CITY OF MORGAN HILL

**Meeting Minutes**
**City Council**

*Rich Constantine - Mayor*
*Rene Spring - Mayor Pro Tem*
*Yvonne Martinez Beltran - Council Member*
*Larry Carr - Council Member*
*John McKay - Council Member*

---

**Wednesday, January 23, 2019 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 Constantine called the meeting to order at 7:00 p.m.

## ROLL CALL ATTENDANCE

| Attendee Name | Title | Status | Arrived |
|---|---|---|---|
| Rich Constantine | Mayor | Present | |
| Rene Spring | Mayor Pro Tem | Present | |
| Yvonne Martinez Beltran | Council Member | Present | |
| Larry Carr | Council Member | Present | |
| John McKay | Council Member | Present | |

## DECLARATION OF POSTING AGENDA

Deputy City Clerk Michelle Bigelow declared the posting of the agenda.

## SILENT INVOCATION

## PLEDGE OF ALLEGIANCE

## CITY COUNCIL REPORTS

Council Member Carr spoke about the new Transit Service Plan. The Valley Transportation Authority (VTA) has a changing financial outlook and the way that service today is being provided is no longer financially sustainable. The VTA Board has had to make some tough choices about how to make the service more sustainable. As a result of that, the Board has asked the VTA staff to develop a new Transit Service Plan, the 2019 New Transit Plan. It would cost less to operate the system while placing a greater emphasis on increasing ridership which is one of the ways that VTA receives its revenue. The Board put together a set of values for the new plan that would build on the current input the VTA receives, while developing the network plan that we live with today. The new plan does propose a number of changes, while at the same time, trying to minimize impacts to the current riders. The Board setup the following parameters for the development of the new plan: reduce service level to try to achieve a net savings of $14.7 million, which will come from a reduction in both bus and rail services; improved efficiencies, such as ridership versus coverage balance to provide about 90% of service to cover ridership and 10% for coverage; protect service in South County; all local bus services adopted in the new plan will be maintained in South County with no reductions at all, Bus 68 will be improved under the new plan; and express bus services in South County may see a reduction as part of the overall reduction of the express bus program across the County. The specific impacts to South County will be as follows: Express Bus 121 from South County to Lockheed Martin will be eliminating 3 of 9 daily trips in each direction; Express Bus 168 from South County to San Jose Diridon Station will eliminate 2 of 7 daily trips each way; and Bus 68 from the Gilroy Transit Center to the San Jose Diridon Station and back will see a service increase mid-days to 15 minute windows. The VTA will be seeking input and community engagement on the new plan through February and then will analyze that input against what the plan looks at. In April, the VTA standing and advisory committees, which some of the Council Members sit on, will be reviewing the plan and providing input. In May, the Board will be asked to make some decisions on that new service plan, with the idea that it will be implemented by the end of the year, possibly sooner, if BART service actually begins in Santa Clara County prior to the end of the year. VTA is not currently planning to hold a community meeting in South County, he has asked them to reconsider. If the VTA schedules a South County community meeting, we will push that out through all of our communication networks so that people can come and provide input. They do have six other community meetings planned throughout the county. If anyone would like to learn more about the plan, you can check it out on the website: www.vta.org. If there are any community organizations or neighborhood groups that would like to have this presented to them, VTA staff is willing and open to do that.

## CITY MANAGER'S REPORT

City Manager Christina Turner shared that the City on behalf of the Mayor, sent a letter to the Attorney General in regard to their consideration of blocking the sale of the Saint Louise and O'Connor hospitals and the DePaul Health Center. Blocking the sale would likely result in the complete closure of these facilities as there are no other bidders. Rebuilding the healthcare industry and providing additional healthcare access has been a priority of the Council and as such, was incorporated in our Economic Blueprint and 2016 General Plan. The County has committed to maintaining and growing healthcare services offered at the three facilities. The letter urged the Attorney General to cease actions blocking the sale.

She announced that the City Council will be holding its Annual Goal Setting Workshop this Friday and Saturday, here in the Council Chamber from 9:00 a.m. to around 5:00 p.m. each day. The Council will review and discuss the following; Council procedures and protocols, Council appointments to outside agencies, 2018 accomplishments, 2018 priorities and the workplan, priorities of our partner agencies, and the Council will establish the 2019 and 2020 priorities. In addition to that, the Council will spend some time talking about fiscal sustainability, agricultural preservation, cannabis, traffic and vision zero, homelessness, and affordable housing, although these may end up being discussed at individual workshops or as items for future Council meetings.

She concluded by speaking to the evening's supplements and presentations.

## CITY ATTORNEY'S REPORT

None.

## OTHER REPORTS

Council Member McKay thanked the City and staff for giving him the opportunity to attend the League of California Cities New Mayor and Council Academy last week. He felt that is was very productive and useful.

## PRESENTATIONS

YAC PRESENTATION ASSET #7 - COMMUNITY VALUES YOUTH

## RECOGNITIONS

STEM Winners - Santa Clara Valley Science and Engineering Fair Association

## PUBLIC COMMENT

The public comment was opened at 7:29 p.m. The following people were called to speak:

Rick Putano

Yvonne Randolph

Kathleen Giubileo

Rocke Garcia

Brad Krouskup

There being no further requests to speak, the public comment was closed.

## ADOPTION OF AGENDA

**MOTION:**

Adopting the agenda as posted.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Larry Carr, Council Member |
| **SECONDER:** | John McKay, Council Member |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

## CONSENT CALENDAR

**MOTION:**

Approving consent calendar items 1 through 3 and 6 through 14.

Council Member Martinez Beltran recused herself on item 13.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Rene Spring, Mayor Pro Tem |
| **SECONDER:** | Larry Carr, Council Member |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

## 1. APPROVE PURCHASE OF POLICE VEHICLE

Recommendation:

1. Accept $59,324 in insurance proceeds for the 2012 Police Chevy Tahoe (#142), from York Insurance;
2. Authorize the salvage of 2012 Chevy Tahoe Patrol #142 (vin# 9099);
3. Adopt resolution amending the City's Fiscal Year (FY) 2018-19 adopted budget to appropriate $70,987 in the Equipment Replacement Fund (790) for the purchase of a 2019 Chevy Tahoe, including build-out; and
4. Authorize the City Manager to approve a purchase order for $70,987 with Priority 1 Public Safety Equipment Installation Inc.

## 2. APPROVE PURCHASE OF A VACTOR HYDRO EXCAVATOR

Recommendation:

1. Approve purchase of a Vactor Hydro Excavator from Owen Equipment Company in the amount of $451,541 through a Sourcewell cooperative bid contract; and
2. Authorize the City Manager to approve a purchase order for $451,541 with Owen Equipment Company.

## 3. APPROVE PURCHASE OF A NEW BACKHOE

Recommendation:

1. Approve purchase of a new John Deere 410L backhoe loader from Pape Machinery in the amount of $129,481 through a Sourcewell cooperative bid contract;
2. Authorize the City Manager to approve a purchase order for $129,481 with Pape Machinery;
3. Declare the 2000 Backhoe to be surplus; and
4. Authorize the disposal of equipment in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

## 4. ITEM PULLED FOR DISCUSSION

## 5. ITEM PULLED FOR DISCUSSION

## 6. AWARD CONTRACT TO AIR EXCHANGE INC. FOR THE INSTALLATION OF SOURCE CAPTURE EXHAUST SYSTEMS UNDER FEMA ASSISTANCE TO FIREFIGHTERS GRANT 2017

Recommendation:

Adopt resolution:
1. Awarding bid to Air Exchange Inc. for the installation of source capture exhaust systems and authorize the City Manager to execute all necessary agreements subject to City Attorney review; and
2. Amending the Fiscal Year (FY) 2018-19 adopted budget to appropriate $51,812 from the General Fund (010) to fully fund the grant related expenditures.

## 7. ACCEPT MONTEREY ROAD PRESERVATION PROJECT

Recommendation:

1. Accept as complete, the Monterey Road Preservation Project, in the final amount of $2,417,154;
2. Authorize the City Engineer to sign the attached Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

## 8. RESOLUTION AUTHORIZING SANTA CLARA VALLEY WATER DISTRICT SAFE, CLEAN WATER GRANT APPLICATION

Recommendation:

Adopt resolution approving the following actions:

1. Authorizing staff to prepare and submit a Safe, Clean Water and Natural Flood Protection Program Grant Application to the Santa Clara Valley Water District for the Madrone Channel Trail Project; and
2. Authorizing the City Manager to negotiate and execute the Safe, Clean Water grant agreement and other documents, reports, forms and agreements related to the performance of the identified projects.

## 9. APPROVE APPOINTMENT OF NEIL BERMAN TO THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY'S (VTA) BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE (BPAC)

Recommendation:

Direct the City Clerk's Office to send correspondence to the VTA requesting the appointment of Parks and Recreation Commissioner Neil Berman as the City of Morgan Hill's representative to the BPAC.

## 10. ACCEPT OCTOBER 2018 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

## 11. ACCEPT ELEVENTH SEMI-ANNUAL REPORT ON POST-ISSUANCE COMPLIANCE FOR TAX ADVANTAGED BONDS

Recommendation:

Receive and accept report.

## 12. ACCEPT UPDATE ON IMPLEMENTATION OF DEVELOPMENT SERVICES REVIEW - ZUCKER SYSTEMS

Recommendation:

Accept Report.

## 13. ADOPT ORDINANCE 2294 APPROVING DEVELOPMENT AGREEMENT APPLICATION DA2018-0002: E. DUNNE-YOUNG FOR THE FIRST 20 UNITS OF A 46-UNIT, THREE STORY, MULTI-FAMILY RESIDENTIAL CONDOMINIUM PROJECT PROPOSED ON A 3.5 ACRE PARCEL LOCATED ON THE NORTH SIDE OF E. DUNNE AVENUE,

**ADJACENT TO THE NORTH SIDE OF THE MORGAN HILL KINDER CARE LEARNING CENTER AT 605 E. DUNNE AVENUE**

Recommendation:

Waive the reading, adopt Ordinance No. 2294, 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.

### 14. APPROVE THE DECEMBER 19, 2018 MEETING MINUTES

Recommendation:

Approve Minutes.

## ITEMS PULLED FOR DISCUSSION

### 4. APPROVE AGREEMENT WITH JEFFCO PAINTING AND COATING, INC. FOR WELL SITES AND BOOSTER STATIONS PAINTING

Recommendation:

Approve and authorize the City Manager to execute and administer a three-year agreement with Jeffco Painting & Coating, Inc. in the amount of $120,000, for annual painting of well sites and booster stations.

Deputy Director for Utilities Dan Repp provided the report and answered questions.

**MOTION:**
Approving the recommended actions.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Larry Carr, Council Member |
| **SECONDER:** | Rene Spring, Mayor Pro Tem |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

### 5. APPROVE IMPACT FEE FREEZE AGREEMENTS WITH TBI-MISSION WEST II, LLC FOR THE DEVELOPMENT OF TWO HOTELS AND A NEW CARPENTERS' TRAINING FACILITY BUILDING IN THE MADRONE BUSINESS PARK

Recommendation:

1. Approve an Impact Fee Freeze Agreement with the TBI-Mission West II, LLC (Toeniskoetter Development) for the development of a 55,000 s.f. training center building on 4.92 acres on Madrone Parkway identified by Assessor Parcel Number 726-35-028;
2. Approve an Impact Fee Freeze Agreement with TBI-Mission West II, LLC (Toeniskoetter Development) for the construction of Two Upper Mid-Scale Hotels on 4.41 acres on Cochrane Road identified by Assessor Parcel Number 726-33-029; and
3. Authorize the City Manager to execute and administer the Impact Fee Freeze Agreements.

**MOTION:**
Moving item 5 to follow item 15

| | |
|---|---|
| **RESULT:** | **MOVED [UNANIMOUS]** |
| **MOVER:** | Yvonne Martinez Beltran, Council Member |
| **SECONDER:** | Rene Spring, Mayor Pro Tem |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

The meeting was recessed at 8:02 p.m.
The meeting was reconvened at 8:09 p.m.

# PUBLIC HEARING

## 15. INTRODUCE ORDINANCE AMENDING THE MADRONE VILLAGE SHOPPING CENTER PRECISE DEVELOPMENT MASTER PLAN TO ALLOW HOTEL DEVELOPMENT

Recommendation:

1. Open/close public hearing;
2. Waive the first and second reading of Zoning Amendment Ordinance; and
3. Introduce Ordinance amending the PD zoning.

Senior Planner Terry Linder, Assistant City Manager Leslie Little, Economic Development Director Edith Ramirez, Economic Development Manager John Lang, and Community Development Director Jennifer Carman provided the report.

The public hearing was opened at 8:56 p.m. The following people were called to speak:
Brad Krouskup
James Chung
Asit Panwala
Rogg Collins
Gary Hansen
Rick Kent
Brittney Sherman
Dick Oliver
Alex Kennet
Andrew Firestone
Steve Pace
Jigish Shah
There being no further requests to speak, the public hearing was closed.

**MOTION:**
Waiving the first and second reading of the ordinance eliminating the square footage limitation on grocery stores.

| | |
|---|---|
| **RESULT:** | **WAIVED [UNANIMOUS]** |
| **MOVER:** | Rich Constantine, Mayor |
| **SECONDER:** | John McKay, Council Member |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

**MOTION:**
Introducing the ordinance.

| | |
|---|---|
| **RESULT:** | **INTRODUCED [UNANIMOUS]** |
| **MOVER:** | Rich Constantine, Mayor |
| **SECONDER:** | Larry Carr, Council Member |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

The meeting was recessed at 10:06 p.m.
The meeting was reconvened at 10:15 p.m.

## OTHER BUSINESS

### 5. APPROVE IMPACT FEE FREEZE AGREEMENTS WITH TBI-MISSION WEST II, LLC FOR THE DEVELOPMENT OF TWO HOTELS AND A NEW CARPENTERS' TRAINING FACILITY BUILDING IN THE MADRONE BUSINESS PARK

Recommendation:

1. Approve an Impact Fee Freeze Agreement with the TBI-Mission West II, LLC (Toeniskoetter Development) for the development of a 55,000 s.f. training center building on 4.92 acres on Madrone Parkway identified by Assessor Parcel Number 726-35-028;
2. Approve an Impact Fee Freeze Agreement with TBI-Mission West II, LLC (Toeniskoetter Development) for the construction of Two Upper Mid-Scale Hotels on 4.41 acres on Cochrane Road identified by Assessor Parcel Number 726-33-029; and
3. Authorize the City Manager to execute and administer the Impact Fee Freeze Agreements.

Economic Development Manager John Lang provided a report.

The public comment was opened at 10:37 p.m.
Brad Krouskup was called to speak.
There being no further requests to speak, the public comment was closed.

**MOTION:**
Approving an Impact Fee Freeze Agreement with the TBI-Mission West II, LLC (Toeniskoetter Development) for the development of a 55,000 s.f. training center building on 4.92 acres on Madrone Parkway identified by Assessor Parcel Number 726-35-028 and Authorizing the City Manager to execute and administer the Impact Fee Freeze Agreements.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Yvonne Martinez Beltran, Council Member |
| **SECONDER:** | Larry Carr, Council Member |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

**MOTION:**

Approving an Impact Fee Freeze Agreement with TBI-Mission West II, LLC (Toeniskoetter Development) for the construction of Two Upper Mid-Scale Hotels on 4.41 acres on Cochrane Road identified by Assessor Parcel Number 726-33-029 and Authorizing the City Manager to execute and administer the Impact Fee Freeze Agreements.

| | |
|---|---|
| **RESULT:** | **APPROVED [4 TO 1]** |
| **MOVER:** | Larry Carr, Council Member |
| **SECONDER:** | Rene Spring, Mayor Pro Tem |
| **AYES:** | Constantine, Spring, Carr, McKay |
| **NAYS:** | Martinez Beltran |

**MOTION:**

Extending the meeting until 11:45 p.m.

| | |
|---|---|
| **RESULT:** | **EXTENDED [UNANIMOUS]** |
| **MOVER:** | John McKay, Council Member |
| **SECONDER:** | Yvonne Martinez Beltran, Council Member |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

## PUBLIC HEARING

### 16. ADOPT A RESOLUTION DECLARING THE RESULTS OF THE MAJORITY PROTEST PROCEEDINGS AND ESTABLISHING THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID)

Recommendation:

1. Open/close the public hearing;
2. Ratify the amendments to the Management District Plan;
3. Declare the results of majority protest proceedings; and
4. Adopt resolution establishing the Morgan Hill Tourism Business Improvement District (MHTBID).

Economic Development Director Edith Ramirez provided the report.

The public hearing was opened at 11:05 p.m.
There being no requests to speak, the public hearing was closed.

**MOTION:**

Approving the recommended actions.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Yvonne Martinez Beltran, Council Member |
| **SECONDER:** | Rene Spring, Mayor Pro Tem |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

## OTHER BUSINESS

### 17. INTRODUCE ORDINANCE ESTABLISHING PROCESS FOR CONTINUITY OF GOVERNMENT IN THE EVENT OF A DISASTER

Recommendation:

1. Accept the Morgan Hill City Council Emergency Procedures;
2. Open/Close public hearing;
3. Waive first and second reading of the ordinance; and
4. Introduce ordinance establishing a process to maintain continuity of government in the event of a disaster relating to the appointment and duties of an emergency standby council.

Emergency Operations Coordinator Jennifer Ponce provided the report.

The public comment was opened at 11:15 p.m.
There being no requests to speak, the public comment was closed.

**MOTION:**
Waiving the first and second reading of the ordinance.

| | |
|---|---|
| **RESULT:** | **WAIVED [UNANIMOUS]** |
| **MOVER:** | Larry Carr, Council Member |
| **SECONDER:** | John McKay, Council Member |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

**MOTION:**
Introducing the ordinance.

| | |
|---|---|
| **RESULT:** | **INTRODUCED [UNANIMOUS]** |
| **MOVER:** | Larry Carr, Council Member |
| **SECONDER:** | John McKay, Council Member |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

## 18. PROVIDE DIRECTION REGARDING THE ADOPTION OF A LOBBYIST REGISTRATION ORDINANCE

Recommendation:

Direct the City Attorney to prepare an ordinance requiring registration of paid lobbyists.

**MOTION:**
Continuing the item to February 6, 2019 City Council Meeting.

| | |
|---|---|
| **RESULT:** | **CONTINUED TO A FUTURE MEETING [UNANIMOUS]** |
| **MOVER:** | John McKay, Council Member |
| **SECONDER:** | Yvonne Martinez Beltran, Council Member |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

## 19. RECEIVE CAPITAL IMPROVEMENT PROJECT UPDATE

Recommendation:

Receive an update on City Capital Improvement Projects.

The public comment was opened at 11:20 p.m.
Doug Muirhead was called to speak.
There being no further request to speak, the public comment was closed.

**MOTION:**
Continuing the item to the February 6, 2019 City Council Meeting.

| | |
|---|---|
| **RESULT:** | **CONTINUED TO A FUTURE MEETING [UNANIMOUS]** |
| **MOVER:** | Larry Carr, Council Member |
| **SECONDER:** | Rene Spring, Mayor Pro Tem |
| **AYES:** | Constantine, Spring, Martinez Beltran, Carr, McKay |

## FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

## CLOSED SESSION

City Attorney Donald Larkin announced the closed session item.

## OPPORTUNITY FOR PUBLIC COMMENT

The public comment was opened at 11:24 p.m.

There being no requests to speak, the public comment was closed.

## ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 11:24 p.m.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

| | |
|---|---|
| Authority: | Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4) |
| Number of Cases: | One (1) |

## RECONVENE

The meeting reconvened at 11:37 p.m.

## CLOSED SESSION ANNOUNCEMENT

City Attorney Donald Larkin announced that the City Council unanimously authorized the City Attorney to join an amicus brief prepared by Santa Clara County in the case of *City and County of San Francisco v. Matthew G Whittaker et al*., United States District Court, Northern District of California Case No. 3:18-cv-05169-WHO.

## ADJOURNMENT

There being no further business, the meeting adjourned at 11:38 p.m.

**MINUTES PREPARED BY:**

Michelle Bigelow, Deputy City Clerk