



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, November 1, 2017 5:30 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

(5:30 P.M. Workshop/ 7:00 P.M. Regular Meeting)

SPECIAL MEETING

5:30 P.M.

CALL TO ORDER

(Mayor Tate)

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2
(Deputy City Clerk Wilson)

WORKSHOP

1. STATION AREA MASTER PLAN

Recommendation:

1. Review and provide comments on the draft Station Area Master Plan (SAMP); and
2. Provide direction for further study of Depot Street.

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

LIABILITY CLAIMS

Authority: Pursuant to Government Code Section 54956.95
Claimant: Leslie Anderson
Agency claimed against: City of Morgan Hill

RECONVENE

CLOSED SESSION ANNOUNCEMENT

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

Mayor Steve Tate

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PROCLAMATIONS

Proclaiming the week of November 5-11, 2017 as California Retired Teachers Week

Proclaiming November 7, 2017 as
Law Enforcement Records and Support Personnel Day

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.

November 1, 2017

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. UPCOMING 2018 COMMISSION VACANCIES - PER MADDY ACT

Recommendation:

Accept report.

3. AWARD REBID OF GALVAN PARK HANDBALL COURT IMPROVEMENTS PROJECT

Recommendation:

1. Adopt resolution appropriating \$270,000 from Park Impact Fund (301) and \$120,000 from CDBG Fund (215) to the Galvan Park Handball Court Improvement Project (Project);
2. Approve Project plans and specifications;
3. Award contract to Calstate Construction, Inc. for the re-bid of the Galvan Park Handball Court Improvement Project in the amount of \$482,888;
4. Authorize expenditure of construction contingency funds not to exceed \$48,288; and
5. Authorize the City Manager to execute and administer the construction contract with Calstate Construction, Inc.

4. FOURTH AMENDMENT TO AGREEMENT WITH FIRATO SERVICE COMPANY

Recommendation:

Approve the fourth amendment to the maintenance service agreement with Firato Service Company for \$900,920 for four years of service.

5. AUGUST 2017 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

6. CITY CORRESPONDENCE REGARDING BROADBAND DEPLOYMENT

Recommendation:

Receive correspondence urging the Federal Communications Commission and the Broadband Deployment Advisory Committee to be more transparent and provide an appropriate level of local government representation when considering items related to broadband deployment.

7. AWARD PROFESSIONAL SERVICES AGREEMENT FOR THE TENNANT AND DUNNE SEWER UPGRADE PROJECT

Recommendation:

1. Award Service Agreement for Design Professionals to Mott MacDonald, Inc. for amount not to exceed \$287,800 to providing engineering design services for the Tennant and Dunne Sewer Upgrade Project, and
2. Authorize the City Manager to execute and administer a Services Agreement for Design Professionals with Mott MacDonald, Inc. for the Tennant and Dunne Sewer Upgrade Project.

8. APPROVE THE OCTOBER 18, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

PUBLIC HEARING

9. ADOPT UPDATED DEVELOPMENT FEE SCHEDULE

Recommendation:

1. Open/Close Public Hearing; and
2. Adopt resolution establishing the updated Development Fee Schedule as proposed in the 2017 NBS Citywide User Fee Study.

Estimated Time: 45 Minutes

10. ZONING AMENDMENT, ZA2017-0004: DEL MONTE – CARUSO: REQUEST FOR ZONING AMENDMENT TO CHANGE THE ZONING MAP DESIGNATION FOR TWO PARCELS FROM RE 100,000 TO R-1 7,000. THE PROJECT IS LOCATED ON THE WEST SIDE OF DEL MONTE AVENUE OPPOSITE MATHILDA COURT (ASSESSOR PARCEL NUMBERS 767-16-013, -043) CEQA: PROJECT COMPLIES WITH SECTION 15183 (CONSISTENT WITH COMMUNITY PLAN, GENERAL PLAN OR ZONING)

Recommendation:

1. Open/close public hearing;
2. Waive the first and second reading of Ordinance approving zoning amendment; and
3. Introduce Ordinance.

Estimated Time: 15 Minutes

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: November 1, 2017

PREPARED BY: Tiffany Brown, Associate Planner
APPROVED BY: City Manager

STATION AREA MASTER PLAN

RECOMMENDATION(S)

1. Review and provide comments on the draft Station Area Master Plan (SAMP); and
2. Provide direction for further study of Depot Street.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

POLICY CONSIDERATIONS:

Does the Station Area Master Plan (SAMP) provide substantial guidance for future multi-modal transportation enhancements, planning implementation, and funding opportunities?

Is the SAMP consistent with the other City of Morgan Hill master planning documents and the vision of the Downtown Specific Plan and the Planned Development Area?

Are the concepts of complete streets on Depot Street and Monterey Road consistent with the City's vision and policies?

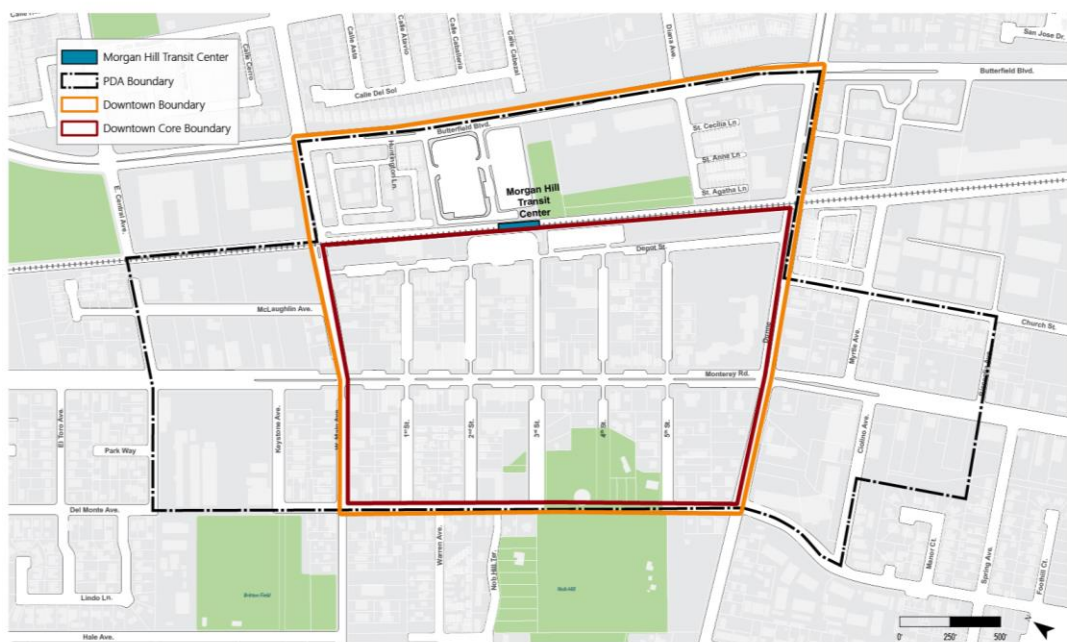
REPORT NARRATIVE:

BACKGROUND

The Morgan Hill Transit Center serves as the South County connection for all major transportation. This includes the inter-county Monterey Salinas Transit (MST), Caltrain, and intra-county VTA Express and local services, such as local park and ride sharing, and private commuter bus services. The station at the Morgan Hill Transit Center includes a spacious loading area with three shade shelters, and a designated waiting area for passengers with disabilities that may need boarding assistance. The park and ride lot provides 465 parking spaces that serve the station, public bus services, and private bus/shuttle transit services.

In 2008, the City designated 180 acres of land in and around the Transit Center and Downtown as a Priority Development Area (PDA) under Plan Bay Area. Plan Bay Area is a state-mandated, integrated long-range transportation, land-use and housing plan. PDA's include locally identified infill development opportunity areas and multi-modal transportation improvements to create complete and connected communities through transit-oriented development.

In 2014, the City of Morgan Hill received a grant from the Santa Clara Valley Transportation Authority (VTA) and executed a contract in 2016 to prepare a SAMP for the PDA intended to highlight future improvements and amenities required to support growing and anticipated transportation uses and patronage. The PDA boundary in Morgan Hill overlays the Downtown boundary, but extends further north to Central Avenue and further south to Bisceglia Avenue as shown below:



PROJECT DESCRIPTION

The Station Area Master Plan

The SAMP (Attachment 1) summarizes existing transportation services and is focused on strengthening the Morgan Hill Transit Center by identifying considerations and opportunities for future transit needs through further improvement of multi-modal connectivity.

The transportation, planning, and design tools presented throughout the SAMP are intended to build upon and update the Multi-Modal Circulation and Streetscapes Chapters contained within the Downtown Specific Plan and provide guidance for officials, transit providers, Morgan Hill residents, businesses, and property owners, as well as other stakeholders making decisions to improve and enhance the quality of the multi-modal transportation environment throughout the PDA and the Downtown.

All tools and recommendations are supplemental to already adopted plans, policies, and initiatives applicable in the area including the Morgan Hill 2035 General Plan, the 2009 Downtown Specific Plan, the 2008 Bikeways Master Plan, the Downtown Placemaking Strategy, and the City of Morgan Hill's Street Standards.

As part of the preparation of the SAMP, the City requested Alta Planning and Design to peer review the document. Their comments are presented in the attached memorandum (Attachment 2).

CONCLUSION

The SAMP recognizes and brings attention to the importance of the South County Transit Center. Recommendations have been provided for multi-modal improvements and details regarding future development needs. Additionally, the plan highlights proposed improvements for Depot Street and re-enforces past conversations regarding Monterey Road. It is recommended that the City Council review and accept the SAMP at a future City Council meeting for its ability to further strengthen the implementation of the City's goals for a pleasant and efficient multi-modal transportation system in the Downtown that would be supportive of access to transit services focused on Morgan Hill's Transit Center.

COMMUNITY ENGAGEMENT: Involve

On June 30, 2016, over 150 people attended the Downtown Visioning Summit hosted by the City. The summit meeting provided an opportunity for the community to engage with the SAMP team, and brought together private investors actively involved in the Downtown. The community collaboration brought many ideas forward related to transportation, urban design, and the future of Downtown Morgan Hill. The City collected community feedback from "post-its" placed on a range of topical boards at the summit meeting and from an online preference survey on transportation-related topics for the Downtown. The results of the survey are provided within the SAMP (page I-5).

On August 31, 2017, the City held a meeting at the Community and Cultural Center where staff provided an update to the community on the Draft SAMP and had an open discussion.

On September 26, 2017, the Planning Commission held a study session for the SAMP and provided comments.

ALTERNATIVE ACTIONS:

The City Council could determine that the SAMP does not reflect the City's goals and vision for multi-modal transportation enhancements and reject the plan.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Planning Commission held a study session on September 26, 2017. The Commission encouraged staff to reach out to all business owners and residents as further study continues regarding Depot Street. Comments on the overall SAMP included considering re-establishment of a parking in-lieu fee. Additionally, in response to the VTA cut in services, identify the transportation needs for the community, understand best transportation services for a more rural city footprint, and continue to work with VTA on funding opportunities. For further details, see Attachment 3 for Planning Commission Study Session materials.

The Commissioners provided comments and unanimously concluded:

1. The SAMP provides substantial guidance for future multi-modal enhancements;
2. Commission agrees with staff's conclusions on consistency with City guiding documents; and,
3. The Commission indicated the ideas within the SAMP are worth studying further and requested further study and review of redesign concepts of Depot Street.

CEQA (California Environmental Quality Act): Categorical Exemption

Pursuant to Section 15306 (Information Collection) of the California Environmental Quality Act, the SAMP gathers information and is part of a study leading to future projects that will require individual analysis. Consideration of the SAMP is not a commitment to a project.

LINKS/ATTACHMENTS:

1. DRAFT Station Area Master Plan
2. Alta Planning + Design - Morgan Hill Station Area Memo
3. September 26, 2017, Planning Commission Staff Report (weblink)



City of
Morgan Hill

STATION AREA MASTER PLAN

DRAFT



CITY OF MORGAN HILL

17575 Peak Avenue Morgan Hill, CA 95037
408.779.7271 • morganhill.ca.gov

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EXECUTIVE SUMMARY

Today the Morgan Hill Transit Center serves as the South County Connection for all Major Transportation. This includes the inter-county Monterey Salinas Transit (MST), Caltrain, and intra-county VTA Express and local services, such as local park and ride sharing, and private commuter bus services.

The Morgan Hill Transit Center was formed when the Santa Clara County Transportation District (SCCTD) adopted the San Jose to Gilroy Caltrain Extension project in 1989. The original plan for this extension anticipated creating a station located at the south end of Morgan Hill's downtown at the northeast intersection of the Union Pacific railroad tracks and East Dunne Avenue. In April of 1991, the former Morgan Hill Redevelopment Agency (MHRDA) requested SCCTD to consider the relocation of the proposed station to center it within the Downtown. The request included an offer to assist in funding the undertaking as a joint project through acquisition of a park and ride site and funding the construction of Butterfield Boulevard in between Main Avenue and Dunne Avenue. The street construction would allow to access the park and ride site from Downtown and Butterfield. Today, the station includes a spacious loading area with three shade shelters, and a designated waiting area for passengers with disabilities that may need boarding assistance. The park and ride lot includes 465 stalls that serve the station, public bus services, and private bus/shuttle transit services.

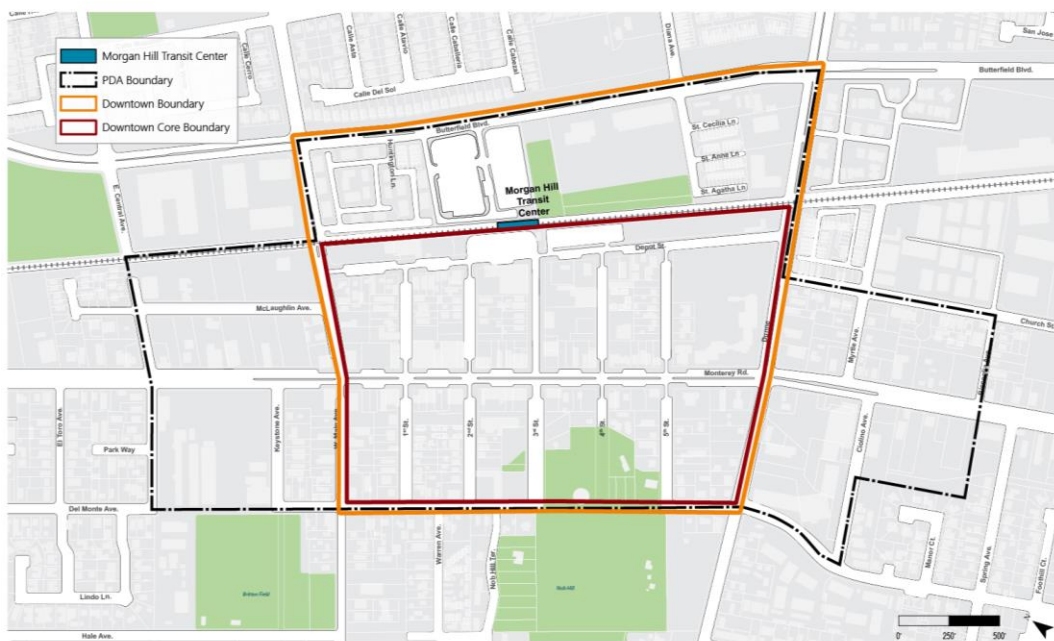
In 2008, the City designated 180 acres of land in and around the Transit Center and Downtown as a Priority Development Area (PDA) under Plan Bay Area. Plan Bay Area is a state-mandated, integrated long-range transportation, land-use and housing plan and PDA's include locally identified infill development opportunity areas and multi-modal transportation improvements to create complete and connected communities through transit-oriented development.

In 2009, the City adopted the Downtown Specific Plan and Final Environmental Impact Report (FEIR) in support of the principles of the PDA. In 2016, the City of Morgan Hill received a grant from the Santa Clara Valley Transportation Authority (VTA) to prepare a Station Area Master Plan for the PDA intended to highlight future improvements and amenities required to support growing and anticipated transportation uses and patronage.

Morgan Hill Station Area Plan boundary

The PDA boundary in Morgan Hill overlays the downtown boundary, but extends further north to Central Avenue and further south to Bisceglia Avenue.

This Plan is consistent with the Bay Area's 2040 Draft Plan and SPUR's 2017 report entitled "Rethinking the Corporate Campus" in that it provides tools to further enhance multi-modal transit within the PDA, encouraging housing and employment development in and around the PDA, and aligning with the City's streamlined residential permitting process within the Downtown Core. It also provides guidelines that shape the walkable downtown experience.



Station Area Master Plan Purpose and Context

The Station Area Master Plan summarizes existing transportation services and is focused on strengthening the Morgan Hill Transit Center by identifying considerations and opportunities for future transit needs through further improvement of multi-modal connectivity.

The transportation, planning, and design tools presented throughout the Station Area Master Plan are intended to build upon and update the Multi-Modal Circulation and Streetscapes Chapters contained within the Downtown Specific plan and support officials, transit providers, Morgan Hill residents, business, and property owners, as well as other stakeholders making decisions to improve and enhance the quality of the multi-modal

transportation environment throughout the PDA and the Downtown. All tools and recommendations are supplemental to already adopted plans, policies, and initiatives applicable in the area including the Morgan Hill 2035 General Plan, the 2009 Downtown Specific Plan, the 2008 Bikeways Master Plan, the Downtown Placemaking Strategy and the City of Morgan Hill's Street Standards.

The Morgan Hill community participated in the development of this Plan during a Downtown Summit that included a community survey and open house. Eighty-five percent of survey respondents said they felt “very comfortable” walking around within Downtown, indicating that by encouraging a “park once and walk” environment and by providing pleasing streetscapes as well as well-lit parking facilities and sidewalks, the City is already doing much to encourage walking within Downtown.

Pedestrian, Bicycle, and Transit

Key Questions

Where in the City do you enjoy walking and bicycling, and why?
What would make walking and bicycling to Downtown Morgan Hill more convenient and comfortable?
How do you know when you've entered Downtown Morgan Hill?



Adopted Policy Goals

- Increase bicycle and pedestrian travel to Downtown along key routes and trails
- Provide pedestrian, bicycle and transit information
- Enhanced pedestrian amenities along Monterey and 3rd Street
- Increase bicycle parking



Driving and Parking

Key Questions

How will the new garage affect your driving and parking experience in Downtown?
How should on-street parking be managed?
How would you feel about metered parking in high-demand areas?
Are there opportunities to convert on-street parking to public space?



Adopted Policy Goals

- Increase bicycle and pedestrian travel to Downtown along key routes and trails
- “Park Once” strategy - Visitors are encouraged to park in large garages or shared lots and walk to their destinations within Downtown
- Programmed parking: designated lots for downtown employees
- Shared parking strategies

Examples of boards displayed at the Downtown Summit

Among community members’ suggestions for future pedestrian and bicycle improvements were improved pedestrian crossings, particularly at high-traffic intersections such as Monterey Road at 1st Street and Depot Street at 2nd Street; wider sidewalks, primarily near restaurants to accommodate both people walking and outside café seating; additional separated mixed-use trails; and additional small shops to visit. Suggested improvements for bicycles included green bike lanes, bike share stations and additional bicycle parking.

The Station Area Master Plan summarizes existing conditions, provides transit and design improvement/management tools, and provides recommendations in preparation for future transit needs. The Plan is organized into three main chapters:

Chapter 1: Transportation Context

Chapter 2: Streetscape and Placemaking Toolkit

Chapter 3: Priority Improvements

Chapter 1: Transportation Context

This chapter presents existing transportation services and facilities in the Station Area, identifies planned improvements, and discusses how to plan for and design better rail and transit service, bicycle and pedestrian circulation, street connectivity, parking, and emerging technologies to enhance mobility to and through the Transit Center and throughout the Downtown.

Rail Service – This section of the chapter discusses the existing level of Caltrain service and station facilities at the Morgan Hill Transit Center. The provided information includes a ridership analysis, which concludes that based on the numbers of passengers per train, population and employment per station, and population and employment densities per station, the Morgan Hill Transit Center ranks in the middle of all Caltrain stations and has capacity to attract the projected additional Caltrain riders. An important component of the Transit Center is the park in ride lot. The lot provides access to the station, and has 465 park and ride spaces with current occupancies around 85%. Parking compacity is critical to the success of a central multi modal transit center. Adequate parking prevents parking overflow onto nearby residential neighborhoods, and provides a central location for all transit services including public and private bus/shuttle service.

Additional topics covered in this section of the chapter include, the potential extension of Capitol Corridor passenger rail service from Santa Clara County to Salinas (as proposed by the Transportation Agency for Monterey County (TAMC) the current status of alignment considerations for High Speed Rail; freight rail, and safety quiet zone goals for at-grade pedestrian and vehicle rail crossings in Morgan Hill.

Public and Private Bus Transit Service – This part of the chapter discusses the public bus service provided in the City of Morgan Hill by the Valley Transportation Authority (VTA) and Monterey Salinas Transit (MST) as well as how future service reductions by VTA can be balanced by exploring service models that are more compatible with a city's development

patterns. In addition, this section includes information on the services provided by private bus transit and shuttle operators and the transportation options associated with rideshare services.

Parking – The section of the chapter that discusses parking includes a summary of information regarding the parking supply and demand within the Downtown Specific Plan area (based on information from the 2016 “Morgan Hill Downtown Parking Conditions Study”) and concludes that after currently known development projects have been completed, there will be a sufficient amount of parking in the Downtown. However, parking shortages may be localized along some streets and in some parking lots based upon placement and private ownership. Chapter 3 provides recommendations if and when Downtown parking supply is fully utilized, achieving 85% or higher parking occupancy rate.

Roadways – The chapter’s discussion of roadways introduces a typology for all streets located in the Station Area in order to link each street to the multi-modal street design recommendations and suggested considerations for further improvements included in Chapters 1 and 2. The Plan distinguishes the following four street types: *Downtown Boulevard, Local Street, Arterial Street, and Transit Connector*. Each street type is illustrated with a typical cross section that describes how pedestrians, bicyclists, and vehicles (including transit) are accommodated within the public right of way.

- **Downtown Boulevard** – Monterey Road between Main and Dunne Avenues is the main business corridor in Downtown and a primary pedestrian route.
- **Local Street** – First, Second, Fourth, and Fifth Streets are two-lane roadways with residential and small business frontages. They primarily provide access to their adjacent land uses for vehicles, bicyclists, and pedestrians alike.
- **Arterial Street** – Dunne Avenue, Main Avenue, and Butterfield Boulevard as well as the portions of Monterey Road beyond Main and Dunne Avenues, are wider streets with faster moving traffic that border on and lead to the Downtown area.

- **Transit Connector** – Third Street and Depot Street are downtown-serving streets each with a unique configuration and function. Third Street serves as the main pedestrian connection between the Morgan Hill Transit Center and Downtown. Depot Street connects Main Avenue and Dunne Avenue to the Morgan Hill Transit Center.



Downtown Morgan Hill street typology

In addition to the street typology, the roadway section of the chapter discusses topics such as signals and intersection operations, curb extensions, traffic calming, wayfinding, collision history and safety, and planned improvements as well as roadway system gaps.

Pedestrian and Bicycle Networks – The discussion of the Station Area's pedestrian and bicycle networks includes descriptions of existing and planned facilities, including sidewalks and crosswalks and bicycle lanes and routes. The discussion also identifies conditions that require improvements such as sidewalk and bike lane gaps.

Toolboxes – Throughout all sections of the chapter, toolboxes are provided to provide a menu of tools available to the City to further improve transportation services and facilities in the Station Area. Provided toolboxes include the following:

- Rail Service Toolbox
- Public Bus Service Toolbox
- Private Rideshare and Bus Service Toolbox

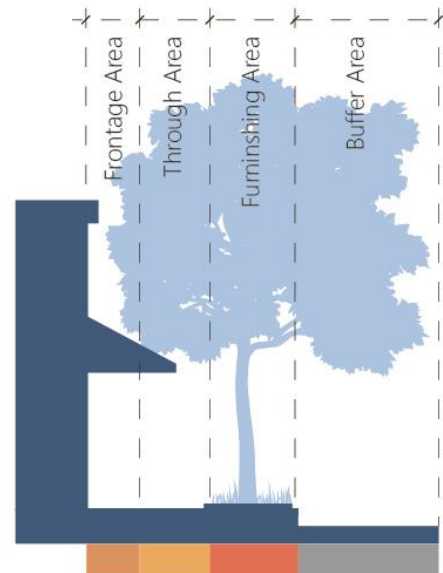
- Parking Toolbox
- Roadway Toolbox
- Pedestrian Toolbox
- Bicycle Toolbox

Chapter 2: Streetscape and Placemaking Toolkit

Chapter 2 first provides an overview of gains made with respect to open space, streetscape, and placemaking in the Downtown area through a variety of City initiatives and programs, including the Downtown Placemaking Strategy (approved by the City Council in 2014), the Complete Streets Pilot Project for Monterey Road, the Creative Placemaking Mini Grant Program, and the Gateway Art project.

The second half of Chapter 2 focuses on the design of the pedestrian realm of streets in the Station Area and utilizes the street typology introduced in Chapter 1 (Transportation Context) to provide tools for organizing improvements in the pedestrian realm and strategies for further enhancing the quality of the pedestrian experience. The pedestrian realm of each street type is further divided into specific subareas: the Frontage Area, Through Area, Furnishing Area, and the sidewalk-adjacent Buffer Area (see Chapter 2 for a more detailed description of each of these pedestrian realm areas).

The provided tools and recommended design considerations clarify which pedestrian realm improvements belong where in the sidewalk, further enhance the identity of Downtown, and improve accessibility and walkability for visitors, residents, and employees.



Pedestrian realm design areas

The chapter concludes with public space and placemaking tools that make creative use of sidewalk-adjacent underutilized buffer areas (e.g. parking lanes) by accommodating flexible public open spaces, such as temporary parklets or permanent improvements like

parklets installed for the long-term or landscaped bulb-outs. Pedestrian-scale lighting is discussed as well.

Chapter 3: Priority Improvements

Chapter 3 highlights gaps within the transportation system and identifies improvements increase multi-modal connectivity, safety, and comfort for pedestrians, bicyclists, bus and rail passengers in the Downtown and areas surrounding the Morgan Hill Transit Center, emphasizing improved pedestrian and bicycle connections.

Specifically discussed are recommendations for:

- Sidewalk gap closures
- Pedestrian improvements at signalized and unsignalized crossings and intersections
- Potential striping modifications to accommodate bicycles at the intersection of Monterey Road and Main Avenue and the intersection of Monterey Road and Dunne Avenue
- Coordinated of improvements to transit services and facilities operation at the Morgan Hill Transit Center
- Roadway improvements at the intersections of Depot Street and Church Street with Dunne Avenue and the intersections of McLaughlin Avenue and Depot Street with Main Avenue
- Short-term parking improvements to help alleviate localized peak hour parking shortages

Chapter 3 concludes with the prioritization of recommendations for improvements discussed in greater detail throughout the chapter. The table of prioritized projects (on page E-9) establishes three tiers, with Tier 1- improvements that could be implemented immediately or in the near term (1 to 2 years), Tier 2 - improvements that could be implemented in the mid-term (2 to 5 years), and Tier 3 - long-term improvements (implemented in 5+ years).

Table of Prioritized Improvements				
Improvement	Tier 1	Tier 2	Tier 3	Comments
<i>Pedestrian Improvements</i>				
Close sidewalk gap on Depot Street		X		Timing dependent on development of adjacent lot
Conduct before and after studies of in-pavement flashers on Monterey Road at Third Street	X			Data needed to select appropriate treatments at other locations such as Monterey/First and Monterey/Fifth
Establish an uncontrolled pedestrian crossing policy	X			
Safety Enhanced railroad crossing improvements consistent with Quiet Zone Goals		X		Quiet Zone pedestrian crossing enhancements should be revisited once the CHSR Authority chooses a preferred alignment.
Conduct a study to identify appropriate pedestrian crossing treatments on Main Avenue at Depot Street/McLaughlin Avenue	X			To be conducted as part of the Depot Street study. Pedestrian counts and other data would be needed
<i>Bicycle Improvements</i>				
Install bicycle improvements at Monterey Road and Main Avenue	X			See Figure 3-4
Install bicycle improvements at Monterey Road and Dunne Avenue	X			See Figure 3-5
Evaluate on-street parking on Depot Street – consider redesign of Depot Street with the intent to create a complete street to the Transit Center and Downtown		X		To be considered as part of the Depot Street study.
Close bicycle lane gap on Depot Street		X		Timing dependent on development of adjacent lot

Table of Prioritized Improvements				
Improvement	Tier 1	Tier 2	Tier 3	Comments
Add second stripe to bicycle lanes on Dunne Avenue, Main Avenue, Depot Street, and Monterey Road		X		This will reduce incidence of parked vehicles encroaching into bicycle lanes
Add green paint to transition zones with new bicycle lane installations		X		This will better alert drivers of bicyclists and delineate their travel paths
Install buffered bicycle lanes on Monterey Road between Main Avenue and Dunne Avenue			X	Dependent on completion of Hale Avenue extension
Transit Improvements				
Work with Caltrain to adjust schedules	X			
Work with Caltrain and VTA on safety enhancements and to maintain pedestrian track crossing with double tracking project		X		Dependent on timing of preferred alignment chosen by CHSR Authority and the double tracking project
Create public outreach program to increase Caltrain riders	X			
Work with TAMC to extend station platform 200 feet to accommodate future rail service	X			City currently working with TAMC
Explore a community shuttle bus program or increased TNC service	X			
Install pedestrian shade and rain structures at remaining bus stop locations		X		Work with VTA on installation of shade and rain structures for the remaining bus stops.
Roadway Improvements				
Conduct Depot Street Study	X			The study would address future role of Depot Street, considering future parking facilities, and pedestrian crossings at Main and Dunne

Table of Prioritized Improvements				
Improvement	Tier 1	Tier 2	Tier 3	Comments
Study realignment of Depot Street with Church Street		X		To be conducted in conjunction with redevelopment of Hale Lumberyard site and Depot Street study
Parking Improvements				
Enforce two-hour parking limits	X			To free up prime spaces for customers
Extend time limits in parking garage	X			To allow long-term parking
Implement parking marketing and wayfinding program	X			To increase utilization of parking garage
Work with businesses on a valet parking program		X		To alleviate localized parking shortages
Reinstate parking in-lieu fees		X		To provide funding for parking improvements
Retain public park in ride lot for the Transit Center and explore additional parking options/designs for future transit ridership and service increase.	X			
Reserve options for future parking locations in the north Downtown area and conduct study		X		See Figure 3-7

City staff will further modify the list based on input from City Planning Commissioners and City Council Members.

INTRODUCTION

The City of Morgan Hill is located along the major north-south transportation corridor U.S. Highway 101, approximately 12 miles south of San Jose, 10 miles north of Gilroy, and 15 miles inland from the Pacific Coast. Downtown Morgan Hill consists of 18 blocks and approximately 110 acres of land bounded by Main Avenue, Butterfield Boulevard, Dunne Avenue, and Del Monte Avenue. In 2007, an update to the City's existing Downtown Plan was initiated to refine land use and development objectives within the Downtown Core. The Downtown Core is strategically developed along Monterey Road and generally defined by Main Avenue, the Union Pacific Railroad tracks, Dunne Avenue, and Del Monte Avenue.

In 2008, the City designated 180 acres of land in its Downtown as a Priority Development Area (PDA) under Plan Bay Area. Plan Bay Area is a state-mandated, integrated long-range transportation, land-use and housing plan which include locally identified infill development opportunity areas and multi-modal transportation improvements to create complete and connected communities through transit-oriented development. The PDA boundary in Morgan Hill overlays the downtown boundary, but extends further north to Central Avenue, and further south to Bisceglia Avenue (See Figure I-1).

Morgan Hill's City Council adopted the Downtown Specific Plan in 2009 and it continues to provide direction regarding the overall vision and specific goals for the development of the Downtown. The plan also includes design guidelines that define the desired design character of new development in the Downtown.

In 2016, the City received a grant from Santa Clara Valley Transportation Authority (VTA) to prepare a Station Area Master Plan to blend planning and circulation visions and goals with the desire to strengthen and grow the existing multi-modal transportation system in the Downtown and support existing and enhanced access to transit services utilizing Morgan Hill's Transit Center.

Station Area Master Plan Purpose and Context

As the South County Connection for all major transportation including the inter-county Monterey Salinas Transit (MST) Caltrain, and intra-county VTA Express and local services, it is very important to understand existing services, how to enhance those services, and how to plan for future transit needs. The Station Area Master Plan takes stock of the existing transportation context, provides tools to enhance current transit services and future transit

needs. The Plan also identifies considerations and opportunities for the further improvement of multi-modal connectivity and access to the Transit Center. Therefore, some of the tools and recommendations identify specific transit, pedestrian, bicycle, and streetscape improvements to further increase multi-modal connectivity and comfort of travel for pedestrians, bicyclists, bus riders and rail passengers in the Downtown and area surrounding the Morgan Hill Transit Center. (See Figure I-1.)

The planning and design tools and recommendations for improvements presented throughout the Station Area Master Plan are intended to support community efforts to implement improvements to the multi-modal transportation environment throughout the PDA and the Downtown. This may occur through the direct implementation of improvements recommended in this Plan as part of on-going capital improvement program and routine street maintenance projects (e.g. repaving projects) undertaken by the City, through the use of grant or other funding sources to construct improvements or to develop detailed construction plans or undertake needed further studies.

All tools and recommendations are supplemental to and compatible with already adopted plans, policies, and initiatives applicable in the area including those provided by the Morgan Hill 2035 General Plan, the 2009 Downtown Specific Plan, the 2008 Bikeways Master Plan, the Downtown Placemaking Strategy and Morgan Hill's Street Standards. While following the existing guidance and standards provided in these documents, careful consideration should be given to:

1. The Station Area Master Plan's planning and design tools and recommendations when advancing new planning or capital improvement projects; and
2. Understanding the recommendations shape the multi-modal transportation system and public realm of streets in the Station Area Master Plan area.

Development projects on private properties in the Downtown will continue to be primarily guided by the Downtown Specific Plan, applicable zoning requirements, and other guidance documents adopted by the City of Morgan Hill. However, where private investment can be leveraged to contribute to the multi-modal transportation and urban design goals outlined in the City's General Plan and Downtown Specific Plan, these improvements should be made consistent with recommendations included in the Station Area Master Plan.

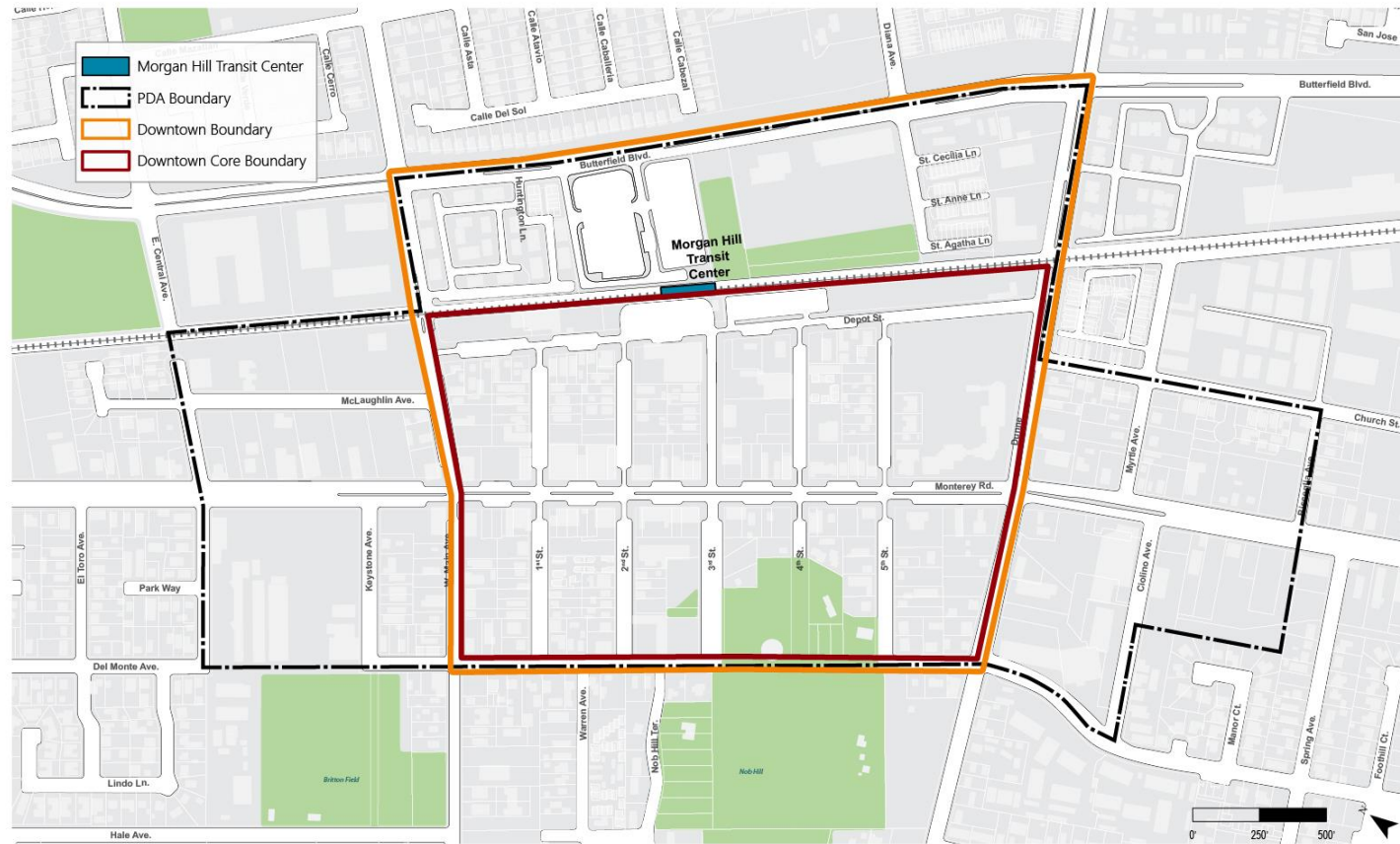
The Station Area Master Plan is organized into three main chapters:

Chapter 1: Transportation Context – This chapter presents the existing transportation services and facilities in the Station Area, identifies planned improvements, and discusses how to plan for and design better bus and rail transit service, bicycle and pedestrian circulation, street connectivity, parking, and use emerging technologies to enhance mobility to the Transit Center and throughout the Downtown for all members of the community.

Chapter 2: Streetscape and Placemaking Toolkit – This chapter describes the different types of streets near the Transit Center and throughout Downtown Morgan Hill. The Chapter provides tools for enhancing the pedestrian realm within the public rights of way of Downtown streets and includes improvements to increase clarity on location of pedestrian realm improvements improve Downtown identity, and support walkability through wayfinding for visitors, residents, and employees alike. The chapter also presents public space and placemaking tools that provide opportunities for private business to expand their square footage into the sidewalk and parallel parking stalls by accommodating flexible public open spaces, such as temporary parklets or permanent improvements like parklets installed for the long-term or landscaped bulb-outs. Pedestrian-scale lighting is discussed as well.

Chapter 3: Priority Improvements – This chapter summarizes gaps within the transportation system and identifies improvements to achieve an increase in multi-modal connectivity, safety, and comfort for pedestrians, bicyclists, and rail passengers utilizing the Transit Center and within the Downtown. With an emphasis on supporting the existing Transit Center, enhancing transit services, and planning for future transit needs. In addition, the chapter includes improving pedestrian and bicycle connections.

Figure I-1: Morgan Hill Station Area Plan Area



Community Participation

The Morgan Hill community participated in the development of this Plan through a Downtown Summit that included a community survey and open house related to the Station Area Master Plan.

Downtown Visioning Summit

On June 30th, 2016, the City of Morgan Hill conducted a Downtown Visioning Summit. This event brought together private investors actively investing in the Downtown, as well as public leaders, to start an open discussion about a Vision for Downtown Morgan Hill. The goal was to engage the community as well as spark interest and ideas from the audience on the future of Downtown Morgan Hill. Over 150 people attended either the afternoon or evening sessions, between which optional walking tours and a hosted reception were held.

The event included two panels of speakers – one made up of the developers of current downtown projects, and another discussing the City’s ongoing public realm investments, including parks and trails, public art, streetscapes and pedestrian and bicycle infrastructure.

Open House and Survey

Following the panels, an open house portion of the Downtown Summit engaged many summit participants to provide their opinions about various topics related to transportation and urban design. During the open house, community members talked with the Station Area Master Plan team, provided feedback on “post-its” on a range of topical boards, and completed an online preference survey on transportation-related topics in Downtown Morgan Hill. The survey was also made available to the public at large on the City’s website. Two-thirds of the 39 total survey respondents were Morgan Hill residents, with the remainder comprised of visitors, employees and business owners. Dining, festivals and shopping were identified by respondents as the top three activities for visits to Downtown. (See Figure 0-2.)

Eighty-five percent of survey respondents said they felt “very comfortable” walking around within Downtown, indicating that by encouraging a “park once and walk” environment and by providing pleasing streetscapes as well as well-lit parking facilities and sidewalks, the City is already doing much to encourage walking within Downtown. However, about 85% of respondents indicated they typically drove to Downtown, primarily due to distance, but in some cases also due to not feeling comfortable with the current level of pedestrian and bicycle conditions between their homes and the Downtown.

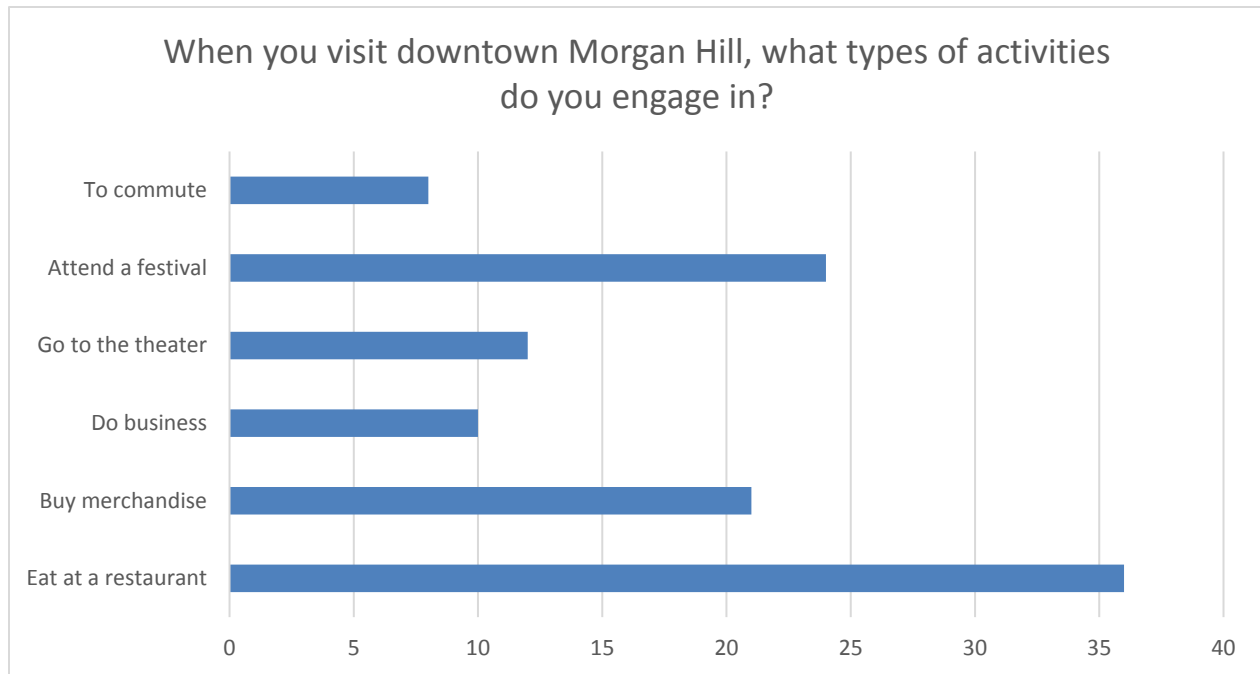


Figure 0-2: Survey results for activities engaged in Downtown

Among community members' suggestions for further pedestrian and bicycle improvements were improved pedestrian crossings, particularly at high-traffic intersections such as Monterey Road at 1st Street and Depot Street at 2nd Street; wider sidewalks, primarily near restaurants to accommodate both people walking and outside café seating; additional separated mixed-use trails; and additional small shops to visit. Suggested improvements for bicycles included green bike lanes, bike share stations and additional bicycle parking.

1. TRANSPORTATION CONTEXT

This chapter presents the existing transportation services and facilities in the Station Area, identifies planned improvements, and discusses how to plan for and design better rail and bus transit service, bicycle and pedestrian circulation, street connectivity, parking, and use emerging technologies to enhance mobility to the Transit Center and throughout the Downtown. Throughout the chapter, toolboxes are provided at the end of each subject that describe tools the City may choose to use further improve transportation services and facilities in the Station Area.

The City of Morgan Hill has a very diverse and growing community with equally diverse transportation needs. The Downtown and Priority Development Area (PDA) are supported by a variety of transportation facilities and services that provide circulation and access for residents, business owners, employees, business customers and patrons as well as visitors. The Morgan Hill Transit Center is the basis for the PDA designation under Plan Bay Area and provides consistency with the 2040 Draft Plan (Plan Bay Area), which in turn makes it and the access to it the focal point of the following discussion of the transportation context for the Station Area Master Plan area.

To support the needs of the community and provide consistency with Plan Bay Area, the city streamlined the permitting process for housing within the Downtown boundary, and provides development standards that can achieve a variety of residential units within the PDA. Recently approved residential projects within the PDA boundary include a range of unit sizes from approximately 600 square feet to 1,600± square feet, affordable units varying from low income to moderate affordability, rental and ownership, and assisted living apartments as shown in Figure 1-1.

Figure 1-1: Recently Approved PDA Residential Development near Transit Services



Downtown Morgan Hill is aligned with SPUR¹ recommendations locating jobs and housing near transit within a walkable downtown. Based on widely accepted best practices in the field of transit-oriented development and SPUR's 2017 report titled "Rethinking the Corporate Campus", experts in the

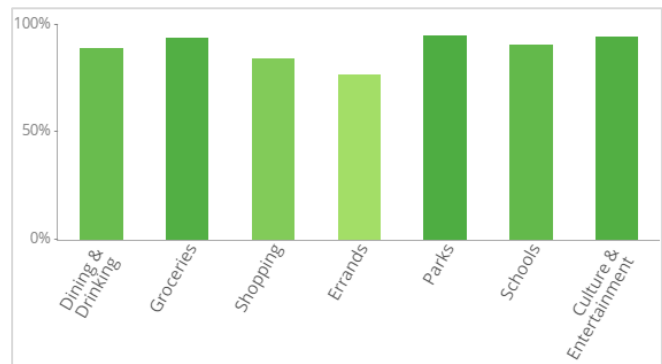


Figure 1-2: The walk score for Monterey Road at the intersection of 3rd Street and Monterey Road is based on the above categories.

field of transportation planning use the limit of an acceptable walking distance between a quarter-mile to a half-mile from public transit stop or parking area to their destination as a design guideline. Most of Morgan Hill's Downtown and PDA area is within a half-mile walking distance of the station (about a 10-minute walk), and the Downtown Core is within a quarter-mile or 5-minute walk, as shown in **Figure 1-3**.

SPUR uses the Walk Score methodology (www.walkscore.com/methodology) to evaluate the walkability of downtowns by giving them a score between 0-100 based on walkable access to personal services, shopping, schools, etc. Downtown Morgan Hill has a walkability score of 86, which is considered very walkable. (See Figure 1-2.) Downtown Morgan Hill's Transit Score, which evaluates how well an area is served by transit, is 42 or "some transit" at this time. This plan provides tools to further improve transportation services and facilities within the Station Area as Morgan Hill grows.

¹ The San Francisco Bay Area Planning and Urban Research Association (SPUR) "Rethinking the Corporate Campus" April 2017. SPUR is a member-supported nonprofit organization with offices in San Francisco, San Jose and Oakland that has an independent and holistic approach to solve urban issues.

Attachment: DRAFT Station Area Master Plan (1467 : Station Area Master Plan)



Morgan Hill Transit Center

There are a single set of railroad tracks, owned by Union Pacific Railroad (UPRR), that traverse Morgan Hill in the north and southbound direction. UPRR operates freight service along these tracks. Caltrain and Amtrak operate passenger rail service on these same tracks through use agreements with UPRR. The Morgan Hill Transit Center serves as the South County Connection for all Major Transportation and relies on these tracks to serve the station.

The Center was created when the Santa Clara County Transportation District (SCCTD) adopted the San Jose to Gilroy Caltrain Extension project in 1989. The original plan had the station located at the south end of Morgan Hill's downtown, at the northeast intersection of the railroad tracks and East Dunne Avenue. In April of 1991, the former Morgan Hill Redevelopment Agency (MHRDA) requested SCCTD to consider the relocation of the proposed station, and center it within the Downtown. The request included an offer to assist in funding the undertaking as a joint project through acquisition of a park and ride site and paying for the construction of Butterfield in between Main Avenue and Dunne Avenue. The street construction would allow to access the park and ride site from Downtown and Butterfield.

Station Facilities

The Morgan Hill Transit Center is located along the east side of Depot Street, between Second and Fourth Streets. The Caltrain platform and loading area is on the east side of the tracks, adjacent to the Santa Clara Valley Transportation Authority's (VTA's) park-and-ride lot which is accessed from Butterfield Boulevard.

The City constructed the station building in 1994. It is located on the west side of the tracks and intended to be a visual landmark to indicate the station stop. Due to its location on the west side of the tracks, the building is not utilized for ticketing purposes and has been repurposed for commercial use. Pedestrians can cross the tracks at-grade to get from the west side to east side platform and City/VTA park and ride lot. The platform area features a spacious loading area for passengers with three shade shelters. The station provides two ticket machines, one Clipper Card reader, and designated waiting areas for passengers with disabilities who need boarding assistance. There are 15 bike lockers and a bicycle rack that can accommodate 12 bikes.

There are three parking areas near the station: The main Transit Center serving parking lot is the 6.07-acre City/VTA owned park-and-ride lot on the east side located off of Butterfield Boulevard. There are two public lots on the west side of the tracks off of Depot Street that mainly serve the neighboring restaurants and retail, but provide access to the Transit Center. These two public lots have a total of 114 vehicle parking spaces and eight U-shaped bicycle racks that accommodate one to two bicycles each.

Currently, there are 465 parking spaces for vehicles at the City/VTA lot. The lot serves as a park-and-ride lot for both public and private bus transit services, as well as Caltrain, and reaches parking occupancies above 85% of capacity on weekdays.

In 1994 the City of Morgan Hill Redevelopment Agency (RDA) entered into a cooperative agreement with Santa Clara County Transit District (now VTA) for development of the VTA Transit Center parking lot. In 2011, Governor Jerry Brown dissolved Redevelopment Agencies statewide, and established a process to liquidate their assets to the benefit of the taxing entities in respective counties. This process is managed by the Morgan Hill Oversight Board. The VTA (59%) and RDA (41%) have joint ownership of interests on the property and plan to keep the lot as a park-and-ride lot. The agreement provides VTA the first right of refusal to purchase the 41% interest should the RDA, now Morgan Hill Successor Agency, be required to sell the site. As discussed, this lot is heavily used and provides a central location for all transit services, which creates the Morgan Hill Transit Center. As the major South County Connection for all Major Transportation, the Transit Center supports critical transportation needs, and plans should consider improvements necessary to meet the future growth of these transit needs.

Disposition activities are governed by the Long Range Property Management Plan (LRPMP) adopted by the Morgan Hill Oversight Board on November 20, 2013. The LRPMP states that prior to development of the 2.07-acre RDA (41%) parcel that "the existing parking supply must be relocated first."

Should the Oversight Board require the sale of the property, the property would be redeveloped in a manner consistent with the Downtown Specific Plan. There are no plans for redevelopment of the lot at this time, however an appraisal of the property has been completed. Should redevelopment of the entire 6.07-acre parcel occur, VTA has a long-term obligation to Caltrain to provide 233 parking spaces that they would have to replace. Therefore, a condition of development would be to provide replacement public transit

parking for 465 former RDA spaces and Caltrain spaces within or near the new development.

Caltrain

Caltrain provides frequent daily passenger rail service between San Jose and San Francisco. (See Figure 1-4.) Limited service currently extends to Morgan Hill and Gilroy during peak commute hours with three northbound trains in the AM peak period (between 6:20 and 7:20 am) and three southbound trains in the PM peak period (between 5:10 and 7:30 pm) with 20- to 90-minute headways. Caltrain has an agreement with UPRR to use up to five slots. With the current train schedule, they are only using three. Caltrain is discussing if there is a need to add a fourth peak period train with Union Pacific Railroad and potentially adjust the train departure times to better meet Morgan Hill's passenger demand.

Existing Ridership

Based on the *Caltrain 2015 Annual Passenger Count Key Findings* and 2016 passenger count data, the average number of weekday passenger boardings at the Morgan Hill station has increased over 70% in five years from 106 in 2011 to 183 in 2016. (See Figure 1-5.) The number of weekday passenger boardings by station in 2016 is presented in Appendix 1-B.

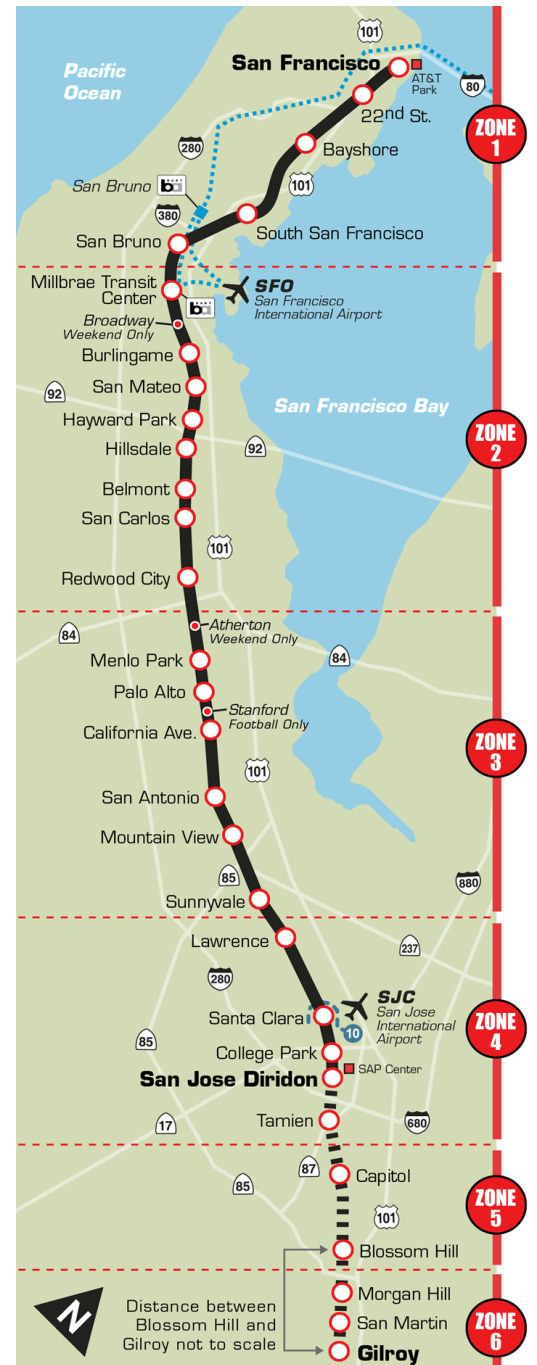


Figure 1-4: Caltrain system map

Based on the number of daily boardings, Morgan Hill is currently ranked 24th out of the 29 stations. The highest ranked station is San Francisco with 14,769 daily boardings followed by Palo Alto with 7,424 daily boardings. San Jose Diridon Station has 4,712 daily boardings. Gilroy and San Martin stations have 178 and 77 daily boardings, respectively.

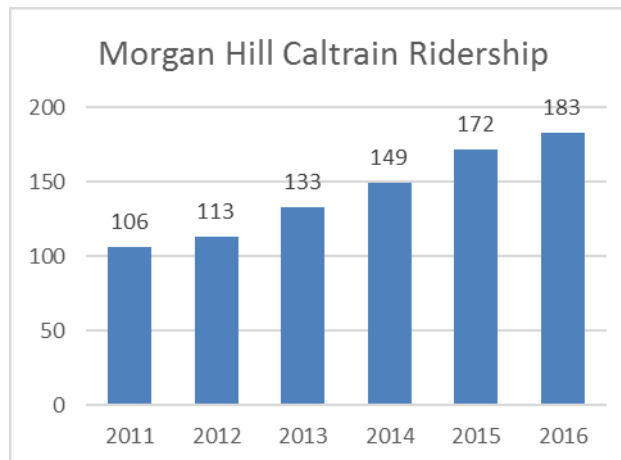


Figure 1-5: Average number of weekday passenger boardings at the Morgan Hill Caltrain Station

However, this assessment does not take into consideration the number of opportunities (numbers of trains) a rider can board. For example, Morgan Hill is served by six weekday trains while San Jose Diridon and San Francisco stations are served by 91 weekday trains. The effects of train frequencies, population and employment data, and Morgan Hill work place locations on train ridership are discussed in the following section.

Ridership Analysis

As part of this Station Area Master Plan, a ridership analysis prepared by Fehr & Peers (presented in Appendix 1-C and summarized below) was conducted to evaluate and compare Caltrain ridership at the Morgan Hill station with other Caltrain stations to assess the potential for increased Caltrain ridership and service. The analysis used Caltrain 2016 passenger data, Caltrain schedules, Association of Bay Area Governments (ABAG) population and employment data, and mobile device data to evaluate the following:

- Number of boarding passengers per train at each station on an average weekday
- Population and employment (and densities) per station
- Proportion of Morgan Hill morning worker trip destinations near Caltrain stations

Passengers per Train

Caltrain provided passenger boarding data for each station from surveys conducted in February 2016. The totals were then divided by the number of trains serving each station, to account for increased Caltrain service generating increased ridership. Stations south of the Tamien station, including Morgan Hill, are served by six trains each weekday, while San

Jose Diridon and San Francisco stations are served by 91 weekday trains. Stations south of Tamien host service in only one direction at the time, north in the a.m. and south in the p.m. Stations from Tamien north serve north and south services daily. The San Francisco station has the highest boardings per train with 162. Morgan Hill is in the middle with 31 boardings per train.

Population and Employment Data

Association of Bay Area Governments (ABAG) is a regional planning agency created by local governments to meet their planning and research needs and provides land use data. ABAG data (population and employment) from *Projections 2013* and the numbers of Caltrain stations were used to estimate population and employment per station for cities on the Caltrain corridor. San Jose and San Francisco have the highest population and employment figures per station, while Morgan Hill is in the middle. The geographic size of each city was used to estimate average population and employment densities per station in each city. The results of this analysis also show Morgan Hill in the middle of the ranking.

Morgan Hill Work Place Locations

Mobile device data was used to identify the probable work locations of people traveling out of Morgan Hill during the morning peak period on an average weekday. The percentage of locations near each Caltrain station was then used to estimate potential new Caltrain riders. The results are:

- 7% of the workplace locations are within a half-mile of a station
- 18% of the workplace locations are within one-mile of a station

These results were combined with American Communities Survey data on the number of residents who work outside of Morgan Hill to estimate potential new Caltrain riders. This analysis found that the potential number of people traveling from Morgan Hill and working in areas near Caltrain stations are:

- Within a half-mile: 880 people
- Within one-mile: 2,260 people

People with work locations within a half-mile are more likely to be potential Caltrain riders as they can reach their destination by walking from the station. People with work locations between a half-mile and one mile are less likely because they would need a bicycle, bus,

shuttle, or TNC (i.e. Uber or Lyft) to reach their destination. The number of potential Caltrain riders was estimated as 15% of those within a half-mile of a station and 5% of those between a half-mile and one mile. This shows a potential Caltrain ridership increase of 200 people (200 new average weekday boardings). These percentages are based on studies used to estimate ridership at other Caltrain stations.

Conclusions

Based on the numbers of passengers per train, population and employment per station, and population and employment densities per station, Morgan Hill ranks in the middle of all Caltrain stations. (See Figure 1-6.) Morgan Hill can embark on a public outreach program to attract the projected additional Caltrain riders. Part of the outreach effort could be to determine the optimal train departure and arrival times to maximize ridership.

Morgan Hill could also enlist Gilroy and San Martin in their efforts for increased Caltrain service. Similar analyses could be conducted to estimate the potential added ridership of those communities as more riders would create a more compelling case for added service.



Figure 1-6: Morgan Hill Caltrain station platform

Caltrain Modernization Project

The Caltrain Modernization Project (environmental clearance completed in January 2015) will electrify Caltrain to increase train frequencies and therefore the capacity of the system. It will have minimal impact on Morgan Hill since the electrification will end at a point approximately two miles south of Tamien Station in San Jose (approximately 18.5 miles north of Morgan Hill), at the end of the Caltrain right-of-way. It will not affect the tracks owned by UPRR between Tamien and Morgan Hill.

Double Tracking

There is one railroad track owned by UPRR South of San Jose. The Santa Clara Valley Transportation Authority (VTA) in Valley Transportation Plan 2040 (VTP 2040), the Long Range Transportation Plan for Santa Clara County, has a project (T14) to provide funding to double track portions of the Caltrain line between San Jose and Gilroy. Double tracking would allow passenger trains to bypass freight trains and decrease travel times. The project is currently on hold until the California High Speed Rail Authority completes the EIR/EIS for the San Jose to Merced project and identifies a preferred alignment. This project may gain additional importance should recent announcements of Google and Adobe expansions near San Jose's Diridon Station create new pressure to provide daytime shuttle services to Gilroy, to serve the south county employees seeking alternate transportation services to Diridon Station.

Capitol Corridor Extension to Salinas

The Transportation Agency for Monterey County (TAMC) is proposing to extend passenger rail service from Santa Clara County to Salinas. (See Figure 1-7.) It would not be an extension of Caltrain, but rather an extension of the Capitol Corridor intercity passenger rail service that is operated by Amtrak between Auburn and Sacramento to San Jose. As proposed, initially it would operate with two northbound trains in the morning and two southbound trains in the evening on weekdays, expanding

to up to six trains in each direction if future demand is high enough. The platform at the Morgan Hill Transit Center would need to be lengthened from its existing length of 550 feet to 700 feet and canopied ticket stations would need to be added to accommodate this service.

This project is currently being designed (75% plans have been completed) and is seeking funding. Train operations are being coordinated with Union Pacific Rail Road, who owns the tracks.



Figure 1-7: System map of existing and proposed Capitol Corridor passenger train service

High Speed Rail

The California High Speed Rail Authority (CHSRA) will provide high speed passenger rail service between San Francisco and Los Angeles. Service is currently planned to commence in 2029. The closest station would be in Gilroy.

Morgan Hill City Council formally adopted the position that the HSR alignment should be completely within the U.S. Highway 101 corridor/right-of-way. CHSRA is not considering this alternative route at the time of the writing of this report.

CHSRA is considering two alternative alignments through Morgan Hill:

- **Embankment Downtown Alignment** – The HSR tracks would be on an embankment and run parallel to the UPRR tracks through the Downtown. Main Avenue and Dunne Avenue would be depressed to go under the tracks (both HSR and Caltrain/UPRR) known as grade separated. Depot Street and Church Street intersections would also be grade separated, partially depressing Depot Street and Church Street, or realigned to maintain their connections to Main Avenue and Dunne Avenue, or cul-de saced impacting Downtown circulation. Driveways to nearby properties would either be regraded or removed and alternative access would need to be provided to properties for circulation and life safety.
- **Elevated West Side of U.S. Highway 101 Alignment to Gilroy Station** - The HSR tracks would be elevated and run parallel to U.S. Highway 101 on the west side of the freeway and bypass the Downtown. For this alignment, the rail will be located far from Main Avenue and Dunne Avenue, therefore the crossings of the Caltrain/UPRR tracks would remain at-grade.

The alignments are being refined and will be evaluated through the environmental clearance process currently underway. A preferred alternative would be selected when the Draft EIR is circulated.

Hexagon Transportation Consultants, Inc. conducted an analysis of the land use, transportation, and construction impacts of HSR for the City of Morgan Hill. It is included in Appendix 1-D.

Freight Rail

Union Pacific Rail Road (UPRR) owns the railroad tracks that operate through the Downtown and provides rail freight services. Freight trains have varying lengths and travel at various days of the week and times of the day – there is no set schedule. Caltrain has an agreement with UPRR to use the tracks for passenger rail service. UPRR is considering adding a second set of tracks to increase rail capacity. (VTA is providing some funding as part of VTP project T14). Added train service due to the increased capacity will increase vehicular, transit, bicycle and pedestrian delays on Main Avenue and Dunne Avenue at the at-grade crossings.

Enhanced Crossings / Quiet Zone Goals

The PDA, Plan Bay Area Draft 2035 and SPUR's 2017 "Rethinking the Corporate Campus" encourage building housing and development near transportation because it provides benefits for both the transit services and the user due to convenient access to services. However, frequent horn blowing at rail crossings could discourage business and/or residents from locating near the Transit Center. In addition, as more and more visitors/residents and employees utilize downtown, the highest level of pedestrian auto safety should be ensured.

There are three public grade crossings within Downtown Morgan Hill where Federal regulations require rail vehicles to sound their warning horns for 15 to 20 seconds as they approach the crossing; the Morgan Hill Transit Center Pedestrian crossing, the East Main Avenue crossing, and the East Dunne Avenue crossing between Monterey Road and Butterfield Boulevard. The PDA and Downtown Specific Plan encourages a mix of uses within the Downtown including residential, office, and retail. The railroad warning horns can be disruptive to nearby residents and businesses, especially during evening and weekend hours. A solution for track crossings that run through dense, mixed-use areas that include residential uses is the establishment of an enhanced Safety Quiet Zone. A Safety Quiet Zone is a section of railroad line at least one-half mile in length that contains one or more grade crossings with enhanced safety improvements, where horns are not routinely sounded. There are two types of quiet zones that are applicable to Downtown Morgan Hill:

- Partial Quiet Zone – where horns are silenced for only a portion of the day, typically between 10 pm and 7 am

- Full Quiet Zone – where horns are silenced 24 hours a day

The ability to avoid sounding the horn in a Quiet Zone is made possible if sufficient pedestrian bicycle and automobile safety enhancements are made to the signal system and roadway.² They typically involve pedestrian and vehicle upgrades to the grade crossing equipment (flashing lights and gates, constant warning time devices, power on indicators, four-quadrant gate systems and alternative safety measures (such as photo enforcement) and roadway upgrades (channelization, medians, signing, and often ADA upgrades to sidewalks).

Based on information provided by the Federal Railroad Administration (FRA), because the absence of routine horn sounding increases the risk of a crossing collision, a public agency that desires to establish a Quiet Zone is required to mitigate this additional risk through additional physical safety improvements. Therefore, a public agency seeking to establish a Quiet Zone is required to finance the cost of engineering, construction, maintenance, and replacement of all of the required supplementary or alternative safety measures, in addition to accepting potential legal and liability considerations.

To establish a Safety Quiet Zone in the Downtown area, the City of Morgan Hill would need to contact the Union Pacific Railroad and enter into a preliminary engineering and a Quiet Zone warning devices agreement. The FRA flowcharts showing the processes to create a Quiet Zone using Supplemental Safety Measures (SSMs)³ or Alternative Safety Measures (ASMs)⁴ are contained in Appendix 1-E.

In January of 2017, the City Council approved a contract to research the enhancements that may be required if the City was going to move forward with establishing a Quiet Zone. Staff provided the Council with a report, which included potential safety enhancements with associated costs at their June 7, 2017 meeting. The Council received the report and

² The federal regulations which require train horns to be sounded, and which govern the establishment of quiet zones can be found on the Federal Railroad Administration's website at: <http://www.fra.dot.gov/Page/P0104>

³ SSMs include four-quadrant gates, medians or channelization devices, one-way street closures, permanent closures

⁴ ASMs include Modified SSMs (non-complying medians, three-quadrant gates), Engineered ASMs (geometric improvements), and Non-Engineered ASMs (programmed enforcement, photo enforcement, education, etc.)

put the project on hold until the CHSRA identifies the preferred alignment through Morgan Hill.

Rail Service Toolbox

Railroad tracks and railroad service to Morgan Hill are owned and operated by other agencies. Therefore, Morgan Hill will be required to collaborate with those agencies to increase rail service to the Downtown. Rail service improvement tools include:

- Working with Caltrain to improve service to Morgan Hill by adjusting train arrival and departure times, adding more commute period trains, establishing daytime north/south train shuttle services between Gilroy and Tamien Station allowing commuters to connect with Bullet Services to northern employment centers, adding commute period trains in the non-peak direction, adding midday and evening trains, and adding weekend service.
- Coordinating efforts with Gilroy and San Martin to support increased Caltrain service.
- Coordinating with TAMC regarding station improvements to extend the platform of the existing station and support funding for rail service to South County.
- Continuing to work with the CHSRA to ensure that the selected high-speed rail alignment supports the City's goals to stay within the U.S. Highway 101 corridor and minimizes impacts to the community.
- Continue railroad crossing enhancements consistent with quiet zones to support transit services by encouraging development near the Transit Center.
- Maintaining the at-grade pedestrian rail crossing at the station and working with Caltrain and UPRR to add state-of-the art safety features. If an at-grade crossing becomes infeasible in the future, replacing it with a well-designed under or over crossing.
- The CHSRA is scheduled to identify their preferred alignment in the first quarter of 2018. Depending on the alignment chosen, the city can determine if they should move forward with the safety enhancements to achieve quiet zones at that time.

Public and Private Bus Service

This section discusses public and private bus service in Downtown and serving the Morgan Hill Transit Center. Public bus service is provided by both the Santa Clara Valley Transportation Authority (VTA) and Monterey Salinas Transit (MST) (See

Figure 1-8). Private bus service is provided by shuttles that transport employees to high-tech companies located in Silicon Valley. Passengers board and deboard shuttles, VTA buses, and MST buses at the park-and-ride lot at the Morgan Hill Transit Center, which is located adjacent to the Caltrain station. The role of rideshare service providers, such as Chariot, Uber, and Lyft, and other transit services, are also discussed in this section.

This map illustrates the transit infrastructure in Morgan Hill, California. Key features include:

- Downtown Morgan Hill PDA:** Indicated by a dashed black line.
- Morgan Hill Transit Center:** The central hub for transit, located near the intersection of Butterfield Blvd. and Depot St.
- VTA/Caltrain Park-and-Ride Lot:** A designated area for commuters, located near the center of the map.
- VTA Bus Routes:** Shown as blue lines with bus icons, including routes 16, 68, 121, and 168.
- MST Bus Routes:** Shown as orange lines with bus icons, including routes 55 and 68.
- Bus Stops:** Marked with blue circular icons containing the route number.
- Railroad Tracks:** Represented by a series of parallel lines, running through the center of the map.

The map also shows major streets such as Butterfield Blvd., Depot St., Monterey Rd., and various residential streets like Calle Del Sol, Calle Alamo, and Calle Cabelera. Green areas represent parks and open spaces, including Britton Field and Nob Hill.

City of Morgan Hill



Public Bus Service – VTA

The Santa Clara Valley Transportation Authority (VTA) operates local and express bus service, park-in-ride lots, and paratransit service in all jurisdictions within Santa Clara County, including Morgan Hill.

The main bus transfer facility for all VTA lines in Morgan Hill is located in the park-in-ride lot at the Morgan Hill Transit Center.

Existing Service

The VTA bus routes serving the Station Area (See Figure 1-9) include the following:

- **Express Route 168**, an express bus route, provides service during weekday peak commute periods between the Gilroy Transit Center and the San Jose Diridon Transit Center. In Downtown Morgan Hill, it operates along Butterfield Boulevard and Dunne Avenue, and serves the Morgan Hill Transit Center. Route 168 operates with approximately 30-minute headways between 6:00 to 8:00 am and 4:30 to 6:30 pm. Destinations and travel times for Route 168 are:
 - San Jose Convention Center: 37 minutes
 - San Jose Diridon Station: 47 minutes
 - Gilroy Transit Center: 25 minutes
- **Express Route 185** was initiated by VTA on in April 2017. While this report was being prepared. It operates during weekday commute periods between the Gilroy Transit Center and Mountain View and stops at the Morgan Hill Transit Center. It has three northbound buses in the morning on headways of 40 to 50 minutes and three southbound buses in the evening on 60-minute headways.
- **Express Route 121**, an express bus route, provides service during weekday peak commute periods between the Gilroy Transit Center and the Lockheed Martin Transit Center. In Downtown Morgan Hill, it operates along Butterfield Boulevard



Figure 1-9: VTA bus routes serving the Station Area

and Dunne Avenue, and serves the Morgan Hill Transit Center. Route 121 operates with 15- to 40-minute headways between 5:00 to 8:15 am, and with 15- to 50-minute headways between 4:00 to 7:15 pm. Destinations and travel times for Route 121 are:

- Gilroy Caltrain/Greyhound Station: 26 minutes
- San Martin Caltrain Station and Park & Ride Lot: 12 minutes
- Lockheed Martin Transit Center: 70 minutes
- **Community Bus Route 16**, a local community bus, provides limited weekday service between the Morgan Hill Civic Center and Burnett Avenue and serves Live Oak and Sobrato High Schools. In Downtown Morgan Hill, it operates along Main Avenue and serves four stops – two eastbound stops and two westbound. It stops at a bus terminus located on the north side Main Avenue just east of Hale Avenue. The transit center also serves as a park-and-ride lot and has 50 spaces, four bicycle lockers, and two bicycle racks. VTA has determined that the terminus is no longer needed, and is negotiating the sale of the property to Morgan Hill Unified School District. Route 16 currently operates with approximately 60-minute headways between 6:30 to 9:00 am and 2:00 to 5:00 pm.

Destinations and travel times⁵ for Route 16 are:

- Morgan Hill Civic Center: 9 minutes
- Main and Hale Bus Terminus: 4 minutes
- Live Oak High School: 4 minutes
- Sobrato High School: 20 minutes

The line does not currently connect to the Morgan Hill Transit Center or coordinate with other bus connections. The long 60-minute headways for these relatively short trips limit the utility of this route. The VTA within the Draft Next Network plan (described below) is reclassifying the route as a School Tripper, and reducing the times to school service start and end hours only.

- **Local Route 68**, a regional bus route, provides service between the Gilroy Transit Center and the San Jose Diridon Transit Center. In Downtown Morgan Hill, it operates along Monterey Road and Main Avenue, and serves four stops – two

⁵ The closest stop to Morgan Hill Transit Center is Main & Calle Mazatan (9-minute walk). This stop is not included as a timepoint on VTA's schedule; therefore, these are approximate travel times between stations that do not include the 9-minute walking time.

northbound stops and two southbound stops. This route does not stop at the Transit Center. Route 68 operates on weekdays and weekends with 15- to 60-minute headways between 4:00 am and 1:30 am. Destinations and travel times⁶ for Route 68 are:

- Gilroy Transit Center: 30 minutes
- Santa Teresa Light Rail Station: 28 minutes
- Capitol Caltrain Station: 63 minutes
- Santa Clara Light Rail Stations (Downtown San Jose): 78 minutes
- San Jose Diridon Station: 84 minutes

The number of passengers boarding and disembarking VTA buses at the stops in and near the Transit Center are presented in Table 1-1. Approximately 100 passengers board and disembark buses at the Main and Hale park-n-ride lot each weekday. The stops at the Morgan Hill Transit Center and the stops on Monterey Road near Dunne Avenue have relatively consistent daily passenger counts throughout the week ranging from 40 to 130 daily passengers.

Table 1-1: VTA Bus Stop Passenger Counts (October 2015)									
Bus Travel Dir.	Street Name	Cross Street	Stop Loc. ¹	Weekday		Saturday		Sunday	
				Ons	Offs	Ons	Offs	Ons	Offs
S	Monterey Road	Dunne Avenue	FS	62	54	44	36	38	34
N	Monterey Road	Dunne Avenue	FS	36	23	28	25	20	23
S	Monterey Road	Third Street	FS	26	12	8	17	8	14
N	Monterey Road	Third Street	NS	3	10	6	5	5	4
W	Main Avenue	Monterey Road	FS	17	33	24	25	20	23
E	Main Avenue	Monterey Road	NS	18	20	10	29	12	22

⁶ The closest stop to Morgan Hill Transit Center is Monterey & 3rd (3 to 5-minute walk). This stop is not included as a timepoint on VTA's schedule; therefore, these are approximate travel times between stations that do not include the walking 5-minute time.

Table 1-1: VTA Bus Stop Passenger Counts (October 2015)

W	Morgan Hill Transit Center Park-n-Ride Lot			47	45	63	40	50	29
E	Morgan Hill Transit Center Park-n-Ride Lot			69	63	43	36	39	37
W	Main Avenue	Butterfield Boulevard	FS	0	1	0	0	0	0
E	Main Avenue	Monterey Road	FS	11	1	0	0	0	0
W	Main and Hale Park-n-Ride Lot			114	1	0	0	5	0
E	Main and Hale Park-n-Ride Lot			0	92	0	0	0	0

Notes:

1. Stop Location: FS = Far Side of intersection NS = Near Side

Access Paratransit

VTA also provides a paratransit service, called Access, to individuals with physical, visual, or cognitive disabilities who cannot use its local bus or light rail transit services. This door-to-door service is provided when and where VTA local bus and light rail service is available using contracted sedan, accessible van, and taxi companies. However, service times vary and can be quite a long wait.

Planned Service Changes

The Transit Ridership Improvement Program, approved by VTA in May 2017, is an agency-wide effort by VTA to increase ridership and make public transit faster, more frequent, and more useful for Santa Clara County travelers. Part of this program includes increasing service in areas of high fare box recovery and reducing or eliminating service in areas of low fare box recovery. Jarrett Walker and Associates assessed VTA's current services and created three network design concepts that address ridership and coverage goals. VTA obtained community input on three network design concepts and transit network design priorities. The goal of this plan is to focus service on ridership and more frequent trips versus coverage. This plan reduces existing bus service in Morgan Hill with Route 68 service on 15 to 30-minute headways and Route 16 reclassified to serve school trips only, retaining its 60-minute headways. This transit disinvestment removes the City's "Community of Concern" area from access to the east west transit services. VTA is working on a Core Connectivity Study to help fill in the gap from a decrease or discontinuance of transit services. The Core Connectivity Study will explore service models that are more compatible

with each City's development patterns. Models may include partially contributing limited dollars to city shuttle programs, requiring a local funding match for service and partially subsidizing first and last mile trips via on-demand services (i.e., Uber, Lyft, etc.). Recommendations of the Core Connectivity Study will take the form of a competitive grant requiring cities who desire services to compete against other agencies and will be considered by VTA's Board of Directors in Summer or Fall of 2017. Refer to the Public Bus Service toolbox and Recommended Improvements Chapter within this document for recommended steps the city can take to work with VTA on best service models for Morgan Hill.

Public Bus Service - MST

Monterey Salinas Transit (MST) operates bus service primarily in Monterey County, and provides express bus service to Morgan Hill and San Jose. There is one MST route in the Station Area:

- **MST Route 55** provides bus service between the San Jose Diridon Transit Center and the Monterey Transit Plaza. In Downtown Morgan Hill, it operates along Dunne Avenue and Butterfield Boulevard, and serves the Morgan Hill Transit Center. MST Route 55 operates 7 days a week with two trips in the morning and two trips in the afternoon each day. Destinations and travel times for Route 55 are:
 - Monterey Transit Plaza: 80 minutes
 - Gilroy Caltrain Station: 17 minutes
 - San Jose Diridon Station: 45 minutes

Public Bus Service Toolbox

As with passenger rail service in Morgan Hill, public bus service is provided by other agencies. Therefore, Morgan Hill will need to collaborate with those agencies to increase bus service. Bus service improvement tools include:

- Working with VTA through the Core Connectivity Study to identify appropriate services and improved service levels in Morgan Hill.
- Working with VTA to provide subsidized Transportation Network Companies (TNCs) rides (described below) as low-cost transportation to transit-captive individuals (individuals who do not own or have access to a car).

- Working with MST to improve service levels in Morgan Hill.
- Adding enhancements to bus shelters (benches, lighting, weather protection, etc.) to provide comfortable environments for bus passengers while they wait.

Private Shuttles

The Morgan Hill Transit Center park-and-ride lot serves not only VTA and MST buses, but also private buses operated by technology companies such as Apple, Facebook, and Amazon. (See Figure 1-10.) The lot includes 465 parking spaces for vehicles and 15 bicycle lockers and typically reaches parking occupancies above 85% of capacity on weekdays. During the 1-hour period from 7:00 to 8:00 am on Tuesday, July 5, 2016 five private shuttles were observed picking up passengers. Among the five private shuttles, three were Apple shuttles, one was an Amazon shuttle, and one was a Facebook shuttle. On May 1 through May 3, 2017, between the hours of 6:00 and 7:30 am, Apple shuttles arrived every 25 minutes and had approximately 60+ passengers total, Facebook shuttles came about every 20 minutes and had roughly 7+ passengers per bus, and one Amazon shuttle came and had approximately 7+ passengers.



Figure 1-10: Private buses in VTA's park and ride lot

Private Rideshare and Bus Services

Transportation Network Companies (TNCs) use online-enabled platforms to connect passengers with drivers using their personal, non-commercial, vehicles. TNCs include on-demand services such as Uber and Lyft, their carpooling divisions of UberPool and Lyft Line, and Scoop Technologies - another carpool service. Due to a limited supply of drivers in south county, it can be difficult to find rides using these types of services in Morgan Hill. In the future, however, these service platforms may become more prevalent.

Other communities throughout the Bay Area are using TNC services to support more traditional bus service. The Livermore-Amador Valley Transit Authority (LAVTA) has entered into agreements with Lyft and Uber to provide service to customers in low density areas where it is not feasible to operate fixed-route bus service and in areas where their buses cannot operate. The cities of Foster City and San Mateo have partnered with Scoop Technologies to provide subsidized carpool trips to anyone who works or lives in either community.

Private Rideshare and Bus Service Toolbox

Transportation Network Companies and private bus service offer flexible transportation alternatives to Morgan Hill, especially for individuals who do not own or have access to a vehicle. Some related tools include:

- Working with TNCs to develop a campaign to increase the supply of drivers, possibly attracting those who currently volunteer as drivers for charities such as Meals on Wheels, to increase the supply of TNC vehicles and services.
- Working with VTA to provide subsidized TNC rides to areas without frequent transit service.
- Exploring opportunities with private shuttle companies to provide additional services in Morgan Hill.

Parking

This section provides information on the parking supply and demand within the Downtown Specific Plan area based on information from the “Morgan Hill Downtown Parking Conditions Study”, prepared by Hexagon Transportation Consultants, Inc. and dated February 26, 2016 and current development proposals.

Parking Supply

The acceptable walking distance limit standard from parking locations to destinations is within a quarter-mile to a half-mile. This standard is used throughout the United States and has been a standard in California for all types of urban environments since the late 1980's.

Figure 1-11 demonstrates these walking distances from public and commercial privately-owned parking lots to the center (Monterey Road and Third Street) of Morgan Hill's Downtown core. The map clarifies that there is access to parking within an acceptable walking distance (within a quarter mile) situated throughout Downtown. This map also helps highlight where potential future parking could be located. Refer to the Recommended Improvements Chapter of this plan for more information on sustainable parking within the Downtown.

The parking supply in the Downtown Morgan Hill Specific Plan boundary comprises on-street parking spaces and public and private off-street parking spaces (spaces in lots or parking structures). After the construction of current developments, there will be 2,575 parking spaces in Downtown Morgan Hill, as shown in 1-2⁷ and illustrated on Figure 1-12. This figure also includes the block numbers used in the table. Among these spaces, 911 are in private lots, 1,238 are in public lots (including the 271-space parking structure), and 426 are on-street spaces. Within the Downtown Core (not including the spaces on Block 16 in the VTA and Courthouse lots) there are 1,837 spaces with 638 in private lots, 773 in public lots, and 426 on-street spaces.

Most of the on-street spaces have no time limits. Spaces on the block faces on Monterey Road between Main Avenue and Third Street and some spaces on Main Avenue, First Street, and Second Street have two-hour time limits. All the spaces in the new parking structure have a three-hour time limit.

Table 1-2: Downtown Parking Supply Summary¹

Block#	Off-Street			On-Street	Total	
	Private	Public	Total	Total	Public	By Block
<i>Downtown Core</i>						
1	88	0	88	28	28	116
2	15	0	15	38	38	53
3	179	50	229	23	73	252
4	24	271	295	38	309	333
5	38	24	62	40	64	102
6	0	240	240	42	282	282
7	51	74	125	28	102	153

⁷ This is Table 1 from the Hexagon study that has been updated at the time of writing this report to show changes in the parking supply based on development proposals.

Table 1-2: Downtown Parking Supply Summary ¹						
8	0	40	40	0	40	40
9	72	21	93	42	63	135
10	43	41	84	43	84	127
11	43	12	55	38	50	93
12	23	0	23	19	19	42
13	12	0	12	15	15	27
14	50	0	50	32	32	82
<i>Subtotal</i>	<i>638</i>	<i>773</i>	<i>1,411</i>	<i>426</i>	<i>1,199</i>	<i>1,837</i>
<i>VTA and Courthouse Parking</i>						
16	273	465	738	0	465	738
Total	911	1,238	2,149	426	1,664	2,575

Notes:

¹ For more detail, see Table F-1 in the Appendix 1-F

Parking Supply Rates and In-Lieu Fee

The Downtown Specific Plan, adopted in 2009, includes required parking rates for new development within the Commercial Business District (CBD) and the Downtown High-Density Residential (D-R4) zones. Those rates are as follows:

Downtown Parking Rates		
Retail	Office	Residential
2.8 spaces / 1,000 s.f.	4.0 spaces / 1,000 f.g.	1.0 space per unit < 600 s.f. 1.5 spaces per unit >600, < 1,350 s.f. 2.0 spaces per unit > 1,350 s.f.

All the other zones within the Downtown are to follow the parking requirements within the Zoning Ordinance in the Municipal Code.

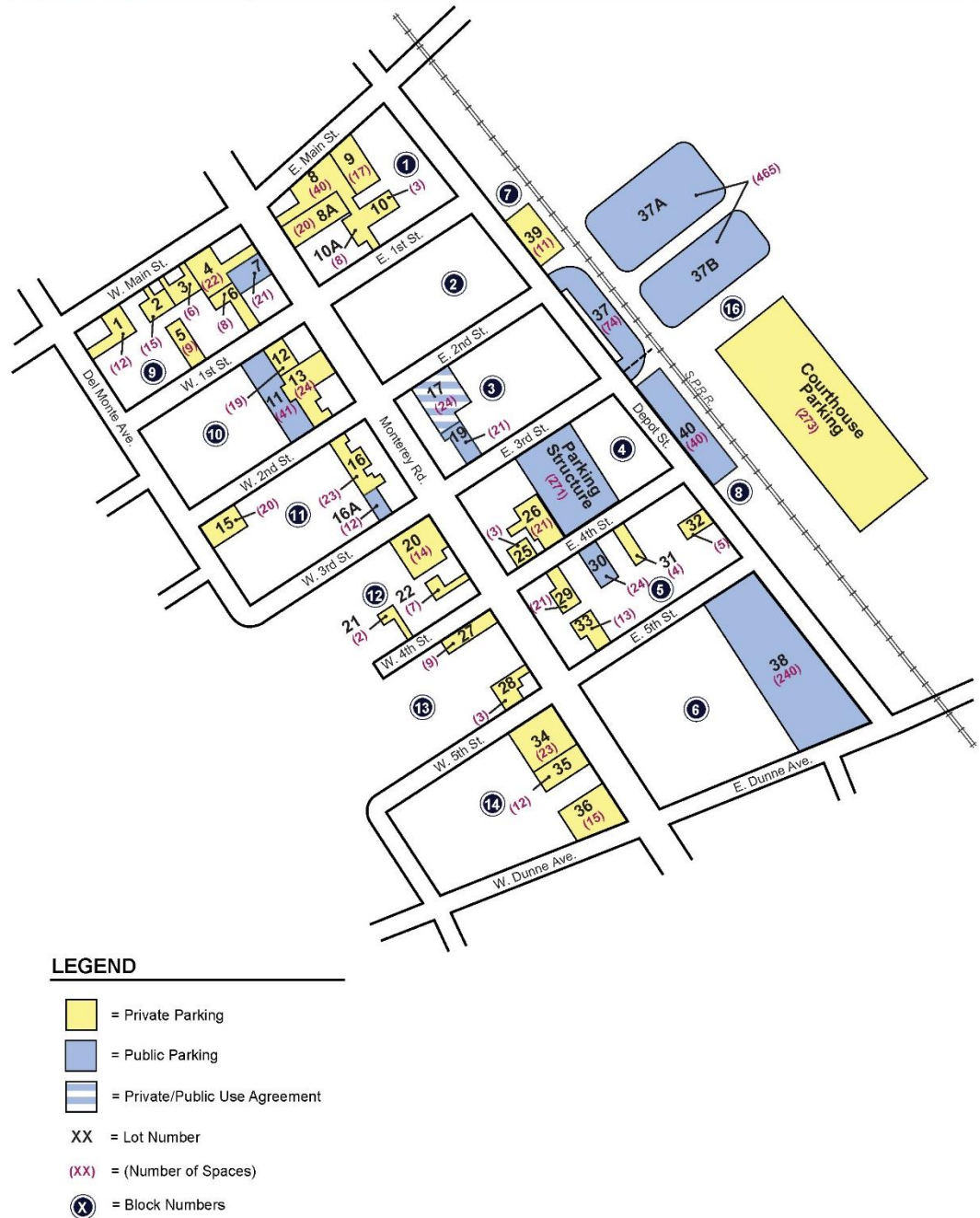
To assist and encourage redevelopment within the Downtown, a resolution was passed on June 5, 2013 to allow for a parking-in-lieu fee for all non-residential projects, and exempts non-office commercial uses from all parking requirements (including the in-lieu-fee). This standard is valid as long as the parking surplus remains within the scope of the Downtown Specific Plan and/or parking demand does not exceed an 85% occupancy rate.

Attachment: DRAFT Station Area Master Plan (1467 : Station Area Master Plan)



Figure 1-12: Downtown Parking Facilities

Morgan Hill Downtown Parking Conditions Study



Accessible Parking

The California Accessibility Regulations, within Chapter 11 of the California Building Code, govern accessible parking standards on private and public parking lots. Every lot, private or public, is required to have a minimum of one accessible parking space. The requirements are as follows: one parking space per every 25 spaces up to 100 (e.g., 4 accessible spaces are required for a 100-space parking lot), one accessible parking space per every 50 spaces after 100 up to 200 spaces, and one accessible space per every 100 spaces after 200 up to 1,000 spaces.

Within the Downtown Specific Plan boundary, there are a total of 42 parking lots, 12 are public lots and 30 are private, with a total of 75 accessible spaces dispersed throughout the Downtown. The City parking lots comply with or exceed current standards for the number of accessible spaces. Some of the older, private parking lots do not in that they were constructed prior to accessibility requirements. The non-conforming lots are the older smaller lots that mainly front onto side streets and are dispersed throughout the Downtown. However, the total number of accessible parking spaces compared to the total supply of parking presents a net excess of 4 accessible parking spaces.

The State of California does not require on-street accessible parking spaces (See Figure 1-13) and currently there are two on-street accessible parking spaces within the Downtown. The City has shown an interest in increasing the number of accessible parking spaces or adding on-street accessible spaces along Monterey Road. Depending on the level of accessibility on-street parallel parking may require a full



Figure 1-13: On-street accessible parking spaces

redesign of the sidewalk and street to meet the required slope access to the sidewalk. The incorporation of permanent on-street parallel parking could be studied when the City revisits the Monterey Road lane reduction (one northbound lane and one southbound lane) between Main Avenue and Dunne Avenue. If there is a demand for accessible parking within the Downtown, there are other immediate options to consider, while studying permanent facilities. These include:

1. Temporary accessible parking (see Figure 1-14) for special events where the amount of the accessible parking spaces needed could exceed the ones available in all public and private parking lots; or
2. Provide accessible parking drop off location(s) immediately adjacent to Monterey Road which could serve as a dual purpose (valet opportunity) while keeping on-street parallel parking intact.

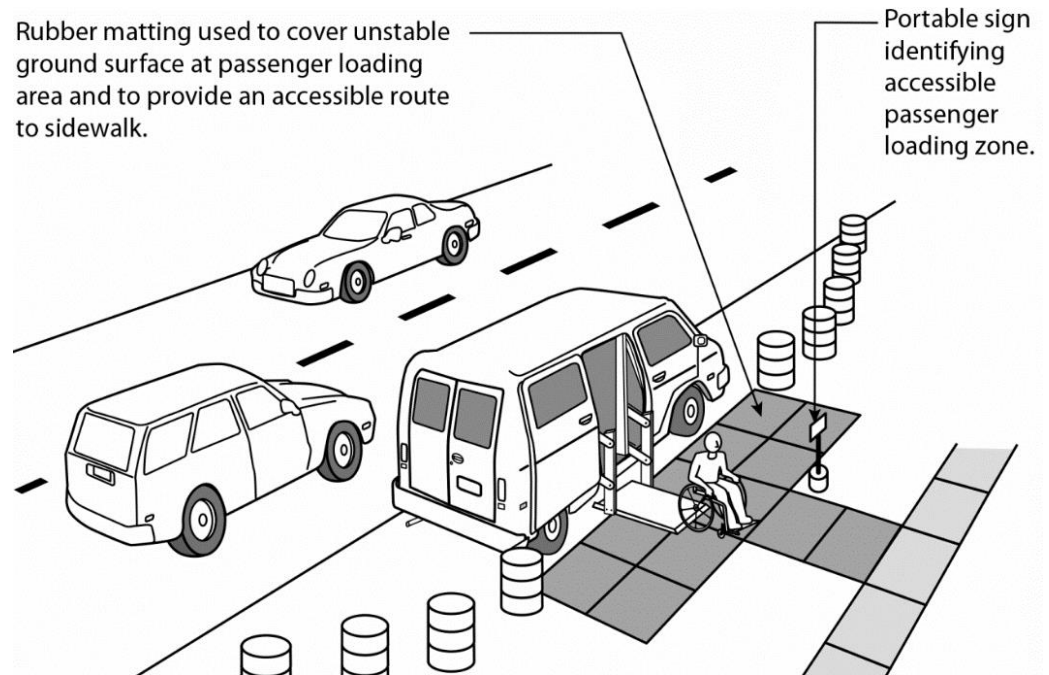


Figure 1-14: Illustration of temporary passenger loading zone (Source: ADA National Network, *A Planning Guide for Making Temporary Events Accessible to People With Disabilities*, 2015)

Parking Demand

Existing Parking Demand

Parking demand in Downtown Morgan Hill varies depending on time of day and day of the week with the peak demand occurring on Friday evenings. Based on the Hexagon study, on Friday evenings 39% of the spaces are occupied (66% of the on-street spaces and 33% of the off-street spaces, not including the parking structure⁸ or the County Courthouse lot). Parking areas are considered to be “full” when the parking occupancy reaches 85%, based on an industry-accepted rule-of-thumb. Therefore, even at peak times there is excess parking in the Downtown.

The 271-stall parking structure has a relatively low parking demand. Based on site visits conducted at 1:30 pm and 8:30 pm on a weekday in the Fall of 2016, only 30 to 45 vehicles were parked at the structure. The VTA lot has 465 spaces with 330 to 335 parked vehicles during the day and 33 to 45 parked vehicles during the evening on a weekday. The high weekday parking demand is due to its use as a park-and-ride lots for Caltrain, VTA and MST buses, and shuttles to private companies.

Conclusions

In general, parking demand in Downtown Morgan Hill is currently below the parking supply. Parking shortages can occur along Monterey Road and East and West Fifth Streets and in parking lots within close proximity to Monterey Road in-between Second and Third Streets (east and west) and the lot on West Fifth Street. During the Friday evening peak demand period, street parking that is “full” includes the west side of Monterey Road between Main Avenue and Fourth Street and both sides of Fifth Street west of Monterey Road. The lots that are full during this time period are Lots 7, 10/10A, 11, 16/16A, 17, 19, 21, 26, 27 and 28.

If the Transit Center VTA lot is redeveloped for other purposes then parking, the 330 to 335 parked vehicles during the day would be displaced throughout the surrounding neighborhoods and within downtown. In addition, this would put the percentage of occupied parking within Downtown over 85%. Keeping the VTA park and ride lot as the

⁸ The parking structure was not yet open during the surveys.

intended use is critical to support the future growth of the Transit Center and the success of Morgan Hill Downtown,

Future Parking Demand

Hexagon Transportation Consultants considered the added parking demand based on development applications on file with the City at the time of the parking study. Those developments included Barley Place (16 dwelling units, 2,500 square feet (sf) of retail space, and 3,500 sf of restaurant space), Monterey and Third (12,000 sf of retail space), Granada Hotel (17,000 sf of market and restaurant space, a 60-room hotel with 200-person capacity event space, and remodeled Granada theater with 290 seats), and Depot Station (28 townhomes and 5,500 sf of commercial space). More recent developments include Edes Gallery and Restaurant (10,000 sf of art gallery, wine bar and restaurant space), Sunsweet with 83 apartments, 6,800 sf of retail space, and 1,200 sf of office space), 4th Street Wine Bar (3,500 sf of restaurant space and 7,800 sf patio/bocce courts in Phase 2). The parking supplies provided by these developments are included in Table 1-2. Their parking demands were estimated as part of this plan.

Some of these developments will accommodate their parking demands by the parking spaces that they are providing, and others will employ onsite as well as valet parking services. Some of the developments are exempt from providing parking on-site and others will not be providing sufficient parking to accommodate their peak demands⁹. Table F-2 in Appendix 1-F presents the number parking spaces provided by each development, the peak parking demand generated by each development during the peak parking period - Friday evenings, and the projected increase in demand for public spaces which is 248 spaces.

Conclusions

According to the 2016 Hexagon Study, the peak parking demand for publicly owned spaces is 781 spaces with 648 in the Downtown Core. As a result of new development, the demand in the core is projected to increase to 896 spaces. There are 1,199 public spaces so the peak occupancy on Friday evenings is projected to be 75% when there is an event at the Granada Hotel. The occupancy rate is much lower when spaces in the VTA and Courthouse lots are included. Therefore, there will be a sufficient amount of parking in the Downtown

⁹ Developments using public parking include Leal Vineyard, Depot Station, Sunsweet, Monterey and Third, 4th Street Wine Bar, Barley Place, and Edes Gallery.

after the completion of the future development projects identified above. See the Recommended Improvements chapter for future parking solutions once the Downtown achieves an 85% or higher parking occupancy rate.

Parking Enforcement

As Downtown continues to grow, the amount of readily available parking will decrease, and to help patrons, visitors, and residents find the available parking spaces, it is important to have a parking strategy. A good parking strategy should encourage parking turnover and get the right people in the right parking spaces. For example, the two-hour parking zones have been created to ensure there are available parking spaces throughout the day for visitors and patrons along the main street of Downtown (primarily located on Monterey Road between Main Avenue and Third Street). The on-street parking demand in the two-hour spaces show these spaces to be fully occupied during the peak hours of the day. Enforcing the time limits would free up these spaces and redirect patrons, business owners, and employees planning to stay longer than a quick two-hour trip to park within the public parking lots.

Another parking strategy is to work with the downtown businesses and owners to identify logical unified valet parking stations. This would allow patrons visiting any business the opportunity to drop their vehicle off at one location, and pick their car up at any of the valet stations downtown. This option could go one step further and offer free valet parking for downtown employees to help free up parking spaces in prime downtown locations.

Parking Toolbox

Recommendations to alleviate locational parking shortages from the 2016 Hexagon study and other parking management tools are:

- Conducting a marketing campaign to advertise locations of available parking, such as the parking garage
- Monitoring the parking supply and demand on a regular basis by conducting studies to assess changes in parking characteristics
- Introducing resident parking permits may alleviate some parking needs for downtown residents on residential side streets

- Encouraging residents to use their off-street parking spaces/garages for vehicle parking, and not for other types of storage, by organizing neighborhood clean-out days with free hauling service
- Enforcing existing time limits along two-hour parking zones
- Expanding the area of the two-hour parking zone south along Monterey Road to ensure that the prime parking spaces are not used by employees or other long-term parkers
- Installing parking meters on downtown streets to encourage more turnover as well as serve as enforcement for time limits. Money collected from the meters could go into a parking benefit district.
- Increasing or removing the parking time limits in the parking garage to encourage long-term parking to be located there
- Creating private-public partnerships to allow public parking in private lots during weekday evenings, on weekends, and during special events
- Working with property owners to improve the lighting and pavement conditions of private parking lots
- Working with private property owners and business to identify appropriate locations for a unified valet parking system
- Coordinating with businesses and designating appropriate dual valet and accessible parking drop-off areas on public streets for businesses that offer these services
- Working with private property owners to bring non-conforming parking lots into compliance with accessible parking spaces when lots redeveloped or building permits are required for improvements
- Improving parking wayfinding signage and installing signs (at facility entrances or at gateways to the Downtown) that indicate the number of available spaces in large public parking facilities
- Reinstating an in-lieu fee for all types of new development or creating a parking benefit district for all redevelopment within Downtown as a funding program for future public parking facilities. Refer to Recommended Improvements Chapter of this Plan.
- Creating a Parking Benefits District (PBD) which would ensure all revenue generated by parking meters, residential parking permits, or new development

will be used directly for improvements to the Downtown PDA future parking needs

- Identifying locations for new public parking lots or structures to increase the supply when demand exceeds the practical capacity (85 percent of supply). Refer to Recommended Improvements Chapter of this Plan

Car Share and Autonomous Vehicles

Car Share

Car share is a model of car rental where people rent cars for short periods of time, often by the hour. They are attractive to customers who make only occasional use of a vehicle, such as those who commute to work by transit, as well as others who would like occasional access to a vehicle of a different type than they use day-to-day (e.g. a pick-up truck for moving a large piece of furniture). While there are no car sharing companies currently serving Morgan Hill, other parts of Santa Clara County and much of the Bay Area are served by Zipcar, and Oakland and San Francisco are served by Getaround. The factors that can make a particular location attractive to a car sharing company include proximity to public transit and other alternative transportation modes, high population/housing density, low automobile ownership, an affluent population, difficult parking, a mix of land uses, and a local partner/champion(s), such as government, transit agency, property owners, or developers. In the future, more of these factors may be present in Morgan Hill and create greater opportunities for car sharing. This could reduce the need for privately-owned vehicles and reduce the number of parking spaces needed to store them.

Autonomous Vehicles

Many companies are currently developing automated and autonomous vehicle technologies. Initial technologies include automatic braking, collision avoidance, and driver assisted parking with the goal of ultimately creating fully autonomous or driverless vehicles. The use of autonomous vehicles is likely to increase in future decades, after this technology has matured and is in more widespread use, and liability and security issues have been satisfactorily addressed. Autonomous vehicles have the potential to facilitate or improve business models of mobility as a service, including carsharing, e-hailing, ride hailing services, real-time ridesharing, etc. all contributing to reduce the need for private car ownership.

One of the biggest anticipated effects of autonomous vehicles will be reduced parking demand and therefore the need for fewer parking spaces, as the vehicles will be on the roadway system constantly moving passengers or goods instead of being parked. Therefore, the need for future parking supplies should be monitored to understand how autonomous vehicles affect parking demand and new parking facilities should be designed as flexible spaces to accommodate other uses when not needed for parking vehicles.

Roadways

This section describes major roadways in the Station Area, a typology for the streets in the area, operating conditions of key roadway segments and intersections, traffic calming devices and wayfinding, and planned improvements. The roadway locations are shown on

Figure 1-21.

Roadway Descriptions



Figure 1-15: Monterey Road

Monterey Road, the main boulevard through Downtown Morgan Hill, is a four-lane, divided arterial roadway with separate left-turn lanes at intersections and on-street parking. (See Figure 1-15.) The speed limit on Monterey Road is 25 miles per hour (mph) between Main Avenue and Dunne Avenue in Downtown and 35 mph outside of the Downtown.



Figure 1-16: Main Avenue

Main Avenue is a two-lane roadway that extends east from Dewitt Avenue at the west end to Hill Road on the east side of the city and forms the northern boundary of the Downtown area. (See Figure 1-16.) The roadway is posted at 30 mph. Left-turn pockets are provided only at its intersection with Depot Street in the Downtown.



Figure 1-17: Dunne Avenue

Dunne Avenue, east of Monterey Road, is a four-lane, divided arterial that extends eastward from this intersection, through a partial-cloverleaf interchange at U.S. Highway 101, and up into the eastern foothills. (See Figure 1-17.) Dunne Avenue, west of Monterey Road, narrows to a two-lane, undivided roadway and extends westward past the intersection of Peak Avenue and up into the western foothills. The roadway is posted at 35 mph and is signalized at intersections with major cross streets. Dunne Avenue forms the southern boundary of the Downtown area.



Figure 1-18: Butterfield Boulevard

Butterfield Boulevard is a four-lane, divided arterial that extends northward from South Monterey Road at Watsonville Road to Cochrane Road and acts as a downtown bypass route for north-south through traffic. (See Figure 1-18.) Butterfield Boulevard forms the eastern boundary of the Downtown area and is a primary north-south roadway within the city. The street is posted at 45 mph and includes signalized intersections at major cross streets. Left-turn pockets

are provided at its intersection with Main Avenue. Butterfield Boulevard also provides access to VTA's park-and-ride lot at the Morgan Hill Transit Center.

Depot Street is a two-lane, north-south roadway east of Monterey Road that extends south from Main Avenue to Dunne Avenue. The roadway is posted at 30 mph. Stop signs are provided along Depot Street at its intersection with Third Street, Main Avenue, and Dunne Avenue. It has sidewalks and bike lanes along most of its length.



Figure 1-19: Del Monte Avenue

Del Monte Avenue is a two-lane, north-south discontinuous roadway west of Monterey Road. It forms the western boundary of the Downtown area. (See Figure 1-19.)

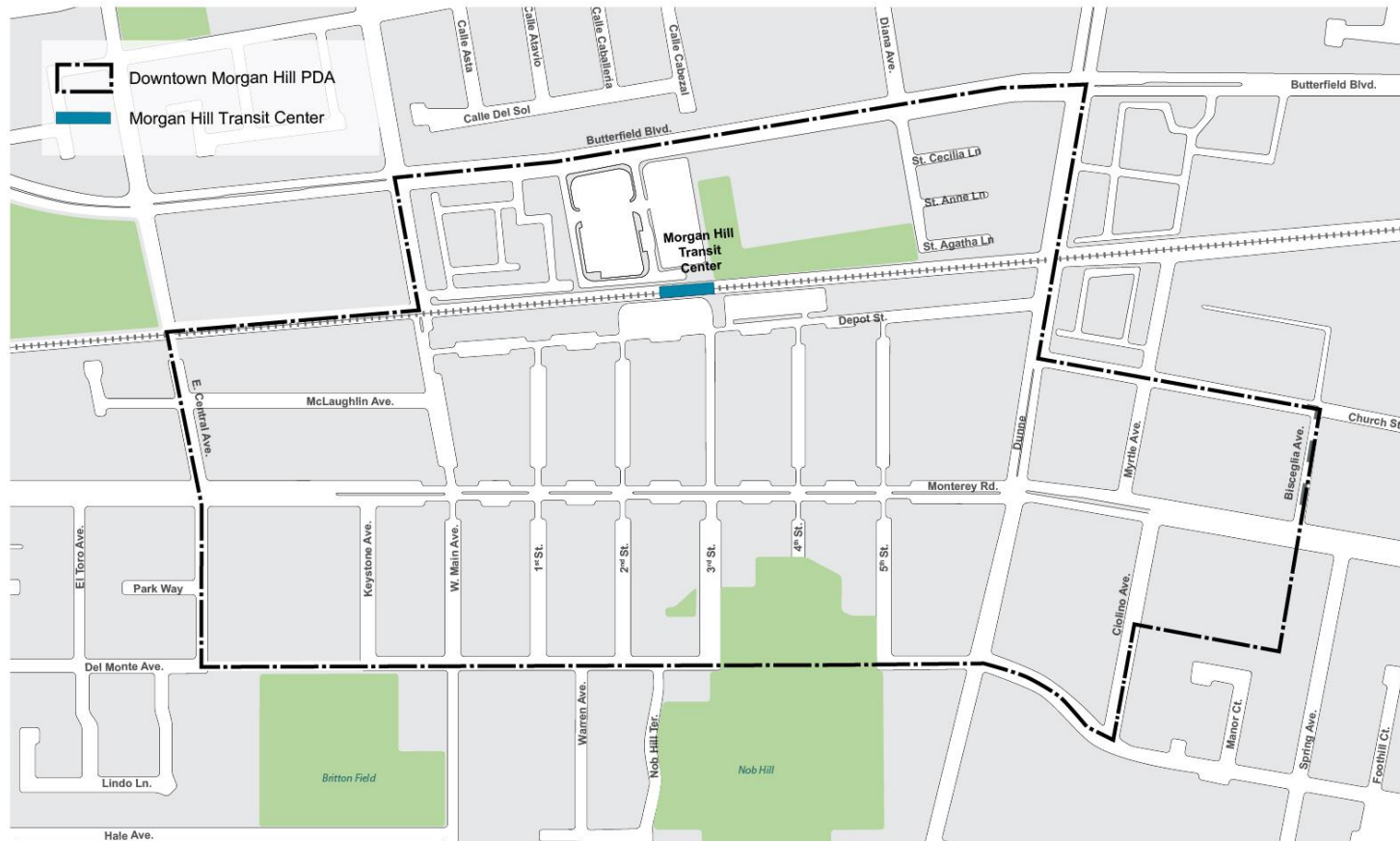


Figure 1-20: Third Street

Third Street is a two-lane, east-west roadway south of Second Street. (See Figure 1-20.) This street extends east from Del Monte Avenue to Monterey Road and continues east to Depot Street, where access to the Morgan Hill Transit Center and Depot Street parking area is provided. The segment between Monterey Road and Depot Street is designed as a shared use street with wide sidewalks to support pedestrian travel and narrow lanes to slow vehicle traffic. The intersection of Third

Street and Monterey Road has a center landscaped median preventing eastbound and westbound through traffic. There is a one-lane bridge over West Little Llagas Creek between Monterey Road and Del Monte Avenue.

Figure 1-21: Existing Roadway System



Existing Roadway System

City of Morgan Hill



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Street Typology

In order to link the multi-modal street design recommendations and suggested considerations for further improvements included in Chapters 2 and 3 with all streets located in the Station Area, this Plan categorizes the area's streets into the following four street types: Downtown Boulevard, Local Street, Arterial Street, and Transit Connector, as shown on

Figure 1-23.

Each of these street types includes areas on either side of the roadway that are designed to accommodate the travel of pedestrians to and from the Transit Center and between the many destinations in the Downtown, including to and from existing parking facilities. In addition to walking, the pedestrian realm accommodates other pedestrian-related activities and streetscape elements, such as café and other seating, window shopping along retail frontages, bicycle parking, wayfinding signage, and street trees and landscaped planter strips that buffer pedestrians on sidewalks from moving traffic. While Chapter 2 focuses in greater detail on improvements in the pedestrian realm, Chapter 1 includes typical cross sections for each street type that, among accommodations made for other modes, indicate the space available for further pedestrian realm improvements along Downtown streets. The cross sections distinguish between different areas within the pedestrian realm, including the Frontage Area, Through Area, Furnishing Area, and the sidewalk-adjacent Buffer Area (see Chapter 2 for a more detailed description of each of these pedestrian realm areas).

Downtown Boulevard – Monterey Road between Main and Dunne Avenues is the main business corridor in Downtown and a primary pedestrian route. The abutting commercial land uses, 12-foot wide sidewalks, landscaped median, and abundant street furniture create a pedestrian-friendly main street or boulevard ambiance unique to Downtown. (See Figure 1-24 for the existing cross-section.) In the future, the City of Morgan Hill may consider converting the outside vehicle lanes into buffered bike lanes to achieve consistency with the Bikeways, Trails, Parks and Recreation Master Plan. The cross-section of this alternative is shown on Figure 1-25.

Local Street – First, Second, Fourth, and Fifth Streets are two-lane roadways with residential and small business frontages. They primarily provide access to their adjacent land uses for vehicles, bicyclists, and pedestrians alike. (See Figure 1-26.)

Arterial Street – Dunne Avenue, Main Avenue, and Butterfield Boulevard as well as the portions of Monterey Road beyond Main and Dunne Avenues, are wider streets with faster moving traffic that border on and lead to the Downtown area. Their purpose is to accommodate vehicle traffic between the Downtown and other sections of Morgan Hill. Pedestrian and bicycle rider comfort and safety along these arterials mainly depends on the buffer that is provided between bicycle lanes and sidewalks and fast-moving vehicle traffic in the travel lanes. (See Figure 1-27.)

Transit Connector – Third Street and Depot Street are downtown-serving streets. Both have a unique configuration and function distinct from other street types in the Station Area. Third Street is configured as a “Shared Street”¹⁰ and serves as the main pedestrian connection between the Morgan Hill Transit Center and Downtown. (See Figure 1-22.) It is also recognized as a pedestrian priority street given its unique curb-less right-of-way.



Figure 1-22: Shared Street between Morgan Hill Transit Center and Downtown. Source: Google Streetview

Depot Street provides direct access to the Morgan Hill Transit Center by connecting Main Avenue to Dunne Avenue. While the street provides vehicle access to the parking lots and drop off area at the Transit Center, it is also a major pedestrian transit access corridor throughout most of its length, with sidewalks and curb bulbouts at intersections that shorten pedestrian crossing distances. In addition, Depot Street has bike lanes throughout

¹⁰ A Shared Street is a street where the boundaries between people walking, cycling, and driving are eased or eliminated, resulting in a slower and otherwise less vehicle-dominated environment that is more engaging and active with street life. Shared streets typically have no curbs and are a single horizontal surface, sometimes using textured and colored paving, landscape, benches, light poles, and other street furniture to indicate where different users have preference.

most of its length creating a north-south bicycle facility in the Downtown. The cross-section is shown on Figure 1-28.

An alternative cross-section that increases the number of on-street parking spaces is shown on Figure 1-29. The drawback of this configuration is that vehicular and bicycle traffic is restricted to one direction. Since there is no parallel roadway to accommodate the other direction, bicycle and vehicular circulation and access would be reduced. Implementing this alternative cross section would require further study of Depot Street's role and design as a major, downtown-serving transit access street (Transit Connector).

[illegible]

Figure 1-24: Downtown Boulevard Street – Typical Section (Example One)

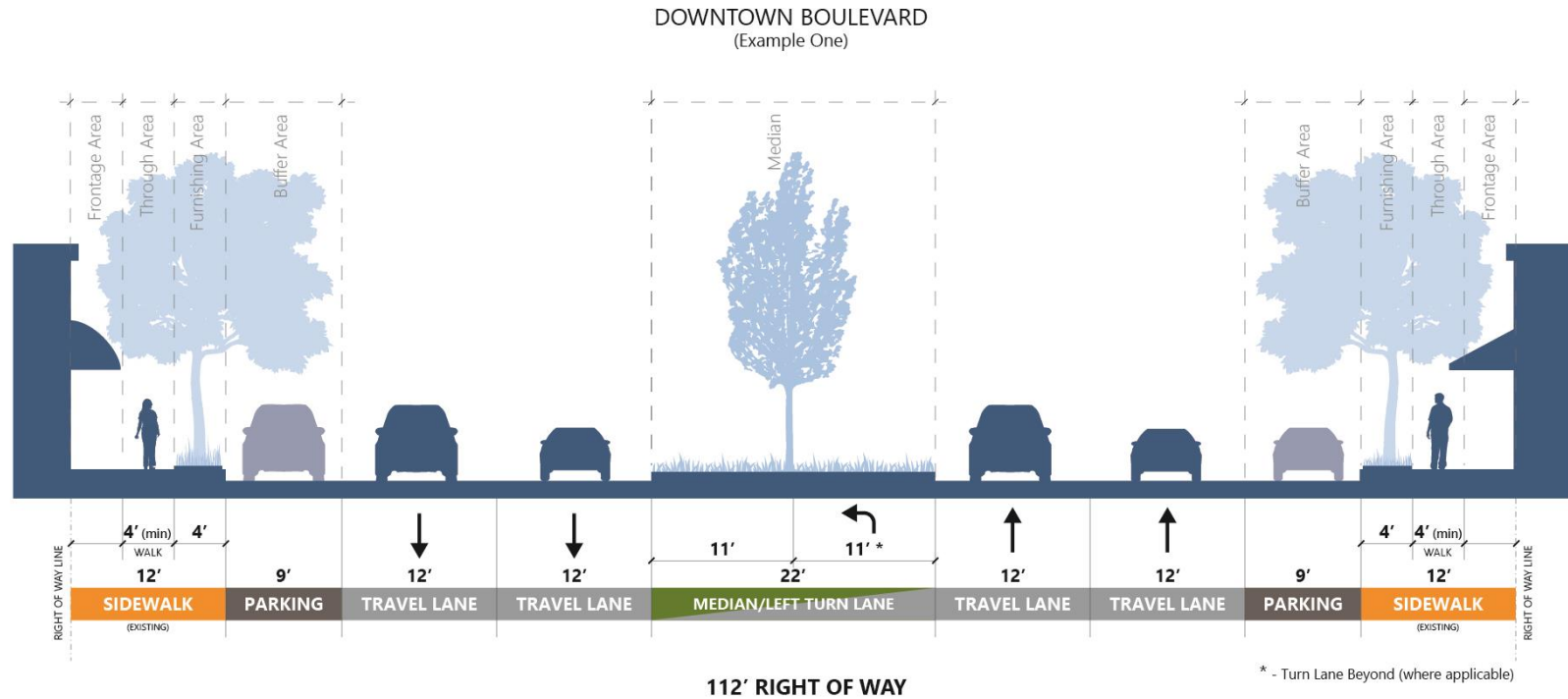


Figure 1-25: Downtown Boulevard Street – Typical Section (Example Two)

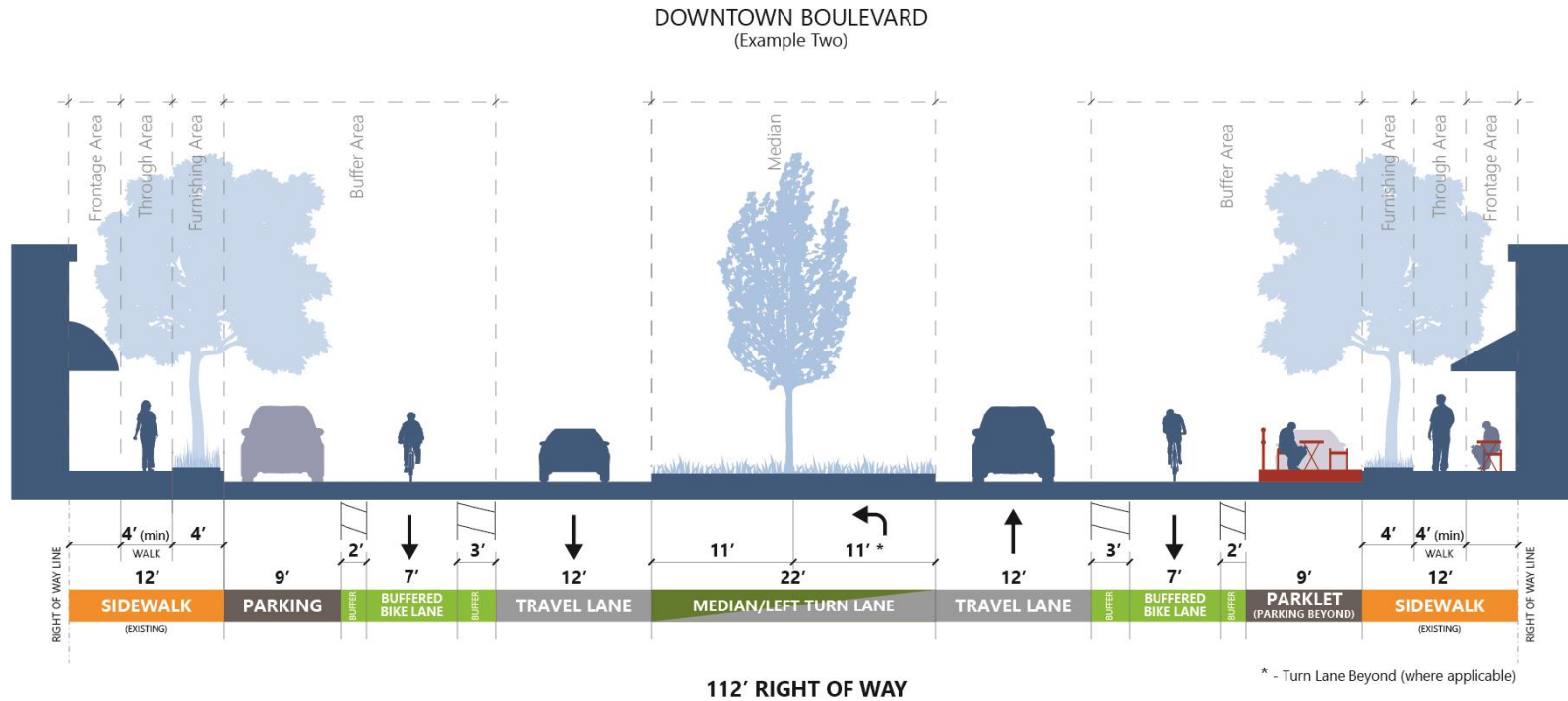


Figure 1-26: Local Street – Typical Section

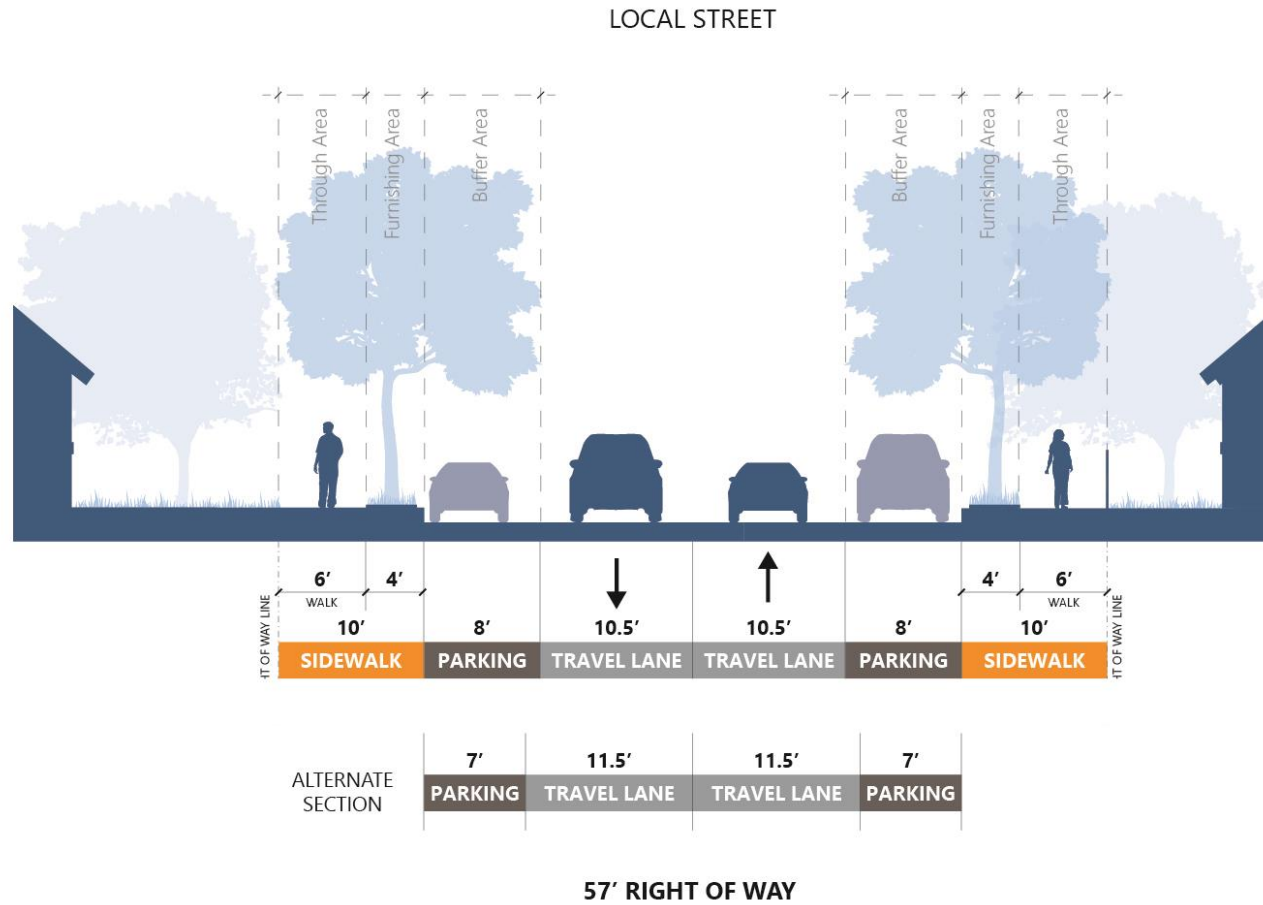


Figure 1-27: Arterial Street – Typical Section

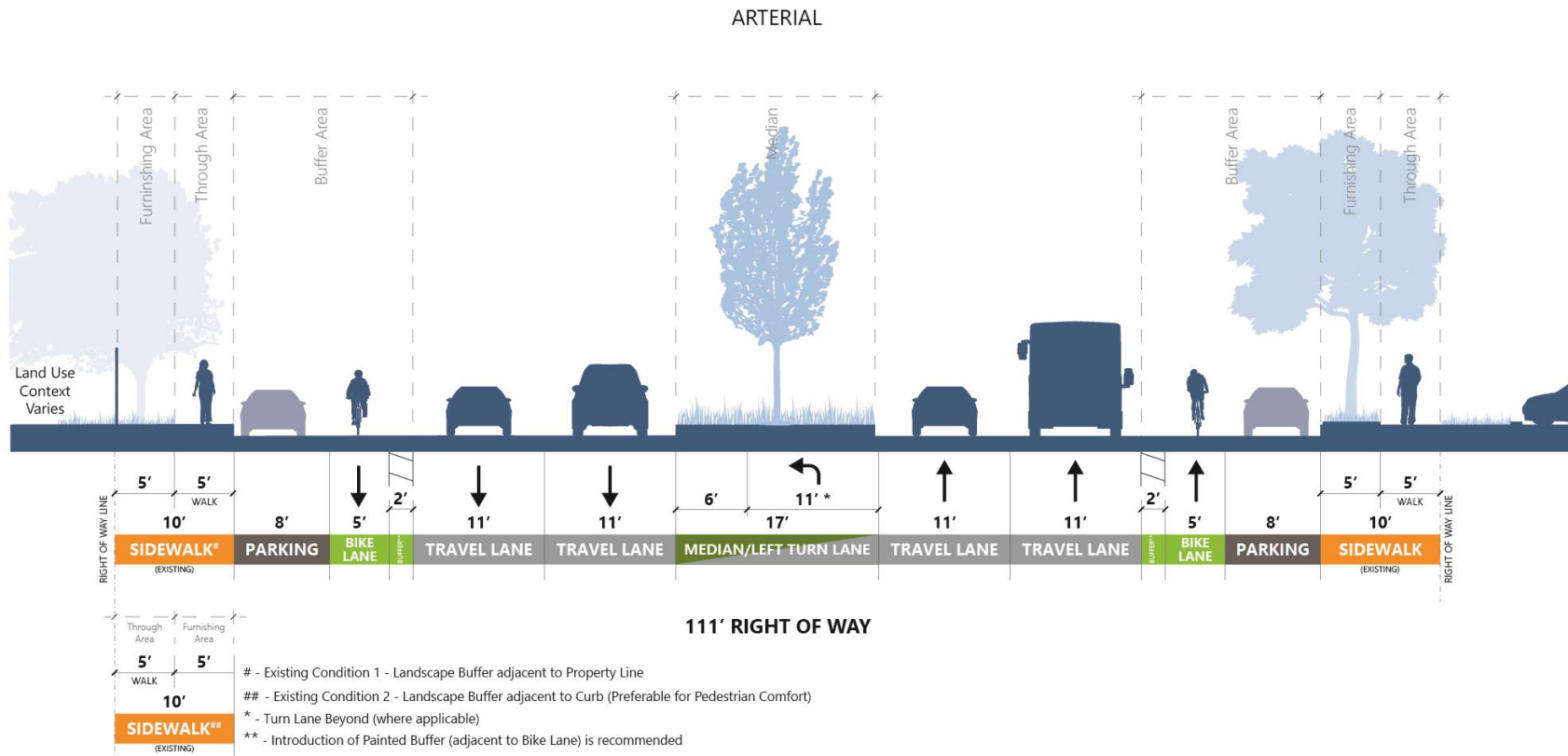


Figure 1-28: Transit Connector Street – Typical Section

TRANSIT CONNECTOR (Depot Street - Example One)

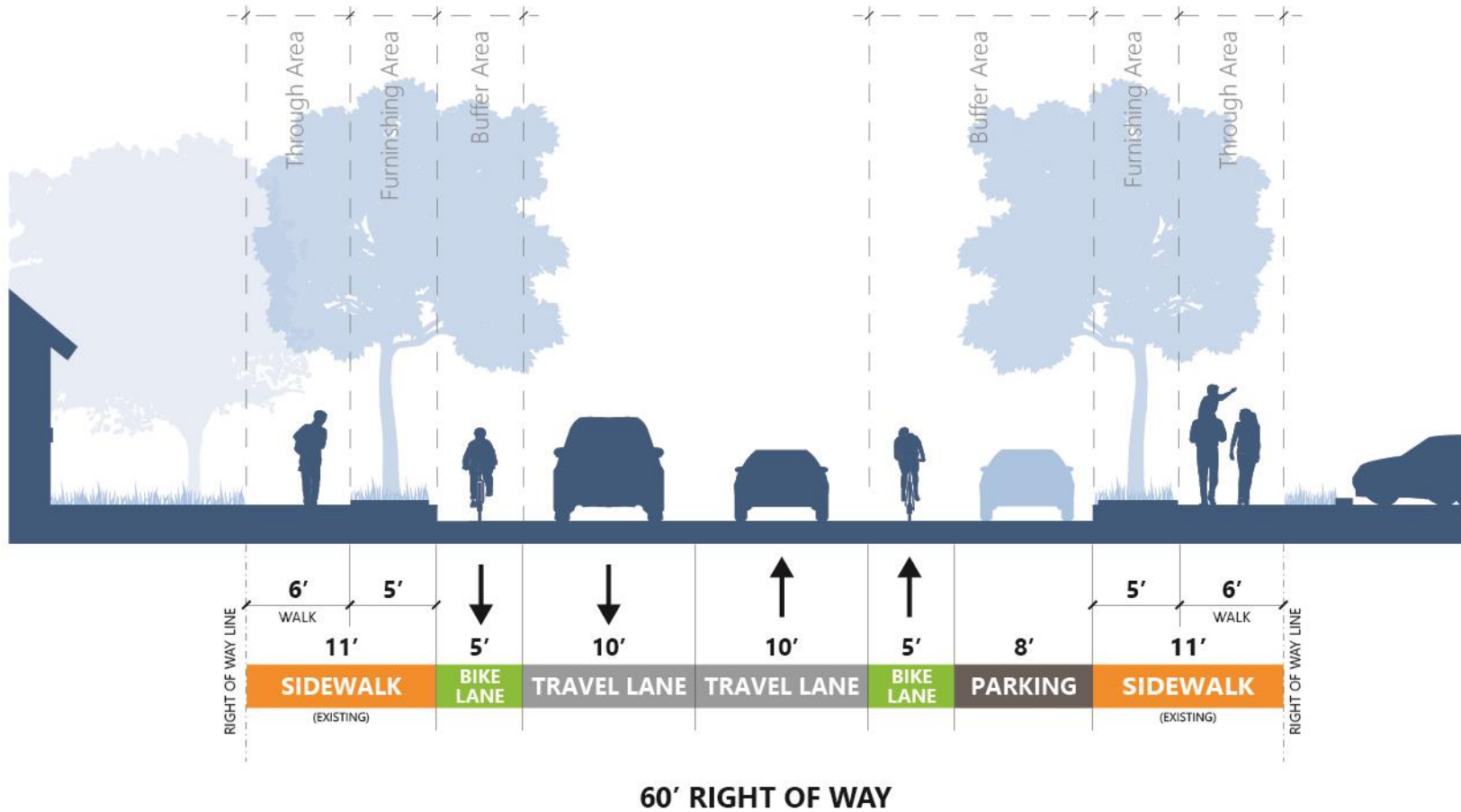
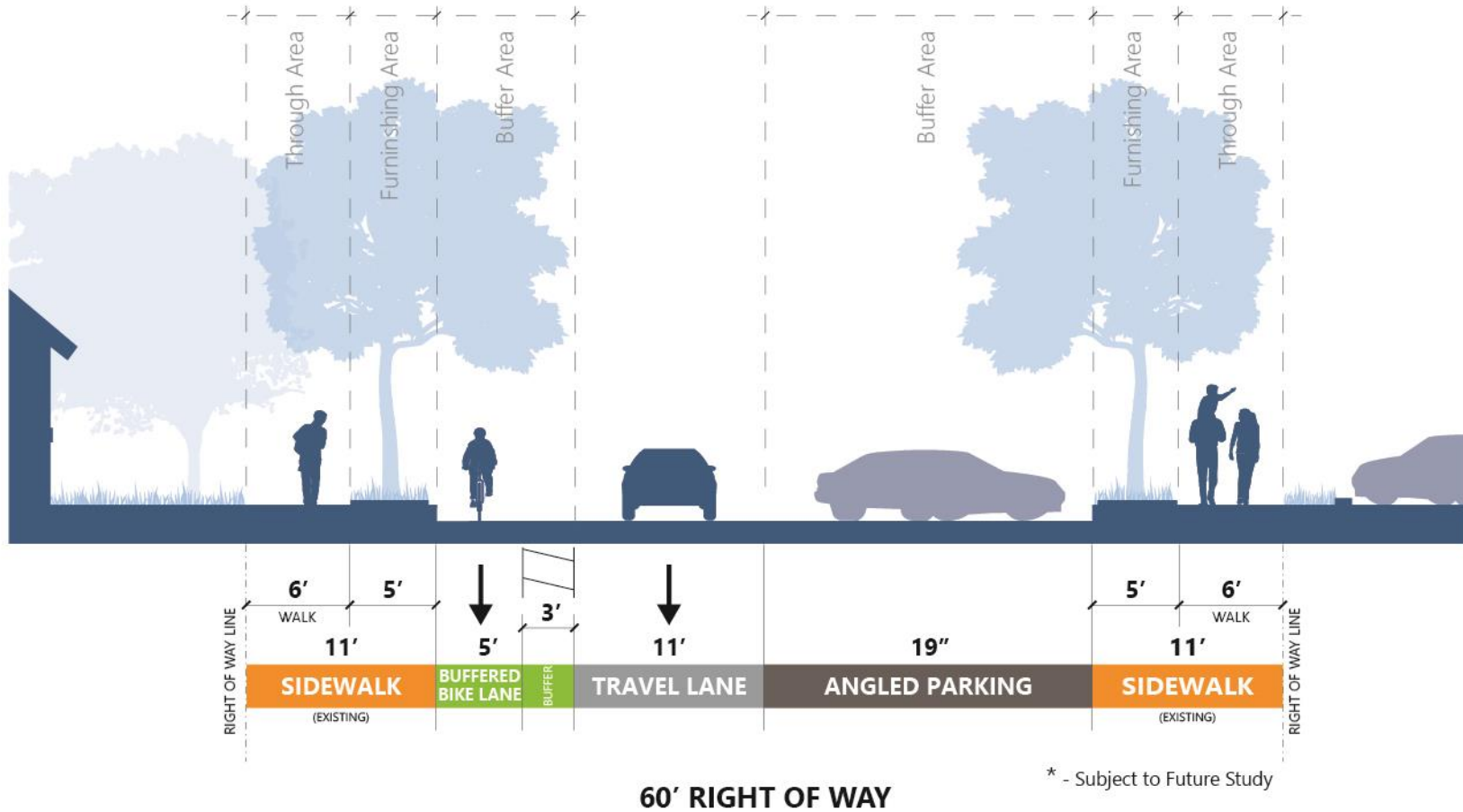


Figure 1-29: Transit Connector Street – Typical Section (One-Way Alternative)

TRANSIT CONNECTOR
(Depot Street - Example Two*)



Signals

Traffic and pedestrian signals are provided at the intersections of Monterey Road with Main Avenue, Second Street, and Dunne Avenue. Controlled pedestrian crossings are provided at these locations. New traffic signals will be installed at the intersection of Monterey Road and Fourth Street in late Summer / early Fall of 2017. The signal will provide controlled pedestrian crossing of Monterey Road near the parking structure enhancing its accessibility.

Traffic Volumes and Roadway Operations

The following table (Table 1-3) presents the existing and projected future daily two-way roadway segment traffic volumes and levels of service (LOS) for roadways in the Station Area from the DEIR for City's 2035 General Plan. LOS is a qualitative description of roadway operations with LOS A representing conditions with little to no congestion and LOS F representing conditions where the roadway is over capacity for several hours of the day. These roadways are operating at LOS C (which represents a sufficient operating level) and LOS D (which represents stable operations).

Table 1-3: Existing and Projected Future (2035) Roadway Segment Daily Volumes and Levels of Service					
Roadway Segment	Roadway Type	Existing		Future (2035)	
		ADT	LOS	ADT	LOS
Monterey Road between Third and Fourth Streets	4-lane divided arterial	11,800	C	13,500	C
Butterfield Boulevard between Main and Diane Avenues	4-lane divided arterial	21,700	D	26,900	D
Dunne Avenue between Depot Street and Butterfield Boulevard	4-lane divided arterial	18,800	C	19,800	D

Intersection Operations

The following table (Table 1-4) presents the existing and future intersection levels of service for the AM and PM peak commute hours from the General Plan FEIR. (Intersection LOS descriptions are included in Appendix 1-G.) Main Avenue and Monterey Road is the most congested intersection in the Station Area; most intersections are operating at sufficient

levels (LOS A, B, C, or D). Under 2035 conditions, the Main Avenue and Monterey Road intersection is projected to operate at LOS F during the AM peak hour representing overcapacity conditions. The stop-sign controlled approach on Fifth Street at its intersection with Monterey Road is also projected to operate at LOS F. The LOS standard for these intersections, and other intersections on Monterey Road between Main Avenue and Fifth Street and on Depot Street between First Street and Fifth Street, is LOS F. The LOS standard for the intersections of Main Avenue and Depot Street, Dunne Avenue and Monterey Road, Dunne Avenue and Church Street, and Dunne Avenue and Depot Street is LOS E. LOS E and F standards represent the City's recognition of the congested operations occurring during peak commute periods in lieu of roadway widenings or other intersection improvements. This has been balanced with the fact that this may have negative impacts to pedestrians and the goal of creating a pedestrian-friendly environment. However, the planned expansion of the City's north/south roadway network with construction of Hale Avenue is expected to alleviate some of the through traffic currently traveling on Monterey through downtown and improve the LOS at these intersections. Other intersections in the Station Area have a LOS D operating standard.

Table 1-4: Existing and Projected Future (2035) Intersection Peak Hour Levels of Service

Intersection Name	Traffic Control	Peak Hour	Existing		Future (2035)	
			Delay	LOS	Delay	LOS
Main Ave and Del Monte St	Side-Street Stop	AM	14	B	15	B
		PM	20	C	20	C
Main Ave and Monterey Rd	Signal	AM	24	C	97	F
		PM	42	D	50	D
Main Ave and Depot St	Side-Street Stop	AM	13	B	20	C
		PM	16	C	22	C
Main Ave and Butterfield Blvd	Signal	AM	24	C	27	C
		PM	30	C	37	D
First St and Monterey Rd	Side-Street Stop	AM	11	B	12	B
		PM	15	B	11	B
Second St and Monterey Rd	Signal	AM	11	B	11	B
		PM	13	B	14	B
Third St and Monterey Rd	Side-Street Stop	AM	12	B	11	B
		PM	17	C	12	B
Fourth St and Monterey Rd	Side-Street Stop	AM	17	C	15	C
		PM	17	C	25	D
Fifth St and Monterey Rd	Side-Street Stop	AM	18	C	48	E
		PM	33	D	68	F

Table 1-4: Existing and Projected Future (2035) Intersection Peak Hour Levels of Service

Intersection Name	Traffic Control	Peak Hour	Existing		Future (2035)	
			Delay	LOS	Delay	LOS
Dunne Ave and Del Monte St	Side-Street Stop	AM	13	B	32	D
		PM	16	C	28	D
Dunne Ave and Monterey Rd	Signal	AM	24	C	26	C
		PM	33	C	38	D
Dunne Ave and Church St	Signal	AM	17	B	18	B
		PM	19	B	19	B
Dunne Ave and Depot St	Side-Street Stop	AM	10	A	closed	closed
		PM	12	B	closed	closed
Dunne Ave and Butterfield Blvd	Signal	AM	33	C	36	D
		PM	32	C	34	C

Traffic Calming and Wayfinding

The City of Morgan Hill has implemented several design treatments and policies to encourage traffic to move at a slow speed and to enhance the overall walkability and pedestrian environment in the Downtown. These measures include:

- Installing gateway signage or artwork for Downtown with directional signage to help divert through traffic to Butterfield Boulevard as a bypass
- Setting the speed limit on Monterey Road to 25 mph
- Constructing raised medians on Monterey Road
- Installing curb extensions at intersections along Monterey Road and Depot Street
- Installing decorative pavement at crosswalks on Monterey Road and Depot Street
- Adding Yield to Pedestrian signs and Pedestrian Crossing signs
- Installing speed cushions on Monterey Road
- Creating narrow vehicle lanes on Third Street and Monterey Road

Collisions

Collision data for the Downtown area was obtained from the City of Morgan Hill for the time period from January 2013 through July 2016. An analysis of this data is presented in Appendix 1-H. There were four collisions involving pedestrians (one of them was a

pedestrian/bicycle collision) and one collision with a vehicle and a bicycle in the 3½ year period. The location with the highest number of collisions is the intersection of Monterey Road and Third Street, including a pedestrian-involved collision that was a fatality. The City installed in-pavement flashers to alert drivers of crossing pedestrians at this location.

Planned Improvements

The planned roadway improvements in the Downtown area are shown on Figure 1-30. The Circulation Element of the City of Morgan Hill's General Plan designates Main Avenue as a two-lane roadway with the segment between Depot Street and Butterfield Boulevard planned for four lanes under the city's planned 2035 improvements. The right-of-way is available. Another General Plan improvement includes widening Dunne Avenue to four lanes between Monterey Road and Del Monte Avenue.

Hale Avenue, one block away from Downtown, is planned for an extension to connect to Dewitt Avenue to provide a west-side bypass to Monterey Road. It is currently being designed and the next phase will be right-of-way acquisition.

The 2035 General Plan Transportation Element proposes Depot Street be realigned to connect to Church Street to the south. This could be done in conjunction with development on the Hale Lumber Yard site.

New traffic signals will be installed at the intersection of Monterey Road and Fourth Street in in late Summer / early Fall of 2017.

VTAs Valley Transportation Plan (VTP) 2040 has two freeway/roadway projects that will affect the Station Area:

- New Express Lanes on U.S. Highway 101 between Cochrane Road and SR 25 (Projects H8, H9, and H10)
- Extension of Hale Avenue improvements from Main Avenue to DeWitt Avenue to include two vehicle lanes, bicycle lanes, sidewalks, and signal upgrades (Project R10)

Figure 1-30: Planned Roadway Improvements



Planned Roadway Improvements

City of Morgan Hill



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Roadway System Gaps

The gaps in the roadway system include the two-lane segment of Main Avenue east of Monterey Road where four are planned, the off-set intersections of Depot Street and Church Street with Dunne Avenue, and the extension of Hale Avenue to Dewitt Avenue.

The current design of Depot Street does not accommodate all users or allow it to function as a downtown-serving Transit Connector. The street has offset intersections at Church Street and Dunne Avenue, with parallel parking on alternating sides, and undersized bicycle lanes denoted with a single stripe. Depot Street should be studied for possible improvements as a complete street, emphasizing its importance of the multi-modal connector through Downtown. The study should include the realignment of Depot Street at the Church Street and Dunne Avenue intersections, bicycle lane connections and widths, landscaped walkways, appropriate vehicular lane widths, and an enhanced multi-modal intersection at Main Avenue. Since the amount of vehicle parking on Depot Street is a concern, the possibility of a one-way road with angled parking could be considered. (See Figure 1-29.)

Roadway Toolbox

Tools to improve the roadway system are:

- Building planned improvements such as the extension of Hale Avenue to Dewitt Avenue that will provide another bypass route for Monterey Road.
- Working with the VTA to expedite construction of the Express lanes on U.S. Highway 101 to alleviate through traffic on Monterey Road.
- Reconsidering the road diet on Monterey Road between Main Avenue and Dunne Avenue once the Hale Avenue extension is constructed.
- Optimizing traffic signal timing.
- Reducing traffic demand through transportation demand management (TDM) measures and programs.
- Studying Depot Street as a complete street, emphasizing the importance of the multi-modal connector through Downtown.

Pedestrian Facilities

The Station Area is very walkable (see Figure 1-31) because it is flat terrain and contains numerous pedestrian facilities. The various types of pedestrian facilities include sidewalks, shared use paths, curb ramps, crosswalks, curb extensions, and pedestrian signals at signalized intersections.

Sidewalks

Most of the streets in the Station Area have continuous sidewalks on both sides of the street. On-street parking shields pedestrians on the sidewalks from moving vehicles in the streets. The wide sidewalks on Monterey Road accommodate larger pedestrian volumes generated by the adjoining stores and restaurants and provide space for outdoor seating. The segment of Third Street between Monterey Road and Depot Street is designed as a shared use street with wide sidewalks to support pedestrian travel and narrow lanes to slow vehicle traffic. Sidewalk gaps only exist on the east side of Depot Street between Fifth Street and Dunne Avenue, on the hilly portions of Del Monte Avenue between Second and Third Streets, and on Third Street west of West Little Llagas Creek. The Depot Street gap may be closed with the future redevelopment of the lumber yard site. Some portions of the sidewalk on the south side of Main Avenue near the railroad tracks are unfinished and the gaps are closed with asphalt paths.



Figure 1-31: Sidewalks in the Morgan Hill Station Area

Crosswalks

Crosswalks are available at all intersections in the Downtown area and at most intersections in the Morgan Hill PDA. The unique pavement design of the crosswalk on Monterey Road at Dunne Avenue (see Figure 1-32) acts as a gateway to the Downtown.

Crosswalks are missing on at least one of the legs for the following intersections: McLaughlin Avenue and Main Avenue, Depot Street and Main Avenue, Second Street and Del Monte Avenue, Bisceglia Avenue and Monterey Road, and Ciolino Avenue and Monterey Road.

Crosswalks at the unsignalized intersection of Monterey Road and Third Street are created with brick pavers. (See Figure 1-33.) The City installed in-pavement flashers on Third Street that will be pedestrian activated to notify drivers of crossing pedestrians. After they are installed, the city will review their effectiveness and determine whether they should be installed at other locations in the Downtown (for example at First Street and Fifth Street) or whether other measures and crossing devices would be more appropriate.



Figure 1-32: Crosswalk with a unique pavement design at Monterey Road and Dunne Avenue



Figure 1-33: Crosswalk with brick pavers and in-pavement flashers installed at unsignalized intersections

Curb Extensions

All intersections along Monterey Road and Depot Street between Main Avenue and Fifth Street provide curb extensions. (See Figure 1-34.) Benefits of curb extensions include shortened pedestrian crossings and traffic speed reductions.



Figure 1-34: Curb Extensions along Monterey Road between Main Avenue and Fifth Street

Planned Improvements

In addition to the in-pavement flashers, other planned improvements are new traffic signals at the intersection of Monterey Road and Fourth Street, including pedestrian signals, and two paths or trails. The "Hill Top Trail" will be a pedestrian trail connecting Third Street to Fifth Street at Del Monte Avenue. This planned trail will provide a walking/running path near the Downtown area. A shared-use trail is planned for West Little Llagas Creek extending from its current terminus at Spring Avenue north to the intersection of Main Avenue and Hale Avenue. There are right-of-way constraints for this path and no funding has yet been identified, therefore, this is a far-term project.

Pedestrian Toolbox

The streetscape toolbox includes features that create a safe and comfortable pedestrian environment. Other pedestrian tools include:

- Closing sidewalk gaps
- Enhancing unsignalized crossings with a combination of the following treatments:
 - Pedestrian refuge islands
 - Staggered pedestrian refuge islands
 - Advanced limit lines
 - High-visibility crosswalk striping
 - Pedestrian crossing signs
 - Lighted treatments such as in pavement flashers
- Enhancing signalized crossings with:
 - Further increased crossing times
 - Pedestrian scramble phases
 - Curb extensions
 - Advanced limit lines
 - High-visibility crosswalk striping

Bicycle Network

Bicycle facilities (see Figure 1-35) in the Downtown area comprise bicycle lanes, bicycle routes, and shared use paths. Under California Law, bicyclists are allowed to use all roadways unless posted otherwise. Therefore, all roadways in the Station Area are open for cycling.

Existing Bicycle Facilities

A shared use path is provided along Butterfield Boulevard. Bicycle lanes are provided on Main Avenue (not continuous), Dunne Avenue, Butterfield Boulevard, Depot Street, and Monterey Road north and south of the Downtown area.

Monterey Road between Dunne Avenue and Main Avenue is designated as a bicycle route to connect the discontinuous bicycle lane segments. Green-backed shared-use arrows (“sharrows”) have been added along Monterey Road to raise drivers’ awareness to share the roadway with cyclists. Other gaps in the bicycle lane network occur on eastbound Main Avenue between Monterey Road and Depot Street, and at the approaches to the intersections of Monterey Road and Main Avenue and at Monterey Road and Dunne Avenue.

In several locations, bike lanes are denoted with a single stripe creating a wide outside lane that is also used for parallel parking. Without a second stripe denoting the space for the bicycle lane, vehicles at times park away from the curb and encroach into the bicycle lane. Or for example, on Depot Street, the bicycle lane and parallel parking area is denoted with

Figure 1-35: Bicycle facilities in Downtown area

a single stripe; however, if a car is parked near the curb, there is only two to three feet available for the bicycle lane. A bicycle lane should have a minimum width of five feet.



Planned Improvements

The City of Morgan Hill Bikeways Master Plan Update was prepared in 2008. It identified planned shared-use paths, bicycle lanes, bicycle routes, and bicycle routes with shoulder striping to improve the bicycle network. Planned facilities in and near the Downtown area include:

- Shared-use path along West Little Llagas Creek south from Del Monte Avenue¹¹
- Bicycle lanes on Main Avenue east of Butterfield Boulevard
- Bicycle route on Church Street
- Bicycle boulevard on Diana Avenue

The City recently updated and combined the bikeways and trails plan to be the new Bikeways, Trails, Parks, and Recreation Master Plan. The plan was adopted in July 19, 2017. Other potential improvements include:

- A shared use path on the eastside of the Caltrain tracks between Diana Avenue and the station
- Buffered bicycle lanes on Monterey Road
- Buffered bicycle lanes on Main Avenue and Dunne Avenue

¹¹ Valley Transportation Plan 2040 (VTP 2040), the Long Range Transportation Plan for Santa Clara County prepared by the Valley Transportation Authority includes a shared-use path along West Little Llagas Creek between Main Avenue and Spring Avenue as Project B88.

- Multi-modal intersection improvements at Butterfield Boulevard/Main Avenue, Butterfield Boulevard/Dunne Avenue, Monterey Road/Main Avenue, Monterey Road/Dunne Avenue, and Hale Avenue/Main Avenue

Valley Transportation Plan 2040 includes adding bicycle lanes on Main Avenue between Butterfield Boulevard to Condit Road, just outside of the Station Area (Project B86). The existing and planned bicycle facilities are shown on Figure 1-36.

Bicycle Toolbox

Bicycle tools primarily include closing gaps in the bicycle system and upgrading bicycle facilities where feasible:

- Continually updating the City's bicycle master plan to incorporate best practices and to be eligible for grant funding
- As part of the Depot Street Study, plan for appropriate bicycle lane widths
- Using best practices regarding bicycle lane striping on intersection approaches
- Adding a second stripe to existing bicycle lanes to better delineate space for cyclists, possibly during roadway repaving projects
- Adding planned bicycle lanes
- Constructing planned shared-use paths
- Adding buffered bicycle lanes to Monterey Road between Main Avenue and Dunne Avenue as part of a road diet
- Adding bicycle racks throughout the Downtown to support cycling as an access mode for business customers
- Adding bicycle lockers at strategic locations throughout the Downtown to support cycling as an access mode for employees
- Ensuring signalized intersections have bicycle detection
- Adding bicycle sharing, a form of bicycle rental with a fleet of shared bicycles in pods at key locations in the city (e.g., Transit Center, Community and Cultural Center, City Hall, Community Recreation Center, etc.)

Figure 1-36: Map of Existing and Planned Bicycle Facilities



Existing and Planned Bicycle Facilities

City of Morgan Hill



2. STREETSCAPES AND PLACEMAKING

The City of Morgan Hill has made many investments in its Downtown and continues to make improvements aimed at making Downtown “the most walkable, bike-friendly, urban, family-oriented, and transit oriented neighborhood in Morgan Hill.” The City’s placemaking strategy meets established goals for the Downtown and creates an inviting, interesting, active, and



Figure 2-1: Example of an enhanced crosswalk in a walkable, urban, family-oriented environment

unique place for Morgan Hill residents and visitors. The strategy includes new Downtown park spaces and trails, a variety of public art and placemaking amenities, the undergrounding of overhead wires along the side streets, new street lights, enhanced pedestrian crossings on Monterey Road, Main Avenue, and Dunne Avenue, beautification improvements to the Monterey Road median, and sidewalk repairs.

The first section of this chapter highlights past and current achievements of the Downtown Placemaking Strategy, which includes advancements in the areas of public open space, complete streets, and public art. With these ongoing programs and strategies in mind, the second half of the chapter presents a framework for organizing and locating future streetscape and other public realm improvements within the public right of way of the Downtown’s streets. This framework informed the street section examples provided in Chapter 2.

Downtown Placemaking Strategy

In 2014, the City Council approved a Downtown Placemaking Strategy, which included funds for art, lights, features, and wayfinding to enhance public spaces. The strategy provided direction for the investment of former Redevelopment Agency bond proceeds in the Downtown area and identified public works parks and utility improvements intended to set a framework to help transform Downtown into an interesting, vital, prosperous, and sustainable destination. These included the construction of the new parking structure and

plaza with a robust art component, undergrounding of electrical lines, upgrades to some sewer and water facilities, and the creation of three parks, and other streetscape improvements, such as in-pavement flashers at crosswalks, new traffic signals at the intersection of Monterey Road and Fourth Street that include pedestrian signals, and improved street lighting at all intersections.

Open Space

The Placemaking Strategy includes three new park areas. The first Downtown Creek Park, will be located on the City-owned open space off West Third Street, on the west side of Monterey Road. The second Nob Hill Trail Park, will be located on the hilltop between West Third Street and West Fifth Street at Del Monte Avenue. The third, Railroad Park, will be on the east side of the Monterey Road, utilizing a portion of the parking adjacent to the railroad tracks on Depot Street, at East Third Street, next to the train station. Creation of the park areas on opposite sides of the Downtown reinforces the east-west spine that will inspire the active village envisioned in the Specific Plan and encourage visitors to travel to and through the Downtown when visiting the park spaces. The Downtown parks and trails were designed through a single process that will incorporate multiple elements between these locations. While passive park elements were discussed during the planning process, many active park features have been included that encourage people to visit and move to and around the Downtown.

The “Nob Hill Trail Park” includes a pedestrian trail connecting West Third Street to West Fifth Street at Del Monte Avenue. This planned trail will provide a walking/running path near the Downtown area. A shared-use trail is planned to be included with the proposed Hale Avenue Extension project between Spring Avenue and the intersection of West Main Avenue and Hale Avenue. This project is proposed to be completed by 2017.

Pop-Up Park

As part of the Placemaking Strategy, in May 2015 a temporary pop-up park was created on a future development site on



Figure 2-2: Temporary “pop-up park” on Monterey Road near Third Street

Monterey Road near Third Street. (See Figure 2-2.) The temporary “pop-up park” was intended to create a family gathering space and showcase many of the mini-grant art projects. The park was covered in green AstroTurf surrounded by a low wall on which children and adults could make drawings or leave messages in chalk. It included foam construction toys for children to play, as well as several chairs and artistic benches artistically made of former propane tanks. A large mural on the wall of the liquor store building showed the vibrant bicycle spirit of Morgan Hill. A larger-than-life ceramic sculpture of grapes and a bottle of vino on the wall revealed the wine-making heritage of the South Valley. For fun photo ops, the park contained a huge Adirondack chair that make people posing on it seem tiny. A bike hub provided a hydration station and fix-it station.

As the site became ready for development, the Downtown Pop-up Park relocated on June 10, 2016. The new location at the intersection of Second Street and Monterey Road is also a future development site. (See Figure 2-3.) Located one block away from the first Pop-up Park, this new, temporary pop-up park incorporates all the attractions from the first pop-up park, including the propane tank



Figure 2-3: Relocated “pop-up park” at Second Street and Monterey Road

benches, tables and chairs, and the giant Adirondack chair, as well as additional amenities. The Pop-up Park is a fun family gathering space, including bike racks, a park area with turf, mature orchard trees in giant planters, evening lighting, a kids’ corner with multiple chalk boards, an urban kids’ library and a donated baby grand piano hand-painted by a local artist. Many of the elements of this temporary park were donated and will be reused in future parks and plazas in Downtown.

Complete Streets Pilot Project

In response to the community’s request for a less noisy, safer, more bike and pedestrian friendly Downtown, in 2014 the City Council authorized a six-month pilot complete street program for Monterey Road. The consultant, Alta Planning + Design, worked with the City, hosted meetings with the stakeholders and implemented a “tactical urbanism

demonstration" (consisting of a weekend trial of two alternative street configurations) to develop a recommendation on a pilot program to test road narrowing through the Downtown as a traffic calming measure. The Council approved the pilot program in the context of complete streets, without limiting the program to a lane reduction.

From February to August 2015, Monterey Road was narrowed from Main Avenue to Dunne Avenue to one lane in each direction. To re-purpose the number two lane, a buffered bicycle lane was created. (See Figure 2-4.) This change to Monterey Road was implemented to determine whether a lane reduction would:



Figure 2-4: Monterey Road narrowed to one lane in each direction. The second lane is repurposed as a buffered bicycle lane

- Improve livability and economic vitality
- Enhance pedestrian environment
- Safely accommodate bicyclists
- Reduce noise and air pollution
- Create an attractive, thriving and vibrant community gathering place
- Foster a safe and inviting experience for all
- Preserve mobility for those accessing businesses, schools, services, transit and other key destinations.

A mid-pilot comparison in May 2015 revealed no safety concerns or hazards resulting from the Complete Street pilot program. All safety performance measures, such as emergency response time, motor vehicle speed, reported safety concerns, and the number of collisions decreased or witnessed little to no change. The average number of bicyclists along Monterey Road increased by 116% during the first half of the pilot. The number of bicyclists under 18 riding through Downtown increased by 16%, and among that group, the number riding their bicycles on the sidewalk decreased by 37%. Between the pre-pilot and the mid-

pilot data collection periods, the volume of motor vehicles on Monterey Road decreased by 14%, while the volume of motor vehicles on Butterfield Boulevard increased by 9%. Parallel routes to Monterey Road also experienced relatively small increases in motor vehicle volumes, most significantly Wright Avenue, but the volumes remain below each roadway's carrying capacity.

On Wednesday, August 5, 2015 a full report was provided to the City Council on the Complete Street Pilot project. Approximately 45 community members and business owners spoke both for and against the pilot configuration. Although the pilot program had shown successful results in making Downtown the most walkable, bike-friendly, urban, family-oriented, and transit oriented neighborhood in Morgan Hill, after significant conversation and deliberation, the City Council decided to return to four lanes on Monterey Road (two lanes in each direction) and expressed interest to return to the issue of potential lane reductions on Monterey Road after the construction of the Hale Road connection has been completed. Furthermore, at this time, the City Council asked Staff to implement further traffic calming measures in the Downtown, including:

- Reduce the width of the travel lane to reduce the driver field of view and reduce speeding;
- Study signal timing at the intersection of Monterey Road and Main Avenue and potential conversion of the outside westbound travel lane to a shared through/right-turn lane and evaluating northbound and southbound left-turn movement operations;
- Add advance yield bars, green pavement markings, rectangular rapid flashing beacons, decorated crosswalks, and other safety enhancements;
- Add bicycle racks and bicycle corrals in Downtown, particularly along Monterey Road and Third Street;
- Explore other improvements to signal timing at key intersections to improve flow of traffic;
- Continue to monitor business health through State Department of Revenue Quarterly Sales Tax Receipt Data;
- Direct staff to continue to pursue funding opportunities, including grants, for the construction of Hale Avenue;

- Direct staff to develop and implement a strategy to increase the State Transportation Improvement Program priority of funding for the widening of Interstate 101;
- Return roadway back to the enhanced four lane configuration; and,
- Other potential measures to help slow down traffic, and allow bikes and pedestrians to co-exist with vehicles in the Downtown.

Enhanced Crosswalks

Crosswalks are available at all intersections in the Downtown area and at most intersections in the larger Morgan Hill PDA (See Chapter 2.) The unique pavement design of the crosswalk on Monterey Road at Dunne Avenue acts as a gateway to the Downtown. (See Figure 2-6.)

Crosswalks at the unsignalized intersection of Monterey Road and Third Street are created with brick pavers. (See Figure 2-5.)



Figure 2-6: Crosswalk with a unique pavement design at Monterey Road and Dunne Avenue

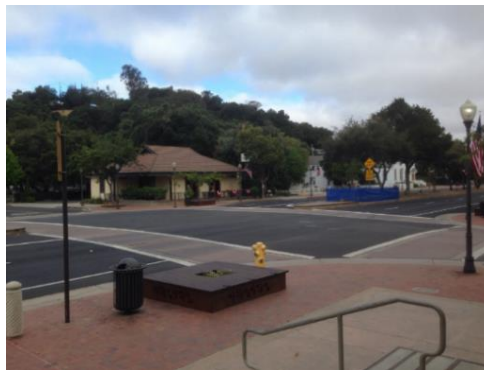


Figure 2-5: Crosswalk with brick pavers and in-pavement flashers installed at unsignalized intersections

Public Art

Public Art has played an instrumental role in shaping Morgan Hill. Throughout the community there are unique art pieces and sculptures that are embedded in the City's rich quality of life. From the "Waiting for the Train," "Liberty," and "Story Time" sculptures and murals, along with the "Sister City Treasures" collection, public art has helped define Morgan Hill's sense of place as it celebrates the City's history.

The 2009 Downtown Specific Plan, aimed to make Downtown "a place where residents from all segments of the community can live, work, meet, shop, dine participate in public

celebrations and share in the richness of Morgan Hill's community life." The Downtown Specific Plan recommended the implementation of a Public Art Program to encourage public art throughout the Downtown area.

A Creative Placemaking Symposium was held on September 19, 2014 in which over 200 community residents participated in a conversation regarding the streetscape projects, efforts and strategies to make Downtown a more vibrant destination. Furthermore, a Creative Placemaking Mini Grant Program produced temporary and permanent art projects to enhance Downtown with visual art, landscape, design and other placemaking projects. Twelve art and placemaking projects were approved by the City Council on January 21, 2015 and many of them were installed in 2015.

Gateway Art Project

The gateway art project in the front of the Community and Cultural Center, a gateway to Downtown, was a collaborative effort between the City of Morgan Hill, the El Toro Cultural and Arts Committee, the Morgan Hill Library, and the Library Culture and Arts Commission. An active community engagement process involved the community and invited feedback early in the process.

The jury selected artist Blessing Hancock from Tucson, Arizona to develop the gateway art project. (See Figure 2-7.) The artist created an illuminated sculpture entitled "Encompass" to serve as an icon for the City and highlight the community's interest in sports, recreation and cycling. The frame is made of painted stainless-steel tubing while the infill is made of painted, recycled or new bicycle wheels.



Figure 2-7: "Encompass" – Gateway art project by artist Blessing Hancock

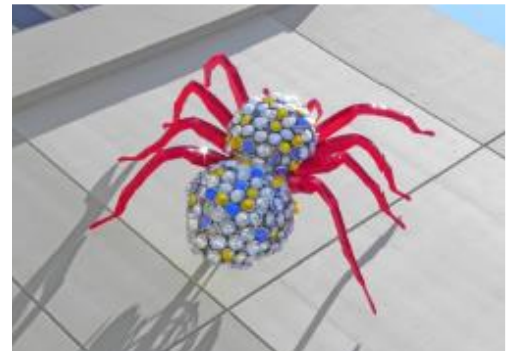


Figure 2-8: "Tarantula" by Gordon Huether at the City's new parking garage

Tarantula Sculpture at New Parking Garage

For the City's new parking structure, in 2015 artist Gordon Huether created a sculpture called "Tarantula". (See Figure 2-8.) The annual migration of tarantulas, which are native to this area of Santa Clara County, is celebrated in Morgan Hill at Henry Coe State Park each October with the 'Tarantula Festival'. Huether's installation subverts the tarantula's fearsome presence by reimagining it as an amusing, three-dimensional arachnid crawling up the façade of the Parking Structure's Fourth Street entrance. The installation is composed of hundreds of LED charged vintage automobile headlights for the spider's body and is adjoined by eight vibrantly red powder-coated steel outstretched legs.

Utility Box Art Project

Utility box art programs have expanded in recent years across many cities in the United States. These programs have enabled cities to use the blank slates that traffic utility boxes offer to increase public art, deter graffiti, and encourage local artists and residents to contribute to the beautification of their cities.

As part of the Placemaking Strategy, the Morgan Hill Economic Development Team initiated a pilot utility box art program in 2016. The City of Morgan Hill currently has over forty traffic utility boxes, with three located within Downtown along Monterey Road between Main Avenue and East Dunne Avenue, and a fourth signalized intersection planned at the intersection of Monterey Road and Fourth Street.

When the Downtown Pop-up Park was relocated from Monterey Road and Third Street to its present location at Monterey Road and Second Street, a local artist was commissioned to paint the traffic utility box on the nearby sidewalk to increase public artwork and beautify the streetscape. The result was an ornate-style cat painting that added a unique art piece to the public art portfolio. The City's LCAC will be advancing the Utility Box Art throughout the Downtown and City with the anticipation for the project to be a multi-year community project.

Pedestrian Realm Design Areas

The pedestrian realm is the portion of a street where people walk, occupy public space, and interact with adjacent businesses. Particularly in a pedestrian-oriented downtown, different portions of the street and sidewalk serve different functions and need to be designed with those functions in mind. The pedestrian realm falls within the public right-of-way and can be understood as ‘slices’ or sections of a sidewalk, extending from the front property line to the curb and beyond. In keeping with their distinct functions, these pedestrian realm areas may include different elements of street furniture or other amenities. For the purpose of the Pedestrian Realm Improvements Toolkit discussed below, the following areas are distinguished

Frontage Area

The Frontage Area is the space between the property line and the edge of the Pedestrian Through Area. (See Figure 2-9.) On streets with first floor retail or commercial uses fronting onto the sidewalk, this area may include the display of merchandise, café or other seating provided by adjacent businesses, and shop displays. Another function of the Frontage Area is to accommodate pedestrians’ keeping a “shy distance” from adjacent building façades, and the space needed to enter and exit through building doors. Frontage areas on commercial streets are typically 1 to 3 feet wide with 3 feet being the minimum needed to

accommodate café seating with a small table and two chairs oriented parallel to the building façade. The Downtown Specific Plan design guidelines require barriers if sidewalk dining spaces next to buildings are more than 3 feet wide (DG-Q3.) Along non-commercial,

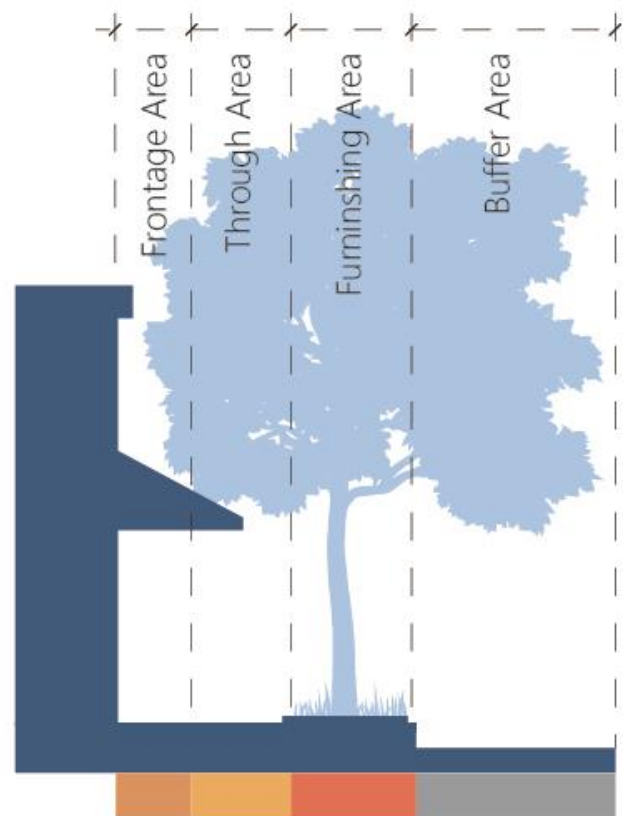


Figure 2-9: Pedestrian realm design areas

residential streets, these frontage functions are typically minimal or occur on adjacent private properties. The latter allows for the edge of the Pedestrian Through Zone (See below) to be located directly adjacent to the property line and, for example, a landscaped front yard or building setback.

Pedestrian Through Area

The Pedestrian Through Area (Through Area) is the space designated for pedestrian travel along the street. It is typically 5 or more feet wide, with a minimum width of 4 feet as per the California Building Code's Title 24 requirements for sidewalks in California and the Morgan Hill's Public Works Department preference for 5 feet clear. This space should be clear of obstructions and barriers to insure the necessary space for pedestrian traffic and wheelchair travel. Along streets where pedestrian traffic is heavier, the Through Area will be wider, whereas streets with few pedestrians may have narrower Through Areas down to the minimums discussed above.

Furnishing Area

The Furnishing Area is the space near the curb designated for pedestrian realm amenities, which may include street trees and other landscaping, café and other seating, wayfinding signage, and light fixtures, and other potential amenities. The Downtown Specific Plan design guidelines specify that fixtures and street furniture in this area must be between 1 and 3 feet from the face of curb (DG-R1.) For streets with a greater amount of traffic, particularly along major commercial streets, the Furnishing Area amenities will vary more as they accommodate and complement a diverse range of adjacent uses and user needs. Lastly, the Furnishing Area represents a significant opportunity for placemaking along a corridor when coordinated and "branded" appropriately. For example, the use of a carefully selected range of color- and style-coordinated furnishings and signage can create a strong sense of place for a corridor, corridor segment or entire district.

Buffer Area

The Buffer Area is the space between the curb and the vehicle travel-way. In the Downtown area, this space is typically used for on-street parking spaces. In some locations, the Buffer Area may include bicycle lanes outside of the parking lane or bicycle lanes protected by the parking lane. While traditionally the Buffer Area is considered a portion of the travel-way, the space within the buffer area occupied by parking, where appropriate, can also

serve as an opportunity for pedestrian realm improvements, such as parklets. (See Figures on Page 2-25.)

Pedestrian Realm Improvements Toolkit

The goal of this Pedestrian Realm Improvement Toolkit is to produce a memorable and attractive public realm in the Downtown area that provides consistency, complements the surrounding built environment, and encourages connectivity throughout the area. The City may employ different combinations of tools along various corridors in the Downtown area based on their respective street typology to accomplish this goal (See Chapter 2 for street typology examples.)

The following sections are organized by pedestrian realm area (i.e. Frontage, Furnishing and Buffer areas) and each include descriptions for specific improvements applicable within those areas. The descriptions are accompanied by tables that organize the relationship between the toolkit improvements by street typology. In general, many of the Toolkit improvements apply to several street typologies; however, their application and purpose will vary.

Toolkit for Frontage Area Improvements

The Frontage Area is located within the first three feet or so from the property line or building face. For retail and commercial uses, activities and elements located in this area may include the display of merchandise, seating, shop displays, and potted landscaping. Café Seating is an example of a great tool to utilize within this area. (See Figure 2-10.)

Tool: Café Seating

Many restaurants in Downtown Morgan Hill have café seating on the adjacent sidewalks, particularly along Monterey Road. (See Figure 2-11.) The Downtown Specific Plan encourages café seating on Monterey Road and Third Street, and on side streets where restaurants or similar uses are developed.



Figure 2-10: Café seating in frontage area

Café seating, whether located in the Frontage Area or, alternatively, in the Furnishing Areas, is intended to complement the adjacent business and provide additional seating in an outdoor environment. Similarly, café seating promotes pedestrian activity and drives business as it showcases activity otherwise hidden behind storefronts. It is critically important to maintain the minimum and desired width dimensions of the adjacent Through Area for pedestrians traveling along and past the seating area.



Figure 2-11: Example of café seating along Monterey Road with seating located in both the Frontage and Furnishing Areas

If space permits, café/restaurant seating should be prioritized to the Furnishing Area (described below) before placing café seating in the Frontage Area. The Downtown Specific Plan design guidelines require barriers if sidewalk dining spaces in the Frontage Area next to buildings are more than 3 feet deep (DG-Q3.)

Toolkit for Furnishing Area Improvements

The Furnishing Area, located between the Through Area and the curb, presents an ideal opportunity to work in tandem with adjacent buildings or landscaping on private property to spatially frame the pedestrian realm of the sidewalk and create a sense of place and community identity. The City of Morgan Hill has already made many Furnishing Area improvements to beautify Downtown streets, including “chandelier lights” and “twinkle lights” in and between street trees, as well as improvements to help visitors find their way, such as pedestrian wayfinding signage and directional signs to parking facilities. The following are a few tools to take into consideration when making further improvements within the Furnishing Area:

- A. Street Furniture Standards and Palette
- B. Wayfinding Signage
- C. Pedestrian Lighting

A. : Street Furniture Standards and Palette

The Downtown area has a variety of already established street furniture palettes that create a unique sense of place along each corridor in Downtown – particularly, Monterey Road, Third Street and Depot Street. Table 2-1 provides descriptions of the street furniture, light fixtures, and other features that are included in the different palettes for each of the streets.

The City may also wish to consider the following additional recommendations to improve visual cohesion and create a stronger Downtown identity.

- **Material Consistency** – Selecting street furniture with a coordinated color and materials scheme increases visual cohesion. Currently, benches throughout the Downtown use stone, wood, and metal in various ways. In order to increase visual cohesion between the two Transit Connector Streets – Third and Depot Streets, in the short term, the stone benches along Depot Street could be retrofitted with wood slats – made of a vandal resistant wood variety. If desired, in the long term, all benches could be replaced with a model that is made of a consistent material that is durable, attractive and can be maintained cost effectively.
- **Maintenance, cost and procurement** – Street furniture selection should consider ease of long-term maintenance and procurement costs. By maintaining a consistent color scheme and paint system across a range of furnishings within the same palette and consistency in the materials that are used, painted surfaces and broken parts can be more easily maintained or replaced. Finally, procuring and deploying a consistent set of street furniture along streets in the same typology category can result in cost savings due to quantity discounts.

Table 2-1: Street Furniture Palettes

	Monterey Road	Third Street	Depot Street	Main and Dunne Streets	Other Downtown Streets
Street Type	<i>Boulevard</i>	<i>Transit Connector</i>	<i>Transit Connector</i>	<i>Arterial</i>	<i>Local</i>
Benches	Traditional style, architectural bronze color, benches	Concrete blocks; natural, -carved wood benches; modern wood and metal benches	Concrete blocks	None	None
Streetlights	Traditional style, architectural bronze color, single acorn lights	Traditional-style, architectural bronze color, single acorn lights	Traditional-style, architectural bronze color, single acorn lights	Cobra heads	Cobra heads
Trash Receptacles	Circular, traditional-style, grey metal trash receptacles	Circular, modern metal trash receptacles	Square, tan concrete planters	None	None
Planters/ Landscape	Street trees with 1-foot high brick planters	Street trees with tree grates; bioretention planters with drought tolerant landscaping; corrugated metal and wood-framed, planters	Street trees with landscaping buffer	Street trees and intermittent grass buffer	Street trees and intermittent grass buffer
Other	Traditional metal bollards	Wood and metal-capped bollards	Traditional metal bollards		

B. : Wayfinding Signage

The City has installed vehicular wayfinding signs to identify nearby parking facilities. The City has also installed whimsical wayfinding signs showing directions and distances to local destinations.

Vehicular wayfinding - Now that the Third Street parking garage has been completed, providing an additional 271 parking spaces, the City is adding additional directional signs to identify all Downtown parking lots as drivers approach them, as shown at right. (See Figure 2-12.) Rather than directing visitors to the new parking structure as a first choice,

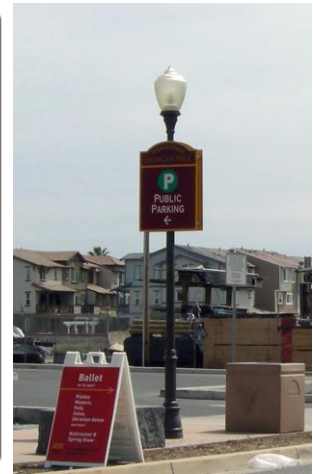


Figure 2-12: Vehicular Wayfinding Sign - Parking

each individual parking facility, large and small, with a consistent type of sign. Thus, visitors can look for parking in the lot that is closest to their destination, and then find their way to other nearby parking facilities if the nearest lot is full.

Pedestrian wayfinding – The City, with contribution of creative names for Downtown destinations generated by Morgan Hill's Youth Action Council (YAC), has designed and installed whimsical pedestrian wayfinding signs as shown in the photo on this page. (See Figure 2-13.)

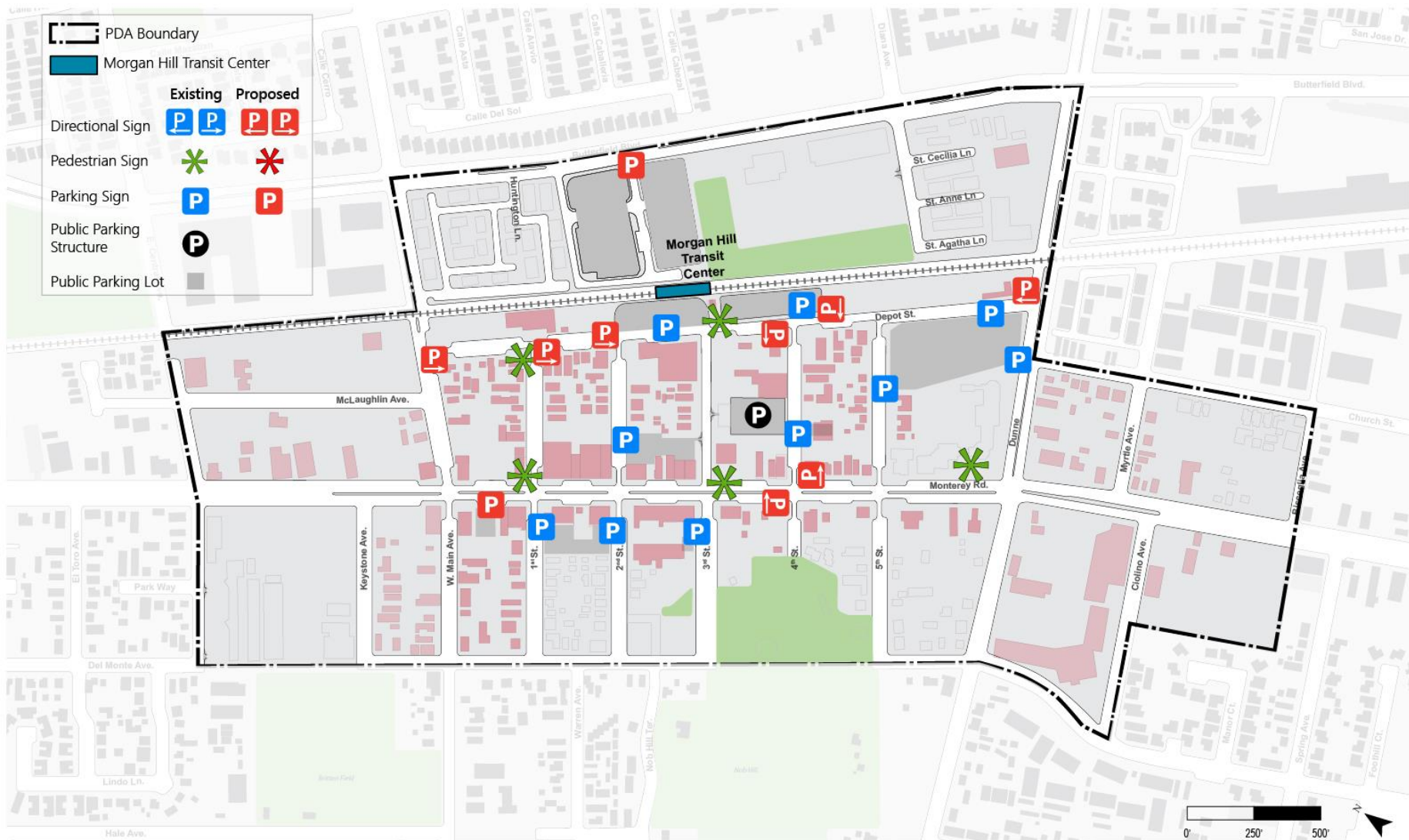


Figure 2-13: Pedestrian Wayfinding Sign Pole

To help implement a "park once" strategy, the City could consider locating additional pedestrian wayfinding maps outside the entrances of major parking facilities, like the one located within the parking structure. The maps would help visitors and residents locate local businesses in and around the Downtown area, a function that could be further enhanced by providing suggested walking

routes and walking times to key destinations. The indication of walking times, for example: Granada Theater, 3-minute walk, would help visitors to better understand the distances between destinations and potentially entice them to walk to new destinations with the confidence of understanding the time need for walking to it. Existing and proposed parking related vehicular wayfinding signage locations are shown in Figure 2-14.

Figure 2-14: Vehicular Wayfinding Signage



C. : Pedestrian Lighting

Morgan Hill upgraded its pedestrian-scale lighting in 2015 to a 10-foot tall, LED, acorn-style light fixture (See Figure 2-16) along streets that fall into the Boulevard, Local and Transit Connector street typologies. The fixtures are spaced at an average of 50 to 75 feet apart. Along Arterials and Local Streets, the City uses 30-foot tall cobra head lights. (See Figure 2-15.)

As an additional measure along Arterial streets, the City could consider replacing existing cobra-head lighting fixtures with fixtures that combine both roadway and pedestrian-scale fixture heads in one fixture. Such fixtures are available in contemporary (See Figure 2-17) and traditional (See Figure 2-18) styles. Dual-headed fixtures may also be appropriate in the larger City-owned off-street parking lots.



Figure 2-16:
Pedestrian
acorn-style light
fixture



Figure 2-15: Roadway
cobra head light fixture



Figure 2-18: Traditional design
of a combined roadway and
pedestrian-scale light fixture



Figure 2-17: Contemporary
design of a combined roadway
and pedestrian-scale light
fixture

Table 2-2 below describes how Furnishing Area improvements can be located along streets in the Downtown street typology categories.

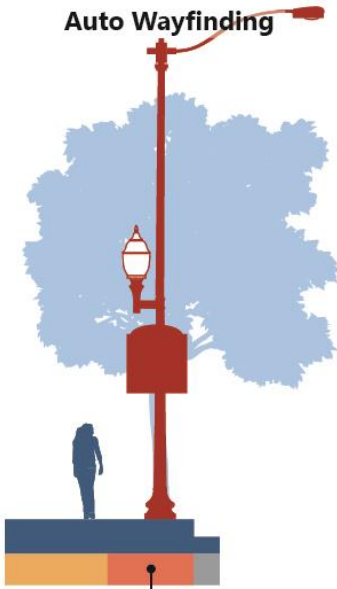
Table 2-2: Furnishing Area Improvements			
Street Typology	Auto Wayfinding  Furnishing Area	Pedestrian Wayfinding  Furnishing Area	Street Lights  Furnishing Area
Arterial	Opportunity to guide vehicular traffic to larger parking areas. Establishes Downtown identity.		Replace cobra-head lights with vehicular and pedestrian-level dual lighting. Encourages walking within and to Downtown.
Transit Connector		Identify transit resources and encourage transit ridership; may provide additional information about walking distances and destinations.	Increases perceptions of safety along key walking routes to and from transit.
Local			Implementation encouraged
Boulevard		Establishes Downtown identity; may identify local landmarks and points of interest.	Use “chandelier” and “twinkle” lights to create a sense of place. Establishes Downtown identity; complements existing businesses.

Table 2-2: Furnishing Area Improvements				
Street Typology	Street Trees	Planters	Benches	Bicycle Parking
				
Arterial	Buffers pedestrians from vehicular traffic Increases comfort for those walking to and from surrounding neighborhoods.	Buffers pedestrians from vehicular traffic. Increases comfort for those walking to and from surrounding neighborhoods.	Provides opportunity for pedestrian to rest along walking routes to and from Downtown.	
Transit Connector	Implementation encouraged			Complements transit services with multi-modal consideration. Secure bike parking options are also encouraged.
Local	Implementation encouraged.			Bicycle parking should be provided near eating and drinking establishments.
Boulevard	Establishes Downtown identity. Implementation encouraged.	Establishes Downtown identity; complements existing businesses.	Establishes Downtown identity; complements existing businesses. Where wide enough can accommodate café/restaurant seating.	Encourages business patrons and Downtown visitors to bicycle to Downtown destinations.
	Coordinate palettes with other street typologies in Downtown.			

Toolkit for Buffer Area Improvements

Today, the Buffer Area along streets in Downtown Morgan Hill typically consists of a parking lane used for parallel parking. The parked cars act as a buffer between moving cars and people walking on sidewalks. At Downtown intersections, the City has constructed bulb-outs in the Buffer Area that visually narrow the street, shorten pedestrian crossing distances, and help to calm traffic. In the future, the City could also consider using portions of the Buffer Area used for parking as a more flexible space that complements and improves the adjacent pedestrian realm while freeing up sidewalk space to accommodate higher levels of pedestrian traffic or activities. Suggested strategies and improvements for Buffer Areas include the following:

- A. Planted Bulb-outs at Intersections
- B. Parklets
- C. Temporary Parklets

A. : Planted Bulb-outs at Intersections

As part of its Placemaking Strategy, the City has installed bulb-outs at Monterey Road intersections. As further improvements to Monterey Road are considered, the City could contemplate further extending bulb-outs at intersections all the way to the edge of the travel lane. Doing so would further enhance the bulb-out's contribution to traffic calming and increase the reduction in pedestrian crossing distances.

Bioretention planters, which the City has already installed in the Buffer Area along the walkway next to the new parking garage, provide a benefit to the environment by filtering pollutants from stormwater runoff in the street and ease the strain on local stormwater infrastructure by slowing down the peak of runoff volumes that flow to the local stormsewer system. The City could also consider installing green infrastructure elements, such as bioretention planters, in retrofitted existing planted bulb-outs or potential new bulb-outs.



Figure 2-19: Example of planted bulb-out between parking spaces

The City could furthermore consider installing planted bulb-outs between parking spaces along Local streets (See Figure 2-19.) Not only will this increase the amount of planting in Downtown, it may also serve as a traffic calming measure by narrowing the apparent width of the street. The application of this tool needs to be in balance with the amount of on-street parking needed in the area.

B. Tool : Parklets

Many cities have begun improving the pedestrian realm along commercial streets by adding pedestrian amenities located on “Parklets”. Parklets provide new and attractive pedestrian amenities on platform-like structures placed in the Buffer Area. Parklets typically occupy the space of one or several on-street parking spaces. Parklets may be temporary (e.g. single-day) or long-term (e.g. year-long) installations that complement adjacent businesses with (additional) café seating, space for bicycle parking, and/or a small-scale, park-like space for the enjoyment of Downtown visitors. Given their flexible nature, they can also serve as opportunities for public art or simply as sidewalk extensions (See Figure 2-20 to Figure 2-22.)

In general, parklet programs work best when combined with a comprehensive wayfinding and parking management strategy. The City could consider encouraging drivers to use the Fourth Street Garage and



Figure 2-20: Example of bicycle parking with seating parklet



Figure 2-21: Example of sidewalk extension parklet

larger surface parking lots to free up some on-street parking spaces for flexible, business supporting uses where these are requested or supported by local business owners.



Figure 2-22: Example of cafe seating parklet

C. : Temporary Parklets

The City of Morgan Hill has participated in the world-wide movement for "PARK(ing) Day", a single-day festival where local businesses and community members can sponsor temporary parklets to showcase creative opportunities and gain support for a more long-term parklet program.

As part of the Complete Streets Work Program, the City plans to develop policy guidelines for parklets in an effort to streamline the process and encourage parklet development and investment. These parklets are intended to activate the pedestrian pathways, enhance the pedestrian experience and slow down traffic along Monterey Road (See Figure 2-23.)

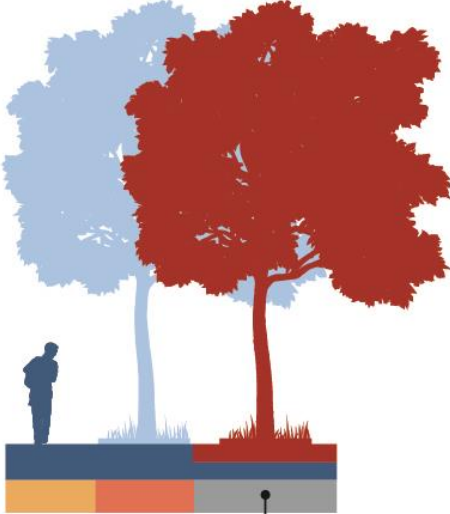


Figure 2-23: Examples of temporary parklets

To advance that initiative, the City may consider the following strategies:

- **Preliminary program pilot period** – some cities have implemented a pilot period for their parklet program and selected a small number of pilot parklet locations to implement new parklets. The implementation of pilot parklets has allowed these cities to identify and correct potential challenges or barriers to an effective implementation of a long-term parklet program.
- **Temporary and long term parklet permits** – some cities allow for varying permit lengths for parklets. For example, an adjacent business may request a single-day permit for a parklet. Later that business may request a permit for a more permanent installation for a summer or year-long permit. In some instances, cities recommend applicants apply for single-day permits first as a type of proof-of-concept, prior to allowing for long-term installations.

Table 2-3 describes how Buffer Area improvements can be located along streets in the Downtown street typology categories.

Table 2-3: Buffer Area Improvements				
Street Typology	Cafe Seating	Bicycle Corral	Sidewalk Extension	Tree Well
				
Arterial				
Transit Connector		Complements transit amenities and encourages multi-modal travel.	Provides additional through space for pedestrian travel where high-volumes are expected and encouraged.	Provides additional through space for pedestrian travel where high volumes are expected and encouraged.
Local				Visually narrows street and calms vehicular traffic, slowing speeds.
Boulevard	Complements existing businesses and provides additional through space for pedestrian travel.	Provides additional bicycle parking for business patrons and Downtown visitors. Encourages bicycling to Downtown destinations.		

3. RECOMMENDED IMPROVEMENTS

This chapter summarizes previously identified gaps within the existing transportation system in the Station Area and identifies specific improvements aimed at achieving an increase in multi-modal connectivity for pedestrians, bicyclists, and rail passengers in the Downtown and areas surrounding the Morgan Hill Transit Center, with an emphasis on improving pedestrian and bicycle connections.

Transportation System

The map in Figure 3-1 presents an overview of the existing transportation facilities and existing connectivity gaps. Figure 3-2 presents a summary map of the most relevant near-term planned and proposed improvements¹. Together these maps are used as the starting point to identify focus areas where improvements are needed.

Transit Facilities and Operations

Caltrain service is currently limited to three northbound trains during the weekday morning commute period and three southbound trains during the evening commute period. This limited train service does not provide a substantive commute mode, resulting in vehicle traffic on Monterey Road and US Highway 101, and does not accommodate travel in the non-peak direction (e.g., southbound in the morning and northbound the evening).

Only two local, non-express bus routes provide local bus service to Downtown Morgan Hill (VTA Routes 16 and 68) resulting in limited bus service to Morgan Hill residents, employees, and visitors. In addition, VTA is considering reducing bus service throughout Santa Clara County, including Morgan Hill, as part of the Next Network plan.

Transit Improvements

The City of Morgan Hill does not operate transit service and therefore relies on Caltrain, VTA, and MST to provide passenger rail and bus service in the Station Area.

¹ "Planned" improvements are those that are included in adopted plans. "Proposed" improvements are those included in plans that have not yet been adopted, such as the Parks, Trail, and Bicycle Master Plan that is currently underway.

The City should continue to work with Caltrain to improve passenger rail service, including possible changes in train arrival and departure times to better meet the needs of existing and future train riders. The City should continue to pursue methods to generate more train riders, which will encourage Caltrain to possibly expand service. These methods may include a public outreach program to current residents and increasing the amount and intensity of development near the station. In addition, the City should continue to work with Caltrain and VTA to maintain a pedestrian track crossing at the station (either at-grade or as a well-designed wide, well-lit, and safe under/overcrossing) with the future double tracking project.

Finally, the City should continue to work with TAMC to extend the station platform to accommodate the future Capitol Corridor extension to Salinas and could work with Union Pacific Railroad to enter into a preliminary engineering and quiet zone warning devices agreement.

In January 2017, VTA released its Draft Next Network plan, which included modifications and proposed elimination of bus services in Morgan Hill. As a response to this plan, the City could explore a community-based shuttle program. To begin such a program, the City could start with public outreach to identify the need for services and types of services the community would like to see in their City. Examples of different types of services include affordable first/last mile options, standard shuttle bus routes that go to major city destinations, senior services, etc. The exploration would include optional funding sources such as grants including Core Connectivity Measure B funds from VTA, clean-air and congestion reduction funds, and potential partnerships with local and transit operating companies.

Once the appropriate services for Morgan Hill are identified, a city-specific transit service would close the gap in existing VTA bus service and better serve the community as a whole.

Pedestrian Facilities

The Station Area Master Plan prioritizes creating a pedestrian-friendly environment throughout the Downtown, including slowing traffic on Monterey Road within the Downtown core and further enhancing pedestrian connections across it. This section will cover sidewalks, signalized crossings, and un-signalized crossings.

Sidewalk Gaps

Downtown Morgan Hill has continuous pedestrian facilities (sidewalks) throughout most of its area. Sidewalk gaps exist on the east side of Depot Street between Fifth Street and Dunne Avenue, on the hilly portion of Del Monte Avenue south of Second Street, on Third Street west of Llagas Creek, and on portions of Fourth and Fifth Streets west of Monterey Road. Closing these gaps would improve pedestrian circulation (See Figure 3-1).

Sidewalk Gap Closures

The sidewalk gap on Depot Street will likely be closed when the adjacent property (the Hale Lumberyard site) redevelops. The City could consider installing the sidewalks prior to redevelopment of the property, however uncertainty over the future site design may require the subsequent removal and replacement of this interim sidewalk when a final site plan for the development is established. A multi-use path connecting to the Nob Hill Trail is planned to be constructed by Fall of 2017 and will provide a pedestrian connection on the west side of Del Monte Road and the south side of Third Street.

Figure 3-1: Gaps in Existing Transportation System



Gaps in Existing Transportation System

City of Morgan Hill



Packet Pg. 127



Signalized Intersection Crossings

Traffic signals are provided on Monterey Road at Main Avenue, Second Street, and Dunne Avenue. Signal installation is currently under construction at the intersection of Fourth Street and Monterey Road. Traffic signals control traffic and include pedestrian signals that further improve safety for crossing pedestrians compared to unsignalized crossing locations. The new traffic signal at Fourth Street will also improve pedestrian access to the Downtown parking garage.

Unsignalized Intersection Crossings

Currently, movable yield signs, pedestrian flags, brick pavers in the crosswalks, crosswalk striping, and side-street stop signs are provided at the intersections on Monterey Road at First Street, Third Street, and Fifth Street to support pedestrian crossing activities. The City installed in-pavement flashers to further enhance safety on Monterey Road at Third Street. In-pavement flashers are triggered by pedestrians and lights in the pavement start flashing on and off to alert drivers of crossing pedestrians. The City will use their experience with the in-pavement flashers to determine whether they should be installed at other locations or whether alternative control devices are needed.

Unmarked Crossings at Unsignalized Intersections

Pedestrians have been observed walking across Main Avenue near Depot Street, an unmarked crossing. Previous studies have identified this location of the installation of a traffic signal. However, there are concerns with regard to the spacing of a potential signal relative to the adjacent signalized intersections along Main Avenue at Butterfield Boulevard and Monterey Road as well as potential operational/congestion issues along Main Avenue if a signal is installed. While there are other treatments that may provide a solution, such as a roundabout treatment, a study is needed that evaluates the number of pedestrians, the roadway crossing width, and the traffic volumes as well as speeds on Main Avenue in order to determine treatment options may be appropriate.

Unsignalized Intersection Improvements

The already installed in-pavement flashers at the intersection of Monterey Road and Third Street offer the City an excellent opportunity to evaluate the effectiveness of this type of safety enhancement to alert motorists of pedestrians crossing Monterey Road. The City could conduct before and after studies that would include traffic counts, pedestrian and bicycle counts, collision statistics, and observations of driver yielding behavior during various times (e.g., around noon on a weekday, on a Friday evening, during the farmer's market, on a cloudy day, etc.) and include incidences when the driver in one lane stops and the driver in the adjacent lanes does not. This type of situation is referred to as a "double threat". The results can be used to determine whether the flashers are successful at modifying driver behavior or whether more robust measures, such as rectangular rapid flashing beacons (RRFBs) are needed. (See Figure 3-3). Keeping in mind, when the City revisits the reduction of Monterey Road from four to two lanes (one northbound and one southbound lane) between Main Street and Dunne Avenue, traffic may be slower within the Downtown core, and the double threat to pedestrians may be resolved.



Figure 3-3: Example of rectangular rapid flashing beacons (RRFBs)

The Main Avenue and Depot Street intersection is an unsignalized intersection that should be studied as part of an overall study of Depot Street's role and design as a major, downtown-serving transit access street (Transit Connector).

Unsignalized / Uncontrolled Pedestrian Intersection Crossing Policy

The City could create a policy for unsignalized or uncontrolled pedestrian crossings that would identify the appropriate signing, striping, and crossing devices for different situations so that consistent installations are provided in the Downtown. This policy would apply to the intersections with missing crosswalks: McLaughlin Avenue and Main Avenue, Depot Street and Main Avenue, Second Street and Del Monte Avenue, Bisceglia Avenue and Monterey Road, and Ciolino Avenue and Monterey Road.

Bicycle Facilities

There are gaps in the bicycle lanes on approaches to the intersections of Main Avenue/Monterey Road and Dunne Avenue/Monterey Road. This condition is confusing to both bicyclists and drivers and creates an uncertainty about where bicyclists should travel where gaps exist on these approaches.

There are no bicycle lanes on Monterey Road between Main Avenue and Fifth Street; sharrows (share arrows) are provided to alert drivers of the potential presence of bicyclists and to indicate to bicyclists where they should ride on the roadway. Other portions of Monterey Road both north and south of the Downtown have bicycle lanes. The City could consider enhancing their safety by introducing a 2-foot painted buffer between the bicycle lane and adjacent travel lane. (See Figure 1-25.) This can be accomplished by reducing the width of the existing 12-foot travel lanes to 11 feet. Buffered bicycle lanes are planned on Monterey Road throughout the Downtown to support bicycle travel, as recommended in the City's bicycle, trails, and park master plan.

There are bicycle lanes on Depot Street north of Fifth Street with a gap in this facility between Fifth Street and Dunne Avenue. In some constrained sections, the bicycle lane along Depot Street is combined with on-street parking. There are a few locations where the combined parking and bicycle lane is too narrow to accommodate both. Resolving these constraints should be considered as part of the suggested further study of a future design for Depot Street as a street that provides an important access to transit function for all modes.

Many bicycle lanes within Morgan Hill (such as on Depot Street, parts of Main Avenue and Dunne Avenue east of Depot Street) are indicated with a single stripe. This practice could result in parked vehicles encroaching into the bicycle lane space. The City could consider changing its approach to striping bicycle lanes by always including limit lines along both edges of the bicycle lane.

Bicycle Intersection Improvements

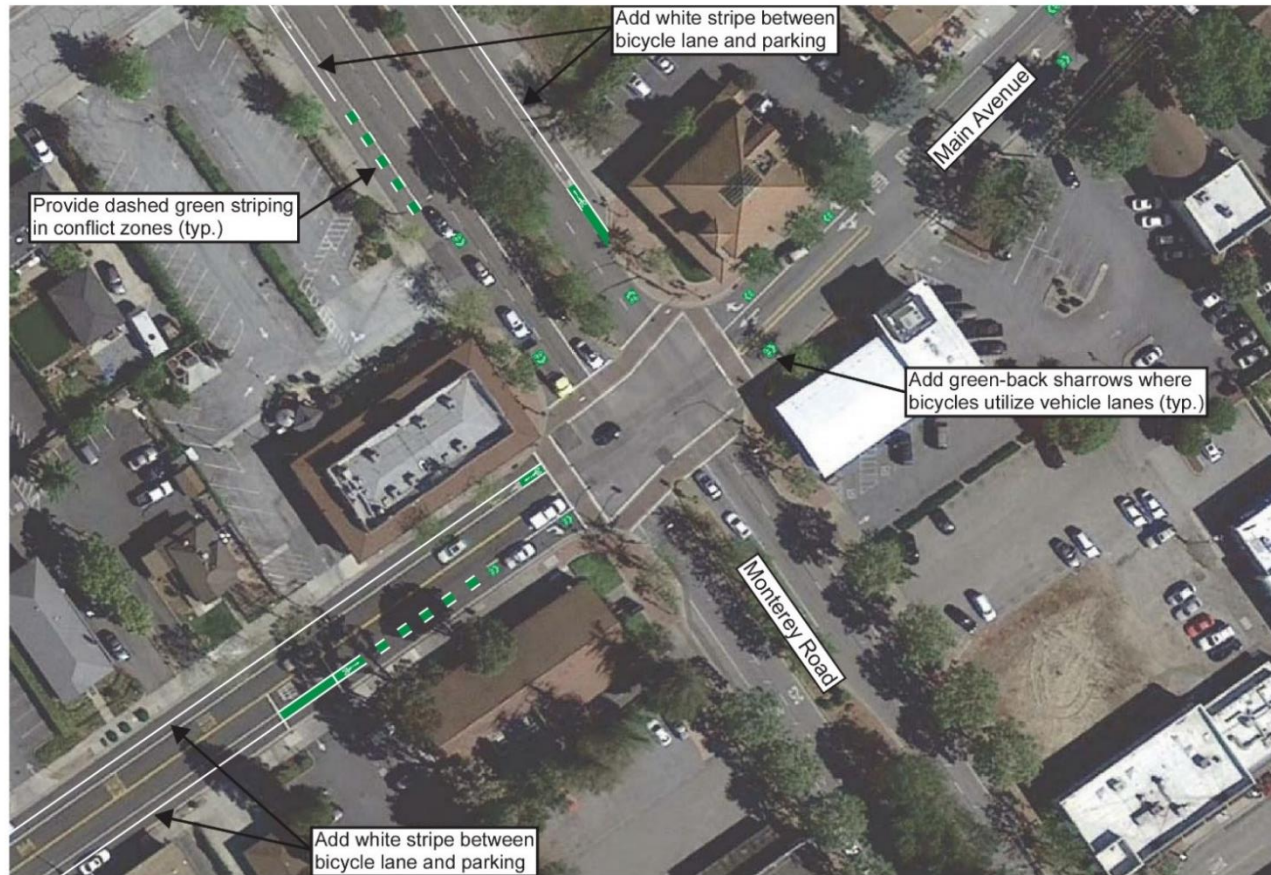
Potential striping modifications to accommodate bicycles at the intersection of Monterey Road and Main Avenue are shown on Figure 3-4. Potential improvements to accommodate bicycles at the intersection of Monterey Road and Dunne Avenue are shown on Figure 3-5. These figures illustrate the striping modifications to enhance bicycle safety and comfort by

adding a second stripe to delineate the extents of the bicycle lanes, and green paint to clarify transition zones at the intersections.

Depot Street

The bicycle lane gap on Depot Street between Fifth Street and Dunne Avenue should be closed in concert with redevelopment of the adjacent property (Hale Lumberyard site). On-street parking should be prohibited in areas where the combined bicycle lane/parking lane is too narrow to create a continuous bicycle facility. (Only a few spaces would need to be removed.) A right-side stripe would help delineate the parking area from the bicycle lane as well. Alternatively, the City could consider this when conducting a design study for Depot Street and determine the best complete streets design at that time. Retaining the on-street spaces by converting Depot Street to a bicycle boulevard and removing the bicycle lanes would downgrade the existing bicycle facility.

Figure 3-4: Bicycle Improvements at Monterey Road and Main Avenue



Bike Improvements at Monterey Road and Main Avenue

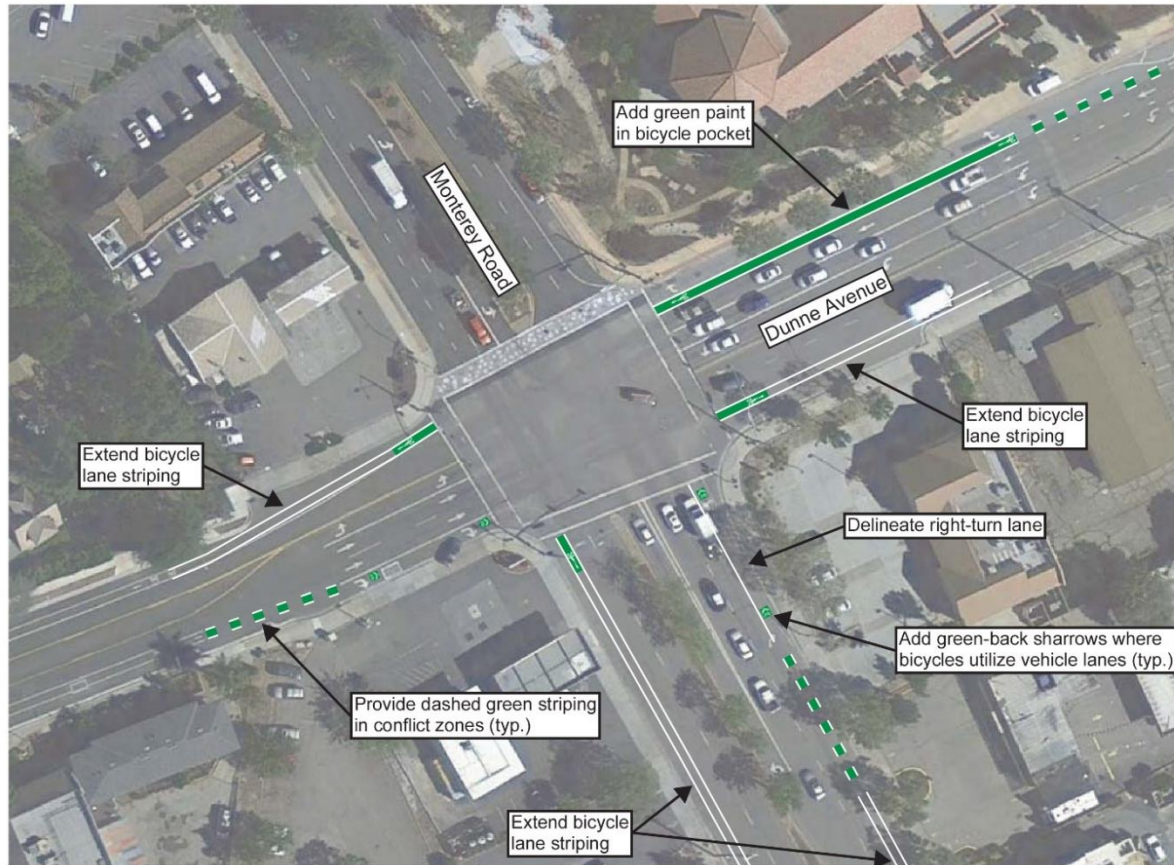
City of Morgan Hill

NOT TO SCALE



FEHR PEERS

Figure 3-5: Bicycle Improvements at Monterey Road and Dunne Avenue



Bike Improvements at Monterey Road and Dunne Avenue

City of Morgan Hill

NOT TO SCALE



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Bicycle Facility Striping

A right-side stripe should be added to bicycle lanes on Dunne Avenue (east of the railroad tracks), on portions of Main Avenue, and on Monterey Road north and south of the Downtown area to discourage parked vehicles from encroaching into them. In addition, green paint should be added in transitions zones with hatching to delineate where vehicles should cross the bicycle lanes. These treatments are illustrated in Figure 3-4 and Figure 3-5.

Bicycle Lanes on Monterey between Main and Dunne Avenues

Bicycle lanes are provided on Monterey Road to the north and south of the Downtown but not between Main Avenue and Dunne Avenue. Bicycle lanes can be added to this Downtown core segment by implementing a “road diet” and converting the outside vehicle lanes to buffered bicycle lanes, as the City experimented with in early 2015. The road diet reduced vehicle volumes and speeds on Monterey Road while bicycle traffic increased. The existing and projected traffic volumes on Monterey Road are below capacity and therefore support the road diet design. However, the city may wait to reconsider the road diet, completion of the bicycle lanes, and a complete streets treatment on Monterey Road in the Downtown until after the Hale Avenue extension is completed.

Roadway System

The intersections of Depot Street/Dunne Avenue and Church Street/Dunne Avenue are offset, creating circuitous travel paths for vehicles traveling north and south on these roadways within the Downtown. A future study of Depot Street should include an interim design option and a future design option (once the Hale Lumber site develops) for this intersection.

The gap in Hale Avenue is the missing piece in a west side bypass route for through traffic traveling north and south on Monterey Road. Closing this gap, along with the Butterfield Boulevard bypass, would support a road diet that would provide buffered bicycle lanes on Monterey Road.

Roadway Improvements

The City has considered realigning Depot Street to intersect Dunne Avenue opposite Church Street as shown on **Figure 3-6**. The realignment and connection to Church Street

should be studied in conjunction with the redevelopment of the Hale Lumberyard site as the realignment would directly affect that property. The intersection at Main Avenue and Depot Street has been discussed, and should be assessed as part of a design study for Depot Street where the City can first identify the best design to support Depot Street as a Transit Connector and its role regarding Downtown circulation.

Figure 3-6: Potential Depot Street Realignment



Parking

As summarized in the Transportation Context chapter of this Plan, currently parking in the Downtown is available at all times. However, during peak times of the day, many of the on-street spaces and several of the parking lots are fully occupied resulting in localized shortages. These localized shortages will be exacerbated with future planned development in the Station Area.

In addition, the potential redevelopment of the VTA lot may further reduce the number of available parking spaces available to transit riders in the future because the lot is currently used as a park-and-ride lot for VTA bus riders, Caltrain riders, and private shuttles. Alternative parking locations for these users will be needed when the lot redevelops.

Parking Improvements and Future Sustainable Supply

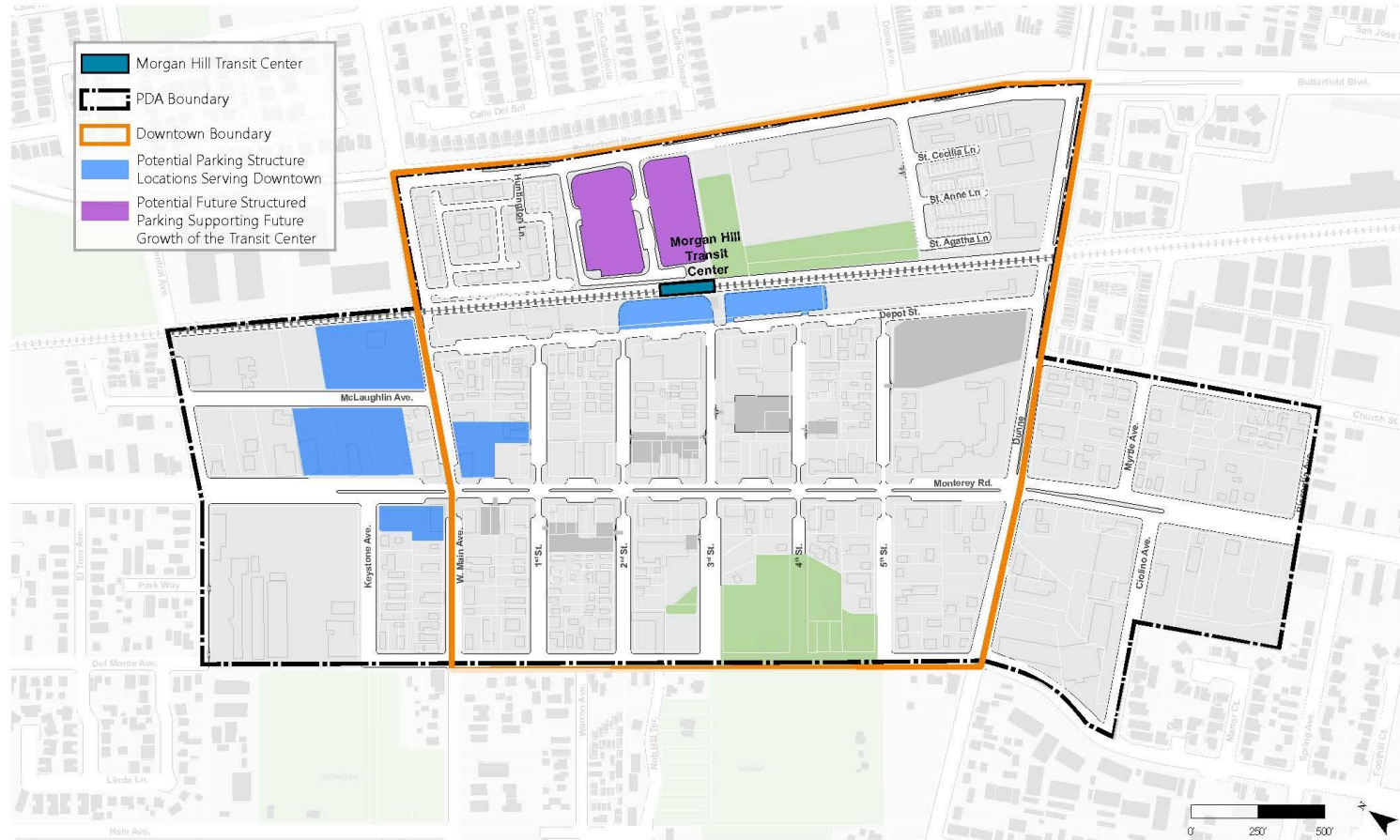
The following are recommended parking improvements that could be implemented immediately and will help alleviate the localized peak hour parking shortages:

- Enforcing the two-hour time limits for on-street parking spaces, as these are the most popular parking areas. In order to increase the community's acceptance of the time-limit enforcement, the City could initially issue warning tickets that identify alternative locations with longer parking limits, such as the new parking garage.
- Increasing the time limit for all spaces in the parking garage to 8 or 10 hours (or removing the time limit all together) would encourage long-term parkers to park there instead of in the on-street spaces located in high demand areas.
- Assisting Downtown businesses in coordinating a valet parking program. Larger business-owned parking lots where businesses are closed in the evenings and on weekends are ideal valet parking opportunities. Some options near Downtown include the courthouse parking lot or the business center lots on the northwest corner of the intersection of Butterfield Boulevard and Main Avenue.
- Implementing a parking marketing and wayfinding plan to increase use of the parking structure. (The new traffic signal at Monterey Road and Fourth Street will make it much easier for pedestrians to cross Monterey Road to destination on the west side.)
- Continue working with the coordinators of major events (i.e. Fourth of July Parade, Mushroom Mardi Gras, Christmas Parade, etc.) to ensure that event staging and set up does not conflict with access to the parking garage.

Although the Transit Center and Downtown currently has a sufficient overall amount of parking, it is important to plan for potential future parking requirements. The following is a list of considerations intended to secure a sustainable amount of parking for the Downtown.

- As transit services improve, more parking may be necessary to support the additional transit riders. The City should work with VTA and explore possible grants to create a parking structure at the current joint City/VTA park and ride lot.
- In 2012 a memorandum was prepared by Fehr & Peers that included a multi-modal access and circulation review for a new parking structure on the existing Depot Street parking lots. An illustration of the parking structure prepared by Watry Design, Inc. may be used as a potential solution for additional parking serving downtown. (See Appendix 1-A). This memorandum was created prior to the construction of the new public park locating in the southern lot, however a structure can still be designed to incorporate the new public park if desired.
- Investigating the potential for adding parking spaces on Depot Street by converting the street to a one-way street with angled on-street parking as part of a future Depot Street Design Study.
- Reserving options for future parking garage locations in the northern Downtown area. This can be done by creating a parking district by adopting a zoning amendment requiring a Planned Development to ensure future public parking is incorporated when the properties are redeveloped. New parking garages or lots should be within a quarter mile walking distance to Downtown, and be located in areas where localized parking is over 85% occupied. See Figure 3-7 for potential future parking structure locations.
- Shared parking and consolidated parking (parking garages) are preferred in urban downtown areas where real estate is optimal for commercial, office, and multifamily residential uses. As paying for these types of facilities could be rather costly, there are a financing options listed below:
 - A parking in-lieu fee could be reinstated for all new construction within the PDA that does not provide enough on-site parking per the Municipal Code standards in order to provide a funding source for future parking facilities.
 - If long term parklets within on street parking spaces are considered as an opportunity for restaurants/cafés to expand their outdoor square footage, the City could collect a monthly rental fee for that space and those fees would go to a future parking fund.

Figure 3-7: Potential Future Parking Facility Locations



Prioritized Improvements

The Transportation Context Chapter contains improvement tools for each travel mode with a variety of improvements that the City could implement to enhance Station Area access and circulation. A preliminary set of improvements was selected based on the existing transportation system gaps. The improvements were prioritized into tiers, with Tier 1 including improvements to be implemented immediately or in the near term (1 to 2 years), Tier 2 including improvements to be implemented in the mid-term (2 to 5 years), and Tier 3 including long-term improvements (implemented in 5+ years). The results are presented in Table 3-1. *City staff will modify the list based on input from City planning commissioners and City Council members.*

Table 3-1: Prioritized Improvements

Improvement	Tier 1	Tier 2	Tier 3	Comments
Pedestrian Improvements				
Close sidewalk gap on Depot Street		X		Timing dependent on development of adjacent lot
Conduct before and after studies of in-pavement flashers on Monterey Road at Third Street	X			Data needed to select appropriate treatments at other locations such as Monterey/First and Monterey/Fifth
Establish an uncontrolled pedestrian crossing policy	X			
Install safety enhanced railroad crossing improvements consistent with Quiet Zone Goals		X		Quiet Zone pedestrian crossing enhancements should be revisited once the CHSR Authority chooses a preferred alignment.
Conduct a study to identify appropriate pedestrian crossing treatments on Main Avenue at Depot Street/McLaughlin Avenue	X			To be conducted as part of the Depot Street study. Pedestrian counts and other data would be needed
Bicycle Improvements				
Install bicycle improvements at Monterey Road and Main Avenue	X			See Figure 3-4

Table 3-1: Prioritized Improvements				
Improvement	Tier 1	Tier 2	Tier 3	Comments
Install bicycle improvements at Monterey Road and Dunne Avenue	X			See Figure 3-5
Evaluate on-street parking on Depot Street – consider redesign of Depot Street with the intent to create a complete street to the Transit Center and Downtown		X		To be considered as part of the Depot Street study.
Close bicycle lane gap on Depot Street		X		Timing dependent on development of adjacent lot
Add second stripe to bicycle lanes on Dunne Avenue, Main Avenue, Depot Street, and Monterey Road		X		This will reduce incidence of parked vehicles encroaching into bicycle lanes
Add green paint to transition zones with new bicycle lane installations		X		This will better alert drivers of bicyclists and delineate their travel paths
Install buffered bicycle lanes on Monterey Road between Main Avenue and Dunne Avenue			X	Dependent on completion of Hale Avenue extension
Transit Improvements				
Work with Caltrain to adjust schedules	X			
Work with Caltrain and VTA on safety enhancements and to maintain pedestrian track crossing with double tracking project		X		Dependent on timing of preferred alignment chosen by CHRS Authority and the double tracking project
Create public outreach program to increase Caltrain riders	X			
Work with TAMC to extend station platform to 700 feet total to accommodate future rail service	X			City currently working with TAMC
Explore a community shuttle bus program or increased TNC service	X			
Install pedestrian shade and rain structures at remaining bus stop locations		X		Work with VTA on installation of shade and rain structures for the remaining bus stops.

Table 3-1: Prioritized Improvements

Improvement	Tier 1	Tier 2	Tier 3	Comments
<i>Roadway Improvements</i>				
Conduct Depot Street Study	X			The study would address future role of Depot Street, considering future parking facilities, and pedestrian crossings at Main and Dunne
Study realignment of Depot Street with Church Street		X		To be conducted in conjunction with redevelopment of Hale Lumberyard site and Depot Street study
<i>Parking Improvements</i>				
Enforce two-hour parking limits	X			To free up prime spaces for customers
Extend time limits in parking garage	X			To allow long-term parking
Implement parking marketing and wayfinding program	X			To increase utilization of parking garage
Work with businesses on a valet parking program		X		To alleviate localized parking shortages
Reinstate parking in-lieu fees		X		To provide funding for parking improvements
Retain public park and ride lot for the Transit Center and explore additional parking operations/designs for future transit ridership and service increases	X			
Reserve options for future parking locations in the north Downtown area and conduct study		X		See Figure 3-7

MEMORANDUM



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To: Tiffany Brown, City of Morgan Hill

From: Bryan Jones & Jeff Knowles

Date: September 12, 2017

Re: Morgan Hill Station Area Considerations & Depot Street Complete Streets Redesign

Alta Planning + Design was asked to review the Morgan Hill Station Area Master Plan and provide the City with additional recommendations and considerations. This memo outlines recommendations in the following categories:

1. Morgan Hill Station Improvements
2. Transforming Depot Street into a Complete Street
3. Station Area Access
4. Parking
5. New Mobility and the Shared Economy

Each section will include recommendations responding to existing conditions in addition to discussing new industry trends and best practices.

Morgan Hill Station Improvements

Station Amenities: In partnership with Caltrain, the City may consider station area improvements by adding additional shade shelters and other station amenities to improve the waiting period for train patrons and further activate the station area, potentially drawing in people who are not using the train. The ownership and funding of these additional amenities varies based on location and agency. Shade structures would be located on Caltrain property, and thus would likely be owned and maintained by Caltrain (unless other arrangements are made between the City and Caltrain). Bus shelter locations would need to be analyzed on a stop-by-stop basis, given the variety of conditions at each stop. Bus shelters can be owned/maintained by either the transit agency or the City; however, given that these shelters typically sit on City right-of-way, close coordination and approval by the City would be required for any installation.

Bicycle Parking Facilities: Currently, both short-term and long-term parking is provided at the Morgan Hill train station. However current reported use is low for both types of parking. The location and quality of this parking should be analyzed to ensure it is up to par with current best practices. Additionally, one of the primary reasons for low bicycle parking occupancy in these situations is typically that the location and current station access design is not conducive to attracting bicycle trips. For example, if there is not good bicycle access to the station from the surrounding streets and from residential areas, fewer bicycle trips to the station would be expected. Additionally, if there is surplus and/or free vehicle parking, this could also act as a disincentive to people biking because of the convenience/ease of driving.

High Speed Rail Alignment: Regardless of which HSR alignment is chosen, the design of any at grade crossings or under/overpasses should be designed with pedestrians in mind (gates/cross arms, flashing lights, tactile surfaces, lighting, signage, etc.). These improvements both improve pedestrian safety, but also work towards minimizing the effects that these barriers will create.

Transforming Depot Street into a Complete Street

Background Information:

In order to create a Complete Street that serves all road users with better access to the train station, segments of Depot Street were recently improved with curb extensions, improving the safety and experience for pedestrian in addition to adding a traffic calming element to the street. Depot Street has standard Class II bike lanes, however enhanced facilities with additional separation from motor vehicle traffic may increase the safety of bicyclists and encourage a wider range of bicyclists (those of varying skills, abilities, and comfort levels) to bike to the station and Downtown Morgan Hill. Reconfiguring Depot Street to become one-way from Main Avenue to 4th Street will create space for improved bicycle facilities and improve pedestrian safety at cross-streets and at Main and Depot Street. By keeping the street two-way from 4th Street to Dunne, circulation to and from the parking facility on 4th will be preserved. On this segment of Depot Street, there are approximately 24 driveways (collectively on both sides of the street). Street parking is also available on one side of the street throughout this corridor (parking alternates on north or south sides depending on the block). Individual parking stalls are not marked, but it is estimated that there are approximately 62 parallel parking spaces on Depot Street between Main Avenue and Dunne Avenue.

Four (4) design concept alternatives have been developed by Alta that include enhanced bicycle facilities (two one-way northbound concepts and two one-way southbound concepts). Each of the alternatives will be described below along with some benefits and constraints for each design. Engineering exhibits (plans and cross sections) for each concept are attached to the end of this memorandum.

Concept 1 Southbound

Concept 1 Southbound reconfigures Depot Street to include (from east to west) a five-foot Class IV northbound separated bikeway with two-foot buffer, back-in angled parking, an eleven-foot southbound travel lane, and a six-foot southbound Class II bike lane.

Benefits:

- The northbound bikeway is separated from the travel lane.
- In this configuration, both bike lanes are separated from the angled parking; the northbound by a buffer and the southbound by the adjacent travel lane.
- Back-in angled parking provides drivers with additional visibility of their surroundings when entering and leaving parking stalls, a benefit to other drivers and bicyclists.
- Converting parallel to angled parking in this configuration provides 15 additional parking spaces.
- Southbound vehicle traffic on Depot Street can make right turns on side streets to loop through downtown. This movement may have less impact to circulation since right turning vehicles do not need to make left turns onto Monterey in order to move south through downtown.

Constraints:

- The southbound bike lane is not separated like the opposing direction, but is in the same direction of travel. This configuration is not an improvement from existing conditions.
- This configuration pushes the parking further away from the curb, which reduces the available width in the roadway for fire department access down to 17 feet. This is below the Morgan Hill Fire Department's 20 foot standard and an exception would need to be granted for this configuration to be accepted.

Concept 1 Northbound

Concept 1 Northbound reconfigures Depot Street to include (from east to west) back-in angled parking along the northeast side of the street, a six-foot northbound Class II bike lane, an eleven-foot northbound travel lane, and a buffered five-foot contra-flow bike lane.

Benefits:

- Back-in angled parking provides drivers with additional visibility of their surroundings when entering and leaving parking stalls, a benefit to other drivers and bicyclists.
- Converting parallel to angled parking would create an additional 13 parking spaces.

Constraints:

- While back-in angled parking does improve the visibility of the bike lane for cars entering or leaving the parking stalls, the bike lane is directly adjacent the parking lane, which can decrease the level of comfort that riders experience in this section.
- There is no separation, other than a striped buffer for the contra-flow bike lane (a bike lane that runs opposite of traffic). Contra-flow best practices typically suggest a physical barrier between the travel lane and the contra-flow bike lanes; due to both the width constraints and the number of driveways, such a solution is not feasible here.
- To move southbound past 4th Street, vehicles will either need to proceed to Main and turn south on Monterey or attempt to turn left on side streets, which could have a negative impact on downtown circulation.

Concept 2 Southbound:

Concept 2 Northbound reconfigures Depot Street to include (from east to west) back-in angled parking, an eleven-foot (11) southbound travel lane, a ten-foot (10) two-way Class IV cycle track with a two-foot (2) physical buffer.

Benefits:

- The two-way cycle track includes a painted buffer and physical barriers such as flexible posts, planters, or raised concrete curb that separates bicyclists from moving vehicles. Cycle tracks are more appealing for bicyclists of differing ages and abilities and have been shown to increase rates of bicycling and safety for drivers, bicyclists, and pedestrians.
- There are no bike lane conflicts with parked cars.
- Back-in angled parking provides drivers with additional visibility of their surroundings when entering and leaving parking stalls, a benefit to other drivers and bicyclists.
- Converting parallel to angled parking would create an additional 18 parking spaces.
- Southbound vehicle traffic on Depot Street can make right turns on side streets to loop through downtown. This movement may have less impact to circulation since right turning vehicles do not need to make left turns onto Monterey in order to move south through downtown.

Constraints:

- The relatively high number of driveways complicates the design of the cycle track because of the high number of breaks required for driveway access. These driveways are residential so the number of times vehicles cross the cycle track will be limited and by drivers that already must be vigilant of crossing the existing bicycle lanes when entering and exiting their driveway.

- At 4th Street, the cycle track will transition to two directional bike lanes. The design of this intersection should provide sufficient treatments (i.e. pavement markings, signage, etc.) to guide bicyclists through the intersection between the different street configurations.

Concept 2 Northbound:

Concept 2 Northbound reconfigures Depot Street to include (from east to west) back-in angled parking, an eleven-foot (11) northbound travel lane, a ten-foot (10) two-way Class IV cycle track with a two-foot (2) buffer.

Benefits:

- The two-way cycle track includes a painted buffer and physical barriers such as flexible posts, planters, or raised concrete curb that separates bicyclists from moving vehicles. Cycle tracks are more appealing for bicyclists of differing ages and abilities and have been shown to increase rates of bicycling and safety for drivers, bicyclists, and pedestrians.
- There are no bike lane conflicts with parked cars.
- Back-in angled parking provides drivers with additional visibility of their surroundings when entering and leaving parking stalls, a benefit to other drivers and bicyclists.
- Converting parallel to angled parking would create an additional 11 parking spaces.

Constraints:

- The relatively high number of driveways complicates the design of the cycle track because of the high number of breaks required for driveway access. These driveways are residential so the number of times vehicles cross the cycle track will be limited and by drivers that already must be vigilant of crossing the existing bicycle lanes when entering and exiting their driveway.
- At 4th Street, the cycle track will transition to two directional bike lanes. The design of this intersection should provide sufficient treatments (i.e. pavement markings, signage, etc.) to guide bicyclists through the intersection between the different street configurations
- To move southbound past 4th Street, vehicles will either need to proceed to Main and turn south on Monterey or attempt to turn left on side streets (across the cycle track), which could have a negative impact on downtown circulation.

Intersection Treatments at Main Avenue and Dunne Avenue

Concept designs for intersection improvements at Depot Street/Main Avenue and Depot Street/Dunne Avenue have also been developed to further enhance the safety and accessibility of Depot Street for pedestrians. Engineering exhibits for each intersections are attached to the end of this memorandum.

Main Avenue/Depot Street

Along the western leg of the intersection (crossing Main), the enhanced design includes curb extensions on both sides of the intersection, a median pedestrian refuge island, a high visibility crosswalk, crosswalk safety beacons, and advance yield markings (shark's teeth). Crosswalk safety beacons are any form flashing lights to increase driver awareness of the presence of pedestrians in the crosswalk. These can include HAWK (pedestrian-hybrid) beacons, rectangular rapid flashing beacons (RRFB), in-pavement crosswalk lights, and other treatments. Engineering and planning judgement should determine the most effective treatment for this crossing.

This redesigned crossing employs several treatments to not only increase pedestrian visibility, but also provides additional accessibility with new curb ramps and the median refuge island; increasing access and safety for this crossing. This treatment works for one-way configurations moving northbound, southbound, or the existing two-way configuration.

Dunne Avenue/Depot Street

At the northern leg of the intersection, enhanced treatments are suggested across Depot Street. These treatments include a new curb ramp and tightened curb radius at the northwest corner, upgrading the crosswalk to a high visibility crosswalk, and installing a mountable median.

This redesigned intersection draws more attention to the pedestrian crossing, and slows vehicle turning movements by tightening the radius of the northwestern corner and adding the mountable median. This could serve as an interim treatment until Depot Street is reconfigured through the Morgan Hill Community Center parking lot to tie into Church Street.

Station Access and Station Area Considerations

Station connectivity across the tracks: The City should also stress enhancing the connection across the tracks to improve connectivity and links (mental and physical) between the two sides of the tracks. There is an existing facility that provides a connection between both sides of the tracks, but members of the public (especially women) have reported that the pathway can feel dark and isolated. The City should strive to better activate the area. Placemaking is key component of this activation, and by improving pedestrian amenities and attempting to bring and keep more people and foot traffic in the area, this can act as the first step towards shifting the public perception and making this area more than just a “transit center.”

Bus Stop Amenities: The City should ensure that bus stops in this area have good amenities like shelters/benches, real-time arrival information screens, connection information for other service providers, wayfinding signs and other items. The areas should be well lit to improve the perception of safety. Dependent on how VTA changes its bus service in the area, no longer used bus stops (and the associated street furniture and design elements) can be repurposed into waiting/loading areas for transportation network companies (TNC) like Lyft and Uber.

Curb Ramps/Accessibility: The City should conduct an inventory of curb ramps within the station area to determine if there are any missing curb ramps and if any existing ramps are not ADA compliant. This would provide the City with the necessary information they would need to prioritize fixing these problems to increase pedestrian accessibility and connectivity.

Pedestrian Crossings: To increase accessibility and pedestrian safety, all crosswalks in the station area/Downtown should be marked. This brings increased driver attention to the possible presence of pedestrians. Marking crosswalks also allows for advanced stop or yield markings to be installed, giving drivers additional visual aids and helping maintain a safer distance between stopped cars and the crossing. Advanced yield/stop markings are especially useful on multi-lane roadways as they can help reduce the dual threat from collisions. The City should study pedestrian volumes and collision data to prioritize unsignalized intersections for pedestrian crossing enhancements.

Complete Streets & Station Access: Transforming Depot Street into a complete street is the first step in improving accessibility to/from the station area and Downtown. However, making similar changes to Monterey Road, Butterfield Boulevard, Dunne Avenue and Main Avenue and other connecting streets is just as important for increasing pedestrian and bicycle use in Morgan Hill, especially in this area. Complete Streets transform streets into safer and calmer spaces for all road users: people walking, people biking, people taking transit, and people driving. It is important to create a network of streets that allow users of a variety of ages and abilities to comfortably travel throughout the area using their mode of choice. Very similar to sidewalks and pedestrian paths, it takes a strong network of enhanced bicycle facilities to generate bicycle trips.

Placemaking: To successfully incorporate the linking of the three parks and elements in between, it will be very important that the City incorporate the shared design elements between the shared areas, with the wayfinding signs, and other landscape design elements. If the elements in the pop-up parks are well received by the public, for

continuity, they (or similar items) should be incorporated into the design of the permanent parks. Additional placemaking elements can include: a utility box art program, wayfinding signage, public art installations, parklets, and street furniture.

Parking Considerations

Current Parking Availability and Management: Currently Downtown Morgan Hill has a sufficient level of parking to meet current parking demand in the Downtown area. Current parking demand is still below the 85% occupancy rate during peak use, however the City should begin developing a parking management strategy and toolbox to better maintain and improve the efficiency of existing parking, particularly if the parking falls below 15% parking availability threshold. The Downtown/station area parking strategy and enforcement policy should be designed to fulfill the following goals:

- 1) Use valuable resources (limited available land) efficiently
- 2) Create order and reduce anxiety
- 3) Encourage transit, walking, and biking
- 4) Encourage parking turnover
- 5) Generate revenue (that can be used to enhance the parking and downtown experience)
- 6) Get the right people in the right parking space¹

Parking Management Tools: Parking management tools can include the following:

- Parking Overlay Districts
- Requiring certain levels of parking in new developments near Downtown/station area
- Ensure that parking restrictions match adjacent business uses
- Enforce parking restrictions and rules
- Appropriate wayfinding for both vehicles and pedestrian
- Public marketing/education campaign
- A collaboration between business to developed a shared “valet” parking service
- Residential parking permit system

Reframing Parking and Congestion Problems: The City should attempt to reframe potential parking shortages to the perspective that traffic and parking problems are not inherently bad things, they are good signs economically and show that people (locals and visitors alike) want to visit and spend time *and* money in the area. This can coincide with improvements to make it easier for people to walk, bicycle, or use alternative modes to reach Downtown.

Future Parking Needs: As Morgan Hill considers changes to the station area and Downtown, in addition to utilizing a management and enforcement plan for existing parking, the City should also develop a plan for future parking needs should the parking availability fall below the 15% threshold. Additional parking can be created by building an additional parking structure or by requiring additional parking in future developments. Future residential developments should also include some level of visitor parking.

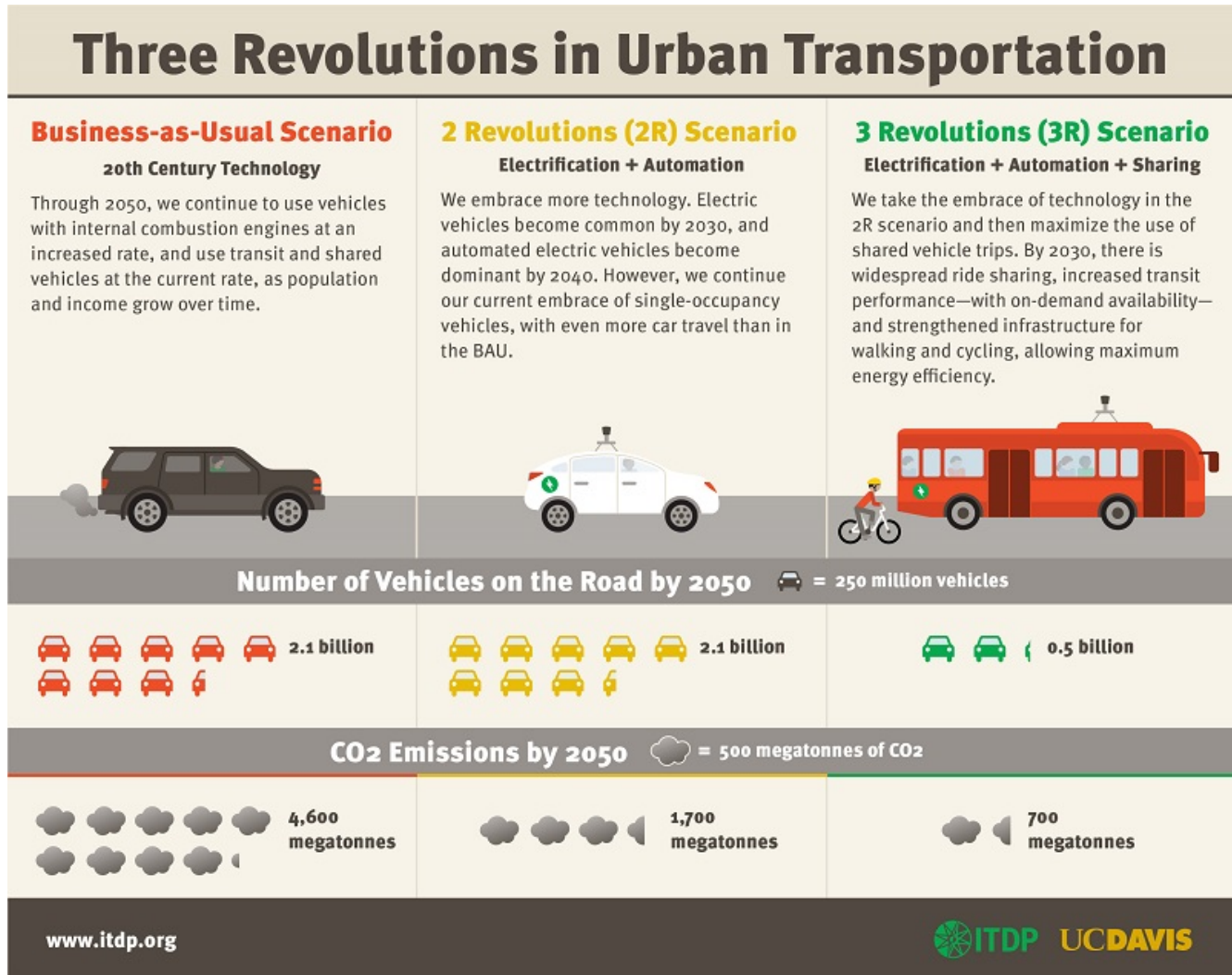
Parking Benefit Districts: Consideration may also be given to install parking meters (or other payment systems) on Downtown streets to encourage more turnover as well and serve as enforcement for the time limits. This option

¹ <http://www.oregon.gov/LCD/TGM/docs/parkingprimerfinal71213.pdf>

is an escalated version from enforced time limits to free parking or could be in conjunction with enforced time limits on highly utilized blocks like on Monterey Street. To help sell this option of parking meters to residents and business owners, the City can create a Parking Benefit District (PBD) which would ensure that all revenue generated by the parking meters will be used directly for improvements to the Downtown/station area such as street and sidewalk repair, amenities, parklets, park maintenance, and public art.

Parking Access: The City should ensure that paths to the parking facilities are well lit, and when possible use routes with high volumes of foot traffic throughout the day to increase both patron and employee perceptions safety.

New Mobility & the Shared Economy



Shared Economy

Ridesharing Services: With Transportation Network Companies (TNC) like Uber and Lyft growing in popularity, it is important for cities to be prepared. Near the station, the City can designate a specific area within the lots or on curbs for rideshare pick up and drop off such as the Transit Center VTA lot on the east side of the tracks and Depot Street drive-through on the west side of the tracks. These improvements will be especially important if a partnership is successfully created to supplement VTA bus service.

Car Share: The City should work with VTA to designate a handful of parking spaces in one of the parking areas near the Caltrain station for car share vehicle parking and work with car share companies to bring the service to Morgan Hill. These services can benefit residents and visitors alike. Given the proximity to downtown attractions and residential density, the western parking facility would be a good candidate for these improvements.

Bike Share: Bike Share is growing in popularity amongst many municipalities in the Bay Area, California, and across the country and world. Bike share systems can be designed in a number of ways (Smart Bike, Smart Dock, and Hybrid systems) and can be customized to fit a given jurisdiction's desires and needs. Bike share can provide an important connection to transit services and allow users to move about the downtown area quickly and sustainably. Morgan Hill has the potential to be a great bicycling town because of its relatively flat geography and small size at thirteen (13) square miles. As VTA continues to change its services to provide better/more efficient service throughout its service area, this may mean reduced or changed service for Morgan Hill. A bike share system coupled with improved bicycle facilities can provide a more efficient and cost-effective solution for moving residents and visitors.

In addition to Ford Go Bike (Bay Area Bike Share), many Bay Area cities are examining starting their own bike share system (typically smart bike systems). These smaller systems allow cities and towns to better customize the bike share experience and design to best suit their constituents. Morgan Hill's new Bicycle, Pedestrian, and Trails Master Plan can be used as a tool leverage funding and can help determine system design should Morgan Hill decided to consider starting their own bike share system. This plan can also be used to prioritize bicycle improvements that will better serve both the station and downtown areas of Morgan Hill.

Electric Golf Cart Services: Helping connect the VTA and Courthouse lots to downtown and also providing "senior pick up service" from the garage could include "golf cart shuttle service" where Downtown Safety Ambassadors are driving 4-6 passenger golf cars. This could initially start Thursday-Saturday nights. The City of San Diego's downtown has FRED (Free Ride Everywhere Downtown), which provides free rides within their service area throughout most of the day. FRED also provides similar services in Santa Monica, Venice, Marina Del Rey, and locations in New York, New Jersey, and Florida. Funding for these programs can come from a percentage of parking meter returns from the Downtown area, a business improvement district (via a business association tax), or a collective public-private partnership between the City and local business. Operationally, there are many different ways that the operational structure can be setup (i.e. the City purchases and owns the vehicles, but the service is operated by a contractor).

New Mobility and Preparing for the Future

This section presents information on technology and transportation: existing, trending and emerging. This section includes scenarios and recommendations.

Terms

Autonomous Vehicles (AVs) – Also referred to as driverless or self-driving, these vehicles travel according to programmed routing instead of a human driver.

Levels of Autonomy: The levels, established by the US Department of Transportation's National Highway Traffic Safety Administration (NHTSA), describes the various levels of machine/human control over vehicle operations. Level 0 is completely controlled by humans, while Level 5 is completely autonomous (no human operator involved onboard). In between, Levels 2 and 3 include driver assistance and self-parking available today. Level 4 still requires a driver, though most operations are programmed.

Transportation Network Companies (TNCs) – Companies, typical powered by a mobile smartphone app, pairs passengers with drivers who provide transportation services (on-demand single or shared rides) in the driver's non-commercial vehicle

V2X – This term describes on-board communications systems. The catch-all term is Vehicle to Everything and includes V2V (vehicle to vehicle), V2I (Vehicle to Infrastructure, V2P (Vehicle to Pedestrian), and V2B (Vehicle to Bicycle).

Scenarios

Most cities understand that transportation technology's disruption is not coming; it is here. Many of the companies at the forefront of innovation (and hence changes and disruption) are located in the San Francisco Bay area. As with any innovation, there are projected positive and negative impacts as shown in following the table:

Table from: Alta White Paper; Preparing for New Mobility: Crafting Effective Resolutions

TOPIC	BENEFITS	RISKS
Pedestrians	Reduction in crashes since AVs automatically stop for pedestrians (also V2P – or Vehicle to Pedestrian technology).	Pedestrians will be highly regulated to avoid constant stop-and-go AV traffic.
Bicyclists	Reduction in crashes and increased bike-sharing options.	Attention to individual AV vehicles prioritizes road space for cars.
Cars	Reduction in car use and ownership with shared, autonomous fleets.	Increased car use as travelers eschew active modes and transit for the ease of AVs.
Transit	AVs feed more riders to transit.	Transit suffers as riders switch to shared-use ridesharing and AVs.
Streets	Excess street space can be converted to parks and open space.	Cities will need to invest heavily in street repair and maintenance to avoid false signals for AVs using roadways.
Parking	Shared AVs need fewer spaces and parking can be located in otherwise inconvenient locations.	AVs will clog streets as they circulate – using streets like parking. Higher VMT from cars circulating or relocating to distant parking.
Freight & Deliveries	Faster deliveries for on-demand retail and lower delivery costs.	Job losses. Sidewalk congestion with driverless delivery pods
Revenue	Cities can rethink revenue sources as gasoline tax remittances shrink. The new frameworks can include incentives for active and low impact modes.	Job losses. Loss of office and hotel taxes as drivers use vehicles for overnight trips and work. Loss of auto permits, tickets and parking.
Safety	Fewer collisions between cars and pedestrians and bicyclists.	AVs can be hacked. Ethical considerations for unavoidable crashes.
Equity	Travel options for mobility-impaired populations such as teenagers, the elderly. Greater options outside city centers.	Cars can be programmed to avoid certain situations and geographic locations.

For cities, the main objective is to harness opportunities while limiting risk at the forefront of the planning process. To achieve this goal, cities are developing scenarios (1) what is likely to happen and (2) what the community wishes to see happen and (3) policies and other levers to attain the desired mobility system.

Probable Technology Advances:

Rail: High capacity transit will still be needed to move large numbers of people. Moreover, the increase in e-commerce will see more package delivery by a variety of modes.

Implications for planning: Morgan Hill should determine the best ways to deliver riders to high speed rail using first/last mile practices, mobility hubs and infrastructure upgrades. Density around stations, as well as convenient direct passageways for pedestrians and bicyclists needs to drive buildings and infrastructure design.

Autonomous Vehicles Technology: Auto manufacturers are already installing driverless features into new models offered to the mass market including self-parking and pedestrian detection. Boston and other cities have already sponsored closed and semi-closed course trials for vehicles. Carmakers such as Volvo are beginning to signal specific dates within the next 7-10 years when they will release fully autonomous (or Level 5) models. Consumer

acceptance is a big concern, as is the potential for increased Vehicle Miles Travelled (VMT) given the convenience of AVs.

Implications for planning: Autonomous automobiles, at least in the first phases, will need well-managed streets as not to “confuse” the vehicle cameras and LIDAR with trash or potholes. Moreover, technology providers may expect cities to properly stripe streets and/or provide the technology required. Congestion is a big concern if systems replace mostly single-occupancy vehicles with driverless ones (while driverless cars can travel closer together, there are road capacity limits and priority passage).

Both the streets and congestion have policy and financial aspects for planning. As the first automobile companies come forward to test vehicles, Morgan Hill work with providers to test new revenue models for upgrading streets. At a higher level, states and cities are already promoting VMT fees to replace decreasing revenues tied to traditional car ownership (e.g. parking, permits)

Shuttles (Microtransit), Paratransit & Buses: Several companies (EasyMile, Local Motors) are focusing on shuttles, as opposed to individual single, occupied vehicles. The rationale is that whether there are drivers or not, higher capacity vehicles are preferred to individual vehicles to maximize road capacity. Likewise, experts envision an on-going role for buses and shuttles given capacity constraints on roadways.

Implications for planning: In the near term, microtransit providers such as the Downtowner are providing service in several markets. The most lucrative are in resort areas, though these services find a niche in markets where trips are too far to walk, but not worth a taxi/TNC fare. Circulators can fill service gaps where routes in a carefully defined service area make sense.

Many cities are working with TNCs (Lyft, Uber and others) to provide paratransit service. Conventional paratransit typically poses high costs per passenger on antiquated reservation services. These new arrangements can provide more responsive service at lower costs.

For autonomous shuttles, cities are already running demonstrations (Las Vegas) for routes. In early stages, routes will be simple (linear, loops) and restricted to protected lanes. Over time, shuttles can provide on-demand service. Morgan Hill can test downtown autonomous circulators in the restaurant district, and to feed riders to rail. Other uses may emerge, for example between medical, educational and businesses campuses. Note that for all vehicles (cars, shuttles), the switch to electric will accelerate. This will require rapid and widespread installation of electric charging facilities.

Pedestrians & Rideables: Despite driverless’ promise of safety, there is still concern about (1) a proliferation of audible alerts and (2) hyper-regulation as to avoid gridlock as vehicles constantly stop for pedestrian and bike crossing. In addition, there are an increasing number of personal mobility devices or “rideables” such as electric hoverboards, skateboards, one-wheels, and scooters. While these add low impact mobility, in particular for first/last mile to transit, they also pose questions on where riders may travel (e.g. sidewalk, bike lanes).

Implications for planning: In the near term, cities can take advantage of technology for crash avoidance. This can include installing after-market technology to existing municipal vehicles and use of other technology referred to as V2P (Vehicle to Pedestrian). This can easily integrate with Vision Zero plans. For both walking and biking, new counting technology can help the city monitor active transportation and demand for infrastructure like lanes and bike parking.

Bicycles: Bike technology is evolving as quickly as vehicle technology. This includes:

- Bike share – rental bikes, bike share (stations), bike share (dockless)
- Electric – personally owned, shared
- Deliveries – messengers, cargo bikes, delivery bikes

Implications for planning: The increase in cycling options is increasing demand for infrastructure such as bike parking and lanes. Protected bike lanes are increasing in popularity for biking of all types among a wider swath of users. At the regional level, mixed use and mixed motorized trail such as the Coachella Valley's CVLink suggest design for trails of the future.

For bike share, a new generation of dockless bike companies are now providing fleets for low or no cost to cities. These systems provide on-demand bikes almost anywhere, and depend on having a large number of bikes available. This poses challenges to avoid bike clutter on sidewalks (since riders can park bikes anywhere) and abandoned bikes. However, with planning and adequate bicycle parking, these bikes can provide more choices downtown and for access to rail.

Shared Use: Shared Use for bikes, rideables, vehicles and rideshare continue to evolve to address convenience gaps. In the future, most transportation experts recommend shared autonomous vehicle fleets, owned by transportation companies or public agencies.

Implications for planning: Shared-use services are already changing travel and vehicle ownership patterns. In the near term, the city can work with TNCs on providing paratransit or semi-paratransit services. Morgan Hill can also focus on shared use services close to higher density development (carshare, rideshare). In addition, cities are beginning to redesign curbs with special pick-up and drop-off zones. This helps alleviate congestion and uncertainty as numerous ride share companies vie for curbs to service riders. This also may provide incentives if cities begin pricing curbside usage. For example a rider's surcharge may be minimal (under 5 cents) for pick up in a designated area, but a higher fee for pick up where the service interrupts traffic flow.

For autonomous vehicles, most transportation experts recommend shared fleets. In addition, some see vehicles carrying a mix of passengers and packages.

Mobility as a Service: As more people eschew car ownership and technology expands the number and type of modes available, several companies are working on Mobility-as-a-Service (MaaS) offers subscriptions to service bundles. For example a user could order a package that allows a certain number of trips that can be taken on transit, bike rental/share, car share, ride share and more from a single app with a single payment system.

Planning implications: In the near term, apps for various transportation services allow users to pay from a mobile device. In the near future, users will have a single payment platform that aggregates all modes on a pay-by-use basis. MaaS takes the concept further by offering subscriptions.

Land Use: From a planning perspective, research on walkable communities continues to show a placemaking dividend. As more residential units are occupied. Morgan Hill will benefit from collecting data on new residents and their travel patterns. This includes biking and walking, shared-use rides and transit use. There is new pedestrian and bike counting technology to help determine counts automatically.

Over the long term, technology of all types is putting pressure on land use, for example, retail (competition from online retail), office (rise of shared office spaces), and residential (demand for smaller units). Urban planners need to focus less on fixed, rigid zoning categories towards new models of flexible use zoning. This includes conventional categories (R, C, and Mixed Use) as well as parking requirements.

Planning implications: In the near term, Morgan Hill can (1) add more shared-use and active transportation options closer to new residential developments, including bike and car share, designated pick up and drop off areas for TNCs, and Transportation Demand Management Services clearly illustrating options.

Infrastructure: Rights of way will see shifts in use

Sidewalks: In urban areas, sidewalks are already experiencing congestion with the increase in demand for urban living, commercial uses such as sidewalk cafes, utilities. Green infrastructure and technology. Sidewalk delivery drones, depending on their numbers, will further add to congestion.

Curbsides: Shared use mobility (car and ridesharing) are using curb space for parking and passenger pick-up and drop-off. Deliveries are on the rise with e-commerce (see below).

Streets: Complete streets are reshaping space for multiple modes. For technology, opinions are mixed as to whether autonomous vehicles will further reshape lanes and space allocation. Because vehicles can be programmed readily, some experts believe different streets will host different vehicle mixes (some by time of day).

E-Commerce: E-commerce is expected to grow even faster as consumers order more products online. This trend is already putting pressure on building design and loading areas where package delivery and storage areas are inadequate. In the future, companies such as Amazon are planning on drone delivery (air and sidewalk), as well as new distribution hubs for first/last mile (and even first/last 100 feet) deliveries.

Planning implications: Cities will need to contend with an increase in warehousing/distribution hubs closer to consumers. For deliveries, cities will need to also address drones that increasingly use new public spaces (air rights of way and sidewalks). For pedestrians, a small number of sidewalk drones may be unnoticeable, however, they could pose a safety hazard in great numbers. Note Amazon intends to use bike deliveries in addition to driverless. Using bikes allows continuous deliveries in the event of system interruption (e.g., hacking).

Priority Action: Planning for New Mobility & Technology

New mobility is not concentrated on autonomous cars, but rather new systems where active transportation, transit and technology work on a platform of great city and street design to expand opportunity and mobility. Technology will not replace timeless placemaking principals, or the economic power of walkable and bikeable communities. Rather, technology can increase safety, the number of options and convenience of multi-modal travel. The table below offers an example of improvements worth considering in order to prepare for and benefit from future advances in transportation mobility.

Table of Prioritized Improvements

1.b

Improvement	Tier 1	Tier 2	Tier 3	Comments
Planning for Transportation Technology				
Pass a local Resolution on mobility + tech priorities	X			Use the resolution as a way to engage the public on tech & possible changes
Work with local colleges and industry leaders to attract AV pilots and tests	X			
Issue a Request for Information (Rfi) for mobility solutions	X			Examples: Los Angeles "bench"
Initiate scenario planning (both as transportation planning and civic engagement strategies). Conduct internally as well.	X			Begin discussions on policy internally: working across Departments, data sharing and storage, plan alignment, safety, privacy
Create a time line of plan updates over next 4 years across city Departments				
Work with state agencies and municipal non-profits to explore longer term revenue replacement	X			Groups include the Local Government Commission & California League of Cities
Pedestrian & Bicycle Technology				
Contact dockless bike share companies to explore a trial downtown or in other areas.	X			Operators in California include LimeBike, oBike, Spin, and Ford's GoBike
Work with businesses on a bike valet parking program	X			This may include valets who redistribute bikes.
Explore new V2P and V2B technology.		X		
Monitor use of rideables (motorized, low speed personal vehicles)		X		May need future regulations fo determining use on sidewalks,
Vehicle & Transit Technology				
Research and install the growing number of after-market devices to existing city vehicles				
Work with civic, business and real estate leaders to identify initial on-demand and AV shuttle routes	X			Work with firms in Palo Alto who may be willing to include as part of their TDM
Use the Shared Use Mobility Center's Toolbox	X			

Attachment: Alta Planning + Design - Morgan Hill Station Area Memo (1467 : Station Area Master Plan)

Morgan Hill Station Area Considerations & Depot Street Complete Streets Redesign

Attract on-demand shuttles available now (such as the Downtowner)			X	
Approach TNCs for partnerships on paratransit and similar services				
Invite pilots with AV shuttles such as EasyMile	X			
Smart Infrastructure				
Audit existing sidewalk demand, as well as future needs with technology	X			Include technology such as 5G and low power networks.
Audit actual parking usage – use low cost counting technology to determine parking demand and usage (on-street and in structures).				
Consider curbside pricing and plans		X		Pricing may be assessed either with technology embedded in curbs or via mobile apps.
Parking Technology				
Include Parking navigation apps in TDM programs	X			Example: Spot Hero
Require smart parking in all new development & redevelopment	X			Require reports to assess how many spaces needed
Map flexible parking				
Increase electric charging requirements for all new/upgraded parking		X		
If Morgan Hills pursues dockless bikes, complement with an Increase number and distribution of bike racks		X		
Require flexible design for all new parking structures to allow easy transition to other uses		X		Example: Los Angeles
Planning for e-Commerce				
Conduct scenarios for e-commerce deliveries	X			Include projections on volumes warehousing, first/last mile, modes
Engage experts and companies developing drones to proactively address use of public rights-of-way		X		

Attachment: Alta Planning + Design - Morgan Hill Station Area Memo (1467 : Station Area Master Plan)

New Mobility Resources

[Preparing for New Mobility White Paper](#), Alta Planning + design

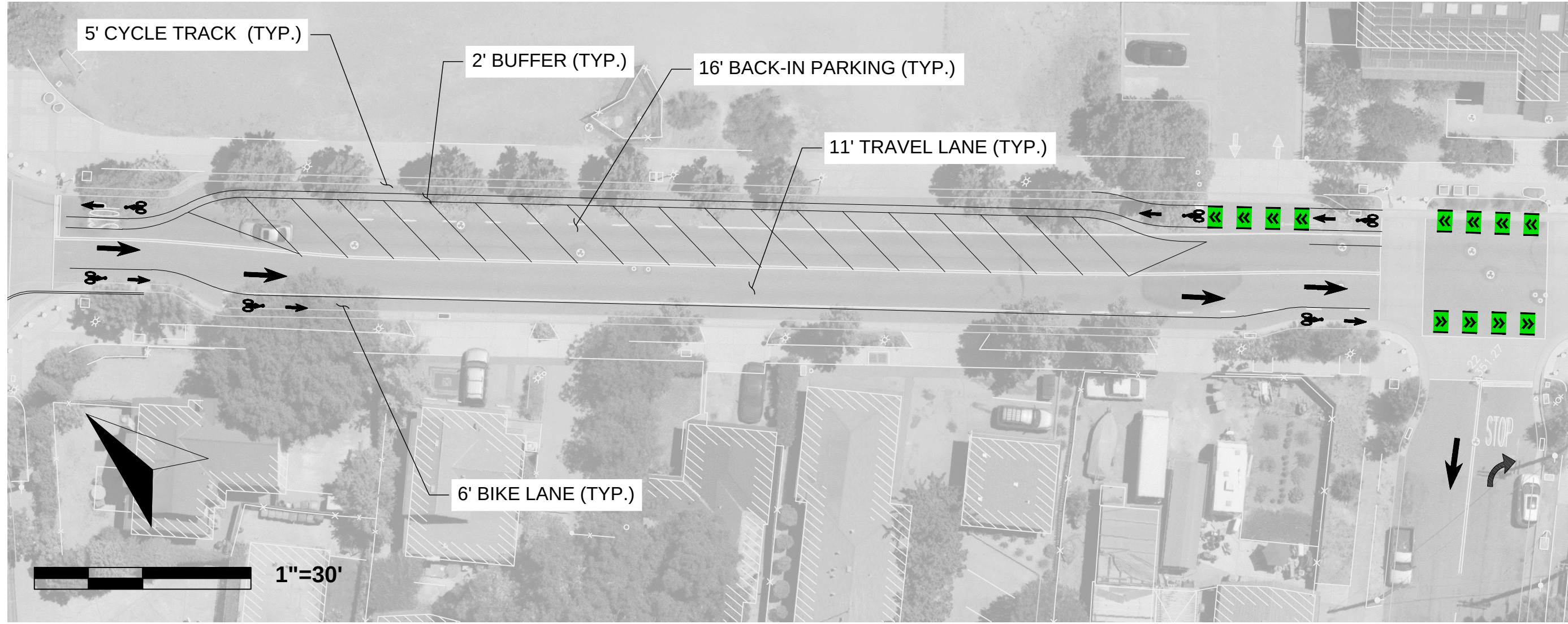
[Taming the Autonomous Vehicle: A Primer for Cities](#) (Aspen Institute/Bloomberg Philanthropy

[Los Angeles Transportation Technology Plan](#) LA's comprehensive transportation + technology plan

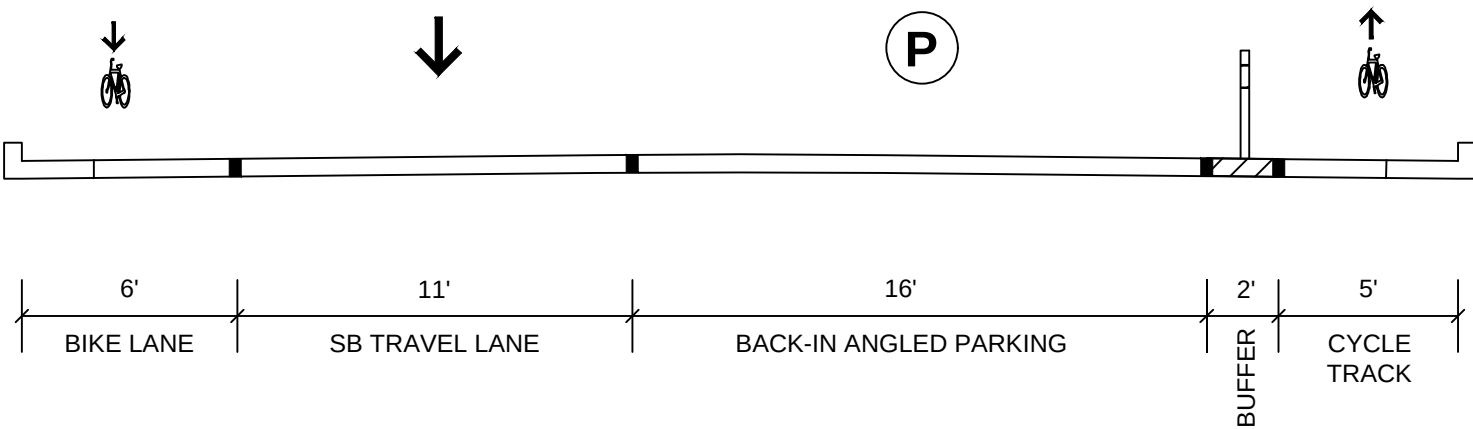
[Guidelines for planning & conducting automated vehicle trials](#) (Australia)

[Shared Use Mobility Center](#) (including a Shared Use Mobility Toolkit)

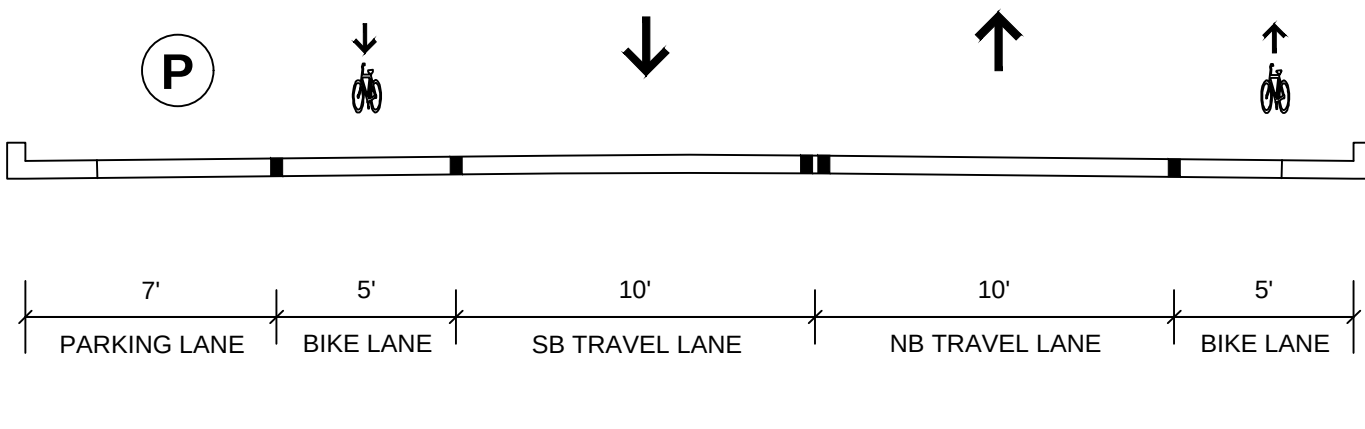
[Autonomous Vehicles and the Future of Parking](#)



TYPICAL BLOCK APPLICATION



DEPOT STREET
(MAIN STREET TO 4TH STREET - 40' ROADWAY)



DEPOT STREET
(4TH STREET TO DUNNE AVE - 37' ROADWAY)

DRAFT

CONCEPT 1 - SOUTHBOUND



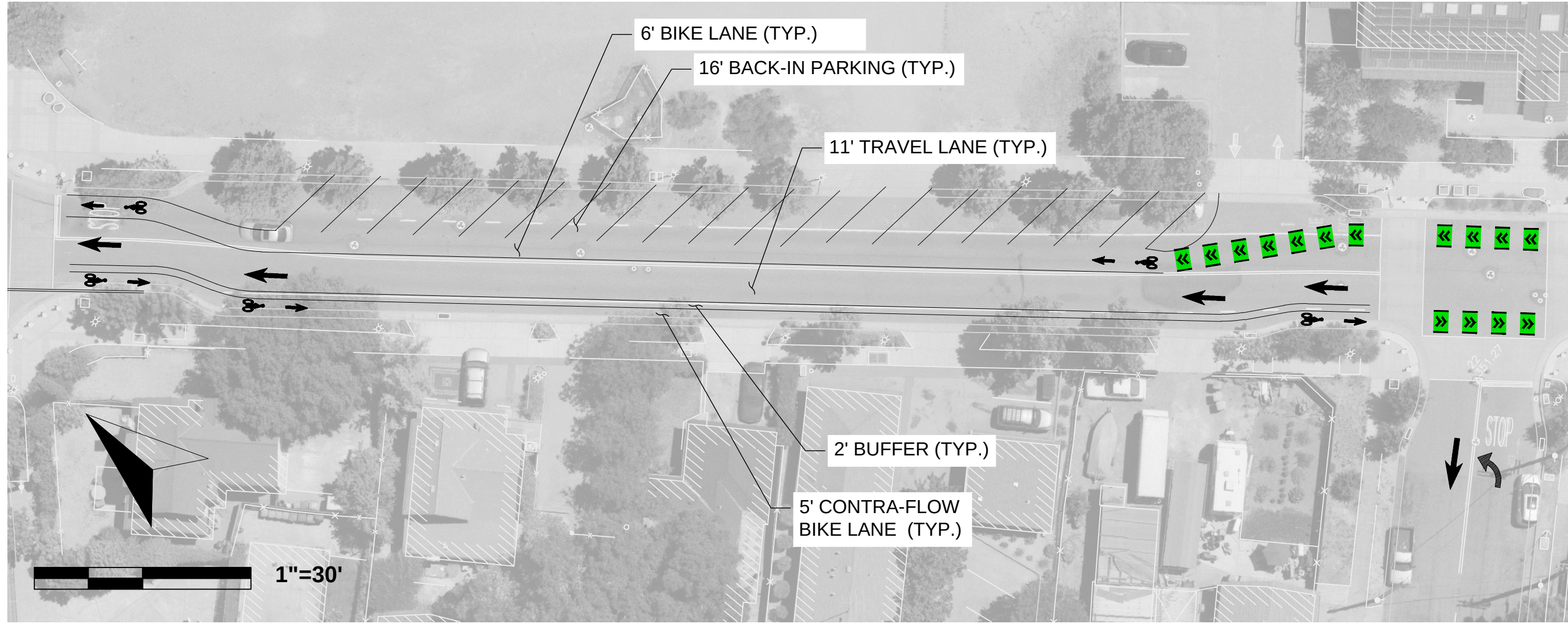
City of Morgan Hill



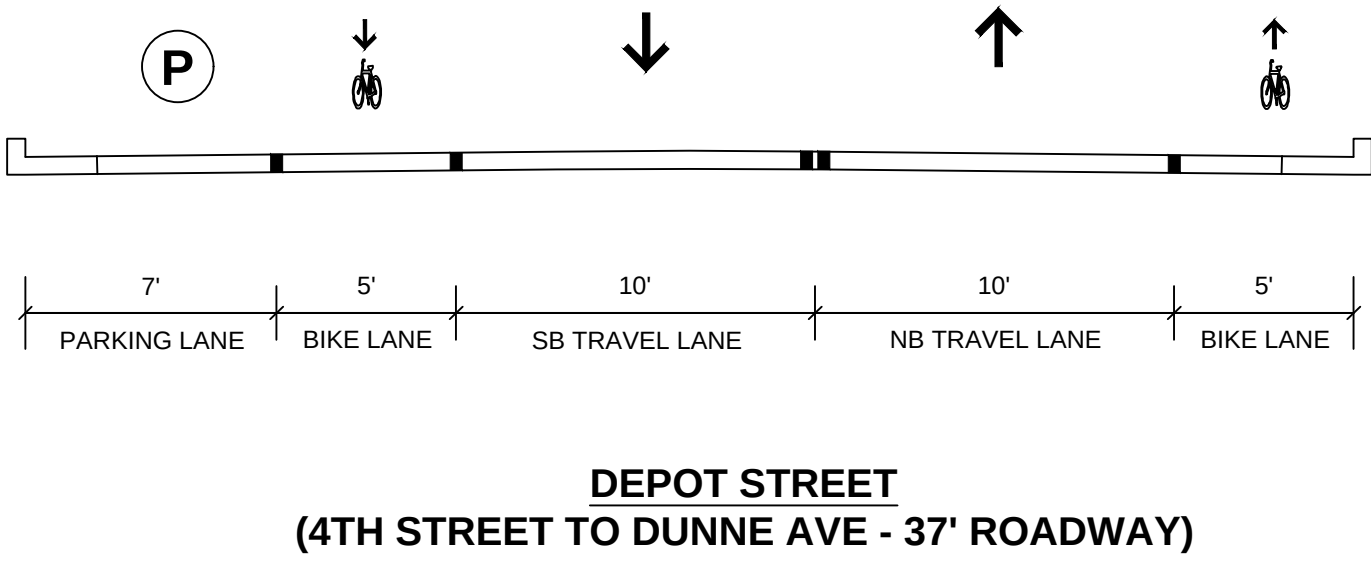
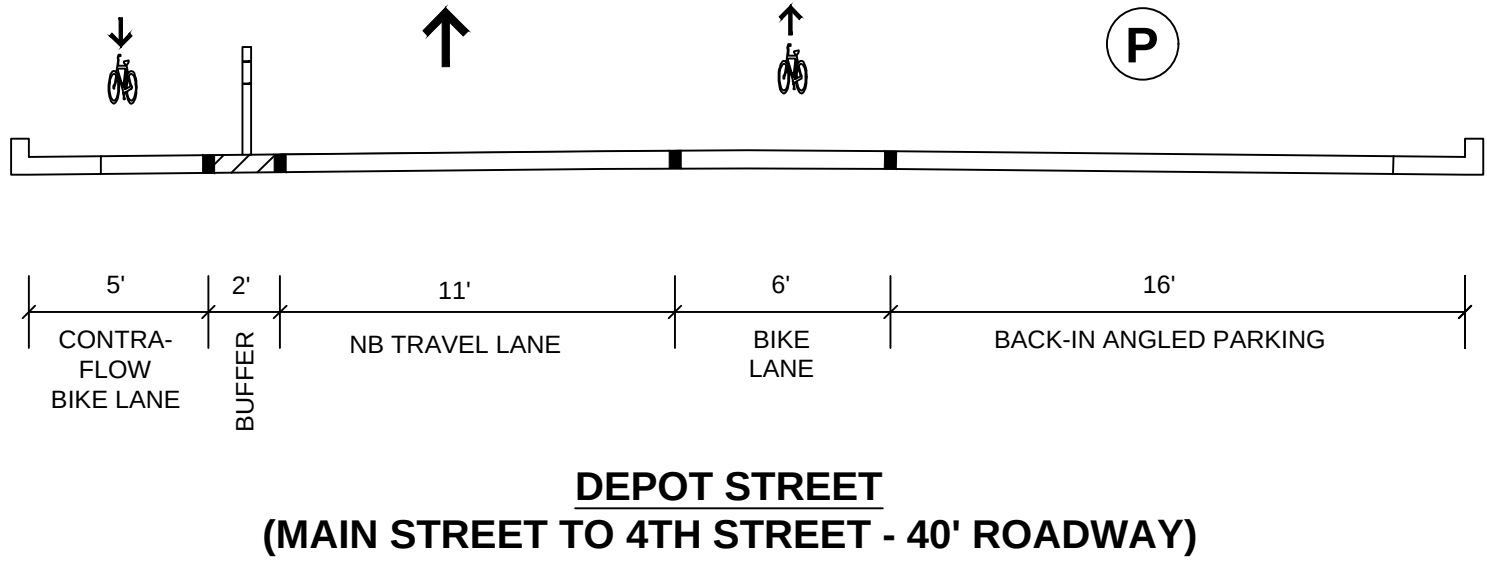
100 Webster Street, Suite 300
Oakland, California 94607
p:510.540.5008 f:510.788.6465

DEPOT STREET
COMPLETE STREETS PROJECT

PROJECT NUMBER:
2017-300
SHEET NAME:
SHEET NUMBER:
1 OF 5



TYPICAL BLOCK APPLICATION



DRAFT

CONCEPT 1 - NORTHBOUND



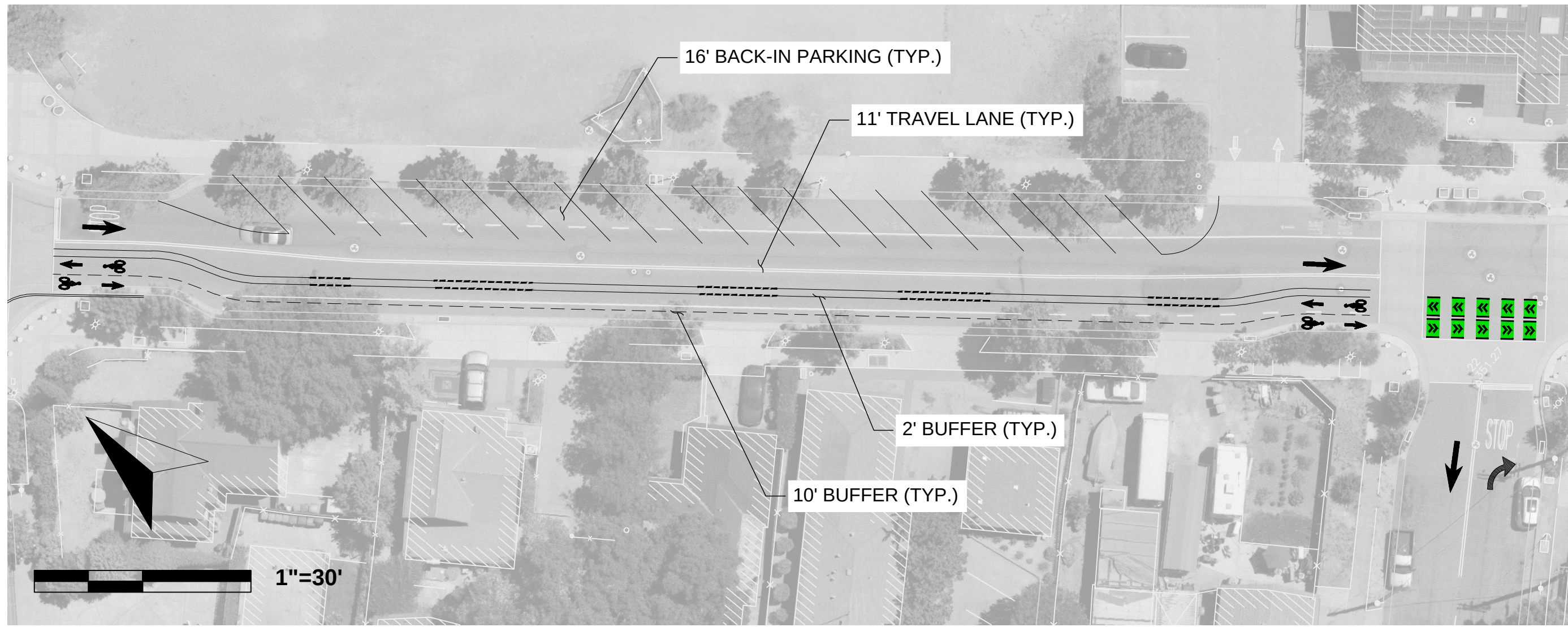
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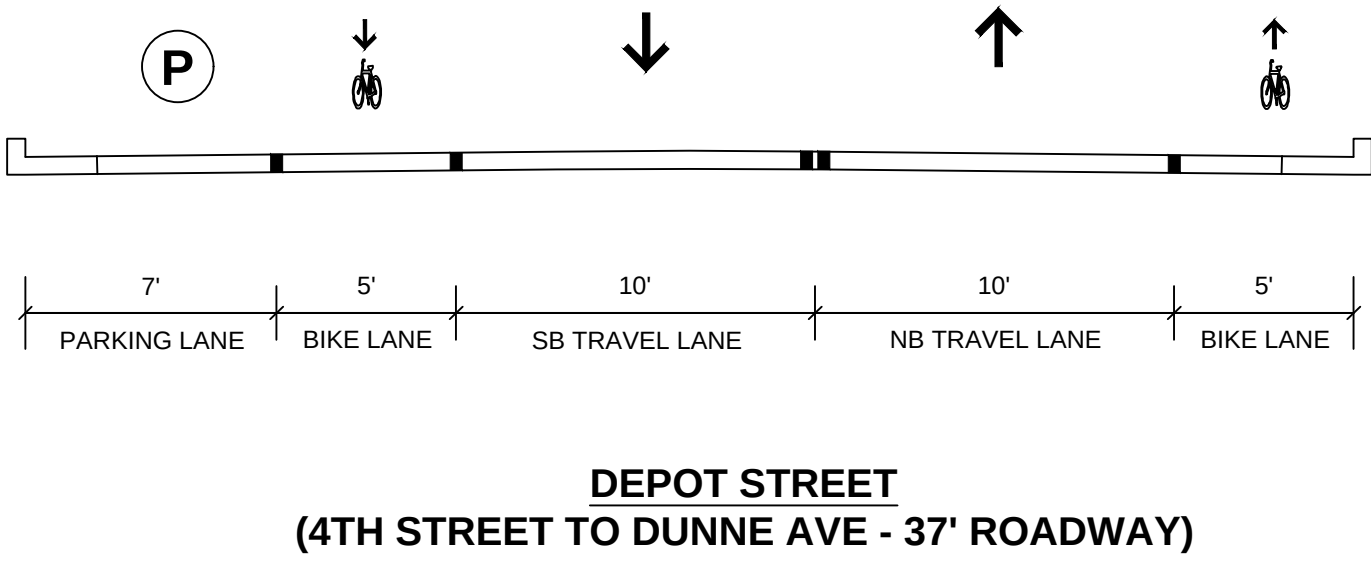
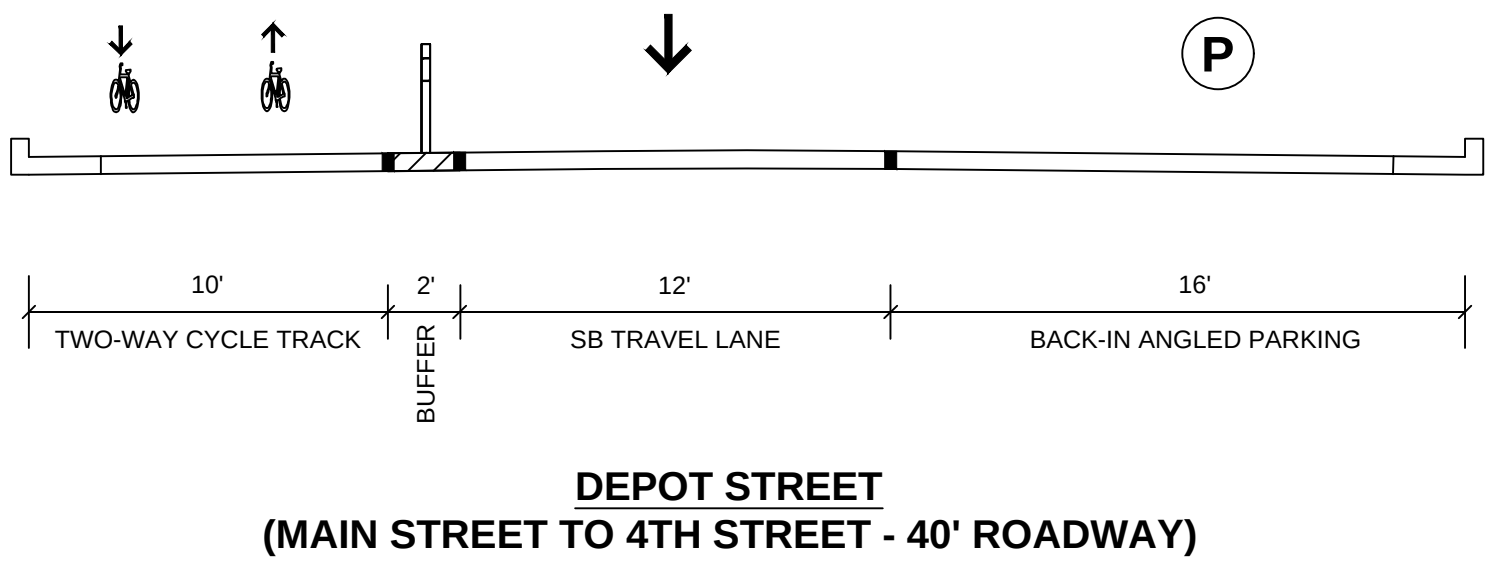
100 Webster Street, Suite 300
Oakland, California 94607
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DEPOT STREET
COMPLETE STREETS PROJECT

PROJECT NUMBER:
2017-300
SHEET NAME:
SHEET NUMBER:
2 OF 5



TYPICAL BLOCK APPLICATION



DRAFT

CONCEPT 2 - SOUTHBOUND



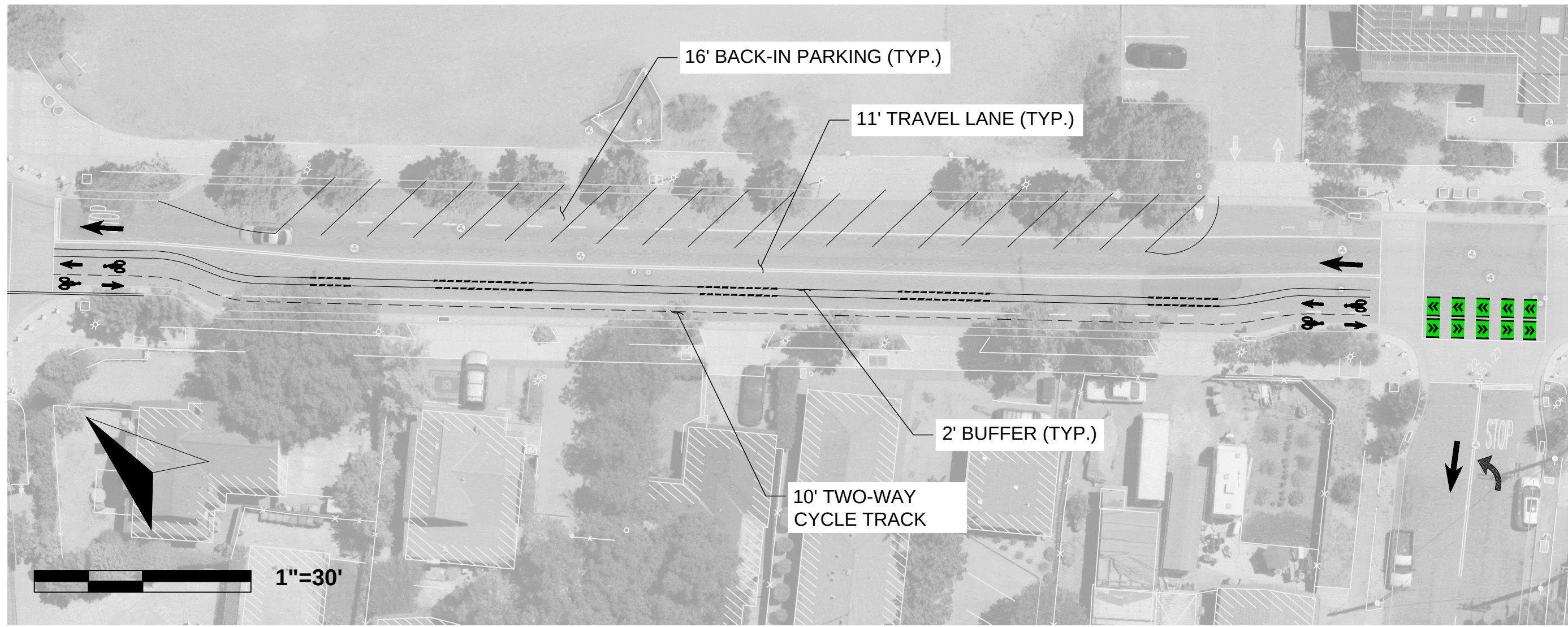
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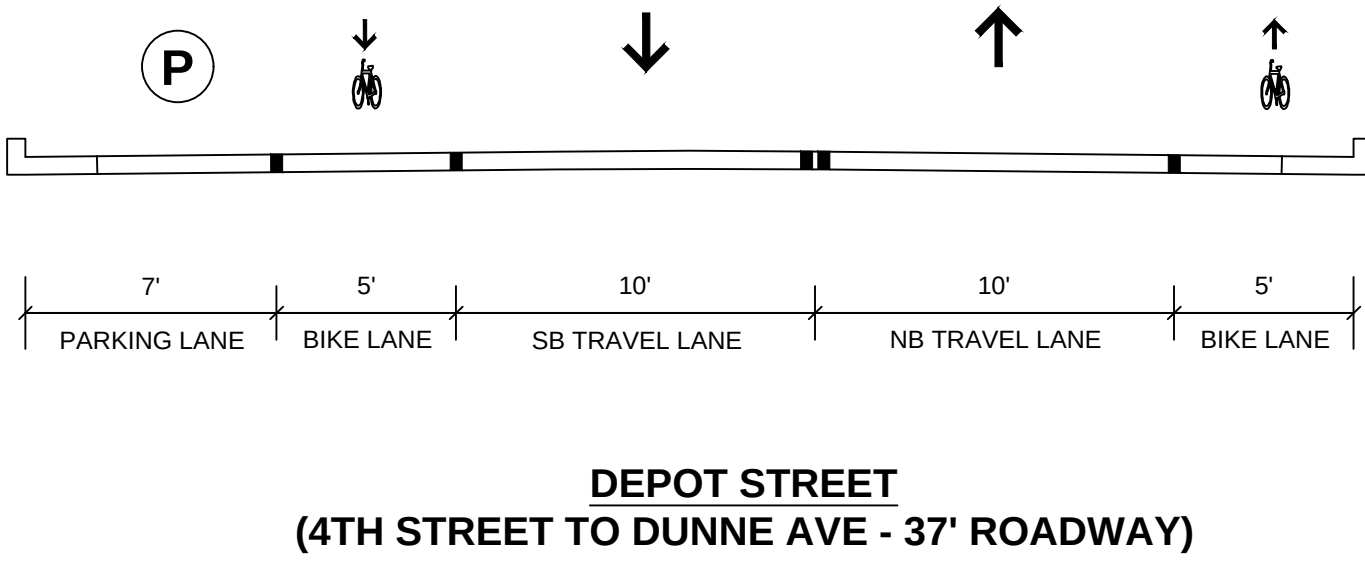
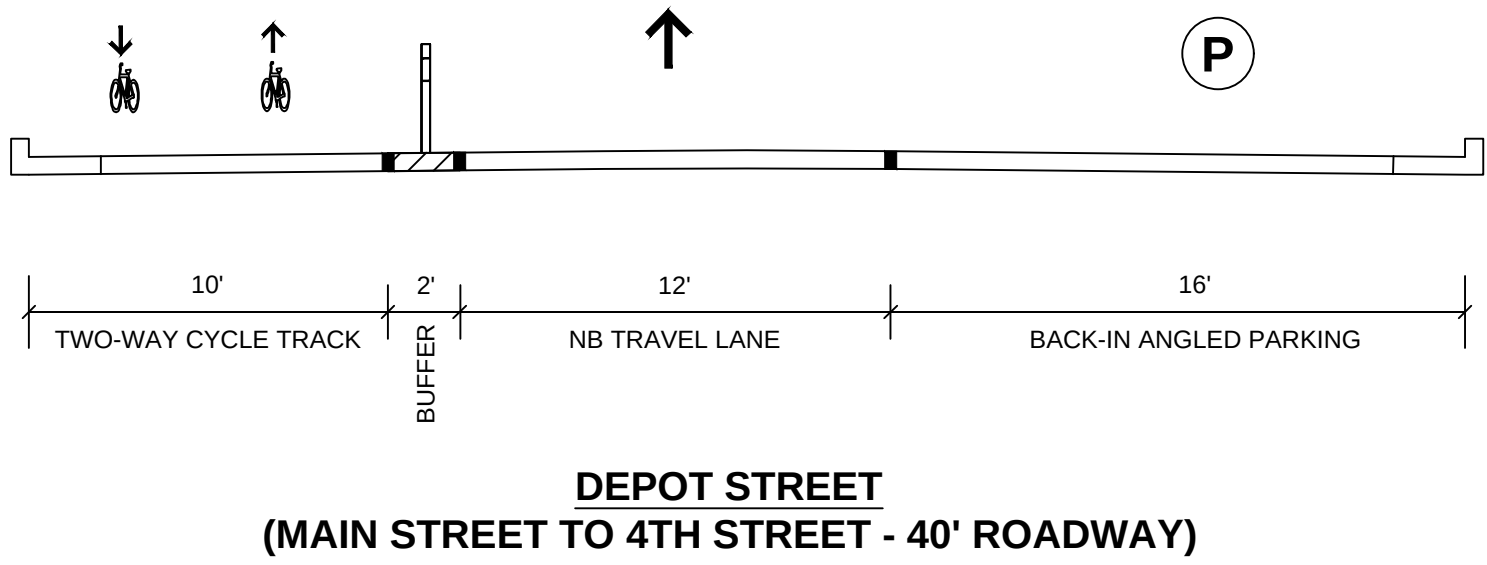
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DEPOT STREET
COMPLETE STREETS PROJECT

PROJECT NUMBER:
2017-300
SHEET NAME:
SHEET NUMBER:
3 OF 5



TYPICAL BLOCK APPLICATION



DRAFT

CONCEPT 2 - NORTHBOUND



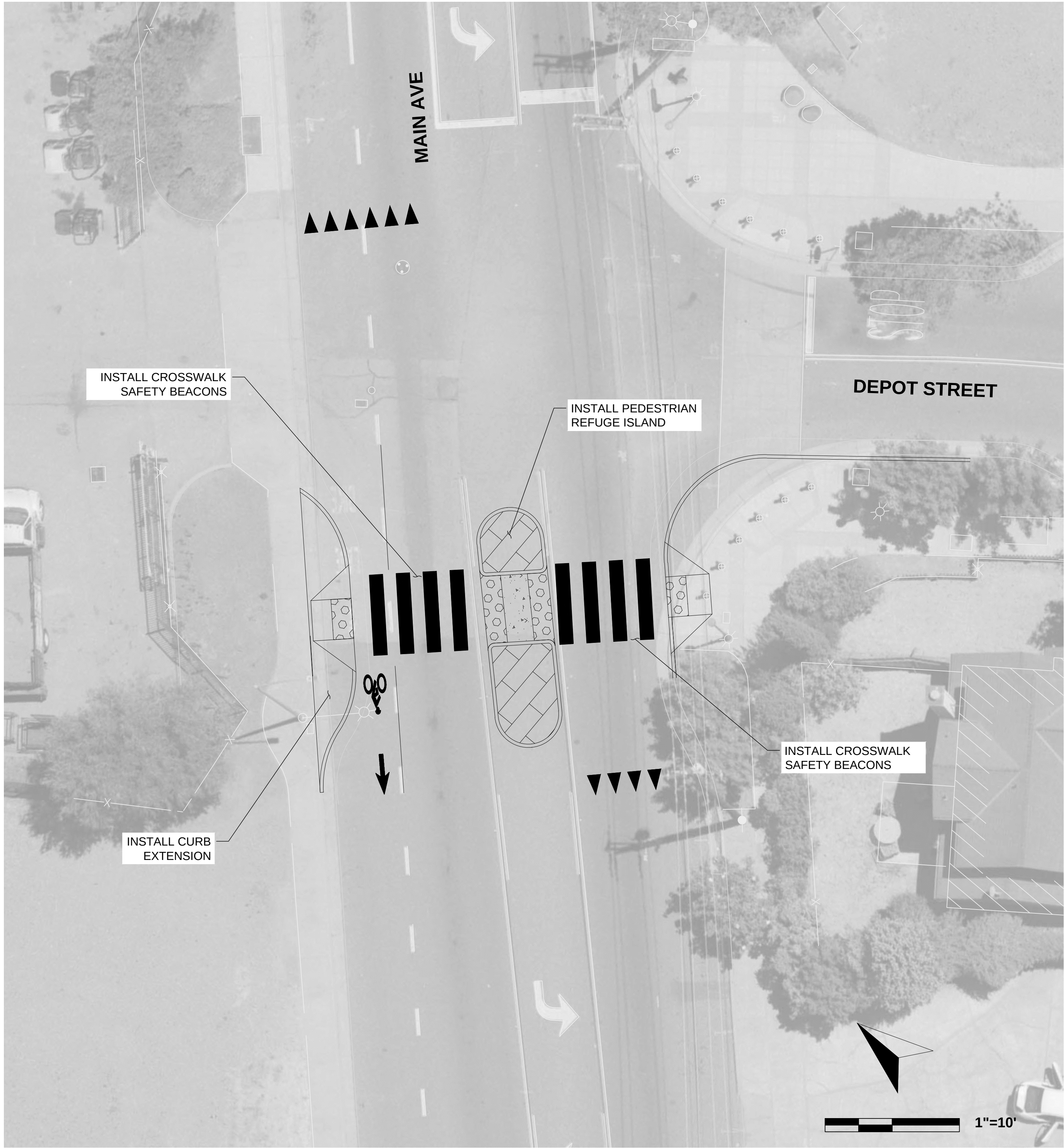
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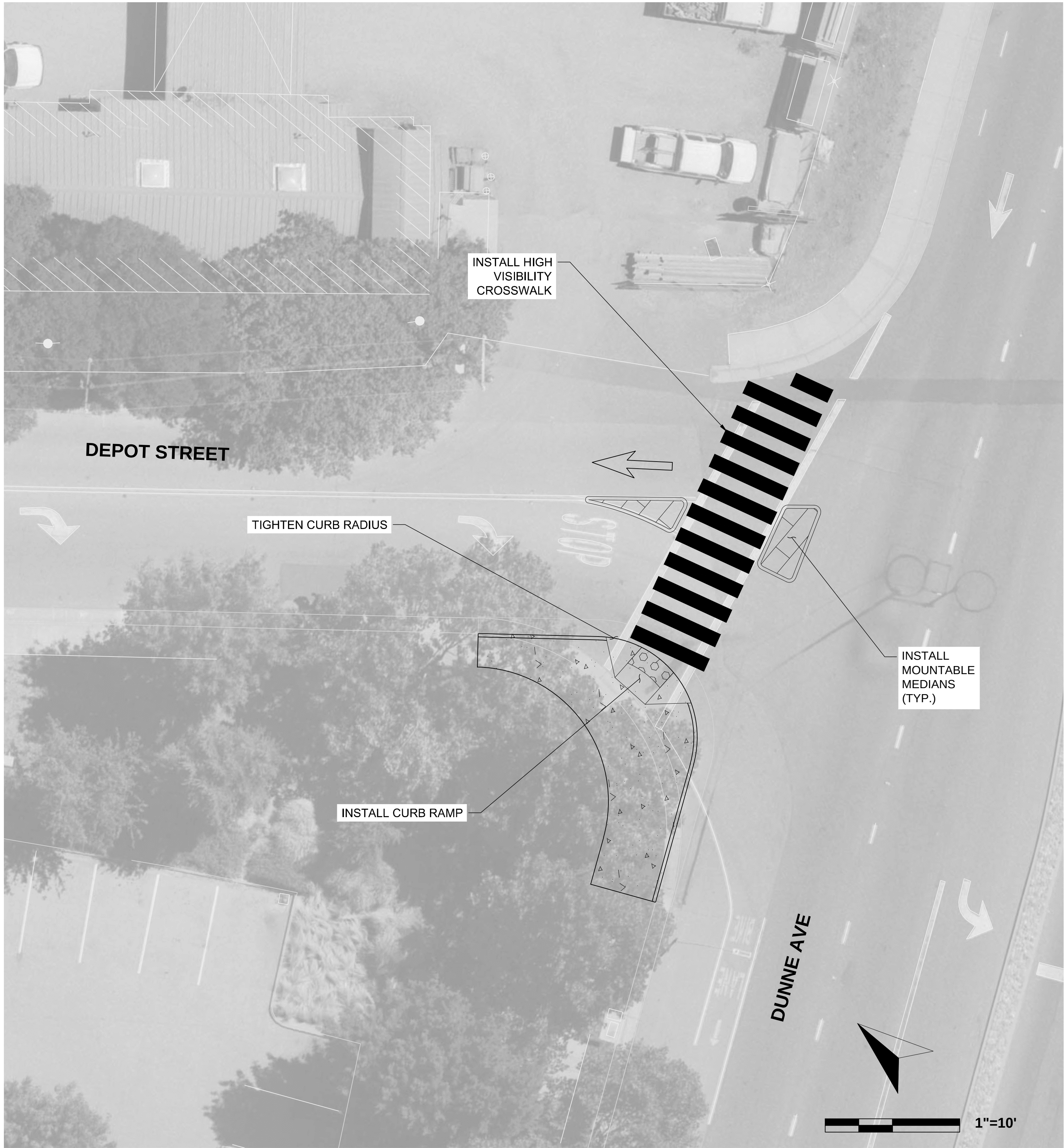
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DEPOT STREET
COMPLETE STREETS PROJECT

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SHEET NAME:
SHEET NUMBER:
4 OF 5



IMPROVEMENTS AT MAIN AVENUE



IMPROVEMENTS AT DUNNE AVE

DRAFT

INTERSECTION IMPROVEMENTS



City of Morgan Hill



100 Webster Street, Suite 300
Oakland, California 94607
p:510.540.5008 f:510.788.6465

DEPOT STREET
COMPLETE STREETS PROJECT

PROJECT NUMBER:	2017-300
SHEET NAME:	
SHEET NUMBER:	5 OF 5



CITY COUNCIL STAFF REPORT

MEETING DATE: November 1, 2017

PREPARED BY: Irma Torrez, City Clerk
APPROVED BY: City Manager

UPCOMING 2018 COMMISSION VACANCIES - PER MADDY ACT

RECOMMENDATION(S)

Accept report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Preserving and Cultivating Public Trust

2017 Strategic Priorities

Inclusiveness

REPORT NARRATIVE:

Government Code Section 54972 (Maddy Act) requires that before December 31 of each year, the City Council cause to be prepared a list of appointments of all ongoing boards, commissions, and committees that are appointed by the City Council. The list includes which terms will expire during the next calendar year with the name of the incumbent appointee, the date of appointment, the date the term expires, and the necessary qualifications for the position.

Chapter 2.22.010 - Master Provisions for Boards and Commissions of the Municipal Code established the following commissions: Planning Commission; Parks & Recreation Commission; and the Library, Culture & Arts Commission. Chapter 2.22.010, Section B, states that: "Unless otherwise set forth, all members of boards, commissions and committees shall be residents of the city and shall continue to be residents of the city during their terms of office. Notwithstanding the foregoing, individuals who reside within the Morgan Hill Unified School District boundary and who do not otherwise reside in any city other than Morgan Hill may be appointed to boards, commissions and committees provided that no more than thirty percent of the members of any board, commission or committee shall be non-Morgan Hill residents."

Library, Culture & Arts and Parks & Recreation Commissioners with terms due to expire in 2018 are highlighted in the attached "Local Appointment List". There are no Planning Commissioners with terms due to expire in 2018. Term expirations for Planning Commissioners will occur in June 2019.

COMMUNITY ENGAGEMENT: Inform

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

ALTERNATIVE ACTIONS:

Not applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Per Resolution No. 7082, adopted by the City Council on December 17, 2014, this report is being presented as an informational item. The City Clerk's Office will post the "Local Appointment List" in accordance with Government Code Section 54972 prior to December 31, 2017 and every year before December 31, thereafter.

FISCAL AND RESOURCE IMPACT:

The time necessary to prepare this report is accommodated in the Administrative Services – Council Services & Records Coordinator's Operating Budget.

CEQA (California Environmental Quality Act):

Not a project. Administrative activities of governments that do not result in direct physical changes in the environment do not qualify as a project for purposes of CEQA.

LINKS/ATTACHMENTS:

1. chapter 2.22 Master Provisions for boards and commissions
2. Chapter 2.36 Planning Commission
3. chapter 2.32 Parks and Recreation Commission
4. chapter 2.68 Library, Culture and Arts Commission
5. Local Appt Term Posted 12-31-17
6. Resolution No. 7082 - Maddy Act

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 2.36 - PLANNING COMMISSION*

Sections:

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)

Chapter 2.32

PARKS AND RECREATION COMMISSION*

Sections:

2.32.010 Created.

2.32.020 Membership—Terms of office.

2.32.030 Powers and duties.

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

2.32.010 Created.

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

2.32.020 Membership—Terms of office.

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

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

2.32.030 Powers and duties.

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

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

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

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

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

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

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

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

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

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

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

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

2.68.010 Created.

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

2.68.020 Membership—Terms of office.

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

2.68.030 Powers and duties.

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

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

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

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

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

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

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

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

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

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



17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

general@morganhill.ca.gov

POSTED ON ____, 2017 PER MADDY ACT

LOCAL APPOINTMENTS LIST

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

LIBRARY, CULTURE & ARTS COMMISSION

(Two Year Term)

Serves as liaison with the County Library and meets monthly to advise on the adequacy of library services.

<u>Date Appointed</u>	<u>Name</u>	<u>Term Expires</u>
February 23, 2017	Maria Antunes	April 1, 2019
February 23, 2017	Norma Bussing	April 1, 2019
June 21, 2017	Brigitte Crawford	April 1, 2018
May 3, 2017	Katie Khera	April 1, 2019
April 16, 2014	Paul Lake	April 1, 2018
February 17, 2016	Lori Paul	April 1, 2018
February 23, 2017	Daniel Redfield	April 1, 2019

PARKS & RECREATION COMMISSION

(Four Year Term)

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

<u>Date Appointed</u>	<u>Name</u>	<u>Term Expires</u>
April 16, 2014	LaRene Green	April 1, 2018
April 15, 2015	Bill Haskell	April 1, 2018
October 2, 2013	Ronald Locicero	April 1, 2018
February 17, 2016	Richard Scott	April 1, 2020
April 16, 2014	Mary Seehafer	April 1, 2020
May 4, 1998	Craig C. van Keulen	April 1, 2018
February 17, 2016	Matthew Wendt	April 1, 2020
School District Liaison	Bob Benevento	N/A
<i>Ex-Officio Member:</i>		

PLANNING COMMISSION

(Four Year Term)

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

<u>Date Appointed</u>	<u>Name</u>	<u>Term Expires</u>
July 15, 2015	Liam Downey	June 1, 2019
May 3, 2017	Mohammad Habib	June 1, 2021
May 18, 2011	John McKay	June 1, 2021
January 18, 2017	Yvonne Martinez Beltran	June 1, 2021
January 28, 1989	Joseph Mueller	June 1, 2019
June 21, 2017	Juan Miguel Munoz-Morris	June 1, 2019
April 25, 2007	Wayne Tanda	June 1, 2019

***Note:** Highlighted Commissioners have terms expiring in 2018

RESOLUTION NO. 7082

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, ACCEPTING THE CITY CLERK'S REPORT ON UPCOMING 2015 COMMISSION VACANCIES, DIRECTING THE CITY CLERK TO PREPARE A "LOCAL APPOINTMENT LIST" OF ALL ONGOING BOARDS, COMMISSIONS AND COMMITTEES APPOINTED BY THE CITY COUNCIL, AND THAT THE LIST OF APPOINTMENTS TO BE POSTED ACCORDING TO LAW PRIOR TO DECEMBER 31, 2014 AND PRIOR TO EVERY DECEMBER 31, THEREAFTER

WHEREAS, the "Maddy Act" was enacted to maximize public awareness of local appointments made by the City Council; and

WHEREAS, the Maddy Act takes into consideration a vast and largely untapped reservoir of talent which exists among the citizenry that all too frequently are not aware of the opportunities for participation on local regulatory and advisory boards and commissions; and

WHEREAS, in accordance with Government Code Sections 54972, the City Council shall cause to be prepared a list of appointments (Local Appointment List) of all ongoing boards, commissions and committees that are appointed by the City Council; and

WHEREAS, the "Local Appointment List" is to include the terms due to expire during the next calendar year with the name of the incumbent appointee, the date of appointment, the date the term expires, and the necessary qualifications for the position.

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

SECTION 1. Pursuant to Government Code 54972, the City Council directs the City Clerk to prepare the "Local Appointment List" to include all the information required by law.

SECTION 2. That the City Clerk, or his/her designee, is directed to post the "Local Appointment List" according to law prior to December 31, 2014 and every December 31 thereafter.

SECTION 3. That the City Clerk shall forward to the City Council the "Local Appointment List," as an informational report.

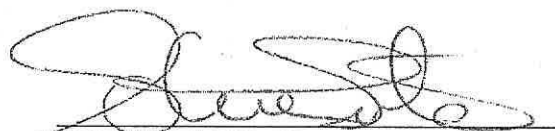
SECTION 4. That City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED by the City Council of the of the City of Morgan Hill at a Regular Meeting held on the 17th day of December 2014 by the following vote:

AYES:	COUNCIL MEMBERS:	Larry Carr, Rich Constantine, Marilyn Librers, Gordon Siebert, Steve Tate
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

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. 7082, adopted by the City Council at the meeting held on December 17, 2014.

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

DATE: 1/15/2015


 IRMA TORREZ, City Clerk

Attachment: Resolution No. 7082 - Maddy Act (1454 : Maddy Act 2017)



CITY COUNCIL STAFF REPORT

MEETING DATE: November 1, 2017

PREPARED BY: Yat Cho, Senior Project Manager
APPROVED BY: City Manager

AWARD REBID OF GALVAN PARK HANDBALL COURT IMPROVEMENTS PROJECT

RECOMMENDATION(S)

1. Adopt resolution appropriating \$270,000 from Park Impact Fund (301) and \$120,000 from CDBG Fund (215) to the Galvan Park Handball Court Improvement Project (Project);
2. Approve Project plans and specifications;
3. Award contract to Calstate Construction, Inc. for the re-bid of the Galvan Park Handball Court Improvement Project in the amount of \$482,888;
4. Authorize expenditure of construction contingency funds not to exceed \$48,288; and
5. Authorize the City Manager to execute and administer the construction contract with Calstate Construction, Inc.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Maintaining Fiscal Responsibility
Supporting Our Youth
Seniors
and Entire Community

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

The City has completed several improvements to Galvan Park through funding from the Community Development Block Grant (CDBG) program. These improvements included a new tot playground, an expansion of the playground, addition of a new picnic area, and a new walking path around the outside of the park. Through community outreach meetings, a new handball court at Galvan Park was high on the priority list of improvements to the park.

This project had been previously put out to bid. On September 6, 2017, the City Council rejected all bids and directed staff to re-bid the project with design amendments that would better serve the handball court community. At that time City staff also reached out to the County to seek additional CDBG funding. The County agreed with City staff and authorized an increase of \$120,000 in CDBG funding. Staff worked diligently with the consultant and the local handball court players for a project redesign prior to re-bidding the project in late September 2017. The re-bid project provides the improved design amenities desired by the handball community.

The scope of work includes mobilization, demolition of the existing handball court, and the construction of two adjacent handball courts at Galvan Park with paving, fencing, and lighting upgrades.

The bid opening was held on October 18, 2017 and the bids received are listed below.

Calstate Construction, Inc.	\$482,888
Guerra Construction Group	\$494,100
Teichert Construction	\$524,885
Suarez and Munoz Construction, Inc.	\$635,000

The apparent low bidder, Calstate Construction, Inc., is an experienced contractor and has met all requirements for awarding of their bid. The bid amount of \$482,888 is approximately 14% above the engineer's estimate of \$425,000. With the additional CDBG and Park Impact funding as requested, the project can proceed. Staff is recommending the award of the Galvan Park Handball Court Improvements Project to Calstate Construction, Inc. The project is scheduled to begin in November of 2017 and be completed by February of 2018.

The plans and specifications are available for review on the City's web page under the Government tab and Community Projects site found here: <http://www.morgan-hill.ca.gov/1436/Project-Plans-and-Specifications>

COMMUNITY ENGAGEMENT: Involve

A community engagement process was initiated in 2014 with the explicit goal of involving the park's neighbors in designing park improvements. Through the engagement process, the City developed an improvement program that has already completed the neighborhood's request for updated playground equipment, expanded park paths, and additional picnic areas. The relocation of the new handball court is in response to the neighborhood's concern regarding the lack of lighting and visibility around the courts in the evening. The new handball courts will be located on the northern side of the park with improved security lighting. Representatives from our local handball players have been involved through the design process. The group is supportive of the staff recommendation.

ALTERNATIVE ACTIONS:

Council could cancel the Galvan Park Handball Court Improvements Project and utilize CDBG grant funds and request that the County allow funds to be used for another Galvan Park Project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

July 17, 2013 – City Council approved the change in use of 2013/14 CDBG funds from the installation of security cameras at the VTA Bus Depot on Main and Hale to a multi-year project to establish and implement improvements to Galvan Park.

December 4, 2013 – City Council approved the application of 2014/15 CDBG funds for the continuation of improvements and refurbishment of Galvan Park.

March 4, 2015 – City Council approved the application of 2015/16 CDBG funds for the continuation of improvements and refurbishment of Galvan Park.

November 2, 2016 – City Council approved the Galvan Park Handball Court Improvements and adopted a resolution authorizing the City Manager to negotiate and execute the First Amendment to the County CDBG contract.

April 5, 2017 – City Council approved the project scope to proceed with value engineering the Galvan Park Handball Court Project to two adjacent handball courts.

September 6, 2017 – City Council rejected bids for the Galvan Park Handball Park Improvements Project.

October 18, 2017 – City Council approved Second Amendment to the County Community Development Block Grant (CDBG) agreement for Galvan Park.

FISCAL AND RESOURCE IMPACT:

If approved, the total authorization for the construction budget of the project would be \$531,176, which includes a 10% contingency of \$48,288.

The current CIP budget for the Galvan Park Handball Court is \$255,000, including CDBG Fund 215 (\$70,000) and Park Impact Fund 301 (\$185,000). With the appropriation of the \$120,000 additional CDBG funds, and the appropriation of \$270,000 from the Park Impact Fund (301), the project will be fully funded at \$645,000.

The planned additional allocation of funding for the handball courts from the Park Impact Fund (301) was anticipated and discussed with the Council on April 17, 2017 and in subsequent staff reports, with the intent to formally amend the budget once the project was awarded.

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 CEQA Guidelines (Existing Facilities), as this project will be a minor alteration of an existing public park resulting in a negligible increase of use at the park.

LINKS/ATTACHMENTS:

1. Budget Adjustment Resolution
2. Exhibit A to Resolution - Budget Scorecards

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEAR 2017-18 BUDGET IN FUND 301 (\$270,000), AND FUND 215 (\$120,000) TO APPROPRIATE \$390,000 THEREFOR

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 "Award Rebid of Galvan Park Handball Court Improvements Project" submitted for City Council consideration at its meeting of November 1, 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 2017-18 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 2017-18 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 1st day of November 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 November 1, 2017.

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

DATE: _____

Irma Torrez, CITY CLERK

Exhibit A to Resolution

AGENDA BUDGET SCORECARD

FISCAL YEAR 2017-18

ADJUSTMENT #

014

FUND:

DEPARTMENT:

OBJECT:

301	Park Impact Fund
8051	Park Development
86360	CONSTRUCTION

AGENDA DATE:

AGENDA ITEM TITLE:

11/01/17
Galvan Park Handball Courts Improvement Project

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	4,850,439	2,194,738	6,334,621	710,556
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	492,000	657,000	(165,000)
RECOMMENDED ACTION	-	-	270,000	(270,000)
RESULT OF RECOMMENDED ACTION	<u>4,850,439</u>	<u>2,686,738</u>	<u>7,261,621</u>	<u>275,556</u>

AGENDA BUDGET SCORECARD

FISCAL YEAR 2017-18

ADJUSTMENT #

015

FUND:

DEPARTMENT:

OBJECT:

215	CDBG Fund
8000	CDBG Programs/Project
86360	CONSTRUCTION

AGENDA DATE:

AGENDA ITEM TITLE:

11/01/17
Galvan Park Handball Courts Improvement Project

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	7,857	63,064	45,330	25,592
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION	-	120,000	120,000	-
RESULT OF RECOMMENDED ACTION	7,857	183,064	165,330	25,592



CITY COUNCIL STAFF REPORT

MEETING DATE: November 1, 2017

PREPARED BY: Cynthia Iwanaga, Management Analyst
APPROVED BY: City Manager

FOURTH AMENDMENT TO AGREEMENT WITH FIRATO SERVICE COMPANY

RECOMMENDATION(S)

Approve the fourth amendment to the maintenance service agreement with Firato Service Company for \$900,920 for four years of service.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

REPORT NARRATIVE:

The City contracted with Firato Service Company in 2014 for janitorial services at key public facilities. Since 2014, the agreement has been amended three times to address required changes in services and to extend the agreement for an additional year. The current dollar amount of the agreement is \$900,920 for four years of service at the City's major recreation facilities.

With the pending opening of Railroad Park, which includes a public restroom, and desired improvements in the level of overall maintenance Downtown, staff requested a proposal from Firato to provide janitorial services at Railroad Park and the Downtown Parking Garage. The proposed monthly cost for daily trash collection, restroom service, and facility cleaning at these two facilities is \$2,810.

If approved, the attached Fourth Amendment will amend the scope of work to commence these additional janitorial services upon the opening of Railroad Park and will end with the contract's termination date of June 30, 2018. The contract's annual costs will increase by \$22,480, which represents 8 months of service at \$2,810 per month. This increase will result in a revised total dollar amount of the agreement to \$923,400.

COMMUNITY ENGAGEMENT:

This report serves to inform the public of the recommended contract amendment.

ALTERNATIVE ACTIONS:

The Council could reject this Fourth Amendment and direct city maintenance staff to provide janitorial services for the Downtown Parking Garage and Railroad Park. This is

not recommended as it would reduce available work hours to maintain other vital city facilities.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council approved the Original Agreement with Firato Service Company on June 4, 2014. The First Amendment to Agreement was approved on June 1, 2016 to add additional needed services. The Second Amendment to Agreement was approved on August 24, 2016 to add some strategically needed services at the Aquatics Center. The Third Amendment to Agreement was approved on May 17, 2017 to extend Firato's services for another year and to increase costs by 4% to adjust for inflation.

FISCAL AND RESOURCE IMPACT:

While the recommended action increases the total amount of the agreement, no budget adjustment is required because the City's adopted budget for Fiscal Year 2017-18 has already included funding for this work in the City's Downtown Maintenance Budget in the General Fund (010.5460). If approved, the annual amended amount will be \$268,332 for FY 2017-18 and the revised total amount of the Firato Service Agreement will be \$923,400 for four years of service. Administering the agreement for janitorial services is included in the work program of the Community Services Department.

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 alteration of existing City facilities involving negligible or no expansion of use of those facilities.

LINKS/ATTACHMENTS:

1. Fourth Amendment to Firato Agreement

FOURTH AMENDMENT TO AGREEMENT FIRATO SERVICE COMPANY

This FOURTH AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, FIRATO SERVICE COMPANY, INC., a California Corporation ("SERVICE PROVIDER").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Fourth Amendment to Agreement is entered into based upon City of Morgan Hill City Council approval on November 1, 2017.
2. The CITY and SERVICE PROVIDER entered into that "Maintenance Service Agreement" made as of June 16, 2014, for services for a maximum compensation of Four Hundred Nine Thousand One Hundred Ninety-Five Dollars (\$409,195) ("MAINTENANCE SERVICE AGREEMENT").
3. The CITY and SERVICE PROVIDER entered into a "First Amendment to Agreement" made as of June 9, 2016, under which the maximum compensation under the MAINTENANCE SERVICE AGREEMENT, as amended, was increased to Six Hundred Thirty-Six Thousand One Hundred Fourteen Dollars (\$636,114).
4. The CITY and MAINTENANCE SERVICE PROVIDER entered into a "Second Amendment to Agreement" made as of August 28, 2016, under which the maximum compensation under the MAINTENANCE SERVICE AGREEMENT, as amended, was increased to Six Hundred Fifty-Five Thousand Sixty-Eight Dollars (\$655,068) and a "Third Amendment to Agreement" to again increase the maximum compensation to Nine Hundred Thousand Nine Hundred Twenty Dollars (\$900,920). The MAINTENANCE SERVICE AGREEMENT, and the First, Second and Third Amendments thereto are attached as Exhibit A to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the MAINTENANCE SERVICE 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 3 shall be amended by adding the following:

"In addition to the services stated in the original MAINTENANCE SERVICE AGREEMENT and the First, Second, and Third Amendments to the Agreement, the services to be performed by SERVICE PROVIDER shall consist of the additional services set forth in Exhibit B to this Fourth Amendment."

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

"4.1. **Amount.** Compensation under this Agreement shall not exceed Nine Hundred Twenty-Three Thousand Four Hundred Dollars (\$923,400), and shall be billed based on the rate and

basis set forth in Exhibit C to this Fourth Amendment.”

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

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

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

ATTEST:

CITY OF MORGAN HILL

 City Clerk

Date: _____

 City Manager

Date: _____

APPROVED AS TO FORM:

FIRATO SERVICE COMPANY, INC.

 City Attorney

Date: _____

 By:

Title: _____

Print Name and Title of Signer.

If Corporate: Chairman, President or
 Vice President

Date: _____

 By:

Title: _____

Print Name and Title of Signer.

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

Date: _____

Attachment: Fourth Amendment to Firato Agreement (1460 : Firato Fourth Amendment)

**THIRD AMENDMENT TO AGREEMENT
FIRATO SERVICE COMPANY, INC.**

This THIRD AMENDMENT TO AGREEMENT is entered into and becomes effective on MAY 25, 2017 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, FIRATO SERVICE COMPANY, INC., a California Corporation ("SERVICE PROVIDER").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Third Amendment to Agreement is entered into based upon City of Morgan Hill City Council approval on May 17, 2017.
2. The CITY and SERVICE PROVIDER entered into that "Maintenance Service Agreement" made as of June 16, 2014, for services for a maximum compensation of Four hundred nine thousand one hundred ninety-five dollars (\$409,195) ("MAINTENANCE SERVICE AGREEMENT").
3. The CITY and SERVICE PROVIDER entered into a "First Amendment to Agreement" made as of June 9, 2016, under which the maximum compensation under the MAINTENANCE SERVICE AGREEMENT, as amended, was increased to Six hundred thirty-six thousand one hundred fourteen dollars (\$636,114).
4. The CITY and SERVICE PROVIDER entered into a "Second Amendment to Agreement" made as of August 28, 2016, under which the maximum compensation under the MAINTENANCE SERVICE AGREEMENT, as amended, was increased to Six hundred fifty-five thousand sixty-eight dollars (\$655,068). The MAINTENANCE SERVICE AGREEMENT, and the First and Second Amendments thereto are attached as Exhibit "A" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the MAINTENANCE SERVICE 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 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from June 16, 2014, until June 30, 2018."

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

"4.1 **Amount.** Compensation under this Agreement shall not exceed Nine hundred thousand nine hundred twenty Dollars (\$900,920). Compensation is based on SERVICE PROVIDER'S annual compensation rates. Effective July 1, 2017, SERVICE PROVIDER'S annual compensation rates have increased and are set forth in the revised Exhibit "B" dated July 1, 2017, approved by CITY and attached hereto and incorporated herein by reference."

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

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

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

ATTEST:

Deputy
 City Clerk
 Date: 5/25/17

APPROVED AS TO FORM:

Aprilia L. Colborn, Assistant
 City Attorney
 Date: 5-24-17

CITY OF MORGAN HILL

Sy
 City Manager
 Date: 5/25/17

FIRATO SERVICE COMPANY, INC.

By:
 Title: CEO

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date: 5-16-17

By:
 Title: CFO

Print Name and Title of Signer.

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

Date: 5/16/17

Attachment: Fourth Amendment to Firato Agreement (1460 : Firato Fourth Amendment)

12804-14-009

SECOND AMENDMENT TO AGREEMENT FIRATO SERVICE COMPANY, INC.

This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on August 28, 2016 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, FIRATO SERVICE COMPANY, INC, a California Corporation ("SERVICE PROVIDER").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Second Amendment to Agreement is entered into based upon City of Morgan Hill City Council approval on August 24, 2016.
2. The CITY and SERVICE PROVIDER entered into that "Maintenance Service Agreement" made as of June 16, 2014, for services for a maximum compensation of Four hundred nine thousand one Hundred Ninety-five dollars (\$409,195) ("MAINTENANCE SERVICE AGREEMENT").
3. The CITY and SERVICE PROVIDER entered into a "First Amendment to Agreement" made as of June 9, 2016, under which the maximum compensation under the MAINTENANCE SERVICE AGREEMENT, as amended, was increased to Six Hundred Thirty-Six Thousand One Hundred Fourteen dollars (\$636,114). The MAINTENANCE SERVICE AGREEMENT and the First Amendment to Agreement are attached collectively as Exhibit "A" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the MAINTENANCE SERVICE 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 3 shall be amended by adding the following:

"The services to be performed by SERVICE PROVIDER shall consist of the following additional services set forth in Exhibit "B":

Cleaning of the large locker rooms will be completed six (6) days per week during the slow season at the Aquatics Center.

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

"4.1. **Amount.** Compensation under this Agreement shall not exceed six hundred fifty-five thousand sixty-eight Dollars (\$655,068).

2. **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 MAINTENANCE SERVICE AGREEMENT or any earlier amendment, the terms of this Second Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

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

ATTEST:

CITY OF MORGAN HILL

City Clerk

Date:

8/28/16

APPROVED AS TO FORM:

City Attorney

Date:

08/25/16

City Manager

Date:

8/26/16

FIRATO SERVICE COMPANY, INC.

By:

Title:

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date:

By:

Title:

Print Name and Title of Signer.

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

Date:

8/11/16

8/25

Exhibit A 1 of 12

128-0A-1A 009

**FIRST AMENDMENT TO AGREEMENT
FIRATO SERVICE COMPANY, INC.**

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on June 9, 2016 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, FIRATO SERVICE COMPANY, INC., 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 of Morgan Hill City Council approval on June 1, 2016.
2. The CITY and CONSULTANT entered into that "Maintenance Services Agreement" made as of June 4, 2014, for consultant services for a maximum compensation of four hundred nine thousand one hundred ninety-five dollars ("AGREEMENT"). The AGREEMENT is 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 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from July 1, 2014, until June 30, 2017. The City Manager is authorized to extend the term of this Agreement for a maximum period of two years. Any such extension shall be in writing and signed by both parties to this Agreement."

B. Paragraph 3 shall be amended by adding the following:

"The services to be performed by CONSULTANT shall consist of the following additional services set forth in Exhibit "D":

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

"4.1. **Amount.** Compensation under this Agreement shall not exceed six hundred thirty-six thousand one hundred fourteen Dollars (\$636,114).

8/25

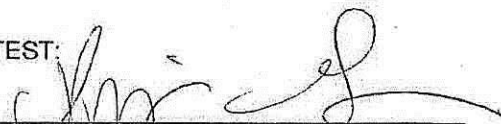
Exhibit A 2 of 12

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.

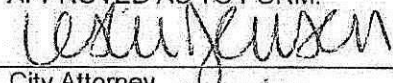
TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

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

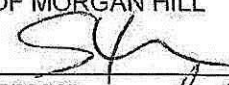
ATTEST:

Denny 
 City Clerk
 Date: 6/9/16

APPROVED AS TO FORM:

for 
 City Attorney
 Date: 06/08/16

CITY OF MORGAN HILL

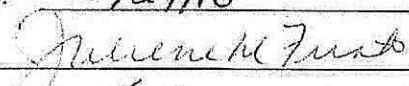

 City Manager
Date: 6/9/16

FIRATO SERVICE COMPANY, INC.

By: Title: CEO

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date: 5/24/16By: Title: Juliene M. Firato CFO

Print Name and Title of Signer.

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

Date: 5/23/16

8/25

Exhibit A 3 of 12

Exhibit A

128-04-14-009

MAINTENANCE SERVICE AGREEMENT
FIRATO SERVICE COMPANY, INC.

THIS AGREEMENT is entered into and becomes effective on June 16, 2014 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Firato Service Company, 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 June 4, 2014.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until June 30, 2016 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for two additional one year periods. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be Janitorial Services as further described in Exhibit A.
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$409,195.00. Total compensation under this Agreement shall not exceed four hundred nine thousand one hundred ninety five dollars and shall be billed based on the rate and basis set forth in Exhibit B.
 - 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. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or SERVICE PROVIDER shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require SERVICE PROVIDER to complete certain work product or documents and SERVICE PROVIDER shall deliver to CITY all documents in its possession without additional compensation to SERVICE PROVIDER.
6. **Performance of Work.** SERVICE PROVIDER represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by SERVICE PROVIDER in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the SERVICE PROVIDER'S profession. By delivery of completed work, SERVICE PROVIDER certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. SERVICE PROVIDER shall perform all work

Attachment: Fourth Amendment to Firato Agreement (1460 : Firato Fourth Amendment)

8/25

Exhibit A 4 of 12

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.

7. Insurance Requirements.

- 7.1. Commencement of Work. SERVICE PROVIDER shall not commence work under this Agreement until it has obtained CITY approved insurance. For general liability insurance policies, SERVICE PROVIDER shall provide CITY, prior to commencement of work, with a separate endorsement which states that the policy contains the following language:

- The CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds; and,
- the insurer waives the right of subrogation against CITY and CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,
- Insurance shall be primary non-contributing.

SERVICE PROVIDER shall furnish CITY with copies of all policies or certificates subject to this Agreement, whether new or modified, promptly upon receipt. No policy subject to this Agreement shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY.

- 7.2. Workers' Compensation Insurance. SERVICE PROVIDER and all subcontractors shall maintain Workers' Compensation Insurance, as required by law.
- 7.3. Insurance Types and Amounts. SERVICE PROVIDER shall maintain comprehensive general liability insurance; professional errors and omissions liability insurance (required for professional and technical service consultants only); and automobile insurance each with policy limits of at least \$1,000,000 per occurrence for general liability, \$1,000,000 per accident for automobile liability and \$1,000,000 per claim for professional errors or omissions (for professional and technical service consultants only).
- 7.4. Acceptability of Insurers. All insurance required by this Agreement shall be carried only by responsible insurance companies licensed and admitted, or otherwise legally authorized to carry out insurance business, in California with a current A.M. Best's rating of no less than A:VII.

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

9. Compliance with Law.

- 9.1. 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

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Exhibit A 5 of 12

origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

- 9.2. Without limiting the provisions of Section 9.1 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. **Independent Contractor.** SERVICE PROVIDER is an independent contractor and not an agent or employee of CITY.
11. **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.
12. **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.
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 SERVICE PROVIDER is as follows:

Firato Service Company, Inc.
17485 Monterey Rd, Suite 200
Morgan Hill, CA 95037

Address of CITY is as follows:

Community Services Director	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.** 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.
15. **Maintenance of Records.**
- 15.1. **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

8/25

Exhibit A 6 of 12

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.

- 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 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.

- 15.3. 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.

16. 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.

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 SERVICE PROVIDER, without prior written consent of CITY.

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. 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").

20.2. 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.

8/25

Exhibit A 7 of 12

20.3. 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.

20.4. 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.

20.5. 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.

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 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.

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.

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8/25

Exhibit A 8 of 12

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

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

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

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

ATTEST:

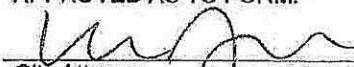

City Clerk/Deputy City Clerk

Michelle Wilson

Print Name

Date: 10/23/14

APPROVED AS TO FORM:


City Attorney

for Renee Gurza

Print Name

Date: 06/12/14

CITY OF MORGAN HILL

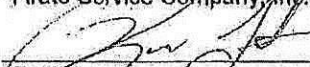

City Manager

Steve Rymer

Print Name

Date: 6/16/14

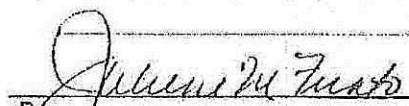
Firato Service Company, Inc.


By:

Title: CEO Rich Firato

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

Date: 6-3-14


By:

Title: Juliene M. Firato CFO

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

Date: 6/3/14

8/25

Exhibit A 9 of 12

**EXHIBIT A
SCOPE OF SERVICES**

SERVICE PROVIDER agrees to perform all of the Work required for the Project, 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 Contract Documents are comprised of the Request for Proposals (Issued by the CITY in April, 2014); the Instructions to Bidders; attachments, addenda, if any; the Proposal submitted by the **SERVICE PROVIDER** (with the changes noted below,) and attachments thereto; and this Contract.

Changes to Firato Services' Base Bid as mutually agreed upon:

Community and Cultural Center service frequencies will be as indicated in the bid except:

1. Kitchen shall be serviced 5 days per week
2. Staff office areas shall be serviced 3 days per week
3. Day porter services will be limited to Wednesdays year round from 2 pm to 4 pm with service provided by a single staff member.

8/25

Exhibit A 10 of 12

EXHIBIT B
SCHEDULE OF COMPENSATION RATES

Firato Cost Summary

Group 1

CCC and Playhouse	\$50,449.96
Friendly Inn	\$11,171.04
CCC Day Porter	\$4,716.00
Subtotal	\$66,337.00
Discounts @ 2%	(\$1,326.74)
Group 1 Total	\$65,010.26

Group 2

CRC	\$60,538.32
CRC Day Porter Weekdays	\$23,606.88
CRC Day Porter Weekends	\$6,295.20
Aquatics Center	\$19,347.36
Aquatics Day Porter	\$12,810.00
Aquatics Swim Meet	\$6,385.25
Subtotal	\$128,983.01
Discounts @ 2%	(\$2,579.66)
Group 2 Total	\$126,403.35

Group 3

Public Works Corporation Yard	\$13,316.69
Subtotal	\$13,316.69
Discounts @ 1%	(\$133.17)
Group 3 Total	\$13,183.52

Total	\$204,597.13
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8/25

Exhibit A 11 of 12

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

As indicated in contract documents

Attachment: Fourth Amendment to Firato Agreement (1460 : Firato Fourth Amendment)

8/25

Exhibit A 12 of 12

Exhibit D - Revised Scope of Services

Scope to include all of the services specified in the original agreement dated June 4, 2014 and the following additional services and clarifications:

1. Concrete floors at the Centennial Recreation Center to be stripped and waxed annually using approved materials and methods.
2. Replace air fresheners in the locker rooms and lobby of the Centennial Recreation Center monthly.
3. At the Centennial Recreation Center, clean lifeguard room and restroom weekly.
4. For wall cleaning activities at all facilities, the term "spot clean" is understood to include the removal of all fingerprints and marks.
5. Section 1-5 of the Special Conditions of the Request for Proposals (as issued April, 2014) is replaced in its entirety with the following:
 "1-5. CORRECTIVE WORK The Contractor shall perform the work to the satisfaction, of the Maintenance Manager or designated representative. Inspections may be made by the City any time and request from the Contractor corrective work. If corrective work is required, the City will provide a written list of items or will provide photos documenting the conditions requiring corrective work. The Contractor shall correct deficiencies as directed. If deficiencies are not corrected in a timely manner, as determined by the Maintenance Manager, the City may perform the work using others and deduct the cost from the Contractor's payment. Contractor shall operate and maintain an e-mail address at which the City may send inspection reports largely consisting of photos taken of areas that the Service Provider maintains. The e-mail address must have sufficient capacity to accept numerous inspection reports from the City without delay or rejection."
6. For the quality assurance inspections required per section 1-8 of the Special Conditions of the Request for Proposals (as issued April, 2014), contractor understands the importance of its quality assurance inspections. Failure to turn in inspections and corrective action plan by the Contractor by the 10th of the following month will result in monthly payment being withheld until inspections are turned in and a \$100 deduction from the monthly payment per facility.

Exhibit B - Revised Scope of Services

Scope to include all of the services specified in the original agreement dated June 4, 2014 and the following additional services and clarifications:

1. Concrete floors at the Centennial Recreation Center to be stripped and waxed annually using approved materials and methods.
2. Replace air fresheners in the locker rooms and lobby of the Centennial Recreation Center monthly.
3. At the Centennial Recreation Center, clean lifeguard room and restroom weekly.
4. For wall cleaning activities at all facilities, the term "spot clean" is understood to include the removal of all fingerprints and marks.
5. Section 1-5 of the Special Conditions of the Request for Proposals (as issued April, 2014) is replaced in its entirety with the following:
"1-5. CORRECTIVE WORK The Contractor shall perform the work to the satisfaction, of the Maintenance Manager or designated representative. Inspections may be made by the City any time and request from the Contractor corrective work. If corrective work is required, the City will provide a written list of items or will provide photos documenting the conditions requiring corrective work. The Contractor shall correct deficiencies as directed. If deficiencies are not corrected in a timely manner, as determined by the Maintenance Manager, the City may perform the work using others and deduct the cost from the Contractor's payment. Contractor shall operate and maintain an e-mail address at which the City may send inspection reports largely consisting of photos taken of areas that the Service Provider maintains. The e-mail address must have sufficient capacity to accept numerous inspection reports from the City without delay or rejection."
6. For the quality assurance inspections required per section 1-8 of the Special Conditions of the Request for Proposals (as issued April, 2014), contractor understands the importance of its quality assurance inspections. Failure to turn in inspections and corrective action plan by the Contractor by the 10th of the following month will result in monthly payment being withheld until inspections are turned in and a \$100 deduction from the monthly payment per facility.
7. Cleaning of the large locker rooms will be completed six (6) days per week during the slow season at the Aquatics Center.

EXHIBIT B
REVISED SCHEDULE OF COMPENSATION RATES
Dated July 1, 2017

FIRATO SERVICE COMPANY

Firato Contract Pricing

FY 17-18

Group 1 -

CCC and Playhouse	\$52,467.96
Friendly Inn	\$11,617.88
CCC Day Porter	\$4,904.64
Discounts @ 2%	\$(1,379.81)

Group 1 Total - Current for FY 17-18

\$67,610.67

Group 2 -

CRC	\$62,959.85
CRC Day Porter Weekdays	\$24,551.16
CRC Day Porter Weekends	\$6,547.01
Aquatics Center	\$20,121.25
Aquatics Day Porter	\$13,322.40
Aquatics Swim Meet	\$6,640.66
Discounts @ 2%	\$(2,682.85)
Total - Original Base	\$131,459.48

First Amendment (executed 6/9/16)

CRC - Increase 1.5 hours to base	\$9,862.32
AC - Increase 1 hour to base	\$6,573.84
CRC Strip Wax Concrete Floors Yearly	\$4,363.63
CRC Lifeguard Room/Restroom Weekly Summer/Monthly	
Other	\$2,414.88
First Amendment Increase to Base	\$23,214.67

Second Amendment (began 1/1/15)

AC - Add AC Large Locker Rooms Off-Season	\$9,856.08
Second Amendment Increase to Base	

Group 2- Current for FY 17-18

\$164,530.24

Group 3- Base Pricing - FY 14-15

Public Works Corporation Yard	\$13,849.36
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Discounts @ 1%	\$(138.50)
Group 3 Total- Current for FY17-18	\$13,710.86

Annual Total for FY17-18 Contract	\$245,851.77
Contract Amount Rounded Up to	\$245,852.00

Firato Service Company, Inc.
Fourth Amendment to Maintenance Service Agreement

**Exhibit B-
Additional Scope of Work**

Work Hours: All work is to be performed between 5:00 am and 7:00 am; Seven days a week

Railroad Park (formerly Depot Park) located at Depot Street between 3rd and 4th Streets.

Restrooms – Day Porter Services 7 days/week

- a. Empty trash cans and replace plastic liners as needed. Take trash to the parking structure dumpster.
- b. Clean all mirrors and surrounding stainless steel/chrome with disinfectant
- c. Wash out basin with approved cleanser, rinse and dry; damp dry basin traps
- d. Clean/disinfect all toilets, damp dry all external surfaces; clean all stainless steel/chrome
- e. Clean all counters, fixtures, and dispensers
- f. Clean door handles
- g. Replenish all paper supplies and soap dispensers
- h. Damp wipe doors, walls
- i. Hose/mop floors with disinfectant
- j. Spot clean and remove any gum, residue or stains from all areas with approved methods
- k. Check lights and report outages to the Maintenance Coordinator or designated representative same day
- l. Dust ceiling, fixtures and walls as needed
- m. Report all graffiti to Maintenance Coordinator or designated representative same day

Park/Parking Lot – Services 7 days/week

- a. Litter pick up throughout entire park and parking lot
- b. Empty trash/recycling if ½ full or more and take trash to the parking structure dumpster.
- c. Clean and wipe down all drinking fountains
- d. Clean all body fluids and spills anywhere in the park/parking lot
- e. Report all graffiti to Maintenance Coordinator or designated representative same day

Downtown Parking Garage located at 50 East Third Street

- a. Daily
 - a. Litter pick up throughout the garage (including stairwells and underneath)
 - b. Empty trash/recycling if ½ full or more and put in the parking structure dumpster.

- c. Inspect elevator function and report any problems same day
 - d. Inspect elevator for damage or graffiti and report any problems same day
 - e. Clean all body fluids and spills anywhere in the garage and elevator
 - f. Clean elevator floors
 - g. Wipe down the entire inside of the elevator
 - h. Remove any postings, tape, string, etc
 - i. Check lights and report outages to the Maintenance Coordinator or designated representative same day
- b. Weekly
- a. Clean elevator doors (inside and out) with stainless steel cleaner
 - b. Dust and clean the handrails, maps, EV chargers, phones and trash/recycle receptacles

EXHIBIT C - REVISED COMPENSATION SCHEDULE
Fourth Amendment to the Maintenance Service Agmt
Dated October 19, 2017

Firato Service Co.

	FY 17-18		
Group 1 -	Base Price	2%	Discounted Price
CCC and Playhouse	\$ 52,467.96	1,049.36	51,418.60
Friendly Inn	\$ 11,617.88	232.36	11,385.52
CCC Day Porter	\$ 4,904.64	98.09	4,806.55
Discounts @ 2%	\$ (1,379.81)		
Group 1 Total - Current for FY 17-18	\$ 67,610.67	<i>Check</i>	67,610.67

Group 2 -

CRC	\$ 62,959.85	\$ 1,259.20	\$ 61,700.66
CRC Day Porter Weekdays	\$ 24,551.16	\$ 491.02	\$ 24,060.13
CRC Day Porter Weekends	\$ 6,547.01	\$ 130.94	\$ 6,416.07
Aquatics Center	\$ 20,121.25	\$ 402.43	\$ 19,718.83
Aquatics Day Porter	\$ 13,322.40	\$ 266.45	\$ 13,055.95
Aquatics Swim Meet	\$ 6,640.66	\$ 132.81	\$ 6,507.85
Discounts @ 2%	\$ (2,682.85)		
Total - Original Base	\$ 131,459.48	<i>Check</i>	\$ 131,459.48

First Amendment (executed 6/9/16)

CRC - Increase 1.5 hours to base	\$ 9,862.32	\$ 9,862.32
AC - Increase 1 hour to base	\$ 6,573.84	\$ 6,573.84
CRC Strip Wax Concrete Floors Yearly	\$ 4,363.63	\$ 4,363.63
CRC Lifeguard Room/Restroom Weekly Surr	\$ 2,414.88	\$ 2,414.88
First Amendment Increase to Base		\$ -

Second Amendment (began 1/1/15)

AC - Add AC Large Locker Rooms Off-Season	\$ 9,856.08	\$ 9,856.08
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Second Amendment Increase to Base

Group 2- Current for FY 17-18	\$ 164,530.24	\$ 164,530.24
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Group 3- Base Pricing - FY 14-15

		0.01	
Public Works Corporation Yard	\$ 13,849.36	\$ 138.49	\$ 13,710.86
Discounts @ 1%	\$ (138.50)		
Group 3 Total- Current for FY17-18	\$ 13,710.86	<i>Check</i>	178,241.10

Attachment: Fourth Amendment to Firato Agreement (1460 : Firato Fourth Amendment)

Group 6 - Nov. 2017 to June 2018	\$ 22,480.00
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22,480.00

Downtown Garage and Parks @ \$2,810

Annual Total for FY17-18 Contract \$ **268,331.77** rounded up

\$ 268,332.00



CITY COUNCIL STAFF REPORT

MEETING DATE: November 1, 2017

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

AUGUST 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 August 31, 2017. The Revenue and Expense Summary for the month of August is included on the first page. Overall, General Fund revenues totaled \$4.2 million or 11% of the budget. Expenditures, including encumbrances, amounted to \$9.2 million. 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 City's streetlights and traffic signals, and 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. August 2017 Financial Statement Analysis
2. August 2017 Financial and Investment Report

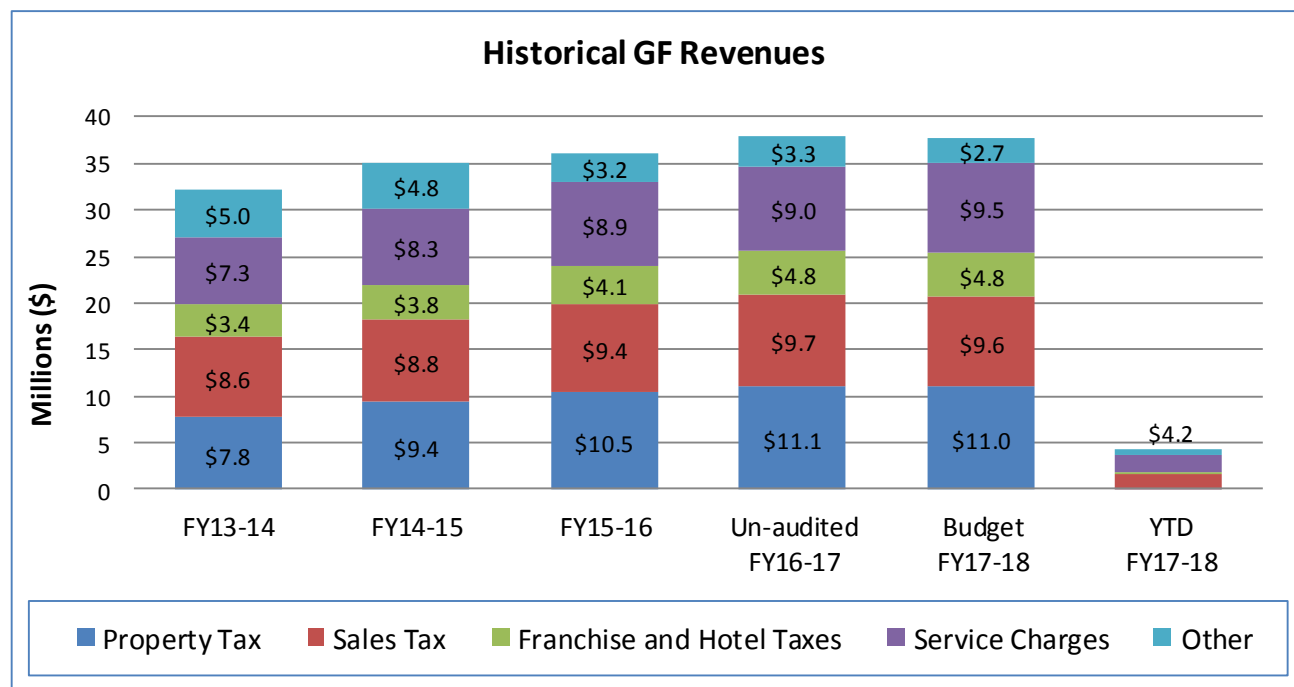


CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2017-18
FOR THE MONTH ENDED AUGUST 2017 – 17% OF YEAR COMPLETE

- **General Fund** – Revenues through the month of August totaled \$4.2 million, or 11% of the budgeted revenues as some of the major revenue categories such as property tax are received later in the fiscal year. With respect to the property tax revenue forecast, at the recent Cities Property Tax Meeting, County staff projected Morgan Hill property tax revenue, excluding the property transfer tax, at \$11.1 million for the fiscal year 2017-18, which is approximately \$500,000 more than the mid-cycle revised estimate. Property tax is the largest source of Morgan Hill's General Fund revenue. However, it accounts for only 28% of the approximately \$37.7 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 business licenses was already at 78% 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 FY13-14 through FY15-16 Actual, Un-audited FY16-17, FY17-18 Budget, and YTD as of August 31, 2017.



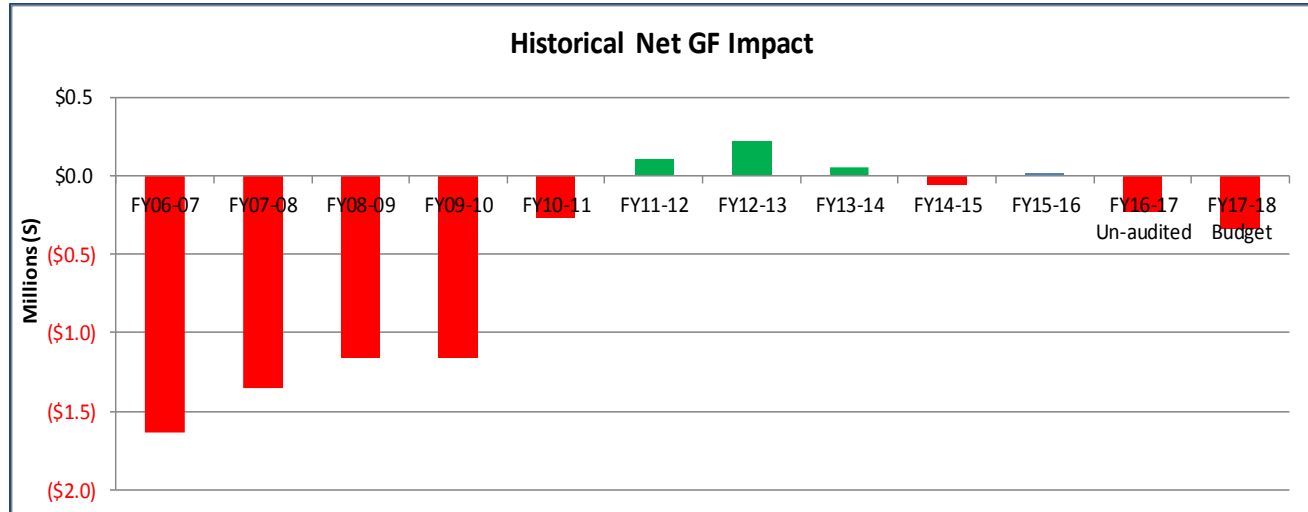
General Fund expenditures and encumbrances as of August 31, 2017 totaled \$9.2 million, of which approximately \$2.8 million is attributable to outstanding encumbrances.

- **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 \$1.3 million through the month of August. Without the carry-over encumbrances, year to date operations resulted in a small net benefit to the general fund of approximately \$26,000. Any net impact from the recreation operations increases (decreases) reserves in the General Fund. The following chart reflects the effect of Community Services activity on the



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2017-18
FOR THE MONTH ENDED AUGUST 2017 – 17% OF YEAR COMPLETE

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 August totaled \$0.8 million, or approximately 21% of the budget. Expenditures and encumbrances totaled \$1.2 million, or approximately 22% of the budgeted appropriation. Without the outstanding encumbrances, however, expenditures through the month of August amounted to \$646,000. The fund is budgeted to end the fiscal year with an operating deficit of approximately \$1.6 million.
- **Debt Service Funds** – Expenditures through August totaled \$1,325. The debt service for the first half of the year includes both interest and principal, while the second half of the year will include interest only. Debt service payments were all scheduled when the bonds were issued, and are budgeted for in the months delineated in the underlying bond documents. The General Fund's portion of the annual debt service payments is approximately \$200,000, less than one percent of the General Fund's budgeted revenues.
- **Sewer Operations** – Revenues from Sewer Operations through August totaled \$1.7 million. Expenditures and outstanding encumbrances totaled \$2.1 million or 19% of the budget. The table below shows historical Sewer Operations revenues and expenditures from FY13-14 through FY15-16 Actual, Un-audited FY16-17, FY17-18 Budget, and YTD as of August 31, 2017.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2017-18
FOR THE MONTH ENDED AUGUST 2017 – 17% OF YEAR COMPLETE

(amount in millions)	FY13-14	FY14-15	FY15-16	Un-audited FY16-17	Budget FY17-18	YTD FY17-18
Revenues	9.4	10.3	10.2	9.7	10.8	1.7
Expenditures	8.6	8.8	12.0	9.8	10.8	2.1
Operating Margin	0.8	1.5	(1.8)	(0.1)	-	(0.4)
Operating Margin without Encumbrances	0.8	1.5	(1.8)	(0.0)	-	(0.3)

- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues from Water Operations through August totaled \$2.6 million, approximately \$372,000 more than a year ago at this time. Water Operations expenditures, including outstanding encumbrances, through the month of August totaled \$2.0 million. Without the encumbrances, however, the expenditures amounted to \$1.2 million. The table below shows Water Operations revenues and expenditures from FY13-14 through FY15-16 Actual, Un-audited FY16-17, FY17-18 Budget, and YTD as of August 31, 2017.

(amount in millions)	FY13-14	FY14-15	FY15-16	Un-audited FY16-17	Budget FY17-18	YTD FY17-18
Revenues	12.2	8.8	8.5	10.9	12.2	2.6
Expenditures	12.1	9.3	9.7	11.2	12.1	2.0
Operating Margin	0.1	(0.5)	(1.2)	(0.3)	0.1	0.6
Operating Margin without Encumbrances	0.1	(0.5)	(1.2)	(0.1)	0.1	1.4

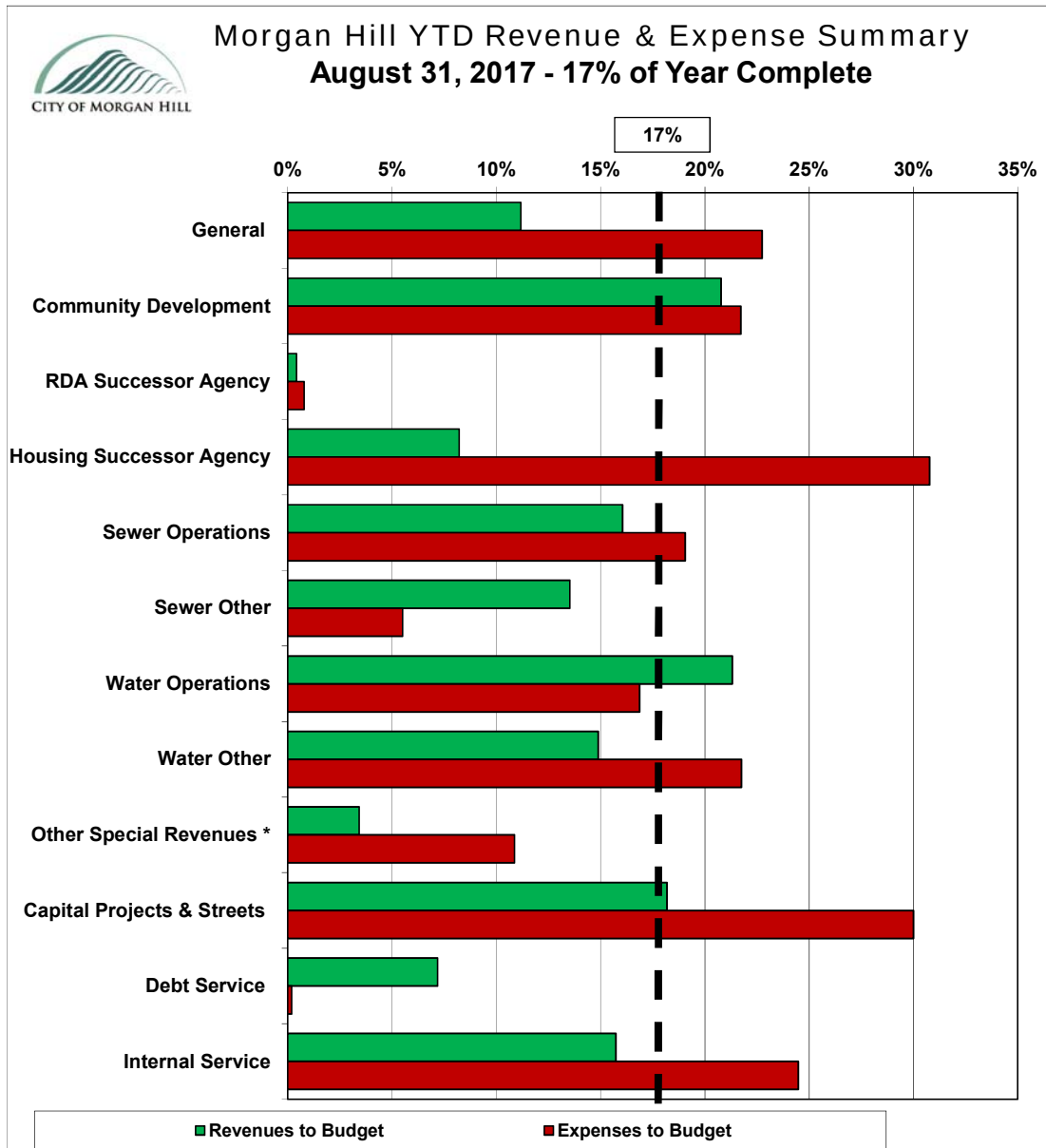
- **Investments** – One security was called during the month of August 2017. Total interest earnings received on investments were \$50,000 during the month.

CITY OF MORGAN HILL
Monthly Financial and Investment Reports
August 31, 2017 - 17% of Year Complete



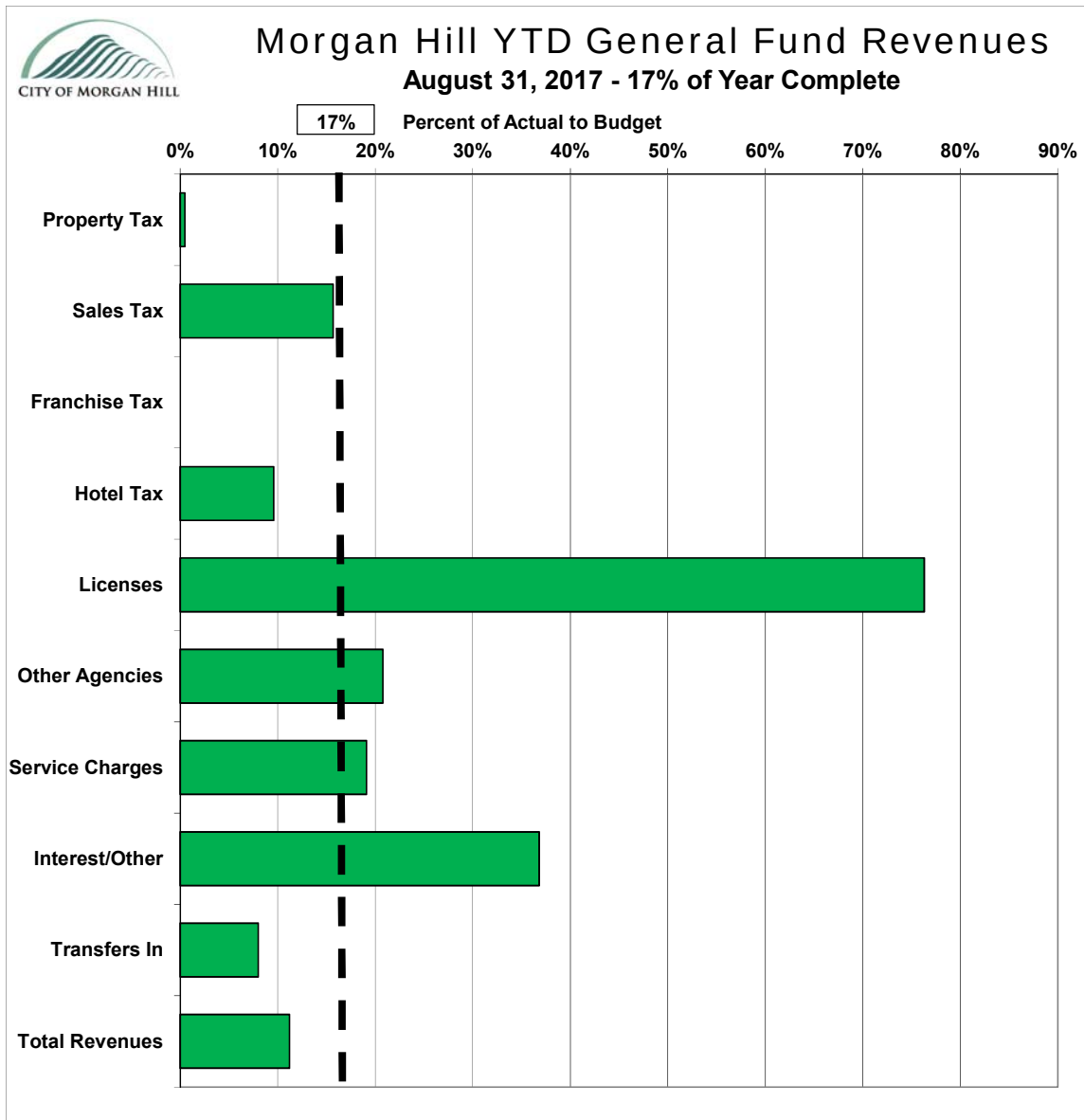
CITY OF MORGAN HILL

Prepared by:
FINANCE DEPARTMENT

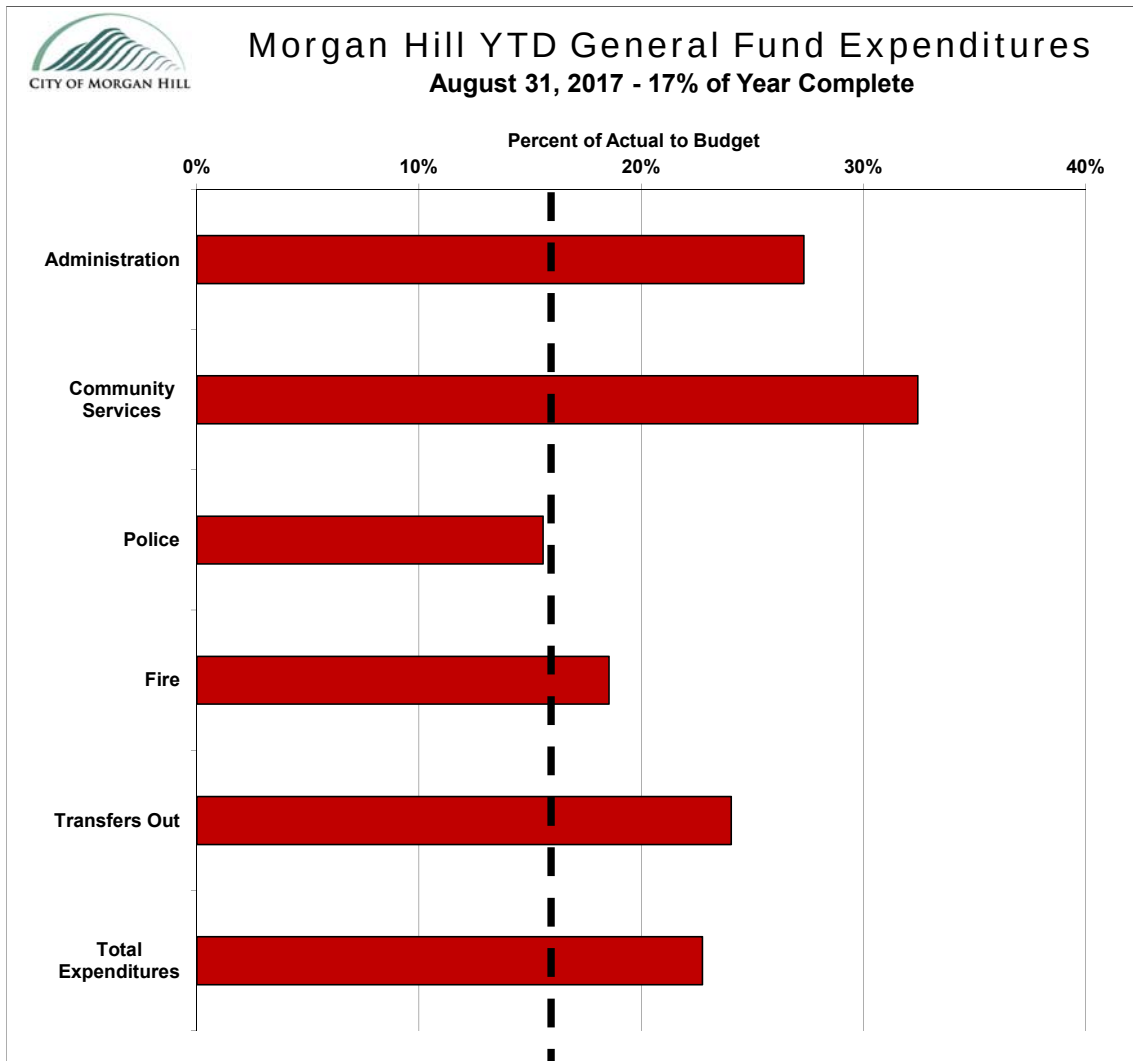


FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 4,220,497	11%	\$ 9,239,709	23%
Community Development	764,882	21%	1,156,515	22%
RDA Successor Agency	30,140	0%	56,349	1%
Housing Successor Agency	105,711	8%	598,993	31%
Sewer Operations	1,738,729	16%	2,066,865	19%
Sewer Other	978,231	14%	1,026,213	6%
Water Operations	2,605,082	21%	2,032,909	17%
Water Other	454,889	15%	1,909,551	22%
Other Special Revenues *	233,062	3%	687,548	11%
Capital Projects & Streets	2,489,069	18%	7,666,896	30%
Debt Service	49,087	7%	1,325	0%
Internal Service	1,637,755	16%	2,607,758	24%
TOTAL FOR ALL FUNDS	\$ 15,307,135	14%	\$ 29,050,631	21%

* 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	\$11,047,000	\$ 53,887	1%	\$ 168,882	-68%
Sales Tax	9,588,502	1,509,684	16%	1,461,933	3%
Franchise Tax	1,981,796	-	-	-	#DIV/0!
Hotel Tax	2,827,050	271,525	10%	234,335	16%
Licenses	210,621	160,748	76%	142,975	12%
Other Agencies	319,875	66,388	21%	-	#DIV/0!
Service Charges	9,536,644	1,819,120	19%	1,712,191	6%
Interest/Other	561,760	206,802	37%	171,242	21%
Transfers In	1,655,508	132,342	8%	127,500	4%
TOTAL REVENUES	\$37,728,756	\$ 4,220,497	11%	\$ 4,019,058	5%



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Administration	\$ 6,087,327	\$ 1,663,150	27%	\$ 1,832,549	-9%
Community Services	11,050,226	3,585,173	32%	3,397,493	6%
Police	15,794,165	2,460,696	16%	2,380,318	3%
Fire	5,785,389	1,073,213	19%	1,042,057	3%
Transfers Out	1,901,915	457,476	24%	623,341	-27%
TOTAL EXPENDITURES	\$ 40,619,022	\$ 9,239,709	23%	\$ 9,275,758	0%



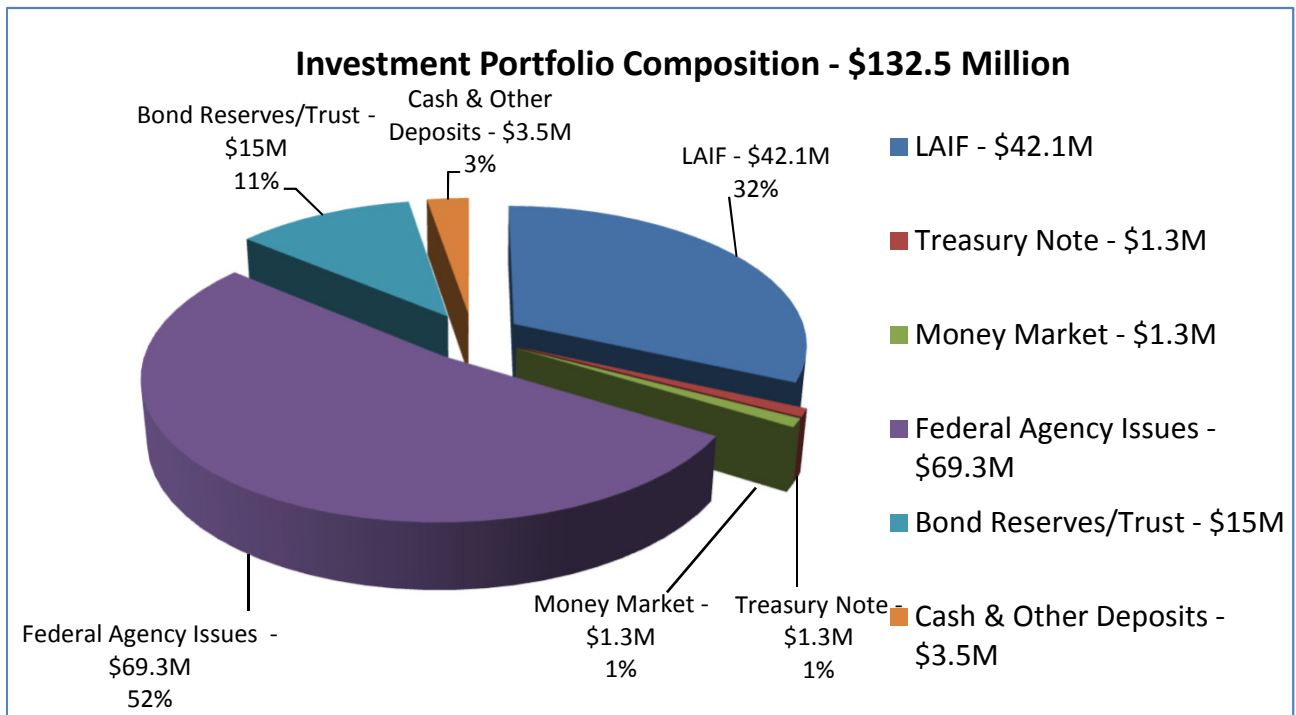
City of Morgan Hill
Recreation Report - Fiscal Year 2016-17
For the Month and Two Months Ended August 31, 2017
17% of Year Complete

	<u>Budget</u>	<u>August 2017</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 6,197,036	\$ 545,569	\$ 1,308,916	
Facility Rentals	904,666	79,407	226,443	
Community Services	139,190	5,625	12,679	
Transfers in	75,000	6,250	12,500	
Total Revenues	<u>\$ 7,315,892</u>	<u>\$ 636,850</u>	<u>\$ 1,560,538</u>	21%
Less: Expenditures				
Membership & Program Services	\$ 5,914,430	\$ 810,551	\$ 1,193,964	
Facility Rentals	1,299,185	105,367	210,128	
Community Services	768,671	78,011	130,071	
Total Expenditures	<u>\$ 7,982,287</u>	<u>\$ 993,928</u>	<u>\$ 1,534,163</u>	19%
Net Impact without encumbrances	<u>\$ (666,395)</u>	<u>\$ (357,078)</u>	<u>\$ 26,376</u>	
Encumbrances	-	-	1,337,850	
Net Impact with encumbrances	<u>\$ (666,395)</u>	<u>\$ (357,078)</u>	<u>\$(1,311,474)</u>	

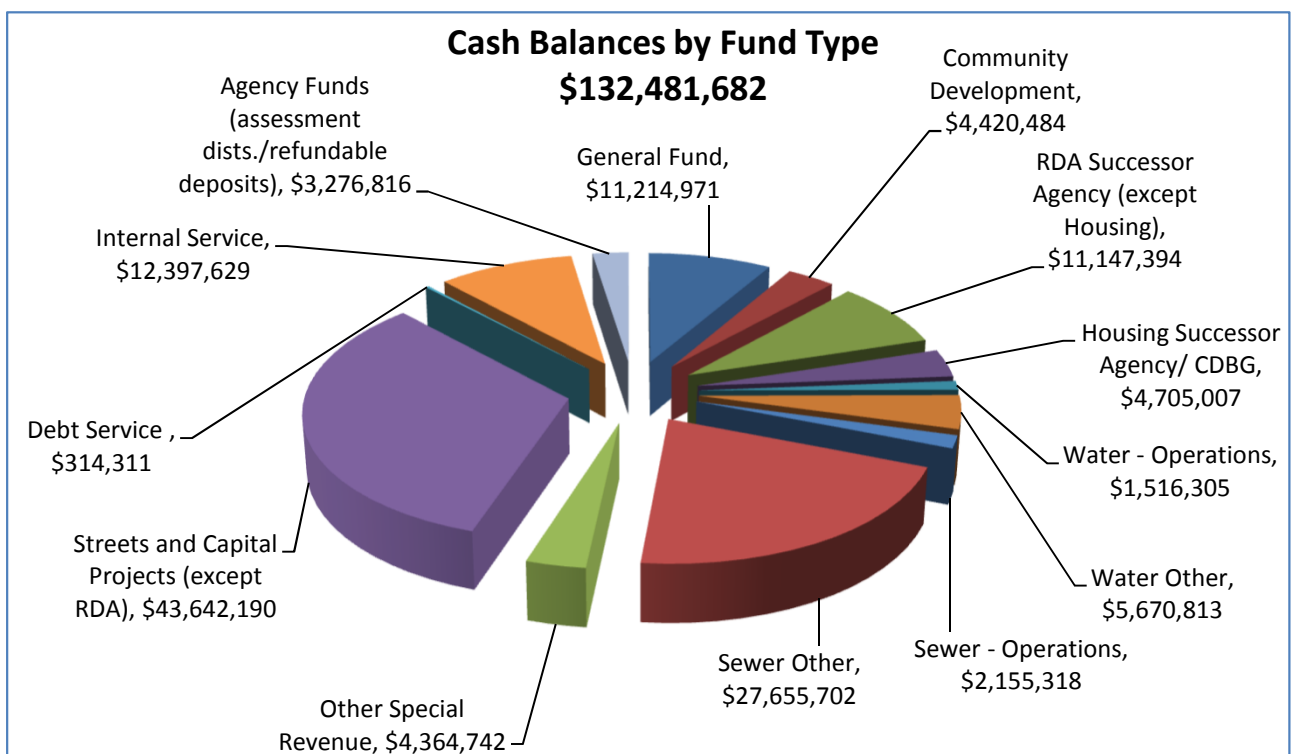
City of Morgan Hill

Monthly Investment Report - August 31, 2017

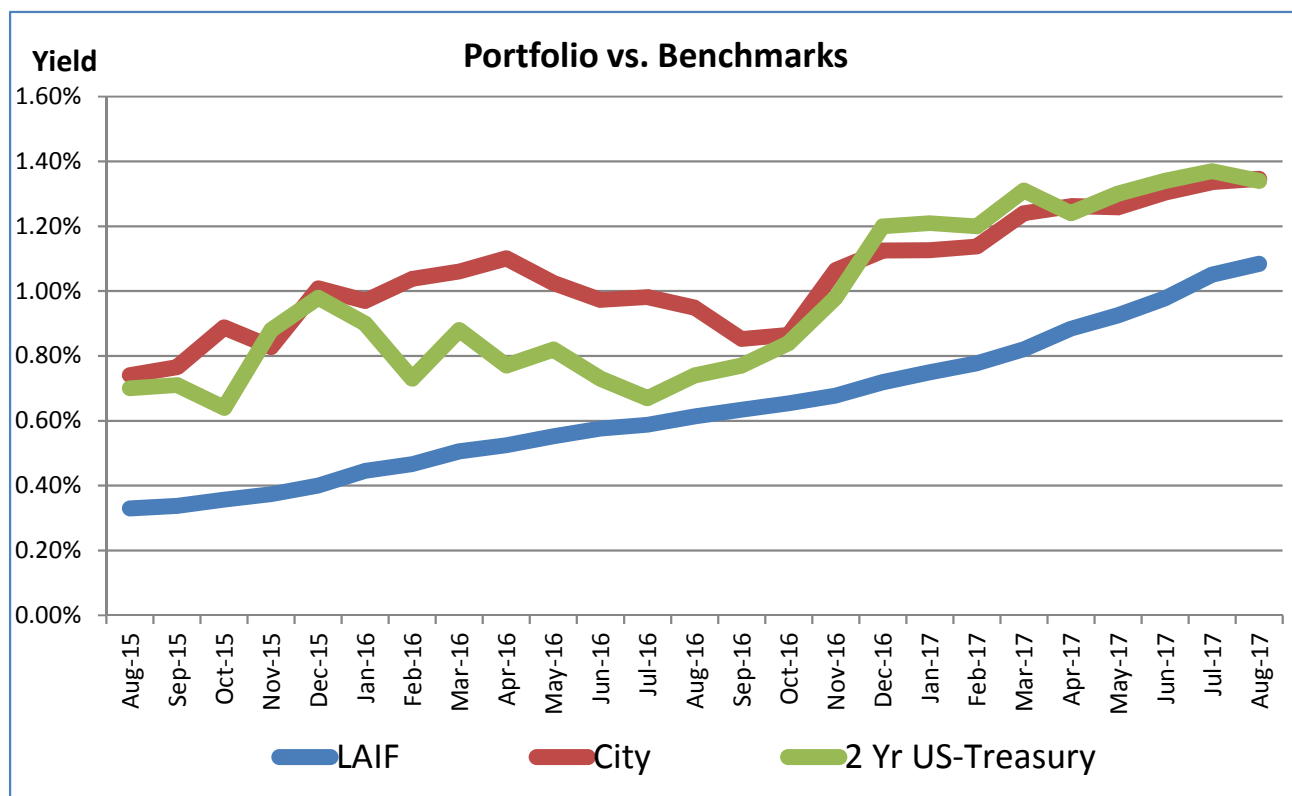
The following are the snapshots of City's investment portfolio as of August 31, 2017. The first chart shows the portfolio composition by investment type:



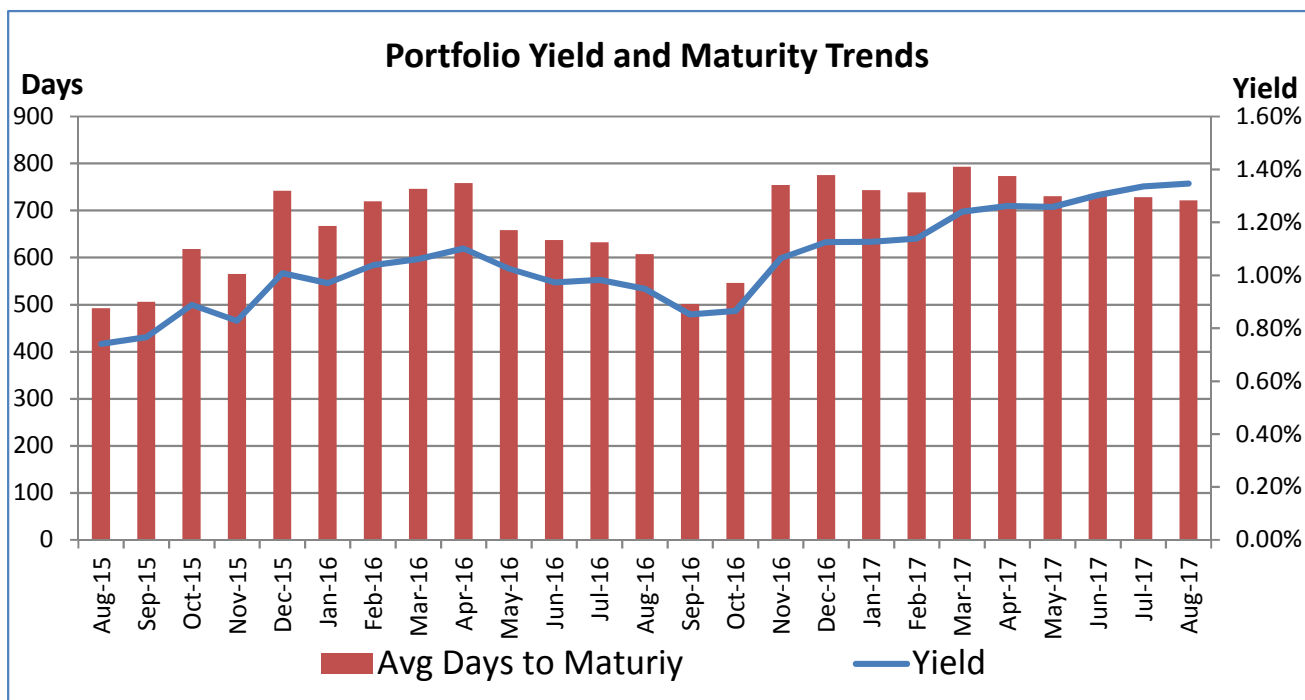
The chart below shows cash balances by fund type reconciled to City's financial system:



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 August 31, 2017**

Investment Type	Settlement Date	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F		\$ 42,083,932	31.77%	\$ 42,039,351	1.08%		
City Managed							
Fed Home Loan Bank	12/3/2012	\$ 2,000,070	1.51%	\$ 1,999,860	0.93%	9/20/2017	9/20/2017
Fed Home Loan Mortgage	1/31/2013	499,529	0.38%	499,380	1.01%	1/12/2018	1/12/2018
Fed Home Loan Mortgage	8/12/2013	998,624	0.75%	999,380	1.36%	12/12/2017	12/12/2017
Treasury Note	12/15/2014	751,061	0.57%	750,990	1.01%	10/31/2017	10/31/2017
Federal Farm Credit Bank	5/28/2015	1,000,546	0.76%	999,870	0.99%	2/20/2018	2/20/2018
Treasury Note	6/12/2015	499,126	0.38%	498,710	1.06%	3/31/2018	3/31/2018
Fed Natn'l Mortgage Assn	6/12/2015	500,083	0.38%	499,450	1.10%	2/28/2018	2/28/2018
Fed Home Loan Mortgage	7/2/2015	999,535	0.75%	998,520	0.97%	3/7/2018	3/7/2018
Fed Home Loan Bank	9/30/2015	1,000,334	0.76%	998,540	0.95%	4/24/2018	4/24/2018
Fed Home Loan Bank	9/30/2015	510,442	0.39%	510,245	0.80%	10/12/2017	10/12/2017
Fed Home Loan Bank	10/19/2015	4,000,000	3.02%	4,000,320	1.70%	10/19/2017	10/19/2020
Fed Home Loan Bank	6/30/2016	4,000,000	3.02%	3,941,840	1.50%	6/30/2021	6/30/2021
Fed Natn'l Mortgage Assn	8/25/2016	4,000,000	3.02%	3,941,840	1.40%	8/25/2021	8/25/2021
Fed Home Loan Mortgage	9/29/2016	2,000,000	1.51%	1,993,900	1.65%	9/29/2017	9/29/2021
Fed Natn'l Mortgage Assn	9/29/2016	4,000,000	3.02%	3,939,960	1.60%	9/29/2017	9/29/2021
Fed Home Loan Mortgage	10/27/2016	4,000,000	3.02%	3,922,800	1.60%	10/27/2017	10/27/2021
Fed Natn'l Mortgage Assn	10/28/2016	4,000,000	3.02%	3,920,960	1.55%	10/28/2017	10/28/2021
Fed Home Loan Mortgage	10/28/2016	2,000,000	1.51%	1,964,000	1.65%	10/28/2017	10/28/2021
Fed Home Loan Bank	11/15/2016	4,000,000	3.02%	3,958,360	1.55%	11/15/2021	11/15/2021
Fed Home Loan Bank	11/23/2016	3,000,000	2.26%	2,970,540	1.65%	9/23/2017	11/23/2021
Fed Home Loan Bank	11/23/2016	4,000,000	3.02%	3,940,920	1.63%	9/23/2017	11/23/2021
Fed Home Loan Mortgage	11/30/2016	4,000,000	3.02%	3,992,840	1.88%	9/26/2017	11/26/2021
Fed Home Loan Mortgage	3/29/2017	5,000,000	3.77%	5,000,850	2.38%	9/29/2017	3/29/2022
Fed Home Loan Mortgage	6/29/2017	1,300,000	0.98%	1,300,169	2.15%	9/29/2017	6/29/2022
Sub Total/Average		\$ 58,059,349	43.82%	\$ 57,544,244	1.60%		
Money Market		\$ 1,193,712	0.90%	\$ 1,193,712	0.01%		
Total City Managed/Average		\$ 101,336,994	76.49%	\$ 100,777,306	1.03%		
City Managed - HighMark							
Fed Natn'l Mortgage Assn	8/18/2016	\$ 749,362	0.57%	\$ 744,915	1.06%	1/25/2019	1/25/2019
Fed Natn'l Mortgage Assn	8/18/2016	749,602	0.57%	745,928	1.18%	1/26/2019	7/26/2019
Fed Natn'l Mortgage Assn	8/23/2016	749,951	0.57%	745,860	1.25%	8/23/2017	8/23/2019
Fed Home Loan Mortgage	8/31/2016	750,000	0.57%	747,525	1.25%	8/15/2019	8/15/2019
Fed Home Loan Mortgage	9/13/2016	750,000	0.57%	748,050	1.10%	9/13/2017	9/3/2018
Fed Home Loan Bank	9/15/2016	750,000	0.57%	748,028	1.00%	9/15/2017	6/15/2018
Fed Home Loan Bank	9/21/2016	749,842	0.57%	748,035	1.12%	9/21/2017	9/21/2018
Fed Home Loan Mortgage	10/7/2016	749,766	0.57%	745,628	1.29%	9/12/2017	9/12/2019
Fed Natn'l Mortgage Assn	10/11/2016	749,802	0.57%	747,360	1.22%	11/23/2017	5/23/2019
Fed Home Loan Mortgage	10/24/2016	739,155	0.56%	735,590	1.03%	7/30/2018	1/30/2019
Fed Natn'l Mortgage Assn	10/24/2016	749,947	0.57%	745,748	1.25%	9/30/2017	9/30/2019
Federal Farm Credit Bank	11/1/2016	749,606	0.57%	746,595	1.02%	11/1/2017	11/1/2018
Fed Home Loan Mortgage	12/13/2016	1,006,902	0.76%	1,006,980	1.35%	5/30/2019	5/30/2019
Fed Home Loan Bank	12/13/2016	999,723	0.75%	998,860	1.27%	1/16/2019	1/16/2019
Fed Home Loan Mortgage	12/29/2016	747,099	0.56%	747,548	1.37%	4/15/2019	4/15/2019
Fed Natn'l Mortgage Assn	12/29/2016	744,712	0.56%	745,136	1.39%	6/20/2019	6/20/2019
Money Market		113,593	0.09%	113,593	0.01%		
Sub Total/Average		\$ 12,599,061	9.51%	\$ 12,561,376	1.19%		
Bond Reserve Accounts - Held By Trustees		\$ 13,226,280	9.98%	\$ 13,208,075			
Cash/Deposits		\$ 3,531,943	2.67%	\$ 3,531,943			
PARS Trust		\$ 1,787,404	1.35%	\$ 1,940,970			
GRAND TOTAL/AVERAGE		\$ 132,481,682	100.00%	\$ 132,019,672			

Attachment: August 2017 Financial and Investment Report (1462 : August 2017 Financial and Investment Report)



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF AUGUST 31, 2017
FOR THE FISCAL YEAR OF 2017-18

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	1.08%	\$ 33,839,722	25.54%	\$ 33,803,875
2014 Water Rev Bonds - Water Impact	Water Fund	1.08%	519,343	0.39%	518,793
2014 Water Rev Bonds - Water CIP	Water Fund	1.08%	1,081,706	0.82%	1,080,560
2015 Wastewater Rev Bonds - CIP	Wastewater Fund	1.08%	6,643,161	5.01%	6,636,123
Federal Issues	All Funds Pooled	1.31%	69,294,631	52.31%	68,742,327
US Treasury Notes	All Funds Pooled	1.04%	1,250,187	0.94%	1,249,700
Dreyfus Treas Cash Management Acct	All Funds Pooled	0.01%	1,307,305	0.99%	1,307,305
	SUBTOTAL		\$ 113,936,055	86.00%	\$ 113,338,683
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					
Blackrock Liq Fund	Debt Service	0.61%	17	0.00%	17
Zions Bank - MH Police Facility Lease Revenue Bonds					
Blackrock Liq Fund	Debt Service	0.61%	22	0.00%	22
BNY - RDA Bonds					
Dreyfus Cash Mgmt 521	Successor Fund	0.00%	5,206,342	3.93%	5,206,342
US Treasury Notes	Successor Fund	1.28%	6,895,891	5.21%	6,877,686
Zions Bank - MH Ranch 2015					
Blackrock Liq Funds Fed Fund -DI -2015	Agency Fund	0.61%	564,019	0.43%	564,019
Zions Bank - Madrone Bus Park Taxable/ Tax Exempt 2015					
Blackrock Liquidity Temp Fund-2015	Agency Fund	0.61%	550,775	0.42%	550,775
	SUBTOTAL		13,226,280	9.98%	13,208,075
Other Cash/Deposits					
General Checking	All Funds		3,495,443	2.64%	3,495,443
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			987,404	0.75%	1,091,623
PARS - PENSION Trust			800,000	0.60%	849,347
	SUBTOTAL		5,319,347	4.02%	5,472,914
Total Cash and Investments			\$ 132,481,682	100.00%	\$ 132,019,672

CASH ACTIVITY SUMMARY
FY 2017-18

Fund Type	Unaudited 07/01/17 Balance	Change in Cash Balance	8/31/2017 Balance
General Fund	\$ 14,425,249	\$ (3,210,278)	\$ 11,214,971
Community Development	4,643,593	(223,109)	4,420,484
RDA Successor Agency (except Housing)	11,855,580	(708,186)	11,147,394
Housing Successor Agency/ CDBG	4,018,293	686,715	4,705,007
Water - Operations	1,478,968	37,337	1,516,305
Water Other	5,510,461	160,352	5,670,813
Sewer - Operations	2,118,908	36,410	2,155,318
Sewer Other	26,928,130	727,572	27,655,702
Other Special Revenue	4,391,575	(26,833)	4,364,742
Streets and Capital Projects (except RDA)	43,234,272	407,918	43,642,190
Debt Service	267,394	46,917	314,311
Internal Service	12,183,598	214,032	12,397,629
Agency Funds (assessment dists./refundable deposits)	3,997,405	(720,589)	3,276,816
Total	\$ 135,053,425	\$ (2,571,743)	\$ 132,481,682

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

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: Harlot 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 Two Months Ended August 31, 2017
17% 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	\$ 8,852,000	\$ 9,083,000	\$ -	0%	\$ -	\$ -	0%
Property Tax - RPTTF Residual Distribution	1,100,000	1,200,000	-	n/a	110,055	(110,055)	-100%
Property Tax - Supplemental Roll	162,000	283,000	17,852	6%	19,333	(1,481)	-8%
Sales Tax	9,151,500	9,226,502	1,475,563	16%	1,430,200	45,363	3%
Public Safety Sales Tax	362,000	362,000	34,121	9%	31,733	2,388	8%
Transient Occupancy Taxes	2,827,050	2,827,050	271,525	10%	234,335	37,190	16%
Franchise (Refuse ,Cable ,PG&E)	1,981,796	1,981,796	-	0%	-	-	n/a
Property Transfer Tax	481,000	481,000	36,035	7%	39,494	(3,459)	-9%
TOTAL TAXES	24,917,346	25,444,348	1,835,096	7%	1,865,150	(30,054)	-2%
LICENSES/PERMITS							
Business License	202,878	202,878	158,017	78%	142,895	15,122	11%
Other Permits	7,743	7,743	2,731	35%	80	2,651	3314%
TOTAL LICENSES/PERMITS	210,621	210,621	160,748	76%	142,975	17,773	12%
FINES AND PENALTIES							
Parking Enforcement	12,240	12,240	597	5%	-	597	n/a
Bails & Fines	65,280	65,280	-	n/a	-	-	0%
Administrative Citations	-	-	5,650	n/a	-	5,650	0%
TOTAL FINES AND PENALTIES	77,520	77,520	6,247	8%	-	597	n/a
OTHER AGENCIES							
Motor Vehicle in-Lieu	17,538	17,538	-	0%	-	-	n/a
Other Revenue - Other Agencies	406,875	319,875	66,388	21%	-	66,388	n/a
TOTAL OTHER AGENCIES	424,413	337,413	66,388	20%	-	66,388	n/a
CHARGES CURRENT SERVICES							
Police False Alarm Charge	32,640	32,640	1,176	4%	3,880	(2,704)	-70%
Business License Application Review	36,633	36,633	6,880	19%	6,443	437	7%
Membership Services & Rec Programs	6,023,650	6,197,036	1,308,916	21%	1,251,667	57,249	5%
Facility Rentals	932,986	904,666	226,443	25%	174,078	52,365	30%
Community Services	139,190	139,190	12,679	9%	12,929	(250)	-2%
General Administration Overhead	1,323,077	1,323,077	220,048	17%	209,570	10,478	5%
Other Charges Current Services	903,402	903,402	42,978	5%	53,624	(10,646)	-20%
TOTAL CURRENT SERVICES	9,391,578	9,536,644	1,819,120	19%	1,712,191	106,929	6%
OTHER REVENUE							
Use of money/property	309,396	309,396	48,422	16%	44,714	3,708	8%
Other Revenues	151,306	157,306	152,134	97%	126,528	25,606	20%
TOTAL OTHER REVENUE	460,702	466,702	200,555	43%	171,242	29,313	17%
TRANSFERS IN							
Public Safety	100,000	100,000	-	0%	-	-	0%
Streets	761,458	761,458	-	0%	-	-	n/a
Police Impact	25,000	25,000	4,166	17%	-	4,166	n/a
Sewer Operations	347,025	347,025	57,838	17%	57,500	338	1%
Water Operations	347,025	347,025	57,838	17%	57,500	338	1%
Park Development	75,000	75,000	12,500	17%	12,500	-	n/a
TOTAL TRANSFERS IN	1,655,508	1,655,508	132,342	8%	127,500	4,842	4%
TOTAL GENERAL FUND	37,137,688	37,728,756	4,220,497	11%	4,019,058	201,439	5%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	761,458	761,458	123,930	16%	116,190	7,740	7%
Interest / Other Revenue/Other Charges	72	72	29	41%	-	29	n/a
202 STREET MAINTENANCE	761,530	761,530	123,960	16%	116,190	7,770	7%

Attachment: August 2017 Financial and Investment Report (1462 : August 2017 Financial and Investment Report)



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2016-17
For the Two Months Ended August 31, 2017
17% 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	395	395	8	2%	-	8	n/a
Police Grant/SLEF/JAG	100,000	100,000	-	n/a	-	-	0%
205 PUBLIC SAFETY TRUST	100,395	100,395	8	0%	-	8	n/a
206 COMMUNITY DEVELOPMENT							
Building Fees	1,937,862	1,937,862	416,503	21%	209,593	206,910	99%
Planning Fees	1,131,051	1,131,051	111,339	10%	50,944	60,395	119%
Engineering Fees	601,640	601,640	235,839	39%	563,521	(327,682)	-58%
Other Revenue/Current Charges	9,417	9,417	1,201	13%	344	857	249%
206 COMMUNITY DEVELOPMENT	3,679,970	3,679,970	764,882	21%	824,402	(59,520)	-7%
207 GENERAL PLAN UPDATE	706,212	706,212	122,170	17%	138,102	(15,932)	-12%
215 and 216 HCD BLOCK GRANT							
HCD allocation	-	-	-	0%	-	-	0%
Interest Income/Other Revenue	417	417	813	195%	-	813	n/a
215 and 216 HCD BLOCK GRANT	417	417	813	195%	-	813	n/a
225 ASSET SEIZURE	250	250	61	25%	-	61	n/a
229 LIGHTING AND LANDSCAPE	187,321	187,321	68	0%	-	68	n/a
230 COMMUNITY FACILITIES DISTRICT	43,340	43,340	26	0%	-	26	0%
232 ENVIRONMENTAL PROGRAMS	382,164	382,164	90,579	24%	77,560	13,019	17%
234 MOBILE HOME PARK RENT STAB.	3,931	3,931	18	0%	-	18	n/a
235 SENIOR HOUSING	1,633	1,633	99	6%	-	99	n/a
236 HOUSING MITIGATION	842,443	842,443	14,416	2%	944,014	(929,598)	-98%
240 EMPLOYEE ASSISTANCE	30,966	30,966	4,736	15%	3,198	1,538	48%
247 ENVIRONMENT REMEDIATION	1,104	1,104	67	6%	-	67	n/a
250 COMH-SUCCESSOR AGENCY-MHRDA	7,131,889	7,131,889	30,140	0%	1,151,824	(1,121,684)	-97%
255 HOUSING SUCCESSOR AGENCY	1,285,374	1,285,374	105,711	8%	127,625	(21,914)	-17%
TOTAL SPECIAL REVENUE FUNDS	15,158,940	15,158,940	1,257,755	8%	3,382,915	(2,125,160)	-63%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	1,439,640	1,931,640	231,674	12%	113,597	118,077	104%
302 PARK MAINTENANCE	888,026	888,026	548,573	62%	272,033	276,540	102%
303 LOCAL DRAINAGE	1,822,884	1,822,884	712,870	39%	527,837	185,033	35%
304 LOCAL DRAINAGE/NON AB1600	70,894	70,894	51,105	72%	3,770	47,335	1256%
306 AGRICULTURE & OPEN SPACE PRESERVATI	1,539,970	1,539,970	83,815	5%	74,130	9,685	13%
308 STREET CIP	1,357,235	1,357,235	209,394	15%	226,023	(16,629)	-7%
309 TRAFFIC MITIGATION	1,348,287	1,348,287	55,410	4%	135,747	(80,337)	-59%
311 POLICE MITIGATION	256,218	256,218	30,581	12%	16,801	13,780	82%
313 FIRE MITIGATION	94,577	94,577	6,426	7%	14,769	(8,343)	-56%
346 PUBLIC FACILITIES NON-AB1600	617,956	617,956	32,636	5%	483,785	(451,149)	-93%
347 PUBLIC FACILITIES	171,217	171,217	20,575	12%	11,223	9,352	83%
348 LIBRARY	1,250,509	1,250,509	79,670	6%	42,224	37,446	89%
350 UNDERGROUNDING	53,236	53,236	167,597	315%	346,544	(178,947)	-52%
355 SCHOOL PEDESTRIAN/TRAFFIC SAFETY	544,341	544,341	20,708	4%	575,320	(554,612)	-96%
360 COMMUNITY/REC IMPACT FUND	985,274	985,274	114,074	12%	40,293	73,781	183%
TOTAL CAPITAL PROJECTS FUNDS	12,440,264	12,932,264	2,365,109	18%	2,884,096	(518,987)	-18%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	297,408	297,408	49,040	16%	49,776	(736)	-1%
441 POLICE FACILITY BOND	385,373	385,373	42	0%	-	42	n/a
545 COCHRANE BUSINESS PARK	84	84	5	6%	-	5	n/a
TOTAL DEBT SERVICE FUNDS	682,865	682,865	49,087	7%	49,776	(689)	-1%

Attachment: August 2017 Financial and Investment Report (1462 : August 2017 Financial and Investment Report)



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2016-17
For the Two Months Ended August 31, 2017
17% 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	10,602,695	10,102,695	1,629,659	16%	1,614,537	15,122	1%
Interest Income/Transfers	48,461	48,461	1,102	2%	-	1,102	n/a
Other Revenue/Current Charges	183,354	683,354	107,969	16%	63,864	44,105	69%
640 SEWER OPERATION	10,834,510	10,834,510	1,738,729	16%	1,678,401	60,328	4%
641 SEWER EXPANSION							
Interest Income	59,474	59,474	6,793	11%	12	6,781	56512%
Development Impact Fee	4,727,753	4,727,753	569,715	12%	294,253	275,462	94%
Transfers/Other	-	-	-	0%	600	(600)	-100%
641 SEWER EXPANSION	4,787,227	4,787,227	576,508	12%	294,865	281,643	96%
642 SEWER RATE STABILIZATION	15,702	15,702	1,144	7%	-	1,144	n/a
643 SEWER-CAPITAL PROJECT	2,424,509	2,424,509	400,580	17%	439,914	(39,334)	-9%
TOTAL SEWER FUNDS	18,061,948	18,061,948	2,716,961	15%	2,413,180	303,781	13%
650 WATER OPERATION							
Water Sales	11,201,856	11,401,856	2,259,865	20%	1,863,063	396,802	21%
Meter Install & Service	120,575	120,575	72,648	60%	69,029	3,619	5%
Transfers-In / Interest Income	424,507	424,507	69,965	16%	33,483	36,482	109%
Other Revenue/Current Charges	475,784	275,784	202,604	73%	267,020	(64,416)	-24%
650 WATER OPERATION	12,222,722	12,222,722	2,605,082	21%	2,232,595	372,487	17%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	1,944	1,944	1,385	71%	-	1,385	n/a
Development Impact Fee	1,196,984	1,196,984	144,513	12%	80,840	63,673	79%
651 WATER EXPANSION	1,198,928	1,198,928	145,898	12%	80,840	65,058	80%
652 Water Rate Stabilization	505,618	505,618	83,596	17%	83,334	262	0%
653 Water Capital Project	1,351,992	1,351,992	225,394	17%	157,592	67,802	43%
TOTAL WATER FUNDS	15,279,260	15,279,260	3,059,971	20%	2,554,361	505,610	20%
TOTAL ENTERPRISE FUNDS	33,341,208	33,341,208	5,776,932	17%	4,967,541	809,391	16%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	1,592,812	1,592,812	267,984	17%	267,648	336	0%
740 BUILDING MAINTENANCE	3,066,615	3,149,985	510,809	16%	523,952	(13,143)	-3%
741 BUILDING REPLACEMENT	487,008	487,008	79,722	16%	82,680	(2,958)	-4%
745 CIP ADMINISTRATION	1,869,109	1,869,109	241,320	13%	161,748	79,572	49%
760 UNEMPLOYMENT INSURANCE	1,094	1,094	74	7%	-	74	n/a
770 WORKERS COMPENSATION	763,390	763,390	119,022	16%	125,894	(6,872)	-5%
790 EQUIPMENT REPLACEMENT	974,418	974,418	160,322	16%	168,969	(8,647)	-5%
791 EMPLOYEE BENEFITS	624,676	624,676	101,969	16%	97,938	4,031	4%
793 CORPORATION YARD COMMISSION	-	-	-	0%	-	-	n/a
795 GENERAL LIABILITY INSURANCE	941,342	941,342	156,533	17%	141,668	14,865	10%
TOTAL INTERNAL SERVICE FUNDS	10,320,464	10,403,834	1,637,755	16%	1,570,497	67,258	4%
TOTAL FOR ALL FUNDS	\$ 109,081,429	\$ 110,247,867	\$ 15,307,135	14%	\$ 16,873,883	\$ (1,331,153)	-8%



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2017-18
For the Month and Two Months Ended August 31, 2017
17% 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		\$ 13,162	\$ 400,865	\$ 41,398	\$ 21,500	\$ 62,898	16%	\$ 71,000
CITY ATTORNEY		62,896	836,813	116,792	95,902	212,694	25%	83,000
CITY ATTORNEY LOAN		-	-	-	-	-	n/a	83,000
CITY MANAGER		72,708	1,846,979	158,356	668,303	826,659	45%	111,000
HUMAN RESOURCES		52,795	757,742	101,061	44,555	145,616	19%	91,000
COUNCIL SVCS & RECORDS MGMT								
Council Svcs & Records Mgmt		43,307	601,195	85,866	-	85,866	14%	84,000
Elections		2,817	30,669	4,191	-	4,191	14%	1,000
COUNCIL SVCS & RECORDS MGMT		46,124	631,864	90,057	-	90,057	14%	85,000
FINANCE		118,574	1,613,065	242,859	82,368	325,227	20%	231,000
TOTAL ADMINISTRATION		366,259	6,087,327	750,523	912,628	1,663,150	27%	1,531,000
II. COMMUNITY SERVICES								
Membership Services & Rec. Programs		810,551	5,914,430	1,193,964	1,276,502	2,470,466	42%	1,124,000
Recreation Facility Rentals		105,367	1,299,185	210,128	-	210,128	16%	200,000
Community Services		78,011	768,671	130,071	61,348	191,419	25%	120,000
Solid Waste Management		15,901	277,104	28,874	-	28,874	10%	20,000
Street Maintenance		120,645	2,225,954	209,691	385,503	595,194	27%	210,000
Downtown Maintenance		16,222	296,241	31,293	28,047	59,340	20%	100,000
Cable Television		1,532	49,443	3,037	-	3,037	6%	1,000
COMMUNITY SERVICES		1,148,228	10,831,028	1,807,058	1,751,400	3,558,458	33%	1,704,000
CODE COMPLIANCE		6,997	141,628	15,693	-	15,693	11%	1,000
CONGESTION MANAGEMENT		5,544	77,570	11,022	-	11,022	14%	1,000
TOTAL COMMUNITY SERVICES		1,160,768	11,050,226	1,833,773	1,751,400	3,585,173	32%	1,724,000
III. PUBLIC SAFETY								
POLICE								
PD Administration		74,138	1,185,166	143,337	21,812	165,149	14%	130,000
Field Operations		601,647	7,864,431	1,161,901	120,785	1,282,686	16%	1,140,000
Support Services		160,154	2,089,756	323,902	3,536	327,438	16%	340,000
Emergency Services/Haz Mat		13,607	179,862	26,005	-	26,005	14%	20,000
Special Operations		195,671	2,779,972	415,975	-	415,975	15%	400,000
Dispatch Services		119,846	1,694,978	243,443	-	243,443	14%	230,000
POLICE		1,165,063	15,794,165	2,314,563	146,133	2,460,696	16%	2,300,000
FIRE		660,480	5,785,389	1,072,130	1,083	1,073,213	19%	1,000,000
TOTAL PUBLIC SAFETY		1,825,543	21,579,554	3,386,693	147,216	3,533,909	16%	3,300,000
IV. TRANSFERS								
Other		145,443	1,901,915	457,476	-	457,476	24%	620,000
TOTAL TRANSFERS		145,443	1,901,915	457,476	-	457,476	24%	620,000
TOTAL GENERAL FUND		3,498,014	40,619,022	6,428,465	2,811,244	9,239,709	23%	7,194,000

Attachment: August 2017 Financial and Investment Report (1462 : August 2017 Financial and Investment Report)



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2017-18
For the Month and Two Months Ended August 31, 2017
17% 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	169	763,480	339	-	339	0%	
205	PUBLIC SAFETY/SUPP.LAW	-	100,000	-	-	-	n/a	
206	COMMUNITY DEVELOPMENT FUND							
	Planning	123,812	2,241,307	255,292	337,189	592,481	26%	30%
	Building	111,522	1,789,823	229,921	7,417	237,338	13%	26%
	Engineering	81,426	1,292,702	160,911	165,785	326,696	25%	14%
206	COMMUNITY DEVELOPMENT FUND	316,760	5,323,832	646,124	510,391	1,156,515	22%	71%
207	GENERAL PLAN UPDATE	48,769	988,643	86,788	291,969	378,757	38%	8%
215/216	CDBG	-	14,976	-	14,976	14,976	100%	0%
225	ASSET SEIZURE	-	26,595	-	-	-	0%	0%
229	LIGHTING AND LANDSCAPE	11,866	205,430	20,476	81,294	101,770	50%	1%
230	COMMUNITY FACILITIES DISTRICT	1,873	45,100	3,042	3,919	6,961	15%	0%
232	ENVIRONMENT PROGRAMS	28,075	345,422	51,821	-	51,821	15%	4%
234	MOBILE HOME PARK	71	880	142	-	142	16%	0%
236	HOUSING MITIGATION	37,564	1,320,091	74,103	55,819	129,921	10%	9%
240	EMPLOYEE ASSISTANCE	3,097	41,247	3,201	-	3,201	8%	0%
250	COMH-SUCCESSOR AGENCY-MHRDA	16,323	7,178,310	32,459	23,890	56,349	1%	1,32%
255	HOUSING SUCCESSOR AGENCY	72,563	1,945,760	145,106	453,887	598,993	31%	9%
TOTAL SPECIAL REVENUE FUNDS		537,129	18,299,766	1,063,601	1,436,143	2,499,744	14%	2,38%
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	535,206	6,719,991	567,523	2,881,029	3,448,552	51%	10%
302	PARK MAINTENANCE	73,068	2,450,153	125,904	40,667	166,571	7%	13%
303	LOCAL DRAINAGE	986	33,698	1,972	-	1,972	6%	0%
304	LOCAL DRAIN. NON-AB1600	405	155,141	789	-	789	1%	0%
306	AGRICULTURE & OPEN SPACE PRESERVATION	3,957	1,725,908	5,664	91,434	97,098	6%	0%
308	STREET CIP	1,271	3,684,677	2,183	2,323,366	2,325,549	63%	1%
309	TRAFFIC MITIGATION	62,985	3,364,148	87,944	365,730	453,674	13%	2%
311	POLICE MITIGATION	2,176	228,859	4,337	-	4,337	2%	1%
313	FIRE MITIGATION	112	615,477	222	-	222	0%	0%
346	PUBLIC FAC.NON AB1600	120,015	621,831	120,326	457,086	577,412	93%	21%
347	PUBLIC FACILITIES	91	1,223	172	-	172	14%	0%
348	LIBRARY IMPACT	30,926	3,816,578	59,896	272,764	332,660	9%	5%
350	UNDERGROUNDING	45	539	90	-	90	17%	5%
355	SCHOOL PEDESTRIAN & TRAFFIC SAFETY	51,127	1,131,267	51,457	205,934	257,391	23%	0%
360	COMM/REC CENTER IMPACT	69	244,000	69	-	69	0%	0%
TOTAL CAPITAL PROJECTS FUNDS		882,438	24,793,489	1,028,548	6,638,010	7,666,557	31%	61%
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	420	297,423	517	-	517	0%	0%
441	POLICE FACILITY BOND DEBT	610	383,610	808	-	808	0%	0%
TOTAL DEBT SERVICE FUNDS		1,030	681,033	1,325	-	1,325	0%	0%

Attachment: August 2017 Financial and Investment Report (1462 : August 2017 Financial and Investment Report)



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2017-18
 For the Month and Two Months Ended August 31, 2017
 17% 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	1,485,730	10,846,377	1,945,597	121,269	2,066,865	19%	1,911
641	SEWER CAPITAL EXPANSION	31,048	12,336,720	53,542	792,336	845,878	7%	21
642	SEWER RATE STABILIZATION	325	3,900	650	-	650	17%	6
643	SEWER-CAPITAL PROJECTS	22,432	6,243,443	24,290	155,395	179,685	3%	6
TOTAL SEWER FUND(S)		1,539,535	29,430,440	2,024,079	1,068,999	3,093,078	11%	1,999
WATER								
	Water Operations	596,518	11,005,629	1,073,294	692,729	1,766,023	16%	1,261
	Utility Billing	60,064	836,258	131,630	38,289	169,919	20%	111
	Water Conservation	5,871	212,502	11,834	85,133	96,967	46%	11
650	WATER OPERATIONS	662,453	12,054,389	1,216,759	816,150	2,032,909	17%	1,391
651	WATER CAPITAL EXPANSION	21,987	961,074	39,510	169,513	209,023	22%	41
652	WATER RATE STABILIZATION	51	662	102	-	102	15%	6
653	WATER-CAPITAL PROJECTS	52,895	2,991,557	93,589	1,606,836	1,700,425	57%	121
TOTAL WATER FUND(S)		737,387	16,007,681	1,349,961	2,592,499	3,942,460	25%	1,569
TOTAL ENTERPRISE FUNDS		2,276,922	45,438,121	3,374,040	3,661,498	7,035,538	15%	3,568
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	442,968	1,796,307	543,930	34,268	578,198	32%	201
740	BUILDING MAINTENANCE	242,996	3,328,743	368,364	453,872	822,236	25%	351
741	BUILDING REPLACEMENT	109,729	515,155	109,729	147,518	257,247	50%	111
745	CIP ADMINISTRATION	118,362	1,872,190	241,320	19,776	261,096	14%	231
760	UNEMPLOYMENT	-	20,400	-	-	-	n/a	1
770	WORKERS COMPENSATION	26,331	808,807	364,900	-	364,900	45%	241
790	EQUIPMENT REPLACEMENT	-	694,939	-	242,369	242,369	35%	1
791	EMPLOYEE BENEFITS FUND	23,663	558,538	64,963	-	64,963	12%	81
793	CORP YARD COMMISSION	2,750	-	2,852	1,903	4,755	0%	1
795	GEN. LIABILITY INSURANCE	5,409	1,059,920	11,993	-	11,993	1%	641
TOTAL INTERNAL SERVICE FUNDS		972,209	10,655,000	1,708,051	899,706	2,607,758	24%	1,781
REPORT TOTAL		\$ 8,167,742	\$ 140,486,430	\$ 13,604,030	\$ 15,446,601	\$ 29,050,631	21%	\$ 15,549

 City of Morgan Hill Fund Activity Summary - Fiscal Year 2016-17 For the Two Months Ended August 31, 2017 17% of Year Complete									
Fund No.	Fund	Unaudited Fund Balance 06-30-17	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	\$ 17,066,150	\$ 4,220,497	11%	\$ 6,428,465	16%	\$ (2,207,968)	\$ 2,811,244	\$ 12,046,938
	TOTAL GENERAL FUND	\$ 17,066,150	\$ 4,220,497	11%	\$ 6,428,465	16%	\$ (2,207,968)	\$ 2,811,244	\$ 12,046,938
202	STREET MAINTENANCE	439	\$ 123,960	16%	339	13%	\$ 123,621	\$ -	\$ 124,059
205	PUBLIC SAFETY/SUPPL. LAW	16,702	8	0%	-	12%	8	-	16,710
206	COMMUNITY DEVELOPMENT	2,646,685	764,882	21%	646,124	12%	118,759	510,391	2,255,052
207	GENERAL PLAN UPDATE	1,170,077	122,170	17%	86,788	9%	35,382	291,969	913,490
215 / 216	CDBG	51,806	813	195%	-	0%	813	14,976	37,643
225	ASSET SEIZURE	136,345	61	25%	-	0%	61	-	136,407
229	LIGHTING AND LANDSCAPE	160,594	68	0%	20,476	10%	(20,408)	81,294	58,892
230	COMMUNITY FACILITIES DISTRICT	60,276	26	0%	3,042	0%	(3,016)	3,919	53,340
232	ENVIRONMENTAL PROGRAMS	159,665	90,579	24%	51,821	15%	38,758	-	198,423
234	MOBILE HOME PK RENT STAB.	41,059	18	0%	142	16%	(124)	-	40,935
235	SENIOR HOUSING	220,710	99	6%	-	0%	99	-	220,809
236	HOUSING MITIGATION	2,178,174	14,416	2%	74,103	6%	(59,687)	55,819	2,062,669
240	EMPLOYEE ASSISTANCE	36,302	4,736	15%	3,201	8%	1,535	-	37,837
247	ENVIRONMENT REMEDIATION	149,147	67	0%	-	0%	67	-	149,214
250	COMH-SUCCESSOR AGENCY-MHRDA	4,650,153	30,140	0%	32,459	0%	(2,319)	12,126,123	(7,478,289)
255	HOUSING SUCCESSOR AGENCY	3,956,700	105,711	8%	145,106	7%	(39,395)	2,967,162	950,144
	TOTAL SPECIAL REVENUE FUNDS	\$ 15,634,833	\$ 1,257,755	8%	\$ 1,063,601	6%	\$ 194,154	\$ 16,051,651	\$ (222,664)
301	PARK DEV. IMPACT FUND	\$ 4,850,439	\$ 231,674	12%	\$ 567,523	8%	\$ (335,849)	\$ 2,881,029	\$ 1,633,562
302	PARK MAINTENANCE	5,431,371	548,573	62%	125,904	5%	422,668	40,667	5,813,372
303	LOCAL DRAINAGE	8,381,669	712,870	39%	1,972	6%	710,898	-	9,092,567
304	LOCAL DRAINAGE/NON-AB1600	1,301,563	51,105	72%	789	1%	50,316	-	1,351,879
306	AGRICULTURE AND OPEN SPACE PRESERV	6,014,382	83,815	5%	5,664	0%	78,151	91,434	6,001,099
308	STREET CIP	1,819,399	209,394	15%	2,183	0%	207,211	2,323,366	(296,756)
309	TRAFFIC IMPACT FUND	4,535,126	55,410	4%	87,944	3%	(32,534)	365,730	4,136,862
311	POLICE IMPACT FUND	(115,553)	30,581	12%	4,337	2%	26,244	-	(89,309)
313	FIRE IMPACT FUND	3,818,638	6,426	7%	222	0%	6,204	-	3,824,842
346	PUBLIC FACILITIES NON-AB1600	2,103,338	32,636	5%	120,326	19%	(87,690)	-	1,032,648
347	PUBLIC FACILITIES IMPACT FUND	343,009	20,575	12%	172	14%	20,403	272,764	90,648
348	LIBRARY IMPACT FUND	2,103,639	79,670	6%	59,896	2%	19,774	-	2,123,413
350	UNDERGROUNDING	510,438	167,597	315%	90	17%	167,507	205,934	472,011
355	SCHOOL PEDESTRIAN/TRAFFIC SFTY	1,643,464	20,708	4%	51,457	5%	(30,749)	-	1,612,716
360	COMM/REC CTR IMPACT FUND	268,766	114,074	12%	69	0%	114,005	-	382,771
	TOTAL CAPITAL PROJECT FUNDS	\$ 42,026,688	\$ 2,365,109	18%	\$ 1,028,548	4%	\$ 1,336,562	\$ 6,180,924	\$ 37,182,326
420	CIVIC CENTER DEBT	\$ 161,328	\$ 49,040	16%	\$ 517	0%	\$ 48,523	\$ 17	\$ 209,834
441	POLICE FACILITY BOND DEBT	93,903	42	0%	808	0%	(766)	22	93,116
	TOTAL DEBT SERVICE FUNDS	\$ 255,231	\$ 49,087	7%	\$ 1,325	0%	\$ 47,762	\$ 39	\$ 302,955

 CITY OF MORGAN HILL City of Morgan Hill Fund Activity Summary - Fiscal Year 2016-17 For the Two Months Ended August 31, 2017 17% of Year Complete										
Fund No.	Fund	Unaudited Fund Balance 06-30-17	Revenues		Expenses			Year to-Date Deficit or Carryover	Ending Fund Balance	
			YTD	% of	YTD	% of	Reserved ¹		Unreserved	
			Actual	Budget	Actual	Budget				

640	SEWER OPERATIONS	\$ 2,997,397	\$ 1,738,729	16%	\$ 1,945,597	18%	\$ (206,867)	121,269	2,669,261
641	SEWER IMPACT FUND*	13,781,329	576,508	12%	53,542	0%	522,966	792,336	13,511,960
642	SEWER RATE STABILIZATION	2,538,125	1,144	7%	650	17%	494	-	2,538,618
643	SEWER-CAPITAL PROJECTS	8,964,265	400,580	17%	24,290	0%	376,289	164,609	9,175,945
650	WATER OPERATIONS	1,329,683	2,605,082	21%	1,216,759	10%	1,388,323	816,150	1,901,856
651	WATER IMPACT FUND*	3,153,844	145,898	12%	39,510	4%	106,388	169,513	3,090,719
652	WATER RATE STABILIZATION	539,303	83,596	17%	102	15%	83,494	-	622,797
653	WATER -CAPITAL PROJECT	613,123	225,394	17%	93,589	3%	131,805	1,606,836	(861,908)
TOTAL ENTERPRISE FUNDS		\$ 33,917,069	\$ 5,776,932	17%	\$ 3,374,040	7%	\$ 2,402,893	\$ 3,670,712	\$ 32,649,249

730	INFORMATION SERVICES	\$ 612,170	\$ 267,984	17%	\$ 543,930	30%	\$ (275,946)	\$ 34,268	\$ 301,956
740	BUILDING MAINTENANCE	126,409	510,809	16%	368,364	11%	142,445	453,872	(185,018)
741	BUILDING REPLACEMENT	2,063,612	79,722	16%	109,729	21%	(30,007)	147,518	1,886,086
745	CIP ENGINEERING	32,485	241,320	13%	241,320	13%	-	19,776	12,709
760	UNEMPLOYMENT	164,584	74	7%	-	-	74	-	164,658
770	WORKERS COMPENSATION	1,647,992	119,022	16%	364,900	45%	(245,878)	30,000	1,372,114
790	EQUIPMENT REPLACEMENT	4,110,874	160,322	16%	-	-	160,322	242,369	4,028,827
791	EMPLOYEE BENEFITS FUNDS	584,228	101,969	16%	64,963	12%	37,006	-	621,234
793	CORP YARD COMMISSION	-	-	0%	2,852	0%	(2,852)	1,903	(4,755)
795	GEN. LIABILITY INSURANCE	1,106,814	156,533	17%	11,993	1%	144,540	-	1,251,354
TOTAL INTERNAL SERVICE FUNDS		\$ 10,449,167	\$ 1,637,755	16%	\$ 1,708,051	16%	\$ (70,297)	\$ 929,706	\$ 9,449,164

SUMMARY BY FUND TYPE

GENERAL FUND GROUP	\$ 17,066,150	\$ 4,220,497	11%	\$ 6,428,465	16%	\$ (2,207,968)	\$ 2,811,244	\$ 12,046,938
SPECIAL REVENUE GROUP	15,634,833	1,257,755	8%	1,063,601	6%	194,154	16,051,651	(222,664)
DEBT SERVICE GROUP	255,231	49,087	7%	1,325	0%	47,762	39	302,955
CAPITAL PROJECTS GROUP	42,026,688	2,365,109	18%	1,028,548	4%	1,336,562	6,180,924	37,182,326
ENTERPRISE GROUP	33,917,069	5,776,932	17%	3,374,040	7%	2,402,893	3,670,712	32,649,249
INTERNAL SERVICE GROUP	10,449,167	1,637,755	16%	1,708,051	16%	(70,297)	929,706	9,449,164
TOTAL ALL GROUPS	\$ 119,349,138	\$ 15,307,135	14%	\$ 13,604,030	10%	\$ 1,703,106	\$ 29,644,276	\$ 91,407,968

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: November 1, 2017

PREPARED BY: Hilary Holeman, Administrative Analyst
APPROVED BY: City Manager

CITY CORRESPONDENCE REGARDING BROADBAND DEPLOYMENT

RECOMMENDATION(S)

Receive correspondence urging the Federal Communications Commission and the Broadband Deployment Advisory Committee to be more transparent and provide an appropriate level of local government representation when considering items related to broadband deployment.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Preserving and Cultivating Public Trust

2017 Strategic Priorities

Regional Initiatives

Telecommunications

POLICY CONSIDERATIONS:

Per Resolution No. 6851, the City Council recognizes occasional situations arise in which communication indicating support or opposition on pending State legislation is timely and may occur prior to the next scheduled City Council meeting. Under these circumstances, the Mayor or City Manager is delegated the authority to prepare, execute, and transmit written or verbal communications indicating a City's position on pending legislation as long it clearly supports or clearly hinders the implementation or fulfillment of an adopted City Council Priority, Goal, or Strategy. When this occurs, a written report to the City Council for comment and acceptance is required at the next possible meeting.

REPORT NARRATIVE:

In 2017, The Federal Communications Commission formed a new federal advisory committee, the Broadband Deployment Advisory Committee (BDAC) to provide advice and recommendations for the Commission on how to accelerate the deployment of high-speed Internet access. BDAC's mission is to make recommendations for the Commission on how to accelerate the deployment of high-speed Internet access, or "broadband," by reducing and/or removing regulatory barriers to infrastructure investment. In early summer 2017 the FCC released for public comment (WT Docket Nos 17-79 and WC Docket No. 17-84) Accelerating Wireline/Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment. The document has a strong focus on removing barriers at both the State and Local level.

After reviewing the proposal and supporting literature on the topic, there are several potential impacts to Morgan Hill with very little promise of greater broadband deployment. The proposed legislation looks to impact local control in the following ways:

- Further reduce the current shot clocks for telecommunications facilities
- Provides for more “by right” or “deemed granted” remedies
- Ability to underground telecommunication facilities
- Reduce/minimize local control of City assets (water facilities/towers, city property) for telecommunication facilities
- Minimize any permitting fee revenue received by the City from leasing assets for telecommunication services
- Could prohibit Morgan Hill from obtaining in-kind benefits (free services, free Wi-Fi, free fiber) as a condition of access to street lights

The makeup of the advisory commission is overwhelmingly made up of industry professionals with only two known local government representatives on the BDAC.

On October 23, 2017 the United States Conference of Mayors requested the City of Morgan Hill sign-on to a letter to the Federal Communications Commission (FCC) Chairman urging them to work more closely with local governments to enhance broadband infrastructure deployment (letter attached). Enhancing telecommunications and exploring ways to provide fast, reliable access and wireless connectivity is a strategic priority for the City Council, therefore the Mayor signed-on to the letter by the November 1, 2017 deadline and communicated the City of Morgan Hill’s support of elevating local perspectives and involvement in decisions being made at the Federal level regarding broadband infrastructure.

COMMUNITY ENGAGEMENT: Inform

This report informs the community of the City signing-on to the United States Conference of Mayors correspondence with the FCC.

ALTERNATIVE ACTIONS:

Council could rescind position taken.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None

FISCAL AND RESOURCE IMPACT:

No fiscal impact at this time.

CEQA (California Environmental Quality Act):

Not a Project - Proposals for legislation to be enacted by the State Legislature.

LINKS/ATTACHMENTS:

1. Letter to FCC Chairman on Broadband Deployment

From: Steve Tate
To: [Hilary Holeman](#)
Cc: [Christina Turner](#)
Subject: RE: Mayors' Sign-on Letter to FCC Chairman on Broadband Deployment
Date: Wednesday, October 25, 2017 11:12:04 AM

Done. Here is the letter:

Mr. Ajit Pai
Chairman, Federal Communications Commission
445 12th Street, SW
Washington, DC 20510

Dear Chairman Pai:

On behalf of the nonpartisan organizations of the nation's city and county elected officials, we write to urge you to work more closely with local governments to enhance broadband access and accelerate broadband infrastructure deployment.

In particular, we write to urge you and the agency to more fully consider local perspectives in two Notices of Proposed Rulemaking/Notices of Inquiry titled "Accelerating Wireline/Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment" (WT Docket Nos. 17-79 and WC Docket No. 17-84). We also request you provide for an appropriate level of local government representation on the Broadband Deployment Advisory Committee (BDAC), if this body is to be continued, so that local governments can have more input into both the BDAC's and the Commission's deliberations on matters such as these two rulemakings and other proceedings related to broadband deployment in the future.

Specifically, we write at this time to request that going forward the Commission:

- Protect local authority over rights-of-way, honor our Constitutionally guaranteed protection of fair compensation on the use of public assets, and maintain our Congressionally recognized right to govern the siting of cell towers and small cells in our communities; and
- Address the perception that BDAC is solely interested in pursuing industry goals by making all meetings public, and sharing drafts of all BDAC working documents on the FCC's homepage – in so doing, the Commission and the BDAC would be the beneficiaries of input from a broader group of stakeholders;
- Enhance the scope of the BDAC's mission to consider the broadband industry's responsibility for the broader deployment of wired and wireless broadband services while increasing network quality and lowering the costs to all Americans, including those in rural and low-income areas – today, the BDAC focuses solely on city and state regulations and matters such as pole attachments, missing many other obstacles to broadband deployment, such as broadband industry provider practices and market structure; and
- Provide sufficient time for the BDAC to develop informed opinions that can be shared in interim final reports that are made subject to public review, and guarantee that there is an extended public comment period on materials offered by the BDAC before

finalizing any BDAC reports and before the Commission takes any final action in Docket Nos. 17-79 and 17-84.

- By making these changes, the work of the BDAC will be more transparent, data-driven, balanced, forward-looking, and fair. Moreover, because universal access to affordable broadband is so important to our constituents, local elected officials would welcome a BDAC report that outlines the identification of shared challenges and suggested responses for issues such as network-level deployment, design standards, and batch permit processing. We also believe the BDAC would serve the nation well by documenting the need for targeted federal subsidies for building out low-density areas and offering federal grant programs and other resources that allow local governments to replicate successful approaches in other jurisdictions.

Local governments and their elected leaders share your goal of promoting broadband deployment and enhancing access to affordable broadband services. We urge you to work collaboratively and fairly with us in achieving this shared goal.

Respectfully submitted,

Hon. Roy Charles Brooks
President
National Association of Counties
Commissioner
Tarrant County, Texas

Hon. Matt Zone
President
National League of Cities
Councilmember
Cleveland, Ohio

Hon. Mitch Landrieu
President
The U.S. Conference of Mayors
Mayor
New Orleans, Louisiana

CC
Commissioner Brendan Carr
Commissioner Mignon Clyburn
Commissioner Michael O'Rielly
Commissioner Jessica Rosenworcel



CITY COUNCIL STAFF REPORT

MEETING DATE: November 1, 2017

PREPARED BY: David Gittleson, Associate Engineer
APPROVED BY: City Manager

AWARD PROFESSIONAL SERVICES AGREEMENT FOR THE TENNANT AND DUNNE SEWER UPGRADE PROJECT

RECOMMENDATION(S)

1. Award Service Agreement for Design Professionals to Mott MacDonald, Inc. for amount not to exceed \$287,800 to providing engineering design services for the Tennant and Dunne Sewer Upgrade Project, and
2. Authorize the City Manager to execute and administer a Services Agreement for Design Professionals with Mott MacDonald, Inc. for the Tennant and Dunne Sewer Upgrade Project.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Maintaining Fiscal Responsibility

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

The Capital Improvement Program (CIP) identified the Tennant Avenue Sewer Upgrade Project for fiscal year 2017-18 with \$1,069,000 budgeted. The Dunne Avenue sewer upgrade project was not included in the CIP, but was identified in the 2017 Sewer Master Plan as a near-term project. Thus, staff combined the two projects to reduce both design and construction related costs.

The scope of work along Tennant Avenue consists of enlarging approximately 2,200 linear feet of existing 18 inch diameter pipe with a 24 inch diameter sewer pipe. Staff will explore the use of trenchless technology to reduce costs, and minimize disturbance of the existing roadway surface instead of the normal open-cut procedure. This sewer main improvement will cross underneath the railroad tracks, thus requiring easements and construction permits from Union Pacific.

The scope of work along Dunne Avenue includes installing approximately 1,000 linear feet of new 12 inch diameter sewer pipe between Monterey Road and Railroad Avenue. This new segment will redirect sewage flows, that would normally flow down the Monterey Road sewer main, to a much larger diameter sewer main located adjacent to Railroad Avenue. For this segment, construction will likely be performed via open-cut trenching, except for the work under the railroad tracks. This work will most likely need to be performed using the bore and jack method and thus will also require easements and permits from Union Pacific.

On September 8, 2017, staff solicited eight proposals to prepare plans and specifications for this project. Three engineering firms submitted proposals and staff individually reviewed and scored each proposal. The three firms are; Mott MacDonald, HydroScience Engineers, and BKF Engineers. Staff evaluated the proposals using the following criteria:

- Firm Qualifications (experience, expertise and quality of subconsultants)
- Understanding and meeting RFP objectives
- Other factors such as understanding the City's needs and schedule

Mott MacDonald demonstrated a more thorough understanding of the scope and the City's goals for the project. Further, Mott MacDonald has experience with trenchless technology which could lead to a less impactful project while under construction. The review team came to the consensus that Mott MacDonald had the strongest proposal and thus, was the most qualified firm based upon their knowledge and experience with this specific project.

If awarded, the services performed by Mott MacDonald shall include: surveying, geotechnical report, site investigation, review of existing plans, preparing construction level plans, specifications and estimates, obtaining all required permits-including railroad easements/permits, and construction support services.

Staff recommends entering into an agreement with Mott MacDonald to design and develop bid ready documents to complete the Tennant and Dunne Sewer Upgrade Project. If awarded, construction is anticipated to commence in the summer of 2018. The attached Service Agreement for Design Professionals for \$287,800 is attached.

COMMUNITY ENGAGEMENT: Inform

Staff will provide routine project status updates through the City's website and social media during the course of the design of the project. All affected or impacted property owners and businesses will be contacted and consulted prior to construction.

ALTERNATIVE ACTIONS:

Staff does not recommend alternatives as this project is programmed into the current CIP and the recently adopted Sewer Master Plan.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

City Council approved the CIP for Fiscal Years 2016-17 through 2021-22 which identifies the Tennant Avenue Sewer improvements.

FISCAL AND RESOURCE IMPACT:

The Capital Improvement Program (CIP) identified the Tennant Avenue Sewer Upgrade Project #315006 for fiscal year 2017-18 with \$1,069,000 budgeted. Although the Dunne Sewer project was not specifically identified in the CIP, there are sufficient funds in Project #315006 to cover \$287,800 for design services for both projects. These

projects will utilize sewer bond proceeds to the fullest extent possible, as well as the Sewer Impact Fund.

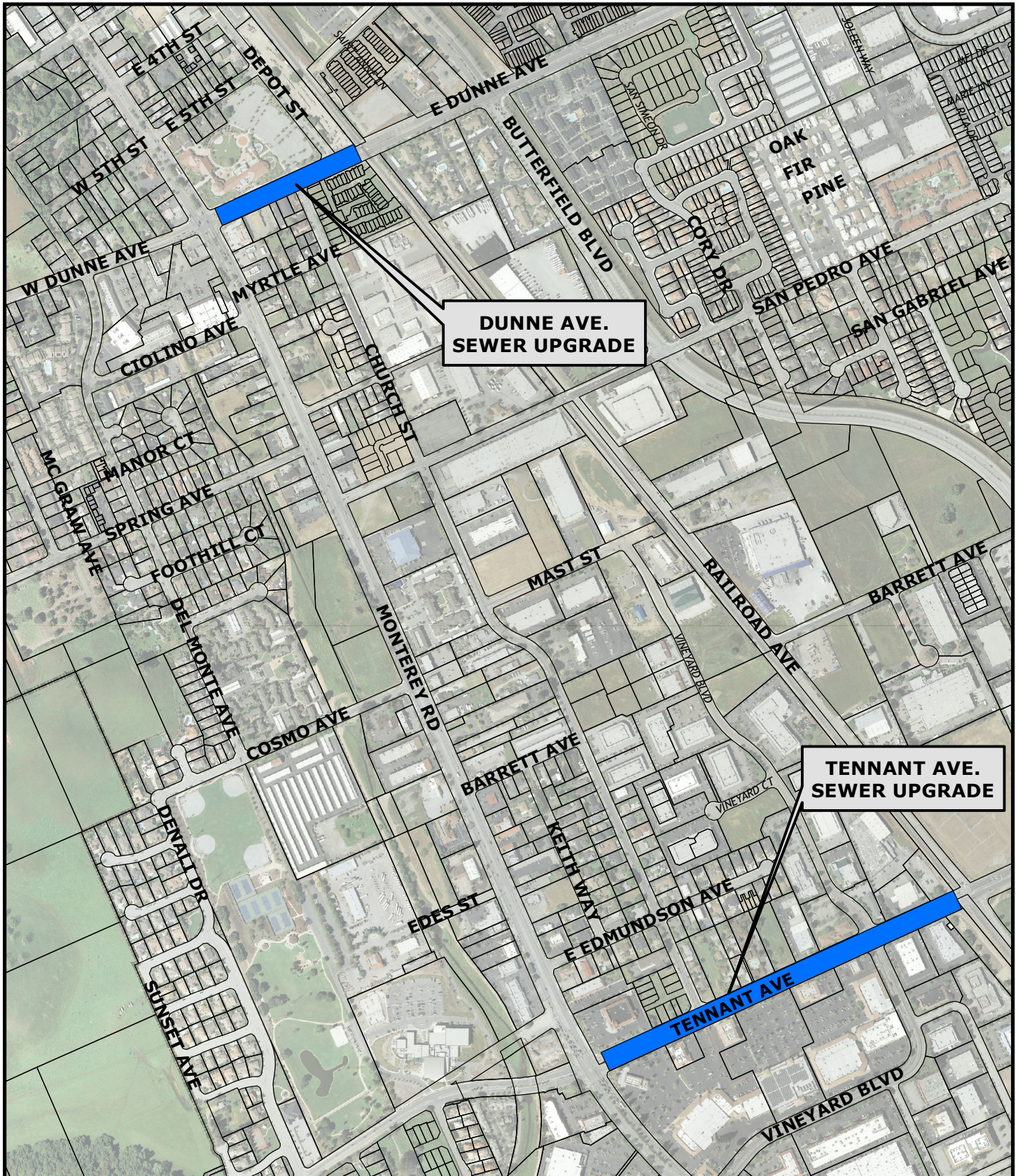
CEQA (California Environmental Quality Act):

Categorical Exemption

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15303(d) of the CEQA Guidelines (New construction or conversion of small structures), as the subject work involves installation of new and the replacement of sewer pipe segments within an existing paved roadway.

LINKS/ATTACHMENTS:

1. Project Location Map
2. Services Agreement with Mott MacDonald



Attachment: Project Location Map (1470 : Tennant and Dunne Sewer Upgrade Project)



CITY OF MORGAN HILL

**Department of Public Works
Engineering and Utilities Division**

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TENNANT AND DUNNE SEWER UPGRADE PROJECT



0 270 540 1,080 1,620 2,160
Feet

SERVICE AGREEMENT FOR DESIGN PROFESSIONALS FOR THE TENNANT AND DUNNE SEWER UPGRADE PROJECT

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Mott MacDonald, a Delaware limited liability company ("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 action of the Morgan Hill City Council taken on _____, _____, 20____.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2018 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 for surveying, site investigation, preparing plans, specifications and estimates, obtaining all required permits including railroad easements and preliminary permits, bidding support and construction support services for the upgrade of sewer mains at two locations. The project work that is located along East Dunne Avenue consists of approximately 1,000' of new 12" sewer main between existing sewer piping on Monterey Road and along the east side of the Union Pacific Railroad right-of-way. The second location is on Tennant Avenue between existing sewer piping on Monterey Road and Railroad Avenue. The second location consists of replacing/enlarging approximately 2,200' of existing 18" piping with new 24" sewer piping. The scope shall include evaluating and recommending potential implementation of trenchless construction methodologies for this segment to replace the existing piping (i.e. pipe bursting or pipe grinding) and as further described in **Exhibit A.**
4. **Compensation.** CONSULTANT shall be compensated as follows:
 - 4.1. **Amount.** \$287,800.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed two-hundred eighty-seven thousand and eight hundred dollars and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement 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, 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. 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, software designers, hardware engineers, or other systems consultants), CONSULTANT shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.5.3. 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:

Tracie Sakihara, P.E.
Senior Associate and Principal Project Manager
181 Metro Drive,
San Jose, California 95110

Address of CITY is as follows:

David Gittleson P.E. City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037	with a copy to: City Clerk City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037
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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 OF MORGAN HILL

 City Clerk/Deputy City Clerk

 City Manager

 Michelle Wilson
 Print Name

 Christina J. Turner
 Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

 City Attorney

 By: *Chris McFarlane*
 CHAS McFARLANE

 Donald A. Larkin
 Print Name

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

Date: _____

Date: 10/24/2017

 By: *D. P. White*
 D. P. WHITE

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

Date: 10/24/2017

**EXHIBIT A
SCOPE OF SERVICES**

Attachment: Services Agreement with Mott MacDonald (1470 : Tennant and Dunne Sewer Upgrade Project)



Exhibit “A”

Proposed Scope of Services

East Dunne Avenue and Tennant Avenue Sewer Mains Project Design Services City of Morgan Hill, California

Objective

Mott MacDonald (MM) will provide remedial pipe design and associated Contract Documents for the East Dunne Avenue and Tennant Avenue Sewer Mains Project. The project includes approximately 3,200 linear feet of new and replaced or enlarged sewer, within the City of Morgan Hill wastewater collection system as follows:

- East Dunne Avenue – approximately 1,000 LF of new 12-inch sanitary sewer between Monterey Road and the sewer manhole on the east side of the Union Pacific Railroad right-of-way.
- Tennant Avenue – approximately 2,200 LF of 24-inch sanitary sewer between Monterey Road and the sewer manhole on the east side of the Union Pacific Railroad right-of-way.

The sewer project includes the design of upsizing the pipelines using open cut, pipe bursting, or other trenchless methods, where appropriate.

The specific steps of this proposed scope of services are to:

- Develop plans, specifications, and cost estimates ready for bid, which include:
 - Project management, including meetings, site visits, and agency coordination
 - Preparation of 30% 60%, 90%, 100%, and final design submittals
 - Geotechnical investigation and report
 - Surveying of project areas
 - Potholing in critical areas of unknown utility depths
 - Preparation of UPRR permit applications for field survey, for utility potholing, and for utility crossings.
- Bid support
- Office support of construction

The City desires a total project construction cost of approximately \$2.1 million: \$480,000 for East Dunne Avenue and \$1.6 million for Tennant Avenue. The goal is to complete contract document preparation for the construction contract by May 2018 based upon initiating design work by the end of October 2017.



Proposed Tasks

The proposed scope of services will include the following tasks:

0. Project Management Services

- 0.A General project management includes project coordination, maintaining project schedule, internal filing, assigning team member responsibilities, invoicing, and monthly progress reports.

1. Prepare Plans, Specifications, and Estimates

- 1.A Topographic Field Survey and Base Mapping
 - a. Prepare, submit, and obtain UPRR Permit to be on Railroad Property for Nonintrusive Civil Engineering Survey Work.
 - b. Establish horizontal and vertical control. Horizontal Control will be on California Co-ordinates, Zone 3. Vertical Control will be NAVD 88.
 - c. Perform topographic survey and data reduction to include three-point cross-sections every 50 feet in the streets.
 - d. Field locate and plot existing curbs, driveways, all surface visible utilities and pavement markings, inlets, manholes, cleanouts, valves, vaults, boxes, traffic signals, and utility poles.
 - e. Compile base mapping at 1"=20' horizontal scale.
 - f. Provide rectified aerial photos.
- 1.B Coordination with Utility Companies. Review City record mapping to verify potential utilities existing within project limits. Request record data from the following utility companies: PG&E, AT&T, Frontier Communications, Charter Communications, Sprint, and Level 3.
- 1.C Design Meetings and Site Visits.
 - a. Attendance at four (4) City meetings (Kickoff, 60%, 90%, and 100% reviews) by the project manager and project engineer and other Project Team members as needed.
 - b. Conduct two (2) site visits.
- 1.D Site Investigation.
 - 1.D.1. Geotechnical Investigations and Report
 - a. Field Exploration
 - i. Exploratory Borings - Drill, log, and sample four (4) exploratory borings in the project area, outside of UPRR right-of-way, using conventional truck-mounted hollow-stem auger drilling equipment.



The borings, approximately 20 feet in depth, will extend several feet below the assumed invert depths of the sewers.

- ii. Utility Clearance – Surface locate utilities and mark boring locations at least two working days prior to subsurface explorations and notify USA.
 - iii. Permits, Site Access and Disposal of Drill Spoils - Subsurface explorations permitted and backfilled with cement grout in accordance with the Santa Clara Valley Water District guidelines. Site restoration is limited to general clean-up.
 - b. Laboratory Testing

To evaluate the index and engineering properties of the site soils, the following laboratory tests are proposed:

 - i. In-situ moisture/density tests, ASTM D2937 test procedure
 - ii. Grain size distribution tests, ASTM D1140
 - iii. Atterberg Limit test, ASTM D4318
 - c. Report Preparation. Characterize subsurface conditions for new utility installation, replacement, and upsizing using data obtained from the field investigations and laboratory testing program. The report will include the following items:
 - i. Site plan showing exploratory boring locations
 - ii. Log of exploratory borings, including depth to groundwater, if encountered
 - iii. Laboratory test results
 - iv. Discussion of findings, including site conditions, subsurface conditions, mapped geologic conditions for the area, and potential geotechnical impacts.
- 1.D.2 Potholing for Utility Verification.
- a. Obtain UPRR permit for site investigation, if any potholes are required within the UPRR right-of-way.
 - b. Perform utility potholing at up to 10 locations within the project limits. Locations to be determined.
 - c. Restore pothole locations with class 2 aggregate base backfill and cold patch asphalt.
- 1.E Preparation of 30%, 60%, 90%, and Draft 100% Drawings, Technical Specifications, Construction Costs, & Schedule
- 1.E.1 Preparation of 30% Design Submittal.
- a. Review Available Information, including:
 - i. CCTV logs and videos of existing sewers.
 - ii. City record drawings.
 - iii. City Standard drawings and specifications.
 - iv. City Sewer System Master Plan (dated October 2017)
 - v. Data review for trenchless evaluation.



- vi. Review record data from the following utility companies: PG&E, AT&T, Frontier Communications, Charter Communications, Sprint, and Level 3.
- vii. Call UPRR Communication Department to confirm existence of communication lines and obtain Ticket Number.
- viii. Prepare summary memorandum of findings.
- b. Set pipeline alignment
- c. Preparation of preliminary 30% plan-view only sheets for City review and comment.
- d. Submittal of 30% plans for review.
- 1.E.2 Preparation of 60% Design Submittal.
 - a. Preparation of 60% drawings including:
 - i. Reviewing and addressing City comments from 30% design submittal
 - b. Preparation of 60% outline technical specifications
 - c. Preparation of 60% construction cost estimate
 - d. Preparation of UPRR Crossing Applications for each crossing (total 2)
 - e. Peer review and QA/QC review of 60% bid document submittal
 - f. Submittal of 60% bid documents for review including forwarding plans to permitting and outside agencies
- 1.E.3 Preparation of 90% Design Submittal.
 - a. Preparation of draft 90% drawings including:
 - i. Reviewing and addressing City comments from 60% design submittal.
 - ii. Details, connections to existing pipelines, bedding and trench restorations, etc.
 - b. Preparation of draft bypass plans and traffic control plans
 - c. Preparation of draft 90% technical specifications.
 - d. Preparation of draft 90% construction cost estimate.
 - e. QA/QC review of draft 90% bid document submittal including constructability and biddability reviews
 - f. Submittal of draft 90% bid documents for review including forwarding plans to permitting and outside agencies
- 1.E.4 Preparation of draft 100% Submittal.
 - a. Preparation of draft 100% drawings including:
 - i. Reviewing and addressing City comments from 90% design submittal.
 - ii. Details, connections to existing pipelines, bedding and trench restorations, draft bypass plans, traffic control plans, etc.
 - b. Preparation of draft 100% technical specifications.
 - c. Preparation of 100% draft construction cost estimate.
 - d. QA/QC review of draft 100% bid document submittal including constructability and biddability reviews.



- e. Submittal of draft 100% bid documents for review including forwarding plans to permitting and outside agencies.
- 1.F Preparation and implementation of permit applications required for the project (See also 1.A, 1.E.2.d).
- 1.G Submit final plans on mylar and technical specifications for public bidding.
- 1.G.1 Finalize drawings, technical specifications, construction costs, and schedule.
- 1.G.2 Submit contract bid documents to City for printing.
- 1.H Provide electronic files of plans in ACAD format and technical specifications in MS Word format.
- 2. Bidding Support.
 - 2.A Attendance at the pre-bid conference.
 - 2.B Response to bidder questions.
 - 2.C Assistance in addenda preparation (assume 2).
 - 2.D Preparation of conformed contract documents (optional).
- 3. Construction Support.
 - 3.A Response to RFIs. Review and respond up to three (3) RFI's.
 - 3.B Submittal reviews. Review and respond up to forty (40) shop drawing submittals.
 - 3.C Change order reviews. Assistance with review and response to up to three (3) change order requests.
 - 3.D Monthly construction site visits. Conduct three (3) site visits.
 - 3.E Attendance at eight (8) weekly construction meetings including the pre-construction conference.
 - 3.F Prepare mylar record drawings based on Contractor's redlines.

Assumptions:

- City to provide on-site inspectors during construction.



- Work related to environmental studies, such as CEQA, and environmental permitting will be performed by the City or by its consultant.
- It is assumed that this project is considered an update to existing lines and facilities under the linear underground project (LUP) not covered by the NPDES general permit for stormwater discharges associated with construction activity. Therefore, preparation of a stormwater pollution prevention plan (SWPPP) is not included in this scope.
- No encroachment permit fees will be required by the City of Morgan Hill.
- City to provide a nearby location to store drums of spoils generated during exploratory boring drilling, prior to disposal.
- City to provide general conditions and front end of specifications.
- The City of Morgan Hill will coordinate site access/permission to enter private properties if necessary.
- Fee proposal includes 3 days of potholing for a maximum of 10 potholes.

Items Excluded from Scope of Work:

- Assessment of environmental characteristics at the project sites, particularly those involving hazardous substances.
- Disposal of hazardous materials.
- Necessary materials testing.
- Preparation of permit applications other than those listed in the scope of work.
- Permit application fees or any other fees that may be required by regulatory agencies, including rush fees, UPRR flagging costs, and Railroad Protective Liability Insurance.
- Potholing for utility verification beyond the 10 potholes included.
- Right-of-entry onto property.
- Preparation of property acquisition maps, surveying for easements and description for additional rights-of-way talking for implementation of the proposed project.
- On-site inspection during construction, including tunneling inspection.

Proposed Budget

These services will be performed on a time and materials, reimbursable, not to exceed fee basis. The fee proposed to perform the services described above is \$287,800. A detailed fee breakdown is provided as an attachment.

City of Morgan Hill
East Dunne Avenue and Tennant Avenue Sewer Mains Project

M
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MACDONALD

Mott MacDonald

Task No.	Task Description	Project Principal	Project Manager	Project Controls & Quality Assurance	Project Engineer	Tunnel Expert	UPRR Expert	Traffic Engineer	Engineer III	CAD/GIS	Admin. Asst.	Total MM Hours	Total MM Reimbursible Labor
	Key Staff/Staff Grade	TKS	RLC	TG	CAO	DP	BB						
	Hourly Rates	\$260	\$185	\$260	\$135	\$290	\$225	\$175	\$120	\$110	\$90	Hours	Cost
0	Project Management												
0A	Project Management & Coordination	8	40									48	\$ 9,480
0B	Monthly Invoicing	2	8									10	\$ 2,000
0C	Project Schedule Updates	2	6									8	\$ 1,630
	Task 0 Subtotal	12	54	0	0	0	0	0	0	0	0	66	
	Task 0 Cost per Staff	\$ 3,120	\$ 9,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 13,110
1	Prepare Plans, Specifications and Estimates												
1A	Topographic Field Survey and Base Mapping. See Note 2		2				4		32			38	\$ 5,110
1B	Coordination with Utility Companies				2				8		2	12	\$ 1,410
1C	Design Meetings (assume 4) & Site Visits (assume 2)	6	20		20				4		8	58	\$ 9,160
1D	Site Investigation												
1D.1	Geotechnical Investigations and Report (4 borings)		2		4							6	\$ 910
1D.2	Potholing for Utility Verification (3 days, 10 potholes)				4				24			28	\$ 3,420
1E	Preparation of 30%, 60% & Draft 100% Drawings, Technical Specifications, Construction Costs, & Schedule												
1E.1	Preparation of 30% Submittal												
1E.1a	Review Available Information		8		16				8			32	\$ 4,600
1E.1b	Set Pipeline Alignment		4	2	16				4			26	\$ 3,900
1E.1c	Preparation of 30% Plan Drawings		2		20	4	4		20	24		74	\$ 10,170
1E.1d	Submittal of 30% Bid Documents				4				2			6	\$ 780
1E.2	Preparation of 60% Submittal												
1E.2a	Preparation of 60% Drawings		12		80				40	80		212	\$ 26,620
1E.2b	Preparation of 60% Outline Technical Specifications		2		16	2					4	24	\$ 3,470
1E.2c	Preparation of 60% Construction Cost Estimate		2		4				8			14	\$ 1,870
1E.2d	Preparation of UPRR Encroachment Permit. See Note 2		1		8		4		6	4		23	\$ 3,325
1E.2e	Peer Review and QA/QC Review of 60% Bid Document Submittal			8								8	\$ 2,080
1E.2f	Submittal of 60% Bid Documents, including Forwarding Plans to Permitting and Outside Agencies		2		4				2			8	\$ 1,150
1E.3	Preparation of 90% Submittal												
1E.3a	Preparation of Draft 90% Drawings		8		80	20			40	80		228	\$ 31,680
1E.3b	Preparation of Draft Bypass Plans and Traffic Control Plans		2	2	24			16	32			76	\$ 10,770
1E.3c	Preparation of Draft 90% Technical Specifications		4		24	16		4			8	56	\$ 10,040
1E.3d	Preparation of Draft 90% Construction Cost Estimate		2		8	4			6			20	\$ 3,330
1E.3e	QA/QC Review of Draft 90% Bid Document Submittal			8								8	\$ 2,080
1E.3f	Submittal of Draft 90% Bid Documents, including Forwarding Plans to Permitting and Outside Agencies				4				2			6	\$ 780
1E.4	Preparation of 100% Submittal												
1E.4a	Preparation of Draft 100% Drawings		8		24	8		8	20	40		108	\$ 15,240
1E.4b	Preparation of Draft 100% Technical Specifications		2		16	8		2			8	36	\$ 5,920
1E.4c	Preparation of Draft 100% Construction Cost Estimate		1		4				4			9	\$ 1,205
1E.4d	QA/QC Review of Draft 100% Bid Document Submittal			8								8	\$ 2,080
1E.4e	Submittal of Draft 100% Bid Documents, including Forwarding Plans to Permitting and Outside Agencies								4			4	\$ 480
1F	Preparation and Implementation of Permit Applications Req'd for the Project (see also 1.A, 1.E.2.d) See Note 2				16				8			24	\$ 3,120
1G	Submit Final Plans on Mylar & Technical Specifications for Public Bidding												
1G.1	Finalize Drawings, Technical Specifications, Construction Costs, & Schedule		4		16				4	20	4	48	\$ 5,940
1G.2	Submit Contract Bid Documents to City for Printing				4				8			12	\$ 1,500
1H	Provide Electronic Files of Plans in ACAD format and Technical Specifications in MS Word Format				4					8		12	\$ 1,420
	Task 1 Subtotal	6	88	28	422	62	12	30	286	256	34	1,224	
	Task 1 Cost per Staff	\$ 1,560	\$ 16,280	\$ 7,280	\$ 56,970	\$ 17,980	\$ 2,700	\$ 5,250	\$ 34,320	\$ 28,160	\$ 3,060		\$ 173,560

Attachment: Services Agreement with Mott MacDonald (1470 : Tennant and Dunne Sewer Upgrade

City of Morgan Hill
East Dunne Avenue and Tennant Avenue Sewer Mains Project

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Mott MacDonald													
Task No.	Task Description	Project Principal	Project Manager	Project Controls & Quality Assurance	Project Engineer	Tunnel Expert	UPRR Expert	Traffic Engineer	Engineer III	CAD/GIS	Admin. Asst.	Total MM Hours	Total MM Reimbursible Labor
2	Bidding Support												
2.A	Attendance at Pre-bid Conference		2		2							4	\$ 640
2.B	Response to Bidder Questions	1	2		8							11	\$ 1,710
2.C	Assistance in Addenda Preparation (assume 2)		2		8						2	12	\$ 1,630
2.D	Preparation of Conformed Contract Documents (Optional)				8					12		20	\$ 2,400
	Task 2 Subtotal	1	6	0	26	0	0	0	0	12	2	47	
	Task 2 Cost per Staff	\$ 260	\$ 1,110	\$ -	\$ 3,510	\$ -	\$ -	\$ -	\$ -	\$ 1,320	\$ 180		\$ 6,380
3	Construction Support												
3.A	Response to RFIs (assume 3)	1	2	1	6				12		2	24	\$ 3,320
3.B	Submittal Reviews (assume 40)	2	4		24	8		4	40		4	86	\$ 12,680
3.C	Change Order Reviews (assume 3)	1	2	1	6				12		2	24	\$ 3,320
3.D	Monthly Construction Site Visits (assume 3)		2		6							8	\$ 1,180
3.E	Attendance at Weekly Construction Meetings, including Pre-construction Conference (assume 8)		8		8							16	\$ 2,560
3.F	Prepare Mylar Record Drawings based on Contractor's Redlines				16					24		40	\$ 4,800
	Task 3 Subtotal	4	18	2	66	8	0	4	64	24	8	198	
	Task 3 Cost per Staff	\$ 1,040	\$ 3,330	\$ 520	\$ 8,910	\$ 2,320	\$ -	\$ 700	\$ 7,680	\$ 2,640	\$ 720		\$ 27,860
	MANHOUR TOTAL	23	166	30	514	70	12	34	350	292	44	1,535	\$ 1,535
	LABOR COST TOTAL	\$ 5,980	\$ 30,710	\$ 7,800	\$ 69,390	\$ 20,300	\$ 2,700	\$ 5,950	\$ 42,000	\$ 32,120	\$ 3,960		\$ 220,910
	MM Other Direct Costs (ODCs)/Reimbursables												
	Mileage												\$ 300
	Reproduction												\$ 3,800
	Field and Lab Expenses for Geotechnical Borings (4 each, 20-feet deep)												
	TOTAL PROPOSED FEE												\$ 225,010

Notes:

- 1) Exclusion of Tunnelling Inspection during Construction.
- 2) Exclusion of UPRR permit fees, rush fees, and Railroad Protective Liability Insurance.
- 3) Reproduction includes mylar sets of Bid Package Drawings and Record Drawings.

Attachment: Services Agreement with Mott MacDonald (1470 : Tennant and Dunne Sewer Upgrade

City of Morgan Hill
East Dunne Avenue and Tennant Avenue Sewer Mains Project

M
MOTT
MACDONALD

Task No.	Task Description	Alexander	Cornerstone	Exaro					
		Surveying	Geotechnical	Potholing	Total Sub-Fee & Direct Costs	Mark-up on Subs- 5%	Total Subs	MM Subtotal	Task & Subtask Totals
	Key Staff/Staff Grade								
	Hourly Rates				Cost	Cost	Cost	Cost	Cost
0	Project Management								
0A	Project Management & Coordination				\$ -	\$ -	\$ -	\$ 9,480	\$ 9,480
0B	Monthly Invoicing				\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
0C	Project Schedule Updates				\$ -	\$ -	\$ -	\$ 1,630	\$ 1,630
	Task 0 Subtotal				\$ -				
	Task 0 Cost per Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,110	\$ 13,110
1	Prepare Plans, Specifications and Estimates								
1A	Topographic Field Survey and Base Mapping. See Note 2	\$ 19,400			\$ 19,400	\$ 970	\$ 20,370	\$ 5,110	\$ 25,480
1B	Coordination with Utility Companies				\$ -	\$ -	\$ -	\$ 1,410	\$ 1,410
1C	Design Meetings (assume 4) & Site Visits (assume 2)				\$ -	\$ -	\$ -	\$ 9,160	\$ 9,160
1D	Site Investigation								
1D.1	Geotechnical Investigations and Report (4 borings)		\$ 8,160		\$ 8,160	\$ 408	\$ 8,568	\$ 910	\$ 9,478
1D.2	Potholing for Utility Verification (3 days, 10 potholes)			\$ 22,000	\$ 22,000	\$ 1,100	\$ 23,100	\$ 3,420	\$ 26,520
1E	Preparation of 30%, 60% & Draft 100% Drawings, Technical Specifications, Construction Costs, & Schedule								
1E.1	Preparation of 30% Submittal								
1E.1a	Review Available Information				\$ -	\$ -	\$ -	\$ 4,600	\$ 4,600
1E.1b	Set Pipeline Alignment				\$ -	\$ -	\$ -	\$ 3,900	\$ 3,900
1E.1c	Preparation of 30% Plan Drawings				\$ -	\$ -	\$ -	\$ 10,170	\$ 10,170
1E.1d	Submittal of 30% Bid Documents				\$ -	\$ -	\$ -	\$ 780	\$ 780
1E.2	Preparation of 60% Submittal								
1E.2a	Preparation of 60% Drawings				\$ -	\$ -	\$ -	\$ 26,620	\$ 26,620
1E.2b	Preparation of 60% Outline Technical Specifications				\$ -	\$ -	\$ -	\$ 3,470	\$ 3,470
1E.2c	Preparation of 60% Construction Cost Estimate				\$ -	\$ -	\$ -	\$ 1,870	\$ 1,870
1E.2d	Preparation of UPRR Encroachment Permit. See Note 2				\$ -	\$ -	\$ -	\$ 3,325	\$ 3,325
1E.2e	Peer Review and QA/QC Review of 60% Bid Document Submittal				\$ -	\$ -	\$ -	\$ 2,080	\$ 2,080
1E.2f	Submittal of 60% Bid Documents, including Forwarding Plans to Permitting and Outside Agencies				\$ -	\$ -	\$ -	\$ 1,150	\$ 1,150
1E.3	Preparation of 90% Submittal								
1E.3a	Preparation of Draft 90% Drawings				\$ -	\$ -	\$ -	\$ 31,680	\$ 31,680
1E.3b	Preparation of Draft Bypass Plans and Traffic Control Plans				\$ -	\$ -	\$ -	\$ 10,770	\$ 10,770
1E.3c	Preparation of Draft 90% Technical Specifications				\$ -	\$ -	\$ -	\$ 10,040	\$ 10,040
1E.3d	Preparation of Draft 90% Construction Cost Estimate				\$ -	\$ -	\$ -	\$ 3,330	\$ 3,330
1E.3e	QA/QC Review of Draft 90% Bid Document Submittal				\$ -	\$ -	\$ -	\$ 2,080	\$ 2,080
1E.3f	Submittal of Draft 90% Bid Documents, including Forwarding Plans to Permitting and Outside Agencies				\$ -	\$ -	\$ -	\$ 780	\$ 780
1E.4	Preparation of 100% Submittal								
1E.4a	Preparation of Draft 100% Drawings				\$ -	\$ -	\$ -	\$ 15,240	\$ 15,240
1E.4b	Preparation of Draft 100% Technical Specifications				\$ -	\$ -	\$ -	\$ 5,920	\$ 5,920
1E.4c	Preparation of Draft 100% Construction Cost Estimate				\$ -	\$ -	\$ -	\$ 1,205	\$ 1,205
1E.4d	QA/QC Review of Draft 100% Bid Document Submittal				\$ -	\$ -	\$ -	\$ 2,080	\$ 2,080
1E.4e	Submittal of Draft 100% Bid Documents, including Forwarding Plans to Permitting and Outside Agencies				\$ -	\$ -	\$ -	\$ 480	\$ 480
1F	Preparation and Implementation of Permit Applications Req'd for the Project (see also 1.A, 1.E.2.d) See Note 2				\$ -	\$ -	\$ -	\$ 3,120	\$ 3,120
1G	Submit Final Plans on Mylar & Technical Specifications for Public Bidding								
1G.1	Finalize Drawings, Technical Specifications, Construction Costs, & Schedule				\$ -	\$ -	\$ -	\$ 5,940	\$ 5,940
1G.2	Submit Contract Bid Documents to City for Printing				\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500
1H	Provide Electronic Files of Plans in ACAD format and Technical Specifications in MS Word Format				\$ -	\$ -	\$ -	\$ 1,420	\$ 1,420
	Task 1 Subtotal				\$ -			\$ -	
	Task 1 Cost per Staff	\$ 19,400	\$ 8,160	\$ 22,000	\$ 49,560	\$ 2,478	\$ 52,038	\$ 173,560	\$ 225,598

Attachment: Services Agreement with Mott MacDonald (1470 : Tennant and Dunne Sewer Upgrade

City of Morgan Hill
East Dunne Avenue and Tennant Avenue Sewer Mains Project

M
M
MOTT
MACDONALD

Task No.	Task Description	Alexander	Cornerstone	Exaro					
		Surveying	Geotechnical	Potholing	Total Sub-Fee & Direct Costs	Mark-up on Subs- 5%	Total Subs	MM Subtotal	Task & Subtask Totals
2	Bidding Support								
2.A	Attendance at Pre-bid Conference				\$ -	\$ -	\$ -	\$ 640	\$ 640
2.B	Response to Bidder Questions				\$ -	\$ -	\$ -	\$ 1,710	\$ 1,710
2.C	Assistance in Addenda Preparation (assume 2)				\$ -	\$ -	\$ -	\$ 1,630	\$ 1,630
2.D	Preparation of Conformed Contract Documents (Optional)				\$ -	\$ -	\$ -	\$ 2,400	\$ 2,400
	Task 2 Subtotal				\$ -			\$ -	
	Task 2 Cost per Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,380	\$ 6,380
3	Construction Support								
3.A	Response to RFIs (assume 3)				\$ -	\$ -	\$ -	\$ 3,320	\$ 3,320
3.B	Submittal Reviews (assume 40)				\$ -	\$ -	\$ -	\$ 12,680	\$ 12,680
3.C	Change Order Reviews (assume 3)				\$ -	\$ -	\$ -	\$ 3,320	\$ 3,320
3.D	Monthly Construction Site Visits (assume 3)				\$ -	\$ -	\$ -	\$ 1,180	\$ 1,180
3.E	Attendance at Weekly Construction Meetings, including Pre-construction Conference (assume 8)				\$ -	\$ -	\$ -	\$ 2,560	\$ 2,560
3.F	Prepare Mylar Record Drawings based on Contractor's Redlines				\$ -	\$ -	\$ -	\$ 4,800	\$ 4,800
	Task 3 Subtotal				\$ -			\$ -	
	Task 3 Cost per Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,960	\$ 27,960
	MANHOUR TOTAL								
	LABOR COST TOTAL	\$ 19,400	\$ 8,160	\$ 22,000	\$ 49,560	\$ 2,478	\$ 52,038	\$ 220,910	\$ 272,948
	MM Other Direct Costs (ODCs)/Reimbursables								
	Mileage				\$ -	\$ -	\$ -	\$ 300	\$ 300
	Reproduction				\$ -	\$ -	\$ -	\$ 3,800	\$ 3,800
	Field and Lab Expenses for Geotechnical Borings (4 each, 20-feet deep)		\$ 10,240		\$ 10,240	\$ 512	\$ 10,752	\$ -	\$ 10,752
	TOTAL PROPOSED FEE	\$ 19,400	\$ 18,400	\$ 22,000	\$ 59,800	\$ 2,990	\$ 62,790	\$ 225,010	\$ 287,800

Notes:

- 1) Exclusion of UPRR permit fees, rush fees, and Railroad Protective Liability Insurance.
- 2) Exclusion of Tunnelling Inspection during Construction.
- 3) Reproduction includes mylar sets of Bid Package Drawings and Record Drawings.

Attachment: Services Agreement with Mott MacDonald (1470 : Tennant and Dunne Sewer Upgrade

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

Attachment: Services Agreement with Mott MacDonald (1470 : Tennant and Dunne Sewer Upgrade Project)



Schedule of Charges

Mott MacDonald 2017-18 Hourly Rates

Role	Hourly Rate
Project Principal	\$ 260.00
Project Manager	\$ 185.00
Project Controls & Quality Assurance	\$ 260.00
Project Engineer	\$ 135.00
Tunnel Expert	\$ 290.00
UPRR Expert	\$ 225.00
Traffic Engineer	\$ 175.00
Engineer III	\$ 120.00
CAD/GIS	\$ 110.00
Administrative Staff	\$ 90.00

*Hourly rates effective through December 31, 2018 and are subject to 3% annual increase.

* Subconsultant costs will be reimbursed at actual cost plus 5%.
Other direct costs will be billed at actual cost plus 10%.

Attachment: Services Agreement with Mott MacDonald (1470 : Tennant and Dunne Sewer Upgrade Project)

EXHIBIT C
SCHEDULE OF PERFORMANCE



Proposed Schedule

The design will be completed within seven (7) months of receipt of authorization to proceed, allowing for City review of progress submittals as noted below, and assuming the requested background information is available to MM at the date of authorization to proceed. The following interim submittals are proposed (days noted are calendar days):

30% plan-view only submittal (1-week City review):	6 weeks after NTP
60% workshop submittal (1-week City review):	12 weeks after NTP
90% PS&E submittal (2-week City review):	17 weeks after NTP
100% PS&E submittal (1-week City review):	22 weeks after NTP
Final PS&E submittal for bid:	25 weeks after NTP (May 2018)

The schedule above assumes that the UPRR utility crossing permits are received within 45 days. UPRR utility crossing permits are anticipated to be submitted between the receipt of 60% City review comments and the 90% PS&E submittal.

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, October 18, 2017 7:00 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

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.

CALL TO ORDER

Mayor Steve Tate called the meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

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

Minutes Clerk Angie Gonzalez declared the posting of the agenda.

Minutes Acceptance: Minutes of Oct 18, 2017 7:00 PM (CONSENT CALENDAR)

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Jachimowicz announced that every year representatives from cities gather in Sacramento for the League of California Cities Conference and many attended in September of this year. She encouraged members of the public who are interested, to attend the conference. Because of the nature of the conference, it does fall under the Brown Act and is open to the public. There were two things from that meeting she shared. SB649 the Telecommunications Act, this act would take away cities' ability to regulate where small cell towers would go, and it would also take away our abilities to tax, and cap our ability to collect fees on those towers. Because they were at the end of a legislative session, that bill passed while they were there. It gave them the opportunity to demonstrate with hundreds of other city representatives on the Capitol steps. They asked Governor Brown to veto SB649. They just found out this week that Governor Brown did veto that bill. She also mentioned that she and Ms. Little attended a Homelessness and Housing Workshop; this was the only session that was standing room only, which shows that no matter where your city is, up and down California, we are all facing a housing crisis. When she returned, the Mayor invited her to participate in a South County Task Force to continue to talk about homelessness and housing. This is being led by Housing Manager Rebecca Garcia from Morgan Hill. She has gotten us together and reached out to Gilroy for them to participate as well so that when we can talk about housing and homelessness, it is a comprehensive issue. They had their first meeting and she is looking forward to seeing how we can address our specific South County needs for homelessness and housing. One of the main themes that came out of the meeting is that you can't solve homelessness just by putting a roof over someone's head; the issues are a lot deeper and more comprehensive if we want to talk about solving homelessness and housing issues.

CITY MANAGER'S REPORT

City Manager Christina Turner welcomed our new, retired, and returning teammates.

She recognized our Police and Fire departments, for assisting with the fires in the north bay. We had individuals from our Police Department go to help with security and we had individuals with our Fire Department to help as well. Our Fire Chief, Derek Witmer, and Jim Crawford have been there.

She reminded everyone to sign up for Alert SCC. This is a way for cities and counties to contact residents when there are emergencies; she encouraged everyone to register their contact information to be alerted. Tomorrow marks the Great California Shakeout, a day that is set aside to do earthquake drills. This helps us to prepare to be safer during big earthquakes; we go through Drop, Cover, and Hold. It encourages a review and update of emergency preparedness plans and supplies. There will be a Preparedness Seminar on November 6th from 6:30-9:30 that is open to the public.

She informed everyone that there will be a CERT Training on Wednesday and Thursday evenings from October 25th through November 18th; if you are interested, please go on the City's website for more information.

The Baha'i of Morgan Hill will be having a tree dedication ceremony on Sunday October 22nd at Nordstrom Park at 2:00 p.m.

She recognized and thanked officer Todd Davis, for his help in saving the life of a 70-year-old resident. He performed CPR with the resident's caretaker until the Fire Department arrived on the scene. Officer Todd Davis and the Fire Department credit the Morgan Hill Community Law Enforcement Foundation (CLEF) and the Racing Hearts Organization for helping, through donation, to place AEDs in local patrol vehicles.

She concluded by speaking to the evening's presentations.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin had no report.

OTHER REPORTS

Mayor Tate reported that in the early 1990's we formed a Sister City relationship with the City of San Casciano, it's an Italian city in the Florence area. We had a good thing going with them and had several exchanges. Somehow over the years we fell out of touch with them. This year, under the determination of our fantastic Sister City Committee led by Pier, they resolved that they were going to go fix that. They went to Florence a couple of weeks ago and our relationship has been rekindled and is in full flux.

Mayor Tate shared an email from the City of Florence which read:

After becoming aware of the tragic news on the untamed and devastating fires raging in some cities of California, the Mayor and all officials and staff of the Municipal Administration of San Casciano, moved by the friendship that bonds us to Morgan Hill, want to convey our closest solidarity to all people directly or indirectly affected by this tragic event.

This reflects the healthy relationship that we have been able to rekindle.

YAC Presentation- Asset #2- Positive Family Communication.

PUBLIC COMMENT

Mayor Tate opened public comment at 7:21 p.m.

Hearing no requests to speak, the public comment was closed.

ADOPTION OF AGENDA

MOTION

Adopting the agenda as presented.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Rich Constantine, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

CONSENT CALENDAR

Motion:

Approving the Consent Calendar as presented.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Caitlin Jachimowicz, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

1. SECOND AMENDMENT TO THE COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AGREEMENT FOR GALVAN PARK FOR FY 2015-2016

Recommendation:

Adopt resolution authorizing the City Manager to negotiate and execute the Second Amendment to the County CDBG contract.

2. ADOPTION OF WATER SYSTEM AND SEWER SYSTEM MASTER PLANS

Recommendation:

Adopt Water System Master Plan and Sewer System Master Plan.

3. APPROVE PURCHASE OF A TRUCK EQUIPPED WITH A DUMP BODY

Recommendation:

1. Approve purchase of a new truck equipped with a dump body from National Auto Fleet Group, in the amount of \$90,338.15; and
2. Authorize City Manager to approve purchase order in the amount of \$90,338.15 with National Auto Fleet Group.

4. AWARD MULTI-FACILITY CARPET REPLACEMENT CONTRACT

Recommendation:

1. Award a contract to Orchard City Floor Covering, Inc. in the amount of \$43,197;
2. Authorize the expenditure of contingency funds not to exceed \$4,320; and
3. Authorize the City Manager to execute and administer that certain construction contract with Orchard City Floor Covering, Inc.

5. FINAL MAP APPROVAL OF ALTIMIRA – TRACT NO. 10411

Recommendation:

1. Approve Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with Alicante 2016 Inc., a California Corporation;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Final Map and the Subdivision Improvements Agreement.

6. JULY 2017 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

7. ADOPT ORDINANCE APPROVING ZONING AMENDMENT ZA 2017-0001 CHANGING THE ZONING DESIGNATION ON A FIVE ACRE SITE MADE UP OF THREE PARCELS, LOCATED ON THE SOUTH WEST CORNER OF THE INTERSECTION OF NINA LANE AND SAN PEDRO AVENUE (ASSESSOR PARCEL NUMBERS 817-60-019; -026 & -027) FROM R-1 12,000/RPD TO R-1 7,000 SINGLE FAMILY MEDIUM DENSITY RESIDENTIAL DISTRICT

Recommendation:

Waive the reading, adopt Ordinance No. 2262, 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.

8. APPROVE THE OCTOBER 4, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

9. PROPOSED CHANGES TO SKATEBOARD/BMX PARK OPERATIONS

Recommendation:

Approve changes to Skateboard/BMX Park operations to eliminate direct staffing at the Park on a trial basis.

Recreation Manager Nick Calubaquib gave a presentation.

Mayor Tate opened public comment at 7:44 p.m.

Hearing no requests to speak, the public comment was closed.

Council Member Constantine asked that we look into having a camera that is designated for the park that can be seen from inside the lobby area at the desk during the time that the building coordinator is not monitoring.

Council Member Spring requested a 6-month report on how this is working out.

Council Member Jachimowicz requested that we hear from the Police Department to see if they are happy with how things are going and that they don't have an increase of calls to the park.

MOTION:

Approving recommended action.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Rich Constantine, Council Member
SECONDER:	Larry Carr, Mayor Pro Tem
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

10. AD HOC ADVISORY COMMITTEE ON SOUTH FLOW AIRCRAFT ARRIVALS

Recommendation:

1. Discuss the City's involvement in the Ad Hoc Advisory Committee on South Flow Aircraft Arrivals; and
2. Consider appointing a primary Ad Hoc Committee Member and alternate.

City Manager Christina Turner presented the report.

Council Member Rene Spring volunteered to be on the committee and Council Member Larry Carr volunteered to be his alternate.

RESULT: NO ACTION TAKEN

CLOSED SESSION

City Attorney Donald Larkin read the closed session into the record.

OPPORTUNITY FOR PUBLIC COMMENT

Mayor Tate opened public comment at 7:54 p.m.

Hearing no requests to speak, the public comment was closed.

ADJOURN TO CLOSED SESSION

LIABILITY CLAIMS

Authority:	Pursuant to Government Code Section 54956.95
Claimant:	Goldstein, Borgen, Dardarian & Ho
Agency claimed against:	City of Morgan Hill

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to:	Government Code Section 54956.9(d)(2)
Number of Cases:	One (1)
Potential Plaintiff:	California River Watch

RECONVENE

CLOSED SESSION ANNOUNCEMENT

City Attorney Donald Larkin announced that the Council approved a settlement agreement, that was primarily regarding actions that they needed to take regarding our sewer system. There was no reportable action on the first item.

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, Mayor Tate adjourned the meeting at 8:22 p.m.



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: November 1, 2017

PREPARED BY: Jennifer Carman, Community Development Director

APPROVED BY: City Manager

ADOPT UPDATED DEVELOPMENT FEE SCHEDULE

RECOMMENDATION(S)

1. Open/Close Public Hearing; and
2. Adopt resolution establishing the updated Development Fee Schedule as proposed in the 2017 NBS Citywide User Fee Study.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

2017 Strategic Priorities

Infrastructure

POLICY CONSIDERATIONS:

Should the City phase-in/tier the implementation of any fee increases for fees that would significantly increase from the current fee, OR recover full costs immediately?

REPORT NARRATIVE:

Background

The California Government Code allows cities to recover all or a portion of the cost of providing exchange-based services through the application of fees. In March 2015, the City contracted with NBS Government Finance Group (NBS) to complete a review and evaluation of all fees associated with development services activities. The user fee study is attached for your reference. As the project progressed, the City team went through a significant reorganization that put the study on hold for a brief time while duties and staffing of the new Development Services Department and the three cost-recovery divisions within it were finalized.

Development user fees reflect the cost to review and process applications and approvals required of new construction including associated public infrastructure, rehabilitation, and tenant improvements. The fees collected include compensation for time, noticing and meetings, and include planning, building, and engineering services. These activities are intended to be 100% cost recovery, and therefore must be periodically reviewed to account for changes in personnel costs, overhead, internal service charges, and costs for supplies, technology, and services.

Development Services fees were last reviewed in 2012 aided by a fee study conducted by Willdan Associates. The 2012 model anticipated lower indirect costs and services than the current NBS model. As the current NBS consultant mentioned at the workshop held with City Council on July 19, 2017, the fee study only represents a single point in

time and much has changed since 2012, including the number and types of development activities, employee turnover, organization structure, and level of service. In general, costs are higher today than in 2012 when the last study was done. During 2012, the City had just begun to recover from the Great Recession, and service and staffing were not at optimal levels. Subsequently, the City has restored and enhanced the service level.

Analysis

The proposed fee schedules included within the NBS report detail the type of fee, the full cost of providing the service related to that fee, the current fee, and the recommended fee based on 100% cost recovery – with the exception of 5 outliers discussed in the following paragraph. A limited number of fees show a proposed decrease over the current fee being assessed. This reflects the current cost of providing those services.

Outliers

While 100% cost recovery is the goal of the special revenue fund, there are instances when a lower recovery amount may be considered. Staff has identified several “outlier” fees for homeowners and non-profits where the cost of service would result in a prohibitive increase. These “outliers” exist exclusively in the Planning User Fee Study Results. For instance, full cost recovery on Planning Division fee 29.1 “Tier 1 Use Permits” for Non-Profit users is \$2,363. The current fee is \$50. This is an increase of 4,621%. City Council may want to consider setting outlier fees at a lower cost recovery amount to encourage participation to achieve other important policy considerations. These lower cost recovery amounts are included within the NBS Study as “Recommended Fees”. The table below details where staff recommends consideration of a fee lower than full cost recovery or a 50% phase-in.

The City Council has the discretion to change the amount of the fees to be charged up to 100% cost recovery of the cost incurred by the City in providing each service. Any updates to the Master Fee Schedule for development related service fees will go into effect 60 days after adoption.

Planning Fee Name & Number	Current Fee	100% Cost Recovery	Percentage Increase	Proposed Fee
20. Residential Private Livestock Permit	\$463	\$2,160	366%	\$700
27. Tree Removal Permit	\$68	\$1,380	1,929%	\$100
29.1 Tier 1 Use Permit (Non-Profit)	\$50	\$2,363	4,626%	\$100
29.3 TUP Amendment	\$541	\$1,883	248%	\$1,100
29.6 Administrative Use Permit	\$579	\$2,022	249%	\$1,150

Phasing Options

Should the City Council prefer to gradually increase fees to full cost recovery, one option is to follow a phased approach (50% phase-in) that carries forward 50% of

the full cost increase now, with the balance (second 50%) effective the following year. Under the 50% phase-in, 100% cost recovery could be achieved within two years should the City Council choose this model. A comparison between the 100% cost recovery and 50% phase-in fees is attached.

Multi-year Projects

During the Residential Development Control System (RDCS) Manual workshops, there was also discussion regarding fees related to Multi-year projects – something new with Measure S. Because this is the first year, it is unknown how staff resources will be impacted by this particular type of application. There is an RDCS Monitoring fee (#7.3 and 7.4) that would be charged depending on whether a project had a 3 or 5-year timeline. If the increased fees do not adequately cover staff time/resources during this first-year of implementation, staff will return with an update to the fee schedule that uses multi-year applications from this year as a basis for a new fee.

Questions Regarding Fee Development Process

Several questions have been raised as the development of the new cost recovery program has progressed. Answers to those questions are below:

1. What are we recommending for a reserve? Can a reserve be collected?

Because these fees are 100% cost recovery, we cannot establish a reserve through fee collection. The only way to create a reserve through fees would be to charge higher fees than the cost of service supported by the study. While we can legally recover the costs of providing development services, we cannot charge more than the actual cost.

2. What impact will the new fee schedule have on Fund 206?

If fees were set at or close to a cost-recovery level (increases to many of our fees), then Fund 206 would be healthier. The final report from NBS includes the Annual Estimated Revenue Analysis for Planning, Building, and Engineering based on estimated volumes of activity with annual estimated revenues at our current fees, full cost recovery, and recommended fees. The varying factor will always be the level of activity.

3. How have wages change compared to the Consumer Price Index (CPI)? Applying a CPI adjustment annually, are fees increasing enough to keep up with the increase in wages?

Average total employee compensation has risen faster than CPI. Because average annual total employee compensation is a blend of CPI and changes in staffing, both numbers and types of positions, overall compensation has risen an average rate of 4.5% annually versus CPI of 2.3% annually from 2012 to 2016. There is an opportunity to adjust for this gradual imbalance when fees are reviewed again in 2022 or the City Council can choose to institute annual fee increases higher than the normal CPI. Increases outside CPI cannot be

automatic, but rather would need to be properly calculated and follow procedures for updated fees as stated in the Government Code.

Comparisons to other Cities

A table comparing several proposed fees to other communities within Santa Clara County has been prepared (attached). While some fees are higher than some communities listed in the comparison table, none are significantly higher or lower than all the communities surveyed. The cost for an appeal is tiered in some cities based on whether the appellant is a member of the public or the applicant. Given the cost of the appeal fee (\$6,352), the City Council may want to consider tiering the fee in the same fashion as San Jose. For example, appeals from members of the public could be \$500 and appeals from the applicant could be the full cost of the appeal process (\$6,352).

COMMUNITY ENGAGEMENT: Inform

Public Notices related to development fee consideration by the City Council have been distributed and advertised in accordance with the provisions of Sections 66016 through 66018 of the California Government Code.

A workshop was held with City Council on July 19, 2017 at which time NBS presented an overview of the methodology and process followed in development of the City's Development User Fees. The presentation from that workshop is attached. At that workshop, the City Council provided fee setting policy guidance.

Two public meetings with the development community were held on September 20, 2017.

ALTERNATIVE ACTIONS:

City Council can choose to adopt the full cost recovery level fees, or choose to phase in full cost recovery over a two-year period. City Council can also choose not to act on the proposed updates to the Master Fee Schedule at this time.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

A contract with NBS Government Finance Group for this user fee study was approved by City Council on March 4, 2015.

A workshop was held with City Council on July 19, 2017 at which time NBS presented an overview of the methodology and process followed in development of the City's Development User Fees.

FISCAL AND RESOURCE IMPACT:

The annual impact on the Development Services Special Revenue Fund is anticipated to be an increase in revenue that will recoup more of the reasonable costs for providing a given service.

Should Council adopt the proposed fee schedule on November 1, 2017, new fees would go into effect on January 1, 2018.

CEQA (California Environmental Quality Act):

The adoption of this Resolution establishing and increasing Service Fees and Development Fees is exempt from the California Environmental Quality Act ("CEQA," Public Resources Code Sections 21000 et seq.), because it approves and sets forth a procedure for determining fees to meet the operating expenses of City departments, as set forth in Public Resources Code Section 21080(b)(8)(A) and Section 15273 of the California Environmental Quality Act Guidelines.

LINKS/ATTACHMENTS:

1. NBS City Wide User Fee Study October 20, 2017
2. Fee Comparisons to other Santa Clara County cities
3. Draft Development Fee Resolution
4. Exhibit A - Proposed Fees 100% cost recovery
5. Proposed Permit Fee Comparison 100 percent and 50 percent
6. July 19 2017 NBS Fee Study Presentation



City of Morgan Hill

Citywide User Fee Study

Final Report

October 20, 2017

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EXECUTIVE SUMMARY

NBS performed a User Fees and Charges Study (Study) for the City of Morgan Hill (City). The purpose of this report is to describe the Study's findings and recommendations, which intend to defensibly update and establish user and regulatory fees for service for the City of Morgan Hill, California.

California cities impose user fees and regulatory fees for services and activities they provide through provisions of the State Constitution. First, cities may perform broad activities related to their local policing power and other service authority as defined in Article XI, Sections 7 and 9. Second, cities may establish fees for service through the framework defined in Article XIII C, Section 1. Under this latter framework, a fee may not exceed the estimated reasonable cost of providing the service or performing the activity. For a fee to qualify as such, it must relate to a service or activity under the control of the individual/entity on which the fee is imposed. For example, the individual/entity requests service of the municipality or his or her actions specifically cause the municipality to perform additional activities. In this manner, the service or the underlying action causing the municipality to perform service is either discretionary and/or is subject to regulation. As a discretionary service or regulatory activity, the user fees and regulatory fees considered in this Study fall outside requirements for imposition of taxes, special taxes, or fees imposed as incidences of property ownership.

In November 2010, California voters adopted Proposition 26 (P26), which amended the California Constitution, prohibiting a local agency from adopting or increasing a levy, fee or charge of any kind without voter approval unless a specific exemption contained in P26 applies. If a levy, fee or charge satisfies a specific exemption, it may be adopted by a simple majority of the local agency's legislative body. Most user/regulatory fees fall under one or more of P26's seven stated exceptions or its two implied exceptions for fees paid voluntarily and not because they are "imposed", and for fees which do not fund government. These fees are therefore *not subject to P26's definition of a tax*. The seven exceptions are as follows:

1. **Special Benefit or Privilege:** A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
2. **Government Service or Product:** A charge imposed for specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
3. **Licenses and Permits:** A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
4. **Local Government Property:** A charge imposed for entrance to or use of local government property, or the purchase, rental or lease of a local government property.
5. **Fines and Penalties:** A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.
6. **Property Development:** A charge imposed as a condition of property development.

7. **The Prop 218 Exception:** Provides that property assessment and property-related fees that are already subject to the approval requirements of Proposition 218 are not taxes. Common examples include water and sewer rates and special district assessments such as Landscape and Lighting District Act assessments.

A local legislative body may approve the fees based on a majority vote of its governing body alone, so long as the fee does not exceed the *estimated reasonable cost of providing the service for which the fee is charged and bears a fair or reasonable relationship to a payor's burdens on or benefits from the regulatory program.*

The City's chief purposes in conducting this Study were to ensure that existing fees do not exceed the costs of service and to provide an opportunity for the City Council to re-align fee amounts with the adopted cost recovery policies.

OUTCOMES

This Study examined user and regulatory fees managed by the following City departments and programs: Planning, Public Works – Engineering, Building, and Fire. The Study identified approximately \$2.2 million currently collected per year from fees for service, versus nearly \$3.1 million in costs of providing services. The table below provides a summary of results for each City service area studied:

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Planning	\$869,434	\$1,391,153	(\$521,719)	62%	\$1,364,790	98%
PW - Engineering	\$105,002	\$201,638	(\$96,636)	52%	\$201,638	100%
Building	\$1,075,987	\$1,350,530	(\$274,543)	80%	\$1,350,530	100%
New Constr	\$1,043,910	\$1,279,985	(\$236,074)	82%	\$1,279,985	100%
Mechanical	\$7,699	\$13,459	(\$5,760)	57%	\$13,459	100%
Plumbing	\$14,184	\$33,943	(\$19,759)	42%	\$33,943	100%
Electrical	\$10,194	\$23,143	(\$12,949)	44%	\$23,143	100%
Fire	\$122,412	\$150,635	(\$28,223)	81%	\$150,635	100%
Total	\$ 2,172,835	\$ 3,093,956	\$ (921,121)	70%	\$ 3,067,593	99%

As shown, the City is recovering approximately 70% of costs associated with providing user and regulatory fee related services. Should the Council elect to adopt fee levels at 100% of the full cost recovery fee amounts determined by this Study, approximately \$921,000 in additional costs could be recovered.

However, as discussed in Section 1 of this report, there are reasons for adopting a fee at less than the calculated full cost recovery amount. As such, City staff provided initial recommended fee amounts for consideration. If Council elects to adopt fee levels at staff's initial recommendations, an additional \$895,000 in costs could be recovered, yielding a 99% cost recovery outcome for services provided.

REPORT FORMAT

This report documents analytical methods and data sources used throughout the Study, presents findings regarding current levels of cost recovery achieved from user and regulatory fees, discusses recommended fee amounts, and provides a comparative survey of fees charged by neighboring agencies for similar services.

- Section 1 of the report outlines the foundation of the Study and general approach.
- Sections 2 through 5 discuss the results of the cost of service analysis performed, segmented by category of fee and/or department. The analysis applied to each category/department falls into studies of: the fully burdened costs of providing services, establishment of fee categories and amounts, evaluation of current cost recovery levels, and the recommended fees for providing services.
- Section 6 provides the grand scope conclusions of the analysis provided in the preceding sections.

Appendices to this report include additional analytical details for each department or division studied, and a comparison of fees imposed by neighboring agencies for similar services.

Section 2. INTRODUCTION AND FUNDAMENTALS

SCOPE OF STUDY

The following is a summarized list of fees for each City department or program studied:

- Planning Division services for zoning, permitted uses, and other processing requests
- Public Works Engineering – services include:
 - Final map review and approval
 - Civil plan check and inspection for improvements within the right-of-way
 - Encroachment permits
- Building Division services for plan check and permitting of construction, categorized as follows:
 - New Construction Permits and Services
 - Mechanical Permits and Services
 - Plumbing Permits and Services
 - Electrical Permits and Services
- Fire Prevention services for Commercial New Constructions and Tenant Improvements, and Fire Sprinkler and Alarm Systems

The fees examined in this Study specifically excluded utility rates, development impact fees, and special assessments, all of which fall under distinct analytical and procedural requirements different from the body of user/regulatory fees analyzed in this effort. Additionally, this Study and the resultant master fee schedule excluded facility and equipment rental rates, as well as most of the fines and penalties that may be imposed by the City for violations to its requirements or code. (The City is not limited to the costs of service when charging for entrance to or use of government property, or when imposing fines and penalties.)

METHODS OF ANALYSIS

There are three phases of analysis completed for each City department or program studied:

1. Cost of service analysis
2. Fee establishment
3. Cost recovery evaluation

COST OF SERVICE ANALYSIS

A cost of service analysis is a quantitative effort that compiles the full cost of providing governmental services and activities. There are two primary types of costs considered: direct and indirect costs. Direct costs are those that specifically relate to the activity in question, including the real-time provision of the service. Indirect costs are those that support provision of services in general, but cannot be directly assigned to the fee for service in question.

Components of the full cost of service include direct labor costs, indirect labor costs, specific direct non-labor costs, allocated non-labor costs, and allocated City-wide overhead. Definitions of these cost components are as follows:

- **Labor costs** – Salary, wages and benefits expenses for City personnel involved in the provision of services and activities to the public.
- **Indirect labor costs** – Personnel expenses supporting the provision of services and activities. This can include supervision and departmental management, administrative support within a department, and staff involved in technical activities related to the direct services provided to the public.
- **Specific direct non-labor costs** – Discrete expenses incurred by the City due to a specific service or activity performed, such as contractor costs, third-party charges, and very specific materials used in the service or activity. (In most fee types, this component is not used, as it is very difficult to directly assign most non-labor costs at the activity level.)
- **Allocated indirect non-labor costs** – Expenses other than labor for the departments involved in the provision of services. In most cases, these costs are allocated across all services provided by a department, rather than directly assigned to fee categories.
- **Allocated indirect organization-wide overhead** – These are expenses, both labor and non-labor, related to agency-wide support services. Support services include general administrative services such as City Council, City Manager, City Clerk, City Attorney, Human Resources, Finance, IT, Building Maintenance, etc. An agency's support services departments assist the direct providers of public service. The amount of costs attributable to each department or program included in this Study were sourced from a separate Cost Allocation Plan.

All cost components in this Study use annual (or annualized) figures, representing a twelve-month cycle of expenses incurred by the City in the provision of all services and activities.

Nearly all of the fees under review in this Study require specific actions on the part of City staff to provide the service or conduct the activity. Because labor is the primary underlying factor in these activities, the Study expresses the full cost of service as a fully burdened cost per labor hour. NBS calculates a composite, fully burdened, hourly rate for each department, division, program, or activity, as applicable to the specific organization and needs of each area studied. The rate serves as the basis for further quantifying the average full cost of providing individual services and activities.

Deriving the fully burdened labor rate for each department, and various functional divisions within a department, requires two figures: the full costs of service and the number of hours available to perform those services. The full costs of service are quantified through the earlier steps described in this analysis. NBS derives the hours available from a complete listing of all personnel employed by the City.

A full-time employee equates to 2,080 hours per year of regular time. Using this as an initial benchmark of labor time, the Study removes the average employee's eligible annual leave from the total number of regular paid hours to generate the total number of available labor hours for each City department or program. These available hours represent the amount of productive time available for providing both fee-recoverable and non-fee recoverable services and activities. The productive labor hours divided into the annual full costs of service equals the composite fully burdened labor rate. Some agencies also use the resulting rates for other purposes than setting fees, such as when the need arises to calculate the full cost of general services, or structure a cost recovery agreement with another agency or third party.

Fully burdened labor rates applied at the individual fee level estimate an average full cost of providing each service or activity. This step required the development of staff time estimates for the services and activities listed in the City's fee schedule. In some fee programs, the City's time tracking records were useful in identifying time spent providing general categories of service (e.g. plan review, inspection, public assistance, etc.). However, the City does not systematically track activity service time for all departments or all fee services provided. Consequently, interviews and questionnaires were used to develop the necessary data sets describing estimated labor time. In most cases, City staff estimated the average amount of time (in minutes and hours) it would take to complete a typical occurrence of each service or activity considered. Every attempt was made to ensure that each department having a direct role in the provision of each service or activity provided a time estimate.

It should be noted that the development of these time estimates was not a one-step process: estimates received were carefully reviewed by both the consultant and departmental management to assess the reasonableness of such estimates. Based on this review, the City reconsidered its time estimates until both parties were comfortable that the fee models reasonably reflected the average service level provided by the City. Then, staff's time estimates were applied to the appropriate fully burdened labor rate to yield an average full cost of the service or activity.

The average full cost of service is just that: an average cost at the individual fee level. The City does not currently have the systems in place to impose fees for every service or activity based on the actual amount of time it takes to serve each individual. Moreover, such an approach is almost universally infeasible without significant – if not unreasonable – investments in costly technology. Much of the City’s fee schedule is composed of flat fees, which by definition, are linked to an average cost of service; thus, use of this average cost method is the predominant approach in proceeding toward a schedule of revised fees. Flat fee structures based on average costs of service are widely applied among other California municipalities, and it is a generally accepted approach. (Refer to the subsection below regarding “Fee Establishment” for further discussion.)

Subsequent chapters and the appendices of this report discuss the completed cost of service analysis developed for each department or division.

FEE ESTABLISHMENT

Because most of the City’s fees are flat fees, they correspond directly to the average full cost of service result. For the few activities where estimating an average was impossible – due to the highly variable nature of the service – use of fully burdened hourly rates coupled with time tracking is the preferred fee structure. (In other words, the City would collect a deposit upfront and impose a fee per hour of staff time, requiring some degree of time estimation or outright time-tracking at the case level.)

Establishing fees also includes a range of considerations, as described below:

- **Addition to and deletion of fees** – The Study’s process provided each department the opportunity to propose additions and deletions to their fee schedules, as well as to rename, reorganize, and clarify fees imposed. Many such revisions better conform fees to current practices, as well as improve the calculation of fees owed by an individual, the application of said fees, and the collection of revenues. In other words, as staff is more knowledgeable and comfortable working with the fee schedule, the accuracy achieved in both imposing fees on users and collecting revenues for the City is greater. Beyond this, some additions to the fee schedule were simply identification of existing services or activities performed by City staff for which no fee is currently charged.
- **Revision to the structure of fees** – In most cases, the current structure of fees did not change; the focus is to recalibrate the fee amount to match the costs of service. In several cases, however, fee categories and fee names were simplified or re-structured to increase the likelihood of full cost recovery, or to enhance the fairness of how the fee applies to various types of fee payers.
- **Documentation of tools to calculate special cost recovery** – The City’s fee schedule should include the list of fully burdened rates developed by the Study. Documenting these rates in the fee schedule provides an opportunity for the City Council to approve rates for cost recovery under a “time and materials” approach. It also provides clear publication of those rates, so fee payers of any uniquely determined fee can reference the amounts. The fee schedule should provide language that supports special forms of cost recovery for activities and services not contemplated by the adopted master fee schedule. These rare instances use the published rates to estimate a flat fee, or bill on an hourly basis, at the discretion of the director of each department.

COST RECOVERY EVALUATION

The NBS fee model compares the existing fee for each service or activity to the average full cost of service quantified through this analysis. A cost recovery rate of 0% identifies no current recovery of costs from fee revenues (or insufficient information available for evaluation). A rate of 100% means that the fee currently recovers the full cost of service. A rate between 0% and 100% indicates partial recovery of the full cost of service through fees. A rate greater than 100% means that the fee exceeded the full cost of service.

User fees and regulatory fees examined in this Study should not exceed the full cost of service. In other words, the cost recovery rate achieved by a fee should not be greater than 100%. In most cases, imposing a fee above this threshold would require the consensus of the voters.

NBS also assists with modeling the “recommended” or “targeted” level of cost recovery for each fee, which is always established at 100%, of the calculated full cost of service, or less. Targets and recommendations always reflect agency-specific judgments linked to a variety of factors, such as existing City policies, agency-wide or departmental revenue objectives, economic goals, community values, market conditions, level of demand, and others.

A general means of selecting an appropriate cost recovery target is to consider the public and private benefits of the service or activity in question.

- To what degree does the public at large benefit from the service?
- To what degree does the individual or entity requesting, requiring, or causing the service benefit?

When a service or activity completely benefits the public at large, there is generally little to no recommended fee amount (i.e., 0% cost recovery), reflecting that a truly public-benefit service is best funded by the general resources of the City, such as General Fund revenues (e.g., taxes). Conversely, when a service or activity completely benefits an individual or entity, there is generally closer to or equal to 100% of cost recovery from fees, collected from the individual or entity. An example of a completely private benefit service may be a request for exemption from a City regulation or process.

In some cases, a strict public-versus-private benefit judgment may not be sufficient to finalize a cost recovery target. Any of the following other factors and considerations may influence or supplement the public/private benefit perception of a service or activity:

- If optimizing revenue potential is an overriding goal, is it feasible to recover the full cost of service?
- Will increasing fees result in non-compliance or public safety problems?
- Are there desired behaviors or modifications to behaviors of the service population helped or hindered through the degree of pricing for the activities?
- Does current demand for services support a fee increase without adverse impact to the citizenry served or current revenue levels? (In other words, would fee increases have the unintended consequence of driving away the population served?)

- Is there a good policy basis for differentiating between type of users (e.g., residents and non-residents, residential and commercial, non-profit entities and business entities)?
- Are there broader City objectives that inform a less than full cost recovery target from fees, such as economic development goals and local social values?

Because this element of the Study is subjective, NBS provides the full cost of service calculation information and the framework for considering fees, while those closest to the fee-paying population – the City departments and programs – have considered appropriate cost recovery levels at or below the full cost for the Council’s review.

DATA SOURCES

The following City-published data sources were used to support the cost of service analysis and fee establishment phases of this Study:

- The City of Morgan Hill’s Amended Fiscal Years 16-17&17-18 Budget using Fiscal Year 2016-17.
- A complete listing of all City personnel, salary/wage rates, regular hours, paid benefits, and paid leave amounts – provided by the Finance Division.
- Various correspondences with the City staff supporting the adopted budgets and current fees, including budget notes and expenditure detail not shown in the published document.
- Prevailing fee schedules provided by each involved department.
- Annual workload data from the prior fiscal year provided by each involved department.
- Wohlford Consulting prepared the Citywide Cost Allocation Plan

The City’s adopted budget is the most significant source of information affecting cost of service results. NBS did not audit or validate the City’s financial management and budget practices, nor was cost information adjusted to reflect different levels of service or any specific, targeted performance benchmarks. This Study has accepted the City’s budget as a legislatively adopted directive describing the most appropriate and reasonable level of City spending. Consultants accept the City Council’s deliberative process and ultimate acceptance of the budget plan and further assert that through that legislative process, the City has yielded a reasonable expenditure plan, valid for use in setting cost-based fees.

Original data sets also support the work of this Study: primarily, estimated staff time at various levels of detail. To develop these data sets, consultants prepared questionnaires and conducted interviews with individual departments. In the fee establishment phase of the analysis, departmental staff provided estimates of average time spent providing a service or activity corresponding with an existing or new fee. Consultants and departmental management reviewed and questioned responses to ensure the best possible set of estimates.

Section 3. PLANNING

The Planning Division performs a variety of services intended to protect, maintain, and develop an attractive, safe, and healthy environment. Primary functions address property development and land use activities occurring in the City. The Planning Division provides direction and leadership in implementing the goals, objectives, and policies of the General Plan as adopted by the City Council. The division is also responsible for the orderly development of the city and the administration of various land use regulations, including the zoning code, design review ordinances, sign code, and the cultural resources preservation ordinance.

The Planning Division also provides technical assistance and staff support to the Planning Commission.

COST OF SERVICE ANALYSIS

The following categorizes the Planning Division's costs across both fee related and non-fee related services, as well as the resulting fully-burdened hourly rate applicable toward establishing the full cost of providing fee related services.

Expenditure Type	Public Counter Duty / General Information	Strategic Initiatives / Special Projects	RDCS	Current Planning - Direct Services	Total
Labor	\$ 220,339	\$ 17,520	\$ 12,777	\$ 630,411	\$ 881,046
Recurring Non-Labor	98,341	7,819	5,702	281,363	393,225
Department and Citywide Overhead	48,112	3,826	2,790	137,652	192,379
Allocated Common Activities	158,108	12,572	9,168	452,363	632,211
Division Total	\$ 524,900	\$ 41,736	\$ 30,437	\$ 1,501,789	\$ 2,098,862
Cost Recovery Targeted from Fees	10%	0%	100%	100%	76%
Amount Targeted for Consideration in Billings/Fees	\$ 52,490	\$ -	\$ 30,437	\$ 1,501,789	\$ 1,584,716
Amount Requiring Another Funding Source	472,410	41,736	-	-	\$ 514,146
Cost per Direct Hour Recoverable from Fees for Service	\$ 8		\$ 5	\$ 227	\$ 240
<i>Reference: Direct Hours Only</i>					6,604

All subsequent cost of service calculations at the individual fee level assume a fully burdened hourly rate of \$240.

The cost category columns shown in the table above were adapted and summarized from Division staff interviews. Based on the data provided and accompanying analysis, the City has the potential to collect 76% of the established costs in permit related revenue. To assist the reader in understanding the underlying costs and assumptions used to calculate the fully burdened hourly rate, the following provides summary descriptions of each cost category:

- **Public Counter Duty/ General Information**— Activities associated with responding to phone calls and supporting both active permits and the development review process in general. Typically, some portion of costs for provision of general public information and assistance do not apply toward recovery from fees. Planning staff estimated that approximately 10% of these costs support land use application review activities, while the remaining costs should not be considered in the calculation of fees for services. The estimated 10% of land use application review activities equate to \$8 being

added to the fully burdened hourly rate. The remaining 90% of the costs of providing public information services requires funding from sources other than fees.

- **Strategic Initiatives/ Special Projects** –Staff participate in a variety of strategic initiative and special programs that do not apply toward recovery from fee revenues. These services are funded through a variety of sources, including the General Fund, penalties, hourly billings, or enterprise fund revenues.
- **RDCS** – Residential Development Control System; City Staff support the active permits and the overall development review process of RDCS activities. These activities include the review and oversight of implementation and the residential building permit allocation process. 100% of these costs apply toward recovery from the Division’s planning and zoning fees.
- **Current Planning - Direct Services** – City staff respond to phone calls, walk-in customers, and informational requests that support both active permits and the overall development review process in general. 100% of these costs apply toward recovery from the Division’s planning and zoning fees.

Significant analytical and policy decisions revolve around inclusion of categorized activity costs in the fully burdened hourly rate. The decision of whether to apply or exclude certain costs toward recovery in fees for service stems from the basic fee setting parameters offered by the California State Constitution and Statutes, which requires that any new fee levied or existing fee increased should not exceed the estimated amount required to provide the service for which the charge is levied.

FEE ESTABLISHMENT

Morgan Hill’s Planning Division currently charges for application processing and entitlement review services via a mixture of “flat” fees and “deposit based” fees. Flat fees charge one finite amount per project. Deposit based fees require an initial deposit of funds to begin processing of an application, time is tracked and billed to the project by City staff against the deposit amount, and additional funds are either requested from the applicant as needed, or refunds are provided to the applicant upon completion of the project.

The City evaluated each fee item on the Planning Division’s current list of fees as to whether it should be charged as a flat fee or a deposit based fee. The City re-grouped and re-ordered many of the fees for better organization, and deleted several fee items.

While this section of the User Fee Study Report focuses on the Planning Division’s costs and fees, this analysis includes support costs from other departments who directly review and provide comments on planning applications and user fee services. Engineering, Building and Fire also participate in the review of Planning’s applications and their costs have been included with the Planning cost to show the full cost of providing Planning applications and fees. As such, Engineering, Building and Fire fee analyses provide additional cost detail fees for these reviews. Please consult Section 3, 4 and 5 for more information.

COST RECOVERY EVALUATION

Appendix A. 1 presents the results of the detailed cost recovery analysis for the City's Planning fees. The "Cost of Service per Activity" column establishes the maximum adoptable fee amount for the corresponding service identified in the "Fee Name" list.

The City's Planning fees currently recover approximately 62% of the Planning Division's cost of providing services. As shown in the following table, the City collects approximately \$870,000 per year in revenues at current fee amounts.

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Planning	\$869,434	\$1,391,153	(\$521,719)	62%	\$1,364,790	98%

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, the City departments, considered appropriate cost recovery levels at or below that full cost. The "Recommended Fee / Deposit Level" column in Appendix A. 1 displays the City staff's initially recommended flat fee or deposit amounts. Staff recommends fees to recover overall 98% of the costs of providing services.

These initial recommendations for adjusted fee amounts would increase the Planning Division's costs recovered by approximately \$522,000. Recommended fee amounts recover 98% of the total costs of providing fee related services.

The cost recovery evaluation described above assumes that the full deposit amount for each entitlement, on average, is required to complete the project. In instances where the full deposit amount is not required, the balance of the deposit should be refunded. In some instances, additional funds are requested for completion of City review and approval. The analysis completed by NBS focuses on calibrating deposit amounts to reflect the average level of effort required for each fee item.

SECTION 4. ENGINEERING DIVISION

The Engineering Division provides for the design, plan check, construction, and construction inspection of all infrastructure within the public right-of-way and on City-owned property. This division also develops and implements the projects of the City's 5-Year Capital Improvements Program (CIP).

The Engineering Division is comprised of a Land Development Engineering section and a Capital Improvement Projects (CIP) Engineering section.

COST OF SERVICE ANALYSIS

The Engineering Division charges fees for their discipline-specific services, such as review of parcel maps, encroachment permits, civil plan review, or support the review and implementation of fee for service activities in the City's Planning Division. NBS calculated one composite fully burdened blended hourly rate for this department for fee related activities. Additionally, fully burdened hourly rates were developed for when Engineering staff provides direct work to Planning and Building permit activities.

Expenditure Type	Planning – Direct Fee Related Services	Building – Direct Fee Related Services	Engineering – Direct Fee Related Services	Program Admin (Flood & Stormwater Programs)	Public Counter Duty/ Gen Info	Consultant Contract Admin	On-going Special Projects/ Process Improvements	Total Engineering FBHR
Labor	\$ 31,297	\$ 58,467	\$ 425,510	\$ 33,483	\$ 35,971	\$ 6,432	\$ 26,040	\$ 617,200
Recurring Non-Labor	14,533	27,150	197,589	15,548	16,703	2,987	12,092	286,601
Department and Citywide Overhead	3,152	5,889	42,857	3,372	3,623	648	2,623	62,163
Allocated Common Activities	12,844	23,994	174,621	13,741	14,762	2,640	10,686	253,287
Division Total	\$ 61,826	\$ 115,499	\$ 840,577	\$ 66,144	\$ 71,059	\$ 12,706	\$ 51,440	\$ 1,219,251
Cost Recovery Targeted from Fees	100%	100%	100%	0%	10%	0%	0%	84%
Amount Targeted for Consideration in Billings/Fees	\$ 61,826	\$ 115,499	\$ 840,577	\$ -	\$ 7,106	\$ -	\$ -	\$ 1,025,007
Amount Requiring Another Funding Source	-	-	-	66,144	63,953	12,706	51,440	\$ 194,244
Cost per Direct Hour Recoverable from Fees for Service	\$ 204	\$ 185	\$ 193		\$ 2			\$ 195
Reference: Direct Hours Only	304	626						4,355

All subsequent cost of service calculations at the individual fee level assume a fully burdened hourly rate of \$195.

The cost category columns shown in the table above were adapted and summarized from Division staff interviews. Based on the data provided and accompanying analysis, the City has the potential to collect 84% of the established costs in permit related revenue. To assist the reader in understanding the underlying costs and assumptions used to calculate the fully burdened hourly rate, the following provides summary descriptions of each cost category:

- **Planning – Direct Fee Related Services** – Engineering Staff's review and approval of the Planning Division's current planning activities and active permits. The hourly rate was developed for the specific Planning activity services the department provides to the Planning Department. 100% of these costs apply toward recovery within the Planning Division's planning and zoning fees.
- **Building – Direct Fee Related Services** – Engineering Staff's review and approval of the Building Division's active permits. The hourly rate was developed for the specific Building activity services the department provides to the Building Department. 100% of these costs apply toward recovery from the Division's planning and zoning fees.

- **Engineering – Direct Fee Related Services** – Engineering Staff’s review and approval of Land Development permit activities. The hourly rate was developed for the fee related activities within the Engineering Department. 100% of these costs apply toward recovery from the Engineering Division’s planning and zoning fees.
- **Program Administration (Flood & Stormwater Programs)** – Engineering Staff’s efforts related to the Storm Water Management Program (SWMP) to prevent pollution in stormwater and urban runoff from entering the storm drain system and protect the water quality of creeks and streams. These costs are not included in the fully burdened hourly rate and require an alternate funding source.
- **Public Counter Duty/ General Information**— Activities associated with responding to phone calls and supporting both active permits and the development review process in general. Typically, some portion of costs for provision of general public information and assistance do not apply toward recovery from fees. Planning staff estimated that approximately 10% of these costs support land use application review activities, while the remaining costs should not be considered in the calculation of fees for services. The estimated 10% of land use application review activities equate to \$2 being added to the fully burdened hourly rate. The remaining 90% of the costs of providing public information services requires funding from sources other than fees.
- **Consultant Contract Administration** – Engineering staff support, process and administer a number of contracts. These costs have not been included in the recovery from engineering and zoning review fees.
- **On-going Special Projects/ Process Improvements**— Staff participate in a variety of special projects and the ongoing maintenance of the Division’s internal projects and functions. These activities do not apply toward recovery from fee revenues. These services are funded through a variety of sources, including the General Fund, penalties, hourly billings, or enterprise fund revenues.

Significant analytical and policy decisions revolve around inclusion of categorized activity costs in the fully burdened hourly rate. The decision of whether to apply or exclude certain costs toward recovery in fees for service stems from the basic fee setting parameters offered by the California State Constitution and Statutes, which requires that any new fee levied or existing fee increased should not exceed the estimated amount required to provide the service for which the charge is levied.

FEE ESTABLISHMENT

The Engineering Division made the most significant changes to their fee structure than any City department studied. Notable changes include separating the City’s review and processing efforts for Improvement Plan Check and Inspection activities and, updating these fees to flat fees from a project valuation based scaled fee structure. City Plan Review and processing fees are now flat / one-time processing fees for the City’s time to facilitate up to three reviews of a plan submittal, with an additional hourly rate fee for the fourth and subsequent review of any given project.

COST RECOVERY EVALUATION

Appendix A. 2 presents the results of the detailed cost recovery analysis for the City's Engineering fees. The "Total Cost of Service per Activity" column establishes the maximum adoptable fee amount for the corresponding service identified in the "Fee Name" list.

The City's Engineering fees currently recover approximately 52% of the Division's cost of providing services. As shown in the following table, the City collects approximately \$105,000 per year in revenues at current fee amounts.

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
PW - Engineering	\$105,002	\$201,638	(\$96,636)	52%	\$201,638	100%

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, the City departments, considered appropriate cost recovery levels at or below that full cost. The "Recommended Fee / Deposit Level" column in Appendix A. 2 displays the City staff's initially recommended fee amounts. Staff recommends most fees to recover 100% of the costs of providing services, except for the Transportation Permits that remain at the State maximum allowable fee.

These initial recommendations for adjusted fee amounts would increase cost recovery for this Division by approximately \$97,000 annually. Fees at recommended amounts would recover approximately 100% of the total costs of providing fee related services.

SECTION 5. BUILDING

The Building Division, with International Code Council (ICC) certified staff, serves the residents and developers within the City by, answering general questions relating to construction, inspections, permits, etc., providing plan review, services, issuing building permits, ensuring that all residential and commercial construction in the city meets or exceeds the minimum requirements of adopted codes, checking for compliance with state mandates, building practices, manufacturer equipment and specific design.

COST OF SERVICE ANALYSIS

The following table categorizes the Building Division's costs across both fee related and non-fee related services, as well as the resulting fully-burdened hourly rate applicable toward establishing the full cost of providing fee related services.

Expenditure Type	Public Counter Duty / General Information (non-project related)	Code Enforcement	Direct Services - Permit Processing, Plan Check, Inspection	Total
Labor	\$ 37,977	\$ 27,862	\$ 889,263	\$ 955,102
Recurring Non-Labor	10,998	9,073	289,573	309,643
Department and Citywide Overhead	3,358	2,464	78,637	84,459
Allocated Common Activities	18,427	13,873	442,777	475,077
Division Total	\$ 70,759	\$ 53,271	\$ 1,700,250	\$ 1,824,280
Cost Recovery Targeted from Fees	10%	0%	100%	94%
Amount Targeted for Consideration in Billings/Fees	\$ 7,076	\$ -	\$ 1,700,250	\$ 1,707,326
Amount Requiring Another Funding Source	63,683	53,271	-	116,955
Cost per Direct Hour Recoverable from Fees for Service	\$ 1		\$ 187	\$ 188
Reference: Direct Hours Only				9,111

All subsequent cost of service calculations at the individual fee level would assume a fully burdened hourly rate of \$188.

The cost category columns shown in the table above were adapted and summarized from Division staff interviews. Based on the data provided and accompanying analysis, the City has the potential to collect 94% of the established costs in permit related revenue. To assist the reader in understanding the underlying costs and assumptions used to calculate the fully burdened hourly rate, the following provides summary descriptions of each cost category:

- Public Counter Duty/ General Information**— Activities associated with responding to phone calls and supporting both active permits and the development review process in general. Typically, some portion of costs for provision of general public information and assistance do not apply toward recovery from fees. Planning staff estimated that approximately 10% of these costs support land use application review activities, while the remaining costs should be not be considered in the calculation of fees for services. The estimated 10% of land use application review activities equate to \$1 being added to the fully burdened hourly rate. The remaining 90% of the costs of providing public information services requires funding from sources other than fees.

- **Code Enforcement** – Work activities in response to a complaint received by the Building Division related to violation of a prior condition of approval, City Ordinance or State law. Includes complaint investigation, follow up, and any associated abatement or enforcement actions. A portion of these costs are recoverable in Code Enforcement user and regulatory fees for service. If the City policy is not to charge for these services, the costs require funding from other sources.
- **Direct Services- Permit Processing, Plan Check, and Inspection—** Work activities associated with active Building and Fire Prevention permit applications. 100% of these costs are recoverable in Building user and regulatory fees for service. This rate applies to both Building and Fire prevention services provided by the Division.

Significant analytical and policy decisions revolve around inclusion of categorized activity costs in the fully burdened hourly rate. The decision of whether to apply or exclude certain costs toward recovery in fees for service stems from the basic fee setting parameters offered by the California State Constitution and Statutes, which requires that any new fee levied or existing fee increased should not exceed the estimated amount required to provide the service for which the charge is levied.

FEE ESTABLISHMENT

Currently most of Morgan Hill’s fees for building plan review and inspection services are based on what is known in the industry as a “valuation-based” fee setting approach. This method of setting fees was established within the Uniform Building Code almost one century ago. For all new construction, tenant improvement, additions, remodels, and their associated mechanical, plumbing and electrical permits, a project valuation multiplier establishes a construction value estimate for the project. The established construction value is then assessed a fee amount based on a sliding scale fee table. NBS worked closely with staff to add additional higher project value tiers to better accommodate larger projects and provide a more defensible fee schedule based on the City’s current development project activity.

COST RECOVERY EVALUATION

Appendix A. 3 presents the results of the detailed cost recovery analysis for the City’s Building fees. The “Cost of Service per Activity” column establishes the maximum adoptable fee amount for the corresponding service identified in the “Fee Name” list.

The City’s Building fees currently recover approximately 80% of the Building Division’s cost of providing services. As shown in the table below, the City collects approximately \$1.1 million per year in revenues at current fee amounts.

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Building	\$1,075,987	\$1,350,530	(\$274,543)	80%	\$1,350,530	100%

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, the City departments, considered appropriate cost recovery levels at or below that full cost. The “Recommended Fee” column in appendices A. 3 display the City staff’s initially recommended fee amounts. These initial recommendations for adjusted fee amounts recover an additional \$275,000 in costs annually. Fees at recommended amounts would recover approximately 100% of the total costs of providing fee related services.

SECTION 6. FIRE PREVENTION

The City of Morgan Hill contracts with the California Department of Forestry and Fire Protection (CAL FIRE) to provide the following services: Emergency Medical Services, Fire Prevention, Fire Operations, and Fire Stations. Permitted activities related to these functions were not included in this analysis.

The Fire Prevention services are provided by Building and Safety at the hourly rate shown in section four of this report.

FEE ESTABLISHMENT

The Fire Prevention Division's fee program is generally comprised of two types of regulatory activities:

1. Permits that are required by the Fire Code for one-time events or annual activities, and inspections of existing businesses which are either mandated by the State, or required by the City's ordinances and policies:
 - Hazardous occupancy permits
 - Non-mandated and required inspections
 - Multi-dwelling fire and life safety inspection
2. Development review services:
 - Support to Planning entitlement review
 - Fire sprinkler and suppression systems plan review and inspection

NBS assisted the Division in restructuring the City's existing fees in the area of development review to match that of Building where appropriate. The detail is captured in the Fire cost analysis section in Appendix A. 4.

COST RECOVERY EVALUATION

Appendix A. 4 presents the results of the detailed cost recovery analysis for the Division's fee related activities. The "Cost of Service per Activity" column in the appendix establishes the maximum adoptable fee amount for the corresponding service identified in the "Fee Description" list.

The City's Fire Prevention fees currently recover approximately 81% of the cost of providing services. As shown in the following table, the City collects approximately \$122,000 per year in revenues (based on the fee model and best information that is available for permit counts) at current fee amounts. At full cost recovery, the same demand for these services would generate approximately \$150,000.

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Fire	\$122,412	\$150,635	(\$28,223)	81%	\$150,635	100%

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, the City departments, considered appropriate cost recovery levels at or below that full cost. The “Recommended Fee” column in appendices A. 4 display the City staff’s initially recommended fee amounts. These initial recommendations for adjusted fee amounts recover an additional \$28,000 in costs annually. Fees at recommended amounts would recover approximately 100% of the total costs of providing fee related services.

SECTION 7. CONCLUSION

Based on the Cost of Service Analysis, Fee Establishment and Cost Recovery Evaluation phases of analysis in this Study, the proposed Master Fee Schedule, formatted for implementation, is included in the City's accompanying staff report.

As discussed throughout this report, the proposed fee schedule includes fee increases intended to greatly improve the City's recovery of costs incurred to provide individual services, as well as to adjust fees downward where fees charged exceeded the average costs incurred.

Predicting the amount to which any adopted fee increases will affect Department revenues is difficult to quantify. For the near-term, the City should not count on increased revenues to meet any specific expenditure plan. Experience with these fee increases should be gained first before revenue projections are revised. However, unless there is some significant, long-term change in activity levels at the City, proposed fee amendments should – over time – enhance the City's revenue capabilities, providing it the ability to stretch other resources further for the benefit of the public at large.

The City's Master Fee Schedule should become a living document but handled with care:

- A fundamental purpose of the fee schedule is to provide clarity and transparency to the public and to staff regarding fees imposed by the City. Once adopted by the Council, the fee schedule is the final word on the amount and manner in which fees should be imposed by the departments. Old fee schedules should be superseded by the new master document. If the master document is found to be missing fees, those fees eventually need to be added to the master schedule and should not continue to exist outside the consolidated, master framework.
- The City should consider adjusting these user fees and regulatory fees on an annual basis to keep pace at least with cost inflation. For all fees and charges, the City could use either a Consumer Price Index adjustment or a percentage of Labor Cost increase, and that practice would be well applied to the new fee schedule. Conducting a comprehensive user fee Study is not an annual requirement; it becomes worthwhile only over time as significant shifts in organization, local practices, legislative values, or legal requirements change. In NBS' experience, a comprehensive analysis such as this should be performed every three to five years. It should be noted that when an automatic adjustment is applied annually, the City is free to use its discretion in applying the adjustment; not all fees need to be adjusted, especially when there are good policy reasons for an alternate course. The full cost of service is the City's only limit in setting its fees.

As a final note in this Study, it is worth acknowledging the path that fees in general have taken in California. The public demands ever more precise and equitable accounting of the basis for governmental fees and a greater say in when and how they are imposed. It is inevitable in the not too distant future that user fees and regulatory fees will demand an even greater level of analysis and supporting data to meet the public's evolving expectations. Technology systems will play an increased and significant role in an agency's ability to accomplish this. Continuous improvement and refinement of time tracking abilities will greatly enhance the City's ability to set fees for service and identify unfunded activities in years to come.

In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions and events that may occur in the future. This information and assumptions, including the City's budgets, time estimate data, and workload information from City staff, were provided by sources we believe to be reliable; however, NBS has not independently verified such information and assumptions.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

APPENDIX A. 1

Cost of Service Analysis – Planning

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Planning - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.1

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Estimated Average Labor Time	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at
PLANNING DEPARTMENT		[41]											
1	ANNEXATION												
	City Processing		41.00	\$ 240	\$ 9,839								
	City Processing-Public Works Time	[39]	7.50	\$ 204	\$ 1,527								
	Total		48.50		\$ 11,366	\$ 6,163	54%	\$ 11,366	100%	0	\$ -	\$ -	\$ -
1.2	LAFCO Processing		41.00	\$ 240	\$ 9,839	\$ 6,163	63%	\$ 9,839	100%	0	\$ -	\$ -	\$ -
	Plus additional fees collected by other agencies				LAFCO fee \$1,197 plus SBE fees								
2	APPEALS												
2.1	Commission/Board Decisions		23.50	\$ 240	\$ 5,639								
	Commission/Board Decisions-Public Works Time	[39]	3.50	\$ 204	\$ 713								
	Total		27.00		\$ 6,352	\$ 3,791	60%	\$ 6,352	100%	3	\$ 11,374	\$ 19,056	\$ 19,056
2.1	Staff Decisions		21.00	\$ 240	\$ 5,039								
	Staff Decisions-Public Works Time	[39]	1.00	\$ 204	\$ 204								
	Total		22.00		\$ 5,243	\$ 3,345	64%	\$ 5,243	100%	1	\$ 3,345	\$ 5,243	\$ 5,243
3	APPROVAL AMENDMENT												
3.1	Major Approval Amendment (Non Admin - s/b Major)		28.50	\$ 240	\$ 6,839								
	Major Approval Amendment (Non Admin - s/b Major)-Public Works Time	[39]	3.50	\$ 204	\$ 713								
	Total		32.00		\$ 7,552	\$ 4,738	63%	\$ 7,552	100%	16	\$ 75,809	\$ 120,830	\$ 120,830
3.2	Minor Approval Amendment (Admin - s/b Minor)	[17]	16.00	\$ 240	\$ 3,840								
	Minor Approval Amendment (Admin - s/b Minor)-Public Works Time	[17, 39]	1.50	\$ 204	\$ 305								
	Total	[17]	17.50		\$ 4,145	\$ 2,292	55%	\$ 4,145	100%	4	\$ 9,167	\$ 16,580	\$ 16,580
4	CC&Rs												
4.1	CC&Rs (plus City Attorney fees)	[1,2]	2.00	\$ 240	\$ 480	\$ 1,900	396%	\$ 480	100%	0	\$ -	\$ -	\$ -
4.2	Other Agreements / Documents Review (plus City Attorney fees)	[22]	2.00	\$ 240	\$ 480	\$ -	0%	\$ 480	100%	0	\$ -	\$ -	\$ -
5	CONTRACT PLANNING SERVICES	[3]				Actual Cost							
6	CULTURAL RESOURCES												
6.1	Designation		32.00	\$ 240	\$ 7,679	\$ 4,765	62%	\$ 7,679	100%	0	\$ -	\$ -	\$ -
6.2	Demolition or Relocation (Formerly Alteration)		21.50	\$ 240	\$ 5,159								
	Demolition or Relocation (Formerly Alteration)-Public Works Time	[39]	0.50	\$ 204	\$ 102								
	Total		22.00		\$ 5,261	\$ 3,132	60%	\$ 5,261	100%	0	\$ -	\$ -	\$ -
6.3	Alteration (Minor - under \$10,000 valuation) (plus Planning Commission costs)	[23]	1.50	\$ 240	\$ 360	\$ 112	31%	\$ 360	100%	0	\$ -	\$ -	\$ -
6.4	Alteration (Major - \$10,000+ valuation) (plus Planning Commission costs)	[24]	5.00	\$ 240	\$ 1,200	\$ 564	47%	\$ 1,200	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Planning - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.1

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No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at
7	DEVELOPMENT AGREEMENT/RDCS	[25]											
7.1	Development Agreement	[26]	27.00	\$ 240	\$ 6,479	\$ 4,451	69%	\$ 6,479	100%	8	\$ 35,606	\$ 51,834	\$ 51,834
7.2	If Processed Concurrently with Tentative Subdivision or Parcel Map	[27]	42.00	\$ 240	\$ 10,079	\$ 5,927	59%	\$ 10,079	100%	0	\$ -	\$ -	\$ -
7.3	RDCS Compliance Monitoring - Pre Development Agreement 0 - 3 Yrs.	[28]	47.00	\$ 240	\$ 11,279	\$ 6,440	57%	\$ 11,279	100%	8	\$ 51,518	\$ 90,230	\$ 90,230
7.4	RDCS Compliance Monitoring - each year after 3 years		10.00	\$ 240	\$ 2,400	\$ 1,502	63%	\$ 2,400	100%	0	\$ -	\$ -	\$ -
8	ENVIRONMENTAL REVIEW (CEQA)												
8.1	Initial Environmental Assessment	[6]	8.00	\$ 240	\$ 1,920								
	Initial Environmental Assessment - Public Works Time	[6, 39]	1.00	\$ 204	\$ 204								
	Total	[6]	9.00		\$ 2,123	\$ 1,204	57%	\$ 2,123	100%	11	\$ 13,244	\$ 23,357	\$ 23,357
8.2	Expanded Initial Study	[5]	52.00	\$ 240	\$ 12,479								
	Expanded Initial Study-Public Works Time	[5, 39]	12.00	\$ 204	\$ 2,443								
	Total	[5]	64.00		\$ 14,922	\$ 8,989	60%	\$ 14,922	100%	1	\$ 8,989	\$ 14,922	\$ 14,922
8.3	Environmental Impact Report	[4]	68.67	\$ 240	\$ 16,479								
	Environmental Impact Report - Public Works Time	[4, 39]	19.00	\$ 204	\$ 3,869								
	Total	[4]	87.67		\$ 20,348	\$ 12,947	64%	\$ 20,348	100%	2	\$ 25,894	\$ 40,695	\$ 40,695
8.4	Historic Assessments - Staff-level	[29]	10.00	\$ 240	\$ 2,400		0%	\$ 2,400	100%	0	\$ -	\$ -	\$ -
8.5	Historic Assessments - Historical Consultant (Deposit)	[7, 29]	Actual Cost	\$ 240	Actual Cost	\$ -	0%		0%	0	\$ -	\$ -	\$ -
9	RDCS Extension		13.50	\$ 240	\$ 3,240								
	RDCS Extension-Public Works Time	[39]	3.50	\$ 204	\$ 713								
	Total		17.00		\$ 3,952	\$ 2,425	61%	\$ 3,952	100%	2	\$ 4,849	\$ 7,905	\$ 7,905
10	EXTENSION OF TIME FOR APPROVALS												
10.1	Administrative		8.50	\$ 240	\$ 2,040	\$ 1,271	62%	\$ 2,040	100%	1	\$ 1,271	\$ 2,040	\$ 2,040
10.2	Non Administrative		13.25	\$ 240	\$ 3,180	\$ 1,971	62%	\$ 3,180	100%	1	\$ 1,971	\$ 3,180	\$ 3,180
11	GENERAL PLAN AMENDMENT												
11.1	Text Amendment		21.20	\$ 240	\$ 5,087								
	Text Amendment-Public Works Time	[39]	7.00	\$ 204	\$ 1,425								
	Total		28.20		\$ 6,513	\$ 3,384	52%	\$ 6,513	100%	0	\$ -	\$ -	\$ -
11.2	Land Use Diagram Amendment		60.50	\$ 240	\$ 14,518								
	Land Use Diagram Amendment-Public Works Time	[39]	7.00	\$ 204	\$ 1,425								
	Total		67.50		\$ 15,944	\$ 10,118	63%	\$ 15,944	100%	12	\$ 121,416	\$ 191,324	\$ 191,324
12	HABITAT PLAN FEES (SC VALLEY)	[8,15]											
12.1	Habitat Plan Related Reviews		2.00	\$ 240	\$ 480		0%	\$ 480	100%	0	\$ -	\$ -	\$ -
13	HOUSING IN-LIEU FEE	[15]											
14	OPEN SPACE IN-LIEU FEE (Per 20 Dwellings)	[15]											
15	OUT OF AGENCY CONTRACT FOR SERVICES												
15.1	+ LAFCO \$9,670 Deposit + Actual Costs	[9]	41.75	\$ 240	\$ 10,019	\$ 6,461	64%	\$ 10,019	100%	0	\$ -	\$ -	\$ -
	Plus additional fees collected by other agencies												

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Planning - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.1

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No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at
16	MITIGATION MONITORING AND REPORTING PROGRAM (MMRP) (Per Year)	[16,22,30]	5.00	\$ 240	\$ 1,200	\$ -	0%	\$ 1,200	100%	0	\$ -	\$ -	\$ -
17	PLANNING HOURLY	[1,10]	1.00	\$ 240	\$ 240	n/a	0%	\$ 240	100%	0	\$ -	\$ -	\$ -
18	REFUNDABLE DEPOSITS												
19	RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS)												
19.1	Preliminary Measure S Review		28.50	\$ 240	\$ 6,839								
	Preliminary Measure S Review-Public Works Time	[39]	5.00	\$ 204	\$ 1,018								
	Total		33.50		\$ 7,857	\$ 5,728	73%	\$ 7,857	100%	1	\$ 5,728	\$ 7,857	\$ 7,857
19.2	Final Measure S Review (RDCS)		109.00	\$ 240	\$ 26,157								
	Final Measure S Review (RDCS)-Public Works Time	[39]	14.00	\$ 204	\$ 2,851								
	Total		123.00		\$ 29,008	\$ 21,184	73%	\$ 29,008	100%	14	\$ 296,574	\$ 406,107	\$ 406,107
19.3	RDCS Appeal		31.50	\$ 240	\$ 7,559								
	RDCS Appeal-Public Works Time	[39]	3.00	\$ 204	\$ 611								
	Total		34.50		\$ 8,170	\$ 4,011	49%	\$ 8,170	100%	4	\$ 16,044	\$ 32,680	\$ 32,680
20	RESIDENTIAL PRIVATE LIVESTOCK PERMIT		9.00	\$ 240	\$ 2,160	\$ 463	21%	\$ 700	32%	0	\$ -	\$ -	\$ -
21	REVERSION TO ACREAGE PROCESSING		12.50	\$ 240	\$ 3,000	\$ 1,909	64%	\$ 3,000	100%	0	\$ -	\$ -	\$ -
22	SIGN REVIEW												
22.1	Uniform Sign Program		14.50	\$ 240	\$ 3,480	\$ 2,166	62%	\$ 3,480	100%	0	\$ -	\$ -	\$ -
22.2	Sign Permit - First Sign		1.50	\$ 240	\$ 360	\$ 288	80%	\$ 360	100%	19	\$ 5,477	\$ 6,839	\$ 6,839
22.3	Each additional Sign		0.50	\$ 240	\$ 120	\$ -	0%	\$ 120	100%	5	\$ -	\$ 600	\$ 600
22.4	Sign Review Over the Counter - Copy Change		1.00	\$ 240	\$ 240	\$ 115	48%	\$ 240	100%	5	\$ 576	\$ 1,200	\$ 1,200
22.5	Temporary/Promotional Signs	[22]	0.25	\$ 240	\$ 60	\$ -	0%	\$ 60	100%	0	\$ -	\$ -	\$ -
22.7	New Sign within a Master Sign Program	[22]	0.75	\$ 240	\$ 180	\$ -	0%	\$ 180	100%	0	\$ -	\$ -	\$ -
22.8	Alteration to existing Sign	[22,31]	1.50	\$ 240	\$ 360	\$ -	0%	\$ 360	100%	0	\$ -	\$ -	\$ -
22.9	Subdivision/Real Estate Tract Signs	[22,32]	3.00	\$ 240	\$ 720	\$ -	0%	\$ 720	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Planning - Cost Estimation for Providing Fee Related Activities and Services

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No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at
23	DESIGN REVIEW	[33]											
23.1	Residential - 6 units or less	[22]	26.00	\$ 240	\$ 6,239								
	Residential - 6 units or less-Public Works Time	[22, 39]	3.00	\$ 204	\$ 611								
	Total	[22]	29.00		\$ 6,850	\$ 4,601	67%	\$ 6,850	100%	3	\$ 13,804	\$ 20,550	\$ 20,550
23.2	Residential - 7 units to 15 units	[22]	33.00	\$ 240	\$ 7,919								
	Residential - 7 units to 15 units-Public Works Time	[22, 39]	4.00	\$ 204	\$ 814								
	Total	[22]	37.00		\$ 8,734	\$ 4,601	53%	\$ 8,734	100%	3	\$ 13,804	\$ 26,201	\$ 26,201
23.3	Residential - 16 or more units each additional 25 units	[18,22]	41.00	\$ 240	\$ 9,839								
	Residential - 16 or more units each additional 25 units-Public Works Time	[18, 22, 39]	5.00	\$ 204	\$ 1,018								
	Total	[18,22]	46.00		\$ 10,857	\$ 4,601	42%	\$ 10,857	100%	0	\$ -	\$ -	\$ -
23.4	Minor Non-Residential Review	[19,22]	18.00	\$ 240	\$ 4,320								
	Minor Non-Residential Review-Public Works Time	[19, 22, 39]	1.00	\$ 204	\$ 204								
	Total	[19,22]	19.00		\$ 4,523	\$ 4,601	102%	\$ 4,523	100%	3	\$ 13,804	\$ 13,569	\$ 13,569
23.5	Major Non-Residential Review		28.00	\$ 240	\$ 6,719								
	Major Non-Residential Review-Public Works Time		3.00	\$ 204	\$ 611								
	Total		31.00		\$ 7,330	\$ 4,601	63%	\$ 7,330	100%	3	\$ 13,804	\$ 21,990	\$ 21,990
23.6	Conceptual Plan Review (Staff)		14.25	\$ 240	\$ 3,420								
	Conceptual Plan Review (Staff)-Public Works Time	[39]	4.00	\$ 204	\$ 814								
	Total		18.25		\$ 4,234	\$ 2,527	60%	\$ 4,234	100%	1	\$ 2,527	\$ 4,234	\$ 4,234
23.7	Plan Detail Review (misc. site details, e.g., lighting, trash encl.)		8.42	\$ 240	\$ 2,021	\$ 1,210	60%	\$ 2,021	100%	2	\$ 2,420	\$ 4,041	\$ 4,041
24	Preliminary Plan Review (Planning Commission)	[34]											
24.1	Residential - 6 units or less	[22]	18.00	\$ 240	\$ 4,320								
	Residential - 6 units or less-Public Works Time	[22, 39]	3.00	\$ 204	\$ 611								
	Total	[22]	21.00		\$ 4,930	\$ 4,350	88%	\$ 4,930	100%	2	\$ 8,700	\$ 9,861	\$ 9,861
24.2	Residential - 7 units or more	[18,22]	28.00	\$ 240	\$ 6,719								
	Residential - 7 units or more-Public Works Time	[39]	4.00	\$ 204	\$ 814								
	Total	[18,22]	32.00		\$ 7,534	\$ 4,350	58%	\$ 7,534	100%	0	\$ -	\$ -	\$ -
24.3	Minor Non-Residential Review	[19,22]	20.00	\$ 240	\$ 4,799								
	Minor Non-Residential Review-Public Works Time	[19,22]	1.00	\$ 204	\$ 204								
	Total	[19,22]	21.00		\$ 5,003	\$ 4,350	87%	\$ 5,003	100%	0	\$ -	\$ -	\$ -
24.4	Major Non-Residential Review		30.00	\$ 240	\$ 7,199								
	Major Non-Residential Review-Public Works Time	[39]	3.00	\$ 204	\$ 611								
	Total		33.00		\$ 7,810	\$ 4,350	56%	\$ 7,810	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.1

Planning - Cost Estimation for Providing Fee Related Activities and Services

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Estimated Average Labor Time	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at
24.5	Site Plan Review (no new square footage)		20.42	\$ 240	\$ 4,900								
	Site Plan Review (no new square footage)-Public Works Time	[39]	3.50	\$ 204	\$ 713								
	Total		23.92		\$ 5,613	\$ 3,366	60%	\$ 5,613	100%	1	\$ 3,366	\$ 5,613	\$ 5,613
24.6	Landscape Plan Review Only		10.00	\$ 240	\$ 2,400	\$ 3,366	140%	\$ 2,400	100%	2	\$ 6,732	\$ 4,799	\$ 4,799
SUBDIVISION													
25.1	Tentative Parcel Map Review - 4 lots or less		16.00	\$ 240	\$ 3,840								
	Tentative Parcel Map Review - 4 lots or less-Public Works Time	[39]	3.50	\$ 204	\$ 713								
	Total		19.50		\$ 4,552	\$ 2,759	61%	\$ 4,552	100%	1	\$ 2,759	\$ 4,552	\$ 4,552
25.2	Tentative Subdivision Map Review 5 to 15 lots		20.00	\$ 240	\$ 4,799								
	5 to 15 lots-Public Works Time	[39]	5.50	\$ 204	\$ 1,120								
	Total		25.50		\$ 5,919	\$ 4,575	77%	\$ 5,919	100%	3	\$ 13,726	\$ 17,758	\$ 17,758
25.3	16 - 25 lots		25.00	\$ 240	\$ 5,999								
	16 - 25 lots-Public Works Time	[39]	7.00	\$ 204	\$ 1,425								
	Total		32.00		\$ 7,425	\$ 4,575	62%	\$ 7,425	100%	0	\$ -	\$ -	\$ -
25.4	26 lots or more - each additional 25 lots		30.00	\$ 240	\$ 7,199								
	26 lots or more - each additional 25 lots-Public Works Time	[39]	8.50	\$ 204	\$ 1,731								
	Total		38.50		\$ 8,930	\$ 4,575	51%	\$ 8,930	100%	5	\$ 22,876	\$ 44,650	\$ 44,650
TRANSFER DEVELOPMENT CREDIT (TDC)													
26	Application Fee	[20]	35.50	\$ 240	\$ 8,519	\$ 5,360	63%	\$ 8,519	100%	0	\$ -	\$ -	\$ -
TREE REMOVAL PERMIT													
27			5.75	\$ 240	\$ 1,380	\$ 68	5%	\$ 100	7%	14	\$ 958	\$ 19,318	\$ 1,400
URBAN SERVICE AREA AMENDMENT													
28.1	City Processing		52.67	\$ 240	\$ 12,639								
	City Processing-Public Works Time	[39]	8.00	\$ 204	\$ 1,629								
	Total		60.67		\$ 14,268	\$ 7,821	55%	\$ 14,268	100%	0	\$ -	\$ -	\$ -
28.2	LAFCO Processing		101.33	\$ 240	\$ 24,316	\$ 15,052	62%	\$ 24,316	100%	0	\$ -	\$ -	\$ -
28.3	Plus Additional Fees Collected by Other Agencies, LAFCO Deposit \$11,574 + Actual Costs												

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Planning - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.1

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No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at
29	USE PERMIT												
29.1	Tier I - (Non-Profit)	[10]	9.00	\$ 240	\$ 2,160								
	Tier I - (Non-Profit)-Public Works Time	[10, 39]	1.00	\$ 204	\$ 204								
	Total	[10]	10.00		\$ 2,363	\$ 50	2%	\$ 100	4%	3	\$ 150	\$ 7,090	\$ 300
29.2	Tier II - Temporary Use Permit Review		10.75	\$ 240	\$ 2,580								
	Tier II - Temporary Use Permit Review-Public Works Time	[39]	1.00	\$ 204	\$ 204								
	Total		11.75		\$ 2,783	\$ 1,727	62%	\$ 2,783	100%	1	\$ 1,727	\$ 2,783	\$ 2,783
29.3	Temporary Use Permit Amendment		7.00	\$ 240	\$ 1,680								
	Temporary Use Permit Amendment-Public Works Time	[39]	1.00	\$ 204	\$ 204								
	Total		8.00		\$ 1,883	\$ 541	29%	\$ 1,100	58%	1	\$ 541	\$ 1,883	\$ 1,100
29.4	Conditional Use Permit - No New Construction		34.00	\$ 240	\$ 8,159								
	Conditional Use Permit - No New Construction-Public Works Time	[39]	1.00	\$ 204	\$ 204								
	Total		35.00		\$ 8,363	\$ 5,151	62%	\$ 8,363	100%	4	\$ 20,603	\$ 33,451	\$ 33,451
29.5	Conditional Use Permit - New Construction		34.00	\$ 240	\$ 8,159								
	Conditional Use Permit - New Construction-Public Works Time	[39]	3.00	\$ 204	\$ 611								
	Total		37.00		\$ 8,770	\$ 5,151	59%	\$ 8,770	100%	2	\$ 10,302	\$ 17,540	\$ 17,540
29.6	Administrative Use Permit		8.00	\$ 240	\$ 1,920								
	Administrative Use Permit-Public Works Time	[39]	0.50	\$ 204	\$ 102								
	Total		8.50		\$ 2,022	\$ 579	29%	\$ 1,150	57%	1	\$ 579	\$ 2,022	\$ 1,150
30	VARIANCE		32.00	\$ 240	\$ 7,679								
	VARIANCE-Public Works Time	[39]	0.75	\$ 204	\$ 153								
	Total		32.75		\$ 7,832	\$ 4,436	57%	\$ 7,832	100%	0	\$ -	\$ -	\$ -
31	MINOR EXCEPTION		12.25	\$ 240	\$ 2,940								
	MINOR EXCEPTION-Public Works Time	[39]	0.50	\$ 204	\$ 102								
	Total		12.75		\$ 3,041	\$ 1,810	59%	\$ 3,041		1	\$ 1,810	\$ 3,041	\$ 3,041
32	WILLIAMSON ACT												
32.1	New	[22]	12.00	\$ 240	\$ 2,880	\$ -	0%	\$ 2,880	100%	0	\$ -	\$ -	\$ -
32.2	Non-Renewal	[22]	4.00	\$ 240	\$ 960	\$ -	0%	\$ 960	100%	0	\$ -	\$ -	\$ -
32.3	Cancellation	[22]	48.00	\$ 240	\$ 11,519	\$ 3,130	27%	\$ 11,519	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Planning - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.1

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No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at
33	ZONING REQUESTS	[35]											
33.1	Planned Development	[1, 10, 11]	36.50	\$ 240	\$ 8,759								
	Planned Development-Public Works Time	[1, 10, 11, 39]	5.00	\$ 204	\$ 1,018								
	Total	[1, 10, 11]	41.50		\$ 9,777	\$ 10,788	110%	\$ 9,777	100%	0	\$ -	\$ -	\$ -
33.2	Planned Development for Residential Review		48.00	\$ 240	\$ 11,519								
33.2	Planned Development for Residential Review-Public Works Time	[39]	3.00	\$ 204	\$ 611								
33.2	Total		51.00		\$ 12,130	\$ 6,529	54%	\$ 12,130	100%	0	\$ -	\$ -	\$ -
33.3	Planned Development for Residential Review (if Processed concurrently with Subdivision		32.50	\$ 240	\$ 7,799								
	Planned Development for Residential Review (if Processed concurrently with Subdivision-Public Works Time	[39]	3.00	\$ 204	\$ 611								
	Total		35.50		\$ 8,410	\$ 1,613	19%	\$ 8,410	100%	7	\$ 11,288	\$ 58,870	\$ 58,870
33.4	Zoning Map Amendment Review		36.00	\$ 240	\$ 8,639								
	Zoning Map Amendment Review-Public Works Time	[39]	0.75	\$ 204	\$ 153								
	Total		36.75		\$ 8,792	\$ 4,963	56%	\$ 8,792	100%	1	\$ 4,963	\$ 8,792	\$ 8,792
33.5	Zoning Map Amendment Review (If Processed Concurrently with GPA or ANX)		12.00	\$ 240	\$ 2,880								
	Zoning Map Amendment Review (If Processed Concurrently with GPA or ANX)-Public Works Time	[39]	0.50	\$ 204	\$ 102								
	Total		12.50		\$ 2,981	\$ 1,508	51%	\$ 2,981	100%	2	\$ 3,016	\$ 5,963	\$ 5,963
33.6	Zoning Text Amendment Review		41.67	\$ 240	\$ 10,000								
	Zoning Text Amendment Review-Public Works Time	[39]	0.50	\$ 204	\$ 102								
	Total		42.17		\$ 10,101	\$ 6,324	63%	\$ 10,101	100%	1	\$ 6,324	\$ 10,101	\$ 10,101
34	OTHER SERVICE CHARGES												
34.1	Document Printing/Copying (per page)	[38]	Available On-line			\$ 0.10							
34.2	Oversized Copy 24X36 (per page)	[38]	n/a			\$ 2.26							
34.3	Oversized Copy 18X26 (per page)	[38]	n/a			\$ 2.01							
34.4	Oversized Copy 24X36 (Color) (per page)	[38]	n/a			\$ 2.93							
34.5	Oversized Copy 11X17 (per page)	[38]	n/a			\$ 0.55							
34.6	Other Oversized Copies	[38]	n/a			n/a							
34.7	Record Research Service (Deposit Required)		2.00	\$ 240	\$ 480	Actual Cost	0%	\$ 480	100%	0	\$ -	\$ -	\$ -
34.8	Zoning Confirmation Letter		6.50	\$ 240	\$ 1,560	\$ 1,080	69%	\$ 1,560	100%	0	\$ -	\$ -	\$ -
35	PUBLIC HEARINGS AND NOTICES												
35.1	Planning Commission Meeting	[22,36]	7.50	\$ 240	\$ 1,800								
	Planning Commission Meeting-Public Works Time	[22, 36, 39]	1.00	\$ 204	\$ 204								
	Total	[22,36]	8.50		\$ 2,003	\$ -	0%	\$ 2,003	100%	0	\$ -	\$ -	\$ -
35.2	City Council Meeting	[22,37]	7.00	\$ 240	\$ 1,680								
	City Council Meeting-Public Works Time	[22, 37, 39]	2.00	\$ 204	\$ 407								
	Total	[22, 37]	9.00		\$ 2,087	\$ -	0%	\$ 2,087	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.1

Planning - Cost Estimation for Providing Fee Related Activities and Services

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Estimated Average Labor Time	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at
35.3	Each Additional LAFCO Meeting	[22]	7.00	\$ 240	\$ 1,680	\$ -	0%	\$ 1,680	100%	0	\$ -	\$ -	\$ -
35.4	Public Noticing	[22]	2.50	\$ 240	\$ 600	\$ -	0%	\$ 600	100%	0	\$ -	\$ -	\$ -
36	Business License Zoning Review												
36.1	Home Based Business		0.50	\$ 240	\$ 120	\$ 66	55%	\$ 120	100%	0	\$ -	\$ -	\$ -
36.2	All Other Types		0.50	\$ 240	\$ 120	\$ 78	65%	\$ 120	100%	0	\$ -	\$ -	\$ -
37	REVIEW OF ENGINEERING PLANS												
37.1	Lot Line Adjustment		0.75	\$ 240	\$ 180	\$ -	0%	\$ 180	100%	0	\$ -	\$ -	\$ -
37.2	Final Map Reviews		2.00	\$ 240	\$ 480	\$ -	0%	\$ 480	100%	0	\$ -	\$ -	\$ -
TOTAL PLANNING											\$ 869,434	\$ 1,391,153	\$ 1,364,790

Notes

- [1] Burdened hourly rates are to be established by the City Manager at a rate that does not exceed the sum of the actual salary, employee benefit, and actual applicable overhead costs.
- [2] Plus Fully Burdened Hourly Rate for City Attorney Review
- [3] Consultant Fee Plus 15%
- [4] \$11,930 or 19% of study costs, whichever is greater, plus actual cost of study & required State & Country fees
- [5] \$8,282 or 22% of study costs, whichever is greater, plus actual cost of study & required State & County fees
- [6] \$1,110 plus County and Fish and Game fees
- [7] N/A
- [8] As Determined by Fee Calculator Worksheet
- [9] \$9670 deposit + any LAFCO Fees
- [10] Consumer Price Index (CPI) adjustments do not apply to these fees under the terms of the adopting Resolution, policy, or action. The CPI for Urban Wage Earners and Clerical Workers for the San Francisco-Oakland-San Jose area from April 2014 to April 2015 increased by 2.1%.
- [11] Maximum fee set by State Law
- [12] Fully Burdened Hourly Rate with \$2,869 Deposit
- [13] Hourly Rate + Equipment Maintenance Rate per Sq. Ft.
- [14] Fully Burdened Hourly Rate Against an Initial Deposit
- [15] Impact Fee, Not analyzed as part of the fee study
- [16] Mitigation measures implemented prior to or through the Building Permit process should be incorporated into other fees.
- [17] 17.20.190 – Amendments to Approved Tentative Map. Defines what minor is. Major is other than minor.
- [18] Up to 4 structures not exceeding 10,000 square feet in floor area (no use of hazardous materials)
- [19] Projects greater than 10,000 square feet in floor area
- [20] Required by Hillside Combining District - 18.44 MHMC
- [21] Copying/Printing costs set by the CA Public Records Act. NBS did not include in the study.
- [22] New Fee
- [23] 18.75.045B2a - Minor is under \$10,000 valuation. If public hearing (Planning Commission) required then need to pay separate fees to cover.
- [24] 18.75.045B2b - Major is over \$10,000 valuation. If public hearing (Planning Commission) required then need to pay separate fees to cover.
- [25] Development Agreements include 1 Planning Commission and 1 City Council Hearing
- [26] This fee should be for a non-RDCS DA. Does not include Attorney time, which could be significant for one-off DA's.
- [27] RDCS DA when processed concurrently with other entitlement application(s) w/ monitoring fee built-in. Does not include Attorney time.
- [28] RDCS DA w/ monitoring fee built-in. Does not include Attorney time.
- [29] 18.75.045B3
- [30] Applied to projects with long-term monitoring (i.e., after building permit final). Cost each year of monitoring
- [31] This covers reviews that are beyond copy change, but not new signs. We may just require a new Sign Permit at this stage if we require anything.
- [32] This is for tract sales signs that are on and/or off-site
- [33] Design Review covers Site Plan, Architecture, and Landscape
- [34] Includes a Planning Commission hearing
- [35] Requires both Planning Commission and City Council hearings; assumption is one PC one CC.
- [36] For each Planning Commission Hearing (if not built-into application fees)
- [37] For each City Council Hearing (if not built-into application fees)
- [38] Not analyzed by NBS
- [39] Public Works Hourly Rate taken from Engineering Hourly Rate Table
- [40] Revenue sourced [1516 revenue status report] actual YTD thru June 15, 2016
- [41] All fee's are flat fee unless otherwise noted in the description

APPENDIX A. 2

Cost of Service Analysis – Engineering

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Engineering Division - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.2

Input cells in blue font; formula based cells in black font

No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time Per Activity	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	Community Development - Eng - Land Development												
1	Tract Map/Subdivision Map (Service No. 149)		45.50	\$ 195	\$ 8,856	\$ 5,877	66%	\$ 8,856	100%	10	\$ 58,767	\$ 88,557	\$ 88,557
2	Parcel Map (Service No. 149)		28.50	\$ 195	\$ 5,547	\$ 3,946	71%	\$ 5,547	100%	4	\$ 15,783	\$ 22,188	\$ 22,188
3	Lot Line Adjustment (LLA) or Lot Merger (LM) (Service No. 16)		15.50	\$ 195	\$ 3,017	\$ 2,324	77%	\$ 3,017	100%	1	\$ 2,324	\$ 3,017	\$ 3,017
4	Certificate of Compliance (CoC) (Service No. 77)		18.50	\$ 195	\$ 3,601	\$ 4,018	112%	\$ 3,601	100%	7	\$ 28,129	\$ 25,205	\$ 25,205
5	Street/Easement Vacation (Abandonment)		22.00	\$ 195	\$ 4,282	Varies	0%	\$ 4,282	100%	0	\$ -	\$ -	\$ -
6	Stormwater Pollution Prevention Plan (SWPPP) Review & Compliance		6.00	\$ 195	\$ 1,168	Varies	0%	\$ 1,168	100%	13	\$ -	\$ 15,181	\$ 15,181
7	Flood Zone Review - Base Fee (Service No. 67)		2.00	\$ 195	\$ 389	new	0%	\$ 389	100%	11	\$ -	\$ 4,282	\$ 4,282
8	Flood Zone Review - with CLOMR/LOMR		11.00	\$ 195	\$ 2,141	new	0%	\$ 2,141	100%	2	\$ -	\$ 4,282	\$ 4,282
9	Flood Zone Review - with Public Outreach Requirement		4.00	\$ 195	\$ 779	new	0%	\$ 779	100%	2	\$ -	\$ 1,557	\$ 1,557
10	Public Easement Review		12.50	\$ 195	\$ 2,433	new	0%	\$ 2,433	100%	0	\$ -	\$ -	\$ -
11	Stormwater Runoff Management Plan Review		14.00	\$ 195	\$ 2,725	new	0%	\$ 2,725	100%	8	\$ -	\$ 21,799	\$ 21,799
12	Plan Revision (after approval of Public Improvement Plans)		2.50	\$ 195	\$ 487	new	0%	\$ 487	100%	32	\$ -	\$ 15,571	\$ 15,571
13	Record Retention Fee	[2]											
14	Lot Line Adjustment (PW) / Merger	[2]											
15	Flood Zone Review/ FEMA Compliance Letter	[2]											
16	Street Vacation	[2]											
17	Street/ Easement Vacation (Abandonment)	[2]											
18	Certificate of Compliance	[2]											
19	Map Checking-Parcel Map subdivision map	[2]									\$ -	\$ -	\$ -
20	SWPPP Site Inspection Public (Off Site) Up to 6 months (Service No. 152)		30.00	\$ 195	\$ 5,839	\$ 5,536	95%	\$ 5,839	100%	0	\$ -	\$ -	\$ -
21	SWPPP Site Inspection Public (Off Site) Up to 12 months (Service No. 153)		60.00	\$ 195	\$ 11,678	\$ 11,073	95%	\$ 11,678	100%	0	\$ -	\$ -	\$ -
22	SWPPP Site Inspection Public (Off Site) Up to 24 months (Service No. 154)		120.00	\$ 195	\$ 23,356	\$ 20,637	88%	\$ 23,356	100%	0	\$ -	\$ -	\$ -

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CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Engineering Division - Cost Estimation for Providing Fee Related Activities and Services

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			Estimated Average Labor Time Per Activity	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
23	Water Impact Fee	[3]											
	Residential - Single Family		0.00	\$ -	\$ -	\$ 3,758	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Residential - Multi Family		0.00	\$ -	\$ -	\$ 3,390	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Commercial & Industrial		0.00	\$ -	\$ -	\$ 10,669	0%	\$ -	0%	0	\$ -	\$ -	\$ -
24	Sewer Impact Fee	[3]											
	Residential - Single Family		0.00	\$ -	\$ -	\$ 14,708	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Residential - Multi Family		0.00	\$ -	\$ -	\$ 12,448	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Commercial & Industrial		0.00	\$ -	\$ -	\$ 50	0%	\$ -	0%	0	\$ -	\$ -	\$ -
25	Storm Drain Impact Fee	[3]											
	Single Family		0.00	\$ -	\$ -	\$ 3,989	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Multi Family		0.00	\$ -	\$ -	\$ 2,075	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Commercial & Office		0.00	\$ -	\$ -	\$ 43,447	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Industrial		0.00	\$ -	\$ -	\$ 31,634	0%	\$ -	0%	0	\$ -	\$ -	\$ -
26	Park Impact Fee	[3]											
	Single Family - Sub		0.00	\$ -	\$ -	\$ 5,577	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Single Family - No Sub		0.00	\$ -	\$ -	\$ 4,055	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Multi Family - Sub		0.00	\$ -	\$ -	\$ 5,373	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Multi Family - No Sub		0.00	\$ -	\$ -	\$ 3,911	0%	\$ -	0%	0	\$ -	\$ -	\$ -
27	Traffic Impact Fee	[3]											
	Single Family		0.00	\$ -	\$ -	\$ 1,932	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Multi Family		0.00	\$ -	\$ -	\$ 1,198	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Commercial		0.00	\$ -	\$ -	\$ 1,932	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Industrial		0.00	\$ -	\$ -	\$ 1,932	0%	\$ -	0%	0	\$ -	\$ -	\$ -
28	Library Impact Fee	[3]											
	Single Family		0.00	\$ -	\$ -	\$ 2,047	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Multi Family		0.00	\$ -	\$ -	\$ 1,972	0%	\$ -	0%	0	\$ -	\$ -	\$ -
29	Burrowing Owl Mitigation	[3]											
	Residential		0.00	\$ -	\$ -	\$ 207	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Commercial/Industrial		0.00	\$ -	\$ -	\$ 1,447	0%	\$ -	0%	0	\$ -	\$ -	\$ -
30	Map Check Fee	[3]											
	Parcel Map		0.00	\$ -	\$ -	\$ 3,946	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Tract Map		0.00	\$ -	\$ -	\$ 5,877	0%	\$ -	0%	0	\$ -	\$ -	\$ -
31	Police Impact Fee	[3]											
	Single Family		0.00	\$ -	\$ -	\$ 795	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Multi Family		0.00	\$ -	\$ -	\$ 768	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Commercial		0.00	\$ -	\$ -	\$ 1,728	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Industrial		0.00	\$ -	\$ -	\$ 2,419	0%	\$ -	0%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Engineering Division - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.2

Input cells in blue font; formula based cells in black font

No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time Per Activity	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
32	Fire Impact Fee	[3]											
	Single Family		0.00	\$ -	\$ -	\$ 122	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Multi Family		0.00	\$ -	\$ -	\$ 116	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Commercial		0.00	\$ -	\$ -	\$ 1,607	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Industrial		0.00	\$ -	\$ -	\$ 1,607	0%	\$ -	0%	0	\$ -	\$ -	\$ -
33	Public Facilities Impact Fee	[3]											
	Single Family		0.00	\$ -	\$ -	\$ 531	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Multi Family		0.00	\$ -	\$ -	\$ 511	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Commercial		0.00	\$ -	\$ -	\$ 1,170	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Industrial		0.00	\$ -	\$ -	\$ 1,637	0%	\$ -	0%	0	\$ -	\$ -	\$ -
34	Commnty/Rec CTRS Impact Fee	[3]											
	Single Family		0.00	\$ -	\$ -	\$ 3,799	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Multi Family		0.00	\$ -	\$ -	\$ 3,332	0%	\$ -	0%	0	\$ -	\$ -	\$ -
35	RDCS Measure C Fees	[3]											
	School Pedestrian Safety		0.00	\$ -	\$ -	\$ -	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Public Facilities		0.00	\$ -	\$ -	\$ -	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Park Development		0.00	\$ -	\$ -	\$ -	0%	\$ -	0%	0	\$ -	\$ -	\$ -
	Public Fac. - Circulation		0.00	\$ -	\$ -	\$ -	0%	\$ -	0%	0	\$ -	\$ -	\$ -
TOTAL ENGINEERING											\$ 105,002	\$ 201,638	\$ 201,638

Notes

[1] Revenue sourced [1516 revenue status report] actual YTD thru June 15, 2016

[2] Use 4% of total permit cost; minimum \$15 - MFS placeholder, Not analyzed by NBS

[3] MFS placeholder, Not analyzed by NBS

APPENDIX A. 3

Cost of Service Analysis – Building

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.3

Building New Construction and Miscellaneous Permits - Cost Estimation for Providing Fee Related Activities and Services

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis		Cost Recovery Analysis			Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Total Estimated Average Labor Time Per Activity (hours)	Cost of Service Per Activity	Current Fee	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	BUILDING VALUATION PERMITS										
1	Valuation Based Fees - Building Permit (Not Combination Permits)										
1.1	\$1 - \$500		0.75	\$ 141	\$ 32	\$ 141	100%	3	\$ 96	\$ 423	\$ 423
1.2	\$501 - \$2,000										
	for first \$500.00		1.00	\$ 188	\$ 32	\$ 188	100%	6	\$ 192	\$ 1,128	\$ 1,128
	for each additional \$100.00 (or fraction thereof, to and including \$2,000.00)		0.06	\$ 11	\$ 3	\$ 11	100%	43	\$ 131	\$ 485	\$ 485
1.3	\$2,001 - \$25,000										
	for first \$2000.00		2.00	\$ 376	\$ 78	\$ 376	100%	101	\$ 7,853	\$ 37,976	\$ 37,976
	for each additional \$1000.00 (or fraction thereof, to and including \$25,000.00)		0.05	\$ 9	\$ 14	\$ 9	100%	982	\$ 13,748	\$ 9,231	\$ 9,231
1.4	\$25,001 - \$50,000										
	for first \$25,000.00		3.25	\$ 611	\$ 400	\$ 611	100%	8	\$ 3,198	\$ 4,888	\$ 4,888
	for each additional \$1000.00 (or fraction thereof, to and including \$50,000.00)		0.06	\$ 11	\$ 10	\$ 11	100%	62	\$ 626	\$ 699	\$ 699
1.5	\$50,001 - \$100,000										
	for first \$50,000.00		4.75	\$ 893	\$ 652	\$ 893	100%	6	\$ 3,914	\$ 5,358	\$ 5,358
	for each additional \$1000.00 (or fraction thereof, to and including \$100,000.00)		0.06	\$ 11	\$ 7	\$ 11	100%	145	\$ 1,053	\$ 1,636	\$ 1,636
1.6	\$100,001 - \$500,000										
	for first \$100,000.00		8.00	\$ 1,504	\$ 1,002	\$ 1,504	100%	3	\$ 3,007	\$ 4,512	\$ 4,512
	for each additional \$1000.00 (or fraction thereof, to and including \$500,000.00)		0.03	\$ 6	\$ 6	\$ 6	100%	433	\$ 2,425	\$ 2,442	\$ 2,442
1.7	\$500,001 - \$1,000,000										
	for first \$500,000.00		20.00	\$ 3,760	\$ 3,242	\$ 3,760	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$1,000,000.00)		0.02	\$ 4	\$ 5	\$ 4	100%	0	\$ -	\$ -	\$ -
1.8	\$1,000,001 and up										
	for first \$1,000,000.00		30.00	\$ 5,640	\$ 5,617	\$ 5,640	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof)		0.03	\$ 6	\$ 4	\$ 6	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.3

Building New Construction and Miscellaneous Permits - Cost Estimation for Providing Fee Related Activities and Services

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis		Cost Recovery Analysis			Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Total Estimated Average Labor Time Per Activity (hours)	Cost of Service Per Activity	Current Fee	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
2	Valuation Based Fees - Standard Plan Check (Not Routed to other Departments)										
	\$1 - \$500	[2]	0.75	\$ 141	\$ 24	\$ 141	100%	40	\$ 960	\$ 5,640	\$ 5,640
2.1	\$501 - \$2,000										
	for first \$500.00		1.00	\$ 188	\$ 24	\$ 188	100%	2	\$ 48	\$ 376	\$ 376
	for each additional \$100.00 (or fraction thereof, to and including \$2,000.00)		0.03	\$ 6	\$ 2	\$ 6	100%	3	\$ 7	\$ 17	\$ 17
2.2	\$2,001 - \$25,000										
	for first \$2000.00		1.50	\$ 282	\$ 58	\$ 282	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$25,000.00)		0.03	\$ 6	\$ 11	\$ 6	100%	0	\$ -	\$ -	\$ -
2.3	\$25,001 - \$50,000										
	for first \$25,000.00		2.25	\$ 423	\$ 300	\$ 423	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$50,000.00)		0.05	\$ 9	\$ 8	\$ 9	100%	0	\$ -	\$ -	\$ -
2.4	\$50,001 - \$100,000										
	for first \$50,000.00		3.50	\$ 658	\$ 489	\$ 658	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$100,000.00)		0.05	\$ 9	\$ 5	\$ 9	100%	0	\$ -	\$ -	\$ -
2.5	\$100,001 - \$500,000										
	for first \$100,000.00		6.00	\$ 1,128	\$ 752	\$ 1,128	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$500,000.00)		0.03	\$ 6	\$ 4	\$ 6	100%	0	\$ -	\$ -	\$ -
2.6	\$500,001 - \$1,000,000										
	for first \$500,000.00		18.00	\$ 3,384	\$ 2,432	\$ 3,384	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$1,000,000.00)		0.02	\$ 4	\$ 4	\$ 4	100%	0	\$ -	\$ -	\$ -
2.7	\$1,000,001 and up										
	for first \$1,000,000.00		28.00	\$ 5,264	\$ 4,213	\$ 5,264	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof)		0.03	\$ 6	\$ 3	\$ 6	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.3

Building New Construction and Miscellaneous Permits - Cost Estimation for Providing Fee Related Activities and Services

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis		Cost Recovery Analysis			Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Total Estimated Average Labor Time Per Activity (hours)	Cost of Service Per Activity	Current Fee	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
3	Valuation Based Fees - Standard Plan Check (Routed to other Departments)										
	\$1 - \$500	[2]	1.00	\$ 188	\$ 30	\$ 188	100%	13	\$ 395	\$ 2,444	\$ 2,444
3.1	\$501 - \$2,000										
	for first \$500.00		1.50	\$ 282	\$ 30	\$ 282	100%	2	\$ 61	\$ 564	\$ 564
	for each additional \$100.00 (or fraction thereof, to and including \$2,000.00)		0.03	\$ 6	\$ 3	\$ 6	100%	8	\$ 23	\$ 45	\$ 45
3.2	\$2,001 - \$25,000										
	for first \$2000.00		2.00	\$ 376	\$ 74	\$ 376	100%	1	\$ 74	\$ 376	\$ 376
	for each additional \$1000.00 (or fraction thereof, to and including \$25,000.00)		0.04	\$ 8	\$ 13	\$ 8	100%	0	\$ -	\$ -	\$ -
3.3	\$25,001 - \$50,000										
	for first \$25,000.00		3.00	\$ 564	\$ 380	\$ 564	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$50,000.00)		0.06	\$ 11	\$ 10	\$ 11	100%	0	\$ -	\$ -	\$ -
3.4	\$50,001 - \$100,000										
	for first \$50,000.00		4.75	\$ 893	\$ 620	\$ 893	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$100,000.00)		0.06	\$ 11	\$ 7	\$ 11	100%	0	\$ -	\$ -	\$ -
3.5	\$100,001 - \$500,000										
	for first \$100,000.00		8.00	\$ 1,504	\$ 952	\$ 1,504	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$500,000.00)		0.04	\$ 8	\$ 5	\$ 8	100%	0	\$ -	\$ -	\$ -
3.6	\$500,001 - \$1,000,000										
	for first \$500,000.00		24.00	\$ 4,512	\$ 3,080	\$ 4,512	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof, to and including \$1,000,000.00)		0.03	\$ 6	\$ 5	\$ 6	100%	0	\$ -	\$ -	\$ -
3.7	\$1,000,001 and up										
	for first \$1,000,000.00		40.00	\$ 7,520	\$ 5,336	\$ 7,520	100%	0	\$ -	\$ -	\$ -
	for each additional \$1000.00 (or fraction thereof)		0.03	\$ 6	\$ 3	\$ 6	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.3

Building New Construction and Miscellaneous Permits - Cost Estimation for Providing Fee Related Activities and Services

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis		Cost Recovery Analysis			Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Total Estimated Average Labor Time Per Activity (hours)	Cost of Service Per Activity	Current Fee	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
4	COMBINATION PERMIT FEES										
4.1	\$1 to and including \$500		0.75	\$ 141	\$ 41	\$ 141	100%	6	\$ 247	\$ 846	\$ 846
4.2	\$501 to \$2,000										
	for first \$500		1.00	\$ 188	\$ 41	\$ 188	100%	12	\$ 495	\$ 2,256	\$ 2,256
	each additional \$100 or fraction thereof, to and including \$2,000		0.05	\$ 9	\$ 4	\$ 9	100%	134	\$ 570	\$ 1,260	\$ 1,260
4.3	\$2,001 to \$25,000										
	for first \$2000		1.75	\$ 329	\$ 105	\$ 329	100%	152	\$ 15,954	\$ 50,008	\$ 50,008
	each additional \$1,000 or fraction thereof, to and including \$25,000		0.07	\$ 13	\$ 19	\$ 13	100%	1564	\$ 30,482	\$ 20,582	\$ 20,582
4.4	\$25,001 to \$50,000										
	for first \$25,000		3.50	\$ 658	\$ 553	\$ 658	100%	114	\$ 63,068	\$ 75,012	\$ 75,012
	each additional \$1,000 or fraction thereof, to and including \$50,000		0.10	\$ 19	\$ 14	\$ 19	100%	1414	\$ 19,881	\$ 26,583	\$ 26,583
4.5	\$50,001 to \$100,000										
	for first \$50,000		6.00	\$ 1,128	\$ 905	\$ 1,128	100%	50	\$ 45,237	\$ 56,400	\$ 56,400
	each additional \$100,000 or fraction thereof, to and including \$100,000		0.12	\$ 23	\$ 10	\$ 23	100%	829	\$ 8,066	\$ 18,702	\$ 18,702
4.6	\$100,001 to \$500,000										
	for first \$100,000		12.00	\$ 2,256	\$ 1,392	\$ 2,256	100%	232	\$ 322,881	\$ 523,392	\$ 523,392
	each additional \$1,000 or fraction thereof, to and including \$500,000		0.03	\$ 6	\$ 8	\$ 6	100%	40017	\$ 312,133	\$ 225,696	\$ 225,696
4.7	\$500,001 to \$1,000,000										
	for first \$500,000		25.00	\$ 4,700	\$ 4,512	\$ 4,700	100%	15	\$ 67,676	\$ 70,500	\$ 70,500
	each additional \$1,000 or fraction thereof, to and including \$1,000,000		0.04	\$ 8	\$ 7	\$ 8	100%	4587	\$ 30,320	\$ 34,494	\$ 34,494
4.8	\$1,000,000 and up										
	for first \$1,000,000		45.00	\$ 8,460	\$ 7,817	\$ 8,460	100%	6	\$ 46,900	\$ 50,760	\$ 50,760
	each additional \$1,000 or fraction thereof		0.04	\$ 8	\$ 5	\$ 8	100%	1108	\$ 5,629	\$ 8,332	\$ 8,332

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Building New Construction and Miscellaneous Permits - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.3

Input cells in blue font; formula based cells in black font

No.	Fee Description	Notes	Activity Service Cost Analysis		Cost Recovery Analysis			Annual Estimated Revenue Analysis			
			Total Estimated Average Labor Time Per Activity (hours)	Cost of Service Per Activity	Current Fee	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	GRADING										
5	Grading - Plan Review Fees										
5.1	50 cubic yards or less		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
5.2	51 to 100 cubic yards										
	first 50 cubic yards		1.25	\$ 235	\$ 32	\$ 235	100%	0	\$ -	\$ -	\$ -
	each additional cubic yard		0.02	\$ 4	\$ -	\$ 4	100%	0	\$ -	\$ -	\$ -
5.3	101 to 1,000 cubic yards										
	first 100 cubic yards		2.00	\$ 376	\$ 46	\$ 376	100%	0	\$ -	\$ -	\$ -
	each additional 100 cubic yards		0.06	\$ 11	\$ -	\$ 11	100%	0	\$ -	\$ -	\$ -
5.4	1,001 to 10,000 cubic yards										
	First 1000 cubic yards		2.50	\$ 470	\$ 58	\$ 470	100%	0	\$ -	\$ -	\$ -
	each additional hundred cubic yards		0.02	\$ 4	\$ -	\$ 4	100%	0	\$ -	\$ -	\$ -
5.5	10,001 to 100,000 cubic yards										
	1st 10,000 cubic yards		4.50	\$ 846	\$ 58	\$ 846	100%	0	\$ -	\$ -	\$ -
	each additional 10,000 cubic yards or fraction thereof		0.19	\$ 36	\$ 25	\$ 36	100%	0	\$ -	\$ -	\$ -
5.6	100,001 to 200,000 cubic yards										
	1st 100,000 cubic yards		6.25	\$ 1,175	\$ 278	\$ 1,175	100%	0	\$ -	\$ -	\$ -
	each additional 10,000 cubic yards or fraction thereof		0.33	\$ 62	\$ 13	\$ 62	100%	0	\$ -	\$ -	\$ -
5.7	200,001 cubic yards or more										
	1st 200,000 cubic yards		9.50	\$ 1,786	\$ 411	\$ 1,786	100%	0	\$ -	\$ -	\$ -
	each additional 10,000 cubic yards or fraction thereof		0.10	\$ 19	\$ 7	\$ 19	100%	0	\$ -	\$ -	\$ -
6	Grading - Permit Fees										
6.1	50 cubic yards or less		1.00	\$ 188	\$ 32	\$ 188	100%	0	\$ -	\$ -	\$ -
6.2	51 to 100 cubic yards										
	first 50 cubic yards		1.25	\$ 235	\$ 46	\$ 235	100%	0	\$ -	\$ -	\$ -
	each additional cubic yard		0.02	\$ 4	\$ -	\$ 4	100%	0	\$ -	\$ -	\$ -
6.3	101 to 1,000 cubic yards										
	first 100 cubic yards		2.00	\$ 376	\$ 46	\$ 376	100%	2	\$ 91	\$ 752	\$ 752
	each additional 100 cubic yards		0.11	\$ 21	\$ 18	\$ 21	100%	2	\$ 35	\$ 41	\$ 41
6.4	1,001 to 10,000 cubic yards										
	First 1000 cubic yards		3.00	\$ 564	\$ 203	\$ 564	100%	0	\$ -	\$ -	\$ -
	each additional hundred cubic yards		0.03	\$ 6	\$ 15	\$ 6	100%	0	\$ -	\$ -	\$ -
6.5	10,001 to 100,000 cubic yards										
	1st 10,000 cubic yards		6.00	\$ 1,128	\$ 334	\$ 1,128	100%	1	\$ 334	\$ 1,128	\$ 1,128
	each additional 10,000 cubic yards or fraction thereof		0.39	\$ 73	\$ 66	\$ 73	100%	3	\$ 198	\$ 220	\$ 220
6.6	100,001 cubic yards or more										
	1st 100,000 cubic yards		9.50	\$ 1,786	\$ 928	\$ 1,786	100%	9	\$ 8,348	\$ 16,074	\$ 16,074
	each additional 10,000 cubic yards or fraction thereof		0.10	\$ 19	\$ 37	\$ 19	100%	755	\$ 27,558	\$ 14,194	\$ 14,194

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.3

Building New Construction and Miscellaneous Permits - Cost Estimation for Providing Fee Related Activities and Services

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis		Cost Recovery Analysis			Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Total Estimated Average Labor Time Per Activity (hours)	Cost of Service Per Activity	Current Fee	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	ROOFS										
7	Re-Roofs										
7.1	Composition Roof Covering - Residential (includes new roof sheath) 1 - 15 SQUARES	[3]	1.25	\$ 235	\$ -	\$ 235	100%	0	\$ -	\$ -	\$ -
	Composition Roof Covering - Residential (includes new roof sheath) 16-30 SQUARES		2.00	\$ 376	\$ -	\$ 376	100%	0	\$ -	\$ -	\$ -
	Composition Roof Covering - Residential (includes new roof sheath) 31 and more SQUARES		2.50	\$ 470	\$ -	\$ 470	100%	0	\$ -	\$ -	\$ -
7.2	Tile 1-15 SQUARES		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
	TILE 16-30 SQUARES		1.50	\$ 282	\$ -	\$ 282	100%	0	\$ -	\$ -	\$ -
	TILE 31 and more SQUARES		2.00	\$ 376	\$ -	\$ 376	100%	0	\$ -	\$ -	\$ -
7.3	Wood Shake 1-15 SQUARES		1.25	\$ 235	\$ -	\$ 235	100%	0	\$ -	\$ -	\$ -
	Wood Shake 16-30 SQUARES		1.75	\$ 329	\$ -	\$ 329	100%	0	\$ -	\$ -	\$ -
	Wood Shake 31-SQUARES		2.00	\$ 376	\$ -	\$ 376	100%	0	\$ -	\$ -	\$ -
7.4	Steel Roof System		2.50	\$ 470	\$ -	\$ 470	100%	0	\$ -	\$ -	\$ -
8	Overlay										
8.1	Residential Composition Overlay - Lifetime		2.00	\$ 376	\$ -	\$ 376	100%	0	\$ -	\$ -	\$ -
9	Miscellaneous Roof										
9.1	Single-ply Roof System 1-30 SQUARES		2.00	\$ 376	\$ -	\$ 376	100%	0	\$ -	\$ -	\$ -
9.2	Single-ply Roof System 31 and more SQUARES		2.50	\$ 470	\$ -	\$ 470	100%	0	\$ -	\$ -	\$ -
9.3	Tar & Gravel (Built-Up/BUR)		2.00	\$ 376	\$ -	\$ 376	100%	0	\$ -	\$ -	\$ -
10	Permitted Values for Construction										
10.1	Per Square Foot for New Residential and Additions	[6]									
10.2	Per Square Foot for Interior Remodels	[6]									
10.3	Per Square Foot for Garages and Accessory Structures	[6]									
10.4	Per Square Foot for Decks	[6]									
10.5	Per Square Foot for Commercial Shell	[6]									
10.6	Per Square Foot for Tenant Improvements	[6]									

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.3

Building New Construction and Miscellaneous Permits - Cost Estimation for Providing Fee Related Activities and Services

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis		Cost Recovery Analysis			Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Total Estimated Average Labor Time Per Activity (hours)	Cost of Service Per Activity	Current Fee	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	MISCELLANEOUS BUILDING PERMIT FEES										
11	Accessibility Plan Check of Building Permit - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
12	Imaging Fees per page (standard size)	[6]									
13	Imaging Fees per page (oversize)	[6]									
14	Fees for Second and Each Additional Re-Inspection:										
14.1	During Normal Business Hours - per hour - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
14.2	Outside Business Hours - first 2 hour minimum - Hourly Rate		2.00	\$ 376	\$ -	\$ 376	100%	0	\$ -	\$ -	\$ -
14.3	Code Enforcement - City Attorney - per hour	[7]									
15	GEO Plan Review / Soils Report Review - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
16	GIS Mapping: New Construction, Addition, Alteration (1) - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
17	Additional Plan Check Fee - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
18	Demolition	[4]	3.00	\$ 564	\$ -	\$ 564	100%	8	\$ -	\$ 4,512	\$ 4,512
19	Address Change - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
20	Green Building Review - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
21	Energy Calculation Review Fee - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
22	Apartment Inspection Annual Fee										
22.1	Per Residential Building - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
22.2	Per Dwelling Unit within each Building - Hourly Rate		1.00	\$ 188	\$ -	\$ 188	100%	0	\$ -	\$ -	\$ -
23	Business License Zoning Review Planning Department does zoning review.		0.00	\$ -	\$ -	\$ -	0%	0	\$ -	\$ -	\$ -
24	Business License Building Review		0.50	\$ 94	\$ -	\$ 94	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.3

Building New Construction and Miscellaneous Permits - Cost Estimation for Providing Fee Related Activities and Services

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis		Cost Recovery Analysis			Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Total Estimated Average Labor Time Per Activity (hours)	Cost of Service Per Activity	Current Fee	Rec. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	SPECIAL EVENTS PERMIT FEES										
25	Candles/Open Flames in Assemblies (Vigil)		1.75	\$ 329	\$ 174	\$ 329	100%	0	\$ -	\$ -	\$ -
26	Carnivals/Fairs		4.50	\$ 846	\$ 742	\$ 846	100%	0	\$ -	\$ -	\$ -
27	Fireworks		6.50	\$ 1,222	\$ 742	\$ 1,222	100%	0	\$ -	\$ -	\$ -
28	Tents/Canopies		5.00	\$ 940	\$ 742	\$ 940	100%	0	\$ -	\$ -	\$ -
29	Assembly - Up to 499 People		3.00	\$ 564	\$ 254	\$ 564	100%	0	\$ -	\$ -	\$ -
30	Assembly - 500 or More People		5.50	\$ 1,034	\$ 718	\$ 1,034	100%	0	\$ -	\$ -	\$ -
	REVIEW OF ENGINEERING PLANS										
31	Lot Line Adjustment		0.75	\$ 141	\$ -	\$ 141	100%	0	\$ -	\$ -	\$ -
32	Final Map Reviews		0.75	\$ 141	\$ -	\$ 141	100%	0	\$ -	\$ -	\$ -
TOTAL NEW CONSTRUCTION AND MISCELLANEOUS PERMTS									\$ 1,043,910	\$ 1,279,985	\$ 1,279,985

- Notes
- [1] Revenue sourced [1516 revenue status report] actual YTD thru June 15, 2016
 - [2] Current fee schedule for non routed plan review is 75% and routed plan checks are 95% of permit costs. The following fee for plan checks are based on building only permit costs.
 - [3] Reroof permits currently are building only permits fees are based on valuation only.
 - [4] Demolition permits are building only based on valuation only.
 - [5] records are \$4 base fee and \$.25 per 8 1/2x11 or \$2.00 for 11x17 or larger.
 - [6] MFS Place Holder, Not Analyzed by NBS
 - [7] Hourly Rates based on current City Attorney established rates

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Building Mechanical Permits - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.3

Input cells in blue font; formula based cells in black font

No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec'd. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	BUILDING - MECHANICAL PERMITS												
1	Permit Issuance		0.45	\$ 188	\$ 85	\$ 32	38%	\$ 85	100%	63	\$ 2,016	\$ 5,330	\$ 5,330
2	Furnaces Installation												
2.1	Residential: Installation or relocation of forced air or gravity-type furnace or burner, each		0.50	\$ 188	\$ 94	\$ 65	69%	\$ 94	100%	22	\$ 1,430	\$ 2,068	\$ 2,068
2.1	Commercial: Installation or relocation of forced air or gravity-type furnace or burner, each		1.00	\$ 188	\$ 188	\$ 129	69%	\$ 188	100%	0	\$ -	\$ -	\$ -
2.1	Installation or relocation of suspended heater, recessed wall heater, floor furnace, or floor mounted unit heater including flue vent, each		0.75	\$ 188	\$ 141	\$ 104	74%	\$ 141	100%	22	\$ 2,288	\$ 3,102	\$ 3,102
3	Appliance Vents and Ducts												
3.1	Installation, relocation or replacement of appliance vent, ducts, per system		0.75	\$ 188	\$ 141	\$ 65	46%	\$ 141	100%	1	\$ 65	\$ 141	\$ 141
3.2	Condensing units (AC), each		0.50	\$ 188	\$ 94	\$ 65	69%	\$ 94	100%	11	\$ 715	\$ 1,034	\$ 1,034
4	Boilers, Compressors & Absorption Systems												
4.1	Installation or relocation of each boiler, compressors 1-15 horsepower, or absorption system 0 - 500,000 Btu/h, each		0.75	\$ 188	\$ 141	\$ 104	74%	\$ 141	100%	1	\$ 104	\$ 141	\$ 141
4.2	Installation or relocation of each boiler, compressors 16-50 horsepower, or absorption system 500,001 - 1,750,000 Btu/h, each		1.00	\$ 188	\$ 188	\$ 136	72%	\$ 188	100%	0	\$ -	\$ -	\$ -
4.3	Installation or relocation of each boiler, compressors 51 and over horsepower, or absorption system 500,001 - 1,750,001 and over Btu/h, each		1.25	\$ 188	\$ 235	\$ 168	71%	\$ 235	100%	0	\$ -	\$ -	\$ -
	Air Handlers												
5	Installation or relocation of air-handling unit, each		0.75	\$ 188	\$ 141	\$ 104	74%	\$ 141	100%	1	\$ 104	\$ 141	\$ 141
	Evaporative Coolers												
6	Each non-residential evaporative cooler other than portable type, each		1.00	\$ 188	\$ 188	\$ 104	55%	\$ 188	100%	0	\$ -	\$ -	\$ -
7	Ventilation & Exhaust												
7.1	Residential: Ventilation fan or hoods connected to a single duct, exhaust fan for bathrooms, kitchens, or laundry rooms, each		0.75	\$ 188	\$ 141	\$ 82	58%	\$ 141	100%	1	\$ 82	\$ 141	\$ 141
7.2	Commercial: Installation of kitchen hood each which is served by mechanical exhaust, including the ducts for such hood, each		2.00	\$ 188	\$ 376	\$ 149	40%	\$ 376	100%	0	\$ -	\$ -	\$ -
7.3	Ventilation system which is not a portion of any heating or air-conditioning, each		1.00	\$ 187	\$ 187	\$ 104	56%	\$ 187	100%	1	\$ 104	\$ 187	\$ 187
	Incinerators												
8	Installation or relocation of each commercial or industrial-type incinerator, each		3.00	\$ 188	\$ 564	\$ 149	26%	\$ 564	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Appendix A.3

Building Mechanical Permits - Cost Estimation for Providing Fee Related Activities and Services

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec'd. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	Repairs or Additions												
9	The repair, alteration, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or evaporative cooling system, including installation of controls, each		0.75	\$ 188	\$ 141	\$ 65	46%	\$ 141	100%	3	\$ 195	\$ 423	\$ 423
	Miscellaneous												
10	Each appliance or piece of equipment regulated by this code but not classed in other appliance categories, or for which no other fee is listed, each		1.00	\$ 188	\$ 188	\$ 149	79%	\$ 188	100%	4	\$ 596	\$ 752	\$ 752
TOTAL BUILDING - MECHANICAL PERMITS											\$ 7,699	\$ 13,459	\$ 13,459

Notes

[1] Revenue sourced [1516 revenue status report] actual YTD thru June 15, 2016

[2] Volume sourced [Morgan Hill FY 2014-2015 Permits Issued Fees Paid Combined]

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Building Plumbing Permits - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.3

Input cells in blue font; formula based cells in black font

No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec'd. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	BUILDING - PLUMBING PERMITS												
1	Permit Issuance		0.45	\$ 188	\$ 85	\$ 32	38%	\$ 85	100%	168	\$ 5,376	\$ 14,213	\$ 14,213
2	Thermal Solar Water Heating		1.00	\$ 188	\$ 188	\$ 142	76%	\$ 188	100%	0	\$ -	\$ -	\$ -
3	Fixtures and Vents												
3.1	Installation or repair plumbing fixture, trap or set of fixtures on one trap, backflow device, including condensate lines		0.50	\$ 188	\$ 94	\$ 65	69%	\$ 94	100%	7	\$ 455	\$ 658	\$ 658
3.2	For repairs or alterations of drainage or vents piping, each		0.75	\$ 188	\$ 141	\$ 65	46%	\$ 141	100%	2	\$ 130	\$ 282	\$ 282
4	Sewers, Disposal Systems and Interceptors												
4.1	Building Sewer Lateral, each		1.00	\$ 188	\$ 188	\$ 65	35%	\$ 188	100%	19	\$ 1,235	\$ 3,572	\$ 3,572
4.2	Private sewage or disposal system, each		1.00	\$ 188	\$ 188	\$ 65	35%	\$ 188	100%	0	\$ -	\$ -	\$ -
4.3	Industrial water pretreatment interceptor, each		2.00	\$ 188	\$ 376	\$ 65	17%	\$ 376	100%	0	\$ -	\$ -	\$ -
4.4	Non-residential rainwater systems, up to 5 per drain		1.50	\$ 188	\$ 282	\$ 65	23%	\$ 282	100%	0	\$ -	\$ -	\$ -
5	Water Piping and Water Heaters												
5.1	Installation, alteration or repair of water piping and/or water treating equipment, including pressure regulator, per system		1.00	\$ 188	\$ 188	\$ 65	35%	\$ 188	100%	31	\$ 2,015	\$ 5,828	\$ 5,828
5.2	For installation and replacement of water heater including vent, each		0.45	\$ 188	\$ 85	\$ 43	51%	\$ 85	100%	93	\$ 3,999	\$ 7,868	\$ 7,868
6	Gas Piping Systems												
6.1	Gas piping system, 1-10 outlets		0.45	\$ 188	\$ 85	\$ 65	77%	\$ 85	100%	13	\$ 845	\$ 1,100	\$ 1,100
6.2	Gas piping system, over 10 outlets		1.50	\$ 188	\$ 282	\$ 97	34%	\$ 282	100%	0	\$ -	\$ -	\$ -
7	Lawn Sprinklers, Vacuum Breakers, Backflow Protections Devices												
7.1	Installation of lawn sprinkler systems including backflow protection device, and atmospheric-type vacuum breakers, per system		1.00	\$ 188	\$ 188	\$ 65	35%	\$ 188	100%	0	\$ -	\$ -	\$ -
8	Swimming Pools and Spas - Plumbing Repair / Replacement												
8.1	Public pool including anti-entrapment device		1.25	\$ 188	\$ 235	\$ 207	88%	\$ 235	100%	0	\$ -	\$ -	\$ -
8.2	Private pool including anti-entrapment device		1.00	\$ 188	\$ 188	\$ 136	72%	\$ 188	100%	0	\$ -	\$ -	\$ -
8.3	Public spa including anti-entrapment device		1.25	\$ 188	\$ 235	\$ 207	88%	\$ 235	100%	0	\$ -	\$ -	\$ -
8.4	Private spa including anti-entrapment device		1.00	\$ 188	\$ 188	\$ 136	72%	\$ 188	100%	0	\$ -	\$ -	\$ -
8.5	Installation or replacement of anti-entrapment device		1.25	\$ 188	\$ 235	\$ 43	18%	\$ 235	100%	0	\$ -	\$ -	\$ -
9	Miscellaneous												
9.1	Each additional or piece of equipment regulated by the Plumbing Code but not classed in other appliance categories, or for which no other fee is listed in this code		0.75	\$ 188	\$ 141	\$ 43	30%	\$ 141	100%	3	\$ 129	\$ 423	\$ 423
TOTAL BUILDING - PLUMBING PERMITS											\$ 14,184	\$ 33,943	\$ 33,943

Notes

[1] Revenue sourced [1516 revenue status report] actual YTD thru June 15, 2016

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Building Electrical Permits - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.3

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
No.	Description	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec'd. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	BUILDING - ELECTRICAL PERMITS												
1	Permit Issuance		0.45	\$ 188	\$ 85	\$ 32	38%	\$ 85	100%	88	\$ 2,816	\$ 7,445	\$ 7,445
	Private Swimming Pools - Repairs/Replacement												
2	For private, residential in-ground, swimming pools for single-family occupancies including a complete system of necessary branch circuit wiring, bonding, grounding, underwater lighting, water pumping and other similar electrical equipment directly related to the operation of a swimming pool, each pool		1.00	\$ 188	\$ 188	\$ 65	35%	\$ 188	100%	1	\$ 65	\$ 188	\$ 188
3	Carnivals and Circuses												
3.1	For electric generators, electrically driven rides, mechanically driven rides and walk through attractions or displays having electric lighting		2.00	\$ 188	\$ 376	\$ 207	55%	\$ 376	100%	0	\$ -	\$ -	\$ -
3.2	Carnivals and circuses booth and pathway lighting		2.00	\$ 188	\$ 376	\$ 207	55%	\$ 376	100%	0	\$ -	\$ -	\$ -
4	Temporary Power Service												
4.1	Temporary metered service power pole or pedestal including pole or pedestal-mounted receptacle outlets, each		1.00	\$ 188	\$ 188	\$ 65	35%	\$ 188	100%	16	\$ 1,040	\$ 3,008	\$ 3,008
4.2	Temporary distribution system (up to 5) poles including temporary lighting and receptacle outlets for construction sites, decorative light, Christmas tree sales lots, firework stands, each		1.00	\$ 188	\$ 188	\$ 65	35%	\$ 188	100%	10	\$ 650	\$ 1,880	\$ 1,880
4.3	Each additional distribution system		1.00	\$ 188	\$ 188	\$ 65	35%	\$ 188	100%	0	\$ -	\$ -	\$ -
5	Photovoltaic Systems												
5.1	Residential: Repair of photovoltaic electrical systems, each		1.00	\$ 188	\$ 188	\$ 142	76%	\$ 188	100%	2	\$ 284	\$ 376	\$ 376
	Fees for new installation are included in Miscellaneous Permits												
5.2	Commercial and Industrial: Repair of photovoltaic electrical systems, each		1.25	\$ 188	\$ 235	\$ 214	91%	\$ 235	100%	0	\$ -	\$ -	\$ -
	Fees for new installation are included in Miscellaneous Permits												
	Unit Fee Schedule												
6	Receptacle, switch, lighting outlets, lighting fixtures, sockets or other lamp holding		0.50	\$ 188	\$ 94	\$ 65	69%	\$ 94	100%	10	\$ 650	\$ 940	\$ 940
7	Pole or platform-mounted lighting fixtures (up to 5), each		1.00	\$ 188	\$ 188	\$ 97	52%	\$ 188	100%	0	\$ -	\$ -	\$ -
8	Theatrical-type lighting fixtures or assemblies, per system		2.50	\$ 188	\$ 470	\$ 129	27%	\$ 470	100%	0	\$ -	\$ -	\$ -
9	Kitchen circuits - remodels		0.75	\$ 188	\$ 141	\$ 65	46%	\$ 141	100%	0	\$ -	\$ -	\$ -
10	Bathroom circuits - remodels		0.50	\$ 188	\$ 94	\$ 65	69%	\$ 94	100%	1	\$ 65	\$ 94	\$ 94
11	Non-Residential Appliances, and Receptacle Outlets		1.25	\$ 188	\$ 235	\$ 129	55%	\$ 235	100%	4	\$ 516	\$ 940	\$ 940
12	Power Apparatus												
12.1	1 to 100 - HP or KW, each		1.00	\$ 188	\$ 188	\$ 97	52%	\$ 188	100%	1	\$ 97	\$ 188	\$ 188
12.2	101 and over - HP or KW, each		1.50	\$ 188	\$ 282	\$ 129	46%	\$ 282	100%	0	\$ -	\$ -	\$ -
13	Busways		2.00	\$ 188	\$ 376	\$ 207	55%	\$ 376	100%	0	\$ -	\$ -	\$ -
14	Signs, Outline Lighting, Marquees												
14.1	Signs, outline lighting systems or marquees supplies from one branch circuit		1.25	\$ 188	\$ 235	\$ 175	74%	\$ 235	100%	0	\$ -	\$ -	\$ -
14.2	Additional branch circuits (up to 5) within the same sign, outline lighting system or		1.00	\$ 188	\$ 188	\$ 207	110%	\$ 188	100%	0	\$ -	\$ -	\$ -

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Building Electrical Permits - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.3

Input cells in blue font; formula based cells in black font

			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
No.	Description	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec'd. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
15	Services												
15.1	Services of 600 volts or less and not over 200 amperes in rating, each		1.00	\$ 188	\$ 188	\$ 97	52%	\$ 188	100%	28	\$ 2,716	\$ 5,264	\$ 5,264
15.2	Services of 600 volts or less and over 200 amperes and over, each		1.50	\$ 188	\$ 282	\$ 129	46%	\$ 282	100%	5	\$ 645	\$ 1,410	\$ 1,410
16	Photovoltaic												
16.1	Base Fee		0.45	\$ 188	\$ 85	\$ 32	38%	\$ 85	100%	0	\$ -	\$ -	\$ -
16.2	Residential		1.20	\$ 187	\$ 224	\$ 142	63%	\$ 224	100%	0	\$ -	\$ -	\$ -
16.3	Commercial <10kW		1.45	\$ 187	\$ 271	\$ 214	79%	\$ 271	100%	0	\$ -	\$ -	\$ -
16.4	Commercial greater than or equal to 10kW - 49kW		1.95	\$ 187	\$ 364	\$ 214	59%	\$ 364	100%	0	\$ -	\$ -	\$ -
16.5	Commercial >49kW		2.70	\$ 187	\$ 504	\$ 214	42%	\$ 504	100%	0	\$ -	\$ -	\$ -
16.6	Records Retention (per sheet)	[2]				\$ 4		\$ 4					
	Miscellaneous Apparatus, Conduits, and Conductors												
17	Electrical apparatus, conduits and conductors for which a permit is required but for		0.75	\$ 188	\$ 141	\$ 65	46%	\$ 141	100%	10	\$ 650	\$ 1,410	\$ 1,410
TOTAL BUILDING - ELECTRICAL PERMITS											\$ 10,194	\$ 23,143	\$ 23,143

Notes

[1]

Revenue sourced [1516 revenue status report] actual YTD thru June 15, 2016

[2]

MFS Placeholder, Not analyzed by NBS

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

APPENDIX A. 4

Cost of Service Analysis – Fire

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Fire - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.4

Input cells in blue font; formula based cells in black font

No.	Fee Description	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec'd. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
	FIRE PERMITS												
1	Fire Alarm												
1.1	1-15 Devices		3.00	\$ 188	\$ 564	\$ 459	81%	\$ 564	100%	13	\$ 5,967	\$ 7,332	\$ 7,332
1.2	16-50 Devices		4.00	\$ 188	\$ 752	\$ 459	61%	\$ 752	100%	0	\$ -	\$ -	\$ -
1.3	51-100 Devices		5.00	\$ 188	\$ 940	\$ 459	49%	\$ 940	100%	0	\$ -	\$ -	\$ -
1.4	101-500 Devices		6.00	\$ 188	\$ 1,128	\$ 459	41%	\$ 1,128	100%	0	\$ -	\$ -	\$ -
1.5	Each additional 50 devices over 500 devices		0.04	\$ 188	\$ 8	New	0%	\$ 8	100%	0	\$ -	\$ -	\$ -
2	Fire Sprinklers												
2.1	Residential Single Family/Townhouse (R-3)		3.00	\$ 188	\$ 564	\$ 459	81%	\$ 564	100%	246	\$ 112,914	\$ 138,744	\$ 138,744
2.2	Apartment/Condo		3.00	\$ 188	\$ 564	\$ 459	81%	\$ 564	100%	0	\$ -	\$ -	\$ -
2.3	Additional time per unit		0.50	\$ 188	\$ 94	New	0%	\$ 94	100%	0	\$ -	\$ -	\$ -
3	Commercial- New Construction												
3.1	1-20 Appliances		3.00	\$ 188	\$ 564	\$ 459	81%	\$ 564	100%	0	\$ -	\$ -	\$ -
3.2	21-100 Appliances		4.00	\$ 188	\$ 752	\$ 459	61%	\$ 752	100%	0	\$ -	\$ -	\$ -
3.3	101-200 Appliances		4.75	\$ 188	\$ 893	\$ 459	51%	\$ 893	100%	0	\$ -	\$ -	\$ -
3.4	201-350 Appliances		5.75	\$ 188	\$ 1,081	\$ 459	42%	\$ 1,081	100%	0	\$ -	\$ -	\$ -
3.5	351-500 Appliances		7.00	\$ 188	\$ 1,316	\$ 459	35%	\$ 1,316	100%	0	\$ -	\$ -	\$ -
3.6	Each additional 100 appliances over 500 appliances		0.15	\$ 188	\$ 28	New	0%	\$ 28	100%	0	\$ -	\$ -	\$ -
4	Commercial- Tenant Improvements												
4.1	1-20 Appliances		2.75	\$ 188	\$ 517	\$ 459	89%	\$ 517	100%	0	\$ -	\$ -	\$ -
4.2	21-100 Appliances		3.25	\$ 188	\$ 611	\$ 459	75%	\$ 611	100%	0	\$ -	\$ -	\$ -
4.3	101-200 Appliances		3.75	\$ 188	\$ 705	\$ 459	65%	\$ 705	100%	0	\$ -	\$ -	\$ -
4.4	201-350 Appliances		4.25	\$ 188	\$ 799	\$ 459	57%	\$ 799	100%	0	\$ -	\$ -	\$ -
4.5	351-500 Appliances		4.75	\$ 188	\$ 893	\$ 459	51%	\$ 893	100%	0	\$ -	\$ -	\$ -
4.6	Each additional 100 appliances over 500 appliances		0.10	\$ 188	\$ 19	New	0%	\$ 19	100%	0	\$ -	\$ -	\$ -
5	Fire Sprinklers (Master Plan Review)		3.00	\$ 188	\$ 564	Actual Cost	0%	Actual Cost	0%	0	\$ -	\$ -	\$ -
6	High Piled Storage		3.00	\$ 188	\$ 564	\$ 318	56%	\$ 564	100%	0	\$ -	\$ -	\$ -
7	Suppression System		3.00	\$ 188	\$ 564	\$ 459	81%	\$ 564	100%	6	\$ 2,754	\$ 3,384	\$ 3,384
8	Tire Storage		2.75	\$ 188	\$ 517	\$ -	0%	\$ 517	100%	0	\$ -	\$ -	\$ -
9	Underground Piping / Hydrant System / Backflow		3.25	\$ 188	\$ 611	\$ 318	52%	\$ 611	100%	1	\$ 318	\$ 611	\$ 611
10	Medical Gas Systems		3.00	\$ 188	\$ 564	\$ 459	81%	\$ 564	100%	1	\$ 459	\$ 564	\$ 564
11	LRP - 15% of Permit Fee	[2]											
12	Microfilm Fee (Base Fee)	[2]				\$ 4.15		\$ 2.07					
12.1	8 1/2 x 11 (per sheet)	[2]				\$ 0.25		\$ 0.13					
12.2	8 1/2 x 14 or Larger (per sheet)	[2]				\$ 2.07		\$ 1.04					
13	Seismic Fee	[2]				n/a							
14	CBSC Fee (min. \$1.00)												
14.1	\$1.00 per each \$25,000 of construction valuation	[2]				TBD							

Attachment: NBS City Wide User Fee Study October 20, 2017 (1464 : Development Fee Update)

CITY OF MORGAN HILL

City of Morgan Hill - User Fee Study FY 17

Fire - Cost Estimation for Providing Fee Related Activities and Services

Appendix A.4

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
No.	Fee Description	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Rec'd. Fee Level	Rec'd. Cost Recovery %	Estimated Volume of Activity (Performed)	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Rec'd. Fee
15	REVIEW OF ENGINEERING PLANS												
15.1	Lot Line Adjustment		0.50	\$ 188	\$ 188	\$ -	0%	\$ 188	100%	0	\$ -	\$ -	\$ -
15.2	Final Map Reviews		1.00	\$ 188	\$ 188	\$ -	0%	\$ 188	100%	0	\$ -	\$ -	\$ -
TOTAL Fire Permits											\$ 122,412	\$ 150,635	\$ 150,635

Notes

[1]

Revenue sourced [1516 revenue status report] actual YTD thru June 15, 2016

[2]

Fee not analyzed by NBS

Fee Comparison Study

	City of Morgan Hill (Recommended Fee)	City of Campbell	City of Gilroy	City of San Jose
29.6 - Administrative Use Permit	\$1,150	\$1,505	N/A	\$2,131
1 - Annexation	\$11,366	N/A	\$15,910	\$25,732
2.1 - Appeal	\$6,352	\$750	\$600 (planning commission) \$2,540 (all others)	\$500 (appeal of permit) \$8,187 (appeal by applicant)
29.5 - Conditional Use Permit	\$8,770	\$4,000	\$5,275	\$11,619
11.1 - General Plan Text Amendment	\$6,513	\$2,899	\$10,710	\$12,880
11. 2 - General Plan Map Amendment	\$15,944	\$13,105	\$15,575	\$12,880
33.1 - Planned Development	\$9,777	\$10,257 (0-1 acre)	\$13,875	\$6,595 (plus per square foot charges)
24.5 - Site Plan Review	\$5,613	\$5,017 (under 5,000 SF)	\$5,125 (first 10,000 SF)	\$6,109 (plus per square foot charges)
27 - Tree Removal	\$100	\$173	\$320 (protected tree removal fee only for hillside)	\$362 (Single Family) \$1,172 (Multifamily)
8.3 - Environmental Impact Report	\$20,348 or 19% Administrative costs	Actual Cost + 20% Administrative overhead	\$19,820 (minimum fee + 15% contract price)	\$14,645

Attachment: Fee Comparisons to other Santa Clara County cities (1464 : Development Fee Update)

RESOLUTION NO. 17-0XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ADOPTING A COMPREHENSIVE DEVELOPMENT FEE SCHEDULE ESTABLISHING AND AMENDING DEVELOPMENT-RELATED FEES FOR CITY SERVICES

WHEREAS, the City Council, pursuant to Section 3.50.010 of the Morgan Hill Municipal Code (“Code”), requires the recovery of costs reasonably born from fees and charges levied in providing the regulation, products or services enumerated in Code Chapter 3.50 – Fee and Service Charge Revenue/Cost Comparison System; and

WHEREAS, pursuant to Section 3.50.030 of the Code, “costs reasonably borne” is defined to include all applicable direct costs, indirect costs, fixed asset recovery expenses, general overhead, departmental overhead, and debt service costs; and

WHEREAS, the City of Morgan Hill has conducted a fee study to calculate the costs reasonably borne to provide the specified development services (Planning, Building, Engineering) prepared by NBS Government Finance Group (“NBS”), which study has been available to the public for at least ten (10) days prior to the adoption of this Resolution; and

WHEREAS, a public workshop was held with the City Council on July 19, 2017 where NBS presented an overview of the methodology and process followed in the development of the fee study; and

WHEREAS, two public meetings were held with members of the development community on September 20, 2017; and

WHEREAS, prior to the adoption of this Resolution, a duly noticed public hearing was held at a regular meeting of the City Council, during which written and oral presentations and public comments were received; and

WHEREAS, the City Council has considered any and all verbal and/or written testimony, and has reviewed and considered the information provided at the public hearing by City staff and the public, including the fee study.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL THAT:

SECTION 1. The City Council of the City of Morgan Hill (“City Council”) hereby finds, determines and declares that:

- A. The City Council has determined that City staff provides many types of special services ("Services") involving requests by City customers ("Applicants"); and

- B. The City currently imposes service fees ("Service Fees") and development-related fees ("Development Fees") upon Applicants to recover the costs of staff time, copying costs, and other expenses related to providing these Services; and
- C. The City Council has conducted an extensive analysis of its Service and Development Fees, including the cost to the City for special services and development applications and the revenues produced by those paying Development and Service Fees; and
- D. Current Service Fees and Development Fees charged for the City's Services do not adequately recoup the City's costs of providing certain Services; and
- E. The City Council finds that providing these Services is of special benefit to Applicants both separate and apart from the general benefit to the public; and therefore, in the interests of fairness to the general public, the City desires to better recover the costs of providing these Services from Applicants who have sought the City's Services by revising its schedule of City-Wide Fees; and
- F. The proposed Service Fees and Development Fees are initially based upon the information contained in a document by City staff and Consultant ("Consultant") entitled "City of Morgan Hill Citywide User Fee Study Final Report" ("Fee Study"), dated October 20, 2017, and updated by staff to reflect current costs of the City to provide the Services; and
- G. Based upon the Fee Study and the updated information, the City (i) identifies the purpose of the proposed fees, (ii) identifies the use to which the fees will be put, (iii) demonstrates a reasonable relationship between the fees' use and the types of projects on which the fees are imposed, and (iv) demonstrates a reasonable relationship between the amount of the fees and the cost of the City's Services attributable to the applications on which the fees are imposed; and
- H. Pursuant to state law, the City may impose service fees for certain services; and
- I. Pursuant to Government Code Section 66000, *et seq.*, the City is empowered to impose Development Fees covering up to 100 percent of the actual costs of providing Services to Applicants; and
- J. The City desires to adjust certain fees to reflect the actual costs incurred by the City in providing Services; and
- K. Section 3.50.010 of the Morgan Hill Municipal Code provides that the City may set fees to recoup costs reasonably borne by the City by means of adopting a resolution of the City Council, after compliance with the requirements of state law; and
- L. Government Code Section 66014 *et al.* allows local agencies to charge fees for various activities as long as those fees do not exceed the estimated reasonable costs of providing the service for which the fee is intended; and

- M. Pursuant to Government Code Sections 66014, 66017, and 66018 and the Morgan Hill Municipal Code, the specific fees to be charged for certain regulations, services and products must be adopted by resolution, following notice and public hearing; and
- N. Notice of public hearing has been given pursuant to Government Code Section 6062a, and written notice has been provided to interested parties who filed written requests for mailed notice of meetings on new or increased development-related fees or service charges; and
- O. The City Council conducted a duly noticed public hearing on November 1, 2017, at which time the public was invited to make oral and written presentations as part of the regularly scheduled meeting prior to the adoption of this Resolution; and
- P. At least ten (10) days prior to the public hearing referenced above, the City made available for public inspection information required under Government Code Section 66000, *et seq.*; and
- Q. The City published notice of the public hearing as described above in accordance with Government Code Sections 6062(a), 66014, 66016, 66017, and 66018 for the various Service Fees and Development Fees; and
- R. Pursuant to Government Code Section 6159, the City may provide for payment by credit card, debit card, or electronic funds transfer and can impose a fee or charge for the transactional costs associated with the use of such methods; and
- S. According to Government Code Section 6159, the City must obtain approval from the City Council to provide for payment by credit card, debit card, or electronic funds transfer; and
- T. The City is also expressly authorized to impose a fee for the use of a credit card, debit card, or electronic fund transfer, so long as the fee does not exceed the costs incurred by the City in providing for the payment by credit card.

SECTION 2. Adoption of Fees and Charges. The City Council hereby adopts the "City of Morgan Hill Development Services User Fee Schedule" as set forth in attached **Exhibit "A"** and incorporated by this reference. Unless otherwise stated in the Fee Schedule, all Service Fees and Development Fees shall be paid to the City by the Applicant prior to the City's performance of the requested Services. The City Manager or her designee is hereby authorized and directed to amend the City-Wide Fee Schedule to reflect the fees as set forth in Exhibit A.

SECTION 3. Repeal of Conflicting Resolutions. The City Council finds and determines that it is reasonable to continue to annually adjust the fees set forth in Schedule by the Consumer Price Index for Urban Wage Earners and Clerical Workers for the San Francisco, Oakland and San Jose Area, and hereby instructs, authorizes and directs the City Manager to so annually adjust the applicable fees as set forth Resolution 6503 adopted January 18, 2012.

SECTION 4. Environmental Exemption. The adoption of this Resolution establishing and increasing Service Fees and Development Fees is exempt from the California Environmental Quality Act (“CEQA,” Public Resources Code Sections 21000 *et seq.*), because it approves and sets forth a procedure for determining fees for the purpose of meeting the operating expenses of City departments, as set forth in Public Resources Code Section 21080(b)(8)(A) and Section 15273(a)(1) of the California Environmental Quality Act Guidelines.

SECTION 5. Pursuant to Government Code Section 6159, the City Council hereby authorizes the City to provide for payment of Service and Development Fees by credit card, debit card, or electronic funds transfer and charge a fee for processing the payment, so long as the fee does not exceed the costs incurred by the City in providing for the payment by credit card, debit card, or electronic funds transfer, as set forth in Exhibit A.

SECTION 6. Severability. If any section, subsection, subdivision, paragraph, sentence, clause, phrase, word, or portion of this Resolution is, for any reason, held to be invalid by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivision, sentences, clauses, phrases, words or portions thereof be declared invalid.

SECTION 7. To the extent that any portion of this Resolution may be inconsistent with any prior resolution adopted by the City Council, this Resolution will supersede such prior resolutions and prevail insofar as it relates to fees and charges to be levied pursuant to this Resolution.

SECTION 8. Any judicial action or proceeding to attack, review, set aside, or annul this Resolution or any provision thereof shall be filed with a court of competent jurisdiction within one hundred twenty (120) days of the effective date of this Resolution.

SECTION 9. Effective Date. This Resolution shall take effect upon its adoption; provided, however, that the Development Fees established hereunder shall first be imposed and collected sixty (60) days from the date of adoption of this Resolution.

NOW, THEREFORE, BE IT FURTHER RESOLVED that this Resolution shall be effective sixty (60) days after the adoption by the City Council.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 1st day of November, 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 November 1, 2017.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Draft Development Fee Resolution [Revision 1] (1464 : Development Fee Update)

EXHIBIT "A"City of Morgan Hill Development Services
User Fee Schedule

Attached

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Planning Fees

No.	Fee Description	Proposed Fee
PLANNING DEPARTMENT		
1	ANNEXATION	
	City Processing	
	City Processing-Public Works Time	
	Total	\$ 11,366
1.2	LAFCO Processing	\$ 9,839
	Plus additional fees collected by other agencies	
2	APPEALS	
	Commission/Board Decisions	
	Commission/Board Decisions-Public Works Time	
	Total	\$ 6,352
2.1	Staff Decisions	
	Staff Decisions-Public Works Time	
	Total	\$ 5,243
3	APPROVAL AMENDMENT	
3.1	Major Approval Amendment (Non Admin - s/b Major)	
	Major Approval Amendment (Non Admin - s/b Major)-Public Works Time	
	Total	\$ 7,552
3.2	Minor Approval Amendment (Admin - s/b Minor)	
	Minor Approval Amendment (Admin - s/b Minor)-Public Works Time	
	Total	\$ 4,145
4	CC&Rs	
4.1	CC&Rs (plus City Attorney fees)	\$ 480
4.2	Other Agreements / Documents Review (plus City Attorney fees)	\$ 480
5	CONTRACT PLANNING SERVICES	
6	CULTURAL RESOURCES	
6.1	Designation	\$ 7,679
6.2	Demolition or Relocation (Formerly Alteration)	
	Demolition or Relocation (Formerly Alteration)-Public Works Time	
	Total	\$ 5,261
6.3	Alteration (Minor - under \$10,000 valuation) (plus Planning Commission costs)	\$ 360
6.4	Alteration (Major - \$10,000+ valuation) (plus Planning Commission costs)	\$ 1,200
7	DEVELOPMENT AGREEMENT/RDCS	
7.1	Development Agreement	\$ 6,479
7.2	If Processed Concurrently with Tentative Subdivision or Parcel Map	\$ 10,079
7.3	RDCS Compliance Monitoring - Pre Development Agreement 0 - 3 Yrs.	\$ 11,279
7.4	RDCS Compliance Monitoring - each year after 3 years	\$ 2,400
8	ENVIRONMENTAL REVIEW (CEQA)	
8.1	Initial Environmental Assessment	
	Initial Environmental Assessment - Public Works Time	
	Total	\$ 2,123
	plus required State and County Fees	
8.2	Expanded Initial Study	
	Expanded Initial Study-Public Works Time	
	Total	\$ 14,922
	or 22% of study costs, whichever is greater, plus actual cost of study & required State and County Fees	

*# Fee reduced from 100% cost recovery.

Attachment: Exhibit A - Proposed Fees 100% cost recovery (1464 : Development Fee Update)

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Planning Fees

No.	Fee Description	Proposed Fee
8.3	Environmental Impact Report	
	Environmental Impact Report - Public Works Time	
	Total	\$ 20,348
	or 19% of study costs, whichever is greater, plus actual cost of study & required State and County Fees	
8.4	Historic Assessments - Staff-level	\$ 2,400
8.5	Historic Assessments - Historical Consultant (Deposit)	Actual Cost
9	RDCS Extension	
	RDCS Extension - Public Works Time	
	Total	\$ 3,952
10	EXTENSION OF TIME FOR APPROVALS	
10.1	Administrative	\$ 2,040
10.2	Non Administrative	\$ 3,180
11	GENERAL PLAN AMENDMENT	
11.1	Text Amendment	
	Text Amendment-Public Works Time	
	Total	\$ 6,513
11.2	Land Use Diagram Amendment	
	Land Use Diagram Amendment-Public Works Time	
	Total	\$ 15,944
12	HABITAT PLAN FEES (SC VALLEY)	
12.1	Habitat Plan Related Reviews	\$ 480
13	HOUSING IN-LIEU FEE	
14	OPEN SPACE IN-LIEU FEE (Per 20 Dwellings)	
15	OUT OF AGENCY CONTRACT FOR SERVICES	
15.1	+ LAFCO \$9,670 Deposit + Actual Costs	\$ 10,019
	Plus additional fees collected by other agencies	
16	MITIGATION MONITORING AND REPORTING PROGRAM (MMRP) (Per Year)	\$ 1,200
17	PLANNING HOURLY	\$ 240
18	REFUNDABLE DEPOSITS	\$ -
19	RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS)	
19.1	Preliminary Measure S Review	
	Preliminary Measure S Review-Public Works Time	
	Total	\$ 7,857
19.2	Final Measure S Review (RDCS)	
	Final Measure S Review (RDCS)-Public Works Time	
	Total	\$ 29,008
19.3	RDCS Appeal	
	RDCS Appeal-Public Works Time	
	Total	\$ 8,170
*20	RESIDENTIAL PRIVATE LIVESTOCK PERMIT	\$ 700
21	REVERSION TO ACREAGE PROCESSING	\$ 3,000
22	SIGN REVIEW	
22.1	Uniform Sign Program	\$ 3,480
22.2	Sign Permit - First Sign	\$ 360
22.3	Each additional Sign	\$ 120
22.4	Sign Review Over the Counter - Copy Change	\$ 240
22.5	Temporary/Promotional Signs	\$ 60
22.7	New Sign within a Master Sign Program	\$ 180
22.8	Alteration to existing Sign	\$ 360
22.9	Subdivision/Real Estate Tract Signs	\$ 720

*# Fee reduced from 100% cost recovery.

Attachment: Exhibit A - Proposed Fees 100% cost recovery (1464 : Development Fee Update)

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Planning Fees

No.	Fee Description	Proposed Fee
23	DESIGN REVIEW	
23.1	Residential - 6 units or less	
	Residential - 6 units or less-Public Works Time	
	Total	\$ 6,850
23.2	Residential - 7 units to 15 units	
	Residential - 7 units to 15 units-Public Works Time	
	Total	\$ 8,734
23.3	Residential - 16 or more units each additional 25 units	
	Residential - 16 or more units each additional 25 units-Public Works Time	
	Total	\$ 10,857
23.4	Minor Non-Residential Review	
	Minor Non-Residential Review-Public Works Time	
	Total	\$ 4,523
23.5	Major Non-Residential Review	
	Major Non-Residential Review-Public Works Time	
	Total	\$ 7,330
23.6	Conceptual Plan Review (Staff)	
	Conceptual Plan Review (Staff)-Public Works Time	
	Total	\$ 4,234
23.7	Plan Detail Review (misc. site details, e.g., lighting, trash encl.)	\$ 2,021
24	Preliminary Plan Review (Planning Commission)	
24.1	Residential - 6 units or less	
	Residential - 6 units or less-Public Works Time	
	Total	\$ 4,930
24.2	Residential - 7 units or more	
	Residential - 7 units or more-Public Works Time	
	Total	\$ 7,534
24.3	Minor Non-Residential Review	
	Minor Non-Residential Review-Public Works Time	
	Total	\$ 5,003
24.4	Major Non-Residential Review	
	Major Non-Residential Review-Public Works Time	
	Total	\$ 7,810
24.5	Site Plan Review (no new square footage)	
	Site Plan Review (no new square footage)-Public Works Time	
	Total	\$ 5,613
24.6	Landscape Plan Review Only	\$ 2,400
25	SUBDIVISION	
25.1	Tentative Parcel Map Review - 4 lots or less	
	Tentative Parcel Map Review - 4 lots or less-Public Works Time	
	Total	\$ 4,552
25.2	Tentative Subdivision Map Review	
	5 to 15 lots	
	5 to 15 lots-Public Works Time	

*# Fee reduced from 100% cost recovery.

Attachment: Exhibit A - Proposed Fees 100% cost recovery (1464 : Development Fee Update)

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Planning Fees

No.	Fee Description	Proposed Fee
	Total	\$ 5,919
25.3	16 - 25 lots	
	16 - 25 lots-Public Works Time	
	Total	\$ 7,425
25.4	26 lots or more - each additional 25 lots	
	26 lots or more - each additional 25 lots-Public Works Time	
	Total	\$ 8,930
26	TRANSFER DEVELOPMENT CREDIT (TDC)	
26.1	Application Fee	\$ 8,519
*27	TREE REMOVAL PERMIT	\$ 100
28	URBAN SERVICE AREA AMENDMENT	
28.1	City Processing	
	City Processing-Public Works Time	
	Total	\$ 14,268
28.2	LAFCO Processing	\$ 24,316
28.3	Plus Additional Fees Collected by Other Agencies, LAFCO Deposit \$11,574 + Actual Costs	
29	USE PERMIT	
*29.1	Tier I - (Non-Profit)	
	Tier I - (Non-Profit)-Public Works Time	
	Total	\$ 100
29.2	Tier II - Temporary Use Permit Review	
	Tier II - Temporary Use Permit Review-Public Works Time	
	Total	\$ 2,783
*29.3	Temporary Use Permit Amendment	
	Temporary Use Permit Amendment-Public Works Time	
	Total	\$ 1,100
29.4	Conditional Use Permit - No New Construction	
	Conditional Use Permit - No New Construction-Public Works Time	
	Total	\$ 8,363
29.5	Conditional Use Permit - New Construction	
	Conditional Use Permit - New Construction-Public Works Time	
	Total	\$ 8,770
*29.6	Administrative Use Permit	
	Administrative Use Permit-Public Works Time	
	Total	\$ 1,150
30	VARIANCE	
	VARIANCE-Public Works Time	
	Total	\$ 7,832
31	MINOR EXCEPTION	
	MINOR EXCEPTION-Public Works Time	
	Total	\$ 3,041
32	WILLIAMSON ACT	
32.1	New	\$ 2,880
32.2	Non-Renewal	\$ 960
32.3	Cancellation	\$ 11,519
33	ZONING REQUESTS	
33.1	Planned Development	
	Planned Development-Public Works Time	

*# Fee reduced from 100% cost recovery.

Attachment: Exhibit A - Proposed Fees 100% cost recovery (1464 : Development Fee Update)

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Planning Fees

No.	Fee Description	Proposed Fee
	Total	\$ 9,777
33.2	Residential Planned Development Review	
33.2	Residential Planned Development Review-Public Works Time	
33.2	Total	\$ 12,130
33.3	Residential Planned Development (if Processed concurrently with Subdivision	
	Residential Planned Development (if Processed concurrently with Subdivision-Public Works Time	
	Total	\$ 8,410
33.4	Zoning Map Amendment Review	
	Zoning Map Amendment Review-Public Works Time	
	Total	\$ 8,792
33.5	Zoning Map Amendment Review (If Processed Concurrently with GPA or ANX)	
	Zoning Map Amendment Review (If Processed Concurrently with GPA or ANX)-Public Works Time	
	Total	\$ 2,981
33.6	Zoning Text Amendment Review	
	Zoning Text Amendment Review-Public Works Time	
	Total	\$ 10,101
34	OTHER SERVICE CHARGES	
34.1	Document Printing/Copying (per page)	
34.2	Oversized Copy 24X36 (per page)	
34.3	Oversized Copy 18X26 (per page)	
34.4	Oversized Copy 24X36 (Color) (per page)	
34.5	Oversized Copy 11X17 (per page)	
34.6	Other Oversized Copies	
34.7	Record Research Service (Deposit Required)	\$ 480
34.8	Zoning Confirmation Letter	\$ 1,560
35	PUBLIC HEARINGS AND NOTICES	
35.1	Planning Commission Meeting	
	Planning Commission Meeting-Public Works Time	
	Total	\$ 2,003
35.2	City Council Meeting	
	City Council Meeting-Public Works Time	
	Total	\$ 2,087
35.3	Each Additional LAFCO Meeting	\$ 1,680
35.4	Public Noticing	\$ 600
	or Actual Cost	
36	Business License Zoning Review	
36.1	Home Based Business	\$ 120
36.2	All Other Types	\$ 120
37	REVIEW OF ENGINEERING PLANS	
37.1	Lot Line Adjustment	\$180
37.2	Final Map Reviews	\$480

*# Fee reduced from 100% cost recovery.

Attachment: Exhibit A - Proposed Fees 100% cost recovery (1464 : Development Fee Update)

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Land Development Engineering Fees

No.	Fee Description	Proposed Fee
Community Development - Eng - Land Development		
1	Tract Map/Subdivision Map (Service No. 149)	\$ 8,856
2	Parcel Map (Service No. 149)	\$ 5,547
3	Lot Line Adjustment (LLA) or Lot Merger (LM) (Service No. 16)	\$ 3,017
4	Certificate of Compliance (CoC) (Service No. 77)	\$ 3,601
5	Stree/Easement Vacation (Abandonment)	\$ 4,282
6	Stormwater Pollution Prevention Plan (SWPPP) Review & Compliance	\$ 1,168
7	Flood Zone Review - Base Fee (Service No. 67)	\$ 389
8	Flood Zone Review - with CLOMR/LOMR	\$ 2,141
9	Flood Zone Review - with Public Outreach Requirement	\$ 779
10	Public Easement Review	\$ 2,433
11	Stormwater Runoff Management Plan Review	\$ 2,725
12	Plan Revision (after approval of Public Improvement Plans)	\$ 487
13	Record Retention Fee	
14	Lot Line Adjustment (PW) / Merger	
15	Flood Zone Review/ FEMA Compliance Letter	
16	Street Vacation	
17	Street/ Easement Vacation (Abandonment)	
18	Certificate of Compliance	
19	Map Checking-Parcel Map subdivision map	
20	SWPPP Site Inspection Public (Off Site) Up to 6 months (Service No. 152)	\$ 5,839
21	SWPPP Site Inspection Public (Off Site) Up to 12 months (Service No. 153)	\$ 11,678
22	SWPPP Site Inspection Public (Off Site) Up to 24 months (Service No. 154)	\$ 23,356

Attachment: Exhibit A - Proposed Fees 100% cost recovery (1464 : Development Fee Update)

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Building - New Construction

No.	Fee Description	Proposed Fee
	BUILDING VALUATION PERMITS	
1	Valuation Based Fees - Building Permit (Not Combination Permits)	
1.1	\$1 - \$500	\$ 141
1.2	\$501 - \$2,000	
	for first \$500.00	\$ 188
	for each additional \$100.00 (or fraction thereof, to and including \$2,000.00)	\$ 11
1.3	\$2,001 - \$25,000	
	for first \$2000.00	\$ 376
	for each additional \$1000.00 (or fraction thereof, to and including \$25,000.00)	\$ 9
1.4	\$25,001 - \$50,000	
	for first \$25,000.00	\$ 611
	for each additional \$1000.00 (or fraction thereof, to and including \$50,000.00)	\$ 11
1.5	\$50,001 - \$100,000	
	for first \$50,000.00	\$ 893
	for each additional \$1000.00 (or fraction thereof, to and including \$100,000.00)	\$ 11
1.6	\$100,001 - \$500,000	
	for first \$100,000.00	\$ 1,504
	for each additional \$1000.00 (or fraction thereof, to and including \$500,000.00)	\$ 6
1.7	\$500,001 - \$1,000,000	
	for first \$500,000.00	\$ 3,760
	for each additional \$1000.00 (or fraction thereof, to and including \$1,000,000.00)	\$ 4
1.8	\$1,000,001 and up	
	for first \$1,000,000.00	\$ 5,640
	for each additional \$1000.00 (or fraction thereof)	\$ 6
2	Valuation Based Fees - Standard Plan Check (Not Routed to other Departments)	
	\$1 - \$500	\$ 141
2.1	\$501 - \$2,000	
	for first \$500.00	\$ 188
	for each additional \$100.00 (or fraction thereof, to and including \$2,000.00)	\$ 6
2.2	\$2,001 - \$25,000	
	for first \$2000.00	\$ 282
	for each additional \$1000.00 (or fraction thereof, to and including \$25,000.00)	\$ 6
2.3	\$25,001 - \$50,000	
	for first \$25,000.00	\$ 423
	for each additional \$1000.00 (or fraction thereof, to and including \$50,000.00)	\$ 9
2.4	\$50,001 - \$100,000	
	for first \$50,000.00	\$ 658
	for each additional \$1000.00 (or fraction thereof, to and including \$100,000.00)	\$ 9
2.5	\$100,001 - \$500,000	
	for first \$100,000.00	\$ 1,128

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Building - New Construction

No.	Fee Description	Proposed Fee
	for each additional \$1000.00 (or fraction thereof, to and including \$500,000.00)	\$ 6
2.6	\$500,001 - \$1,000,000 for first \$500,000.00	\$ 3,384
	for each additional \$1000.00 (or fraction thereof, to and including \$1,000,000.00)	\$ 4
2.7	\$1,000,001 and up for first \$1,000,000.00	\$ 5,264
	for each additional \$1000.00 (or fraction thereof)	\$ 6
3	Valuation Based Fees - Standard Plan Check (Routed to other Departments)	
	\$1 - \$500	\$ 188
3.1	\$501 - \$2,000 for first \$500.00	\$ 282
	for each additional \$100.00 (or fraction thereof, to and including \$2,000.00)	\$ 6
3.2	\$2,001 - \$25,000 for first \$2000.00	\$ 376
	for each additional \$1000.00 (or fraction thereof, to and including \$25,000.00)	\$ 8
3.3	\$25,001 - \$50,000 for first \$25,000.00	\$ 564
	for each additional \$1000.00 (or fraction thereof, to and including \$50,000.00)	\$ 11
3.4	\$50,001 - \$100,000 for first \$50,000.00	\$ 893
	for each additional \$1000.00 (or fraction thereof, to and including \$100,000.00)	\$ 11
3.5	\$100,001 - \$500,000 for first \$100,000.00	\$ 1,504
	for each additional \$1000.00 (or fraction thereof, to and including \$500,000.00)	\$ 8
3.6	\$500,001 - \$1,000,000 for first \$500,000.00	\$ 4,512
	for each additional \$1000.00 (or fraction thereof, to and including \$1,000,000.00)	\$ 6
3.7	\$1,000,001 and up for first \$1,000,000.00	\$ 7,520
	for each additional \$1000.00 (or fraction thereof)	\$ 6
4	COMBINATION PERMIT FEES	
4.1	\$1 to and including \$500	\$ 141
4.2	\$501 to \$2,000 for first \$500	\$ 188
	each additional \$100 or fraction thereof, to and including \$2,000	\$ 9
4.3	\$2,001 to \$25,000 for first \$2000	\$ 329
	each additional \$1,000 or fraction thereof, to and including \$25,000	\$ 13
4.4	\$25,001 to \$50,000 for first \$25,000	\$ 658

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Building - New Construction

No.	Fee Description	Proposed Fee
	each additional \$1,000 or fraction thereof, to and including \$50,000	\$ 19
4.5	\$50,001 to \$100,000 for first \$50,000	\$ 1,128
	each additional \$100,000 or fraction thereof, to and including \$100,000	\$ 23
4.6	\$100,001 to \$500,000 for first \$100,000	\$ 2,256
	each additional \$1,000 or fraction thereof, to and including \$500,000	\$ 6
4.7	\$500,001 to \$1,000,000 for first \$500,000	\$ 4,700
	each additional \$1,000 or fraction thereof, to and including \$1,000,000	\$ 8
4.8	\$1,000,000 and up for first \$1,000,000	\$ 8,460
	each additional \$1,000 or fraction thereof	\$ 8
	GRADING	
5	Grading - Plan Review Fees	
5.1	50 cubic yards or less	\$ 188
5.2	51 to 100 cubic yards first 50 cubic yards	\$ 235
	each additional cubic yard	\$ 4
5.3	101 to 1,000 cubic yards first 100 cubic yards	\$ 376
	each additional 100 cubic yards	\$ 11
5.4	1,001 to 10,000 cubic yards First 1000 cubic yards	\$ 470
	each additional hundred cubic yards	\$ 4
5.5	10,001 to 100,000 cubic yards 1st 10,000 cubic yards	\$ 846
	each additional 10,000 cubic yards or fraction thereof	\$ 36
5.6	100,001 to 200,000 cubic yards 1st 100,000 cubic yards	\$ 1,175
	each additional 10,000 cubic yards or fraction thereof	\$ 62
5.7	200,001 cubic yards or more 1st 200,000 cubic yards	\$ 1,786
	each additional 10,000 cubic yards or fraction thereof	\$ 19
6	Grading - Permit Fees	
6.1	50 cubic yards or less	\$ 188
6.2	51 to 100 cubic yards first 50 cubic yards	\$ 235
	each additional cubic yard	\$ 4
6.3	101 to 1,000 cubic yards first 100 cubic yards	\$ 376
	each additional 100 cubic yards	\$ 21
6.4	1,001 to 10,000 cubic yards First 1000 cubic yards	\$ 564
	each additional hundred cubic yards	\$ 6
6.5	10,001 to 100,000 cubic yards	

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Building - New Construction

No.	Fee Description	Proposed Fee
	1st 10,000 cubic yards	\$ 1,128
	each additional 10,000 cubic yards or fraction thereof	\$ 73
6.6	100,001 cubic yards or more	
	1st 100,000 cubic yards	\$ 1,786
	each additional 10,000 cubic yards or fraction thereof	\$ 19
	ROOFS	
7	Re-Roofs	
7.1	Composition Roof Covering - Residential (includes new roof sheath) 1 - 15 SQUARES	\$ 235
	Composition Roof Covering - Residential (includes new roof sheath) 16-30 SQUARES	\$ 376
	Composition Roof Covering - Residential (includes new roof sheath) 31 and more SQUARES	\$ 470
7.2	Tile 1-15 SQUARES	\$ 188
	TILE 16-30 SQUARES	\$ 282
	TILE 31 and more SQUARES	\$ 376
7.3	Wood Shake 1-15 SQUARES	\$ 235
	Wood Shake 16-30 SQUARES	\$ 329
	Wood Shake 31-SQUARES	\$ 376
7.4	Steel Roof System	\$ 470
8	Overlay	
8.1	Residential Composition Overlay - Lifetime	\$ 376
9	Miscellaneous Roof	
9.1	Single-ply Roof System 1-30 SQUARES	\$ 376
9.2	Single-ply Roof System 31 and more SQUARES	\$ 470
9.3	Tar & Gravel (Built-Up/BUR)	\$ 376
10	Permitted Values for Construction	
10.1	Per Square Foot for New Residential and Additions	
10.2	Per Square Foot for Interior Remodels	
10.3	Per Square Foot for Garages and Accessory Structures	
10.4	Per Square Foot for Decks	
10.5	Per Square Foot for Commercial Shell	
10.6	Per Square Foot for Tenant Improvements	
	MISCELLANEOUS BUILDING PERMIT FEES	
11	Accessibility Plan Check of Building Permit - Hourly Rate	\$ 188
12	Imaging Fees per page (standard size)	
13	Imaging Fees per page (oversize)	
14	Fees for Second and Each Additional Re-Inspection:	
14.1	During Normal Business Hours - per hour - Hourly Rate	\$ 188
14.2	Outside Business Hours - first 2 hour minimum - Hourly Rate	\$ 376
14.3	Code Enforcement - City Attorney - per hour	
15	GEO Plan Review / Soils Report Review - Hourly Rate	\$ 188
16	GIS Mapping: New Construction, Addition, Alteration (1) - Hourly Rate	\$ 188
17	Additional Plan Check Fee - Hourly Rate	\$ 188

Exhibit A - Proposed Development User Fees - 100% Cost Recovery

Building - New Construction

No.	Fee Description	Proposed Fee
18	Demolition	\$ 564
19	Address Change - Hourly Rate	\$ 188
20	Green Building Review - Hourly Rate	\$ 188
21	Energy Calculation Review Fee - Hourly Rate	\$ 188
22	Apartment Inspection Annual Fee	
22.1	Per Residential Building - Hourly Rate	\$ 188
22.2	Per Dwelling Unit within each Building - Hourly Rate	\$ 188
23	Business License Zoning Review Planning Department does zoning review.	\$ -
24	Business License Building Review	\$ 94
	SPECIAL EVENTS PERMIT FEES	
25	Candles/Open Flames in Assemblies (Vigil)	\$ 329
26	Carnivals/Fairs	\$ 846
27	Fireworks	\$ 1,222
28	Tents/Canopies	\$ 940
29	Assembly - Up to 499 People	\$ 564
30	Assembly - 500 or More People	\$ 1,034
	REVIEW OF ENGINEERING PLANS	
31	Lot Line Adjustment	\$ 141
32	Final Map Reviews	\$ 141

**Exhibit A - Proposed Development User Fees -
100% Cost Recovery
Building - Mechanical**

No.	Fee Description	Proposed Fee
	BUILDING - MECHANICAL PERMITS	
1	Permit Issuance	\$ 85
2	Furnaces Installation	
2.1	Residential: Installation or relocation of forced air or gravity-type furnace or burner, each	\$ 94
2.1	Commercial: Installation or relocation of forced air or gravity-type furnace or burner, each	\$ 188
2.1	Installation or relocation of suspended heater, recessed wall heater, floor furnace, or floor mounted unit heater including flue vent, each	\$ 141
3	Appliance Vents and Ducts	
3.1	Installation, relocation or replacement of appliance vent, ducts, per system	\$ 141
3.2	Condensing units (AC), each	\$ 94
4	Boilers, Compressors & Absorption Systems	
4.1	Installation or relocation of each boiler, compressors 1-15 horsepower, or absorption system 0 - 500,000 Btu/h, each	\$ 141
4.2	Installation or relocation of each boiler, compressors 16-50 horsepower, or absorption system 500,001 - 1,750,000 Btu/h, each	\$ 188
4.3	Installation or relocation of each boiler, compressors 51 and over horsepower, or absorption system 500,001 - 1,750,001 and over Btu/h, each	\$ 235
	Air Handlers	
5	Installation or relocation of air-handling unit, each	\$ 141
	Evaporative Coolers	
6	Each non-residential evaporative cooler other than portable type, each	\$ 188
7	Ventilation & Exhaust	
7.1	Residential: Ventilation fan or hoods connected to a single duct, exhaust fan for bathrooms, kitchens, or laundry rooms, each	\$ 141
7.2	Commercial: Installation of kitchen hood each which is served by mechanical exhaust, including the ducts for such hood, each	\$ 376
7.3	Ventilation system which is not a portion of any heating or air-conditioning, each	\$ 187
	Incinerators	
8	Installation or relocation of each commercial or industrial-type incinerator, each	\$ 564
	Repairs or Additions	
9	The repair, alteration, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or evaporative cooling system, including installation of controls, each	\$ 141
	Miscellaneous	
10	Each appliance or piece of equipment regulated by this code but not classed in other appliance categories, or for which no other fee is listed, each	\$ 188

Attachment: Exhibit A - Proposed Fees 100% cost recovery (1464 : Development Fee Update)

**Exhibit A - Proposed Development User Fees - 100%
Cost Recovery
Building - Plumbing**

No.	Fee Description	Proposed Fee
	BUILDING - PLUMBING PERMITS	
1	Permit Issuance	\$ 85
2	Thermal Solar Water Heating	\$ 188
3	Fixtures and Vents	
3.1	Installation or repair plumbing fixture, trap or set of fixtures on one trap, backflow device, including condensate lines	\$ 94
3.2	For repairs or alterations of drainage or vents piping, each	\$ 141
4	Sewers, Disposal Systems and Interceptors	
4.1	Building Sewer Lateral, each	\$ 188
4.2	Private sewage or disposal system, each	\$ 188
4.3	Industrial water pretreatment interceptor, each	\$ 376
4.4	Non-residential rainwater systems, up to 5 per drain	\$ 282
5	Water Piping and Water Heaters	
5.1	Installation, alteration or repair of water piping and/or water treating equipment, including pressure regulator, per system	\$ 188
5.2	For installation and replacement of water heater including vent, each	\$ 85
6	Gas Piping Systems	
6.1	Gas piping system, 1-10 outlets	\$ 85
6.2	Gas piping system, over 10 outlets	\$ 282
7	Lawn Sprinklers, Vacuum Breakers, Backflow Protections Devices	
7.1	Installation of lawn sprinkler systems including backflow protection device, and atmospheric-type vacuum breakers, per system	\$ 188
8	Swimming Pools and Spas - Plumbing Repair / Replacement	
8.1	Public pool including anti-entrapment device	\$ 235
8.2	Private pool including anti-entrapment device	\$ 188
8.3	Public spa including anti-entrapment device	\$ 235
8.4	Private spa including anti-entrapment device	\$ 188
8.5	Installation or replacement of anti-entrapment device	\$ 235
9	Miscellaneous	
9.1	Each additional or piece of equipment regulated by the Plumbing Code but not classed in other appliance categories, or for which no other fee is listed in this code	\$ 141

**Exhibit A - Proposed Development User Fees - 100%
Cost Recovery
Building - Electrical**

No.	Fee Description	Proposed Fee
	BUILDING - ELECTRICAL PERMITS	
1	Permit Issuance	\$ 85
	Private Swimming Pools - Repairs/Replacement	
2	For private, residential in-ground, swimming pools for single-family occupancies including a complete system of necessary branch circuit wiring, bonding, grounding, underwater lighting, water pumping and other similar electrical equipment directly related to the operation of a swimming pool, each pool	\$ 188
	Carnivals and Circuses	
3.1	For electric generators, electrically driven rides, mechanically driven rides and walk through attractions or displays having electric lighting	\$ 376
3.2	Carnivals and circuses booth and pathway lighting	\$ 376
	Temporary Power Service	
4.1	Temporary metered service power pole or pedestal including pole or pedestal-mounted receptacle outlets, each	\$ 188
4.2	Temporary distribution system (up to 5) poles including temporary lighting and receptacle outlets for construction sites, decorative light, Christmas tree sales lots, firework stands, each	\$ 188
4.3	Each additional distribution system	\$ 188
	Photovoltaic Systems	
5.1	Residential: Repair of photovoltaic electrical systems, each	\$ 188
	Fees for new installation are included in Miscellaneous Permits	
5.2	Commercial and Industrial: Repair of photovoltaic electrical systems, each	\$ 235
	Fees for new installation are included in Miscellaneous Permits	
	Unit Fee Schedule	
6	Receptacle, switch, lighting outlets, lighting fixtures, sockets or other lamp holding	\$ 94
7	Pole or platform-mounted lighting fixtures (up to 5), each	\$ 188
8	Theatrical-type lighting fixtures or assemblies, per system	\$ 470
9	Kitchen circuits - remodels	\$ 141
10	Bathroom circuits - remodels	\$ 94
11	Non-Residential Appliances, and Receptacle Outlets	\$ 235
	Power Apparatus	
12.1	1 to 100 - HP or KW, each	\$ 188
12.2	101 and over - HP or KW, each	\$ 282
13	Busways	\$ 376
	Signs, Outline Lighting, Marquees	
14.1	Signs, outline lighting systems or marquees supplies from one branch circuit	\$ 235
14.2	Additional branch circuits (up to 5) within the same sign, outline lighting system or	\$ 188
	Services	
15.1	Services of 600 volts or less and not over 200 amperes in rating, each	\$ 188
15.2	Services of 600 volts or less and over 200 amperes and over, each	\$ 282
	Photovoltaic	
16.1	Base Fee	\$ 85
16.2	Residential	\$ 224
16.3	Commercial <10kW	\$ 271
16.4	Commercial greater than or equal to 10kW - 49kW	\$ 364
16.5	Commercial >49kW	\$ 504
16.6	Records Retention (per sheet)	\$ 4
	Miscellaneous Apparatus, Conduits, and Conductors	
17	Electrical apparatus, conduits and conductors for which a permit is required but for	\$ 141

Attachment: Exhibit A - Proposed Fees 100% cost recovery (1464 : Development Fee Update)

**Exhibit A - Proposed Development User Fees -
100% Cost Recovery
Building - Fire**

No.	Fee Description	Proposed Fee
	FIRE PERMITS	
1	Fire Alarm	
1.1	1-15 Devices	\$ 564
1.2	16-50 Devices	\$ 752
1.3	51-100 Devices	\$ 940
1.4	101-500 Devices	\$ 1,128
1.5	Each additional 50 devices over 500 devices	\$ 8
2	Fire Sprinklers	
2.1	Residential Single Family/Townhouse (R-3)	\$ 564
2.2	Apartment/Condo	\$ 564
2.3	additional time per unit	\$ 94
3	Commercial- New Construction	
3.1	1-20 Appliances	\$ 564
3.2	21-100 Appliances	\$ 752
3.3	101-200 Appliances	\$ 893
3.4	201-350 Appliances	\$ 1,081
3.5	351-500 Appliances	\$ 1,316
3.6	Each additional 100 appliances over 500 appliances	\$ 28
4	Commercial- Tenant Improvements	
4.1	1-20 Appliances	\$ 517
4.2	21-100 Appliances	\$ 611
4.3	101-200 Appliances	\$ 705
4.4	201-350 Appliances	\$ 799
4.5	351-500 Appliances	\$ 893
4.6	Each additional 100 appliances over 500 appliances	\$ 19
5	Fire Sprinklers (Master Plan Review)	Actual Cost
6	High Piled Storage	\$ 564
7	Suppression System	\$ 564
8	Tire Storage	\$ 517
9	Underground Piping / Hydrant System / Backflow	\$ 611
10	Medical Gas Systems	\$ 564
11	LRP - 15% of Permit Fee	TBD
12	Microfilm Fee (Base Fee)	\$ 2.07
12.1	8 1/2 x 11 (per sheet)	\$ 0.13
12.2	8 1/2 x 14 or Larger (per sheet)	\$ 1.04
13	Seismic Fee	
14	CBSC Fee (min. \$1.00)	
14.1	\$1.00 per each \$25,000 of construction valuation	
15	REVIEW OF ENGINEERING PLANS	
15.1	Lot Line Adjustment	\$ 188
15.2	Final Map Reviews	\$ 188

Attachment: Exhibit A - Proposed Fees 100% cost recovery (1464 : Development Fee Update)

Proposed Planning Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
PLANNING DEPARTMENT							
1	ANNEXATION						
	City Processing						
	City Processing-Public Works Time						
	Total	\$ 6,163	\$ 11,366	\$ 5,203	84%	\$ 8,764	77%
1.2	LAFCO Processing	\$ 6,163	\$ 9,839	\$ 3,676	60%	\$ 8,001	81%
	Plus additional fees collected by other agencies	LAFCO fee \$1,197 plus SBE fees					
2	APPEALS						
	Commission/Board Decisions						
	Commission/Board Decisions-Public Works Time						
	Total	\$ 3,791	\$ 6,352	\$ 2,561	68%	\$ 5,072	80%
2.1	Staff Decisions						
	Staff Decisions-Public Works Time						
	Total	\$ 3,345	\$ 5,243	\$ 1,898	57%	\$ 4,294	82%
3	APPROVAL AMENDMENT						
3.1	Major Approval Amendment (Non Admin - s/b Major)						
	Major Approval Amendment (Non Admin - s/b Major)-Public Works Time						
	Total	\$ 4,738	\$ 7,552	\$ 2,814	59%	\$ 6,145	81%
3.2	Minor Approval Amendment (Admin - s/b Minor)						
	Minor Approval Amendment (Admin - s/b Minor)-Public Works Time						
	Total	\$ 2,292	\$ 4,145	\$ 1,853	81%	\$ 3,218	78%
4	CC&Rs						
4.1	CC&Rs (plus City Attorney fees)	\$ 1,900	\$ 480	\$ (1,420)	-75%	\$ 1,190	248%
4.2	Other Agreements / Documents Review (plus City Attorney fees)	\$ -	\$ 480	\$ 480		\$ 240	50%
5	CONTRACT PLANNING SERVICES	Actual Costs					
6	CULTURAL RESOURCES						
6.1	Designation	\$ 4,765	\$ 7,679	\$ 2,914	61%	\$ 6,222	81%
6.2	Demolition or Relocation (Formerly Alteration)						
	Demolition or Relocation (Formerly Alteration)-Public Works Time						
	Total	\$ 3,132	\$ 5,261	\$ 2,129	68%	\$ 4,196	80%
6.3	Alteration (Minor - under \$10,000 valuation) (plus Planning Commission costs)	\$ 112	\$ 360	\$ 248	221%	\$ 236	66%
6.4	Alteration (Major - \$10,000+ valuation) (plus Planning Commission costs)	\$ 564	\$ 1,200	\$ 636	113%	\$ 882	74%
7	DEVELOPMENT AGREEMENT/RDCS						
7.1	Development Agreement	\$ 4,451	\$ 6,479	\$ 2,028	46%	\$ 5,465	84%
7.2	If Processed Concurrently with Tentative Subdivision or Parcel Map	\$ 5,927	\$ 10,079	\$ 4,151	70%	\$ 8,003	79%
7.3	RDCS Compliance Monitoring - Pre Development Agreement 0 - 3 Yrs.	\$ 6,440	\$ 11,279	\$ 4,839	75%	\$ 8,859	79%
7.4	RDCS Compliance Monitoring - each year after 3 years	\$ 1,502	\$ 2,400	\$ 898	60%	\$ 1,951	81%
8	ENVIRONMENTAL REVIEW (CEQA)						
8.1	Initial Environmental Assessment						
	Initial Environmental Assessment - Public Works Time						
	Total	\$ 1,204	\$ 2,123	\$ 919	76%	\$ 1,663	78%
8.2	Expanded Initial Study						
	Expanded Initial Study-Public Works Time						
	Total	\$ 8,989	\$ 14,922	\$ 5,933	66%	\$ 11,955	80%
8.3	Environmental Impact Report						
	Environmental Impact Report - Public Works Time						

*# Outlier - Fee reduced from 100% cost recovery. These fees are not included on the 50% phase in.

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed Planning Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
	Total	\$ 12,947	\$ 20,348	\$ 7,401	57%	\$ 16,647	82%
8.4	Historic Assessments - Staff-level		\$ 2,400			\$ 1,200	50%
8.5	Historic Assessments - Historical Consultant (Deposit)	\$ -	Actual Cost				
9	RDCS Extension						
	RDCS Extension - Public Works Time						
	Total	\$ 2,425	\$ 3,952	\$ 1,527	63%	\$ 3,188	81%
10	EXTENSION OF TIME FOR APPROVALS						
10.1	Administrative	\$ 1,271	\$ 2,040	\$ 768	60%	\$ 1,656	81%
10.2	Non Administrative	\$ 1,971	\$ 3,180	\$ 1,208	61%	\$ 2,575	81%
11	GENERAL PLAN AMENDMENT						
11.1	Text Amendment						
	Text Amendment-Public Works Time						
	Total	\$ 3,384	\$ 6,513	\$ 3,129	92%	\$ 4,948	76%
11.2	Land Use Diagram Amendment						
	Land Use Diagram Amendment-Public Works Time						
	Total	\$ 10,118	\$ 15,944	\$ 5,826	58%	\$ 13,031	82%
12	HABITAT PLAN FEES (SC VALLEY)						
12.1	Habitat Plan Related Reviews		\$ 480			\$ 240	50%
13	HOUSING IN-LIEU FEE						
14	OPEN SPACE IN-LIEU FEE (Per 20 Dwellings)						
15	OUT OF AGENCY CONTRACT FOR SERVICES						
15.1	+ LAFCO \$9,670 Deposit + Actual Costs	\$ 6,461	\$ 10,019	\$ 3,558	55%	\$ 8,240	82%
	Plus additional fees collected by other agencies						
16	MITIGATION MONITORING AND REPORTING PROGRAM (MMRP) (Per Year)	\$ -	\$ 1,200			\$ 600	50%
17	PLANNING HOURLY	n/a	\$ 240			\$ 120	50%
18	REFUNDABLE DEPOSITS	\$ -	\$ -				
19	RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS)						
19.1	Preliminary Measure S Review						
	Preliminary Measure S Review-Public Works Time						
	Total	\$ 5,728	\$ 7,857	\$ 2,129	37%	\$ 6,793	87%
19.2	Final Measure S Review (RDSS)						
	Final Measure S Review (RDSS)-Public Works Time						
	Total	\$ 21,184	\$ 29,008	\$ 7,824	37%	\$ 25,096	87%
19.3	RDCS Appeal						
	RDCS Appeal-Public Works Time						
	Total	\$ 4,011	\$ 8,170	\$ 4,159	104%	\$ 6,091	75%
*20	RESIDENTIAL PRIVATE LIVESTOCK PERMIT	\$ 463	\$ 700	\$ 237	51%	\$ 700	32%
21	REVERSION TO ACREAGE PROCESSING	\$ 1,909	\$ 3,000	\$ 1,091	57%	\$ 2,455	82%
22	SIGN REVIEW						
22.1	Uniform Sign Program	\$ 2,166	\$ 3,480	\$ 1,313	61%	\$ 2,823	81%
22.2	Sign Permit - First Sign	\$ 288	\$ 360	\$ 72	25%	\$ 324	90%
22.3	Each additional Sign		\$ 120			\$ 60	50%
22.4	Sign Review Over the Counter - Copy Change	\$ 115	\$ 240	\$ 125	108%	\$ 178	74%
22.5	Temporary/Promotional Signs	\$ -	\$ 60			\$ 30	50%
22.7	New Sign within a Master Sign Program	\$ -	\$ 180			\$ 90	50%
22.8	Alteration to existing Sign	\$ -	\$ 360			\$ 180	50%
22.9	Subdivision/Real Estate Tract Signs	\$ -	\$ 720			\$ 360	50%
23	DESIGN REVIEW						
23.1	Residential - 6 units or less						

*# Outlier - Fee reduced from 100% cost recovery. These fees are not included on the 50% phase in.

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed Planning Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
	Residential - 6 units or less-Public Works Time						
	Total	\$ 4,601	\$ 6,850	\$ 2,249	49%	\$ 5,726	84%
23.2	Residential - 7 units to 15 units						
	Residential - 7 units to 15 units-Public Works Time						
	Total	\$ 4,601	\$ 8,734	\$ 4,133	90%	\$ 6,668	76%
23.3	Residential - 16 or more units each additional 25 units						
	Residential - 16 or more units each additional 25 units-Public Works Time						
	Total	\$ 4,601	\$ 10,857	\$ 6,256	136%	\$ 7,729	71%
23.4	Minor Non-Residential Review						
	Minor Non-Residential Review-Public Works Time						
	Total	\$ 4,601	\$ 4,523	\$ (78)	-2%	\$ 4,562	101%
23.5	Major Non-Residential Review						
	Major Non-Residential Review-Public Works Time						
	Total	\$ 4,601	\$ 7,330	\$ 2,729	59%	\$ 5,966	81%
23.6	Conceptual Plan Review (Staff)						
	Conceptual Plan Review (Staff)-Public Works Time						
	Total	\$ 2,527	\$ 4,234	\$ 1,707	68%	\$ 3,381	80%
23.7	Plan Detail Review (misc. site details, e.g., lighting, trash encl.)	\$ 1,210	\$ 2,021	\$ 810	67%	\$ 1,615	80%
24	Preliminary Plan Review (Planning Commission)						
24.1	Residential - 6 units or less						
	Residential - 6 units or less-Public Works Time						
	Total	\$ 4,350	\$ 4,930	\$ 580	13%	\$ 4,640	94%
24.2	Residential - 7 units or more					\$ -	
	Residential - 7 units or more-Public Works Time						
	Total	\$ 4,350	\$ 7,534	\$ 3,184	73%	\$ 5,942	79%
24.3	Minor Non-Residential Review						
	Minor Non-Residential Review-Public Works Time						
	Total	\$ 4,350	\$ 5,003	\$ 653	15%	\$ 4,677	94%
24.4	Major Non-Residential Review						
	Major Non-Residential Review-Public Works Time						
	Total	\$ 4,350	\$ 7,810	\$ 3,460	80%	\$ 6,080	78%
24.5	Site Plan Review (no new square footage)						
	Site Plan Review (no new square footage)-Public Works Time						
	Total	\$ 3,366	\$ 5,613	\$ 2,247	67%	\$ 4,490	80%
24.6	Landscape Plan Review Only	\$ 3,366	\$ 2,400	\$ (966)	-29%	\$ 2,883	120%
25	SUBDIVISION						
25.1	Tentative Parcel Map Review - 4 lots or less						
	Tentative Parcel Map Review - 4 lots or less-Public Works Time						
	Total	\$ 2,759	\$ 4,552	\$ 1,793	65%	\$ 3,656	80%
25.2	Tentative Subdivision Map Review						
	5 to 15 lots						
	5 to 15 lots-Public Works Time						
	Total	\$ 4,575	\$ 5,919	\$ 1,344	29%	\$ 5,247	89%
25.3	16 - 25 lots						
	16 - 25 lots-Public Works Time						

*# Outlier - Fee reduced from 100% cost recovery. These fees are not included on the 50% phase in.

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed Planning Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase- In Fee	Resulting Cost Recovery %
	Total	\$ 4,575	\$ 7,425	\$ 2,850	62%	\$ 6,000	81%
25.4	26 lots or more - each additional 25 lots						
	26 lots or more - each additional 25 lots-Public Works Time						
	Total	\$ 4,575	\$ 8,930	\$ 4,355	95%	\$ 6,753	76%
26	TRANSFER DEVELOPMENT CREDIT (TDC)						
26.1	Application Fee	\$ 5,360	\$ 8,519	\$ 3,159	59%	\$ 6,940	81%
*27	TREE REMOVAL PERMIT	\$ 68	\$ 100	\$ 32	46%	\$ 100	7%
28	URBAN SERVICE AREA AMENDMENT						
28.1	City Processing						
	City Processing-Public Works Time						
	Total	\$ 7,821	\$ 14,268	\$ 6,447	82%	\$ 11,045	78%
28.2	LAFCO Processing	\$ 15,052	\$ 24,316	\$ 9,264	62%	\$ 19,684	81%
28.3	Plus Additional Fees Collected by Other Agencies, LAFCO Deposit \$11,574 + Actual Costs						
29	USE PERMIT						
*29.1	Tier I - (Non-Profit)						
	Tier I - (Non-Profit)-Public Works Time						
	Total	\$ 50	\$ 100	\$ 50	100%	\$ 100	4%
29.2	Tier II - Temporary Use Permit Review						
	Tier II - Temporary Use Permit Review-Public Works Time						
	Total	\$ 1,727	\$ 2,783	\$ 1,056	61%	\$ 2,255	81%
*29.3	Temporary Use Permit Amendment						
	Temporary Use Permit Amendment-Public Works Time						
	Total	\$ 541	\$ 1,100	\$ 559	103%	\$ 1,100	58%
29.4	Conditional Use Permit - No New Construction						
	Conditional Use Permit - No New Construction-Public Works Time						
	Total	\$ 5,151	\$ 8,363	\$ 3,212	62%	\$ 6,757	81%
29.5	Conditional Use Permit - New Construction						
	Conditional Use Permit - New Construction-Public Works Time						
	Total	\$ 5,151	\$ 8,770	\$ 3,619	70%	\$ 6,960	79%
*29.6	Administrative Use Permit						
	Administrative Use Permit-Public Works Time						
	Total	\$ 579	\$ 1,150	\$ 571	99%	\$ 1,150	57%
30	VARIANCE						
	VARIANCE-Public Works Time						
	Total	\$ 4,436	\$ 7,832	\$ 3,396	77%	\$ 6,134	78%
31	MINOR EXCEPTION						
	MINOR EXCEPTION-Public Works Time						
	Total	\$ 1,810	\$ 3,041	\$ 1,231	68%	\$ 2,425	80%
32	WILLIAMSON ACT						
32.1	New	\$ -	\$ 2,880			\$ 1,440	50%
32.2	Non-Renewal	\$ -	\$ 960			\$ 480	50%
32.3	Cancellation	\$ 3,130	\$ 11,519	\$ 8,389	268%	\$ 7,324	64%
33	ZONING REQUESTS						
33.1	Planned Development						
	Planned Development-Public Works Time						
	Total	\$ 10,788	\$ 9,777	\$ (1,011)	-9%	\$ 10,282	105%
33.2	Residential Planned Development Review						
33.2	Residential Planned Development Review-Public Works Time						
33.2	Total	\$ 6,529	\$ 12,130	\$ 5,601	86%	\$ 9,329	77%

*# Outlier - Fee reduced from 100% cost recovery. These fees are not included on the 50% phase in.

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed Planning Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
33.3	Residential Planned Development (if Processed concurrently with Subdivision)						
	Residential Planned Development (if Processed concurrently with Subdivision-Public Works Time)						
	Total	\$ 1,613	\$ 8,410	\$ 6,797	422%	\$ 5,011	60%
33.4	Zoning Map Amendment Review						
	Zoning Map Amendment Review-Public Works Time						
	Total	\$ 4,963	\$ 8,792	\$ 3,829	77%	\$ 6,878	78%
33.5	Zoning Map Amendment Review (If Processed Concurrently with GPA or ANX)						
	Zoning Map Amendment Review (If Processed Concurrently with GPA or ANX)-Public Works Time						
	Total	\$ 1,508	\$ 2,981	\$ 1,473	98%	\$ 2,244	75%
33.6	Zoning Text Amendment Review						
	Zoning Text Amendment Review-Public Works Time						
	Total	\$ 6,324	\$ 10,101	\$ 3,777	60%	\$ 8,212	81%
34	OTHER SERVICE CHARGES						
34.1	Document Printing/Copying (per page)	\$ 0.10			-100%		
34.2	Oversized Copy 24X36 (per page)	\$ 2.26			-100%		
34.3	Oversized Copy 18X26 (per page)	\$ 2.01			-100%		
34.4	Oversized Copy 24X36 (Color) (per page)	\$ 2.93			-100%		
34.5	Oversized Copy 11X17 (per page)	\$ 0.55			-100%		
34.6	Other Oversized Copies	n/a					
34.7	Record Research Service (Deposit Required)	Actual Cost	\$ 480			\$ 240	50%
34.8	Zoning Confirmation Letter	\$ 1,080	\$ 1,560	\$ 480	44%	\$ 1,320	85%
35	PUBLIC HEARINGS AND NOTICES						
35.1	Planning Commission Meeting						
	Planning Commission Meeting-Public Works Time						
	Total	\$ -	\$ 2,003			\$ 1,002	50%
35.2	City Council Meeting						
	City Council Meeting-Public Works Time						
	Total	\$ -	\$ 2,087			\$ 1,044	50%
35.3	Each Additional LAFCO Meeting	\$ -	\$ 1,680			\$ 840	50%
35.4	Public Noticing	\$ -	\$ 600			\$ 300	50%
	or Actual Cost						
36	Business License Zoning Review						
36.1	Home Based Business	\$ 66	\$ 120	\$ 54	82%	\$ 93	78%
36.2	All Other Types	\$ 78	\$ 120	\$ 42	54%	\$ 99	83%
37	REVIEW OF ENGINEERING PLANS						
37.1	Lot Line Adjustment	\$ -	\$180			\$90	50%
37.2	Final Map Reviews	\$ -	\$480			\$240	50%

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Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed Engineering Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase- In Fee	Resulting Cost Recovery %
Community Development - Eng - Land Development							
1	Tract Map/Subdivision Map (Service No. 149)	\$ 5,877	\$ 8,856	\$ 2,979	51%	\$ 7,366	83%
2	Parcel Map (Service No. 149)	\$ 3,946	\$ 5,547	\$ 1,601	41%	\$ 4,746	86%
3	Lot Line Adjustment (LLA) or Lot Merger (LM) (Service No. 16)	\$ 2,324	\$ 3,017	\$ 693	30%	\$ 2,670	89%
4	Certificate of Compliance (CoC) (Service No. 77)	\$ 4,018	\$ 3,601	\$ (418)	-10%		
5	Stree/Easement Vacation (Abandonment)	Varies	\$ 4,282			\$ 2,141	50%
6	Stormwater Pollution Prevention Plan (SWPPP) Review & Compliance	Varies	\$ 1,168			\$ 584	50%
7	Flood Zone Review - Base Fee (Service No. 67)	new	\$ 389			\$ 195	50%
8	Flood Zone Review - with CLOMR/LOMR	new	\$ 2,141			\$ 1,070	50%
9	Flood Zone Review - with Public Outreach Requirement	new	\$ 779			\$ 389	50%
10	Public Easement Review	new	\$ 2,433			\$ 1,216	50%
11	Stormwater Runoff Management Plan Review	new	\$ 2,725			\$ 1,362	50%
12	Plan Revision (after approval of Public Improvement Plans)	new	\$ 487			\$ 243	50%
13	Record Retention Fee						
14	Lot Line Adjustment (PW) / Merger						
15	Flood Zone Review/ FEMA Compliance Letter						
16	Street Vacation						
17	Street/ Easement Vacation (Abandonment)						
18	Certificate of Compliance						
19	Map Checking-Parcel Map subdivision map						
20	SWPPP Site Inspection Public (Off Site) Up to 6 months (Service No. 152)	\$ 5,536	\$ 5,839	\$ 303	5%	\$ 5,687	97%
21	SWPPP Site Inspection Public (Off Site) Up to 12 months (Service No. 153)	\$ 11,073	\$ 11,678	\$ 605	5%	\$ 11,375	97%
22	SWPPP Site Inspection Public (Off Site) Up to 24 months (Service No. 154)	\$ 20,637	\$ 23,356	\$ 2,718	13%	\$ 21,997	94%

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed New Construction & Miscellaneous Building Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
	BUILDING VALUATION PERMITS						
1	Valuation Based Fees - Building Permit (Not Combination Permits)						
1.1	\$1 - \$500	\$ 32	\$ 141	\$ 109	341%	\$ 87	61%
1.2	\$501 - \$2,000 for first \$500.00	\$ 32	\$ 188	\$ 156	488%	\$ 110	59%
	for each additional \$100.00 (or fraction thereof, to and including \$2,000.00)	\$ 3	\$ 11	\$ 8	261%	\$ 7	64%
1.3	\$2,001 - \$25,000 for first \$2000.00	\$ 78	\$ 376	\$ 298	384%	\$ 227	60%
	for each additional \$1000.00 (or fraction thereof, to and including \$25,000.00)	\$ 14	\$ 9	\$ (5)	-36%	\$ 12	128%
1.4	\$25,001 - \$50,000 for first \$25,000.00	\$ 400	\$ 611	\$ 211	53%	\$ 505	83%
	for each additional \$1000.00 (or fraction thereof, to and including \$50,000.00)	\$ 10	\$ 11	\$ 1	9%	\$ 11	96%
1.5	\$50,001 - \$100,000 for first \$50,000.00	\$ 652	\$ 893	\$ 241	37%	\$ 773	87%
	for each additional \$1000.00 (or fraction thereof, to and including \$100,000.00)	\$ 7	\$ 11	\$ 4	52%	\$ 9	83%
1.6	\$100,001 - \$500,000 for first \$100,000.00	\$ 1,002	\$ 1,504	\$ 502	50%	\$ 1,253	83%
	for each additional \$1000.00 (or fraction thereof, to and including \$500,000.00)	\$ 6	\$ 6	\$ 0	4%	\$ 6	98%
1.7	\$500,001 - \$1,000,000 for first \$500,000.00	\$ 3,242	\$ 3,760	\$ 518	16%	\$ 3,501	93%
	for each additional \$1000.00 (or fraction thereof, to and including \$1,000,000.00)	\$ 5	\$ 4	\$ (1)		\$ 4	111%
1.8	\$1,000,001 and up for first \$1,000,000.00	\$ 5,617	\$ 5,640	\$ 23	0.41%	\$ 5,629	100%
	for each additional \$1000.00 (or fraction thereof)	\$ 4	\$ 6	\$ 2	59%	\$ 5	81%
2	Valuation Based Fees - Standard Plan Check (Not Routed to other Departments)						
	\$1 - \$500	\$ 24	\$ 141	\$ 117	488%	\$ 83	59%
2.1	\$501 - \$2,000 for first \$500.00	\$ 24	\$ 188	\$ 164	683%	\$ 106	56%
	for each additional \$100.00 (or fraction thereof, to and including \$2,000.00)	\$ 2	\$ 6	\$ 4	154%	\$ 4	70%
2.2	\$2,001 - \$25,000 for first \$2000.00	\$ 58	\$ 282	\$ 224	384%	\$ 170	60%
	for each additional \$1000.00 (or fraction thereof, to and including \$25,000.00)	\$ 11	\$ 6	\$ (5)	-45%	\$ 8	140%
2.3	\$25,001 - \$50,000 for first \$25,000.00	\$ 300	\$ 423	\$ 123	41%	\$ 361	85%
	for each additional \$1000.00 (or fraction thereof, to and including \$50,000.00)	\$ 8	\$ 9	\$ 1	19%	\$ 8	92%
2.4	\$50,001 - \$100,000 for first \$50,000.00	\$ 489	\$ 658	\$ 169	35%	\$ 574	87%
	for each additional \$1000.00 (or fraction thereof, to and including \$100,000.00)	\$ 5	\$ 9	\$ 4	71%	\$ 7	79%
2.5	\$100,001 - \$500,000						

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed New Construction & Miscellaneous Building Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
	for first \$100,000.00	\$ 752	\$ 1,128	\$ 376	50%	\$ 940	83%
	for each additional \$1000.00 (or fraction thereof, to and including \$500,000.00)	\$ 4	\$ 6	\$ 2	43%	\$ 5	85%
2.6	\$500,001 - \$1,000,000						
	for first \$500,000.00	\$ 2,432	\$ 3,384	\$ 952	39%	\$ 2,908	86%
	for each additional \$1000.00 (or fraction thereof, to and including \$1,000,000.00)	\$ 4	\$ 4	\$ 0	12%	\$ 4	95%
2.7	\$1,000,001 and up						
	for first \$1,000,000.00	\$ 4,213	\$ 5,264	\$ 1,051	25%	\$ 4,738	90%
	for each additional \$1000.00 (or fraction thereof)	\$ 3	\$ 6	\$ 3	119%	\$ 4	73%
3	Valuation Based Fees - Standard Plan Check (Routed to other Departments)						
	\$1 - \$500	\$ 30	\$ 188	\$ 158	518%	\$ 109	58%
3.1	\$501 - \$2,000						
	for first \$500.00	\$ 30	\$ 282	\$ 252	828%	\$ 156	55%
	for each additional \$100.00 (or fraction thereof, to and including \$2,000.00)	\$ 3	\$ 6	\$ 3	101%	\$ 4	75%
3.2	\$2,001 - \$25,000						
	for first \$2000.00	\$ 74	\$ 376	\$ 302	409%	\$ 225	60%
	for each additional \$1000.00 (or fraction thereof, to and including \$25,000.00)	\$ 13	\$ 8	\$ (6)	-42%	\$ 11	136%
3.3	\$25,001 - \$50,000						
	for first \$25,000.00	\$ 380	\$ 564	\$ 184	49%	\$ 472	84%
	for each additional \$1000.00 (or fraction thereof, to and including \$50,000.00)	\$ 10	\$ 11	\$ 1	15%	\$ 10	94%
3.4	\$50,001 - \$100,000						
	for first \$50,000.00	\$ 620	\$ 893	\$ 273	44%	\$ 756	85%
	for each additional \$1000.00 (or fraction thereof, to and including \$100,000.00)	\$ 7	\$ 11	\$ 4	65%	\$ 9	80%
3.5	\$100,001 - \$500,000						
	for first \$100,000.00	\$ 952	\$ 1,504	\$ 552	58%	\$ 1,228	82%
	for each additional \$1000.00 (or fraction thereof, to and including \$500,000.00)	\$ 5	\$ 8	\$ 2	46%	\$ 7	84%
3.6	\$500,001 - \$1,000,000						
	for first \$500,000.00	\$ 3,080	\$ 4,512	\$ 1,432	46%	\$ 3,796	84%
	for each additional \$1000.00 (or fraction thereof, to and including \$1,000,000.00)	\$ 5	\$ 6	\$ 1	29%	\$ 5	89%
3.7	\$1,000,001 and up						
	for first \$1,000,000.00	\$ 5,336	\$ 7,520	\$ 2,184	41%	\$ 6,428	85%
	for each additional \$1000.00 (or fraction thereof)	\$ 3	\$ 6	\$ 2	68%	\$ 5	80%
4	COMBINATION PERMIT FEES						
4.1	\$1 to and including \$500	\$ 41	\$ 141	\$ 100	242%	\$ 91	65%
4.2	\$501 to \$2,000						
	for first \$500	\$ 41	\$ 188	\$ 147	356%	\$ 115	61%
	each additional \$100 or fraction thereof, to and including \$2,000	\$ 4	\$ 9	\$ 5	112%	\$ 7	74%
4.3	\$2,001 to \$25,000						
	for first \$2000	\$ 105	\$ 329	\$ 224	213%	\$ 217	66%
	each additional \$1,000 or fraction thereof, to and including \$25,000	\$ 19	\$ 13	\$ (6)	-33%	\$ 16	125%
4.4	\$25,001 to \$50,000						

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed New Construction & Miscellaneous Building Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
	for first \$25,000	\$ 553	\$ 658	\$ 105	19%	\$ 606	92%
	each additional \$1,000 or fraction thereof, to and including \$50,000	\$ 14	\$ 19	\$ 5	38%	\$ 17	86%
4.5	\$50,001 to \$100,000						
	for first \$50,000	\$ 905	\$ 1,128	\$ 223	25%	\$ 1,016	90%
	each additional \$100,000 or fraction thereof, to and including \$100,000	\$ 10	\$ 23	\$ 14	139%	\$ 17	71%
4.6	\$100,001 to \$500,000						
	for first \$100,000	\$ 1,392	\$ 2,256	\$ 864	62%	\$ 1,824	81%
	each additional \$1,000 or fraction thereof, to and including \$500,000	\$ 8	\$ 6	\$ (2)	-25%	\$ 7	117%
4.7	\$500,001 to \$1,000,000						
	for first \$500,000	\$ 4,512	\$ 4,700	\$ 188	4%	\$ 4,606	98%
	each additional \$1,000 or fraction thereof, to and including \$1,000,000	\$ 7	\$ 8	\$ 1	17%	\$ 7	93%
4.8	\$1,000,000 and up						
	for first \$1,000,000	\$ 7,817	\$ 8,460	\$ 643	8%	\$ 8,138	96%
	each additional \$1,000 or fraction thereof	\$ 5	\$ 8	\$ 3	53%	\$ 6	83%
	GRADING						
5	Grading - Plan Review Fees						
5.1	50 cubic yards or less	\$ -	\$ 188	\$ 188		\$ 94	50%
5.2	51 to 100 cubic yards						
	first 50 cubic yards	\$ 32	\$ 235	\$ 203	634%	\$ 134	57%
	each additional cubic yard	\$ -	\$ 4	\$ 4		\$ 2	50%
5.3	101 to 1,000 cubic yards						
	first 100 cubic yards	\$ 46	\$ 376	\$ 331	726%	\$ 211	56%
	each additional 100 cubic yards	\$ -	\$ 11	\$ 11		\$ 6	50%
5.4	1,001 to 10,000 cubic yards						
	First 1000 cubic yards	\$ 58	\$ 470	\$ 412	714%	\$ 264	56%
	each additional hundred cubic yards	\$ -	\$ 4	\$ 4		\$ 2	50%
5.5	10,001 to 100,000 cubic yards						
	1st 10,000 cubic yards	\$ 58	\$ 846	\$ 788	1365%	\$ 452	53%
	each additional 10,000 cubic yards or fraction thereof	\$ 25	\$ 36	\$ 12	47%	\$ 30	84%
5.6	100,001 to 200,000 cubic yards						
	1st 100,000 cubic yards	\$ 278	\$ 1,175	\$ 897	322%	\$ 727	62%
	each additional 10,000 cubic yards or fraction thereof	\$ 13	\$ 62	\$ 49	368%	\$ 38	61%
5.7	200,001 cubic yards or more						
	1st 200,000 cubic yards	\$ 411	\$ 1,786	\$ 1,375	335%	\$ 1,098	61%
	each additional 10,000 cubic yards or fraction thereof	\$ 7	\$ 19	\$ 12	168%	\$ 13	69%
6	Grading - Permit Fees						
6.1	50 cubic yards or less	\$ 32	\$ 188	\$ 156	488%	\$ 110	59%
6.2	51 to 100 cubic yards						
	first 50 cubic yards	\$ 46	\$ 235	\$ 190	416%	\$ 140	60%
	each additional cubic yard	\$ -	\$ 4	\$ 4		\$ 2	50%
6.3	101 to 1,000 cubic yards						
	first 100 cubic yards	\$ 46	\$ 376	\$ 331	726%	\$ 211	56%
	each additional 100 cubic yards	\$ 18	\$ 21	\$ 4	22%	\$ 19	91%
6.4	1,001 to 10,000 cubic yards						
	First 1000 cubic yards	\$ 203	\$ 564	\$ 361	178%	\$ 384	68%
	each additional hundred cubic yards	\$ 15	\$ 6	\$ (9)	-60%	\$ 10	175%

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed New Construction & Miscellaneous Building Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
6.5	10,001 to 100,000 cubic yards						
	1st 10,000 cubic yards	\$ 334	\$ 1,128	\$ 795	238%	\$ 731	65%
	each additional 10,000 cubic yards or fraction thereof	\$ 66	\$ 73	\$ 7	11%	\$ 70	95%
6.6	100,001 cubic yards or more						
	1st 100,000 cubic yards	\$ 928	\$ 1,786	\$ 859	93%	\$ 1,357	76%
	each additional 10,000 cubic yards or fraction thereof	\$ 37	\$ 19	\$ (17)	-47%	\$ 28	144%
	ROOFS						
7	Re-Roofs						
7.1	Composition Roof Covering - Residential (includes new roof sheath) 1 - 15 SQUARES	\$ -	\$ 235	\$ 235		\$ 118	50%
	Composition Roof Covering - Residential (includes new roof sheath) 16-30 SQUARES	\$ -	\$ 376	\$ 376		\$ 188	50%
	Composition Roof Covering - Residential (includes new roof sheath) 31 and more SQUARES	\$ -	\$ 470	\$ 470		\$ 235	50%
7.2	Tile 1-15 SQUARES	\$ -	\$ 188	\$ 188		\$ 94	50%
	TILE 16-30 SQUARES	\$ -	\$ 282	\$ 282		\$ 141	50%
	TILE 31 and more SQUARES	\$ -	\$ 376	\$ 376		\$ 188	50%
7.3	Wood Shake 1-15 SQUARES		\$ 235				0%
	Wood Shake 16-30 SQUARES		\$ 329				0%
	Wood Shake 31-SQUARES	\$ -	\$ 376	\$ 376		\$ 188	50%
7.4	Steel Roof System	\$ -	\$ 470	\$ 470		\$ 235	50%
8	Overlay						
8.1	Residential Composition Overlay - Lifetime	\$ -	\$ 376	\$ 376		\$ 188	50%
9	Miscellaneous Roof						
9.1	Single-ply Roof System 1-30 SQUARES	\$ -	\$ 376	\$ 376		\$ 188	50%
9.2	Single-ply Roof System 31 and more SQUARES	\$ -	\$ 470	\$ 470		\$ 235	50%
9.3	Tar & Gravel (Built-Up/BUR)	\$ -	\$ 376	\$ 376		\$ 188	50%
10	Permitted Values for Construction						
10.1	Per Square Foot for New Residential and Additions						
10.2	Per Square Foot for Interior Remodels						
10.3	Per Square Foot for Garages and Accessory Structures						
10.4	Per Square Foot for Decks						
10.5	Per Square Foot for Commercial Shell						
10.6	Per Square Foot for Tenant Improvements						
	MISCELLANEOUS BUILDING PERMIT FEES						
11	Accessibility Plan Check of Building Permit - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%
12	Imaging Fees per page (standard size)						
13	Imaging Fees per page (oversize)						
14	Fees for Second and Each Additional Re-Inspection:						
14.1	During Normal Business Hours - per hour - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%
14.2	Outside Business Hours - first 2 hour minimum - Hourly Rate	\$ -	\$ 376	\$ 376		\$ 188	50%
14.3	Code Enforcement - City Attorney - per hour						
15	GEO Plan Review / Soils Report Review - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed New Construction & Miscellaneous Building Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
16	GIS Mapping: New Construction, Addition, Alteration (1) - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%
17	Additional Plan Check Fee - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%
18	Demolition	\$ -	\$ 564	\$ 564		\$ 282	50%
19	Address Change - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%
20	Green Building Review - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%
21	Energy Calculation Review Fee - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%
22	Apartment Inspection Annual Fee						
22.1	Per Residential Building - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%
22.2	Per Dwelling Unit within each Building - Hourly Rate	\$ -	\$ 188	\$ 188		\$ 94	50%
23	Business License Zoning Review Planning Department does zoning review.	\$ -	\$ -	\$ -		\$ -	0%
24	Business License Building Review	\$ -	\$ 94	\$ 94		\$ 47	50%
				\$ -		\$ -	
	SPECIAL EVENTS PERMIT FEES						
25	Candles/Open Flames in Assemblies (Vigil)	\$ 174	\$ 329	\$ 155	89%	\$ 252	76%
26	Carnivals/Fairs	\$ 742	\$ 846	\$ 104	14%	\$ 794	94%
27	Fireworks	\$ 742	\$ 1,222	\$ 480	65%	\$ 982	80%
28	Tents/Canopies	\$ 742	\$ 940	\$ 198	27%	\$ 841	89%
29	Assembly - Up to 499 People	\$ 254	\$ 564	\$ 310	122%	\$ 409	73%
30	Assembly - 500 or More People	\$ 718	\$ 1,034	\$ 316	44%	\$ 876	85%
	REVIEW OF ENGINEERING PLANS						
31	Lot Line Adjustment	\$ -	\$ 141	\$ 141		\$ 71	50%
32	Final Map Reviews	\$ -	\$ 141	\$ 141		\$ 71	50%
						\$ -	

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed Mechanical Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase- In Fee	Resulting Cost Recovery %
	BUILDING - MECHANICAL PERMITS						
1	Permit Issuance	\$ 32	\$ 85	\$ 53	166%	\$ 59	69%
2	Furnaces Installation						
2.1	Residential: Installation or relocation of forced air or gravity-type furnace or burner, each	\$ 65	\$ 94	\$ 29	45%	\$ 80	85%
2.1	Commercial: Installation or relocation of forced air or gravity-type furnace or burner, each	\$ 129	\$ 188	\$ 59	46%	\$ 159	84%
2.1	Installation or relocation of suspended heater, recessed wall heater, floor furnace, or floor mounted unit heater including flue vent, each	\$ 104	\$ 141	\$ 37	36%	\$ 123	87%
3	Appliance Vents and Ducts						
3.1	Installation, relocation or replacement of appliance vent, ducts, per system	\$ 65	\$ 141	\$ 76	117%	\$ 103	73%
3.2	Condensing units (AC), each	\$ 65	\$ 94	\$ 29	45%	\$ 80	85%
4	Boilers, Compressors & Absorption Systems						
4.1	Installation or relocation of each boiler, compressors 1-15 horsepower, or absorption system 0 - 500,000 Btu/h, each	\$ 104	\$ 141	\$ 37	36%	\$ 123	87%
4.2	Installation or relocation of each boiler, compressors 16-50 horsepower, or absorption system 500,001 - 1,750,000 Btu/h, each	\$ 136	\$ 188	\$ 52	38%	\$ 162	86%
4.3	Installation or relocation of each boiler, compressors 51 and over horsepower, or absorption system 500,001 - 1,750,001 and over Btu/h, each	\$ 168	\$ 235	\$ 67	40%	\$ 202	86%
	Air Handlers						
5	Installation or relocation of air-handling unit, each	\$ 104	\$ 141	\$ 37	36%	\$ 123	87%
	Evaporative Coolers						
6	Each non-residential evaporative cooler other than portable type, each	\$ 104	\$ 188	\$ 84	81%	\$ 146	78%
7	Ventilation & Exhaust						
7.1	Residential: Ventilation fan or hoods connected to a single duct, exhaust fan for bathrooms, kitchens, or laundry rooms, each	\$ 82	\$ 141	\$ 59	72%	\$ 112	79%
7.2	Commercial: Installation of kitchen hood each which is served by mechanical exhaust, including the ducts for such hood, each	\$ 149	\$ 376	\$ 227	152%	\$ 263	70%
7.3	Ventilation system which is not a portion of any heating or air-conditioning, each	\$ 104	\$ 187	\$ 83	80%	\$ 146	78%
	Incinerators						
8	Installation or relocation of each commercial or industrial-type incinerator, each	\$ 149	\$ 564	\$ 415	279%	\$ 357	63%
	Repairs or Additions						
9	The repair, alteration, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or evaporative cooling system, including installation of controls, each	\$ 65	\$ 141	\$ 76	117%	\$ 103	73%
	Miscellaneous						
10	Each appliance or piece of equipment regulated by this code but not classed in other appliance categories, or for which no other fee is listed, each	\$ 149	\$ 188	\$ 39	26%	\$ 169	90%

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed Plumbing Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
	BUILDING - PLUMBING PERMITS						
1	Permit Issuance	\$ 32	\$ 85	\$ 53	166%	\$ 64	67%
2	Thermal Solar Water Heating	\$ 142	\$ 188	\$ 46	32%	\$ 165	88%
3	Fixtures and Vents						
3.1	Installation or repair plumbing fixture, trap or set of fixtures on one trap, backflow device, including condensate lines	\$ 65	\$ 94	\$ 29	45%	\$ 80	85%
3.2	For repairs or alterations of drainage or vents piping, each	\$ 65	\$ 141	\$ 76	117%	\$ 103	73%
4	Sewers, Disposal Systems and Interceptors						
4.1	Building Sewer Lateral, each	\$ 65	\$ 188	\$ 123	189%	\$ 127	67%
4.2	Private sewage or disposal system, each	\$ 65	\$ 188	\$ 123	189%	\$ 127	67%
4.3	Industrial water pretreatment interceptor, each	\$ 65	\$ 376	\$ 311	478%	\$ 221	59%
4.4	Non-residential rainwater systems, up to 5 per drain	\$ 65	\$ 282	\$ 217	334%	\$ 174	62%
5	Water Piping and Water Heaters						
5.1	Installation, alteration or repair of water piping and/or water treating equipment, including pressure regulator, per system	\$ 65	\$ 188	\$ 123	189%	\$ 127	67%
5.2	For installation and replacement of water heater including vent, each	\$ 43	\$ 85	\$ 42	98%	\$ 64	75%
6	Gas Piping Systems						
6.1	Gas piping system, 1-10 outlets	\$ 65	\$ 85	\$ 20	31%	\$ 75	88%
6.2	Gas piping system, over 10 outlets	\$ 97	\$ 282	\$ 185	191%	\$ 190	67%
7	Lawn Sprinklers, Vacuum Breakers, Backflow Protections Devices						
7.1	Installation of lawn sprinkler systems including backflow protection device, and atmospheric-type vacuum breakers, per system	\$ 65	\$ 188	\$ 123	189%	\$ 127	67%
8	Swimming Pools and Spas - Plumbing Repair / Replacement			\$ -		\$ -	
8.1	Public pool including anti-entrapment device	\$ 207	\$ 235	\$ 28	14%	\$ 221	94%
8.2	Private pool including anti-entrapment device	\$ 136	\$ 188	\$ 52	38%	\$ 162	86%
8.3	Public spa including anti-entrapment device	\$ 207	\$ 235	\$ 28	14%	\$ 221	94%
8.4	Private spa including anti-entrapment device	\$ 136	\$ 188	\$ 52	38%	\$ 162	86%
8.5	Installation or replacement of anti-entrapment device	\$ 43	\$ 235	\$ 192	447%	\$ 139	59%
9	Miscellaneous						
9.1	Each additional or piece of equipment regulated by the Plumbing Code but not classed in other appliance categories, or for which no other fee is listed in this code	\$ 43	\$ 141	\$ 98	228%	\$ 92	65%

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed Electrical Permit Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase-In Fee	Resulting Cost Recovery %
	BUILDING - ELECTRICAL PERMITS						
1	Permit Issuance	\$ 32	\$ 85	\$ 53	166%	\$ 59	69%
	Private Swimming Pools - Repairs/Replacement						
2	For private, residential in-ground, swimming pools for single-family occupancies including a complete system of necessary branch circuit wiring, bonding, grounding, underwater lighting, water pumping and other similar electrical equipment directly related to the operation of a swimming pool, each pool	\$ 65	\$ 188	\$ 123	189%	\$ 127	67%
	Carnivals and Circuses						
3.1	For electric generators, electrically driven rides, mechanically driven rides and walk through attractions or displays having electric lighting	\$ 207	\$ 376	\$ 169	82%	\$ 292	78%
3.2	Carnivals and circuses booth and pathway lighting	\$ 207	\$ 376	\$ 169	82%	\$ 292	78%
	Temporary Power Service						
4.1	Temporary metered service power pole or pedestal including pole or pedestal-mounted receptacle outlets, each	\$ 65	\$ 188	\$ 123	189%	\$ 127	67%
4.2	Temporary distribution system (up to 5) poles including temporary lighting and receptacle outlets for construction sites, decorative light, Christmas tree sales lots, firework stands, each	\$ 65	\$ 188	\$ 123	189%	\$ 127	67%
4.3	Each additional distribution system	\$ 65	\$ 188	\$ 123	189%	\$ 127	67%
	Photovoltaic Systems						
5.1	Residential: Repair of photovoltaic electrical systems, each	\$ 142	\$ 188	\$ 46	32%	\$ 165	88%
	Fees for new installation are included in Miscellaneous Permits						
5.2	Commercial and Industrial: Repair of photovoltaic electrical systems, each	\$ 214	\$ 235	\$ 21	10%	\$ 225	96%
	Fees for new installation are included in Miscellaneous Permits						
	Unit Fee Schedule						
6	Receptacle, switch, lighting outlets, lighting fixtures, sockets or other lamp holding	\$ 65	\$ 94	\$ 29	45%	\$ 80	85%
7	Pole or platform-mounted lighting fixtures (up to 5), each	\$ 97	\$ 188	\$ 91	94%	\$ 143	76%
8	Theatrical-type lighting fixtures or assemblies, per system	\$ 129	\$ 470	\$ 341	264%	\$ 300	64%
9	Kitchen circuits - remodels	\$ 65	\$ 141	\$ 76	117%	\$ 103	73%
10	Bathroom circuits - remodels	\$ 65	\$ 94	\$ 29	45%	\$ 80	85%
11	Non-Residential Appliances, and Receptacle Outlets	\$ 129	\$ 235	\$ 106	82%	\$ 182	77%
	Power Apparatus						
12.1	1 to 100 - HP or KW, each	\$ 97	\$ 188	\$ 91	94%	\$ 143	76%
12.2	101 and over - HP or KW, each	\$ 129	\$ 282	\$ 153	119%	\$ 206	73%
13	Busways	\$ 207	\$ 376	\$ 169	82%	\$ 292	78%
	Signs, Outline Lighting, Marquees						
14.1	Signs, outline lighting systems or marquees supplies from one branch circuit	\$ 175	\$ 235	\$ 60	34%	\$ 205	87%
14.2	Additional branch circuits (up to 5) within the same sign, outline lighting system or	\$ 207	\$ 188	\$ (19)	-9%	\$ 198	105%
	Services						
15.1	Services of 600 volts or less and not over 200 amperes in rating, each	\$ 97	\$ 188	\$ 91	94%	\$ 143	76%
15.2	Services of 600 volts or less and over 200 amperes and over, each	\$ 129	\$ 282	\$ 153	119%	\$ 206	73%
	Photovoltaic						
16.1	Base Fee	\$ 32	\$ 85	\$ 53	166%	\$ 59	69%
16.2	Residential	\$ 142	\$ 224	\$ 82	58%	\$ 183	82%
16.3	Commercial <10kW	\$ 214	\$ 271	\$ 57	27%	\$ 243	89%
16.4	Commercial greater than or equal to 10kW - 49kW	\$ 214	\$ 364	\$ 150	70%	\$ 289	79%
16.5	Commercial >49kW	\$ 214	\$ 504	\$ 290	136%	\$ 359	71%
16.6	Records Retention (per sheet)	\$ 4	\$ 4	\$ (0)	-4%	\$ 4	
	Miscellaneous Apparatus, Conduits, and Conductors						
17	Electrical apparatus, conduits and conductors for which a permit is required but for	\$ 65	\$ 141	\$ 76	117%	\$ 103	73%

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Proposed Fire Fees - 100% cost recovery versus 50% phase-in

100% Cost Recovery						50% of Cost Increase	
No.	Fee Description	Current Fee	Proposed Fee	\$ INCREASE/ DECREASE FROM CURRENT	% INCREASE/ DECREASE FROM CURRENT	50% Phase- In Fee	Resulting Cost Recovery %
	FIRE PERMITS						
1	Fire Alarm						
1.1	1-15 Devices	\$ 459	\$ 564	\$ 105	23%	\$ 512	91%
1.2	16-50 Devices	\$ 459	\$ 752	\$ 293	64%	\$ 606	81%
1.3	51-100 Devices	\$ 459	\$ 940	\$ 481	105%	\$ 700	74%
1.4	101-500 Devices	\$ 459	\$ 1,128	\$ 669	146%	\$ 794	70%
1.5	Each additional 50 devices over 500 devices	New	\$ 8			\$ 4	50%
2	Fire Sprinklers						
2.1	Residential Single Family/Townhouse (R-3)	\$ 459	\$ 564	\$ 105	23%	\$ 512	91%
2.2	Apartment/Condo	\$ 459	\$ 564	\$ 105	23%	\$ 512	91%
2.3	additional time per unit	New	\$ 94			\$ 47	50%
3	Commercial- New Construction						
3.1	1-20 Appliances	\$ 459	\$ 564	\$ 105	23%	\$ 512	91%
3.2	21-100 Appliances	\$ 459	\$ 752	\$ 293	64%	\$ 606	81%
3.3	101-200 Appliances	\$ 459	\$ 893	\$ 434	95%	\$ 676	76%
3.4	201-350 Appliances	\$ 459	\$ 1,081	\$ 622	136%	\$ 770	71%
3.5	351-500 Appliances	\$ 459	\$ 1,316	\$ 857	187%	\$ 888	67%
3.6	Each additional 100 appliances over 500 appliances	New	\$ 28			\$ 14	50%
4	Commercial- Tenant Improvements						
4.1	1-20 Appliances	\$ 459	\$ 517	\$ 58	13%	\$ 488	94%
4.2	21-100 Appliances	\$ 459	\$ 611	\$ 152	33%	\$ 535	88%
4.3	101-200 Appliances	\$ 459	\$ 705	\$ 246	54%	\$ 582	83%
4.4	201-350 Appliances	\$ 459	\$ 799	\$ 340	74%	\$ 629	79%
4.5	351-500 Appliances	\$ 459	\$ 893	\$ 434	95%	\$ 676	76%
4.6	Each additional 100 appliances over 500 appliances	New	\$ 19			\$ 10	53%
5	Fire Sprinklers (Master Plan Review)	Actual Cost	Actual Cost				
6	High Piled Storage	\$ 318	\$ 564	\$ 246		\$ 441	78%
7	Suppression System	\$ 459	\$ 564	\$ 105		\$ 512	91%
8	Tire Storage	New	\$ 517			\$ 259	50%
9	Underground Piping / Hydrant System / Backflow	\$ 318	\$ 611	\$ 293		\$ 465	76%
10	Medical Gas Systems	\$ 459	\$ 564	\$ 105		\$ 512	91%
11	LRP - 15% of Permit Fee	TBD	TBD				
12	Microfilm Fee (Base Fee)	\$ 4.15	\$ 2.07	\$ (2)			
12.1	8 1/2 x 11 (per sheet)	\$ 0.25	\$ 0.13	\$ (0)			
12.2	8 1/2 x 14 or Larger (per sheet)	\$ 2.07	\$ 1.04	\$ (1)			
13	Seismic Fee	n/a					
14	CBSC Fee (min. \$1.00)						
14.1	\$1.00 per each \$25,000 of construction valuation	TBD					
15	REVIEW OF ENGINEERING PLANS						
15.1	Lot Line Adjustment	\$ -	\$ 188	\$ 188		\$ 94	50%
15.2	Final Map Reviews	\$ -	\$ 188	\$ 188		\$ 94	50%

Attachment: Proposed Permit Fee Comparison 100 percent and 50 percent (1464 : Development Fee Update)

Morgan Hill

User Fee Study

WORKSHOP

AGENDA DATE: 07/19/17
SUPPLEMENTAL # 1

City Council Workshop
July 19, 2017



Purpose of Workshop

- Provide high-level overview of the methodology and process followed in development of City's Development User Fees
- Receive fee setting policy guidance from the City Council

Presentation Agenda

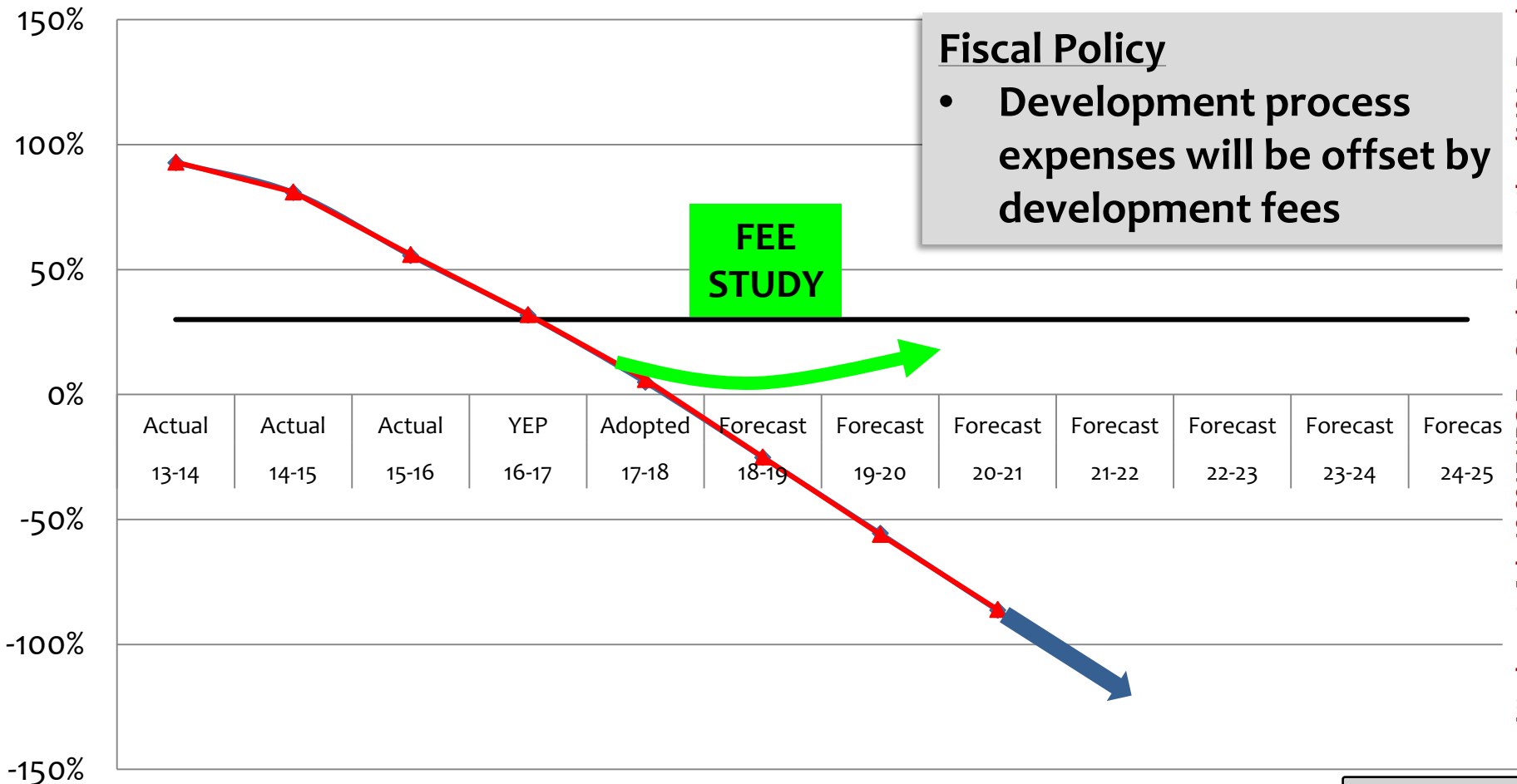
- 1 User Fee Study Status Update
- 2 Principles and Guidance
- 3 Key Issues Framing the Study
- 4 Costing Methodology and Approaches
- 5 City Policy Considerations

Community Development Fund

8 Year Forecast

9.f

◆ Mid Cycle Update May 2017 — Fund Balance Goal of 30% of Expenditures ▲ Prior Five Year Forecast



User Fee Study Status Update

- **Background on cost recovery and setting fees**
- **Policy guidance**
- Finalize recommended fees
- Communicate with development community
- Sept. 6 – return to City Council with recommended fees

Development Services Steps Completed

- Zucker Development Services study
- Implementation of TrakIt software
- Transferred economic development and code compliance to the general fund due to community wide benefit

User Fee Study



User Fee Study

*Defines full cost
recovery potential of
individually-based
services*

User Fee Study



User Fee Study

A User Fees:

Charges imposed for a service provided or required due to the request or action of an individual/entity

B Regulatory Fees:

Charges imposed to recover costs associated with the City's power to govern certain activities

User Fee Study Guidance

- **Proposition 218 Section 6.2(b)2**
 - “Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed”
 - Must Pair Revenues to Costs - *What are the Costs?*
- **CA Government Code §66014(a)**
 - “Those fees may not exceed the estimated reasonable cost of providing the service for which the fee is charged”
 - Focus on “Estimated Reasonable”
- **Proposition 26**
 - Article XIIC§1(e)(3) Inspections and Regulatory Permits are exempt ...however are still limited to the local government’s reasonable costs.

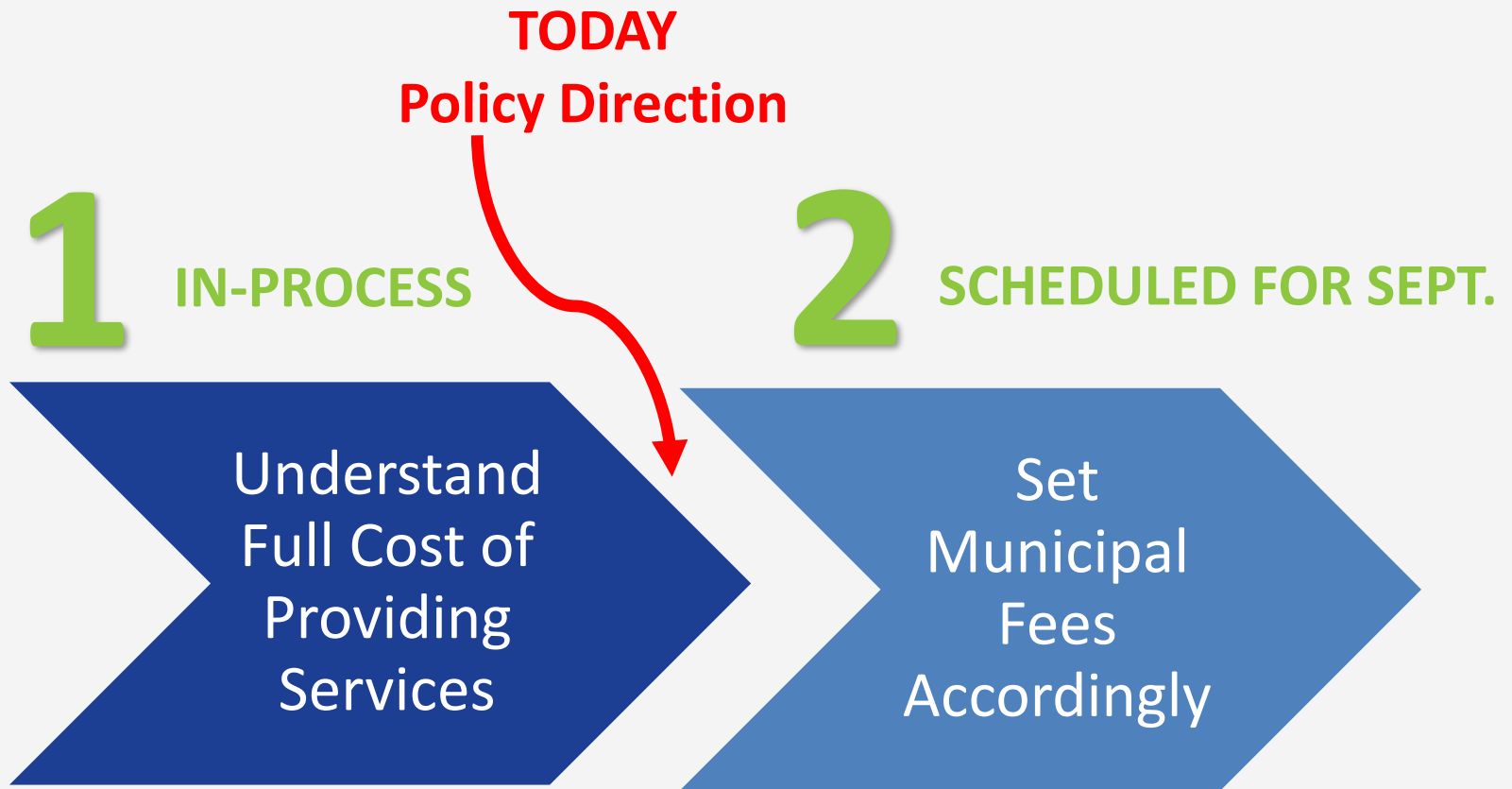
Fee Study Best Management Practices

- 1 Comprehensive fee study every 3 - 5 years
- 2 More frequent study during organizational or economic change
- 3 Annual increase mechanism
- 4 Combined Master Fee Schedule
- 5 Established and documented Cost Recovery Policy

Key Issues Framing the Fee Study

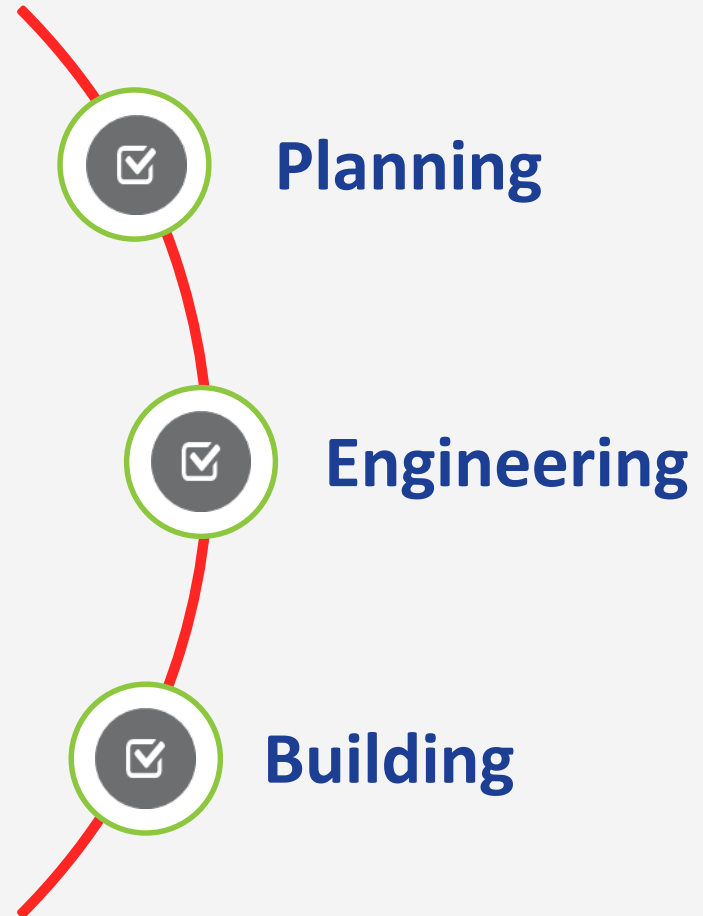
- 1 Defensible methodology
- 2 Compliant fees-for-service
- 3 Reasonable cost of providing services
- 4 Cost recovery

Project Elements

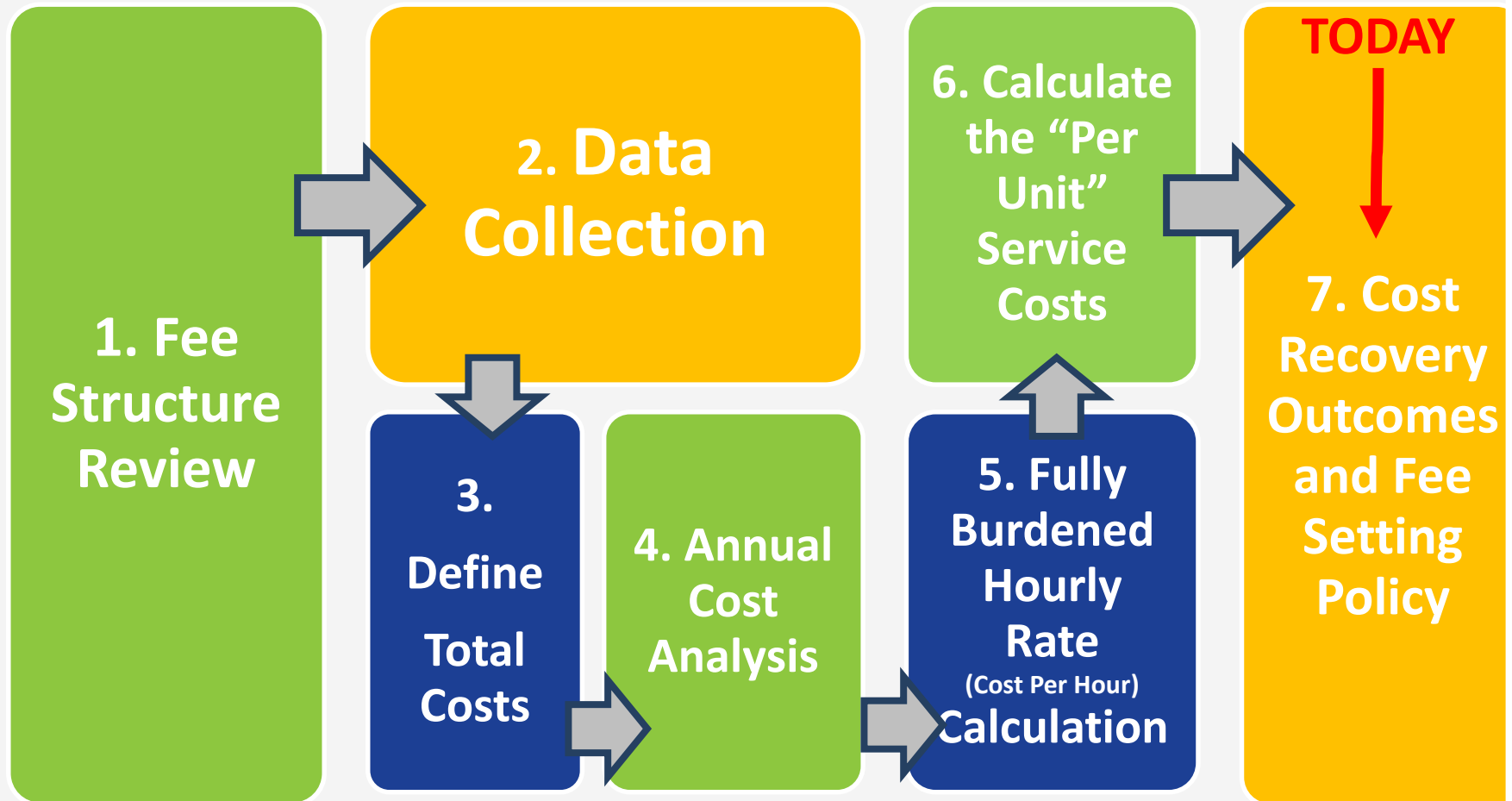


Scope of Review

Development
Services
Divisions
Include:



User Fee Study Project Approach



Fee Schedule Review

Select Fee Structure

Flat Fees

Variable Fees Based on Project Characteristics

Variable Fees Based on Actual Time Tracked (with Deposits
Managed as Needed)

Defining Total Costs

DIRECT

- Salaries and Benefits
- Services and Supplies

INDIRECT

- Program, Division, Departmental, Agency-Wide

SUPPORT

- Review required from internal departments for approval
- Front Counter

SYSTEMS and MAINTENANCE

- On-going and projected technology costs and maintenance, imaging costs, etc.

Annual Time Analysis

Estimated and/or Tracked

Direct Case Work

Intake and Processing

Plan Review- Initial and Iterations

Inspections – Initial and iterations

Permit Issuance

Commission Review

Project Close Out

Indirect Services

Public Information and Assistance

Code, Policy , and Procedure Improvement

Support / Overhead

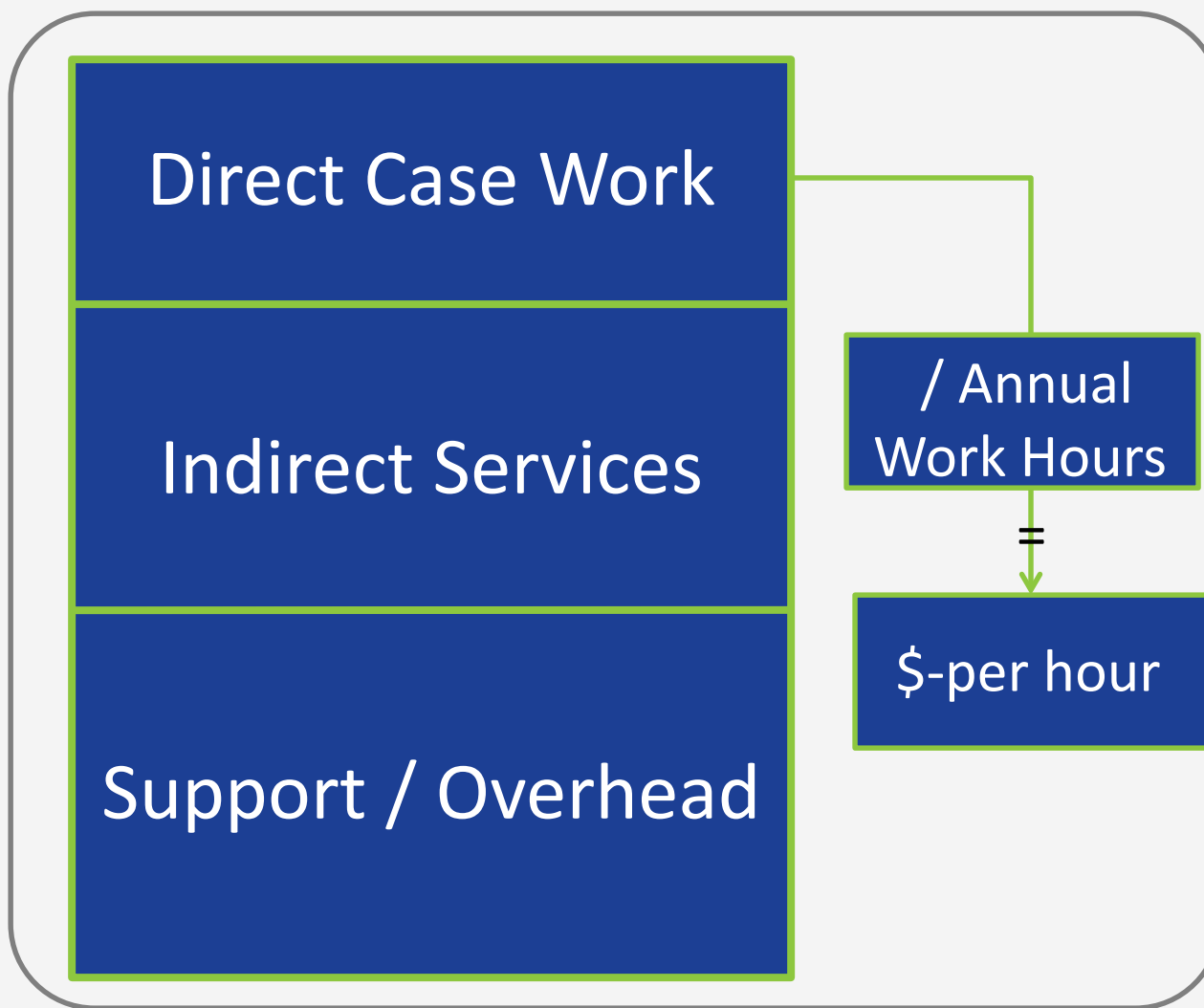
Training

Divisional Administration

Departmental Administration

Support/ Indirect Services

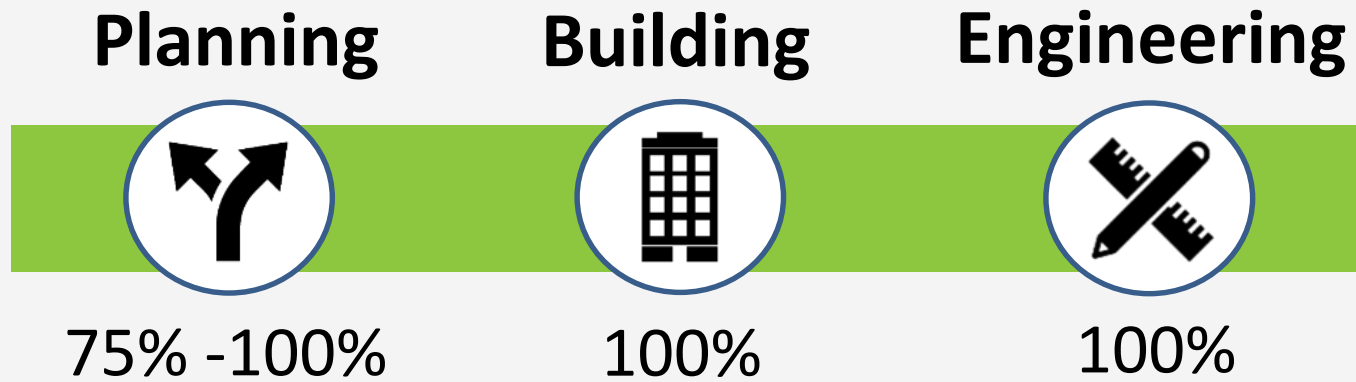
FBHR – Cost Per Hour Calculation



Hourly Rate Outcomes

- ✓ “Billable” rate by employee class and/or unique division
- ✓ Composite rate by type of service

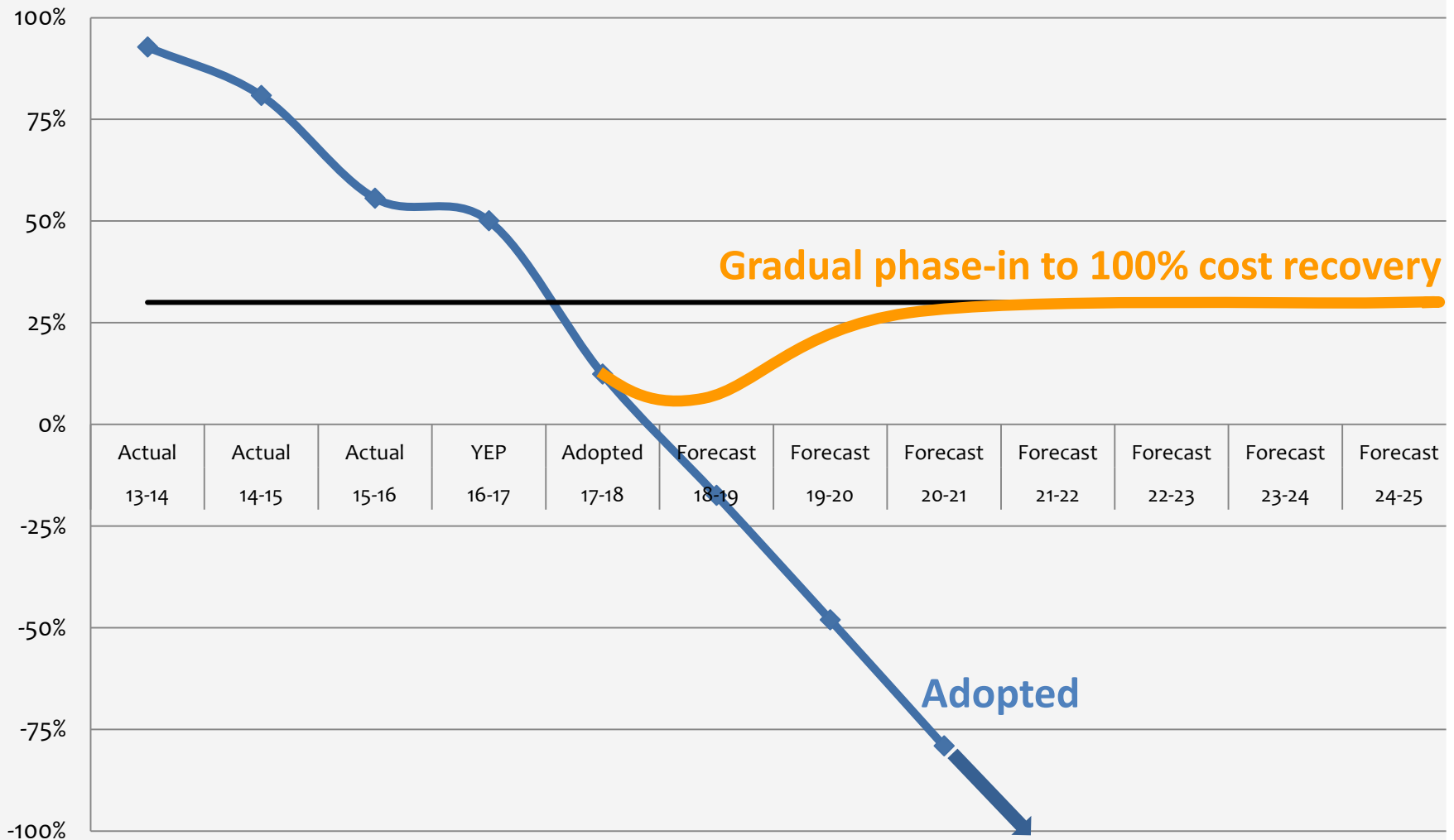
Industry Trends in Cost Recovery Policy



Fiscal Policy Consideration

- Existing Policy: Development process costs and related administrative expenses will be offset by development fees
- Should the City phase-in/tier the implementation of any fee increases for fees that would significantly increase from the current fee, **OR** recover full costs immediately?

Community Development Fund Forecast



Attachment: July 19 2017 NBS Fee Study Presentation (1464 : Development Fee Update)

User Fee Update Calendar

- **July 19 – City Council Workshop**
- **Mid August – Meet with Development Community**
- **September 6 – Consider Adoption of Fees**
- **November 6 – Effective Date for Fee Changes**

Fiscal Policy Consideration

- Existing Policy: Development process costs and related administrative expenses will be offset by development fees
- Should the City phase-in/tier the implementation of any fee increases for fees that would significantly increase from the current fee, **OR** recover full costs immediately?



CITY COUNCIL STAFF REPORT

MEETING DATE: November 1, 2017

PREPARED BY: Jim Rowe, Contract Planner
APPROVED BY: City Manager

ZONING AMENDMENT, ZA2017-0004: DEL MONTE – CARUSO: REQUEST FOR ZONING AMENDMENT TO CHANGE THE ZONING MAP DESIGNATION FOR TWO PARCELS FROM RE 100,000 TO R-1 7,000. THE PROJECT IS LOCATED ON THE WEST SIDE OF DEL MONTE AVENUE OPPOSITE MATHILDA COURT (ASSESSOR PARCEL NUMBERS 767-16-013, -043) CEQA: PROJECT COMPLIES WITH SECTION 15183 (CONSISTENT WITH COMMUNITY PLAN, GENERAL PLAN OR ZONING)

RECOMMENDATION(S)

1. Open/close public hearing;
2. Waive the first and second reading of Ordinance approving zoning amendment; and
3. Introduce Ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment

Preserving and Cultivating Public Trust

REPORT NARRATIVE:

In July 2016, the City of Morgan Hill adopted the 2035 General Plan. The 2035 General Plan Land Use Map amended the land use designation on the two properties (APNs 767-16-013 and -043) located on the west side of Del Monte Avenue, south of Spring Avenue, opposite Mathilda Court from Residential Estate (up to 1 unit per acre) to Residential Detached Medium (up to 7 units per acre). The applicant is requesting to amend the zoning of the 1.745-acre site from RE 100,000 to R-1 7,000 to be consistent with the General Plan land use designation.

COMMUNITY ENGAGEMENT: Involve

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

ALTERNATIVE ACTIONS:

Approve a zoning designation of R-1 9,000 on both parcels, thus requiring larger lot sizes in an area of the site where the average ground slope is less than 10 percent.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 10, 2017, the Planning Commission considered the application request to rezone two parcels totaling 1.745 acres from RE 100,000 to R-1 7,000. The Planning Commission voted 6-1 to recommend rezoning the two parcels to R-1 7,000 with Commissioner Mueller voting no. Commissioner Mueller believed the R-1 7,000 designation would allow lot sizes that are too small to provide an appropriate transition to the larger 39,490 square foot lot size minimum required by the Hillside Combining District. The 7,000-square foot minimum would only apply to that portion of both parcels where the average ground slope is less than 10 percent.

FISCAL AND RESOURCE IMPACT:

Application fees were collected to cover the cost of processing the zoning amendment request.

CEQA (California Environmental Quality Act):

The project was reviewed as part of the Master Environmental Impact Report for the 2035 General Plan update and has been found consistent with the California Environmental Quality Act Section 21083.3 and Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning), there are no new environmental effects peculiar to the property or the project and no new information, and thus additional environmental review is not required. The Zoning Amendment complies with the General Plan as required by Government Code Section 65860 and as noted in this report.

LINKS/ATTACHMENTS:

1. Ordinance
2. Exhibits A and B
3. October 10, 2017 Planning Commission Staff Report (weblink)

ORDINANCE NO. NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING ZONING AMENDMENT ZA 2017-0004 CHANGING THE ZONING DESIGNATION OF AN APPROXIMATELY 1.745-ACRE SITE LOCATED ON THE WEST SIDE OF DEL MONTE AVENUE OPPOSITE MATHILDA COURT (ASSESSOR PARCEL NUMBERS 767- 16-013, -043) FROM RE 100,000 RESIDENTIAL ESTATE DISTRICT TO R-1 7,000 SINGLE FAMILY MEDIUM DENSITY RESIDENTIAL DISTRICT

WHEREAS, an application for rezoning of the property located at 16615 and 16625 Del Monte Avenue, APN 767-16-013, - 043 was made by the owners of the properties, Salvatore Caruso and Lucas Caruso (“Owners”), from RE-100,000 Residential Estate District to R-1 7,000 Residential Detached Medium to be consistent with the General Plan;

WHEREAS, the General Plan designates the two above-referenced parcels as Residential Detached Medium;

WHEREAS, such application was considered by the City Council at their regular meeting of November 1, 2017 at which time the City Council approved application ZA2017-0004: Del Monte - Caruso; and

WHEREAS, the project site was reviewed as part of Master Environmental Impact Report for the 2035 General Plan update and has been found consistent with the requirements of the California Environmental Quality Act. No new environmental effects peculiar to the property or the project and no new information has been identified, and thus additional environmental review is not required pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183; and

WHEREAS, the Zoning Amendment complies with the General Plan as required by Government Code Section 65860; and

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

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

SECTION 1. The proposed zoning amendment is consistent with the General Plan.

SECTION 2. The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. Further development and any future building additions shall comply with the site

development standards of the R-1 7,000 Single Family Medium Density Residential District and the (H) Hillside Combining District.

SECTION 4. The City Council hereby approves amendment to the City zoning map changing the zoning designation from RE-100,000 Residential Estate to the R-1 7,000 Single Family Medium Density Residential District to the site described attached hereto, as Exhibit "A", Legal Description and Exhibit "B" Zoning Plat and by this reference incorporated herein.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 1ST DAY OF NOVEMBER, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE ____ DAY OF ____ 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:

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 (1456 : Zoning Amendment ZA2017-0004: Del Monte - Caruso)

Exhibit "A"**Parcel One:**

A portion of Lot 17 as said Lot is shown on that certain Map entitled, "Catherine Dunne Ranch Map No. 3", in the City of Morgan Hill, County of Santa Clara, State of California, which Map was filed for record on May 11, 1894 in Book "H" of Maps, at Pages 64 and 65, Santa Clara County Records, more particularly described as follows;

Beginning at the point of intersection of the Southwesterly line of said Lot 17 with the Southwesterly corner of the Parcel of land conveyed to Richard L. Pennington, et ux, by Deed recorded December 24, 1970 in Book 9167 of Official Records, Page 525; thence along the Southwesterly line of said Lot 17 South 24° 29' 00" West 31 feet, more or less, to the most Westerly corner of the Parcel of land described as Parcel 1 in the Deed to Robert H. Wetter, Jr., also known as Robert H. Wetter, et ux, recorded February 6, 1962 in Book 5457 of Official Records, Page 325; thence along a line of said land so conveyed to Wetter, North 80° 09' East 228.28 feet to an angle therein; thence continuing along a line of said land, North 13° 32' West 52.83 feet to the Southerly corner of the Parcel of land described as Parcel 2 in the Deed to Robert H. Wetter, a widower, recorded August 4, 1964 in Book 6609 of Official Records, Page 291; thence along the Southeasterly line of said Parcel 2, North 65° 31' 00" East 13.67 feet to a point in Parcel "E" as said Parcel is shown on the Record of Survey Portion of Lands of Pellicano and Wetter, filed for record on July 18, 1964 in Book 181 of Maps, at Page 46, Santa Clara County Records; thence along the Southerly, Southeasterly and Southwesterly line of said Parcel "E", the following courses and distances: North 78° 05' 40" West 43.83 feet; South 65° 31' 00" West 24.00 feet; North 24° 29' 00" West 11.00 feet to a Southeast corner of the Parcel of land described as Parcel I in the Deed to Robert L. Pennington hereinabove referred to; thence along a Southeasterly line of said Parcel 1, South 65° 31' 00" West 184.44 feet to a point of beginning.

Parcel Two:

An easement for ingress and egress and for public utilities over the following described Parcel of Land:

Beginning at the common corner for Lots 3, 4, 17 and 20 in the centerline of Spring Avenue, 60 feet wide, as said Lots and Avenue are shown upon the Map hereinafter referred to; thence along said center line of Spring Avenue South 65° 31' West 100 feet to the Northeasterly corner of that certain parcel of land conveyed by Ivan F. Funderhill, et ux, to Leona Nettleton, by Deed dated February 28, 1953 and recorded March 3, 1953 in Book 2591 of Official Records Page 459; thence leaving said center line and running along the Easterly line of the parcel so conveyed to Nettleton the following courses and distances: South 24° 29' East 200.00 feet; thence South 40° 26' East 144.72 feet, South 13° 32' East to a point which is South 24° 29' East 464 feet in a direct line from the center line of Spring Avenue, said point being the true point of beginning of the parcel described herein; thence from said true point of beginning North 65° 31' East to a point in the Northeasterly line of the property conveyed to Richard L. Higgins, et al, in Deed recorded August 12, 1958 in Book 4146 of Official Record at Page 422, which is South 24° 29' East 464 feet from the Point of Beginning; thence South 24° 29' East 20 feet; thence South 65° 31' West to a point which bears South 13° 32' East from the true point of beginning; thence North 13° 32' West to the true point of beginning. Being a portion of Lot 17, Catherine Dunne Ranch Map No. 3, a Map of which was filed for record on May 11, 1894 in Book "H" of Maps, at Pages 64 and 65, Santa Clara County Records.

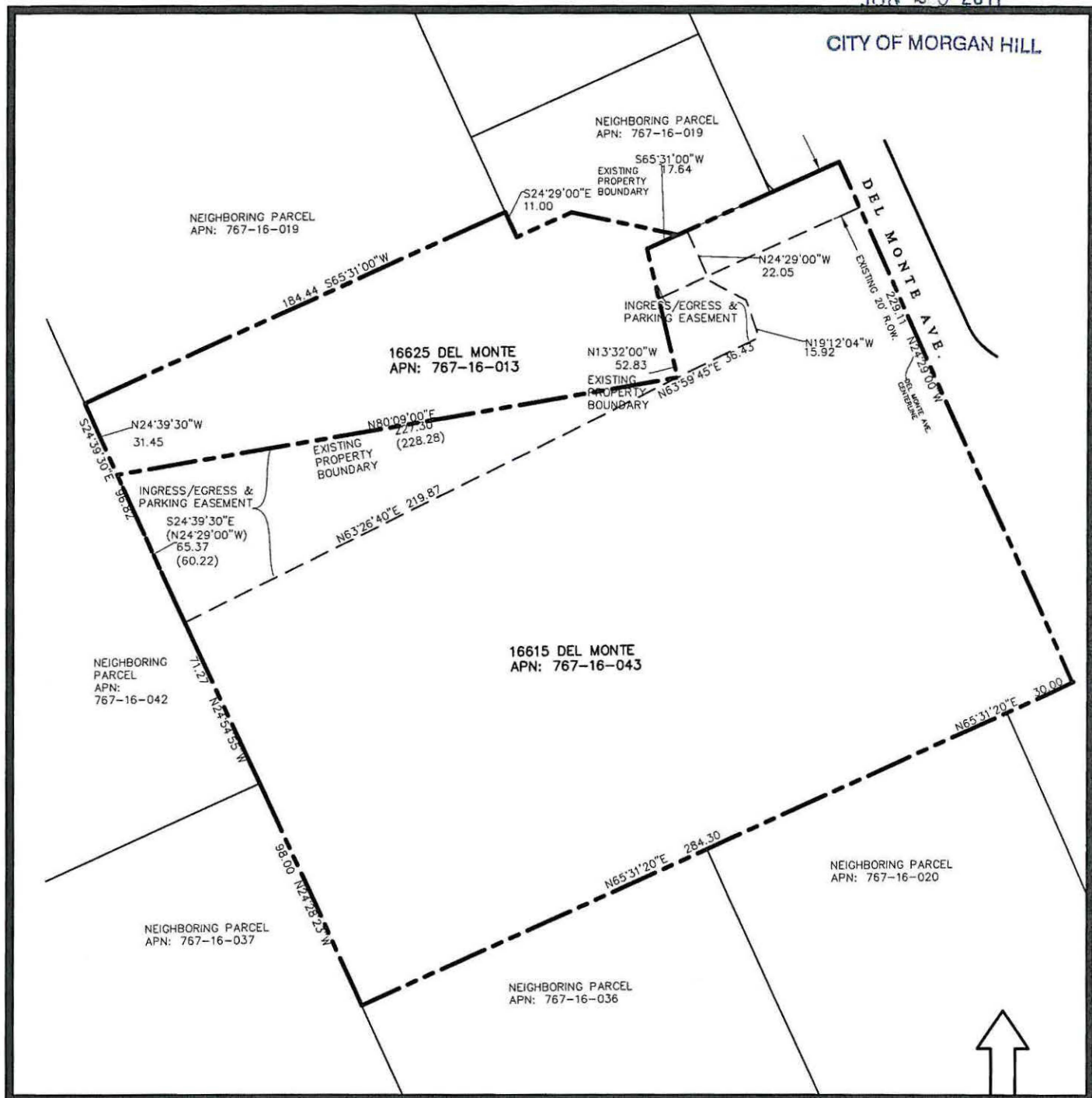
Parcel Three:

An easement for ingress/egress and parking purposes lying over, on and across a portion of those lands conveyed to Terry S. and Bernice T. Peabody by Grant Deed recorded 2/25/2005 in Document No. 18248534, Official Records of Santa Clara County, being more particularly described as follows:

Beginning at the most northwesterly corner of said lands; thence along the northerly boundary of said lands North 80° 09' 00" East 228.28 feet to an angle point thereof; thence along a westerly boundary of said lands North 13° 32' 00" West 52.83 feet to an angle point thereof; thence along the northwesterly boundary of said lands North 65° 31' 00" East 17.61 feet to a point; thence leaving said boundary South 24° 29' 00" East 22.05 feet to a point; thence South 62° 38' 07" East 16.53 feet to a point; thence South 19° 12' 04" East 15.92 feet to a point; thence South 63° 26' 40" West 257.43 feet to a point on the southwesterly boundary of said lands; thence along said southwesterly boundary North 24° 29' 00" West 66.02 feet to the point of beginning.

JUN 20 2017

CITY OF MORGAN HILL



Attachment: Exhibits A and B (1456 : Zoning Amendment ZA2017-0004: Del Monte - Caruso)

EXHIBIT 'B'
PLAT MAP TO ACCOMPANY
REZONING

SALVATORE CARUSO
DESIGN CORPORATION

980 EL CAMINO REAL #200
SANTA CLARA, CA 95050



Item # 05

AGENDA DATE: 11/01/17
SUPPLEMENTAL # 1

From: [Christina Turner](#)
To: [Liam Downey](#)
Cc: [CityCouncil](#); [Cindy Murphy](#); [Dat Nguyen](#); [Michelle Wilson](#); [Angie Gonzalez](#)
Subject: FW: Questions re: Item #5 - AUGUST 2017 FINANCIAL AND INVESTMENT REPORT - 11/1/17 Meeting
Date: Wednesday, November 01, 2017 10:59:13 AM
Attachments: [image001.png](#)
[image002.png](#)

Hi Liam – thank you so much for your questions. Please see our responses below in red font and let us know if you have any further questions.

Regards,
Christina

From: Dat Nguyen
Sent: Wednesday, November 01, 2017 10:53 AM
To: Christina Turner <Christina.Turner@morganhill.ca.gov>
Cc: Cindy Murphy <Cindy.Murphy@morganhill.ca.gov>
Subject: FW: Questions re: Item #5 - AUGUST 2017 FINANCIAL AND INVESTMENT REPORT - 11/1/17 Meeting

Please see our response in red font below:

Thanks,
Dat

From: Christina Turner
Sent: Monday, October 30, 2017 2:39 PM
To: Cindy Murphy <Cindy.Murphy@morganhill.ca.gov>; Dat Nguyen <Dat.Nguyen@morganhill.ca.gov>
Subject: Fwd: Questions re: Item #5 - AUGUST 2017 FINANCIAL AND INVESTMENT REPORT - 11/1/17 Meeting

Begin forwarded message:

From: Liam Downey-Redstone <liam.downey@myredstonegroup.com>
Date: October 30, 2017 at 2:33:10 PM PDT
To: Rich Constantine <rich.constantine@morganhill.ca.gov>, Steve Tate <steve.tate@morganhill.ca.gov>, Larry Carr <larry.carr@morganhill.ca.gov>, caitlin.jachimowicz@morganhill.ca.gov, rene.spring@morganhill.ca.gov
Cc: Michelle Wilson <Michelle.Wilson@morganhill.ca.gov>, Christina Turner <christina.turner@morganhill.ca.gov>
Subject: Questions re: Item #5 - AUGUST 2017 FINANCIAL AND INVESTMENT REPORT - 11/1/17 Meeting

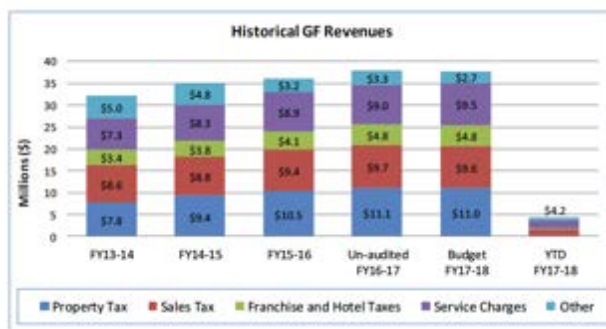
Council Members and Staff,

A few questions on Item #5 on your consent calendar, titled AUGUST 2017 FINANCIAL AND INVESTMENT REPORT.

I realize this is just an interim report, and a consent calendar item, but I noticed a few items that may spark some questions amongst the public. So it may be worth taking a few minutes to review and discuss, or possibly add them to a future agenda item on this same topic.

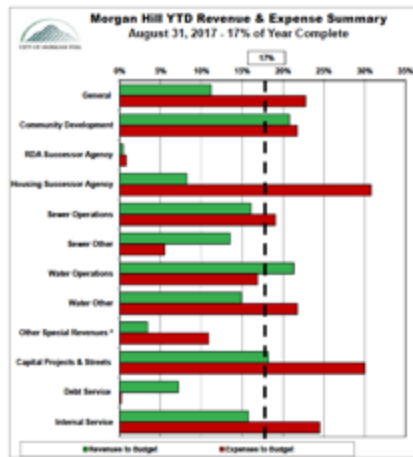
1. On packet page 215 (Financial Statement Analysis) there is a graph (see below) showing the historical GF revenues. What caught my attention is the \$11.1M FY16-17 Property tax revenue (unaudited) vs the FY18 budgeted amount of \$11M. An overall reduction in the expected property tax revenue.

Although I expect there is a logic explanation for that, it does seem somewhat counter to the hyper growth of residential development in the City over the past 3-4 years, and what is projected for this year. You would expect the property tax amount to go up right? Would be interested in understanding why not? And what the projections are for the next years? More housing, more people equates to more services, staff, and overall GF expenditure. **Yes, it is correct that property tax is expected to be higher compared to last year and we've budgeted as such. What was included in FY16-17 and not budgeted in this year, was the sale of former RDA properties which the City's general fund received 10% of the proceeds. These are not recurring property tax amounts for the current year. In contrast, the loan repayments by the former RDA to the Housing Fund are projected to be higher this year than last year. This reduces available property tax for the General Fund for this fiscal year. All in all, we are still expecting higher property tax revenues for this year compared to last year. As mentioned in the report narrative, at the recent Cities Property Tax Meeting, County staff projected Morgan Hill property tax revenue to be approximately \$500,000 higher than our mid-cycle revised estimate.**



2. 2nd question. On packet page 219, a graph (below) depicts the YTD revenue and expenses by main category. In almost all cases the City is spending over the projected budget, and from what i can read in the summary below that chart, we are exceeding our budgeted expenditure by 21%. Would be interested in an explanation as to why this is the case? I understand that mid fiscal summaries can be overloaded sometimes, as expenditure is not always linear. But again, in times where general fund income

struggles with the new economic dynamics of online retail and curtailed growth (which is good!), we do need to keep things in balance. This is mainly due to the inclusion of encumbrances, which amounted to \$2.8M in the General Fund. Without the encumbrances, year-to-date expenditures are \$6.4M, or 16% of the budget. This is compared to approximately 17% of year completed. The encumbrances represent commitments or contractual obligations that the City entered into with vendors or suppliers such as Cal-West Lighting and Signal Maintenance for the maintenance of City's streetlights and traffic signals, and 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.



As always our city staff do a terrific job managing this City and our funds, and I'm confident there are logical explanations for these questions. looking forward to the feedback.

Thanks

Liam Downey
Morgan Hill Resident

City of Morgan Hill

Development Fee Update

City Council Public Hearing

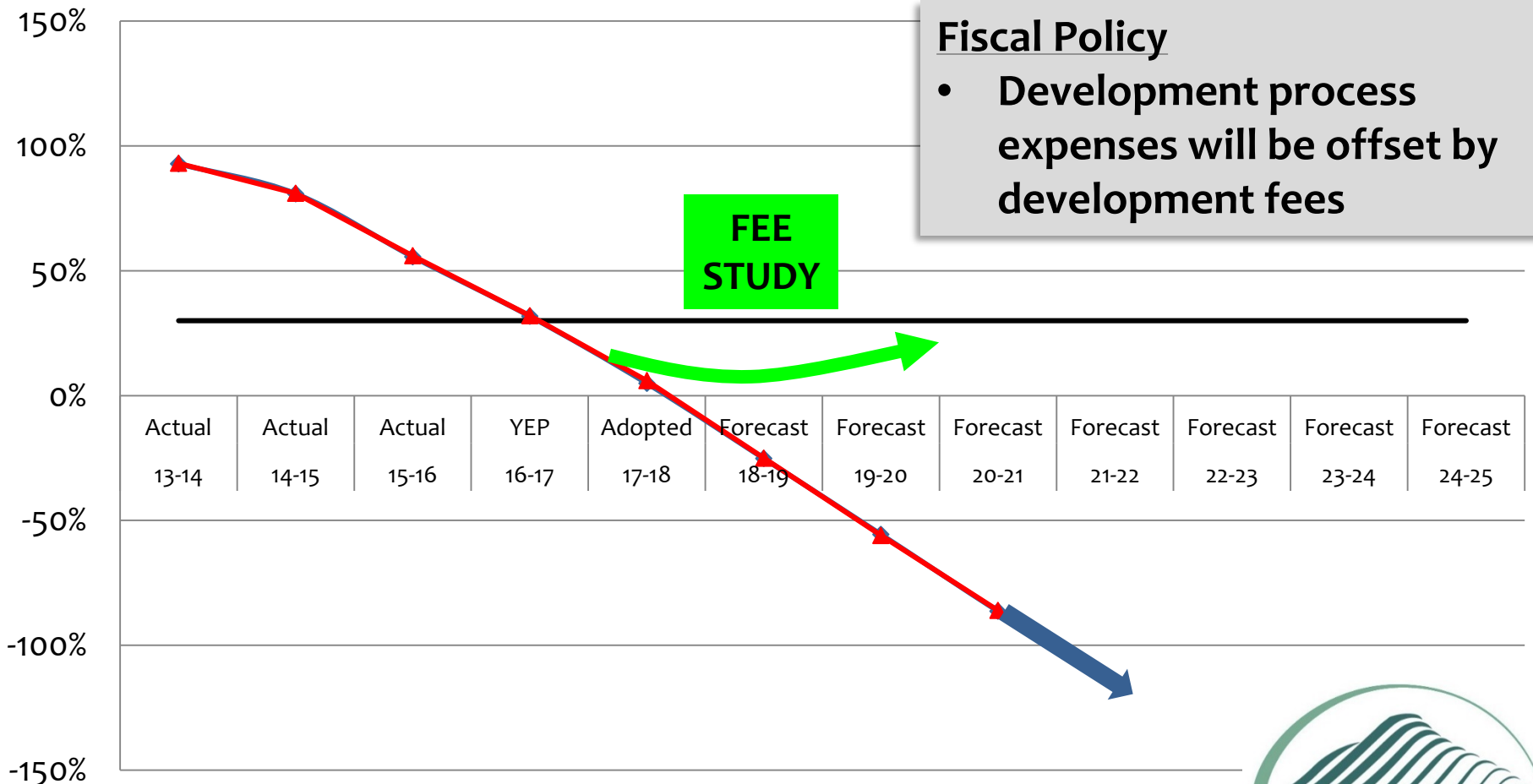
November 1, 2017



Community Development Fund

8 Year Forecast

◆ Mid Cycle Update May 2017
— Fund Balance Goal of 30% of Expenditures
▲ Prior Five Year Forecast



Background

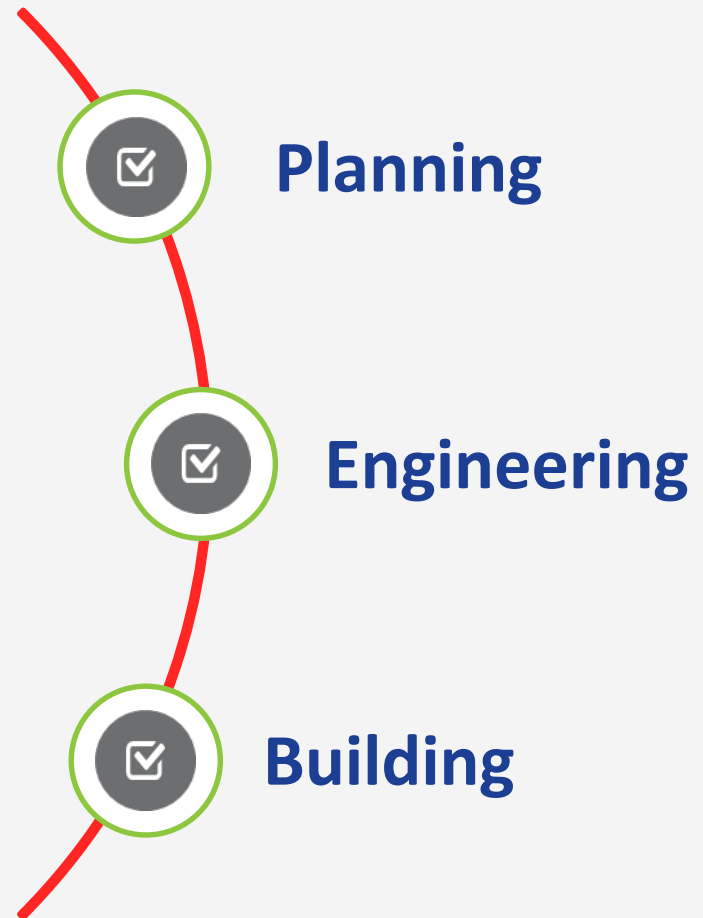
- 2012 – Last Development User Fee Study completed
- March 2015 - City contracted with NBS Government Finance Group
- Periodic review is recommended every 5 years

Background (continued)

- Development Services Department is a special revenue fund
- Intended to be 100% cost recovery
- User fees reflect the cost for providing services
- Fees collected include compensation for time, noticing and meetings

Scope of Review

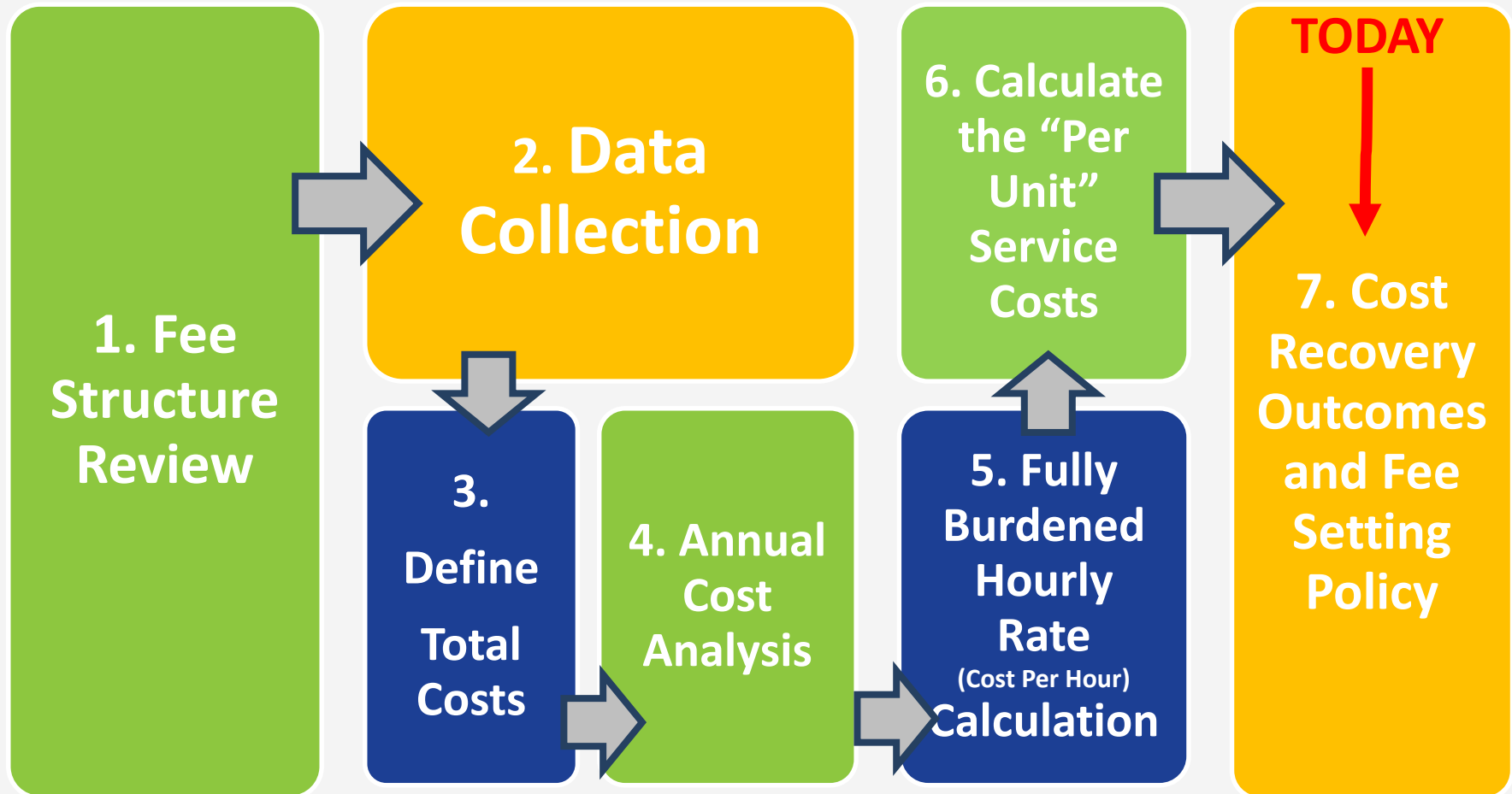
Development
Services
Divisions
Include:



User Fee Study Guidance

- **Proposition 218 Section 6.2(b)2**
 - “Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed”
 - Must Pair Revenues to Costs - *What are the Costs?*
- **CA Government Code §66014(a)**
 - “Those fees may not exceed the estimated reasonable cost of providing the service for which the fee is charged”
 - Focus on “Estimated Reasonable”
- **Proposition 26**
 - Article XIIC§1(e)(3) Inspections and Regulatory Permits are exempt ...however are still limited to the local government’s reasonable costs.

User Fee Study Project Approach



Defining Total Costs

DIRECT

- Salaries and Benefits
- Services and Supplies

INDIRECT

- Program, Division, Departmental, Agency-Wide

SUPPORT

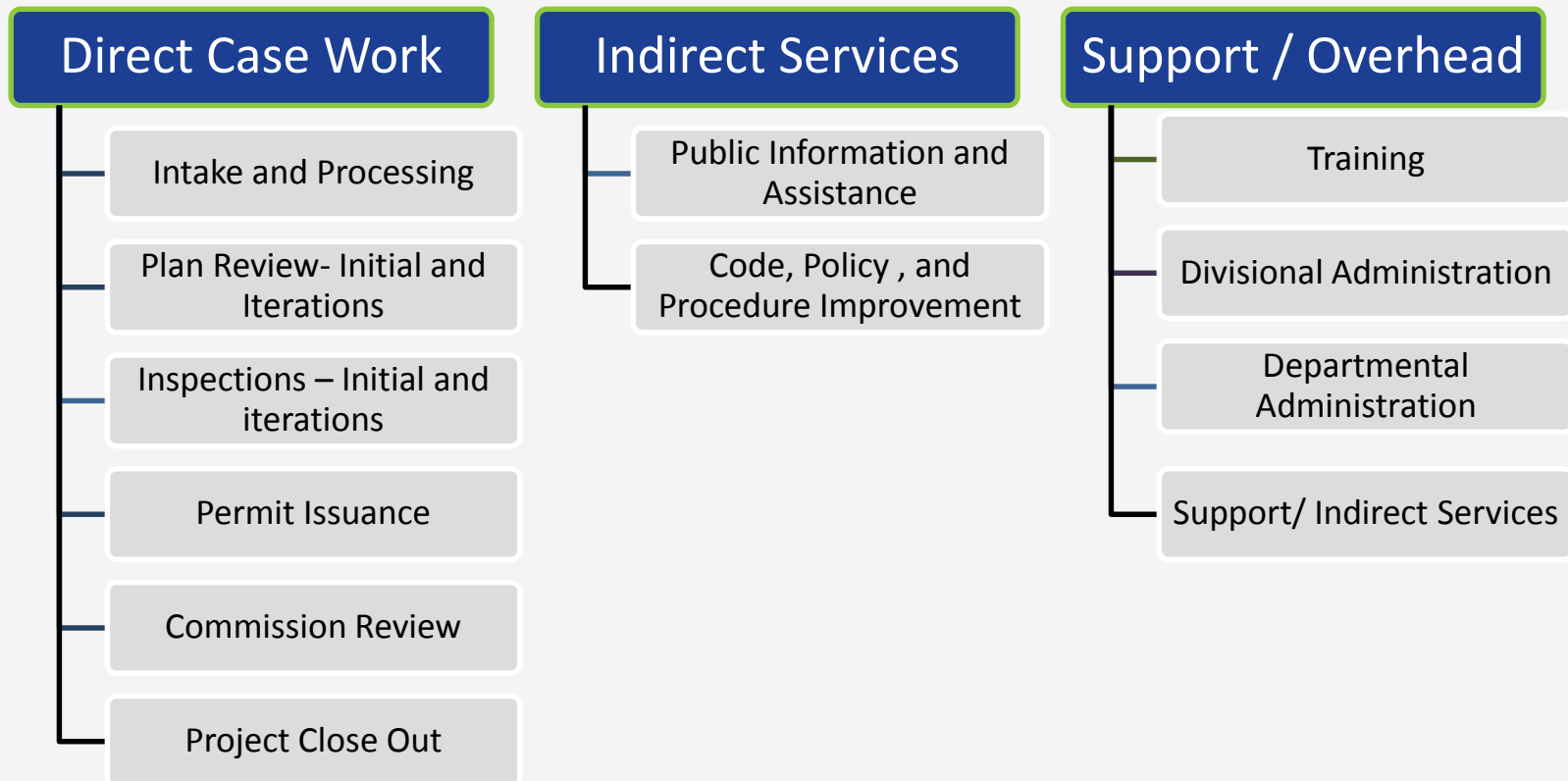
- Review required from internal departments for approval
- Front Counter

SYSTEMS and MAINTENANCE

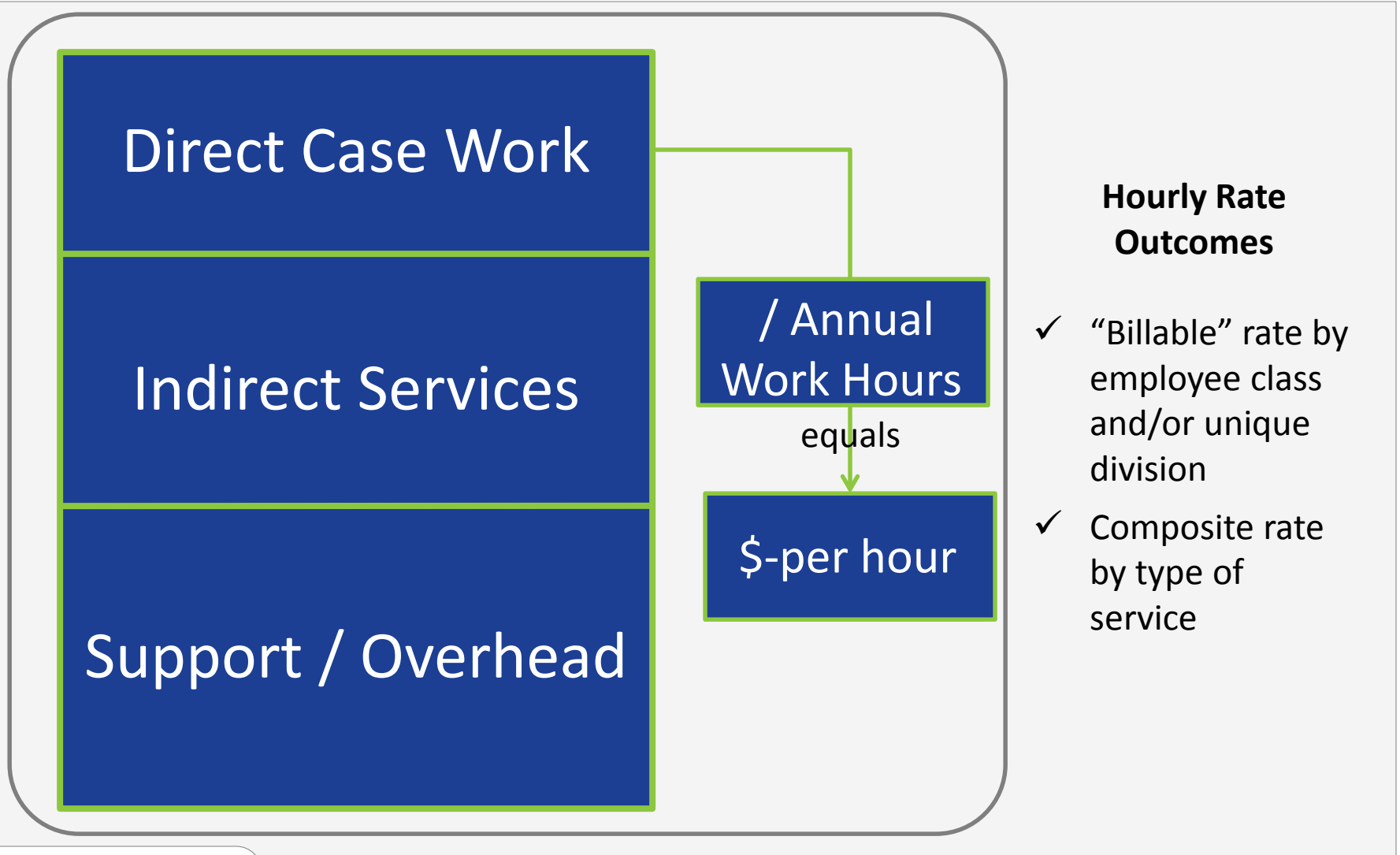
- On-going and projected technology costs and maintenance, imaging costs, etc.

Annual Time Analysis

Estimated and/or Tracked



FBHR – Cost Per Hour Calculation



Final Report & Outliers

- The proposed fee schedules included within the NBS Final Report detail:
 - type of fee,
 - full cost of providing the service related to that fee,
 - current fee; and,
 - recommended fee based on 100% cost recovery (5 exceptions)
- 100% cost recovery is the goal of the special revenue fund
- Staff identified several “outlier” fees for homeowners and non-profits
 - Cost of service would result in a prohibitive increase

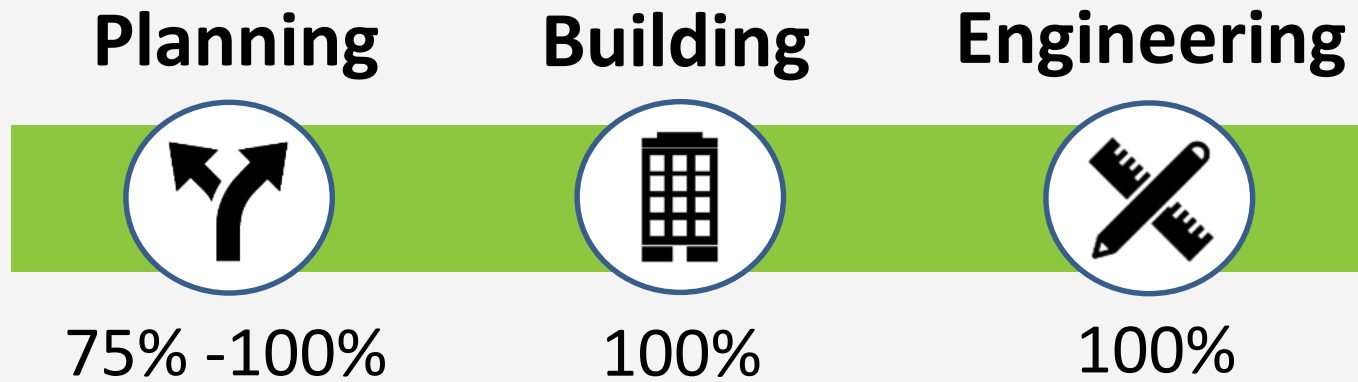
Final Report & Outliers (continued)

- “Outliers” exist exclusively in the Planning User Fee Study Results
- Setting outlier fees at a lower cost recovery amount encourages participation in permitting process
- Lower cost recovery amounts are included within the NBS Final Report

Outlier Fee Increases with 100% Cost Recovery

Planning Fee Name & Number	Current Fee	100% Cost Recovery	Percentage Increase	Proposed Fee
20. Residential Private Livestock Permit	\$463	\$2,160	366%	\$700
27. Tree Removal Permit	\$68	\$1,380	1,929%	\$100
29.1 Tier 1 Use Permit (Non- Profit)	\$50	\$2,363	4,626%	\$100
29.3 TUP Amendment	\$541	\$1,883	248%	\$1,100
29.6 Administrative Use Permit	\$579	\$2,022	249%	\$1,150

Industry Trends in Cost Recovery Policy



Option for Implementation – 50% phase in

- Carries forward 50% of the full cost increase now with the balance (second 50%) adopted the following year
- 100% cost recovery achieved within two years

Example:

Planning Fee Name & Number	Current Fee	100% Cost Recovery	Dollar (\$) Increase	% Increase	50% phase in first year	First Year Cost Recovery %
7.1 Development Agreement	\$4,451	\$6,479	\$2,028	46%	\$5,465	84%

Multi Year Projects

- Multi-year projects – new under Measure S
- Unknown how staff resources will be impacted by this particular type of application
- RDCS Monitoring fee (#7.3 and 7.4) would be charged depending on if the project had a 3 or 5-year timeline

Fee #	Fee Description	Current	Proposed
7.3	RDCS Compliance Monitoring - Pre Development Agreement 0 - 3 Yrs	\$ 6,440	\$ 11,279
7.4	RDCS Compliance Monitoring - each year after 3 years	\$ 1,502	\$ 2,400

- If fees do not adequately cover staff resources during first-year implementation, staff will return with an update to the fee schedule

Comparisons to other Cities

- Comparison Table: Cities of Campbell, Gilroy & San Jose
- Sampled fees are generally in line with other cities
- Proposed Appeal fee could be reconsidered for tiering similar to San Jose
- San Jose and other cities tier the cost for an appeal based on appellant or appeal body

Appeal Fee

- Proposed City Council appeal fee: \$6,352

	City of Morgan Hill (Recommended Fee Level)	City of Campbell	City of Gilroy	City of San Jose
Appeal	\$6,352 (to City Council) \$5,243 (to Planning Commission)	\$750	\$600 (planning commission) \$2,540 (all others)	\$500 (appeal of permit) \$8,187 (appeal by applicant)

- If tiered, City Council sets cost for an appeal by a member of the public and full cost recovery applies to an applicant
- Example:

	Member of Public	Applicant
Appeal to City Council	\$500	\$6,352
Appeal to Planning Commission	\$500	\$5,243

Public Notice

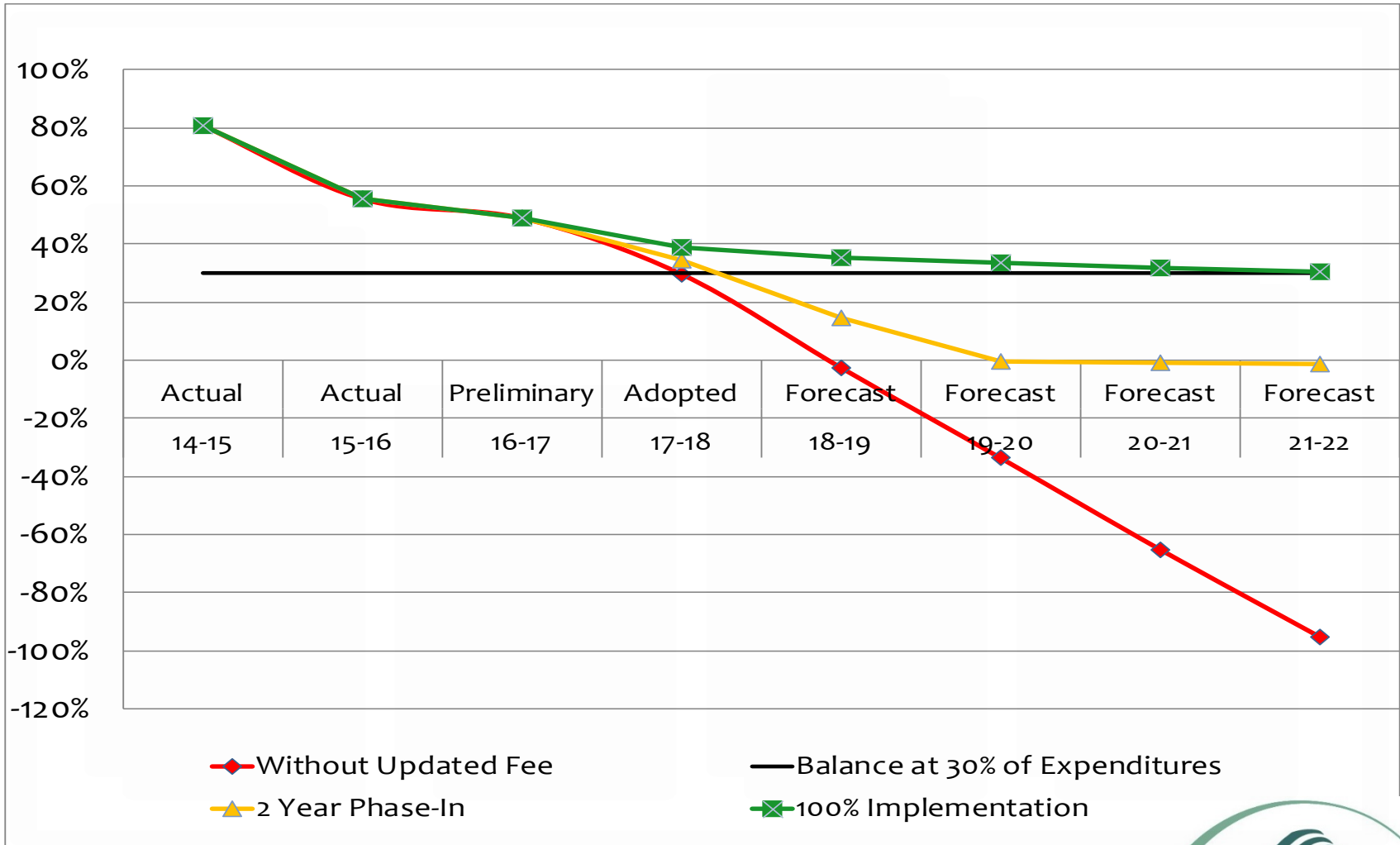
- Public Notices distributed and advertised in accordance with the provisions of Sections 66016 through 66018 of the California Government Code
- City Council workshop held on July 19, 2017
- Two public meetings with the development community were held on September 20, 2017
- Communication and outreach meeting coordination with BIA



Public Notice

- Fees are effective 60 days after adoption
- If adopted this evening, January 1, 2018 effective date

Community Development Fund Forecast



Recommendation

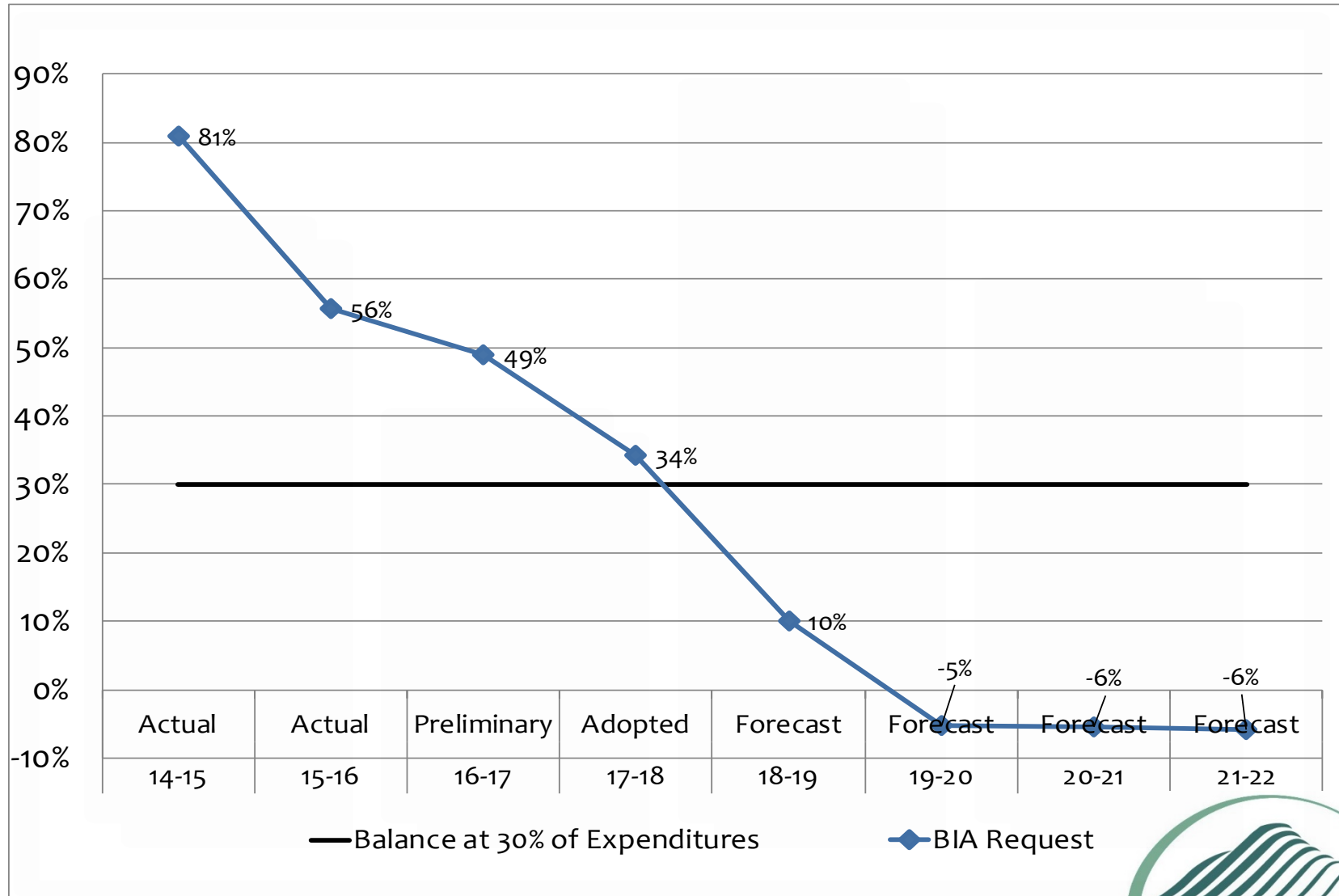
Adopt resolution establishing the updated Development Fee Schedule as proposed in the 2017 NBS Citywide User Fee Study

Possible Adjustments to Resolution

- Timing of implementation – one year versus two year
- Inclusion of reduced Outlier fees
- Tiered Appeal Fee

Questions?

Community Development Fund Forecast



Item # 09

AGENDA DATE: 11/01/17
SUPPLEMENTAL # 1

From: D. Muirhead
To: [Angie Gonzalez](#); [Michelle Wilson](#)
Subject: Morgan Hill City Council Meeting November 01, 2017 Item #9 and SAMP workshop
Date: Sunday, October 29, 2017 9:12:24 PM

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 November 01, 2017
Item #9: Updated Development Fee Schedule
Item #1: Station Area Master Plan (SAMP) Workshop

Item #9: Updated Development Fee Schedule

I would like the Council to use some of the Planning Fee Outliers (e.g. #20: Residential Private Livestock Permit, #27: Tree Removal Permit) to consider "reasonableness". Would a resident consider being charged \$2,160 for a Livestock Permit or \$1,380 for a Tree Removal as "reasonable"? The other view I would like you to consider is whether your processes are efficient. To do that, you need staff to break out the detail of those costs. The cost of service analysis compiles the full cost of providing services and activities but does not evaluate whether each of the components of the full cost of service (direct labor costs, indirect labor costs, specific direct non-labor costs, allocated non-labor costs, and allocated City-wide overhead) are in themselves reasonable. Put more bluntly, any inefficiencies are paid for in full by the requester of a permit under your fee proposal.

Item #1: Station Area Master Plan (SAMP) Workshop

I submitted two pages of comments on the August 2017 draft Station Area Master Plan prior to the Community meeting. The one thing that continues to aggravate me are the multiple references to the 2008 Bikeways Master Plan. Mr. Ghione, the Parks and Recreation Commission, the consultants, and the stakeholders put significant effort into creating the new Bikeways, Trails, Parks, and Recreation (BTPR) Master Plan. I would expect recommendations in the SAMP relevant to the BTPR to link to that document. I am aware of timeline overlaps: the VTA Board approved the Consultant Contract to support your PDA Planning Project in March 2016.

Thank you for your consideration,
Doug Muirhead, Morgan Hill



Item # 09
AGENDA DATE: 11/01/17
SUPPLEMENTAL # 2

October 31, 2017

Mayor Tate and City Councilmembers
City of Morgan Hill
VIA EMAIL

RE: Council Meeting 11.1.17 Agenda Item 9. ADOPT UPDATED DEVELOPMENT FEE SCHEDULE

Dear Mayor Tate and Councilmembers,

BIA Bay Area, representing hundreds of home builders throughout the Bay Area, respectfully objects to the Staff recommendation to raise Development Services Fees in conjunction with the NSB Development Services User Fee Study.

However, BIA expects the City Council to follow through with the full cost recovery effort that has been in works for some time and to adopt higher fees to support the enterprise fund. BIA is seeking a fair phasing plan and timeline that would allow fee increases to become incorporated into residual land values. At the very least, Council should expect that Staff will work to propose and implement plans to deliver development services cheaper, faster and more efficiently.

Many of the potential fee increases identified by NSB are rather hefty increases on a percentage basis. Fee increases of 50% - 90% in order to reach full cost recovery are concerning. High fees are a recognized constraint on the development of housing of all types and levels. Immediately adopting high fee increases without a fair phasing plan can disrupt financing models and land options. Also, higher fees should come with a promise from the City of better, faster, and more efficient city services and processes.

BIA would recommend that the Council direct staff to return with a workplan to analyze and implement a development services improvement plan over the next 12 months. Staff recommendations do not include a work plan, or even a pledge to engage in a service improvement effort.

BIA supports the recommendation that fee increases be divided with 50% of the increase effective on January 1, 2018. The remaining 50% should then go into effect no earlier than July 1, 2019. This would coordinate with the new fiscal year and budget adoption and would provide a workable timeline for land deals in order to amortize the fee increases.

BIA Bay Area looks forward to working with the City of Morgan Hill on development issues. Thank you for your attention to these concerns.

Yours truly,
Dennis Martin
BIA Bay Area

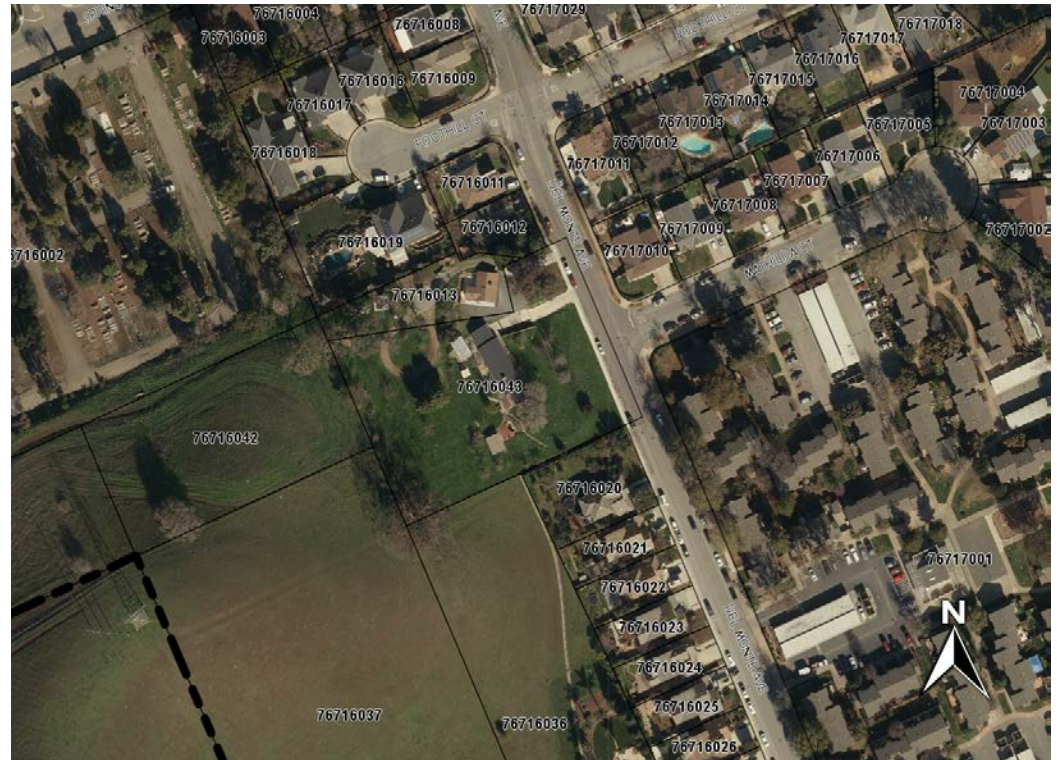
ZA2017-0004: Del Monte - Caruso

Request

Rezone for two parcels to change the Zoning Map designation from RE-100,000 to R-1 7,000 to be consistent with the General Plan.

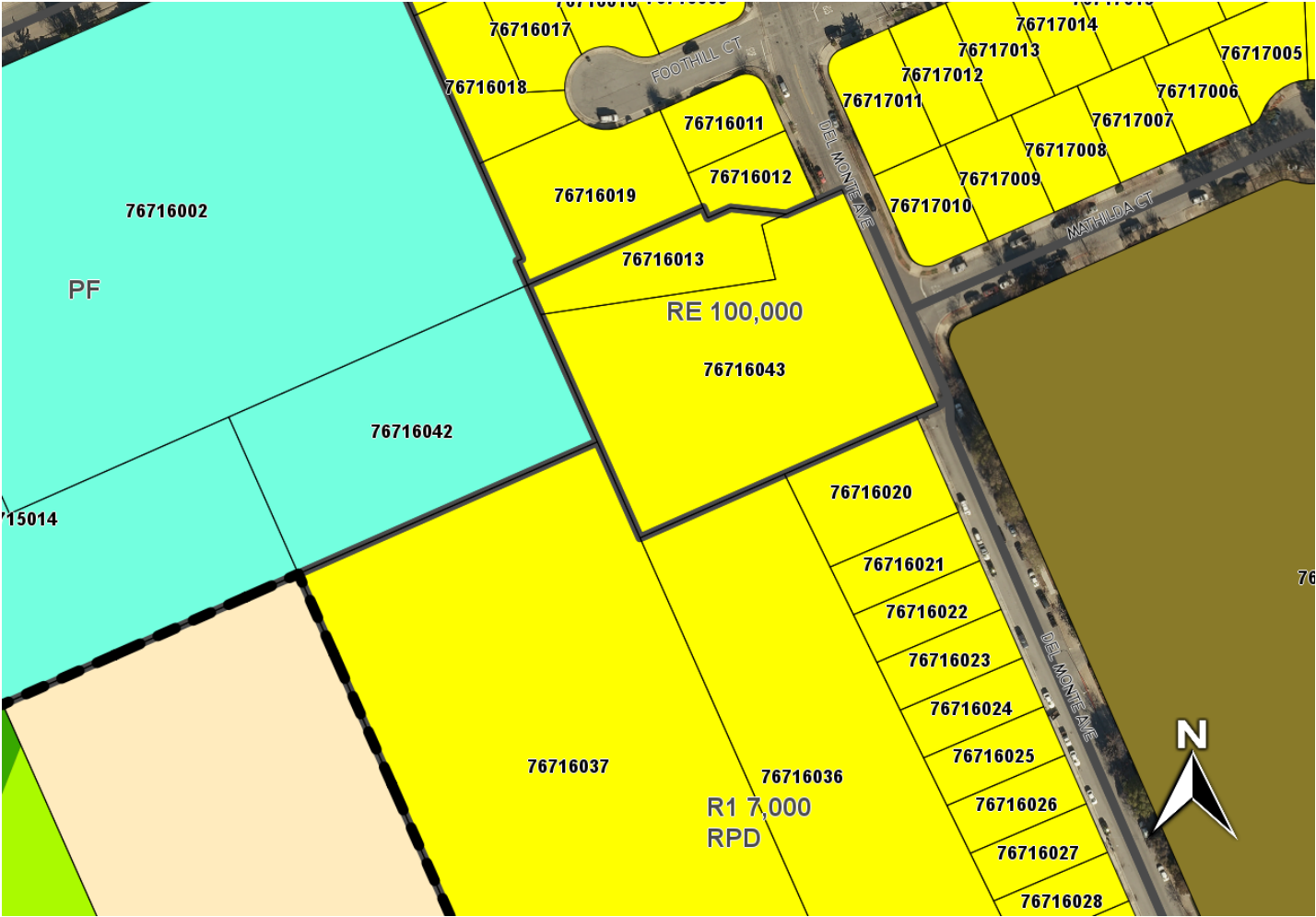
Recommendation

1. Open/Close the Public Hearing;
2. Waive the first and second reading of Ordinance approving Zoning Amendment;
3. Introduce Ordinance.

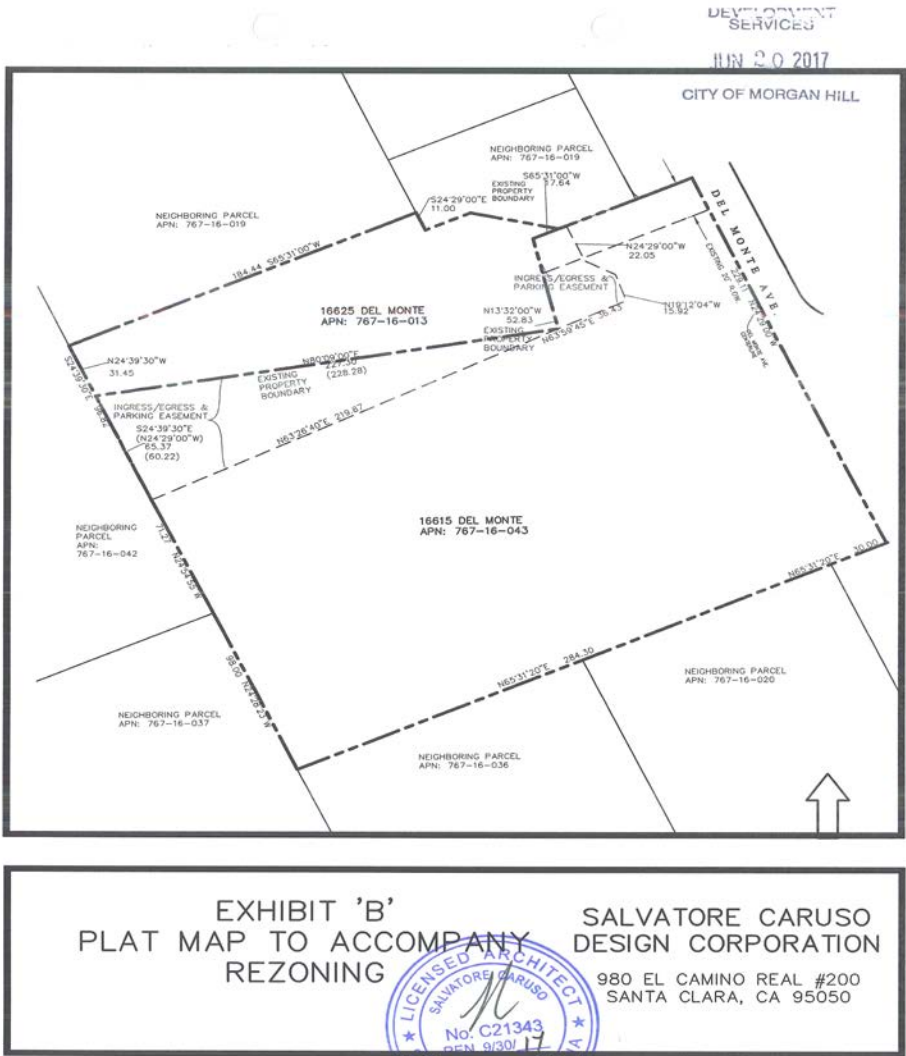


ZA2017-0004: Del Monte – Caruso

2035 General Plan Land Use Designation



ZA2017-0004: Del Monte - Caruso



ZA2017-0004: Del Monte - Caruso

Staff/Planning Commission Recommendation:

Introduce Ordinance amending the zoning designation on two parcels (1.745 acres total) from RE-100,000 to R-1 7,000.

ZA2017-0004: Del Monte - Caruso

To amend Division I of the Zoning Ordinance, the City Council shall find the following:

- A. That the proposed amendment is in general conformance with the General Plan;**
- B. That the public necessity, convenience and general welfare require the adoption of the proposed amendment;**
- C. The proposed amendment does not grant a change in land use from commercial or industrial to a residential land use for property incorporated into the urban service boundary after December 7, 1990 unless it can be determined pursuant to the terms of Section 18.78.070 of the municipal code that the amount of undeveloped, residentially developable land on the same side of Monterey Road as the proposed amendment is insufficient to accommodate five years' worth of residential growth.**



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, November 1, 2017 5:30 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

(5:30 P.M. Workshop/ 7:00 P.M. Regular Meeting)

SPECIAL MEETING

5:30 P.M.

CALL TO ORDER

(Mayor Tate)

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2
(Deputy City Clerk Wilson)

WORKSHOP

1. STATION AREA MASTER PLAN

Recommendation:

1. Review and provide comments on the draft Station Area Master Plan (SAMP); and
2. Provide direction for further study of Depot Street.

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

LIABILITY CLAIMS

Authority: Pursuant to Government Code Section 54956.95
Claimant: Leslie Anderson
Agency claimed against: City of Morgan Hill

RECONVENE

CLOSED SESSION ANNOUNCEMENT

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

Mayor Steve Tate

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PROCLAMATIONS

Proclaiming the week of November 5-11, 2017 as California Retired Teachers Week

Proclaiming November 7, 2017 as
Law Enforcement Records and Support Personnel Day

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.

November 1, 2017

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. UPCOMING 2018 COMMISSION VACANCIES - PER MADDY ACT

Recommendation:

Accept report.

3. AWARD REBID OF GALVAN PARK HANDBALL COURT IMPROVEMENTS PROJECT

Recommendation:

1. Adopt resolution appropriating \$270,000 from Park Impact Fund (301) and \$120,000 from CDBG Fund (215) to the Galvan Park Handball Court Improvement Project (Project);
2. Approve Project plans and specifications;
3. Award contract to Calstate Construction, Inc. for the re-bid of the Galvan Park Handball Court Improvement Project in the amount of \$482,888;
4. Authorize expenditure of construction contingency funds not to exceed \$48,288; and
5. Authorize the City Manager to execute and administer the construction contract with Calstate Construction, Inc.

4. FOURTH AMENDMENT TO AGREEMENT WITH FIRATO SERVICE COMPANY

Recommendation:

Approve the fourth amendment to the maintenance service agreement with Firato Service Company for \$900,920 for four years of service.

5. AUGUST 2017 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

6. CITY CORRESPONDENCE REGARDING BROADBAND DEPLOYMENT

Recommendation:

Receive correspondence urging the Federal Communications Commission and the Broadband Deployment Advisory Committee to be more transparent and provide an appropriate level of local government representation when considering items related to broadband deployment.

7. AWARD PROFESSIONAL SERVICES AGREEMENT FOR THE TENNANT AND DUNNE SEWER UPGRADE PROJECT

Recommendation:

1. Award Service Agreement for Design Professionals to Mott MacDonald, Inc. for amount not to exceed \$287,800 to providing engineering design services for the Tennant and Dunne Sewer Upgrade Project, and
2. Authorize the City Manager to execute and administer a Services Agreement for Design Professionals with Mott MacDonald, Inc. for the Tennant and Dunne Sewer Upgrade Project.

8. APPROVE THE OCTOBER 18, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

PUBLIC HEARING

9. ADOPT UPDATED DEVELOPMENT FEE SCHEDULE

Recommendation:

1. Open/Close Public Hearing; and
2. Adopt resolution establishing the updated Development Fee Schedule as proposed in the 2017 NBS Citywide User Fee Study.

Estimated Time: 45 Minutes

10. ZONING AMENDMENT, ZA2017-0004: DEL MONTE – CARUSO: REQUEST FOR ZONING AMENDMENT TO CHANGE THE ZONING MAP DESIGNATION FOR TWO PARCELS FROM RE 100,000 TO R-1 7,000. THE PROJECT IS LOCATED ON THE WEST SIDE OF DEL MONTE AVENUE OPPOSITE MATHILDA COURT (ASSESSOR PARCEL NUMBERS 767-16-013, -043) CEQA: PROJECT COMPLIES WITH SECTION 15183 (CONSISTENT WITH COMMUNITY PLAN, GENERAL PLAN OR ZONING)

Recommendation:

1. Open/close public hearing;
2. Waive the first and second reading of Ordinance approving zoning amendment; and
3. Introduce Ordinance.

Estimated Time: 15 Minutes

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

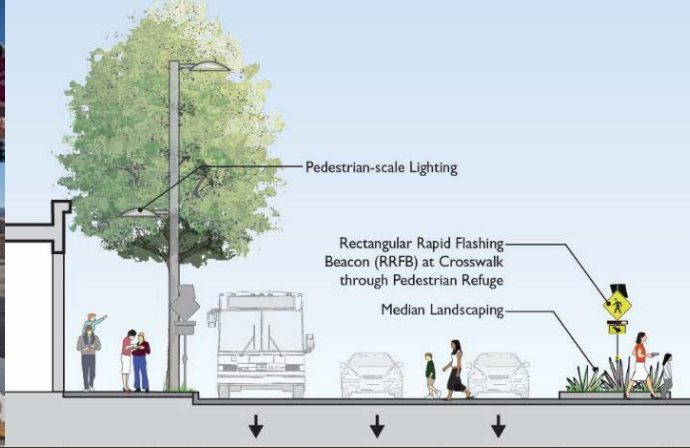
City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. This regional involvement will include, but not be limited to, partnering with the League of California Cities, Valley Transportation Authority, Santa Clara Valley Water District, Cities Association of Santa 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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Station Area Master Plan

City Council Workshop

November 1, 2017

**Tiffany
Brown**

Associate Planner
City of Morgan
Hill

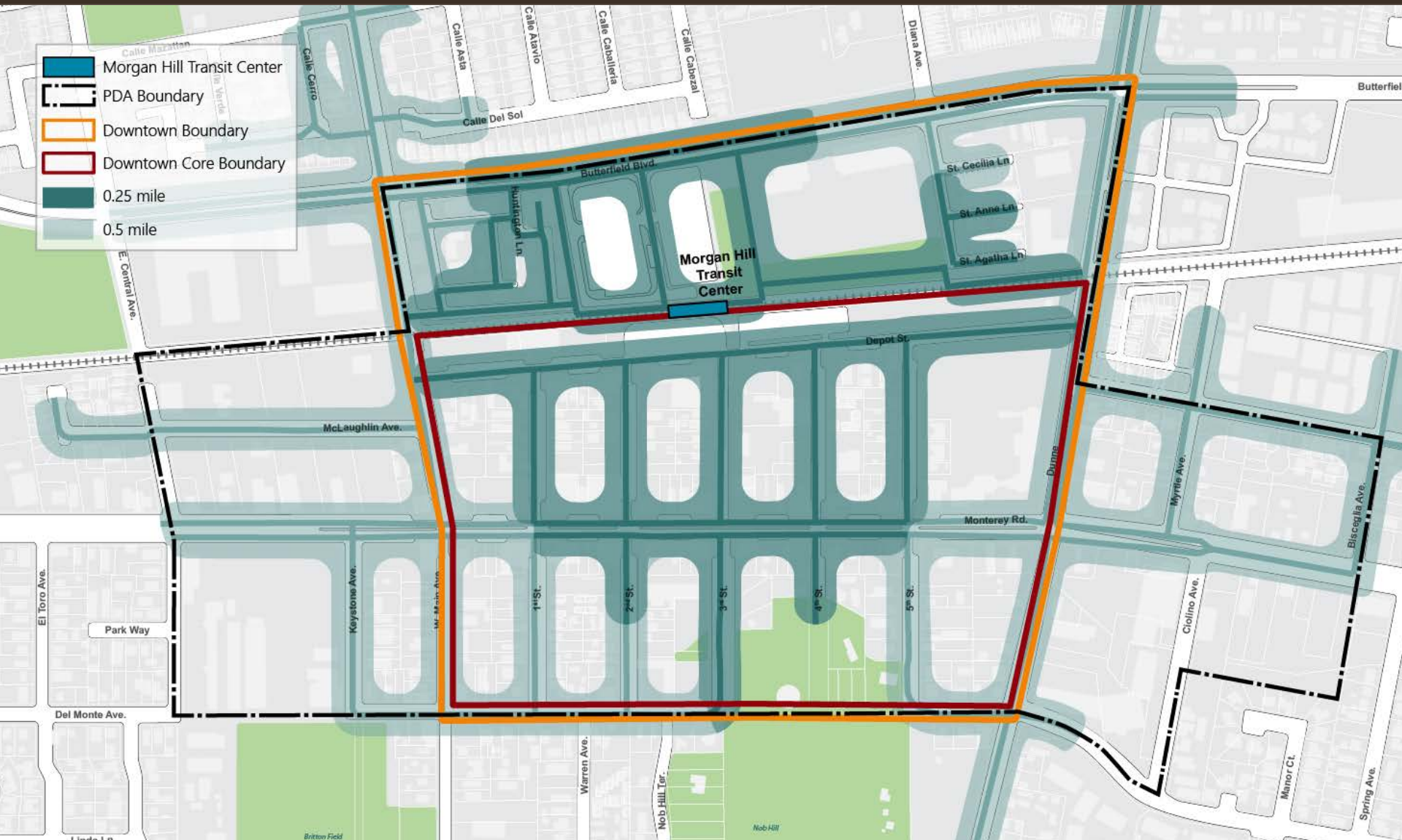
**Thomas
Kronemeyer**

Associate Principal
Community Design +
Architecture

**Jane
Bierstedt**

Principal
Fehr & Peers

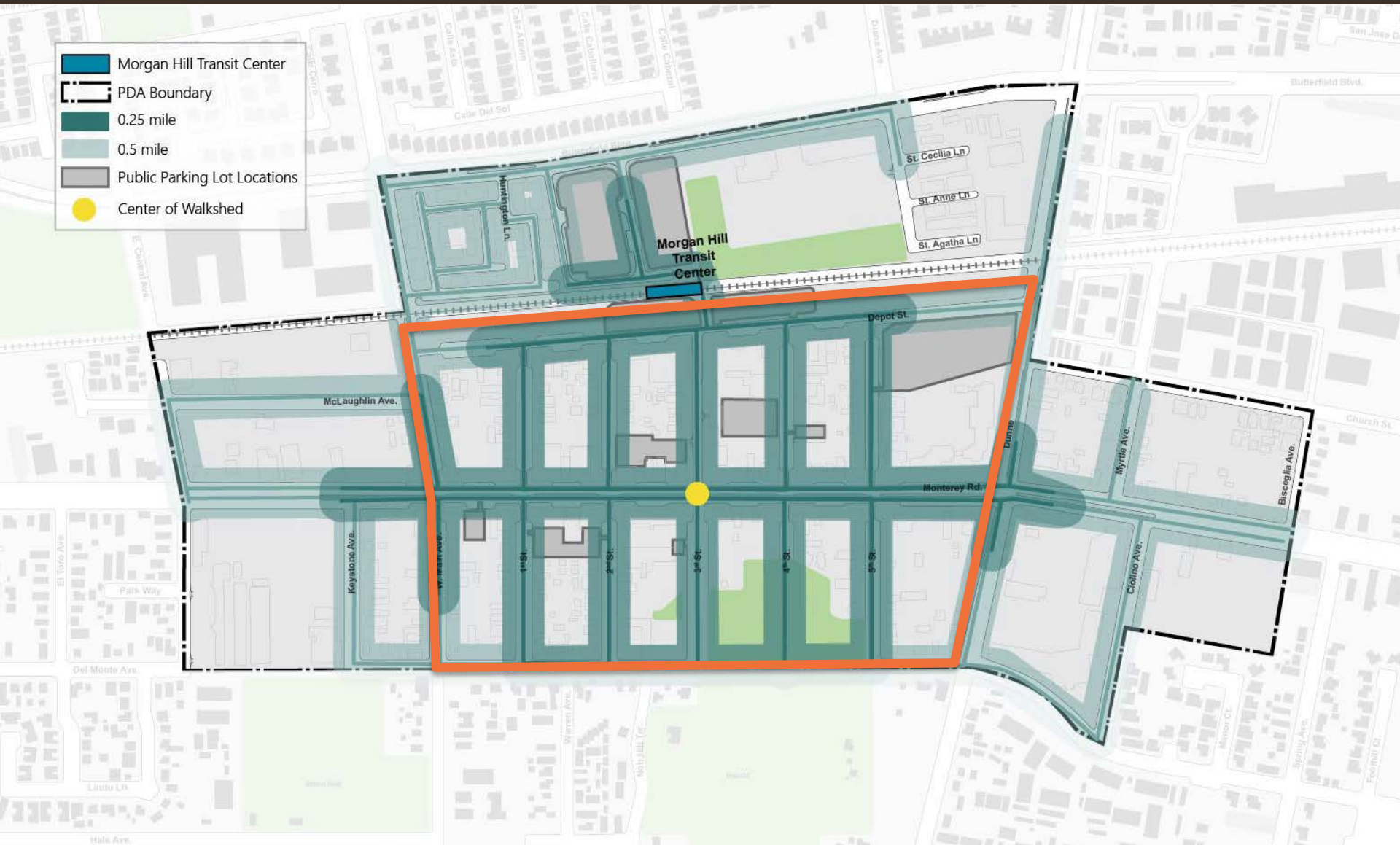
Station Area Master Plan – Context



Morgan Hill Transit Center



Walkable Downtown



Public Outreach

Public Outreach

- Downtown Visioning Summit June 30, 2016
- Community Meeting update on Draft SAMP – August 31, 2017



Pedestrian, Bicycle, and Transit

Key Questions

Where in the City do you enjoy walking and bicycling, and why?

What would make walking and bicycling to Downtown Morgan Hill more convenient and comfortable?

How do you know when you've entered Downtown Morgan Hill?



Adopted Policy Goals

- Increase bicycle and pedestrian travel to Downtown along key routes and trails
- Provide pedestrian, bicycle and transit information
- Enhance pedestrian amenities along Monterey and 3rd Street
- Increase bicycle parking

Driving and Parking

Key Questions

How will the new garage affect your driving and parking experience in Downtown?

How should on-street parking be managed?

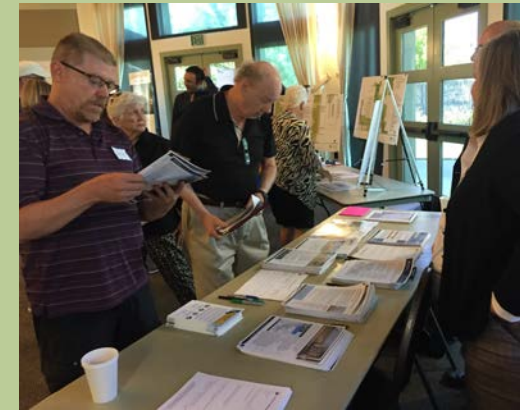
How would you feel about metered parking in high-demand areas?

Are there opportunities to convert on-street parking to public space?



Adopted Policy Goals

- Increase bicycle and pedestrian travel to Downtown along key routes and trails
- "Park Once" strategy - Visitors are encouraged to park in large garages or shared lots and walk to their destinations within Downtown
- Programmed parking - Designated lots for downtown employees
- Shared parking strategies



Intent

- **Encourage and provide implementation strategies for Transit and transportation connectivity to the Transit center and within Downtown:**
 - A pleasant and efficient multi-modal transportation system
 - Convenient and comfortable access to transit services
 - Improvements and enhancement to accommodate future use of transit center
- **Plan is Supplemental to:**
 - Morgan Hill 2035 General Plan
 - 2009 Downtown Specific Plan
 - 2017 Bikes, Trails, Parks & Recreation Master Plan
 - Downtown Placemaking Strategy

Content Overview

Document organization:

- Chapter 1: Transportation Context
- Chapter 2: Streetscape and Placemaking Toolkit
- Chapter 3: Priority Improvements

Transportation Context

- **Rail Service**
 - Caltrain
 - Capitol Corridor Extension (TAMC)
 - California High Speed Rail
- **Bus Services**
 - VTA Services
 - Local Bus, Express Bus & Paratransit
 - Planned Changes
- **Private Shuttles and Rideshare**
 - Corporate Buses
 - Uber, Lift, Taxi



Transit Improvements Highlights

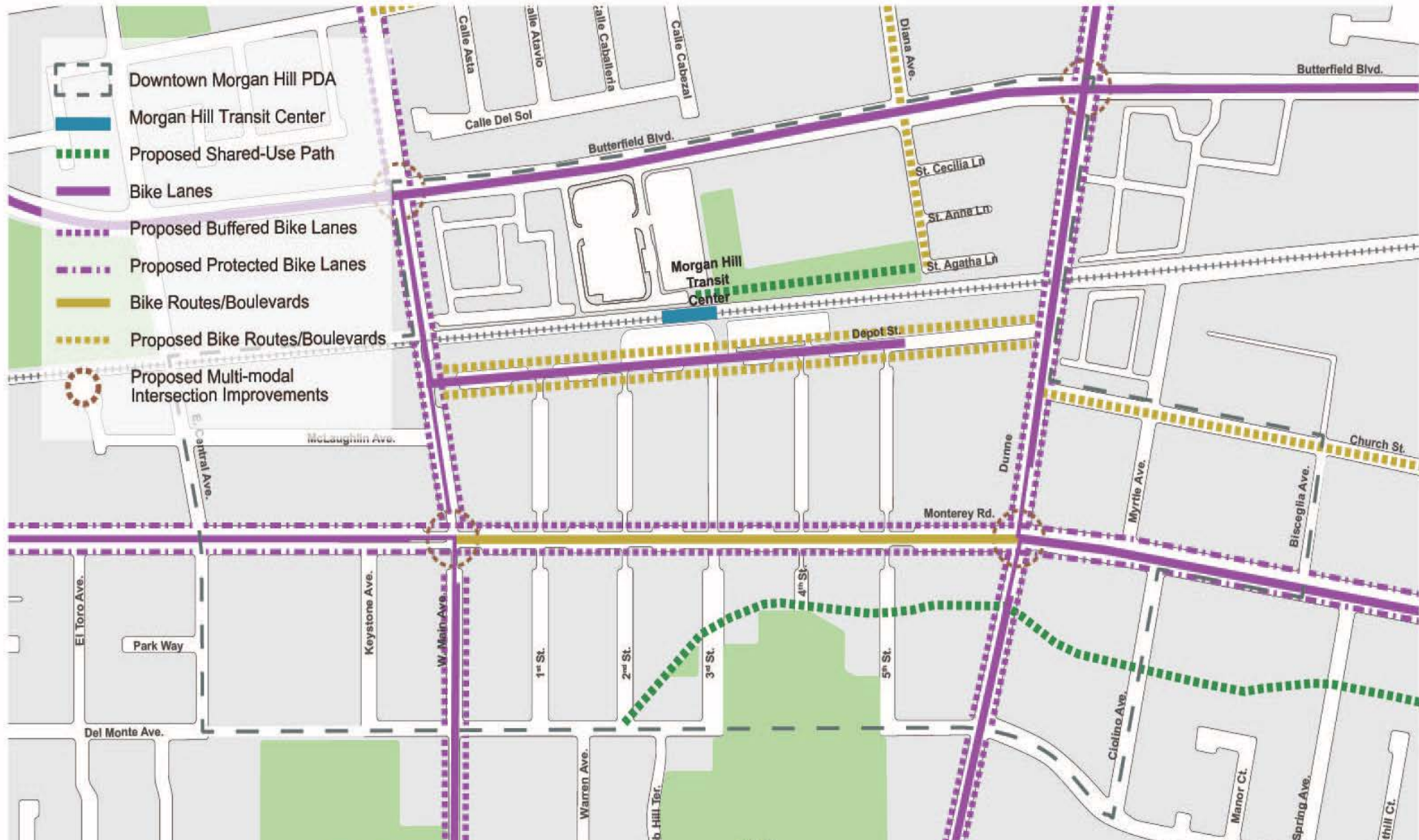
Transit Improvements	Tier 1	Tier 2	Tier 3
Work with Caltrain to adjust schedules	X		
Work with Caltrain and VTA safety enhancements and to maintain pedestrian track crossing with double tracking project		X	
Create public outreach program to increase Caltrain riders	X		
Work with TAMC to extend station platform accommodate future rail service	X		
Explore a community shuttle bus program or increased TNC service		X	
Install pedestrian shade and rain structures at remaining bus stop locations		X	

Northbound - WEEKDAY SERVICE to SAN FRANCISCO

Train No.	101	103	305	207	309	211	313	215	217	319	221	323	225	327	229	331	233	335	237
Gilroy									6:06		6:28		7:06						
San Martin									6:15		6:37		7:15						
Morgan Hill									6:21		6:43		7:21						
Blossom Hill									6:36		6:56		7:36						
Capitol									6:42		7:02		7:42						
Tamien		4:58		5:50	5:56				6:50	6:56	7:10		7:50	7:56			8:33		9:43
San Jose Diridon	4:30	5:05	5:45	5:57	6:03	6:19	6:45	6:50	6:57	7:03	7:18	7:45	7:50	7:57	8:03	8:22	8:40	9:15	9:50
College Park																			
Santa Clara	4:36	5:11		6:04		6:25			7:04		7:24			8:06		8:28	8:46	9:21	9:56
Lawrence	4:41	5:16		6:14					7:14		7:29			8:16			8:52	9:26	10:01
Sunnyvale	4:45	5:20		6:21	6:16	6:33		7:02	7:21	7:16	7:34		8:02	8:23	8:16	8:36	8:57	9:31	10:05
Mountain View	4:50	5:25	6:00	6:26		6:39	7:00	7:07	7:26		7:40	8:00	8:07	8:29		8:42	9:03	9:37	10:11
San Antonio	4:54	5:29		6:30					7:30					8:33			9:07	9:41	10:15
California Avenue	4:58	5:33		6:34				7:14	7:34				8:14	8:37			9:11	9:45	10:19
Palo Alto	5:02	5:37	6:08	6:39	6:26		7:08	7:19	7:39	7:26		8:08	8:19	8:42	8:27		9:18	9:49	10:24
Menlo Park	5:05	5:40		6:42					7:42		7:48			8:45		8:51	9:21	9:52	10:27
Redwood City	5:10	5:45		6:48	6:33	6:54			7:48	7:33	7:54			8:51	8:35	8:57	9:27	9:58	10:32
San Carlos	5:14	5:49				6:58		7:27			7:58		8:27			9:01	9:31	10:02	10:36



Planned Bicycle Improvements



Bicycle Improvement Highlights

Bicycle Improvements	Tier 1	Tier 2	Tier 3
Install bicycle improvements at Monterey Road and Main Avenue	X		
Install bicycle improvements at Monterey Road and Dunne Avenue	X		
Evaluate on-street parking on Depot Street – consider redesign of Depot Street with the intent to create a complete street to the Transit Center and Downtown		X	
Close bicycle lane gap on Depot Street		X	
Add second stripe to bicycle lanes on Dunne Avenue, Main Avenue, Depot Street, and Monterey Road		X	
Add green paint to transition zones with new bicycle lane installations		X	
Install buffered bicycle lanes on Monterey Road between Main Avenue and Dunne Avenue			X



Bike Improvements at Monterey Road and Main Avenue
City of Morgan Hill

NOT TO SCALE



FEHR PEERS



Planned Pedestrian Improvements

Pedestrian Improvements

- Monterey/Third: In-pavement Flashers
- Hill Top Trail
- West Little Llagas Creek Trail



Pedestrian Improvement Highlights

Pedestrian Improvements	Tier 1	Tier 2	Tier 3
Close sidewalk gap on Depot Street		X	
Conduct before and after studies of in-pavement flashers on Monterey Road at Third Street	X		
Establish an uncontrolled pedestrian crossing policy	X		
Install safety enhanced railroad crossing improvements consistent with Quiet Zone Goals		X	
Conduct a study to identify appropriate pedestrian crossing treatments on Main Avenue at Depot Street/McLaughlin Avenue	X		

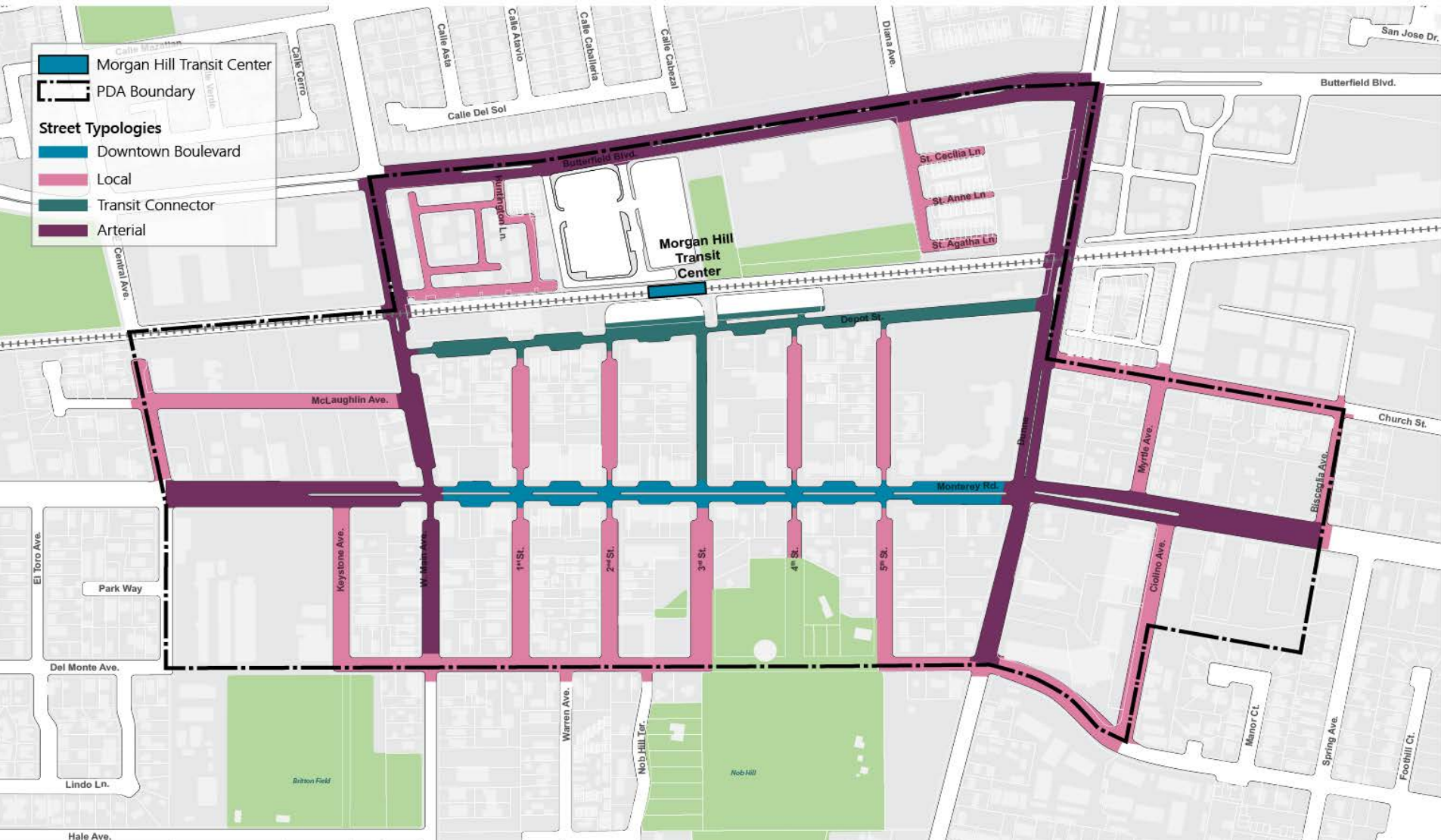


Gaps in Existing Transportation System
City of Morgan Hill

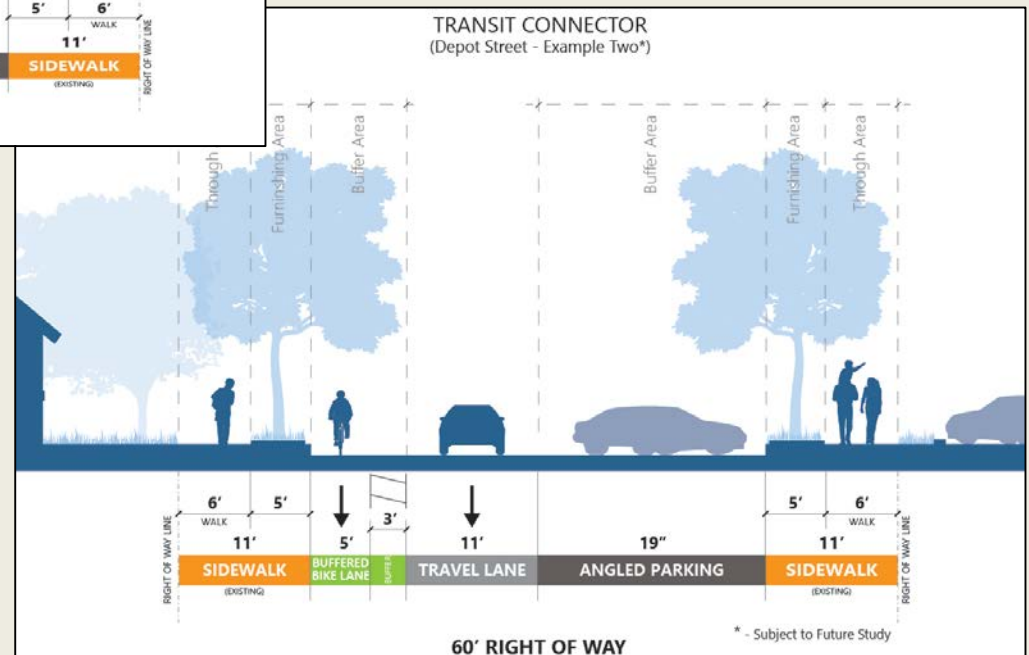
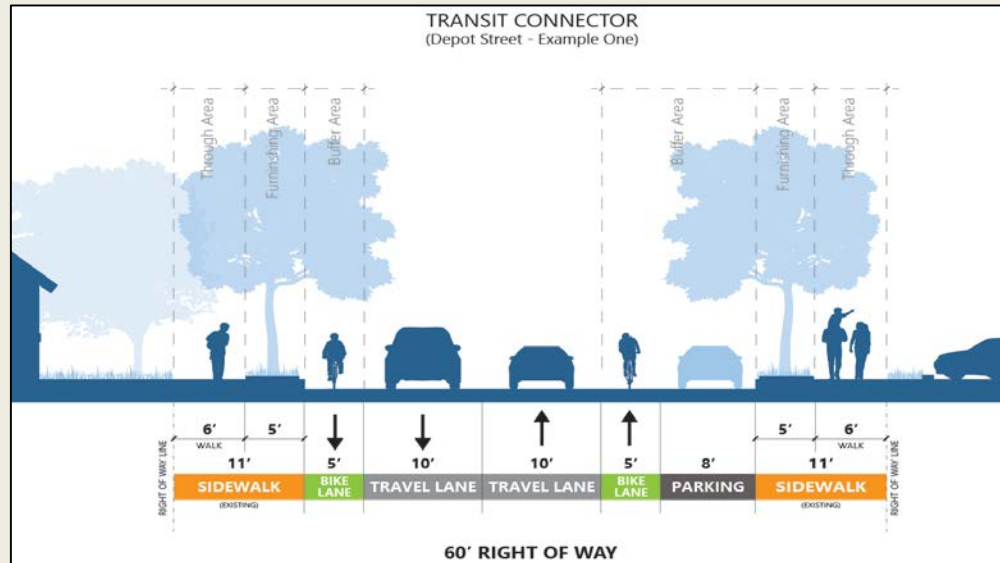


FEHR PEERS

Street Typology



Transit Connector – Depot Street



Roadway Improvement Opportunities

Roadway Improvements	Tier 1	Tier 2	Tier 3
Conduct Depot Street Study	X		
Study realignment of Depot Street with Church Street		X	



Depot Street Realignment
City of Morgan Hill

NOT TO SCALE

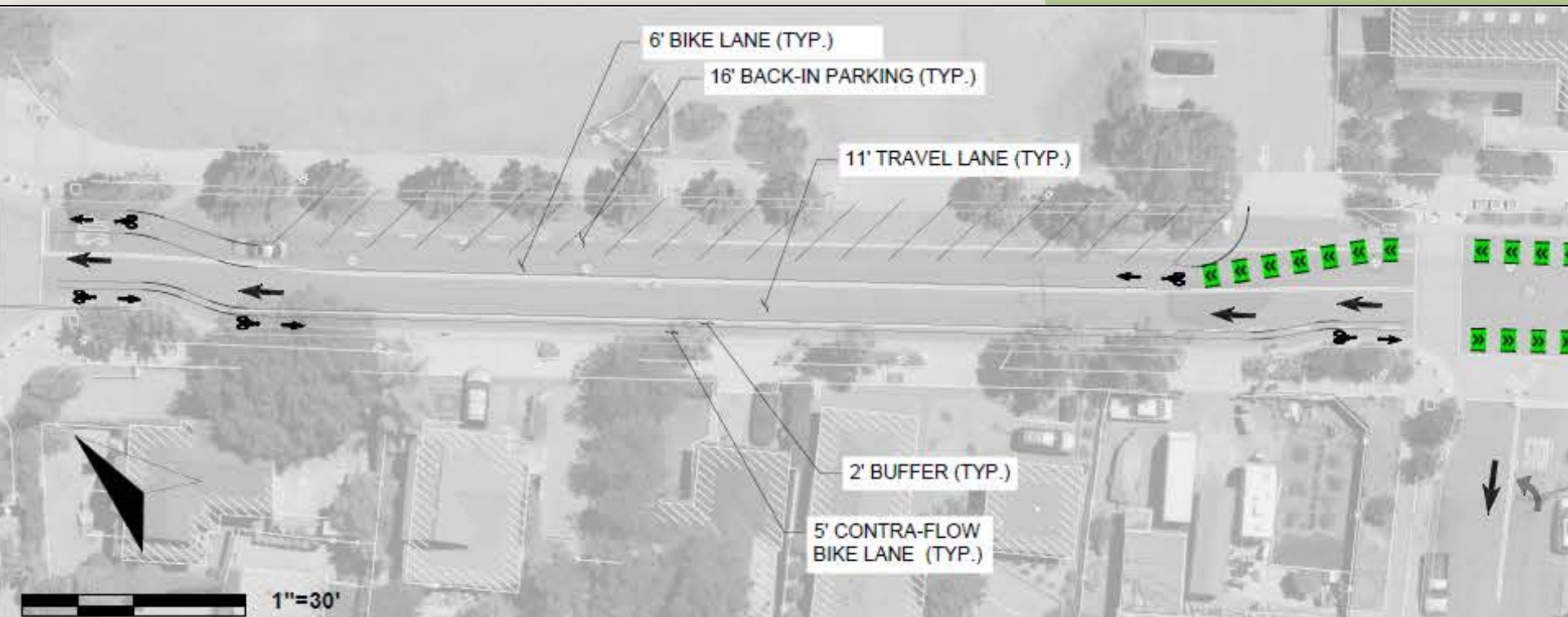


Alta, Peer Review for Depot Street

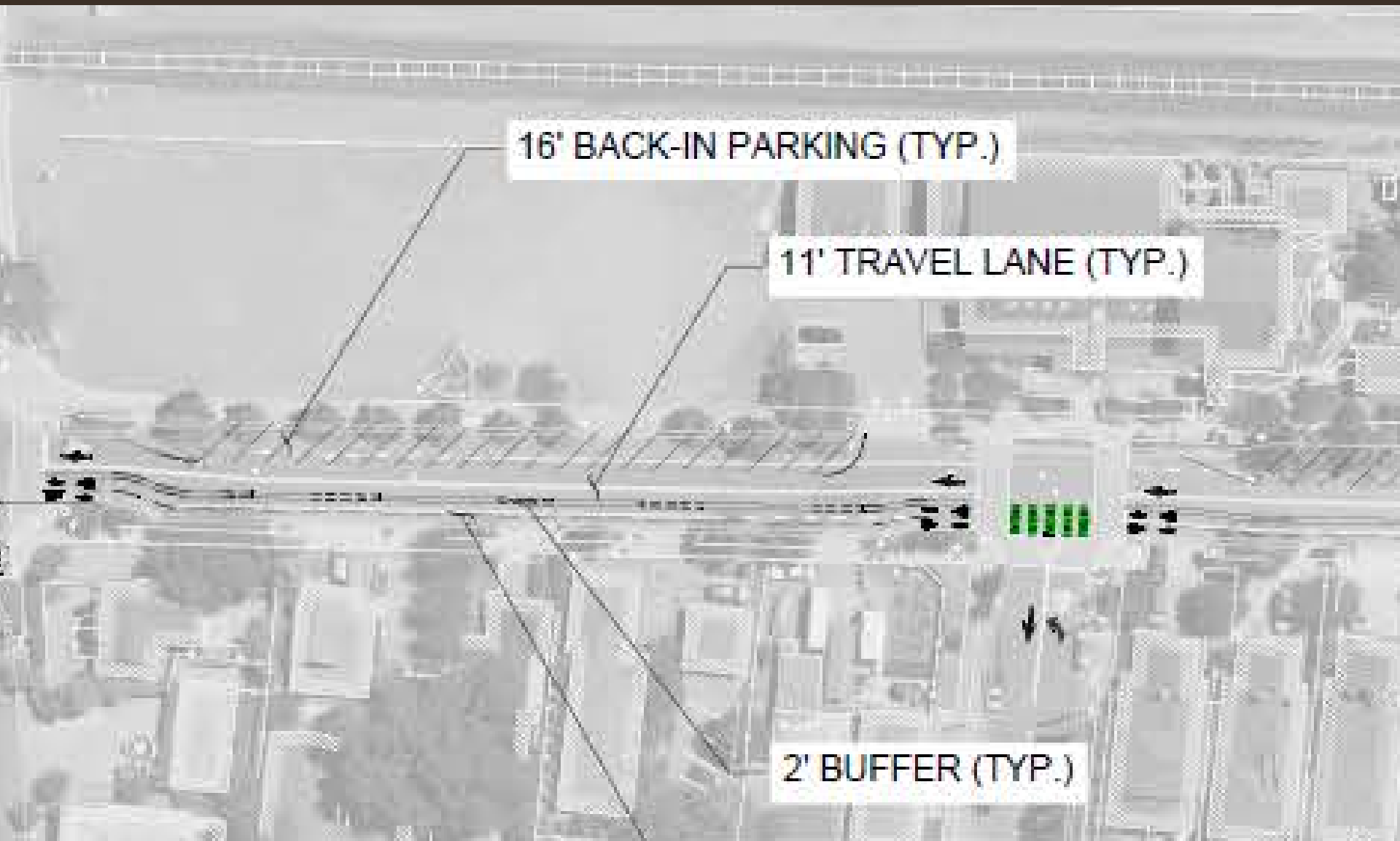
- Complete Streets
- Localized Parking
- Enhanced Multi-Modal Safety
- Enhanced Intersections



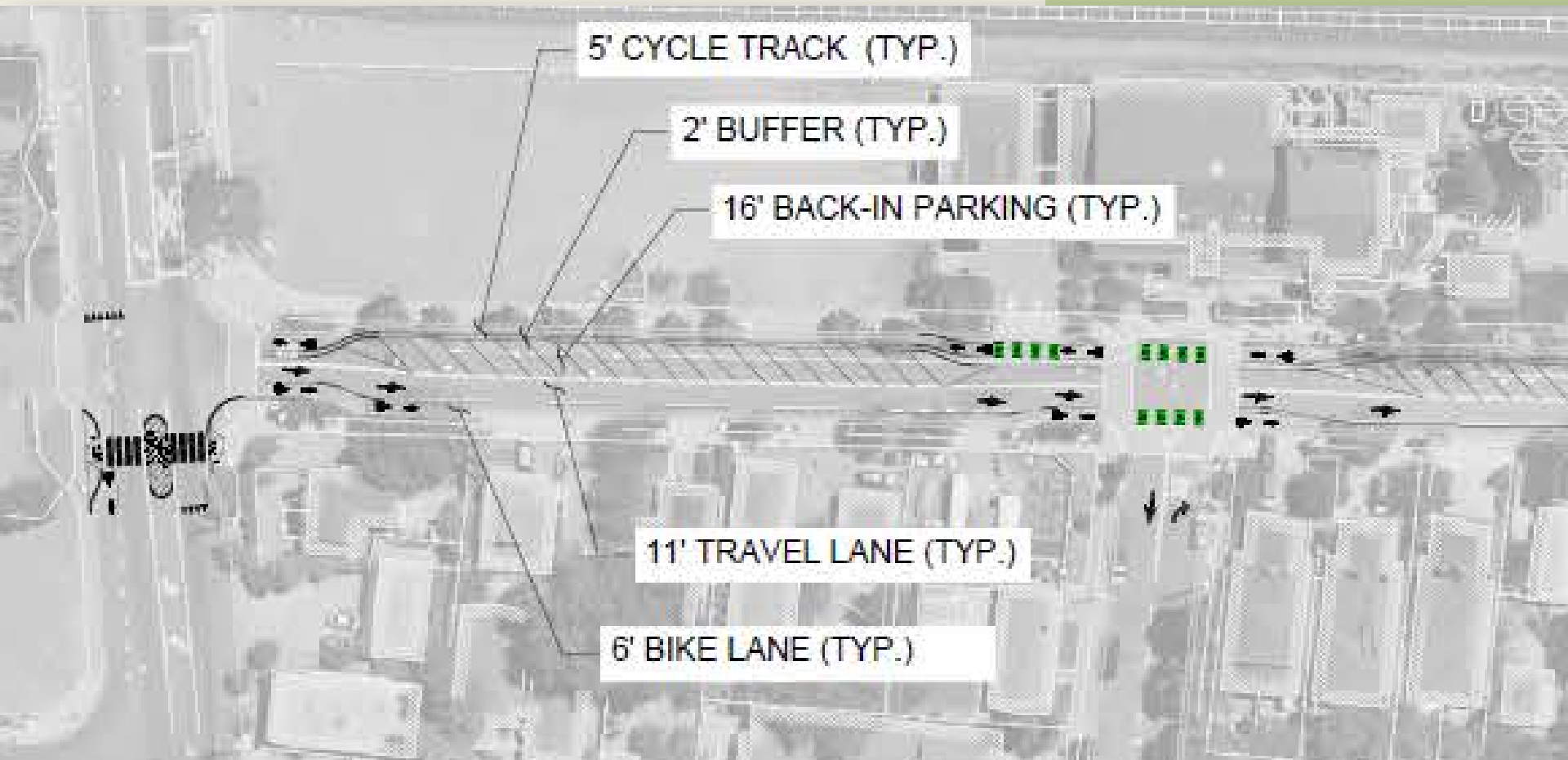
Concept 1 – One Way Northbound



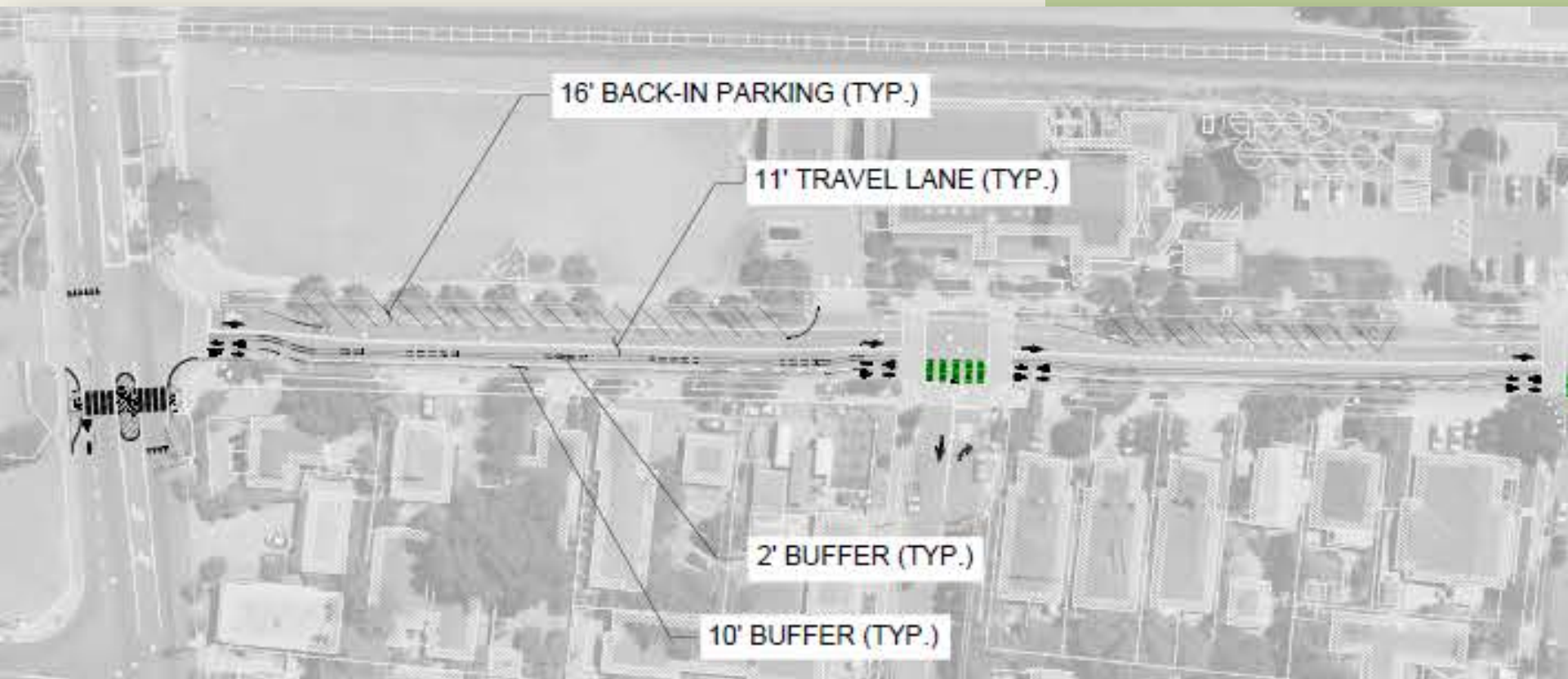
Concept 2 – (NB) Coupled Bike Lanes



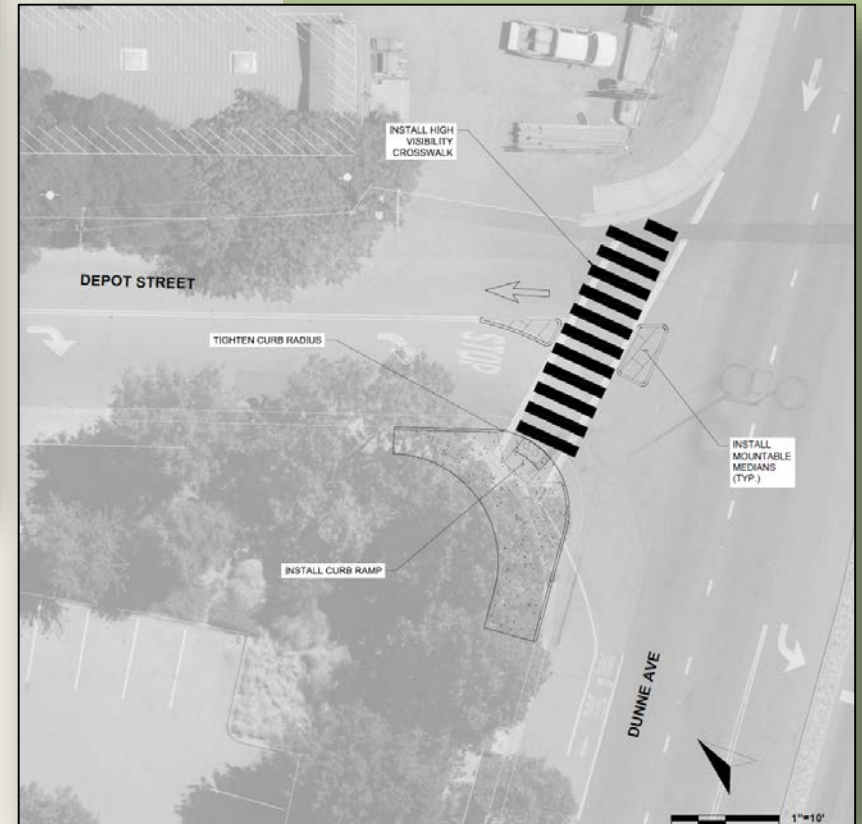
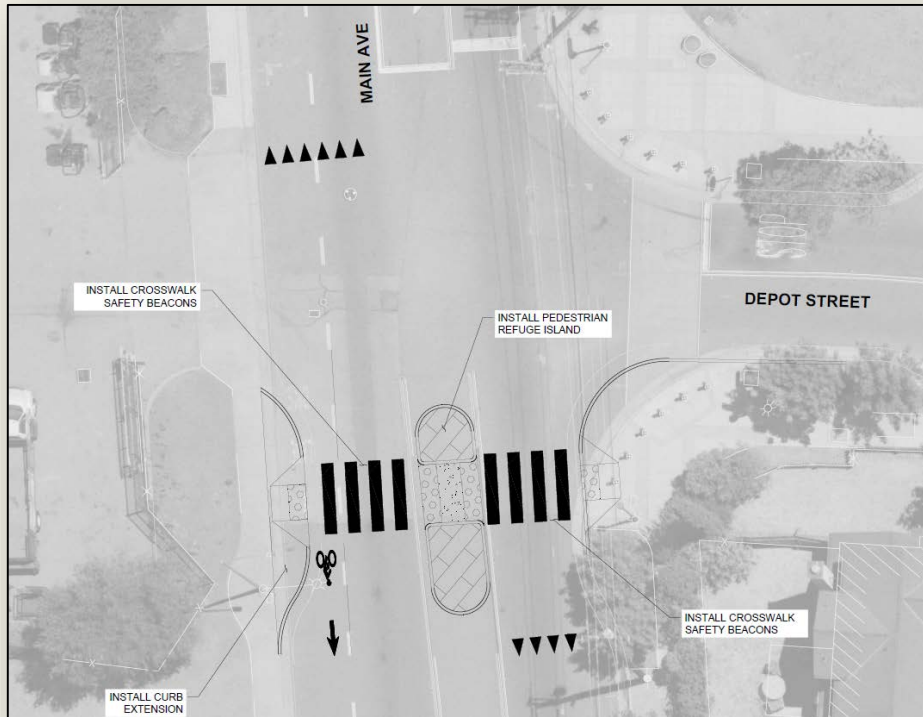
Concept 1 – One Way Southbound



Concept 2 – SB Coupled Bike Lanes



Possible Intersection Enhancements



Planning Commission Study Session- September 26, 2017

SAMP Comments:

1. Appropriate timing for the re-establishment of a parking in-lieu fee
2. In response to the VTA Next Network Plan
 - Identify the transportation needs for the community,
 - Understand best transportation services for a more rural city footprint, and
 - Continue to work with VTA on funding opportunities.

Planning Commission Study Session

Depot Street Comments:

1. Continue to study design options for Depot Street
2. Reach out to all business owners and residents
3. Focus on safety
4. Explore two-way vehicles lanes with a complete street design
5. Questioned redesign benefits for only 15± parking spaces
6. Concerned about back-in angled parking
7. Concerned about angled parking on public streets
8. Full bike lanes are essential
9. Preferred southbound option for ease of movement
10. Preferred buffered bike lanes
11. Questioned coupled bike lanes

Policy Considerations

- Does the SAMP provide substantial guidance for future multi-modal transportation enhancements, planning implementation and funding opportunities?
- Is the SAMP consistent with other City master planning documents and the vision of Downtown Specific Plan and PDA?
- Are the concepts of complete streets on Depot Street and Monterey Road consistent with the City's vision and Policies?

Recommendations

1. Review and provide comments on the Station Area Master Plan
2. Provide direction for further study of Depot Street

Station Area Master Plan

