will be processed to remove references to Development Agreement within Chapter 18.78 and replace with RDCS Agreement.
- Exercise of Allotments: The policy has been clarified with additional policy language that allotments granted to a project under the previous RDCS (e.g., Measure C) may, with the approval of an amendment to the project's development agreement, change when the allotments are considered exercised pursuant to Measure S. In addition, the definition of a grading permit has been added.

The attached letter from RJA dated June 9, 2017 includes a request for changes to two Implementation Policies:

- Policy C Application Submittal Requirements. Staff supports the addition of the proposed clarification which reads, "However, staff may request and consider additional information (calculations, tables, graphics, etc.) to clarify the applicant's submittal."
- Policy D General Plan and Zoning Consistency. During the development of the Draft RDCS Competition Manual the Planning Commission discussed several options for what the maximum allowed deviation percentages from standard zoning requirements could be while still allowing a project to meet the Zoning Consistency requirement. These discussions included considering alternative percentages for lot coverage and Floor Area Ratio deviations. Ultimately the Planning Commission recommended adding the ability for the Community Development Director to allow greater deviations from the percentages shown in Table 55 of the Manual, if the applicant could demonstrate that the greater deviation would produce a public benefit that could not be provided without the greater deviation. With this included flexibility, staff believes that the RJA proposal to increase the maximum allowed lot coverage and FAR deviation from 10% to 20% is not necessary.

Note: Although not part of the recommendations for consideration in the RDCS Implementation Policies today, a subsequent item will be brought to the City Council in the future to address multi-year project administration.

COMMUNITY ENGAGEMENT: Collaborate

Planning Commission workshops on the RDCS were open to the public and included opportunities for community members to participate in discussions by asking questions and providing input on the development of the Manual and Implementation of the RDCS.

Members of the community, including developers and their representatives, regularly attended the 20 public workshops and actively participated with the Planning Commission providing valuable feedback on the development and refinement of competition criteria, standards, and points, and on RDCS implementation policies.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

At its hearing on April 25, 2017, the Planning Commission unanimously recommended that the City Council approve an Ordinance establishing a Manual for the RDCS.

On May 24, 2017, the City Council, by unanimous vote, introduced an ordinance to adopt Section III – Competition Criteria, Standards, and Points of the RDCS Competition Manual.

FISCAL AND RESOURCE IMPACT:

Development of the Manual is within the work plan and budget for the Morgan Hill 2035 Project.

CEQA (California Environmental Quality Act):

An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the RDCS Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074) requirements.

LINKS/ATTACHMENTS:

1. Draft Resolution RDCS Competition Manual
2. Draft RDCS Competition Manual (weblink)
3. Potential Changes to Section IV - Implementation Policies
4. Competition Manual-Section III Adopted June 7, 2017 (Ord. No 2248)
5. 2017 RDCS Competition Schedule Options
6. RDCS Competition Schedule options - graphic comparison
7. DPC/Burgos Proposed 2017 RDCS Timeline
8. RJA Comment Letter 06-09-17

RESOLUTION NO. 17-0XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING SECTION I – COMPETITION MANUAL OVERVIEW, SECTION II – COMPETITION CRITERIA SUMMARY, AND SECTION IV – IMPLEMENTATION POLICIES OF THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) COMPETITION MANUAL (FILE NO. ZA2017-0003)

WHEREAS, a comprehensive update of the City of Morgan Hill Residential Development Control System (RDCS) was approved by voters on November 8, 2016 (Measure S) and became effective on March 1, 2017 and codified in Chapter 18.78 of Title 18 (Zoning) of the Morgan Hill Municipal Code; and

WHEREAS, Section 18.78.100 of the RDCS ordinance requires that the City Council adopt and maintain an RDCS Competition Manual that establishes criteria and point values that the City will use to award allotments to competing residential projects; and

WHEREAS, RDCS Competition Manual Section I provides an overview of the manual and RDCS Competition Manual Section II summarizes the criteria that the City will use to award projects to competing projects; and

WHEREAS, RDCS Competition Manual Section III – Competition Criteria, Standards, and Points, shall be adopted by a separate City Council ordinance; and

WHEREAS, the RDCS Competition Manual (Section IV) will contain policies updating and replacing existing policies to guide the implementation of the RDCS, including City Council Policies: CP-06-01 Early Start of Construction for Residential Projects Awarded a Building Allotment; CP-06-04 Tentative Subdivision Map Approval Prior to the Award of Building Allocations; CP-07-01 Policy for Establishing Procedures for Scoring and Awarding the 100 Allotments Made Available November 2006 – Competition; CP-07-02 Policy for Establishing Procedures for Scoring and Awarding the 100 Allotments Made Available November 2006 – No Competition; CP-07-04 Residential Development Control System Implementation Policies; CP-09-02 Policy Guidance for Decisions on ELBA Requests Filed by Developers; and, CP-09-03 Allocations for On-Going Projects; and

WHEREAS, the Planning Commission, between October 11, 2016 and April 25, 2017, has held 20 public workshops to review, consider input from the community, discuss, and provide feedback on revisions to the RDCS Competition Manual; and

WHEREAS, said RDCS Competition Manual was considered by the Planning Commission at its regular meeting of April 25, 2017 at which time the Planning Commission recommended approval of Ordinance, ZA2017-0003: Residential Development Control System (RDCS) Competition Manual; and

WHEREAS, said RDCS Competition Manual was considered by the City Council at its regular meetings of May 17, 24, and June 21, 2017; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL THAT:

SECTION 1. The proposed RDCS Competition Manual is consistent with the RDCS Ordinance (Chapter 18.78 of the Municipal Code), and the General Plan.

SECTION 2. An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the Residential Development Control System (RDCS) Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074)

SECTION 3. The RDCS Competition Manual shall consist of the sections adopted by this Resolution combined with Section III – Competition Criteria, Standards, and Points adopted by a separate City Council ordinance, and a copy of the RDCS Ordinance as an appendix.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 21st day of June, 2017.

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

APPROVED:

ATTEST:

STEVE TATE, Mayor

IRMA TORREZ, City Clerk

∞ **CERTIFICATION** ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 17-0XX, adopted by the City Council at a regular meeting held on June 7, 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

Potential RDCS Competition Manual Implementation Policy Changes

These proposed RDCS Implementation Policy changes (shown in underline/strikethrough) provide additional interpretation/clarification of the existing RDCS Ordinance (Chapter 18.78 of the Municipal Code) without requiring modification of the existing RDCS Ordinance.

IV. RDCS IMPLEMENTATION POLICIES

A. Schedule for 2017 Competition

All of the following dates, excluding the RDCS application submittal deadline, are tentative and subject to adjustment.

(Preferred Option 3)

March 14	Planning Commission Evaluation and Recommendation of Available Allotments (18.78.110B)
April 19	City Council Determination on Possible Reduction to Available Allotments (18.78.110B)
June 19 <u>September 4</u>	Pre-Competition Orientation (18.78.120A)
August 18 <u>November 3</u>	Pre-Application Review (18.78.130)
September 15 <u>December 5</u>	Pre-Application Review Letter (18.78.130F)
September 29 <u>December 19</u>	Applicant Response to Pre-Application Review Letter (18.78.130G)
October 19 <u>January 4</u>	RDCS Application Submittal Deadline (18.78.120C)
November 2 <u>January 18</u>	General Plan and Zoning Consistency Determination (18.78.120D)
November 20 <u>February 5</u>	Deadline to file General Plan and Zoning Consistency Appeal to City Council
December 4 <u>February 20</u>	Staff Scoring of Applications/Recommendation to Planning Commission (18.78.120E)
December 13 <u>February 28</u>	Appeals of General Plan and Zoning Consistency Heard by City Council
December 19 <u>March 6</u>	Planning Commission Hearing - Project Scores (18.78.120F)
January 3 <u>March 21</u>	Deadline to File Scoring Appeal to City Council
February 7 <u>April 25</u>	Scoring Appeal Heard by City Council
February 12 <u>April 30</u>	Staff Recommendation - Award of Allotments (18.78.120G)
February 27 <u>May 22</u>	Planning Commission Hearing - Award of Allotments (18.78.120H)
March 14 <u>June 6</u>	Deadline to File Allotment Appeal to City Council
April 3 <u>June 27</u>	Allotment Appeal Heard by City Council

* All decisions of the Planning Commission may be appealed to the City Council (18.78.120J)

June 21, 2017

Potential RDCS Competition Manual Implementation Policy Changes

B. Exemptions

The following types of residential projects may be developed without first receiving any allotments:

1. One single-family home on a lot existing as of March 1, 2017;
2. Secondary dwelling units;
3. The conversion of an existing single-family home into a duplex provided that a new detached primary structure is not constructed on the lot or lots;
4. Assisted living/nursing homes (reference Zoning Ordinance for definition); and
5. The annexation of existing dwelling units outside of City limits into the City.

Projects may receive credit for legal residences that exist on the project site at the time of an RDCS application.

H. ~~Development~~RDCS Agreement

Development Agreement as stated within Chapter 18.78 (RDCS) of the Municipal Code shall mean RDCS Agreement. A project's RDCS commitments and deadline to commence construction under the fiscal year building allotment shall be incorporated into an ~~an Development RDCS~~ Agreement approved by the City Council ordinance. Future minor amendments, such as time extensions and allotment adjustments, shall be approved by Planning Commission resolution. Planning Commission decisions are appealable to the City Council.

J. Exercise of Allotments

Allotments must be exercised within 30 months of approval or by an alternative date specified in the ~~Development RDCS~~ Agreement. An allotment is considered exercised with the recordation of a Final Map, issuance of a grading permit, or the commencement of construction if no Final Map or grading permit is required.

A project shall be deemed to have physically commenced construction upon issuance of a building permit for the lot (or each building for multi-family/mixed use projects) and completion of the following improvements: Installation of on-site and off-site improvements including grading and certification of the building pad by the Building Division and completion of one or more of the following: a) Excavation of the footings and foundations for the dwelling units; b) Installation of water or sewer laterals to the relevant units.

Issuance of a grading permit means the issuance of a Grading and On-Site Development Permit by the City's Building Division. The Grading and On-Site Development Permit may not be issued until the project secures all required Planning entitlements.

Allotments granted to a project under the previous RDCS (e.g., Measure C) may, with the approval of an amendment to the project's development agreement, change when the allotments are considered exercised pursuant to Section 18.78.160.A of the RDCS Ordinance (Measure S).



RDCS Competition Manual

City of Morgan Hill



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APPENDIX: RDSCS Ordinance

I. COMPETITION MANUAL OVERVIEW

This RDCS Competition Manual contains the criteria and standards that the City of Morgan Hill uses to award residential allotments to projects. These criteria and standards are consistent with the RDCS ballot measure approved by the voters in 2016, the RDCS Ordinance in Division IV of the Morgan Hill Development Code, and with the growth management goals and policies in the General Plan.

The RDCS Competition Manual is an official City policy document adopted by the City Council on May 17, 2017. The Manual contains the specific rules to award points to competing projects, as well as examples of how these rules are applied and interpreted for sample projects. The Manual will be revised overtime to help the City identify projects that best meet the community's development objectives and award points to competing projects in a predictable and consistent manner.

Following this introduction, the RDCS Competition Manual presents the nine Objectives, which are categories of RDCS competition criteria established by the RDCS ordinance and lists the individual competition criteria within these nine Objectives. The manual then presents each individual standard and criteria with definitions of terms, rules for scoring projects, and example project scoring as needed. The final section of the manual establishes policies and procedures for administering the RDCS competition and award of allotments. The RDCS ordinance is attached to this manual as an appendix.

The Updated RDCS

The Residential Development Control System (RDCS) is Morgan Hill's voter-approved growth management system that limits the total amount and pace of new residential construction and encourages high-quality development that enhances residents' quality of life. The RDCS was first established in 1977 and has been extended and modified multiple times by voters since then.

In November of 2016 the voters approved the current version of the RDCS, known as Measure S. This updated RDCS establishes a maximum population limit of 58,200 in 2035 and a maximum of 215 allotments available each year. The updated RDCS continues the requirement that a residential development project compete for allotments each year, predicated upon the City awarding allotments to projects based on established scoring criteria. Unlike previous versions of the RDCS, the specific competition criteria is contained in this Competition Manual, not in the RDCS Ordinance itself.

The RDCS Ordinance contains rules and requirements that may only be modified by the voters as well as content that may be modified by the City Council without voter approval. Content within the Competition Manual which may be modified only by the voters include the nine City Objectives and limitations regarding the number of points available under these nine Objectives described in the next section. Other contents of this Competition Manual, including the specific competition criteria and standards and the specific point values for each, may be modified by the City Council without voter approval.

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II. COMPETITION CRITERIA SUMMARY

A. Criteria and Points Overview

Section 18.78.100.A (Competition Criteria) of the RDOS Ordinance states that the Competition Manual must establish the criteria that the City will use to award projects to competing projects, and these criteria must advance nine specific City Objectives. Table 1 below lists these nine Objectives, identifies the maximum number of points that may be awarded from criteria that advance the Objectives, and shows the percent of the maximum points that may be awarded for each.

TABLE 1: CRITERIA ADVANCING OBJECTIVES

Objective	Maximum Score	
	Points	Percent
1. Schools	12	6%
2. Location	22	11%
3. Affordable Housing	32	16%
4. Housing Diversity	23	11.5%
5. Parks and Open Space	29	14.5%
6. Environmental Protection	22	11%
7. Transportation	15	7.5%
8. Municipal Infrastructure	10	5%
9. Project Quality	35	17.5%
Total	200	100%

Section 18.78.100.B (Points) of the RDOS Ordinance states that the cumulative total number of points for competition criteria that advance each of the nine Objectives shall be a minimum of 5 percent (i.e., 10 points) and a maximum of 20 percent (i.e., 40 points) of the maximum total number of RDOS competition points (i.e., 200 points). The City Council may adjust the number of points within each Objective by no more than 15 percent of the points available within the Objective the previous year.

B. Specific Criteria and Available Points

Table 2 shows each of the competition criteria for the nine Objectives, the available points for each competition criteria, and the maximum number of points that may be awarded under each Objective. Within each Objective there are typically more *available* points than *maximum* points that may be awarded. For example, within the Location Objective there are 36 available points and 22 maximum points. A project may select any of the 36 available points to maximize its score, but may not be awarded more than 22 points within the Objective. With total available points that exceed maximum points that may be awarded in each Objective, projects have multiple pathways to maximize their scores and may earn points from criteria that are most appropriate for the project type.

Points are intended to be awarded only for projects that provide for excellence in project design and provide a community benefit that exceeds minimum requirements of the City and other governmental agencies. All projects must comply with City standards established in the General Plan, Municipal Code, and other City rules and regulations together with other applicable laws.

To promote long term consistency and reduce uncertainty for applicants for residential development, the City Council may amend competition criteria and point values in the Competition Manual only when necessary and no more frequently than once per year. Annually the Planning Commission reviews and recommends to the City Council any revisions to the competition criteria and/or point values. If amended, competition criteria and/or point values must be established no later than six months prior to the RDCS application submittal deadline.

TABLE 2: RDCS COMPETITION CRITERIA

Criteria	Points Available	Objective Maximum Points
1. Schools	17	12
1-A: Proximity to Schools	5 (6 Senior)	
1-B: Proximity to Schools with Capacity	2	
1-C: Student Transportation Improvements	10	
2. Location	40	22
2-A: Central Core	12	
2-B: Infill Corridors	10	
2-C: Adjacent to Development	3	
2-D: Proximity to Daily Needs	5	
2-E: Proximity to Police and Fire Service	5	
2-F: Areas with Public Utility Capacity	5	
3. Affordable Housing	32	32
3-A: Affordable Housing Fund Contribution	32	
3-B: Development of Affordable Units	32	
4. Housing Diversity	38	23
4-A: Accessory Dwelling Units	3	
4-B: Diversity of Housing Types	8	
4-C: Variation in Housing Size	8	
4-D: Small Units	8	
4-E: Housing Stock Diversity	8	
4-F: Single-Story Homes	3	

5. Parks and Open Space	59	29
5-A: Park Fund Contribution	6	
5-B: Excess Park Land	5	
5-C: Agriculture Conservation or Open Space Easement	9	
5-D: Agriculture Buffer	4	
5-E: Agriculture Preservation or Open Space Fund Contribution	9	
5-F: On-Site Recreational Amenities	8	
5-G: Amenities for All Age Groups	2	
5-H: Public Gathering Places	3	
5-I: Proximity to Public Park	3	
5-J: Open Space Design	10	
6. Environmental Protection	54	22
6-A: Energy Efficiency	6	
6-B: On-Site Solar Energy Generation	10	
6-C: Indoor Water Use	4	
6-D: Outdoor Water Use	12	
6-E: Sustainable Site and Building Design	22	
7. Transportation	31	15
7-A: Bicycle and Pedestrian Improvements	6	
7-B: Transit Improvements	3	
7-C: Off-Site Roadway Improvements or Fund Contribution	6	
7-D: Transportation Demand Management	5	
7-E: Connections to Adjacent Property	3	
7-F: Internal Connections	4	
7-G: EV Charging Stations	4	
8. Municipal Infrastructure	18	10
8-A: Water Infrastructure	3	
8-B: Wastewater Infrastructure	3	
8-C: Storm Water Infrastructure	3	
8-D: Infrastructure and Services Fund Contribution	3	
8-E: Broadband Connectivity	6	
9. Project Quality	58	35

9-A: Exterior Building Design	13	
9-B: Building Placement and Massing	15	
9-C: Site Improvements	7	
9-D: Vehicle Parking and Access	13	
9-E: Public Art	3	
9-F: Smart Homes	4	
9-G: Project Excellence	3	
Total Points Available	347	200

C. Types of Criteria and Project Scoring Examples

There are four general types of RDCS competition criteria: 1) location criteria 2) qualitative criteria; 3) off-site criteria; and 4) voluntary funding criteria.

Location Criteria

Location criteria award points based on the location of a property within the City of Morgan Hill. These points are awarded based on location and therefore cannot be “earned” through project features or contributions. A total of 46 location points are available, primarily within the Location Objective but also in the Schools and Parks and Open Space Objectives. Location criteria are intended to encourage and prioritize infill development and housing close to existing services and infrastructure.

Location Criteria Example: Criteria 2-A (Central Core)

Under Criteria 2-A (Central Core) a project receives 1 to 12 points depending on its distance from Morgan Hill’s central core. A project that is two miles from the central core would receive 1 point. Projects closer to the central core would receive more points, up to 12 points for projects within the central core. The central core boundaries are shown in Figure 2 in Part 3 of the Competition Manual. The distance from the central core is measured using the minimum distance between any portion of a parcel and the central core boundary measured in a straight line.

Qualitative Criteria

Qualitative criteria award points for improvements and design features located on the development site. Up to 238 qualitative points are available, with point opportunities in all Objectives except for Schools and Location. Qualitative points are awarded for project features such as diversity in housing types and sizes, parks and recreational amenities, on-site bicycle and pedestrian facilities, and excellence in site and building design. Qualitative criteria directly benefit project residents as well as the community at large.

Qualitative Criteria Example: Criteria 4-A (Accessory Dwelling Units)

Under Criteria 4-A (Accessory Dwelling Units) a project receives 1 to 3 points for incorporating accessory dwelling units on lots with detached single-family homes. An accessory dwelling unit is a secondary dwelling unit located on the same lot as a detached single-family dwelling and may be either attached or detached from the main home. Under this criteria projects receive 1 point for providing 10 to 20 percent of lots with accessory dwelling units, 2 points for 20 to 30 percent of lots with accessory dwelling units, and 3 points for more than 30 percent of lots with accessory dwelling units.

Off-Site Criteria

Off-site criteria award points for the construction of improvements outside of the project site that would provide a public benefit. A total of 44 off-site points are available for constructing bicycle, pedestrian, and roadway improvements, establishing an agricultural conservation easement, and constructing public utility improvements. Points awarded for off-site improvements are typically based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in improvement value per unit). In some cases the City may accept a financial contribution in-lieu of constructing the improvement to better meet community needs.

Off-Site Criteria Example: Criteria 7-C (Off-Site Street and Parking Improvements)

Under Criteria 7-C (Off-Site Street and Parking Improvements) a project receives up to 6 points for constructing off-site street roadway improvements or providing funds for the construction of off-site street roadway improvements. A project receives 1 point for every \$1,000 in value of improvement per unit. For example, if a 10-unit project constructs off-site street improvements valued at \$20,000, the project would receive 2 points. To receive these points, the off-site improvement must be voluntary and not otherwise required by the City or any other public agency.

Voluntary Funding Criteria

Voluntary funding criteria awards points for financial contributions to City funds used to provide community services and infrastructure. A total of 41 points are available for contributions to City funds for affordable housing, parks and open space, agricultural preservation, transportation improvements, infrastructure, and services. Points awarded for voluntary fund contributions are based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in contribution per unit). Points are awarded only for contributions beyond minimum City fees and are separate from any required development impact fees.

Voluntary Funding Criteria Example: Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution)

Under Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution) a project receives up to 9 points for contributing to the City's agriculture preservation or open space fund beyond the minimum requirement. Points awarded are based on amounts established through the City's Special Funds Ordinance (4 points for \$3,899.09 contributed per unit and 9 points for \$7,798.19 contributed per unit). Based on this a 10-unit project that contributes \$38,990.90 would receive 4 points and a 10-unit project that contributes \$77,981.90 would receive 9 points.

In most cases, a project feature or contribution may not earn a project points in more than one criteria. For example, a project that earns points for installing safe-routes-to-school pedestrian improvements under Criteria 1-C (Student Transportation Improvements) may not also receive points for the same improvement under Criteria 7-A (Bicycle and Pedestrian Improvements). However, there are cases where a project design feature may allow a project to receive points from multiple criteria. For example, a project that incorporates accessory dwelling units may earn points in criteria 4-A (Accessory Dwelling Units) and 4-B (Diversity of Housing Types). Points may be awarded in multiple criteria for a single project feature only where expressly identified in Section III of this manual.

D. Minimum Score

Section 18.78.080.B (Minimum Score) of the RDCS Ordinance states that a project may receive allotments only if it receives a score of at least 80 percent of the total maximum score in the RDCS competition criteria. As shown in Table 1, the total maximum score is 200, so a project must receive at least 160 points (80 percent of 200) to receive allotments.

To receive allotments, a project must receive a minimum score of 18 points, except as provided for under Section III Objective 3 Affordable Housing. For all other Objectives, there is no minimum score to be eligible for allotments. However, to receive at least 160 points, a project would need to receive points from criteria under at least six of the nine Objectives, if not more.

RDCS criteria and point values have been designed to provide a realistic pathway for all types of projects to achieve a minimum score through location and qualitative criteria points. Based on previous RDCS competitions, it is expected that many projects will elect to receive points from off-site and funding contribution in order to achieve a winning score and receive allotments.

III. COMPETITION CRITERIA, STANDARDS, AND POINTS

1. SCHOOLS

Intent: Support safe and convenient access to schools and promote high quality schools in Morgan Hill.

Points Available: See Table 3.

TABLE 3: SCHOOL POINTS AVAILABLE

Criteria	Points Available	
1-A: Proximity to Schools	5	
1-B: Proximity to Schools with Capacity	2	
1-C: Student Transportation Improvements	10	
Total	17	12 Maximum

Criteria 1-A: Proximity to Schools

Standard: The project is within walking distance of one or more Morgan Hill Unified School District (MHUSD) schools.

Points: See Table 4.

TABLE 4: POINTS FOR PROXIMITY TO SCHOOL

Project Location	Points
Walking distance from one school (elementary, middle, or high school)	2
Walking distance from two schools, each serving different grade levels (elementary, middle, or high school)	5

Total Available Points: 5

Senior Projects. Housing projects for senior citizens as defined in Section 51.2 of the State Civil Code will receive an automatic 6 points regardless of proximity to schools.

Scoring Instructions: A project is within walking distance of a school if it is 0.75 miles or less from an elementary school and 1.5 miles or less from a middle or high school.

To be eligible for points, students must be able to walk along a safe route from the project to the school as determined by the MHUSD. A safe route means a continuous sidewalk, pedestrian path, or trail with street crossings, intersection controls, and other physical improvements that reduce potential conflicts between pedestrians, bicyclists, and vehicles. A safe route must be in place at time of application submittal or established by the applicant within the first year of project construction.

The distance to a school is measured as the lineal distance a student would walk, from the project point of entrance nearest to the school to the nearest entrance point of the school grounds.

Schools eligible for points include any MHUSD school or charter school included on the MHUSD official list of existing and planned schools. MHUSD schools and programs which serve all students in the district and don't have specific boundaries (e.g., Community Adult School, Continuation High School) are not eligible for points.

Scoring Example: A project located within walking distance of an elementary school would receive two points. If the project is within walking distance of both an elementary and a middle school, the project would receive five points.

Criteria 1-B: Proximity to Schools with Capacity

Standard: The project is located within walking distance of one or more Morgan Hill Unified School District (MHUSD) schools with capacity to serve new students.

Total Available Points: 2 points

Scoring Instructions: To be eligible for points, the project must be located within walking distance of an elementary, middle, or high school that has capacity to house the number of students that the development would yield as determined by the MHUSD in writing prior to the RDCS competition application deadline.

For multi-year projects, the project shall retain the points received during the first phase.

The requirements for walking distance, safe routes to schools, rules of measurement, and eligible schools for Criteria 1-B above also apply to Criteria 1-C.

Criteria 1-C: Student Transportation Improvements

Standard: The project contributes funds or constructs off-site pedestrian, bicycle and/or vehicle access improvements for Morgan Hill Unified School District (MHUSD) schools within the Morgan Hill Sphere of Influence.

Points: 1 point for every \$1,000 of improvement value per unit; and/or 1 point for every \$1,000 in funds contributed per unit.

Total Available Points: 10 points

Scoring Instructions: A project may receive points if it constructs sidewalks, pedestrian paths, trails with street crossings, intersection controls, vehicle access enhancements, and other physical improvements that reduce potential conflicts between pedestrians, bicyclists, and vehicles. Improvements must facilitate a safe route to school for pedestrians and bicyclists from the project to a MHUSD school. A project may also receive points for contributing funds to the City's Safe Access to Schools Fund to be used by the City to construct physical improvements to enhance safe student access to MHUSD schools.

2. LOCATION

Intent: Encourage infill projects adjacent to existing development and close to existing community services and facilities.

Points Available: See Table 5.

TABLE 5: LOCATION POINTS AVAILABLE

Criteria	Points Available	
2-A: Central Core	12	
2-B: Infill Corridors	10	
2-C: Adjacent to Development	5	
2-D: Proximity to Daily Needs	5	
2-E: Proximity to Police and Fire Service	5	
2-F: Areas with Public Utility Capacity	5	
Total	42	22 Maximum

Criteria 2-A: Central Core

Standard: The project is in or near Morgan Hill's central core.

Points: See Table 6.

TABLE 6: POINTS FOR CENTRAL CORE

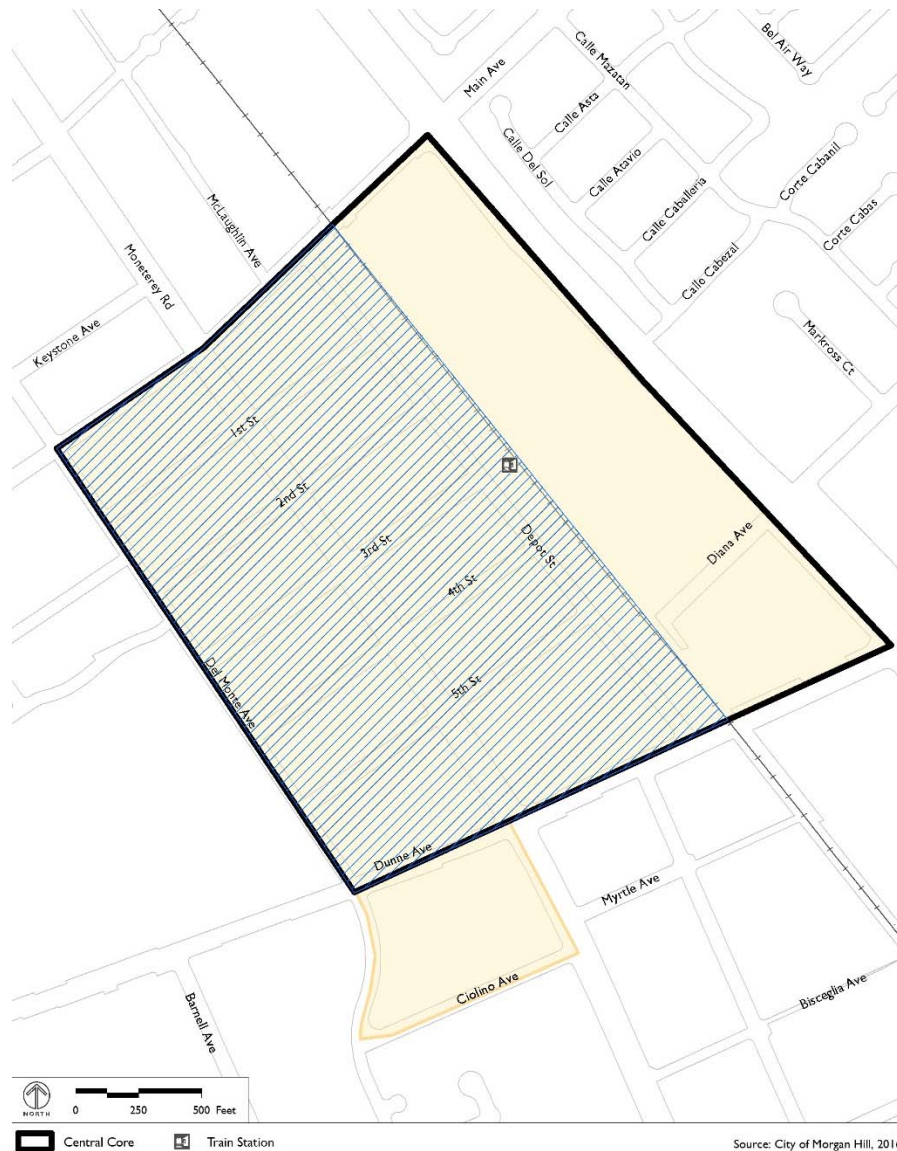
Project Distance from Central Core	Points
Within two miles	2
Within one mile	4
Within three-quarters mile	6
Within one-half mile	8
Within one-quarter mile	10
Within the Central Core	12

Total Available Points: 12

Scoring Instructions: Central core boundaries are shown in Figure 1. The distance from the central core is measured using the minimum distance between any portion of a parcel and the central core boundary measured in a straight line.

If any portion of a project is within a distance from the central core shown in Table 6, the project may receive the total number of points corresponding to that distance. For example, if any portion of the project area is within a half mile of the central core, the project may receive 4 points.

FIGURE 1: CENTRAL CORE BOUNDARIES



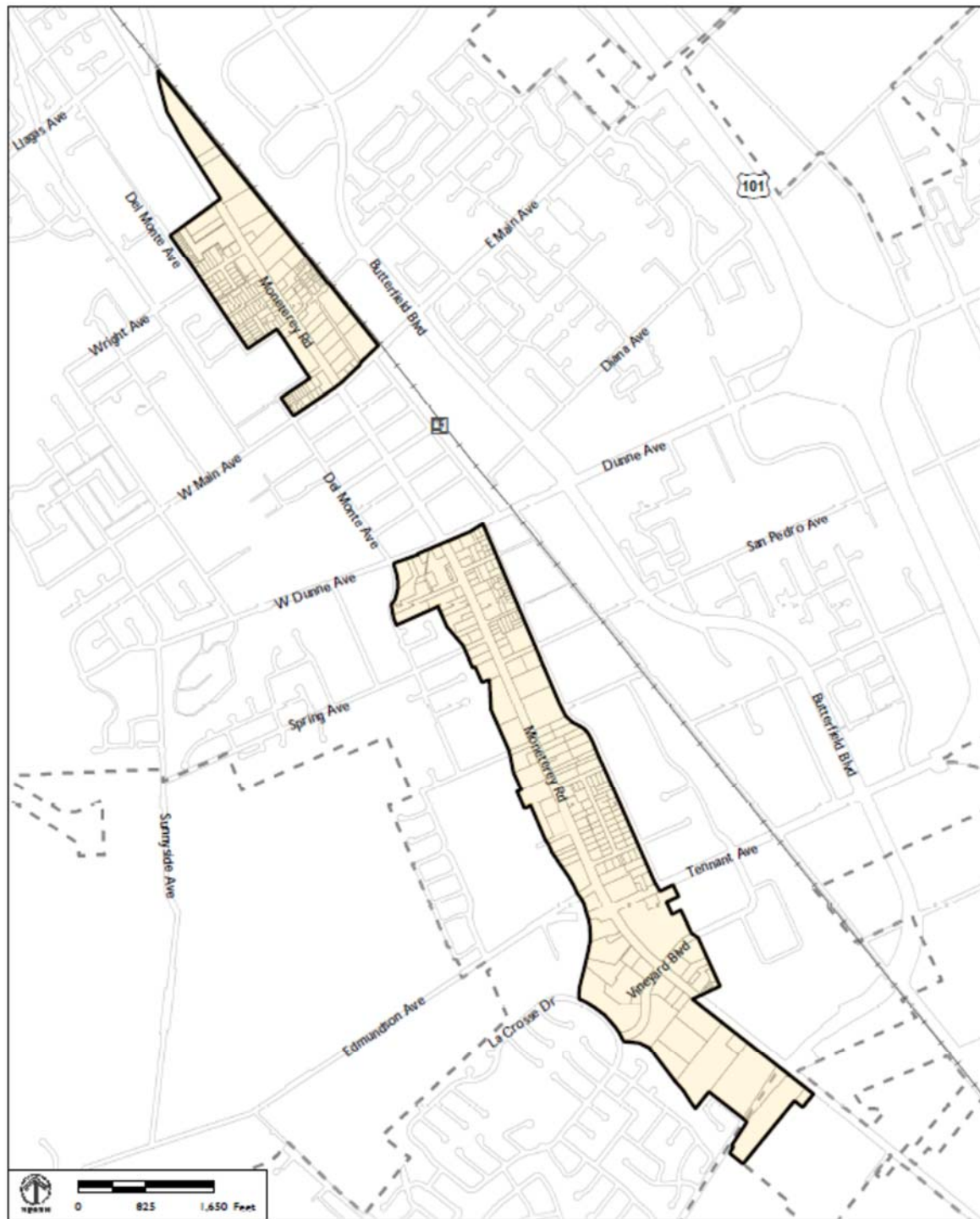
Criteria 2-B: Infill Corridors

Standard: The project is located in an infill corridor as shown in Figure 2.

Points: 10 points for projects located in the Monterey Road infill corridor.

Total Available Points: 10

FIGURE 2: INFILL CORRIDORS



Source: City of Morgan Hill, 2017; Placeworks, 2017.

Criteria 2-C: Adjacent to Development

Standard: The project is adjacent to land that is developed, utilized to its ultimate potential, or that requires no further discretionary approvals for development.

Points: See Table 7.

TABLE 7: POINTS FOR ADJACENT TO DEVELOPMENT

Percent of Project Boundary Adjacent to Existing Development	Points
25% to less than 50%	2
50% to less than 75%	3
75% to 100%	5

Total Available Points: 5

Scoring Instructions: A project boundary is adjacent to existing development if the project boundary abuts the property line of the adjacent development or is across a street from the existing development. Existing development means the following:

- Property in Morgan Hill's city limits with at least 95 percent of its contiguous land area developed or utilized to its ultimate potential use according to the General Plan or applicable zoning.
- Land in unincorporated Santa Clara County owned or under control (i.e., permanent easement) of a public agency that is developed or utilized to its ultimate potential use according to the County's General Plan or applicable zoning.
- Privately owned, non-agricultural (designated Rural County or greater) land in unincorporated Santa Clara County that is utilized to its ultimate potential according to the City's General Plan.
- Undeveloped property which by RDCS Application submittal deadline of the competition year has received final map approval, tentative map and development agreement approval for projects with previously completed phase(s), or for which building permits have been issued.

Criteria 2-D: Proximity to Daily Needs

Standard: The project is within walking distance of non-residential land uses that meet residents' daily needs.

Points: See Table 8.

TABLE 8: POINTS AVAILABLE FOR PROXIMITY TO DAILY NEEDS

Project Distance from Two or More Different Land Use Categories	Points
Within three-quarters mile	1
Within one-half mile	3
Within one-quarter mile	5

Total Available Points: 5

Scoring Instructions: Land use categories are as follows:

1. Community-serving retail, such as a supermarket, pharmacy, or convenience store.
2. Restaurants and cafes.
3. Personal services, such as bank, salons, and medical offices.
4. Public and quasi-public uses such as places of worship; community centers; and parks, trails and recreational facilities.
5. An existing or planned bus or rail transit stop or station.

A single establishment may not be counted in two categories (e.g., retail establishment may be counted only once even if it also contains a café). Establishments in a mixed-use building may each count if they are distinctly operated enterprises with separate exterior entrances. No more than two of the minimum number of land use categories can be situated in a single building or under a common roof.

The distance to a land use category is measured as the lineal distance a pedestrian would walk, from the average center point of housing in a project to the nearest entrance point of the land use category.

Criteria 2-E: Proximity to Police and Fire Service

Standard: The project is located within the established response time of one or more fire stations.

Points: See Table 9.

TABLE 9: POINTS AVAILABLE FOR PROXIMITY TO FIRE STATIONS

Standard	Points
The project is located within the established response time of the police station	2 point
The project is located within the established response time standard of one fire station	1 point
The project is located within the established response time standard of two or more fire stations	3 points

Total Available Points: 5

Scoring Instructions: Determinations of whether a project is located within an established response time and eligible for points under this criteria shall be made by the Community Development Director in consultations with the City of Morgan Hill Police and Fire Departments.

Three fire stations serve Morgan Hill: the El Toro Fire Station (18300 Old Monterey Road) the Dunne Hill Fire Station, (2100 E. Dunne Avenue), and the CAL FIRE station (15670 Monterey Road). The Fire Department's current response time is eight minutes.

The Morgan Hill Police Department headquarters is located at 16200 Vineyard Boulevard. The Police Department's aims to respond to Priority One calls within 5 minutes and Priority Two calls within 8 minutes.

Criteria 2-F: Areas with Public Utility Capacity

Standard: The project is located in areas with sufficient public utility capacity to serve the project.

Points: See Table 10.

TABLE 10: POINTS FOR PROXIMITY TO MUNICIPAL SERVICES AND FACILITIES

Standard	Points
Local water distribution lines are of sufficient size to serve the proposed project. The project does not require replacing existing local water distribution lines with larger diameter pipes. New water mains to serve the site do not need to be installed.	2 points
The existing wastewater collection system is sufficient to serve the proposed project. The project does not require extending or replacing existing sewer pipes or lift stations outside of the project site.	2 points
Existing off-site storm drainage facilities are sufficient to serve the project.	1 point

Total Available Points: 5

3. AFFORDABLE HOUSING

Intent: Increase the supply of affordable housing in Morgan Hill.

Points Available: See Table 11.

TABLE 11: AFFORDABLE HOUSING POINTS AVAILABLE

Criteria	Points Available	
3-A: Affordable Housing Fund Contribution	22 or 32 depending on project type	
3-B: Development of Affordable Units	32	
Total	32	32 Maximum

Minimum Score: 18 (for-sale projects) and 10 (rental projects)

***Unlike other objectives, projects must receive a minimum score in the Affordable Housing Objective to be eligible for allotments.** The minimum score is 18 points for projects where individual units will be sold to buyers (for-sale projects) and 10 points for projects where individual units will be occupied by renters (rental projects).

Automatic Points – Rental Projects. Rental projects shall receive an automatic 10 points within this Objective without contributing to the City's affordable housing fund or constructing BMR units. However, if the State adopts legislation specifically authorizing cities to establish inclusionary housing requirements for rental housing, rental projects will not receive automatic points and must contribute to the City's affordable housing fund and/or construct BMR units to receive points.

Criteria 3-A: Affordable Housing Fund Contribution

Standard: The project makes a voluntary contribution to the City's affordable housing fund.

Points: See the following tables:

- Table 12 for projects with 12 units or more, excluding single-family detached projects where all home lots are 12,000 square feet or more.
- See Table 13 for single-family detached projects with 12 units or more where all home lots are 12,000 square feet or more.
- See Table 14 for projects with 11 units or less, including single-family detached projects where all home lots are 12,000 square feet or more.

TABLE 12: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND – PROJECTS WITH 12 OR MORE UNITS EXCLUDING SINGLE-FAMILY DETACHED PROJECTS WHERE ALL HOME LOTS ARE 12,000 SQUARE FEET OR MORE

Contribution to Affordable Housing Fund	Points
20% of baseline contribution	2
30% of baseline contribution	4
40% of baseline contribution	6
50% of baseline contribution	8
60% of baseline contribution	10
70% of baseline contribution	12
80% of baseline contribution	14
90% of baseline contribution	16
Baseline contribution	18
110% of baseline contribution	20
120% of baseline contribution	22

TABLE 13: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND – SINGLE-FAMILY DETACHED PROJECTS WITH 12 UNITS OR MORE WHERE ALL HOME LOTS ARE 12,000 SQUARE FEET OR MORE

Contribution to Affordable Housing Fund	Points
20% of baseline contribution	2
30% of baseline contribution	4
40% of baseline contribution	6
50% of baseline contribution	8
60% of baseline contribution	10
70% of baseline contribution	12
Baseline contribution	18
150% of baseline contribution	28

TABLE 14: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND – PROJECTS WITH 11 UNITS OR LESS

Contribution to Affordable Housing Fund	Points
Baseline contribution	26
110% of baseline contribution	29
120% of baseline contribution	32

Total Available Points: 22 for projects with 12 units or more, 32 for projects with 11 units or less, 29 for single-family detached projects with 12 or more units and all home lots 12,000 square feet or more.

Scoring Instructions: The baseline contribution to the City's affordable housing fund is set by the City Council and may change from year to year. In 2016, the City Council set the baseline contribution at \$12.92 per square foot of livable space of the entire project. A project with 12 or more units receiving points for contributing to the City's affordable housing fund may also receive points for incorporating BMR units within the projects from Criteria 3-B provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed 24. A project with 11 units or less may receive points only from Criteria 3-A or 3-B, not both. The City uses 12 units as the threshold because a project with 12 units can build one on-site BMR unit (8 percent of total project units) whereas a project with 11 or fewer units cannot.

Project Scoring Example: A proposed project contains 56 units, each with 2,000 square feet of floor area, with 112,000 square feet total within the project. The baseline contribution would be \$1,447,000 (112,000 x \$12.92) or \$25,840 per unit. If the project contributes the baseline amount of \$1,447,000, the project would receive 18 points. If the project contributes 120 percent baseline contribution (\$1,736,000), the project would receive 22 points.

Criteria 3-B: Development of Affordable Units

Standard: The project incorporates below market rate (BMR) units within the project.

Points: See Tables 15, 16, 17, and 18.

TABLE 15: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, MARKET RATE FOR-SALE PROJECTS

Percent of Total Project Units			Points
70% AMI	80% AMI	90% - 120% AMI (see scoring instructions)	
-	4%	4%	20
4%	-	4%	24
-	6%	2%	28
8%	-	-	32

TABLE 16: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, AFFORDABLE FOR-SALE PROJECTS

Percent of Total Project Units					Points
70% AMI	80% AMI	90% AMI	100% AMI	120% AMI	
-	-	20%	40%	40%	20
		20%	50%	30%	24
	10%	10%	40%	40%	28
20%	30%	30%	20%	-	32

TABLE 17: POINTS FOR DEVELOPMENT OF AFFORDABLE RENTAL UNITS, MARKET RATE PROJECTS

Percent of Total Project Units			Points
30% AMI	50% AMI	80% AMI	
-	-	8%	20
-	4%	4%	24
-	6%	2%	28
4%	4%	-	32

TABLE 18: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, AFFORDABLE RENTAL PROJECTS

Percent of Total Project Units			Points
30% AMI	50% AMI	80% AMI	
-	30%	70%	20
5%	35%	60%	24
10%	40%	50%	28
10%	50%	40%	32

“AMI” means Area Median Income for Santa Clara County as established by the U.S. Department of Housing and Urban Development (HUD)

Total Available Points: 32

Scoring Instructions: Points shall be awarded and monitored consistent with the City of Morgan Hill’s Below Market Rate Housing Program policies and procedures. When a calculation produces a fraction of a unit less than one-half, the applicant shall pay the corresponding fraction of the standard housing fee. A fraction of one-half or greater requires one additional BMR unit. If a project receives the maximum 32 points for constructing BMR units and pays the corresponding fraction of the standard housing fee, the project does not receive additional points for the fractional housing fee. A project with 12 units or more receiving points for incorporating BMR units within the project may also receive points for contributing to the City’s affordable housing fund from Criteria 3-A provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed 32.

Affordability levels to receive points for units affordable at the “90% to 120% AMI” level in a market rate for sale project (Table 13) depend on the unit type, as follows:

- Multi-Family (Condominiums): 90% AMI
- Attached Single-Family: 100% AMI
- Small Detached Single-Family (up to 2,000 square feet): 110% AMI
- Large Detached Single-Family (up to 2,000 square feet): 120% AMI

For market rate for-sale projects (Table 15) to be eligible for points, BMR units must comply with the City Council approved BMR unit policies, including but not limited to the following:

- BMR units must be distributed throughout project and integrated with the market rate units rather than separated from the market rate units and/or concentrated together within one location within the project.
- The floor area of each BMR unit shall be no less than the floor area of the smallest market rate unit of the same housing type.
- Housing type (e.g., detached single-family home, multi-family) for the BMR units must be generally proportionate to the market rate housing type(s) within the project. For example, if two-thirds of the units in a project are detached single-family homes and one-third are multi-family, roughly two-thirds of the BMR units must be located in the single-family portion of the project.
- BMR units for a detached single-family project may be in the form of duets if duets are a permitted housing type in the applicable zoning district (e.g., R-1 7,000 and R-1 9,000). Triplex BMR units are allowed in zoning districts that permit duplex units. Only one BMR unit is allowed per duplex or triplex building.

4. HOUSING DIVERSITY

Intent: Encourage a diverse housing stock in Morgan Hill.

Points Available: See Table 19.

TABLE 19: HOUSING DIVERSITY POINTS AVAILABLE

Criteria	Points Available	
4-A: Accessory Dwelling Units	3	
4-B: Diversity of Housing Types	8	
4-C: Variation in Housing Size	8	
4-D: Small Units	8	
4-E: Housing Stock Diversity	8	
4-F: Single-Story Homes	3	
Total	38	23 Maximum

Criteria 4-A: Accessory Dwelling Units

Standard: The project incorporates accessory dwelling units on lots with detached single-family homes.

Points: See Table 20.

TABLE 20: POINTS FOR ACCESSORY DWELLING UNITS

Percentage of Detached Single-Family Lots with Accessory Dwelling Units	Points
10 to 20 percent	1 points
20 to 30 percent	2 points
More than 30 percent	3 points

Total Available Points: 3

Scoring Instructions: Accessory dwelling units are secondary dwelling units located on a lot occupied by a detached single-family dwelling. Accessory dwelling units must be a permanent structure and include provisions for living, sleeping, eating, cooking, and sanitation and have a private entry accessed from the exterior of the building. Accessory dwelling units may be either detached from or attached to the primary dwelling on the lot. To be eligible for points, accessory dwelling units must comply with development standards for new secondary units in Chapter 18.55 (Secondary Dwelling Units) in the Zoning Code.

Scoring Example: A project contains 10 single-family detached homes and 10 single-family attached (townhome) units. Two of the detached single-family homes feature an accessory dwelling unit on the same lot. The project would receive 2 points as twenty percent of the detached single-family lots contain accessory dwelling units.

Criteria 4-B: Diversity of Housing Types

Standard: The project contains a diversity of housing types.

Points: See Table 21 and 22.

TABLE 21: POINTS AVAILABLE FOR DIVERSITY OF HOUSING TYPES FOR PROJECTS WITH 16 OR MORE UNITS.

Number of Different Housing Types in the Project	Points
2	4 points
3	8 points

TABLE 22: POINTS AVAILABLE FOR DIVERSITY OF HOUSING TYPES FOR PROJECTS WITH UP TO 15 UNITS.

Number of Different Housing Types in the Project	Points
2	8 points
3	12 points

Total Available Points: 8 for projects with 16 or more units. 12 for projects with up to 15 units.

Scoring Instructions: To be eligible for points, a housing type must constitute at least 10 percent of total number of units in the project. Different housing types are defined as follows:

1. **Multiple-Story Detached Single-Family Home.** A residential structure on its own lot designed for occupancy by one household with two or more stories of living space.
2. **Single-Story Detached Single-Family Home.** A residential structure on its own lot designed for occupancy by one household with one story of living space.
3. **Accessory Dwelling Unit.** An accessory dwelling unit located on the same lot as a detached single-family home. Accessory dwelling units may be attached to or detached from the primary home on the lot.
4. **Single-Family Attached.** Single-family homes attached to one or more other single-family homes in a linear arrangement, either as multiple townhome units per parcel or one townhome unit per parcel.
5. **Courtyard Housing.** Detached single-family homes with entrances oriented toward a shared common area.
6. **Custom Lots.** Lots left undeveloped for future development by the lot buyer.
7. **Duplex or Duet.** A building that contains two dwelling units, each with its own entrance.
8. **Triplex or Quadplex.** A single residential structure that contains three or four dwelling units, with each unit having its own entrance.
9. **Multi-Family.** A Structure that contains three or more dwelling units that share one or more common entries.
10. **Vertical Mixed Use.** A building with commercial uses on the grounds floor and three or more multi-family or condominium units on the upper floors.

A unit may qualify as only one housing type even if it meets the definition for two or more housing types. For example, a single-story detached single-family home oriented towards a shared common area may qualify only as courtyard housing (housing type number 5 above), not courtyard housing and single-story detached single-family home (housing type number 2 above).

Scoring Examples: A 100-unit project with 90 detached single-family homes and 10 townhome units would receive six points as both the detached single-family homes and townhome units constitute 10 percent or more of the total project units. A 100-unit project with 50 detached single-family homes, 25 duplex units, 25 townhome units, and 25 single-story detached single-family homes would receive 12 points as the three housing types each constitute 10 percent or more of the total project units.

Criteria 4-C: Variation in Housing Size

Standard: The project includes a diversity of housing sizes.

Points: See Tables 23 and 24.

TABLE 23: POINTS AVAILABLE FOR DIVERSITY OF HOUSING SIZE FOR PROJECTS WITH 16 OR MORE UNITS.

Number of Different Housing Size Categories in the Project	Points
2	3 point
3	6 points
4	8 points

TABLE 24: POINTS AVAILABLE FOR DIVERSITY OF HOUSING SIZE FOR PROJECTS WITH UP TO 15 UNITS.

Number of Different Housing Size Categories in the Project	Points
2	6 point
3	9 points
4	12 points

Total Available Points: 8 for projects with 16 or more units. 12 for projects with up to 15 units.

Scoring Instructions: Diversity of housing types is calculated by determining the percent of units that are in two or more housing size categories. Housing size categories for multi-family projects is based on the number of bedrooms. For all other housing types housing size categories are based on square footage of the unit. To be eligible for points, the number of units in a housing size category must constitute at least 10 percent of total number of units in the project.

Housing size categories for multi-family housing types are as follows:

1. Studio apartment
2. One-bedroom
3. Two-bedroom

4. Three-bedroom
5. Four-bedroom or more

For all other housing types (single-family detached, duplex, etc.) and for projects with both multi-family units and other housing types, a project shall be considered to have two or more different size categories only if there is a minimum 35 percent variation between the smallest and largest floor plan the project. In such a case, every floor plan that varies in size from another floor plan by 200 square feet or more shall be considered a different housing size category.

Scoring Example: A proposed project contains ten detached single family homes with two different floor plans. The smaller floor plan is 2,000 square feet and the larger floor plan is 3,000 square feet. The project would receive six points because there is 50 percent variation in size between the smallest and largest floor plans and more than 200 feet in variation between the two floor plans.

Criteria 4-D: Small Units

Standard: The project includes small dwelling units.

Points: See Table 25.

TABLE 25: POINTS AVAILABLE FOR SMALL UNITS

Percent Small Units	Points
10	4 points
20	5 points
30	6 points
40	7 points
50 or more	8 points

Total Available Points: 8

Scoring Instructions: Small units are defined as follows:

- **Detached Single-Family Home:** Less than 1,700 square feet
- **Single-Family Attached:** Less than 1,500 square feet
- **Duplex or Duet:** Less than 1,500 square feet
- **Triplex or Quadplex:** Less than 1,250 square feet
- **Multi-Family:** Less than 1,000 square feet (rental); 1,200 square feet (ownership)

Unit square footage means total livable building area excluding garages. Unit type definitions are the same as in Criteria 4-B.

Scoring Example: A 100-unit project with 10 detached single-family homes less than 1,700 square feet would receive 4 points. A 100-unit project with 10 detached single-family homes less than 1,700 square feet and 10 duplex units less than 1,250 square feet would receive 6 points.

Criteria 4-E: Housing Stock Diversity

Standard: The project adds housing types that are underrepresented in Morgan Hill’s citywide housing stock.

Points: See Table 26.

TABLE 26: POINTS AVAILABLE FOR HOUSING STOCK DIVERSITY

Housing Type	Points
Courtyard Housing	4 points
Multi-Family Owner Occupied	6 points
Market-rate Senior	8 points
Multi-Family Rental	8 points
Vertical Mixed Use (owner-occupied or rental)	8 points

Total Available Points: 8

Scoring Instructions: Unit type definitions are the same as in Criteria 4-B. To be eligible for points, the housing type must constitute 75 percent or more of the total project housing units.

Scoring Example: A 100-unit project with 25 detached single-family homes and 75 townhomes would receive 4 points. A 100-unit project with 40 detached single-family homes and 60 townhomes would not receive any points under this criteria, but may be eligible for points under Criteria 4-B.

Criteria 4-F: Single-Story Homes

Standard: The project includes single-story single-family homes.

Points: See Table 27.

TABLE 27: POINTS FOR SINGLE-STORY SINGLE-FAMILY HOMES

Percentage of Single-Story Single-Family Homes	Points
25 percent	1 point
50 percent	2 points
75 percent	3 points
100 percent	4 points

Total Available Points: 4

Scoring Instructions: Percentage is calculated by dividing the number of single-story single-family homes in the project by the total number of units (regardless of type) within the project. A story is defined in accordance with Zoning Code Section 18.04.415 (Story).

Scoring Example: A 100-unit project that includes 50 single-story detached single-family homes would receive 2 points. If all units within the project are single-story detached single-family homes, the project would receive 4 points.

5. PARKS AND OPEN SPACE

Intent: Provide high quality parks and recreational facilities, encourage publicly accessible outdoor amenities, and preserve open space and agricultural land.

Points Available: See Table 28.

TABLE 28: PARKS AND OPEN SPACE POINTS AVAILABLE

Criteria	Points Available	
5-A: Park Fund Contribution	6	
5-B: Excess Park Land	5	
5-C: Agriculture Conservation or Open Space Easement	9	
5-D: Agriculture Buffer	4	
5-E: Agriculture Preservation or OS Fund Contribution	9	
5-F: On-Site Recreational Amenities	8	
5-G: Amenities for All Age Groups	2	
5-H: Public Gathering Places	3	
5-I: Proximity to Public Park	3	
5-J: Open Space Design	10	
Total	9	29 Maximum

Criteria 5-A: Park Fund Contribution

Standard: The project contributes to the City's park fund beyond the minimum requirement.

Points: 1 points for every \$1,000 contributed per unit.

Total Available Points: 6

Scoring Instructions: To be eligible for points, the project must contribute funds in addition to the minimum required park impact fee and fees in lieu of park land dedication. Contributed funds may be used by the City to fund acquisition and maintenance of parks.

The required park impact fee is identified in the current City of Morgan Hill Fee Schedule as adopted by the City Council. Minimum requirements for payment of fees in lieu of park land dedication are established in Chapter 17.28 (Land Dedications and Reservations) in Title 17 (Subdivisions) of the Morgan Hill Municipal Code. The Community Development Director shall estimate the minimum park land dedication in-lieu fee for competing projects using the standards and formula in Chapter 17.28 (Land Dedications and Reservations). Minimum in-lieu fee estimates are prepared only for the purpose of awarding points for the RDCS competition. Actual in-lieu fee requirements will be determined at the time of subdivision approval and may be different from these estimates.

Criteria 5-B: Excess Park Land

Standard: The project provides land for parks beyond the minimum City park land requirement.

Points: See Table 29.

TABLE 29: POINTS FOR EXCESS PARK LAND

Park Land Provided in Excess of Minimum City Requirement	Points	
	16 or more units	
10%	3	
20%	4	
30%	5	
40%	6	
50%	7	

*Includes custom lot projects

Total Available Points: 7

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 7 points under Criteria 5-B without dedicating any park land.

Scoring Instructions: Minimum park land dedication and private park requirements are in Chapter 17.28 (Land Dedications and Reservations) in Title 17 (Subdivisions) of the Morgan Hill Municipal Code. The Community Development Director shall estimate the minimum required park land for competing projects using the standards and formula in Section 17.28.060 (Acreage Required – Formula).

Minimum park land estimates are prepared only for the purpose of awarding points for the RDCS competition. Actual dedication requirements will be determined at the time of subdivision approval and may be different from these estimates.

To be eligible for points under this criteria, projects must comply with the following requirements:

- Park land must be either a) within the project boundaries; or a) adjacent to the project boundaries and owned or controlled by the project applicant.
- Land for parks shall be consistent with the City of Morgan Hill Parks, Facilities & Recreation Program Master Plan, the General Plan, and any other adopted City policy or ordinance concerning park and recreational facilities.
- Either: a) Dedicated park land shall be deeded to the City for public park purposes, or b) Private park land for use by residents shall be maintained by the home owners association or other similar maintenance entity.
- The calculation of park land may not include yards, court areas, setbacks and other open areas required by the Zoning Code, Building Code, or other City ordinances. Points may not be awarded to passive open space or landscape buffer areas deeded to a homeowners' association.

Project Scoring Example: Section 17.28.060 (Acreage Required – Formula) of the Subdivision Ordinance states that 0.01 acres of land per dwelling unit shall be provided as a park in a single-family subdivision. Assuming a 100-unit single-family subdivision, the minimum required dedication of park land would be 1.0 acres. Providing 1.5 acres of park land would exceed the minimum requirement by 50 percent and would receive 5 points.

Criteria 5-C: Agriculture Conservation or Open Space Easement

Standard: The project establishes an agriculture conservation easement consistent with the City's agriculture conservation easement policy or an open space easement.

Points: 9 points

TABLE 30: POINTS FOR EASEMENTS

Type of Easement	Points
Agriculture Conservation	9
Open Space	9

Total Available Points: 9

Scoring Instructions: Points may be awarded for projects that establish one of the following: an agriculture conservation easement or an open space easement. Points are awarded only for one type of easement. A project may not receive points for establishing a second or third type of easement on the property.

Agriculture Easement

Establishment of an agriculture conservation easement shall occur in a manner consistent with Municipal Code Chapter 18.85 (Agricultural Lands Preservation Program). If a project is required to establish an agriculture conservation easement to mitigate the loss of agricultural land pursuant to Chapter 18.85, points may be awarded only for establishing an agriculture conservation easement beyond the minimum 1:1 mitigation ratio required by Chapter 18.85.

To be eligible for points, an agriculture conservation easement must be established within the Morgan Hill Sphere of Influence (SOI). The property subject to the easement must be of adequate size, configuration, and location to be viable for continued agricultural use and must meet the criteria for "eligible mitigation lands" as established in Municipal Code Section 18.85.090 (Eligible Mitigation Lands).

Open Space Easement

To be eligible for points, an open space easement must be established within the Morgan Hill Sphere of Influence (SOI). The property subject to the easement must be of adequate size, configuration, and location to protect and/or preserve open space and natural resources as identified in the General Plan. Natural resources include but are not limited to agricultural lands, undeveloped open space, scenic hillsides, habitat for sensitive species, and riparian areas and aquatic habitat as defined in the General Plan Natural Resources and Environment Element. There is no minimum size for the easement provided the City determines the easement to be of adequate size, configuration, and location to preserve open space or protect natural resources.

Project Scoring Example: A proposed project that converts five acres of agriculture land to non-agricultural use proposes the establishment of a five-acre agricultural conservation easement on adjacent agricultural land to satisfy the agricultural mitigation requirement in Municipal Code Chapter 18.85. If the project establishes an additional agricultural conservation easement on a property separate from the easement used for mitigation, the project would receive five points. There is no minimum size for the additional easement eligible for points provided the property subject to the easement meets the criteria for “eligible mitigation lands” as established in Municipal Code Section 18.85.090 (Eligible Mitigation Lands).

Criteria 5-D: Agriculture Buffer

Standard: The project establishes and agriculture buffer easement.

Points: 4

Scoring Instructions. To be eligible for points, a project shall establish an open space easement to provide a buffer between active agricultural operations and new development. The City determines the size and configuration of the buffer is adequate to minimize future conflicts between the new residential use and the existing agricultural operation.

Criteria 5-E: Agriculture Preservation or Open Space Fund Contribution

Standard: The project contributes to the City’s agriculture preservation or open space fund beyond the minimum requirement.

Points: See Table 31.

TABLE 31: POINTS FOR AGRICULTURE PRESERVATION OR OPEN SPACE FUND CONTRIBUTION

Contribution Amount	Points
Single: \$3,899.09 per unit*	4
Double: \$7,798.19 per unit*	9

* Adjusts annually.

Total Available Points: 9

Scoring Instructions: Contribution to the City’s agriculture preservation fund shall occur in a manner consistent with Municipal Code Chapter 18.85 (Agricultural Lands Preservation Program). If a project is required to pay an agricultural preservation in-lieu fee to mitigate the loss of agricultural land pursuant to Chapter 18.85, points may be awarded only for the amount of the contribution to the City’s agriculture preservation fund in that exceeds the required in-lieu fee.

Project Scoring Example: A 10-unit project that converts one acre of agricultural land pays an in-lieu mitigation fee of \$14,960 to satisfy the minimum requirement in Chapter 18.85. If the project contributes an additional \$38,990.90 beyond the required mitigation fee, the project would receive 4 points.

Criteria 5-F: On-Site Recreational Amenities

Standard: The project provides on-site recreational amenities to serve residents.

Points: See Table 32. Points identified in Table 24 are for each individual amenity included in the project.

Total points. Total points awarded to a project under this criteria will be the sum of points for each individual amenity up to a maximum of eight points.

TABLE 32: POINTS FOR ON-SITE RECREATIONAL AMENITIES

	Points for Each Amenity Provided			
Project Size	Tier 1	Tier 2	Tier 3	Tier 4
1 to 15 units	6	8		
16 to 50 units	2	3	4	-
51-100 units	1	2	3	4
101-150 units	0	1	2	3
151+ units	0	0	1	2
201+ units	0	0	1	1

Recreational amenities eligible for points are divided into the four tiers as follows:

Tier 1 amenities:

- Shuffleboard
- Horseshoes
- Bowling green w/artificial turf
- Passive recreation area and/or gardens
- Passive water feature (e.g., fountain)
- Picnic/barbeque area

Tier 2 amenities:

- Cabana or shade trellis area
- Two picnic/barbeque areas
- Clubhouse
- Volleyball court and/or Bocce ball court

- Outdoor racquetball/handball tilt-up wall
- Dog Park (add one point more with dog wash station)
- Sauna and/or Jacuzzi
- Tree grove as approved by the community development director or designated staff.
- Community garden plots (minimum one forty-eight-square-foot plot per each ten dwelling units) with water service
- ½ court basketball (one hoop)
- Bridle paths
- Bocce ball
- Artificial turf putting green

Tier 3 amenities:

- Softball field
- Sports court and/or 2 1/2-court basketball courts (two hoops)
- Restroom area
- ½ scale soccer field
- Tot lots (age appropriate play equipment/minimum three activities; can be integrated in structure)
- Jacuzzi and separate child wading pool (for projects between twenty and fifty units zoned R-2, R-3 or higher density development)
- Tennis court
- Recreation hall
- Exercise room
- Clubhouse w/ kitchen

Tier 4 amenities:

- Swimming pool (for projects of fifty-one or more units zoned R-2, R-3 or higher density development)

Small and Micro Projects: Projects with up to 15 units with no usable common open space or shared recreational amenities, including custom lot projects, shall automatically receive 8 points under Criteria 5-F without providing on-site recreational amenities.

Scoring Instructions: Points awarded are based on the number and type of recreational amenities for different project sizes as shown in Table 30. Projects with 50 or fewer units may receive points for a maximum of one Tier 1 amenity. Projects with 50 to 150 units may receive points only for Tier 2, 3 and 4 amenities. To be eligible for points, projects with more than 150 units must provide at least two Tier 3 or Tier 4 amenities. For a project of more than 150 units, two Tier 2 amenities may count as one Tier 3

amenity if the project provides at least one Tier 3 amenity. Projects with between 201 and 300 units must provide two Tier 3 amenities before two Tier 2 amenities may be counted as one Tier 3 amenity. Projects over 300 units must provide three Tier 3 amenities before two Tier 2 amenities may be counted as one Tier 3 amenity.

The Planning Commission may award points for unlisted amenities that provide recreational amenities to a level similar to those described above.

Total Available Points: 8

Project Scoring Example: A 25-unit project includes common open space with shuffleboard court, horseshoe area, and a volleyball court. The project would receive a total of four points with one point awarded for the shuffleboard court, one point for the horseshoe area, and two points for the volleyball court.

Criteria 5-G: Amenities for Age Groups

Standard: The project provides on-site social and recreational amenities for various age groups.

Points: 2

Total Available Points: 1 or 2 (two age groups = 1; all age groups =2)

Scoring Instructions: To be eligible for points, a project must provide on-site social and recreational amenities specifically designed to meet the unique needs of all age groups, including children, teens, adults, and seniors. Examples of amenities appropriate for different age groups include the following:

- **Children:** tot lots, children’s wading pool
- **Teens:** Outdoor spaces for socializing, recreational equipment that provides physical challenge (e.g., skate park), indoor recreational amenities (pool tables, table tennis)
- **Adults:** Indoor gym, outdoor picnic/barbecue area
- **Seniors:** Walking paths, low-impact outdoor exercise equipment designed for seniors (“senior playgrounds”)

Criteria 5-H: Public Gathering Places

Standard: The project provides publicly accessible outdoor gathering places and open space in higher density and more urban settings.

Points: 1 point per \$1,000 value of amenity per unit.

Total Available Points: 3

Scoring Instructions: To be eligible for points, a project must provide one or more outdoor public gathering places such as plazas, courtyards, and parks that exceed minimum City requirements. Points awarded for the criteria are intended for projects located Downtown and in other higher intensity areas

with pedestrian activity. To receive points, the public gathering place must comply with the following standards:

- **Location:** The public gathering places space must be located close to pedestrian activity, along streets, or where pathways intersect. Open spaces must support an integrated pedestrian network by providing on-site and off-site connections to the open space.
- **Activity:** For public gathering places incorporated into to mixed use development with ground commercial uses, active ground-floor uses (e.g., retail or restaurants) must be located uses along the edge of a courtyards and plazas.
- **Visibility and Access:** Plazas, courtyards, and other similar spaces must open to public sidewalks and building entrances to provide visibility and access opportunities along project frontages.
- **Seating:** Usable open spaces must include well-designed seating, such as seat walls, free-standing elements, fixed and moveable seating, and other seating options.
- **Year-Round Use:** Open space must be usable year-round with features such as awnings, wind breaks, and sun shades, umbrellas, or other similar features that provide shelter from the elements.

Criteria 5-I: Proximity to Public Parks

Standard: The project is within walking distance of a public park or recreational facility.

Points: See Table 33.

TABLE 33: POINTS AVAILABLE FOR PROXIMITY TO PUBLIC PARKS

Project Distance from Public Park	Points
Within three-quarters mile	1
Within one-half mile	2
Within one-quarter mile	3

Total Available Points: 3

Scoring Instructions: To be eligible for points, the project must be located within walking distance of a City of Morgan Hill or Santa Clara County park with recreational amenities available for public use without charge. The distance to the park is measured as the lineal distance a pedestrian would walk, from the average center point of housing in a project to the nearest entrance point of the park.

Criteria 5-J: Open Space Design

Standard: The project provides common open space and outdoor amenities that enhance project residents' quality of life and the overall project design quality.

Points: See Table 34.

TABLE 34: POINTS FOR OPEN SPACE

Open Space	Points
1. Outdoor Rooms. The project designs open spaces to function as “outdoor rooms” for common use of project residents. As outdoor rooms, open spaces feature amenities such as seating areas, shade structures and play equipment to create inviting places that encourage resident activity and interaction.	2
2. Size. The project provides common open space areas of sufficient size for the use and enjoyment of residents. The project does not fulfill its minimum common open space requirement primarily through small patches of unconnected open space areas which individually are of insufficient size to serve as a useful recreational amenity for residents.	1
3. Edges. The project uses buildings, fences, walls, and landscaping to define the edges of common open space.	2
4. Visibility. The project locates open space area so that they can be viewed from individual units, preferably from the kitchen, living room, or dining room.	2
5. Adjacent Units. The project maximizes the number of units that are immediately adjacent to common open space. Units not immediately adjacent to common open space can access open space areas through pedestrian connections separate from drive aisles and vehicle parking lots.	2
6. Landscape. The project incorporates exceptional landscape design in common open space areas to create a unique and welcoming environment for residents.	2
7. Existing Trees. The project retains existing native trees on the property which, if removed, would require a tree removal permit in accordance with Municipal Code Chapter 12.32 (Restrictions on Removal of Significant Trees).	1
8. Rear Yard Open Space. For detached single family and duplex/duet projects, rear-yard usable open space is 25 percent or more than the minimum rear setback area required by the applicable zoning. or	2
9. Backyard Improvements. Finished (e.g., landscape, hardscape, irrigation) backyard improvements are installed by the developer.	1

10. Private Open Space - Attached Projects. For attached projects, usable private open space for ground floor units is 25 percent or more than required by the applicable zoning and finished private open space improvements are installed by the developer.	2
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Total Available Points: 10

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, with no common open space, shall automatically receive 6 points under Criteria 5-J.

6. ENVIRONMENTAL PROTECTION

Intent: Encourage protection of natural resource and promote the City’s environmental sustainability goals.

Points Available: See Table 35.

TABLE 35: ENVIRONMENTAL PROTECTION POINTS AVAILABLE

Criteria	Points Available	
6-A: Energy Efficiency	6	
6-B: On-Site Solar Energy Generation	10	
6-C: Indoor Water Use	4	
6-D: Outdoor Water Use	12	
6-E: Sustainable Site and Building Design	22	
Total	54	22 Maximum

Criteria 6-A: Energy Efficiency

Standard: The project exceeds the minimum building energy efficiency required by the California Energy Code.

Points: See Table 36.

TABLE 36: POINTS FOR ENERGY EFFICIENCY

Energy Efficiency Beyond Minimum Requirement	Points
5%	2
10%	4
15%	6

Total Available Points: 6

Scoring Instructions: Energy use and efficiency is calculated as the aggregate of all buildings within a project. To receive points, a project must show a reduction in its energy budget compared to the standard design building, as calculated by Title 24, Part 6 Compliance Software certified by the California Energy Commission.

Criteria 6-B: On-Site Solar Energy Generation

Standard: The project incorporates on-site solar energy generation systems to provide energy for on-site use.

Points: See Table 37.

TABLE 37: POINTS FOR ON-SITE SOLAR ENERGY GENERATION

Project's annual electrical energy cost provided from an on-site solar energy generation system	Points
60%	4
70%	6
80%	8
90%	10

Total Available Points: 10

Scoring Instructions: Percentage of energy generated from on-site renewable sources must be demonstrated using a building energy performance simulation tool consistent with industry standards.

Criteria 6-C: Indoor Water Use

Standard: The project exceeds the minimum indoor water efficiency and conservation requirements of the California Green Building Standards Code (CalGreen).

Points: See Table 38.

TABLE 38: POINTS FOR INDOOR WATER EFFICIENCY AND CONSERVATION

Water Efficiency Beyond Minimum Requirement	Points
5%	2
10%	4

Total Available Points: 4

Scoring Instructions: Applicants shall demonstrate attainment of water efficiency standards utilizing methods consistent with CalGreen and industry standards.

Criteria 6-D: Outdoor Water Use

Standard: The project reduces outdoor water use through water efficiency landscaping and irrigation.

Points: See Table 39.

TABLE 39: POINTS FOR OUTDOOR WATER USE

Standard	Points
Less than 50% of landscaped area contains natural turf	2
The project contains no natural turf outside of common areas used for active play	4
The project exceeds outdoor water efficiency standards by 10 percent	2
The project exceeds outdoor water efficiency standards by 20 percent	4
The project exceeds outdoor water efficiency standards by 30 percent	6

The project installs subsurface irrigation for all natural turf areas	2
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Total Available Points: 12

Scoring Instructions: The project's outdoor water efficiency shall be calculated in accordance with Morgan Hill Municipal Code Chapter 18.73 (Water Conservation in Landscaping). Standards (a) and (b) and standards (c) and (d) are mutually exclusive; points for all other standards may be combined.

Criteria 6-E: Sustainable Site and Building Design

Standard: The project incorporates sustainable building site design features beyond the minimum requirements of the California Green Building Standards Code (CalGreen).

Points: 1 point for every 2 Build It Green Point (BIG) over the minimum required by Chapter 15.65 of the City of Morgan Hill Municipal Code

Total Available Points: 22

Scoring Instructions: Applicants shall use the current Build It Green Checklist maintained by the City of Morgan Hill. A project may receive Build It Green Points only for measures beyond the minimum requirements of the California Green Building Standards Code adopted by the City of Morgan Hill. Consistent with Chapter 15.65 of the City of Morgan Hill Municipal Code, Community points in the Build It Green checklist are excluded from the sustainability standard and the project is required to meet minimum point requirements within the checklist categories (energy, water, resource, and indoor air quality).

If construction on a project has not commenced within 3 years of initial award of allotments, project must use Build It Green checklist in effect at the time of application for building permits.

7. TRANSPORTATION

Intent: Support a balanced and efficient transportation system for pedestrians, cyclists, public transit, and automobiles that maintains quality of life in residential neighborhoods.

Points Available: See Table 40.

TABLE 40: TRANSPORTATION POINTS AVAILABLE

Criteria	Points Available	
7-A: Bicycle and Pedestrian Improvements	6	
7-B: Transit Improvements	3	
7-C: Off-Site Roadway Improvements or Fund Contribution	6	
7-D: Transportation Demand Management	5	
7-E: Connections to Adjacent Property	3	
7-F: Internal Connections	4	
7-G: EV Charging Station	4	
Total	31	15 Maximum

Criteria 7-A: Bicycle and Pedestrian Improvements

Standard: The project constructs pedestrian and bicyclist improvements beyond the minimum requirement.

Points: 1 point for every \$1,000 in improvements constructed per unit.

Total Available Points: 6

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points under Criteria 7-A without constructing pedestrian and bicyclist improvements.

Scoring Instructions: Improvements may be on-site or off-site consistent with the City's Bikeways Master Plan. Points may be awarded only for the construction of improvements that exceed improvements normally required as a condition of approval for a subdivision map or other project permit. For example, the City would not typically award points for the installation of a bikeway along the property frontage identified as a future bikeway in the City's Bikeways Master Plan as the installation of this bikeway would be a typical condition for the approval of a proposed subdivision.

To be eligible for points, bicycle improvements must be consistent with the City of Morgan Hill Bikeways Master Plan. Types of bicycle improvements may include construction of bicycle paths, lanes, and routes; repair of existing facilities, installation of bicycle racks and lockers, and installation of way-finding signs.

Types of pedestrian improvements may include installation of new sidewalks, enhanced street crossings, ADA-compliant curb ramps, mid-block crossings, traffic calming measures, and curb extensions.

Points may be awarded for creative or innovative amenities that support bicycling and walking, including but not limited to secure indoor bicycle storage for each unit, shared bicycle repair facilities, and car sharing facilities.

Criteria 7-B: Transit Improvements

Standard: The project constructs bus stop or other bus transit improvements beyond the minimum requirement

Points: 1 point for every \$1,000 in value of improvement per unit.

Total Available Points: 3

Scoring Instructions: Points may be awarded only for the construction of improvements that exceed improvements normally required as a condition of approval for a subdivision map or other project permit. For example, the City would not typically award points for the installation of a bus turnout along the property frontage if the City's General Plan or other policy documents identify the location as requiring the turnout. The requirement to install the turnout or other similar improvement would be a typical condition for the approval of a proposed subdivision to comply with and achieve consistency with the General Plan.

Types of improvements eligible for points include bus shelters, benches, reinforced street sections or bus pullout areas, information signs and displays, enhanced pedestrian access, security enhancements, and landscaping. These improvements must be located on an approved or planned Valley Transportation Agency (VTA) transit route and accepted by the VTA for maintenance. A letter from the VTA must be submitted confirming VTA's acceptance and maintenance of the proposed bus stop. For planned bus routes, the VTA letter shall provide confirmation of the future bus route extension. This standard may apply to a bus stop constructed in the initial or previous phase that would serve subsequent phases of the same development.

There is no geographic requirement for improvements - points may be awarded for improvements located outside of the project boundary or away from the immediate vicinity of the project.

Criteria 7-C: Off-Site Street and Parking Improvements or Fund Contribution

Standard: The project constructs and/or funds off-site street roadway improvements.

Points: 1 point for every \$1,000 in value of improvement per unit.

Total Available Points: 6

Scoring Instructions: To be eligible for points, a project must provide for the dedication and/or improvement of extensions to existing streets and/or shared parking lots outside of the project boundaries. Shared parking must be subject to an agreement between property owners to ensure the continued availability of shared parking. Projects which offer to complete adjacent or nearby off-site

street or parking improvements which were committed to be installed by another project under a previously approved application will not receive points for the same commitment. To be eligible for points improvements must be voluntary and not otherwise required by the City or any other public agency.

After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the Public Works Director determines that the in-lieu funds will allow for street and parking improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 7-D: Transportation Demand Management

Standard: The project incorporates transportation demand management (TDM) measures

Points: See Table 41.

TABLE 41: POINTS FOR TRANSPORTATION DEMAND MANAGEMENT MEASURES

Building Design Feature and Construction Method	Points
The project contributes to the City's transportation fund to be used to provide city-wide TDM programs	1 per \$1,000 contributed per unit, up to 2
For rental projects, the project establishes a TDM program that incorporates three or more TDM measures	1 to 3

Total Available Points: 5

Scoring Instructions: To be eligible for points, TDM measure must be in excess of those required as environmental mitigation and may not be used to receive point under other competition criteria. Rental projects may receive one point for committing to maintain a TDM program for the life of the project that incorporates three or more of the following TDM measures:

- Free transit passes for residents.
- Free car share membership for residents.
- On-site cargo bicycle available for residents' use.
- Operation of a dedicated shuttle service during the peak period to a rail station.
- Operation of a commute assistance center, offering on site, one stop shopping for transit and commute alternatives information.
- Installation of shared office facilities for the use of residents to facilitate telecommuting and home-based employment. high bandwidth connections in employees' homes to the Internet to facilitate home telecommuting.
- Other similar measures as approved by the Planning Commission.

Criteria 7-E: Connections to Adjacent Property

Standard: The project maximizes connections to adjacent property for vehicles, bicyclists, and pedestrians.

Points: See Table 42.

TABLE 42: POINTS FOR CONNECTIONS TO ADJACENT PROPERTY

Connection to Adjacent Property	Points
For projects abutting developed land, the project aligns and connects streets intersecting the project boundary with all adjoining streets.	1
For projects abutting undeveloped land, the project extends streets to the adjoining undeveloped land to provide access to undeveloped land in the event of its future development.	1
The project provides off-street bicycle and pedestrian connections to adjacent destinations, including parks, open space, transit facilities, and commercial areas. Connections must be established and maintained through an easement, dedication or other similar method to guarantee it remains accessible to the general public.	1

Total Available Points: 3

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points under Criteria 7-E.

Criteria 7-F: Internal Connections

Standard: The project maximizes internal connections within the project for vehicles, bicyclists, and pedestrians.

Points: See Table 43.

TABLE 43: POINTS FOR INTERNAL CONNECTIONS

Internal Connection	Points
The project incorporates “complete streets” that meet the needs of multiple users, including motorists, bicyclists, pedestrians, transit users, and persons of different physical capabilities.	1
The project incorporates enhanced bicycle and pedestrian improvements such as bicycle storage facilities, traffic calming measures, intersection crossings, and wayfinding signage.	1
The project provides direct pedestrian connections from units to common open space, recreational facilities, and other project amenities.	1

The project incorporates neighborhood traffic management techniques, such as traffic circles, narrow lanes, and bulbouts, to control vehicle speeds and increase the safety of bicycle and pedestrian travel.	1
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Total Available Points: 4

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points under Criteria 7-F.

Criteria 7-G: Electric Vehicle Charging Stations

Standard: The project provides electric vehicle charging stations beyond minimum requirements.

Points: 1 point per charging station.

Maximum Points: 4

Scoring Instructions. Charging stations shall be publicly available for use by all project residents and visitors. The developer shall install all connections and equipment necessary for the charging stations to be ready to use by residents and visitors upon project completion. Technical specifications for charging stations and related improvements shall be as required by the Building Official upon time of installation.

8. MUNICIPAL INFRASTRUCTURE

Intent: Encourage the efficient use of public infrastructure and services.

Points Available: See Table 44.

TABLE 44: MUNICIPAL INFRASTRUCTURE POINTS AVAILABLE

Criteria	Points Available	
8-A: Water Infrastructure	3	
8-B: Wastewater Infrastructure	3	
8-C: Storm Water Infrastructure	3	
8-D: Infrastructure and Services Fund Contribution	3	
8-E: Broadband Connectivity	6	
Total	18	10 Maximum

Criteria 8-A: Water Infrastructure

Standard: The project constructs off-site water infrastructure improvements beyond minimum requirements.

Points: 1 point for every \$1,000 in improvements constructed per unit

Total Available Points: 3

Scoring Instructions: Off-site water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the Public Works Director, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the Public Works Director determines that the in-lieu funds will allow for water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-B: Wastewater Infrastructure

Standard: The project constructs off-site wastewater infrastructure improvements beyond minimum requirements.

Points: See Table 45.

TABLE 45: POINTS AVAILABLE FOR WASTEWATER INFRASTRUCTURE

Standard	Points
The project provides off-site extensions or replacement of wastewater collection pipes and lift stations beyond minimum requirements.	1 point for every \$1,000 in improvements constructed per unit

Total Available Points: 3

Scoring Instructions: Off-site waste water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the Public Works Director, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the Public Works Director determines that the in-lieu funds will allow for waste water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-C: Storm Water Infrastructure

Standard: The project utilizes low impact development (LID) techniques and/or constructs storm water improvements beyond minimum requirements.

Points: See Table 46.

TABLE 46: POINTS AVAILABLE FOR STORM WATER INFRASTRUCTURE

Standard	Points
The project reduces the volume of off-site storm water flows beyond minimum requirements using low impact development (LID) techniques.	2 points
The project provides off-site stormwater infrastructure improvements beyond minimum requirements.	1 point for \$1,000 in improvements constructed

Total Available Points: 3

Scoring Instructions: Low-Impact Development (LID) is a stormwater management approach that manages rainfall on the site through landscape features that infiltrate, filter, store, evaporate and detain stormwater at the source. LID techniques integrate green space, native landscaping, natural hydrologic functions, and other techniques to generate less runoff from developed land. City LID requirements can be found in the City's Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements (2015). The applicant is required to demonstrate that the LID techniques specifically proposed will result in water quality and flood control benefits to the project site and community.

Off-site storm water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the Public Works Director, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the Public Works Director determines that the in-lieu funds will allow for storm water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-D: Infrastructure and Services Fund Contribution

Standard: The project contributes water, sewer, storm drain funds greater than the minimum required.

Points: 1 point for every \$1,000 contributed.

Total Available Points: 3

Criteria 8-E: Broadband Connectivity

Standard: The project provides advanced broadband connectivity.

Points: See Table 47.

TABLE 47: POINTS AVAILABLE FOR COMMUNICATION TECHNOLOGY

Standard	Points
The project installs broadband conduit in the public right-of way.	2
The project installs broadband conduit from the public right-of-way to each home or occupied building in the project.	1
The project pre-installs indoor conduit, wiring and other necessary infrastructure so that broadband service may be provided to each unit.	1
The project provides primary broadband service to each unit from a competitive telecommunications company (i.e., a company other than Frontier or Charter)	6

Total Available Points: 6

Scoring Instructions: Broadband means telecommunications service capable of supporting digital data transmission at minimum download speeds of 25 Mbps. To be eligible for points, projects must install conduit each with at least two pull cables and of sufficient size and quality to accommodate multiple future broadband providers. At least one conduit shall remain empty and reserved for use by a potential future broadband service provider. Points for providing broadband service from a competitive telecommunications company may not be combined with points for installing conduit pathways within the right-of way, from the right-of-way to buildings, and within buildings.

9. PROJECT QUALITY

Intent: Encourage exceptional project design at the neighborhood, site, and building scale.

Points Available: See Table 48.

TABLE 48: PROJECT QUALITY POINTS AVAILABLE

Criteria	Points Available	
9-A: Exterior Building Design	13	
9-B: Building Placement and Massing	15	
9-C: Site Improvements	7	
9-D: Vehicle Parking and Access	13	
9-E: Public Art	3	
9-F: Smart Homes	4	
9-G: Project Excellence	3	
Total	58	35 Maximum*

*The maximum score for Criteria 9-A through 9-F is 32. The Planning Commission may award an additional 3 points for Criteria 9-G for a total maximum score of 35.

Criteria 9-A: Exterior Building Design

Standard: Exterior architectural elements support walkable and attractive neighborhoods.

Points: See Table 49.

TABLE 49: POINTS FOR EXTERIOR BUILDING DESIGN

Building Design Features	Points
1. Front Porches. A minimum of 50 percent of homes facing a street or common interior courtyard include a front porch. Porches must be part of the home's primary entrance, connected to the front yard or common interior courtyard, a minimum of 6 feet by 5 feet, and in full view of the street or common interior courtyard. Multi-family projects may earn points if 50 percent of ground floor units with exterior entrances include a porch.	1 (attached) 3 (detached)
2. Balconies Facing Street or Courtyard. A minimum of 25 percent of homes facing a street or common interior courtyard include a balcony overlooking a public space. Balconies must provide usable private outdoor space for residents, be in full view of a street or common interior courtyard, and face away from neighbors' yards to maintain privacy. Multi-family projects may earn points if 25 percent of upper floor units facing a street or common interior courtyard include a balcony.	1

3. Balconies Facing Alleys. A minimum of 25 percent of homes abutting a shared alley include a balcony overlooking the alley, parking area, or drive aisle. Multi-family projects may earn points if 25 percent of upper floor units facing an alley, parking area, or drive aisle include a balcony.	1
4. Façade Articulation and Finishes – Front building facades feature quality façade articulation and finishes to break up blank, flat walls and provide visual interest. Example façade articulation include but are not limited to windows, shutters, awnings, balconies, bay windows, and stone enhancements.	1 (attached) 3 (detached)
5. 360-degree Architecture. The project features full and consistent articulation and design detail on all building facades.	1 (attached) 3 (detached)
6. Corner Treatments. For projects where the side or rear of a home faces a street or common courtyard street, the project incorporates enhanced treatments of these side and rear facades to support a welcoming and visually interesting public realm.	1
7. Colors and Materials. The project incorporates a mix of exterior finish materials and colors that is compatible with the architecture of the homes and enhances visual interest.	1 (attached) 3 (detached)
8. Multi-family Ground Level Entrances. For multi-family residences, the project provides as many private, exterior ground-level entries to individual units as possible.	1
9. Individual Residences – Attached Projects. Large buildings are architecturally subdivided so that they appear as individual residences or small groups of units. Buildings incorporate features such as window bays, balconies, porches and entrance vestibules, varied color schemes, and individual roof volumes to define individual units.	4
10. Residential-Scale Design Elements – Attached Projects. Buildings incorporate design details, including but not limited to porches, projections, eaves, bay windows, and other similar architectural elements, that provide residential scale and help to break up the building mass.	1

Total Available Points: 13 (attached); 15 (detached)

Criteria 9-B: Building Placement and Massing

Standard: The placement of buildings on lots, orientation of units to the street, and configuration of building height and volume supports a high-quality design environment.

Points: See Table 50.

TABLE 50: POINTS FOR BUILDING PLACEMENT AND MASSING

Building Placement and Massing Features	Points
1. Entrance Orientation – Collector and Residential Streets. The primary entrance of homes face streets along the project perimeter for projects: • Fronting an existing residential or collector street; or • Located Downtown or in the Monterey Road corridor.	2
2. Entrance Orientation – Single-Family Detached Projects/Arterial Streets. The primary entrances of detached single-family homes outside of Downtown or the Monterey Road corridor do not face an arterial street. Project perimeters along arterial streets feature landscaping, fences, walls, and other improvements that create visual interest and support a pedestrian-friendly environment.	2
3. Variation in Building Height. The project incorporates variation in building heights to minimize monotony and enhance visual interest.	2
4. Variation in Building Placement. The project incorporates variation in building front setbacks and placement on lots to minimize monotony and enhance visual interest.	2
5. Roof Line Variation. Variation in roof lines through changes in roof height and form break of building massing and create visual interest.	2
6. Upper Floor Set Back – Detached Homes. A minimum of 50 percent of detached single-family homes feature second stories stepped back a minimum of 10 feet from the street-facing ground floor building wall.	2
7. Upper Floor Set Back – Attached Homes. Upper floors of attached housing types facing a street are stepped back a minimum of 10 feet from the street-lower floor building wall.	1
8. Height and Project Edge – Attached Projects. The project minimizes building heights along the project edge and locates larger buildings towards the interior of the site.	1
9. Separate Structures – Attached Projects. Large projects divide units into multiple separate structures. Maximum number of units per structure is as follows: • Attached single-family (townhomes): 5 units maximum per structure • Multi-family: 10 units maximum per structure	4
10. Adjacent Building Types– Attached Projects. The project matches building types along project edge with adjacent land that is developed to its ultimate	1

potential use according to the General Plan or applicable zoning. For example, the project locates detached single-family homes along the project perimeter when facing existing detached single-family homes in an area zoned for detached single-family homes.	
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Total Available Points: 12 (detached); 15 (attached)

Criteria 9-C: Site Improvements

Standard: Landscaping and other site improvements contribute to a high-quality design environment.

Points: See Table 51.

TABLE 51: POINTS FOR SITE IMPROVEMENTS

Site Improvements	Points
1. Landscaping – Parkway Design. The project provides a landscape parkway along the street 50 percent wider than the minimum required for the street type. Street trees and pedestrian-scale lighting within or adjacent to the parkway exceed minimum requirements and help create a distinctive and memorable design environment. For private streets with no minimum parkway standard, projects may receive points for exceed the width of an equivalent public street standard.	2
2. Landscaping – Visual Relief. Landscaping is placed and designed to minimize the appearance of building bulk and mass and to emphasize building features that create visual interest and support a pedestrian-friendly environment.	1
3. Exterior Lighting. Exterior lighting fixtures are architecturally integrated with the primary building's design, style, material, and colors.	1
4. Entrance Pathways. The project provides a direct pathway connection from a public sidewalk to the primary entrance of each unit or building adjacent to the sidewalk. For buildings and units oriented towards interior common open space, points may be awarded if direct pathway connection is provided from the open space to each unit or building facing the open space.	1
5. Public/Private Transitions. The project includes transition zones between private and public spaces along the street frontage through the use of landscaping, fences, trellises, walls, or a change in floor elevation.	1
6. Mechanical Equipment. All mechanical equipment is screened from the public right-of-way and common areas enclosed with an architecturally compatible structure. Equipment closures are screened through landscaping.	1

Total Available Points: 7**Criteria 9-D: Vehicle Parking and Access**

Standard: The project minimizes visual impacts from on-site vehicle access and parking facilities.

Points: See Table 52.

TABLE 52: POINTS FOR VEHICLE PARKING AND ACCESS

Vehicle Parking and Access Features	Points
1. Garage Door Orientation. Garage doors do not face the front street. Garages are configured on the site such that garage doors face either the side or rear of the property.	3
2. Garage Door Design – Minimizing Visual Dominance. For garage doors that face the front street, garage doors and entrances are designed to be visually subservient to other building elements through methods such as increasing garage door setbacks, incorporating greenery within the driveway, and other methods.	1
3. Garage Door Design - Detailing. Garage doors feature enhanced windows or architectural detailing consistent with the main dwelling.	1
4. Garage Configuration. No more than 50 percent of single-family homes feature an identical garage configuration. Garage configuration may include front loaded attached, front loaded detached, side loaded, and rear loaded garages.	1
5. Parking – Attached Projects. The project locates parking lots serving attached residential units at the rear or side of the site to allow a majority of dwelling units to front on the street or an internal courtyard. Parking is not located between a building and any public sidewalk or street.	1
6. Screening. Parking visible from a public street is screened with fences, walls, and/or landscaping to the greatest extent possible.	1
7. Landscaping – Attached Projects. The project incorporates landscaping to soften the appearance of off-street parking areas and private drive aisles in attached single family and multi-family projects	1
8. Setback Areas. For detached single-family projects, paved areas and hard surface for vehicle access and parking occupies not more than 50 percent of the front and street-side setback area.	1

9. Pavement Design. Areas for vehicle parking and circulation feature enhanced paving finishes such as stone, brick, and colored and textured concrete that complement the architectural style of buildings.	2
10. Clustered Units. Parking for clustered single-family units use a shared driveway that minimizes the amount of overall hardscape and maximizes the amount of landscaping to screen driveway.	1

Total Available Points: 13

Criteria 9-E: Public Art

Standard: The project incorporates public art to create a livable and visually stimulating environment.

Points: 1 point for every \$1,000 in artwork cost per unit.

Total Available Points: 3

Scoring Instructions: Public art means privately funded, constructed, and maintained artwork located on private property, but which also provides a public benefit, or on public property pursuant to City approval. The public art must be located in areas on the site clearly visible from the public street or sidewalk or in publicly accessible outdoor areas. Public art must be displayed in a manner that will enhance its enjoyment by the general public.

Artwork costs include all costs associated with the selection, acquisition, purchase, commissioning, design, fabrication, placement, installation, or exhibition of the public art. Public art may include sculpture, murals, photography and original works of graphic art, earthworks, fiber works, waterworks, neon, glass, mosaics, or any combination of forms of media, furnishing or fixtures permanently affixed to the building or its grounds, and may include architectural features of the building or elements of landscape design. The creator of public art shall be a practitioner in the visual arts who is not a member of the project engineering, architecture or landscape architecture firm.

Criteria 9-F: Smart Homes

Standard: The project accommodates or provides home automation devices that are connected to and controlled through a digital network.

Points: See Table 53.

TABLE 53: POINTS AVAILABLE FOR SMART HOMES

Standard	Points
The project installs home automation devices within units.	1 per \$1,000 in device value per unit
The project installs home automation devices within units that reduce energy consumptions, such as devices that automatically adjust lighting, heating, and air conditioning.	1 per \$1,000 in device value per unit

Total Available Points: 4

Scoring Instructions: A home automation device means a household device, appliance, or fixture that is connected to a digital network and controlled remotely by the resident. Example home automation devices include, but are not limited to major homes appliances (refrigerators, freezers, ovens washers/dryers), heaters and air conditions, thermostats, lighting systems, locks and home security, doorbells, and home theatre and entertainment systems.

Criteria 9-G: Project Excellence

Standard: The project incorporates exceptional features as determined by the Planning Commission.

Points: See Table 54

TABLE 54: POINTS AVAILABLE FOR PROJECT EXCELLENCE

Planning Commission Vote	Points
Majority	1
Super-Majority	2
Unanimous	3

Total Available Points: 3

Scoring Instructions: Points may be awarded to projects that demonstrate exceptional consistency with policies under Goal CNF-11 in the General Plan City and Neighborhood Form Element as determined by the Planning Commission. Points for Planning Commission votes (majority, super-majority, unanimous) are based on Planning Commissioners present. Super-majority means one vote more than a majority vote. When making its decision the Planning Commission will consider information provided by staff.

IV. RDGS IMPLEMENTATION POLICIES

A. Schedule for 2017 Competition

March 14	Planning Commission Evaluation and Recommendation of Available Allotments (18.78.110B)
April 19	City Council Determination on Possible Reduction to Available Allotments (18.78.110B)
June 19	Pre-Competition Orientation (18.78.120A)
August 18	Pre-Application Review (18.78.130)
September 15	Pre-Application Review Letter (18.78.130F)
September 29	Applicant Response to Pre-Application Review Letter (18.78.130G)
October 19	RDGS Application Submittal Deadline (18.78.120C)
November 2	General Plan and Zoning Consistency Determination (18.78.120D)
November 20	Deadline to file General Plan and Zoning Consistency Appeal to City Council
December 4	Staff Scoring of Applications/Recommendation to Planning Commission (18.78.120E)
December 13	Appeals of General Plan and Zoning Consistency Heard by City Council
December 19	Planning Commission Hearing - Project Scores (18.78.120F)
January 3	Deadline to File Scoring Appeal to City Council
February 7	Scoring Appeal Heard by City Council
February 12	Staff Recommendation - Award of Allotments (18.78.120G)
February 27	Planning Commission Hearing - Award of Allotments (18.78.120H)
March 14	Deadline to File Allotment Appeal to City Council
April 3	Allotment Appeal Heard by City Council

* All decisions of the Planning Commission may be appealed to the City Council (18.78.120J)

B. Exemptions

The following types of residential projects may be developed without first receiving any allotments:

1. One single-family home on a lot existing as of March 1, 2017;
2. Secondary dwelling units;
3. The conversion of an existing single-family home into a duplex provided that a new detached primary structure is not constructed on the lot or lots;
4. Assisted living/nursing homes (reference Zoning Ordinance for definition); and
5. The annexation of existing dwelling units outside of City limits into the City.

C. Application Submittal Requirements

See RDCS Process and Filing Requirements section on RDCS Process web page:

<http://www.morgan-hill.ca.gov/109/RDCS-Process>

The following additional submittal requirements shall also apply:

- When evaluating and scoring applications, the City may not consider any additional information submitted by the applicant after the application filing date.
- For projects requesting points for an activity on property not owned by the applicant or developer, the applicant must submit a written approval from the property owner consenting to the activity.
- For projects requesting points to provide access to public parks and open space areas outside the project boundary, the applicant must submit written approval from the agency in control of the facilities to allow access between the project and the facilities.
- In cases of conflict between a written project narrative and plans, the narrative shall take precedent over plans.

D. General Plan and Zoning Consistency

After deeming an RDCS application complete, the Community Development Director or the Director's designee shall evaluate each application for consistency with the City's General Plan and Zoning Code and reject any applications which are found to be inconsistent with either the City's General Plan or Zoning Code. The Community Development Director's determination is appealable to the City Council. The City Council may direct the applicant to make modifications to the application and if these modifications bring the application into compliance with the General Plan and Zoning Code the application may continue to compete for allotments.

A proposal is consistent with the General Plan when:

1. The subject site's General Plan Land Use designation allows the proposed use at the proposed density; and
2. The proposal meets the overall intent of the Goals and Policies of applicable elements of the General Plan.

A proposal is consistent with the Zoning Code when the base Zoning District or PD Zoning for the site allows the proposed use; and the proposal meets the zoning regulations (e.g., setbacks) of the subject site's base Zoning District or PD Zoning, or the proposal only includes minor deviations from zoning regulations that, at the entitlement stage, could either be modified to be fully consistent with zoning regulations or the applicant would secure approval of a PD Zoning to establish modified development standards.

Minor deviation means an adjustment to the development standard in the project's base zoning district not to exceed the percentages in Table 55. For example, if a project is in a zoning district with a minimum front setback of 25 feet and proposes front setbacks of no less than 20 feet through PD Zoning, the project would be consistent with the Zoning Code. If a project in a zoning district with a maximum height of 30 feet proposed a height of 35 feet (more than a 10 percent deviation from the zoning district standard), the project would not be considered consistent with the Zoning Code. In this example, no structure within the project may have a height of more than 35 feet for the project in its entirety to be considered consistent with the Zoning Code.

TABLE 55: MAXIMUM DEVIATIONS FOR ZONING CONSISTENCY

Standard	Maximum Deviation
Setbacks, Front and Rear	20 percent decrease
Setbacks, Side	30 percent decrease
Lot Coverage and FAR	10 percent increase
On-site Parking (number of spaces)	10 percent decrease
Building Height	10 percent increase
Lot Size	15 percent decrease

Any proposed minor deviation(s) must be clearly identified with justification for the deviation(s) provided in writing as part of the required Pre-Application Review process, per Section 18.78.130 of the RDCS Ordinance. Proposed deviations shall not unreasonably affect abutting sites.

The Community Development Director may allow greater deviations from the percentages shown in Table 55 if the applicant can demonstrate that the greater deviation would produce a public benefit that cannot be provided without the greater deviation.

E. Competition Categories and Ongoing Projects

Each year the City Council may establish competition categories for certain types of projects. Projects within a competition category will compete for allotments only with other projects in the same competition category. For each competition category, the City Council shall identify the number of allotments available for projects competing within the competition category. Examples of competition categories may include, but are not limited to, projects within the Monterey Road Corridor, small projects (less than 15 units), senior housing, vertical mixed use, custom lots, and multi-family rental.

2017 Competition for Fiscal Year 2019/20

<u>Competition Category</u>	<u>Number of Allotments</u>
Affordable Housing	39 (20% of total allotments)
Micro Projects	XX
Small Projects	XX
Multi-family Rental	XX
Open/Market	XX
Senior Housing	XX
Monterey Corridor	XX
Custom Lots	XX
On-going Projects	59
Prior Multi-year Commitment	0
Total	195

Affordable Housing: The City Council shall ensure that an adequate number of allotments are available for affordable housing projects consistent with the City's Regional Housing Needs Allocation (RHNA) and adopted Housing Element.

Micro Projects: A Micro Project consists of a maximum of six (6) dwelling units on a site with an ultimate development potential of no more than six (6) units.

Small Projects: A Small Project consists of between seven (7) and 15 dwelling units on a site with an ultimate development potential of no more than 15 units.

Multi-family Rental: A Multi-family Rental project is a development of any size providing market rate rental housing.

Open/Market: The Open/Market category applies to housing of any type typically consisting of more than 15 units at build-out.

Senior Housing: Senior Housing projects are any market-rate housing type for persons 55 and older. For RDCS purposes Senior Housing must meet the following minimum requirements: 1) Must be 25 units or more; 2) Lot sizes shall not exceed an average 9,000 square feet (unless a single lot multi-family development); 3) Must have an HOA to maintain all common amenities and front yard landscaping; 4) Seventy-five percent or more of the units must be single story in projects proposed in single-family zoning districts (or single level flats in multi-family zoning districts) with the exception of R-1 4,500 Zoning District where fifty percent or more shall be single story; 5) All 2-story units shall be designed and prewired for elevators or stair lifts; 6) All units within the project must meet visitability and adaptability standards. The Planning Commission has the discretion to waive or allow variation from the above definition for multifamily senior projects that are found to be in substantial conformance with the above definition.

Custom Lot: A Custom Lot is defined as a project which includes the opportunity for individuals to purchase lots. Custom lots shall be defined as follows: 1) Minimum lot size shall be based on the

underlying zoning (no RE or large lot minimums); 2) The original developer can retain ownership of up to 50% of the lots with the balance made available for purchase by individual builders who wish to construct homes; 3) Of the "for sale lots", no more than 2 lots may be purchased by any one person; 4) Exterior elevations should vary throughout the project and floor plans may not be repeated, but can be reversed if elevation is varied.

On-going Projects: In addition to the competition categories, allotments may also be given to on-going projects. These are projects that were awarded building allotments in previous competitions, but were not fully allocated. Each on-going project can receive allotments without submitting a new application. See Section N below for additional details.

Prior Multi-Year Commitment: The number of allotments in a given competition year that were previously awarded to multi-year/phased projects.

F. Scoring

Scoring Errors: After the Planning Commission approval of final points no point adjustments are allowed.

Changes to Approved Projects/Substitution of Points/Criteria: Changes will be considered on a case-by-case basis with any changes resulting in the project receiving the same or higher score within each Objective and the change would maintain or improve the quality of the project and would result in the same or greater value to the City or its project's future residents. If project is refined, allow points to be made up in a different Objective only if it is not possible to make-up in Objective where loss of points occurred.

Point Opportunities for Project Feature Under Multiple Criteria. In most cases, a project feature or contribution may not earn a project points in more than one criteria. For example, a project that earns points for installing safe-routes-to-school pedestrian improvements under Criteria 1-C (Student Transportation Improvements) may not also receive points for the same improvement under Criteria 7-A (Bicycle and Pedestrian Improvements). However, there are cases where a project design feature may allow a project to receive points from multiple criteria. For example, a project that incorporates accessory dwelling units may earn points in criteria 4-A (Accessory Dwelling Units) and 4-B (Diversity of Housing Types). Points may be awarded in multiple criteria for a single project feature only where expressly identified in Section III of this manual.

G. Multi-year Allotments

Section 18.78.140 Project Phasing allows the Planning Commission to distribute allotments awarded to a single project over multiple years to support a fair and efficient RDCS process by allowing high quality projects constructed over multiple years to compete one time for allotments.

The Planning Commission has discretion to determine which projects are eligible for multi-year allotments and may award multi-year allotments over a period of up to: 1) Three years for projects with less than 100 units; and 2) Five years for projects with 100 or more units. How well a project scores will be one factor Planning Commission will consider when awarding multi-year allotments.

The Planning Commission may award multi-year allotments to projects only upon finding that:

1. The multi-year allotments will support a steady rate of growth and help to avoid a sudden spike in construction of new housing;
2. The multi-year allotments will help the City to plan for adequate public services and infrastructure to accommodate new development;
3. The City will benefit from requiring the applicant to compete only once to receive allotments for all project phases; and
4. An adequate number of allotments will remain in future years to accommodate a range of housing types to meet Morgan Hill's housing needs.

The Planning Commission will strive to ensure that a sufficient number of allotments are available each year for non-multi-year allotted projects, in addition to affordable allotments, to allow for a yearly competition.

Multi-year projects are not eligible to compete for additional allotments within the years awarded.

H. Development Agreement

A deadline to commence construction under the fiscal year building allotment shall be incorporated into a Development Agreement approved by the City Council.

I. Tentative Subdivision Map

The City will allow for the processing of tentative subdivision maps which exceed the number of allotments currently assigned to a development if the following criteria are met:

- The overall project must be consistent with the Zoning Code.
- The Tentative Map shall be non-vesting.
- The recordation of a Final Map will not be permitted until allotments are secured under the RDCS and a Development Agreement has been recorded.

The Tentative Map approval would expire after two years (or sooner as specified by the Planning Commission) and the Tentative Map approval period will not be automatically extended through the filing of a Final Map, but may be extended through separate application and approval by the Planning Commission.

J. Exercise of Allotments

Allotments must be exercised within 30 months of approval or by an alternative date specified in the Development Agreement. An allotment is considered exercised with the recordation of a Final Map, issuance of a grading permit, or the commencement of construction if no Final Map is required.

A project shall be deemed to have physically commenced construction upon issuance of a building permit and completion of the following improvements: Installation of on-site and off-site improvements including grading and certification of the building pad by the Building Division and completion of one or

more of the following: a) Excavation of the footings and foundations for the dwelling units; b) Installation of water or sewer laterals to the relevant units.

K. Early Start of Construction

An early start of construction date is possible as long as the units are not completed and occupied until after the start of the fiscal year in which the allotments must be used. The construction schedule incorporated into the project development schedule shall ensure that dwelling units are not completed before the start of the fiscal year in which the allotments must be used.

L. Extensions

For Projects that received allotments under the previous RDCS, but have not secured a Development Agreement, the Community Development Director may issue a (single) six (6) month extension based on current Measure S criteria.

Extension requests shall be submitted in writing to the Community Development Department a minimum of 60 days prior to the allotment expiration date and shall describe how the project meets the extension eligibility criteria listed below and in Section 17.78.170F of the Zoning Code.

In addition to receiving an Administrative Extension and/or prior extensions under the previous RDCS, a project, for each allocation year, may receive no more than one (1) extension for a maximum one additional year period for reasons due to delay by the City or public agency. There is no limit the number of exceptions that may be granted to a project due a severe act of nature outside of the applicant's control. On-going projects and projects that re-compete for allotments in future allocation years may receive subsequent extensions each allocation year subject to these same limitations.

Phased projects, including multi-year projects, may only receive one, one-year extension. For phased projects, the commencement date of successive phases may, at the discretion of the Planning Commission, be extended at the time of granting the one extension.

Eligibility Criteria

1. The Planning Commission may approve an extension only when the City or other public agency is responsible for a delay (evaluated on a case-by-case basis) in the issuance of permits or granting approvals required to exercise the allotments, or due to an earthquake, flood, fire, or other severe act of nature outside of the applicant's control. It is the applicant's responsibility to provide evidence that the request is consistent with this requirement.
2. The Planning Commission may not approve an extension for any reason other than in the above paragraph, including but not limited to difficulties obtaining financing, changes to the project not required by the City or other public agencies, applicant delays responding to requests from the City or other public agency, personal circumstances of the applicant, or changes in property ownership.

M. Transfer of Allotments

In order to expedite the completion of projects awarded allotments under the RDCS, the transfer of fiscal year allotments between and within projects that meet the following criteria, may occur:

1. The receiving project has sufficient lead time to exercise the transferred allotment prior to the deadline.
2. The transfer must work as a trade between two developments or within a project.
3. The transfer may apply to partially allotted and fully allotted projects.
4. Both on-going and recently allotted first time projects may transfer allotments.

A transfer only changes the year the units may be built. A transfer does not alter in any way project commitments.

N. On-Going Allotments

Each on-going project can receive up to 15 allotments (up to 25 for projects that are transitioning from Measure C to Measure S) each year without submitting a new application. Projects are required to submit a letter by the RDCS Application filing date requesting on-going allotments. Projects that have previously competed and are partially allotted shall be considered on-going and may receive allotments from the on-going category. To be eligible to receive an allotment, the following criteria must be met:

1. A project has completed all planning entitlements (Tentative Map, Development Agreement, and Site Review).
2. A project is in compliance with their development schedule.
3. A project will pay additional fees for Development Agreement compliance related to the additional award and any fees for processing and administration of on-going allotments should they be established and required.
4. Finally, for the unique 2017 RDCS competition, the three Measure C transitional projects, Laurel-TRI Pointe, San Pedro-Presidio Evergreen, and Toll Brothers (formerly Borello) will be entitled to receive a combined maximum of 59 allotments.

Projects that were awarded, but do not use on-going allotments will lose their eligibility to be considered on-going and must re-compete.

APPENDIX: RDCS ORDINANCE (MORGAN HILL MUNICIPAL CODE CHAPTER 18.78)

Chapter 18.78 – Residential Development Control System

Sections:

18.78.010	RDSC Purpose and History
18.78.020	Amendments to RDSC Ordinance
18.78.030	Transitional Provisions
18.78.040	Population Limit
18.78.050	Allotments– General
18.78.060	Downtown and Agricultural Preservation Set Asides
18.78.070	Urban Service Area Boundaries
18.78.080	Competition for Allotments
18.78.090	Competition Categories
18.78.100	Competition Manual
18.78.110	Number of Available Allotments
18.78.120	RDSC Procedures – Application Submittal and Review, Project Scoring, and Award of Allotments [CCA]
18.78.130	Pre-Application Review [CCA]
18.78.140	Project Phasing [CCA]
18.78.150	Land Use Entitlements Required [CCA]
18.78.160	Expiration of Allotments [CCA]
18.78.170	Extensions [CCA]

Note: Sections which may be amended or repealed by the City Council without voter approval are identified with the note “[CCA]” following the section heading.

18.78.010 RDCS Purpose and History

A. Purpose. This chapter establishes requirements for the Morgan Hill Residential Development Control System (RDCS). The purpose of the RDCS is to:

1. Establish a limit on the amount and rate of residential growth in Morgan Hill through 2035.
2. Encourage high quality residential development that enhances residents' quality of life.
3. Ensure that new residential development does not adversely impact the level of public services and infrastructure provided for current and future residents.
4. Promote a diverse stock of high quality housing to meet the full range of housing needs within Morgan Hill.
5. Encourage new residential development to contribute community benefits that enhance the public health, safety, and welfare.
6. Encourage an orderly, efficient, and sustainable residential development pattern.
7. Advance the goals and policies of the General Plan and Downtown Specific Plan.
8. Provide certainty to residents that residential development patterns will reflect local goals and values.

B. History. The RDCS is a continuation and refinement of the voter-approved growth management system first established in Morgan Hill in 1977. The RDCS was originally approved by voters in response to concerns over the amount and pace of residential growth and the impacts of this growth on city services and infrastructure. RDCS ballot measures adopted by the voters include the following:

1. Measure E (1977), which set a target population of 30,000 for year 2000 and established the RDCS.
2. Measure P (1990), which refined the RDCS and established a population ceiling of 38,800 for 2010.
3. Measure C (2004), which again refined the RDCS and set the population ceiling to 48,000 for 2020.
4. Measure F (2006) and Measure A (2009), which established exemptions for units constructed Downtown.
5. Measure [TBD] (2016), which was adopted in conjunction with the City's General Plan Update to further refine the RDCS and set the population ceiling to 58,200 for 2035.

18.78.020 Amendments to RDCS Ordinance

This ordinance (Chapter 18.78 of the Morgan Hill Municipal Code) was adopted by the voters of Morgan Hill in 2016 and may be amended or repealed only with voter approval except as specified in subsections A and B below.

A. Amendments Allowed without Voter Approval. The following sections may be amended by an ordinance duly adopted by the City Council in accordance with state law:

1. 18.78.120 (RDSCS Procedures – Application Submittal and Review, Project Scoring, and Award of Allotments).
2. 18.78.130 (Pre-Application Review).
3. 18.78.140 (Project Phasing).
4. 18.78.150 (Land Use Entitlements Required).
5. 18.78.160 (Expiration of Allotments).
6. 18.78.170 (Extensions).

B. Reorganizing and Renumbering of Municipal Code. The Morgan Hill Municipal Code may be reorganized or readopted in a different format, and individual provisions may be renumbered or reordered, in the course of ongoing updates of the Municipal Code, provided that the provisions of this ordinance adopted by the voters of Morgan Hill in 2016 remains in the Municipal Code unless earlier repealed or amended by the voters or by the City Council in accordance with subsection A, above.

18.78.030 Transitional Provisions

- A. Replacement of Prior RDSCS Ordinance.** This ordinance repeals and replaces in its entirety the prior RDSCS ordinances, previously codified in Division IV (Residential Development Code) of Title 18 (Zoning) of the Morgan Hill Municipal Code.
- B. Prior Actions Remain Valid.** Any City action taken or approval granted pursuant to the prior RDSCS ordinance is not affected by the enactment of this ordinance. All future actions and approvals shall comply with this ordinance.
- C. Previously Approved Allotments.**
1. Allotments awarded and exercised prior to March 1, 2017 shall remain valid and are not affected by this ordinance.
 2. Allotments awarded prior to March 1, 2017 but which have not yet been exercised shall remain valid until the expiration date established at the time of allotment or as established in the project's Development Agreement. Applicant requests for an extension to the date by which these allotments must be exercised and City action on these requests are governed by Section 18.78.170 (Extensions) of this ordinance.
- D. No Changes to Prior Projects Required.** No provision of this ordinance shall require any change in the plans, construction, or design of the portion of a project which received allotments prior to March 1, 2017.

18.78.040 Population Limit

- A. Maximum Population.** Morgan Hill's population as of January 1, 2035 shall not exceed 58,200.
- B. Ceiling, Not a Target.** The 58,200 population limit is a maximum ceiling, not a target. The City is not required to actively strive to reach 58,200 residents by 2035. Instead, the City shall ensure that Morgan Hill's population does not exceed this limit by 2035 while continuing to meet the full range of housing needs in Morgan Hill.

- C. Limit to all Population Growth.** Morgan Hill's population limit is intended to limit all population growth, including growth from new housing exempt from receiving RDCS allotments as specified in Section 18.78.050.C (Exemptions from Allotments) and set-aside allotments awarded as allowed by Section 18.78.070 (Downtown and Agricultural Preservation Set Asides). The number of allotments available each year and the process to adjust this number is intended to ensure that residential growth from all sources does not result in a population that exceeds the population limit of 58,200 residents in 2035.

18.78.050 Allotments – General.

- A. Allotments Based on Population Limit.** The City Council shall establish a maximum number of residential allotments available each year, not to exceed 215 allotments per year, such that the population in Morgan Hill does not exceed 58,200 as of January 1, 2035.
- B. Allotment Requirement.** A residential allotment authorizes an applicant to apply for land use entitlements and to construct these units should the City approve these entitlements. No residential unit may be developed without first obtaining an allotment, except for exempt units specified in Section C below.
- C. Exemptions from Allotments.** The following types of residential projects may be developed without first receiving any allotments:
1. One single-family home on a lot existing as of March 1, 2017;
 2. Secondary dwelling units;
 3. The conversion of an existing single-family home into a duplex provided that a new detached primary structure is not constructed on the lot or lots;
 4. Assisted living/nursing homes; and
 5. The annexation of existing dwelling units outside of City limits into the City.
- D. Timing of Allotment Use.** To maintain a steady rate of residential development, allotments must be used ("exercised") by a specific date as established in Section 18.78.160 (Expiration of Allotments). Allotments that are not used by the specified date expire and are no longer valid. Projects with expired allotments must reapply for allotments in the same manner as all other new proposed projects requesting allotments.
- E. Rate of Growth.** The Planning Commission shall allocate available allotments each year with the goal of maintaining a steady rate of growth.
- F. Cancellation of Allotment Awards.** The City Council may cancel the process to award allotments upon finding that public services and facilities are inadequate to accommodate additional residential development and that awarding allotments would significantly impact the public health, safety and welfare.

18.78.060 Downtown and Agricultural Preservation Set Asides

- A. General.** Through 2035 a certain number of allotments are set aside for residential projects in Downtown Morgan Hill and for projects that contribute to the City's agricultural preservation goals.
- B. Eligibility.** To be eligible to receive set-aside allotments, a project must receive at least 80 percent of the total maximum score in the RDCS competition criteria.
- C. Competition Not Required.** Eligible projects are not required to compete for set-aside allotments. Instead, allotments are issued to eligible projects by the Planning Commission on a first-come, first-served basis up to the total number of available set-aside allotments each year.
- D. Number of Available Set-Aside Allotments.**
 - 1. **Downtown Set-Asides.** Through 2035, 500 allotments are set aside for housing within the Downtown Specific Plan boundaries set forth in the City's General Plan as of July 27, 2016. No more than 100 set-aside allotments are available for downtown projects within a single year.
 - 2. **Agricultural Preservation Set-Asides.** Through 2035, 300 allotments are set-aside for housing that may be applied anywhere within the City. Recipient projects must directly establish permanent agricultural conservation easements within the City Limits or within the City's Priority Agricultural Conservation Area. Easements must be established within the City's Sphere of Influence in a manner consistent with the Citywide Agricultural Lands Preservation Program. The number of allotments granted to an eligible project shall be commensurate with the community benefit obtained from the resulting preservation of agricultural lands. No more than 35 set-aside allotments are available for agricultural preservation projects within a single year.

18.78.070 Urban Service Area Boundaries

- A. Allotments within Urban Service Area Only.** The City may approve allotments only for projects located within the City's Urban Service Area boundaries.
- B. Application to Expand Urban Service Area.** The City may apply to the Santa Clara County Local Agency Formation Commission to expand the Urban Service Area boundary of the City to accommodate additional residential development if the City Council first makes all of the following findings supported by substantial evidence on the record of a duly noticed public hearing on the matter:
 - 1. The expansion is necessary to accommodate the amount, rate, location, and type of residential development envisioned in the General Plan.
 - 2. The expansion is consistent with any City adopted plans, policies, or ordinances specifying a preferred sequence of future annexations.
 - 3. Public services and infrastructure are or will be sufficient to accommodate development resulting from the expansion of the Urban Service Area boundary. Additional development will not adversely impact public services and infrastructure, including public schools, the transportation system, parks, police, fire service, storm drainage, wastewater, and water service.

4. The expansion supports an orderly development pattern that prioritizes infill development adjacent to existing development and served by existing public services and infrastructure.
5. The expansion is necessary to accommodate the housing and/or employment needs of Morgan Hill.
6. The expansion promotes fiscal responsibility, cost-effective service delivery, and the City's ability to plan for and adequately maintain urban services over time.

18.78.080 Competition for Allotments

- A. Annual Competition.** Each year the City may conduct a competition for allotments for development of residential units, except when the City Council cancels the competition allowed by Paragraph D below. Projects exempt from the RDCS competition as specified in Section 18.78.050.C (Exemptions from Allotments) and projects eligible for set-aside allotments as specified in Section 18.78.060 (Downtown and Agricultural Preservation Set Asides) do not participate in the competition.
- B. Minimum Score.** To be eligible to compete for allotments, a project must receive a minimum score of at least 80 percent of the total maximum score in the RDCS competition criteria.
- C. Award of Allotments.** The Planning Commission shall award allotments based on a scoring of projects using criteria established by the City Council pursuant to Section 18.78.100 (Competition Manual). The Planning Commission may award a project fewer than the total number of allotments requested by the applicant. In such a case, the Planning Commission may award the surplus allotments to the next highest scoring projects if doing so would help create a more balanced and equitable distribution of allotments and help to achieve the goals of the General Plan.
- D. Cancellation of Allotment Awards.** The City Council may cancel the process to award allotments upon finding that public services and facilities are inadequate to accommodate additional residential development and that awarding allotments would significantly impact the public health, safety and welfare, or if there is insufficient demand necessary to produce high quality developments.

18.78.090 Competition Categories

- A. General.** Each year the City Council may establish competition categories for certain types of projects. Projects within a competition category will compete for allotments only with other projects in the same competition category. For each competition category, the City Council shall identify the number of allotments available for projects competing within the competition category.
- B. Example Competition Categories.** Example of competition categories may include, but are not limited to, projects within the Monterey Road corridor, small projects (less than 15 units), senior housing, vertical mixed use, and multi-family rental.
- C. Affordable Housing.** When establishing competition categories, the City Council shall ensure that an adequate number of allotments are available for affordable housing projects consistent with the City's Regional Housing Needs Allocation (RHNA) and adopted Housing Element.

18.78.100 Competition Manual

The City Council shall adopt and maintain an RDCS Competition Manual that establishes criteria and point values for the RDCS competition. The Competition Manual shall define terms and provide detail as needed to ensure that the City awards points consistently for all competing projects.

A. Competition Criteria. The Competition Manual shall identify the criteria that the City will use to award allotments to competing projects. Competition criteria in the Competition Manual shall advance the nine City objectives below, which may be modified only with voter approval.

1. **Schools.** Provide safe and convenient access to schools and ensure high quality schools in Morgan Hill.
2. **Location.** Encourage infill development adjacent to existing development and close to existing community services and facilities.
3. **Affordable Housing.** Increase the supply of housing affordable to households of all incomes levels.
4. **Housing Diversity.** Provide a variety of housing types and sizes to meet the range of housing needs within Morgan Hill.
5. **Parks and Open Space.** Provide high quality parks and recreational facilities and protect and preserve open space and productive agricultural land.
6. **Environmental Protection.** Increase energy efficiency, renewable energy, energy conservation, water conservation, habitat protection, and achieve other sustainability goals.
7. **Transportation.** Support a balanced and efficient transportation system for pedestrians, cyclists, public transit, and automobiles that maintains quality of life in residential neighborhoods.
8. **Infrastructure and Services.** Emphasize efficient use of public infrastructure and services.
9. **Project Quality.** Ensure quality design related to general livability, public safety, neighborhood form, site planning, building design, and landscape design.

B. Points. The Competition Manual shall establish points available for competition criteria that advance the City goals identified in Section A above.

1. **Limitations on Number of Points and Changes.** The total number of points for each of the nine objectives above (e.g., schools, location, affordable housing, etc.) shall be no more than 20 percent and no less than 5 percent of the total number of available RDCS competition points. The City Council may adjust the number of points within each objective by no more than 15 percent of the points available within the objective the previous year.
2. **Intent of Points.** Points shall be awarded only for projects that provide for excellence in project design and provide a community benefit that exceeds minimum requirements of the City and other governmental agencies. All projects must comply with City standards established in the General Plan, Municipal Code, and other City rules and regulations together with other applicable laws.

C. Revisions to Criteria and Points. In order to promote long term consistency and reduce uncertainty for applicants for residential development, the City Council shall amend competition criteria and point values in the Competition Manual only when necessary and no more frequently than once a year. The Planning Commission shall recommend to the City Council any revisions to the competition criteria and/or point values. If amended, competition criteria and/or point values shall be established no later than six months prior to the RDCS application submittal deadline.

18.78.110 Number of Available Allotments

A. Annual Allocations. Beginning with the competition in year 2017, the City may allocate no more than 215 allotments in any given year for residential development that must compete for allotments. Set-aside allotments as described in Section 18.78.060 (Downtown and Agricultural Preservation Set-Asides) may be awarded in addition to the annual allotment maximum.

B. Annual Reductions to Available Allotments. Each year staff shall provide the Planning Commission with an assessment of conditions, per the findings below, that may necessitate a reduction in the number of available allotments. No later than six months prior to the RDCS application submittal deadline each year, the Planning Commission may recommend and the City Council may reduce the number of available allotments for an RDCS competition year upon finding that:

1. Reducing the number of allotments is necessary to prevent a sudden spike in construction of new housing caused by a backlog of awarded allotments which have not yet been exercised.
2. Public infrastructure and services are or will be inadequate to accommodate the new development. Public infrastructure and services include public schools, the transportation system, parks, police, fire service, storm drainage, wastewater, and water service.
3. Other conditions are present that necessitate a reduction in the number of available allotments to achieve the RDCS purpose as stated in Section 18.78.010 (RDCS Purpose and History).
4. Downtown and/or Agricultural Preservation Set-Aside allotments have been issued. The number of annual allotments must be reduced to address the issuance of any set-aside allotments.
5. There is insufficient demand necessary to produce high quality developments or public benefits.

18.78.120 RDCS Procedures – Application Submittal and Review, Project Scoring, and Award of Allotments [CCA]

- A. Pre-Competition Orientation.** The City shall hold an open pre-competition orientation meeting at least four months prior to the RDCS application submittal deadline. At this meeting the City shall review with prospective applicants the RDCS schedule, application requirements, and competition criteria for awarding points.
- B. Pre-Application Review.** To be eligible to submit an RDCS application, applicants must have completed Pre-Application Review as described in Section 18.78.130 (Pre-Application Review).
- C. Applications.** Applicants shall submit an RDCS application consisting of the information and materials required by the City. Applications shall be submitted on a date determined by the Community Development Director. Applications may not be modified after submittal except as otherwise provided for in this chapter.
- D. General Plan and Zoning Consistency Determination.** After deeming an RDCS application complete, the Community Development Director or the Director's designee shall evaluate each application for consistency with the City's General Plan and Zoning Code and reject any applications which are found to be inconsistent with either the City's General Plan or Zoning Code. The Community Development Director's determination is appealable to the City Council. The City Council may direct the applicant to make modifications to the application and if these modifications bring the application into compliance with the General Plan and Zoning Code the application may continue to compete for allotments.
- E. Staff Scoring of Applications.** After deeming an RDCS application complete and consistent with the General Plan and Zoning Code, the Community Development Director or Director's designee shall recommend point assignments to projects using scoring criteria established by the City Council. City staff shall forward recommended scoring to the Planning Commission.
- F. Planning Commission Hearings – Project Scores.** The Planning Commission shall hold a public hearing to consider the scoring recommendation and to make a final determination of project scoring.
- G. Staff Recommendation – Award of Allotments.** After the completion of the appeal period following the Planning Commission determination of project scoring, the Community Development Director or the Director's designee shall recommend the award of allotments based on the project scoring. City staff shall forward recommended award of allotments to the Planning Commission.
- H. Planning Commission Hearings – Award of Allotments.** The Planning Commission shall hold a public hearing to consider the award of allotment recommendation and to award allotments based on the project scoring. The Planning Commission may award fewer than the total number of allotments requested for a project and may award allotments to lower-scoring projects if doing so would create a more balanced and equitable distribution of allotments and help to achieve the goals of the General Plan.
- I. Appeals.** All decisions of the Planning Commission may be appealed to the City Council pursuant to Municipal Code Chapter 18.64.

- J. Development Agreement.** The City may issue building permits only after the applicant has entered into a Development Agreement with the City confirming the specific development commitments made by the applicant at the time the Planning Commission awarded allotments.

18.78.130 Pre-Application Review [CCA]

- A. Pre-Application Review Requirement.** Applicants may apply for allotments only after completing the Pre-Application Review process. Pre-Application Review is required only once for a development project – projects which previously received allotments and reapply for additional allotments in subsequent competitions are not required to complete Pre-Application Review again prior to reapplication. Significant changes to a project, as determined by the Community Development Director, will require Pre-Application Review.
- B. Project Quality and Consistency.** Pre-Application Review allows City staff to evaluate the overall project quality as well as consistency with the General Plan, any applicable specific plan, the Morgan Hill Municipal Code, Architectural Review Handbook, and other applicable City rules and regulations. Pre-Application Review is intended to help ensure that projects receiving allotments can be built consistent with their approved RDCS application.
- C. Timing and Schedule.** The Community Development Director shall establish a schedule for submittal of materials and City staff review that provides sufficient time for the completion of Pre-Application Review prior to the RDCS application submittal date.
- D. Project Information Required.** Applicants shall submit information and materials for Pre-Application Review necessary to present the project concept and demonstrate compliance with City land use and neighborhood design policies in the General Plan. Detailed architectural plans are not required. Materials submitted for Pre-Application Review become part of the public record and are not confidential.
- E. Multi-Department Review.** The City Planning Division of the Community Development Department, Engineering Division of the Public Works Department, and other City staff involved in the land use entitlement approval process shall participate in the Pre-Application Review.
- F. Review Letter.** After reviewing the submittal and meeting with the applicant, the Community Development Director shall provide applicants with a Pre-Application Review Letter either making a preliminary finding that for the purposes of the RDCS competition the project is consistent with City policies and ordinances, or recommending changes to a project necessary to achieve consistency with those policies and regulations. The Pre-Application Review Letter is not a project approval or final determination by the City as to a project's conformity to City policies and ordinances.
- G. Applicant Response.** Applicants shall submit their Pre-Application Review Letter with their allotment application and any response, if needed, detailing the changes made to the project to address staff comments, or reasons why changes were not possible or desirable.
- H. Planning Commission Consideration.** The Planning Commission shall consider the Pre-Application Review Letter and the applicant's response to the letter when awarding competition points under the Project Quality criteria category.

18.78.140 Project Phasing [CCA]

- A. Multi-Year Allotments.** The Planning Commission may distribute allotments awarded to a single project over multiple years as allowed by this section.
- B. Intent.** Multi-year allotments are intended to support a fair and efficient RDCS process by allowing high quality projects constructed over multiple years to compete one time for allotments.
- C. Eligibility.** The Planning Commission shall have the discretion to determine which projects are eligible for multi-year allotments.
- D. Number of Years.** The Planning Commission may award allotments over a period of up to:
 - 1. Three years for projects with less than 100 units; and
 - 2. Five years for projects with 100 or more units.
- E. Findings.** The Planning Commission may award multi-year allotments to projects only upon finding that:
 - 1. The multi-year allotments will support a steady rate of growth and help to avoid a sudden spike in construction of new housing;
 - 2. The multi-year allotments will help the City to plan for adequate public services and infrastructure to accommodate new development;
 - 3. The City will benefit from requiring the applicant to compete only once to receive allotments for all project phases; and
 - 4. An adequate number of allotments will remain in future years to accommodate a range of housing types to meet Morgan Hill's housing needs.
- F. Use of Allotments.**
 - 1. Multi-year allotments must be exercised by the date specified by the Planning Commission consistent with Section 18.78.160 (Expiration of Allotments).
 - 2. If allotments for one year are not exercised by the specified expiration date, all multi-year allotments awarded to the project shall expire.
- G. Regular Rate of Growth.** Allotments awarded for future years shall be subtracted from the number of allotments available to other projects in those years so as to maintain a regular rate of growth consistent with the RDCS.

18.78.150 Land Use Entitlements Required [CCA]

- A. Authorization to Apply for Entitlements.** An award of an allotment is not an entitlement to develop. Allotments authorize an applicant to apply for land use entitlements and to construct these units should the City approve the required land use entitlements.
- B. Effective Allotment.** Applicants may submit an application for land use entitlements only after receiving an award of allotment. Planned Development Zoning applications may be filed prior to receiving an award of allotment.

- C. Finding of Compliance with Approved RDCS Application.** To approve land use entitlements, the City must find that the project substantially complies with the RDCS application as approved by the Planning Commission.

18.78.160 Expiration of Allotments [CCA]

- A. Exercise of Allotment.** Allotments must be exercised within 30 months of approval or by an alternative date specified in the Development Agreement. An allotment is considered exercised with the recordation of a final map, issuance of a grading permit, or the commencement of construction if no final map or grading permit is required. The City may grant an extension to an allotment only as permitted under Section 18.78.170 (Extensions).
- B. Expiration.** Allotments that are not exercised consistent with the terms above expire the day following the exercise date specified in the Development Agreement.
- C. Reapplication.** Projects with expired allotments must reapply for allotments in the same manner as all other new proposed projects requesting allotments.

18.78.170 Extensions [CCA]

- A. General.** The City may approve an extension to the date by which an allotment must be exercised only as allowed by this section.
- B. Extension Request.** Extension requests shall be submitted in writing to the Community Development Department a minimum of 60 days prior to the allotment expiration date and shall describe how the project meets the extension eligibility criteria in Subsection F below.
- C. Administrative Extension.** For projects that received allotments under the previous RDCS, but have not secured a Development Agreement, the Community Development Director may issue a six month extension.
- D. Number and Duration.** In addition to receiving an Administrative Extension and/or prior extensions under the previous RDCS, a project may receive no more than one extension for a maximum one additional year period. Phased projects may only receive one one-year extension.
- E. Public Notice and Hearing.** The Planning Commission shall review and act on an extension request at a noticed public hearing.
- F. Eligibility Criteria.**
1. The Planning Commission may approve an extension only when the City or other public agency is responsible for a delay in the issuance of permits or granting approvals required to exercise the allotments, or due to an earthquake, flood, fire, or other severe act of nature outside of the applicant's control. It is the applicant's responsibility to provide evidence that the request is consistent with this requirement.
 2. The Planning Commission may not approve an extension for any reason other than in Paragraph E.1 above, including but not limited to difficulties obtaining financing, changes to the project not required by the City or other public agencies, applicant delays responding to requests from the City or other public agency, personal circumstances of the applicant, or changes in property ownership.

- G. Appeals.** Planning Commission denial of a requested extension may be appealed to the City Council. The City Council may grant the appeal only upon finding that the request complies with the eligibility criteria in Paragraph F above.
- H. Effect of Denial.** If a request for extension is denied, the allotments shall expire the day following the exercise date specified in the Development Agreement. Projects with expired allotments must reapply for allotments in the same manner as all other new proposed projects requesting allotments.

IV. RDCS IMPLEMENTATION POLICIES

A. Schedule for 2017 Competition – **Option 1**

March 14	Planning Commission Evaluation and Recommendation of Available Allotments (18.78.110B)
April 19	City Council Determination on Possible Reduction to Available Allotments (18.78.110B)
July 3	Pre-Competition Orientation (18.78.120A)
September 1	Pre-Application Review (18.78.130)
September 29	Pre-Application Review Letter (18.78.130F)
October 13	Applicant Response to Pre-Application Review Letter (18.78.130G)
November 2	RDCS Application Submittal Deadline (18.78.120C)
November 16	General Plan and Zoning Consistency Determination (18.78.120D)
December 4	Deadline to file General Plan and Zoning Consistency Appeal to City Council
December 18	Staff Scoring of Applications/Recommendation to Planning Commission (18.78.120E)
January 17	Appeals of General Plan and Zoning Consistency Heard by City Council
January 23	Planning Commission Hearing - Project Scores (18.78.120F)
February 7	Deadline to File Scoring Appeal to City Council
March 14	Scoring Appeal Heard by City Council
March 19	Staff Recommendation - Award of Allotments (18.78.120G)
April 10	Planning Commission Hearing - Award of Allotments (18.78.120H)
April 25	Deadline to File Allotment Appeal to City Council
May 16	Allotment Appeal Heard by City Council

* All decisions of the Planning Commission may be appealed to the City Council (18.78.120J)

** All dates, excluding the RDCS Application Submittal Deadline, are tentative and subject to adjustment.

IV. RDCS IMPLEMENTATION POLICIES

A. Schedule for 2017 Competition – **Option 2**

March 14	Planning Commission Evaluation and Recommendation of Available Allotments (18.78.110B)
April 19	City Council Determination on Possible Reduction to Available Allotments (18.78.110B)
August 1	Pre-Competition Orientation (18.78.120A)
September 29	Pre-Application Review (18.78.130)
October 27	Pre-Application Review Letter (18.78.130F)
November 10	Applicant Response to Pre-Application Review Letter (18.78.130G)
December 1	RDCS Application Submittal Deadline (18.78.120C)
December 15	General Plan and Zoning Consistency Determination (18.78.120D)
January 4	Deadline to file General Plan and Zoning Consistency Appeal to City Council
January 26	Staff Scoring of Applications/Recommendation to Planning Commission (18.78.120E)
February 7	Appeals of General Plan and Zoning Consistency Heard by City Council
February 13	Planning Commission Hearing - Project Scores (18.78.120F)
February 28	Deadline to File Scoring Appeal to City Council
April 4	Scoring Appeal Heard by City Council
April 9	Staff Recommendation - Award of Allotments (18.78.120G)
May 8	Planning Commission Hearing - Award of Allotments (18.78.120H)
May 23	Deadline to File Allotment Appeal to City Council
June 20	Allotment Appeal Heard by City Council

* All decisions of the Planning Commission may be appealed to the City Council (18.78.120J)

** All dates, excluding the RDCS Application Submittal Deadline, are tentative and subject to adjustment.

IV. RDCS IMPLEMENTATION POLICIES

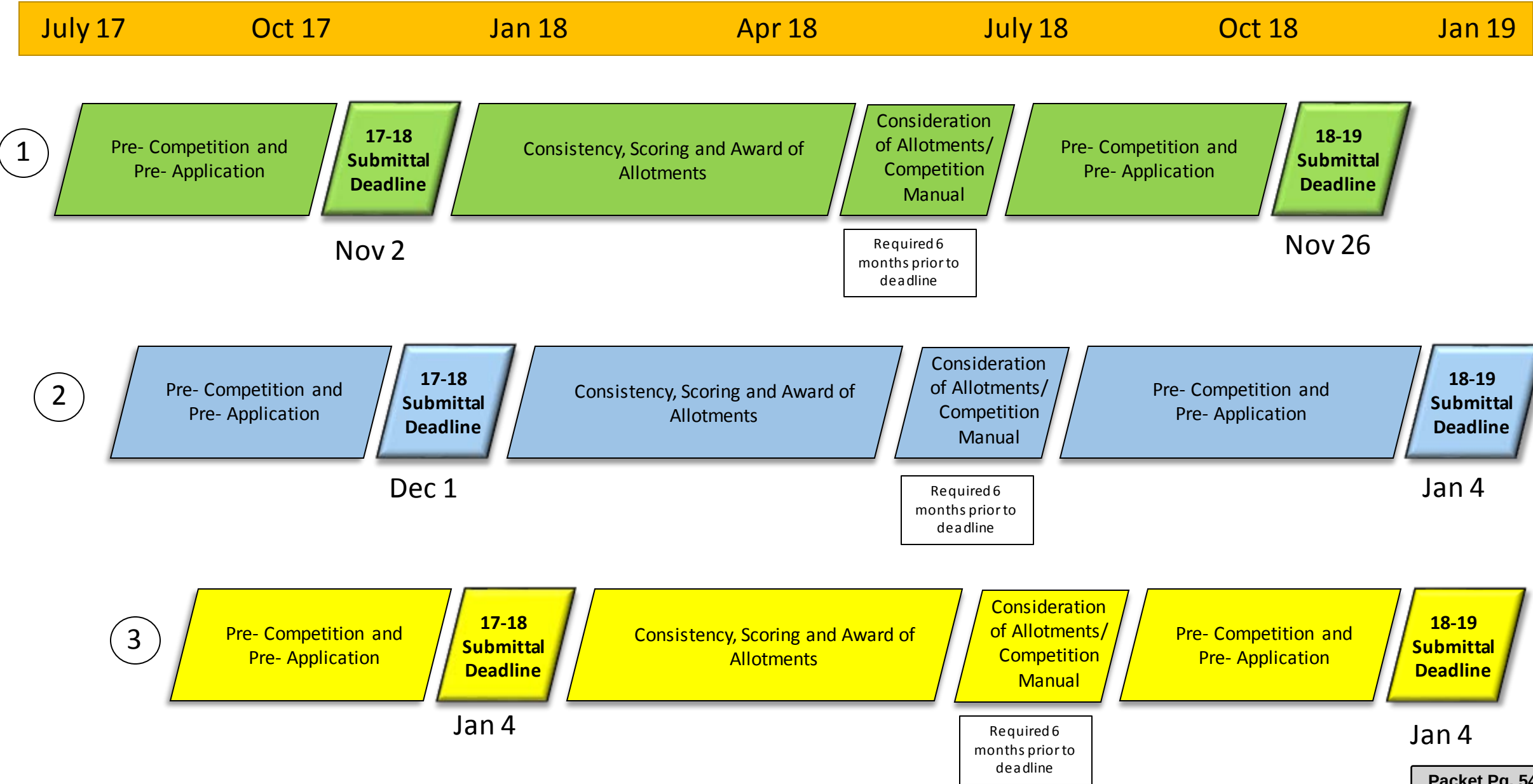
A. Schedule for 2017 Competition – Option 3

March 14	Planning Commission Evaluation and Recommendation of Available Allotments (18.78.110B)
April 19	City Council Determination on Possible Reduction to Available Allotments (18.78.110B)
September 4	Pre-Competition Orientation (18.78.120A)
November 3	Pre-Application Review (18.78.130)
December 5	Pre-Application Review Letter (18.78.130F)
December 19	Applicant Response to Pre-Application Review Letter (18.78.130G)
January 4	RDCS Application Submittal Deadline (18.78.120C)
January 18	General Plan and Zoning Consistency Determination (18.78.120D)
February 5	Deadline to file General Plan and Zoning Consistency Appeal to City Council
February 20	Staff Scoring of Applications/Recommendation to Planning Commission (18.78.120E)
February 28	Appeals of General Plan and Zoning Consistency Heard by City Council
March 6	Planning Commission Hearing - Project Scores (18.78.120F)
March 21	Deadline to File Scoring Appeal to City Council
April 25	Scoring Appeal Heard by City Council
April 30	Staff Recommendation - Award of Allotments (18.78.120G)
May 22	Planning Commission Hearing - Award of Allotments (18.78.120H)
June 6	Deadline to File Allotment Appeal to City Council
June 27	Allotment Appeal Heard by City Council

* All decisions of the Planning Commission may be appealed to the City Council (18.78.120J)

** All dates, excluding the RDCS Application Submittal Deadline, are tentative and subject to adjustment.

RDCS Timeline Options



Attachment: RDCS Competition Schedule options - graphic comparison (1252 : RDCS

DpC

DEVELOPMENT PROCESS CONSULTANTS

Wednesday, April 19, 2017

City Council to establish the total number of housing units to be awarded and the number of units to be allotted for Fiscal Year 2019/20.

June 2017 Pre-competition orientation meeting to be held at 4:00 PM.

July 5, 2017 through ~~Friday September 30~~ Thursday August 31, 2017
Preliminary RDCS Applications may be submitted for review.

Monday, October 2, 2017 Meet with applicants to discuss scoring results.

Friday, November 14, 2017 Begin to accept reservations for December 1st RDCS filing deadline.

Friday, December 1, 2017 Deadline for filing project applications for the 2019/20 RDCS competition.

December 15, 2017 Deadline for finding RDCS applications complete and consistent with the General Plan and Zoning Ordinance. (*15 day appeal period to begin upon notice to the applicant.)

Tuesday, January 2, 2018 Deadline to file an appeal of General Plan and Zoning consistency review with the City Council.*

Monday, January 8, 2018

Meeting with applicants regarding project proposals. Approximately 20 minutes of time will be allocated to each project applicant.

Wednesday, January 17, 2018 Appeals of General Plan consistency review to be heard by the City Council.

Thursday, January 18, 2018 Distribute memorandums to the Planning Commission and applicants regarding the staff evaluations and point recommendations.

Tuesday, January 23, 2018 Planning Commission Public Hearing regarding point scores under parts one and two of the RDCS standards and criteria. Meeting to be held 1:00 PM.

Thursday, January 25, 2018 Continuation of Planning Commission meeting, if required. To be held at 7:00 PM.

Tuesday, February 13, 2018 Planning Commission Public Hearing to finalize point recommendations and approve adjusted scores.

Monday, February 19, 2018 Distribute memorandum with adjusted project evaluation scores. (*15 day appeal period to begin upon notice to the applicant.)

Monday, March 5, 2018 Deadline to file an appeal regarding evaluation scores.*

Wednesday, April 4, 2018 City Council to consider appeals of project scoring.

Tuesday, April 10, 2018 Planning Commission to award building allotments for Fiscal Year 2019/20.

Monday, April 16, 2018 Notice of allotments to applicants. (*15 day appeal period to begin upon notice to the applicant.)

Monday, May 1, 2018 Deadline to file an appeal regarding award of allotments.*

Wednesday, May 16, 2018 City Council to consider appeals of allotments.

Monday, June 11, 2018 2020/21 Pre-competition orientation meeting

Vince Burgos
Development Process Consultants
VRBURGOS@HOTMAIL.COM



June 9, 2017

City of Morgan Hill, Development Services
John Baty, Principal Planner
17575 Peak Avenue
Morgan Hill, CA 95037

John,

In reviewing the most recent version of Section IV (Implementation Policies) of the Competition Manual, which is to be considered by City Council on June 21st, we have the following thoughts:

C. Application Submittal Requirements

The first bullet item reads,

When evaluating and scoring applications, the City may not consider any additional information submitted by the applicant after the application filing date.

It's inevitable that, despite our best efforts to create a comprehensive manual and policies, there will be some information, exhibit or calculation that City staff may need that we haven't considered. In order to provide the City (or School District) the opportunity to have all the information they need to complete the review, we suggest the following changes to the first bullet item;

When evaluating and scoring applications, the City (or other agency) may not consider any additional information submitted by the applicant after the application filing date. However, staff may request and consider additional information (calculations, tables, graphics, etc.) to clarify the applicant's submittal.

D. General Plan and Zoning Consistency, Maximum Deviations for Zoning Consistency

Table 55 speaks to the thresholds for deviations from conventional zoning districts, in which Lot Coverage and FAR (Floor Area Ratio) include a suggested 10% increase. As these standards speak to two separated design components: Lot Coverage is a two-dimensional calculation dealing with the size of the building footprint within the size of the lot; FAR is a three-dimensional calculation speaking to the total livable square footage, in one or multiple stories, to the size of the lot. We suggest separating the two and increasing the maximum to 20%, which would allow a more marketable single family home for small-lot development.

We look forward to approval of the remaining sections of the RDCS manual and its implementation over future competitions.

Sincerely,

John Moniz, Senior Planner

Ross Doyle, Senior Project Manager

Attachment: RJA Comment Letter 06-09-17 (1252 : RDCS COMPETITION MANUAL)



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Jim Rowe, Contract Planner
APPROVED BY: City Manager

DEVELOPMENT AGREEMENT AMENDMENTS FOR EAH AFFORDABLE HOUSING SCATTERED SITE PROJECT A. AAE2017-0023 (DAA-15-06): MONTEREY – EAH; B. AAE2017-0024 (DAA-15-07): CIOLINO – EAH; AND AAE2017-0025 (DAA-15-08): EAST DUNNE - EAH

RECOMMENDATION(S)

1. Open/close public hearing on Development Agreement Amendment requests A through C;
2. Waive first and second reading of Development Agreement Amendment Ordinances A, B, and C incorporating extension of allotments due to rain delays; and
3. Introduce Development Agreement Amendment Ordinances A, B, and C (by individual roll call vote.)

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment
Maintaining Fiscal Responsibility

2017 Strategic Priorities

Inclusiveness

REPORT NARRATIVE:

EAH Housing, Inc. (EAH) proposes to build 41 units of affordable housing on three, non-contiguous sites within the City. The three sites are identified as:

1. 16170-16180 Monterey Road APN 817-03-055 (Belle Salaci) – 19 units
2. 16873 Monterey Road 767-09-029 (Belle Noci) – 8 units
3. 40 East Dunne Avenue 817-01-080 (Belle Allori) – 14 units

Ordinance No's. 2188, 2190 and 2192 dated February 17, 2016 approved Development Agreements for each project site which included a commencement of construction deadline of June 30, 2017. The applicant filed requests on April 18, 2017 requesting amendments to the three Development Agreements to approve a six-month extension of the 41 allotments to December 31, 2017. School fees for the 41 units have been paid and building permits have been issued. Site improvements have been stalled by significant amounts of rainfall preventing completion of the building pads. Although currently under construction, the applicant will not be able to meet the commencement of construction threshold which includes certification of the building pads, installation of the footings or forms for the foundations, and extension of utility laterals (sewer and

water) to the project sites by the June 30, 2017 deadline.

City Ordinances and Policies Governing Time Extensions

On November 8, 2016, the voters within the Morgan Hill community adopted Measure S, the replacement of the prior RDCS Ordinance. This ordinance repeals and replaces in its entirety the prior ordinances, previously codified in Division IV (Residential Development Code) of Title 18 (Zoning) of the Morgan Hill Municipal Code. The transition provisions specified in Section 18.78.030.C.1 and C.2 (Previously Approved Allotments) of the Morgan Hill Municipal Code allows for allotments awarded and exercised prior to March 1, 2017 to remain valid and not affected by the new ordinance.

Allotments awarded prior to March 1, 2017 that have not been exercised remain valid until the expiration date established at the time of allotment or as established in the project's Development Agreement. Effective March 1, 2017, the Planning Commission may grant an extension to the date by which an allotment must be exercised, or commenced construction, in accordance with the provisions outlined in Section 18.78.170 (Extensions) of the Morgan Hill Municipal Code. Planning Commission denial of a requested extension may be appealed to the City Council.

The City Council is being requested only to modify the Development Agreement so that it is consistent with the Planning Commission's actions.

On May 23, 2017, the Planning Commission:

- *Reviewed the proposed Development Agreement Amendments and voted 5-2 to recommend City Council approval of the Amendments as shown in Exhibit A of Ordinances A, B and C.*
- *Granted a six-month extension to the Belle Salaci, Belle Noci and Belle Allori project sites 41 Fiscal Year 2016-2017 allotments finding that the delay has been caused by a severe act of nature outside the applicant's control.*

Commissioners Tanda and Martinez Beltran voted no due to a preference for granting a one-year extension to the project's building allotment.

COMMUNITY ENGAGEMENT: Inform

The required public hearing notice was published in the Morgan Hill Times for the minimum 10-day public noticing period. Property owners within 300 feet of the subject property were notified of the Development Agreement Amendment hearing 10-days prior to the public hearing.

ALTERNATIVE ACTIONS:

The Council can decide not to approve any of the Development Agreement Amendments. If the Council does not approve an amendment to extend the deadline to commence construction Council should remand the extension request to the Planning Commission with instructions to make alternative findings.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On February 17, 2016, the Council adopted Ordinance Nos. 2188, 2190 and 2192 approving Development Agreements for the three EAH affordable housing sites, which included 41 allotments to commence construction June 30, 2017.

The Planning Commission considered an Extension and Development Agreement Amendment request for each application at their May 23, 2017 meeting. Based on the information presented, the Planning Commission determined that delays have been caused by a severe act of nature (significant rain delays) outside of the applicant's control. Under the provisions outlined in Section 18.78.170 (Extensions) of the Municipal Code, the Commission approved a six-month extension to the building allotment as shown in Exhibit A of Ordinances A, B and C. The motion passed (5-2).

FISCAL AND RESOURCE IMPACT:

Application processing fees were collected for each of the amendment requests.

CEQA (California Environmental Quality Act):

The proposed development agreement amendment requests do not alter the previous environmental determinations made for the respective project sites. Environmental determination for each project site described in this report have been made as part of the previous application approvals. Record of each project's CEQA determination is on file with Development Services Department.

LINKS/ATTACHMENTS:

1. May 23, 2017 Planning Commission Report No. 1211 (weblink)
2. Ordinance A - AAE2017-0023 Monterey-EAH
3. Ordinance B - AAE2017-0024 Ciolino-EAH
4. Ordinance C - AAE2017-0025 East Dunne-EAH

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO DEVELOPMENT AGREEMENT DA-15-06 (AAE 2017-0023): MONTEREY - EAH EXTENDING THE COMMENCEMENT OF CONSTRUCTION DATE FOR SIX-MONTHS FOR 19 FISCAL YEAR 2016-2017 ALLOTMENTS (APN 817- 03-055)

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

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. on February 17, 2016, the City Council adopted Ordinance No. 2188, N.S. which approved a Development Agreement for application DA-15-06: Monterey – EAH. Reference is hereby made to that certain Agreement on file in the office of the City Clerk of the City of Morgan Hill. The agreement signed by the City of Morgan Hill and the property owner(s) set forth in detail the development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 5. The City Council of the City of Morgan Hill found that, on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the Mitigated Negative Declaration reflects the City Council's independent judgment and analysis, and that the Mitigated Negative Declaration was adopted prior to action taken to adopt the original project proposal. The custodian of the documents or other material which constitute the record shall be the Community Development Agency.

SECTION 6. A six-month extension is currently requested for 19 of the allocations awarded for Fiscal Year 2016-2017; and

SECTION 7. On May 23, 2017, pursuant to Section 18.78.170.F of the Municipal Code, the Planning Commission approved a six-month extension finding the applicant has been diligent in pursuing all necessary approvals, has a recorded final map, has pulled a grading permit and has pulled building permits for 19 units but the extraordinary amount of rainfall has delayed the project site work resulting in delays in utility installation and creation building pads therefore it does meet the criteria for extension to the date by which these allotments must be exercised.

SECTION 8. ADOPTION OF AMENDED DEVELOPMENT SCHEDULE, EXHIBIT C. The City Council hereby approves the Development Agreement Amendment attached to this Ordinance as Exhibit A.

SECTION 9. The amended development schedule attached to this Ordinance hereby supersedes and replaces the amended development schedule approved under Ordinance No. 2188.

SECTION 10. The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 11. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 12. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 21st DAY OF JUNE 2017, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE __ DAY OF _____ 2017, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ATTEST:

APPROVED:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

❧ CERTIFICATION ❧

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the day of , 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Ordinance A - AAE2017-0023 Monterey-EAH (1274 : Extension of Time for EAH Scattered Site Project)

EXHIBIT A

Exhibit C shall be amended as follows:

EXHIBIT C
DEVELOPMENT SCHEDULE

MC-14-06: Monterey - EAH
FY 2016-2017, 19 allocations

I. ZONING APPLICATION	
Application Approved:	02-03-16
II. SITE REVIEW APPLICATION	
Application Approved:	01-19-16
III. BUILDING PERMIT SUBMITTAL	
Submit plans to Building Division for plan check: FY 2016-17, 19 units	01-05-17
IV. BUILDING PERMITS	
Obtain Building Permits: FY 2016-17, 19 units	03-31-17
V. COMMENCE CONSTRUCTION:	
FY 2016-17, 19 units	06-30-17 12-31-17

Failure to obtain building permits by the dates listed above shall result in the loss of building allotments. Submitting a Final Map Application or a Building Permit one (1) or more months beyond the filing dates listed above shall result in the applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above may result in loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

If a portion of the project has been completed (physical commencement on at least one dwelling unit and lot improvements have been installed according to the plans and specifications), the property owner may apply for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

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Attachment: Ordinance A - AAE2017-0023 Monterey-EAH (1274 : Extension of Time for EAH Scattered Site Project)

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO DEVELOPMENT AGREEMENT DA-15-07 (AAE 2017-0024): CIOLINO - EAH EXTENDING THE COMMENCEMENT OF CONSTRUCTION DATE FOR SIX-MONTHS FOR EIGHT FISCAL YEAR 2016-2017 ALLOTMENTS (APN 767-09-029)

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

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. on February 17, 2016, the City Council adopted Ordinance No. 2190, N.S. which approved a Development Agreement for application DA-15-07: Ciolino – EAH. Reference is hereby made to that certain Agreement on file in the office of the City Clerk of the City of Morgan Hill. The agreement signed by the City of Morgan Hill and the property owner(s) set forth in detail the development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 5. The City Council of the City of Morgan Hill found that, on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the Mitigated Negative Declaration reflects the City Council's independent judgment and analysis, and that the Mitigated Negative Declaration was adopted prior to action taken to adopt the original project proposal. The custodian of the documents or other material which constitute the record shall be the Community Development Agency.

SECTION 6. A six-month extension is currently requested for eight of the allocations awarded for Fiscal Year 2016-2017; and

SECTION 7. On May 23, 2017, pursuant to Section 18.78.170.F of the Municipal Code, the Planning Commission approved a six-month extension finding the applicant has been diligent in pursuing all necessary approvals, has a recorded final map, has pulled a grading permit and has pulled building permits for eight units but the extraordinary amount of rainfall has delayed the project site work resulting in delays in utility installation and creation building pads therefore it does meet the criteria for extension to the date by which these allotments must be exercised.

SECTION 8. ADOPTION OF AMENDED DEVELOPMENT SCHEDULE, EXHIBIT C. The City Council hereby approves the Development Agreement Amendment attached to this Ordinance as Exhibit A.

SECTION 9. The amended development schedule attached to this Ordinance hereby supersedes and replaces the amended development schedule approved under Ordinance No. 2190.

SECTION 10. The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 11. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 12. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 21st DAY OF JUNE 2017, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE __ DAY OF _____ 2017, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ATTEST:

APPROVED:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

❧ CERTIFICATION ❧

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the day of , 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Ordinance B - AAE2017-0024 Ciolino-EAH (1274 : Extension of Time for EAH Scattered Site Project)

EXHIBIT A

Exhibit C shall be amended as follows:

EXHIBIT C
DEVELOPMENT SCHEDULE

MC-14-07: Ciolino - EAH
FY 2016-2017, eight allocations

I. ZONING APPLICATION	
Application Approved:	02-03-16
II. SITE REVIEW APPLICATION	
Application Approved:	01-19-16
III. BUILDING PERMIT SUBMITTAL	
Submit plans to Building Division for plan check: FY 2016-17, 8 units	01-05-17
IV. BUILDING PERMITS	
Obtain Building Permits: FY 2016-17, 8 units	03-31-17
V. COMMENCE CONSTRUCTION:	
FY 2016-17, 8 units	06-30-17 12-31-17

Failure to obtain building permits by the dates listed above shall result in the loss of building allotments. Submitting a Final Map Application or a Building Permit one (1) or more months beyond the filing dates listed above shall result in the applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above may result in loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

If a portion of the project has been completed (physical commencement on at least one dwelling unit and lot improvements have been installed according to the plans and specifications), the property owner may apply for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

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Attachment: Ordinance B - AAE2017-0024 Ciolino-EAH (1274 : Extension of Time for EAH Scattered Site Project)

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO DEVELOPMENT AGREEMENT DA-15-08 (AAE 2017-0025): EAST DUNNE - EAH EXTENDING THE COMMENCEMENT OF CONSTRUCTION DATE FOR SIX-MONTHS FOR 14 FISCAL YEAR 2016-2017 ALLOTMENTS (APN 817- 01-080)

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

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. on February 17, 2016, the City Council adopted Ordinance No. 2192, N.S. which approved a Development Agreement for application DA-15-08: East Dunne – EAH. Reference is hereby made to that certain Agreement on file in the office of the City Clerk of the City of Morgan Hill. The agreement signed by the City of Morgan Hill and the property owner(s) set forth in detail the development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 5. The City Council of the City of Morgan Hill found that, on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the Mitigated Negative Declaration reflects the City Council's independent judgment and analysis, and that the Mitigated Negative Declaration was adopted prior to action taken to adopt the original project proposal. The custodian of the documents or other material which constitute the record shall be the Community Development Agency.

SECTION 6. A six-month extension is currently requested for 14 of the allocations awarded for Fiscal Year 2016-2017; and

SECTION 7. On May 23, 2017, pursuant to Section 18.78.170.F of the Municipal Code, the Planning Commission approved a six-month extension finding the applicant has been diligent in pursuing all necessary approvals, has a recorded final map, has pulled a grading permit and has pulled building permits for 14 units but the extraordinary amount of rainfall has delayed the project site work resulting in delays in utility installation and creation building pads therefore it does meet the criteria for extension to the date by which these allotments must be exercised.

SECTION 8. ADOPTION OF AMENDED DEVELOPMENT SCHEDULE, EXHIBIT C. The City Council hereby approves the Development Agreement Amendment attached to this Ordinance as Exhibit A.

SECTION 9. The amended development schedule attached to this Ordinance hereby supersedes and replaces the amended development schedule approved under Ordinance No. 2192.

SECTION 10. The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 11. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 12. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 21st DAY OF JUNE 2017, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE __ DAY OF _____ 2017, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ATTEST:

APPROVED:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

❧ CERTIFICATION ❧

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the _____ day of _____, 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Ordinance C - AAE2017-0025 East Dunne-EAH (1274 : Extension of Time for EAH Scattered Site Project)

EXHIBIT A

Exhibit C shall be amended as follows:

EXHIBIT C
DEVELOPMENT SCHEDULE

MC-14-05: Dunne - EAH
FY 2016-2017, fourteen allocations

I. ZONING APPLICATION	
Application Approved:	02-03-16
II. SITE REVIEW APPLICATION	
Application Approved:	01-19-16
III. BUILDING PERMIT SUBMITTAL	
Submit plans to Building Division for plan check: FY 2016-17, 14 units	01-05-17
IV. BUILDING PERMITS	
Obtain Building Permits: FY 2016-17, 14 units	03-31-17
V. COMMENCE CONSTRUCTION:	
FY 2016-17, 14 units	06-30-17 12-31-17

Failure to obtain building permits by the dates listed above shall result in the loss of building allotments. Submitting a Final Map Application or a Building Permit one (1) or more months beyond the filing dates listed above shall result in the applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above may result in loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

If a portion of the project has been completed (physical commencement on at least one dwelling unit and lot improvements have been installed according to the plans and specifications), the property owner may apply for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

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Attachment: Ordinance C - AAE2017-0025 East Dunne-EAH (1274 : Extension of Time for EAH Scattered Site Project)



CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Jim Rowe, Contract Planner
APPROVED BY: City Manager

DEVELOPMENT AGREEMENT AMENDMENT, AAE2017-0013, ZONING AMENDMENT, AAE2017-0021: BUTTERFIELD - DIVIDEND: REQUEST FOR APPROVAL OF A DEVELOPMENT AGREEMENT AMENDMENT AND ZONING AMENDMENT; ADD SIX LOTS AND APPROVE EXTENSION TO THE COMMENCEMENT OF CONSTRUCTION DEADLINES. THE PROPERTY IS LOCATED ON THE NORTHWEST CORNER OF THE INTERSECTION OF BUTTERFIELD BOULEVARD AND EAST CENTRAL AVENUE. (APN 726-26-005 & 008)

RECOMMENDATION(S)

1. Open/close public hearing on Development Agreement Amendment and Zoning Amendment requests;
2. Waive first and second reading of Development Agreement Amendment Ordinance adding six lots and incorporating extension of allotments due to rain delays;
3. Introduce Development Agreement Amendment Ordinance;
4. Waive first and second reading of Zoning Amendment Ordinance amendment to Precise Development Plan and Planned Development Overlay; and
5. Introduce Zoning Amendment Ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment
Maintaining Fiscal Responsibility

2017 Strategic Priorities

Inclusiveness

REPORT NARRATIVE:

The applicant filed a request on March 21, 2017 requesting an amendment to a Development Agreement to incorporate six building allotments from an adjacent project (Application MMC-14-09: Butterfield-DPC) for Fiscal Year 2016-2017. On March 28, 2017, the Community Development Director approved a six-month extension of time on those six Fiscal Year 2016-2017 building allotments to December 31, 2017. The extension was granted to allow the Developer time to revise the Final Map and Improvement Plans for Phase 2 to incorporate the six lots and add open space and other associated improvements.

In addition to the merger of the six lots, the applicant is requesting the amendment to the Development Agreement to include a six-month extension of the 41 Phase 1 allotments to December 31, 2017. The Final Map for Valencia Phase 1 was recorded

October 19, 2016. School Fees for the 41 lots of Phase 1 have been paid. Building permits for six lots on the east side of Butterfield Boulevard have been issued. Building permits for the remaining homes on the west side of Butterfield Boulevard are ready to issue, pending completion of the building pads. Improvements on the west side of Butterfield Boulevard have been stalled by significant amounts of rainfall preventing completion of the building pads. The applicant also requested that Phase 2 be extended for six months to December 31, 2018.

The Planning Commission staff report from the May 9, 2017 and May 23, 2017 meetings have been attached which fully analyzes the applicant's request. The following actions are to be considered:

Development Agreement Amendment AAE2017-0013

Due to extensive amount of rainfall this year, improvements on the west side of the project site have been stalled preventing completion of the building pads and a six-month extension of time was requested. Based on finding that the delays have been caused by a severe act of nature outside of the applicant's control, the Planning Commission recommends the City Council approve the amendment to the Development Agreement; approve a six-month extension to the exercise of 41 building allotments (Fiscal Year 2016-2017) due to rain delays. As specified in Section 18.78.160.A of the Morgan Hill Municipal Code, an allotment is considered exercised with the recordation of a Final Map, issuance of a grading permit, or the commencement of construction if no Final Map or grading permit is required.

The Planning Commission discussed during the May 9, 2017 hearing that the six building allotments being incorporated into the project should align with the commencement of construction date with Phase 2 of the Butterfield-Dividend project. The six building allotments received a six-month administrative extension, and with a Development Agreement are entitled to a one-year extension upon determination by the Planning Commission. The applicant requested that Phase 2 be extended for six months. With the delays of Phase 1, it is likely that the applicant would be unable to move forward with the commencement of construction of Phase 2, as required by the Development Agreement. The Commission approved the extension 4-0 with Commissioner Martinez Beltran abstaining and recommends the Development Agreement be amended (Attachment 3) and the development schedule for Phase 2 be extended to be consistent with Section 18.78.160.A of the Morgan Hill Municipal Code (Exercise of Allotments).

Recommended Development Schedule

Exercise Allotments	of	Original Date 1st Extension	Approved Date Request	Planning Commission Action
FY 2015-2016 (41 allotments)		June 30, 2016 June 30, 2017	December 31, 2017	December 31, 2017
FY 2016-2017 (6 allotments)		June 30, 2017 December 31, 2017	December 31, 2018	December 31, 2018

FY 2017-2018 (37 allotments)	June 30, 2018	December 31, 2018	December 31, 2018
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Zoning Amendment AAE2017-0021

The Planning Commission recommends 4-0 with Commissioner Martinez Beltran abstaining, that the City Council approve the Zoning Amendment Ordinance (Attachment 4) approving an amendment to the Precise Development Plan and Planned Development Overlay to incorporate six allotments and site area from an adjacent project (Application MMC-14-09: Butterfield-DPC) for Fiscal Year 2016-2017 into Phase 2 of the Butterfield-Dividend (Valencia) project.

COMMUNITY ENGAGEMENT: Inform

The required public hearing notice was published in the Morgan Hill Times for the minimum 10-day public noticing period. Property owners within 300 feet of the subject property were notified of the Development Agreement Amendment and Zoning Amendment hearing 10-days prior to the public hearing.

ALTERNATIVE ACTIONS:

The Council can decide not to approve the Development Agreement Amendment. If the Council does not approve an amendment to extend the deadline to commence construction Council should remand the extension request to the Planning Commission with instructions to make alternative findings.

Should the Council decide not to approve the Zoning Amendment, the six lots would not be added to Phase 2 of the Valencia project and need to build out as a separate stand-alone development. The separate project would not be part of the Valencia Homeowners Association.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 15, 2014, the Council adopted Ordinance No. 2124 approving a Development Agreement for the Valencia development, which included 41 allotments to commence construction June 30, 2016. On June 1, 2016, the City Council adopted Ordinance No. 2202 which approved an amended Development Agreement, adding 37 Fiscal Year 2017-2018 allotments to the project (MC-15-15: Butterfield-MH Butterfield) and approved a one-year extension of time to the commence of construction deadline for 41 Fiscal Year 2015-2016 allotments.

The Planning Commission considered an Extension, Development Agreement Amendment and Zoning Amendment request at their May 9 and May 23, 2017 meetings. Based on the information presented, the Planning Commission determined that delays have been caused by a severe act of nature (significant rain delays) outside of the applicant's control. Under the provisions outlined in Section 18.78.170 (Extensions) of the Municipal Code, the Commission approved extensions to the building allotment as shown in Exhibit A of the Development Agreement Ordinance (Attachment 3). The motion passed (4-0-1-1) Commissioner Orosco was absent and Commissioner Martinez Beltran abstained from the vote. In separate motions the Commission voted to recommend adoption of the Zoning Amendment Ordinance and

approved the Vesting Tentative Map. The motions passed (4-0-1-1).

FISCAL AND RESOURCE IMPACT:

Application processing fees were collected for each of the amendment requests.

CEQA (California Environmental Quality Act):

The proposed development agreement amendment and zoning amendment requests do not alter the previous environmental determinations made for the project. Environmental determination for the project as described in this report have been made as part of the previous application approvals. Record of the project's CEQA determination is on file with Development Services Department.

LINKS/ATTACHMENTS:

1. Ordinance Amending Development Agreement
2. Zoning Amendment Ordinance
3. May 9, 2017 Planning Commission Report No. 1171 (weblink)
4. May 23, 2017 Planning Commission Staff Report No. 1213 (weblink)

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDED DEVELOPMENT AGREEMENT TO DA-14-03 (AAE2017-0013): BUTTERFIELD – DIVIDEND INCORPORATING SIX FISCAL YEAR 2016-2017 ALLOTMENTS TO THE APPROVED 78-UNIT VALENCIA DEVELOPMENT AND EXTENDING THE EXERCISE OF ALLOTMENTS FOR 84 BUILDING ALLOTMENTS (APN 726-26-005 &008)

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

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. On October 14, 2014, the City Council adopted Ordinance No. 2124, N.S. which approved a Development Agreement for application MC-13-18: Butterfield-MH Butterfield.

SECTION 4. On February `10, 2015, the Planning Commission, pursuant to Title 18, Chapter 18.78.125 of the Morgan Hill Municipal Code and Resolution No. 15-06, awarded allotments to a certain project herein after described as follows:

<u>Project</u>	<u>Total Dwelling Units</u>
MMC-14-09: Butterfield-DPC	Six, Fiscal Year 2016-17 allotments

SECTION 5. On June 1, 2016, the City Council adopted Ordinance No. 2202, N.S. which approved an amended Development Agreement, adding 37 Fiscal Year 2017-2018 building allotments to the project awarded pursuant to application MC-15-15: Butterfield-MH Butterfield and approved a one-year extension of time to the commencement of construction deadline for 41 Fiscal Year 2015-16 building allotments.

SECTION 6. References are hereby made to certain Agreements on file in the office of the City Clerk of the City of Morgan Hill. These documents to be signed by the City of Morgan Hill and the property owner(s) set forth in detail the development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 7. On October 14, 2014, the City Council of the City of Morgan Hill found that, on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the Mitigated Negative Declaration reflects the City Council's independent judgment and analysis, and that the Mitigated Negative Declaration was adopted prior to action taken to adopt the original

project proposal. The custodian of the documents or other material which constitute the record shall be the Development Services Department.

SECTION 8. On May 23, 2017, pursuant to Section 18.78.170.F of the Municipal Code, the Planning Commission approved a six-month extension to the exercise of 41 building allotments (Fiscal Year 2016-2017) and six month extension to Phase 2 (43 allotments) due to rain delays finding the applicant has been diligent in pursuing all necessary approvals, has a recorded final map, has pulled a grading permit and has pulled building permits for 41 units but the extraordinary amount of rainfall has delayed the project site work resulting in delays in utility installation and creation building pads therefore it does meet the criteria for extension to the date by which these allotments must be exercised.

SECTION 8. ADOPTION OF AMENDED EXHIBIT “B” TO DEVELOPMENT AGREEMENT. The City Council hereby approves the Development Agreement Amendment for AAE2017-0013 (DA-14-03): Butterfield - Dividend (APN 726-26-005 and 008) attached to this Ordinance as Exhibit A.

SECTION 9. The amended Exhibit “A” attached to this Ordinance hereby supersedes and replaces the Exhibit “A” to the Amended Development Agreement adopted under Ordinance No. 2202, N.S.

SECTION 10. The City Council hereby finds that the development proposal and agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 11. Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

SECTION 12. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 13. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 21^h DAY OF JUNE 2017, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE __ DAY OF _____ 2017, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ATTEST:

APPROVED:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

⌘ CERTIFICATION ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the _____ day of _____, 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

Exhibit A

Exhibit B shall be amended as follows:

EXHIBIT B

DEVELOPMENT SCHEDULE
MC-13-18: Butterfield-Dividend 41, FY 2015-2016
MMC-14-09: Butterfield-DPC, 6 FY 2016-2017
MC 15-15: Butterfield MH Butterfield 37, FY 2017-2018

I. SUBDIVISION AND ZONING APPLICATIONS			
Applications Filed:			03-21-2014
II. SITE REVIEW APPLICATION			
Application Filed:			12-30-2014
III. FINAL MAP SUBMITTAL			
Map, Improvements Agreement and Bonds: FY 2015-2016 (41 allocations)			03-30-2015
IV. BUILDING PERMIT SUBMITTAL			
Submit plans to Building Division for plan check:			
FY 2015-2016 (41 units)			12-30-2015
V. BUILDING PERMITS			
Obtain Building Permits:			
FY 2015-2016 (41 units)			03-30-2017
FY 2016-2017 (6 units)			06-30-2019
FY 2017-2018 (37 units)	03-30-2018		06-30-2019
VI. COMMENCE CONSTRUCTION EXERCISE OF ALLOTMENT (Section			
18.78.160.A):			
FY 2015-2016 (41 units)	06-30-2016	06-30-2017	12-31-2017
FY 2016-2017 (6 units)	06-30-2017	12-31-2017	12-31-2018
FY 2017-2018 (37 units)		06-30-2018	12-31-2018

Failure to obtain building permits by the dates listed above shall result in the loss of building allotments. Submitting a Final Map Application or a Building Permit one (1) or more months beyond the filing dates listed above shall result in the applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above may result in loss of building allotments. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.120 of the Municipal Code if development is still desired.

Exhibit C Shall be amended as follows:

EXHIBIT C

SPECIFIC RESTRICTIONS AND REQUIREMENTS

The following restrictions and requirements apply to all 41 allotments awarded to RDSC application MC 13-18: Butterfield-Dividend, six allotments awarded to MCC-14-09: Butterfield-DPC and all 37 allotments awarded to MC 15-15: Butterfield-MH Butterfield unless noted below. The following chart describes the applicable reference in the Morgan Hill Municipal Code to the requirement, a description of the commitments specific to the Project, the requirement timing of the implementation and the total estimated costs of improvement or applicable fee commitment. These commitments are IN ADDITION to any mitigation requirements under CEQA, impact fee, in-lieu fees or other requirements under federal or state laws, or the Morgan Hill Municipal Code (See Section 2.03 of the Agreement)

*Estimated costs are estimates and may require augmentation for the completion of improvements. Impact fees are subject to the provisions of Section 2.03 (b) of this Agreement.

Municipal Code Reference	Description of Requirement	<u>Time of Implementation</u> (specify date or phase #)	<u>Estimated Cost or Fee Amount*</u>
18.78.210 Schools			
B 1 Developer fees	Payment of district adopted developer fees as provided by the Leroy F. Green School Facilities Act of 1998.	Prior to the issuance of each building permit.	Fee at time of Building Permit
B 4 Off-site pedestrian safety improvements	Project to spend \$4950/unit for pedestrian and school pedestrian improvements designated by the MHUSD and approved by the City.	Prior to issuance of Certificate of Occupancy	\$4,950 per unit.

18.78.220 Open Space			
B 1a Open space buffer	Project provides open space buffer ten feet in excess of code requirements and a minimum 55 feet in width along Butterfield Blvd at Calle Del Rey Court.	Prior to development plan approval	NA
B 2b Common open space area to be maintained by HOA	Project provides private open space which will be maintained by the HOA.	Prior to development plan approval	NA
B 1c Provides convenient access to amenities	The Project will have internal pathways through the common area to provide convenient access to the common area park amenities, per the stated requirements.	Prior to development plan approval	NA
B1f Provides private usable open space	Provides private usable open space areas for 100 percent of the homes	Prior to development plan approval	NA
B 1g Provides public or private common useable open space	Provides public or private common useable open space which may be used for a dual purpose to include underground storm water detention, as determined by the Department of Public Works.	Prior to development plan approval	NA
B 2a Provides a high ratio of total open space area.	Project commits to a building coverage of no more than 28%	Prior to development plan approval	NA
B 4c Transfer Development Credit (TDC)	Applicant commits to purchase double TDCs.	Prior to issuance of Certificate of Occupancy	Applicable TDC fee at time of C of O

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18.78.240 Public Facilities			
B2a Grids water mains to existing system	The Project will grid the water mains at three points: Butterfield (project north corner), Butterfield (Main project entrance) & at Central entrance road.	Prior to improvement plan approval	NA
B 2b Drainage	Drainage concept must be consistent with City's storm drain system (e.g., the City Storm Drainage Master Plan, local area storm drain system)	Prior to improvement plan approval	NA
B 2c Drainage Design consistent with city storm drain system	Project storm drain lines that are to be maintained by the City will be constructed entirely within the paved area of the street, or in a location acceptable to the Director of Public Works. No storm drains within the project (on-site) will be maintained by the City.	Prior to improvement plan approval	NA
B 2d Design of on-site detention/retention pond	Project will still be required to provide RETENTION as part of the City's storm water management plans for water quality purposes and NOT for flood control.	Prior to improvement plan approval	NA
B 2f Off site public Improvements	The project will provide public improvements at cost of \$4400 per unit. Public improvements shall be determined and approved by Public Works.	Prior to issuance of Certificate of Occupancy	\$4400 per unit

18.78.250 Parks and Paths			
B 1 Park in-lieu	The project shall pay an in-lieu fee consistent with the requirements contained in Chapter 17.28 of the Municipal Code.	Prior to Certificate of Occupancy	Fee at time of Certificate of Occupancy
B 2 Amenities	Project shall provide the following separate amenities: Two shade trellis areas, three separate barbeque/picnic areas, swimming pool, spa, community building and tot lot and passive recreational area adjacent to Calle Del Rey Court, sufficient to qualify for four points.	Prior to development plan approval	Fee at time of Certificate of Occupancy on last 20 units
B 3 Bicycle Lanes and Pathways	Provides Class I bicycle lanes and pathways along the project frontage and the project provides necessary street improvements and striping for Class II bike lanes. The project must provide at least one quarter mile of Class II bike lane improvements for each 10 dwelling units within the project.	Prior to development plan approval	NA
B 6 Double Park in-lieu	In addition to standard park fees, project shall pay the lesser of either double the in-lieu park fees or \$1,100 per unit. MMC-14-09: Butterfield – DPC FY 2016-2017: In addition to standard park fees, project shall pay the lesser of either six times the in-lieu park fees or \$3,300 per units for six units.	Prior to issuance of Certificate of Occupancy	NA
B 7 Park space	The project shall provide 3.61 4.52 acres of land dedicated to private parks.	Prior to recordation of the final map	NA
18.78.260 Housing Needs			
B3 BMR units	Project shall provide 6.24 BMR's, 3 low, 3 median income and .24 of the housing in-lieu fee. Project shall provide a total of 8% BMR units: 4% Low Income (3 units); and 4% Median Income (3 units). Any fraction of .5 or greater is deemed a	Prior to issuance of Certificate of Occupancy	1 per every 10 Certificate of Occupancies

	requirement for one additional below market rate unit. Any fraction .4 or less shall be paid as a fraction of the housing in-lieu fee prior to the occupancy of the final unit. Low Income is defined as 73% Area Median Income (AMI) and Median Income is defined as 100% AMI (as determined and updated annually by the State HCD). Individual unit prices are dependent on unit sizes/bedroom counts and subject to the prices shown in the City of Morgan Hill's "New BMR Sales Pricing Index" table. The Project shall provide at least 6 units for participation in a Below Market Rate (BMR) for sale program approved by the Community Development Department. The BMR unit(s) shall be approved by the City of Morgan Hill Planning Commission and Site and Architectural Review process. BMRs are also subject to the requirements listed under "Additional Requirements" and as referenced per the Affordable Housing Agreement (AHA). Additional Requirements: (i) Below Market Rate (BMR) purchasers shall be treated in the same manner as purchasers of non-BMR units. Developer, including Developer's company, employees, and/or agents) agrees to cooperate with the Below Market Rate (BMR) Program Administrator and follow the guidelines and procedures as outlined in the Affordable Housing Agreement (AHA). (i) Project will provide the buyer(s) of the BMR unit(s) the same option to upgrade the materials in the BMR home as a market rate buyers would in the market rate homes. (iii) Project will provide the same level of customer service to the BMR buyer as the market rate buyer. (iv) The Below Market Rate (BMR) Program Guidelines are hereby incorporated herein in full by this reference.		
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	(v) All BMRs will be processed using the guidelines, requirements, and pricing in effect at the time they are released for "sale." (vi) Exterior trim entry door hardware, and finish to the same standard as the Market Rate. (vii) Minimum standards for equipment, fixtures, appliances and finishes have been established for the BMR units. All items installed by the developer shall be of good quality and in new condition. Good quality shall be deemed as entry level but generally not the lowest level of product offered for that application. All products shall offer durability, reliability and maintain a quality appearance and function that is standard to most other median priced homes in the area. The below listed items must be installed as a basic feature of each BMR home. Minimum Interior standard finishes will be as follows: • All closets shall have doors • Interior doors to be raised panel type or same as market rate • Door hardware to be brass finish or the equivalent • Appliances shall be major brand name • Microwave with an exhaust vent shall be installed over the range. • Kitchen counters shall be white ceramic tile • Kitchen cabinets shall be stained wood with white melamine interiors • Units will be roughed in for AC including electrical and line set. • Basic alarm system to secure all accessible openings to the home • Carpet in bedrooms, hallways, family rooms • Linoleum or tile in entry, bathrooms kitchens • Laminate flooring may be substituted for carpet or linoleum • Electric garage door opener MMC-14-09: Butterfield–DPC FY 2016-2017:		
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	Project will pay double the standard housing fee computed at 8% of the of the six units added to the overall project. [8% of the six units times the standard housing fee amount equals the total fee amount]		
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18.78.270 Housing Types			
B1a Diversity of types	6, Single-family detached homes in the project area zoned R-1 4,500. 18 Single-family detached, 18 Triplex and 36 Single-family attached homes within the project area zoned R-2 3,000.	Prior to development plan approval	NA
B 3a Variation of sizes	There are ix different floor plans, the smallest being 1488 sf and the largest 2685 sf. Four of the floor plans are 200 sf larger than the next smaller plan	Prior to development plan approval	NA
B 1a R-1 4,500 units	R1-4,500 zone units shall be four bedroom units.	Prior to development plan approval	NA
18.78.280 Quality of Construction			
B1 Over and above commitments made in the Natural and Environmental category, the proposed development will install the following:	MC-13-18: Butterfield-Dividend 41, FY 2015-2016 • Full exterior OSB/Plywood wrap with window door flashing. • 220 Volt electric car charging station, inside of the garage. • All plumbing waste lines from 2nd story are installed with approved noise dampening system. • Recycle center built in to cabinet layout with pullouts for bins. • Noncombustible siding and roofing materials except for window, fascia and door trim on all homes. • R-13 sound attenuated insulation in all bathroom interior walls • Energy star rated fresh air exhausts system in home	Incorporate in to construction plans prior to the issuance of a building permit.	NA

	MMC-14-09: Butterfield-DPC, six units, FY 2016-2017 and MC 15-15: Butterfield MH Butterfield 37, FY 2017-2018 • Foundations: 20% reduction of cement in the concrete mix design by use of fly ash, slag, silica fume or rice hull ash. • Installation of 90% high efficiency fan forced heating. • Installation of one dedicated ¾ inch electrical raceway for a future circuit to accommodate two 220 Volt electric car charging stations inside the garage. • Zoned heating and air condition for all one and two-story homes. • The proposed development will provide all the following: 1. Listed sound attenuation materials in walls that adjoin a bathroom and/or bedroom walls; 2. Installation of high efficiency energy star water heater with energy factor of 0.70; 3. Installation of ultra-high efficiency or dual flush toilet; and 4. Installation of rain sensor monitor on irrigation system.		
18.78.290 Lot Layout and Orientation			
B 1a Avoids deep or narrow lots	Project avoids excessively deep or narrow lots AND provides side yards at least 20% in excess of the minimum setback.	Prior to development plan approval	NA
B1h Repeat factor	Project commits to a repeat factor of 3.5 or less	Prior to development plan approval	NA
B 1d Minimize sound walls	There are increased set-backs along Butterfield to allow opens space areas along the larger open space areas with wrought iron fencing. All homes that side toward the railroad tracks will have sound board and sound reducing windows. A/C units where possible will be in rear of lots	Prior to development plan approval	NA

B 1f Transition of lot sizes	Project commits to provide appropriate transition to adjoining residential development	Prior to development plan approval	NA
B 2a Visibility of entrances	A minimum of 75 percent of the units have entrances that are visible from public streets.	Prior to development plan approval	NA
B 3a & b Setback variation	A minimum five-foot front and rear setback variation is provided between adjoining units	Prior to development plan approval	NA
B 3c Variation of lot widths	The proposed project provides at least a four-foot variation in standard lot widths (excluding cul-de-sac lots) and each lot width represents at least 10 percent of the total lots. For purposes of making the above determination, there must be at least three different standard lot widths and at least a four-foot difference in the width of each standard lot.	Prior to development plan approval	NA
B 3d Garage Alternative	Project will provide a garage door that is setback a minimum of three feet beyond the front building footprint and includes architectural treatment of the face of garage (e.g. trellis, balcony, archway, 2ft recess of door, etc. (up to two points) on all single-family detached homes within the development.	Prior to development plan approval	NA
18.78.300 Circulation Efficiency			
B1a Future street extension	Project will stub connection to Parcel 2 that is not a part of the current project. The project provides an EVA or temporary turn-around on Parcel 2 for fire and police safety.		

B 4 Provides for dedication and improvement of extensions to existing streets	The project agrees to spend \$2,200/unit toward the construction of roadway improvements near or adjacent to the proposed development. Applicant agrees to construct out of tract public improvements at a cost of \$2,200 per unit. This commitment is in addition, and not duplicative, to the similar commitment in the Public Facilities Section.	Prior to issuance of Certificate of Occupancy	NA
B 1f Minimum 20 ft. clear view back-out distance	Provides a minimum 20-foot clear view back-out distance between enclosed garage space and the adjacent public street.	Prior to development plan approval	NA
B 3a Convert existing City street lights to LED	Converts existing city street lights to energy efficient LED lights at a ratio of one street light conversion per dwelling unit. This commitment shall apply to the conversion of existing street lights on or adjacent to the project frontage, or in an earlier phase of the current project.	Prior to acceptance of the public improvements.	NA
18.78.310 Safety and Security			
B 1b Provide first aid kit	Project commits to providing a first aid kit with poison control document. Kit to be installed in kitchen area of each unit	Prior to issuance of Certificate of Occupancy	NA
B 1d Provide outdoor lighting	Project commits to providing outdoor lighting that meets all police department specifications	Prior to development plan approval	NA
B 1f Illuminated address numbers and curb numbers	Project commits to installation of illuminated address numbers on each unit and to paint reflective curb numbers at each unit.	Prior to development plan approval	NA

B 1g Other intrusion protection device or approved construction technique	Project will be meeting with MHPD to obtain approval on an additional intrusion protection device.	Prior to development plan approval	NA
B 1h Bike storage	All units provided with enclosed garages for bike protection and storage.	Prior to issuance of Certificate of Occupancy	NA
B 1h All large common areas and parks will be provided with on-site (or modified electrolier) lighting to a minimum 1.5 foot candles.	Project commits to providing on-site lighting to a minimum of 1.5 foot candles.	Prior to development plan approval	NA
B 6 Neighborhood emergency preparedness program through HOA	Project commits to providing a Neighborhood Emergency Preparedness program to be administered by the Homeowners Association	Prior to the issuance of first Certificate of Occupancy	NA
Neighborhood "Watch	Project commits to including in Covenants, Conditions and Restrictions provisions that will direct a Board representative to the police department to	Prior to the issuance of first	NA

Program" in CC&R's	enact a Neighborhood Watch Program to be established as part of the first phase of the development	Certificate of Occupancy	
18.78.320 Landscaping, Screening and Color			
B 1c Varied front yard landscaping	Varied front yard landscaping will be installed by the developer.	Prior to development plan approval	NA
B 2d Adheres to Street Tree Master Plan and preserves existing trees	The developer will plant street trees that will conform to the street tree master plan. There are at least three larger oak trees on the project that will be able to be saved within the larger central common area and several along the RR right of way. An arborist's report will be provided to verify the health of the trees that can be saved.	Prior to development plan approval	NA
B 2b Drought tolerant grasses	Drought tolerant hybrid tall fescue grasses will be used for lawn areas. The lawn areas will not exceed 25% of the landscape area. This is exclusive of park/open space landscape area.	Prior to development plan approval	NA
B 1b Automatic irrigation systems	Automatic irrigation system will utilize separate valve and circuits; Minimum of three separate valves required. Water conserving irrigation system will also be used.	Prior to development plan approval	NA
B 2b Use of water conserving plants	All other planting in non-turf areas shall be composed of low to moderate water use plants identified in Water Use Classification of Landscape Species Guide or East Bay Municipal District's Plants and Landscape for Summer-Dry Climates of the San Francisco Bay Region or other species, including native plants, that are well adapted to the climate of the region and require minimum water once established.	Prior to development plan approval	NA
B 2c Separate water source for	Project will provide a well to provide irrigation water for the common area and front yards that are maintained by the HOA	Prior to development plan approval	NA

irrigation of common area			
B 3 Visible landscaping to public	Landscaping is installed by the developer on all areas visible from public and private rights-of-way	Prior to development plan approval	NA
B 4 Site drainage reduction.	Project site drainage will be reduced by first-flush underground retention system, with testing results demonstrating sufficient percolation which is greater than 0.6 inches per minute. The desired reduction will be accomplished with soil amendment or other means verified by the Project Soil Consultant.	Prior to approval of the project improvement plans	NA
18.78.330 Natural and Environmental			
B 1 Minimize grading	Foundation types will be designed to minimize grading of the site and road alignment follows and maintains existing ground elevation to the greatest extent possible. Minimal grading is considered a fill or excavation of less than two feet in depth (four feet is acceptable for detention ponds and three feet is acceptable as required fill for flood protection), and restricts the amount of runoff caused by impervious surfaces and the covering of land area suitable for percolation or bio-swales where applicable.	Prior to development plan approval	NA
B 2 Alt. energy features	MC-13-18: Butterfield-Dividend 41, FY 2015-2016 Install solar photovoltaic panels to offset 60% of anticipated electrical energy demand of residential unit Pre-plumb for solar water heating. Twenty-one (21) additional Build It Green (BIG) Points beyond a 70-point minimum	Prior to issuance of building permit	NA

	MC 15-15: Butterfield MH Butterfield 37, FY 2017-2018 Install solar photovoltaic panels to offset 50% of anticipated electrical energy demand of residential unit Building performance exceeds Title 24 by 30% Any community pool utilizing solar water heating.		
18.78.335 Livable Communities			
B 2 Bus stop installation	Project commits to the installation of bus shelters, benches, reinforced street sections or bus pullout areas as reviewed and approved by the Valley Transportation Agency (VTA). The VTA must accept the bus stop improvements.	Must be included in project improvement plans	
B 6b Roof lines	Project will use at least two different roof lines and two different pitches	Prior to development plan approval	NA
B 6c Profiles and massing	Project will retain architecture, profiles, and massing that conforms to the existing surrounding neighborhoods.	Prior to development plan approval	NA
B 6 a & d Relief and details	Project provides a consistent level of architectural relief and detailing on all four building elevations and conforms to other criteria, such as porches/balconies, standard trim, and base colors represent no more than 15% of the project. Where two-story rear and/or side-yard building elevations occur, architectural relief shall include some third dimensional design element such as bay windows, balconies, covered porches, decorative trellis, etc.	Prior to development plan approval	NA
B 7 Provides privacy for residents	Uses design and layout techniques that give individuals maximum privacy within and outside the homes. Such techniques include the off set of windows between units, alternating outdoor patio areas, and interior atrium type patios.	Prior to development plan approval	NA

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R:\PLANNING\WP51\Land Agreements\DA\2014\DA 14-03 Butterfield-Dividend\AAE2017-0013\Ordinance Amending Development Agreement.docx

ORDINANCE NO.

A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE R-1 (4,500) (PD) AND R-2 (3,000) (PD) PLANNED DEVELOPMENT OVERLAY DISTRICT AND PRECISE DEVELOPMENT PLAN FOR AN 84-UNIT RESIDENTIAL DEVELOPMENT ON A 13.72-ACRE SITE LOCATED ON THE NORTHWEST AND NORTHEAST CORNERS OF THE INTERSECTION OF BUTTERFIELD BOULEVARD AND EAST CENTRAL AVENUE. (APN 726-26-005 &008)

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

- SECTION 1.** On November 5, 2014 the City Council adopted Ordinance No. 2123, N.S. establishing an R2-3,000 PD zoning district on a 12.5-acre portion and an R-1 4,500 PD zoning designation on a 1.3-acre portion of a 13.5-acre parcel located on northwest and northeast quadrants of the Butterfield Blvd. and E. Central Ave. intersection (APN 726-26-005).
- SECTION 2.** On May 23, 2017, the Planning Commission recommended approval of an amendment to the Precise Development Plan adopted under Ordinance No. 2123 as contained in that certain series of documents date stamped August 1, 2014 and April 27, 2017 on file at the Development Services Department, entitled "Valencia" prepared by MH Engineering. The amendment adds six lots to the R2-3,000 PD zoning district and expands the project area at the northeasterly corner of the site and expands the total project area to 13.72 acres. These documents, as amended by site and architectural review, show the location and sizes of all lots in this development and the location and dimensions of all proposed buildings, vehicle and pedestrian circulation ways, recreational amenities, parking areas, landscape areas and any other purposeful uses of the project.
- SECTION 3. DESCRIPTION OF LAND IN REZONING.** There hereby is attached hereto as Exhibit "A" and made a part of this ordinance a legal description which gives the boundaries of the described parcel of land.
- SECTION 4. FINDING OF CONSISTENCY WITH THE GENERAL PLAN.** The City Council hereby finds that the amendment(s) established by this ordinance as herein described is compatible with the goals, objectives, policies and land use designation of the General Plan of the City of Morgan Hill. The Council further finds that the proposed amendment is required in order to serve the public health, convenience and general welfare as provided by Section 18.62.070 of

the Morgan Hill Municipal Code.

- SECTION 5. INCORPORATING THE PRECISE DEVELOPMENT PLAN BY REFERENCE.** Reference is made to that certain series of documents dated September 16, 2014 and April 27, 2017, attached hereto as Exhibit “B” and on file in the Development Services Department, entitled "Valencia Development Plan”, prepared by MH Engineering. These documents show the location and sizes of all lots in this development and the location and dimensions of all proposed units on the lots. Said plans hereinafter referred to shall be binding on all future owners and developers as well as the present owners and any substantial changes can only be made after further public hearings before the Planning Commission and City Council.
- SECTION 6.** The City Council hereby finds that, on the basis of the whole record before it (including the addendum to the initial study), that there is no substantial evidence that the project as currently proposed will have a significant effect on the environment beyond what was anticipated in the Mitigated Negative Declaration adopted by the City Council in on August 28, 2013 reflects the Planning Commission’s independent judgment and analysis. The custodian of the documents or other material which constitute the record shall be the Community Development Department.
- SECTION 7.** The City Council finds that the proposed Planned Development (PD) Overlay District is consistent with the criteria specified in Chapter 18.30 of the Morgan Hill Municipal Code provided adjustments are made to the precise development plan to minimize (within 25% of base standard and frequency of occurrence) the variations from the base development standards for the floor area ratios for the single-family detached homes and adjustment to lot sizes and lot width. Architectural and landscape treatments shall be incorporated as part of the Design Review approval process to minimize the appearance of the garage doors.
- SECTION 8.** The City Council hereby approves the precise development plan which allows exceptions to the base development standards of the R-2 3,000 zoning district for all attached units and the development standards of the R-1 4,500 as shown on the precise development plan. Any development not shown on the precise development plan shall be consistent with the underlying zoning standards with the exception of the single family detached homes in the R-2 3,000/PD area will be subject to the zoning standards of the R-1 4,500 zoning designation as amended.
- SECTION 9.** Notice is hereby given that, pursuant to the Mitigation Fee Act, the City of Morgan Hill charges certain fees (as such term is defined in Government Code Section 66000) in connection with approval of your development project for the purpose of defraying all or a portion of the cost of public facilities related to your development project (Mitigation Fee Act Fees). These fees do not include fees for processing applications for governmental regulatory actions or approvals, or

fees collected (a) under development agreements, (b) pursuant to agreements with the Morgan Hill Redevelopment Agency or (c) as a part of your application for development allocations under the City's Residential Development Control System. The Mitigation Fee Act Fees applying to your project are listed in the schedule of fees provide. Notice is also hereby given that you have the opportunity to protest the imposition of the Mitigation Fee Act Fees within 90 days of the approval of the approval or conditional approval of your development project and that the 90-day approval period in which you may protest has begun. This right to protest does not apply to voluntary Residential Development Control System fees.

SECTION 10. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 11. Effective Date; Publication. This Ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 21st DAY OF JUNE 2017, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE __ DAY OF _____, 2017 AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ATTEST:

APPROVED:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

❧ CERTIFICATION ❧

I, **IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA**, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____ New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the _____ day of _____, 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

R:\PLANNING\WP51\Zoning Amendment\2014\ZA-14-04 Butterfield Dividend\AAE2017-0021\Zoning Amendment Ordinance.docx

Attachment: Zoning Amendment Ordinance (1273 : Development Agreement and Zoning Amendment: Butterfield-Dividend)

EXHIBIT A***LEGAL DESCRIPTION*****REAL PROPERTY IN THE CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:**

LOTS 15 AND 18, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED "MAP OF THE OLD HOMESTEAD TRACT, BEING HIGGINS AND STERRETT'S RE-SUBDIVISION OF LOT 127 AND THE SOUTHWESTERLY 60 FEET OF LOT 1, MORGAN HILL RANCH NO. 1M", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, ON JUNE 16TH, 1913 IN BOOK 0 OF MAPS AT PAGE 39.

EXCEPTING THEREFROM PORTION OF LOT 15 CONVEYED TO THE CITY OF MORGAN HILL FOR PURPOSE OF EMINENT DOMAIN BY FINAL ORDER OF CONDEMNATION RECORDED ON DECEMBER 07, 2000 AS INSTRUMENT NO. 15488081 IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA.

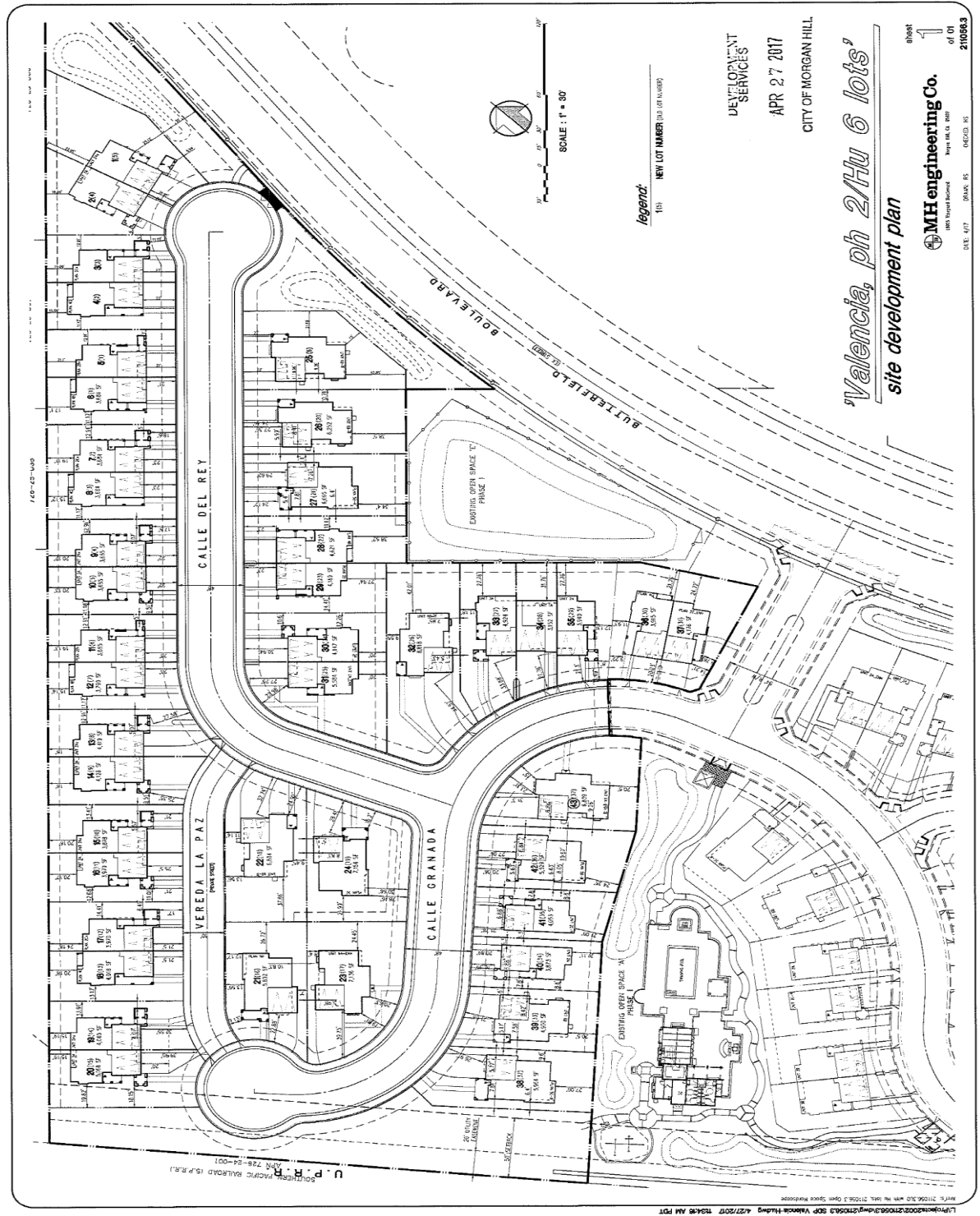
APN: 726-26-005

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 3, as shown on that certain Parcel Map filed in the office of the Recorder of the County of Santa Clara State of California on April 19, 2006 in Book 799 of Maps, pages 26 and 27 and amended by Map recorded July 26, 2006 in book 804 of Maps, pages 16 and 17.

APN: 726-26-008







CITY COUNCIL STAFF REPORT

MEETING DATE: June 21, 2017

PREPARED BY: Donald Larkin, City Attorney
APPROVED BY: City Manager

APPROVAL OF AN ORDINANCE ADOPTING A DEVELOPMENT AGREEMENT AMENDMENT FOR THE MONTEREY GUNTER PROJECT UNDER SETTLEMENT AGREEMENT WITH GUNTER LLC

RECOMMENDATION(S)

1. Open/close public hearing on Development Agreement Amendment;
2. Waive first and second reading of Development Agreement Amendment Ordinance;
3. Introduce Development Agreement Amendment Ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment
Maintaining Fiscal Responsibility

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

In January 2007, the Council approved a RDCS development agreement for the Gunter Project. The agreement included allotments of 15 units in a mixed-use development. In 2008, the developers completed all approvals and received building permits. At the onset of construction, the site was found to be contaminated. Due to the contamination issues, the deadline for the developer to commence construction has been extended five times. The current deadline is June 30, 2017.

Although the project was allowed to keep its RDCS allotments, the building permits that were issued in 2008 expired. Following the expiration of the building permits, the project was modified at the request of the applicant. In addition to the time needed to ensure that the modifications did not impact the project's original RDCS score, a legal dispute contributed to a delay in issuing some of the required project approvals.

The legal dispute stems from a disagreement over the interpretation of a former "unrestricted moderate housing" program. When this project competed for RDCS allotments, developers could receive 8 points for providing "unrestricted moderate" housing. Unrestricted moderate units could only be sold to purchasers making less than 120% of the area median income. The sales price assumed that purchasers would receive significant down-payment assistance, which was used to justify sales prices at up to \$650,000 (well above the affordability levels for a moderate-income purchaser.) The subsidies that allowed for the high sales price to moderate income buyers are no longer available.

The developers believe that the current Development Agreement would allow them to sell the units at the sales price available at the time they competed for RDCS allotments. The City believes that the Development Agreement would require them to sell the units at the current moderate income pricing level. Under either scenario, the units would be “unrestricted,” meaning they could be sold at market rate immediately after the initial sale to a qualified buyer. In order to resolve the dispute, the City and developer have agreed to a compromise. On April 5, 2017 and April 19, 2017 Council met in closed session and authorized the City Attorney to negotiate a settlement agreement under the following general terms:

1. The parties agree to modify the BMR provisions of the Development to require the dedication of on “restricted” BMR unit, instead of “unrestricted moderate” units.
2. In lieu of an “exercise room,” which was included with the 2008 project approvals, the project will provide new outdoor amenities, including a barbeque area.
3. The developer will allow the use of the site for temporary downtown parking.
4. The expiration date for the project’s RDCS allotments will be continued to December 31, 2017.
5. The developer agrees not to file a lawsuit to enforce the disputed provisions in the original Development Agreement.

As part of the settlement agreement, the developers and the City wanted assurances that the project would be able to move forward without unnecessary delays. In order to meet that goal, the parties attempted to resolve all potential issues with project approval prior to signing the Settlement Agreement and seeking Council approval of the Development Agreement Amendment implementing the agreement. The Settlement Agreement (attached) was signed by the parties on June 14, 2017, and we are now recommending approval of the Development Agreement Amendment that implements portions of the Settlement Agreement.

COMMUNITY ENGAGEMENT: Inform

The required public hearing notice was published in the Morgan Hill Times for the minimum 10-day public noticing period. Property owners within 300 feet of the subject property were notified of the Development Agreement Amendment 10-days prior to the public hearing.

ALTERNATIVE ACTIONS:

Council could continue this matter for further consideration and/or changes to the Development Agreement Amendment.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

January 24, 2007, the City Council adopted Ordinance No. 1817, N.S which approved a Development Agreement for application MC-05-03: Monterey-Gunter.

June 27, 2007, the City Council adopted Ordinance No. 1842, N.S. which approved an amended Development Agreement and 12-month extension of time to commence construction for the four, FY 2006-2007 allotments.

June 18, 2008, the City Council adopted Ordinance No. 1879, N.S. which approved an amended Development Agreement and 12-month extension of time to commence construction for the four, FY 2006-2007 and 11, FY 2009-2010 allotments.

June 17, 2009, the City Council adopted Ordinance No. 1938, N.S. which approved an amended Development Agreement and 15-month extension of time to commence construction for the four, FY 2006-2007 and 11, FY 2009-2010 allotments.

November 3, 2010, the City Council adopted Ordinance No. 1994, N.S. which approved an amended development agreement and 24-month extension of time to commence construction for the four, FY 2006-2007 and 11, FY 2009-2010 allotments.

June 20, 2012, the City Council adopted Ordinance No. 2049, N.S. which approved an amended Development Agreement and traded four FY 2006-2007 and 11 FY 2009-2010 Monterey-Gunter allotments and 15 FY 2014-2015 Condit-Milano allotments, resulting in a 30-month extension of time to commence construction.

June 3rd, 2015, the City Council adopted Ordinance No. 2148, N.S. which approved an amended Development Agreement and 24-month extension of time to commence construction for 15, FY 2014-2015 allotments.

FISCAL AND RESOURCE IMPACT:

Application processing fee was collected at the amendment request.

CEQA (California Environmental Quality Act):

The proposed development agreement amendment request does not alter the previous environmental determinations made for the project. Record of the project's CEQA determination is on file with Development Services Department.

LINKS/ATTACHMENTS:

1. Gunter--DAA Ordinance
2. Gunter DAA
3. Gunter Settlement Agreement
4. Settlement Agreement Exhibit A
5. EXHIBIT B
6. Settlement Agreement EXHIBIT C
7. Gunter Parking License

ORDINANCE NO. X, NEW SERIES

**AN ORDINANCE OF THE CITY OF MORGAN HILL
APPROVING AN AMENDMENT TO DEVELOPMENT
AGREEMENT DA _____ GRANTING A SIX-MONTH
EXTENSION FOR 15, FISCAL YEAR 2014-2015
ALLOTMENTS FOR APPLICATION DA 06-06
(AAE2017-0016): MONTEREY - GUNTER (APN 726-23-
008)**

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

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. On January 24, 2007, the City Council adopted Ordinance No. 1817, N.S which approved a Development Agreement for application MC-05-03: Monterey-Gunter for FY 2015-2016; and

SECTION 4. On June 27, 2007, the City Council adopted Ordinance No. 1842, N.S. which approved an amended Development Agreement and 12-month extension of time to commence construction for the four, FY 2006-2007 allotments; and

SECTION 5. On June 18, 2008, the City Council adopted Ordinance No. 1879, N.S. which approved an amended Development Agreement and 12-month extension of time to commence construction for the four, FY 2006-2007 and 11, FY 2009-2010 allotments; and

SECTION 6. On June 17, 2009, the City Council adopted Ordinance No. 1938, N.S. which approved an amended Development Agreement and 15-month extension of time to commence construction for the four, FY 2006-2007 and 11, FY 2009-2010 allotments; and

SECTION 7. On November 3, 2010, the City Council adopted Ordinance No. 1994, N.S. which approved an amended Development Agreement and 24-month extension of time to commence construction for the four, FY 2006-2007 and 11, FY 2009-2010 allotments; and

SECTION 8. On June 20, 2012, the City Council adopted Ordinance No. 2049, N.S. which approved an amended Development Agreement and traded four, FY 2006-07 and 11 FY 2009-2010 Monterey-Gunter allotments and 15, FY 2014-2015 Condit-Milano allotments, resulting in a 30-month extension of time to commence construction; and

SECTION 9. On June 3, 2015, the City Council adopted Ordinance No. 2148, N.S. which approved an amended Development Agreement and 24-month extension of time to commence construction for 15, FY 2014-2015 allotments; and

SECTION 10: The City Council of the City of Morgan Hill found that, on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the Mitigated Negative Declaration reflects the City Council's independent judgment and analysis, and that the Mitigated Negative Declaration was adopted prior to action taken to adopt the original project proposal. The custodian of the documents or other material which constitute the record shall be the Community Development Agency.

SECTION 11. A six-month extension is currently requested for the fifteen (15), FY 2015-2016 allotments;

SECTION 12. ADOPTION OF A DEVELOPMENT AGREEMENT AMENDMENT. The City Council hereby approves the Development Agreement Amendment attached to this Ordinance as Exhibit A.

SECTION 13. The amended development schedule attached to this Ordinance hereby supersedes and replaces the amended development schedule approved under Ordinance No. 2195.

SECTION 14. The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 15. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 13. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE X DAY OF MAY 2017, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE __ DAY OF _____ 2017, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

ATTEST:

APPROVED:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

⌘ CERTIFICATION ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the _____ day of _____, 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

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Attachment: Gunter--DAA Ordinance (1288 : Development Agreement Amendment Gunter LLC)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Morgan Hill
Community Development Agency
17575 Peak Avenue
Morgan Hill, CA 95037

RECORDING FEES EXEMPT
PURSUANT TO GOVERNMENT
CODE SECTION 27383

AMENDMENT TO RESIDENTIAL DEVELOPMENT AGREEMENT

This AMENDMENT TO RESIDENTIAL DEVELOPMENT AGREEMENT (the "**Amendment**") is entered into as of the _____ day of _____, 2017, by and between the City of Morgan Hill, a California municipal corporation (hereinafter "**City**"), and Gunter Building LLC, a California limited liability company, and its successors and assigns (hereinafter, collectively, "**Developer**") regarding Developer's 15-unit Vista Del Toro Residential Development Project located at 17620 Monterey Road (hereinafter "**Project**"). City and Developer are, from time to time, also hereinafter referred to collectively as the "**Parties**."

RECITALS

A. On June 3, 2015, the Morgan Hill City Council adopted Ordinance No. 2148, approving an amended residential development agreement for the Project (hereinafter "**Residential Development Agreement**") that superseded and replaced an original development agreement approved on January 24, 2007, and related amendments to the original development agreement approved by the City Council's adoption of Ordinance Nos. 1817, 1842, 1879, 1938, 1994, and 2049. The Residential Development Agreement reflects the Morgan Hill Planning Commission's prior approval of 15 residential development allotments on February 14, 2006, which were granted pursuant to the City's Residential Development Control System ("**RDCS**") as approved by the voters by Measure C in 2004 and implemented in Morgan Hill Municipal Code Chapter 18.78.

B. Section 5.1(n) of the Residential Development Agreement incorporates by reference certain exhibits attached to thereto, including Exhibit B, "Development Schedule MC-05-03: Monterey – Gunter FY 2014-15 Allotments Traded From Milano Project (15 allocations)", and Exhibit D, "Specific Restrictions and Requirements (Including RDCS Requirements)".

C. City and Developer wish to amend the Residential Development Agreement in certain respects.

D. Among other amendments, the Parties wish to extend the construction commencement date set forth in Exhibit B from June 30, 2017 to December 31, 2017, and to require the Project to provide one deed-restricted affordable housing unit, and 14 market-rate, unrestricted units.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

Attachment: Gunter DAA (1288 : Development Agreement Amendment Gunter LLC)

1. The Residential Development Agreement is hereby amended by deleting the Commence Construction date, stated as "June 30, 2017", from Section VI of Exhibit B and replacing it with the following Commence Construction date: "December 31, 2017."

2. The Residential Development Agreement is further amended by deleting on page 5 of Exhibit D the Housing Needs requirement description that states, "all 15 units shall be condominiums affordable to less than moderate-income households. The final sales price (at close of escrow) for the less than moderate rate units will be based on HUD income limits for a family of 4 at the closing date," and replacing the description with the following requirement:

"One two-bedroom unit (located on the third floor of the mixed-use building) will be deed-restricted so that it will remain a moderate-rate rental for a period of fifty-five (55) years. The rental rate will be affordable to a family of three (3) making one hundred and twenty percent (120%) of Santa Clara County Area Median Income as determined annually by the City's Housing Office. Developer will allow annual monitoring for income eligibility."

3. The Residential Development Agreement is further amended by deleting and replacing the definition of "Subsequent Approvals" contained in existing Section 1.2(13) with the following definition:

"(13) "Subsequent Approvals" and "Subsequent Approval" mean those City permits, entitlements, approvals or other grants of authority (including, but not limited to, improvement plan(s) and construction drawings), and all text, terms and conditions of approval related thereto, that may be necessary or desirable for the development of the Project, that are sought by Developer, and that are granted by City after the City Council adopts the Approving Ordinance (defined below), including without limitation, a City Resolution of Application for Annexation and subdivision maps and any Subdivision Document."

4. Section 3.1(b) of the Residential Development Agreement is further amended by deleting and replacing the existing Section 3.01(b) with the following:

"(b) Upon submission by Developer of any and all necessary and required applications for Subsequent Approvals and payment of any and all appropriate processing and other fees as provided in this Agreement, City shall process in good faith and use its best efforts to diligently complete all steps necessary to acting on the requested Subsequent Approvals and pending site approval, minor setback adjustment and parcel map, including, but not limited to, (i) the holding of any and all required public hearings and notice for such public hearings, and (ii) the granting of the requested approval to the extent that it is consistent with Applicable Law. The phrase, "process in good faith" shall mean that City's building and public works departments shall process all initial plan check submittals within eight (8) weeks of the date of submittal, and all plan check resubmittals within two (2) weeks of the date of submittal."

5. Section 2.6(b) of the Residential Development Agreement is further amended by deleting and replacing the existing Section 2.6(b) with the following:

"(a) Securing Building Permits and Beginning Construction. Developer agrees to apply for building permits no later than August 30, 2017. In the event Developer fails to exercise the allotments in accordance with Section 18.78.160(A) of the Morgan Hill Municipal Code, the RDCS allotments shall expire pursuant to Section 18.78.160(B) of the Morgan Hill Municipal Code. City and Developers agree that recordation of the tract map for condominium purposes required in connection with the Project shall satisfy the requirements of 18.78.160(A) regarding final map recordation.

6. Except to the extent expressly amended hereby, the Residential Development Agreement shall remain in full force and effect without impairment or modification.

7. The Parties agree that nothing in this Amendment shall be construed to adversely impact the point score previously assigned to the Project pursuant to the RDCS.

8. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Executed as of the day and year first above written.

CITY OF MORGAN HILL:

City Attorney

s/ _____

Date: _____

Steve Rymer
City Manager

Date: _____

Attest:

DEVELOPER:

s/ _____

GUNTER BUILDING LLC

Deputy City Clerk

s/ 

Approved as to Form:

s/ _____

Donald Larkin

Attachment: Gunter DAA (1288 : Development Agreement Amendment Gunter LLC)

5. Section 2.6(b) of the Residential Development Agreement is further amended by deleting and replacing the existing Section 2.6(b) with the following:

"(a) Securing Building Permits and Beginning Construction.
Developer agrees to apply for building permits no later than August 30, 2017. In the event Developer fails to exercise the allotments in accordance with Section 18.78.160(A) of the Morgan Hill Municipal Code, the RDCS allotments shall expire pursuant to Section 18.78.160(B) of the Morgan Hill Municipal Code. City and Developers agree that recordation of the tract map for condominium purposes required in connection with the Project shall satisfy the requirements of 18.78.160(A) regarding final map recordation.

6. Except to the extent expressly amended hereby, the Residential Development Agreement shall remain in full force and effect without impairment or modification.

7. The Parties agree that nothing in this Amendment shall be construed to adversely impact the point score previously assigned to the Project pursuant to the RDCS.

8. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Executed as of the day and year first above written.

CITY OF MORGAN HILL:

City Attorney

s/ _____

Date: _____

Steve Rymer
City Manager

Date: _____

Attest:

DEVELOPER:

s/ _____

GUNTER BUILDING LLC

Deputy City Clerk

s/  _____

Approved as to Form:

s/ _____

Donald Larkin

13544085.1

Attachment: Gunter DAA (1288 : Development Agreement Amendment Gunter LLC)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into as of June ____, 2017 ("Effective Date") by and between the City of Morgan Hill ("City"), Gunter Building LLC ("Gunter"), and Mana Hanalei, LLC ("Mana"). Gunter and Mana are collectively referred to as "Developers."

RECITALS

A. On November 3, 2005, Gunter applied for residential development allotments under the City's Residential Development Control System ("RDCS") as approved by the voters by Measure C in 2004 and implemented in Morgan Hill Municipal Code Chapter ("MHMC") 18.78.

B. On February 14, 2006, the City's Planning Commission approved the award to Developers of 15 residential development allotments under RDCS (the "Project"). Under the terms of an RDCS development agreement, Gunter was originally required to commence construction of the Project by June 30, 2010.

C. The RDCS development agreement was subsequently amended five times to extend the time to commence construction of the Project. The basis for the time extensions previously granted include site contamination, termination of a non-performing remediation contractor by Gunter, ongoing site remediation efforts, and the need to obtain a site closure letter.

D. Mana has applied for site approval, a minor setback adjustment and a parcel map for the Project. In May 2017, immediately following approval of this Agreement, the City shall grant final site and architecture approval (including approval of the minor setback adjustment) and parcel map approval (copies of the form site and architectural approval document(s) are attached hereto as **Exhibit A**).

E. The current RDCS development agreement requires Developers to commence construction by June 30, 2017. (MHMC § 18.78.160.)

F. On March 23, 2017, Mana submitted an application to extend the deadline to commence construction to December 31, 2017.

G. The commence construction date may be extended as set forth in this Agreement, and the Planning Commission may approve an extension to the commence construction date "only when the City or other public agency is responsible for a delay in the issuance of permits or granting approvals required to exercise the allotments, or due to an earthquake, flood, fire, or other severe act of nature outside of the applicant's control." (MHMC § 18.78.170 (F)(1).)

H. Developers claim that the commence construction deadline should be extended because the City is responsible for delays in the approvals required to exercise the allotments. Developers further claim that the City delays were related to a dispute resulting from the

termination of the City's Moderate Non Restricted Housing category, under which the Project was awarded allocations in 2006, among other issues. The City denies that it is responsible for any significant delay.

I. The current RDCS development agreement requires Developers to construct 15 units of "unrestricted moderate" for -sale housing. As of the date of the Project site approval, City policy no longer supports "unrestricted moderate" housing. In order to resolve the dispute that has arisen between City and Developers, City and Developers have agreed to amend the RDCS development agreement to require the Project provide 1 deed-restricted affordable housing unit, and 14 market-rate, unrestricted units.

J. City and Developers have now agreed to compromise and settle all matters and disputes between themselves in order to achieve a full and complete resolution of all claims that have been asserted,

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and/or covenants contained in this Agreement and any other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Developers agree, promise, and covenant as follows:

1. Recitals and Definitions Incorporated. Each recital and definition set forth above is incorporated herein by reference and is made part of this Agreement.
2. No Admission. All parties understand and agree that nothing in this Agreement, or in the execution of this Agreement, shall constitute or be construed as an admission of error or wrongdoing by any party or of any inadequacy or impropriety in connection with the RDCS development agreement.
3. City Obligations. Without admitting any liability, and in consideration of the terms of this Agreement, upon execution of the Agreement, City shall implement the following terms and actions:
 - 3.1. The City shall approve an amendment to the RDCS development agreement between Gunter and the City in substantially the same form as attached in **Exhibit B** hereto (the "Amendment"). The key terms of the Amendment include:
 - 3.1.1. The deadline for Developers to commence construction of the Project shall be December 31, 2017, unless further extended as provided herein. (MHMC, § 18.78.160.)
 - 3.1.2. One two-bedroom unit (located on the third floor of the mixed-use building) will be deed-restricted so that it will remain a moderate-rate rental for a period of 55 years. The rental rate will be affordable to a family of 3 making 120% of the

Santa Clara County Area Median Income (AMI) as determined annually by the City's Housing Office. Developer will allow annual monitoring for income eligibility.

- 3.1.3. The City and Developers agree that the Amendment does not adversely impact the RDCS point score previously assigned to the Project.
- 3.2. The City agrees that Developers have satisfied the applicable requirements for site and architecture approval, and minor setback adjustment, and that such approvals, if not already issued, will issue immediately following the execution of this Agreement. The City agrees to process in good faith any additional required approvals or permits for the Project (including, but not limited to, improvement plan approval and approval of the construction drawing package for the Project). For purposes of this agreement and the Amendment, "process in good faith" shall mean that the City's building and public works departments shall process all initial plan check submittals within eight weeks of submittal, and all plan check resubmittals within two weeks of submittal. As described above, the site and architecture approval (or other similar document) is attached to this agreement as **Exhibit A**.
- 3.3. The City agrees that the fee schedule set forth in **Exhibit C**, hereto, will constitute the fee schedule for the Project, and the City agrees it will not impose any new fees on the Project not listed on **Exhibit C**.
4. Developers' Obligations. Without admitting any liability, and in consideration of the terms of this Agreement, upon execution of the Settlement Agreement Developer shall implement the following terms and actions:
 - 4.1. Developers agree not to file any lawsuit against the City regarding the Project based upon actions or inactions of the City that occurred on or prior to the effective date of this Agreement; provided, however, that the Developer may institute a lawsuit or take other appropriate action to enforce the terms of this Agreement or in connection with claims that accrue after the effective date of this Agreement as further described below in Section 6.
 - 4.2. Developers agree to provide the City a temporary license (in substantially the same form as attached hereto as **Exhibit D** the terms of which are incorporated by reference herein) to use the Project site for temporary parking purposes.
 - 4.3. Developers agree to submit an application for building permits for the Project to the City's Building Department and Public Works Department by August 30, 2017.
 - 4.4. Developers agree to respond in writing to any written comments made by City regarding development applications for Project within thirty (30) business days of receipt of the written comments from the City.

- 4.5. Developers agree that the failure to meet the deadline for exercise of development allotments as set forth in the amended Development Agreement will result in the forfeiture of the approval of the Project, including any RDCS allotments. Developers agree not to seek a further extension of the commence construction deadline, except in cases (1) where the delay is caused by an Act of God, or (2) where the City has failed to comply with the terms of this Agreement including the timelines set forth herein, and has been provided a notice of breach pursuant to section 6, below.
5. Third Party Beneficiary. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties, any rights or benefits under or by reason of this Agreement.
6. Enforcement of Agreement. No action for breach of this Agreement shall be brought or maintained until: (a) the non-breaching party provides written notice to the breaching party which explains with particularity the nature of the claimed breach, and (b) within ten (10) days after receipt of said notice, the breaching party fails to cure the claimed breach or, in the case of a claimed breach which cannot be reasonably remedied within a ten (10) day period, the breaching party fails to commence to cure the claimed breach within such ten (10) day period, and thereafter diligently complete the activities reasonably necessary to remedy the claimed breach.
7. Mutual Release. Except for the obligations provided herein and/or in the Amendment, Developers and the City mutually release each other and each other's affiliates, members, directors, officers, employees, agents, assigns, and attorneys from any and all claims, demands, liabilities, obligations, costs, expenses, fees, actions, and/or causes of action that the City and Developers have as of the effective date of this Agreement arising out of, or connected to, the Project, whether known, unknown or suspected. Upon the Effective Date of this Agreement, the City and Developers have read and have otherwise been informed of the meaning of Section 1542 of the California Civil Code, and have consulted with their respective counsel, to the extent that any was desired, and understands the provisions of Section 1542. The City and Developers hereby expressly waive the rights and benefits conferred upon them by the provisions of Section 1542 of the California Civil Code, which provides:
- “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”
8. Damages. The parties agree that (i) the performance of the obligations of this Agreement are paramount; (ii) in the event of a breach, monetary damages will provide inadequate relief; and (iii) that each may seek equitable relief to enforce such obligations.

9. Miscellaneous Provisions.

- 9.1. Notices. Any notice, request, or communication required to be given to any party under this Agreement shall be given in writing and shall be personally delivered or mailed by prepaid registered or certified mail to the addresses below:

If to Gunter:

Gunter Building, LLC
c/o Craig C. van Keulen
17600 Monterey Rd, Ste C
Morgan Hill, CA 95037
cvk@vkvklaw.com
toni@vkvklaw.com
scottvk@vkvklaw.com

If to Mana:

Scott M. Murray

175 East Main Ave. Suite 130
Morgan Hill CA 95037
smurray@interorealestate.com

With a copy to:
SAMUEL A. CHUCK, ESQ.
1960 The Alameda, Suite 200
San Jose, CA 95126
Direct Dial: (408) 261-4221
Fax: (408) 261-4292
Email: sam@rhrc.net

If to City:

CITY MANAGER
17575 Peak Avenue
Morgan Hill, CA 95037

Steve.rymer@morganhill.ca.gov

With copies sent to:

CITY ATTORNEY
17575 Peak Avenue
Morgan Hill, CA 95037

City.attorney@morganhill.ca.gov

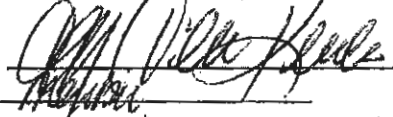
In the event that any party's address or contact information changes, that party shall be responsible for notifying the other parties within five (5) working days of the change.

- 9.2. Entire Agreement. The parties acknowledge that this Agreement is signed and executed without reliance upon any actual or implied promises, warranties, or representations made by any party or by any representative of any party, other than those which are expressly contained within this Agreement. This Agreement, including the true and correct Recitals above, inclusive of all definitions contained therein, that are incorporated by reference herein as operative covenants and specifically relied upon by the parties in executing this Agreement, constitutes the entire agreement and understanding among and between the parties and supersedes any and all other agreements whether oral or written between the parties.
- 9.3. Amendments and Modifications. This Agreement may only be amended or modified through writing executed by all the parties.
- 9.4. Choice of Law and Choice of Forum. This Agreement shall be deemed to have been executed and delivered within the State of California; the rights and obligations of the parties hereunder shall be governed, construed, and enforced in accordance with the laws of the State of California. The venue for any dispute arising from or related to this Agreement, its performance, and its interpretation shall be the Superior Court of California, County of Santa Clara.
- 9.5. Authorized Signatory. Each party represents and warrants to each other party that its signature to this Agreement has the authority to bind the party, and this Agreement does in fact bind the party.
- 9.6. Counterparts. This Agreement may be executed in counterparts, and transmitted by electronic means, and when so executed by the parties, shall become binding upon them and each such counterpart will be an original document.
- 9.7. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the rest of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
- 9.8. Effective Date. This Agreement is effective as of the Effective Date written in the first paragraph.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement is executed and agreed to by the following:

GUNTER BUILDING, LLC,

By: 

Date: 6/15/17

Name: CARRIE P. VAN KESTER

Title: Member

MANA HANA LEI, LLC.

By: _____

Date: _____

Name: _____

Title: _____

CITY OF MORGAN HILL

By: _____

Date: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, this Agreement is executed and agreed to by the following:

GUNTER BUILDING, LLC.

By: [Signature]

Date: 6/15/17

Name: CHARIE C. VAN KERKHOFF

Title: MEMBER

MANA HANA LEI, LLC.

By: [Signature]
MEMBER

Date: 6-15-17

Name: MANA HANA LEI LLC

Title: MEMBER - Scott Murray

CITY OF MORGAN HILL

By: _____

Date: _____

Name: _____

Title: _____



17575 Peak Avenue Morgan Hill CA 95037

APPROVAL CERTIFICATE NO. 17-016

PROJECT: Design Review, SR2016-0017: Monterey – Gunter
PROJECT LOCATION: 17620 Monterey Road. (APN 726-23-008)
PROJECT DESCRIPTION: Design Review approval for a proposed mixed-use development with 15 residential units

RECITALS

1. On September 26, 2016, the Community Development Department received an application requesting Design Review approval for a mixed-use development project consisting of a three-story mixed-use building and 15 residential units, consisting of thirteen (12) attached single-family homes and three (3) condominium units in the mixed-use building, and other associated improvements. The project is approximately 1.01 acres located on the east side of Monterey Road, within an CC-R zoning district (APN 726-23-008).
2. Said application was deemed complete for processing and was considered by the Development Review Committee (DRC) at its regular meeting of October 4, 2016 at which time the Committee recommended conditional approval of application SR2016-0017: Monterey-Gunter.
3. Comments received from the public and from the applicant, along with exhibits and drawings and other materials have been considered in the review process.
4. On May 1, 2017, the Community Development Department considered said application at the close of a duly-noticed 10-day public comment period.
5. Pursuant to the authority set forth under Section 18.74.051 (Design Permit) of the Morgan Hill Municipal Code, the City of Morgan Hill hereby approves the project application subject to the conditions contained in Exhibit A

FINDINGS

- SECTION 1.** The proposed project, together with its provisions for its design and improvements, is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The proposed project will not result in a violation of the requirements established by the Regional Water Quality Control Board.

Approval Certificate No. 17-016

Page 2

SECTION 3. The Community Development Director hereby finds that, on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that a Mitigated Negative Declaration was adopted prior to action taken to adopt the Approval Certificate. The custodian of the documents or other material which constitute the record shall be the Community Development Department.

SECTION 4. The approved application shall be subject to the conditions as identified attached hereto, as Exhibit "A", and by this reference incorporated herein.

APPROVED THIS 8th DAY OF JUNE 2017.

Jennifer Carman
Community Development Director

AFFIDAVIT

I, _____ hereby agree to accept and abide by the terms and conditions specified in this approval certificate.

 Property Owner/Developer Signature

 Print Name

 Date

Attachment: Settlement Agreement Exhibit A (1288 : Development Agreement Amendment Gunter LLC)

EXHIBIT “A” CONDITIONS OF APPROVAL

Project/Application: SR2016-0017: Monterey-Gunter

THE FOLLOWING CONDITIONS SHALL BE MET PRIOR TO THE ISSUANCE OF BUILDING AND/OR SITE DEVELOPMENT PERMITS EXCEPT AS OTHERWISE SPECIFIED IN THE CONDITIONS. IN ADDITION TO THE CONDITIONS BELOW, COMPLIANCE WITH ALL APPLICABLE MUNICIPAL CODES IS REQUIRED.

PLANNING DIVISION

I. TIME LIMITS

The Design Review approval granted under this Resolution shall remain in effect for two (2) years to June 8, 2019. Failure to obtain building permits within this term shall result in termination of approval unless an extension of time is granted with a showing of just cause prior to expiration date. **(MHMC 18.74.250)**

II SITE DEVELOPMENT

- A. DUST, NOISE, VIBRATION, AND MATERIALS MANAGEMENT PLAN: A management plan detailing strategies for control of noise, dust and vibration, and storage of hazardous materials during construction of the project shall be on all site development and grading plans. The intent of this condition is to minimize construction related disturbance of residents of the nearby or adjacent properties. **(MHMC 18.48.005)**

The plan must include the following “Basic Construction Mitigation Measures” per Bay Area Air Quality Management District’s guidelines:

- i. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
- ii. All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
- iii. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
- iv. All vehicle speeds on unpaved roads shall be limited to 15 mph.
- v. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.

- vi. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
- vii. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator.
- viii. Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.
- ix. All exposed surfaces shall be watered at a frequency adequate to maintain minimum soil moisture of 12 percent. Moisture content can be verified by lab samples or moisture probe.
- x. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph.
- xi. Site accesses to a distance of 100 feet from the paved road shall be treated with a 6 to 12-inch compacted layer of wood chips, mulch, or gravel.
- xii. Minimizing the idling time of diesel powered construction equipment to two minutes.
- xiii. Requiring that all construction equipment, diesel trucks, and generators be equipped with Best Available Control Technology for emission reductions of NOx and PM.
- xiv. Requiring all contractors use equipment that meets CARB's most recent certification standard for off-road heavy-duty diesel engines.

III BUILDING DESIGN

A. ARCHITECTURAL ELEMENTS:

- i. All vents, gutters, downspouts, flashing, electrical conduits, etc. shall be painted to match the color of the adjacent surface or otherwise designed in harmony with the building exterior. **(MHMC 18.74.360)**
- ii. Soffits and other architectural elements visible from view but not detailed on the plans shall be finished in a material in harmony with the exterior of the building. **(MHMC 18.74.340)**

- iii. Applicant shall file an application for a Plan Detail Review to review architecture details on the structures and site plan. A finish schedule shall be provided prior to the approval of the master plan or issuance of a building permits. This schedule shall include details on all aspects of the project including, but not limited to, score lines, windows, doors, siding, building finishes, railings, roofing materials, lighting fixtures, etc.

B. LANDSCAPING

- a. PLANTING AND IRRIGATION WORKING DRAWINGS: Detailed landscape and irrigation plans shall be submitted as part of the master building site and improvement plans. Landscape plans for streets and landscape easements shall be part of the improvement plan submittal.
- b. TREES AND SHRUBS MINIMUM SIZE: All trees within approved landscape plans shall be of a minimum fifteen-gallon size. All shrubs shall be minimum five-gallon size unless otherwise approved by the Community Development Director.
- c. ON-SITE DRAINAGE AND PEDESTRIAN ACCESS: All pedestrian access, private open space and associated facilities shall be permanently secured with appropriate documentation [i.e., Deeds; Easements; Covenants, Conditions and Restrictions (CC&Rs), Dedication, Homeowners Association; etc.).
- d. MAINTENANCE OF LANDSCAPING: The landscaping installed and accepted with this project shall be maintained on the site as per the approved plans. Any alteration or modification to the landscaping shall not be permitted unless otherwise approved by the Community Development Director or Design Review Board.
- e. LIGHTING: Prior to the issuance of a building permit, the applicant shall provide a lighting plan, detailing all fixtures and file an application for Plan Detail Review to verify that walkways and pedestrian pathways in landscaped areas or common areas and not considered building entrances shall be illuminated with a minimum of one (1) foot-candle to ensure safe nighttime conditions (**MHARH p.30, 67, 108**)
- f. WATER CONSERVING LANDSCAPE ORDINANCE: The landscape plans shall be in conformance with the City's Water Conserving Landscape Ordinance that was developed in accordance with California law. This Ordinance restricts landscaping turf to certain areas, specifies plant selection, requires certain types of irrigation equipment, and calls for the development of comprehensive water use calculations as an aspect of the submitted landscape plans. It is strongly suggested that the project's landscape designer refer to the City's Ordinance prior to beginning development of the project's landscape plans.

- g. SIGN PROGRAM: Prior to issuance of a certificate of occupancy for the commercial or office space, a uniform sign program shall be reviewed and approved for the non-residential portion of the project.
- h. GUNTER BROTHERS SIGN: The Gunther Brothers Historic Brass Plaque sign and its location shall be reviewed and approved by the Community Development Director prior the issuance of a building permit. The plaque shall be installed prior to the issuance of the certificate of occupancy on the tenth single family attached unit.
- i. Directory signs required: Directory sign(s) and location map(s) shall be provided for apartment, condominium, or townhouse projects prior to occupancy. Location of the sign(s) shall be interior to the project and design of the directory sign(s) shall be approved by the Planning Division and Fire Department prior to issuance of building permits. (MHARH p.61)

C. HABITAT PLAN

- a. The approved project is covered under the Santa Clara Valley Habitat Plan (Habitat Plan) and subject to fees and conditions contained in the Habitat Plan.
- b. Prior to issuance of building permits or grading permits the project shall complete and submit a Habitat Plan Application Package. All fees must be paid prior to issuance building permits or grading permits.
- c. Any additional conditions or mitigations required by the Habitat Plan shall be clearly stated on all plans that involve any ground disturbing activity (i.e. grading plans, improvement plans, paving plans, demolition plans or other plans for site clearing or temporary stockpile of dirt).

D. OTHER CONDITIONS

- a. PLANS APPROVED: This Design Review approval is limited to the plan set date stamped **April 10, 2017**, on file with the Community Development Department. Prior to the issuance of a building permits, all architectural details shall be reviewed and approved by the Community Development Director.
- b. DETAILS ON LANDSCAPE PLAN: Prior to the issuance of a building permit, the applicant shall file an application for "Landscape Review Only" to provide all required landscape details (utility screening, trash enclosures, mail boxes, lighting, walls, fences, etc.) A final landscape plan shall be reviewed and approved by the Community Development Director prior to the issuance of a building permit.

- c. RELATED APPLICATIONS: The project shall comply with the conditions of approval of the related applications or planning division files EA-05-18, SD2017-0001, VAR2017-0002 and DA-06-06 the project's recorded development agreement.
- d. BELOW MARKET RATE HOUSING UNIT: In accordance with Council Policy's regarding Below Market Rate Development Standards, the Below Market Rate Housing Unit must be constructed and issued a Certificate of Occupancy prior to the issuance of the Certificate of Occupancy of the ninth (9th) market rate unit.
- e. All interior finish within the Below Market Rate unit shall be to the review and approval of the City's Housing Division prior to the issuance of a building permit.
- f. MIXED USE BUILDING: Commencement of construction on the mixed-use building shall commence prior to the issuance of the fourth (4th) Certificate of Occupancy for a residential unit.
- g. DEFENSE AND INDEMNITY: Applicant agrees to defend and indemnify and hold City, its officers, agents, employees, officials and representatives free and harmless from and against any and all claims, losses, damages, injuries, costs and liabilities arising from any suit for damages or for equitable or injunctive relief which is filed against City by reason of its approval of this Design Review approval. In addition, applicant shall pay all pre-tender litigation costs incurred on behalf of the City including City's attorney's fees and all other litigation costs and expenses, including expert witnesses, required to defend against any lawsuit brought as a result of City's approval or approvals, but shall not be required to pay any litigation from the City. However, applicant shall continue to pay reasonable internal City administrative costs, including but not limited to staff time and expense spent on the litigation, after tender is accepted. The undersigned hereby represents that they are fully empowered by the applicant as their agent to agree to provide the indemnification, defense and hold harmless obligations, and the signature below represents the unconditional agreement by applicant to be bound by such conditions.
- h. MITIGATION FEE ACT: Notice is hereby given that, pursuant to the Mitigation Fee Act, the City of Morgan Hill charges certain fees (as such term is defined in Government Code Section 66000) in connection with approval of your development project for the purpose of defraying all or a portion of the cost of public facilities related to your development project (Mitigation Fee Act Fees). These fees do not include fees for processing applications for governmental regulatory actions or approvals, fees collected under development agreements, or as a part of your application for development allocations under the City's Residential Development Control System. The Mitigation Fee Act Fees applying to your project are listed in the schedule of fees provide. Notice is also hereby given that you have the opportunity to protest the imposition of the Mitigation Fee

Act Fees within 90 days of the approval of the approval or conditional approval of your development project and that the 90-day approval period in which you may protest has begun.

- i. SIGNED COPIES OF APPROVAL CERTIFICATE: Submit two (2) signed copies of APPROVAL CERTIFICATE NO. 17-016 to the Planning Division prior to issuance of building permits.
- j. CC & RS: The applicant shall provide a set of Covenants, Conditions and Restrictions, Bylaws and Articles of Incorporation, for review and approval by the Community Development Department prior to final occupancy or recordation of the final map. All such CC&Rs shall include the following text:
 - k. Common Areas/Right of Ways:
 - i. The Owners recognize that the use, modification and proper maintenance of the Common Area and public right-of-way(s)* are for the benefit of all citizens of the City of Morgan Hill (City) and that the City is an intended third-party beneficiary of these covenants, conditions and restrictions and may, upon notice of hearing as set forth below, exercise the same powers of enforcement as the Association
*Public right-of-way: Exclusive of streets dedicated to and accepted by the City of Morgan Hill
 - ii. The City may, by mail or personal delivery, give written notice of the breach of any maintenance obligation to the Association with a demand that such breach be remedied. If such breach is not remedied within thirty (30) days of the mailing or delivery of such notice, the City shall have standing and the right (but not the obligation) to bring a court action against the Association and Owners to enforce such provision. In addition, the City shall be entitled to recover reasonable attorneys' fees and costs incurred in such action.
 - iii. The Notice may also contain a date for a hearing on the matter before a City employee designated by the City (which hearing shall be held no sooner than fifteen (15) days after mailing of such notice), and if after such hearing the City determines that there has been inadequate maintenance, the City shall have the right (but not the obligation) to undertake the maintenance of the Common Area or public right-of-way in question. Any and all costs incurred by the City in so maintaining the Common Area or public right-of-way shall be a lien against all the properties included with the Project and shall be the personal responsibility of the Owners and the Association.
 - iv. The entire Project and all of the properties located thereon shall be subject to the conditions and restrictions of all subdivision and other Project approvals by the City, with respect to the Project. Any changes and/or modifications to the Project and/or any Unit, including but not limited to changes to the exterior of

any Unit, may be subject to review and approval of the City of Morgan Hill as may be determined by review of the Project approvals by the City of Morgan Hill.

- v. This section may not be amended without the prior written consent of the Director of Community Development for the City. Nothing contained in this section shall limit any other right or remedy which the City may have under its ordinances or state law.
- vi. For the purposes of this section, the question of whether there has been a breach of a maintenance obligation or adequate maintenance shall be determined by the provisions of the original Declaration as first recorded with the County Recorder for Santa Clara County and by any amendment thereto, but only to the extent that such maintenance obligation or duty of maintenance is increased by such amendment.

- 1. Tree and Landscape Preservation: The Owners of the Units and Association shall preserve and maintain all trees and landscape on the property originally required by the approved landscape plan and shall not remove or alter any such trees or landscape from the Property without the approval of the Director of Community Development of the City of Morgan Hill.
- 2. Compliance with the City of Morgan Hill Conditions of Approval: It shall be the responsibility of each Owner and the Association to ensure that any changes or modifications to the Project or any Unit are in compliance with the original City conditions of approval of the Project, which are hereby incorporated herein as if set forth in full.

E. FINAL SITE DEVELOPMENT PLANS: Final site development plans shall be reviewed and approved by the Community Development Department prior to issuance of a building permit. All such plans shall include:

- i. Detail depicting all concrete curbs as full formed. (MHMC 18.50.270; MHARH p.42, 43, 81)
- ii. Provision of catalogue drawings depicting the proposed parking area lighting fixtures. Exterior lighting of the building and site shall be designed so that lighting is not directed onto adjacent properties and light source is shielded from direct off-site viewing. (MHARH p.30 67, 108)
- iii. Ramps, special parking spaces, signing and other physical features for the disabled, shall be provided throughout the site for all publicly used facilities. (MHMC 18.50.110; MHARH p. 42)
- iv. Trash enclosures shall be constructed of a sturdy, opaque material, minimum 6 feet in height with solid view obstructing gates and shall be designed in harmony with the architecture of the building(s). Sizing, design, and number of enclosures shall conform to the MHARH

(p.52, 94). In residential areas, restaurants or other food service commercial uses, trash enclosure areas shall require an overhead shade structure. Trash enclosures shall be required in all commercial and industrial projects and in residential projects containing four or more dwelling units. **(MHARH p.52, 94)**

- v. All mechanical equipment, including electrical and gas meters, post indicator valve, backflow prevention devices, etc., shall be architecturally screened from view or located interior to the building. All ground mounted utility appurtenances such as transformers shall not be visible from any public right-of-way and shall be adequately screened through the use or combination of concrete or masonry walls, berming, and landscaping. **(MHARH p.20, 45, 79)** For additional screening, backflow preventers shall be painted dark green, except the fire connection which shall be painted yellow.
- vi. All existing on-site overhead utilities shall be placed underground in an approved conduit from the service connection at the street or at the property line to the service connection at the building.
- vii. Final design and location of group mailboxes shall be to the review and approval of the Community Development Director.

VI PROJECT MITIGATION MEASURES

The applicant shall be subject to compliance with the mitigation measures of the project's adopted Mitigated Negative Declaration. The following mitigation measures shall be included with all building permit, grading, or improvement plans.

- A. **CULTURAL RESOURCES:** The following standard measures will reduce potential impacts from site preparation and construction grading on unknown cultural resources that could occur on the project site.
 - i. The City will require monitoring of ground-disturbing activities for archaeological resources and the reporting of appropriate treatment and disposition of such resources that may be uncovered. In the event that undocumented human remains or unknown significant historic or archaeological resources are discovered, subsection B.2. of Section 18.75.110 provides a specific protocol for the treatment of the uncovered human remains and/or resources. The protocol entails the process of identifying the human remains and the contact of appropriate parties such as the Native American Heritage Commission and the Amah Mutsun Tribal Band to determine Most Likely Descendant for further consultation on the disposition of the remains. As noted in the City's ordinance, the completion of the standard conditions of approval would reduce potentially significant impacts on archaeological resources to a less than significant level.
- A Morgan Hill, will be subject to very strong ground shaking from future strong earthquakes in the site vicinity.

1. Conformance with the current California Building Code along with site-specific seismic design parameters specified in the geotechnical report required by the City will be adequate to reduce potentially significant groundshaking hazards to less than significant.
2. The applicant is required to implement an erosion control plan. The proposed erosion control measures would include use of fiber rolls or silt fences along the perimeter of all proposed private drives, installation of a sediment barrier at the site's principal storm drain inlet, provision of gravel bag check dams on the proposed public street, and hydroseeding of designated areas.

B. HAZARDS AND HAZARDOUS MATERIALS: The following mitigation measures will reduce potential hazardous materials impacts from structure demolition, site preparation, and construction grading that could occur on the project site.

1. **Implement Buyer Education Program for Household Hazardous Waste:** The project sponsor, working with the City of Morgan Hill and County of Santa Clara Household Hazardous Waste program, shall implement a Buyer Education Program for Household Hazardous Waste, developing materials to educate buyers about the identification of household hazardous wastes, environmental hazards associated with mishandling of the wastes, appropriate disposal methods, and how to make an appointment for disposal. At a minimum, the educational materials shall include a list of example household hazardous wastes, discuss the environmental impacts of improper disposal, explain how to make an appointment for disposal, and list safer and less toxic alternatives to hazardous products commonly used. The educational materials shall be provided to the buyer at the time of purchase.

2. **Removal and Disposal of Existing Hazardous Materials** Removal and Disposal of Existing Hazardous Materials. Prior to demolition of the existing buildings at the project site, the project applicant shall retain a qualified and licensed contractor to remove all hazardous materials (pesticides, fungicides, other agricultural chemicals, sealants, lubricants, antifreeze, paints, and others) as well as all fuel tanks and 55-gallon drums from the property, and legally dispose of these materials. Documentation of appropriate disposal shall be submitted to the City of Morgan Hill Community Development Agency Building Division prior to issuance of a demolition permit.

3. **Hazardous Building Materials Removal.** Prior to demolition of the existing buildings at the project site, the project applicant shall require that the contractor(s) have a hazardous building materials survey completed by a Registered Environmental Assessor or a registered engineer. This survey shall be completed prior to any demolition activities associated with the project. If any friable asbestos-containing materials or lead-containing materials are identified, adequate abatement practices, such as containment and/or removal, shall be implemented in accordance with applicable laws prior to demolition. Specifically, asbestos abatement shall be conducted in accordance with Section 19827.5 of the California Health and Safety Code, as

implemented by the BAAQMD, and 8 CCR Section 1529 and Sections 341.6 through 341.14, as implemented by Cal/OSHA. Lead-based paint abatement shall be conducted in accordance with Cal/OSHA's Lead in Construction Standard.

4. Any PCB-containing equipment, fluorescent light tubes containing mercury vapors, and fluorescent light ballasts containing DEHP shall also be removed and legally disposed of in accordance with applicable laws including 22 CCR Section 66261.24 for PCBs, 22 CCR Section 66273.8 for fluorescent lamp tubes, and 22 CCR Division 4.5, Chapter 11 for DEHP.

5. Soil Sampling and Management. The following measures shall be required to reduce public health risks related to exposure to hazardous materials to a less-than-significant level. Oversight agency review may amend these measures as applicable.

- a. The project applicant shall retain a qualified professional to update the environmental database review performed as part of the Phase 1 Environmental Site Assessment no more than 90 days prior to the start of construction. The qualified professional shall prepare a report summarizing the results of the environmental database review and assessing the potential for any identified chemical release sites to affect soil quality at the proposed project site. Appropriate soil analysis to evaluate the potential for soil contamination at the proposed project site, if needed, shall also be identified.
- b. The project applicant shall retain a qualified professional to conduct a soil quality investigation to assess the potential presence of pesticides and associated metals in the soil as well as the potential presence of any hazardous materials that may have been spilled. If the updated environmental database review performed in accordance with HAZ-4a, above, identifies the need for additional sampling, it shall be included in this investigation. The qualified professional shall prepare a report summarizing the results of the soil investigation, including recommendations for site cleanup and disposal of excavated soil.
- c. The project applicant shall participate in the Voluntary Cleanup Program (VCP) administered by the Santa Clara County Department of Environmental Health (County) to develop the appropriate plan of action based on the results of the soil quality investigation conducted under HAZ-4b, above. If additional investigation or remediation is needed, the project applicant shall implement such action with oversight from the County, unless referred to an alternate agency.
- d. The applicant shall submit a "no further action" letter from the oversight agency or comparable closure document that demonstrates the site has been released as clean or a mitigation plan has been approved and implemented. Each phase of building permit issuance shall be contingent upon approval of the soil investigation and remediation documentation.

- e. If the soil investigation identifies soil requiring off-site disposal that is not suitable for unrestricted disposal, the project applicant shall require the construction contractor(s) to prepare a Soil Management Plan (SMP). The SMP shall provide a plan for disposal of identified hazardous soils and excess soil produced during construction activities, including the disposal methods for soil, potential disposal sites, and requirements for written documentation that the disposal site will accept the excess soil. If appropriate, excess soil may be disposed of on-site, under foundations or in other locations in accordance with applicable hazardous waste classifications and disposal regulations.

The contractor shall be required to submit the SMP to the project applicant for acceptance prior to implementation. If necessary, excess soil from construction activities shall be sampled to determine the appropriate disposal requirements in accordance with applicable hazardous waste classification and disposal regulations prior to or during construction. The project applicant shall also submit the SMP to the County of Santa Clara Department of Environmental Health a minimum of 30 days prior to the planned start of construction,

- f. If recommended by the qualified professional, the project applicant shall require the construction contractor to prepare and implement a site safety plan identifying the chemicals present, potential health and safety hazards, monitoring to be performed during site activities, soils-handling methods required to minimize the potential for exposure to harmful levels of the chemicals identified in the soil, appropriate personnel protective equipment, and emergency response procedures.
- g. The project applicant shall require the construction contractor(s) to have a contingency plan for sampling and analysis of potential hazardous materials and for coordination with the appropriate regulatory agencies, in the event that previously unidentified hazardous materials are encountered during construction. If any hazardous materials are identified, the contractor(s) shall be required to modify their health and safety plan to include the new data, conduct sampling to assess the chemicals present, and identify appropriate disposal methods. Evidence of potential contamination includes soil discoloration, suspicious odors, the presence of USTs, or the presence of buried building materials.

C. HYDROLOGY AND WATER QUALITY: In accordance with the City of Morgan Hill Standard Conditions of Approval and the General National Pollutant Discharge Elimination System Storm Water Permit for Construction Activities, the following measures have been included in the project to reduce potential construction-related water quality impacts to a less than significant level:

- 1. In order to be consistent with the City's requirements for storm runoff control, the proposed project design would need to include the development of a storm water detention basin or other drainage control structures on the subject property. The storm drainage facilities proposed for the project would need to be consistent with provisions the City's

Storm Drainage System Master Plan and the stormwater-related conditions of project approval. The incorporation of the Stormwater Conditions for construction activities, post-construction operation of the project, and LID would reduce the potentially significant impacts of the project on stormwater quality to less than significant levels.

B. NOISE: The following mitigation measures will reduce potential hazardous materials impacts from structure demolition, site preparation, and construction grading that could occur on the project site.

1. The applicant shall have an acoustical analysis prepared by a licensed professional, specifying the manner in which interior noise levels will be reduced to the required forty-five (45) dba. The report shall include acoustical measurements from the Monterey Rd. and the railroad and the details of the noise attenuation recommended in the report will be subject to review and approval of the Chief Building Official prior to issuance of the building permit. **(CBC Appendix chapter 1208)**
2. Exterior Noise Control: To achieve compliance with the 60 dB DNL limit of the City of Morgan Hill Noise Element standards for the noise-impacted useable common area.
3. Construction Noise Controls: The following measures shall be implemented to help minimize the potential for annoyance at nearby residential receptors:
 - a. Quiet or "new technology" equipment should be used wherever feasible. All internal combustion engines used at the project site should be equipped with mufflers (as recommended by the vehicle manufacturer). In addition, all equipment should be in good mechanical condition so as to minimize noise created by faulty or poorly maintained engine, drive-train and other components.
 - b. Noisy operations shall be scheduled for the daytime hours (7:00 a.m. to 8:00 p.m., Monday through Friday and 9:00 a.m. to 6:00 pm. on Saturdays) in accordance with time limits specified in the City of Morgan Hill Zoning Ordinance.
 - c. All diesel-powered equipment should be located more than 200 feet from any residence to the extent feasible if the equipment is to operate for more than several hours per day.
 - d. Locate stockpiled materials so that they can help block construction noise at nearby sensitive receptors.
 - e. Noise reduction benefits could also be achieved by appropriate selection of equipment utilized for various operations (subject to equipment availability and cost considerations). The following measures are recommended to reduce noise impacts on nearby residents:
 - **Earth Removal:** Use scrapers as much as possible for earth removal, rather than the noisier loaders and hauling trucks.
 - **Backfilling:** Use a backhoe for backfilling, as it is less costly and quieter than either dozers or loaders.

- Ground Preparation: Use a motor grader rather than a bulldozer for final grading.
- Building Construction: Powers saws should be shielded or enclosed where practical to decrease noise emissions. Nail guns should be used where possible as they are less noisy than manual hammering.
- Construction Phasing: Construct buildings or other significant structures at the site perimeter to help shield existing sensitive receptors from noise generated on the site.

ENGINEERING DIVISION

- I. The following conditions shall apply to the project/application:
- A. PRIOR TO SUBMITTING ANY IMPROVEMENTS PLANS, developer and project Engineer shall meet with Public Works Engineering Division to go over Measure C commitments to be addressed. Contact Scott Creer or Charlie Ha (408-778-6480) to schedule a pre-design meeting.
 - B. Project improvement plans shall address or satisfy all Measure C commitments prior to issuance of any development permit.
 - C. PSE is not required along the Monterey frontage.
 - D. All retention/detention facilities shall be privately maintained by the HOA/owner.
 - E. Along the McLaughlin Avenue frontage extend the storm main. Along the McLaughlin Avenue frontage extend the sanitary main from Main Avenue.
 - F. Along the McLaughlin and Monterey frontage provide 2" AC grind and overlay to the centerline of the street.
 - G. Along the McLaughlin Avenue frontage, widen the street as need to provide 40 feet wide street from curb face to curb face.
 - H. Provide onsite sanitary test manhole for commercial unit.
 - I. The project water, fire, and irrigation services shall each have back flow devices per City standards.
 - J. The irrigation service shall be metered.
 - K. Each unit/suite shall have a separate water meter.
 - L. Each unit/suite shall have a separate sanitary service.
 - M. Project is in a FEMA special flood hazard area (SFHA) flood zone AE. Based on the findings of the approved flood study by SCVWD the project shall file the necessary FEMA conditional letter of map revision (CLOMR) to FEMA for review and approval. Prior to final approval, the project shall file for the required FEMA letter of map revision (LOMR).
 - N. All units in the FEMA AE flood plain shall have the required 1 foot freeboard from the BFE.

- O. Obtain an encroachment permit from the Public Works Department prior to commencement of any work in the City's right-of-way or in connection with the City's utility system.
- P. Public Works impact fees are required for this project and must be paid prior to occupancy of each unit.

II GENERAL

- A. The applicant shall cause the construction of all public and private improvements in accordance with the latest City Standard Drawings and Specifications. **(MHMC 12.02.090 A; 17.32.010 A)**
- B. The applicant shall have a Final Map prepared by a registered engineer (licensed prior to 01/01/1982: registration number 33,965 or lower) or licensed land surveyor delineating all parcels and easements created. There shall be concurrence in writing by PG & E, Telephone, Cable TV and any other affected agencies to all improvements and easements which are applicable to them. The number and locations of monuments shall be set as required by the Public Works Department. **(MHMC 17.20.200 A; 17.20.290; 17.24.010)**
- C. The applicant shall submit as part of the improvement drawings for the project, profiles of all improvements in the subdivision and typical cross-sections of all streets and details of curbs, gutters, and sidewalks, to be accomplished to the satisfaction of the Director of Public Works prior to submittal of Final Map. **(MHMC Sec 17.32.060 B; 17.32.070; 17.32.080 A)**
- D. Obtain necessary encroachment permits from the City of Morgan Hill and provide guarantee covering off-site improvements. **(MHMC 12.08.040 A; 12.08.090)**
- E. Improvement plans are to show water lines, sanitary Sewer, storm drain system, pavement widths, curve radius, and existing utilities.
- F. Enter into a Subdivision Improvement Agreement (SIA) with the City of Morgan Hill to cover required improvements. **(MHMC 12.02.150; 17.32.010 B; 17.32.160)**
- G. Reciprocal access easements and maintenance agreements ensuring access to all parcels and joint maintenance of all common roads, drives or parking areas shall be provided by CC&R's and by deed and shall be recorded concurrent with the map, or prior to issuance of building permit where no map is involved. **(MHMC 17.20.350 H)**
- H. **IMPACT FEE INCREASE**-The City of Morgan Hill, pursuant to City Code Chapter 3.56 has established impact fees to finance the cost of improvements required by new development. City Code Chapter 3.56.050 provides for automatic annual (July 1st) adjustment of those fees in existence utilizing the Engineering News Record Index for the preceding twelve months. The City Public Works Department maintains historical records on the Engineering News Record Index. These records are available for inspection during normal business hours. **(MHMC 3.56.010; 3.56.030; 3.56.050)**

III. STREET IMPROVEMENTS

- A. The applicant shall cause the design and construction of all new public and private streets serving the project. The design of all new public and private streets shall be consistent with the General Plan Land Use and Circulation Element as well as the Street Standard Details as contained within the Public Works Standards Details. The construction of the streets shall be undertaken to the lines and grades and in a manner satisfactory to the Director of Public Works. All street improvements shall be constructed to the satisfaction of the Director of Public Works. The timing of the improvements will be determined by the City. **(MHMC 12.02.010; 12.02.090; 17.32.060 B; CMH General Plan; CMH Design Standards and Standard Details for Construction)**
- B. The project shall install and dedicate street improvement including, but not limited to, curb and gutter, sidewalk, compaction, street paving, oiling, storm drainage facilities, sewer and water, fire protection, undergrounding of utilities and street lighting in conformance with City of Morgan Hill requirements. **(MHMC 12.02.010; 12.02.50; 12.02.080; 12.02.100; 17.28.010; 17.32.060)**
- C. Dedication of a total of 55 and 32 feet from center line of public right-of-way on Monterey Road and and McLaughlin Avenue respectively. **(MHMC 12.02.010; 12.02.50; 12.02.080; 12.02.90; 12.02.100; 17.28.010)**
- D. Underground existing utilities: all existing overhead utilities adjacent to any site boundary or along any street frontage of site shall be placed underground in accordance with City standards and affected utility company guidelines. **(MHMC 12.02.090 B; 17.32.020 E.1)**

IV. SANITARY SEWER SYSTEM

- A. The applicant shall cause to be undertaken the design and construction of sanitary sewer improvements including, but not limited to installation of sewer line extension on the proposed public street(s) or private street(s)/drive aisle(s). The sanitary collection system shall include, but not be limited to manholes with manhole frames and covers, cleanouts, wye-branches and laterals, and separate sewer taps to each lot. These are to be installed by the developer. **(MHMC 13.20.355; 17.32.020 C; CMH Sewer System Master Plan; CMH Design Standards and Standard Details for Construction)**
- B. All existing and future sewer lines shall be tied into the City's system and existing septic systems shall be abandoned in accordance with City requirements. **(MHMC 13.24.060; 17.32.20 C)**

V. STORM DRAIN SYSTEM

- A. A complete storm drainage study of the proposed development must be submitted showing amount of run-off, and existing and proposed drainage structure capacities. This study shall be subject to review and approval by the Director of Public Works. All needed improvements will be made by the applicant. No overloading of the existing system will be permitted. **(MHMC 17.32.020 B; 17.32.090; CMH Design Standards and Standard Details for Construction)**

- B. The applicant shall cause the design and construction to be undertaken for a storm drainage collection system shown on the Tentative Map/Site Review plans. All storm drain improvements shall be constructed to the satisfaction of the Director of Public Works.
(MHMC 17.32.020 A & B)
- C. Collection system shall be designed to be capable of handling a 10 year storm without local flooding. On-site detention facilities shall be designed to a 25-year storm capacity. Streets shall be designed to carry a 100-year storm. Items of construction shall include, but not be limited to installation of storm line extension on proposed public street(s), surface and subsurface storm drain facilities, manholes with manhole frames and covers, catch basins and laterals. Note: the project may be required to **retain** stormwater runoff as part of resolution R3-2013-0032 prior to releasing discharge rates at pre development flows. **(MHMC 17.32.020 B; 18.74.440; CMH Design Standards and Standard Details for Construction; CMH Storm Drainage System Master Plan)**
- D. Prior to final map approval or issuance of a grading permit the applicant shall complete the following to the satisfaction of the Director of Public Works.
1. Storm drain calculations to determine detention/retention pond sizing and operations.
 2. Plan describing how material excavated during construction will be controlled to prevent this material from entering the storm drain system.
 3. Water Pollution Control Drawings (WPCD) for Sediment and Erosion Control.
(CMH Design Standards and Standard Details for Construction)
- E. As required by the State Water Resources Control Board (SWRCB) Order No. 2009-0009-DWQ, construction activity resulting in a land disturbance of one (1) acre or more of soil, or whose projects are part of a larger common plan of development that in total disturbs more than one (1) acre, are required to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) ONLINE at: <http://smarts.waterboards.ca.gov/smarts/faces/SwSmartsLogin.jsp> and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with the General Permit. The SWPPP Manual shall follow the CASQA SWPPP template/format at <https://www.casqa.org/store/products/tabid/154/p-167-construction-handbookportal-initial-subscription.aspx> and shall be approved by Public Works Engineering. A Waste Discharger Identification (WDID) number will be issued to the construction site after the SWRCB receives and verifies the submitted ONLINE NOI information. The WIDI number and approved SWPPP Manual shall be provided to Public Works and the Building Department prior to any approval of grading activities **(SWRCB NPDES General Permit CA000002)**.
- F. NPDES GENERAL PERMIT SITE SWPPP INSPECTIONS AND COMPLIANCE:
1. ALL project onsite and offsite construction activity shall have the site inspected by a **qualified third party SWPPP Inspector (QSD or QSP)**.
 2. SWPPP Inspections shall occur weekly during the rainy season (September 15th thru May 1st).

3. SWPPP Inspections shall occur bi-weekly during the non-rainy season.
 4. 48 hours prior to and following a forecasted rain event, SWPPP Inspections shall occur in addition to those of items 2 or 3 above.
 5. Per each of the inspection conditions 2, 3, or 4, the NPDES SWPPP Inspector shall certify in writing to the Building and Public Works Department if the site is in compliance or non-compliance with the NPDES General Permit for Stormwater, site SWPPP Manual, and Water Pollution Control Drawings (per the CMH-SWPPP Inspection Check List to be provided by Public Works). QSD/QSP SWPPP Inspectors shall forward onsite and offsite information/certification to the Building (on-site private property issues) and Public Works (public right-of-way issues) inspectors respectively.
 6. Prior to rain events, BMPs not in compliance will need to be corrected immediately.
 7. Illicit discharges per the NPDES General Permit, non-compliance of tracking control, and inlet protection within the public right of way shall be address immediately.
 8. Other non-compliance issues need to be addressed within a 24 hour period.
 9. Non-compliance issues which have been corrected shall be verified by NPDES SWPPP Inspector by a follow up inspection.
- G. Current Federal Emergency Management Agency Flood Insurance Maps show the site is located in one the following flood zones (AE, AH, A99, V, VE); the lowest floor shall be elevated at least one foot above the base flood elevation.
(MHMC 18.42.160 C; CMH Design Standards and Standard Details for Construction)

VI. WATER SYSTEM

- A. The applicant shall cause the design and construction to be undertaken of a domestic water system to the satisfaction of the Director of Public Works. The water system improvements shall be constructed within public easements or street rights-of-way to the satisfaction of the Director of Public Works and dedicated to the City. **(MHMC 17.32.020 A & D; CMH Design Standards and Standard Details for Construction; CMH Water System Master Plan)**
- B. Abandonment of any existing water well shall be in conformance with Santa Clara Valley Water District (SCVWD) Ordinance 90-1. Location and disposition to be shown on the plan. Well(s) shall be properly registered with the SCVWD and either be maintained or abandoned in accordance with SCVWD standards.
- C. Installation of water line extension on the proposed public streets and/or private streets.
(MHMC 17.32.020 A & D; CMH Water System Master Plan)
- D. Provide separate water services and meters for each lot/unit. These are to be installed by developer. **(MHMC 17.32.020 D)**

VII. OTHER CONDITIONS

- A. The owner shall dedicate all necessary utility easements. **(MHMC 12.02.080 D; 17.28.010 A)**
- B. The applicant shall cause the design and construction required to underground all electric, gas, Cable TV and communication lines within the development. Such design and construction shall be to the satisfaction of the affected utilities and the Director of Public Works. **(MHMC 17.32.020 E.1)**
- C. The final map on all major subdivision (5 or more lots) shall be approved by the City Council prior to issuance of a grading permit. For minor subdivision (4 lots or less), the final map shall be signed by the City Engineer and the Planning Commission Secretary prior to issuance of a grading permit. **(MHMC 17.20.390; 17.24.210)**
- D. Landscaping and irrigation systems serving common areas that are required to be installed in the public right-of-way on the perimeter of this tract area shall be continuously maintained by the Homeowner's Association.
- E. Final landscape plans shall be submitted with and included as part of the improvement plans for the subdivision. **(MHMC 17.08.090)**
- F. Prior to the approval of any Building Permit for grading activity, the developer shall schedule a preconstruction meeting with the Public Works Inspection Division with the following project team members:
 - 1. Civil Engineer of record.
 - 2. Geotechnical Engineer of record.
 - 3. Third Party QSD/QSP SWPPP Inspector.
 - 4. General Contractor.
 - 5. Sub-Contractors.

NPDES WATERQUALITY DIVISION

I. STORMWATER MANAGEMENT DEVELOPMENT STANDARDS FOR POST CONSTRUCTION

A. State Water Resources Control Board Post Construction Requirements (PCRs):

Project shall comply with the California Regional Water Quality Control Board Central Coast Region Resolution No. R3-2013-0032 as documented by the **Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements** (developed from Resolution No. R-2013-0032 Attachment 1 and 2 at:

http://www.waterboards.ca.gov/centralcoast/water_issues/programs/stormwater/docs/lid/lid_hydromod_charette_index.shtml). A copy of the guidance manual can be obtained through the Department of Public Works internet site.

1. Project shall provide Stormwater Control Plan Checklist and applicable calculations per the Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements.
2. Project shall meet the applicable requirements of the Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements:
 - i. Performance Requirement 1: Site Design and Runoff Reduction
 - ii. Performance Requirement 2: Water Quality Treatment
 - iii. Performance Requirement 3: Runoff Retention
 - iv. Performance Requirement 4: Peak Management
3. **Submit/re-submit site review plans (SR) to include requirements of item “a” and “b” above.**

B. Design Standards Applicable to All Categories.

1. **Peak Storm Water Runoff Discharge Rates** - Post-development peak storm water runoff discharge rates shall not exceed the estimated pre development rate for developments where the increased peak storm water discharge rate will result in increased potential for downstream erosion. Note: the project may be required to **retain** stormwater runoff as part of resolution R3-2013-0032 prior to releasing discharge rates at pre development flows.
2. **Minimize Storm Water Pollutants of Concern** - Storm water runoff from a site has the potential to contribute oil and grease, suspended solids, metals, gasoline, pesticides, and pathogens to the storm water conveyance system. The development must be designed so as to minimize, to the maximum extent practicable, the introduction of pollutants of concern that may result in significant impacts, generated from site runoff of directly connected impervious areas (DCIA), to the storm water conveyance system as approved by the building official. Pollutants of concern consist of any pollutants that exhibit one or more of the following characteristics: current loadings or historic deposits of the pollutant are impacting the beneficial uses of a receiving water, elevated levels of the pollutant are found in sediments of a receiving water and/or have the potential to bio-accumulate in organisms therein, or the detectable inputs of the pollutant are at concentrations or loads considered potentially toxic to humans and/or flora and fauna.

In meeting this specific requirement, “minimization of the pollutants of concern” will require the incorporation of a BMP or combination of BMPs best suited to maximize the reduction of pollutant loadings in that runoff to the Maximum Extent Practicable. Those BMPs best suited for that purpose are those listed in:

- i. [California Stormwater Quality Association \(CASQA\) Handbook: BMPs for New Development and Redevelopment](#)
- ii. [Bay Area Stormwater Management Agencies Association \(BASMAA\) Design Guidance Manual for Stormwater Quality Protection: Start at the Source 1999](#)

Other available sources of BMPs

- iii. [California Storm Water Best Management Practices Handbooks](#)
- iv. [Caltrans Storm Water Quality Handbook: Planning and Design Staff Guide](#)

- v. thin 30 feet of a perennial or intermittent stream (top of bank) or within 30 feet of riparian habitat.
3. **Provide Storm Drain System Stenciling and Signage** - Storm drain stencils are highly visible source controls that are typically placed directly adjacent to storm drain inlets. The stencil contains a brief statement that prohibits the dumping of improper materials into the storm water conveyance system. Graphical icons, either illustrating anti-dumping symbols or images of receiving water fauna, are effective supplements to the anti-dumping message. All storm drain inlets and catch basins within the project area must be stenciled with prohibitive language (such as: "NO DUMPING – DRAINS TO CREEK") and/or graphical icons to discourage illegal dumping. Signs and prohibitive language and/or graphical icons, which prohibit illegal dumping, must be posted at public access points along channels and creeks within the project area. Legibility of stencils and signs must be maintained.
 4. **Properly Design Outdoor Material Storage Areas** - Outdoor material storage areas refer to storage areas or storage facilities solely for the storage of materials. Improper storage of materials outdoors may provide an opportunity for toxic compounds, oil and grease, heavy metals, nutrients, suspended solids, and other pollutants to enter the storm water conveyance system. Where proposed project plans include outdoor areas for storage of materials that may contribute pollutants to the storm water conveyance system, the following Structural or Treatment BMPs are required:
 - i. Materials with the potential to contaminate storm water must be: (1) placed in an enclosure such as, but not limited to, a cabinet, shed, or similar structure that prevents contact with runoff or spillage to the storm water conveyance system; or (2) protected by secondary containment structures such as berms, dikes, or curbs.
 - ii. The storage area must be paved and sufficiently impervious to contain leaks and spills.
 - iii. The storage area must have a roof or awning to minimize collection of storm water within the secondary containment area.
 5. **Properly Design Trash Enclosure Areas** - All trash enclosure areas must meet the following Structural or Treatment Control BMP requirements (individual single family residences are exempt from these requirements):
 - i. Roof Required: Trash enclosure areas shall have an all weather noncombustible solid roof to prevent rainwater from mixing with the enclosure's contents
 - i. Walls Required: Trash enclosure shall have structural walls to prevent unauthorized off-site transport of trash.
 - ii. Doors: Trash enclosure shall have door(s) which can be secured when closed.
 - iii. Grades: The pad for the enclosure shall be designed to not drain outward, and the grade surrounding the enclosure shall be designed to not drain into the enclosure.
 - iv. Drain Inlet and grease interceptor: Within the enclosure, an area drain with an approved vandal proof coverguard (Zurn or equal) and grease interceptor shall be installed and shall be plumbed to the sanitary sewer system.

6. **Design Standards for Structural or Treatment Control BMPs** - The post-construction treatment control BMPs shall incorporate, at a minimum, either a volumetric or flow based treatment control design standard, or both, as identified below to mitigate (infiltrate, filter or treat) storm water runoff:
 - i. **Volumetric Treatment Control BMP**
 1. The 85th percentile 24-hour runoff event determined as the maximized capture storm water volume for the area, from the formula recommended in Urban Runoff Quality Management, WEF Manual of Practice No. 23/ASCE Manual of Practice No. 87, (1998); or
 2. The volume of annual runoff based on unit basin storage water quality volume, to achieve 80 percent or more volume treatment by the method recommended in California Stormwater Best Management Practices Handbook – Industrial/ Commercial, (2003); or
 3. The volume of runoff produced from a historical-record based reference 24-hour rainfall criterion for “treatment” that achieves approximately the same reduction in pollutant loads achieved by the 85th percentile 24-hour runoff event.
 - ii. **Flow Based Treatment Control BMP**
 1. The flow of runoff produced from a rain event equal to at least two times the 85th percentile hourly rainfall intensity for the area; or
 2. The flow of runoff produced from a rain event that will result in treatment of the same portion of runoff as treated using volumetric standards above.
7. **Stormwater Runoff Management Plan (SWRMP) required** - The stormwater runoff management plan shall include sufficient information to evaluate the environmental characteristics of affected areas, the potential impacts of the proposed development on water resources, and the effectiveness and acceptability of measures (post construction BMPs) proposed for managing stormwater runoff.
 - i. The stormwater runoff management plan shall be prepared under the direction of a professional civil engineer registered in the State of California. The responsible professional civil engineer shall stamp and sign the approved stormwater runoff management plan.
 - ii. The chief engineer or designee may require a developer to provide a signed certification from the civil engineer responsible for preparing the stormwater runoff management plan that all stormwater best management practices have been designed to meet the requirements of this chapter.
 - iii. Each certifying civil engineer shall establish to the city's satisfaction that such person has been trained on the design of stormwater quality best management practices not more than three years prior to the certification signature date.
 - iv. Qualifying training shall be conducted by an organization with stormwater quality management expertise, such as a university, the Bay Area Stormwater Management Agencies Association, the American Society of Civil Engineers, the American Public Works Association, or the California Water Environment Association.

8. Stormwater BMP operation, maintenance, and replacement responsibility

- i. All on-site stormwater management facilities shall be operated and maintained in good condition and promptly repaired/replaced by the property owner(s), an owners' or homeowners' association or other legal entity approved by the city.
- ii. Any repairs or restoration/replacement and maintenance shall be in accordance with city-approved plans.
- iii. The property owner(s) shall develop a maintenance schedule for the life of any stormwater management facility and shall describe the maintenance to be completed, the time period for completion, and who shall perform the maintenance. This maintenance schedule shall be included with the approved stormwater runoff management plan.

9. Stormwater BMP Operation and Maintenance Agreement (SWBOMA) required -

Improper maintenance is one of the most common reasons why water quality controls will not function as designed or which may cause the system to fail entirely. It is important to consider who will be responsible for maintenance of a permanent BMP, and what equipment is required to perform the maintenance properly.

- i. Prior to the issuance of any building permit requiring stormwater management BMPs, the owner(s) of the site shall enter into a formal written stormwater BMP operation and maintenance agreement with the city. The city shall record this agreement, against the property or properties involved, with the County of Santa Clara and it shall be binding on all subsequent owners of land served by the storm water management treatment BMPs (City standard STORMWATER BMP OPERATION AND MAINTENANCE AGREEMENT to be provided by Public Works Engineering).
- ii. The stormwater BMP operation and maintenance agreement shall require that the BMPs not be modified and BMP maintenance activities not alter the designed function of the facility from its original design unless approved by the city prior to the commencement of the proposed modification or maintenance activity.
- iii. The stormwater BMP operation and maintenance agreement shall provide that in the event that maintenance or repair is neglected, or the stormwater management facility becomes a danger to public health or safety, the city shall have the authority to perform maintenance and/or repair work and to recover the costs from the owner.

10. Stormwater BMP inspection responsibility

- i. The property owner(s) shall be responsible for having all stormwater management facilities inspected for condition and function by a **Registered Civil Engineer (RCE)**.
- ii. Unless otherwise required by the chief engineer or designee, stormwater facility inspections shall be done at least twice per year (April 15th and September 15th) by the RCE. Written records shall be kept of all inspections and shall include, at minimum, the following information:
 1. Site address;
 2. Date and time of inspection;

3. Name of the person conducting the inspection;
 4. List of stormwater facilities inspected;
 5. Condition of each stormwater facility inspected;
 6. Description of any needed maintenance or repairs; and
 7. As applicable, the need for site reinspection.
- iii. Upon completion of each inspection, an inspection report shall be submitted to Public Works Engineering.
- 11. Records of maintenance and inspection activities** - On or before April 15th and September 15th of each year, the party responsible for the operation and maintenance of on-site stormwater management facilities under the BMP operation and maintenance agreement shall provide the chief engineer or designee with records of all inspections, maintenance and repairs.
- 12. Annual Certification of SWRMP** – On or before September 30th of each year a Registered Civil Engineer (RCE) shall provide written certification that the developments stormwater quality design standards are properly maintained and functioning as required by the SWRMP.
- 13. Parking Lots**
- i. Properly Design Parking Area - Parking lots contain pollutants such as heavy metals, oil and grease, and polycyclic aromatic hydrocarbons that are deposited on parking lot surfaces by motor-vehicles. These pollutants are directly transported to surface waters. To minimize the offsite transport of pollutants, the following design criteria are required:
 1. Reduce impervious land coverage of parking areas.
 2. Infiltrate or treat runoff.
 - ii. Properly Design To Limit Oil Contamination and Perform Maintenance - Parking lots may accumulate oil, grease, and water insoluble hydrocarbons from vehicle drippings and engine system leaks:
 1. Treat to remove oil and petroleum hydrocarbons at parking lots that are heavily used (e.g. fast food outlets, lots with 25 or more parking spaces, sports event parking lots, shopping malls, grocery stores, discount warehouse stores).
 2. Ensure adequate operation and maintenance of treatment systems particularly sludge and oil removal, and system fouling and plugging prevention control.

PRETREATMENT

- A. **GREASE INTERCEPTOR.** A restaurant will require installation of a grease interceptor, sized to accommodate occupancy loads. Please notify Pretreatment if this is to be included as part of the plan. Contact Renee Cantara at (408) 846-0433.

FIRE DEPARTMENT

Review of this Development proposal is limited to acceptability of site access and water supply as they pertain to fire department operations, and shall not be construed as a substitute for formal plan review to determine compliance with adopted model codes. Prior to performing any work, the applicant shall make application to, and receive from, the Building Department all applicable construction permits.

- G. PRELIMINARY REVIEW ONLY. The requirements and conditions stated in this review are preliminary and are intended to be used for the purposes of project planning. An official Fire Department review of the project will be conducted upon receipt of a complete plan submittal application that clearly shows all intended grading, demolition, construction or building modifications.
- H. PROPOSAL LIMITED TO. Review of this Development proposal is limited to acceptability of site access as they pertain to fire department operations, and shall not be construed as a substitute for formal plan review to determine compliance with adopted model codes. Prior to performing any work, the applicant shall make application to, and receive from, the Building Department all applicable construction permits.
- I. AUTOMATIC FIRE SPRINKLER SYSTEM REQUIRED (SFD). New homes located within the hazardous fire area, and in the non hazardous fire area homes shall be protected throughout by an approved, automatic fire sprinkler system, hydraulically designed per National Fire Protection Association (NFPA) Standard #13D (**CFC Chapter 9 as amended by MHMC 15.44.170**)
- J. FIRE APPARATUS (ENGINE) ACCESS ROADS REQUIRED. Prior to the commencement of combustible construction, an access roadway with a paved all weather surface and a minimum unobstructed width of 20 feet, vertical clearance of 13 feet, 6 inches shall be provided, with minimum circulating turning radius of 36 feet outside and 23 feet inside, and a maximum slope of 15%, unless otherwise approved in writing by the Fire Marshal. Installations shall conform to the City of Morgan Hill Standard Details and Specifications 11-B. (**CFC section 503 as amended by MHMC 15.44.140**)
- K. PUBLIC FIRE HYDRANT(S) REQUIRED. Provide public fire hydrant(s) at location(s) to be determined jointly by the Fire Department and the City of Morgan Hill Public Works Department. Maximum hydrant spacing shall be 500 feet and the minimum single flow hydrant shall be 1000 GPM at 20 psi residual pressure. If fire hydrants are already in place, include civil drawings showing location of all hydrants with the building permit submittal. (**CFC 507**)
- L. PREMISES IDENTIFICATION. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Numbers shall contrast with their background and be a minimum of four inches in height. (**CFC section 505**)

- M. **TIMING OF REQUIRED ROADWAY INSTALLATIONS.** Prior to the commencement of combustible construction, the required roadway installations, up through first lift of asphalt, shall be in place, inspected, and accepted by the City of Morgan Hill unless otherwise approved in writing by the Fire Marshal. Bulk combustible construction materials shall not be delivered to the construction site until installations are completed as stated above. During construction, emergency access roads shall be maintained clear and unimpeded. Issuance of building permits may be withheld until installations are completed. **(CFC Chapter 14 as amended by MHMC 15.44.180)**
- N. **AUTOMATIC FIRE SPRINKLER SYSTEM REQUIRED.** Buildings requiring automatic fire sprinkler system shall be equipped throughout with an approved automatic fire sprinkler system. The fire sprinkler system shall be hydraulically designed per National Fire Protection Association (NFPA) Standard #13. **(CFC Chapter 9 as amended by MHMC 15.44.170)**
- O. **FIRE LANE MARKING REQUIRED.** Provide marking for all roadways within the project. Markings shall be per fire department specifications. Installations shall also conform to Local Government Standards and the City of Morgan Hill Standard Details and Specifications 11-F. **(CFC section 503)**
- P. **FIRE DEPARTMENT (ENGINE) ROADWAY TURN-AROUND REQUIRED.** Prior to the commencement of combustible construction the applicant shall provide an approved fire department engine roadway turn-around with a minimum radius of 36 feet outside and 23 feet inside unless otherwise approved in writing by the Fire Marshal. Installations shall conform to the City of Morgan Hill Standard Details and Specifications 11-B. Cul-de-sac diameters shall be no less than 72 feet. **(CFC section 503 as amended by MHMC 15.44.140)**
- Q. **FIRE APPARATUS (LADDER TRUCK) ACCESS ROADS REQUIRED.** Provide access roadways with a paved all weather surface and a minimum unobstructed width of 30 feet, vertical clearance of 13 feet, 6 inches, minimum circulating turning radius of 23 feet inside and 36 feet outside, a maximum slope of 10% and vehicle loading of 72,000 pounds. **(CFC section 503 as amended by MHMC 15.44.140)**
- R. **AERIAL FIRE APPARATUS ACCESS ROADS:**
1. **Where required:** Buildings or portions of buildings or facilities exceeding 30 feet (9144 mm) in height above the lowest level of fire department vehicle access shall be provided with approved fire apparatus access roads capable of accommodating fire department aerial apparatus. Overhead utility and power lines shall not be located within the aerial fire apparatus access roadway.
 2. **Width:** Fire apparatus access roads shall have a minimum unobstructed width of 26 feet (7925) in the immediate vicinity of any building or portion of building more than 30 feet (9144 mm) in height.
 3. **Proximity to building:** At least one of the required access routes meeting this condition shall be located within a minimum of 15 feet (4572) and a maximum of 30 feet (9144mm) from the building, and shall be positioned parallel to one entire side of the building, as approved by the fire code official.

- S. PRIVATE FIRE HYDRANT(S) REQUIRED. Private on-site fire hydrant(s) installed per NFPA Std. #24, at location(s) to be determined by the Fire Department and the City of Morgan Hill. Maximum hydrant spacing shall be 500 and the minimum single flow hydrant shall be 1500 GPM at 20 psi residual pressure. Prior to design, the project civil engineer shall meet with the City of Morgan Hill and the Fire Department water supply officer to jointly spot the hydrant locations. **(CFC 507)**
- T. PRIVATE ON-SITE FIRE SERVICE MAINS AND HYDRANTS. Installations shall conform to National Fire Protection Association Standard #24, and the City of Morgan Hill Standard Details and Specifications. Provide plan submittal to the City of Morgan Hill for review and approval prior to installation.
- U. PLAN APPROVAL. Approval of these plans does not release the developer, architect, or contractor of the responsibility for the corrections of mistakes, errors or omissions.

BUILDING DIVISION

The following conditions shall apply to the project/application.

- A. Prior to issuance of a building permit, the applicant shall provide contract documents for on-site improvements including comprehensive site grading and a drainage plan. The plan shall provide for exportation of excess soil material as necessary. **(CBC Appendix chapter 33)**
- B. Prior to issuance of building permits, the applicant shall provide contract documents for on-site improvements including:
 - 1. Comprehensive site grading and drainage plan. Said plan shall provide for exportation of excess soil material as necessary and controlled drainage of storm water away from building.
 - 2. Comprehensive erosion control plan, including hydromulching or hand-seeding methods to be used in all graded or cleared areas.
- C. Permits for new structures or additions will require compliance with the Building Security Ordinance. Requirements such as the installation of dead bolts on doors, protection methods for windows, garage door security, commercial roof opening security, lighting at all exit doors, etc. may be required. **(MHMC 15.40)**

POLICE DEPARTMENT

- A. SECURITY CAMERA PLAN. The Police Department will review the security camera plan for both residential and commercial portions of the project prior to the issuance of a building permit or site development permit, whichever comes first.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Morgan Hill
Community Development Agency
17575 Peak Avenue
Morgan Hill, CA 95037

RECORDING FEES EXEMPT
PURSUANT TO GOVERNMENT
CODE SECTION 27383

AMENDMENT TO RESIDENTIAL DEVELOPMENT AGREEMENT

This AMENDMENT TO RESIDENTIAL DEVELOPMENT AGREEMENT (the "**Amendment**") is entered into as of the _____ day of _____, 2017, by and between the City of Morgan Hill, a California municipal corporation (hereinafter "**City**"), and Gunter Building LLC, a California limited liability company, and its successors and assigns (hereinafter, collectively, "**Developer**") regarding Developer's 15-unit Vista Del Toro Residential Development Project located at 17620 Monterey Road (hereinafter "**Project**"). City and Developer are, from time to time, also hereinafter referred to collectively as the "**Parties**."

RECITALS

A. On June 3, 2015, the Morgan Hill City Council adopted Ordinance No. 2148, approving an amended residential development agreement for the Project (hereinafter "**Residential Development Agreement**") that superseded and replaced an original development agreement approved on January 24, 2007, and related amendments to the original development agreement approved by the City Council's adoption of Ordinance Nos. 1817, 1842, 1879, 1938, 1994, and 2049. The Residential Development Agreement reflects the Morgan Hill Planning Commission's prior approval of 15 residential development allotments on February 14, 2006, which were granted pursuant to the City's Residential Development Control System ("**RDCS**") as approved by the voters by Measure C in 2004 and implemented in Morgan Hill Municipal Code Chapter 18.78.

B. Section 5.1(n) of the Residential Development Agreement incorporates by reference certain exhibits attached to thereto, including Exhibit B, "Development Schedule MC-05-03: Monterey – Gunter FY 2014-15 Allotments Traded From Milano Project (15 allocations)", and Exhibit D, "Specific Restrictions and Requirements (Including RDCS Requirements)".

C. City and Developer wish to amend the Residential Development Agreement in certain respects.

D. Among other amendments, the Parties wish to extend the construction commencement date set forth in Exhibit B from June 30, 2017 to December 31, 2017, and to require the Project to provide one deed-restricted affordable housing unit, and 14 market-rate, unrestricted units.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

Attachment: EXHIBIT B (1288 : Development Agreement Amendment Gunter LLC)

1. The Residential Development Agreement is hereby amended by deleting the Commence Construction date, stated as "June 30, 2017", from Section VI of Exhibit B and replacing it with the following Commence Construction date: "December 31, 2017."

2. The Residential Development Agreement is further amended by deleting on page 5 of Exhibit D the Housing Needs requirement description that states, "all 15 units shall be condominiums affordable to less than moderate-income households. The final sales price (at close of escrow) for the less than moderate rate units will be based on HUD income limits for a family of 4 at the closing date," and replacing the description with the following requirement:

"One two-bedroom unit (located on the third floor of the mixed-use building) will be deed-restricted so that it will remain a moderate-rate rental for a period of fifty-five (55) years. The rental rate will be affordable to a family of three (3) making one hundred and twenty percent (120%) of Santa Clara County Area Median Income as determined annually by the City's Housing Office. Developer will allow annual monitoring for income eligibility."

3. The Residential Development Agreement is further amended by deleting and replacing the definition of "Subsequent Approvals" contained in existing Section 1.2(13) with the following definition:

"(13) "Subsequent Approvals" and "Subsequent Approval" mean those City permits, entitlements, approvals or other grants of authority (including, but not limited to, improvement plan(s) and construction drawings), and all text, terms and conditions of approval related thereto, that may be necessary or desirable for the development of the Project, that are sought by Developer, and that are granted by City after the City Council adopts the Approving Ordinance (defined below), including without limitation, a City Resolution of Application for Annexation and subdivision maps and any Subdivision Document."

4. Section 3.1(b) of the Residential Development Agreement is further amended by deleting and replacing the existing Section 3.01(b) with the following:

"(b) Upon submission by Developer of any and all necessary and required applications for Subsequent Approvals and payment of any and all appropriate processing and other fees as provided in this Agreement, City shall process in good faith and use its best efforts to diligently complete all steps necessary to acting on the requested Subsequent Approvals and pending site approval, minor setback adjustment and parcel map, including, but not limited to, (i) the holding of any and all required public hearings and notice for such public hearings, and (ii) the granting of the requested approval to the extent that it is consistent with Applicable Law. The phrase, "process in good faith" shall mean that City's building and public works departments shall process all initial plan check submittals within eight (8) weeks of the date of submittal, and all plan check resubmittals within two (2) weeks of the date of submittal."

5. Section 2.6(b) of the Residential Development Agreement is further amended by deleting and replacing the existing Section 2.6(b) with the following:

"(a) Securing Building Permits and Beginning Construction. Developer agrees to apply for building permits no later than August 30, 2017. In the event Developer fails to exercise the allotments in accordance with Section 18.78.160(A) of the Morgan Hill Municipal Code, the RDCS allotments shall expire pursuant to Section 18.78.160(B) of the Morgan Hill Municipal Code. City and Developers agree that recordation of the tract map for condominium purposes required in connection with the Project shall satisfy the requirements of 18.78.160(A) regarding final map recordation.

6. Except to the extent expressly amended hereby, the Residential Development Agreement shall remain in full force and effect without impairment or modification.

7. The Parties agree that nothing in this Amendment shall be construed to adversely impact the point score previously assigned to the Project pursuant to the RDCS.

8. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Executed as of the day and year first above written.

CITY OF MORGAN HILL:

City Attorney

s/ _____

Date: _____

Steve Rymer
City Manager

Date: _____

Attest:

DEVELOPER:

s/ _____

GUNTER BUILDING LLC

Deputy City Clerk

s/ _____

Approved as to Form:

s/ _____

Donald Larkin

Attachment: EXHIBIT B (1288 : Development Agreement Amendment Gunter LLC)



CITY OF MORGAN HILL PUBLIC WORKS DEPARTMENT

17575 Peak Avenue Morgan Hill CA 95037 - Office (408)778-6480 Fax (408)779-7236

FEE SCHEDULE: 01.15.2017		
DATE 6/14/2017	PER RESOLUTION 5902, EFFECTIVE JULY 1, 2006 AND PER RESOLUTION 5592, INCREASED JANUARY 15, 2009 AND PER RESOLUTION 6082, EFFECTIVE FEBRUARY 5, 2007 **SEE BACK PAGE FOR ADDITIONAL FEE RESOLUTIONS	NAME
TRACT / APN 726-23-008		MAILING ADDRESS
ADDRESS / LOT GUNTHER 17620 Monterey Road - 15 Lots		CITY, STATE, ZIP CODE
PROJECT DESCRIPTION Gunter - Residential/Commercial		PHONE NUMBER
	7.14.17	
	FEE SCHEDULE EXPIRATION DATE	

NOTES:

1. PRESSURE REGULATORS ARE REQUIRED ON ALL WATER SERVICES.
2. BACKFLOW PREVENTORS ARE REQUIRED ON ALL NON-RESIDENTIAL WATER SERVICES & FIRE SPRINKLER SERVICES. BACKFLOW INSPECTION FEE SHALL BE PAID PRIOR TO INSPECTION.
3. **MULTI-FAMILY** IS DEFINED AS ANY UNIT WITH TWO BEDROOMS OR LESS.
SINGLE FAMILY IS DEFINED AS ANY UNIT WITH 3 BEDROOMS OR MORE.

☒ THIS FEE SCHEDULE IS ESTIMATE ONLY

IF BOX ABOVE CHECKED: FEE SCHEDULE IS ONLY FOR ESTIMATE PURPOSES. FEE SCHEDULE CALCULATED BASED ON INFORMATION PROVIDED TO CITY BY APPLICANT. FINAL FEE SCHEDULE MAY DIFFER BASED UPON CHANGE IN SCOPE OF PROJECT.

CHARLIE HA
CALCULATED BY

CHARLIE HA
CHECKED BY

BUILDING PERMIT #

DATE BLD PERMIT ISSUED

SEWER IMPACT FEES WITHIN RDA BOUNDARY

CHECK APPLICABLE SCENARIO BELOW

☒ COMMERCIAL OR INDUSTRIAL WITHIN RDA BOUNDARY

SEWER IMPACT FOR COMMERCIAL & INDUSTRIAL PROJECTS
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07 PER RES# 6082.

☒ RESIDENTIAL PROJECTS WITHIN RDCA DOWNTOWN AREA

SEWER IMPACT FOR SINGLE-FAMILY AND MULTI-FAMILY RESIDENTIAL
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07.

☐ NOT IN RDA AREA BOUNDARY

** BOTH NORMAL FEES AND ADJUSTED FEES ARE SUBJECT
TO ANNUAL CPI INCREASES.

☐ COMMERCIAL OR INDUSTRIAL SHELL

RDA SEWER ALLOCATION COMPLETED BY:

(write initials below)

version 01.15.17 std

WATER FEES:

1. METER DEPOSIT:					650-37672
<i>(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)</i>					
1"	\$468	x	15	=	\$7,020
1 ½"	\$1,434	x	4	=	\$5,736
2"	\$1,619	x	1	=	\$1,619
3" or larger-Time & Material + Meter Cost				=	\$0
METER CREDITS					
	\$0	x	0	=	\$0
SUBTOTAL =					\$14,375
2. BACKFLOW CONST. INSPECTION:					650-37859
<i>(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)</i>					
	\$62	x	5	Each	= \$310
3. WATER FRONTAGE CHARGE:					650-37663
<i>(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)</i>					
1 Side	\$66	x	0	LF	= \$0
2 Sides	\$37	x	294	LF	= \$10,878
4. WATER IMPACT FEE:					651-37648
<i>(Auth: Res. #5592 approved 08.21.02, Increased 01.15.17)</i>					
a) Residential					
\$3,751	/DU	x	10	DU	= \$37,510
<i>(Single Family)</i>					
\$3,384	/DU	x	5	DU	= \$16,920
<i>(Multi Family)</i>					
b) Commercial & Industrial					
<i>(Includes Landscape Service)</i>					
\$10,648	/AC	x	0.25	AC	= \$2,662
WATER CREDITS					
	\$0	x	0	=	\$0
SUBTOTAL =					\$57,092
WATER FEE TOTALS =					\$82,655
5. ENGINEERING & INSPECTION FEE:					206-38734
<i>(Minimum \$500.00):</i>					
<i>(Authority: Res. #5902 approved 05.04.05, Updated 07.01.09)</i>					
ENGINEERING ESTIMATE:					\$500,000
DATE ENGINEERING EST. SUBMITTED:					
% APPLIES TO ENGINEER'S ESTIMATE					
13.3%	\$1	to	\$100,000	=	\$13,300
11.8%	\$100,001	to	\$200,000	=	\$11,800
10.3%	\$200,001	to	\$500,000	=	\$30,900
8.8%	OVER		\$500,000	=	\$0
ENGINEERING FEE				=	\$56,000
DEPOSIT PAID				=	\$0
ENGINEERING FEE TOTAL =					\$56,000
(SEE COMMENTS PAGE 4)					
5A. LONG RANGE PLANNING FEE:					207-37912
LONG RANGE PLANNING FEE (15% of E&I) =					\$8,400
(SEE COMMENTS PAGE 4)					

SEWER FEES:

6. SEWER FRONTAGE CHARGE:					640-37663
<i>(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)</i>					
1 Side	\$66	/LF	x	0	LF = \$0
2 Sides	\$37	/LF	x	147	LF = \$5,439
7. SEWER IMPACT FEE:					641-37648
<i>(Auth: Res. #6082 approved 02.05.07 & Res. #5592 approved 08.21.02, Increased 01.15.17).</i>					
a) Residential					
\$14,680	/DU	x	10	DU	= \$146,800
<i>(Single Family)</i>					
\$12,424	/DU	x	5	DU	= \$62,120
<i>(Multi Family)</i>					
b) Commercial & Industrial					
\$50.26	/GPD	x	1980	GPD	= \$99,515
\$50.26	/GPD	x	0	GPD	= \$0
SEWER CREDITS					
	\$0	x	0	=	\$0
RDA ASSUMED SEWER OBLIGATION					
\$14,680	/DU	x	10	DU	= -\$146,800
<i>(Single Family)</i>					
\$12,424	/DU	x	5	DU	= -\$62,120
<i>(Multi Family)</i>					
\$50.26	/GPD	x	1980	GPD	= -\$99,515
<i>(Commercial & Industrial)</i>					
SUBTOTAL =					\$0
SEWER FEE TOTALS =					\$5,439
STORM DRAIN FEES:					
8. STORM DRAIN FRONTAGE CHARGE:					304-37663
<i>(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)</i>					
1 Side	\$108	/LF	x	0	LF = \$0
2 Sides	\$53	/LF	x	0	LF = \$0
9. STORM DRAIN IMPACT FEE:					303-37648
<i>(Auth: Res. #5592 approved 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)</i>					
\$3,982	/DU	x	10	DU	= \$39,820
<i>(Single Family)</i>					
\$2,071	/DU	x	5	DU	= \$10,355
<i>(Multi Family)</i>					
\$43,364	/ACRE	x	0.25	AC	= \$10,841
<i>(Commercial & Office)</i>					
\$31,572	/ACRE	x	0	AC	= \$0
<i>(Industrial)</i>					
STORM CREDITS					
	\$0	x	0	=	\$0
SUBTOTAL =					\$61,016
STORM DRAIN FEE TOTALS =					\$61,016

10. UNDERGROUNDING UTILITIES: 350-37649

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)

1 Side	\$681	x	0	LF	=	\$0
2 Sides	\$343	x	294	LF	=	\$100,842

11a. PARK IMPACT FEE: 301-37648

(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$5,566	/DU	x	10	DU	=	\$55,660
(Single Family - Sub)						
\$4,047	/DU	x	5	DU	=	\$20,235
(Single Family - No Sub)						
\$5,363	/DU	x	0	DU	=	\$0
(Multi Family - Sub)						
\$3,903	/DU	x	0	DU	=	\$0
(Multi Family - No Sub)						

11b. PARK MAINTENANCE DEV. FEE: 302-37649

\$0	x	0	FAU	=	\$0
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PARK CREDITS

\$0	x	0		=	\$0
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PARK FEE TOTAL = \$75,895**12. TRAFFIC IMPACT FEE: 309-37648**

(Auth: Res. #15-152 approved 06.17.15 & Res. #5592 approved 08.21.02, Increased 01.15.17).

\$1,928	/DU	x	10	DU	=	\$19,280
(Single Family)						
\$1,196	/DU	x	5	DU	=	\$5,980
(Multi Family)						
\$1,928	/PHT	x	31.8	PHT	=	\$61,310
(Commercial)						
\$1,928	/PHT	x	0	PHT	=	\$0
(Industrial)						

TRAFFIC CREDITS

\$0	x	0		=	\$0
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TRAFFIC FEE TOTAL = \$86,570**13. LIBRARY IMPACT FEE: 348-37648**

(Auth: Res. #5837 appr'd 09.01.04, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$2,044	/DU	x	10	DU	=	\$20,440
(Single Family)						
\$1,969	/DU	x	5	DU	=	\$9,845
(Multi Family)						

LIBRARY CREDITS

\$0	x	0		=	\$0
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LIBRARY FEE TOTAL = \$30,285**14. BURROWING OWL MITIGATION: 232-38145**

(Authority: Res. #5765 approved 01.21.04, Increased 07.01.16)

\$200	/DU		15	DU	=	\$3,000
(Residential)						
\$1,395	/AC		0.25	AC	=	\$349
(Commercial/Industrial)						

15a. MAP CHECK FEE: 206-38716

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)

PARCEL MAP:	\$3,805	=	\$0
TRACT MAP:	\$5,667	=	\$5,667

16. POLICE IMPACT FEE: 311-37648

(Auth: Res. #5686 appr'd 06.18.03, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$794	/DU	x	10	DU	=	\$7,940
(Single Family)						
\$767	/DU	x	5	DU	=	\$3,835
(Multi Family)						
\$1,724	/ACRE	x	0.25	AC	=	\$431
(Commercial)						
\$2,415	/ACRE	x	0	AC	=	\$0
(Industrial)						

POLICE CREDITS

\$0	x	0		=	\$0
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POLICE FEE TOTAL = \$12,206**17. FIRE IMPACT FEE: 313-37648**

(Auth: Res. #6671 approved 07.17.13, Increased 01.15.17)

\$122	/DU	x	10	DU	=	\$1,220
(Single Family)						
\$116	/DU	x	5	DU	=	\$580
(Multi Family)						
\$1,604	/ACRE	x	0.25	AC	=	\$401
(Commercial)						
\$1,604	/ACRE	x	0	AC	=	\$0
(Industrial)						

FIRE CREDITS

\$0	x	0		=	\$0
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FIRE FEE TOTAL = \$2,201**18. PUBLIC FACILITIES IMPACT FEE: 347-37648**

(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$530	/DU	x	10	DU	=	\$5,300
(Single Family)						
\$510	/DU	x	5	DU	=	\$2,550
(Multi Family)						
\$1,167	/ACRE	x	0.25	AC	=	\$292
(Commercial)						
\$1,634	/ACRE	x	0	AC	=	\$0
(Industrial)						

PUBLIC FACILITIES CREDITS

\$0	x	0		=	\$0
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PUBLIC FACILITIES FEE TOTAL = \$8,142**20. COMMNTY/REC CTRS IMPACT FEE: 360-37648**

(Auth: Res. #15-152 appr'd 8.17.15, increased 01.15.17)

\$3,791	/DU	x	10	DU	=	\$37,910
(Single Family)						
\$3,326	/DU	x	5	DU	=	\$16,630
(Multi Family)						

PUBLIC FACILITIES CREDITS

\$0	x	0		=	\$0
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PUBLIC FACILITIES FEE TOTAL = \$54,540

19. RDCS MEASURE C FEES:			
School Pedestrian Safety	(355-37655)	=	\$0
Public Facilities	(346-37649)	=	\$66,000
Park Development	(302-37649)	=	\$33,000
Public Fac. - Circulation	(346-37649)	=	\$53,000
TOTAL RDCS MEASURE C FEES = \$152,000			

OTHER:			
LED Streetlight Fund	(010-37722)	=	\$0
		=	\$0
		=	\$0
TOTAL FEES DUE = \$745,207			

Notes & Comments: **DAA-06-06F; MC-05-03 (10 SF units, 5 MF units): RDCS commitments**

proposed site : 726-23-008, site = 1 AC. Approximate commercial site = .25AC

Approximate frontages: Monterey Road = 147 LF(water, sewer, over head utilities)

Approximate frontages: McLaughlin = 147 LF(water, overhead utilities)

Proposed project 10 SF, 5 MF, and 10,000sf office building on .25 AC

per e20 memo:

sewer coefficient = 0.198 gpd/sf, traffic coefficient = 3.18 pht/1000sf

Sewer:

Office Shell = (10,000sf) (0.198 gpd/sf) = 1,980 gpd

Traffic:

office shell = (10,000sf) (3.18 pht/1000sf) = 31.8 PHT

18.78.230 Public Facilities	Fee	No. of Units	Total
B 2f. Public out of tract improvements per unit=	\$4,400	x 15	\$66,000
(Deferred for public improvements)		Public Facilities =	\$66,000

18.78.250 Parks and Paths	Fee	No. of Units	Total
6. Park fee in addition to standard park fee per unit =	\$2,200	x 15	\$33,000
		Park =	\$33,000

18.78.300 Circulation Efficiency	Fee	No. of Units	Total
4 Dedication or out of tract improvements per unit =	\$2,200	x 15	\$33,000
18.78.355 Livable Communities			
2 b. Pay in-lieu cost of VTA bus stop improvements =	\$20,000	x 1	\$20,000
(Deferred for public improvements)		Circulation =	\$53,000

****Project located within RDA and RDCS downtown areas.**

****Project will be subject to undergrounding over head utilities. In-Lieu fees given for reference only.**

****FEE NO. 5 and 5A is based on an estimated value of \$500,000 of public improvements to be installed.**

****OTHER FEE RESOLUTIONS:**

RESOLUTION 5006, EFFECTIVE 07.03.1996
 RESOLUTION 5128, EFFECTIVE 01.05.1998
 RESOLUTION 5658, EFFECTIVE 03.19.2003
 RESOLUTION 5686, EFFECTIVE 08.18.2003
 RESOLUTION 5765, EFFECTIVE 01.21.2004
 RESOLUTION 5837, EFFECTIVE 10.18.2004
 RESOLUTION 6080, EFFECTIVE 01.17.2007
 RESOLUTION 6133, EFFECTIVE 12.05.2007
 RESOLUTION 6326, EFFECTIVE 04.28.2010
 RESOLUTION 6671, EFFECTIVE 09.16.2013

TEMPORARY PARKING LICENSE AGREEMENT

THIS TEMPORARY PARKING LICENSE AGREEMENT (this "License") is dated for reference purposes as of June __, 2017, and is entered into by and between GUNTER BUILDING, LLC ("Licensor"), and the CITY OF MORGAN HILL ("Licensee").

AGREEMENT

1. License. Licensor hereby grants to Licensee a nonexclusive license during the Term to use the property located at 17620 Monterey Road in the City of Morgan Hill (the "Property") for purposes of providing temporary public parking, upon and subject to the terms and conditions set forth herein. The rights of Licensee under this License include a nonexclusive right over and across the Property for ingress and egress. This is a license to use real property only, and does not confer any property rights upon Licensee.

2. Term. The term of this License ("Term") shall be until August 27, 2017 commencing on _____, 2017, unless terminated earlier by Licensor by ten (10) day prior written notice to Licensee for purposes of commencing construction of the approved 15 unit Vista Del Toro Project in accordance with the project approvals. If Licensor's right to develop the Property pursuant to the pending Residential Development Application expire, terminate or be voluntarily withdrawn, then Licensor may immediately terminate the License granted herein.

3. Use. The rights of Licensee hereunder shall be to park vehicles and to have a nonexclusive right of access over and across the Property for ingress and egress. Licensee shall not permit any waste or damage to be done to the Property, or the structure on the Property. "Licensee's use" shall include all use by any and all actions of any person accessing the Property by way of the rights granted to the Licensee herein invitees including the general public. Licensee's obligations, duties and liabilities arising herein shall apply to and include any and all actions of any person accessing the Property by way of the rights granted to the Licensee herein invitees including the general public.

4. Preparation of Property for Parking Use. Licensee shall, at its sole cost and expense, grade and prepare the Property for the parking uses contemplated herein. Licensee shall prepare a grading plan for the entire Property and shall obtain Licensor's written approval of the grading plan prior to performing any grading or other activity upon the Property. Licensee acknowledges and understands that there is a structure, and fence, on the Property, electrical, along with a number of bricks which Licensee shall be solely responsible for securing and protecting said structure, electrical, fence and gate, and bricks from damage and theft during the term of this license.

5. Indemnification. Licensee shall indemnify, defend, protect and hold Licensor, and its managers, officers, directors, agents, representatives, members, agents, attorneys and employees harmless from and against all liens and encumbrances of any nature whatsoever which may arise in the exercise of Licensee's rights hereunder, and from any and all claims, causes of action, liabilities, costs and expenses (including reasonable attorneys' and in-house

counsel fees), losses or damages to the extent arising from Licensee's use of the Property, or any intentional or negligent act or failure to act of Licensee or Licensee's agents, employees, construction workers, or invitees (including those persons who park on the Property), except those arising out of the gross negligence or willful misconduct of the Licensor, or its agents, employees and/or contractors.

6. Damage or Loss. Licensee, as a material part of the consideration to Licensor, hereby assumes all risk of damage or theft to its property, or any of its improvements made on the Property or injury to all persons and personal property (including the bricks, electrical, structures, fencing) and improvements in or upon the Property. Licensee hereby releases and forever relieves Licensor, and its managers, officers, directors, agents, representatives, members, agents, attorneys and employees and waives its entire right of recovery against Licensor, and its managers, officers, directors, agents, representatives, members, agents, attorneys and employees for any loss or damage arising out of or incident to the Property, whether due to the negligence of the Licensor or Licensee or their respective agents, employees, invitees and/or contractors. Licensor shall not be liable for any damage of any nature to, or any theft of, vehicles, or contents thereof, in or about the Property whether or not such events are the result of force majeure. Nothing in this Section, however, shall release Licensor for the gross negligence or willful misconduct of the Licensor, or its agents, employees and/or contractors.

7. Environmental Impairment.

(a) Licensee shall not use, generate, manufacture, store, transport or dispose of, on or over the Property any flammable liquids, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances (collectively referred to as "Hazardous Materials") as those terms are defined under federal and state laws, except for the Hazardous Materials which may be in the vehicles that Licensee or its employees, contractors or invitees will park on the Property; provided, however Licensee shall remain liable for said Hazardous Materials. Should Licensee discover any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Property as a result of Licensee's use and occupancy thereof including use by Licensee's invitees (e.g. those who park on the Property), Licensee shall provide notice as required by law, and in all cases, Licensee, at its sole cost and expense, shall undertake all appropriate remediation on all the property affected thereby, whether owned or controlled by Licensor or any third party, to the reasonable satisfaction of Licensor (insofar as the property owned or controlled by Licensor is concerned) and any governmental body having jurisdiction thereof.

(b) Licensee shall also notify Licensor as required by law of any release of Hazardous Materials as a result of Licensee's use and occupancy thereof and discovered by Licensee that have come or will come to be located on or beneath the Property and/or the Property.

(c) Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Property (collectively referred to as "Discharge") as a result of Licensee's use and occupancy thereof, Licensee shall indemnify, hold harmless and defend Licensor and its managers, officers, directors, agents, representatives, members, agents, attorneys and employees against all liability arising from any injuries to any person and damage to property, including without limitation, employees and property of Licensee, and all related

expenses, investigators' fees, and litigation expenses, to the extent resulting in whole or in part from any such Discharge, regardless of whether such liability, cost or expense arises during or after the License Term.

8. Conditions and Restrictions. The use of the Property is subject to the following conditions and restrictions:

(a) Except as necessary to grade and prepare the Property for parking uses in accordance with Section 4, above, Licensee shall not alter the Property or any improvements on the Property.

(b) Licensee shall keep the Property free from all liens, taxes and assessments resulting from or caused by Licensee's use of the Property, and Licensee shall reimburse Licensor the sums (including attorneys' and in-house counsel fees and court costs) paid by Licensor to protect its title against any such lien, tax or assessment.

(c) Licensee shall at its sole cost from time to time as may be reasonably necessary keep the Property clear of all litter and debris and shall be responsible for mowing and keeping the grass and weeds down on the entire Property.

9. Surrender. Upon the termination of this License, all right, title, and interest of Licensee in and to this License shall be surrendered peaceably to the Licensor. Licensee shall remove any personal property and improvements and restore any damage done to the Property caused by the use of the Property pursuant to this Agreement.

10. Insurance. No later than ten days following the effective date of this Agreement, Licensee is required to procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of Licensee relating to or arising from the performance of work associated with Licensee's use of the Property, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted. 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. If Licensee fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement, Licensor may, at its sole discretion, purchase such coverage at Licensee's expense, or terminate the Agreement for default. Licensee further understands that Licensor reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to Licensee.

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

1. Commercial General Liability Insurance ("CGL"):
Licensee shall maintain CGL and shall include coverage for liability arising from Licensee's or its Subcontractor's acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount

of: (i) five million dollars (\$5,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least five million dollars (\$5,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to Licensee under Licensee's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

b. CGL policy must include contractor's protected coverage, blanket contractual, and completed operations.

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

(3) Automobile Liability: Licensee shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if Licensee does not own automobiles, then Licensee 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 one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to Licensee under Licensee's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

(4) Pollution (Environmental) Liability: Licensee's obligations under this Agreement may involve handling of hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials. Licensee shall procure and maintain Pollution Liability covering the Licensee's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of Licensee's obligations 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 Licensee under Licensee's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

(b) Required Endorsements. Licensee shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

(1) ALL Policies:

“Waiver of Subrogation” - Each required policy must include an endorsement providing that the carrier agrees to waive any right of subrogation it may have against Licensors.

(2) General Liability:

- a. “Additionally Insured” – Licensors are named as an additional insured;
- b. “Primary and Non-Contributing” - Insurance shall be primary non-contributing;
- c. “Separation of Insureds” - The inclusion of more than one insured will not operate to impair the rights of one insured against another, and the coverages afforded will apply as though separate policies have been issued to each insured.

(c) Subcontractors. Licensee must ensure that any subcontractor or agent is required to maintain the same insurance coverage required under this Section 10, including those requirements related to the additional insureds and waiver of subrogation.

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

(e) Certificates. Licensee shall furnish Licensors with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to the Licensee's agreement with Licensors shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days' notice by the insurer to Licensors.

11. Default. In the event of a material breach of this Agreement by Licensee, including, but not limited to, the failure by Licensee to observe or perform any of the express covenants or provisions of this License to be observed or performed by Licensee, where such failure shall continue for a period of ten (10) days after written notice thereof from Licensors to Licensee (or if more than ten (10) days are reasonably required for its cure, then Licensee shall not be deemed to be in breach if Licensee shall commence such cure within such ten (10) day period and thereafter diligently prosecute such cure to completion), then all rights of Licensee hereunder shall cease and terminate, and in addition to all other rights Licensors may have at law or in equity Licensors may re-enter the Property and take possession thereof without notice, and may remove any and all persons therefrom, and may also cancel and terminate this License; and upon any such cancellation, all rights of Licensee in and to the Property shall cease and terminate. Any costs and expenses incurred by Licensors, including, but not limited to attorneys' fees, in notifying, monitoring or taking action to terminate and remove Licensee's improvements to the Property shall be immediately paid by Licensee to Licensors upon written demand for payment. Any breach of this License by Licensee shall entitle Developer or its successors and

assigns to an automatic extension by City of the commencement of construction date for an additional six (6) months after the breach has been corrected to Lessors reasonable satisfaction.

12. Termination of License. Upon the termination or end of this License (for whatever reason), Licensee shall at its sole cost and expense within ten (10) days from the date of termination completely remove all personal property and improvements to the Property which Licensee has installed or built on the Property and return the Property to a condition reasonably similar to its condition prior to the beginning of this License and as reasonably agreed to by Licensor.

13. Waiver. The waiver by Licensor or Licensee of any breach of the other party hereunder, or the failure on the part of Licensor or Licensee to enforce any right it may have hereunder, shall not constitute a waiver of any other or subsequent, similar, or different breaches, or a waiver of such party's power to enforce such rights.

14. Assignment and Sublicensing. This License is personal to Licensee. Licensee agrees not to sublicense, assign, sell, transfer, encumber, pledge or otherwise hypothecate any part of the License or Property or Licensee's interest herein to any entity without the prior written consent of Licensor, which consent may be withheld in Licensor's sole and absolute discretion. Any purported assignment or sublicense by Licensee of this License shall be void ab initio and a basis for immediate termination of this License. In the event that Licensor shall provide its prior written consent to an assignment or sublicense by Licensee, any such assignment or sublicense shall not relieve Licensee of its obligations under this License. Licensor shall have the right in its sole discretion to assign and transfer all of its right, title and interest, including its burdens and obligations to another entity that purchases and takes title to the Property without the consent or approval of the Licensee and upon delivery of notice of said assignment and transfer, Licensor shall be released and forever discharged from the terms and conditions under this Agreement.

15. Attorneys' Fees. If any party named herein brings an action to enforce the terms hereof or to declare its rights hereunder, the prevailing party in any such action, on trial and appeal, shall be entitled to recover its costs and reasonable attorneys' fees.

Notice. All notices, consents, requests, demands, approvals, waivers, and other communications desired or required to be given hereunder (referred to collectively as "notices") shall be in writing and signed by the party so giving the notice, and shall be effectively given or served: (i) on the date of personal service upon the person to whom it is directed; or (ii) on the date the notice is received or rejected provided it is sent U.S. first class registered or certified mail, postage prepaid, return receipt requested; or (iii) on the date the notice is delivered by a nationally recognized courier service or overnight mail to the address of the person to whom it is directed provided it is sent postage prepaid to the address of the person to whom it is directed.

The addresses of the parties are:

Building, L

To Licensor: Gunter

c/o Craig C. van Keulen

by mail and email

17600 Monterey Road, Suite C
Morgan Hill, CA 95037

cvk@vkvklaw.com
scottvk@vkvklaw.com
Toni@vkvklaw.com

Mana Hanalei, LLC
 c/o Scott Murray

To Licensee: City Manager
 City of Morgan Hill
 17575 Peak Avenue
 Morgan Hill, CA 95037

With a copy to: City Attorney
 City of Morgan Hill
 17575 Peak Avenue
 Morgan Hill, CA 95037

Either party may, from time to time, change its address by giving written notice thereof in the manner outlined above.

16. Governing Law. This License shall be interpreted, enforced and governed by the laws of the State of California.

17. Amendments. No provisions of this License may be amended or modified except by an agreement in writing executed by both parties hereto.

18. Severability. In the event that any one or more of the provisions contained in this License shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and the remainder of the provisions of this License shall continue in full force and effect without impairment.

19. Sole Agreement. This License constitutes the sole agreement between Licensor and Licensee with respect to the Property.

20. No Recording. This License or a memorandum of license shall not be recorded without the prior written consent of both Licensor and Licensee.

21. Consents of Parties. Any requirements under this License that Licensee obtain consents or approvals of Licensor are in addition to and not in lieu of any requirements of law that Licensee obtain approvals or permits.

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 THE SIGNATURE PAGE(S) FOLLOW(S).]

IN WITNESS WHEREOF, each of the parties has caused its authorized representative to execute duplicate original counterparts of this License.

LICENSOR:

GUNTER BUILDING LLC

By: 

Name: Charlie D. Van Kester

Title: Member

LICENSEE:

CITY OF MORGAN HILL

By: _____

Name: _____

Title: _____

Item # 12

AGENDA DATE: 06/21/17
SUPPLEMENTAL # 1

City of Morgan Hill Community Engagement Strategy



Project Name: Transition to City Council District Elections

CONTACT INFORMATION

Project Managers: Maureen Tobin maureen.tobin@morganhill.ca.gov 408.310.4706 /Michelle Wilson michelle.wilson@morganhill.ca.gov 408.310.4678

Contractor: National Demographics Corporation, Doug Johnson, djohnson@NDCresearch.com, 909.624.1442

Community Contacts: Cecelia Ponzini (Cecelia's Closet), Pastor Kyle Windsor (Community Christian), Fr. Jeronimo Gutierrez (St. Catherine Church), Irma Torrez (City of Morgan Hill) irma.torrez@morganhill.ca.gov, Chiquy Mejia (City of Morgan Hill) Chiquy.mejia@morganhill.ca.gov; Andrea Nicolette (Mt. Madonna YMCA) anicolette@ymcasv.org, Heather Geddes (Morgan Hill Library) HGeddes@sccl.org,

Project Team Members: Steve Rymer, Don Larkin, Christina Turner, Michelle Wilson, Maureen Tobin

TIME FRAMES

Project Start Date: June 7, 2017

Project Finish Date: September 17, 2017

PROJECT INFORMATION

1.) Background Information:

On, June 7, 2017, the Morgan Hill City Council voted to voluntarily move to district elections.

This was prompted by the City receiving a letter from the law firm of Goldstein, Borgen, Dardarian & Ho, dated May 5, 2017, claiming that the City is violating the California Voting Rights Act because City Council members are elected at-large rather than by districts. Dozens of local government agencies in California have faced similar challenges in recent years including the Morgan Hill Unified School District.

By voluntarily moving to district elections the City of Morgan Hill will take advantage of legal protection that enables cities to have a say in district boundaries and avoid costly litigation. This protection applies only to cities that pass a resolution within 45 days of receiving a demand letter alleging a violation of the California Voting Rights Act. The resolution must indicate the City's intent to move to district elections and the plan to make the change.

2.) Purpose of Project: Establish City Council districts in Morgan Hill in accordance with the requirements of the Federal Voting Rights Act and the California Voting Rights Act guided by expert demographer and input from the community.

ENGAGEMENT STRATEGY

1.) Communication/ Engagement Objectives: Have an open, transparent, and inclusive process that informs all residents of the transition process to by-district elections. Alert all residents of the need for their input and participation in establishing City Council districts in Morgan Hill.

2.) Level of Engagement:

Inform	Consult	Involve	Collaborate	Empower
		X		

3. Action Plan

Activity	Timing	Responsibility	Level of Engagement/Purpose	Target Group/Stakeholders
First Communication to Community by eblast (English/Spanish) • Nextdoor • Facebook • Twitter Website Newsflash	Monday, 6/12/17	Maureen Tobin	Inform of process and first Public Hearing	Morgan Hill Community

Activity	Timing	Responsibility	Level of Engagement/Purpose	Target Group/Stakeholders
Spanish eblast forwarded to key stakeholders/organizations with connections to Spanish speaking community with the ask to help with distribution	Monday, 6/13/17	Maureen Tobin	Inform of process and first Public Hearing	Spanish speaking community members
Printed information available (English/Spanish)	Tuesday, 6/13/17	Maureen Tobin	Inform of process and first Public Hearing	Spanish speaking community members
Distribution of printed material to key stakeholders and Spanish speaking community	Tuesday, 6/13 – 6/18/17	Maureen Tobin and key stakeholders	Inform of process and first Public Hearing	Spanish speaking community members
Project Website Live (Google Translate enabled)	Wednesday, 6/14/17	NDC	Inform	Morgan Hill Community
Public Meeting Schedule Available on project website	Wednesday, 6/14/17	NDC	Inform	Morgan Hill Community
Printed Public Meeting Schedule available (English/Spanish)	6/15/17	Maureen Tobin	Inform	Morgan Hill Community
Update printed information (English/Spanish)	6/16/17	Maureen Tobin	Inform	Morgan Hill Community
Communication to Community by eblast (English/Spanish) • Nextdoor • Facebook • Twitter	6/17/17	Maureen Tobin	Inform of process, first and second Public Hearing, schedule of all public meetings and project website drawmh.org	Morgan Hill Community

Activity	Timing	Responsibility	Level of Engagement/Purpose	Target Group/Stakeholders
Distribute printed information at St. Catherine Church after Spanish Mass	6/18/17	Maureen Tobin	Inform of process, first and second Public Hearing, schedule of all public meetings and project website drawmh.org	Spanish speaking community
Distribute printed information after Free Zumba Class at Library	6/19/17	Maureen Tobin	Inform of process, first and second Public Hearing, schedule of all public meetings and project website drawmh.org	Morgan Hill Community with focus on Spanish speaking community members
1 st Public Hearing with Spanish Language Interpreter and translation equipment	June 21, 2017	City Council, NDC, City Team	Involve community in providing input on the development of new districts	Morgan Hill Community
Distribute printed information (English/Spanish) at Community Christian Church – Free Supper	June 22, 2017	Maureen Tobin/Community Christian Church	Inform of process 2nd Public Hearing, schedule of all public meetings and project website drawmh.org	Spanish speaking community members
Communication to Community by eblast (English/Spanish) reminding of 2 nd Public Hearing and project website • Nextdoor • Facebook • Twitter	June 23, 2017	Maureen Tobin, Dan Thompson	Inform of process 2nd Public Hearing, schedule of all public meetings and project website drawmh.org	Morgan Hill Community

Activity	Timing	Responsibility	Level of Engagement/Purpose	Target Group/Stakeholders
Distribution of printed material (Spanish/English) to key stakeholders and Spanish speaking community.	Week of June 25 th , 2017	Maureen Tobin and key stakeholders	Inform of process 2nd Public Hearing, schedule of all public meetings and project website drawmh.org	Spanish speaking community members
Distribution of printed material (Spanish/English) after bilingual story time at Morgan Hill Library	June 24, 2017	Maureen Tobin	Inform of process 2nd Public Hearing, schedule of all public meetings and project website drawmh.org	Spanish speaking community members
Distribution of printed material (Spanish/English) after Spanish mass at St. Catherine Church	June 25, 2017	Maureen Tobin	Inform of process 2nd Public Hearing, schedule of all public meetings and project website drawmh.org	Spanish speaking community members
Distribute printed material (Spanish/English) at Learning and Loving Center's Special Summer Food Giveaway	June 28, 2017	Maureen Tobin	Inform of process 2nd Public Hearing, schedule of all public meetings and project website drawmh.org	Spanish speaking community members
2 nd Public Hearing with Spanish Language Interpreter and translation equipment	June 28, 2017	City Council, NDC, City Team	Involve community in providing input on the development of new districts	Morgan Hill community

Activity	Timing	Responsibility	Level of Engagement/Purpose	Target Group/Stakeholders
Distribute printed material (Spanish/English) at Summer Fun in the Park	June 29, 2017	Maureen Tobin	Inform of process, 1 st Community Meeting, schedule of all public meetings and project website drawmh.org	Morgan Hill community with focus on Spanish speaking members
Distribution of updated printed material (Spanish/English) to key stakeholders and Spanish speaking community	Week of July 2, 2017	Maureen Tobin and key stakeholders	Inform of process, 1 st Community Meeting, schedule of all public meetings and project website drawmh.org	Spanish speaking community members
Online map-drawing tool that allows the community to draw and submit redistricting proposals available on project website drawmh.org	July 7, 2017	NDC	Involve community in providing input on the development of new districts	Morgan Hill community
Communication to Community by eblast making community aware of online map-drawing tool (English/Spanish) and reminder of Community Workshop • Nextdoor • Facebook • Twitter	July 7, 2017	Maureen Tobin	Inform of process, Community Workshop, schedule of all public meetings, project website drawmh.org and online map-drawing tool. Involve community in providing input on the development of new districts	Morgan Hill Community
Community Workshop	July 10, 2017		Involve community in providing input on the development of new districts	Morgan Hill Community

Activity	Timing	Responsibility	Level of Engagement/Purpose	Target Group/Stakeholders
Communication to Community by eblast reminding community of online map-drawing tool (English/Spanish) and reminder of 2nd Community Workshop & 3rd Public Hearing • Nextdoor • Facebook • Twitter	July 21, 2017	Maureen Tobin/Dan Thompson	Inform of process, 2nd Community Workshop, 3rd Public Hearing, schedule of all public meetings, project website drawmh.org and online map-drawing tool. Involve community in providing input on the development of new districts	Morgan Hill Community
Distribution of update printed material (Spanish/English) to key stakeholders and Spanish speaking community	Week of July 23, 2017	Maureen Tobin and key stakeholders	Inform of process, 2nd Community Workshop, 3rd Public Hearing, schedule of all public meetings, project website drawmh.org and online map-drawing tool. Involve community in providing input on the development of new districts	Spanish speaking community members

Activity	Timing	Responsibility	Level of Engagement/Purpose	Target Group/Stakeholders
Distribute printed material (Spanish/English) at Learning and Loving Center's Special Summer Food Giveaway	July 26, 2017	Maureen Tobin	Inform of process, 2 nd Community Workshop, 3 rd Public Hearing, schedule of all public meetings, project website drawmh.org and online map-drawing tool. Involve community in providing input on the development of new districts	Spanish speaking community members
Community Workshop	July 26, 2017	NDC, City Team	Involve community in providing input on the development of new districts	Morgan Hill community
3 rd Public Hearing	July 26, 2017	City Council, NDC, City Team	Involve community in providing input on the development of new districts	Morgan Hill community
Distribute printed material (Spanish/English) at Summer Fun in the Park	July 27, 2017	Maureen Tobin	Inform of process, 4th Public Hearing, schedule of all public meetings, project website drawmh.org and online map-drawing tool. Involve community in providing input on the development of new districts	Morgan Hill community with focus on Spanish speaking members

Activity	Timing	Responsibility	Level of Engagement/Purpose	Target Group/Stakeholders
Communication to Community by eblast reminding community of online map-drawing tool (English/Spanish) and reminder of 2 nd Community Workshop & 3 rd Public Hearing • Nextdoor • Facebook • Twitter	August 18, 2017	Maureen Tobin/Dan Thompson	Inform of process, 4th Public Hearing, schedule of all public meetings, project website drawmh.org and online map-drawing tool. Involve community in providing input on the development of new districts	Morgan Hill Community
Distribution of update printed material (Spanish/English) to key stakeholders and Spanish speaking community	Week of August 20, 2017	Maureen Tobin and key stakeholders	Inform of process, 4th Public Hearing, schedule of all public meetings, project website drawmh.org and online map-drawing tool. Involve community in providing input on the development of new districts	Spanish speaking community members
4 th Public Hearing	August 23, 2017	City Council, NDC, City Team	Involve	Morgan Hill Community
Adoption of Ordinance	September 6, 2017	City Council, NDC, City Team	Involve	Morgan Hill Community

6.) Evaluation: (To be completed at end of project)



Downtown Special Events and Street Closures

Agenda Item: 14

Policy Considerations

1. Should the City allow street closures that block vehicle traffic to residences and businesses while the events are in progress?
2. When and how often should street closures for events be allowed?

Policy Considerations

3. Should there be specific criteria, such as attendance levels, established for street closures?
4. Should Third Street be allowed to be established as a primary location for mid-size events in downtown?

Downtown Special Event Policy Need

- Downtown currently hosts 8 annual events that include street closures on Monterey and/or Third Street.
- The recent City downtown placemaking investment has increased the viability of the Downtown as a desirable event venue.
- Special events with street closures in downtown impact businesses and residences.

Third Street is Conducive to Special Events

- Layout from Plaza to street includes sidewalks even to the roadway.
- Ample outlets for various electricity needs.
- Easy, standard traffic control plan for closures.
- Future private development has designed their space to accommodate Special Events.

Proposed Policy

- **Attendance Levels**

1. Existing special events shall continue in their existing locations.
2. Closures of Monterey Road would need attendance of over 5,000.
3. Closures of other streets in downtown would need attendance of 500 or greater.

Proposed Policy

- **Street Closure – Traffic Considerations**
- **Downtown Parking Structure**
 1. Events may be granted permission to reserve parking for event staff and volunteers for up to 30 spaces on top floor.
 2. City may require organizers to provide reserved parking for Third Street residents.

Proposed Policy

- **Third Street Specific Policy**
 1. Full Third Street closures only permitted for events that need the entire space.
 2. Full street closures would only be permitted **two** days per week with a maximum of **six** times per month AND no more than **one** weekend per month (Saturday and/or Sunday).

Recommended Action

- Approve the proposed Downtown Special Events and Street Closure Policy



Item # 14

**AGENDA DATE: 06/21/17
SUPPLEMENTAL # 1**

Dear City of Morgan Hill / Whom it May Concern;

I have written in letters before regarding issues fighting the development of Downtown Morgan Hill. I think saying how we invested in Downtown Morgan Hill because of the vision and growth the City had planned would be obvious and the same rhetoric sent in previous letters.

We feel the efforts and vision the city has laid out to bring life back into downtown is amazing and truly feel they are doing a great job. Having 3rd Street closed down for events so there is a street that connects the garage, train, and surrounding streets makes perfect sense. To be honest, when we opened our business 6 months ago we had no idea there would be pushback to the vision the city has put in place. To this day there has already been a lot of time and money invested in downtown and in order for this to work residents and businesses of Morgan Hill will need to get on board. If we can all work together rather than against each other we will all prosper in the end. More people downtown equals more revenue for businesses and the more people that want to be downtown the more property values will go up. You can't have things both ways and it is too late to go back to the way things were.

Sincerely,

Ty Little
Owner

Little-Row Fitness LLC
50 East 3rd Street
Morgan Hill, CA 950374
408-762-5858



June 21, 2017

Mayor Steve Tate and City Council
Morgan Hill City Council
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, CA 95037

Re: June 21, 2017 City Council Meeting Agenda item 14
Downtown Special Events and Street Closures

Mayor Tate and Councilmembers,

The issues of events to bring people downtown, street closures for the events, and their effects on downtown residents are of great importance to the Morgan Hill Downtown Association.

The Downtown Association not only hosts events but is also supportive of the events of other organizations which bring so much of our community and visitors to the downtown area. These activities give our downtown businesses an opportunity to be seen and show visitors what they are all about.

We are also champions of residents who live in a district that is unlike any other in the city. These residents can do so much to help in the growth and sustainability of a downtown business district with their regular patronage. We also hope many of those residents enjoy the convenience of being so close to great businesses and appreciate the energy of the district.

Having events on 3rd Street is one of the reasons so much was invested in the original 3rd Street Promenade and the subsequent 3rd Street remodel in conjunction with the parking garage plaza.

The investment and subsequent successful use of 3rd Street for events has spurred interest in further events and encouraged others to invest in businesses in the immediate area. We have new businesses that consider events a part of the reason they chose locations on or near the street.

We believe there should be an equitable balance between the wants and needs of the public and rights of the private residents and we feel the current proposed policy is moving in the right direction. However, we have some concerns that we would like to present at this time:

1. Minimum attendance required to request a street closure. This appears to be moving in the right direction but we have concerns over how to initiate events that might have lower initial attendance but could grow to be community favorites (Friday Night Music Series is a good example). Also, the method of calculating attendance is not defined.
2. Monterey Road closure during peak traffic hours. We propose that the side of Monterey Road flowing opposite the peak traffic direction be available for closure. Example: afternoons with the North bound lanes being available for closure (opportunity to accommodate a Wednesday Night Farmer's/Indy Market and expanded Moveable Feast?).

3. Determination of the need for the use on an entire street. Current staff is very professional to work with but how do we define “need the entire street area for event space” consistently well into the future?
4. We fully understand the reason behind wanting to restrict the number of days per month, and week, 3rd Street is closed. It is unlikely that events would exceed this threshold but could there a mechanism in place in case something outstanding presents itself, like around the holidays, that allows for exceptions to this rule?

We would greatly appreciate a response to the above questions and comments.

As an Association we have gone to great lengths to understand the needs of our downtown residents and recognize the inconvenience that some street closures and events present to them. We also recognize the benefits events on closed streets provide for our businesses.

We hope that the development of this set of policies will help residents feel that their personal needs are being respected and those of the business community are being honored.

Thank you for your time and attention.

Sincerely,

Board of Directors

Morgan Hill Downtown Association

Item # 14

**AGENDA DATE: 06/21/17
SUPPLEMENTAL # 3**

June 21, 2017

Mayor Steve Tate

Council Member Larry Carr

Council Member Rich Constantine

Council Member Caitlin Robinett Jachimowicz

Council Member Rene Spring

Re: Agenda Item #14 Downtown Special Events and Street Closures

Dear Mayor Tate and Members of the Morgan Hill City Council,

We request that the proposed Downtown Street Closure Policy (Policy) not be approved tonight. Furthermore, we request that the City Council direct City Staff to not issue any additional permit(s), for continuing the 2017 Movable Feast series on East 3rd Street beyond June 21, 2017.

The Policy, as drafted, denies East 3rd Street Residents access to their driveways and homes for up to 72 days a year. That would have a devastating effect for the residents, especially my elderly mother. It would force her out of her house of over 40 years. In addition there was an absence of outreach, and a failure to notify other residents that this item is appearing before Council this evening. Our requests to reschedule this item to a future date have been rejected by Staff, and we have been denied the opportunity to address City Council in person on this matter.

We view City Staff rushing this Policy before Council as retaliation to our request that City allow my elderly mother vehicle access to her driveway and home, as her health requires, and her Doctor had requested, during the Movable Feast Series. The series is a pet project of Downtown Association President/City Planning Commissioner John McKay.

The decision to hold the Movable Feast "trial" on East 3rd Street in 2016 was made without the knowledge, consent, and any outreach or regard for residents of the street. I sent an email to Mr. McKay on September 14, 2016 expressing our hope that upon the conclusion of the trial, the Downtown Association would reach out to the residents regarding their experiences, before making any decision with respect to continuing or expanding this event in the future. Unfortunately, this did not happen.

To my knowledge only one discussion took place between East 3rd Street Residents and the Downtown Association, and that was during a meeting held on May 26, 2017. I was the only resident invited to attend, meeting was in response to the letter from my mother's physician. At that meeting Mr. McKay made it very clear that for financial reasons he would not consider relocating the series from East 3rd Street, nor modify the event's footprint in any way from the previous year, regardless of impacts to my mother.

And while event organizers are required to comply with three pages of ADA guidelines as a condition of their permit, no reasonable/practical accommodations were ever offered, or given to my mother for denying her access to her driveway and home, despite Staff's false claim to the contrary.

Please note, all of the reserved parking stalls are roughly the same distance from my mother's home, and none are "notably nearby." In fact, they are considerably far for any person requiring a handicapped placard, such as my mother. The net effect being that my mother is either trapped in her home, or cut off and denied access to her home, during the hours of the event.

Meeting with the Fire Marshal on June 7th did not alleviate concerns we have about emergency response during the event. It did however shed light on why the three alternate locations I had proposed at the May 26th meeting were rejected. The Community Center (not mentioned in Staff Report) and Parking Lot located behind Rosy's at the Beach were rejected by the event organizer for being unpopular with downtown businesses. The Farmer's Market Lot located on Depot Street was rejected by the City for not wanting to inconvenience the commuters who utilize it.

As the Parking Garage was touted as a parking structure to accommodate downtown visitors and residents, as well as commuters who rely on the VTA and Caltrain for public transportation, we fail to see why the City should object to it being used for its intended purpose. Even with the entire capacity of the Depot Lot transferred to the Garage, an excess of over 200 parking stalls would remain available in its inventory at any given time. Additional stalls would become available during event hours, as commuters return home.

In addition, we firmly believe the downtown business community should be required to make concessions for an event whose purpose is to increase their revenue. If they are not willing to, then perhaps the Movable Feast series

should be moved out of the downtown area. The Movable Feast, like the Farmer's Market, is a destination event with a dedicated following. There are other locations within the City limits where the event could be located that are less impactful than the current location. The series provides no benefit for residents most impacted, only hardship.

The current location of the Movable Feast is unpopular with, and inconvenient for the residents of East 3rd Street. As this event occurs during the middle of the workweek, and runs late into the night, it is especially disruptive to the residents of East 3rd Street. In addition, every week since last year's launch, the public has parked in stalls reserved for residents, often occupying a majority of the stalls. The public has repeatedly trespassed on our private property, while the event organizer has turned a blind eye and refused the measures we requested to prevent this. And after each event held this year, residents have picked up litter the following day. Also, last week I hosed down food and debris from portions of the sidewalk fronting our properties. While City Staff is aware of the problems, nothing has improved.

Also be aware, my mother suffered a setback last week, and the stress of this event is further negatively impacting her health. Tonight's Movable Feast event will force her out of her home hours before her scheduled physical therapy appointment, and during the peak hours of a heat wave. She will likely be in pain after, and require her bed to rest. I spoke with the Police Department last week about the situation, and the On-Duty Watch Commander earlier; they will be providing an escort for us today. We very much appreciate the Police Department's understanding, and willingness to

help. We also resent being placed in this position by the City and event organizer.

As all of the notices about this event from the Downtown Association state that the event may be extended beyond July 26, 2017, we respectfully ask that event is located elsewhere, either in or out of downtown, and that no additional permits are issued for the current location of East 3rd Street.

With regards to the proposed Downtown Street Closure Policy as it relates specifically to East 3rd Street closures, City Staff should have conducted outreach with the residents in order to establish an acceptable number for the amount of full street closures allowed per year. Seventy two (72) is not an acceptable number, it is a devastating number! In addition, we strongly oppose the current City Council deciding the matter, now or in the future. The same City Council recently approved a private development for East 3rd Street which does not fit within the guidelines of the Downtown Specific Plan (DSP). The DSP was adopted after a lengthy public input period, which included downtown residents. The move was an insult to everyone who had participated, and a sad moment for the Morgan Hill Community at whole.

Sincerely,

Diane Dasovic for Diane and Ivanka Dasovic,

Residents, and Property Owners of 57, 65, 75 East 3rd Street

The Permanente Medical Group, Inc.

**FAMILY PRACTICE 6
7520 Arroyo Circle
Gilroy CA 95020-7303
Dept: 408-846-2395
Main: 408-848-4600**

May 18, 2017

RE:

Ivanka Dasovic
65 East Third Street
Morgan Hill CA 95037

To Whom it May Concern,

Due to health issues, please do not block Mrs. Dasovic's driveway and please allow her to park in a legal parking in front of her home.

Sincerely,



ALLEN GAR WAI PANG MD



Sunsweet
Morgan Hill LLC

June 21, 2017

City of Morgan Hill
Members of the City Council
c/o Irma Torrez, City Clerk
17575 Peak Avenue,
Morgan Hill, CA 95037

Re: Downtown Event Street Closures

Honorable Mayor and Members of the City Council:

On behalf of the Sunsweet Morgan Hill partnership, we would like to express our concerns about the frequency and duration of the full closure of Third Street between Depot and Monterey to host various street food events on a regular basis.

Although our development partnership recognizes and applauds the City's recent efforts to increase the viability of Downtown as a desirable event venue, we would like to make sure that the City will ensure that these future events will also contribute to the success of existing and planned local business operations along Third Street.

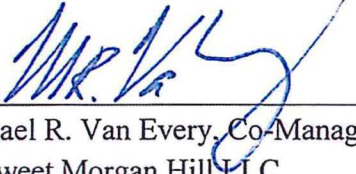
We are in the process of developing an 83-unit residential building with over 8,000 square feet of ground floor commercial space that will most likely host a variety of food and service oriented businesses. The retail space that is planned for this project represents a multi-million-dollar investment in the Morgan Hill's downtown area in the form of construction costs, impact fees, property taxes and more.

While we are in support of occasional special events and celebrations in the downtown area, we would appreciate you reviewing each special event permit application in detail and weighing all factors that may have negative impacts on residents and businesses in the downtown area when you make your final decision to approve or deny a request.

It is not completely fair to make the conventional businesses compete for the same customers with mobile vendors (e.g. food trucks) who are temporary in nature and don't have to commit as much time and resources to establish their presence in the local market. Perhaps, Third Street closures for food truck events on a regular basis are more appropriate today while the new restaurants and stores along Third Street are being developed and constructed (Sunsweet Mixed Use, Depot Street, Imwalle Properties' restaurants). However, it is our preference that the City grants permits to special events in the downtown core area that are complementary to the existing local businesses and help support the City's long term Economic Blueprint.

Therefore, we rely on your sound judgement when considering approvals to close and host special events on Third Street. We will also be at your service to provide our assistance with planning for any future special events and celebrations on Third Street.

Sincerely,

s/ 

Michael R. Van Every, Co-Manager
Sunsweet Morgan Hill LLC
Date: June 21, 2017

s/ 

Rocke Garcia, Co-Manager
Sunsweet Morgan Hill LLC
June 21, 2017



Morgan Hill City Council Meeting – June 21, 2017

Memorandum of Understanding with the Morgan Hill Historical Society

Agenda Item: 15

Background

- Partnership prioritized through the update of the Bikeways, Trails, Parks and Recreation Master Plan
- Framework reviewed by Council on May 3, 2017
- \$20,000 appropriated by the Council on June 7, 2017 for Fiscal Year 2017/18

Framework Components

- \$20,000 in funding by the City for Historical Society operation of Villa Mira Monte
- City support in marketing and promotions
- Coordination with the Library, Culture and Arts Commission
- Historical Society to retain open public hours
- City to be recognized on all collateral for Villa Mira Monte

Maintenance Support

(new recommendation since budget approval)

Maintenance backlog of \$392,000 at Villa Mira Monte

- *Historical Society applying for \$250,000 grant with Santa Clara County this fall*
- *Staff proposing funding an additional \$142,000 in Fiscal Year 2017/18 for remainder of backlog*

City and Historical Society to review Villa Mira Monte Master Plan for long-term sustainability

Recommended Action

Authorize the City Manager to execute and subsequently administer a memorandum of understanding with the Morgan Hill Historical Society for the operation of Villa Mira Monte.



Morgan Hill City Council Meeting – June 21, 2017

Parks and Recreation Capital Funding Report

Agenda Item: 16

Park Impact Fund Projects (301)

Project	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Borello School/Park	\$ 2,000,000					
New Community Garden Development	\$ 250,000					
Inclusive Playground (17/18 Fundraising/grants/design)	\$ 600,000	\$ 500,000				
Madrone Channel Paved Path		*****	*****			
Nordstrom Park - Improvements with the School District			\$ 400,000			
Silvera Lake and WLLC Creek Trail		\$ 400,000	*****	*****		
Outdoor Sports Center Phase 1 Improvements			\$ 1,000,000			
Butterfield Linear Park - Grant Dependent	*****					
Land Bank Community Park						\$ 2,000,000
Park Shade Additions		\$ 40,000		\$ 40,000		\$ 40,000
Park Restrooms						\$ 700,000
Ball Field Development - Phase 1						
Land Bank Neighborhood Park						
Parkland Purchase and Development - Lamonto+Ballfields	\$ 150,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Tree Planting and Urban Forestry Management Plan	\$ 242,000					
Madrone Channel Trail to North to Reach Coyote Creek					*****	
Ending Fund Balance	\$ 309,902	\$ 536,955	\$ 11,532	\$ 972,161	\$ 1,969,707	\$ 250,900

Recreation Center Impact Fund Projects (360)

Project	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
CRC Expansion (Facility and Parking) Design 17/18, Construction 18/19	\$ 160,000	\$ 2,000,000				
Sand Volleyball		\$ 30,000			\$ 250,000	\$ 1,000,000
Villa Mira Monte	\$ 84,000		\$ 447,000	\$ 1,800,000		
Sports Facility Parking Lot Development						\$ 500,000
Revenue 19/20						
Ending Fund Balance	\$ 2,028,530	\$ 932,275	\$ 1,220,001	\$ 238,086	\$ 806,629	\$ 141,388

Park Maintenance Fund Projects (302)

Project						
Villa Mira Monte Repairs	\$ 142,000					
Ending Fund Balance	\$ 5,290,490					

Agriculture Preservation and Open Space Funded Projects (306)

Project						
Open Space Acquisition and El Toro Trail Development	\$ 500,000					
Ending Fund Balance	\$ 6,558,930					

From: [D. Muirhead](#)
To: [Angie Gonzalez](#); [Michelle Wilson](#)
Subject: City Council Meeting June 21, 2017 Item #16 Parks and Recreation Capital Funding Report
Date: Tuesday, June 20, 2017 11:27:21 AM

Dear Morgan Hill City Council,

Comments for the Public Record submitted by
Doug Muirhead, a resident of Morgan Hill, for:
Morgan Hill City Council
Meeting June 21, 2017
Item #16 Parks and Recreation Capital Funding Report

Executive summary: I argue that regular yearly review of the
Master Plan with respect to the preparation of the CIP is necessary.
I also argue that grant work and other staff functions need to be
explicitly identified and supported in work plans, not just hoped for.

[staff] It is anticipated that the Plan will be used continually
into the future in the development of the CIP.
[comment] I hope you will replace "anticipated" with "fundamental".

[staff] The plan attempts to ensure that all top priority projects
can be built within the next five years.
[comment] Repeating comments to our Parks and Recreation Commission
about City Resources and Plan Reviews
on Bikeways, Trails, Parks, and Recreation Master Plan:

--

In looking at the old master plans, I am reminded that what we had wanted
in the past did not happen and have been carried forward in the new Plan.
Did we lose sight of our goals?
Were there challenges that could not be overcome?
Could the PRC, supported by an informed and engaged community,
make a difference in the future?
I believe that we can answer those questions with the word Yes, in part
by a yearly review of progress and problems with relevant master plans
(BTPR Master Plan, City General Plan, County Bike Plan, County Trail Plan).
A review of the Master Plan every five years is insufficient.
At a minimum, prior to the creation of draft CIP each year, PRC subcommittee
should review progress and obstacles.

--

What I want to be very clear to all is where we are on track and
where we are slipping. Changing direction is acceptable only if the
Council and the public are informed and agree with the new priority.

[staff] ... other factors that would determine timing of projects
include eligibility of grant funds ...
Funding limitations will limit the amount

of new projects that will be able to be funded.
Additionally, many projects are listed without or with only partial funding needed to be implemented, as staff intends to pursue grants for these projects.

[comment] I do not know if the City has a formal structure for identifying and applying for grants, nor if grant work is part of the work plan for any specific employees. I raised other staff issues with you in my comments on Item #6: Employee Compensation Guiding Principles at your Council meeting of May 17, 2017. Note that staff is proposing allocating funding for a consultant to support grant writing just for the Inclusive Playground.

[staff] Bikeway Priority Project - Multi-Modal Intersection Improvements
[comment] We do not have a definition of Multi-Modal Intersection Improvements.
So I do not know if my interests in adaptive timing for bicycles and pedestrians as well as data collection on all modes of users are included. Please direct staff to clarify what these projects include.

Thank you for your consideration,
Doug Muirhead, Morgan Hill

Use Tax Incentive Program

**CITY OF MORGAN HILL
ITEM #17
JUNE 21, 2017**

Recommendation

- ❖ Approve an ordinance creating the use tax incentive program which establishes the eligibility and rebate terms for the program

Difference Between Sales Tax and Use Tax

Sales Tax

Imposed on all California retailers

Applies to all retail sales of tangible personal property in the state

Retailer is liable to remit tax due

Use Tax

Imposed on all consumers

Applies to tangible personal properties that are used, stored, or consumed in the state

Applies to purchases from out-of-state vendors that are not required to collect tax on their sales

Consumer or purchaser is liable to remit tax due

Use Tax Incentive Program is Narrowly Focused

Companies making purchases of equipment, materials and fixtures from out of state or out of country

- ❖ Companies remit the use tax to the State of California through either a:
 - ❖ Direct Pay Permit (a State of California issued Permit)
 - ❖ Sub Seller Permit (construction contracts)
- ❖ Companies designate “Morgan Hill” as the first function use of the equipment
- ❖ City would then reimburse firm for the administrative burden of monitoring and allocating the tax as determined by Council adopted ordinance

Allocation of Use Taxes Doesn't Always Benefit Local Jurisdictions

Purchase Price of Widget	\$5,000,000
Santa Clara Co. Tax Rate	9.00%
<i>Total Tax Collected by Seller</i>	<i>\$450,000</i>

Ideal: City Morgan Hill Portion (1%) **\$50,000**

Most Use Tax Allocations Result in City Receiving Less than 1%

City of Morgan Hill (Countywide Pool Allocation (.02%))	\$1,000
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OR

City of Morgan Hill (Statewide Pool Allocation (.0013%))	\$65
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Value of A Use Tax Incentive Program

Purchase Price of Widget	\$5,000,000
Santa Clara Co. Tax Rate	9.00%
<i>Total Tax Accrued by Buyer</i>	<i>\$450,000</i>

(Using a Direct Pay Permit or Sub Seller Permit)

City Morgan Hill Portion (1%)	\$50,000
-------------------------------	-----------------

Start the Rebate Program Under the Use Tax Incentive

Participating Firm Reimbursed (20% Threshold)	\$10,000
Net Balance to City of Morgan Hill- After Rebate	\$40,000

With a Use Tax Incentive Program the City receives an additional **\$39,000** then it would normally received from the Statewide or County Pool

Rebate Thresholds

Annual Net New Revenue Thresholds*	Reimbursement**
0-\$100,000	20%
\$100,001-\$200,000	25%
\$200,001 and greater	30%

* Annual means four consecutive quarters of local sales & use tax allocation.

** Reimbursement is based upon the City's allocation of sales tax, the local 1% portion.

Summary of Benefits

- ❖ Sales and Use Tax Revenue is being left on the table (i.e. in County/state pools)
- ❖ Creates a WIN-WIN for the City and Business
 - ❖ Grows General Fund Revenue for the City
 - ❖ Funds services for Businesses and Residents
 - ❖ This program reduces a firms liability in terms of allocation errors from 3rd party vendors
 - ❖ Administrative Burden to company is remedied through cash reimbursement

Impact Fee Freeze Program

**CITY OF MORGAN HILL
ITEM #18
JUNE 21, 2017**

Recommendation

- ❖ Adopt a resolution freezing development impact fees based upon Fiscal Year 16/17 for new commercial or industrial development for the next three years through fiscal year FY 19/20 in order to stimulate new development in Morgan Hill.

Role of Impact Fees in Morgan Hill

- ❖ Impact fees are a charge on undeveloped land to help fund and pay for the construction of offsite capital improvements.

PHASE II BUILD-TO-SUIT 42,000-50,000



Impact Fees that Can Apply to Commercial/Industrial Projects in Morgan Hill

Fees tied to linear feet

- ❖ Frontage Fees (Water, Sewer, Storm)

Fees tied to acreage of development

- ❖ Water Impact Fee
- ❖ Storm Drain Impact Fee
- ❖ Undergrounding
- ❖ Burrowing Owl Mitigation
- ❖ Police Impact Fee
- ❖ Fire Impact Fee
- ❖ Public Facilities Fee

Fees tied to specific uses

- ❖ Sewer Impact Fee
- ❖ Traffic Impact Fee


CITY OF MORGAN HILL PUBLIC WORKS DEPARTMENT
17575 Peak Avenue Morgan Hill, CA 95037 • Office (408) 778-6450 Fax (408) 779-7236

FEE SCHEDULE: 07.01.2016		
DATE _____	PER RESOLUTION 6002, EFFECTIVE JULY 1, 2006 AND PER RESOLUTION 6002, INCREASED JANUARY 15, 2009 AND PER RESOLUTION 6002, EFFECTIVE FEBRUARY 5, 2007 THIS SCHEDULE FOR ADDITIONAL FEE RESOLUTIONS	NAME _____
TRACT / APN _____		MAILING ADDRESS _____
ADDRESS / LOT _____		CITY, STATE, ZIP CODE _____
PROJECT DESCRIPTION _____	FEE SCHEDULE EXPIRATION DATE _____	PHONE NUMBER _____

NOTES:
1. PRESSURE REGULATORS ARE REQUIRED ON ALL WATER SERVICES.
2. BACKFLOW PREVENTORS ARE REQUIRED ON ALL NON-RESIDENTIAL WATER SERVICES & FIRE SPRINKLER SERVICES. BACKFLOW INSPECTION FEE SHALL BE PAID PRIOR TO INSPECTION.
3. MULTI-FAMILY IS DEFINED AS ANY UNIT WITH TWO BEDROOMS OR LESS. SINGLE FAMILY IS DEFINED AS ANY UNIT WITH 3 BEDROOMS OR MORE.

☐ THIS FEE SCHEDULE IS ESTIMATE ONLY

CALCULATED BY _____
CHECKED BY _____
BUILDING PERMIT # _____
DATE BLD PERMIT ISSUED _____

SEWER IMPACT FEES WITHIN RDA BOUNDARY
CHECK APPLICABLE SCENARIO BELOW
☐ **COMMERCIAL OR INDUSTRIAL WITHIN RDA BOUNDARY**
SEWER IMPACT FOR COMMERCIAL & INDUSTRIAL PROJECTS
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07 PER RES 6002.
☐ **RESIDENTIAL PROJECTS WITHIN RDC'S DOWNTOWN AREA**
SEWER IMPACT FOR SINGLE-FAMILY AND MULTI-FAMILY RESIDENTIAL
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07.
☐ **NOT IN RDA AREA BOUNDARY**
** BOTH NORMAL FEES AND ADJUSTED FEES ARE SUBJECT
TO ANNUAL CPI INCREASES.

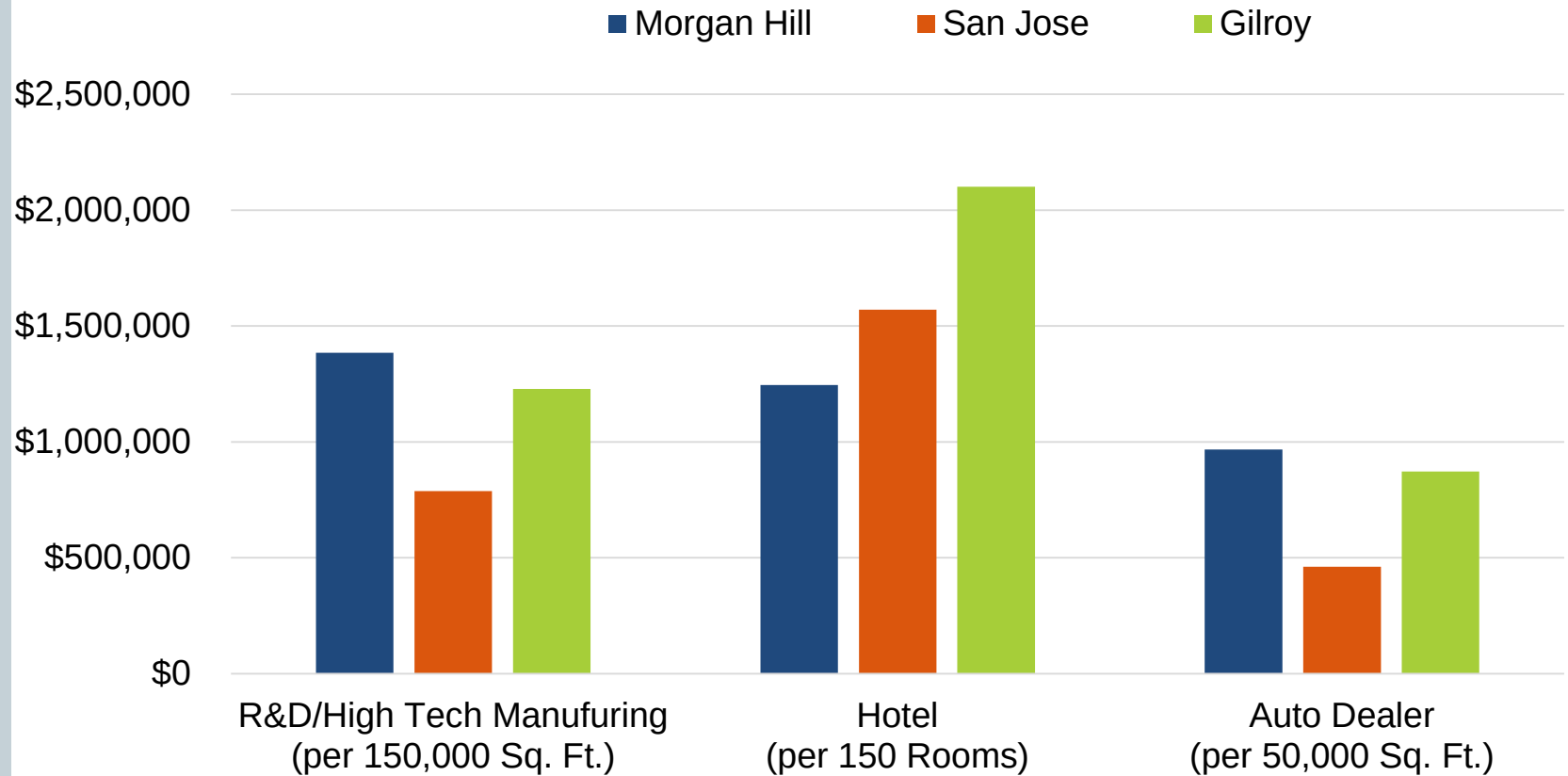
☐ **COMMERCIAL OR INDUSTRIAL SHELL**

version 07.01.16 std

RDA SEWER ALLOCATION
COMPLETED BY: _____
(write initials below)

16MHW\everyon\shared\mhwdata\comform\fee_schedules\021907 01 1901 PW FEES 07 01 16 COUNTER.xlsx

Impact Fees Are Generally Higher in Morgan Hill



Sources: Cities of Morgan Hill and San Jose, 2015; Strategic Economics, 2017.

Purpose for Supporting an Impact Fee Freeze Program

- ❖ Industrial vacancy rates have dropped from 29% to 1% within five years in Morgan Hill
- ❖ Limited new commercial and industrial development in Morgan Hill
- ❖ Lease rates and rents are relatively low in Morgan Hill
- ❖ Speculative Development is non existent in the South Silicon Valley
- ❖ 13 million square feet of commercial space demanded in Silicon Valley
- ❖ Support local companies looking to expand operations in Morgan Hill

From: Chris Monack [<mailto:mohillres@gmail.com>]

Sent: Tuesday, June 20, 2017 10:58 AM

To: Steve Tate <Steve.Tate@morganhill.ca.gov>; Larry Carr <Larry.Carr@morganhill.ca.gov>; Rich Constantine <Rich.Constantine@morganhill.ca.gov>; Caitlin Jachimowicz <Caitlin.Jachimowicz@Morgan-Hill.ca.gov>; Rene Spring <Rene.Spring@morganhill.ca.gov>; Donald Larkin <Donald.Larkin@morganhill.ca.gov>; Michelle Wilson <Michelle.Wilson@morganhill.ca.gov>

Subject: Public Comment, June 21 Agenda Item #19, Dunne-Busk Development Extension

Mayor and Council Members,

It should come as no surprise that I'm submitting yet another objection to the Council's continued action regarding the Dunne-Busk Development Agreement.

Based on the type of answers I've received from members of the Council and staff, there appears to be a disconnect between some of us as to why I'm objecting to the amended agreement. I'm trying one more time to make it perfectly clear the extension and what it provides in the "best interest of the city" are not what I'm not objecting to, and answers defending those are not what I'm asking for. I'm objecting to the manner in which the extension is being granted, and objecting through the following questions I've been asking for answers for:

1) How can the City Council amend a Development Agreement to provide an extension when there is binding and enforceable language - "No further extension will be provided" - prohibiting that action from being taken, and 2) why didn't the Council change that binding language to remove the prohibited action prior to amending the agreement?

City Attorney Larkin has talked around these questions in his responses to me. He's the one who confirmed that language in Development Agreements is "binding and enforceable," yet he has been unable to tell me specifically where the Council derives its authority to supersede that language in the action Council Members took, or why they didn't change the language. I expect if there was some specific legal allowance, Mr. Larkin would have provided it to me when I first asked several weeks ago. All I can come up with from his answers to my two questions is 1) because the Council can, and 2) because the Council doesn't have to.

Mayor Tate's only reply to me was a single sentence noting that, per Mr. Larkin, the Council "in essence" acted within its authority, which he ended with a very disrespectful "Case closed." The Mayor's response "in essence" tells me the same thing: because he can, and because he doesn't have to. And also that he is unwilling to listen to anything else I have to say.

Mr. Carr, the member of the Council most adamant about including the prohibitive language in the December 2016 agreement and the one most vocal about having to go back on his word last May, deferred to an explanation Mr. Larkin gave to him, an explanation Mr. Carr did not share. He appears satisfied that he can take this action because he can, and not change the language because he doesn't have to.

Mr. Constantine has remained consistent in his long-standing refusal to respond to me on any issue.

This isn't about the extension. This is about one sentence in a Development Agreement that should have been changed to allow the action that supports the excuses the Council used to protect the neighborhood and the church, to prevent leaving an open construction site for two years, or avoid losing an opportunity for intersection improvements. While those excuses are arguably for the right reason, they aren't excuses for circumventing the language prohibiting the extension needed to support them. All that was needed was a simple addition along the lines of "The language in Section #11 of Ordinance #2228 prohibiting a further extension is hereby removed as part of amending this Development Agreement."

By not changing that one sentence, the exercise by members of this Council, in particular Mr. Carr, to put that prohibition into the December agreement meant absolutely nothing. One sentence that was supposed to be binding and enforceable, wasn't, so subsequently all of the hardline, all-or-nothing talk leading to including that language in the December agreement meant nothing. The intent of the words in that one sentence prohibiting a development extension like this from happening meant nothing. And, therefore, creating a Development Agreement as a form of control and public oversight over developers means nothing. To me, if a Council Members' words have no integrity, their credibility becomes questionable, as will their ability to maintain support as community leaders. There's nothing wrong with changing your mind, but there is something wrong with changing your mind in spite of the rules, especially when coupled with no willingness to go back change the rules because you feel you don't have to.

I'm not asking the Council to rescind the extension some members clearly want to approve. All I'm asking is for these Council Members to amend the Dunne-Busk Development Agreement so that the language prohibiting the action of providing an extension is removed. I don't understand why Mayor Tate, Mr. Carr and Mr. Constantine are putting up such stiff resistance to this request. This change is not a difficult or impossible thing to do given the prior actions the Council has taken on behalf of this developer. If the answer from any Council Member for not removing the restriction is "because we don't have to," then the residents of this city have a bigger problem than a few words on a piece of paper.

Chris Monack

MORGAN HILL 2035



RDCS Competition Manual
City Council Hearing

June 21, 2017

RDCS Competition Manual

City Council Hearings

- May 17, 2017
- May 24, 2017
- June 7, 2017 Adopted Ordinance No. 2248 – Approving Section III

Implementation Policies

- Existing City Council Policies
- Schedule for 2017 Competition
- Exemptions
- RDCS Agreement
- Exercise of Allotments
- Other Requests

Existing City Council Policies

- ✓ ■ CP-06-01 Early Start of Construction
- ✓ ■ CP-06-04 Tentative Subdivision Map
- ~~XXX~~ ■ ~~CP-07-01/02 Measure F Scoring~~
- ✓ ■ CP-07-04 Implementation Policies
- ~~X~~ ■ ~~CP-09-02 ELBAs~~
- ✓ ■ CP-09-03 On-Going Projects

✓ = Updated/Included ✗ = Not Included

Schedule for 2017 Competition

- RDCS Application Submittal Deadline:
 - October 19, 2017 Planning Commission
 - November 2, 2017 PC Revised
 - December 1, 2017 **DPC/Burgos Proposal**
 - January 4, 2018 **Staff Recommendation**

Exemptions Policy

- Language added to clarify that projects receive credit for legal residences that exist on the project site at the time of an RDCS application.

RDCS Agreement Policy

- Policy modified to define “development agreement”, as required within Chapter 18.78 (RDCS) of the Municipal Code to mean an RDCS Agreement
 - Adopted by City Council (Ordinance)
 - Time Extensions and Allotment Adjustments approved by Planning Commission (Resolution)

Exercise of Allotments Policy

- Measure C projects may, with approval of an amendment to the project's development agreement, change when the allotments are considered exercised pursuant to Measure S (i.e., Final Map recordation instead of “commence construction”)
- Definition of “grading permit” added.

Other Policy Requests

- Application Submittal Requirements
 - Staff supports adding language to clarify that staff may request and consider additional information from the applicant.
- General Plan and Zoning Consistency
 - Staff does not support increasing the maximum allowed deviation percentage for lot coverage and FAR.
 - PC added language to allow greater deviation if it would produce public benefit.

Recommendation

City Council adopt a Resolution approving RDCS Competition Manual:

- Section I – Competition Manual Overview
- Section II – Competition Criteria Summary
- Section IV – Implementation Policies

EAH AFFORDABLE HOUSING SCATTERED SITE PROJECT

Request

- Incorporate six month extension of time for each site due to rain delays.

Recommendation

1. Open/conduct public hearing on each request;
2. Waive first and second reading of Development Agreement Amendment Ordinances A, B, and C incorporating extension of allotments due to rain delays;
3. Introduce Development Agreement Amendment Ordinances A, B, and C (by individual roll call vote.)

AAE2017-0025 (DA- 15-08): Dunne-EAH (Belle Allori)

Request:

Development Agreement
Amendment to extend
commencement of
construction deadline.

Recommendation:

Introduce Ordinance C -
Incorporating six-month
extension and amending
the project's Development
Agreement.



AAE2017-0025 (DA- 15-08): Dunne-EAH (Belle Allori)



- 3 story
- 14 below market rate, multi-family apartments
- Private community space
- 1,200 square feet of commercial space
- 27 parking spaces

AAE2017-0024 (DA- 15-07): Ciolino-EAH (Belle Noci)

Request:

Development Agreement
Amendment to extend
commencement of
construction deadline.

Recommendation:

Introduce Ordinance B –
Incorporating six-month
extension and amending the
project's Development
Agreement.



AAE2017-0024 (DA- 15-07): Ciolino-EAH (Belle Noci)



- 3 story
- 8 below market rate, multi-family apartments
- Landscaped podium deck
- 16 parking spaces

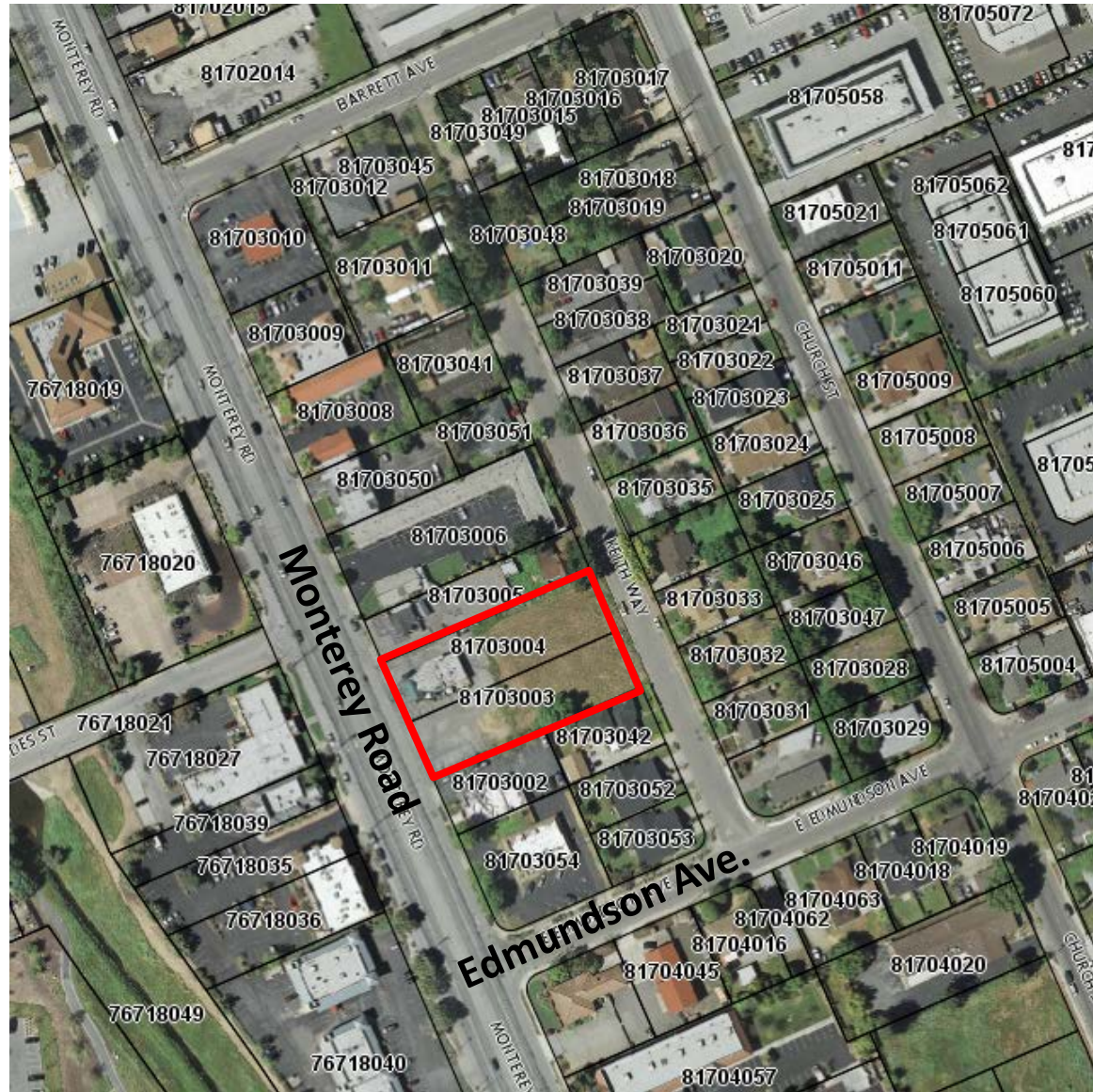
AAE2017-0023 (DA- 15-06): Monterey-EAH (Belle Salici)

Request:

Development Agreement
Amendment to extend
commencement of
construction deadline.

Recommendation:

Introduce Ordinance A – Incorporating six-month extension and amending the project's Development Agreement.



AAE2017-0023 (DA- 15-06): Monterey-EAH (Belle Salici)



- 2 story
- 19 below market rate, family & transitional aged youth apartments
- 2,600 square feet private community space
- 1,000 square feet office/commercial space
- 35 parking spaces (off-street)

EAH AFFORDABLE HOUSING SCATTERED SITE PROJECT

Planning Commission Recommendation:

At the May 23rd PC meeting, the Commission approved a resolution for each of the three projects:

- Granting a 6-month extension and Recommending Approval of the Development Agreement

All votes were 3-2 with one Commissioner absent. The Commissioners who voted no preferred to give the applicant a 12-month extension rather than 6 months.

EAH AFFORDABLE HOUSING SCATTERED SITE PROJECT

Request

- Six month extension of time for each site due to rain delays.

Recommendation

1. Open/conduct public hearing on each request;
2. Waive first and second reading of Development Agreement Amendment Ordinances A, B, and C incorporating extension of allotments due to rain delays;
3. Introduce Development Agreement Amendment Ordinances A, B, and C (by individual roll call vote.)

AAE2017-0013 (DAA), AAE2017-021 (ZAA): Butterfield - Dividend

Request

DAA to add six lots to an approved subdivision and extend the exercise of allotments for Phases 1 and 2.

Recommendation

Introduce Development Agreement Amendment Ordinance- Adding six lots and incorporating extension of allotments due to rain delays.



AAE2017-0013 (DAA), AAE2017-021 (ZAA): Butterfield - Dividend

Measure S – Section 18.78.170.F (Eligibility Criteria)

- Commission may approve extension only when the City or other public agency is responsible for a delay in the issuance of building permits or granting approvals required to exercise the allotments or due to severe acts of nature.
- Much of delay occurred due to excessive rain from October 2016 to April 2017.

AAE2017-0013 (DAA), AAE2017-021 (ZAA): Butterfield - Dividend

Planning Commission Recommendation:

At the May 23rd PC meeting, the Commission approved three resolutions in three separate motions:

- Recommending Approval of the Precise Development Plan and Planned Development Overlay,
- Recommending Approval of the Development Agreement and
- Approval of the Vesting Tentative Map

All votes were 4-0 with one Commissioner abstaining and one Commission absent.

City Council – June 21, 2017: Agenda Item # 22

DEVELOPMENT SCHEDULE

MC-13-18 Butterfield – Dividend 41, FY 2015-2016

MMC-14-09: Butterfield – DPC, 6 FY 2016-2017

MC 15-15: Butterfield – MH Butterfield, 37 FY 2017-2018

I.	SUBDIVISION APPLICATION			
	Applications Filed:			03-21-2014
II.	SITE REVIEW APPLICATION			
	Submit Application:			12-30-2014
III.	FINAL MAP SUBMITTAL			
	Map, Improvements Agreement and Bonds:			
	FY 2015-16, 41 units			03-30-2015
IV.	BUILDING PERMIT SUBMITTAL			
	Submit plans to Building Division for plan check:			
	FY 2015-16, 41 units			12-30-2015
V.	BUILDING PERMITS			
	Obtain Building Permits:			
	FY 2015-16, 41 units			03-30-2017
	FY 2016-17, 6 units	09-30-2017		06-30-2019
	FY 2017-18, 37 units	03-30-2018		06-30-2019
VI.	EXERCISE OF ALLOTMENT (SECTION 18.78.160.A):			
	FY 2015-16, 41 units	06-30-2016	06-30-2017	12-31-2017
	FY 2016-2017, 6 units	06-30-2017	12-31-2017	12-31-2018
	FY 2017-18, 37 units		06-30-2018	12-31-2018

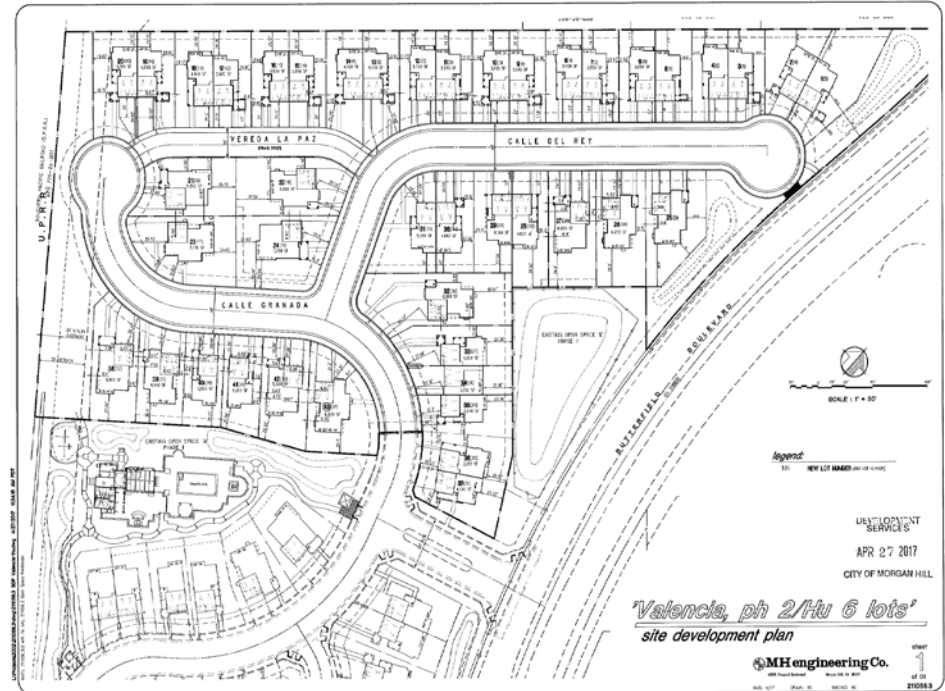
AAE2017-0013 (DAA), AAE2017-021 (ZAA): Butterfield - Dividend

Request

ZAA Zoning Amendment to incorporate six allotments and site area from adjacent project.

Recommendation

Introduce Zoning Amendment Ordinance – Amendment to Precise Development Plan and Planned Development Overlay.



Gina Paolini

From: Dick Oliver <ROliver@dividendhomes.com>
Sent: Wednesday, June 21, 2017 11:28 AM
To: Gina Paolini
Subject: CC Meeting tonight, Item 22 (Butterfield Valencia)

Gina: Just a very minor revision to Exhibit B to the Development Agreement, should be made:

Since the bottom paragraph includes language for default or added fees if certain dates are not made, I suggest under Section III. FINAL MAP SUBMITTAL: add a sentence or line item: "For Phase 2 for (6) and (37) allocations lots: 3-30-2018; and, under Section IV BUILDING PERMIT SUBMITTAL: add a sentence or line item: For Phase 2 (6) and (37) Units 12-30-17

Thanks. Dick

Gina Paolini

From: Jim Rowe
Sent: Wednesday, June 21, 2017 12:29 PM
To: Terry Linder; Gina Paolini
Subject: RE: CC Meeting tonight, Item 22 (Butterfield Valencia)

Dick is correct although he did not mention the correction when the item went to the PC. The 55-foot commitment came from the Development Agreement that was prepared for the stand-alone Butterfield – Murry project (DA-16-03) and was incorporated into Dividend's DA when the two projects were merged. However, when you go back to the Butterfield – DPC project narrative (MMC-14-09), the project committed to provide 55 feet and staff awarded zero points noting that a 55-foot OS setback would not be possible when you factor in the cul-de-sac bulb at the end of the street. Change 55 feet to 30 feet as requested or delete the highlighted line item as 30 feet is the code requirement.

From: Terry Linder
Sent: Wednesday, June 21, 2017 12:01 PM
To: Jim Rowe <Jim.Rowe@morganhill.ca.gov>
Subject: FW: CC Meeting tonight, Item 22 (Butterfield Valencia)

Hi Jim,

Can you help with this? Sounds like a correction may be needed in the Valencia DAA going to CC tonight. Take a look at Dicks e-mail to see if a supplemental for that page may be needed.

Thanks

Terry

From: Gina Paolini
Sent: Wednesday, June 21, 2017 11:53 AM
To: Dick Oliver <ROliver@dividendhomes.com>; Terry Linder <Terry.Linder@morganhill.ca.gov>
Subject: RE: CC Meeting tonight, Item 22 (Butterfield Valencia)

I will review all your comments before tonight. Thanks

Gina Paolini

Interim Principal Planner

CITY OF MORGAN HILL

17575 Peak Avenue

Morgan Hill, CA 95037

(P)408-778-6480 (D)408-310-4676

Gina.Paolini@morganhill.ca.gov

From: Dick Oliver [<mailto:ROliver@dividendhomes.com>]
Sent: Wednesday, June 21, 2017 11:51 AM
To: Terry Linder <Terry.Linder@morganhill.ca.gov>

Cc: Gina Paolini <Gina.Paolini@morganhill.ca.gov>

Subject: FW: CC Meeting tonight, Item 22 (Butterfield Valencia)

Terry and Gina: I'm not sure who will present our item 22 to the Council tonight, but I just went through Exhibit C to the DA, which is okay, except for Open Space (Packet Pg 571), for B1a Open space buffer was highlighted in yellow and requires a minimum of 55' set back from Butterfield Blvd at Calle Del Rey Court. The plans...which have been before everyone since February, do not show that and we cannot meet it. The setback varies through that area, with a minimum of 30' and as much as 65' at one point (northern) and 55' (southern). Please correct the language to read "minimum of 30').

Thanks

Dick

From: Dick Oliver

Sent: Wednesday, June 21, 2017 11:28 AM

To: 'Gina Paolini' <Gina.Paolini@morganhill.ca.gov>

Subject: CC Meeting tonight, Item 22 (Butterfield Valencia)

Gina: Just a very minor revision to Exhibit B to the Development Agreement, should be made:

Since the bottom paragraph includes language for default or added fees if certain dates are not made, I suggest under Section III. FINAL MAP SUBMITTAL: add a sentence or line item: "For Phase 2 for (6) and (37) allocations lots: 3-30-2018; and, under Section IV BUILDING PERMIT SUBMITTAL: add a sentence or line item: For Phase 2 (6) and (37) Units 12-30-17

Thanks. Dick

Exhibit A

Exhibit B shall be amended as follows:

EXHIBIT B**DEVELOPMENT SCHEDULE**

MC-13-18: Butterfield-Dividend 41, FY 2015-2016

MMC-14-09: Butterfield-DPC, 6 FY 2016-2017

MC 15-15: Butterfield MH Butterfield 37, FY 2017-2018

I. SUBDIVISION AND ZONING APPLICATIONS			
Applications Filed:			03-21-2014
II. SITE REVIEW APPLICATION			
Application Filed:			12-30-2014
III. FINAL MAP SUBMITTAL			
Map, Improvements Agreement and Bonds:			
FY 2015-2016 (41 allocations)			03-30-2015
<i>Map, Improvements Agreement and Bonds for Phase 2 six (6) and 37 allocations:</i>			<i>03-30-2018</i>
IV. BUILDING PERMIT SUBMITTAL			
Submit plans to Building Division for plan check:			
FY 2015-2016 (41 units)			12-30-2015
<i>Phase 2 six (6) and 37 allocations:</i>			<i>12-30-2017</i>
V. BUILDING PERMITS			
Obtain Building Permits:			
FY 2015-2016 (41 units)			03-30-2017
<i>FY 2016-2017 (6 units)</i>			<i>06-30-2019</i>
FY 2017-2018 (37 units)	03-30-2018		<i>06-30-2019</i>
VI. COMMENCE CONSTRUCTION EXERCISE OF ALLOTMENT (Section 18.78.160.A):			
FY 2015-2016 (41 units)	06-30-2016	06-30-2017	12-31-2017
<i>FY 2016-2017 (6 units)</i>	06-30-2017	12-31-2017	12-31-2018
FY 2017-2018 (37 units)		06-30-2018	12-31-2018

Failure to obtain building permits by the dates listed above shall result in the loss of building allotments. Submitting a Final Map Application or a Building Permit one (1) or more months beyond the filing dates listed above shall result in the applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above may result in loss of building allotments. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.120 of the Municipal Code if development is still desired.

18.78.220 Open Space			
B 1a Open space buffer—	Project provides open space buffer ten feet in excess of code requirements and a minimum 55 feet in width along Butterfield Blvd at Calle Del Rey Court.	Prior to development plan approval	NA
B 2b Common open space area to be maintained by HOA	Project provides private open space which will be maintained by the HOA.	Prior to development plan approval	NA
B 1c Provides convenient access to amenities	The Project will have internal pathways through the common area to provide convenient access to the common area park amenities, per the stated requirements.	Prior to development plan approval	NA
B1f Provides private usable open space	Provides private usable open space areas for 100 percent of the homes	Prior to development plan approval	NA
B 1g Provides public or private common useable open space	Provides public or private common useable open space which may be used for a dual purpose to include underground storm water detention, as determined by the Department of Public Works.	Prior to development plan approval	NA
B 2a Provides a high ratio of total open space area.	Project commits to a building coverage of no more than 28%	Prior to development plan approval	NA
B 4c Transfer Development Credit (TDC)	Applicant commits to purchase double TDCs.	Prior to issuance of Certificate of Occupancy	Applicable TDC fee at time of C of O



**Special - Regular Meeting Agenda
City Council**

Steve Tate - Mayor
Larry Carr - Mayor Pro Tem
Rich Constantine - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Wednesday, June 21, 2017 5:30 PM

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

SPECIAL/REGULAR MEETING

(5:30 Council/Commissioner Sexual Harassment Training / 6:00 P.M. Commission Interviews / 7:00 P.M. Regular Meeting)

SPECIAL MEETING

A special meeting of the City Council is called at 5:30 p.m. for the purpose of conducting sexual harassment training and commission interviews.

5:30 P.M.

CALL TO ORDER

Mayor Tate

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Wilson

DECLARATION OF POSTING AGENDA

Deputy City Clerk Michelle Wilson

COMMISSION INTERVIEWS

1. INTERVIEWS TO FILL ONE (1) VACANCY ON THE LIBRARY, CULTURE, AND ARTS COMMISSION AND ONE (1) VACANCY ON THE PLANNING COMMISSION

Recommendation:

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

REGULAR MEETING

7:00 P.M.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Carr

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PRESENTATIONS

YAC Presentation - Asset #10 Safety

PUBLIC COMMENT

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. (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.

Time Estimate for Consent Calendar: 1 - 10 Minutes

2. SECOND AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT WITH HARRIS & ASSOCIATES FOR LAND DEVELOPMENT REVIEW

Recommendation:

Adopt resolution:

1. Approving the Second Amendment to the professional service agreement with Harris & Associates for land development review services to increase the fee by \$110,000 for a total not-to-exceed amount of \$175,000 and extending the term of the agreement through June 30, 2018; and
2. Authorizing the City Manager to execute the Second Amendment.

3. UTILITY BILLING - PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT AND PAYMENT (EBPP) SERVICES

Recommendation:

Authorize the City Manager to execute an agreement with Infosend not to exceed \$158,752, for utility bill printing, mailing, and electronic bill presentment and payment services.

4. AWARD HVAC MAINTENANCE AND REPAIR AGREEMENT

Recommendation:

Approve the following actions:

1. Award a Maintenance Services Agreement to Mechanical Technologies Corporation dba MTECH Corp for \$104,394 (\$52,197 annually for preventative maintenance for a Two-Year Period plus additional repair costs to be performed on an as-needed basis and pre-approved by City Maintenance Staff) Subject to Future Annual Budget Appropriations by the City Council; and
2. Authorize the City Manager to execute and administer that certain Maintenance Services Agreement with Mechanical Technologies Corp. dba MTECH Corp.

5. RESOLUTION DECLARING END OF LEVEL 1 WATER SUPPLY SHORTAGE CONDITION

Recommendation:

Adopt resolution declaring end of level 1 water supply shortage condition.

6. ADOPT ORDINANCE 2049, AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING DEVELOPMENT AGREEMENT, DA2017-0002: BUTTERFIELD MWEST FOR APPROXIMATELY 39 ACRES IN THE MORGAN HILL RANCH BUSINESS PARK. THE PROPERTIES ARE LOCATED ON THE WEST SIDE OF BUTTERFIELD BOULEVARD BETWEEN JARVIS DRIVE AND DIGITAL DRIVE (APN'S 726-25-046, -047, -059, -066, -067, -070, -073, -078 AND -079)

Recommendation:

Waive the reading, adopt Ordinance No. 2249, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

7. APPROVE THE MAY 17, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

8. APPROVE THE MAY 19, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

9. APPROVE THE MAY 24, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

10. COMMISSION FISCAL YEAR 17/18 WORK PLANS

Recommendation:

1. Approve the proposed Parks and Recreation Commission FY 2017/18 Work Plan; and
2. Approve the proposed Library, Culture and Arts Commission FY 2017/18 Work Plan.

11. APRIL 2017 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

PUBLIC HEARING

12. CITY COUNCIL TRANSITION TO BY-DISTRICT ELECTIONS

Recommendation:

Open/close the public hearing.

Estimated Time: 30 Minutes

**13. CITY OF MORGAN HILL LANDSCAPE ASSESSMENT DISTRICT NUMBER 1
RESOLUTION ORDERING ANNUAL ASSESSMENTS AND RELATED ACTIONS**

Recommendation:

1. Open and close the Public Hearing; and
2. Adopt resolution confirming Fiscal Year 17/18 annual assessments and ordering the levy of assessments for the District.

Estimated Time: 5 Minutes

OTHER BUSINESS

14. DOWNTOWN SPECIAL EVENTS AND STREET CLOSURES

Recommendation:

Approve the proposed Downtown Special Events Street Closure Policy.

Estimated Time: 45 Minutes

15. MEMORANDUM OF UNDERSTANDING WITH THE MORGAN HILL HISTORICAL SOCIETY

Recommendation:

Authorize the City Manager to execute and subsequently administer a memorandum of understanding with the Morgan Hill Historical Society for the operation of Villa Mira Monte.

Estimated Time: 10 Minutes

16. PARKS AND RECREATION CAPITAL FUNDING REPORT

Recommendation:

Adopt resolution amending the Fiscal Year 2017/18 Budget appropriating funding for capital improvement projects relating to park and recreation facilities.

Estimated Time: 15 Minutes

17. DEVELOPMENT OF A USE TAX INCENTIVE PROGRAM

Recommendation:

1. Waive the first and second reading of the ordinance amending Title 3 of the Morgan Hill Municipal Code to add a new Chapter 3.21 to create a use tax incentive program; and
2. Introduce the ordinance.

Estimated Time: 10 Minutes

18. IMPLEMENTATION OF A DEVELOPMENT IMPACT FEE FREEZE PROGRAM

Recommendation:

Adopt resolution freezing development impact fees based upon Fiscal Year 16/17 for new commercial or industrial development for the next three years through fiscal year FY 19/20 in order to stimulate new development in Morgan Hill.

Estimated Time: 15 Minutes

PUBLIC HEARING

19. CONTINUATION OF ADOPTION OF ORDINANCE 2247, NEW SERIES, AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO DEVELOPMENT AGREEMENT DA 14-10 (AAE2017-0018): DUNNE BUSK GRANTING A SIX-MONTH EXTENSION FOR SEVEN (7) FISCAL YEAR 2015-2016 AND FIVE (5) FISCAL YEAR 2016-2017 BUILDING ALLOTMENTS (APN 817-19-044)

Recommendation:

Waive the reading, adopt Ordinance No. 2247, 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.

Estimated Time: 5 Minutes

20. APPROVE RDCS COMPETITION MANUAL - SECTION I, II, AND IV

Recommendation:

Adopt resolution approving RDCS Competition Manual Section I – Competition Manual Overview, Section II – Competition Criteria Summary, and Section IV – RDCS Implementation Policies.

Estimated Time: 30 Minutes

21. DEVELOPMENT AGREEMENT AMENDMENTS FOR EAH AFFORDABLE HOUSING SCATTERED SITE PROJECT A. AAE2017-0023 (DAA-15-06): MONTEREY – EAH; B. AAE2017-0024 (DAA-15-07): CIOLINO – EAH; AND AAE2017-0025 (DAA-15-08): EAST DUNNE - EAH

Recommendation:

1. Open/close public hearing on Development Agreement Amendment requests A through C;
2. Waive first and second reading of Development Agreement Amendment Ordinances A, B, and C incorporating extension of allotments due to rain delays; and
3. Introduce Development Agreement Amendment Ordinances A, B, and C (by individual roll call vote.)

Estimated Time: 15 Minutes

22. DEVELOPMENT AGREEMENT AMENDMENT, AAE2017-0013, ZONING AMENDMENT, AAE2017-0021: BUTTERFIELD - DIVIDEND: REQUEST FOR APPROVAL OF A DEVELOPMENT AGREEMENT AMENDMENT AND ZONING AMENDMENT; ADD SIX LOTS AND APPROVE EXTENSION TO THE COMMENCEMENT OF CONSTRUCTION DEADLINES. THE PROPERTY IS LOCATED ON THE NORTHWEST CORNER OF THE INTERSECTION OF BUTTERFIELD BOULEVARD AND EAST CENTRAL AVENUE. (APN 726-26-005 & 008)

Recommendation:

1. Open/close public hearing on Development Agreement Amendment and Zoning Amendment requests;
2. Waive first and second reading of Development Agreement Amendment Ordinance adding six lots and incorporating extension of allotments due to rain delays;
3. Introduce Development Agreement Amendment Ordinance;
4. Waive first and second reading of Zoning Amendment Ordinance amendment to Precise Development Plan and Planned Development Overlay; and
5. Introduce Zoning Amendment Ordinance.

Estimated Time: 15 Minutes

23. APPROVAL OF AN ORDINANCE ADOPTING A DEVELOPMENT AGREEMENT AMENDMENT FOR THE MONTEREY GUNTER PROJECT UNDER SETTLEMENT AGREEMENT WITH GUNTER LLC

Recommendation:

1. Open/close public hearing on Development Agreement Amendment;
2. Waive first and second reading of Development Agreement Amendment Ordinance;
3. Introduce Development Agreement Amendment Ordinance.

Estimated Time: 15 Minutes

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Pursuant to Government Code Section 54956.9(d)(1)
Case Name: Morgan Hill Hotel Coalition, et al. v. City of Morgan Hill
Case Number: Santa Clara County Superior Court Case No: 16-CV-292595
Court of Appeal, Sixth Appellate District Case No: H043426

RECONVENE

CLOSED SESSION ANNOUNCEMENT

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 that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Council on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council Chambers, and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the 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 by 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 plan an item on the agenda for a future City Council meeting. Should your comments require Council action, your request may be placed on the next appropriate agenda. 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 michelle.wilson@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting



Sustainable Morgan Hill Vision

Morgan Hill is a socially responsible, environmentally conscious, and economically sound community that embraces inclusiveness with participation by all.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage

2017 STRATEGIC PRIORITIES

High Speed Rail

Inclusiveness

Infrastructure

Regional Initiatives

Telecommunications

2017 STRATEGIC PRIORITIES:



High Speed Rail

The City of Morgan Hill will directly advocate for our community's needs through our communications, discussions, and decisions. We will continue to engage the community, the High Speed Rail Authority, our state and federal legislators, and other regional agencies to mitigate negative impacts and convey our position that the High Speed Rail Authority should only use the existing Highway 101 right-of-way to avoid all impacts to residents, schools, and businesses. Should the Authority decide the 101 right-of-way is not feasible, we will strongly advocate for the route with the least impact on Morgan Hill.



Inclusiveness

We will celebrate the diversity, history, and culture of our community. Through City Council workshops, community meetings, and researching successes in other communities, the City will listen to and collaborate with the community to define how inclusiveness will be further woven into our community's fabric and to increase public participation. The City's communications, services, public spaces, and projects will embrace all community members as partners, advancing our vision of being a socially responsible community.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs initially by updating its 2014 infrastructure study to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for the Santa Teresa extension and road maintenance. We will continue to work closely with our community to inform them of the needs and engage them to find an affordable and sustainable solution.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. This regional involvement will include, but not be limited to, partnering with the League of California Cities, Valley Transportation Authority, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.



Telecommunications

The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Development Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure. The plan will be used to signal Morgan Hill's support for business expansion.

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June Developmental Asset Asset #10 Safety

Teen feels secure at school, home,
and in society.

Safety Guidelines

- ▶ Surround yourself with people who can ensure your safety (Family and close friends)
- ▶ Always avoid talking to strangers when you're away from home or by yourself
- ▶ Don't let paranoia consume you with fear and anxiety (Just be mindful and responsible)
- ▶ Always be prepared to defend yourself or call the police or fire department in case of emergency



Significance of Safety

- ▶ Without a loving and caring society, family life, or school community, teens can be heavily affected both emotionally and physically
- ▶ A safe and secure home and school life will almost always allow for the greatest potential growth in young teens
- ▶ Feelings of security and protection amongst loved ones and friends will create future able bodied and able minded citizens
- ▶ Safety is a basic but vital human necessity, especially for adolescents looking to thrive and grow in accordance with their hopes and aspirations

Complementary Developmental Asset Asset #35 Resistance Skills

Young person can resist
negative peer pressure and
dangerous situations



<https://www.youtube.com/watch?v=-EVWhdEEYAM>