



Regular Meeting Agenda

City Council

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

Wednesday, November 4, 2020 7:00 p.m.

Virtual Meeting

MEETING GUIDELINES

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. We will address the Order in the following ways:

Members of the public may NOT physically attend meetings at the Morgan Hill City Council Chamber.

The City Council Meeting will be live-streamed on Channel 17 and on the City's website. Those members of the public wishing to participate remotely may do so via the electronic meeting at:

<https://bit.ly/110420CityCouncilMtg> or by calling in to: (669) 900-9128, then enter the meeting id: 881 9811 7548.

Public comment for City Council meetings will be accepted via email to ccpubliccomment@morganhill.ca.gov <<mailto:ccpubliccomment@morganhill.ca.gov>>. Members of the public participating in the electronic meeting wishing to speak may do so during public comment.

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

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

Deputy City Clerk Michelle Bigelow

PRESENTATIONS

**2021 TRANSIT SERVICE PLAN- DRAFT OPTIONS, JAY TYREE, SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY**

PROCLAMATIONS

Proclaiming the month of November 2020 as Philanthropy Month

CITY MANAGER'S REPORT

City Manager Christina Turner

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

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

Time Estimate for Consent Calendar: 1 - 10 Minutes

1. APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO UNDERGROUND DRY UTILITIES FOR THE HALE AVENUE EXTENSION PROJECT NEAR MAIN AND HALE AVENUES

Recommendation:

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities at the intersection of Dewitt and Spring Avenues for the Hale Avenue Extension Project for a not to exceed amount of \$384,876.

2. APPROVE SUBDIVISION IMPROVEMENTS AGREEMENT FOR 185 SANCHEZ DRIVE

Recommendation:

1. Authorize the City Manager to execute the Subdivision Improvements Agreement with Mike Brewer (property owner); and
2. Authorize the recordation of the Subdivision Improvements Agreement.

3. APPROVE SECOND AMENDMENT TO CARBONIC SERVICE INC. SERVICE AGREEMENT

Recommendation:

1. Determine that competitive bids upon notice would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances per Section 3.04.150 (1) of the Morgan Hill Municipal Code; and
2. Approve and authorize the City Manager to execute and administer the second amendment to the service agreement with Carbonic Service, Inc. extending the agreement for two additional years of service at no increase to the total contract amount of \$200,000.

4. APPROVE FISCAL YEAR 2020-21 WORK PLANS FOR PARKS AND RECREATION AND LIBRARY, CULTURE AND ARTS COMMISSIONS

Recommendation:

1. Approve the proposed Parks and Recreation Commission FY 2020-21 Work Plan; and
2. Approve the proposed Library, Culture and Arts Commission FY 2020-21 Work Plan.

5. APPROVE THE OCTOBER 21, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

6. RECEIVE CORPORATION YARD SPACE STUDY

Recommendation:

Receive Corporation Yard Space Study.

7. RECEIVE REPORT REGARDING UPCOMING 2021 COMMISSION VACANCIES - PER MADDY ACT

Recommendation:

Receive report.

OTHER BUSINESS

8. RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

Recommendation:

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightning Complex fire.

Estimated Time: 30 Minutes

9. CONSIDER FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

Recommendation:

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

Estimated Time: 5 Minutes

PUBLIC HEARING

10. ACCEPT THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNER'S ASSOCIATION ANNUAL REPORT AND ADOPT A RESOLUTION AMENDING THE MHTBID MANAGEMENT PLAN

Recommendation:

1. Accept and direct the City Clerk to file the Visit Morgan Hill Annual Report; and
2. Open and Close a Public Hearing to amend the Morgan Hill Tourism Business Improvement District (MHTBID) Management Plan to change reporting schedule to conform with the California Streets and Highways Code.

Estimated Time: 15 Minutes

11. APPROVE AMENDMENTS TO THE GENERAL PLAN LAND USE MAP AND ZONING MAP, TENTATIVE PARCEL MAP AND MITIGATED NEGATIVE DECLARATION FOR A MIXED USE DEVELOPMENT ON A 19.67-ACRE SITE (APNS 817-09-039, 817-09-040 AND 817-09-041) (GPA2019-0005/ZA2019-0016/SD2019-0007/EA2019-0023-JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS))

Recommendation:

1. Open/close public hearing;
2. Adopt resolution approving the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for the project;
3. Adopt resolution approving an amendment to the General Plan land use designation;
4. Waive the first and second reading of Zoning Amendment Ordinance;
5. Introduce Zoning Amendment Ordinance; and
6. Adopt resolution approving a Tentative Parcel Map.

Estimated Time: 90 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 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 cityclerk@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 cityclerk@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

SUSTAINABLE MORGAN HILL



VISION

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

Choose Morgan Hill

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

City Council Ongoing Priorities

- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advancing Regional Initiatives

2020-2021 Strategic Priorities

- **Fiscal Sustainability**
- Affordable Housing and Homelessness
- Community Engagement and Messaging
- Economic Development
- Transportation



These strategic priorities were established prior to the COVID-19 pandemic. In light of recent events, we recognize that all of these goals and priorities will be viewed through the lens of the global pandemic, and we will continue to have equity, public health, and financial responsibility in mind.

2021 Transit Service Plan

Draft Options

*Morgan Hill City Council
November 2020*

Time to Decide Next Year's Transit Service Plan

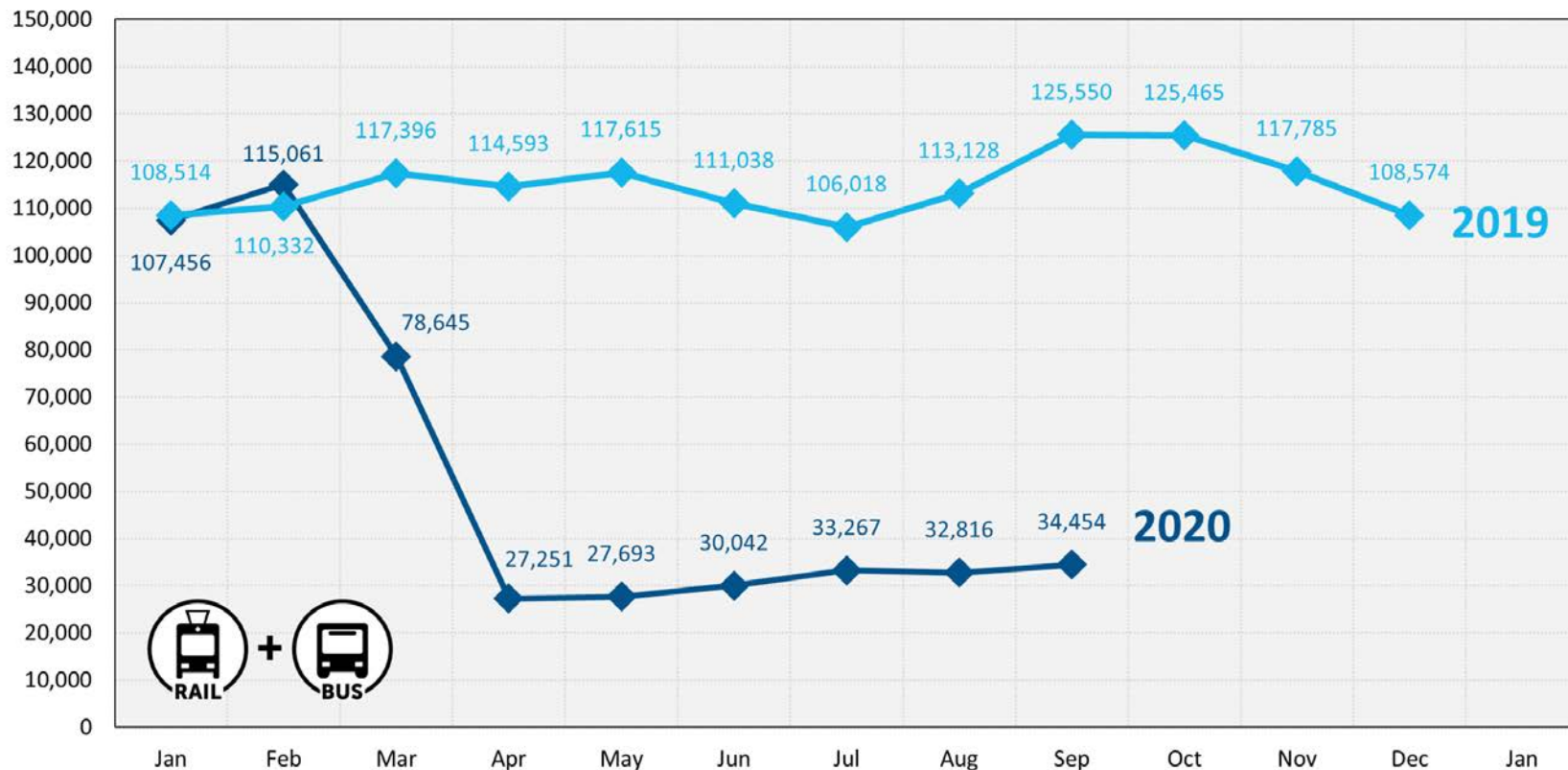
VTA typically implements major service changes annually each February

- Draft plan developed each summer
- Community engagement and revisions in the fall
- VTA Board adoption in November/December

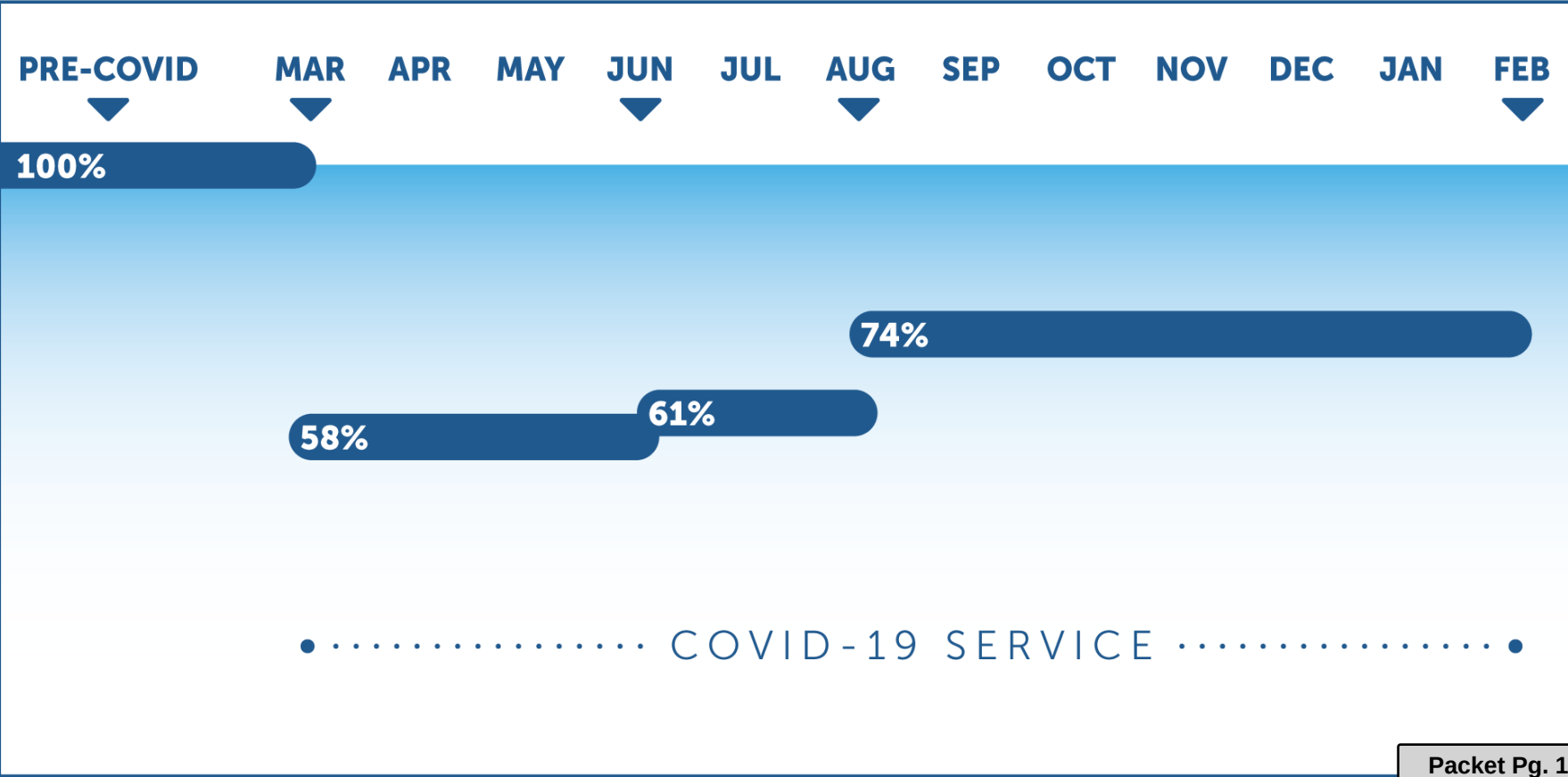
Background

- New Transit Service Plan (NTSP) implemented in late 2019
- Ridership demand impacted by COVID-19 beginning in March 2020
- Transit service adjusted throughout 2020 in response

VTA Ridership during COVID-19 (average weekday boardings, systemwide)

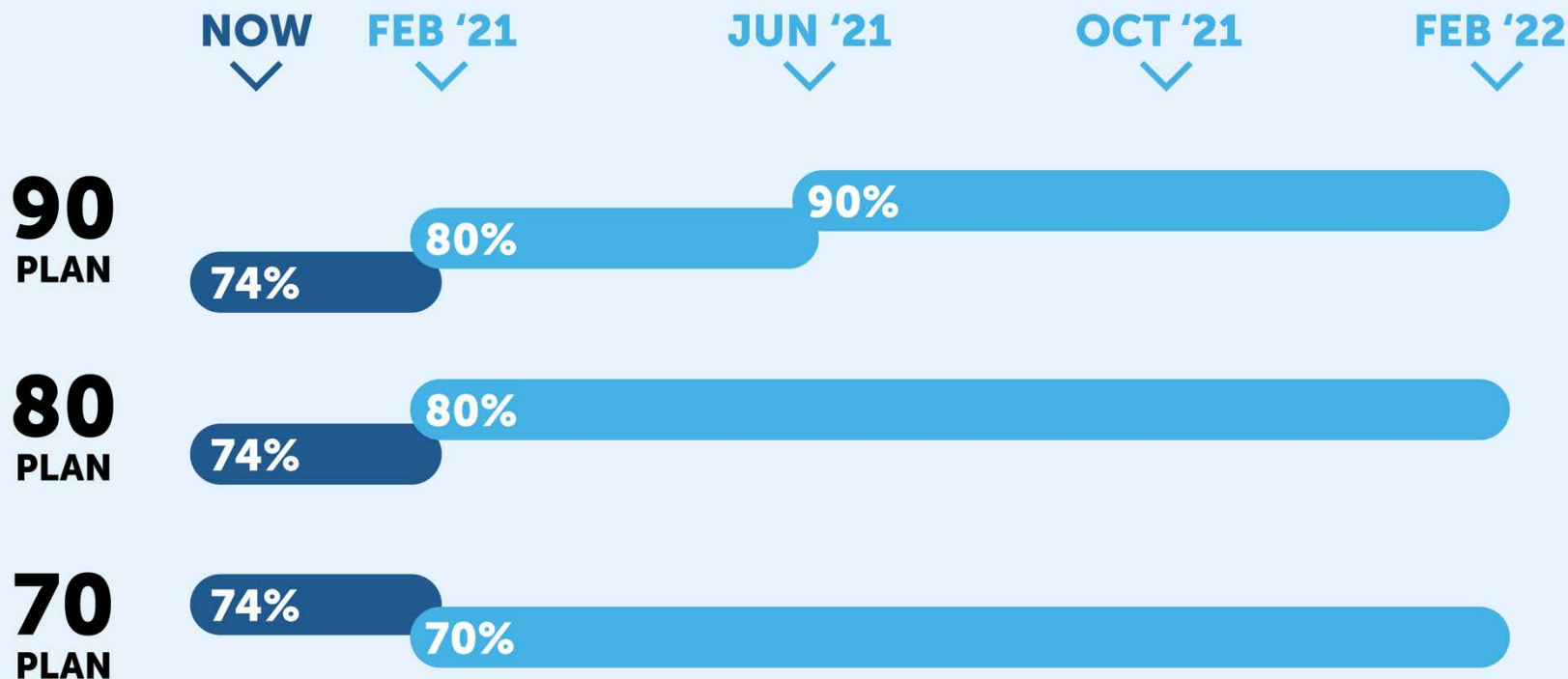


2020 VTA Transit Service Hours



Communication: 2021 Transit Service Plan- Draft Options, Jay

Three Options for 2021 Service



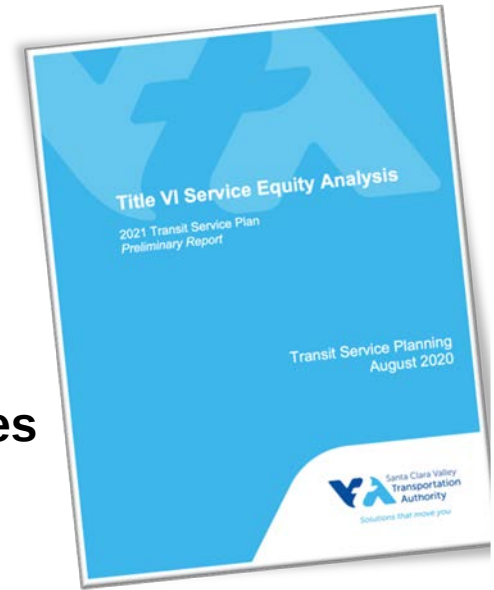
2021 Service Plan Options

		100% (Pre-COVID Service)	90% Plan	80% Plan	70% Plan
	Frequency	Weekday: 15 min. Weekend: 20 min.	Weekday: 15 min. Weekend: 30 min.	Weekday: 20 min. Weekend: 30 min.	Weekday: 20 min. Weekend: 30 min.
	End Time	1:30 a.m.	12:30 a.m.	12:30 a.m.	10:00 p.m.
Frequent Network Frequency		15 min.	15 min.	20 min.	20 min.
End Time		Varies	A few routes end earlier	Most routes end earlier	Ends at 10 p.m. or earlier
	Midday Service Cuts	n/a	1 route	Minor	Major
	Weekend Service Cuts	n/a	Minor	Minor	Major
Discontinued Routes		n/a	None	None	2 routes
New Routes		n/a	Rapid 568 VMC Shuttle	Rapid 568 VMC Shuttle	VMC Shuttle

Equity Analysis for Service Plan Options

Title VI Service Equity Analysis determinations:

- ✓ No disparate impact on **minority communities**
- ✓ No disproportionate burden on **low-income communities**



VTA Access Paratransit Service Impacts

Time-of-Day service availability:

- Staff recommendation is to **maintain pre-COVID service availability**

Geographic service availability:

- **No impact to geographic service availability**



Definition of “Major Transit Stop” in California law → 15-min peak bus service

Development projects

- Some projects disqualified from meeting criteria for Density Bonus law (AB 1763) and “screening out” from VMT analysis under CEQA (SB 743)

Affordable housing projects

- Some affordable housing projects disqualified from meeting TOD criteria

Plan Bay Area 2050 growth targets

- May be more difficult to meet regional growth targets (established using the 15-min network of routes)

Morgan Hill Local Service (weekday)

today

80 plan

90 plan

68

20-min
5:00a – 12:00a

20-min
5:00a – 12:00a

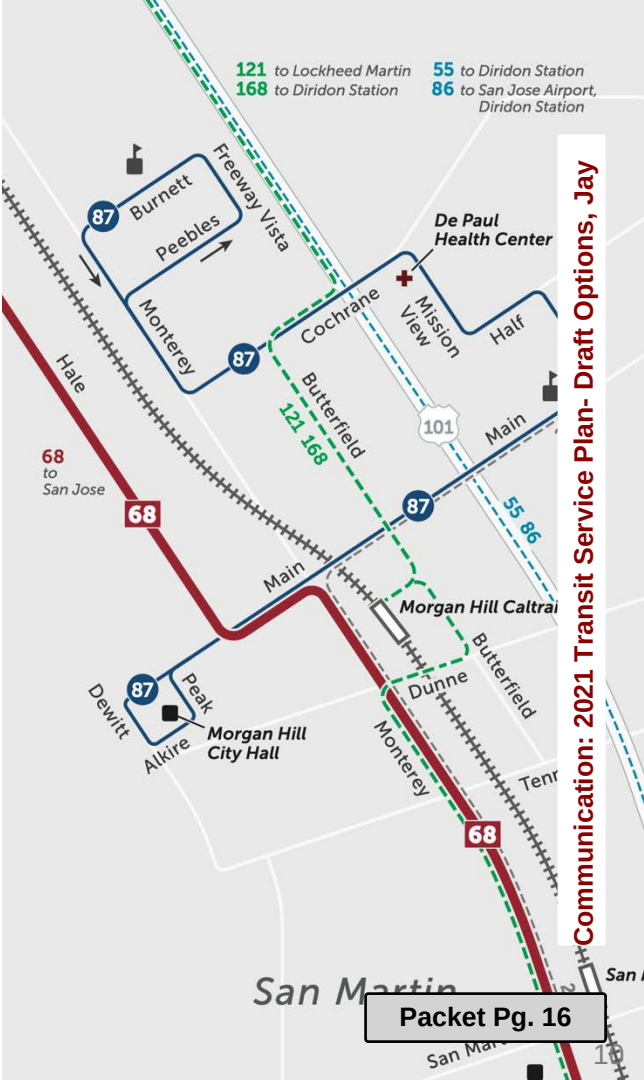
15-min
5:00a – 12:00a

87

60-min
6:30a – 9:00a
2:00p – 5:30p

60-min
6:30a – 9:00a
2:00p – 5:30p

60-min
6:30a – 9:00a
2:00p – 5:30p



Morgan Hill **Express** and **Rapid** Service

121

- suspended during 2020 due to COVID-19
- service level is determined by partners
- plan to resume service in early 2021

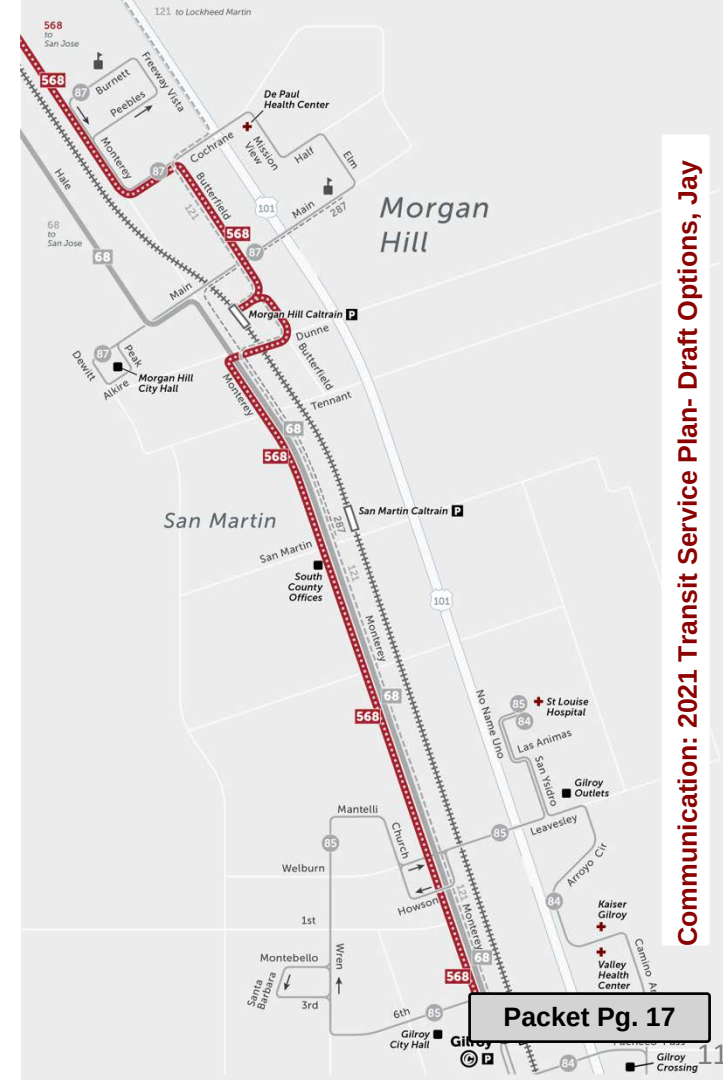
168

- 4 morning trips and 4 evening trips (one-way)
- to be replaced by Rapid 568



568

- new route (starts February)
- longstanding rider request
- Gilroy – Morgan Hill – Downtown San Jose
- all-day bidirectional service
- 30-min frequency, 5:30a – 6:30p
- will supplement Frequent Route 68



Schedule

May – Aug	Develop draft plans
Sep – Oct	Community engagement
Late Oct	Develop staff recommendation
Nov	Staff recommendation to VTA committees
Dec	Staff recommendation to VTA Board of Directors

Service begins **February 2021**



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Chris Ghione, Public Services Director
APPROVED BY: City Manager

APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO UNDERGROUND DRY UTILITIES FOR THE HALE AVENUE EXTENSION PROJECT NEAR MAIN AND HALE AVENUES

RECOMMENDATION(S)

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities at the intersection of Dewitt and Spring Avenues for the Hale Avenue Extension Project for a not to exceed amount of \$384,876.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2020-2021 Strategic Priorities
Transportation

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan
Morgan Hill 2035 General Plan
Vision Zero

REPORT NARRATIVE:

The Hale Avenue Extension Project is a long-term significant transportation project of the City of Morgan Hill, designed to provide an arterial street for the west side of the community in alignment with the City's goal of providing complete streets. The limits of the Hale Avenue Extension project are Main Avenue at the north end and Spring Avenue at the south end (Attachment 1), with the undergrounding work identified in this report occurring near Main Avenue. The project has been designed as a two-lane roadway with a median, bike lanes, and pedestrian walkway in conformance with the City's multi-modal arterial standard. This reach of roadway has been a planned arterial in the City's General Plan since 1969.

Significant outreach on the project occurred with the Community in 2008 through 2012 when the project was intended to be funded by the City's then Redevelopment Agency. However, due to the loss of redevelopment, the project was put on hold for approximately 5 years. In 2016, the County's Measure B initiative through the VTA provided a means for funding of the project. At this time, the project was reinstituted with Measure B as the primary funding source for construction.

In 2017, the City certified the Environmental Impact Report (EIR) for the project. This report provided the community another significant opportunity to provide input on the project. With the EIR, the Official Plan Line was also established. The Plan Line includes both the City's section of the project, between Main and Spring (Phase 1) and the County's section of the project, from DeWitt to Edmundson (Phase 2). The Plan allowed the City to obtain all of the right of way required for Phase 1 through an acquisition process that was conducted from 2017 through 2019. In June 2020, the Council approved a funding agreement with the VTA, which will provide the City \$16.5 million to construct the Hale Avenue Extension Project.

In 2018, Mark Thomas's contract was amended to include utility undergrounding services. Thus, applications to underground dry utilities were submitted to Pacific Gas and Electric Company (PGE) in September 2018 for the Hale Avenue Extension Project. Two applications were submitted. The first application, Phase 1, included undergrounding at the Dewitt/Spring intersection, which was approved by the City Council in February 2020. The second application, Phase 2, includes undergrounding at the Main/Hale intersection, Warren Avenue and Nob Hill Avenue. The City has now received these plans. The undergrounding in this area has taken significant time to design due to the complexity and quantity of overhead lines to be relocated. The dry utility undergrounding work includes electric, cable, and telephone lines. PGE's scope of work includes inspection of underground conduits/structures, pole removal, installing cables/connectors, and energizing. Underground conduits and vaults will be the responsibility of the Valley Water Phase 2A contractor through a cost share agreement with the City of Morgan Hill. This method will be less expensive than having PGE perform this work.

Construction of the roadway is intended to commence this Winter/Spring and to be constructed in coordination with Valley Water's Upper Llagas Creek Flood Control Project. The two projects have various overlapping components near the intersection of Hale and Main Avenues and the Flood Control Project will need to complete work in that area prior to the Hale Avenue construction. The undergrounding work in this area is critical to both the Hale Avenue Extension project and the Valley Water Flood Control Projects moving forward.

COMMUNITY ENGAGEMENT: Inform

The Hale Avenue Extension Project has been in the City's General Plan since the 1960's and continues to be an important north/south arterial gap fill project. Numerous community engagement and design meetings were held throughout the early planning and design phases. In addition, the environmental studies process also solicited input from the community regarding environmental impacts from the project. Staff has been providing project updates on the City's website and will continue posting updates throughout construction. A full communications plan is in development for the construction phase of this project.

ALTERNATIVE ACTIONS:

The City Council could decide not to execute the PGE agreement at this time. This is not recommended as undergrounding dry utilities is normally required for both the Hale Avenue Extension Project and the Valley Water Flood Control Project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There have been significant actions taken on the Hale Avenue Extension Project beginning in 1969 and most recently occurring in June 2020 with the funding agreement with the Valley Transportation Authority to fund the project. Recent actions specifically relating to undergrounding work on the project include:

- On January 18, 2017, City Council approved a Service Agreement for Design Professionals with Mark Thomas & Company to design the Hale Avenue Extension Project for \$401,873.
- On April 18, 2018, City Council approved a First Amendment with Mark Thomas & Company for additional work, including utility undergrounding for \$92,860.
- On April 17, 2019, City Council approved a second amendment with Mark Thomas & Company for increased services, which include bidding and construction services for \$88,700.
- On February 19, 2020, the City Council approved an agreement with PG&E for the undergrounding work associated with the project at the Spring/DeWitt Avenue Intersection.

FISCAL AND RESOURCE IMPACT:

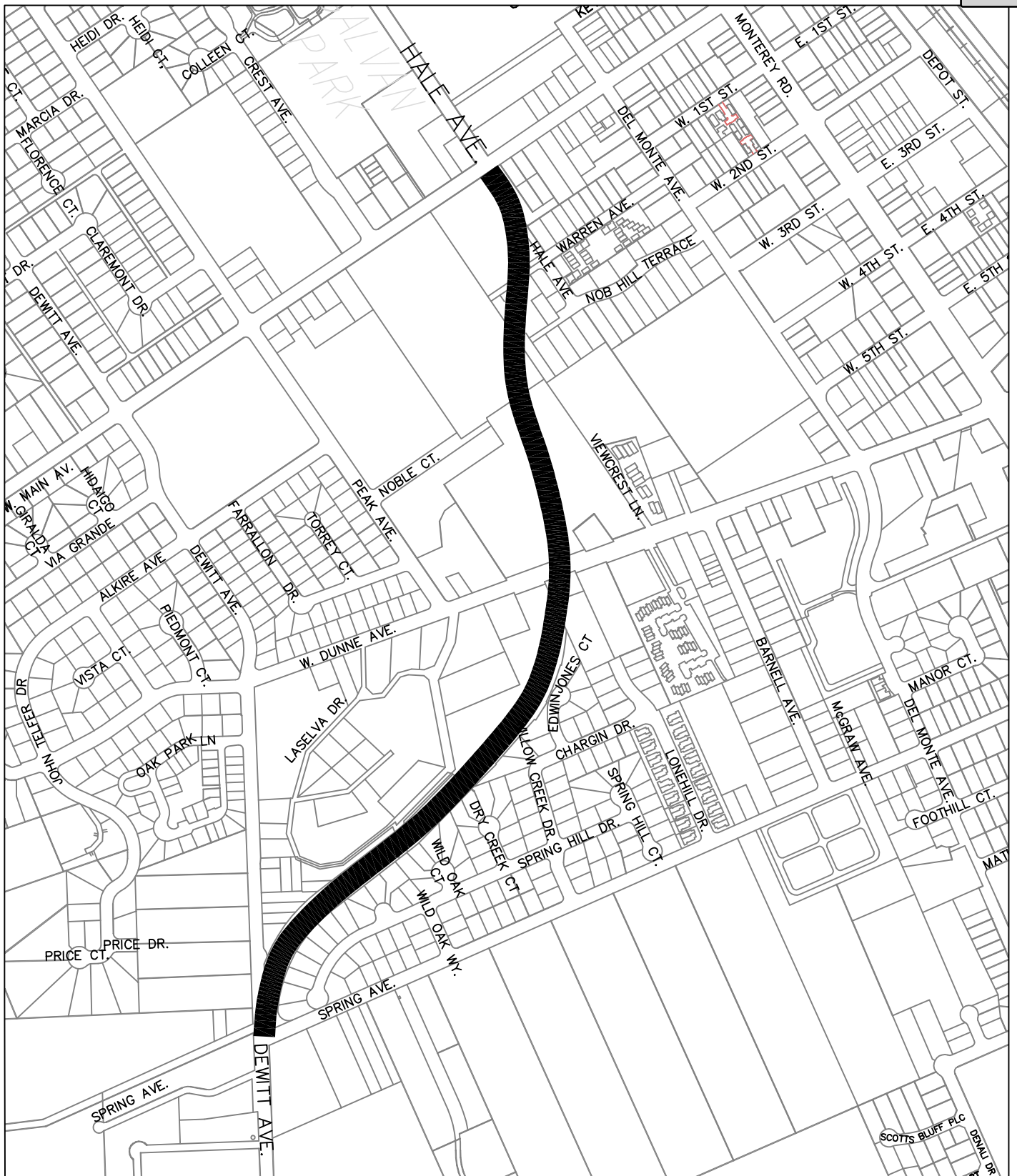
Sufficient funds and budgetary appropriations are available in the approved Hale Avenue Extension Project. The VTA's Measure B Grant will contribute at least \$16.5 million towards the project for which these costs are eligible for funding.

CEQA (California Environmental Quality Act): Project.

A Final Environmental Impact Report was prepared by David J. Powers & Associates for the Hale Avenue Extension and Hale Avenue Plan Line Projects. City Council certified the Final Environmental Impact Report (FEIR) and adopted a Mitigation and Monitoring Program (MMRP) for construction of the Hale Avenue Extension Project ("Project") by Resolution No. 17-070, adopted on August 23, 2017.

LINKS/ATTACHMENTS:

1. Project Location
2. PGE_Project_Contract_114993900.E.CONTRACTPK
3. Undergrounding Plans (weblink)



SCALE: NTS

City of Morgan Hill

Public Works Department

LOCATION PLAN

Hale Avenue Extension



CITY OF MORGAN HILL

N:\PROJECTS\CIP\STREETS\546007-Santa Teresa Const\Staff Reports\hale

Date: 3/23/11

Drwn by: DIG

PAGE 1 OF 1

Packet Pg. 22



October 21, 2020

Christina Tuner
City of Morgan Hill, A Government Agency
17575 Peak Ave.
MORGAN HILL, CA 95037

RE: Contract ID: 1251334: Rule 20 Part 1

Dear Christina Tuner,

Enclosed are gas and/or electric agreements for your project located at:

WEST MAIN AND HALE, MORGAN HILL, 95037

This letter summarizes the agreements for this project.

	Non-Refundable Payment	Refundable Option*	50% Discount Option*
Electric Overhead to Underground Conversion (20B)	\$387,375.59	\$0.00	\$0.00
Less Credit (Engineering Advance, etc.)	\$2,500.00	\$0.00	\$0.00
TOTAL **	\$384,875.59	\$0.00	\$0.00
TOTAL PAYMENT DUE	\$384,875.59	OR	\$384,875.59

* Only applies to Rule 15 Refundable Amounts. Amount shown is less credit for associated Applicant work.

** The Income Tax Component of Contribution (ITCC) is included in the above charges when applicable.

Changes to the agreement, either to any of the terms or to the amount owing, are not permitted, and any change or interlineations voids the agreement. The payment of any amount less than the full amount shown will be deposited by PG&E, but PG&E will not begin any work on this contract until the amount is paid in full. The contract shall be deemed effective the date a fully executed copy is received by PG&E. Please allow 45 days from PG&E's receipt of the Agreement for construction to commence.

If the agreement is not returned to PG&E within 90 days of the date of this letter, the proposed agreement is canceled and PG&E may need to re-estimate the job.

PG&E is committed to providing timely and efficient service and we look forward to continuing to work with you on this and future projects.

Should you have any questions regarding these contracts, please contact your project manager Ca Huynh at 408-479-0378 or CPH4@pge.com.

To complete your contract ONLINE

- Follow the instructions provided with your electronic contract
- Submit payment at pge.com/contractpayments

Sincerely,

Matthew Schneiderman

Matthew Schneiderman
Service Planning Supervisor

To complete your contract BY MAIL

- Make checks payable to: PGE or Pacific Gas and Electric
- Complete, sign and retain one copy of the agreement for your records
- Complete, sign and return one copy of the agreement with your payment to:
PG&E CFM/PPC DEPARTMENT
PO BOX 997340
Sacramento, CA 95899-7340



114993900E



**Pacific Gas and Electric Company
Agreement to Perform
Tariff Schedule Related Work**

DISTRIBUTION:

- ☐ APPLICANT (Original)
☐ DIVISION (Original)
☐ ACCTG. SVCS.

REFERENCES:

Notification #

Contract #

R20-PM #

1.b

114993900

1251334

31438

City of Morgan Hill, A Government Agency (Applicant) has requested PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (PG&E), to perform the tariff schedule related work as located and described in paragraph 3 herein. PG&E agrees to perform the requested work and furnish all necessary labor, equipment, materials and related facilities required therefor, subject to the following conditions:

1. Whenever part or all of the requested work is to be furnished or performed upon property other than that of Applicant, Applicant shall first procure from such owners all necessary rights-of-way and/or permits in a form satisfactory to PG&E and without cost to it.
2. Applicant shall indemnify and hold harmless PG&E, its officers, agents and employees, against all loss, damage, expense and liability resulting from injury to or death of any person, including but not limited to, employees of PG&E, Applicant or any third party, or for the loss, destruction or damage to property, including, but not limited to property of PG&E, Applicant or any third party, arising out of or in any way connected with the performance of this agreement, however caused, except to the extent caused by the active negligence or willful misconduct of PG&E, its officers, agents and employees. Applicant will, on PG&E's request, defend any suit asserting a claim covered by this indemnity. Applicant will pay all costs that may be incurred by PG&E in enforcing this indemnity, including reasonable attorneys' fees.
3. The location and requested work are described as follows: (Describe in detail the materials and facilities to be furnished and/or work to be performed by PG&E. If more space is required, use other side and attach any necessary drawings as Exhibits A, B, C, etc):

LOCATION: WEST MAIN AND HALE, MORGAN HILL, 95037

DESCRIPTION OF WORK: Rule 20B - Underground existing overhead electric facilities

Engineering & Administrative Costs		\$218,399.82
Value of Applicant Design Work	(+)	\$0.00
Cost of Additional Applicant Design Plan Checks	(+)	\$0.00
Value of 20B Underground System	(+)	\$202,692.77
Tie-In of 20B by PG&E	(+)	\$192,838.16
PG&E Land Rights Costs	(+)	\$0.00
Inspection Fees	(+)	\$4,281.60
Value of 20B Trench & Excavation	(+)	\$184,253.94
Value of 20B Conduits & Substructures	(+)	\$117,279.67
Rule 20B Trench Permits Obtained by PG&E	(+)	\$1,000.00
less Cost of Equivalent Overhead System	(-)	\$364,662.06
SUB TOTAL	(=)	\$556,083.89
plus ITCC @ 24%	(+)	\$133,460.13
less 20B Underground System Installed by Applicant	(-)	\$4,584.24
less 20B Trench & Excavation Provided by Applicant	(-)	\$184,253.94
less 20B Conduits & Substructures Installed by Applicant	(-)	\$113,330.25
less Value of Applicant Design Work	(-)	\$0.00
Electric Rule 20B Cash Payment	(=)	\$387,375.59



114993900E

4. Applicant shall pay to PG&E, promptly upon demand by PG&E, as the complete contract price hereunder, the sum 1.b
Three Hundred Eighty-Seven Thousand Three Hundred Seventy-Five Dollars And Fifty-Eight Cents (\$387,375.59)

Upon completion of requested work, ownership shall vest in: ☒ PG&E ☐ Applicant

Executed this _____ day of _____

City of Morgan Hill, A Government Agency

Applicant

PACIFIC GAS & ELECTRIC COMPANY

By: _____

Christina Tuner
Print/Type/Name

By: Matthew Schneiderman

Matthew Schneiderman

Title: **City Manager**

Title: **Service Planning Supervisor**

Mailing Address: 17575 Peak Ave.
MORGAN HILL CA 95037



114993900E



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

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

APPROVE SUBDIVISION IMPROVEMENTS AGREEMENT FOR 185 SANCHEZ DRIVE

RECOMMENDATION(S)

1. Authorize the City Manager to execute the Subdivision Improvements Agreement with Mike Brewer (property owner); and
2. Authorize the recordation of the Subdivision Improvements Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment and Preserving
Open Space and Agricultural Land

2020-2021 Strategic Priorities

Fiscal Sustainability

GUIDING DOCUMENTS

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

The project is located on 185 Sanchez Drive (APN 764-24-028) and involves the subdivision of a 0.46-acre parcel into approximately two 10,000 square foot parcels (See attached site map Attachment No. 1). There is an existing single-family house on one of the lots and a new 2,704 square foot single-family house with a 557 square foot attached garage planned to be built on the other lot. The developer is required to enter into a Subdivision Improvements Agreement (Attachment No. 2) with the City of Morgan Hill and provide a financial guarantee covering the project's public improvements.

The project's Parcel Map (Final Map) conforms to all the requirements of the Subdivision Map Act and the conditions of approval for the Tentative Parcel Map (SD2020-0001). The Final Map will be approved administratively.

The developer has furnished the City with the necessary documents to complete the processing of the Final Map and has made provisions with a title company to provide the City with the required fees, security, and insurance prior to recordation of the Final Map.

Staff recommends that the City Council authorize the City Manager to sign the Subdivision Improvements Agreement on behalf of the City and authorize the recordation of the Subdivision Improvements Agreement.

COMMUNITY ENGAGEMENT: Involve

On March 31, 2020, the Community Development Director approved the Tentative Parcel Map for the project. Residents within a 300-foot radius were informed about the project. Comments received from the public and from the project applicant were considered in the review process.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There were no prior City Council and Commission actions on this project.

FISCAL AND RESOURCE IMPACT:

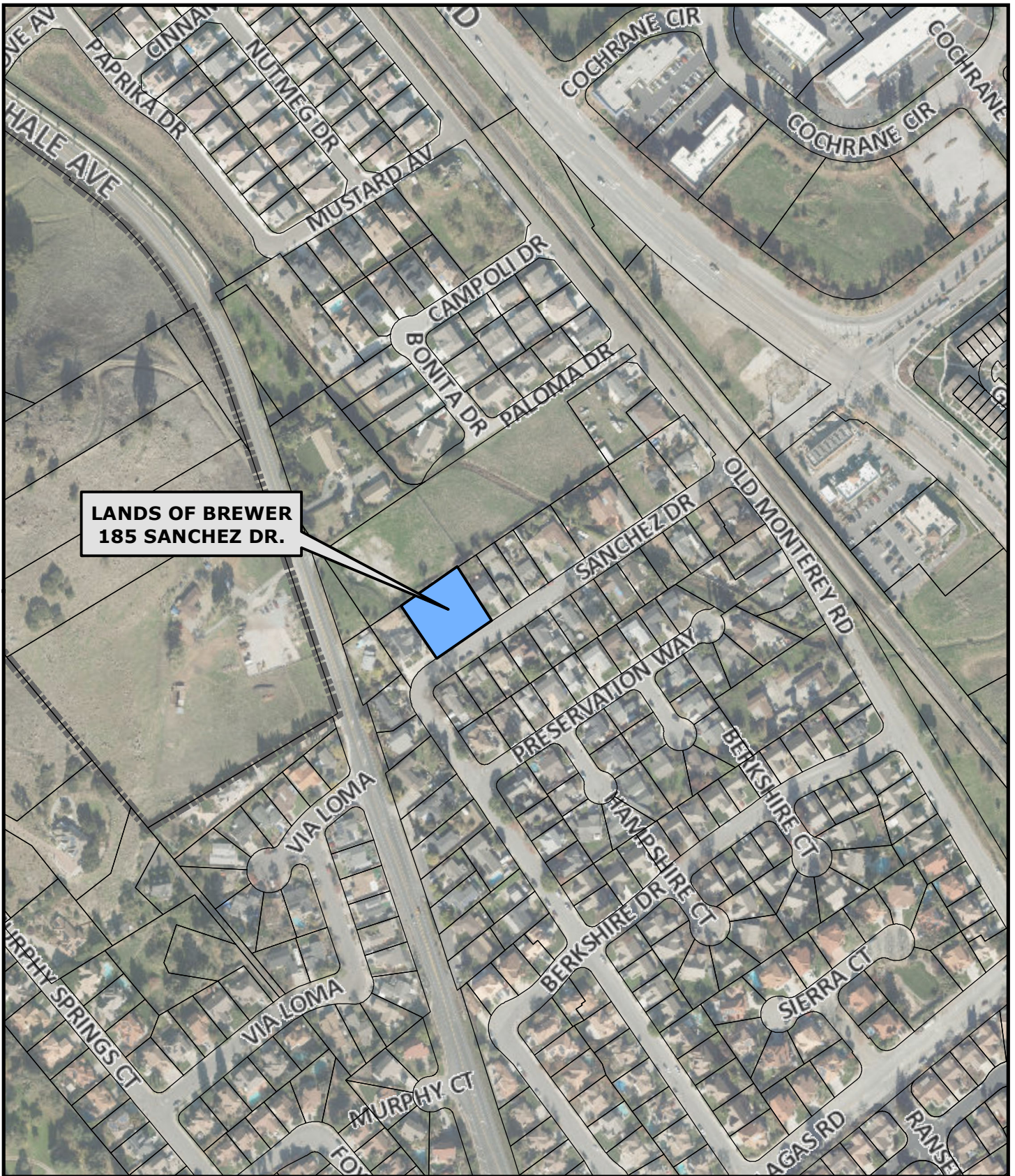
Development review costs for this project are paid for from development processing fees.

CEQA (California Environmental Quality Act):

Categorical Exemption – pursuant to CEQA Section 15315 – Minor Land Divisions.

LINKS/ATTACHMENTS:

1. Site Map
2. Subdivision Improvements Agreement



**LANDS OF BREWER
185 SANCHEZ DR.**

Attachment: Site Map [Revision 1] (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)



**Land Development Engineering
Engineering and Utilities Department**

Document Path: G:\R-14\PROJ\GIS\John\Maria_185SanchezDr.mxd

**SITE MAP
185 SANCHEZ DR.**



0 100 200 400 600 800
Feet

RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

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

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

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

SUBDIVISION IMPROVEMENTS AGREEMENT

MIKE BREWER

185 SANCHEZ DRIVE – LANDS OF BREWER

(APN: 764-24-028)

This Subdivision Improvements Agreement ("Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and **Mike Brewer** ("Subdivider"), is entered into this _____ day of _____, 20____. City and Subdivider hereby acknowledge the following:

1. Subdivider has filed a Tentative Subdivision Map and supporting documents for **185 Sanchez Drive**, the subdivision known as **Lands of Brewer** ("Map").
2. City desires, as part of the conditions of approval ("Conditions") of the Final Tract Map or Parcel Map ("Final Map"), that certain improvements be installed by Subdivider ("Improvements") as shown on the City Engineer approved and signed Subdivision Improvement Plans entitled "Improvement Plans for 185 Sanchez Drive - Lands of Brewer" ("Plans").
3. Subdivider has been unable to complete, prior to filing of the Final Map, all of the improvements required by City to the satisfaction of the City Engineer.
4. Subdivider is required by the terms of the Morgan Hill Municipal Code ("Municipal Code"), to improve all streets, highways, or public areas which are part of the development, including but not limited to necessary paving, curbs, sidewalks, catch basins, water mains, culverts, storm drains, and sanitary sewers, in accordance with the plans and specifications on file with the City Engineer and to post certain securities to secure the completion of the Improvements.
5. To assure City that Subdivider will construct, install and complete all Improvements required for the Subdivision, the parties have entered into this Agreement.

6. This Agreement is executed pursuant to California Government Code Section 66410 et seq., and Chapter 17.32 of the Municipal Code in order to provide for the manner in which Improvements shall be constructed and completed.

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

Section 1. Incorporation by Reference

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

Section 2. Construction of Improvements

(a) Subdivider shall construct to the approval of City, and as provided for in the Conditions, the Improvements as shown fully executed in the Plans entitled "Improvement Plans for 185 Sanchez Drive - Lands of Brewer".

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

(c) Survey Monumentation:

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

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

Section 3. Modification of Plans

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

Section 4. Security

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

Improvements and the City Engineer's Estimated Costs of Improvements as of September 18, 2020 are attached hereto as Exhibit "A".

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

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

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

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

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

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

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

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

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

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

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

Section 5. Inspections

At least fifteen (15) calendar days prior to the commencement of any work hereunder, Subdivider shall notify City in writing of the fixed start date of construction so that City shall be able to provide inspection

services. Subdivider shall at all times maintain proper facilities and provide safe access to all parts of the work site(s) for City inspections, including any workshops or plants where work related to the Improvements is being conducted.

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

Section 6. Timing of Performance

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

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

Section 7. Work Performance and Warranty

(a) Subdivider shall construct, at Subdivider's own expense, all of the Improvements in a good and workmanlike manner, and furnish all required materials incident thereto, in accordance with the Plans and to the satisfaction of City, including any changes required by City which in City's opinion are necessary to complete the Improvements.

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

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

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

(e) Subdivider warrants that: (1) it has investigated the work to be performed under this agreement, (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should Subdivider discover any conditions materially differing from those inherent in the Improvements or work or as represented by City, it shall immediately inform City and shall not proceed, except at Subdivider's risk, until written instructions are received from City.

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

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

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

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

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

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

(b) Except as otherwise provided by this Agreement, City rejects all lands, rights-of-way, and easements offered for dedication on the Final Map of the Subdivision. All such offers shall, however, remain open, and shall constitute irrevocable offers of dedication in accordance with Government Code Section 66477.2. All such offers may be accepted by City in its sole discretion at any later date without further notice to Subdivider as provided by law. By way of explanation only, it is the current intention of City to accept all or part of the irrevocable offers to dedicate upon acceptance of the Improvements called for in this Agreement.

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

Section 9. Indemnity

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

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

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

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

Section 10. Insurance

Concurrent with the execution of this Agreement, Subdivider is required to procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of Subdivider and its Subcontractors relating to or arising from the performance of work associated with the Improvements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by the City. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by City. If the Subdivider will utilize the services of a General Contractor to perform all of the work associated with the Improvements, then Subdivider may opt to have all coverages provided by Subdivider's General Contractor, provided that a written contract is executed between Subdivider and the General Contractor whereby the written contract specifically required General Contractor to fulfill all of the City insurance requirements as outlined in this Agreement, including all endorsements in favor of the City. Verification of the written contract must be provided to City upon request. If Subdivider fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement City shall issue a stop work order, or terminate the Agreement for default. Subdivider further understands that the City reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to Subdivider, at any time as deemed necessary to protect the interests of the City.

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

- (1) **Commercial General Liability Insurance ("CGL"):** Subdivider shall maintain CGL and shall include coverage for liability arising from Subdivider's or its Subcontractor's acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit each occurrence and either a general aggregate limit of two million dollars (\$2,000,000.00) or a general aggregate limit of one million dollars (\$1,000,000) as applied on a "per project" or "per location" basis, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CGL coverage is being provided by Subdivider's General Contractor pursuant to Section 10, General Contractor may elect to insure the CGL

exposures under an “Owners and Contractors Protective Liability Policy (OCP)” on which the City is included as an additional insured.

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

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

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

(2) Workers’ Compensation Insurance and Employer’s Liability: Subdivider shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers’ Compensation Insurance and Safety Act and provide protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater. If Subdivider is self-insured, Subdivider must provide its Certificate of Permission to Self-Insure, duly authorized by the State of California Department of Industrial Relations.

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

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

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

(1) ALL Policies:

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

(2) ALL Policies except Workers Compensation:

- a. “Additionally Insured” - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds.
- b. “Primary and Non-Contributing” - Insurance shall be primary non-contributing.

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

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

(e) Certificates. Subdivider shall furnish City with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the Subdivider’s agreement with the City shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days’ notice by the insurer to City, unless due to non-payment of premiums, in which case ten (10) days written notice must be made to City. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

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

Section 11. Permits and Requisite Fees

(a) Subdivider shall pay all current fee obligations due under City Resolution No. 5592, as amended, in accordance with the Department of Public Work fee schedule, as follows:

- (1) **\$9,000** payable at the time of recording of the Final Map, and

(2) The fees due for the new parcel will be determined upon development of the parcel and payable prior to issuance of a building permit for the new parcel.

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

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

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

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

Section 12. On-Site Supervision

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

Section 13. Waiver

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

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

a. Address of Subdivider is as follows:

b. Address of City is as follows:

City Engineer
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

With a copy to:

City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Section 15. Noncompliance

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

Section 16. Notice of Breach and/or Default

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

- (a) Subdivider refuses or fails to complete the Improvements as required in Section 6 above.
- (b) Subdivider refuses or fails to perform or cure any defects in the Improvements as required in Section 7.
- (c) Subdivider is insolvent, is subject to a receivership, or files any petition in bankruptcy, either voluntary or involuntary which Subdivider fails to discharge within thirty (30) days.
- (d) The commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance in lieu of or in avoidance of foreclosure.
- (e) Subdivider or any of Subdivider's contractors, subcontractors, agent, or employees materially violates any of the provisions of this Agreement and not cure the violation within a reasonable time.

Section 17. Performance by Surety or City

- (a) In the event of a material breach and/or default by Subdivider, Subdivider's surety shall have the duty to take over and complete the Improvements.
- (b) If the surety, within a reasonable time after receiving notice of Subdivider's default does not provide City written notice to take over the performance of this Agreement or if the surety does not commence performance thereof within the time specified in such notice to City, City may take over the construction of the Improvements and prosecute the same to completion, by contract or by any method City may deem advisable, on behalf and at the expense of Subdivider, and Subdivider's surety shall be liable to City for any excess cost or damages incurred by City thereby. In such event, City, without liability for so doing, may take possession of and utilize such materials, appliances, and other property belonging to Subdivider as may be on the work site(s) and necessary therefore to complete the Improvements.
- (c) City shall have the right to draw upon or utilize the appropriate security provided for in Section 4 to recover costs and damages to City damages. The right of City to draw upon or utilize the security is additional and not in lieu of any other remedy available to City at law or in equity. The parties agree that the estimated costs and security amounts may not reflect the actual cost of construction or installation of Improvements, and therefore, City damages for Subdivider's default shall be measured by the cost of completing the required Improvements.
- (d) Failure of Subdivider to comply with terms of this Agreement shall constitute consent to filing by City of a notice of violation against all lots in the Subdivision, or to rescind the approval or otherwise revert the Subdivision to acreage. The remedies provided in this Subsection (d) are in addition to and not in lieu of other remedies available to City.

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

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

Section 18. Successors in Interest

This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties. It shall be recorded in the Office of the Recorder of Santa Clara County concurrently with the Final Map of the Subdivision and shall constitute a covenant running with the land and an equitable servitude upon the real property within the Subdivision. It shall be the responsibility of City to cause the executed Agreement to be recorded.

Section 19. Effective Date

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

Section 20. Amendment of Agreement

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

Section 21. Execution

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

Section 22. Non-Liability of Officials and Employees of the City.

No official or employee of City shall be personally liable for any default or liability under this Agreement.

Section 23. Law to Govern: Venue

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

Section 24. Limitations Upon Subcontracting and Assignment.

Neither this Agreement or any portion shall be assigned by Subdivider without prior written consent of City.

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Section 25. Miscellaneous

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

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

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

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

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

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

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

[TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS: (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND** (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.]

CITY OF MORGAN HILL

By: _____

Christina J. Turner, City Manager

Date: _____

ATTEST:

By: _____

Michelle Bigelow, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____

Donald A. Larkin, City Attorney

Date: _____

"Subdivider"

MIKE BREWER

By: Mike Brewer owner

Print Name and Title

(If Corporation, must be Chairperson of the Board, President, or Vice President)

Date: 10-10-2020

By: _____

Print Name and Title

(If Corporation, must be Secretary, Assistant Secretary, CFO, or Assistant Treasurer)

Date: _____

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

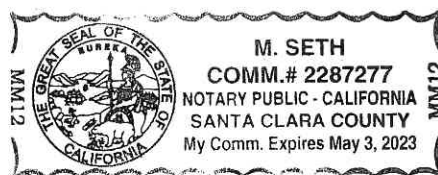
State of **California**
County of **Santa Clara**

On October 10 2020, before me, M. SETH, Notary Public a Notary Public in and for said County and State, personally appeared Mike J Brewer proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

W. S. SETH
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT "A"

IMPROVEMENTS AND

ESTIMATED COSTS OF IMPROVEMENTS

AS OF SEPTEMBER 18, 2020

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
Schedule I - Streets & Earthwork					
1	Clearing and grubbing	1	LS	\$ 5,000.00	\$ 5,000.00
2	Curb, gutter demolition and off-haul	150	LF	\$ 20.00	\$ 3,000.00
3	Sidewalk demolition and off-haul	565	SF	\$ 10.00	\$ 5,650.00
4	Driveway approach demolition and off-haul	424	SF	\$ 10.00	\$ 4,240.00
5	(N) Curb and gutter	150	SF	\$ 25.00	\$ 3,750.00
6	(N) Sidewalk	581	SF	\$ 10.00	\$ 5,810.00
7	(N) Driveway approach	435	SF	\$ 15.00	\$ 6,525.00
8	AC Grind and overlay	2,700	SF	\$ 5.00	\$ 13,500.00
9	Raise/Lower Ex. boxes to new finish grade	2	EA	\$ 500.00	\$ 1,000.00
10	1" City Std. Water service & meter box	1	EA	\$ 4,000.00	\$ 4,000.00
11	Existing water service meter & valve relocation	1	EA	\$ 1,000.00	\$ 1,000.00
12	4" SDR26 sanitary sewer lateral	2	EA	\$ 4,000.00	\$ 8,000.00
13	Street tree per City STD. L-17	3	EA	\$ 1,000.00	\$ 3,000.00
					\$ 64,475.00
10% Contingency					\$ 6,447.50
Grand Total					\$ 70,922.50

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **Mike Brewer** (hereinafter designated as "principal") have entered into a Subdivision Improvement Agreement:

MIKE BREWER
185 SANCHEZ DRIVE – LANDS OF BREWER
(APN: 764-24-028)

whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 20_____, and identified as project **185 SANCHEZ DRIVE - LANDS OF BREWER**, is hereby referred to and made a part hereof; and

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

Now, therefore, we, the principal and _____, as surety, are held and firmly bound unto the City of Morgan Hill hereinafter called ("City"), in the penal sum of Seventy Thousand Nine Hundred Twenty Three dollars (\$70,923.00) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The Surety's office is located at _____,

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

License No.: _____

Address: _____

Telephone No.: _____

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

Name of non-resident _____

agent:

Non-resident agent's office

address:

Telephone

No.:

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

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

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

Executed this _____ day of _____ 20 ____ .

[form document – do not execute]

[form document – do not execute]

Principal

Principal

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

Surety

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

Attorney-in Fact

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

California Resident Agent

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

Non-resident Agent - Attorney-in-Fact

APPROVED:

[form document – do not execute]

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

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

Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **Mike Brewer** (hereinafter designated as "the principal") have entered into a Subdivision Improvement Agreement:

MIKE BREWER
185 SANCHEZ DRIVE – LANDS OF BREWER
(APN: 764-24-028)

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated _____, 20_____, and identified as project **185 SANCHEZ DRIVE - LANDS OF BREWER**, is hereby referred to and made a part hereof; and

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

Now, therefore, the principal and the undersigned as corporate surety, and their successors and assigns are held firmly bound unto the City of Morgan Hill and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the agreement and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of Seventy Thousand Nine Hundred Twenty Three dollars (\$70,923.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City of Morgan Hill in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

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

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

The Surety's office is located at _____,

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

License No.: _____

Address: _____

Telephone No.: _____

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

Name of non-resident agent: _____

Non-resident agent's office address: _____

Telephone No.: _____

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

Executed this _____ day of _____ 20 ____ .

[form document – do not execute]

[form document – do not execute]

Principal

Principal

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

Surety

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

Attorney-in Fact

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

California Resident Agent

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

Non-resident Agent - Attorney-in-Fact

APPROVED:

[form document – do not execute]

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

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

Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

**EXHIBIT “D”
WARRANTY BOND
(50% of Cost of Construction)**

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California (hereinafter designated as “City”), and **Mike Brewer** (hereinafter designated as “Principal”) have entered into a Subdivision Improvement Agreement (hereinafter “Agreement”):

**MIKE BREWER
185 SANCHEZ DRIVE – LANDS OF BREWER
(APN: 764-24-028)**

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

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

Now, therefore, we, the Principal and _____ as Surety, are held and firmly bound unto the City of Morgan Hill in the penal sum of Thirty Five Thousand Four Hundred Sixty Two dollars (\$35,462) for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

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

Surety waives the provisions of Civil Code Sections 2819 and 2845. Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement

or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

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

Attn: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

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

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

SURETY:

Principal:

Date: _____

Date: _____

s/ [form document – do not execute]

s/ [form document – do not execute]

Name: _____

Name: _____

Title: _____

Title: _____

(Attach Acknowledgment with Notary

Seal and Power of Attorney)

APPROVED:

[form document – do not execute]

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

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

Donald A. Larkin, City Attorney

Date: _____

END OF WARRANTY BOND

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

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

APPROVE SECOND AMENDMENT TO CARBONIC SERVICE INC. SERVICE AGREEMENT

RECOMMENDATION(S)

1. Determine that competitive bids upon notice would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances per Section 3.04.150 (1) of the Morgan Hill Municipal Code; and
2. Approve and authorize the City Manager to execute and administer the second amendment to the service agreement with Carbonic Service, Inc. extending the agreement for two additional years of service at no increase to the total contract amount of \$200,000.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The purpose of this report is to provide the City Council with an opportunity to consider a second amendment to the City's contract for the rental of three 1,000 lb. CO² tanks at the Aquatics Center and the provision of CO² to the Aquatics Center, Centennial Recreation Center, and Community and Cultural Center. CO² is used at the pools and splash pads to maintain water chemistry.

The City has contracted with Carbonic Service Inc. since November 2016 to provide CO² services. The City's current contract expires on December 31, 2020. The original amount of the agreement was \$200,000 for three years. On November 8, 2019, the First Amendment extended the term one year to December 31, 2020. The average annual amount expended against this contract is \$20,000, so there is no need to increase the contract amount. Per the Second Amendment, Carbonic Service, Inc. has also agreed not to increase the 0.24 cents per lb. rate for the CO² during the first year (calendar year 2021). However, the cost of the CO² during the second year (calendar year 2022) will increase to 0.25 cents per lb.

Section 3.04.150 (1) of the Morgan Hill Municipal Code authorizes extending this agreement if the Council determines that competitive bids upon notice would not be likely to result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances. Staff has been satisfied with

the services provided by Carbonic Service and recommends that the Second Amendment be approved based on the City Council's determination that soliciting competitive bids would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances. The Amendment extends the term by two years while the total compensation amount remains the same at a not to exceed number of \$200,000.

COMMUNITY ENGAGEMENT: Not Applicable

As the provision of CO² is a regular and expected City Service, no efforts were made to inform the community about this proposed contract amendment.

ALTERNATIVE ACTIONS:

The City Council could decline to approve the amendment and instead direct staff to proceed with a request for proposals (RFP) for the rental of tanks and the provision of CO² in order to have a new agreement in place by January 1, 2021.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council previously awarded the original agreement to Carbonic Service, Inc. on November 16, 2016. The First Amendment was approved via City Manager authority on November 8, 2019.

FISCAL AND RESOURCE IMPACT:

The funding for the purchase of CO² is included in the contract services line items of the Aquatics Center, Centennial Recreation Center and Community and Cultural Center budgets. There is no increase to the amount of the contract. The slight increase programmed into the second year of the proposed amendment can be accommodated by the normal budgets for the facilities.

CEQA (California Environmental Quality Act): Categorical Exemption

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

LINKS/ATTACHMENTS:

1. Carbonic Service Second Amendment

SECOND AMENDMENT TO AGREEMENT CARBONIC SERVICES, INC.

This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and CARBONIC SERVICES, 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 pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of November 18, 2016 for services for a maximum compensation of Two Hundred Thousand and no/100 dollars (\$200,000.00) ("SERVICE AGREEMENT").
3. The CITY and SERVICE PROVIDER entered into a "First Amendment to Agreement" made as of November 8, 2019, to extend the term of the SERVICE AGREEMENT for one year. The SERVICE AGREEMENT and the First Amendment thereto are attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

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

A. Paragraph 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 November 18, 2016, until December 31, 2022."

B. Pursuant to the terms set forth in Paragraph 4.1. Amount, Compensation is based on the rate and bases set forth in Exhibit B. As of January 1, 2021, SERVICE PROVIDER'S billing rates have increased and are set forth in the revised Exhibit "B" dated October 2, 2020, attached hereto and incorporated herein by this reference.

C. Paragraph 11.2.2. shall be amended and replaced in its entirety by the following:

"11.2.2. **Workers Compensation.**

If the performance of SERVICE PROVIDER'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, SERVICE PROVIDER'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected

or appointed officials, boards, agencies, officers, agents, employees, and volunteers.”

D. Paragraph 8 shall be amended and replaced in its entirety by the following:

“8. Termination.

Termination Without Cause. CITY may, at its sole discretion and without cause, terminate this Agreement in part or in whole upon written notice to SERVICE PROVIDER. Upon receipt of such notice, SERVICE PROVIDER shall, at CITY'S expense, comply with the notice and take all reasonable steps to minimize costs to close out and demobilize.

Should CITY terminate this Agreement without cause before the term stated in Section 2 above, CITY agrees to purchase the tanks from SERVICE PROVIDER at fair market value of seven thousand seven hundred fifty dollars (\$7,750) per tank. The compensation allowed under this Section 8 shall be SERVICE PROVIDER'S sole and exclusive compensation for such termination and SERVICE PROVIDER waives any claim for other compensation or losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect or incidental damages of any kind resulting from the termination without cause. Termination pursuant to this Section does not relieve SERVICE PROVIDER from any of its obligations for losses arising from or related to the work performed by SERVICE PROVIDER.

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

E. Paragraph 8.1 shall be added to the Agreement as follows:

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

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(Signatures on Next Page)

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 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

Michelle Bigelow, Deputy City Clerk
 Date: _____

Christina J. Turner, City Manager
 Date: _____

APPROVED AS TO FORM:

CARBONIC SERVICES, INC.

Donald A. Larkin, City Attorney
 Date: _____

DocuSigned by:
Geordel Rossman
 By: _____
 Title: Geordel Rossman - President
 Print Name and Title of Signer.
 If Corporate: Chairman, President or Vice President

Date: 10/13/2020

DocuSigned by:
Delayne Jennings
 By: _____
 Title: Delayne Jennings - CFO
 Print Name and Title of Signer.
 If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 10/19/2020

Exhibit 1**FIRST AMENDMENT TO AGREEMENT
CARBONIC SERVICE, INC.**

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 11/8/19 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and CARBONIC SERVICE, INC., a California Corporation ("SERVICE PROVIDER").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into based upon the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of November 18, 2016, for services for a maximum compensation of TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$200,000.00) ("SERVICE AGREEMENT"). The SERVICE AGREEMENT is attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

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

A. Paragraph 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 November 18, 2016, until December 31, 2020. 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."

B. Paragraph 3 shall be amended and replaced in its entirety by the following:

"The services to be performed by SERVICE PROVIDER shall be the leasing of three 1, 000 lb. carbon dioxide tanks and the provision of carbon dioxide liquid bulk at per pound pricing as set forth in revised Exhibit "A" dated October 2, 2019, attached hereto and incorporated herein by this reference."

C. Pursuant to the terms set forth in Paragraph 4.1 **Amount**, Compensation is based on the rate and bases set forth in Exhibit B. As of the Effective Date of the First Amendment, SERVICE PROVIDER'S billing rates have increased and are set forth in the revised Exhibit "B" dated October 2, 2019, approved by CITY and attached hereto and incorporated herein by this reference.

///

///

D. Paragraph 13 shall be amended and replaced in its entirety by the following:

"13. Compliance with Law.

13.1. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

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

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

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

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

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

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

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

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Signature page to follow

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 SERVICE AGREEMENT, the terms of this First Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

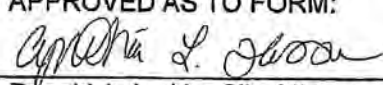
- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
 (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:


 Michelle Bigelow, Deputy City Clerk

Date: 11/8/19

APPROVED AS TO FORM:


 Donald A. Larkin, City Attorney

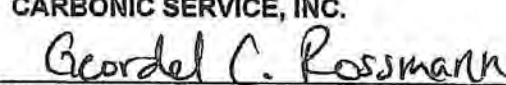
Date: 11-9-19

CITY OF MORGAN HILL


 Christina J. Turner, City Manager

Date: 11/8/19

CARBONIC SERVICE, INC.

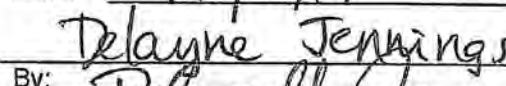

 Geordell C. Rossmann

By: Geordell C. Rossmann
 Title: President

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date: 10/7/19


 By: Delayne Jennings
 Title: V.P./CFO

Print Name and Title of Signer.

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

Date: 10/7/19

124-04-74-113

EXHIBIT "1"

**SERVICE AGREEMENT
CARBONIC SERVICE, INC.**

THIS AGREEMENT is entered into and becomes effective on 11/18/16 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and CARBONIC SERVICE, 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 November 16, 2016.

2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 30, 2019 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.

3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be the leasing of three 1,000 lb. carbon dioxide tanks and the provision of carbon dioxide liquid bulk at per pound pricing, as further described in Exhibit A.

4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:

4.1. **Amount.** \$200,000. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed two hundred thousand dollars and shall be billed based on the rate and basis set forth in Exhibit B. If the City Manager extends the term of this Agreement for up to one year pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed during the extended term period exceed an additional five percent (5%) above the compensation allowed to be paid to SERVICE PROVIDER during the initial term of this Agreement.

4.2. **Billing.** SERVICE PROVIDER shall provide CITY with a monthly invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

5. **Default.**

- 5.1. **Notice of Default.** In the event that CITY determines, in its sole discretion, that SERVICE PROVIDER has failed or refused to perform any of the obligations set forth in this Agreement, or is in breach of any provision of the Agreement, CITY may give written notice of default to SERVICE PROVIDER in the manner specified for the giving of notices in this Agreement.
- 5.2. **Opportunity to Cure Default.** Except for emergencies, SERVICE PROVIDER shall cure any default in performance of its obligations under this Agreement within two (2) days (or such shorter time as CITY may reasonably require) after receipt of written notice. However, if the breach cannot be reasonably cured within such time, SERVICE PROVIDER will commence to cure the breach within two (2) days (or such shorter time as CITY may reasonably require) and will diligently and continuously prosecute such cure to completion within a reasonable time, which shall in no event be later than ten (10) days after receipt of such written notice.

6. **CITY's Rights and Remedies.** If SERVICE PROVIDER fails to cure any default of this Agreement within the time period set forth above in Section 5, then CITY may pursue any remedies available under law or equity, including, without limitation, the following:

- 6.1. **Delete Certain Services.** CITY may, without terminating the Agreement, delete certain portions of the work, reserving to itself all rights to losses related thereto.
- 6.2. **Perform and Withhold.** CITY may, without terminating this Agreement, engage others to perform the work or portion of the work that has not been adequately performed by SERVICE PROVIDER and withhold the cost thereof to CITY from future payments to SERVICE PROVIDER, reserving to itself all rights to losses related thereto.
- 6.3. **Suspend the Agreement.** CITY may, without terminating this Agreement and reserving to itself all rights to losses related thereto, suspend all or any portion of this Agreement for as long a period of time as CITY determines, in its sole discretion, is appropriate, in which event CITY shall have no obligation to adjust the compensation or schedule of performance under this Agreement, and shall have no liability to SERVICE PROVIDER for damages if CITY directs SERVICE PROVIDER to resume work.
- 6.4. **Terminate the Agreement for Default.** CITY shall have the right to terminate this Agreement, in whole or in part, upon the failure of SERVICE PROVIDER to promptly cure any default as required by Section 5. CITY's election to terminate this Agreement for default shall be communicated by giving SERVICE PROVIDER a written notice of termination in the manner specified for the giving of notices in this Agreement. Any notice of termination given to SERVICE PROVIDER by CITY shall be effective immediately, unless otherwise provided therein.
- 6.5. **Additional Provisions.** All of CITY's rights and remedies under this Agreement are cumulative, and shall be in addition to those rights and remedies available in law or in equity. Designation in this Agreement of certain breaches as material shall not waive CITY's authority to designate other breaches as material nor limit CITY's right to terminate this Agreement, or prevent CITY from terminating this Agreement for breaches that are not material. CITY's determination of whether there has been noncompliance with this Agreement so as to warrant exercise by CITY of its rights and remedies for default under this Agreement, shall be binding on the Parties. No termination or action taken by CITY after

such termination shall prejudice any other rights or remedies of CITY provided by law or equity or by this Agreement upon such termination; and CITY may proceed against SERVICE PROVIDER to recover all damages and losses suffered by CITY.

7. **Damages.** CITY will be entitled to recovery of all losses under law or equity in the event of SERVICE PROVIDER's default under this Agreement. In the event that CITY's losses arise from SERVICE PROVIDER's default under this Agreement, CITY shall be entitled to deduct the cost of such losses from monies otherwise payable to SERVICE PROVIDER. If the losses incurred by CITY exceed the amount payable, SERVICE PROVIDER shall be liable to CITY for the difference and shall promptly remit same to CITY.

8. **Termination Without Cause.** CITY may, at its sole discretion and without cause, terminate this Agreement in part or in whole upon written notice to SERVICE PROVIDER. Upon receipt of such notice, SERVICE PROVIDER shall, at CITY's expense, comply with the notice and take all reasonable steps to minimize costs to close out and demobilize..

Should CITY terminate this Agreement without cause before the term stated in Section 2 above, CITY agrees to purchase the tanks from SERVICE PROVIDER at fair market value of seven thousand seven hundred fifty dollars (\$7,750) per tank. The compensation allowed under this Section 8 shall be SERVICE PROVIDER's sole and exclusive compensation for such termination and SERVICE PROVIDER waives any claim for other compensation or losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect or incidental damages of any kind resulting from the termination without cause. Termination pursuant to this Section does not relieve SERVICE PROVIDER from any of its obligations for losses arising from or related to the work performed by SERVICE PROVIDER.

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

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

10. **Hazardous Materials.** Without limiting any other requirement or obligation of SERVICE PROVIDER under this Agreement, if SERVICE PROVIDER needs to use any material or chemical considered to be a hazardous material under any federal, state or local law, regulation or policy, SERVICE PROVIDER agrees to fully and timely abide by and comply with all laws, regulations and policies pertaining to the use,

transport, removal, handling, disposal or other activity related to any and all such materials or chemicals. Prior to commencement of work or services under this Agreement, SERVICE PROVIDER shall provide CITY with a complete list of the hazardous materials SERVICE PROVIDER reasonably anticipates it may need to use to provide the services of SERVICE PROVIDER under this Agreement, together with the reasonably anticipated quantities thereof, if requested by CITY.

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

11.1. **Insurance Types and Amounts.**

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

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

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

11.1.4. **Pollution (Environmental) Liability.** If the performance of SERVICE PROVIDER's work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases

or hazardous materials, SERVICE PROVIDER shall procure and maintain Pollution Liability covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

11.1.5. Professional Liability.

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

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

11.1.5.3. If the performance of SERVICE PROVIDER's work or service under this Agreement involves contact with minors, SERVICE PROVIDER shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

11.2.1. General Liability.

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

11.2.1.2. the insurer waives the right of subrogation against the City of Morgan Hill and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

11.2.1.3. insurance shall be primary non-contributing.

11.2.2. Workers Compensation.

The insurer waives the right of subrogation against the City of Morgan Hill and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

11.3. 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.

11.4. Certificates. SERVICE PROVIDER shall furnish CITY with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to SERVICE PROVIDER's agreement with CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein

Certificate Holder address:

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

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

13. Compliance with Law. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

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

15. 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.

16. 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.

17. **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:

Carbonic Service, Inc.
1920 DeLaCruz Boulevard
Santa Clara, CA 95050

Address of CITY is as follows:

Community Services Dept. 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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18. **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.

19. **Maintenance of Records.**

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

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

19.3. **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.

20. **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.

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

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

23. **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.

24. **Defense and Indemnification.**

24.1. **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").

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

24.3. **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.

24.4. **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.

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

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

provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

26. **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.

27. **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.

28. **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.

29. **Binding Agreement.** Notwithstanding the provisions of Section 18 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of SERVICE PROVIDER in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

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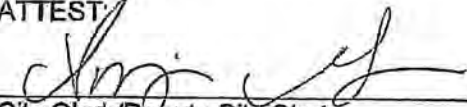
30. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

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

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

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

ATTEST:

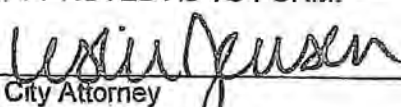

 City Clerk/Deputy City Clerk

for Michelle Wilson

Print Name

Date: 11/18/16

APPROVED AS TO FORM:


 City Attorney

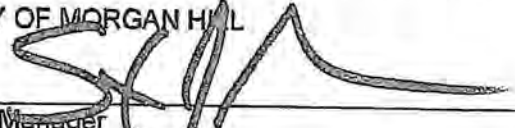
for Donald A. Larkin

Print Name

Date: 11/18/16

Resolution No. 16-179

CITY OF MORGAN HILL

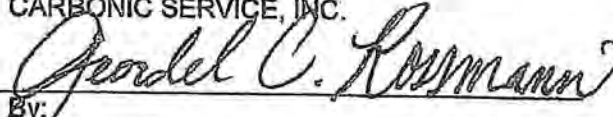

 City Manager

Steve Rymer

Print Name

Date: 11-7-16

CARBONIC SERVICE, INC.


 By:

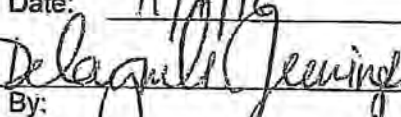
Title:

President

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date: 11/7/16


 By:

Title:

Secretary

Print Name and Title of Signer.

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

Date: 11/7/16

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

Expiration Date(s)

Seal:

**EXHIBIT A
SCOPE OF SERVICES**

1. Installation and leasing of three (3) 1,000 lb. CO2 rental tanks to be located at the Aquatics Center in the existing outside containment area.
2. CO2 service to be provided from the gaseous side of the tanks.
3. Tanks to be plumbed independently to serve three (3) separate, existing points of connection as defined on site by the City Maintenance Manager or City Facilities Maintenance Specialist.
4. Weekly or bi-monthly provision to provide Carbon Dioxide Beverage Grade Liquid Bulk CO2 at per pound unit pricing for rental tanks at the Morgan Hill Aquatics Center (16200 Condit Road, Morgan Hill) and at the Morgan Hill Centennial Recreation Center (171 W. Edmundson Avenue).
5. All service calls and technical support as needed.

EXHIBIT B**SCHEDULE OF COMPENSATION RATES**

1. Three (3) 1,000 lb. Micro Bulk CO₂ tanks: Lease payment one hundred twenty dollars (\$120.00) per month plus tax for each tanks.
2. Liquid Bulk CO₂ at twenty one cents (\$0.21) per pound for first year. Pricing increases may be necessary on an annual basis depending upon cost increase from supplier, but may not exceed five percent (5%) annual increase.
3. Fuel Surcharge is nine dollars (\$9.00) per delivery.
4. No Hazardous Materials charge

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

Work days and hours as scheduled with and agreed to by City Maintenance Manager or other City Representative.

Attachment: Carbonic Service Second Amendment [Revision 2] (2882 : Carbonic Service Second Amendment)

Exhibit A dated October 2, 2019

Revised Scope of Services

Carbon Dioxide Liquid Bulk and Renting of Tanks

Restated Scope of Services:

1. Installation and leasing of three (3) 1,000 lb CO² rental tanks to be located at the Aquatics Center in the existing outside containment area.
2. CO² service to be provided from the gaseous side of the tanks.
3. Tanks to be plumbed independently to serve three (3) separate existing points of connection as defined on site by the City Maintenance Manager or other City Facilities Maintenance Staff.
4. All service calls and technical support as needed.
5. Weekly or bi-monthly provision to provide Carbon Dioxide Beverage Grade Liquid Bulk CO² at per pound unit pricing for rental tanks at the following facilities:

1. Morgan Hill Aquatics Center located at 16200 Condit Road, Morgan Hill
2. Centennial Recreation Center located at 171 W. Edmundson Ave., Morgan Hill

ADD NEW FACILITY:

3. Community and Cultural Center located at 17000 Monterey Road, Morgan Hill

Exhibit B dated October 2, 2019
Revised Schedule of Compensation Rates
Carbon Dioxide Liquid Bulk and Renting of Tanks

1. Three (3) 1,000 lb. Micro Bulk CO² tanks; Lease payment one hundred thirty-five dollars and five cents (\$135.05) per month plus tax for each tank,
2. Liquid bulk CO² is twenty-four cents (0.24) per pound.
3. Fuel surcharge and hazardous materials charge is thirteen dollars (\$13.00) per delivery.

Exhibit B

Revised Schedule of Compensation Rates dated October 6, 2020

Carbonic Service, Inc.
Carbon Dioxide Liquid Bulk and Renting of Tanks

January 1, 2021 to December 31, 2021:

1. Three (3) 1,000 lb. Micro Bulk CO² tanks: Lease payment one hundred thirty-five dollars and five cents (\$135.05) per month plus tax for each tank.
2. Liquid bulk CO² is twenty-four cents (0.24) per pound. (No change to 2020 pricing).
3. Fuel surcharge and hazardous materials charge is up to thirteen dollars (\$13.00) per delivery.

January 1, 2022 to December 31, 2022:

1. Three (3) 1,000 lb. Micro Bulk CO² tanks: Lease payment one hundred thirty-five dollars and five cents (\$135.05) per month plus tax for each tank.
2. Liquid bulk CO² is twenty-five cents (0.25) per pound.
3. Fuel surcharge and hazardous materials charge is up to thirteen dollars (\$13.00) per delivery.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Chris Ghione, Public Services Director
APPROVED BY: City Manager

APPROVE FISCAL YEAR 2020-21 WORK PLANS FOR PARKS AND RECREATION AND LIBRARY, CULTURE AND ARTS COMMISSIONS

RECOMMENDATION(S)

1. Approve the proposed Parks and Recreation Commission FY 2020-21 Work Plan; and
2. Approve the proposed Library, Culture and Arts Commission FY 2020-21 Work Plan.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment and Preserving
Open Space and Agricultural Land
Maintaining Infrastructure
Supporting Our Youth
Seniors
and Entire Community
Preserving Our Community History
Enhancing Diversity and Inclusiveness

2020-2021 Strategic Priorities

Economic Development
Fiscal Sustainability
Regional Initiatives

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan
Economic Blueprint
Vision Zero

REPORT NARRATIVE:

Annually, the Library, Culture and Arts Commission (LCAC) and the Parks and Recreation Commission (PRC) submit Work Plans for approval by the City Council. After approval by the Council, the Commissions use these Work Plans to guide their work over the next year.

In development of this year's proposed Work Plans, both the LCAC and the PRC were significantly delayed in developing their Plans due to Covid-19 and a delay in the appointment of new commissioners. With the recent appointment of new commissioners both Commissions are submitting proposed Work Plans for review by the City Council.

City staff believe that the Work Plans can be achieved without significant impact on staff resources. As has been the case in past years, many commissioners have volunteered to take much of the legwork associated with the specific Work Plan items. This is even more important with the recent reduction in resources allocated to the Community Services Department, which supports both Commissions.

COMMUNITY ENGAGEMENT: Consult

The development of the Work Plans occurred at noticed public meetings of the PRC and the LCAC. Specific Work Plan items will include appropriate public engagement.

ALTERNATIVE ACTIONS:

The Council could alternatively modify a Commission's Work Plan to eliminate, add, or change specific items within a Work Plan.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The PRC approved their Work Plan for City Council review on October 20, 2020 and the LCAC approved their Work Plan for City Council review on October 6, 2020.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact associated with the approval of the Commission Work Plans. Each Work Plan identifies the estimated staff resources necessary to support the specific Work Plan items. Supporting the LCAC and PRC is an ongoing activity for the Community Services Department.

CEQA (California Environmental Quality Act): Not a Project

Development of Commission Work Plans is an administrative activity of government that will not result in direct or indirect physical changes in the environment. While some projects on the Work Plans may result in changes to the physical environment, those projects would undergo appropriate environmental review on a project by project basis to meet CEQA requirements.

LINKS/ATTACHMENTS:

1. LCAC 2020-21 Workplan Draft
2. PRC 2020-21 Workplan Draft

Library, Culture & Arts Commission
FY 2020-2021 Work Plan
 Draft

Overall Mission: To assist the City Council in accomplishing its goals by fostering an environment conducive to and supportive of the arts, culture, and life-long learning in Morgan Hill, working with existing community groups to promote resources, and facilitate partnerships.

Project Area	City Council Goal Supported	Staff Resources Required	Specific Task / Commissioners Assigned
Community Outreach	Supporting our Youth, Seniors and Entire Community Enhancing Diversity and Inclusiveness Community Engagement and Messaging	PS Director (minimal) CS Supervisor (Moderate)	(1) Participate with other groups to support community outreach and support arts and culture in the community (including Valle del Sur, El Toro Arts, SV Creates, Poppy Jasper Film Festival, Morgan Hill Diwali Festival, Coyote Creek Music Festival, Morgan Hill Art School, DTA Wine Art and Music Stroll, SJMA Let's Look at Art, Movimiento de Arte y Cultura Latino Americana) (All) (2) Explore development of a calendar relating to library, culture and arts events (Khera/Thompson) (3) Explore opportunities for art programming in conjunction with the new Morgan Hill Magical Bridge Playground. (Khera/Thompson/Chabra) (4) Review City Commission website for opportunities for improvement and explore use of social media for promotion of Commission initiatives (Khera//Chabra/Borchers) (5) Explore opportunities for youth engagement in the arts (Khera) (6) Develop outreach program to the Latinx community through art programming (Lake/Lyn) (7) Develop open art studio program (physical or virtual) (Lake/Ganapathy/Borchers/Lyn)
Art and Culture Events	Supporting our Youth, Seniors and Entire Community Enhancing Diversity and Inclusiveness	PS Director (minimal) CS Coordinator (minimal) CS Supervisor (minimal)	(1) Facilitate the Art a la Carte event (Lake/Chabra are the leads/all members will support) (2) Explore opportunity to partner with artists on a children's art show (Khera/Chabra) (3) Evaluate the opportunity to create an international festival utilizing entertainment and food from various cultures (All)

Project Area	City Council Goal Supported	Staff Resources Required	Specific Task / Commissioners Assigned
Permanent and Proposed Public Art	Supporting our Youth, Seniors and Entire Community Preserving Our Cultural Heritage	PS Director (minimal) Maintenance Coordinator (minimal)	(1) Partner with local Artists to display their work. Review the possibility of implementing a utility box art program or other programs (doors, walls, etc.) (Ganapathy/Thompson/Chabra/Borchers/Lyn) (2) Form subcommittees as needed to support specific art requests that come forward (All) (3) Review art inventory and complete updates to historical items list (Borchers/Lyn) (4) Explore the options and feasibility of creating an artist registry (Ganapathy//Khera/Borchers/Lyn) (5) Develop google map of existing public art (Borchers)
Library Outreach and Support	Supporting our Youth, Seniors and Entire Community Enhancing Diversity and Inclusiveness	Library Staff (moderate)	(1) Support Library outreach and advocacy as needed (All) (2) Coordinate Commissioner's Corner in Library to provide book recommendations (Khera/Ganapathy/Lyn) (3) Participate in annual Library Commissioners Forum (All) (4) Support incorporation of Children's art into the Library (Lake/Chabra/Lyn) (5) Explore other opportunities for Library art contests in other media (examples: poetry, photography, literature) (Ganapathy/Borchers/Lyn)
Support of Historical Resources	Preserving our Cultural Heritage	PS Director (minimal)	(1) Explore opportunities for the Commission to support the Morgan Hill Historical Society partnership (Ganapathy/Lyn) (2) Support outreach and advocacy for the Historical Society as needed (All)

Staff Resources Required:

0-30 hours: Minimal; 31-60 hours: Moderate; 60+ hours: Significant

Parks & Recreation Commission

FY 2020-21 Work Plan – Draft

Project (Commissioner Responsible)	City Council Priority Supported	Staff Resources Required	Desired Outcome
1. Get youth more active in Parks and Recreation	Supporting Our Youth, Seniors & Entire Community	Recreation Manager (Minimal)	Review program opportunities for new youth programming. (Locicero)
2. Support bicycle and trails development efforts	Supporting Our Youth, Seniors & Entire Community	PS Director (Minimal)	1. Support the VTA Bicycle and Pedestrian Advisory Committee. (Berman) 2. Work to coordinate with community members on bicycle and trails issues with volunteer Bicycle and Pedestrian Advocacy Group. (Grzan-Pieracci)
3. Support efforts to create an inclusive playground	Supporting Our Youth, Seniors & Entire Community	PS Director (Significant) CS Supervisor (Moderate)	Support the group that has formed for the creation of an inclusive playground in Morgan Hill. Support in the planning and fundraising efforts. (Locicero/Berman/Scott)
4. Support planning for updated sports facilities and partnerships	Supporting Our Youth, Seniors & Entire Community Economic Development	PS Director (Moderate) Recreation Manager (Minimal)	1. Evaluate opportunities to construct sand volleyball facilities in partnership with a facility operator, including support for feasibility study. (Berman) 2. Monitor Outdoor Sports Center transition to new operator. (van Keulen) 3. Monitor Centennial Recreation Center Expansion Project progress. (van Keulen)
5. Support City in grant opportunities	Supporting Our Youth, Seniors & Entire Community	PS Director (Significant) Mngt Analyst (Significant)	Support City staff in identifying and evaluating grant opportunities and associated projects. (Scott/Berman)
6. Increase volunteer Adopt a Park Program participation	Supporting Our Youth, Seniors & Entire Community Maintaining Fiscal Responsibility	PS Director (Minimal) CS Supervisor (Minimal)	As an exploratory committee, evaluate the opportunity to recreate ongoing volunteer groups to support park maintenance. (Scott/Lovato)
7. Evaluate opportunities to increase youth involvement in park planning	Supporting Our Youth, Seniors & Entire Community	PS Director (Minimal) Rec Coord (Minimal)	Work with City staff to review opportunities to more formally include youth in park planning projects. (Grzan-Pieracci/Moniz)

Project (Commissioner Responsible)	City Council Priority Supported	Staff Resources Required	Desired Outcome
8. Support City park planning efforts	Supporting Our Youth, Seniors & Entire Community	PS Director (Minimal)	1. Evaluate future opportunities for parkland acquisition and development. (van Keulen/Lovato) 2. Research opportunities for the creation of additional dog parks in existing or new park spaces (Moniz).
9. Review pedestrian access to park space for low income housing areas	Supporting Our Youth, Seniors & Entire Community	PS Director (Minimal)	Review affordable housing areas near Monterey road for pedestrian connections to park space. (Grzan-Pieracci/Moniz)
Staff Resources Required: 0-50 hours = Minimal 51-100 hours = Moderate 100+ hours = Significant			

DRAFT



Meeting Minutes City Council

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

Wednesday, October 21, 2020 5:30 pm

Virtual Meeting

SPECIAL MEETING

A Special Meeting of the City Council was called at 5:30 p.m. for the purpose of conducting City business including a closed session.

CALL TO ORDER

Mayor Constantine called the meeting to order at 5:30 pm.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow called the roll.

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

DECLARATION OF POSTING OF AGENDA

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

Minutes Acceptance: Minutes of Oct 21, 2020 5:30 PM (CONSENT CALENDAR)

CLOSED SESSION

The City Attorney announced the closed session item.

OPPORTUNITY FOR PUBLIC COMMENT

Public comment opened at 5:31 pm.

There being no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 5:32 pm.

Conference with Real Property Negotiators (Govt Code § 54956.8)

Property: 19665 B, Hale Avenue, Morgan Hill; APN 764-07-005

Agency Negotiators: Chris Ghione, Christina Turner

Negotiating Parties: Santa Clara Valley Habitat Agency

Under Negotiation: Price and Terms of Payment

RECONVENE

The meeting reconvened at 6:00 pm.

City Attorney Donald Larkin announced that there was no reportable action.

CITY MANAGER'S REPORT

CITY MANAGER'S REPORT SUPPLEMENT

City Manager Christina Turner spoke to the evening's supplements and presentations.

Elections update

Starting in early October all registered voters in Santa Clara County were mailed their ballots. If you would like to track your ballot or you have not received your ballot you can check the status at wheresmyballot.sos.ca.gov. Ballots can be dropped off at any ballot drop box in the county and voters can safely drop their Vote by Mail ballots at any post office, drop box location, or Vote Center within the county. As an alternative to using the Vote by Mail Ballot, voters can vote via paper ballot or use a voting machine to cast their ballot. That can be done at any vote center in our county. Vote Centers will begin to open on October 31st and continue through November 2nd from 9 am to 5 pm daily as well as on election day on November 3rd from 7 am to 8 pm. On our website we have a list of the drop box and vote center locations in Morgan Hill. To help voters access information and make informed decisions, the nonpartisan and nonprofit League of Women Voters of California have created Voters Edge, this is where you can access a voter's guide in 5 different languages. You can learn more by visiting votersedge.org/ca. Within this you can access your entire ballot by entering your address, you can get in depth information on candidates, measures, and who supports them. You can read explanations about measures and who supports, opposes, and funds them. Find out where, when, and how to vote including local polling locations and voting centers and keep track of your choices and save them for election day.

The nomination period for write in candidates for the offices of Mayor and City Council closed yesterday at 5 pm. We have one individual who has qualified to run as a write in candidate for Mayor's office and that is Steve Chappell.

Census update

The 2020 count ended abruptly on Thursday October 15th. While we are disappointed that our efforts to count are stopping for 2020, we are proud of our overall efforts and response rates. Santa Clara County's overall response rate for this count was 77.7%, this is up from 2010 which had a response rate of 74%. Morgan Hill's 2020 response rate is 81.9%, that is up from our 75.3% in 2010. Morgan Hill had the 5th highest response rate in the County, we do have some harder to count areas within our City which makes that 5th place even more important to mention.

Monterey Road Cleanup

The City of San Jose coordinated a major clean up with Union Pacific Railroad to address the dumping and encampment site along the Union Pacific Railroad tracks that are adjacent to Monterey, Emado, and Bailey Road in South San Jose. This was done late September. The site received major debris removal and cleaning that included removal of homeless encampments, abandoned vehicles, and a substantial amount of illegal dumping. The cleanup included trash, debris, hazards, abandoned vehicles, also maintenance of trees and vegetation to increase the line of site and closing Emado Road with the goal of reducing future dumping. To date, San Jose has found little, if any, further dumping in the area they have cleaned up. San Jose and Union Pacific will continue to provide services if needed. We are also working with San Jose to find out how we can partner with them.

Town Hall

Tomorrow evening, October 22nd at 5:30 pm, we will have a Town Hall regarding three district measures. We will have the Open Space Authority, Valley Transportation, and Cal Train here for a brief discussion of each of their measures as well as time for Q&A.

CITY ATTORNEY'S REPORT

City Attorney Don Larkin had no report.

PRESENTATIONS

YAC PRESENTATION- ASSET #10 - SAFETY

PUBLIC COMMENT

Public comment opened at 6:31 pm. The following people were called to speak:

Chuck Bergoff

Brian Sullivan on behalf of Claudia Rossi

Joe Baranowski

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

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	John McKay, Council Member
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

CONSENT CALENDAR

MOTION:

Approving consent calendar items 3, 5, 7, 9, 10, 12, and 13.

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

1. **ITEM PULLED FOR DISCUSSION**
2. **ITEM PULLED FOR DISCUSSION**
3. **APPROVE STORMWATER BEST-MANAGEMENT-PRACTICES OPERATION AND MAINTENANCE AGREEMENT FOR THE WHITTAKER RESIDENCE AT 2295 ROLLING HILLS DRIVE**

Recommendation:

1. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement with Gary Whittaker and Wanda Whittaker (property owners) pending review and approval by the City Attorney; and
2. Authorize the recordation of the Agreement.

4. ITEM PULLED FOR DISCUSSION

5. APPROVE RESOLUTION AUTHORIZING GRANT APPLICATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT-RELATED AGREEMENTS AND DOCUMENTS

Recommendation:

Adopt resolution approving the following actions:

1. Authorizing staff to prepare and submit a Statewide Park Development and Community Revitalization Program Grant Application to the State of California Department of Parks and Recreation for an amount not to exceed \$8,500,000 for the development of the proposed park at Butterfield Boulevard and Monterey Road; and
2. Authorizing the City Manager to negotiate and execute the Statewide Park Development and Community Revitalization Program Grant agreement and other documents, reports, forms, and agreements related to the performance of the identified project.

6. ITEM PULLED FOR DISCUSSION

7. APPROVE MILLER SPATIAL SERVICES, LLC CONSULTANT AGREEMENT

Recommendation:

1. Authorize the City Manager to execute a consultant agreement with Miller Spatial Services, LLC for the installation and implementation of the Cityworks and SeeClickFix software system for the amount of \$231,810 for the purchase and installation of a Service Request Management (SRM), Asset Management and Customer Relationship Management (CRM) software solution for the Maintenance and Utility Departments; and
2. Authorize the City Manager to execute any associated license agreements for system components upon approval by the City Attorney.

8. ITEM PULLED FOR DISCUSSION

9. APPROVE THE SEPTEMBER 16, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

10. APPROVE THE SEPTEMBER 23, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

11. ITEM PULLED FOR DISCUSSION

12. AWARD ENGINEERED WOOD FIBER AND MULCH MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a maintenance services agreement to JET Mulch, Inc. for up to \$80,000 (approximately \$40,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

13. DECLARE SURPLUS AND APPROVE AUCTION OF TWO BUILDING DIVISION VEHICLES

Recommendation:

1. Declare two vehicles to be surplus; and
2. Authorize the purchasing officer to dispose of the vehicles in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

ITEMS PULLED FOR DISCUSSION

1. ADOPT RESOLUTION SUPPORTING TELECOMMUTING AND OTHER MEASURES TO REDUCE SINGLE-OCCUPANCY VEHICLE TRIPS

Recommendation:

Adopt resolution supporting expanded telecommuting and other measures to reduce single-occupancy vehicle trips and joining the Bay Area Air Quality Management District's Commute Free Tomorrow Initiative.

MOTION:

Approving the recommended action.

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

2. APPROVE APPLICATION FOR INNOVATIVE TRANSIT GRANT PARTNERSHIP WITH RIDECO, INC.

Recommendation:

Authorize the City Manager to execute a Memorandum of Understanding with RideCo, Inc. for the application and implementation of the Valley Transportation Authority's Innovative Transit Grant.

MOTION:

Approving the recommended actions.

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

4. APPROVE PETITION TO CANCEL WILLIAMSON ACT CONTRACT FOR PROPERTY IDENTIFIED BY ASSESSOR PARCEL NUMBER 726-09-002 (WA2017-0001: DIANA-GROSSWEILER)

Recommendation:

Adopt resolution approving the cancellation of the Williamson Act Contract.

MOTION:

Approving the recommended action.

RESULT: ADOPTED [4 TO 1]
MOVER: Rich Constantine, Mayor
SECONDER: John McKay, Council Member
AYES: Constantine, Martinez Beltran, Carr, McKay
NAYS: Spring

6. APPROVE PURCHASE OF A POLICE SERGEANT VEHICLE

Recommendation:

1. Approve the purchase of new Police Sergeant Chevrolet Tahoe and associated build-out equipment not to exceed the amount of \$84,641.87, which includes a 10% contingency of \$7,694.72;
2. Approve repurposing of the existing Police Chevrolet Tahoe #141; and
3. Authorize the City Manager to approve the purchase order with Priority 1 Public Safety Equipment Installation, Inc.

MOTION:

Approving the recommended actions.

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

8. APPROVE STATE OF CALIFORNIA, OFFICE OF EMERGENCY SERVICES' UNIVERSAL RESOLUTION DESIGNATING APPLICANT'S AGENT FOR DISASTER ASSISTANCE

Recommendation:

1. Designate City Manager, Finance Director, or Assistant to the City Manager to submit for Disaster Assistance to the State of California, Office of Emergency Services, for the purpose of obtaining certain federal financial assistance; and
2. Direct the City Clerk to certify the Designation of Applicant's Agency Resolution to the State of California, Office of Emergency Services.

MOTION:

Approving the recommended actions.

RESULT: APPROVED [UNANIMOUS]
MOVER: Larry Carr, Council Member
SECONDER: John McKay, Council Member
AYES: Constantine, Martinez Beltran, Carr, McKay, Spring

The meeting recessed at 6:56 pm and reconvened at 7:05 pm.

11. AWARD TREE MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a Maintenance Services Agreement to A Plus Tree, Inc. for up to \$600,000 (\$300,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

Program Administrator Tony Eulo provided the report and presentation.

Public comment opened at 8:01 pm. The following people were called to speak:

Pat Mahoney

Olivia Navarro

Armando Benavides

Luis Arguello

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

MOTION:

Rejecting all bids and directing staff to rebid the contract.

RESULT:	MOTION FAILED [2 TO 3]
MOVER:	Rene Spring, Council Member
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Martinez Beltran, Spring
NAYS:	Constantine, Carr, McKay

MOTION:

Approving the recommended actions.

RESULT:	AWARDED [3 TO 2]
MOVER:	Rich Constantine, Mayor
SECONDER:	John McKay, Council Member
AYES:	Constantine, Carr, McKay
NAYS:	Martinez Beltran, Spring

OTHER BUSINESS

14. ACCEPT DONATION FROM MORGAN HILL COMMUNITY FOUNDATION FOR ANIMAL SERVICES

Recommendation:

Adopt resolution:

1. Accepting a donation from the Morgan Hill Community Foundation (MHCF) in the amount of \$31,509 for reimbursement of expenditures associated with the Santa Clara County Animal Shelter Agreement; and
2. Amending the adopted Fiscal Year (FY) 2020-21 budget in the General Fund (010) to recognize the MHCF donation as revenue, and appropriate \$31,509 in the Police Department budget for associated expenditures.

City Manager Christina Turner provided the report.

Public comment opened at 8:46 pm.

Nick Gaich was called to speak.

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

MOTION:

Approving the recommended actions.

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

15. RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2020 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Accept and file report.

Finance Director Dat Nguyen provided the report and presentation.

Public comment opened at 9:19 pm.

There being no requests to speak, public comment closed.

RESULT: ACCEPT REPORT

The meeting recessed at 9:20 pm and reconvened at 9:30 pm.

MOTION:

Continuing items 18 and 19 to the November 4, 2020 City Council meeting.

RESULT: CONTINUED [UNANIMOUS]

MOVER: Rich Constantine, Mayor

SECONDER: Rene Spring, Council Member

AYES: Constantine, Martinez Beltran, Carr, McKay, Spring

16. NON-PROFIT FUNDING AND ORGANIZATION INCLUSIVENESS

Recommendation:

1. Receive information on organizational inclusiveness for organizations receiving City funding; and
2. Provide direction for future policy work as desired.

Public Services Director Chris Ghione provided the report.

Public comment opened at 9:48 pm. The following people were called to speak:

Armando Benavides

Sunny Ochoa

Roger Knopf

Brian Sullivan

Matthew Stein

Joe Baranowski

Mario Banuelos on behalf of Claudia Rossi

Peter Mandel

Jeff Dixon

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

RESULT: REPORT RECEIVED

MOTION:

Extending the meeting to midnight.

RESULT: EXTENDED [UNANIMOUS]

MOVER: Rich Constantine, Mayor

SECONDER: Rene Spring, Council Member

AYES: Constantine, Martinez Beltran, Carr, McKay, Spring

PUBLIC HEARING (TIME CERTAIN - TO BE HEARD NO EARLIER THAN 7:00 PM)

17. ADOPT ORDINANCE AMENDING THE ZONING CODE TO PROHIBIT HEAVY DISTRIBUTION AND PARCEL SORTING USES, AMEND PROVISIONS RELATED TO LOCAL DELIVERY SERVICES AND CLARIFY THE DEFINITION OF SIGNIFICANT PROJECTS SUBJECT TO DESIGN REVIEW

Recommendation:

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

City Attorney Donald Larkin provided the report and presentation.

MOTION:

Extending meeting to 12:30 am.

RESULT:	EXTENDED [3 TO 2]
MOVER:	Rich Constantine, Mayor
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Constantine, Martinez Beltran, Carr
NAYS:	McKay, Spring

The public hearing opened at 12:01 am. The following people were called to speak:

Gino Borgioli
 Bryan Espiritu
 Rick Kent
 Armando Benavides
 Susie Jimenez
 Miguel Jimenez
 John Williams
 Joe Baranoski

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

MOTION:

Extending the meeting to 12:45 am.

RESULT:	EXTENDED [4 TO 1]
MOVER:	Rich Constantine, Mayor
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Constantine, Martinez Beltran, McKay, Spring
NAYS:	Carr

MOTION:

Continuing this item to the October 28, 2020 Special City Council Meeting.

RESULT:	CONTINUED TO A FUTURE MEETING [4 TO 1]
MOVER:	Larry Carr, Council Member
SECONDER:	Rene Spring, Council Member
AYES:	Constantine, Carr, McKay, Spring
NAYS:	Martinez Beltran

OTHER BUSINESS

18. RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

Recommendation:

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightening Complex fire.

This item has been continued to the November 4, 2020 City Council meeting.

RESULT:	CONTINUED
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19. FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

Recommendation:

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

This item has been continued to the November 4, 2020 City Council meeting.

RESULT:	CONTINUED
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FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, the meeting adjourned at 12:30 am.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Chris Ghione, Public Services Director
APPROVED BY: City Manager

RECEIVE CORPORATION YARD SPACE STUDY

RECOMMENDATION(S)

Receive Corporation Yard Space Study.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure

REPORT NARRATIVE:

For the last several years the City and the Morgan Hill Unified School District (MHUSD) have been collaborating on the planning for the future of the Corporation Yard located on Edes Court and adjacent to Community Park. The current site is just under 7 acres in size and currently houses both City and MHUSD functions. City functions include Utilities Operations, Maintenance Operations and Public Works Inspection. MUHSD utilizes space for Transportation Services, which includes both bus management and dispatch and fleet maintenance services.

MHUSD currently leases 3.42 acres of the site from the City. The current lease ends on June 30, 2021 and discussion on renewal has already begun. MHUSD representatives continue to express an interest in purchasing a portion of the site versus leasing the site from the City. MHUSD has also expressed a desire for more space and the opportunity to combine the operations of Transportation Services, Grounds Maintenance and Facility Maintenance on to one site.

In recent years, the City and MHUSD have worked on developing a process to plan for the next steps in evaluating future use of the Corporation Yard Site. This is important as both the City and MHUSD anticipate increased space needs in the future. The City had also previously had planning documents that indicated a relocation of the Corporation Yard Site was desirable to expand Community Park on to the site. Attachment 1, was developed in 2016 and identifies the planning flow chart that has been utilized by the City and MHUSD.

With the adoption of the 2017 Bikeways, Trails, Parks and Recreation Master Plan the City's vision for the park expansion at Community Park shifted and the planned expansion was reduced significantly and replaced with a plan to acquire and develop a second Large Community Park site on the East side of the City. Knowing that additional park space was not planned onsite, the City and MHUSD then began looking into

understanding the future space needs and if the existing space could meet those needs. This culminated in the hiring of Griffin Structures to prepare a Space Needs Analysis for the site.

Space Needs Analysis

Griffin Structures has worked collaboratively with team members at the City and MHUSD to develop the Space Needs Analysis report (Attachment 2). The objective of this work was to develop a space program which identifies facility requirements for a future corporate yard/transportation yard for both the City and the School District. In order to meet the objective and provide a good starting point, the team at Griffin Structures evaluated background information, developed future operations assumptions, performed an existing conditions assessment and prepared conceptual solutions for the future space needs. Initially the City and MHUSD requested that four scenarios were to be reviewed, including:

1. Standalone City maintenance functions on existing site;
2. Standalone School District maintenance functions on existing site;
3. City and the School District maintenance functions operating jointly (i.e. shared facilities) on the existing site; and
4. City and the School District maintenance functions operating jointly (i.e. shared facilities) on a new site.

As the report moved forward it became clear that future needs coupled with adding the additional components of MHUSD Grounds Maintenance and Facilities Maintenance to the existing site was not a feasible option. To host these needs on the existing site would have required the construction of a three storied giant box building that would have made little sense from a cost perspective as compared to acquiring new property for a site. With this in mind, the team moved forward in reviewing the following options:

1. Shared space for the CITY and MHUSD for the existing services (Transportation Services only for MHUSD).
2. Joint space at a new location for all City and MHUSD services.

The designs for these options were developed and budget level cost estimates were created.

One of the keys to allowing for the existing services to stay on site for the long term would be the use of shared parking at the Community Park site. This may be feasible based on the typical parking needs of Corporation Yard staff as M-F working hours and peak Park use outside these hours. Site Plan Option 3B-3 outlined in the report most clearly identifies the layout that fits this need. The initial cost estimates for full development of this option is \$43.3M. Under this scenario a phased build out of the plans could occur allowing for the cost to be spread over several years. Griffin Structures also explored the option of constructing a new Corporation Yard site to meet all of the needs of both the City and MHUSD. This option would be approximately 10 acres in size and cost \$67.5M.

Funding for Improvements

No dedicated funding has been included in the City's budget for this work, however, the

City would have several options in funding its portion of improvements.

- Including expansion costs in future impact fee studies and infrastructure master plans for water, wastewater and public facilities.
- Use of the sale of property (portion to MHUSD or all in event of a move to a new site).
- Use of water and wastewater ratepayer fees to improve existing facilities (this could include bonding for the construction)
- Combination of the above options.

MHUSD Funding Info

Funding for the purchase or improvement of the Corp Yard is not currently identified in the District's budget; however, the District has several options for funding the acquisition of the Corp Yard and subsequent improvements.

- Measure G Bond – Series C, the final issuance of the bond, is currently planned to be issued in 2021.
- Capital Facilities Funds – Mello Roos or Developer Fees
- Special Reserve

Next Steps

Staff from the City and MHUSD are working to identify a recommended option for long-term/permanent joint use of the existing site versus the long-term plans for development of a new site. If the option for the joint site is selected, the following next steps would occur.

1. Begin more detailed design on joint planning of the site layout and a phased development plan.
2. Analyze parking impacts to Community Park upon buildout at existing site.
3. Develop recommendation on potential future sale of a portion of the site to the MHUSD.
4. Develop a funding plan for the phased development of the site.

COMMUNITY ENGAGEMENT: Inform

Community engagement has not occurred thus far as the work has been internal to MHUSD and the City. City staff will keep the community informed on future steps relating to funding of improvements that may have financial implications for residents, businesses or developers.

ALTERNATIVE ACTIONS:

There are no alternative actions to receiving the report.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Several past actions have occurred over the last several decades in relation to shared use of the Corporation Yard. The Space Needs Analysis was authorized by the City Council on February 20, 2020. The current lease for space at the Corporation Yard for the MHUSD was amended by the Council in 2016 and runs through June 30, 2021.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with receiving this report.

CEQA (California Environmental Quality Act): Categorical Exemption

Discussion regarding potential changes to the Corporation Yard is exempt from CEQA under Public Resources Code § 21102, 21150 (Feasibility or planning studies for possible future actions that the agency has not approved, adopted, or funded).

LINKS/ATTACHMENTS:

1. MH MHUSD Corp Yard Decision Matix
2. Corporation Yard Space Analysis Report (weblink)

Potential Corp Yard Relocation

City Priorities

- Future Space Needs
- Future Park Space Needs/
Park Master Plan
- Operational Efficiency
- Coordination of Operations with
the District (General Plan Goals)

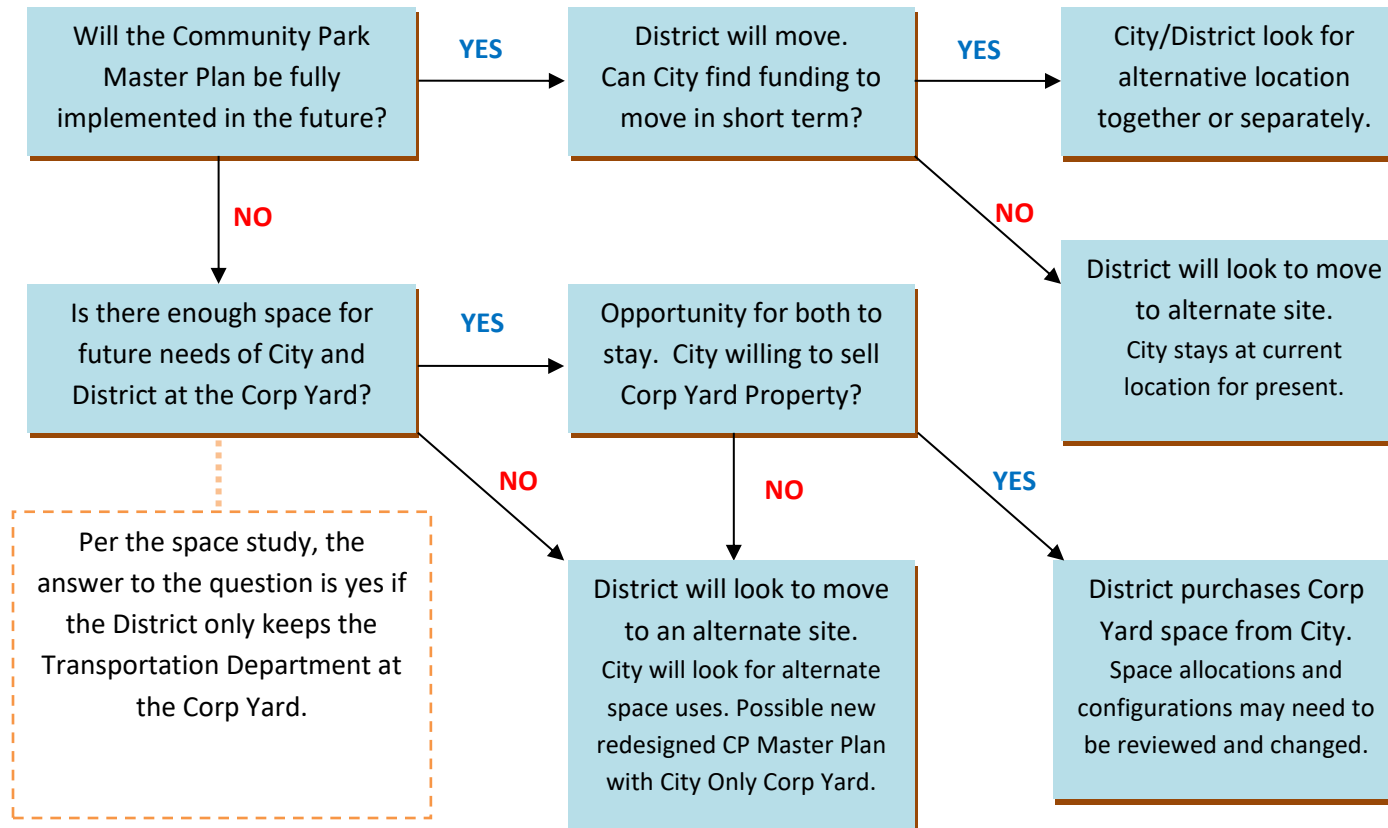
District Priorities

- Future Space Needs
- Full Service Bus Yard
- Eliminate Lease Payment
- Operational Efficiency
- Measure G Timeframe

Key Facts

- District does not have the funds to purchase new land and build.
- MHUSD looking for a full service bus yard
- District Corp Yard Lease expires June 2021.
- 1 year notice required to cancel current lease.

Decision Matrix





CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

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

RECEIVE REPORT REGARDING UPCOMING 2021 COMMISSION VACANCIES - PER MADDY ACT

RECOMMENDATION(S)

Receive report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Fostering a Positive Organizational Culture
Preserving Our Community History
Enhancing Diversity and Inclusiveness

2020-2021 Strategic Priorities

Community Engagement and Messaging

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 (LCAC) and Planning Commissioners with terms due to expire in 2021 are highlighted in the attached "Local Appointment List". The LCAC will have four (4) members with terms due to expire on April 1, 2021 and the Planning Commission will have three (3) members with terms due to expire on June 1, 2021. No terms on the

Parks and Recreation Commission are due to expire in the 2021 calendar year.

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, 2020 and every year before December 31, thereafter.

FISCAL AND RESOURCE IMPACT:

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

CEQA (California Environmental Quality Act):

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

LINKS/ATTACHMENTS:

1. chapter 2.22 Master Provisions for boards and commissions
2. chapter 2.32 Parks and Rereation Commission
3. Chapter 2.36 Planning Commission
4. chapter 2.68 Library, Culture and Arts Commission
5. Local Appt Term listing
6. Resolution 7082

Chapter 2.22 - MASTER PROVISIONS FOR BOARDS AND COMMISSIONS*

Sections:

2.22.010 - Establishment of boards and commissions.

- A. There are established within the city the following boards and commissions:
 - 1. Planning commission;
 - 2. Parks and recreation commission;
 - 3. Library, culture and arts commission; and
 - 4. Disaster council.
- B. Unless otherwise set forth, all members of boards, commissions and committees shall be residents of the city and shall continue to be residents of the city during their terms of office. Notwithstanding the foregoing, individuals who reside within the Morgan Hill Unified School District boundary and who do not otherwise reside in any city other than Morgan Hill may be appointed to boards, commissions and committees provided that no more than thirty percent of the members of any board, commission or committee shall be non-Morgan Hill residents.
- C. Members shall be appointed by the mayor subject to approval of a majority vote of the city council and may be removed without cause by vote of any three members of the city council.
- D. The appointment terms of members may be extended, at the discretion of the city council, until such time as a successor member may be appointed and take office.
- E. Vacancies in the commission occurring other than by expiration of term shall be filled for the unexpired term in the same manner as original appointments.
- F. The members of the commission shall organize the commission and shall elect from its members a chair and vice-chair and such other officers as may be necessary in accordance with adopted city council policy.

(Ord. 1778 N.S. § 2 (part), 2006)

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

2.22.030 - Clerk and secretary.

The city clerk or designate shall also act as clerk for each of the boards and commissions and shall have authority to sign any official notices and also to certify any resolution of the commissions or boards. The city council may appoint a person not a member of the commission or board to act as secretary of the

commission or board. The secretary shall keep a record of all proceedings of said board or commission, its resolutions, its findings and actions, which records shall be a public record and kept with the city clerk in the City Hall building.

(Ord. 1778 N.S. § 2 (part), 2006)

2.22.040 - Rules of procedure.

- A. The chair shall preside at all meetings of the board or commission. The vice chair shall assume the duties of the chair in the absence of or in case of inability of the chair.
- B. A majority of the members of the commission or board shall constitute a quorum for the transaction of business.
- C. Unless otherwise specified herein, each board or commission may adopt its own rules and regulations for the transaction of its business. Such rules shall be subject to approval of the city council before becoming effective.

(Ord. 1778 N.S. § 2 (part), 2006)

2.22.050 - Rules of attendance.

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

(Ord. 1778 N.S. § 2 (part), 2006)

2.22.060 - Meetings.

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

(Ord. 1778 N.S. § 2 (part), 2006)

(Ord. No. 1930 N.S., § 3, 4-22-2009)

2.22.070 - Compensation.

Members of the boards and commissions shall serve without compensation but may receive reimbursement for actual and necessary expenditures made or incurred in the performance of their prescribed duties in accordance with state law and the Municipal Code and policies of the city of Morgan Hill.

(Ord. 1778 N.S. § 2 (part), 2006)

2.22.080 - Effect.

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

(Ord. 1778 N.S. § 2 (part), 2006)

Chapter 2.32 - PARKS AND RECREATION COMMISSION*

Sections:

2.32.010 - Created.

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 2.36 - 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 2.68 - LIBRARY, CULTURE AND ARTS COMMISSION

Sections:

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 November 4, 2020 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 converting to 4 year by 2024)

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>
July 22, 2020	Emily Borchers	April 1, 2022
June 6, 2018	Poonam Chabra	April 1, 2021
July 22, 2020	Patrice Lyn	April 1, 2022
March 20, 2019	Suman Ganapathy	April 1, 2021
May 3, 2017	Katie Khera	April 1, 2021
April 16, 2014	Paul Lake	April 1, 2022
March 20, 2019	Jake Thompson	April 1, 2021

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>
November 28, 2018	Neil Berman	April 1, 2022
February 21, 2018	Maureen Grzan-Pieracci	April 1, 2022
October 2, 2013	Ronald Locicero	April 1, 2022
February 17, 2016	Richard Scott	April 1, 2024
July 22, 2020	David Lovato	April 1, 2024
May 4, 1998	Craig C. van Keulen	April 1, 2022
July 22, 2020	John Moniz	April 1, 2024

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, 2023
May 3, 2017	Mohammad Habib	June 1, 2021
April 17, 2019	Laura Gonzalez Escoto	June 1, 2021
April 17, 2019	Malisha Kumar	June 1, 2021
January 28, 1989	Joseph Mueller	June 1, 2023
June 21, 2017	Juan Miguel Munoz Morris	June 1, 2023
April 25, 2007	Wayne Tanda	June 1, 2023

Note: Yellow Highlighted Commissioners have terms expiring in 2021

Attachment: Local Appt Term listing (2899 : Upcoming 2021 Commission Vacancies - Maddy Act)

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



17575 PEAK AVENUE MORGAN HILL CALIFORNIA 95037
general@morganhill.ca.gov

POSTED ON _____, 2014 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>
January 13, 2011	Susan Brazelton	April 1, 2015
May 16, 2012	Loren Burks-Winzeler.	April 1, 2016
September 17, 2014	Cecilia Clark	April 1, 2015
April 16, 2014	Judith Cowan	April 1, 2016
April 16, 2014	Bill Haskell	April 1, 2016
April 25, 2007	Tim Hennessey	April 1, 2015
April 16, 2014	Paul Lake	April 1, 2016

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>
November 7, 2007	Martin Cheek	April 1, 2016
April 16, 2014	LaRene Green	April 1, 2018
May 16, 2012	Matthew Kelly	April 1, 2016
April 26, 2006	Kimberly Leiser	April 1, 2018
October 2, 2013	Ronald Locicero	April 1, 2018
April 16, 2014	Mary Seehafer	April 1, 2016
May 4, 1998	Craig C. van Keulen	April 1, 2018
<i>School District Liaison</i>	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>
May 18, 2011	John Kim KcKay	June 1, 2017
February 9, 2005	Susan Koepp-Baker	June 1, 2015
February 5, 2014	Zenon Komarczyk	June 1, 2015
January 28, 1989	Joseph Mueller	June 1, 2015
September 1, 2014	Michael Orosco	June 1, 2017
May 16, 2012	Rene Angelo Spring	June 1, 2017
April 25, 2007	Wayne Tanda	June 1, 2015

Attachment: Resolution 7082 (2899 : Upcoming 2021 Commission Vacancies - Maddy Act)



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Dwight Good, Fire Marshal
APPROVED BY: City Manager

RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

RECOMMENDATION(S)

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightning Complex fire.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Supporting Our Youth
Seniors
and Entire Community

2020-2021 Strategic Priorities

Community Engagement and Messaging

REPORT NARRATIVE:

The Santa Clara Unit (SCU) Lightning Complex fires started on August 16, 2020 as a result of lightning strikes in the Northern Diablo Range of eastern Santa Clara County, southern Alameda and San Joaquin counties, eastern Contra Costa County, and western Stanislaus and Merced counties. The complex comprised of seven incidents which were grouped by geographical location and incident command structure. The complex burned 396,624 acres over multiple locations throughout the six counties and was 100% contained by October 1, 2020. The complex resulted in 26 structures being damaged, 222 structures being destroyed, and 6 confirmed civilian and fire personnel injuries.

The Santa Clara Unit of CAL FIRE (SCU) requested and received assistance from CAL FIRE's Incident Management Team #6 (IMT #6) very early in the SCU Lightning Complex. IMT #6 provided SCU with strong command and control functions needed to control what would become the 3rd largest wildfire in California's recent history. At its peak, the SCU Lightning Complex was staffed with a total of 2,025 personnel, including 253 fire engines, 41 bulldozers, 41 water tenders, 25 hand crews, 9 helicopters, and overhead and command staff. Cal Fire added to its ranks by bringing back retirees, calling employees back from vacations, and hiring new fire personnel, to help fill the demand. These resources were later supplemented by National Guard and U.S. military resources. Firefighters from Arizona, Idaho, Kansas, Montana, New Mexico, Texas, Utah, Washington, Canada, and Australia also responded. Suppression costs for this Complex exceeded \$100 million.

On August 20, 2020, it was determined the complex fires which started in the Northern Diablo Range of the eastern Santa Clara County were traveling south and threatening the unincorporated areas of the County and eastern foothills of the City of Morgan Hill. The unincorporated areas of eastern Santa Clara County were put under an evacuation order, and certain neighborhoods of eastern City limits (Holiday Lake Estates and Jackson Oaks) were put under an evacuation warning. As a result, the City activated its Emergency Operations Center (EOC) and proclaimed a local emergency.

On August 23, 2020, due to significant weather concerns, forecasted to bring heavy wind and dry lightning potentially starting new fires, CAL FIRE upgraded the evacuation warning to an order for Jackson Oaks, Holiday Lake Estates and Thomas Grade residents. The east of Peet Road to Coyote Creek; South of Eagle View Drive and North of Half Road was put under a warning. After the weather system passed, the evacuation orders were reverted on August 24, and repopulation of the evacuated neighborhoods was allowed.

Emergency Operations Center (EOC)

Upon activation, all the sections were operational either physically in the EOC or virtually.

Operations:

Police - Law enforcement branch established structure to physically go door-to-door to communicate the evacuation information to the residents in the impacted communities, and provided for controlled evacuation and checkpoint, and patrolling of the evacuated neighborhoods.

DEOC – A call center was established and staffed for residents to call with inquiries with access to resources. The establishment of the call center also relieved call volumes to the PD dispatch center and Public Information Office. Maintenance teams were staffed to provide support in setting up traffic signage and equipment.

Fire – Unit Chief Jake Hess, as the Agency Administrator, oversaw the CAL FIRE Incident Management Team 6 to ensure: the protection of life and property, cost-effective incident management, cooperation with local agency partners and stakeholders, the appropriate and timely use of evacuation orders and warnings, the clear and consistent release of public information, fire suppression repair, and to secure suppression and recovery funding through FEMA's Fire Management Assistant Grant program.

Assistant Chief Dwight Good provided Incident Support, coordinated with City and County agencies, and ensured that SCU maintained routine business and response functions.

Logistics: Operated virtually to arrange for various resources to include rental of message boards, traffic signage and other equipment.

Planning: Operated virtually to prepare and document incident updates. For situational analysis, the City's mobile command vehicle was staffed and deployed to the SCU Lightning Complex fire incident command center in Pleasanton. This allowed for real time information to flow directly from the CAL FIRE incident command post into the City's EOC. It essentially provided Morgan Hill a "seat at the table" and allowed opportunity to weigh in as CAL FIRE developed plans and actions with impacts to the Morgan Hill and South County communities.

Finance: Operated virtually to establish and communicate charge codes for timekeeping and tracking City's response costs on this incident. The section is responsible for facilitating FEMA reimbursement application process which is already underway.

Management: Operated physically out of the EOC and included the City Manager as the Director of Emergency Services, City Attorney, Emergency Services Coordinator, and Public Information Officer. The section was responsible for the activation of the EOC, proclamation of local emergency, participating in various situational awareness briefings, and sending communications to the Morgan Hill community, City staff, and other stakeholders.

What Worked

Situational Analysis – The City's partnership with CAL FIRE really proved to be invaluable during this incident. The CAL FIRE Santa Clara Unit Fire Chief, also the Morgan Hill Fire Chief, was the incident commander thereby providing comfort that Morgan Hill's interests were well represented. In addition, Morgan Hill PD's mobile command vehicle and staff were deployed to the incident command center in Pleasanton. This essentially allowed for real time information to flow directly from the CAL FIRE incident command post into the City's EOC.

Communications - During the incident, information was available on the City website through a homepage newsflash and limited information was provided on our government access channel, Channel 17, referring viewers to the City website with a direct URL. Communications were sent out via e-blasts, social media posts, including Nextdoor, and through AlertSCC. In addition, staff held two virtual town halls, with over 1100 community members participating in each, to update the community and answer any questions in a live environment. The call center provided a centralized resource center which offloaded over 1800 calls from the police department dispatch center and could be accessed by staff at the EOC or at remote locations. Unlike the October 2019 PSPS events, where access and flow of information from the utility was often delayed and inaccurate, the access and flow of information during this fire incident was impeccable. Having a direct inlet at the CAL FIRE incident command center, aided in the City access to factual information and maps, which were then shared with the community in a timely manner.

During the event, over 25 direct emails were sent, in English with a link to the Spanish translation, to over 18,000 Morgan Hill residents and businesses with an average open rate of 44% (industry standard is 20%). Facebook posts saw an amazing reach with an all-time high of over 72,000 on the day of the actual evacuation. Facebook posts reach averaged between 20,000 – 30,000 during the event. Nextdoor posts were viewed on average by approximately 1500 – 3000 households with a high of 7700 views of the post indicating that the evacuation warning had ended.

The communications and engagement team conducted a follow-up survey on the City's communication efforts. The survey had 1135 respondents with over 57% not being in the evacuation warning area. Just under 80% of respondents indicated that communication during the fire was good to outstanding and the average rating for content, frequency, quality, timeliness, and methods of communication was 4.4 out of 5. Many comments were shared in the survey, with a majority of them being complimentary and expressing appreciation. A few comments will be further followed up on to provide clarity for residents and/or to enhance future emergency communications. A link to the survey results and comments have been included for reference.

Evacuations – Law Enforcement issued evacuation warnings and orders under the advisement of CAL FIRE out of an abundance of caution and well in advance of any immediate threats, thereby providing adequate time for impacted community members to prepare or evacuate. During the fire event, the neighborhoods of Jackson Oaks, Holiday Lake Estates, and Thomas Grade started in an evacuation warning and progressed to an evacuation order before returning to an evacuation warning. The neighborhoods of Jackson Meadows, Borello Estates, and Coyote Estates were under evacuation warning for the duration of the event. The Holiday Lake Estates and Jackson Oaks neighborhoods have a single means of egress which poses a challenge during an evacuation. Thanks to the engaged and prepared residents, these neighborhoods were quickly evacuated in an orderly fashion and without any issues.

Challenges

Communications – Generally there are two key elements in the communication process, the sender and receiver of information. Another critical element is how the information is communicated or received. In modern times we rely heavily on electronic communications received via email and or cell phones. There remains an elevated concern of communicating important information in case loss of power is experienced either due to PSPS events, fire, and other natural or manmade incidents.

The California Public Utility Commission (CPUC) is the agency tasked with regulating privately owned public utilities, including electric power and telecommunications. Recently, the CPUC ordered wireless companies to ensure their towers have a minimum of 72-hours backup power to ensure a minimum level of service with work to be complete by July 2021. Although the City does not have exclusive jurisdiction to regulate telecommunication companies, the City is engaging with providers to communicate the unique challenges Morgan Hill encounters such as the single means

of egress for eastern hill side areas, and urge for increased resiliency of their telecommunication infrastructure servicing the Morgan Hill community.

In the event of a utility or telecommunications system failure during an emergency, the Morgan Hill Police Department will utilize patrol officers, mobile messaging boards, and Long-Range Acoustic Device (LRAD) to provide emergency orders. These supplemental methods were deployed successfully during the evacuation warnings and orders issued for the SCU Lightning Complex fires.

Egress – The single means of egress on the eastern hillside continues to pose a challenge. The evacuation during this fire incident provides some level of assurance, thanks to the engaged and prepared residents. It is important that residents stay informed and engaged and help mitigate their properties of any fire hazards.

How Can Community Help

Be prepared: As catastrophic wildfires continue to increase each year in California, make sure to protect yourself and your family – plan, prepare and stay aware. Property owners and residents in areas most at risk are encouraged to take the steps in CAL FIRE’s “Ready, Set, Go!” to be ready for wildfire.

Maintain fire hazards around home and property: Property owners and residents can reduce their risk of fire loss by as much as 70% by maintaining an adequate Defensible Space around their homes. The Santa Clara County FireSafe Council offers detailed wildfire hazard surveys upon request.

Subscribe to City communications: <http://bit.ly/signupforCityemailcommunications>

Subscribe to Alert SCC notifications: <https://www.sccgov.org/sites/oes/alertscc/Pages/home.aspx>

Termination of Local Emergency

The SCU Lightning Complex Fire is now 100% contained. No structures in Morgan Hill were damaged, and any other impacts from the fire are within the normal control of the City’s normal protective services personnel, equipment, and facilities. Staff recommends that Council terminate the local emergency caused by the SCU Lightning Complex Fire. However, termination of the local emergency due to fire does not change the City’s emergency status due to the COVID-19 global pandemic.

COMMUNITY ENGAGEMENT: Inform.

The communication efforts and results of the survey are outlined above. This report serves to inform the community with a debrief of the SCU Lightning Complex fire incident.

ALTERNATIVE ACTIONS:

None.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On August 26, 2020, the City Council held a special meeting to adopt the resolution ratifying proclamation of local emergency due to Santa Clara Unit (SCU) Lightning Complex Fire.

FISCAL AND RESOURCE IMPACT:

The City's current estimate of the financial impact of the SCU Lightning Complex Fire is \$181,000, the majority of which is overtime. These costs are primarily charged to the General Fund (010) operational budgets. No budgetary adjustments are recommended at this time but may be brought forward during mid-cycle budget adjustments.

The Federal Emergency Management Agency (FEMA) has authorized a major declaration for the SCU Lightning Complex fire and approved Santa Clara County to be eligible to submit for 75% reimbursement of eligible costs. The City has submitted initial application for public assistance. The process can sometimes take months or years before a decision is made and funds are received.

CEQA (California Environmental Quality Act):

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

LINKS/ATTACHMENTS:

1. Resolution Terminating Local Emergency-CSU Lightning Complex
2. Presentation
3. Results from Fire Communications Survey (Weblink)
4. Supplement

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL TERMINATING THE LOCAL EMERGENCY

WHEREAS, under the authority contained in California Government Code sections 8610 and 8634 and Morgan Hill Municipal Code Chapter 2.44, the Director of Emergency Services proclaimed the existence of a disaster in the City of Morgan Hill (the "City") on August 20, 2020; and

WHEREAS, the situation resulting from said conditions of extreme peril is now deemed to be within the control of the normal protective services, personnel, equipment, and facilities of the City.

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 that the state of local emergency is hereby terminated.

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 ____ day of _____, 20__ by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

DATE: _____

Rich Constantine, MAYOR

APPROVED AS TO FORM AND LEGALITY:

Donald A. Larkin, CITY ATTORNEY

Attachment: Resolution Terminating Local Emergency-CSU Lightning Complex (2904 : SCU Fire Follow-up)

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, adopted by the City Council at the meeting held on _____, 20____.

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

DATE: _____

Irma Torrez, CITY CLERK

Attachment: Resolution Terminating Local Emergency-CSU Lightning Complex (2904 : SCU Fire Follow-up)

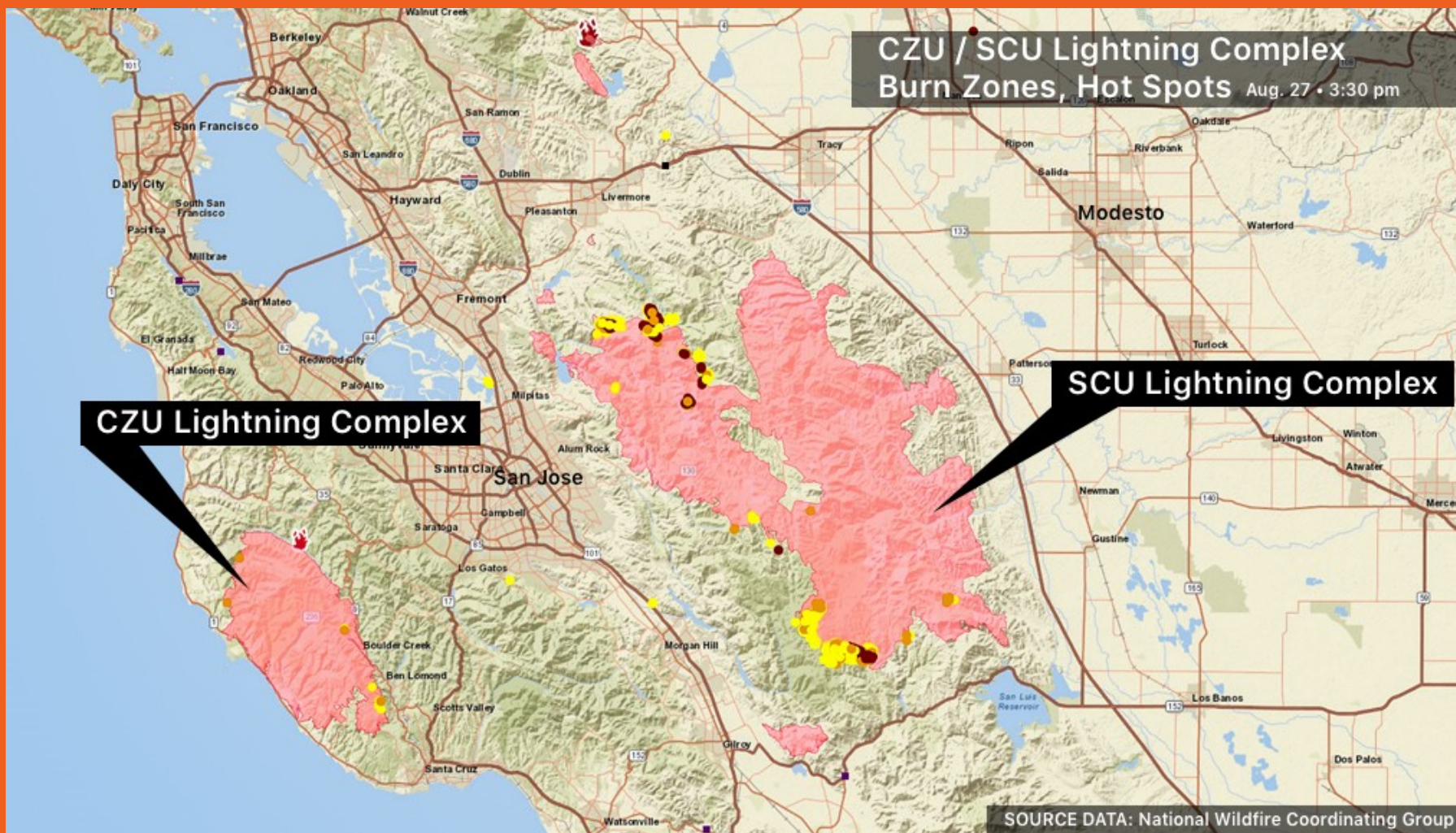


SCU Lightning Complex Fire Report



Overview

- Fires began on August 16, 2020
- 100% contained by October 1, 2020
- 396,624 acres burned within 7 counties
- 3rd largest fire in California history
- 2025 fire personnel, 253 engines, 41 bulldozers, 41 water tenders, 25 hand crews, 9 helicopters



How did we get here?

- 4 million Acres burned in California since August 15, 2020
- Mega Fire Era
- Ember-cast has started fires up to 10 miles away
- Post Drought Conditions
- Wildland Urban Interface issues
- California's Mediterranean climate is designed to burn



Lightning Siege

- Lightning Siege
- Northern California Geographic Area Coordinating Center
- CAL FIRE Team 6 was activated for SCU Complex
- Cooperation with Law Enforcement & Fire Agencies was fantastic
- 80 Million Dollar Fire



Impacts to Morgan Hill



- As the western edge of the SCU Complex burned into Henry Coe Park, we needed to get aggressive with our evacuation and notifications
- Evacuation of residents on the eastside of Morgan Hill (out of an abundance of caution and to ensure evacuations were completed on our terms and timeframes)
- Air quality issues



Challenges

- 7 counties involved with SCU Complex
- Covid 19 mitigation efforts daily
- Private and public lands
- Limited resources available
- Aircraft Issues with visibility
- Evacuations
- CDCR Crews limited due to Covid-19 and early release of Inmates



Successes

- Amazing cooperation with all Law Enforcement and Fire Agencies
- Morgan Hill communications was outstanding
- Low firefighter injuries & no fatalities
- Alameda County Fairgrounds
- 858 new firefighter positions
- Holiday Lakes and Jackson Oaks are certified Firewise Communities



Communications

- Public Information Officer (PIO) Team located at Emergency Operations Center (EOC)
- Coordination with CALFIRE PIO at Incident Command Center, Morgan Hill Police Department Sgt at Incident Command Center and Santa Clara County EOC
- Call Center established in EOC

Communication Channels

- City website homepage
- 25 eblasts to over 18,000 (average open rate 44%)
- Facebook posts (high reach of 77,000)
- Call Center (1800+ calls)
- 4 Media Interviews
- 2 Town Halls (over 1100 Participants at each)
- Twitter
- Nextdoor
- Instagram
- Channel 17



Communication Survey Results

Over 78% rated communications as good to outstanding

* Please complete the following sentence. The overall communication from the City of Morgan Hill during the SCU Lightning Complex Fire event was ...

Answer	0%	100%	Number of Response(s)	Response Ratio
Outstanding, I felt well informed throughout the event.			604	53.2 %
Good			297	26.1 %
Fair			48	4.2 %
Poor, I did not feel well informed and I did not know where to find information			18	1.5 %
Non-existent, I received no information from the City of Morgan Hill			10	<1 %
Other			3	<1 %
No Response(s)			155	13.6 %
Totals			1135	100%

Communication Survey Results

4.4 out of 5

* Please indicate your level of satisfaction with the following attributes of our communications during the SCU Lighting Complex Fire event

1 = Very Dissatisfied, 2 = Somewhat Dissatisfied, 3 = Neutral, 4 = Somewhat Satisfied, 5 = Very Satisfied

Answer	1	2	3	4	5	Number of Response(s)	Rating Score [*]
Quality and accuracy of information provided						975	4.4
Timeliness of information provided						975	4.4
Methods of communication						975	4.4
Frequency of updates						975	4.3

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

Survey Comments Summary

- The majority of respondents felt the communication was good to excellent/outstanding
- Appreciated the Virtual Town Halls
- Concern for elderly
- Concern that many people do not use Twitter
- Desire for text messages from the City

Survey Comments Summary (cont.)

- Misunderstandings about AlertSCC
- Lots of kudos for PD and Fire... appreciated the in-person notifications
- Very much appreciated the Call Center
- Interest in more information on Channel 17
- Lots of upset over the SJ AlertSCC
- More visuals and maps requested

Fiscal and Resource Impact to Morgan Hill

- Current estimate is \$181,000 to the General Fund (primarily overtime)
- Initial public assistance application has been submitted
- No budgetary adjustments are recommended at this time



Questions



From: [Christina Turner](#)
To: [D. Muirhead](#)
Cc: [CC Public Comment](#)
Subject: RE: Comments City Council October 21, 2020 Items #7, #18, #19
Date: Wednesday, October 21, 2020 1:40:10 PM

Hi Doug - Please see responses to your comments below:

Item #7 Thank you for your comments.

Item #18 The CalFire Watershed Emergency Response Team (WERT) Evaluation was included in our weekly 411 and here is a direct link to the report: <https://www.morgan-hill.ca.gov/DocumentCenter/View/37327/SCU-Lightning-Complex-Fire-Watershed-Emergency-Response-Team-Report> We have also included it on our website on a Fire page.

Item #19 For the Council Reports, you can refer to the policy at the following link. <https://www.morgan-hill.ca.gov/DocumentCenter/View/6076/CP-97-01-Rules-for-the-Conduct-of-City-Council-Meetings>

Here is an excerpt for the reports:

4.5 City Council Reports: On an alternating basis, at each Council meeting a Council Member has the opportunity to share with the Council and community any pertinent updates or information in regard to their appointments to outside agencies, upcoming events, or relevant City business. These are non-action items.

4.8 Other Reports: These are pertinent updates or information on upcoming activities or events relevant to City business. These are non-action items.

These reports have been suspended until we return to in-person meetings. At the meeting on October 21, Council will decide whether to reconsider this decision at a future meeting.

Thank you,
Christina

-----Original Message-----

From: D. Muirhead <doug.muirhead@stanfordalumni.org>
Sent: Thursday, October 15, 2020 11:23 AM
To: CC Public Comment <CCPublicComment@morganhill.ca.gov>
Subject: Comments City Council October 21, 2020 Items #7, #18, #19

Comments for Morgan Hill City Council Meeting: October 21, 2020

- Item #7. Purchase/install SRM, AM, and CRM systems
- Item #18. Report on SCU Lightning Complex fire
- Item #19. Discussion on adding Council Reports to the agendas.

7. Purchase/install Service Request Management (SRM),
Asset Management and Customer Relationship Management (CRM)
software for the Maintenance and Utility Departments

[comment] I am pleased to finally see some movement in this area.

Eighteen months ago at the Goal Setting, I was excited to hear that a replacement for Report-A-Concern was in the works.

These systems benefit your employees but can also provide better request management from our residents. Last year at County GIS day, County Parks talked about their new Asset Management system. Automated generation and tracking of work orders as well as scheduled asset inventory assessment and preventative maintenance are all benefits.

Attachment: Supplement (2904 : SCU Fire Follow-up)

The ability for the public to inject situations to be assessed would be a plus (to be enabled after staff had some experience with the new system).

Please acquire this capability.

18. Report on SCU Lightning Complex fire

[comment] I am disappointed that you did not inform the community of the CalFire Watershed Emergency Response Team Evaluation CA-SCU-005740 September 21, 2020 which the City and I have had since September 30.

19. Discussion on adding Council Reports to the agendas

[comment] I am unsure what a "Council Report" is.

You used to have a single Council Member do a brief report at the start of each meeting, rotating through all members. This no longer happens. At the Goal Setting at the start of the year, Council Members endorsed more reporting by more members as a way to inform the entire Council and the community on what and how members were benefiting our City and its residents through their outside assignments and local activities.

You have talked about wanting more interaction with residents and this is one way to start the conversations.

Thank you for your consideration, Doug Muirhead, Morgan Hill

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CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

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

CONSIDER FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

RECOMMENDATION(S)

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Advancing Regional Initiatives

REPORT NARRATIVE:

The purpose of this report is for City Council to consider whether to direct staff to bring back a report for City Council discussion regarding adding Council reports to the agenda.

At the September 16, 2020 City Council meeting, Mayor Pro Tem Martinez Beltran requested that Council reports be added to the agenda.

COMMUNITY ENGAGEMENT: Inform

The report serves to inform the community of the potential discussion regarding adding Council reports to the agenda.

ALTERNATIVE ACTIONS:

City Council could direct staff to bring this item forward at the January 2021 Goal Setting Workshop or decide to wait for the discussion until in-person City Council meetings recommence.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Not applicable.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact to this item.

CEQA (California Environmental Quality Act):

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

LINKS/ATTACHMENTS:

1. Supplement

Item # 19**AGENDA DATE: 10/21/2020****SUPPLEMENT # 1**

From: [Christina Turner](#)
To: [D. Muirhead](#)
Cc: [CC Public Comment](#)
Subject: RE: Comments City Council October 21, 2020 Items #7, #18, #19
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Attachment: Supplement (2905 : Adding Council Reports to virtual meetings)

The ability for the public to inject situations to be assessed would be a plus (to be enabled after staff had some experience with the new system).

Please acquire this capability.

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CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Edith Ramirez, Economic Development Director
APPROVED BY: City Manager

ACCEPT THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNER'S ASSOCIATION ANNUAL REPORT AND ADOPT A RESOLUTION AMENDING THE MHTBID MANAGEMENT PLAN

RECOMMENDATION(S)

1. Accept and direct the City Clerk to file the Visit Morgan Hill Annual Report; and
2. Open and Close a Public Hearing to amend the Morgan Hill Tourism Business Improvement District (MHTBID) Management Plan to change reporting schedule to conform with the California Streets and Highways Code.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure
Preserving and Cultivating Public Trust

2020-2021 Strategic Priorities

Economic Development
Fiscal Sustainability

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan
Economic Blueprint
Fire Services Standards of Coverage
Morgan Hill 2035 General Plan

REPORT NERRATIVE:

On January 23, 2019, the City Council adopted a resolution establishing a Morgan Hill Tourism Business Improvement District (MHTBID). The MHTBID provides for the collection of a 1.5% assessment of gross short-term room rental revenue, separate from and in addition to the City's Transient Occupancy Tax (TOT) of 11%. The City's 11% TOT are public funds that support the General Fund while the 1.5% MHTBID assessments are public funds that are managed by a non-profit board and are used for marketing and sales promotions as well as sports facility improvements/programs designed to market the area as a tourism and event destination and increase room night sales at assessed lodging businesses.

The Streets and Highways Code 36650 requires the MHTBID to provide the City Council an annual report that articulates the following:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

The purpose of this staff report is to present the MHTBID's first Annual Report (Attachment A) for acceptance by the City Council and to request an amendment of the MHTBID's Management Plan to change the reporting schedule to conform with the California Streets and Highways Code and to hold a public hearing for the approval of the revised MHTBID's Management Plan.

BACKGROUND:

Tourism Business Improvement District (TBID)

In California, Tourism Business Improvement Districts (TBIDs) for general law cities are formed under the provisions of both the Property and Business Improvement District Law of 1994 and, the Parking and Business Improvement Area Law of 1989. California BIDs are also subject to other laws designed to ensure approval by business owners paying the assessment and accountability by the managing body to those business owners.

TBIDs are formed by a majority of assessed businesses consenting and with local government approval. Funds raised through TBIDs are returned to a non-profit corporation which contracts with the local government to manage those funds. Several accountability mechanisms ensure funds are spent in accordance with a specifically defined Management District Plan that includes marketing and sales programs approved by the businesses paying into the MHTBID.

On November 28, 2018, the Council approved the Resolution of Intention which allows the Council to initiate proceedings for District formation and scheduled the Public Hearing for January 23, 2019, at which time the Council adopted a resolution establishing the MHTBID and adopting the MHTBID Management Plan.

Management District Plan

A Management District Plan (Plan) identifies the MHTBID's boundary, budget, services, and governance. Below is a summary of the parameters of the proposed MHTBID's Plan:

- **Boundary:** All lodging businesses located within the boundaries of the City of

Morgan Hill.

- **Term**: Five (5)-year assessment beginning March 1, 2019 through February 29, 2024, with an annual 30-day period of protest for termination by assessed businesses.
- **Budget**: Annual assessment rate of 1.5% (on top of the existing TOT) of gross short-term room rental revenue producing an annual budget of approximately \$410,000 (pre-COVID-19).
- **Mission**: Marketing and sales promotions as well as sports facility improvements/programs designed to market the area as a tourism and event destination and increase room night sales at assessed lodging businesses.
- **Governance**: A non-profit corporation, Visit Morgan Hill, was formed to serve as the “Owner’s Association” charged with management of funds and implementation of the MHTBID Management District Plan. An annual report is required to be provided to the City Council within 90 days of the anniversary of the effective date of the MHTBID assessment.

The District has a five (5) year life—dated January 23, 2019 with a new District start date of March 1, 2019 and ending February 29, 2024. The assessment began March 1, 2019. The City is responsible for collecting the assessment on a monthly basis from each lodging business located in the District boundaries. The City forwards the assessments to the Owner’s Association, known as Visit Morgan Hill, a non-profit corporation in charge of managing District programs as provided in the Management District Plan. The City gets paid a fee equal to two percent (2%) of the amount of assessment collected to cover its costs of collection and administration.

Owners’ Association Makeup (Visit Morgan Hill Board of Directors):

The Owner’s Association, Visit Morgan Hill, is a private entity, separate from the City of Morgan Hill. The make-up of the Visit Morgan Hill Board of Directors includes four (4) lodging representatives, two (2) City of Morgan Hill representatives and three (3) community representatives that represent areas associated with wineries, tourism, and sports recreation tourism. Currently, the Economic Development Director serves on the Visit Morgan Hill Board as Secretary and the Public Services Director as Treasurer.

Annual Report

The Owner’s Association is required to present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650, within ninety (90) days of the MHTBID’s anniversary (March 1), except for first formation year. Visit Morgan Hill has provided an Annual Report for the City Council’s review and acceptance (Attachment 1). VMH’s first Annual Report does not propose any changes to the boundaries, benefit zones or classifications of businesses. A list of activities and accomplishments undertaken by the District are listed in the Annual Report, including hosting a Tourism Symposium for 100+ stakeholders, the creation of a Strategic Plan, Logo, Branding, and marketing and promotions efforts. Since March 2019, VMH has

collected \$451,148 through June 30, 2020. The City collects 2% for management and administration and VMH has reimbursed the City \$100,000 for formation costs and contributions to the Amgen Tour of California. The MHTBID was expected to collect approximately \$410,000 annually, however the COVID-19 pandemic has had a significant impact on lodging and hotels have had extremely low occupancy levels, particularly during the restriction of all non-essential travel from March – July 2020. While lodging is picking up, occupancy remains below pre-pandemic level with lowered average daily rates. For the current fiscal year July 1, 2020 – June 30, 2021, VMH is anticipating a 50-55% decrease in income year over year, which is 55-60% less than the original estimated income of \$410,000 for VMH annually.

Management Plan

The State's Streets & Highways Code 36650 requires an annual report to be presented to the City Council within 120 days of each fiscal year (except for year one). VMH's Management Plan and the Bylaws required the annual report be presented within 90 days of VMH's anniversary, which is January 1. Both documents need to be to conform and be consistent with the Streets & Highways Code (36650)'s reporting requirements. VMH made necessary changes to the organization's Bylaws in January 2020 and is requesting the City Council hold a Public Hearing to adopt a Resolution (Attachment B) amending the MHTBID's Management Plan to make the Annual Report due 120 days from the end of the fiscal year. A 10-day Public Notice was issued to assessed parties in the District and placed in a newspaper publication (Attachment D).

COMMUNITY ENGAGEMENT: Inform

A 10-day Public Notice was issued to assessed parties in the District and placed in a newspaper publication (Attachment D).

VMH meets on a monthly basis and conforms with Brown Act noticing requirements. These meetings are open to the public and meetings records are kept at visitmorganhill.org.

ALTERNATIVE ACTIONS:

The Council may comment on the Annual Report and provide feedback to VMH.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On July 18, 2018, the City Council directed staff to proceed with the creation of a Morgan Hill Tourism Business Improvement District (MHTBID).

On November 7, 2018, the City Council approved the Management District Plan (Plan) that identifies the proposed MHTBID's boundary, budget, services, and governance and directed staff to circulate the MHTBID Petition Form.

On November 28, 2018, the Council approved the Resolution of Intention that directed staff to issue MHTBID Public Notice.

On January 23, 2019, the City Council voted to establish the MHTBID and adopted the Management Plan previously approved.

FISCAL AND RESOURCE IMPACT:

The City collects 1.5%, gross short-term room rental assessment rate on behalf of the MHTBID. The City retains a fee equal to two percent (2%) of the amount of assessment collected to cover its costs of collection and administration. These revenues are separate from and in addition to the City's Transient Occupancy Tax (TOT) of 11%. These funds are public funds that are managed by a non-profit board (VMH) and are used for marketing and sales promotions as well as sports facility improvements/programs designed to market the area as a tourism and event destination and increase room night sales at assessed lodging businesses.

The formation costs associated with the establishment of the MHTBID have been reimbursed by the MHTBID as well as a contribution of \$27,500 for the 2018 Amgen Tour of California.

CEQA (California Environmental Quality Act): Not a Project

Pursuant to CEQA, organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment are exempt activities.

LINKS/ATTACHMENTS:

1. Attachment A--Annual Report FY 19-20 FINAL
2. Attachment B--Resolution TBID MDP Amendment
3. Attachment C- MHTID MDP REDLINE
4. Attachment D-Public Hearing Notice for VMH Amendment to Management Plan 11042020

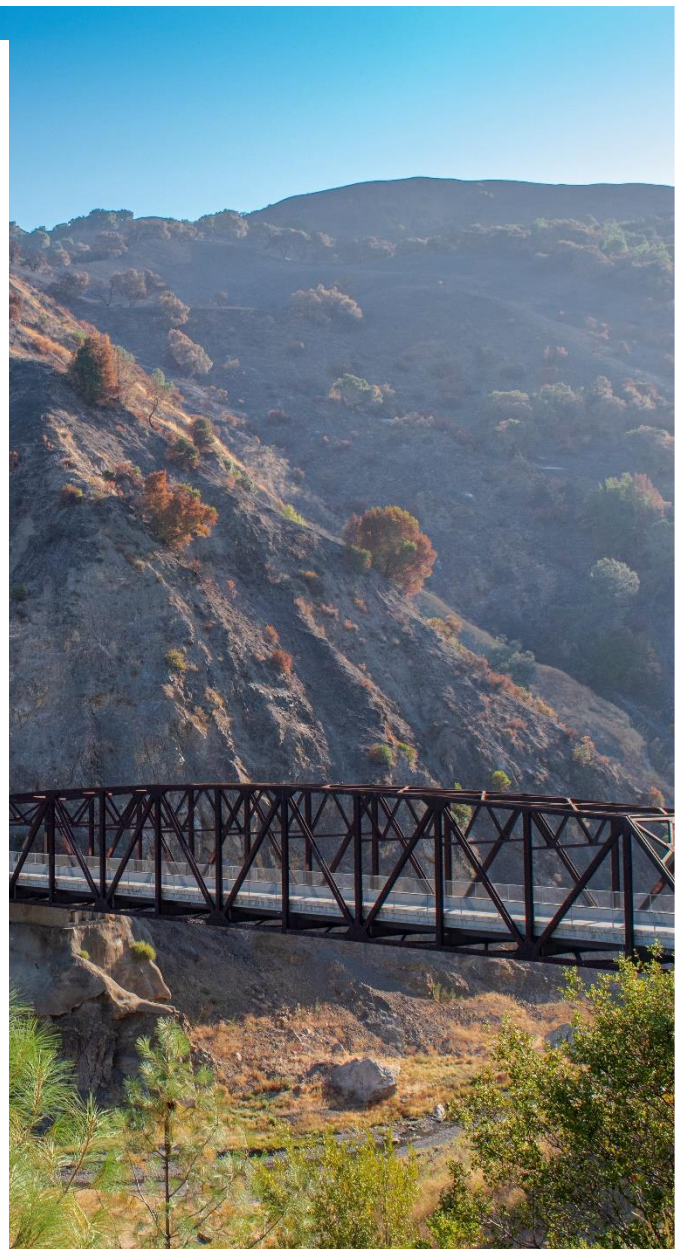
Morgan Hill Tourism Business Improvement District & Visit Morgan Hill

Annual Report

Inception – June 30, 2020

OCTOBER 19, 2020

Submitted by: Visit Morgan Hill



VISIT
MORGAN HILL

Annual Report

This report serves as the Annual Report from Visit Morgan Hill (VMH) in charge of the Morgan Hill Tourism Business Improvement District (MHTBID) to the Morgan Hill City Council.

MHTBID BACKGROUND

The MHTBID assessment was implemented beginning January 1, 2019 and will continue for five (5) years through December 31, 2023. The assessment collects 1.5% of hotel tax revenue for the purpose of marketing and promoting Morgan Hill as a sports, recreation, and wine tourism destination.

VISIT MORGAN HILL

The Owners Association responsible for the MHTBID is known as the Visit Morgan Hill Board of Directors (known as the advisory body) and is made up of four hotel representatives, three community members representing the wineries, sports and community at large; and two representatives from the City of Morgan Hill Economic Development and Community Services departments. VMH was formed in March 2019.

As of October 21, 2020, the following are the Visit Morgan Hill Board members and their respective areas and terms.

Representative	Industry	Appointment Term (2020)	Appointment Term (2021)
Michael Meredith	Hotel	2019-2021	2021-2023
Chris Ghione	City	N/A	N/A
Edith Ramirez	City	N/A	N/A
Andrew Firestone	Hotel	2019-2021	2021-2023
Gene Guglielmo	Winery	2019-2021	2021-2023
Carrie Benjamin*	Sports/Recreation	2019-2021	2021-2023
Alexis Solis	Hotels	2021-2023	2021-2023
Doug Hall**	Community	2020-2022	2021-2023
David Dworkin	Hotels	2020-2022	2021-2023

*formerly David Eadie March 2019-December 2019

**formerly Frank Leal March 2020-July 2020

The initial appointment terms beginning at VMH's formation in March 2019 are as follows:

Representative	Industry	Initial Term (2019)
----------------	----------	---------------------

Michael Meredith	Hotel	2019-2021
Chris Ghione	City	N/A
Edith Ramirez	City	N/A
Andrew Firestone	Hotel	2019-2021
Gene Guglielmo	Winery	2019-2021
Carrie Benjamin*	Sports/Recreation	2019-2021
Karen Mendes	Hotels	2019-2020
Frank Leal	Community	2019-2020
Bina Roy Desai	Hotels	2019-2020

**formerly David Eadie*

METHOD AND BASIS OF LEVYING ASSESSMENT

The annual MHTBID assessment rate is one and a one-half of percent (1.5%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to December 31, 2018. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the MHTBID. The proposed MHTBID will have a five (5) year life, beginning January 1, 2019 through December 31, 2023. Pursuant to Streets and Highways Code §36670, once per year, beginning on the anniversary of MHTBID formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on MHTBID termination.

IMPROVEMENTS AND ACTIVITIES

A summary of activities and improvements is provided here, and please see detailed overview found in Appendix Item D. Since formation, Visit Morgan Hill has:

- Hired executive director
- Hosted a Tourism Symposium
- Adopted a strategic plan
- Developed a logo and brand
- Adopted a fiscal year budget
- Established a website with comprehensive suite of visitor information
- Established office location and communications
- Distributed lodging and event RFPs to local hotels & venues
- Collaborated with local government and associations for Covid-19 response

COST OF PROVIDING IMPROVEMENTS AND ACTIVITIES

See Appendix Item B & D

For the fiscal year July 1, 2020 – June 30, 2020, operating expenses totaled \$95,628.

- 66% operations – payroll, tax, bank fees, office equipment and insurance
- 18% industry & community relations – tourism symposium; PPE donation
- 15% professional services – formation services; small part of brand design

INCOME STATEMENT

See Appendix Item B

From inception - June 30, 2020, VMH's income was \$316,761. This is the amount distributed by the City to VMH from inception - June 30, 2020. There is about a 2-month processing period before VMH receives monthly TBID funds. May and June 2020 TBID collections were distributed to VMH in July and August 2020, respectively. For July 1, 2019 – June 30, 2020 the TBID income collected, but not all distributed to VMH was \$309,365.

BALANCE SHEET

See Appendix Item C

ESTIMATED AMOUNT OF SURPLUS OF DEFICIT REVENUES CARRIED OVER

See Appendix Item D

A \$221,133 balance was carried over into the current fiscal year (July 1, 2020).

CASH SUMMARY

See Appendix Item D

TAXES WERE PREPARED WITHOUT AUDIT

Visit Morgan Hill's 2019 Federal Return of Organization Exempt from Income Tax has been electronically filed with the Internal Revenue Service. No tax is payable with the filing of this return. Visit Morgan Hill's 2019 California Exempt Organization Annual Information Return was also electronically filed. No audit conducted.

OTHER CONTRIBUTIONS

No contributions were made from sources other than the assessments levied pursuant to this part. A \$100,000 loan (Amgen Tour of California & MHTBID Formation Services) and \$8,505 administrative fees were withheld from the TBID funds by the City of Morgan Hill, as agreed

upon repayment by VMH. The loan was paid off as of May 2020. These are accounted for in the Balance Sheet.

PROPOSED CHANGES

There are no proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district. However, there is a proposed amendment to the District Management Plan.

APPENDIX Item A: IMPROVEMENTS AND ACTIVITIES DETAIL

Below are the improvements and activities made by Visit Morgan Hill. Because this is the first ever Annual Report, VMH is reporting on accomplishments made since inception.

State of Travel with COVID-19

Beginning March 16th, 2020, hospitality and tourism took an incredible hit with all non-essential travel halted. Visit Morgan Hill, as most destination marketing organizations worldwide, experienced significant funding drops as lodging businesses had unprecedented drops in business. As of July 15th, leisure travel was permitted again by Santa Clara County, but the uncertainty of the virus impact on health, and the discrepancies across county and state everchanging business guidelines created consumer confusion and hesitancy to travel. Californian's travel sentiment hovered at around 50%, throughout the summer of 2020, which Visit Morgan Hill considered in being sensitive to both the community and potential visitors regarding travel promotion. In October, Visit California announced that as much as 80% of Californians are "travel ready" prompting support of DMOs such as Visit Morgan Hill resuming travel promotion.

VMH Response to Covid-19

Beginning in March 2020, VMH engaged in local coronavirus resources and information sharing via its web page, email communication, and direct calls, with industry specific guidance for hotels, wineries, and restaurants. VMH distributed the State of California's Department of General Services request for Coronavirus lodging proposals to local Morgan Hill hotels. VMH partnered with the City, Chamber, Downtown Association, and Wineries Association to disseminate information and created a "What's Open in Morgan Hill" listing of multiple services in operation. A tourism specific round table with CalTravel, the state's tourism advocacy association, providing and overview of impact, legislature, and guidelines. In April, VMH engaged in a donation effort of masks and gloves to local hospitality businesses in April, including hotels, restaurants, wineries, and any business that requested them. This effort provided relief early in the pandemic when supply chains and deliveries were challenged, making these products more difficult to obtain for businesses hoping to keep their doors open.

Destination Strategic Plan

VMH developed a Strategic Plan that identifies the organization's strategic goals and priorities. The strategic planning effort kicked off with a Tourism Symposium (Oct 2020), attended by the local hospitality leaders and community members with interest and role in tourism. The planning process also included a Comprehensive Background Study, leveraging Community Stakeholder feedback, Baseline Tourism Data review, and a Comparative Analysis of other destinations. Furthermore, a Market Study was also conducted, analyzing and rating Morgan

Hill's tourism assets/attractors, current markets, and positioning. The Background and Market studies lead to the development of Visit Morgan Hill's Strategic Goals and Priorities. The Strategic Plan also included a detailed plan for implementing resources to accomplish the goals and priorities. This included the development of a "departmental" structure to organize work, identified Target and Strategic tourism markets to pursue, and provided tactical strategies for launching the core work. New Vision and Mission Statements were also created.

VISION

Recognition of Morgan Hill as a dynamic destination and a thriving local tourism economy

MISSION

Position Morgan Hill as a vibrant leisure, sports, and events destination and be a catalyst for local tourism benefit through overnight hotel stays

STRATEGIC PRIORITIES

Sports Tournaments*

Work with existing sports facilities to pursue competitive sports tournaments.

Events & Festivals*

Work with local festivals to position these events for an overnight audience and support business development for special event venues.

Leisure Marketing

Foster growth in leisure visitation by promoting Morgan Hill wineries, dining, outdoor experiences, downtown, and cycling.

Tourism Product Development

Collaborate and advocate for demand driving tourism product development and improvement.

**The strategic plan recognizes that Sports Tournaments and Events & Festivals are challenged due to COVID-19 restrictions*

STRATEGIC PRIORITIES

1. Develop Organizational Role & Identity

Establish brand identity and purpose with 1) visitors, 2) the local community, and 3) regional tourism industry partners

2. Develop Awareness with Target Markets

Create and share visitor-focused content aligned with Morgan Hill's assets through owned, earned, and bought channels.

3. Business Development for Strategic Markets

Develop strategic group market opportunities -- sport tournament, special event, and small meetings/teambuilding.

4. Product Development Support

Advocate across local tourism businesses and organizations for new and enhanced visitor products and experiences.

5. Formalize Business & Administrative Operations

Develop efficient systems and policies to manage organizational functions, communications, and reporting processes.

FY 2020-2021 Budget

In September 2020, Visit Morgan Hill established its first formal expense budget, providing staff the ability to execute on the strategic plan and efforts through June 2021. VMH income will be monitored as the impacts of the coronavirus persist, and budget adjusted per VMH board of directors, as necessary.

Operations & Administrative	\$124,650
Payroll, Fees, Insurance, Systems	\$120,900
Accounting	\$1,600
Office Supplies/Misc	\$1,000
Office Rental	\$1,200
Dues and Subscriptions	\$3,000
Membership (i.e. CalTravel)	\$1,500
Data Subscription (STR)	\$1,500
Professional Fees	\$45,500
Strategic Plan & Brand Design	\$39,500
Design, Web, Print, Shipping	\$6,000
Marketing Communications	\$5,500
Digital Advertising	\$4,500
Public Relations	\$1,000
Business Development & Industry	\$15,000
Keeper Wars	\$3,000
Other Sports Bids & Sponsorships	\$12,000
Industry & Community Relations	\$5,000
Place Branding Activation	\$1,000
Other Local Partnership	\$4,000
TOTAL	\$198,700

Established New Logo & Brand

Leveraging the community engagement efforts of the Strategic Plan effort, Visit Morgan Hill endeavored in a brand and logo development process. A brand and logo are crucial components of comprehensive tourism marketing efforts and solidifies VMH as a credible and established destination marketing organization to both potential visitor markets and local community audiences. Our first official brand logo was approved in August 2020 and implemented across VMH's website, social media channels, and internal business communication channels.



Expanded Digital Visitor Content

With a recent uptick in traveler confidence and the completion of its destination strategic plan, Visit Morgan Hill is ramping up with new digital content to inspire and inform visitors. Several new and updated web pages at visitmorganhill.org provide foundational visitor info and the level of detail that prospective travelers seek throughout the inspiration, planning, and booking phases. Current content includes Covid-19 related Public Health resources, and business support promotion through “what’s open” and “safe and welcoming” messaging. VMH’s digital content will continue to expand and evolve as marketing programs rollout.

Communications

Visit Morgan Hill established a Tourism Community e-newsletter, sent about 3-4 times a month with local tourism industry information. Also, with a destination strategy, logo, and augmented website content, Visit Morgan Hill established core social media channels (Facebook, Instagram, Twitter, LinkedIn) for continual development and communication to Target and Strategic Markets, Local and Regional Partners, and the Morgan Hill Tourism Community about Morgan Hill destination assets, safe and welcoming messaging, local business support, and industry updates.

Safe and Welcoming Tourism Messaging

VMH partook in the City of Morgan Hill's Place Branding Partnership opportunity in collaboration with the Chamber of Commerce and other organizations to create colorful painted sidewalk art across the city. In addition to providing interest to spaces, the artwork shares Visit California's Responsible Travel message, which are 7 principles for being a smart and responsible visitor, spelling the acronym of RESPECT. The artwork by local artist Nacho Moya, spotlights Morgan Hill's many visitor assets - hotels, wine, farms, dining, sports, outdoors, and shopping.

Business Development

Visit Morgan Hill established strategic markets to target through business development efforts, including sports tournaments, special events, and other B2B markets such as small meetings. In addition to an event inquiry form, some notable accomplishments:

Census Training Meetings - A census training group seeking meeting space was referred to VMH. With group gatherings restricted, finding a much-needed venue was difficult for them. VMH was able to quickly distribute the meeting information to dozens of local venues for bidding. The event was secured at the Villa Mira Monte, who generously opened their doors despite being officially closed to the public, to host the series of trainings free of charge.

Soccer Goalie Event - Visit Morgan Hill also helped secure the Keeper Wars Ink youth soccer goalie competition at the Morgan Hill Outdoor Sports Center. This socially distanced event had limited numbers of players on the field at a time, with staggered heats, dispersing groups over the course of Labor Day Weekend. Many families stayed overnight for the event and visited local restaurants.

MHOSC Partnership - Visit Morgan Hill and the Outdoor Sports Center teamed up to create a fence banner to hang at the OSC. The branded logo banner shares a "welcome" message and includes the Visit Morgan Hill logo and website URL. This banner will be visible to sporting groups onsite and provides an exposure opportunity for broadcasted events, providing awareness of the visitor information organization.

Group Resource Index - VMH created a visitor resources list of basic needs like pharmacy, convenience, hardware, sporting good, etc. that will be available by direct link only to sporting or special event group organizers working with VMH, putting important resources at their fingertips.

APPENDIX Item B: INCOME STATEMENT

Visit Morgan Hill

Income Statement

Inception - June 30, 2020

Income

TBID	\$316,761
Interest	
Total Income	\$316,761

Operating Expenses

Administrative	
Salaries	\$57,251
Employee tax	
Employer tax	
Payroll service fees & wire fees	\$505
Insurance	\$2,954
Softwares, Systems (adobe, office, squarespace)	\$606
Office Supplies, hardware, postage, misc	\$1,964
	\$63,280
Dues and Subscriptions (Memberships, Subscriptions, Dues)	
TBD	\$0
	\$0
Professional Fees (Outside Services, Design, Printing, Shipping)	
TBID & VMH Formation Service	\$11,985
Brand Design	\$2,605
Content/Collateral/Web	\$0
	\$14,590
Marketing Communications	
Digital Advertising/PR	\$0
	\$0
Business Development & Industry	
Sport Bids & Sponsorship	\$0
	\$0
Industry & Community Relations	
Tourism Symposium	\$15,984
Mask Donation	\$1,774
	\$17,758

Total Operating Expense	\$95,628
--------------------------------	-----------------

Net Income	\$221,133
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APPENDIX Item C: BALANCE SHEET

Visit Morgan Hill

Balance Sheet

June 30th, 2020

Assets

Current Assets	Checking	\$221,133
	AR	
Total Current Assets		\$221,133

Liabilities & Equity

Liabilities	\$0
	\$0

Equity	Year	
	Earnings	\$316,761
	Less Op Exp	\$95,628

Total Liabilities & Equity	\$221,133
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APPENDIX Item D: CASH SUMMARY

Visit Morgan Hill

Cash Summary

Year Ending June 30th, 2020

Income

TBID	\$316,761	
Interest	\$0	
Total		\$316,761

Less Operating Expenses

Administrative	\$63,280	
Dues & Subscriptions	\$0	
Professional Fees	\$14,590	
Marketing Communications	\$0	
Business Development	\$0	
Industry & Community Relations	\$17,758	
Total		\$95,628

Summary

Opening Balance 6.1.19	\$0	
Cash Movement	\$221,133	
Closing Balance		\$221,133

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DECLARING ITS INTENTION TO AMEND THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) MANAGEMENT DISTRICT PLAN SECTION V. ITEM C. AND FIXING THE TIME AND PLACE OF A PUBLIC MEETING AND A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code § 36636 et seq., authorizes modification of the plan by resolution after public hearing; and

WHEREAS, Visit Morgan Hill has drafted the amendments to the MHTBID Management District Plan Section V. Item C. to reconcile discrepancies with the Visit Morgan Hill Bylaws and Streets and Highways Code § 36650; and

WHEREAS, the MHTBID Owners' Association, also known as the Visit Morgan Hill Board of Directors, have met to consider the amendment to MHTBID Management District Plan Section V. Item C.; and

WHEREAS, the amendments do not change the boundaries of the MHTBID nor the assessment levied; and

WHEREAS, the MHTBID Owners' Association have petitioned the City Council to accept these changes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THAT:

1. The recitals set forth herein are true and correct.
2. The City Council finds that the MHTBID Owners' Association have approved in public forum support of the amendments to the MHTBID Management District Plan Section V. Item C. The City Council accepts the petition and adopts this Resolution amending the MHTBID Management District Plan in accordance with the Property and Business Improvement District Law of 1994.
3. The City Council finds that the amended Plan satisfies all requirements of Streets and Highways Code § 36636.
4. The City Council adopts this Resolution after holding a Public Hearing on November 4, 2020 at 7:00 PM.
5. The Public Hearing is open to the public via virtual participation.

6. At the public meeting and hearing the testimony of all interested persons for or against the amendment of the MHTBID Management District Plan Section V. Item C. may be received. If at the conclusion of the public hearing, there are of record written protests by the owners of the lodging businesses within the MHTBID that pay more than fifty percent (50%) of the estimated total assessment of the entire MHTBID, no further proceedings to amend the MHTBID Management District Plan shall occur for a period of one (1) year.
7. The amended change to Plan is on file with the City Clerk and may be reviewed upon request.
8. This resolution shall take effect immediately upon its adoption by the City Council.

PASSED AND ADOPTED by the City Council of Morgan Hill at a regular meeting held on the 4th day of November 2020 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED:

ATTEST:

RICH CONSTANTINE, 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.20-0XX, adopted by the City Council at the meeting held on November 4, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

2018-2023



MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

*Prepared pursuant to the Property and Business Improvement District Law of
1994, Streets and Highways Code section 36600 et seq.*

October 30, 2018

Packet Pg. 171

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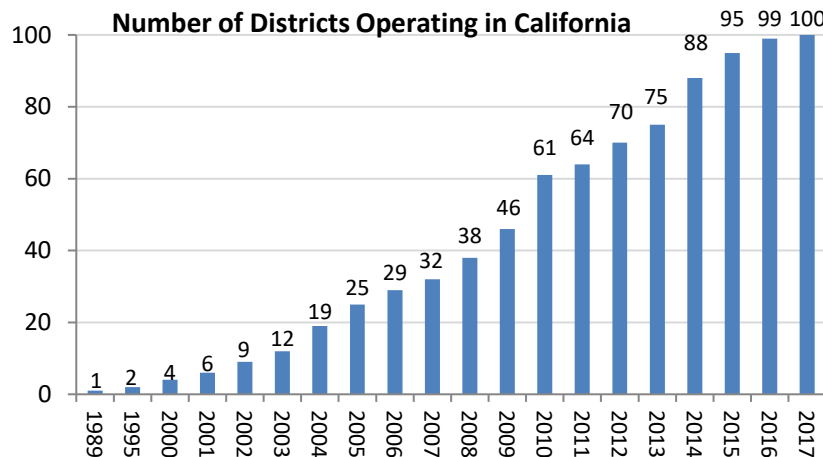
I. OVERVIEW

Developed by City of Morgan Hill (the City) and Morgan Hill lodging businesses, the Morgan Hill Tourism Business Improvement District (MHTBID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion and sports facility management programs for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors. The City and the Morgan Hill lodging businesses desire to enhance tourism activities in Morgan Hill. The vision of marketing and promoting the area for sports recreation and wine tourism, increasing and improving lodging options and demand generators that will collectively ‘grow the pie.’

- Location:** The proposed MHTBID includes all lodging businesses located within the boundaries of City of Morgan Hill, as shown on the map in Section III.
- Services:** The MHTBID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions and sports facility management programs will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.
- Budget:** The total MHTBID annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$410,000.
- Cost:** The annual assessment rate is one and a one-half of percent (1.5%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to December 31, 2018.
- Collection:** The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the MHTBID. The City shall take all reasonable efforts to collect the assessments from each lodging business.
- Duration:** The proposed MHTBID will have a five (5) year life, beginning January 1, 2019 through December 31, 2023. Pursuant to Streets and Highways Code §36670, once per year, beginning on the anniversary of MHTBID formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on MHTBID termination.
- Management:** Visit Morgan Hill (VMH) will serve as the MHTBID’s Owners’ Association. The Owners’ Association is charged with managing funds and implementing programs in accordance with this Plan and must provide annual reports to the City Council within ninety (90) days of the MHTBID’s anniversary (January 1).

II. BACKGROUND

Tourism Business Improvement Districts (TBIDs) are an evolution of the traditional Business Improvement District (BID). The first TBID was formed in West Hollywood, California in 1989. Since then, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TBID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TBID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TBIDs without a state law.



California's TBIDs collectively raise over \$250 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Morgan Hill lodging businesses invest in stable, lodging-specific marketing programs.

TBIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TBID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TBIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TBIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TBIDs:

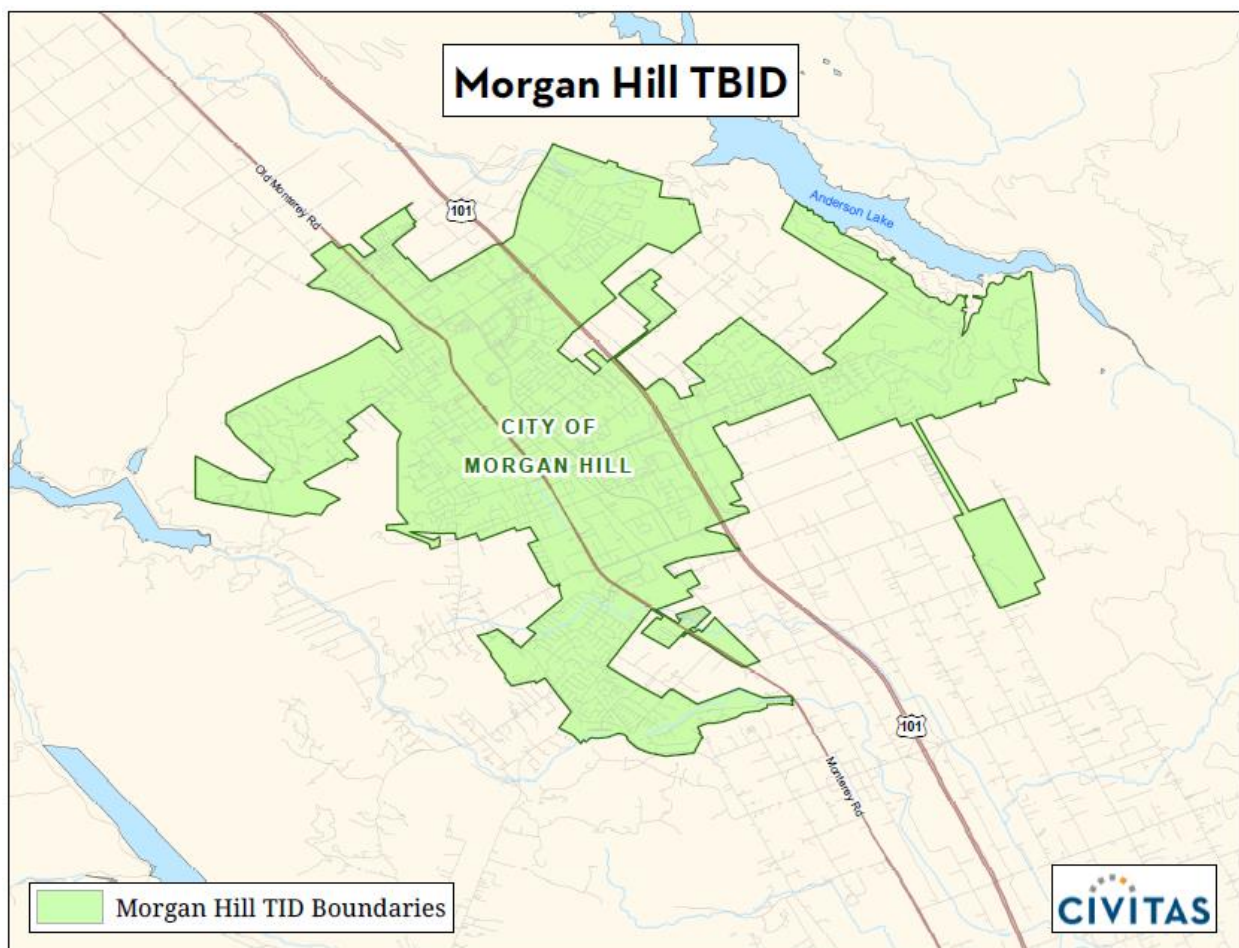
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

III. BOUNDARY

The MHTBID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of City of Morgan Hill.

Lodging business means: any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transient for dwelling, lodging, or sleeping purposes, and includes any hotel, inn, tourist home or house, dormitory, public or private club, recreational vehicle park, mobile home or house trailer at a fixed location located outside a mobile home park and not occupied by employees, operator or owner of said mobile home park, or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes eighteen (18) lodging businesses. A complete listing of lodging businesses within the proposed MHTBID can be found in Appendix 2.

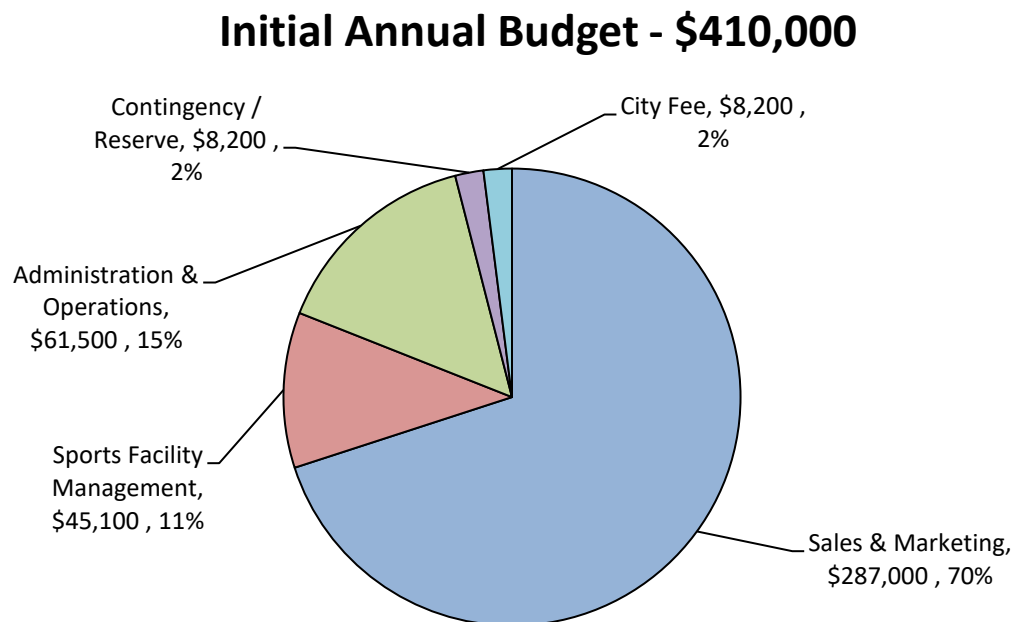


IV. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the MHTBID funds are sales and marketing and sports facility management programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit the assessed businesses. A detailed annual budget will be developed and approved by the Owner's Association, Visit Morgan Hill, Board (VMH). The table below illustrates the initial annual budget allocations. The total initial budget is \$410,000.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the VMH Board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the MHTBID, any and all assessment funds may be used for the costs of defending the MHTBID. In the first year of operation, the costs of creating the MHTBID may be repaid by deducting repayment funds proportionally from budget categories.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by the VMH Board on an as-needed basis.

Sales and Marketing

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Morgan Hill as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Regional tourism promotion and marketing to benefit assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Sales blitzes for assessed businesses;
- Familiarization tours of assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Owners' Association/Visit Morgan Hill staff attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses; and
- Development and maintenance of a website designed to promote assessed businesses.

Sports Promotion, Facilities and Management

The sports promotion, facilities and management portion of the budget shall be utilized for the promotion and improvement of sports facilities, related to the sales and marketing of hotels in the MHTBID to increase the desirability of the City as a place for overnight visits for sports opportunities in Morgan Hill, and may include the following activities:

- Sports marketing and promotion designed to increase overnight visitation and room night sales at assessed businesses;
- Financial incentives to maintain, and attract new sporting events that have a significant impact on lodging business room night generation;
- Improvements to existing sports facilities utilized by overnight visitors designed to create a visitor experience that will bring repeat visits to assessed businesses.

Sports promotion, facilities and management funds shall not be used for ongoing maintenance and operations costs of existing and new sports facilities.

Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

City Administration Fee

The City of Morgan Hill shall be paid a fee equal to two percent (2%) of the amount of assessment collected to cover its costs of collection and administration.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the VMH Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the VMH Board. Contingency/reserve funds may be spent on District programs or administrative and renewal costs in such proportions as determined by the VMH Board. The reserve fund may be used for the costs of renewing the MHTBID.

B. Annual Budget

The total five (5) year improvement and service plan budget is projected at approximately \$410,000 annually, or \$2,050,000 through 2023. This amount may fluctuate as sales and revenue increase and decrease at assessed businesses, but is not expected to change significantly over the term.

C. California Constitutional Compliance

The MHTBID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term ‘assessments’ to levies on real property.¹ Rather, the MHTBID assessment is a business-based assessment and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the MHTBID, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, “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 The services in this Management District Plan (Plan) are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the MHTBID. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the MHTBID, and are narrowly tailored. MHTBID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessee. Assessment funds shall not be used to feature non-assessed lodging businesses in MHTBID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this MHTBID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing and sales and sports facility management programs promoting lodging businesses paying the MHTBID assessment. The marketing and sales and sports facility management programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing and sales and sports facility management programs that specifically benefit

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

² Cal. Const. art XIII C § 1(e)(1)

the assessed lodging businesses, the administration and contingency services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Although the MHTBID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”³

2. Specific Government Service

The assessment may also be utilized to provide, “a 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.”⁴ The legislature has recognized that marketing and promotions services like those to be provided by the MHTBID are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”⁶

3. Reasonable Cost

MHTBID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the VMH, and reports submitted on an annual basis to the City within ninety (90) days of the MHTBID’s anniversary (January 1). Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from MHTBID-funded activities, be featured in advertising campaigns, and benefit from other MHTBID-funded services. Non-assessed lodging businesses will not receive these, nor any other, MHTBID-funded services and benefits.

The MHTBID-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-MHTBID funds. MHTBID funds shall only be spent to benefit the assessed businesses and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is one and a one-half of one percent (1.5%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to December 31, 2018.

The term “gross room rental revenue” as used herein means: the consideration charged, whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor, or otherwise, including all receipts, cash, credits and property, and services of

³ Government Code § 53758(a)

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the “MHTBID Assessment.” The assessment is imposed solely upon and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

The MHTBID shall reimburse the City of Morgan Hill for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent MHTBID assessment are sought to be recovered in the same collection action by the City, the MHTBID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any lodging business that fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
2. *Continued Delinquency:* Any lodging business that fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. *Fraud:* If the City determines that the nonpayment of any remittance due is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties stated in paragraphs in 1 and 2 of this subsection E.
4. *Interest:* In addition to the penalties imposed, any lodging business who fails to remit any assessment imposed shall pay interest at the rate of one-half of one percent (0.5%) or fraction thereof on the amount the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

F. Audits

The City may audit those records kept by the lodging business at any time upon reasonable notice to the lodging business. If the audit reveals an underpayment of assessments in excess of ten percent (10%) of the total amount owed to the City for any consecutive three (3) month period during the audit period, the lodging business shall pay the City’s actual costs to perform the audit as well as the full amounts, plus penalties and interest of assessment, that the audit reveals should have been remitted to the City.

G. Time and Manner for Collecting Assessments

The MHTBID assessment will be implemented beginning January 1, 2019 and will continue for five (5) years through December 31, 2023. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business. The

City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association, Visit Morgan Hill.

H. Disestablishment

Pursuant to Streets and Highways Code §36670, the MHTBID may be disestablished by resolution of the Morgan Hill City Council if there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the MHTBID and either of the following two (2) circumstances exist.

1. Misappropriation of Funds, Malfeasance, or Violation of Law

If the Morgan Hill City Council finds that there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the MHTBID, it shall notice a hearing on disestablishment.

2. Petition by Assessed Lodging Businesses

During the operation of the MHTBID, there shall be a thirty (30) day period each year in which assessed lodging businesses may request disestablishment of the MHTBID. The first such period shall begin one (1) year after the date of establishment of the MHTBID (January 1, 2020) and shall continue for thirty (30) days. The next such thirty (30) days period shall begin two (2) years after the date of the establishment of the MHTBID (January 1, 2021) and shall continue for thirty (30) days. Each successive year of operation of the MHTBID shall have such a thirty (30) day period.

Upon the written petition of the owners or authorized representatives of assessed lodging businesses who pay fifty percent (50%) or more of the MHTBID assessments levied, the Morgan Hill City Council shall pass a resolution of intention to disestablish the MHTBID.

If either of the two (2) circumstances detailed above exist, pursuant to Streets and Highways Code §36670(b), the Morgan Hill City Council shall adopt a resolution of intention to disestablish the MHTBID prior to holding a public hearing on disestablishment. The resolution of intention shall state the reason for the disestablishment, the time and place of the public hearing, and a proposal to dispose of any assets acquired with the MHTBID assessment revenues. Notice of the public hearing on disestablishment of the MHTBID shall be given by mail to the owner of each assessed lodging business within the MHTBID. The Morgan Hill City Council shall conduct the public hearing not less than thirty (30) days after the notice is mailed. The public hearing shall be held not more than sixty (60) days after the adoption of the resolution of intention to disestablish the MHTBID.

V. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the MHTBID as defined in Streets and Highways Code §36612. The City Council has determined that Visit Morgan Hill (VMH) will serve as the Owners' Association for the MHTBID.

The VMH Board shall be comprised of at least nine (9) directors. Among the minimum nine (9) directors:

- Four (4) directors shall be owners or approved managers of lodging businesses paying the MHTBID assessment; and
- Two (2) directors shall be City of Morgan Hill staff members representing Community Services and Economic Development and shall be appointed by the Morgan Hill City Council; and
- One (1) director shall represent a winery located in Morgan Hill region, be in good standing with the Wineries Association of Santa Clara County; and
- One (1) director shall be a representative of an entity associated with sports recreation tourism involved in Morgan Hill; and
- One (1) director shall be a representative of the community at large with an interest in tourism.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the VMH Board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association, Visit Morgan Hill, is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association, Visit Morgan Hill, shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The VMH Board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1) ~~within ninety (90) days of the MHTBID's anniversary (January 1)~~ within one hundred-twenty (120) days of the MHTBID's fiscal year (June 30). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2018 SUPPLEMENT ***
(ALL 2017 LEGISLATION)

STREETS AND HIGHWAYS CODE DIVISION 18. PARKING PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

- (a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.
- (b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.
- (c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.
- (d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.
- (e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:
 - (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.
 - (2) Job creation.
 - (3) Business attraction.
 - (4) Business retention.
 - (5) Economic growth.
 - (6) New investments.
- (f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.
- (g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.
- (h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.
 - (1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.
 - (2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the

incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions

36606. “Activities”

“Activities” means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. “Assessment”

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. “Business”

“Business” means all types of businesses and includes financial institutions and professions.

36608. “City”

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. “City council”

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

36610. “Improvement”

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

36611. “Management district plan”; “Plan”

“Management district plan” or “plan” means a proposal as defined in Section 36622.

36612. “Owners’ association”

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. “Property”

“Property” means real property situated within a district.

36614.5. “Property and business improvement district”; “District”

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

36614.6. “Property-based assessment”

“Property-based assessment” means any assessment made pursuant to this part upon real property.

36614.7. “Property-based district”

“Property-based district” means any district in which a city levies a property-based assessment.

36615. “Property owner”; “Business owner”; “Owner”

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. “Special benefit”

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law**36617. Alternate method of financing certain improvements and activities; Effect on other provisions**

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment**36620. Establishment of property and business improvement district**

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board

of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
- (b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
 - (1) A map showing the boundaries of the district.
 - (2) Information specifying where the complete management district plan can be obtained.
 - (3) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
 - (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
 - (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

- (a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.
- (d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

- (e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.
- (f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.
- (g) The time and manner of collecting the assessments.
- (h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.
- (i) The proposed time for implementation and completion of the management district plan.
- (j) Any proposed rules and regulations to be applicable to the district.
- (k)
 - (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.
 - (2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.
- (l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.
- (m) In a property-based district, the total amount of general benefits, if any.
- (n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.
- (o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

- (a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.
- (b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay

50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments**36631. Time and manner of collection of assessments; Delinquent payments**

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

- (a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may

classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

- (1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.
- (2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500))

or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

- (1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
- (2) The improvements, maintenance, and activities to be provided for that fiscal year.
- (3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
- (4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
- (5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- (6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

- (a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
- (b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.
- (c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

- (a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:
 - (1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.
 - (2) During the operation of the district, there shall be a 30-day period each year in which assesseses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.
- (b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

- (a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.
- (b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

Business Name	Business Address	City, State, ZIP
Budget Inn	19240 Monterey Rd.	Morgan Hill, CA 95037
Comfort Inn	16225 Condit Rd.	Morgan Hill, CA 95037
Courtyard	18610 Madrone Pkwy.	Morgan Hill, CA 95037
Economy Inn	15080 Monterey Rd.	Morgan Hill, CA 95037
Executive Inn	16505 Condit Rd.	Morgan Hill, CA 95037
Extended Stay America	605 Jarvis Rd.	Morgan Hill, CA 95037
Hampton Inn Morgan Hill	16115 Condit Rd.	Morgan Hill, CA 95037
Holiday Inn Express	17035 Condit Rd.	Morgan Hill, CA 95037
Holiday Motel	16210 Monterey Rd.	Morgan Hill, CA 95037
Granada Hotel*	17440 Monterey Rd.	Morgan Hill, CA 95037
La Quinta	17043 Condit Rd.	Morgan Hill, CA 95037
Maple Leaf RV Park	15200 Monterey Rd.	Morgan Hill, CA 95037
Microtel Inn and Suites	16245 Condit Rd.	Morgan Hill, CA 95037
Morgan Hill Inn	16250 Monterey Rd.	Morgan Hill, CA 95037
Paradise Motel	16310 Monterey Rd.	Morgan Hill, CA 95037
California Inn	16525 Condit Rd.	Morgan Hill, CA 95037
Rancho Motel	19040 Monterey Rd.	Morgan Hill, CA 95037
Residence Inn	18620 Madrone Pkwy.	Morgan Hill, CA 95037

*This business is not yet open.

**NOTICE OF PUBLIC MEETING AND PUBLIC HEARING CONCERNING THE
AMENDMENT OF THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT
DISTRICT (MHTBID) MANAGEMENT DISTRICT PLAN SECTION V. ITEM C.**

NOTICE IS HEREBY GIVEN that on November 4, 2020, at 7:00 PM, the City Council (the “Council”) of the City of Morgan Hill (the “City”) will hold a Public Hearing to amend the Morgan Hill Tourism Business Improvement District (the “MHTBID”) District Management Plan Section V. Item C.

NOTICE IS HEREBY FURTHER GIVEN that the Public Hearing will be held virtually via this link: http://morganhillca.iqm2.com/Citizens/Detail_Meeting.aspx?ID=1933. And this public meeting shall be held pursuant to Government Code section 54954.6 to allow public testimony regarding the amendment of the MHTBID Management District Plan Section V. Item C.

Amendment:

Current MHTBID District Management Plan

Section: V. Governance, C. Annual Report

The VMH Board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1) **within ninety (90) days of the MHTBID’s anniversary (January 1).** The annual report shall include:

Amended MHTBID District Management Plan

Section: V. Governance, C. Annual Report

The VMH Board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1) **within one hundred-twenty (120) days of the MHTBID’s fiscal year (June 30).** The annual report shall include:

Protest:

Any owner of a lodging business within the proposed MHTBID may protest the amendment to the MHTBID Management District Plan. If written protests are received from the owners of lodging businesses in the proposed MHTBID who represent fifty percent (50%) or more of the estimated annual assessments to be levied, the amendment shall not be adopted. You may also participate at the public hearing and submit a protest at that time or mail a written protest to:

Office of the City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Information:

Should you desire additional information about this proposed amendment to the MHTBID Management District Plan, contact Edith Ramirez, Economic Development Director for the City of Morgan Hill at edith.ramirez@morganhill.ca.gov.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Adam Paszkowski, Principal Planner
APPROVED BY: City Manager

APPROVE AMENDMENTS TO THE GENERAL PLAN LAND USE MAP AND ZONING MAP, TENTATIVE PARCEL MAP AND MITIGATED NEGATIVE DECLARATION FOR A MIXED USE DEVELOPMENT ON A 19.67-ACRE SITE (APNS 817-09-039, 817-09-040 AND 817-09-041) (GPA2019-0005/ZA2019-0016/SD2019-0007/EA2019-0023-JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS))

RECOMMENDATION(S)

1. Open/close public hearing;
2. Adopt resolution approving the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for the project;
3. Adopt resolution approving an amendment to the General Plan land use designation;
4. Waive the first and second reading of Zoning Amendment Ordinance;
5. Introduce Zoning Amendment Ordinance; and
6. Adopt resolution approving a Tentative Parcel Map.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Advancing Regional Initiatives

2020-2021 Strategic Priorities

Economic Development

GUIDING DOCUMENTS

Economic Blueprint
Morgan Hill 2035 General Plan

REPORT NARRATIVE:

Location Map:



Project Summary:

1. Location: 16130 Juan Hernandez Drive, on the southeast corner of Barrett Avenue and Juan Hernandez Drive (APNs 817-09-039, 817-09-040 and 817-09-041)
2. Site Area: 19.67± Acres
3. General Plan: Commercial
4. Zoning: CS (Service Commercial) and PD (Planned Development Combining District)

Project Description:

The project proposal, Lillian Commons (also referred to as Juan Hernandez - MH Medical Properties), includes a request for a General Plan Amendment (GPA2019-0005), Zoning Amendment and Planned Development Master Plan (ZA2019-0016), and Tentative Parcel Map (SD2019-0007). Although a Site Review/Design Review Permit is required for site improvements, one has not been submitted to date; however, the proposed conceptual development of the site, and the potential development evaluated in the Initial Study prepared for the project, includes construction of the following: a 4,500 square foot urgent care facility; a 10,000 square foot medical building; a 100,000 square foot medical office/hospital with 55 beds; a three-story parking garage with 500 spaces; a 10,000 square foot commercial retail/restaurant building; and a maximum 200-unit multi-family residential development. Site plans have been provided (Attachment 8).

The 19.67± acre project site is located at the southeast corner of the intersection of Juan Hernandez Drive and Barrett Avenue in the City of Morgan Hill. The project site consists of three existing parcels: two undeveloped adjoining parcels of land, Assessor's Parcel Number (APN) 817-09-041 (13.94± acres) and APN 817-09-039 (4.04± acres), and an existing 12,300 square foot medical office, 3,600 square foot surgical facility, and paved parking lot on APN 817-09-040 (1.69± acres).

Planning Commission Action

The Planning Commission reviewed the project on September 29, 2020 and accepted public comment on the proposed project. During the review of the project, the Commission expressed praise for the hospital and medical uses proposed on the project site but had concerns regarding the amount of housing proposed on the site and discussed ways to reduce or eliminate the housing portion of the site. A major concern of the Commission was that residential would be constructed on the site and the hospital/medical uses would not come to fruition. During the September 29th public hearing, the applicant indicated that there were two different hospitals interested in the site; one of which was interested in developing the entire site with hospital and medical uses and the other represented in the conceptual site plan in which half of the property will be developed with hospital and medical uses and the other half would be developed with residential. Please refer to the September 29, 2020 Planning Commission Staff Report (Attachment 9)

The Commission continued the public hearing to October 13, 2020 to allow time for staff to clarify what options the Planning Commission has and to prepare alternative motions that reflected options for a lower building height for residential uses in the Planned Development Master Plan, reducing the number of uses listed in the Planned Development Master Plan, and considerations for limiting residential uses in the Planned Development Master Plan. Please refer to the October 13, 2020 Planning Commission Staff Report (Attachment 11)

In response to the Commission's request of Staff, the applicant also provided a memo to the Planning Commission (Attachment 10) at their October 13, 2020 meeting indicating that they agreed to 1) reduce the building height for residential development from four stories to three stories; 2) reduce the number of residential units from a maximum of 200 units to a maximum of 150 units; 3) reduce the residential uses on 7.5 to 8 acres of the project site; and 4) that residential will be limited to the northern portion of the project site on proposed Parcel C. The applicant also requested in their memo that the Commission allow residential single-family detached dwellings as a permitted use on Parcel C and that the applicant is not interested in a Development Agreement at this time. In response to reducing residential uses on the site, the applicant also provided the Commission a Land Use Bubble Diagram, Illustrative Site Plan and Tentative Parcel Map indicating the changes to the residential use on Parcel C; as well as relocating driveways/EVAs which are consistent with conditions listed in the Tentative Parcel Map. The applicant indicated at the October 13th Planning Commission meeting that the scenario with residential on Parcel C is the most likely scenario at this time and requested the Commission recommend approval of the PD Master Plan with the above changes.

Mitigated Negative Declaration/Mitigation Monitoring and Reporting Program:

An Initial Study/Mitigated Negative Declaration (IS/MND) was prepared for the project by David J. Powers dated June 2020 in conformance with the California Environmental Quality Act (CEQA). In addition, a Mitigation Monitoring and Reporting Program (MMRP) has been prepared (Attachment 13) for the project which includes all measures

required to reduce potentially significant environmental impacts to a less-than-significant level. In addition, the MMRP identifies the timing of implementation; the agency responsible for implementing the mitigation; and the agency responsible for monitoring the mitigation. The project results in no significant environmental impacts with the inclusion of Standard Conditions and Mitigation Measures for Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hydrology and Water Quality, Noise, and Transportation.

At the October 13, 2020 Planning Commission meeting the Commission voted to recommend approval of the Mitigated Negative Declaration/Mitigation Monitoring and Reporting Program for the project on a 6-1 vote.

General Plan Amendment:

The project includes amending the General Plan for the project site from Commercial to Mixed-Use Flex, to accommodate the proposed residential portion of the project. At the October 13, 2020 Planning Commission meeting the Commission voted to recommend approval of the General Plan land use designation amendment for the site from Commercial to Mixed-Use Flex on a 5-2 vote.

Zoning Amendment:

The project includes rezoning the project site from CS (Service Commercial) to MU-F (Mixed-Use Flex) and the establishment of a PD (Planned Development) combining district which requires the approval of a Zoning Map Amendment. Pursuant to Section 18.30.050.A of the Morgan Hill Municipal Code, “the purpose of the Planned Development (PD) combining district is to allow for high quality development that deviates from standards and regulations applicable to base zoning districts in Morgan Hill. The PD combining district is intended to promote creativity in building design, flexibility in permitted uses, and innovation in development concepts. The PD combining district provides landowners with enhanced flexibility to take advantage of unique site characteristics and develop projects that will provide public benefits for residents, employees, and visitors.”

The PD allows a project to deviate from development standards in the base zoning district (except the maximum floor area ratio and residential density may not exceed maximums established in the General Plan). The applicant has provided a list of Proposed Development Standards for the project site as shown in Table 2 of Section 6.0 of the proposed PD Master Plan (Attachment 14). During the September 29th Planning Commission meeting the applicant requested the following deviations from the proposed MU-F zoning district:

- a. Increasing the maximum height from 35-feet to four stories or 45-feet for residential and office uses and three stories or 52 feet for the hospital use; and
- b. Reducing the minimum rear setback to zero (0) feet.

However, as mentioned previously, at the October 13th Planning Commission meeting the applicant agreed to reduce the maximum height of residential uses to three stories.

Permitted land uses in the PD combining district may deviate from the land use regulations of the applicable base zoning district provided the PD combining district allows only those land uses permitted in the applicable General Plan land use designation. The applicant has provided a revised list of Proposed Land Uses, permitted and conditional, for the project site as indicated in Table 1 of Section 5.0 of the proposed PD Master Plan (Attachment 14). In this list, the applicant has included refined uses that are consistent with the Mixed-Use Flex General Plan land use designation.

During the October 13, 2020 Planning Commission meeting several motions were made regarding the approval of the Zoning Amendment and PD Master Plan. The first motion failed on a 3-4 vote to recommend approval of the Zoning Amendment from CS and PD to MU-F and PD and to modify 'Table 1 PD Master Plan Allowed and Conditional Uses' of the proposed PD Master Plan to not include any residential type uses.

Therefore, another motion was made to recommend approval of the Zoning Amendment and PD Master Plan for Parcel C (the northern half of the project site) only from CS and PD to MU-F and PD and amending 'Table 2 PD Master Plan Development Standards' of the proposed PD Master Plan to limit the maximum height of Residential/Office to 3 stories or 35 feet and to modify the proposed PD Master Plan to limit the number of residential units to 150. The motion also included replacing 'Table 1 PD Master Plan Allowed and Conditional Uses' of the proposed PD Master Plan with 'Table 1-1 Parcel C PD Master Plan Allowed and Conditional Uses' which would only apply to Parcel C and would allow the following as Permitted uses: Hospitals; Medical Offices and Clinics; and Mixed Use Residential (no Conditional uses were included in the motion, although the Commission discussed requiring a Conditional Use Permit for the residential uses on the parcel). The motion also included revising the PD Master Plan to incorporate the revised Land Use Bubble Diagram, Illustrative Site Plan, and Tentative Parcel Map as presented by the applicant at the meeting including the public benefit of a parking lot along the parcel's boundary on Barrett Avenue across from Barrett Elementary. The motion was passed on a 4-3 vote.

The above motion was followed by second motion by the Planning Commission to recommend approval of the Zoning Amendment and PD Master Plan for Parcels A, B and D (the southern half of the project site) from CS and PD to MU-F and PD and creating 'Table 1-2 Parcels A, B and D PD Master Plan Allowed and Conditional Uses' of the proposed PD Master Plan to include the following as Permitted uses: Banks and Financial Institutions; Business Support Services; Commercial Recreation, Indoor <15,000 square feet; Cultural Institutions; General Retail; Hospitals; Instructional Services; Medical Offices and Clinics; Parking Lots and Structures; Parks and Recreational Facilities; Personal Services; and Professional Offices; and the following as Conditional uses: College and Trade Schools; Convenience Market; Community Assembly; Day Care Center; Drive-Through and Drive-In Facilities; Emergency Shelters; Farmers Market; Hotels and Motels; Residential Care Facilities; Residential Care Facilities, Small; Restaurant- Fast Food, Sit Down; School, Public and Private; and Social Services; In addition Accessory Uses would be allowed pursuant to Chapter 18.44 of the City's Municipal Code and Temporary Uses would be allowed pursuant to

Section 18.92.150 of the Code. The motion was passed on a 6-1 vote.

Tentative Parcel Map:

The project includes a Tentative Parcel Map to divide the existing three parcels into four parcels consisting of Parcels A, B, C and D. As mentioned previously, at the October 13th Planning Commission meeting the applicant presented a revised Tentative Parcel Map. Therefore, on October 13, 2020 the Planning Commission made a motion to recommend approval of the Tentative Parcel Map as presented by the applicant on a 6-1 vote.

Should the applicant move forward with single family dwellings or other for-sale units, the Tentative Parcel Map would need to be replaced by a Tentative Subdivision Map.

COMMUNITY ENGAGEMENT: Inform

The proposed project was publicly noticed (mailing to property owners within 600 feet of the project and newspaper legal noticing) for the minimum 10-day period and a sign was posted on the project site pursuant to the Planning Division Requirements. The project was also publicly heard at the September 29, 2020 and October 13, 2020 Planning Commission meetings.

ALTERNATIVE ACTIONS:

The City Council could approve the project with amendments, direct staff to make changes to the request, or deny the proposed project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Prior to the Planning Commission September 29, 2020 and October 13, 2020 meetings, the Planning Commission reviewed the preliminary application associated with this project at their January 28, 2020 meeting. As required by Section 18.30.050 (Planned Development Combining District) of the Morgan Hill Municipal Code, the applicant submitted an application for preliminary input from the Planning Commission on the proposed Planned Development on November 1, 2019. At the time, the applicant was requesting a Preliminary Review Application for a 4,500 square foot urgent care facility, a 10,000 square foot cancer center, a 100,000 square foot medical office/hospital with 55 beds, a parking deck, a 10,000 square foot commercial retail/restaurant building, and a 200 to 220-unit multifamily residential development.

FISCAL AND RESOURCE IMPACT:

The City development review functions are cost-recovery, with fees collected from applicants to cover cost of services. These fees have been collected.

CEQA (California Environmental Quality Act):

An Initial Study/Mitigated Negative Declaration (IS/MND) dated June 2020 was prepared for the project by David J. Powers in conformance with the California Environmental Quality Act (CEQA). The IS/MND was circulated for 30-days from June 30, 2020 to July 30, 2020. In summary, the comments received on the IS/MND did not raise any new issues about the project's environmental impacts, or provide information

indicating the project would result in new environmental impacts or impacts substantially greater in severity than disclosed in the IS/MND.

LINKS/ATTACHMENTS:

1. Resolution - Mitigated Negative Declaration
2. Resolution - General Plan Amendment
3. Ordinance - Zoning Amendment
4. Ordinance - Zoning Amendment Exhibit A
5. Resolution - Tentative Parcel Map
6. Resolution - Tentative Parcel Map - Exhibit A Standard Conditions
7. Resolution - Tentative Parcel Map - Exhibit B
8. Proposed Site Plans (weblink)
9. September 29, 2020 Planning Commission Staff Report and Attachments (weblink)
10. Applicant Response to Planning Commission - Updated PD Master Plan
11. October 13, 2020 Planning Commission Staff Report and Attachments (weblink)
12. Initial Study, Mitigated Negative Declaration, & Response to Comments (weblink)
13. Mitigation Monitoring and Reporting Program (MMRP)
14. PD Master Plan - Dated March 2020
15. Staff Presentation

RESOLUTION NO. 20-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE MITIGATED NEGATIVE DECLARATION THAT WAS PREPARED IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND RECOMMENDING APPROVAL OF A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS) (APNS 817-09-039, 817-09-040 AND 817-09-041)

WHEREAS, prior to the adoption of this Resolution, the Planning Division of the City of Morgan Hill prepared an Initial Study and a Mitigated Negative Declaration for the Juan Hernandez – MH Medical Properties Project (Planning File No's. GPA2019-0005, ZA2019-0016, SD2019-0007 and EA2019-0023) in accordance with the requirements of the California Environmental Quality Act of 1970, as amended (“CEQA”), and state and local guidelines implementing CEQA; and

WHEREAS, the Juan Hernandez – MH Medical Properties Project (“Project”) analyzed under the Initial Study/Mitigated Negative Declaration consists of the request to amend the General Plan land use designation, a Zoning Amendment, subdivide the property into 4 lots, and Planned Development Master Plan for property located on the southeast corner of the intersection of Juan Hernandez Drive and Barrett Avenue (APNs: 817-09-039, 817-09-040 and 817-09-041); and

WHEREAS, in connection with the approval of a project involving the preparation of an Initial Study/Mitigated Negative Declaration that identifies one or more significant environmental effects, CEQA requires the decision-making body of the lead agency to incorporate feasible mitigation measures that would reduce those significant environment effects to a less-than-significant level; and

WHEREAS, whenever a lead agency approves a project requiring the implementation of measures to mitigate or avoid significant effects on the environment, CEQA also requires a lead agency to adopt a Mitigation Monitoring and Reporting Program to ensure compliance with the mitigation measures during project implementation; and

WHEREAS, the City of Morgan Hill is the lead agency on the Project, and the City Council is the decision-making body for the proposed Project; and

WHEREAS, the Planning Commission has reviewed, considered and recommended approval of the Initial Study/Mitigated Negative Declaration and related Mitigation Monitoring and Reporting Program for the Project at their October 13, 2020 meeting; and

WHEREAS, the City Council has reviewed and considered the Initial Study/Mitigated Negative Declaration and related Mitigation Monitoring and Reporting Program for the Project; and

WHEREAS, the Initial Study/Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Project are, by this reference, incorporated into this Resolution as if fully set forth herein; and

WHEREAS, the Project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 89.5 of the California Department of Fish and Game Code.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. THAT THE CITY COUNCIL does hereby make the following findings:

- (1) It has independently reviewed and analyzed the Initial Study/Mitigated Negative Declaration and other information in the record and has considered the information contained therein, prior to acting upon the Project;
- (2) The Initial Study/Mitigated Negative Declaration prepared for the Project has been completed in compliance with CEQA and consistent with state and local guidelines implementing CEQA; and
- (3) The Initial Study/Mitigated Negative Declaration represents the independent judgment and analysis of the City as lead agency for the Project. The Development Services Director of the Development Services Department at 17575 Peak Avenue, Morgan Hill, California 95037, is the custodian of documents and records of proceedings on which this decision is based.
- (4) On the basis of the whole record before it (including the initial study and any comments received), there is no substantial evidence that the project will have a significant effect on the environment with the application of mitigation measures.

SECTION 2. THAT THE CITY COUNCIL does hereby adopt the Mitigation Monitoring and Reporting Program prepared for the Project. The Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program are: (1) on file in the Development Services Department, Planning Division, located at 17575 Peak Avenue, Morgan Hill CA 95037 and (2) available for inspection by any interested person on-line at: <https://www.morgan-hill.ca.gov/2037/Lillian-Commons> rather than in person.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 4th day of November 2020 by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

APPROVED:

ATTEST:

RICH CONSTANTINE, 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.20-XXX, adopted by the City Council at the meeting held on November 4, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. 20-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT GPA2019-0005 TO AMEND THE GENERAL PLAN LAND USE MAP ON A 19.67-ACRE SITE FOR THE JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS) (APNS 817-09-039, 817-09-040 AND 817-09-041) FROM COMMERCIAL TO MIXED-USE FLEX

WHEREAS, the project applicant Lillian Commons, LLC proposes to amend the General Plan land use designation from Commercial to Mixed Use Flex on an 19.67-acre site located on the southeast corner of the intersection of Juan Hernandez Drive and Barrett Avenue (APNs: 817-09-039, 817-09-040 and 817-09-041); and

WHEREAS, the General Plan Amendment to amend the map was reviewed and found to be consistent with the 2035 General Plan; and

WHEREAS, an Initial Study/Mitigated Negative Declaration was prepared and found consistent with the California Environmental Quality Act (CEQA); and

WHEREAS, such request was considered and recommended for approval by the Planning Commission at its regular meeting of September 29, 2020 and October 13, 2020;

WHEREAS, such request was considered by the City Council at its regular meeting of November 4, 2020; 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 MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed General Plan Amendment is found to be consistent with the policies and provisions of the Morgan Hill 2035 General Plan as described in the staff report to the Planning Commission, incorporated herein by this reference.

SECTION 2. An Initial Study and Mitigated Negative Declaration (MND) was prepared in compliance with CEQA. The City Council of the City of Morgan Hill hereby finds that, on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment with the application of mitigation measures and that the Mitigated Negative Declaration reflects the Planning Commission's

independent judgment and analysis, and that the Mitigated Negative Declaration was considered prior to action taken to adopt this Resolution.

SECTION 3. The City Council of the City of Morgan Hill adopts the General Plan Amendment application, GPA2019-0005: Juan Hernandez – MH Medical Properties (Lillian Commons).

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 4th day of November 2020 by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

APPROVED:

ATTEST:

RICH CONSTANTINE, 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.20-XXX, adopted by the City Council at the meeting held on November 4, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

ORDINANCE NO. XXXX

AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING A ZONING MAP AMENDMENT FOR A MIXED-USE FLEX AND PLANNED DEVELOPMENT COMBINING DISTRICT AND MASTER PLAN FOR A MIXED-USE DEVELOPMENT ON A 19.67-ACRE SITE LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF JUAN HERNANDEZ DRIVE AND BARRETT AVENUE (JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS)) (APNS 817-09-041, 817-09-039 AND 817-09-040)

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

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

The project complies with the allowed density range for units and floor area ratio on the site in accordance with the General Plan.

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

The project is a mixed-used development that would provide health care services, retail and housing opportunities within the City.

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

The project is a mixed development proposal consisting of medical, retail and residential development. The project builds off the existing medical offices on the site to provide a complete medical services center; provides a small commercial component with retail/restaurant uses to serve the employees and visitors to the medical office/hospital uses as well as the surrounding community; provide housing for the medical office/hospital uses that would be affordable to the employees of these uses; provide housing in proximity to a school, commercial services and employment opportunities.

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

The proposed development is consistent with the policies established by the General Plan and Zoning Code.

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

The development will allow a mix of compatible uses, including a residential component to provide sustainability to the remainder of the uses, and a retail and medical office/hospital component to provide work opportunities to the neighborhood and community.

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

Several public benefits include a medical center featuring medical offices, urgent care/pharmacy, and hospital beds; high-density housing to achieve Regional Housing Needs Allocation by providing lower income housing units; open space, courtyards, and plazas available to the public that provide opportunities for people to informally meet and gather; pedestrian and bicycle pathways that enhance circulation within the property and connect to the surrounding neighborhood; locate housing in proximity to parks, school, retail and employment opportunities to reduce vehicle miles traveled and greenhouse gas emissions; provide green buildings and sustainable development features, including photovoltaic renewable energy and exceeding Title 24 standards by three to five percent; and provide accessible parks and open space beyond the minimum required.

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

The project site is 19.67-acres and will have a density of 7 to 24 dwelling units per acre and a floor area ratio of 0.42 to 0.5. The size and shape of the site will accommodate the proposed medical, retail, residential and open space uses.

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

The site fronts Juan Hernandez Drive and Barrett Avenue. There are wet and dry utilities and infrastructure in the surrounding area that will support the project.

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

The project is compatible with the surrounding single-family residential uses and Barrett Elementary School and will not have a substantial adverse effect with Conditions of Approval and Mitigation Measures included. The open space and residential uses will provide a suitable buffer between the adjacent single-family residences and school.

SECTION 10. The request was considered by the Planning Commission at its regular meeting of September 29, 2020 and October 13, 2020, at which time the Planning Commission recommended approval of Zoning Amendment application, ZA2019-0016: Juan Hernandez – MH Medical Properties (Lillian Commons) and the Planned Development Master Plan as described in the attached Exhibit “A” dated October 30, 2019, and revised on March 13, 2020, and further revised by applicant on October 6, 2020, and by this reference incorporated herein. The City Council accepts the recommendation of the Planning Commission.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE 4th DAY OF NOVEMBER 2020, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 18th DAY OF NOVEMBER 2020, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

IRMA TOREZ, City Clerk

⌘ CERTIFICATE OF THE CITY CLERK ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. XXXX, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 18th day of November 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Ordinance - Zoning Amendment [Revision 3] (2892 : Lillian Commons)

EXHIBIT A

Planned Development Master Plan

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

Lillian Commons/Morgan Hill Medical Campus A Mixed Use Development

Lillian Commons, LLC-Applicant

**October 30, 2019
Revised March 13, 2020**



Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)

**Prepared by
EMC Planning Group**

PD MASTER PLAN ZONING AMENDMENT /
GENERAL PLAN AMENDMENT /
APPLICATION FOR DEVELOPMENT PERMIT

Lillian Commons/Morgan Hill Medical Campus A Mixed Use Development

Prepared for

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March 13, 2020

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1.0

INTRODUCTION

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

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

The PD Master Plan presents the following required information:

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

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

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

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2.0

PLANNING OBJECTIVES

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

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

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3.0

COMMUNITY BENEFITS AND GENERAL PLAN AMENDMENT JUSTIFICATION

3.1 Planned Development Community Benefits

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

- Provide the City with a well-rounded medical center featuring medical offices, urgent care/ pharmacy, and hospital beds.
- Provide the City with additional high-density housing to help the City achieve its Regional Housing Needs Allocation for lower income housing, and construct affordable housing units.
- Provide the neighborhood and City with open space, courtyards, and plazas that provide opportunities for people to informally meet and gather.
- Provide the neighborhood and City with pedestrian and bicycle pathways that enhance circulation within the property and connect to the surrounding neighborhood.
- Locate housing in proximity to parks, a school, retail, and employment opportunities to reduce vehicle miles traveled and greenhouse gas emissions.
- Provide the City with green buildings and sustainable development features. These will include photovoltaic renewable energy and meeting or exceeding Title 24 standards by three to five percent.
- Provide accessible parks and open space beyond the minimum required by the City. Park land will be dedicated to the City and the project will provide a walking/ jogging trail around the perimeter of the property to facilitate healthy living.

3.2 General Plan Amendment Justification

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

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

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

This definition suits the development planned in the PD Master Plan, as the PD Master Plan conceptual Site Plan incorporates housing near the medical office/hospital uses that is intended to be affordable to the employees of these uses. In addition, the conceptual Site Plan incorporates a small commercial component within a 10,000 square foot building, with retail/restaurant uses to serve the employees and visitors to the hospital as well as the surrounding residential community. The conceptual Site Plan shows how the medical office/hospital, commercial, and high-density residential uses will be arranged and connect with one another.

Best Interest of the Community

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

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

The mix of uses will provide convenient retail uses and services adjacent to both the high density residential uses and the medical office/hospital. The medical office/hospital will be located close to a freeway access, and just off two thoroughfares (Tennant Avenue and Butterfield Boulevard) providing convenient access to Morgan Hill residents and those from elsewhere in the region.

Public Need

Is there currently a public need for this amendment?

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

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

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

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

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

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

² [All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.](#)

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4.0

PROPERTY AND DEVELOPMENT DESCRIPTIONS

4.1 Property Description

Location

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

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

Property Characteristics

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

Existing Land Use Designation and Zoning

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

Property Data

Project Location

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

Street Address

0 and 16130 Juan Hernandez Drive, Morgan Hill, CA

Existing Assessor's Parcel Numbers

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

Acreage

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

Net Property Acreage: 4.03, 1.66, and 13.49 (19.18- acres)

Zoning

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

General Plan Designation

Mixed Use Flex (amended from Commercial)

4.2 PD Master Plan Description

General Plan Amendment

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

Zoning Map Amendment

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

Parcel Map

A parcel map will divide the property's three existing parcels into four parcels to facilitate development or sale. The two vacant parcels would be subdivided into three parcels (A-C). The existing medical office site (Parcel D), would be reconfigured and included as part of the overall PD Master Plan. [Figure 9, Tentative](#)

Parcel Map, prepared by the project engineer indicates how the property will be subdivided. The three existing lots will be re-organized into four parcels. Parcel A, 4.17 acres, Parcel B, 1.78 acres, Parcel C, 9.49 acres, Parcel D, 4.13 acres, and 0.10 acres will be dedicated as right-of-way along Barrett Avenue.

Development

Development anticipated within the PD Master Plan would be in the range of 350,000 – 417,696 square feet of residential, commercial, office, and/or institutional uses, including up to 200-150 multi-family dwelling units. All land uses permitted in the PD Master Plan are presented in Section 5.0.

Figure 10, Site Plan is presented in Section 4.5. The conceptual Site Plan includes five uses. The square footage of each use is that provided on the conceptual Site Plan, and could slightly increase or decrease.

- 4,500 square foot urgent care/pharmacy facility on the existing medical site;
- 10,000 square foot medical office as cancer center;
- 100,000 square foot medical office and hospital with a parking deck (multi-story with 54,000 square-foot footprint);
- 10,000 square foot commercial retail/restaurant building; and
- 200-150-unit multifamily residential development ~~(178,500 square feet living units plus clubhouse, and 32,886 square feet covered carports).~~

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

Parcel A

The proposed medical/hospital facility will occupy one building in Parcel A. Two pick-up/drop-off areas are located adjacent to the proposed buildings to assist patients. Development of Parcel A includes a 500-space parking structure that will be shared by the adjacent uses along with access and utility infrastructure. A small park is also located on Parcel A for visitors and employees.

Parcel B

This parcel will be developed with approximately 10,000 square feet of commercial/retail uses, including a 5,000 square-foot sit down restaurant, a 55-space surface parking lot, and access and utility infrastructure. The remaining 5,000 square feet will be available for other personal service or retail uses. The mix of uses within this building will be market driven and could fluctuate over the life of the building.

Parcel C

Parcel C will be developed with 200-150 multifamily residential units ~~in five buildings, a 3,000-square foot leasing office/club house, interior recreation area, covered and uncovered parking for 359-vehicles~~

and bicycles. Additional vehicle parking will be available through a shared parking agreement with the developer of Parcel A. ~~The proposed mix of units consists of 61 one bedroom units and 139 two bedroom units. Two of the five buildings will be three stories, approximately 35 feet tall, and are located closest to Juan Hernandez Drive. The other three buildings will be four stories, approximately 45 feet tall and will be placed around an interior recreation area and swimming pool.~~ Parcel C may also be developed with Single Family attached and detached for-sale dwelling units or other medical office uses.

Parcel D

Parcel D includes two existing medical buildings totaling 15,900 square feet and parking. The existing medical buildings will remain and a new one story 4,500 square foot urgent care/pharmacy medical facility will be constructed on this parcel, located in what is now occupied by a portion of the parking lot, leaving 30 surface parking spaces to remain for the existing medical facility and urgent care/pharmacy. A 10,000 square foot medical office – cancer center and a 66-space surface parking lot will be developed on this reconfigured parcel. Parking for the existing medical building displaced by the proposed urgent care/pharmacy facility will be replaced adjacent to the proposed medical office – cancer center and through a shared parking agreement with the remainder of the medical facility that will be developed on the new Parcel A.

Parkland/Open Space

The PD Master Plan includes the provision of approximately 2.9 acres of parks and open space. Amenities on Parcel C include a swimming pool, hot tub, lounging patio, and tot lot/play area, open play fields, and jogging/walking trail connections to adjacent sidewalk systems. Recreational parkland amenities in Parcel A include passive recreational opportunities with a landscaped area and park benches located between the medical/hospital facility and the commercial uses on Parcel B. Trail connections are provided throughout the property including new pedestrian access to the existing medical campus (Parcel D).

Site Access/Circulation

Access to the project site will be provided by four driveways: the existing driveway to the medical office would be retained and extended to provide secondary access to the medical/hospital facility and cancer center. An additional driveway, approximately 460 feet north of the existing driveway, will provide the primary access to Parcels A-C through the middle of the property. Two additional driveways will provide secondary access to the multifamily residential development from Barrett Avenue. The accessways for all project components are interconnected within the property. All new accessways will be designed to meet City of Morgan Hill design and performance standards for streets, driveways, curb, gutter and sidewalks. The conceptual Site Plan provides a layout of the circulation system for the project.

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

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

Parking

Parking will be located on each parcel and a shared parking agreement will be implemented per Municipal Code Section 18.72.050, on-site parking alternative-Section F, to meet the parking needs of the development. Parking below standards for some uses will be met by implementing a shared parking agreement between the newly created parcels within the property. Additionally, the mix of land uses will result in walking trips that will reduce parking demands for some uses.

Signage and Lighting

A detailed signage and lighting plans will be submitted during the Design Review phase of the project review. Signage and lighting will comply with the City of Morgan Hill Municipal Code, Sections 18.88 and 18.72.060G. We anticipate signage will be located at the intersection of Juan Hernandez Drive and the main access drive into the property, currently labeled as Street A on the conceptual Site Plan. Additional internal signage locations have not been determined at this time.

Storm Water Infrastructure

All drainage systems will be designed to comply with City and Regional Water Quality Control Board requirements for storm water management. Bio swales will be dispersed throughout the development, including a 25-foot wide landscape buffer along the east property line and a storm water basin, located in the southeast corner of the property. All drainage improvements will be designed and landscaped to meet City and State design criteria and performance standards. Where necessary, fencing around the ponds will consist of black chain link or decorative fencing and landscaping to shield views from US Highway 101 and onsite patrons.

Other Utilities

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

Phasing

The proposed project would likely be constructed in phases starting with development of Parcel C, followed by development of Parcels B and D, and closing with the development of Parcel A. The hospital use will require approvals by the Office of Statewide Health Planning and Development (OSHDP) and the Division of the State Architect, some approvals could take as long as seven years, which is why it is expected to be the final element of the project to be developed. Full occupancy of all uses is assumed to occur in the year 2025-2027. Market factors could result in a changed phasing sequence.

Conceptual Development Plans

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

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

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

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

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

Full Size Plans, Illustrative Building Elevations, provided under separate cover, illustrate the building elevations and provide perspective renderings for each building. The building architecture and design are inspired by a distinctly modern and geometric aesthetic, using classical materials for a timeless appearance. The elevations are crafted of warm wood, grey stone and contrasting light stucco. The transparent glazing panes will provide ample daylight and animate the buildings, flooding the interior spaces with natural light and the orthogonal volumes and surfaces complement each other. The parking deck form is reduced in mass by using landscape screens facing US Highway 101.

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

Conceptual Site Development Data

The PD Master Plan's conceptual Site Plan (see Figure 10) is used to provide the numbers that were used to prepare the project description and CEQA documentation. Additional dwelling units or floor area may be achieved on the property. The PD Master Plan allows a range of 350,000 – 417,696 square

feet of commercial, office, and/or institutional floor space and a maximum of ~~200~~ 150 multi-family or single family dwelling units. It is expected the conceptual Site Plan will be modified prior to Design Review. Modification will be kept to a limit acceptable to not trigger additional CEQA impacts or mitigation measures. If the conceptual Site Plan changes exceed this limit, additional CEQA documentation may be necessary.

Medical Office/Cancer Center

Building Coverage: 10,000 square feet

Floor Area: 10,000 square feet

Building Height: One story (25-foot maximum)

Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 2 EV spaces, and 5 bicycle spaces

Medical/Hospital

Building Coverage: 33,333 square feet

Floor Area: 100,000 square feet

Building Height: Three story (52-foot maximum including rooftop equipment)

Parking: 500 shared spaces within deck, including 9 ADA spaces, 10 EV spaces, and 25 bicycle spaces

Decked Parking

Building Coverage: 54,000 square feet

Building Height: Three story (32-foot)

Retail/Restaurant

Building Coverage: 10,000 square feet

Floor Area: 10,000 square feet

Building Height: One story (25-foot)

Parking: 55 spaces, including 3 ADA spaces, 2 EV spaces, and 5 uncovered bicycle spaces

Multi-Family Housing

Building Coverage: 51,750 square feet (apartments and clubhouse/leasing office)³

Floor Area: 175,500 square feet – apartments; 3,000 square feet – club house⁴

Building Height: Varies by building: Three story (35-foot maximum); ~~Four-story (45-foot)~~

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

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

Dwelling Units: 200-150 Units (~~conceptual Site Plan assumes 61 at 1 bedroom and 139 at 2 bedroom, or 200 units~~)

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

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

Urgent Care and Pharmacy

Building Coverage: 4,500 square feet

Floor Area: 4,500 square feet

Building Height: One story (25-foot)

Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 3 uncovered bicycle spaces

Existing Medical Buildings

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

Floor Area: 15,900 square feet

Building Height: One story

Parking: 96 shared spaces, including 30 existing spaces, 4 ADA spaces, 2 EV spaces and 4 uncovered bicycle spaces.

Park

Open Space / Passive Park Acreage: +/- 2.2 acres

Recreation exclusive for Multi-Family: +/- 0.70 acres

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

Total Building Coverage

(Net Property Land Area: 835,391 square feet / 19.18 acres)

Allowed: 417,696 square feet (50% of net land area)

Proposed: Not to exceed 50% (conceptual Site Plan indicates 212,319 square feet (25% of net land area)

Floor Area Ratio (FAR)

(Net Property Land Area: 835,391 square feet / 19.18 acres)

Maximum FAR (per MU-F 0.5): 417,696 square feet

Proposed FAR: (0.42-0.5) 350,000 to 417,696 square feet (conceptual Site Plan indicates 351,786 square feet)

Total Square Feet

(Within buildings/carports on conceptual Site Plan)

Retail/Restaurant: 10,000 square feet

Medical Offices (4): 30,400 square feet

Medical/Hospital: 100,000 square feet

Residential: 178,500 square feet (includes club house/leasing office at 3,000 square feet)

Covered Residential Parking: 32,886 square feet – expected to be carports

Total: 351,786 square feet – (does not include the commercial parking structure)

Total Parking

Proposed Vehicle Parking: 1,010 spaces total (96 compact spaces at bio swales)

Covered Vehicle Parking: 700 spaces (500 spaces within parking structure)

Bicycle Parking: 118 (36 covered spaces, 82 uncovered spaces)

ADA Parking: 28 spaces

Electric Vehicle (EV): 23 spaces

4.3 Implementing Approvals

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

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

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

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

4.4 Ownership and Ongoing Obligations

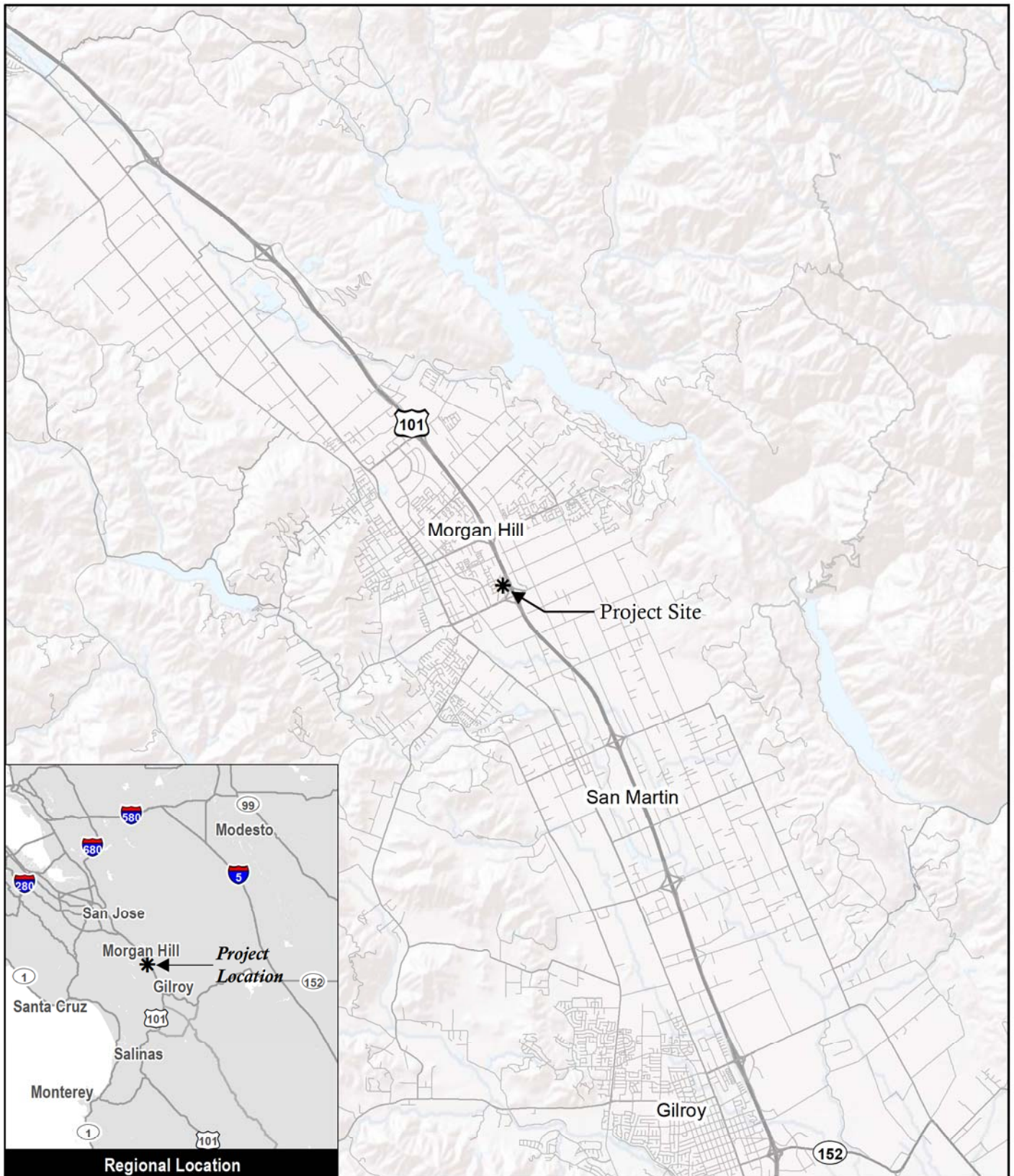
The PD Master Plan, General Plan Amendment, and subdivision proponent seeks to obtain City approval of the General Plan Amendment, PD Master Plan and subdivision entitlements. The applicant/proponent intends to develop Parcel D with the Medical Center (e.g. urgent care/pharmacy, cancer center, medical offices, etc.). The medical /hospital parcel, retail/restaurant parcel, and residential parcel will most likely be sold to end users or to specialized developers.

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

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

4.5 Maps and Diagrams

Maps and Diagrams are presented on the following pages.



Source: ESRI 2019

Figure 1

Regional Location Map

Lillian Commons/Morgan Hill Medical Campus



0 2 miles



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Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)



0 300 feet



Subject Property



Morgan Hill
City Limits

Source: ESRI 2019, Santa Clara County GIS 2018

Figure 2

Vicinity Map



Lillian Commons/Morgan Hill Medical Campus

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Lillian Commons/Morgan Hill Medical Campus

Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)



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1. THIS MAP REPRESENTS AN AERIAL TOPOGRAPHIC SURVEY PERFORMED BY WHITSON ENGINEERS ON JUNE 26, 2019. MAPPING SCALE IS 20' PER INCH WITH CONTOURS AT ONE FOOT INTERVALS.
2. THIS MAP PORTRAYS THE SITE AT THE TIME OF THE SURVEY AND DOES NOT SHOW SOILS OR GEOLOGICAL INFORMATION, UNDERGROUND CONDITIONS, EASEMENTS, ZONING OR REGULATORY INFORMATION OR ANY OTHER ITEMS NOT SPECIFICALLY REQUESTED BY THE CLIENT.
3. BOUNDARY LOCATIONS SHOWN HEREON WERE DETERMINED WITH THE BENEFIT OF A FIELD SURVEY SUPPLEMENTED BY RECORD DATA. ALL BOUNDARY SHOWN IS FROM RECORD DATA. THIS TOPOGRAPHY DOES NOT CONSTITUTE A BOUNDARY SURVEY THERE ARE NO EASEMENTS OR OTHER RIGHTS, RECORDED OR UNRECORDED, AFFECTING THE SUBJECT PROPERTY WHICH ARE NOT SHOWN HEREON.
4. DISTANCES AND DIMENSIONS SHOWN ARE EXPRESSED IN FEET AND DECIMALS THEREOF, UNLESS OTHERWISE NOTED.
5. LOCATING OF UNDERGROUND UTILITIES WAS NOT WITHIN THE SCOPE OF THE TOPOGRAPHIC SURVEY. WITH THE EXCEPTION OF OBSERVED FACILITIES, SIZE AND LOCATION OF UNDERGROUND UTILITIES ARE SHOWN BASED ON AS-BUILT DOCUMENTS PROVIDED BY THE CITY OF MORGAN HILL.

LOCAL BENCHMARK TAKEN AS 2-INCH BRASS DISC.
ELEVATIONS SHOWN HEREON ARE RELATIVE TO THE NORTH
AMERICAN VERTICAL DATUM OF 1988 (NAVD88). ELEVATIONS
WERE DETERMINED THROUGH STATIC GPS OBSERVATIONS AND
THE USE OF THE NATIONAL GEODETIC SURVEY'S ONLINE
POSITIONING USER SERVICE (OPUS). A NAVD88 ELEVATION OF
343.77 FEET FOR THE BRASS DISC WAS ESTABLISHED FOR
THE LOCAL SITE BENCHMARK DESIGNATED POINT NUMBER 600,
SHOWN HEREON.

	SUBJECT PROPERTY LINE
	ADJACENT PROPERTY LINE
	CENTERLINE
	SANITARY SEWER LINE
	WATER LINE
	STORM DRAIN
	EXISTING CONTOUR
	UTILITY MANHOLE
	STORM DRAIN CATCH BASIN
	FIRE HYDRANT
	WATER VALVE
	SURVEY MONUMENT (FOUND)

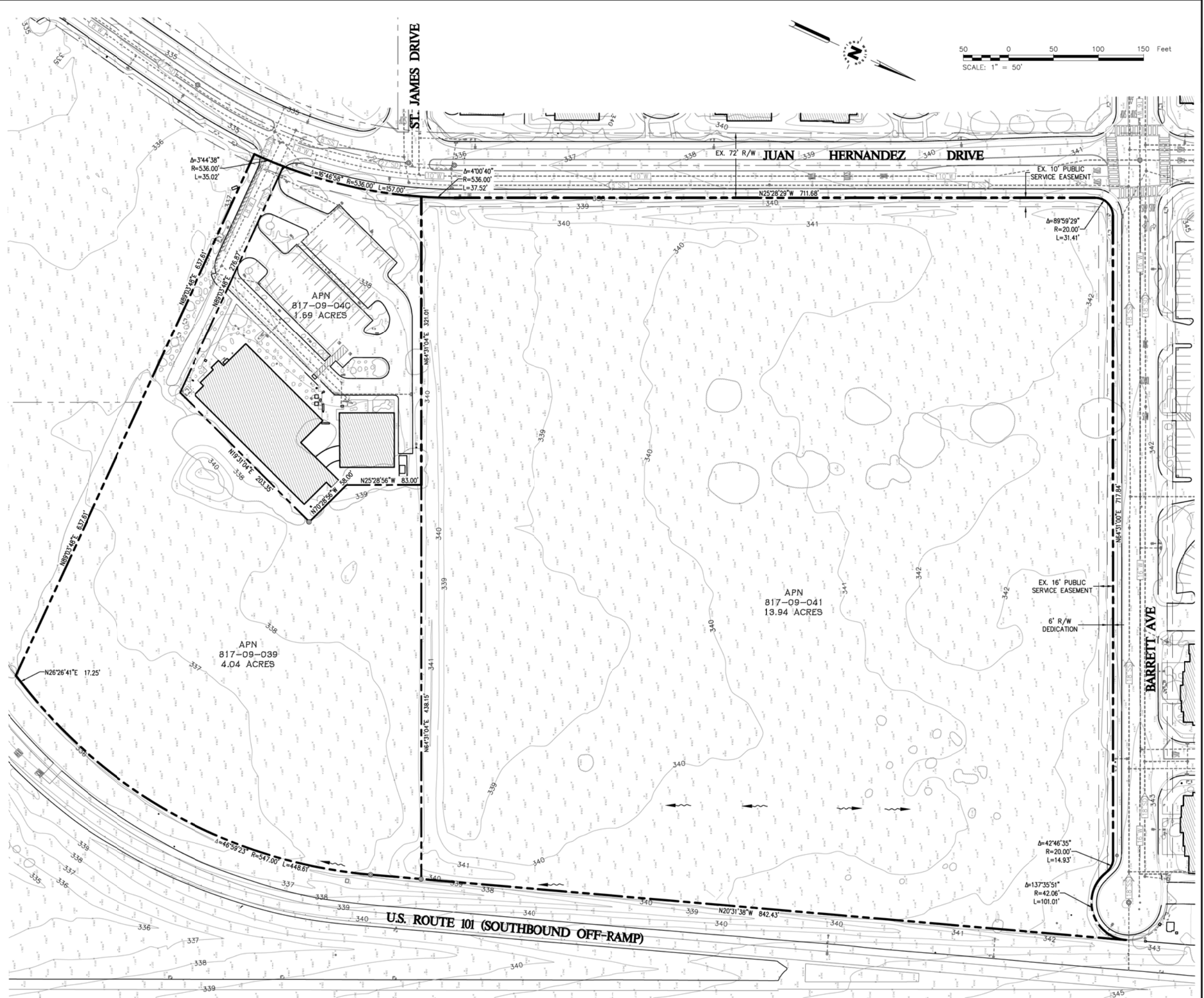
AC	ACRE
BW	BACK OF WALK
CB	CATCH BASIN
CH-LNK	CHAIN LINK
CONC	CONCRETE
EP	EDGE OF PAVEMENT
FL	FLOWLINE
GR	GRATE
HP	HIGH POINT
IN	INVERT
JP	JOINT POLE
LP	LOW POINT
MH	MANHOLE
OH	OVERHEAD
PL	PROPERTY LINE
SD	STORM DRAIN
SS	SANITARY SEWER
TO	TOP OF CURB
TS	TRAFFIC SIGNAL
WV	WATER VALVE
WM	WATER METER
x271.19	EXISTING SPOOT ELEVATION

WHITSON ENGINEERS
6 HARRIS COURT
MONTEREY, CA 93940

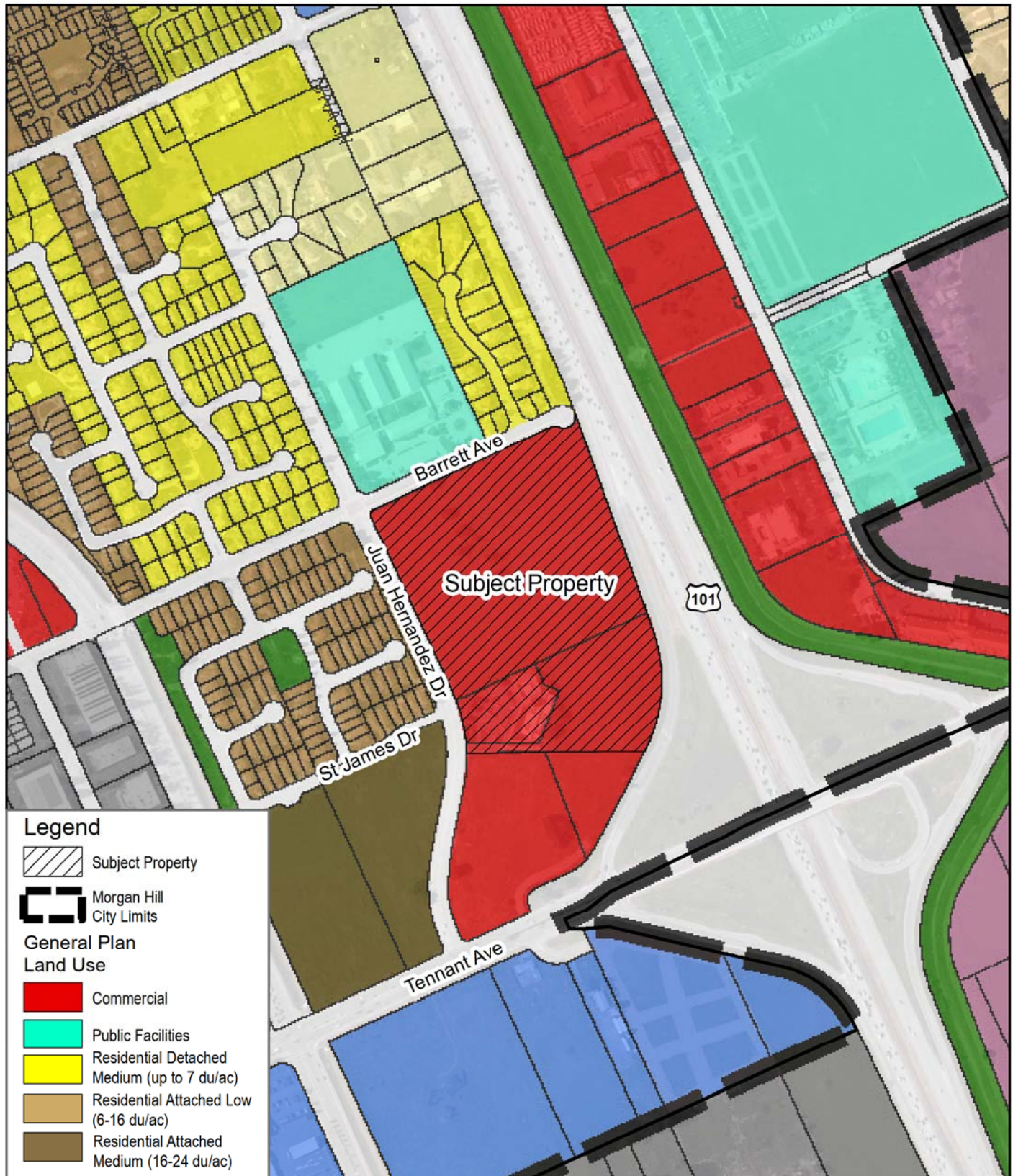
EVOCO ARCHITECTURE
160 SOUTH LINDEN AVENUE, SUITE 210
SOUTH SAN FRANCISCO, CA 94080

W. JEFFREY HEID LANDSCAPE ARCHITECT
6179 ONEIDA DRIVE
SAN JOSE, CA 95123

C1.0	EXISTING CONDITIONS MAP
C2.0	CONCEPTUAL SITE AND UTILITY PLAN
C2.1	CONCEPTUAL GRADING PLAN



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0 300 feet

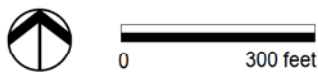
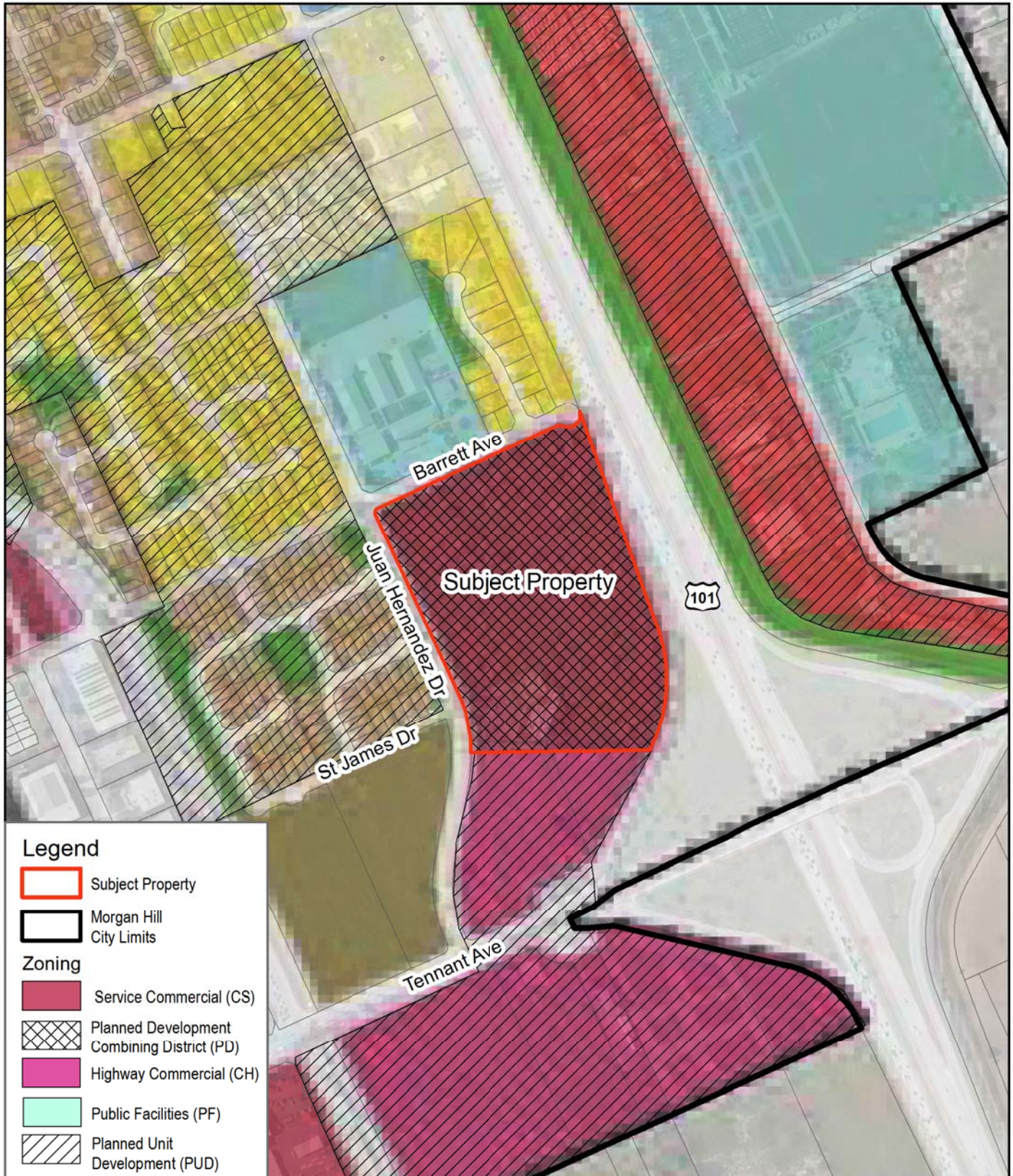
Source: ESRI 2019, Santa Clara County 2017

Figure 5

Existing City General Plan Land Use Map

Lillian Commons/Morgan Hill Medical Campus

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Source: ESRI 2019, Santa Clara County 2017

Figure 6

Existing City Zoning Map

Lillian Commons/Morgan Hill Medical Campus



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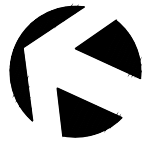
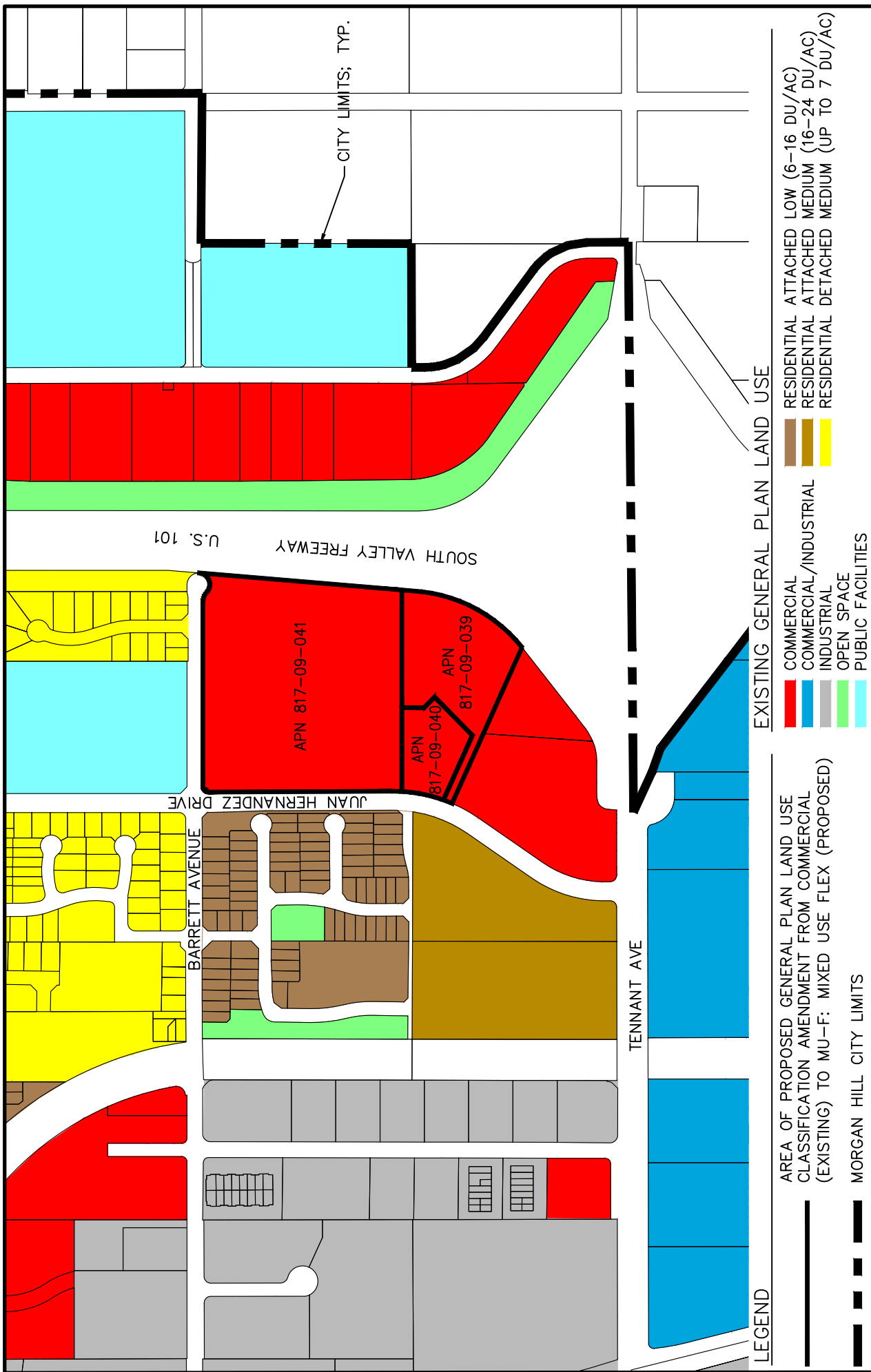


FIGURE 7 - PROPOSED GENERAL PLAN AMENDMENT TO THE CITY OF MORGAN HILL ENTITLED 0 JUAN HERNANDEZ DRIVE,

PREPARED BY:
 HITSON ENGINEERS
 HARRIS COURT
 SAN JOSE, CA 95128
 (408) 649-5225

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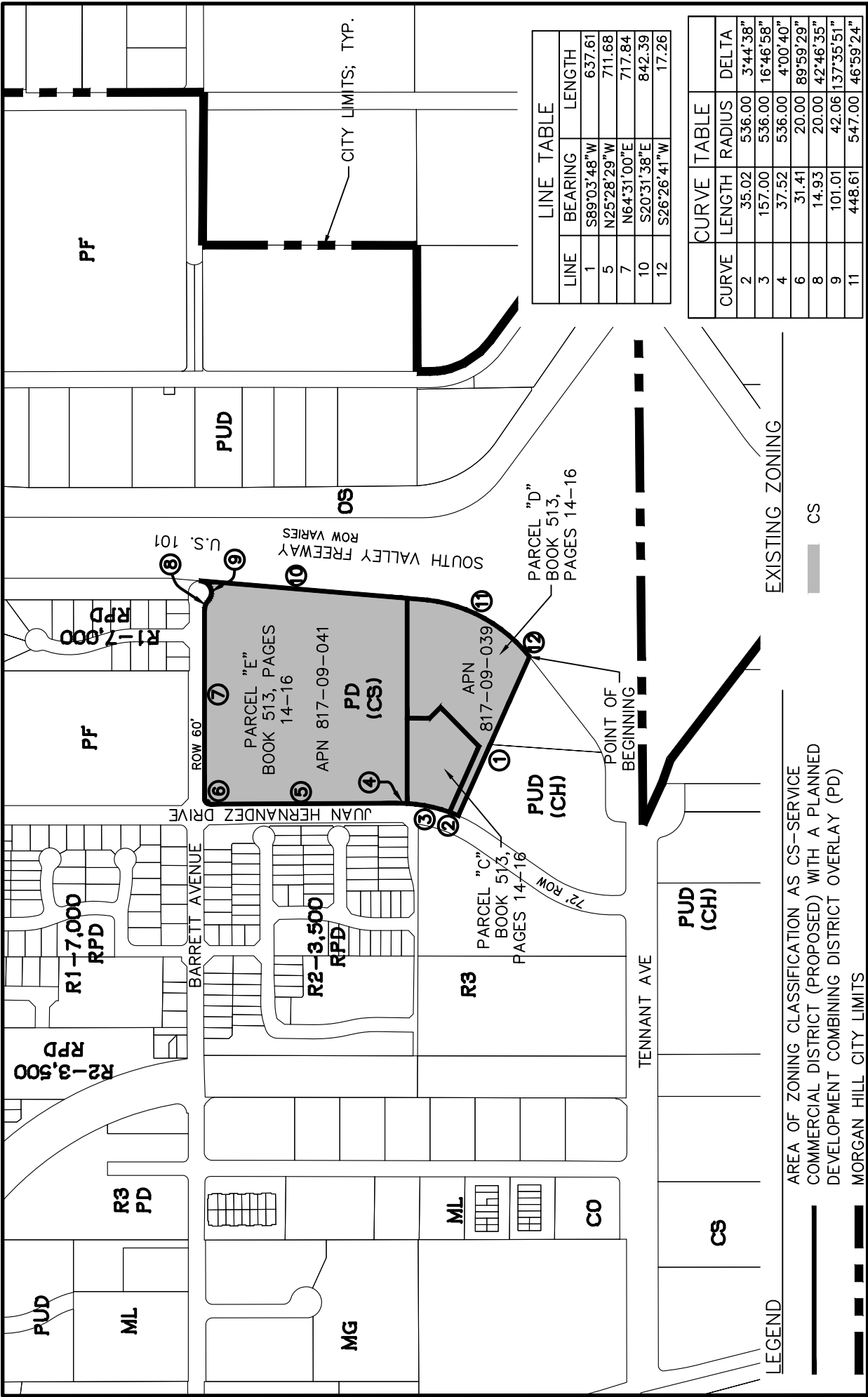
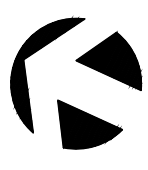


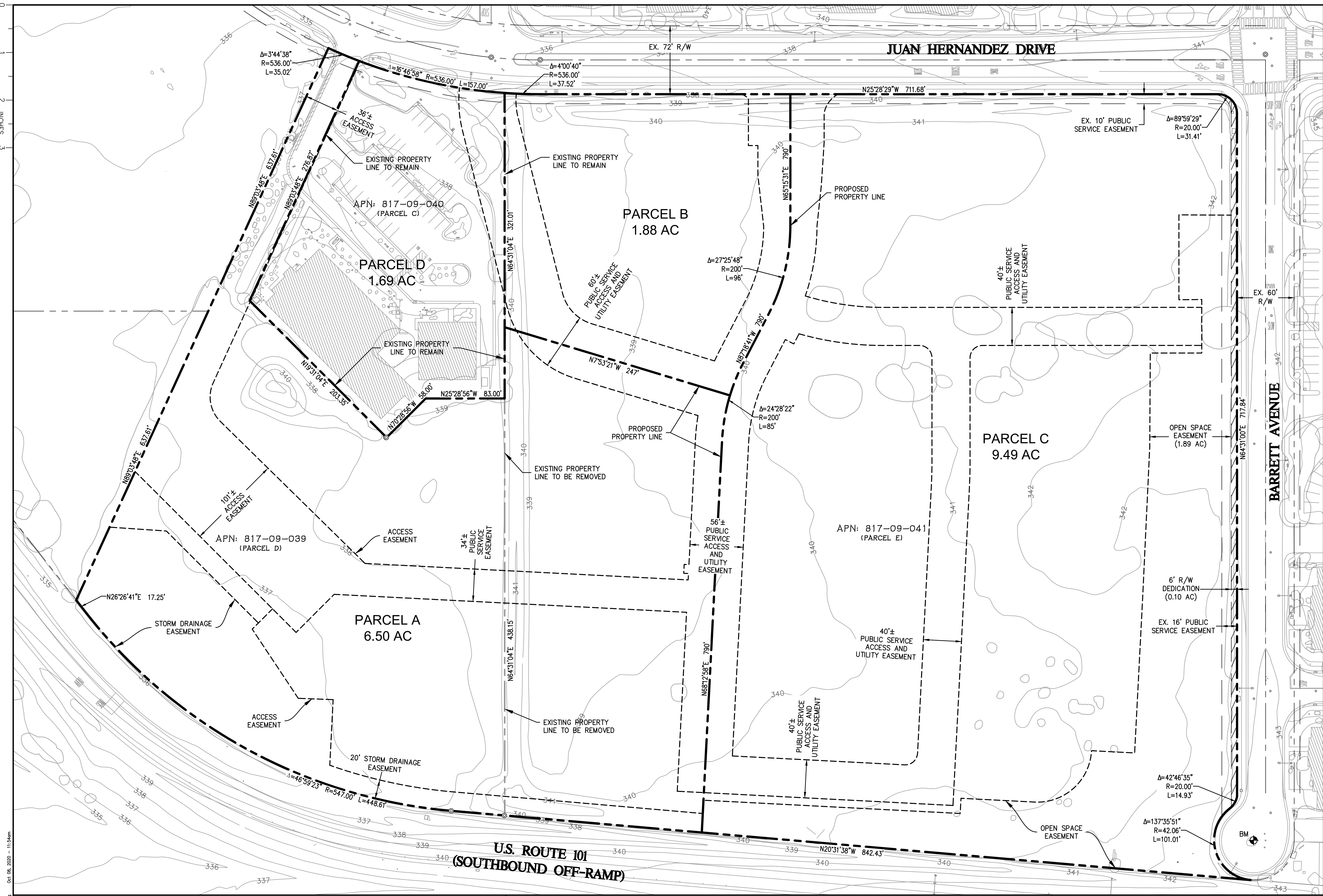
FIGURE 8 - MAP SHOWING ZONING LANDS OF 0 JUAN HERNANDEZ DRIVE, MORGAN HILL, BEING A PART OF ORDINANCE No. _____,

PREPARED BY:
 HITSON ENGINEERS
 HARRIS COURT
 MONTEREY, CA 93940
 (415) 649-5225

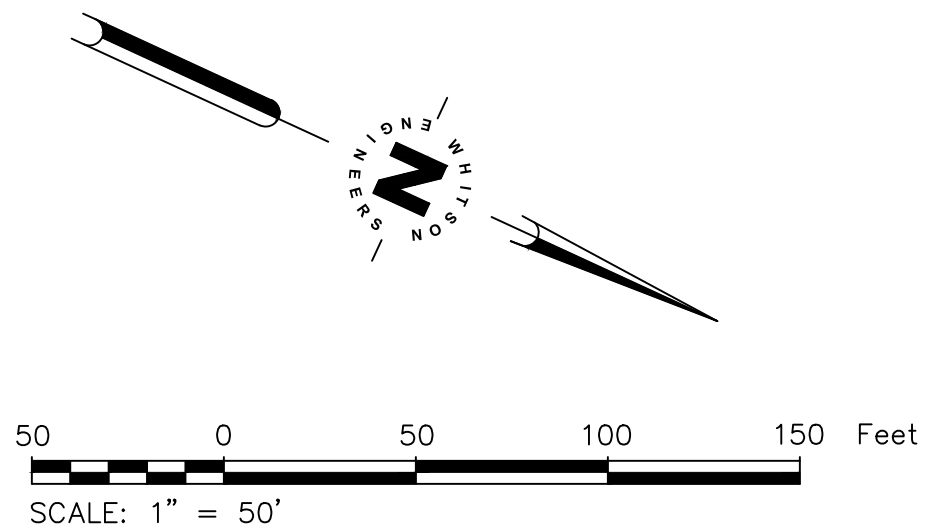


11.d

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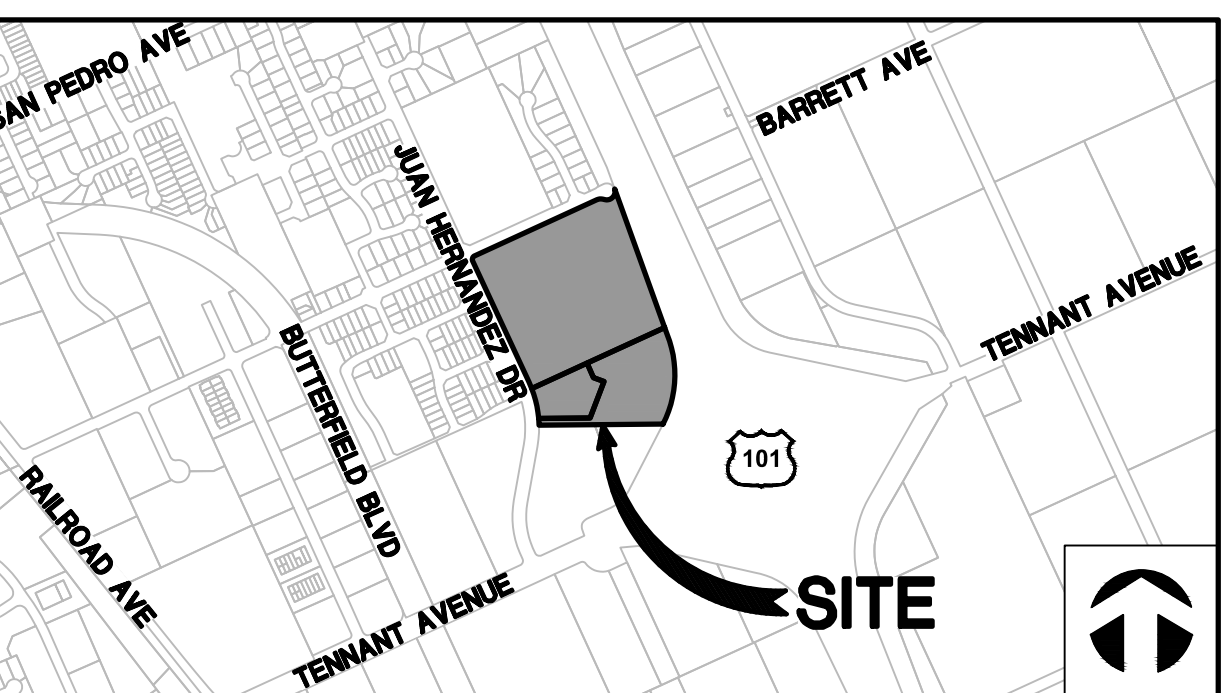
T:\Monterey\Projects\2690.01 - Morgan Hill\CAD\PLANS\2690.01-11.dwg Oct 08, 2020 - 11:54am



SUBDIVISION NOTES

PROPERTY DATA		OFF-SITE UTILITIES:		ON-SITE UTILITIES:	
ASSESSORS' PARCEL NO.:	817-09-039	STORM DRAINAGE	CITY OF MORGAN HILL	STORM DRAINAGE	PRIVATE
	817-09-040	SANITARY SEWER	CITY OF MORGAN HILL	SANITARY SEWER	PRIVATE
	817-09-041	WATER	CITY OF MORGAN HILL	WATER	CITY OF MORGAN HILL
		GAS & ELECTRIC	PACIFIC GAS & ELECTRIC	GAS & ELECTRIC	PACIFIC GAS & ELECTRIC
		TELEPHONE	VERIZON	TELEPHONE	VERIZON
LOCATION OF PROPERTY:	0 JUAN HERNANDEZ DRIVE				
EXISTING LAND USE:	COMMERCIAL				
PROPOSED LAND USE:	MIXED USE-FLEX (MU-F)				
EXISTING AND PROPOSED ZONING:	SERVICE COMMERCIAL (CS) WITH A PLANNED DEVELOPMENT (PD) OVERLAY				
		<u>NOTES:</u>			
		1. SUBDIVIDER SHALL CONFORM TO THE REQUIREMENTS OF THE CITY OF MORGAN HILL CODE OF ORDINANCES CHAPTER 17.32 IN REGARDS TO SUBDIVISION IMPROVEMENTS.			
		2. LOT DIMENSIONS AND EASEMENT LOCATIONS ARE PRELIMINARY AND SUBJECT TO CHANGE PENDING FINAL ENGINEERING DESIGN.			
		3. THE PROJECT WILL BE PHASED.			

PARCEL SUMMARY	
DESCRIPTION	AREA (AC)
PARCEL A	6.50
PARCEL B	1.88
PARCEL C	9.49
PARCEL D	1.69
R/W DEDICATION	0.10
TOTAL	19.67



VICINITY MAP SCALE: 1" = 1000'

ABBREVIATIONS/LEGEND	
	GROUND CONTOUR
	PROPOSED PROPERTY LINE
	EXISTING PROPERTY LINE TO BE REMOVED
	ADJACENT PROPERTY LINE
	CENTERLINE
	EXISTING EASEMENT
	PROPOSED EASEMENT
	TREE DRIP LINE
	BENCHMARK
	SURVEY MONUMENT
	RIGHT OF WAY DEDICATION

LEGAL DESCRIPTION
PARCELS C, D AND E, AS SAID PARCELS ARE SHOWN AND SO DESIGNATED ON THE PARCEL MAP FILED FOR RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16, SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.

BENCHMARK
LOCAL BENCHMARK TAKEN AS 2-INCH BRASS DISC. ELEVATIONS SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). ELEVATIONS WERE DETERMINED THROUGH STATIC GPS OBSERVATIONS AND THE USE OF THE NATIONAL GEODETIC SURVEY'S ONLINE POSITIONING USER SERVICE (OPUS). A NAVD88 ELEVATION OF 343.77 FEET FOR THE BRASS DISC WAS ESTABLISHED FOR THE LOCAL SITE BENCHMARK DESIGNATED POINT NUMBER 600, SHOWN HEREON.

PROJECT TEAM	
OWNER/APPLICANT LILLIAN COMMONS, LLC 782 SLEEPER AVENUE MOUNTAIN VIEW, CA 94040 (605) 575-9608	CIVIL ENGINEER WHITSON ENGINEERS 6 HARRIS COURT MONTEREY, CA 93940 RICHARD WEBER, RCE 55219 (831) 649-5225
PLANNER EMC PLANNING GROUP, INC. 301 LIGHTHOUSE AVENUE SUITE 210 MONTEREY, CA 93940 MICHAEL GROVES (831) 649-1799	ARCHITECT EVOCO ARCHITECTURE 160 SOUTH LINDEN AVENUE SUITE 210 SOUTH SAN FRANCISCO, CA 94080 DEEPAK PATANKAR (415) 312-0454

LANDSCAPE ARCHITECT
W. JEFFREY HEID LANDSCAPE
ARCHITECT
6179 ONEIDA DRIVE
SAN JOSE, CA 95123

JEFFREY HEID
(408) 691-5207



TENTATIVE PARCEL MAP
0 JUAN HERNANDEZ DRIVE
PROPOSED SUBDIVISION OF
PARCELS C, D, AND E AS SHOWN ON
BOOK 513 OF MAPS ON PAGE 16
CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA



ORIGINAL: SEPTEMBER 25, 2020
REVISED: OCTOBER 6, 2020
PROJECT No. 2690.01

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Lillian Commons / Morgan Hill Medical Campus

SITE DATA:

APN: 817-09-039, 040 and 041

Site Area: GLA -19.67 AC, 856,782 SF

Structure Size:

Parcel A - Proposed Medical Office / Hospital - 4.17 AC
100,000 SF, 500 Pkg. Spaces
0.44 AC Passive Park

Parcel B - Proposed Commercial/Restaurant - 1.78 AC
10,000 SF, 55 Pkg. Spaces

Parcel C - Proposed Residential Apartments - 9.49 AC
175,500 SF Res., 359 Pkg. Spaces
3,000 SF Leasing Office/Club House
2.42 AC Park/Recreation

Parcel D - Proposed Urgent Care/ Existing Medical - 4.13 AC
15,900 SF Ex. Medical
4,500 SF Proposed Urgent Care
10,000 SF Proposed Medical Office,
96 Pkg. Spaces

Right-of-way Dedication - 0.10 AC

Zoning: Service Commercial - CS w/ PD Overlay

Existing General Plan Designation: Commercial

Proposed General Plan Amendment: Mixed Use Flex

Parking: Total Required 1,161 spaces/ Provided 1,010 spaces*

Required: Medical Office / Hospital @ 1/200 = 652 spaces

Proposed: Medical Office / Hospital @ 1/219 = 596 spaces

Required: Retail/Restaurant @ 1/250 and 1/100 = 70 spaces
(Assumes 5,000 Retail and 5,000 Restaurant)

Proposed: Retail/Restaurant 55 spaces

Required: Apartments @ 1.5/1 bdrm and 2.0/2 bdrm = 375 spaces

Guest Parking at 1/3 DU = 68 spaces Total = 443 (203 covered)

Proposed: Apartments 359 spaces

*Shared parking proposed per Municipal Code Section 18.72.050

Lot Coverage:

Building = 212,319 SF (25% NLA)

Parking/Driveways = 227,804 SF

Landscape/Storm Water Mgmt. = 335,045 SF

Hardscape = 81,614 SF

Floor Area Ratio: 351,786 SF (0.42%)

LEGEND:

- Site Boundary (Whitson Engineering)
- ▒ Structures on Site
- ▒ Parking Carports



0 50' 100'

Figure 10

SITE PLAN

PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA

October 30, 2019



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM

Monterey, CA 831.649.1799 www.emcplanning.com

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Lillian Commons / Morgan Hill Medical Campus

LEGEND

- Buildings / Carports
- Existing Sidewalks
- Walkways / Jogging Paths
- Gathering Areas
- Park / Recreation / Open Space
- Landscape Buffers / Open Space

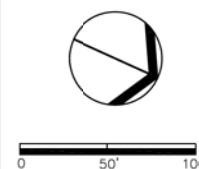


Figure 11

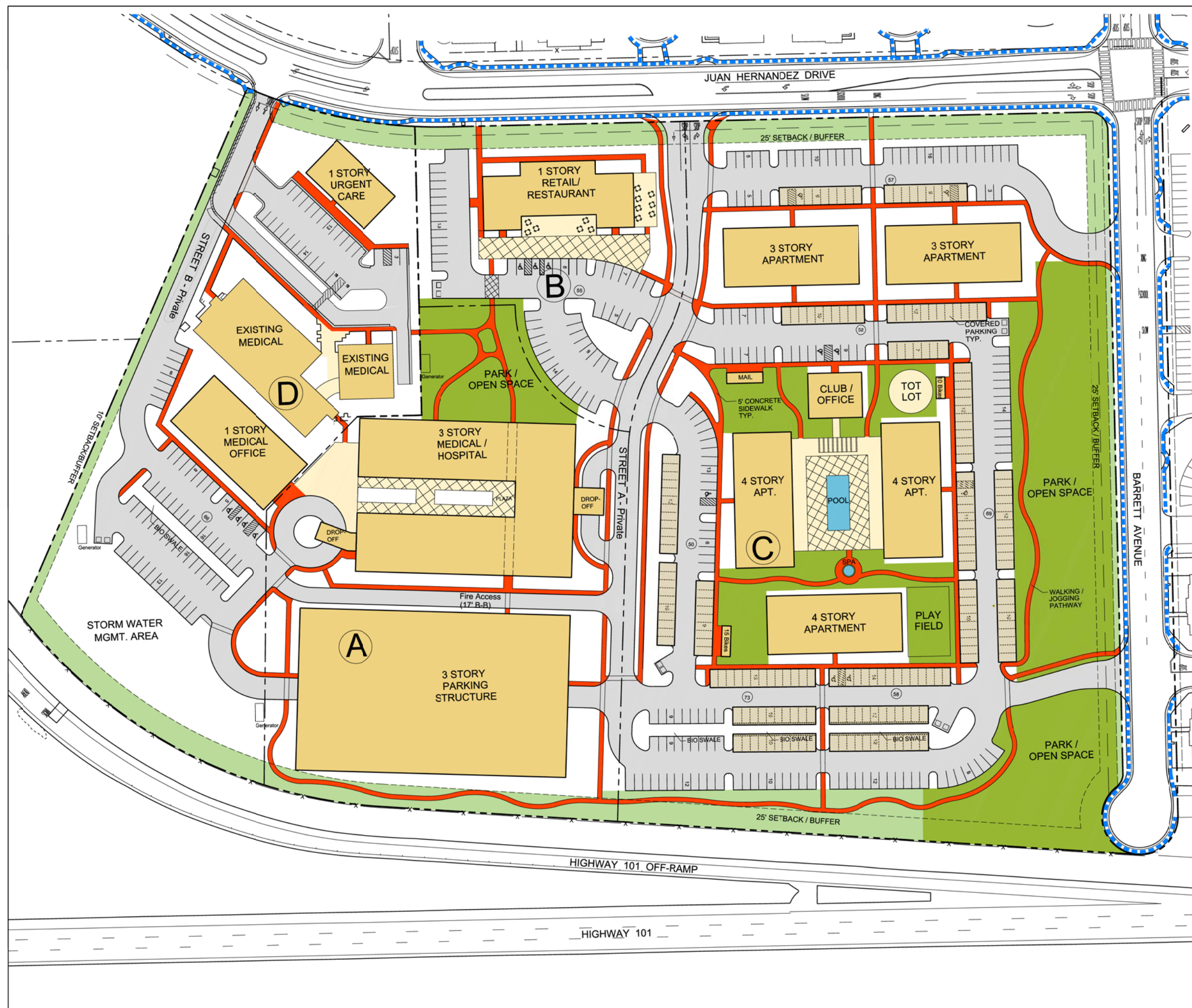
PEDESTRIAN CIRCULATION / OPEN SPACE PLAN

PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA

October 30, 2019



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com



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Lillian Commons / Morgan Hill Medical Campus

SITE DATA:

APN: 817-09-039, 040 and 041

Site Area: GLA -19.67 AC, 856,782 SF

Parcel A - Proposed Medical Office / Hospital - 6.50 AC
100,000 - 130,00 SF, 566 Pkg. Spaces

Parcel B - Proposed Commercial/Restaurant - 1.88 AC
10,000 SF, 50 Pkg. Spaces

Parcel C - Proposed Residential - 9.49 AC
150 Dwelling Units Maximum
1.98 AC Park/Recreation
School Drop-off/Pick-up Lot

Parcel D - Proposed Urgent Care/ Existing Medical - 1.69 AC
15,900 SF Ex. Medical
4,500 SF Proposed Urgent Care
31 Pkg. Spaces

Right-of-way Dedication - 0.10 AC

Zoning: Service Commercial - CS w/ PD Overlay

Existing General Plan Designation: Commercial

Proposed General Plan Amendment: Mixed Use Flex

Parking: Total Required 790 spaces/ Provided 895 spaces*

Required: Medical Office / Hospital @ 1/200 & other = 452 spaces

Proposed: Medical Office / Hospital @ 1/200 & other = 597 spaces

Required: Retail/Restaurant @ 1/250 and 1/100 = 70 spaces

(Assumes 5,000 Retail and 5,000 Restaurant)

Proposed: Retail/Restaurant 50 spaces

Required: SF Residential (2 covered per DU + guest pkg.) 268 spaces

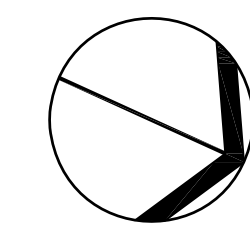
Proposed: SF Residential (2 covered per DU + guest pkg.) 268 spaces

*Shared parking proposed between Parcels per Municipal Code Section 18.72.050

Floor Area Ratio: 417,696 SF (0.5% max.)

LEGEND:

- Buildings
- Buffers / Open Space
- Sidewalks/Pathways
- Landscaping
(See Landscape Plan for Details)
- Park / Recreation



0 50' 100'

Figure 12

ILLUTRATIVE SITE PLAN

PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA

October 30, 2019

Revised October 6, 2020



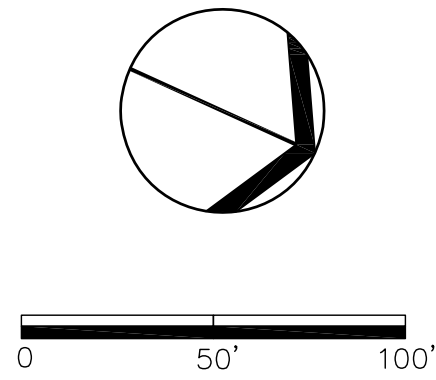
EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM

Monterey, CA 831.649.1799 www.emcplanning.com



Lillian Commons / Morgan Hill Medical Campus

SITE DATA:
APN: 817-09-039, 040 and 041
Site Area: GLA -19.67 AC, 856,782 SF
Mix Use Parcels:
Medical Campus - 8.19 AC, 42% of GLA
Commercial - 1.88 AC, 10% of GLA
Residential - 7.51 AC, 38% of GLA
Park - 1.98 AC, 10% of GLA
Right-of-way Dedication - 0.10 AC



LAND USE BUBBLE DIAGRAM
PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA
October 6, 2020



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com

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PROJECT DATA

1.

PROPERTY DATA:
ASSESSORS PARCEL NO.: 817-09-039
817-09-040
817-09-041
3.

EXISTING SITE:
PERVIOUS: ±18.51 AC
IMPERVIOUS: ±1.16 AC
TOTAL AREA: ±19.67 AC
4.

PROPOSED SITE:
PERVIOUS: ±8.82 AC
IMPERVIOUS: ±10.75 AC
RIGHT OF WAY DEDICATION: ±0.10 AC
TOTAL AREA: ±19.67 AC
5.

OFF-SITE UTILITIES:
STORM DRAINAGE CITY OF MORGAN HILL
SANITARY SEWER CITY OF MORGAN HILL
WATER/FIRE CITY OF MORGAN HILL
GAS & ELECTRIC PACIFIC GAS & ELECTRIC
TELEPHONE VERIZON

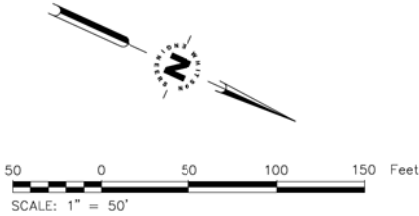
ON-SITE UTILITIES:
STORM DRAINAGE PRIVATE
SANITARY SEWER PRIVATE
WATER/FIRE PRIVATE
GAS & ELECTRIC PACIFIC GAS & ELECTRIC
TELEPHONE VERIZON
6.

ESTIMATED PRELIMINARY EARTHWORK:
CUT: ±30,000 CY
FILL: ±30,000 CY
NET BALANCE
7.

LEGAL DESCRIPTION:
PARCELS C, D AND E, AS SAID PARCELS ARE SHOWN AND SO DESIGNATED ON THE PARCEL MAP FILED FOR RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16, SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.
8.

PARCEL AREAS:
PARCEL A 4.17 AC
PARCEL B 1.78 AC
PARCEL C 9.49 AC
PARCEL D 4.13 AC
R/W DEDICATION 0.10 AC
TOTAL AREA: 19.67 AC
9.

BUILDING SETBACKS:
FRONT 25'
REAR 0'
SIDE 0'
STREET 15'



CONSTRUCTION KEYNOTES:

1. SOUTHBOUND LEFT TURN LANE CHANNELIZATION PER TRAFFIC STUDY.
2. STORMWATER BASIN SIZED TO DETAIN THE 10-YEAR, 24-HOUR STORM EVENT, INCLUDING FLOW CONTROL STRUCTURE TO LIMIT POST-PROJECT PEAK FLOWS TO PRE-PROJECT PEAK FLOWS FOR THE 2- THROUGH 10-YEAR STORM EVENTS.
3. CONNECT TO EXISTING WATER MAIN.
4. CONNECT TO EXISTING SEWER MAIN.
5. CONNECT TO EXISTING STORM DRAIN.
6. ACCESSIBLE PARKING. SEE SITE PLAN FOR PARKING COUNT AND REQUIREMENTS.
7. TRASH ENCLOSURE.
8. DOMESTIC WATER BACKFLOW DEVICE.
9. FIRE MAIN DOUBLE CHECK ASSEMBLY.
10. FIRE HYDRANT.

CONSTRUCTION PLAN LEGEND

- #

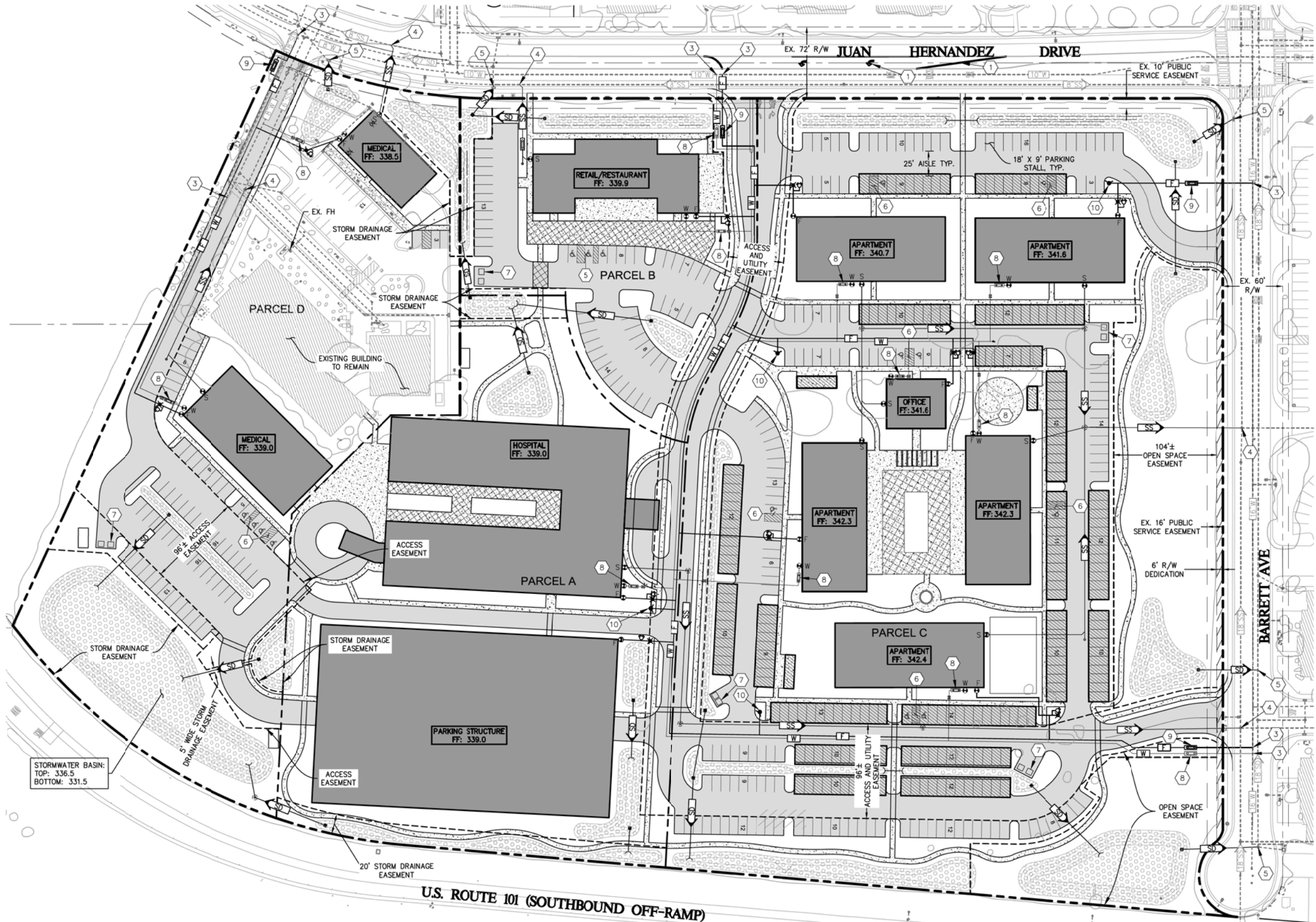
CONSTRUCTION KEYNOTE
- ASPHALT PAVING
- PROPOSED BUILDING
- CONCRETE WALKS AND FLATWORK
- 2

STORMWATER BIORETENTION OR BIOSWALE
- PROPOSED CARPORT/SHADE STRUCTURE
- RIGHT OF WAY DEDICATION
- PROPERTY LINE (EXISTING)
- PROPOSED PROPERTY LINE
- S

SEWER BUILDING POINT OF CONNECTION
- W

WATER BUILDING POINT OF CONNECTION
- F

FIRE BUILDING POINT OF CONNECTION
- FIRE DEPARTMENT CONNECTION AND POST INDICATOR VALVE
- UTILITY MANHOLE
- CLEANOUT



Civil Engineering
Land Surveying
4 Hains Court
Menlo Park, California
650.324.2225
whitsonengineers.com

NOT VALID
WITHOUT
SIGNATURE

LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT

Morgan Hill, California

CONCEPTUAL SITE AND UTILITY PLAN

SCALE: 1"=50'

DRAWN: GK

JOB No.: 2690.01

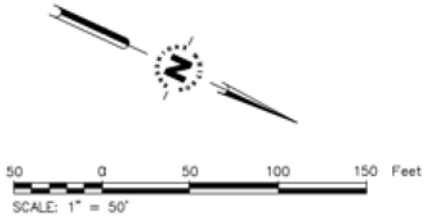
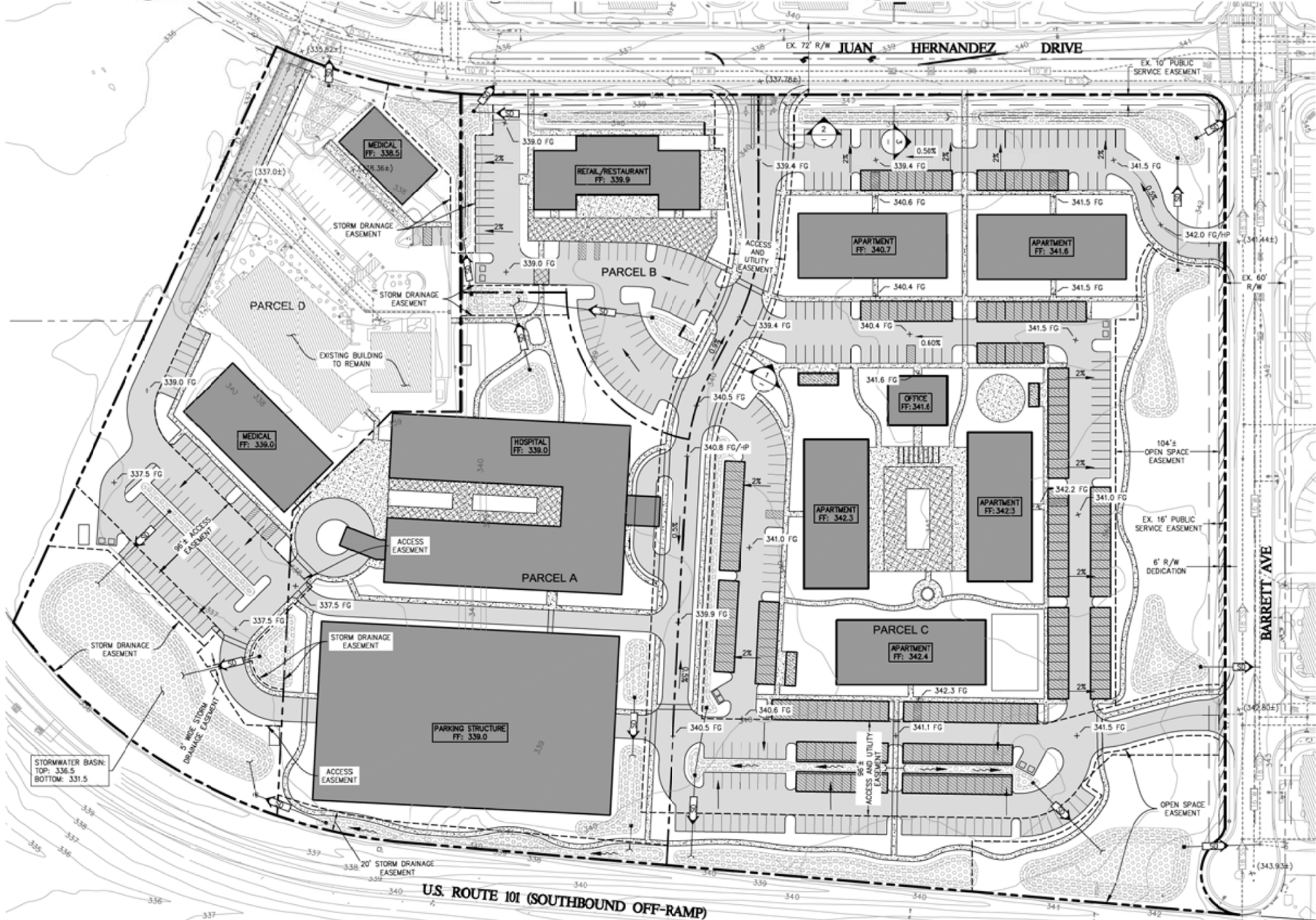
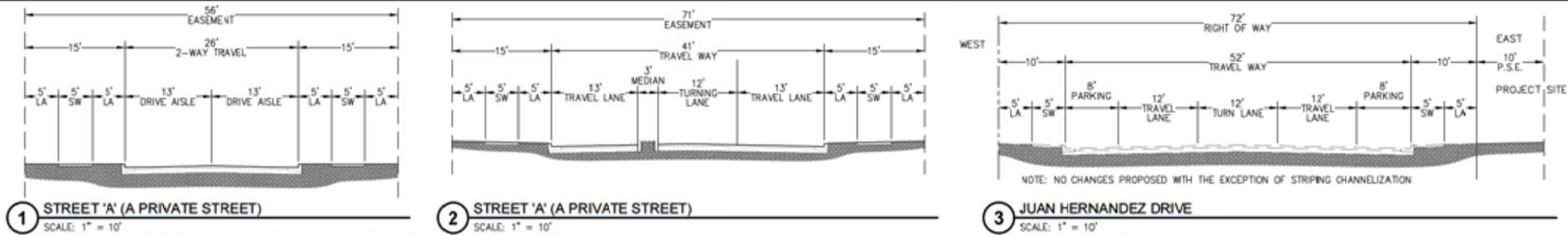
SHEET

C2.0

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PROJECT DATA

ESTIMATED PRELIMINARY EARTHWORK:
CUT: ±30,000 CY
FILL: ±30,000 CY
NET BALANCE



Civil Engineering
Land Surveying
4 Years Credit
Morgan Hill, California
APN 817-09-039-040-041

Whitson
ENGINEERS

NOT VALID
WITHOUT
SIGNATURE

SUBMITTAL / REVISION

LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT
Morgan Hill, California
CONCEPTUAL GRADING PLAN

SCALE: 1"=50'
DRAWN: GK
JOB No.: 2690.01
SHEET
C2.1

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3 RETAIL/ RESTAURANT



1 HOSPITAL

Figure 15

EVOCO ARCHITECTURE & INTERIORS
160 SOUTH LINDEN AVE # 210
SO. SAN FRANCISCO CA 94080
415.312.0454

OWNER:
LILLIAN COMMONS, LLC
782 SLEEPER AVENUE
MOUNTAIN VIEW, CA 94040

REVISIONS	
DATE/DESC.	

**LILLIAN COMMONS/ MORGAN HILL
MEDICAL CAMPUS**
0 AND 16130 JUAN HERNANDEZ DRIVE
MORGAN HILL, CA 95037



TITLE:
EXTERIOR
BUILDING VIEWS- 2

DATE: OCTOBER 22, 2019

SCALE: AS NOTED

JOB #: 19150

DRAWN BY: DP

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5.0

LAND USES

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

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

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

<u>Use</u>	<u>Planned Development (PD)</u>
<u>Hospitals</u>	<u>P</u>
<u>Medical Offices and Clinics</u>	<u>P</u>
<u>Mixed Use Residential</u>	<u>P</u>

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

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	C
Bed and Breakfast	C
Business Support Services	P
Cinemas and Theatres	C
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	P <u>C</u>
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)
Duets and Duplexes	€
Emergency Shelters	C
Farmers Markets	PC
Food and Beverage Production <10,000 square feet	P
Fuel and Service Stations	€
General Retail	P
Government Offices	P
Group Housing	€
Home Day Care, Small and Large	P
Hospitals	P
Hotel and Motels	C
Instructional Services	P
Live/Work Unit	P
Medical Offices and Clinics	P
Mixed Use Residential	P
Multi-Family Dwellings	P
Nursing Homes and Long-Term Care	€
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	C
Residential Care Facilities, Small	PC
Restaurant- Fast Food, Sit Down	C
School, Public and Private	C
Single Family Detached Dwellings	€
Senior Housing, Independent Living	€
Social Services	C
Tasting Rooms	P
Veterinarian Clinics and Hospitals	€
Accessory Uses	(per Section 18.44)
Home Occupations	(per Section 18.92.060)
Temporary Uses	(per Section 18.92.150)

Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)

6.0

DEVELOPMENT STANDARDS

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

Table 2 PD Master Plan Development Standards

Development Aspect	Parameter
Minimum Lot Size	10,000 square feet
Minimum Lot Dimensions	100-foot width; 100-foot depth
Maximum building coverage	50%
Minimum setbacks (front, rear, side, street) [1]	25, 0 , 0, 15 feet (respectively)
Maximum height (exceptions 18.56.020)	Residential/Office – 4-3 stories or 45-35 feet Hospital – 4 stories or 55 feet
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
On-Site Parking	Per Section 18.72 [2]
Retail	1 space per 250 square feet of net floor area
Restaurant (sit down)	1 space per 100 square feet of net floor area
Medical Office	1 space per 200 square feet of net floor area
Residential (multi-family)	1 bedroom unit – 1 covered 2 bedroom unit – 1 covered and 1 uncovered per unit
Guest Parking	1 per 3 units (shared with Medical Office use)
Electrical Vehicle Parking	1 per 25 to 49 automobile spaces, 2 per 50 to 100 automobile spaces, plus 1 per 50 ratio over 100 automobile spaces
Non-Residential Bicycle Parking	10% of automobile spaces; long term (enclosed): 5% of automobile spaces
Residential Bicycle Parking	10% of automobile spaces; long-term (enclosed), 1 per 5 units

NOTE:

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

[2] Unless otherwise modified in this table.

PD Master Plan Development Standards for Single Family Residential

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

NOTE:

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

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

[3] Unless otherwise modified in this table.

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

CONSISTENCY WITH 2035 GENERAL PLAN

7.1 General Plan Land Use Designations

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

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

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

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

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

7.2 General Plan Goals and Policies

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

City and Neighborhood Form

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

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
Residential Neighborhoods-GOAL CNF-10 A variety of housing types and densities available to all residents.	Consistent: The PD Master Plan allows for a variety of housing types. The conceptual Site Plan shows multifamily residential which will provide the community with new housing types including one and two bedroom apartments. ⁶
Policy CNF-10.3 Adequate Supply of Multi-Family Housing. Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.	The PD Master Plan will assist the City in achieving an adequate housing supply as the PD Master Plan allows for 200 <u>150</u> residential units. The conceptual Site Plan provides for a mix of residential, commercial, and medical uses that will allow for the placement of housing convenient to the shops, services, and offices, and adjacent to major transportation
Policy CNF-10.6 Density Near Infrastructure. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.	Consistent: The property is adjacent to Juan Hernandez Road and Barrett Avenue in an area with existing utilities. A survey was completed by Whitson Engineers that determined there was adequate infrastructure available around the project site to support the uses identified in the PD Master Plan.
New Subdivisions-GOAL CNF-11 High quality, aesthetically pleasing, livable, sustainable, well-planned residential neighborhoods, well-connected to neighborhood services.	Consistent: The PD Master Plan's conceptual Site Plan provides a well-planned, aesthetically pleasing, livable, sustainable and well-connected residential neighborhood with integrated commercial/retail and medical offices.

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

Policy CNF-11.5 Outside Connections. Require new subdivisions to provide multiple connections to the surrounding community.

Methods to achieve this may include:

- Providing multiple points of entry into the project for motorists, bicyclists and pedestrians.
- Extending the existing street pattern at the edges of the subdivision into the site. Extended streets should match the type and scale of streets to which they connect.
- Installing landscaping and street improvements at the edge of subdivisions that appear as common amenities shared with adjacent neighborhoods.

Consistent: As shown in the PD Master Plan conceptual Site Plan, development within the property will be designed to be compatible with the surrounding neighborhood. Multiple points of pedestrian ingress/egress are provided along Barrett Avenue and Juan Hernandez Drive, with connections to existing sidewalks. Two points of ingress/egress for vehicles and bicycles are provided along Barrett Avenue, and two along Juan Hernandez Drive. A private drive is provided along the southern portion of the property that could provide connectivity to the adjacent vacant parcel to the south when it is developed in the future. The conceptual Site Plan provides for connectivity to this adjacent vacant parcel to facilitate connectivity in anticipation of its eventual development. Residential and open space/park uses will be adjacent to existing residential uses and

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
- Minimizing the use of gates, fences, and walls that separate the subdivision from the surrounding community. - Planning for future connections to adjacent undeveloped property.	Barrett Elementary School, and connectivity within the property will be provided via several pedestrian paths. The open space area abuts Barrett Avenue, which is adjacent to Barrett Elementary School, and will be made accessible to the school. The northern most open space/park area will be dedicated by easement for public use, including use by the Barrett Elementary School, to be used as a common amenity.
Policy CNF-11.10 Open Space. Require new subdivisions to feature integrated common open spaces, parks, and community facilities that serve as social and design focal points. Open spaces should be a close walking distance from all residents and should be large enough to be useful for residents.	The conceptual Site Plan includes approximately three acres of passive park/open space. Approximately 1.7 acres of the open space will be available to the elementary school for its use and benefit. The remainder of open space, including walking trails, serves the residential, commercial and office components of the plan, as well as neighboring residents. The open space and park areas are within walking distance of all of these uses and connected by pedestrian paths.
Policy CNF-12.1 Neighborhood Center Design. Allow neighborhood centers within future residential neighborhoods. Neighborhood centers are envisioned as nodes or focal points that offer neighborhood-serving services and amenities within a reasonable walking distance from adjoining residential areas. These centers should be designed to increase the accessibility of goods and services within existing residential neighborhoods, particularly for the benefit of senior citizens and those with limited mobility, and to offer opportunities for socialization.	Consistent: The PD Master Plan includes neighborhood serving uses and amenities including retail, restaurant, and medical office/hospital uses to serve the proposed and existing neighborhood. These uses include public gathering areas and pedestrian access. These services will be within walking distance to the existing and proposed neighborhoods and will increase the accessibility of services for the existing neighborhood, particularly for the benefit of senior citizens by providing close walkable medical offices.
Policy CNF-12.4 Neighborhood Center Requirements. Require future neighborhood centers to meet the following requirements: - The design of neighborhood center should provide a sense of place, promote casual interaction, and enhance overall well-being. - The design of neighborhood center should complement the residential character of its immediate surroundings, including site design, access, building style, building materials, signage, lighting, and landscaping.	Consistent: The PD Master Plan conceptual Site Plan includes pedestrian pathways that connect the open space, residential, retail, and medical components of the plan. The PD Master Plan includes a small retail center and open space/park areas that, along with the pedestrian access ways, will provide gathering areas and a sense of place, thereby promoting casual interaction and overall well-being. The project will be required to undergo design review with the City of Morgan Hill to ensure that the design complements the residential character of the adjacent neighborhood.

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

Housing

Table 4 General Plan 2035 - Housing Goals and Policies

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

Economic Development

Table 5 General Plan 2035 - Economic Development Goals and Policies

General Plan Economic Development Goals and Policies	Consistency Analysis
Policy ED-7.4 Compatible Uses in Retail Centers. Encourage the evolution of retail centers into mixed-use activity nodes by supporting integration of uses that provide necessary or useful services or amenities that will benefit nearby residential areas and commercial establishments. Such uses may include but shall not be limited to: a. Health services and fitness facilities. b. Childcare. c. Housing, including affordable and senior housing. d. Religious facilities. e. Education/training facilities. f. Parks/community facilities/public gathering places.	Consistent: The PD Master Plan provides a mix of retail and medical uses convenient to the proposed and existing adjacent neighborhood. The medical and retail uses will provide health and retail services and amenities to the existing and proposed neighborhood. The PD Master Plan also includes public plaza and gathering locations.
GOAL ED-8 Office and industrial areas that provide high-quality work locations for existing and new businesses. Policy ED-8.1 Office and Industrial Development. Support the development of office and industrial facilities to meet local demand, compete for regional growth opportunities, and create high-quality jobs that match with local housing opportunities.	Consistent: The PD Master Plan allows for medical and retail uses to meet local demand and create high quality jobs. The PD Master Plan also allows for residential uses thereby providing local housing opportunities adjacent to places of employment.

Healthy Community

Table 6 General Plan 2035 - Healthy Community Goals and Policies

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

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

Transportation

Table 7 General Plan 2035- Transportation Goals and Policies

General Plan Transportation Goals and Policies	Consistency Analysis
GOAL TR-3 A coordinated, continuous network of streets and roads. Policy TR-3.16 Private Development Access along Arterials. Require development that occurs along arterial streets to obtain access through a local street or major entrance and not through curb cuts directly onto the arterial street wherever possible.	Consistent: The property is not accessed directly from an arterial. Tennant Avenue and Butterfield Boulevard are the nearest arterials too the property. The property is accessed from Juan Hernandez Drive and Barrett Avenue, which connect to these arterials.
Policy TR-3.17 Planned Development Access near Highway 101. Require Planned Developments (PDs) for commercial, office, or industrial uses at the intersections of Highway 101 and arterial streets to take access from a public street intersecting with the arterial street at a minimum distance of 600 feet from the freeway on and off ramps, unless the City Engineer finds that direct access to the arterial street or closer access will meet safety standards, or that mitigating actions will be taken to ensure safe access and minimum interference with traffic flows.	Consistent: Access to the property will be from Juan Hernandez Drive and Barrett Avenue. Juan Hernandez Drive is an existing City street that intersects Tennant Avenue at a safe distance from the off ramp of US Highway 101. The nearest property driveway is more than 700 feet north of Tennant Avenue.
Parking-GOAL TR-5 Adequate off-street parking. Policy TE-5.1 Adequate Parking Supply. Ensure that all developments provide adequate and convenient parking...	Consistent: The conceptual Site Plan provides for a 500-space parking structure and 96 additional spaces for the existing and proposed medical uses, 55 spaces for the retail use, and 359 spaces for residential use, which totals 1,010 on-site parking spaces. Based on the parking demand study, the parking supply for the entire project is proposed to total 1,010 spaces, as indicated in the study. The total gross parking requirement for the entire project is 965 spaces using the more conservative approach. There will be an overall surplus of about 45 spaces using City gross parking requirements with selected ITE peak parking rates. The project therefore will provide an adequate total parking supply to meet the overall project demand. Parking is conveniently located within walking distance to the various uses, and can be easily facilitated through a shared parking arrangement.

Policy TR-5.3 Parking Lot Connection. Require cross-connection of parking lots, where feasible and practical, at the time of design review for all commercial and industrial developments.	Consistent: As shown in the PD Master Plan conceptual Site Plan, parking lots are cross-connected where practical.
Bikeways-GOAL TR-8 A useable and comprehensive bikeway system that safely connects neighborhoods with workplaces and community destinations. Policy TR-8.12 Bicycle Parking. Bicycle parking and other supportive facilities shall be provided at all schools, parks, recreation facilities, commercial centers, civic buildings (including the library), transit centers, and workplaces based on the recommendations and standards in the Bikeways Master Plan.	Consistent: Existing bike lanes on Juan Hernandez Drive will serve the development providing a safe bikeway system to get to and from the property. Bicycle parking will be provided at each use on the property to encourage residents, employees, and patrons to use alternative means of transportation. On-site bicycle parking will adhere to the Bikeways Master Plan guidelines, and zoning code requirements.
Pedestrian Network-GOAL TR-9 Expanded pedestrian opportunities. Policy TR9.7 Concurrent Implementation. Where feasible, implement the trails and pedestrian system concurrent with adjacent developments.	Consistent: As shown in the conceptual Site Plan, sidewalks and pathways will be provided throughout the property to encourage walking on the campus. Sidewalks connect to those located on adjacent streets to provide connectivity.
Policy TR 10.3 and TR-10.4 Flexible Work Hours. Encourage employers to provide a flexible set of working hours to ease traffic congestion. Carpooling. Support a Countywide car/vanpool matching program.	Consistent: The applicant will provide educational materials to end uses or future developers to encourage employers to provide flexible work hours, carpooling options, and other alternative transportation methods as may be available. Bay Area employers with 50 or more full-time employees within the Bay Area Air Quality Management District geographic boundaries are required to register and offer commuter benefits to their employees in order to comply with Air District Regulation 14, Rule 1.

Natural Resources and Environment

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

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

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

Safety, Services, and Infrastructure

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

General Plan Safety, Services and Infrastructure Goals and Policies	Consistency Analysis
Noise GOAL SSI-8 Prevention of noise from interfering with human activities or causing health problems. Policy SSI-8.1 Exterior Noise Level Standards. Require new development projects to be designed and constructed to meet acceptable exterior noise level standards (see Table SSI-1), as follows: - Apply a maximum exterior noise level of 60 dBA Ldn in residential areas where outdoor use is a major consideration (e.g., backyards in single-family housing developments and recreation areas in multi-family housing projects). Where the City determines that providing an Ldn of 60 dBA or lower cannot be achieved after the application of reasonable and feasible mitigation, an Ldn of 65 dBA may be permitted. - Indoor noise levels should not exceed an Ldn of 45 dBA in new residential housing units.	Consistent: The conceptual Site Plan includes a 25 foot buffer from the US Highway 101 off-ramp and places the parking and parking garage closest to the freeway to further buffer the medical and residential uses. Residentially occupied buildings are located a minimum of 250 feet from the US Highway 101s through lanes. A noise analysis was completed for the project that determined all exterior and interior noise levels would be met with implementation of the recommendations contained therein. Mitigation measures will be implemented when the buildings are constructed to ensure the acceptable noise levels are met.

Noise levels in new residential development exposed to an exterior Ldn 60 dBA or greater should be limited to a maximum instantaneous noise level (e.g., trucks on busy streets, train warning whistles) in bedrooms of 50 dBA. Maximum instantaneous noise levels in all other habitable rooms should not exceed 55 dBA. The maximum outdoor noise level for new residences near the railroad shall be 70 dBA Ldn, recognizing that train noise is characterized by relatively few loud events.	
Policy SSI-8.4 Office Noise Level Standards. Interior noise levels in office buildings should be maintained at 45 dBA Leq (hourly average) or less, rather than 45 dBA Ldn (daily average).	Consistent: Mitigation measures including noise reduction measures and emergency generator noise suppressors will be implemented when the buildings are constructed to ensure the acceptable noise levels are met. A noise analysis is provided as part of the CEQA documentation.
Policy SSI-8.9 Site Planning and Design. Require attention to site planning and design techniques other than sound walls to reduce noise impacts, including: a) installing earth berms; b) increasing the distance between the noise source and the receiver; c) using non-sensitive structures such as parking lots, utility areas, and garages to shield noise sensitive areas; d) orienting buildings to shield outdoor spaces from the noise source; and e) minimizing the noise at its source.	Consistent: Building location was taken into account in the conceptual Site Plan to locate sensitive uses a minimum of 250 feet from the through lanes of US Highway 101. Building placement and strategically placed landscaping will help to minimize noise at its source. Additionally, the noise analysis recommends an 8 foot sound wall along Highway 101 to reduce noise impacts to the residential component of the project.

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8.0

PD MASTER PLAN AND ZONING FINDINGS

8.1 PD Master Plan Findings

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

General Plan and Zoning Consistency

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

Finding

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

Superior to Development Under Existing Zoning

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

Finding

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

Substantial Public Benefit

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

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

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

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

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

Finding

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

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

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

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

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

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

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

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

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

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

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

Community Benefits from the Project

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

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

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

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

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

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

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

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

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

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

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

Adequate Property Size

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

Finding

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

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

Adequate Infrastructure

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

Finding

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

Compatible with Surroundings

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

Finding

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

Zoning Map Findings

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

Finding

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

8.2 Zoning Amendment Findings

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

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

General Plan Consistency

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

Finding

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

Public Interest, Health, Safety, Convenience, Welfare

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

Finding

The multi-family residential uses would be beneficial to the public interest, health, safety, convenience, and welfare of the city. The multi-family residential uses would provide more opportunities for residents to work near the medical offices, retail uses, and medical/hospital facility on the property, all of which provide job opportunities for the onsite and surrounding residential uses. The residential uses, including 15 percent affordable units, would also allow seniors the opportunity to age in place, consistent with 2025 General Plan policy. Providing residential uses in close proximity to the commercial and office uses would also reduce the greenhouse gas emissions if the residents were employees or were patrons of the proposed uses, and would enable school-aged children to walk to school. The multi-family residential housing added on this property, when capped at 200-150 units, would not create an overload on the local street system. Additionally, where the housing is positioned on the property allows for a step down from the existing residential and public facility use to the denser office and commercial uses. The hospital use would also be beneficial to the public interest, health, safety, convenience, and welfare of the city. The hospital would provide much needed medical service to the community and a variety of job opportunities.

Internal Consistency

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

Finding

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

Physically Suitable Site

- C. *Additional Finding for Zoning Map Amendments. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.*

Finding

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

9.0

LEGAL DESCRIPTIONS

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

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

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

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

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

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

End of Description

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

Legal Description - APN 817-09-040

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

Parcel One:

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

Parcel two:

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

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

RESOLUTION NO. 20-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A TENTATIVE PARCEL MAP FOR A 4-LOT PARCEL MAP ON A 19.67-ACRE SITE LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF JUAN HERNANDEZ DRIVE AND BARRETT AVENUE (JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS)) (APNS 817-09-039, 817-09-040 AND 817-09-041).

WHEREAS, on November 18, 2019, Lillian Commons, LLC submitted an application for a tentative parcel map (SD2019-0007: Juan Hernandez – MH Medical Properties) for the Lillian Commons project; and

WHEREAS, such request was considered and recommended for approval by the Planning Commission at its regular meeting of September 29, 2020 and October 13, 2020;

WHEREAS, such request was considered by the City Council at its regular meeting of November 4, 2020; and

WHEREAS, in accordance to the California Environmental Quality Act (CEQA), the City completed an Initial Study to determine whether the project could have a significant effect on the environment, and found that with the application of mitigation measures there will not be a significant effect in this case, and therefore a Mitigated Negative Declaration has been prepared and considered by the City Council prior to action taken to adopt this Resolution; 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 MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The Tentative Parcel Map, together with its provisions for its design and improvements, is consistent with the General Plan.

SECTION 2. The Tentative Parcel Map as described herein, and attached hereto, as Exhibit B, is hereby approved, as conditioned in the set of standard conditions attached hereto, as Exhibit A, and by this reference incorporated herein, as well as all mitigation measures identified in the Mitigated Negative Declaration and Mitigation Monitoring Reporting Program incorporated by this reference as though fully set forth herein.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 4th day of November 2020 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED:

ATTEST:

RICH CONSTANTINE, 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.20-XXX, adopted by the City Council at the meeting held on November 4, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Resolution - Tentative Parcel Map [Revision 1] (2892 : Lillian Commons)

EXHIBIT "A" STANDARD CONDITIONS

APPLICATION NO: SD2019-0007: JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS)

THE FOLLOWING APPROVAL REQUIREMENTS AND ANY SPECIAL CONDITIONS SHALL BE APPLIED THROUGH THE DEVELOPMENT APPROVAL PROCESS.

Legend

MHMC= Morgan Hill Municipal Code
MHARH= Morgan Hill Architectural Review Handbook
CMH= City of Morgan Hill
CFC= California Fire Code

I. PROJECT DESCRIPTION

The project includes a Tentative Parcel Map to subdivide the project site into four parcels.

The project shall comply with all requirements of related project approvals granted by the City, including all of the following:

- A. Initial Study/Mitigated Negative Declaration – June 2020 (EA2019-0023)

II. PROJECT MITIGATION MEASURES

The applicant shall be subject to compliance with the mitigation measures of the project's adopted Mitigation Monitoring and Reporting Program. The following mitigation measures shall be included with all building permit, grading, or improvement plans.

- A. **MM AIR-3.1:** The following mitigation measure shall be implemented during all phases of construction to minimize emissions:
 - The project applicant shall develop a plan demonstrating that the off-road equipment used onsite to construct the project would achieve a fleet-wide average 70-percent reduction in DPM exhaust emissions or greater. One feasible plan to achieve this reduction would include the following:
 - All diesel-powered off-road equipment, larger than 25 horsepower, operating on the site for more than two days continuously shall meet U.S. EPA Tier 4 particulate matter emissions standards. Alternatively, diesel-powered equipment that meets U.S.EPA Tier 2 or 3 engines and include CARB-certified Level 3 Diesel Particulate Filters (or equivalent) would meet this requirement, as would the use of equipment that is electrically powered or uses non-diesel fuels.

- B. **MM-BIO-1.1:** Construction shall be scheduled to avoid the nesting season to the extent feasible. If construction can be scheduled to occur between September 1st and January 31st (inclusive) to avoid the raptor nesting season, no impacts will be expected. If construction will take place between February 1st and August 31st, then pre-construction surveys for nesting birds shall be completed by a qualified ornithologist to ensure that no nests will be disturbed during project implementation. Surveys shall be completed within 30 days of the on-set of site clearing or construction activities. During this survey, the ornithologist shall inspect all trees and other potential nesting habitats (e.g., trees, shrubs, buildings) onsite trees as well as all trees within 250 feet of the site for nests.
- C. **MM-BIO-1.2:** If an active nest is found sufficiently close to work areas to be disturbed by these activities, the ornithologist shall determine the extent of a disturbance-free buffer zone to be established around the nest (typically 250 feet for raptors and 50-100 feet for other species) that shall remain off limits to construction until the nesting season is over, to ensure that no nests of species protected by the Migratory Bird Treaty Act and California Fish and Wildlife Code will be disturbed during project implementation. A report indicating the result of the survey and any designated buffer zones shall be submitted to the satisfaction of the Development Services Director prior to issuance of a grading perm.
- D. **MM-BIO-5.1:** To the extent feasible, activities shall avoid impacts to any protected trees. Avoidance is considered to be completely avoiding any work or staging under the dripline of trees. The boundary of the designated avoidance buffer shall be flagged or fenced prior to initial ground disturbance. If complete avoidance is not feasible, BIO MM-5.2 shall be implemented.
- E. **MM-BIO-5.2:** The project proponent shall comply with local ordinances and submit permit applications for removal, trimming, damage, or relocation of all trees covered by the City ordinance. The replacement trees shall be planted on site to the extent feasible and the project proponent shall comply with all other replacement requirements imposed by the City.
- F. **MM-NOI-1.1:** Develop a noise construction control plan including but not limited to the following construction best management control:
- Equipment and trucks used for construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically attenuating shields or shrouds);
 - Impact tools (e.g., jackhammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered wherever possible to

- avoid noise associated with compressed air exhaust from pneumatically powered tools; and
- Stationary noise sources shall be located as far from noise-sensitive receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or include other measures.
 - Construct temporary noise barriers, where feasible, to screen stationary noise-generating equipment. Temporary noise barrier fences would provide a 5 dBA noise reduction if the noise barrier interrupts the line-of-sight between the noise source and receptor and if the barrier is constructed in a manner that eliminates any cracks or gaps.
 - Unnecessary idling of internal combustion engines shall be strictly prohibited.
 - Construction staging areas shall be established at locations that will create the greatest distance between the construction-related noise sources and noise-sensitive receptors nearest the project site during all project construction. Locate material stockpiles, as well as maintenance/equipment staging and parking areas, as far as feasible from residential receptors.
 - Control noise from construction workers' radios to a point where they are not audible at existing residences bordering the project site.
 - Where feasible, temporary power service from local utility companies should be used instead of portable generators.
 - Locate cranes as far from noise-sensitive receptors as possible.
 - During final grading, substitute graders for bulldozers, where feasible. Wheeled heavy equipment are quieter than track equipment and should be used where feasible.
 - Substitute nail guns for manual hammering, where feasible.
 - Avoid the use of circular saws, miter/chop saws, and radial arm saws near the adjoining noise-sensitive receptors. Where feasible, shield saws with a solid screen with material having a minimum surface density of two pounds per square foot (e.g., such as 0.75-inch plywood).
 - Maintain smooth vehicle pathways for trucks and equipment accessing the site, and avoid local residential neighborhoods as much as possible.
 - During interior construction, the exterior windows facing noise-sensitive receptors should be closed.
 - During interior construction, locate noise-generating equipment within the building to break the line-of-sight to the adjoining receptors.

- The contractor shall prepare a detailed construction schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with adjacent residential land uses so that construction activities can be scheduled to minimize noise disturbance.
 - Designate a "disturbance coordinator" who would be responsible for responding to any complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., bad muffler, etc.) and will require that reasonable measures be implemented to correct the problem. Conspicuously post a telephone number for the disturbance coordinator at the construction site and include it in the notice sent to neighbors regarding the construction schedule.
- G. **MM-NOI-2.1:** A qualified acoustical consultant shall be retained to review mechanical equipment systems during final design of the proposed project. The consultant shall review selected equipment and determine specific noise reduction measures necessary to reduce noise to comply with the City's noise level requirements. Prior to the issuance of building permits for the project, the emergency generator must be selected and approved by the City planning department. The generator shall include adequate noise suppressing features to reduce impacts on surrounding uses to meet the City's exterior and interior noise level requirements of 60 dBA.
- H. **MM-TRN-1.1:** Improvements to mitigate the impact at this intersection consist of the implementation of a traffic signal. However, the decision to install a traffic signal is not be based solely on satisfying one traffic signal warrant. Instead, intersections that meet the peak-hour signal warrant shall be subject to further analysis before determining that a traffic signal is necessary. Thus, the project impact at this intersection shall be mitigated with payment of the traffic impact fee, as determined by City staff.

III. PROJECT CONDITIONS OF APPROVAL

This Tentative Parcel Map approval is limited to the plan set dated October 6, 2020 on file (File Number SD2019-0007) with the Development Services Department. These documents show the location and sizes of all lots in this development, the location and dimensions of all vehicle and pedestrian circulation ways (ingress/egress), common areas, and other easement areas.

The Final Map shall be in substantial compliance with the approved Tentative Map as determined by the City Engineer and Development Services Director.

PLANNING DIVISION

DEFENSE AND INDEMNITY

- A. As part of, and in connection, with this application to the City of Morgan Hill, Applicant agrees to defend, indemnify, and hold harmless the City of Morgan Hill, its officers, agents, employees, officials and representatives (Indemnitees) from and against any and all claims, actions, or proceedings arising from any suit for damages or for equitable or injunctive relief which is filed against City to attack, set aside, void or annul its approval of this application or any related decision, or the adoption of any environmental documents which relates to said approval. The City shall promptly notify the Applicant of any such claim, action or proceeding and the City shall cooperate fully in the defense thereof. In the event that Applicant is required to defend Indemnitees in connection with the proceeding, Indemnitees shall retain the right to approve (a) the counsel to so defend Indemnitees; (b) all significant decisions concerning the manner in which the defense is conducted; and (c) any and all settlements, which approval shall not be unreasonably withheld. This indemnification shall include, but is not limited to, (a) all pre-tender litigation costs incurred on behalf of the City, including City's attorney's fees and all other litigation costs and expenses, including expert witnesses, required to defend against any lawsuit brought as a result of City's approval or approvals; (b) reasonable internal City administrative costs, including but not limited to staff time and expense spent on the litigation, after tender is accepted; and (c) all damages, costs, expenses, attorney fees or expert witness fees that may be awarded to the prevailing party arising out of or in connection with the approval of the application or related decision. City may, in its sole discretion, participate in the defense of such action; but such participation shall not relieve Applicant of its obligations under this condition. The undersigned hereby represents that they are the Applicant or are fully empowered by the Applicant as their agent to agree to provide the indemnification, defense and hold harmless obligations, and the signature below represents the unconditional agreement by Applicant to be bound by such conditions.

TIME LIMITS

- A. **Term:** The Tentative Parcel Map approval granted pursuant to this Resolution shall remain in effect for two years to November 4, 2022. Failure to apply for Final Map approval with the City Engineer within this term shall result in expiration of approval unless an extension of time is granted by the Development Services Department/Planning Commission prior to the expiration date. **(MHMC 17.20.170; 17.24.110)**

SITE DEVELOPMENT

- A. **Street Names:** Street names, private or otherwise, used to identify building locations shall be submitted to the Planning Division for approval. Proposed street names shall comply with the Street Naming Policy approved by City Council (Resolution No. 4601) and CP 94-13.
- B. **Standard Condition AIR-1:** The following measures shall be implemented during all phases of construction to control dust and exhaust at the project site:
- All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
 - All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
 - All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
 - All vehicle speeds on unpaved roads shall be limited to 15 miles per hour (mph).
 - All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
 - Replant vegetation in disturbed areas as soon as possible after completion of construction.
 - Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of the California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
 - All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
 - Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.
- C. **Standard Condition AIR-2:**
- Install air filtration in residential and medical buildings. Air filtration devices shall be rated MERV16 or higher for portions of the site that have annual PM2.5 exposure above 1.1 micrograms per cubic meter and MERV13 or higher for all other portions of the site. To ensure adequate health protection to sensitive receptors (i.e. residents), this ventilation system, whether mechanical or passive, all fresh air circulation into the dwelling units shall be filtered.

- As part of implementing this measure, an ongoing maintenance plan for the buildings' heating, ventilation, and air conditioning (HVAC) air filtration system shall be required.
 - Ensure that the use agreement and other property documents:
 - Require cleaning, maintenance, and monitoring of the affected buildings for air flow leaks;
 - Include assurance that new owners or tenants are provided information on the ventilation system; and
 - Include provisions that fees associated with owning or leasing a unit(s) in the building include funds for cleaning, maintenance, monitoring, and replacement of the filters, as needed.
- D. **Standard Condition AIR-3:** Provide electrical power at truck loading docks to avoid use of truck refrigeration units.
- E. **Standard Condition AIR-4:** Designate truck circulation routes that avoid residential areas to the greatest extent reasonable.
- F. **Standard Condition GEO-1:** To avoid or minimize potential damage from seismic shaking, the proposed development shall be built using standard engineering and seismic safety design techniques. Building design and construction at the site shall be completed in conformance with the recommendations of a design-level geotechnical investigation, which will be included in a report to the City. The structural designs for the proposed development will account for repeatable horizontal ground accelerations. The report shall be reviewed and approved by the City of Morgan Hill Building Division prior to issuance of a building permit. The buildings shall be required to meet the requirements of applicable Building and Fire Codes, including the 2019 California Building Code Chapter 16, Section 1613, as adopted or updated by the City. The project shall be designed to withstand soil hazards identified on the site and the project shall be designed to reduce the risk to life or property to the extent feasible and in compliance with the Building Code.
- G. **Standard Condition GEO-2 (Storm Drain System):** Prior to final map approval or issuance of a grading permit the applicant shall complete the following to the satisfaction of the Director of Public Works.
 1. Plan describing how material excavated during construction will be controlled to prevent this material from entering the storm drain system.
 2. Water Pollution Control Drawings for Sediment and Erosion Control.
- H. **Standard Condition GEO-3 (NPDES Permit Conformance):** As required by the State Water Resources Control Board (SWRCB) Order No. 99-08-DWQ, construction activity resulting in a land disturbance of one acre or more of soil, or whose projects are part of a larger common plan of development that in total

disturbs more than one (1) acre, are required to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) package and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with Section A, B, and C of the General Permit prior to the commencement of soil disturbing activities. A NOI Receipt Letter assigning a Waste Discharger Identification number to the construction site will be issued after the State Water Resource Control Board (SWRCB) receives a complete NOI package (original signed NOI application, vicinity map, and permit fee); copies of the NOI Receipt Letter and SWPPP shall be forwarded to the Building and Public Works Department review. The SWPPP shall be made a part of the improvement plans (SWRCB NPDES General Permit CA000002).

- I. **Standard Condition HYD-1:** In accordance with the City of Morgan Hill Standard Conditions of Approval and the Construction General Permit, the following measures are included in the project to reduce construction-related water quality impacts to a less than significant level:

The following BMPs shall be implemented during project construction:

- Burlap bags filled with drain rock will be installed around storm drains to route sediment and other debris away from the drains.
- Earthmoving or other dust-producing activities will be suspended during periods of high winds.
- All exposed or disturbed soil surfaces will be watered at least twice daily to control dust.
- Stockpiles of soil or other materials that can be blown by the wind will be watered or covered.
- All trucks hauling soil, sand, and other loose materials will be covered and all trucks will be required to maintain at least two feet of freeboard.
- All paved access roads, parking areas, staging areas and residential streets adjacent to the construction site will be swept daily (with water sweepers).
- Vegetation in disturbed areas will be replanted as quickly as possible.

- J. **Standard Condition HYD-2:** In accordance with the City of Morgan Hill Standard Conditions of Approval and the Construction General Permit, the following measures shall be included in the project to reduce construction-related water quality impacts to a less than significant level:

- As required by the State Water Resources Control Board (SWRCB) Order No. 99-08-DWQ, construction activity resulting in a land disturbance of one acre or more of soil, or whose projects are part of a larger common plan of development that in total disturbs more than one (1) acre, are required to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General

Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) package and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with Section A, B, and C of the General Permit prior to the commencement of soil disturbing activities. A NOI Receipt Letter assigning a Waste Discharger Identification number to the construction site will be issued after the State Water Resource Control Board (SWRCB) receives a complete NOI package (original signed NOI application, vicinity map, and permit fee); copies of the NOI Receipt Letter and SWPPP shall be forwarded to the Building and Land Development Engineering Divisions review. The SWPPP shall be made a part of the improvement plans. (SWRCB NPDES General Permit CA000002).

- K. **Standard Condition HYD-3:** The Project Engineer shall provide a hydrology report demonstrating that post-development stormwater runoff peak flows discharged from the site do not exceed pre-project peak flows for the two (2) through 10-year storm events. Peak flow controls must also meet the flood control standards established by the Santa Clara County Drainage Manual.

HABITAT PLAN

- A. **Fees:** The approved project is covered pursuant to the Santa Clara Valley Habitat Plan (Habitat Plan) and subject to fees and conditions contained in the Habitat Plan.
- B. **Application Package:** Prior to issuance of a grading permit, the project shall complete and submit a Habitat Plan Application Package. All fees shall be paid prior to issuance of a grading permit. **(MHMC 18.132)**
- C. **Conditions:** Any additional conditions or mitigations required by the Habitat Plan shall be clearly stated on all plans that involve any ground disturbing activity (i.e. grading plans, improvement plans, paving plans, demolition plans or other plans for site clearing or temporary stockpile of dirt). **(MHMC 18.132)**

CULTURAL RESOURCES

- A. **Significant historic or archaeological materials:** This project has been determined not to be in a site identified as archaeologically sensitive by the City's adopted archaeological sensitivity map, but nonetheless could adversely impact undocumented human remains or unintentionally discover significant historic or archaeological materials. The following policies and procedures for treatment and disposition of inadvertently discovered human remains or archaeological materials

shall apply and should be provided as standard conditions on the building permit, grading permit, or improvement plans. If human remains are discovered, it is probable they are the remains of Native Americans.

1. If human remains are encountered, they shall be treated with dignity and respect as due to them. Discovery of Native American remains is a very sensitive issue and serious concern. Information about such a discovery shall be held in confidence by all project personnel on a need to know basis. The rights of Native Americans to practice ceremonial observances on sites, in labs and around artifacts shall be upheld. Remains should not be held by human hands. Surgical gloves should be worn if remains need to be handled. Surgical mask should also be worn to prevent exposure to pathogens that may be associated with the remains.
2. In the event that known or suspected Native American remains are encountered, or significant historic or archaeological materials are discovered, ground-disturbing activities shall be immediately stopped. Examples of significant historic or archaeological materials include, but are not limited to, concentrations of historic artifacts (e.g., bottles, ceramics) or prehistoric artifacts (chipped chert or obsidian, arrow points, groundstone mortars and pestles), culturally altered ash-stained midden soils associated with pre-contact Native American habitation sites, concentrations of fire-altered rock and/or burned or charred organic materials, and historic structure remains such as stone-lined building foundations, wells or privy pits. Ground-disturbing project activities may continue in other areas that are outside the discovery locale.
3. An “exclusion zone” where unauthorized equipment and personnel are not permitted shall be established (e.g., taped off) around the discovery area plus a reasonable buffer zone by the Contractor Foreman or authorized representative, or party who made the discovery and initiated these protocols, or if on-site at the time of discovery, by the Monitoring Archaeologist (typically 25-50ft for single burial or archaeological find).
4. The discovery locale shall be secured (e.g., 24-hour surveillance) as directed by the City or County if considered prudent to avoid further disturbances.
5. The Contractor Foreman or authorized representative, or party who made the discovery and initiated these protocols shall be responsible for immediately contacting by telephone the parties listed below to report the find and initiate the consultation process for treatment and disposition:

- The City of Morgan Hill Development Services Director (408) 779-7247
 - The Contractor's Point(s) of Contact
 - The Coroner of the County of Santa Clara (if human remains found) (408) 793-1900
 - The Native American Heritage Commission (NAHC) in Sacramento (916) 653-4082
 - The Amah Mutsun Tribal Band (916) 481-5785 (H) or (916) 743-5833 (C)
6. The Coroner has two working days to examine the remains after being notified of the discovery. If the remains are Native American the Coroner has 24 hours to notify the NAHC.
 7. The NAHC is responsible for identifying and immediately notifying the Most Likely Descendant (MLD) from the Amah Mutsun Tribal Band. (Note: NAHC policy holds that the Native American Monitor will not be designated the MLD.)
 8. Within 24 hours of their notification by the NAHC, the MLD will be granted permission to inspect the discovery site if they so choose.
 9. Within 24 hours of their notification by the NAHC, the MLD may recommend to the City's Development Services Director the recommended means for treating or disposing, with appropriate dignity, the human remains and any associated grave goods. The recommendation may include the scientific removal and non-destructive or destructive analysis of human remains and items associated with Native American burials. Only those osteological analyses or DNA analyses recommended by the Amah Mutsun Tribal Band may be considered and carried out.
 10. If the MLD recommendation is rejected by the City of Morgan Hill the parties will attempt to mediate the disagreement with the NAHC. If mediation fails, then the remains and all associated grave offerings shall be reburied with appropriate dignity on the property in a location not subject to further subsurface disturbance.

GENERAL

- A. **Recordation of Map:** The recordation of the final map shall not be completed until approval of the Design Review Permit is completed.
- B. **Signed copies of Approval Certificate:** Submit two (2) signed copies of the Approval Certificate to the Planning Division prior to issuance of a building permit.

ENGINEERING DIVISION

PROJECT SPECIFIC ENGINEERING CONDITIONS

A. Site Access

1. Barrett Avenue Driveways: The project is proposing two full access driveways along Barrett Avenue, across Barrett Elementary School. These new driveways are designated in the project's Traffic Impact Analysis, dated June 19, 2020, as Driveway 3 (closest to Juan Hernandez Drive) & Driveway 4. The City Engineer has determined that allowing these two driveways to be full access will create unsafe conditions for vehicle, pedestrian and bicycle traffic in the vicinity of Barrett Elementary School especially during the school's drop-off and pick-up periods.
 - a. At Design Review stage, revise Driveways 3 & 4 to provide emergency vehicle access only.
2. Juan Hernandez Driveways:
 - a. The project is also proposing two full access driveways along Juan Hernandez Drive. These driveways are designated in the project's Traffic Impact Analysis as Driveway 1 (existing, southern driveway at New Private Street B) & Driveway 2 (new main driveway located in the middle of the project site) per the project's Traffic Impact Analysis. The City Engineer has determined that allowing Driveway 1 (existing, southern driveway) to remain at its current location will create conflicting vehicle turn movements. The project's Traffic Impact Analysis stated that "the close proximity of Driveway 1 to the Juan Hernandez Drive/St. James Drive intersection (approximately 100 feet to the south), in addition to the increase in traffic volumes at the site driveway, could potentially create conflicts between southbound left-turning traffic accessing Driveway 1 and northbound left-turning traffic at St. James Drive."
 - i) At Design Review stage, relocate Driveway 1 (southern driveway) to the north and align with St. James Drive (existing public street) to form the east leg of the intersection.
 - b. Third New Driveway at Juan Hernandez Drive: The applicant has requested City staff to consider a third new driveway along Juan Hernandez Drive (north of the new main driveway – Driveway 2) if the two proposed driveways along Barrett Avenue will be restricted to emergency vehicle access only. This third driveway is not reflected on the plans submitted by the applicant.
 - i) At Design Review stage, the project shall submit an analysis of the suitability of a third new driveway at Juan Hernandez Drive

and adequacy of the driveway operations for review and approval by the City Engineer.

- B. **Barrett Avenue Improvements:** The applicant requested input from the Morgan Hill Unified School District (MHUSD) on the project's site plan. The applicant agrees with the following MHUSD recommendations: (1) provide a school drop-off/pick-up area for the school within the project site, adjacent to Barrett Avenue; (2) widen the proposed sidewalk to a minimum width of 6', along the project frontage, on the south side of Barrett Avenue to allow for both bicyclists and pedestrians; and (3) provide a mid-block crosswalk at Barrett Avenue. Engineering staff discussed the above recommendations with MHUSD staff on September 4, 2020.

1. At Design Review stage, the project shall submit an analysis of the proposed school drop-off/pick-up area and any conflicts with the two existing school driveways at Barrett Avenue. A drop-off/pick-up area located closer to the intersection of Barrett Avenue and Juan Hernandez Drive is preferred as this will allow students and other pedestrians to use the existing crosswalk at the intersection. This will eliminate the need for a mid-block crosswalk at Barrett Avenue.

C. **Tentative Map**

1. At Design Review stage, address the following:
 - a. Add a Public Service Easement over the location of the public water main and water meters within the project site, as determined by the City Engineer.
 - b. Show additional Stormwater/Storm Drainage Easements over stormwater control measures and associated storm drainage pipes if one or more parcels will drain to a stormwater control measure located on an adjacent parcel.
 - c. Show private water, private storm drainage, and private sanitary sewer easements over these utilities over any of these utilities if these are proposed to cross over parcels.
2. The width of the right-of-way dedication on the south side of Barrett Avenue will be finalized at Design Review stage.

- D. **Grading:** At Design Review stage, submit a Preliminary Drainage Report.

- E. **Stormwater Management:** This project shall comply with the California Regional Water Quality Control Board Central Coast Region Resolution No. R3-2013-0032 as documented by the Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements. At Design Review stage, the project shall address the following:

1. Submit a revised Stormwater Control Plan that includes all the items listed in Appendix B (Stormwater Control Plan Checklist) of the Guidance Manual.

2. Size each Drainage Management Area (DMA) based on proposed grading and each DMA boundary clearly identified. Note: Multiple DMAs may drain to one stormwater control measure, but one DMA may not drain to multiple stormwater control measures.
3. Submit the Project's Geotechnical Report that includes site-specific soil infiltration rates for each area of the site where infiltration facilities are proposed, and information about any surface or subsurface soil contamination at the site.
4. Infiltration facilities that allow runoff to be filtered through surface or imported soils (indirect infiltration method), such as bioretention areas, shall be used unless a combination of indirect and direct infiltration systems are necessary to increase detention and/or retention.
5. Revise the plans to show the following:
 - a. Each stormwater basin located within the limits of a parcel
 - b. Sanitary sewer connections from all trash enclosures
 - c. Site-specific cross-sections for the proposed stormwater basins. Include top and bottom elevations.
 - d. Stormwater basin details
 - e. If the project proposes bioretention areas, provide details identifying elevations for all structure components associated with the facilities (top of media, top of gravel pack, subdrain invert, etc.).

F. Utilities

1. At Design Review stage, revise the plans to address the following:
 - a. On Parcel C, provide separate sewer laterals for the Office building and Apartment building located to the southeast of the Office building.
 - b. Show the size of the water lines.
 - c. Provide a sanitary sewer test manhole behind the property line for the non-residential portion of the project for pretreatment to measure flows and for samples to be readily obtained therefrom by the City.

G. **Reimbursement:** The applicant/property owner shall reimburse the Morgan Hill Unified School District (MHUSD) in the amount of \$23,120 for the traffic signal improvements completed at the intersection of Juan Hernandez Drive and Tennant Avenue by MHUSD in 2007. The reimbursement amount was calculated based on the estimated share of peak hour trips contributed to the intersection by each anticipated new development in the vicinity of the intersection.

H. **Parkland Dedication and Parkland Fee In-Lieu Exemption:** The residential portion of the project is subject to the payment of parkland in-lieu fees to meet the parkland obligation pursuant to the Parkland Dedication and Parkland Fee In-Lieu requirements (Morgan Hill Municipal Code Chapter 17.28).

STANDARD ENGINEERING CONDITIONS

A. GENERAL

1. The applicant shall cause the construction of all public and private improvements in accordance with the latest City Standard Drawings and Specifications. **(MHMC 12.02.090 A; 17.32.010 A)**
2. The applicant shall have a Final Map prepared by a registered engineer (licensed prior to 01/01/1982: registration number 33,965 or lower) or licensed land surveyor delineating all parcels and easements created. There shall be concurrence in writing by PG & E, Telephone, Cable TV and any other affected agencies to all improvements and easements which are applicable to them. The number and locations of monuments shall be set as required by the City Engineer. **(MHMC 17.20.200 A; 17.20.290; 17.24.010)**
3. The applicant shall submit as part of the improvement drawings for the project, profiles of all improvements and typical cross-sections of all streets and details of curbs, gutters, and sidewalks, to be accomplished to the satisfaction of the City Engineer prior to submittal of Final Map. **(MHMC Sec 17.32.060 B; 17.32.070; 17.32.080 A)**
4. Obtain necessary encroachment permits from the City of Morgan Hill and provide guarantee covering off-site improvements. **(MHMC 12.08.040 A; 12.08.090)**
5. Improvement plans are to show water lines, sanitary sewer, storm drain system, pavement widths, curve radius, and existing utilities.
6. Enter into a Subdivision Improvement Agreement (SIA) with the City of Morgan Hill to cover required improvements. **(MHMC 12.02.150; 17.32.010 B; 17.32.160)**
7. Reciprocal access easements and maintenance agreements ensuring access to all parcels and joint maintenance of all common roads, drives or parking areas shall be provided by CC&R's and by deed and shall be recorded concurrent with the map, or prior to issuance of building permit where no map is involved. **(MHMC 17.20.350 H)**
8. **IMPACT FEE INCREASE** - The City of Morgan Hill, pursuant to City Code Chapter 3.56 has established impact fees to finance the cost of improvements required by new development. City Code Chapter 3.56.050 provides for automatic annual (July 1st) adjustment of those fees in existence utilizing the Engineering News Record Index for the preceding twelve months. The City

maintains historical records on the Engineering News Record Index. These records are available for inspection during normal business hours. **(MHMC 3.56.010; 3.56.030; 3.56.050)**

B. STREET IMPROVEMENTS

1. The applicant shall cause the design and construction of all new public and private streets serving the project. The design of all new public and private streets shall be consistent with the General Plan Land Use and Circulation Element as well as the Street Standard Details as contained within the Public Works Standards Details. The construction of the streets shall be undertaken to the lines and grades and in a manner satisfactory to the City Engineer. All street improvements shall be constructed to the satisfaction of the City Engineer. The timing of the improvements will be determined by the City. **(MHMC 12.02.010; 12.02.090; 17.32.060 B; CMH General Plan; CMH Design Standards and Standard Details for Construction)**
2. The project shall install and dedicate street improvements including, but not limited to, curb and gutter, sidewalk, compaction, street paving, oiling, storm drainage facilities, sewer and water, fire protection, undergrounding of utilities and street lighting in conformance with City of Morgan Hill requirements. **(MHMC 12.02.010; 12.02.50; 12.02.080; 12.02.100; 17.28.010; 17.32.060)**
3. Dedication of the required corner cutoff at the intersection of Juan Hernandez Drive and Barrett Avenue. **(MHMC 12.02.010; 12.02.50; 12.02.080; 12.02.100; 17.28.010)**
4. Underground existing utilities: All existing overhead utilities adjacent to any site boundary or along any street frontage of the site shall be placed underground in accordance with City standards and affected utility company guidelines. **(MHMC 12.02.090 B; 17.32.020 E.1)**

C. SANITARY SEWER SYSTEM

1. The applicant shall cause to be undertaken the design and construction of sanitary sewer improvements including, but not limited to installation of sewer line extension on the private street(s)/drive aisle(s). The sanitary collection system shall include, but not be limited to manholes with manhole frames and covers, cleanouts, wye-branches and laterals, and separate sewer taps to each lot. These are to be installed by the developer. **(MHMC 13.20.355; 17.32.020 C; CMH Sewer System Master Plan; CMH Design Standards and Standard Details for Construction)**

2. All existing and future sewer lines shall be tied into the City's system and existing septic systems shall be abandoned in accordance with City requirements. **(MHMC 13.24.060; 17.32.20 C)**

D. STORM DRAIN SYSTEM

1. A complete storm drainage study of the proposed development must be submitted showing amount of run-off, and existing and proposed drainage structure capacities. This study shall be subject to review and approval by the City Engineer. All needed improvements will be made by the applicant. No overloading of the existing system will be permitted. **(MHMC 17.32.020 B; 17.32.090; CMH Design Standards and Standard Details for Construction)**
2. The applicant shall cause the design and construction to be undertaken for a storm drainage collection system shown on the Tentative Map plans. All storm drain improvements shall be constructed to the satisfaction of the City Engineer. **(MHMC 17.32.020 A & B)**
3. Collection system shall be designed to be capable of handling a 10-year storm without local flooding. On-site detention facilities shall be designed to a 25-year storm capacity. Streets shall be designed to carry a 100-year storm. Items of construction shall include, but not be limited to installation of surface and subsurface storm drain facilities, manholes with manhole frames and covers, catch basins and laterals. Note: the project may be required to **retain** stormwater runoff as part of resolution R3-2013-0032 prior to releasing discharge rates at pre-development flows. **(MHMC 17.32.020 B; 18.74.440; CMH Design Standards and Standard Details for Construction; CMH Storm Drainage System Master Plan)**
4. Prior to final map approval or issuance of a grading permit the applicant shall complete the following to the satisfaction of the City Engineer.
 - a. Storm drain calculations to determine detention/retention pond sizing and operations.
 - b. Plan describing how material excavated during construction will be controlled to prevent this material from entering the storm drain system.
 - c. Water Pollution Control Drawings (WPCD) for Sediment and Erosion Control.**(CMH Design Standards and Standard Details for Construction)**
5. As required by the State Water Resources Control Board (SWRCB) Order No. 2009-0009-DWQ, construction activity resulting in a land disturbance of one (1) acre or more of soil, or whose projects are part of a larger common plan of development that in total disturbs more than one (1) acre, are required to obtain

coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) ONLINE at: <http://smarts.waterboards.ca.gov/smarts/faces/SwSmartsLogin.jsp> and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with the General Permit. The SWPPP Manual shall follow the CASQA SWPPP template/format at <https://www.casqa.org/store/products/tabid/154/p-167-construction-handbookportal-initial-subscription.aspx> and shall be approved by Land Development Engineering. A Waste Discharger Identification (WDID) number will be issued to the construction site after the SWRCB receives and verifies the submitted ONLINE NOI information. The WIDI number and approved SWPPP Manual shall be provided to Land Development Engineering Division and the Building Division prior to any approval of grading activities (SWRCB NPDES General Permit CA000002).

6. NPDES GENERAL PERMIT SITE SWPPP INSPECTIONS AND COMPLIANCE:
 - a. ALL project onsite and offsite construction activity shall have the site inspected by a qualified third party SWPPP Inspector (QSD or QSP or RCE) or the project shall be charged for SWPPP inspections performed by a City Inspector. This will be determined at improvement plan stage.
 - b. SWPPP Inspections shall occur weekly during the rainy season (September 15th thru May 1st).
 - c. SWPPP Inspections shall occur bi-weekly during the non-rainy season.
 - d. 48 hours prior to and following a forecasted rain event, SWPPP Inspections shall occur in addition to those of items 2 or 3 above.
 - e. Per each of the inspection conditions 2, 3, or 4, the NPDES SWPPP Inspector shall certify in writing to the Building Division and Land Development Engineering Division if the site is in compliance or non-compliance with the NPDES General Permit for Stormwater, site SWPPP Manual, and Water Pollution Control Drawings (per the CMH-SWPPP Inspection Check List to be provided by Land Development Engineering). QSD/QSP SWPPP Inspectors shall forward onsite and offsite information/certification to the Building (on-site private property issues) and Public Works (public right-of-way issues) inspectors respectively.
 - f. Prior to rain events, BMPs not in compliance will need to be corrected immediately.

- g. Illicit discharges per the NPDES General Permit, non-compliance of tracking control, and inlet protection within the public right of way shall be address immediately.
- h. Other non-compliance issues need to be addressed within a 24-hour period.
- i. Non-compliance issues which have been corrected shall be verified by NPDES SWPPP Inspector by a follow up inspection.
- j. BMPs maintenance/inspections shall include tree protection if applicable.

E. WATER SYSTEM

- 1. The applicant shall cause the design and construction to be undertaken of a domestic water system to the satisfaction of the City Engineer. The water system improvements shall be constructed within public easements or street rights-of-way to the satisfaction of the City Engineer and dedicated to the City. **(MHMC 17.32.020 A & D; CMH Design Standards and Standard Details for Construction; CMH Water System Master Plan)**
- 2. Abandonment of any existing water well shall be in conformance with Santa Clara Valley Water District (SCVWD) Ordinance 90-1. Location and disposition to be shown on the plan. Well(s) shall be properly registered with the SCVWD and either be maintained or abandoned in accordance with SCVWD standards.
- 3. Installation of water line extension on the proposed private streets. **(MHMC 17.32.020 A & D; CMH Water System Master Plan)**
- 4. Provide separate water services and meters for each parcel. These are to be installed by developer. **(MHMC 17.32.020 D)**

F. OTHER CONDITIONS

- 1. The owner shall dedicate all necessary utility easements. **(MHMC 12.02.080 D; 17.28.010 A)**
- 2. The applicant shall cause the design and construction required to underground all electric, gas, Cable TV and communication lines within the development. Such design and construction shall be to the satisfaction of the affected utilities and the City Engineer. **(MHMC 17.32.020 E.1)**
- 3. The final map for a minor subdivision (4 lots or less) shall be signed by the City Engineer and the Planning Commission Secretary prior to issuance of a grading permit. **(MHMC 17.20.390; 17.24.210)**
- 4. Final landscape plans shall be submitted with and included as part of the improvement plans for the project. **(MHMC 17.08.090)**

5. Prior to the approval of any Building Permit for grading activity, the developer shall schedule a pre-construction meeting with the Public Works Inspection Division with the following project team members:
 - a. Civil Engineer of record
 - b. Geotechnical Engineer of record
 - c. Third Party QSD/QSP SWPPP Inspector
 - d. General Contractor
 - e. Subcontractors

G. NPDES WATER QUALITY STORMWATER MANAGEMENT DEVELOPMENT STANDARDS

1. State Water Resources Control Board Post Construction Requirements (PCRs): Project shall comply with the California Regional Water Quality Control Board Central Coast Region Resolution No. R3-2013-0032 as documented by the **Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements** (developed from Resolution No. R-2013-0032 Attachment 1 and 2 at: http://www.waterboards.ca.gov/centralcoast/water_issues/programs/stormwater/docs/lid/lid_hydromod_charette_index.shtml). A copy of the guidance manual can be obtained through the Land Development Engineering's website. Project shall meet the applicable requirements of the Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements:
 - a. Performance Requirement 1: Site Design and Runoff Reduction
 - b. Performance Requirement 2: Water Quality Treatment
 - c. Performance Requirement 3: Runoff Retention
 - d. Performance Requirement 4: Peak Management
2. **Properly Design Trash Enclosure Areas:** All trash enclosure areas must meet the following Structural or Treatment Control BMP requirements:
 - a. Roof Required: Trash enclosure areas shall have an all-weather noncombustible solid roof to prevent rainwater from mixing with the enclosure's contents.
 - b. Walls Required: Trash enclosure shall have structural walls to prevent unauthorized off-site transport of trash.
 - c. Doors: Trash enclosure shall have door(s) which can be secured when closed.
 - d. Grades: The pad for the enclosure shall be designed to not drain outward, and the grade surrounding the enclosure shall be designed to not drain into the enclosure.

- e. Drain Inlet: Within the enclosure, an area drain with an approved (Zurn) vandal- proof drain shall be installed and shall be plumbed to the sanitary sewer system with grease trap. Grease trap shall be located within the trash enclosure footprint.
3. **Design Standards for Structural or Treatment Control BMPs:** The post-construction treatment control BMPs shall incorporate, at a minimum, either a volumetric or flow- based treatment control design standard, or both, as identified below to mitigate (infiltrate, filter or treat) storm water runoff:
 - a. Volumetric Treatment Control BMP
 - i) The 85th percentile 24-hour runoff event determined as the maximized capture storm water volume for the area, from the formula recommended in Urban Runoff Quality Management, WEF Manual of Practice No. 23/ASCE Manual of Practice No. 87, (1998); or
 - ii) The volume of annual runoff based on unit basin storage water quality volume, to achieve 80 percent or more volume treatment by the method recommended in California Stormwater Best Management Practices Handbook – Industrial/ Commercial, (2003); or
 - iii) The volume of runoff produced from a historical-record based reference 24-hour rainfall criterion for “treatment” that achieves approximately the same reduction in pollutant loads achieved by the 85th percentile 24-hour runoff event.
 - b. Flow Based Treatment Control BMP
 - i) The flow of runoff produced from a rain event equal to at least two times the 85th percentile hourly rainfall intensity for the area; or
 - ii) The flow of runoff produced from a rain event that will result in treatment of the same portion of runoff as treated using volumetric standards above.
4. **Stormwater Runoff Management Plan (SWRMP) required:** The stormwater runoff management plan shall include sufficient information to evaluate the environmental characteristics of affected areas, the potential impacts of the proposed development on water resources, and the effectiveness and acceptability of measures (post-construction BMPs) proposed for managing stormwater runoff.
5. **Stormwater BMP operation, maintenance, and replacement responsibility**

- a. All on-site stormwater management facilities shall be operated and maintained in good condition and promptly repaired/replaced by the property owner(s) or other legal entity approved by the city.
 - b. Any repairs or restoration/replacement and maintenance shall be in accordance with city-approved plans.
 - c. The property owner(s) shall develop a maintenance schedule for the life of any stormwater management facility and shall describe the maintenance to be completed, the time period for completion, and who shall perform the maintenance. This maintenance schedule shall be included with the approved stormwater runoff management plan.
6. **Stormwater BMP operation and Maintenance Agreement (SWBOMA):**
Prior to the issuance of any building permits requiring stormwater management BMPs, the owner(s) of the site shall enter into a formal written stormwater BMP operation and maintenance agreement with the city. The city shall record this agreement, against the property or properties involved, with the County of Santa Clara and it shall be binding on all subsequent owners of land served by the storm water management treatment BMPs (City standard STORMWATER BMP OPERATION AND MAINTENANCE AGREEMENT to be provided by Land Development Engineering).
7. **Stormwater BMP inspection responsibility**
- a. The property owner(s) shall be responsible for having all stormwater management facilities inspected for condition and function by a Register Civil Engineer (RCE).
 - b. Unless otherwise required by the City engineer or designee, stormwater facility inspections shall be done at least twice per year (April 15th and September 15th) by the RCE. Written records shall be kept of all inspections and shall include, at minimum, the following information:
 - i) Site address;
 - ii) Date and time of inspection;
 - iii) Name of the person conducting the inspection;
 - iv) List of stormwater facilities inspected;
 - v) Condition of each stormwater facility inspected;
 - vi) Description of any needed maintenance or repairs; and
 - vii) As applicable, the need for site re-inspection.
 - c. Upon completion of each inspection, an inspection report shall be submitted to Land Development Engineering.

8. **Records of maintenance and inspection activities:** On or before April 15th and September 15th of each year, the party responsible for the operation and maintenance of on-site stormwater management facilities under the BMP operation and maintenance agreement shall provide the City engineer or designee with records of all inspections, maintenance and repairs.
9. **Annual Certification of SWRMP:** On or before September 30th of each year, a Registered Civil Engineer (RCE) shall provide written certification that the developments stormwater quality design standards are properly maintained and functioning as required by the SWRMP.

POLICE DEPARTMENT

- A. **Safety and Security Plan.** The Police Department shall review and approve a safety and security plan for the facility including a security camera plan prior to the issuance of a building permit or site development permit, whichever one is issued first.
- B. **Camera Access.** The Police department will require access to camera feed and camera recordings to be able to view real time and recorded footage if/when required.

HOUSING DIVISION

- A. **Inclusionary Housing Agreement:** The developer shall execute and record an Inclusionary Affordable Housing Agreement with the City prior to issuance of a building permit. **(MHMC 14.04.050)**
- B. **BMR Standards:** The Below Market Rate (BMR) units shall comply with the BMR standards.

BMR standards:

1. Location. BMR units shall be distributed evenly throughout the project.
2. Lot Size. Lot size shall be at least the same size as the smallest lot of a market rate unit within the project;
3. Bedroom Count. Average bedroom count shall be the same as the average bedroom count in the market rate units in the project;
4. Exterior. Exterior trim entry door hardware, and finish to the same standard as the Market Rate
5. Minimum standards for equipment, fixtures, appliances and finishes have been established for the BMR units. All items installed by the developer shall be of good quality and in new condition. Good quality shall be deemed

as entry level but generally not the lowest level of product offered for that application. All products shall offer durability, reliability and maintain a quality appearance and function that is standard to most other median priced homes in the area. The below listed items must be installed as a basic feature of each BMR home.

6. Minimum Interior standard finishes will be as follows:
 - a. All closets shall have doors
 - b. Interior doors to be raised panel type or same as market rate
 - c. Door hardware to be brass finish or equivalent
 - d. Appliances shall be major brand name
 - e. Microwave with an exhaust vent shall be installed over the range
 - f. Kitchen counters shall be white ceramic tile
 - g. Kitchen cabinets shall be stained wood with white melamine interiors
 - h. Units will be roughed in for AC including electrical and line set
 - i. Basic alarm system to secure all accessible openings to the home
 - j. Carpet in bedrooms, hallways, family rooms
 - k. Linoleum or tile entry, bathroom kitchens
 - l. Laminate flooring may substitute for carpet or linoleum
 - m. Electric garage door opener

7. Timing of Construction. BMR units shall be constructed in proportion to the BMR ownership housing requirement applicable to the project. For example, for a project with 389 units and an 20% BMR rental housing commitment, at least one BMR unit shall be constructed before or concurrently with every 5th market rate unit constructed. The last market rate unit to be completed in the project may not receive a certificate of occupancy until the last BMR unit has received a certificate of occupancy. The Director may approve a modified schedule if the timing requirement will create unreasonable delays in the issuance of certificates of occupancy for market rate units.



Planning for Success.

October 6, 2020

Jennifer Carmen, Development Services Director /
Adam Paszkowski, Principal Planner
City of Morgan Hill
17575 Peak Avenue, Morgan Hill, CA 95037

Re: GPA2019-0005, ZA2019-0016 & SD2019-0007 Response to Planning Commission Hearing
Comments

Dear Jennifer / Adam,

On September 29, 2020, you (the City staff) and EMC Planning Group presented the PD Master Plan to the Planning Commission. The applicant strongly believes that the residential use within the Mixed- Use development is a critical part of the development program for the property, not only providing necessary moderately priced housing for essential workers, but as a buffer from the hospital use to the adjacent residential and school uses. In response to the Planning Commission comments, we have made revisions to the conceptual Site Plan and Tentative Parcel Map (see attached) and have the following modifications that could be made to the PD Master Plan document.

The applicant would offer and agree to the following items listed below. References are provided to the locations where these are addressed within the PD Master Plan document. The requested PD Master Plan changes for the Planning Commission to recommend are as follows:

1. Reduction in building height for residential development from four stories maximum to three stories maximum. (Section 4.2, Parcel C, page 4-4);
2. Residential unit count to be adjusted from 200 units to 150 units maximum. (Section 4.2, Parcel C, page 4-4);

Attachment: Applicant Response to Planning Commission - Updated PD Master Plan (2892 : Lillian Commons)

EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM

Jennifer Carmen
 Town of Morgan Hill
 October 6, 2020, Page 2

3. Residential Land Use on the project site will be limited to 7.5 to 8 acres (up to 41% of the gross land area), excluding the park area located adjacent to Barrett Avenue and Highway 101. (new item, add to Section 4.2, Parcel C, page 4-4);
4. The residential land use will be limited to occupying the northern portion of the property near Barrett Avenue, Parcel C, as depicted on the latest site plan. (new item, add to Section 4.2, Parcel C, page 4-4);
5. Residential Single Family Detached lots would be changed to a Permitted use instead of a Conditional use. (Section 5.0, Table on page 5-2); and
6. The applicant will not participate in the drafting of a Development Agreement until the end users can participate in the agreement. (Section 4.4, page 4-11).

With regard to item #3 above, the application is providing a bubble diagram of land use types, including acreage and percentages of use by type for the record and the Planning Commissions information.

Thank you to you and the City for your direction and support. Please include this in the Staff Report for the October 13th Planning Commission meeting and let us know how you would like to present this information to the Planning Commission. Again, thank you!

Sincerely,



Michael J. Groves

President/Senior Principal

Cc: Cecily Murray

Attachments:

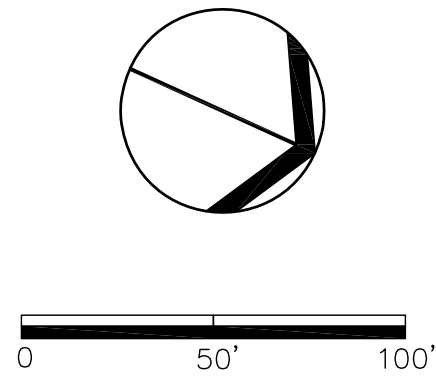
- Revised Site Plan (dated 10-6-20), based on Planning Commission comments and Staff recommendations.
- Revised Tentative Parcel Map (dated 10-6-20), showing revised Parcel information.
- Bubble Diagram (dated 10-6-20) outlining the Mixed-Use land use types, including acreages and percentage of each use type for Planning Commission information.

Attachment: Applicant Response to Planning Commission - Updated PD Master Plan (2892 : Lillian Commons)



Lillian Commons / Morgan Hill Medical Campus

SITE DATA:
APN: 817-09-039, 040 and 041
Site Area: GLA -19.67 AC, 856,782 SF
Mix Use Parcels:
Medical Campus - 8.19 AC, 42% of GLA
Commercial - 1.88 AC, 10% of GLA
Residential - 7.51 AC, 38% of GLA
Park - 1.98 AC, 10% of GLA
Right-of-way Dedication - 0.10 AC



LAND USE BUBBLE DIAGRAM
PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA
October 6, 2020



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com



Lillian Commons / Morgan Hill Medical Campus

SITE DATA:
APN: 817-09-039, 040 and 041
Site Area: GLA -19.67 AC, 856,782 SF
Parcel A - Proposed Medical Office / Hospital - 6.50 AC
100,000 - 130,00 SF, 566 Pkg. Spaces
Parcel B - Proposed Commercial/Restaurant - 1.88 AC
10,000 SF, 50 Pkg. Spaces
Parcel C - Proposed Residential - 9.49 AC
150 Dwelling Units Maximum
1.98 AC Park/Recreation
School Drop-off/Pick-up Lot
Parcel D - Proposed Urgent Care/ Existing Medical - 1.69 AC
15,900 SF Ex. Medical
4,500 SF Proposed Urgent Care
31 Pkg. Spaces
Right-of-way Dedication - 0.10 AC
Zoning: Service Commercial - CS w/ PD Overlay
Existing General Plan Designation: Commercial
Proposed General Plan Amendment: Mixed Use Flex
Parking: Total Required 790 spaces/ Provided 895 spaces*
Required: Medical Office / Hospital @ 1/200 & other = 452 spaces
Proposed: Medical Office / Hospital @ 1/200 & other = 597 spaces
Required: Retail/Restaurant @ 1/250 and 1/100 = 70 spaces
(Assumes 5,000 Retail and 5,000 Restaurant)
Proposed: Retail/Restaurant 50 spaces
Required: SF Residential (2 covered per DU + guest pkg.) 268 spaces
Proposed: SF Residential (2 covered per DU + guest pkg.) 268 spaces
*Shared parking proposed between Parcels per Municipal Code Section 18.72.050

Floor Area Ratio: 417,696 SF (0.5% max.)

LEGEND:

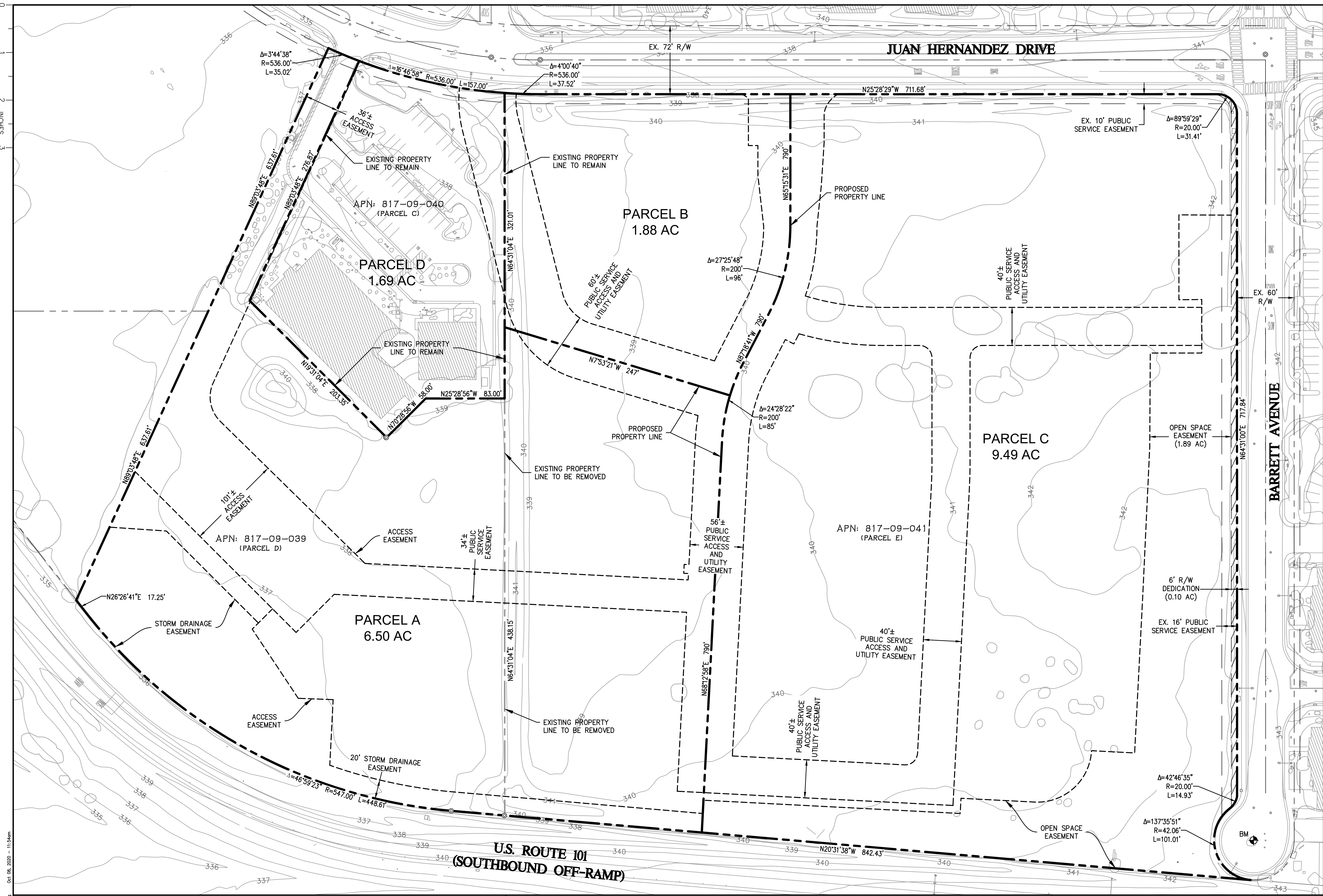
- Buildings
- Buffers / Open Space
- Sidewalks/Pathways
- Landscaping (See Landscape Plan for Details)
- Park / Recreation

0 50' 100'

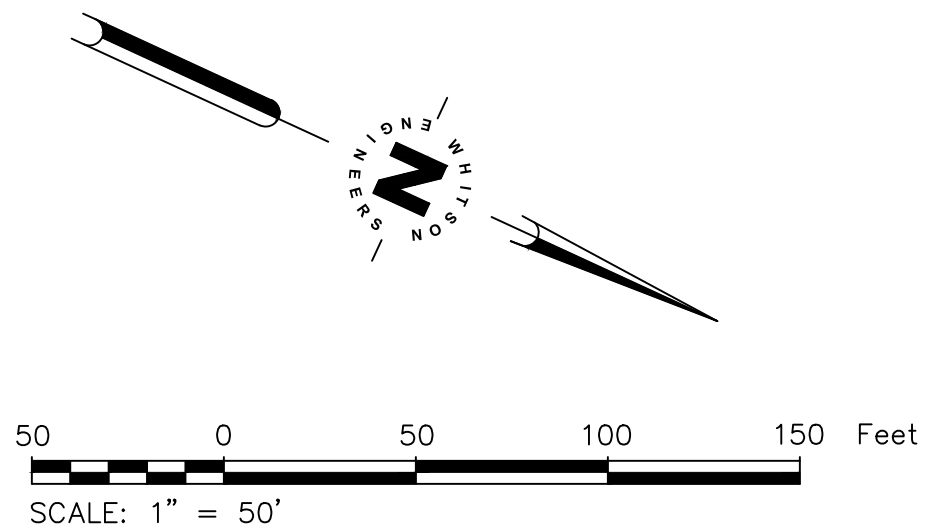
Figure 12
ILLUTRATIVE SITE PLAN
PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA
October 30, 2019
Revised October 6, 2020

E M C

EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
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SUBDIVISION NOTES

PROPERTY DATA
ASSESSORS' PARCEL NO.: 817-09-039
817-09-040
817-09-041

LOCATION OF PROPERTY:
0 JUAN HERNANDEZ DRIVE

EXISTING LAND USE:
PROPOSED LAND USE: COMMERCIAL
MIXED USE-FLEX (MU-F)

EXISTING AND PROPOSED ZONING: SERVICE COMMERCIAL (CS) WITH
A PLANNED DEVELOPMENT (PD)
OVERLAY

OFF-SITE UTILITIES:
STORM DRAINAGE
SANITARY SEWER
WATER
GAS & ELECTRIC
TELEPHONE

CITY OF MORGAN HILL
CITY OF MORGAN HILL
CITY OF MORGAN HILL
PACIFIC GAS & ELECTRIC
VERIZON

NOTES:

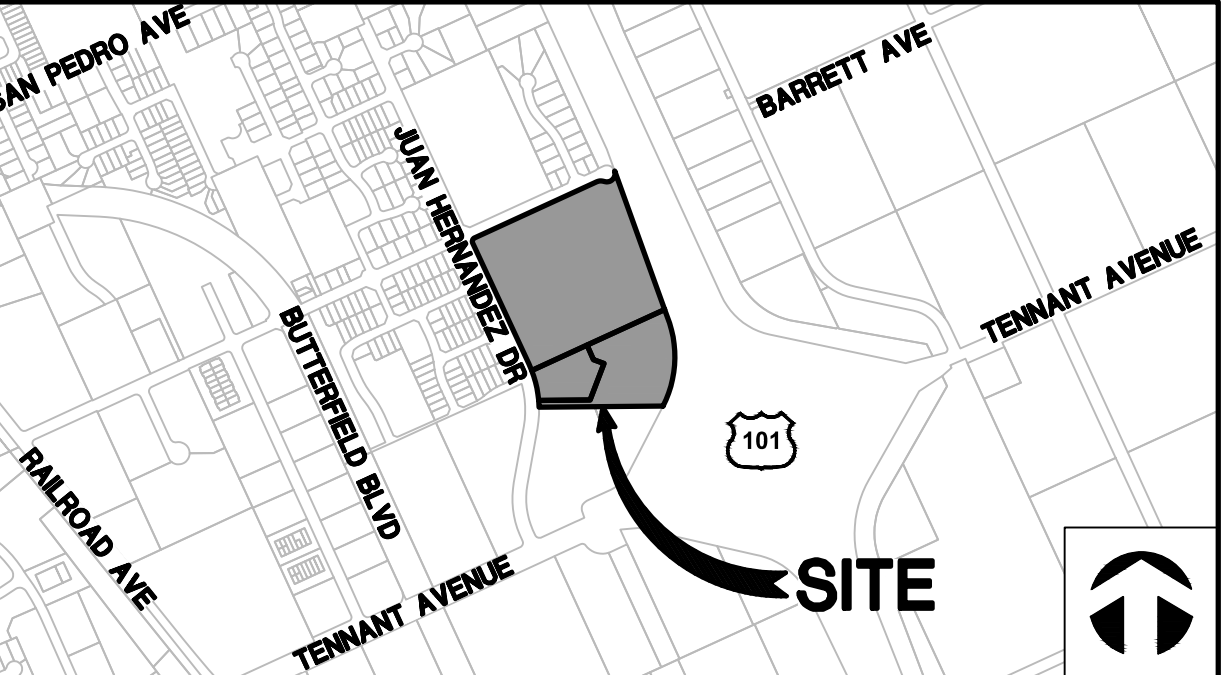
- SUBDIVIDER SHALL CONFORM TO THE REQUIREMENTS OF THE CITY OF MORGAN HILL CODE OF ORDINANCES CHAPTER 17.32 IN REGARDS TO SUBDIVISION IMPROVEMENTS.
- LOT DIMENSIONS AND EASEMENT LOCATIONS ARE PRELIMINARY AND SUBJECT TO CHANGE PENDING FINAL ENGINEERING DESIGN.
- THE PROJECT WILL BE PHASED.

ON-SITE UTILITIES:
STORM DRAINAGE
SANITARY SEWER
WATER
GAS & ELECTRIC
TELEPHONE

PRIVATE
PRIVATE
CITY OF MORGAN HILL
PACIFIC GAS & ELECTRIC
VERIZON

PARCEL SUMMARY

DESCRIPTION	AREA (AC)
PARCEL A	6.50
PARCEL B	1.88
PARCEL C	9.49
PARCEL D	1.69
R/W DEDICATION	0.10
TOTAL	19.67



VICINITY MAP

SCALE: 1" = 1000'

ABBREVIATIONS/LEGEND

	GROUND CONTOUR
	PROPOSED PROPERTY LINE
	EXISTING PROPERTY LINE TO BE REMOVED
	ADJACENT PROPERTY LINE
	CENTERLINE
	EXISTING EASEMENT
	PROPOSED EASEMENT
	TREE DRIP LINE
	BENCHMARK
	SURVEY MONUMENT
	RIGHT OF WAY DEDICATION

LEGAL DESCRIPTION

PARCELS C, D AND E, AS SAID PARCELS ARE SHOWN AND SO DESIGNATED ON THE PARCEL MAP FILED FOR RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16, SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.

BENCHMARK

LOCAL BENCHMARK TAKEN AS 2-INCH BRASS DISC. ELEVATIONS SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). ELEVATIONS WERE DETERMINED THROUGH STATIC GPS OBSERVATIONS AND THE USE OF THE NATIONAL GEODETIC SURVEY'S ONLINE POSITIONING USER SERVICE (OPUS). A NAVD88 ELEVATION OF 343.77 FEET FOR THE BRASS DISC WAS ESTABLISHED FOR THE LOCAL SITE BENCHMARK DESIGNATED POINT NUMBER 600, SHOWN HEREON.

PROJECT TEAM

OWNER/APPLICANT

LILLIAN COMMONS, LLC
782 SLEEPER AVENUE
MOUNTAIN VIEW, CA 94040

(605) 575-9608

PLANNER

EMC PLANNING GROUP, INC.
301 LIGHTHOUSE AVENUE
SUITE 210
MONTEREY, CA 93940

MICHAEL GROVES
(831) 649-1799

LANDSCAPE ARCHITECT

W. JEFFREY HEID LANDSCAPE
ARCHITECT
6179 ONEIDA DRIVE
SAN JOSE, CA 95123

JEFFREY HEID
(408) 691-5207

CIVIL ENGINEER

WHITSON ENGINEERS
6 HARRIS COURT
MONTEREY, CA 93940

RICHARD WEBER, RCE 55219
(831) 649-5225

ARCHITECT

EVOCO ARCHITECTURE
160 SOUTH LINDEN AVENUE
SUITE 210
SOUTH SAN FRANCISCO, CA 94080

DEEPAK PATANKAR
(415) 312-0454



TENTATIVE PARCEL MAP
0 JUAN HERNANDEZ DRIVE

PROPOSED SUBDIVISION OF
PARCELS C, D, AND E AS SHOWN ON
BOOK 513 OF MAPS ON PAGE 16

CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA



Whitson
ENGINEERS

Civil Engineering
Land Surveying
6 Harris Court
Monterey, California
831.649.5225
whitsonengineers.com

ORIGINAL: SEPTEMBER 25, 2020

REVISED: OCTOBER 6, 2020

PROJECT No. 2690.01

MITIGATION MONITORING AND REPORTING PROGRAM

Lillian Commons Medical Campus Project
File Numbers: GPA2019-0005, ZA2019-0016,
SD2019-0007 and EA2019-0023
September 2020



PREFACE

Section 21081.6 of the California Environmental Quality Act (CEQA) requires a Lead Agency to adopt a Mitigation Monitoring and Reporting Program (MMRP) whenever it approves a project for which measures have been required to mitigate or avoid significant effects on the environment. The purpose of the monitoring and reporting program is to ensure compliance with the mitigation measures during project implementation.

The Initial Study (IS) prepared for the Lillian Commons Medical Campus Project concluded that the implementation of the project could result in significant effects on the environment and mitigation measures were incorporated into the proposed project or are required as a condition of project approval. This MMRP addresses those measures in terms of how and when they will be implemented.

This document does *not* discuss those subjects for which the IS concluded that the impacts from implementation of the project would be less than significant.

I, _____, the applicant, on the behalf of _____, hereby agree to fully implement the Mitigation Measures described below which have been developed in conjunction with the preparation of an IS for my proposed project. I understand that these mitigation measures or substantially similar measures will be adopted as conditions of approval with my development permit request to avoid or significantly reduce potential environmental impacts to a less than significant level, where feasible.

Project Applicant's Signature _____

Date _____



Lillian Commons Medical Campus Project
 File No. GPA2019-0005, ZA2019-0016,
 SD2019-0007, and EA2019-0023

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
AIR QUALITY			
Impact AIR-1: The project would implement BAAQMD best management practices to ensure construction-related criteria pollutant emissions impacts are reduced to less than significant levels.			
Standard Condition AIR-1: The following BAAQMD BMPs would be implemented as standard conditions: • All exposed surfaces (e.g. parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day. • All haul trucks transporting soil, sand, or other loose material off-site shall be covered. • All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited. • All vehicle speeds on unpaved roads shall be limited to 15 miles per hour (mph). • All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.	To be implemented by the applicant and contractors during construction.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of grading and building permits.	Director of the City's Development Services Department.

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
• Replant vegetation in disturbed areas as soon as possible after completion of construction. • Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of the California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points. • All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation. • Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.			
Impact AIR-3: The project would exceed BAAQMD thresholds for construction impacts.			
MM AIR-3.1: The project applicant shall develop a plan demonstrating that the off-road equipment used onsite to construct the project would achieve	To be implemented by the applicant and contractors during construction.	All measures will be required as part of the development permit. All measures will be printed on	Director of the Development Services Department.

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
a fleet-wide average 70-percent reduction in DPM exhaust emissions or greater. One feasible plan to achieve this reduction would include the following: All diesel-powered off-road equipment, larger than 25 horsepower, operating on the site for more than two days continuously shall meet U.S. EPA Tier 4 particulate matter emissions standards. Alternatively, diesel-powered equipment that meets U.S. EPA Tier 2 or 3 engines include CARB-certified Level 3 Diesel Particulate Filters (or equivalent) would meet this requirement, as would the use of equipment that is electrically powered or uses non-diesel fuels.		all construction documents, contracts, and project plans prior to issuance of grading and building permits.	
BIOLOGICAL RESOURCES			
Impact BIO-1: Construction activities on the project site could result in the loss of raptor and/or migratory bird eggs or nestlings, either directly by destroying an active nest or indirectly by disturbing and causing the abandonment of an active nest.			
MM BIO-1.1: Construction shall be scheduled to avoid the nesting season to the extent feasible. If construction can be scheduled to occur between September 1 st and January 31 st (inclusive) to avoid the raptor nesting season, no impacts will be expected. If construction will take place between February 1 st and August 31 st , then pre-construction surveys for nesting birds shall be completed by a qualified ornithologist to ensure that no nests will be disturbed during project implementation. Surveys shall be completed within 30 days of the on-set of site clearing or	To be implemented by qualified biologist prior to issuance of any grading and/or building permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	Director of Development Services Department.

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
construction activities. During this survey, the ornithologist shall inspect all trees and other potential nesting habitats (e.g., trees, shrubs, buildings) onsite trees as well as all trees within 250 feet of the site for nests. MM BIO-1.2: If an active nest is found sufficiently close to work areas to be disturbed by these activities, the ornithologist shall determine the extent of a disturbance-free buffer zone to be established around the nest (typically 250 feet for raptors and 50-100 feet for other species) that shall remain off limits to construction until the nesting season is over, to ensure that no nests of species protected by the Migratory Bird Treaty Act and California Fish and Wildlife Code will be disturbed during project implementation. A report indicating the result of the survey and any designated buffer zones shall be submitted to the satisfaction of the Development Services Director prior to issuance of a grading permit.			
Impact BIO-5: The removal, cutting down, poisoning, or other destruction of protected trees, including pruning that would reduce the canopy area by more than 25 percent of any Ordinance sized tree, would require permits or mitigation measures under the City Municipal Code.			
MM BIO-5.1: To the extent feasible, activities shall avoid impacts to any protected trees. Avoidance is considered to be completely avoiding any work or staging under the dripline of trees. The boundary of the designated avoidance buffer shall be flagged or fenced prior to initial ground disturbance. If complete avoidance is not feasible, BIO MM-5.2 shall be implemented.	To be implemented by qualified biologist prior to issuance of any grading and/or building permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	Director of the Development Services Department.

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
MM BIO-5.2: The project proponent shall comply with local ordinances and submit permit applications for removal, trimming, damage, or relocation of all trees covered by the City ordinance. The replacement trees shall be planted on site to the extent feasible and the project proponent shall comply with all other replacement requirements imposed by the City.			
CULTURAL RESOURCES			
Impact CUL-1: Previously unrecorded archaeological resources and/or human remains could be uncovered during project construction.			
Standard Condition CUL-1: In the event of the unintentional discovery of undocumented human remains or significant historic or archaeological materials during construction, the following policies and procedures for treatment and disposition measures shall be implemented: • If human remains are encountered, they shall be treated with dignity and respect as due to them. Information about such a discovery shall be held in confidence by all project personnel on a need to know basis. The rights of Native Americans to practice ceremonial observances on sites, in labs and around artifacts shall be upheld. ○ Remains shall not be held by human hands. Surgical gloves shall be worn if remains need to be handled.	To be implemented by the applicant and contractors during construction.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	Director of Development Services Department.

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
○ Surgical mask shall also be worn to prevent exposure to pathogens that may be associated with the remains. • In the event that known or suspected Native American remains are encountered, or significant historic or archaeological materials are discovered, ground-disturbing activities shall be immediately stopped. Ground-disturbing project activities may continue in other areas that are outside the discovery location. • An “exclusion zone” where unauthorized equipment and personnel are not permitted shall be established (e.g., taped off) around the discovery area plus a reasonable buffer zone by the Contractor Foreman or authorized representative, or party who made the discovery, or if on-site at the time of discovery, by the Monitoring Archaeologist (typically 25 to 50 foot buffer for a single burial or archaeological find). • The discovery location shall be secured as directed by the City if considered prudent to avoid further disturbances. • The Contractor Foreman or authorized representative, or party who made the discovery shall be responsible for immediately contacting by telephone the			

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
parties listed below to report the find and initiate the consultation process for treatment and disposition: ○ The City of Morgan Hill Development Services Director ○ The Contractor's Point(s) of Contact ○ The Coroner of the County of Santa Clara (if human remains found) ○ The Native American Heritage Commission (NAHC) in Sacramento ○ The Amah Mutsun Tribal Band • The Coroner will have two working days to examine the human remains after being notified of the discovery. If the remains are Native American, the Coroner has 24 hours to notify the NAHC. The NAHC is responsible for identifying and immediately notifying the Most Likely Descendant (MLD). (Note: NAHC policy holds that the Native American Monitor will not be designated the MLD.) • Within 24 hours of their notification by the NAHC, the MLD will be granted permission to inspect the discovery site if they so choose. • Within 48 hours of their notification by the NAHC, the MLD may recommend to the City's Community Development			

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
Director the recommended means for treating or disposing, with appropriate dignity, the human remains and any associated grave goods. The recommendation may include the scientific removal and non-destructive or destructive analysis of human remains and items associated with Native American burials. Only those osteological analyses or DNA analyses recommended by the Amah Mutsun Tribal Band may be considered and carried out. If the MLD recommendation is rejected by the City of Morgan Hill, the parties will attempt to mediate the disagreement with the NAHC. If mediation fails, then the remains and all associated grave offerings shall be reburied with appropriate dignity on the property in a location not subject to further subsurface disturbance.			
GEOLOGY AND SOILS			
Impact GEO-1: The project site would experience intense ground shaking in the event of a large earthquake, which could result in a significant geological impact.			
Standard Condition GEO-1: To avoid or minimize potential damage from seismic shaking, the proposed development shall be built using standard engineering and seismic safety design techniques. Building design and construction at the site shall be completed in conformance with the recommendations of a design-level geotechnical investigation, which will be included in a report to the City. The structural designs for	To be implemented by the applicant and contractors prior to issuance of a building permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of building permits.	Director of the Development Services Department.

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
the proposed development will account for repeatable horizontal ground accelerations. The report shall be reviewed and approved by the City of Morgan Hill Building Division prior to issuance of a building permit. The buildings will be required to meet the requirements of applicable Building and Fire Codes, including the 2017 California Building Code Chapter 16, Section 1613, as adopted or updated by the City. The project will be designed to withstand soil hazards identified on the site and the project shall be designed to reduce the risk to life or property to the extent feasible and in compliance with the Building Code.			
Impact GEO-2: Ground disturbance would expose soils and increase the potential for wind or water related erosion and sedimentation at the site until construction is complete, which could result in a significant erosion impact.			
Standard Condition GEO-2 (Storm Drain System): Prior to final map approval or issuance of a grading permit the applicant shall complete the following to the satisfaction of the Director of Public Works. 1. Plan describing how material excavated during construction will be controlled to prevent this material from entering the storm drain system. 2. Water Pollution Control Drawings for Sediment and Erosion Control.	To be implemented by the applicant and contractors prior to the issuance of a grading permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of grading permits.	Director of the Development Services Department.
Standard Condition GEO-3 (NPDES Permit Conformance): As required by the State Water Resources Control Board (SWRCB) Order No. 99-08-DWQ, construction activity resulting in a land disturbance of one acre or more of soil, or	To be implemented by the applicant and contractors prior to the issuance of a grading permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans	Director of the Development Services Department.

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
whose projects are part of a larger common plan of development that in total disturbs more than one (1) acre, are required to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) package and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with Section A, B, and C of the General Permit prior to the commencement of soil disturbing activities. A NOI Receipt Letter assigning a Waste Discharger Identification number to the construction site will be issued after the State Water Resource Control Board (SWRCB) receives a complete NOI package (original signed NOI application, vicinity map, and permit fee); copies of the NOI Receipt Letter and SWPPP shall be forwarded to the Building and Public Works Department review. The SWPPP shall be made a part of the improvement plans (SWRCB NPDES General Permit CA000002).		prior to issuance of grading permits.	
HYDROLOGY AND WATER QUALITY			
Impact HYD-1: Construction activities could result in significant impacts to water quality due to dust, litter, oil, and other pollutants generated from project construction.			
Standard Condition HYD-1: In accordance with the City of Morgan Hill Standard Conditions of Approval and the Construction General Permit,	To be implemented by the applicant and contractors prior to and during construction.	All measures will be required as part of the development permit. All measures will be printed on	Director of the Development Services Department

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
the following measures are included in the project to reduce construction-related water quality impacts to a less than significant level: • Burlap bags filled with drain rock will be installed around storm drains to route sediment and other debris away from the drains. • Earthmoving or other dust-producing activities will be suspended during periods of high winds. • All exposed or disturbed soil surfaces will be watered at least twice daily to control dust. • Stockpiles of soil or other materials that can be blown by the wind will be watered or covered. • All trucks hauling soil, sand, and other loose materials will be covered and all trucks will be required to maintain at least two feet of freeboard. • All paved access roads, parking areas, staging areas and residential streets adjacent to the construction site will be swept daily (with water sweepers). Vegetation in disturbed areas will be replanted as quickly as possible.		all construction documents, contracts, and project plans prior to issuance of grading permits.	
Standard Condition HYD-2: As required by the State Water Resources Control Board (SWRCB) Order No. 99-08-DWQ, construction activity resulting in a land disturbance of one acre or more of soil, or whose projects are part of a larger	To be implemented by the applicant and during post-construction.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans	Director of the Development Services Department

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
common plan of development that in total disturbs more than one (1) acre, are required to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) package and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with Section A, B, and C of the General Permit prior to the commencement of soil disturbing activities. A NOI Receipt Letter assigning a Waste Discharger Identification number to the construction site will be issued after the State Water Resource Control Board (SWRCB) receives a complete NOI package (original signed NOI application, vicinity map, and permit fee); copies of the NOI Receipt Letter and SWPPP shall be forwarded to the Building and Land Development Engineering Divisions review. The SWPPP shall be made a part of the improvement plans. (SWRCB NPDES General Permit CA000002).		prior to issuance of grading permits.	
Standard Condition HYD-3: The Project Engineer shall provide a hydrology report demonstrating that post-development stormwater runoff peak flows discharged from the site do not exceed pre-project peak flows for the two (2) through 10-year storm events. Peak flow controls must also meet the flood control standards	To be implemented by the applicant prior to approval of the development permit.	The report shall be provided to the City prior to approval of the development permit.	Director of Development Services Department

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
established by the Santa Clara County Drainage Manual.			
NOISE AND VIBRATION			
Impact NOI-1: Project construction could result in excessive noise levels at nearby noise-sensitive receptors.			
MM NOI-1.1: Develop a noise construction control plan including but not limited to the following construction best management control: • Equipment and trucks used for construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically attenuating shields or shrouds); • Impact tools (e.g., jackhammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools; and • Stationary noise sources shall be located as far from noise-sensitive receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or include other measures. • Construct temporary noise barriers, where feasible, to screen stationary noise-generating equipment. Temporary noise barrier fences would provide a 5 dBA noise reduction if the noise barrier interrupts the line-of-sight between the noise source and receptor and if the	To be implemented by applicant and contractors prior to ground-disturbance activities and during construction.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	Director of the Development Services Department

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
barrier is constructed in a manner that eliminates any cracks or gaps. • Unnecessary idling of internal combustion engines shall be strictly prohibited. • Construction staging areas shall be established at locations that will create the greatest distance between the construction-related noise sources and noise-sensitive receptors nearest the project site during all project construction. Locate material stockpiles, as well as maintenance/equipment staging and parking areas, as far as feasible from residential receptors. • Control noise from construction workers' radios to a point where they are not audible at existing residences bordering the project site. • Where feasible, temporary power service from local utility companies should be used instead of portable generators. • Locate cranes as far from noise-sensitive receptors as possible. • During final grading, substitute graders for bulldozers, where feasible. Wheeled heavy equipment are quieter than track equipment and should be used where feasible. • Substitute nail guns for manual hammering, where feasible. • Avoid the use of circular saws, miter/chop saws, and radial arm saws near the adjoining noise-sensitive receptors.			

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
Where feasible, shield saws with a solid screen with material having a minimum surface density of two pounds per square foot (e.g., such as 0.75-inch plywood). • Maintain smooth vehicle pathways for trucks and equipment accessing the site, and avoid local residential neighborhoods as much as possible. • During interior construction, the exterior windows facing noise-sensitive receptors should be closed. • During interior construction, locate noise-generating equipment within the building to break the line-of-sight to the adjoining receptors. • The contractor shall prepare a detailed construction schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with adjacent residential land uses so that construction activities can be scheduled to minimize noise disturbance. • Designate a "disturbance coordinator" who would be responsible for responding to any complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., bad muffler, etc.) and will require that reasonable measures be implemented to correct the problem. Conspicuously post a telephone number for the disturbance coordinator at the construction site and include it in the			

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
notice sent to neighbors regarding the construction schedule.			
Impact NOI-2: While the noise assessment determined that the mechanical equipment noise would be below the noise level thresholds established in the City's Municipal Code with implementation of MM NOI-1.1, the final location of the mechanical equipment has not been finalized. As a result, the following mitigation measure is included in the project.			
MM NOI-2.1: A qualified acoustical consultant shall be retained to review mechanical equipment systems during final design of the proposed project. The consultant shall review selected equipment and determine specific noise reduction measures necessary to reduce noise to comply with the City's noise level requirements. Prior to the issuance of building permits for the project, the emergency generator must be selected and approved by the City planning department. The generator shall include adequate noise suppressing features to reduce impacts on surrounding uses to meet the City's exterior and interior noise level requirements of 60 dBA.	To be implemented by applicant prior to approval of building permits.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of building permits.	Director of the Development Services Department.
TRANSPORTATION			
Impact TRN-1: The Tennant Avenue and Condit Road intersection is projected to operate at an unacceptable level of service (LOS F) and have peak-hour traffic volume levels that warrant installation of a traffic signal during PM peak-hour.			
MM TRN-1.1: Improvements to mitigate the impact at this intersection consist of the implementation of a traffic signal. However, the decision to install a traffic signal is not based solely on satisfying one traffic signal warrant. Instead, intersections that meet the peak-hour signal warrant shall be subject to further analysis before determining that a traffic signal is necessary. Thus, the project impact at this intersection shall be mitigated with payment of the traffic impact fee, as determined by City staff.	Fee to be paid by project applicant prior to issuance of building permits.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of building permits.	Director of the Development Services Department.

Source: City of Morgan Hill. Initial Study. Lillian Commons Medical Campus Project. September 2020.

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

Lillian Commons/Morgan Hill Medical Campus A Mixed Use Development

Lillian Commons, LLC-Applicant

October 30, 2019
Revised March 13, 2020



Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

Prepared by
EMC Planning Group

**PD MASTER PLAN ZONING AMENDMENT /
GENERAL PLAN AMENDMENT/
APPLICATION FOR DEVELOPMENT PERMIT**

**Lillian Commons/ Morgan Hill Medical Campus
A Mixed Use Development**

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MARCH 13, 2020

Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

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1.0

INTRODUCTION

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

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

The PD Master Plan presents the following required information:

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

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

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

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2.0

PLANNING OBJECTIVES

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

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

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3.0

COMMUNITY BENEFITS AND GENERAL PLAN AMENDMENT JUSTIFICATION

3.1 Planned Development Community Benefits

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

- Provide the City with a well-rounded medical center featuring medical offices, urgent care/ pharmacy, and hospital beds.
- Provide the City with additional high-density housing to help the City achieve its Regional Housing Needs Allocation for lower income housing, and construct affordable housing units.
- Provide the neighborhood and City with open space, courtyards, and plazas that provide opportunities for people to informally meet and gather.
- Provide the neighborhood and City with pedestrian and bicycle pathways that enhance circulation within the property and connect to the surrounding neighborhood.
- Locate housing in proximity to parks, a school, retail, and employment opportunities to reduce vehicle miles traveled and greenhouse gas emissions.
- Provide the City with green buildings and sustainable development features. These will include photovoltaic renewable energy and meeting or exceeding Title 24 standards by three to five percent.
- Provide accessible parks and open space beyond the minimum required by the City. Park land will be dedicated to the City and the project will provide a walking/ jogging trail around the perimeter of the property to facilitate healthy living.

3.2 General Plan Amendment Justification

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

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

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

This definition suits the development planned in the PD Master Plan, as the PD Master Plan conceptual Site Plan incorporates housing near the medical office/hospital uses that is intended to be affordable to the employees of these uses. In addition, the conceptual Site Plan incorporates a small commercial component within a 10,000 square foot building, with retail/restaurant uses to serve the employees and visitors to the hospital as well as the surrounding residential community. The conceptual Site Plan shows how the medical office/hospital, commercial, and high-density residential uses will be arranged and connect with one another.

Best Interest of the Community

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

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

The mix of uses will provide convenient retail uses and services adjacent to both the high density residential uses and the medical office/hospital. The medical office/hospital will be located close to a freeway access, and just off two thoroughfares (Tennant Avenue and Butterfield Boulevard) providing convenient access to Morgan Hill residents and those from elsewhere in the region.

Public Need

Is there currently a public need for this amendment?

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

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

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

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

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

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4.0

PROPERTY AND DEVELOPMENT DESCRIPTIONS

4.1 Property Description

Location

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

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

Property Characteristics

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

Existing Land Use Designation and Zoning

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

Property Data

Project Location

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

Street Address

0 and 16130 Juan Hernandez Drive, Morgan Hill, CA

Existing Assessor's Parcel Numbers

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

Acreage

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

Net Property Acreage: 4.03, 1.66, and 13.49 (19.18- acres)

Zoning

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

General Plan Designation

Mixed Use Flex (amended from Commercial)

4.2 PD Master Plan Description

General Plan Amendment

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

Zoning Map Amendment

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

Parcel Map

A parcel map will divide the property's three existing parcels into four parcels to facilitate development or sale. The two vacant parcels would be subdivided into three parcels (A-C). The existing medical office site (Parcel D), would be reconfigured and included as part of the overall PD Master Plan. [Figure 9, Tentative](#)

Parcel Map, prepared by the project engineer indicates how the property will be subdivided. The three existing lots will be re-organized into four parcels. Parcel A, 4.17 acres, Parcel B, 1.78 acres, Parcel C, 9.49 acres, Parcel D, 4.13 acres, and 0.10 acres will be dedicated as right-of-way along Barrett Avenue.

Development

Development anticipated within the PD Master Plan would be in the range of 350,000 – 417,696 square feet of residential, commercial, office, and/or institutional uses, including up to 200 multi-family dwelling units. All land uses permitted in the PD Master Plan are presented in Section 5.0.

Figure 10, Site Plan is presented in Section 4.5. The conceptual Site Plan includes five uses. The square footage of each use is that provided on the conceptual Site Plan, and could slightly increase or decrease.

- 4,500 square foot urgent care/pharmacy facility on the existing medical site;
- 10,000 square foot medical office as cancer center;
- 100,000 square foot medical office and hospital with a parking deck (multi-story with 54,000 square-foot footprint);
- 10,000 square foot commercial retail/restaurant building; and
- 200-unit multifamily residential development (178,500 square feet living units plus clubhouse, and 32,886 square feet covered carports).

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

Parcel A

The proposed medical/hospital facility will occupy one building in Parcel A. Two pick-up/drop-off areas are located adjacent to the proposed buildings to assist patients. Development of Parcel A includes a 500-space parking structure that will be shared by the adjacent uses along with access and utility infrastructure. A small park is also located on Parcel A for visitors and employees.

Parcel B

This parcel will be developed with approximately 10,000 square feet of commercial/retail uses, including a 5,000 square-foot sit down restaurant, a 55-space surface parking lot, and access and utility infrastructure. The remaining 5,000 square feet will be available for other personal service or retail uses. The mix of uses within this building will be market driven and could fluctuate over the life of the building.

Parcel C

Parcel C will be developed with 200 multifamily residential units in five buildings, a 3,000 square foot leasing office/club house, interior recreation area, covered and uncovered parking for 359 vehicles

and bicycles. Additional vehicle parking will be available through a shared parking agreement with the developer of Parcel A. The proposed mix of units consists of 61 one bedroom units and 139 two bedroom units. Two of the five buildings will be three stories, approximately 35 feet tall, and are located closest to Juan Hernandez Drive. The other three buildings will be four stories, approximately 45 feet tall and will be placed around an interior recreation area and swimming pool. Parcel C may also be developed with Single Family attached and detached for-sale dwelling units or other medical office uses.

Parcel D

Parcel D includes two existing medical buildings totaling 15,900 square feet and parking. The existing medical buildings will remain and a new one story 4,500 square foot urgent care/pharmacy medical facility will be constructed on this parcel, located in what is now occupied by a portion of the parking lot, leaving 30 surface parking spaces to remain for the existing medical facility and urgent care/pharmacy. A 10,000 square foot medical office – cancer center and a 66-space surface parking lot will be developed on this reconfigured parcel. Parking for the existing medical building displaced by the proposed urgent care/pharmacy facility will be replaced adjacent to the proposed medical office – cancer center and through a shared parking agreement with the remainder of the medical facility that will be developed on the new Parcel A.

Parkland/Open Space

The PD Master Plan includes the provision of approximately 2.9 acres of parks and open space. Amenities on Parcel C include a swimming pool, hot tub, lounging patio, and tot lot/play area, open play fields, and jogging/walking trail connections to adjacent sidewalk systems. Recreational parkland amenities in Parcel A include passive recreational opportunities with a landscaped area and park benches located between the medical/hospital facility and the commercial uses on Parcel B. Trail connections are provided throughout the property including new pedestrian access to the existing medical campus (Parcel D).

Site Access/Circulation

Access to the project site will be provided by four driveways: the existing driveway to the medical office would be retained and extended to provide secondary access to the medical/hospital facility and cancer center. An additional driveway, approximately 460 feet north of the existing driveway, will provide the primary access to Parcels A-C through the middle of the property. Two additional driveways will provide secondary access to the multifamily residential development from Barrett Avenue. The accessways for all project components are interconnected within the property. All new accessways will be designed to meet City of Morgan Hill design and performance standards for streets, driveways, curb, gutter and sidewalks. The conceptual Site Plan provides a layout of the circulation system for the project.

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

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

Parking

Parking will be located on each parcel and a shared parking agreement will be implemented per Municipal Code Section 18.72.050, on-site parking alternative-Section F, to meet the parking needs of the development. Parking below standards for some uses will be met by implementing a shared parking agreement between the newly created parcels within the property. Additionally, the mix of land uses will result in walking trips that will reduce parking demands for some uses.

Signage and Lighting

A detailed signage and lighting plans will be submitted during the Design Review phase of the project review. Signage and lighting will comply with the City of Morgan Hill Municipal Code, Sections 18.88 and 18.72.060G. We anticipate signage will be located at the intersection of Juan Hernandez Drive and the main access drive into the property, currently labeled as Street A on the conceptual Site Plan. Additional internal signage locations have not been determined at this time.

Storm Water Infrastructure

All drainage systems will be designed to comply with City and Regional Water Quality Control Board requirements for storm water management. Bio swales will be dispersed throughout the development, including a 25-foot wide landscape buffer along the east property line and a storm water basin, located in the southeast corner of the property. All drainage improvements will be designed and landscaped to meet City and State design criteria and performance standards. Where necessary, fencing around the ponds will consist of black chain link or decorative fencing and landscaping to shield views from US Highway 101 and onsite patrons.

Other Utilities

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

Phasing

The proposed project would likely be constructed in phases starting with development of Parcel C, followed by development of Parcels B and D, and closing with the development of Parcel A. The hospital use will require approvals by the Office of Statewide Health Planning and Development (OSHDP) and the Division of the State Architect, some approvals could take as long as seven years, which is why it is expected to be the final element of the project to be developed. Full occupancy of all uses is assumed to occur in the year 2025-2027. Market factors could result in a changed phasing sequence.

Conceptual Development Plans

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

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

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

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

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

Full Size Plans, Illustrative Building Elevations, provided under separate cover, illustrate the building elevations and provide perspective renderings for each building. The building architecture and design are inspired by a distinctly modern and geometric aesthetic, using classical materials for a timeless appearance. The elevations are crafted of warm wood, grey stone and contrasting light stucco. The transparent glazing panes will provide ample daylight and animate the buildings, flooding the interior spaces with natural light and the orthogonal volumes and surfaces complement each other. The parking deck form is reduced in mass by using landscape screens facing US Highway 101.

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

Conceptual Site Development Data

The PD Master Plan's conceptual Site Plan (see Figure 10) is used to provide the numbers that were used to prepare the project description and CEQA documentation. Additional dwelling units or floor area may be achieved on the property. The PD Master Plan allows a range of 350,000 – 417,696 square

feet of commercial, office, and/or institutional floor space and a maximum of 200 multi-family or single family dwelling units. It is expected the conceptual Site Plan will be modified prior to Design Review. Modification will be kept to a limit acceptable to not trigger additional CEQA impacts or mitigation measures. If the conceptual Site Plan changes exceed this limit, additional CEQA documentation may be necessary.

Medical Office / Cancer Center

Building Coverage: 10,000 square feet

Floor Area: 10,000 square feet

Building Height: One story (25-foot maximum)

Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 2 EV spaces, and 5 bicycle spaces

Medical / Hospital

Building Coverage: 33,333 square feet

Floor Area: 100,000 square feet

Building Height: Three story (52-foot maximum including rooftop equipment)

Parking: 500 shared spaces within deck, including 9 ADA spaces, 10 EV spaces, and 25 bicycle spaces

Decked Parking

Building Coverage: 54,000 square feet

Building Height: Three story (32-foot)

Retail / Restaurant

Building Coverage: 10,000 square feet

Floor Area: 10,000 square feet

Building Height: One story (25-foot)

Parking: 55 spaces, including 3 ADA spaces, 2 EV spaces, and 5 uncovered bicycle spaces

Multi-Family Housing

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

Floor Area: 175,500 square feet – apartments; 3,000 square feet – club house

Building Height: Varies by building: Three story (35-foot maximum); Four story (45-foot)

Dwelling Units: 200 Units (conceptual Site Plan assumes 61 at 1 bedroom and 139 at 2 bedroom, or 200 units)

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

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

Urgent Care and Pharmacy

Building Coverage: 4,500 square feet

Floor Area: 4,500 square feet

Building Height: One story (25-foot)

Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 3 uncovered bicycle spaces

Existing Medical Buildings

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

Floor Area: 15,900 square feet

Building Height: One story

Parking: 96 shared spaces, including 30 existing spaces, 4 ADA spaces, 2 EV spaces and 4 uncovered bicycle spaces.

Park

Open Space / Passive Park Acreage: +/- 2.2 acres

Recreation exclusive for Multi-Family: +/- 0.70 acres

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

Total Building Coverage

(Net Property Land Area: 835,391 square feet / 19.18 acres)

Allowed: 417,696 square feet (50% of net land area)

Proposed: Not to exceed 50% (conceptual Site Plan indicates 212,319 square feet (25% of net land area)

Floor Area Ratio (FAR)

(Net Property Land Area: 835,391 square feet / 19.18 acres)

Maximum FAR (per MU-F 0.5): 417,696 square feet

Proposed FAR: (0.42-0.5) 350,000 to 417,696 square feet (conceptual Site Plan indicates 351,786 square feet)

Total Square Feet

(Within buildings/carports on conceptual Site Plan)

Retail/Restaurant: 10,000 square feet

Medical Offices (4): 30,400 square feet

Medical/Hospital: 100,000 square feet

Residential: 178,500 square feet (includes club house/leasing office at 3,000 square feet)

Covered Residential Parking: 32,886 square feet – expected to be carports

Total: 351,786 square feet – (does not include the commercial parking structure)

Total Parking

Proposed Vehicle Parking: 1,010 spaces total (96 compact spaces at bio swales)

Covered Vehicle Parking: 700 spaces (500 spaces within parking structure)

Bicycle Parking: 118 (36 covered spaces, 82 uncovered spaces)

ADA Parking: 28 spaces

Electric Vehicle (EV): 23 spaces

4.3 Implementing Approvals

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

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

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

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

4.4 Ownership and Ongoing Obligations

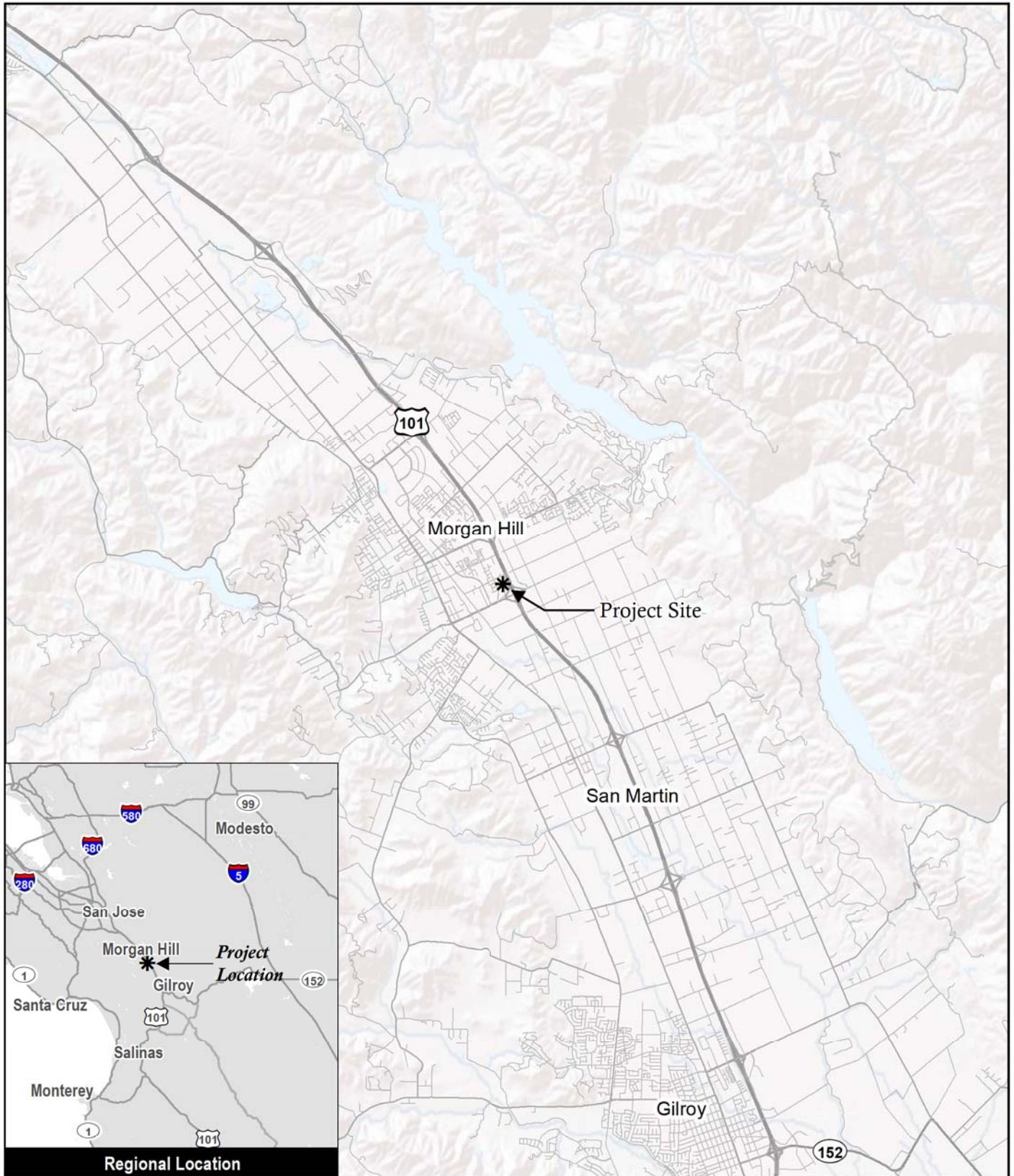
The PD Master Plan, General Plan Amendment, and subdivision proponent seeks to obtain City approval of the General Plan Amendment, PD Master Plan and subdivision entitlements. The applicant/proponent intends to develop Parcel D with the Medical Center (e.g. urgent care/pharmacy, cancer center, medical offices, etc.). The medical /hospital parcel, retail/restaurant parcel, and residential parcel will most likely be sold to end users or to specialized developers.

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

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

4.5 Maps and Diagrams

Maps and Diagrams are presented on the following pages.



Source: ESRI 2019

Figure 1

Regional Location Map

Lillian Commons/Morgan Hill Medical Campus



0 2 miles



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0 300 feet



Subject Property



Morgan Hill
City Limits

Source: ESRI 2019, Santa Clara County GIS 2018

Figure 2

Vicinity Map

Lillian Commons/Morgan Hill Medical Campus

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0 575 feet



Subject Property

Source: Office of the Assessor, County of Santa Clara 2019



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SURVEY NOTES

1. THIS MAP REPRESENTS AN AERIAL TOPOGRAPHIC SURVEY PERFORMED BY WHITSON ENGINEERS ON JUNE 26, 2019. MAPING SCALE IS 20' PER INCH WITH CONTOURS AT ONE FOOT INTERVALS.
2. THIS MAP PORTRAYS THE SITE AT THE TIME OF THE SURVEY AND DOES NOT SHOW SOILS OR GEOLOGY INFORMATION, UNDERGROUND CONDITIONS, EASEMENTS, ZONING OR REGULATORY INFORMATION OR ANY OTHER ITEMS NOT SPECIFICALLY REQUESTED BY THE CLIENT.
3. BOUNDARY LOCATIONS SHOWN HEREON WERE DETERMINED WITH THE BENEFIT OF A FIELD SURVEY SUPPLEMENTED BY RECORD DATA. ALL BOUNDARY SHOWN IS FROM RECORD DATA. THIS TOPOGRAPHY DOES NOT CONSTITUTE A BOUNDARY SURVEY. THERE MAY BE EASEMENTS OR OTHER RIGHTS, RECORDED OR UNRECORDED, AFFECTING THE SUBJECT PROPERTY WHICH ARE NOT SHOWN HEREON.
4. DISTANCES AND DIMENSIONS SHOWN ARE EXPRESSED IN FEET AND DECIMALS THEREOF, UNLESS OTHERWISE NOTED.
5. LOCATING OF UNDERGROUND UTILITIES WAS NOT WITHIN THE SCOPE OF THE TOPOGRAPHIC SURVEY. WITH THE EXCEPTION OF OBSERVED FACILITIES, SIZE AND LOCATION OF UNDERGROUND UTILITIES ARE SHOWN BASED ON AS-BUILT DOCUMENTS PROVIDED BY THE CITY OF MORGAN HILL.

BENCHMARK

LOCAL BENCHMARK TAKEN AS 2-INCH BRASS DISC. ELEVATIONS SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). ELEVATIONS WERE DETERMINED THROUGH STATIC GPS OBSERVATIONS AND THE USE OF THE NATIONAL GEODETIC SURVEY'S ONLINE POSITIONING USER SERVICE (OPUS). A NAVD88 ELEVATION OF 343.77 FEET FOR THE BRASS DISC WAS ESTABLISHED FOR THE LOCAL SITE BENCHMARK DESIGNATED POINT NUMBER 600, SHOWN HEREON.

LEGEND

- SUBJECT PROPERTY LINE
- ADJACENT PROPERTY LINE
- CENTERLINE
- XX SS --- SANITARY SEWER LINE
- XX W --- WATER LINE
- XX SD --- STORM DRAIN
- 290 --- EXISTING CONTOUR
- UTILITY MANHOLE
- STORM DRAIN CATCH BASIN
- +○ FIRE HYDRANT
- WATER VALVE
- SURVEY MONUMENT (FOUND)

ABBREVIATIONS

- AC ACRE
- BW BACK OF WALK
- CB CATCH BASIN
- CH-LNK CHAIN LINK
- CONC CONCRETE
- EP EDGE OF PAVEMENT
- FL FLOWLINE
- GR GRATE
- HP HIGH POINT
- INV INVERT
- JP JOINT POLE
- LP LOW POINT
- MH MANHOLE
- OH OVERHEAD
- PL PROPERTY LINE
- SD STORM DRAIN
- SS SANITARY SEWER
- TC TOP OF CURB
- TS TRAFFIC SIGNAL
- WV WATER VALVE
- WM WATER METER
- x271.19 EXISTING SPOT ELEVATION

PROJECT TEAM

CIVIL ENGINEER / SURVEYOR

WHITSON ENGINEERS
6 HARRIS COURT
MONTEREY, CA 93940

(831) 649-5225

ARCHITECT

EVOCO ARCHITECTURE
160 SOUTH LINDEEN AVENUE, SUITE 210
SOUTH SAN FRANCISCO, CA 94080

(415) 312-0454

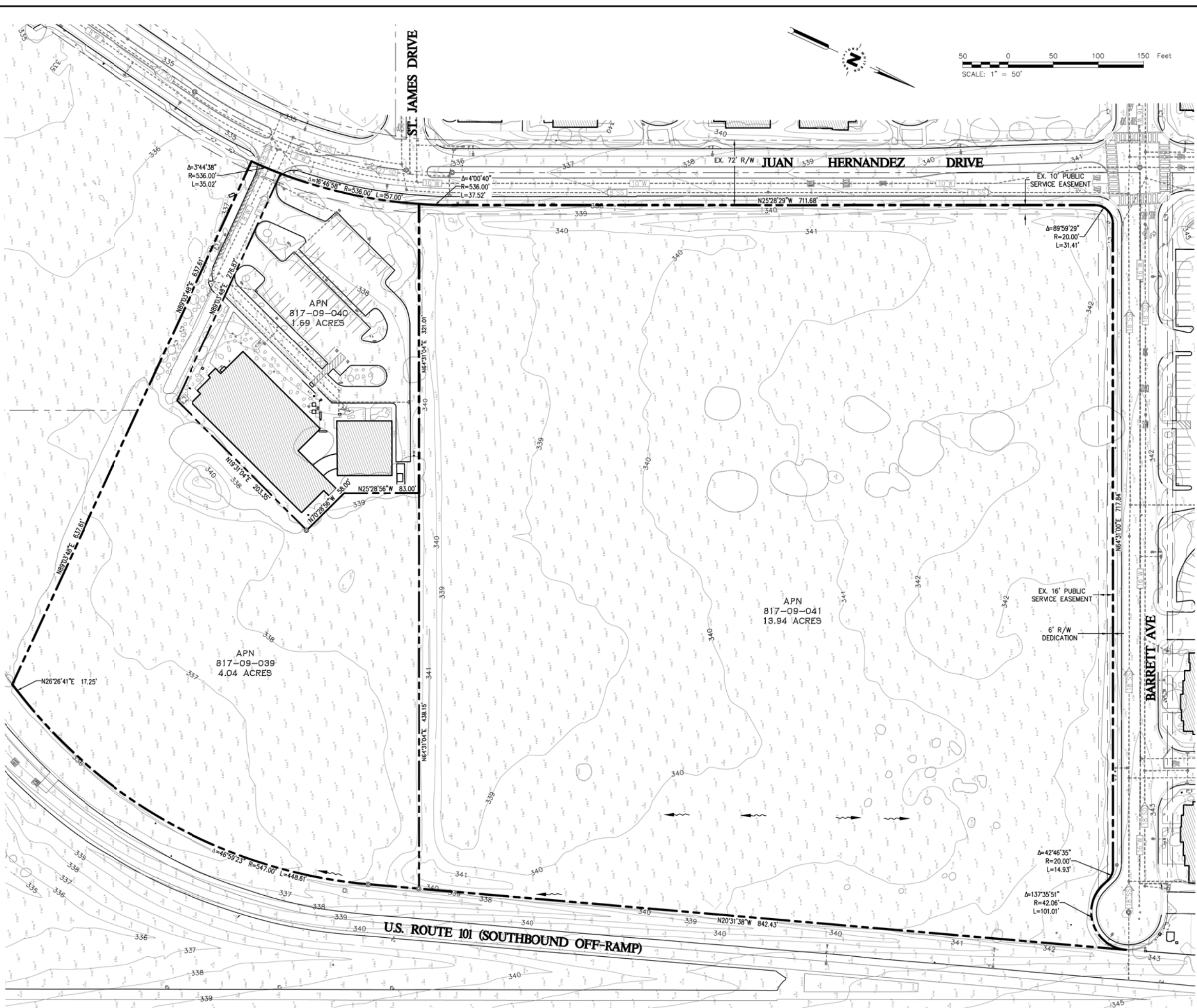
LANDSCAPE ARCHITECT

W. JEFFREY HEID LANDSCAPE ARCHITECT
6179 ONEIDA DRIVE
SAN JOSE, CA 95123

(408) 691-5207

SHEET INDEX

- C1.0 EXISTING CONDITIONS MAP
- C2.0 CONCEPTUAL SITE AND UTILITY PLAN
- C2.1 CONCEPTUAL GRADING PLAN



Civil Engineering
Land Surveying
4 Harris Court
Monterey, California
93940
whitsonengineers.com

Whitson
ENGINEERS

NOT VALID
WITHOUT
SIGNATURE

SUBMITTAL / REVISION

LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT

Morgan Hill, California

EXISTING CONDITIONS MAP

APN 817-09-039, -040, -041

SCALE: 1"=50'

DRAWN: GK

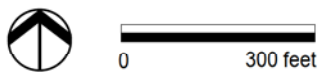
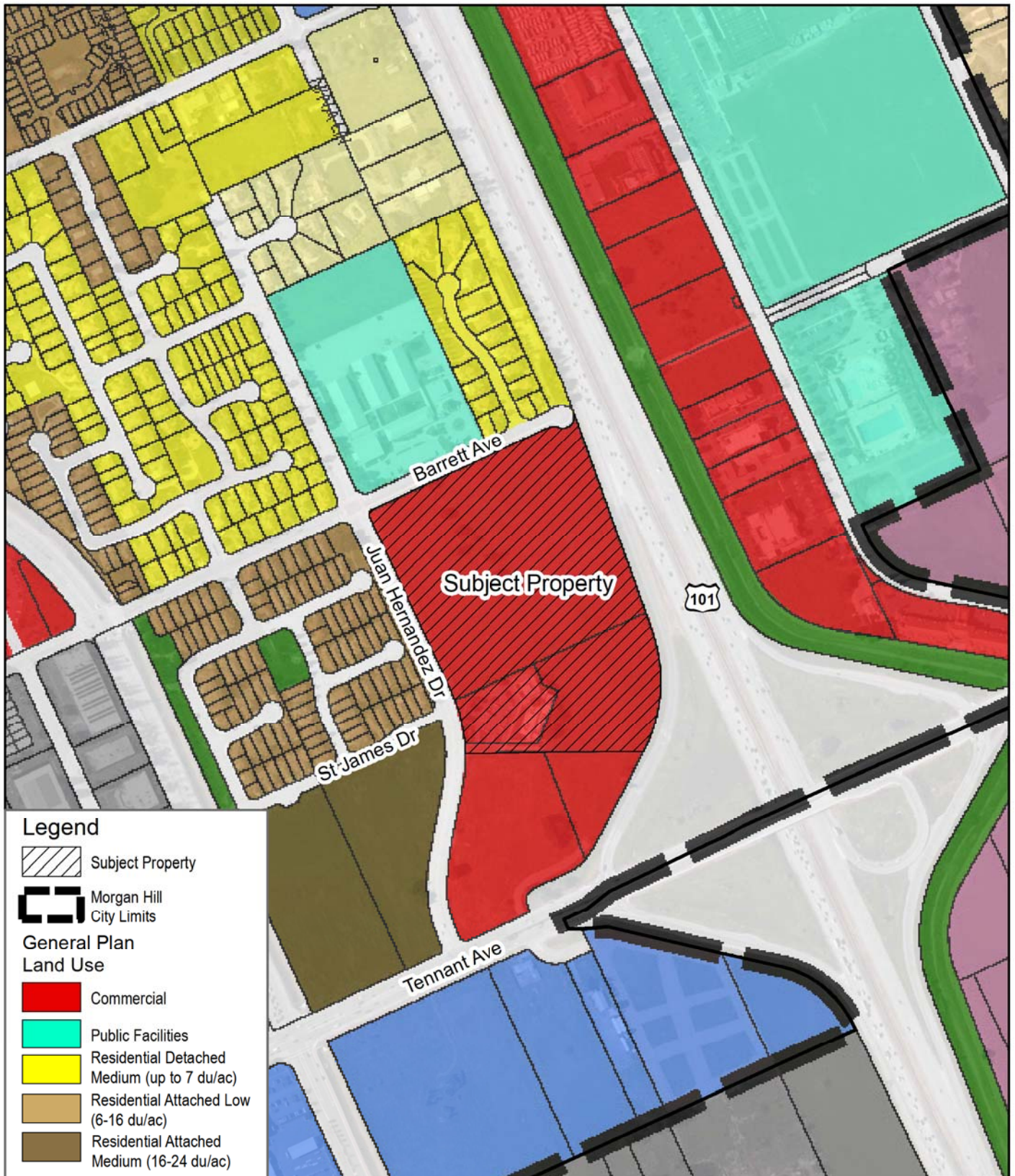
JOB No.: 2690.01

SHEET

C1.0

Packet Pg. 378

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Source: ESRI 2019, Santa Clara County 2017

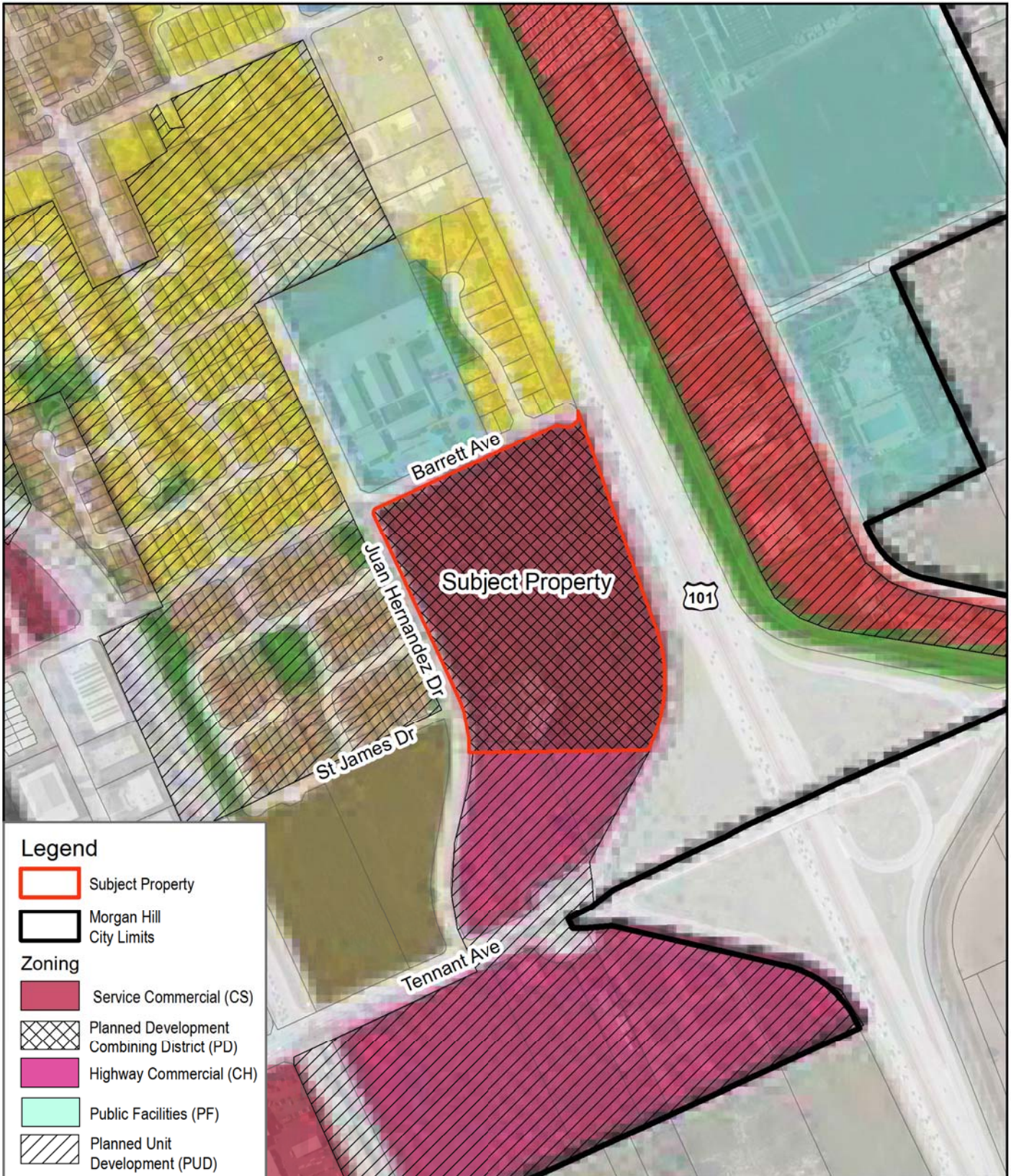
Figure 5

Existing City General Plan Land Use Map

Lillian Commons/Morgan Hill Medical Campus



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Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

Figure 6



Existing City Zoning Map

Lillian Commons/Morgan Hill Medical Campus

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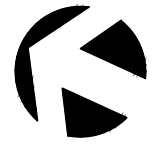
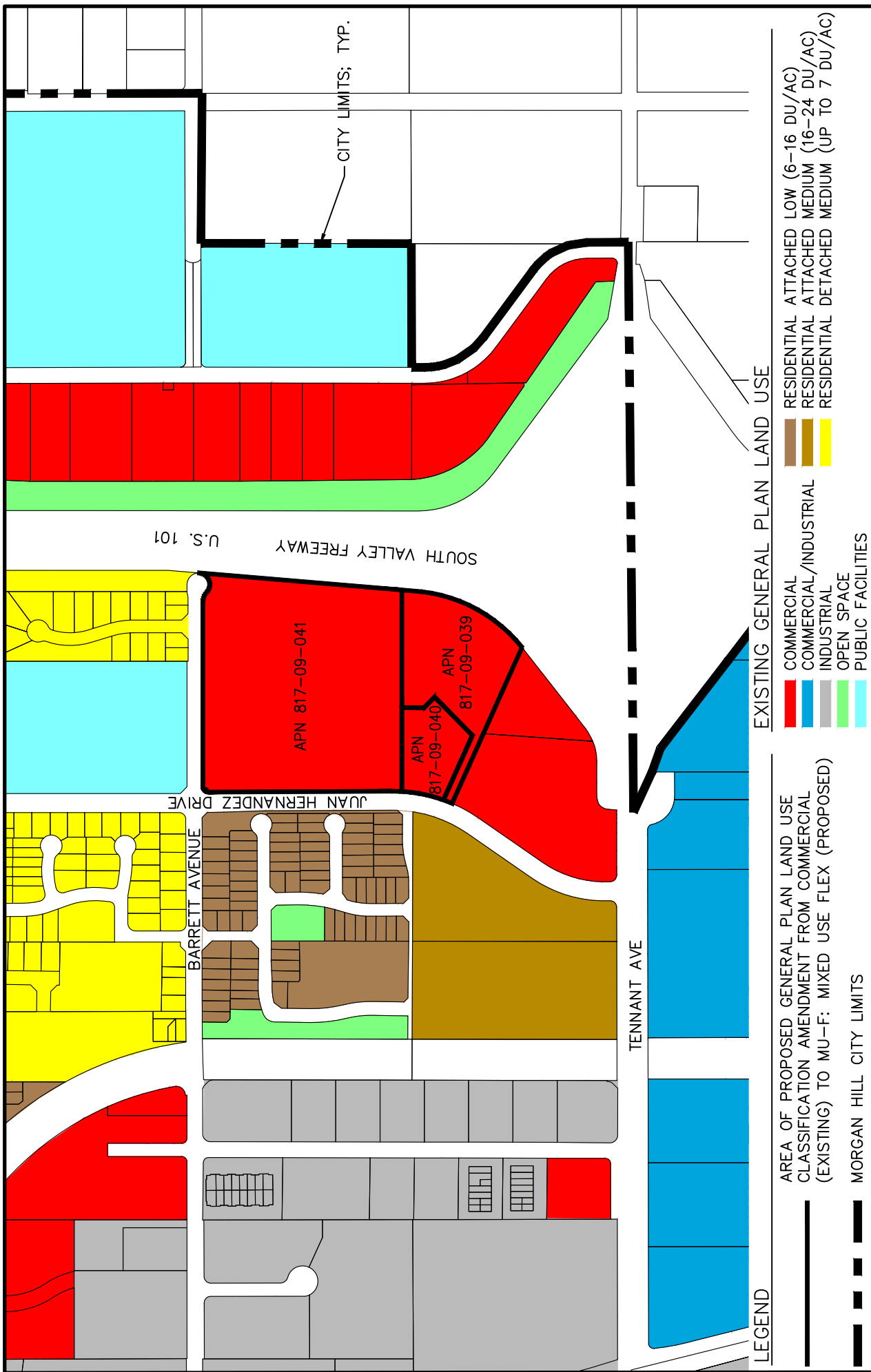
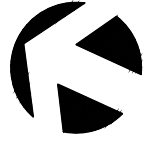
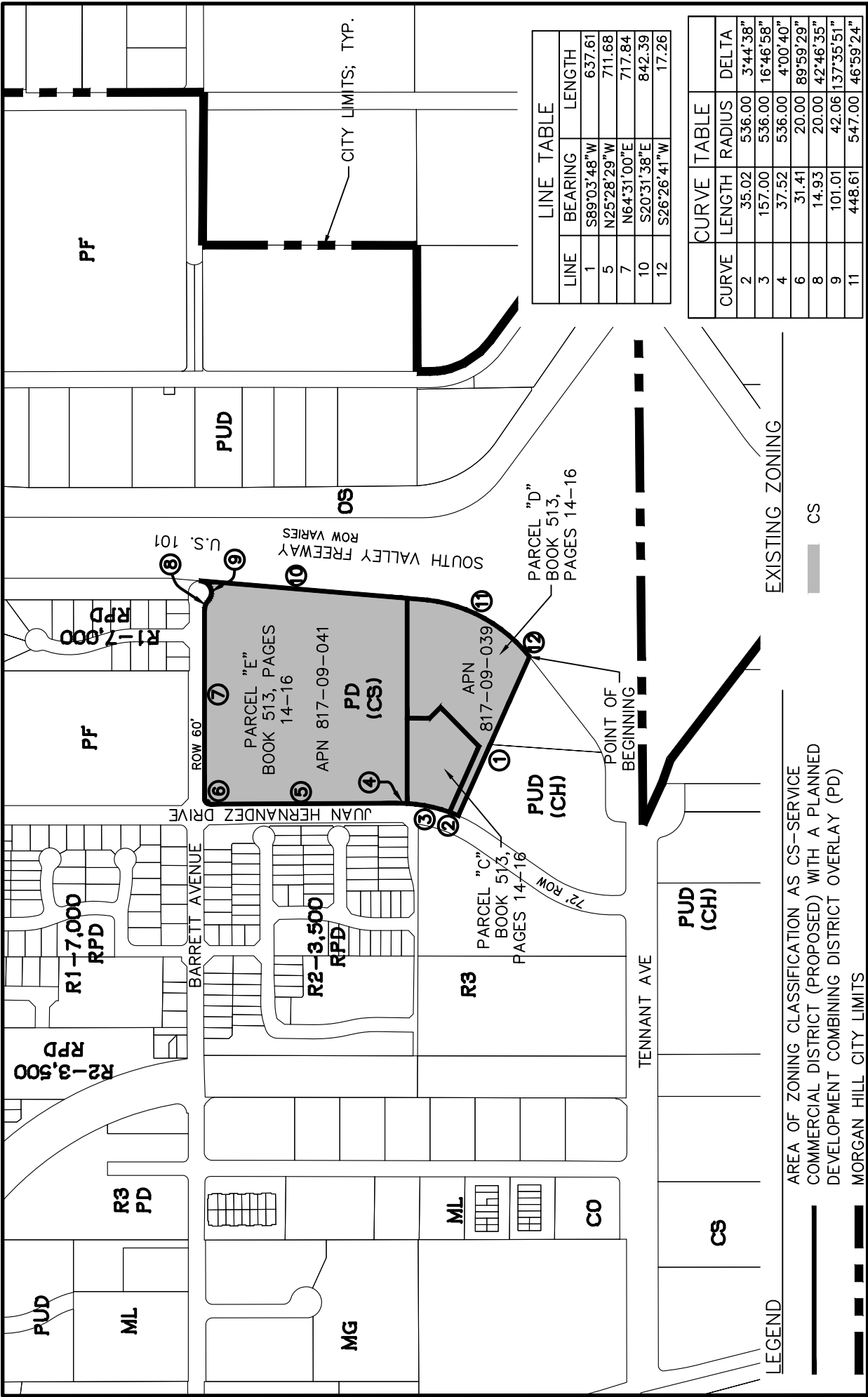


FIGURE 7 - PROPOSED GENERAL PLAN AMENDMENT TO THE CITY OF MORGAN HILL ENTITLED 0 JUAN HERNANDEZ DRIVE,

PREPARED BY:
 HITSON ENGINEERS
 HARRIS COURT
 MONTEREY, CA 93940
 (415) 649-5225

Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

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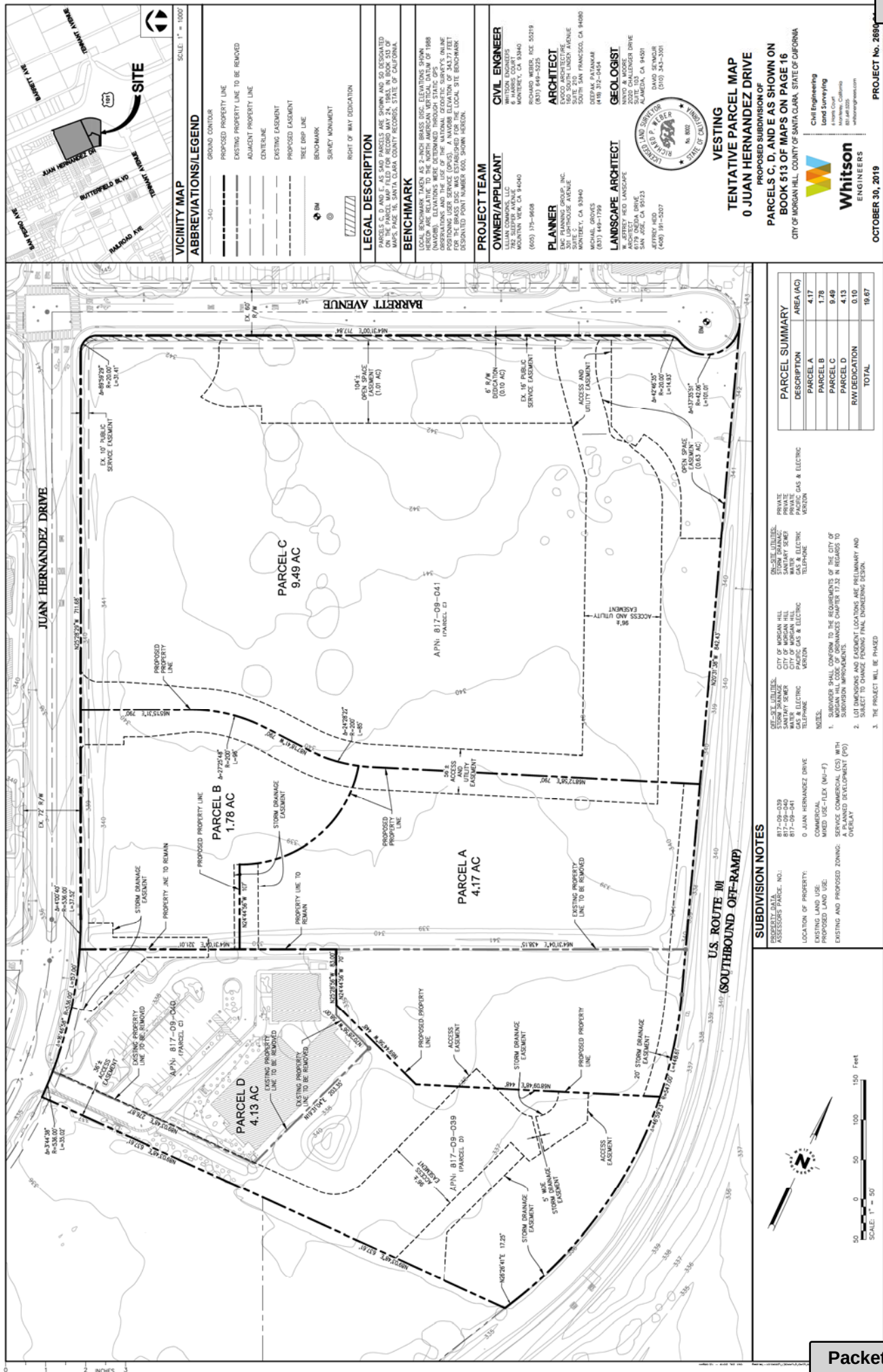


PREPARED BY:
HITSON ENGINEERS
HARRIS COURT
MORGAN HILL, CA 95037
(916) 649-5225

FIGURE 8 - MAP SHOWING ZONING LANDS OF 0 JUAN HERNANDEZ DRIVE, MORGAN HILL, BEING A PART OF ORDINANCE No. 11.n

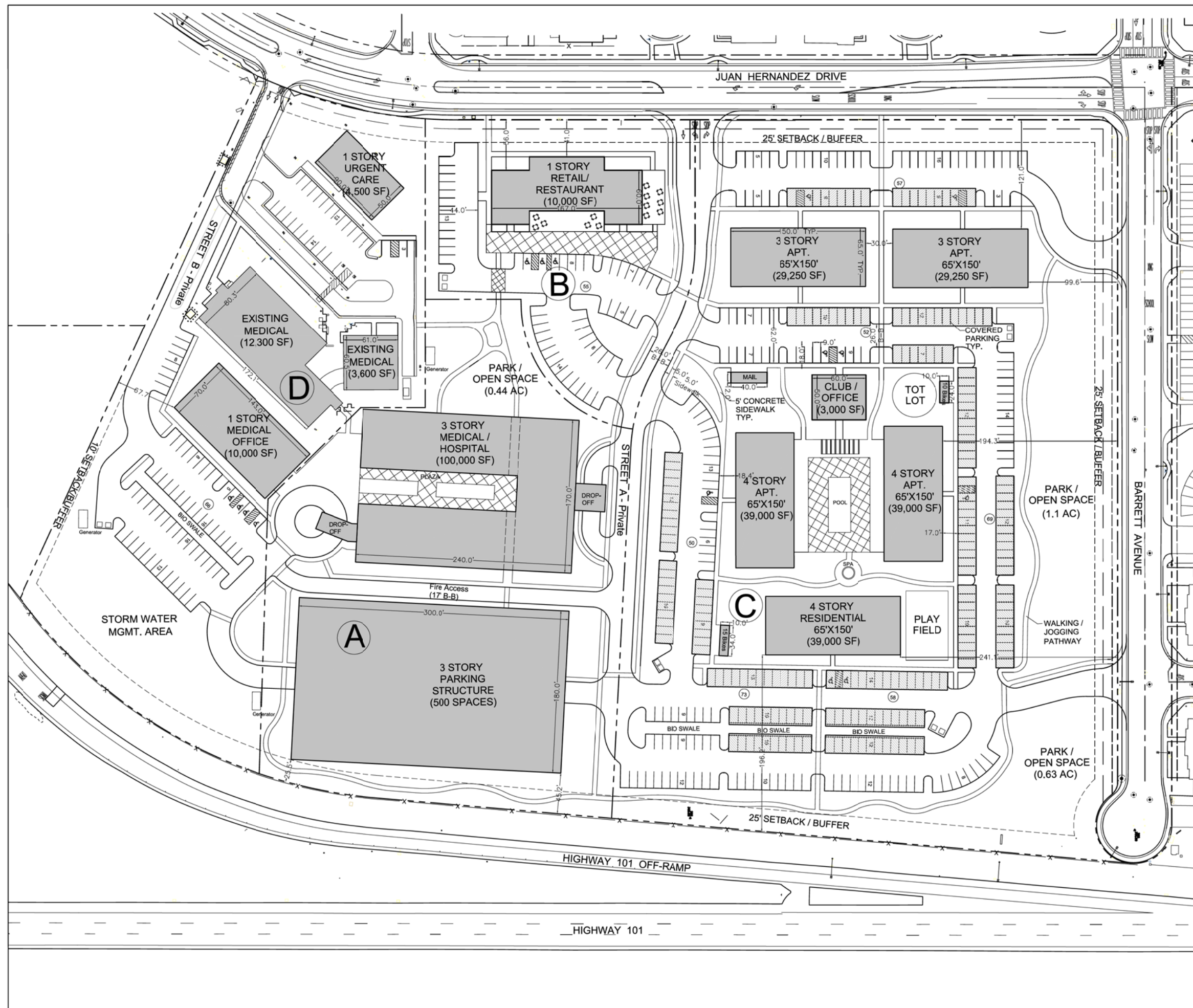
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Figure



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Packet Pg. 390



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Lillian Commons / Morgan Hill Medical Campus

LEGEND

- Buildings / Carports
- Existing Sidewalks
- Walkways / Jogging Paths
- Gathering Areas
- Park / Recreation / Open Space
- Landscape Buffers / Open Space

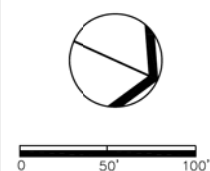


Figure 11

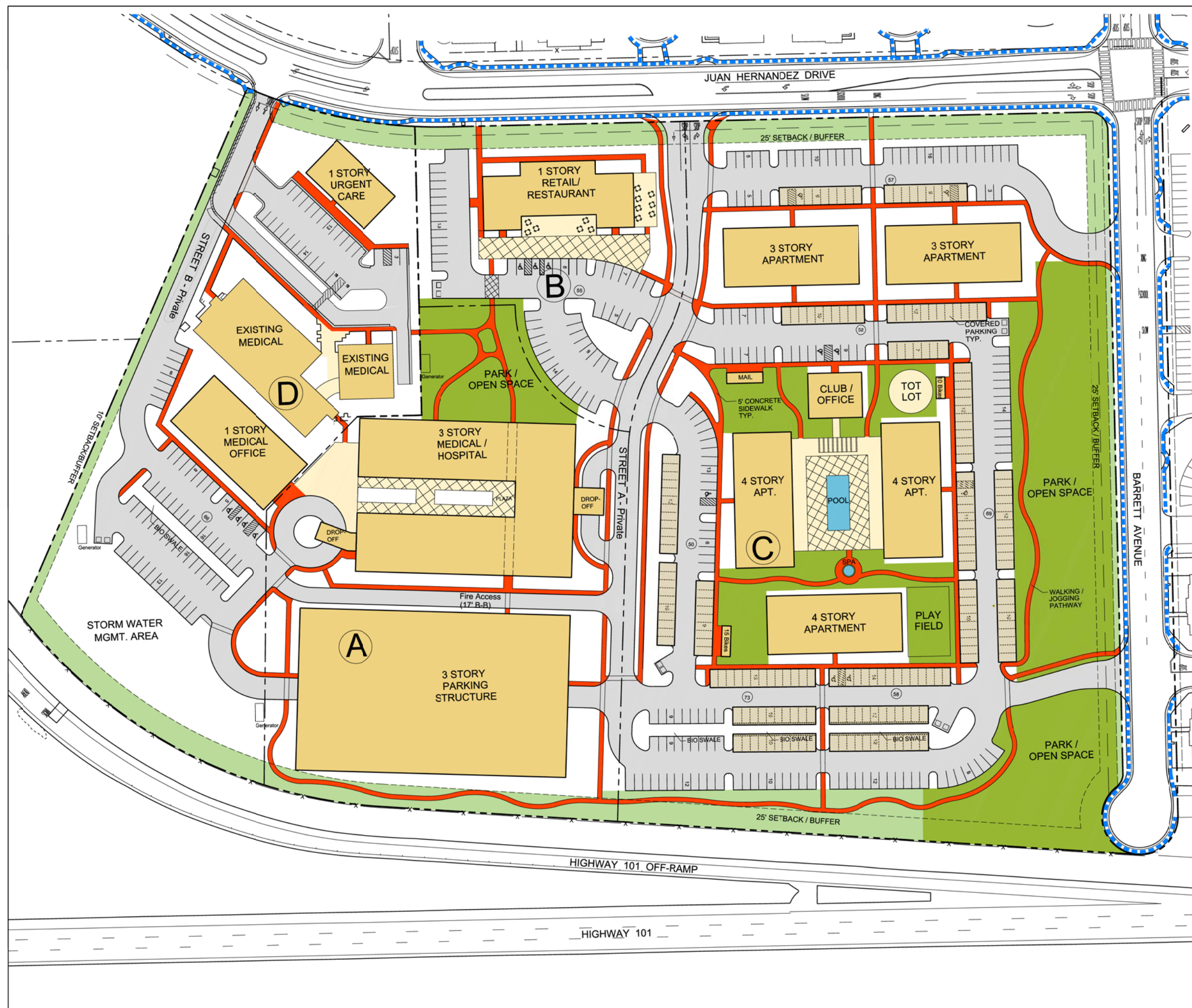
PEDESTRIAN CIRCULATION / OPEN SPACE PLAN

PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA

October 30, 2019



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com



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Lillian Commons / Morgan Hill Medical Campus

SITE DATA:

APN: 817-09-039, 040 and 041
Site Area: GLA -19.67 AC, 856,782 SF
Parcel A - Proposed Medical Office / Hospital - 4.17 AC
100,000 SF, 500 Pkg. Spaces
0.44 AC Passive Park
Parcel B - Proposed Commercial/Restaurant - 1.78 AC
10,000 SF, 55 Pkg. Spaces
Parcel C - Proposed Residential Apartments - 9.49 AC
175,500 SF Res., 359 Pkg. Spaces
3,000 SF Leasing Office/Club House
2.42 AC Park/Recreation
Parcel D - Proposed Urgent Care/ Existing Medical - 4.13 AC
15,900 SF Ex. Medical
4,500 SF Proposed Urgent Care
10,000 SF Proposed Medical Office,
96 Pkg. Spaces
Right-of-way Dedication - 0.10 AC
Zoning: Service Commercial - CS w/ PD Overlay
Existing General Plan Designation: Commercial
Proposed General Plan Amendment: Mixed Use Flex
Parking: Total Required 1,161 spaces/ Provided 1,010 spaces*
Required: Medical Office / Hospital @ 1/200 = 652 spaces
Proposed: Medical Office / Hospital @ 1/219 = 596 spaces
Required: Retail/Restaurant @ 1/250 and 1/100 = 70 spaces
(Assumes 5,000 Retail and 5,000 Restaurant)
Proposed: Retail/Restaurant 55 spaces
Required: Apartments @ 1.5/1 bdrm and 2.0/2 bdrm = 375 spaces
Guest Parking at 1/3 DU = 68 spaces Total = 443 (203 covered)
Proposed: Apartments 359 spaces
*Shared parking proposed per Municipal Code Section 18.72.050

Floor Area Ratio: 351,786 SF (0.42%)

LEGEND:

- Structures on Site
- Storm Water Management
- Park/Recreation/Open Space
- Sidewalks/Pathways
- Landscaping (See Landscape Plan for Details)



0 50' 100'

Figure 12

ILLUTRATIVE SITE PLAN

PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA

October 30, 2019



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com

This side intentionally left blank.

PROJECT DATA

1.

PROPERTY DATA:
ASSESSORS PARCEL NO.:
817-09-039
817-09-040
817-09-041
3.

EXISTING SITE:
PERVIOUS: ±18.51 AC
IMPERVIOUS: ±1.16 AC
TOTAL AREA: ±19.67 AC
4.

PROPOSED SITE:
PERVIOUS: ±8.82 AC
IMPERVIOUS: ±10.75 AC
RIGHT OF WAY DEDICATION: ±0.10 AC
TOTAL AREA: ±19.67 AC
5.

OFF-SITE UTILITIES:
STORM DRAINAGE CITY OF MORGAN HILL
SANITARY SEWER CITY OF MORGAN HILL
WATER/FIRE CITY OF MORGAN HILL
GAS & ELECTRIC PACIFIC GAS & ELECTRIC
TELEPHONE VERIZON

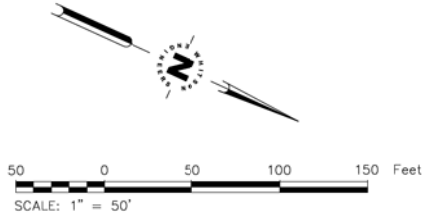
ON-SITE UTILITIES:
STORM DRAINAGE PRIVATE
SANITARY SEWER PRIVATE
WATER/FIRE PRIVATE
GAS & ELECTRIC PACIFIC GAS & ELECTRIC
TELEPHONE VERIZON
6.

ESTIMATED PRELIMINARY EARTHWORK:
CUT: ±30,000 CY
FILL: ±30,000 CY
NET BALANCE
7.

LEGAL DESCRIPTION:
PARCELS C, D AND E, AS SAID PARCELS ARE SHOWN AND SO DESIGNATED ON THE PARCEL MAP FILED FOR RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16, SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.
8.

PARCEL AREAS:
PARCEL A 4.17 AC
PARCEL B 1.78 AC
PARCEL C 9.49 AC
PARCEL D 4.13 AC
R/W DEDICATION 0.10 AC
TOTAL AREA: 19.67 AC
9.

BUILDING SETBACKS:
FRONT 25'
REAR 0'
SIDE 0'
STREET 15'



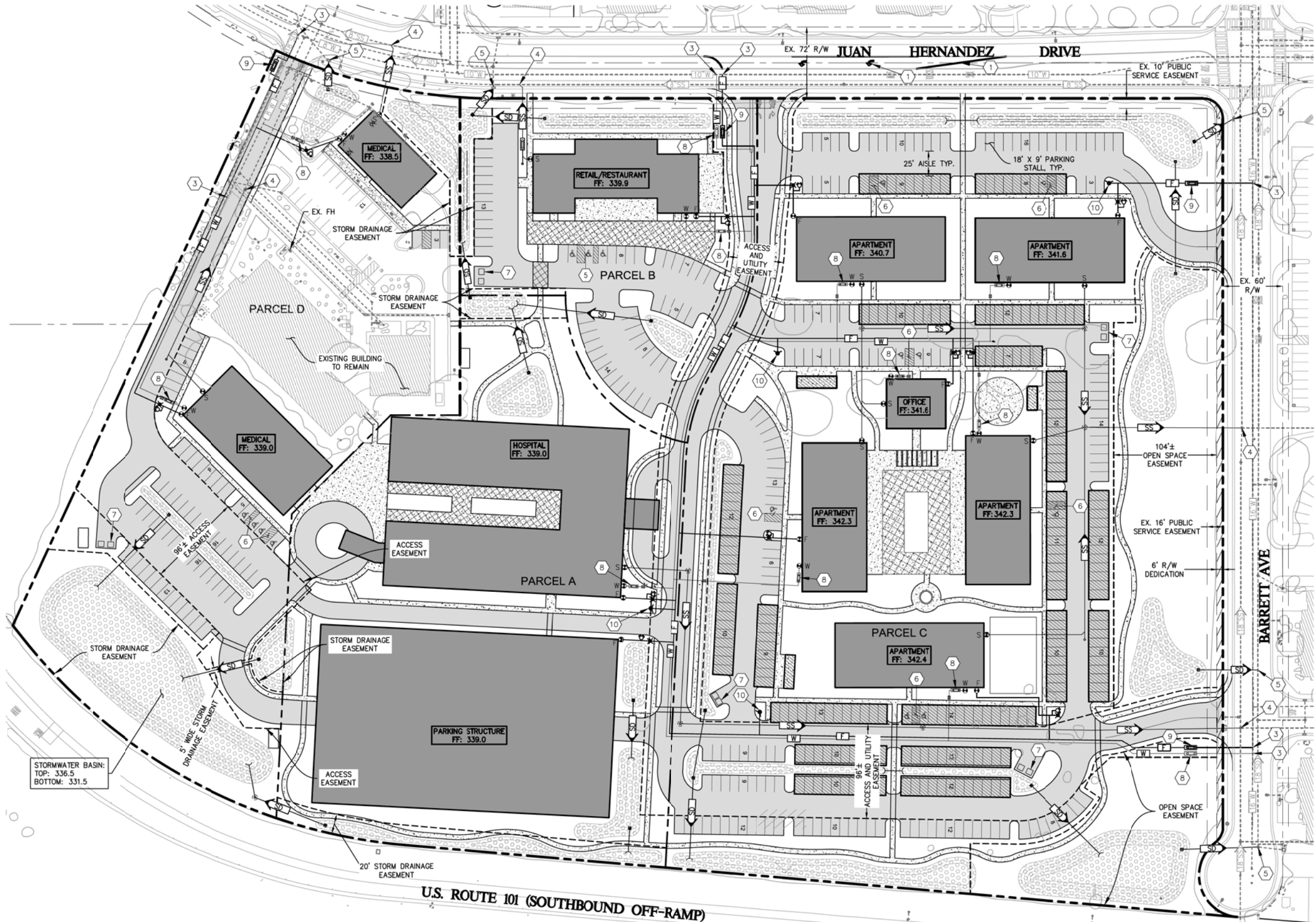
CONSTRUCTION KEYNOTES:

1. SOUTHBOUND LEFT TURN LANE CHANNELIZATION PER TRAFFIC STUDY.
2. STORMWATER BASIN SIZED TO DETAIN THE 10-YEAR, 24-HOUR STORM EVENT, INCLUDING FLOW CONTROL STRUCTURE TO LIMIT POST-PROJECT PEAK FLOWS TO PRE-PROJECT PEAK FLOWS FOR THE 2- THROUGH 10-YEAR STORM EVENTS.
3. CONNECT TO EXISTING WATER MAIN.
4. CONNECT TO EXISTING SEWER MAIN.
5. CONNECT TO EXISTING STORM DRAIN.
6. ACCESSIBLE PARKING. SEE SITE PLAN FOR PARKING COUNT AND REQUIREMENTS.
7. TRASH ENCLOSURE.
8. DOMESTIC WATER BACKFLOW DEVICE.
9. FIRE MAIN DOUBLE CHECK ASSEMBLY.
10. FIRE HYDRANT.

CONSTRUCTION PLAN LEGEND

- #

CONSTRUCTION KEYNOTE
- ASPHALT PAVING
- PROPOSED BUILDING
- CONCRETE WALKS AND FLATWORK
- STORMWATER BIORETENTION OR BIOSWALE
- PROPOSED CARPORT/SHADE STRUCTURE
- RIGHT OF WAY DEDICATION
- PROPERTY LINE (EXISTING)
- PROPOSED PROPERTY LINE
- SEWER BUILDING POINT OF CONNECTION
- WATER BUILDING POINT OF CONNECTION
- FIRE BUILDING POINT OF CONNECTION
- FIRE DEPARTMENT CONNECTION AND POST INDICATOR VALVE
- UTILITY MANHOLE
- CLEANOUT



LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT

Morgan Hill, California

CONCEPTUAL SITE AND UTILITY PLAN

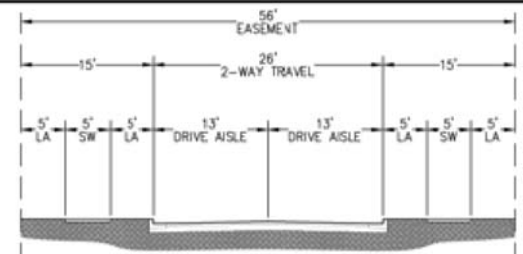
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DRAWN: GK
JOB No.: 2690.01
SHEET

C2.0

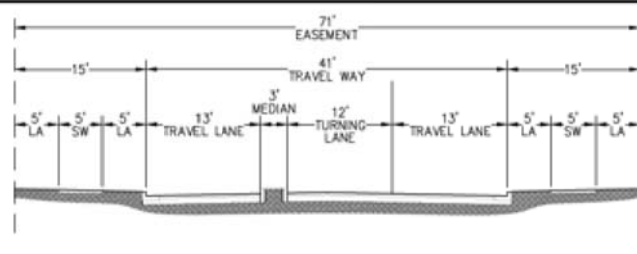
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PROJECT DATA

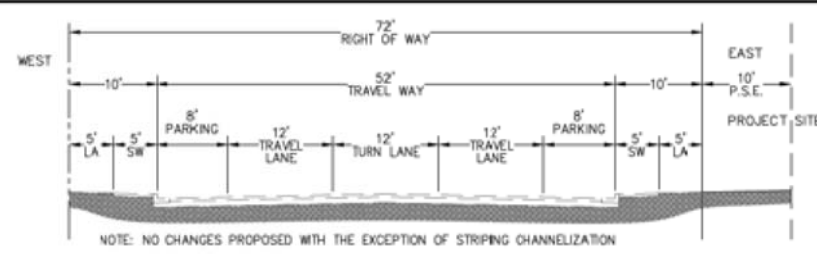
ESTIMATED PRELIMINARY EARTHWORK:
CUT: ±30,000 CY
FILL: ±30,000 CY
NET BALANCE



1 STREET 'A' (A PRIVATE STREET)
SCALE: 1" = 10'

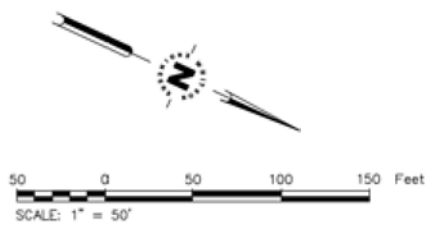
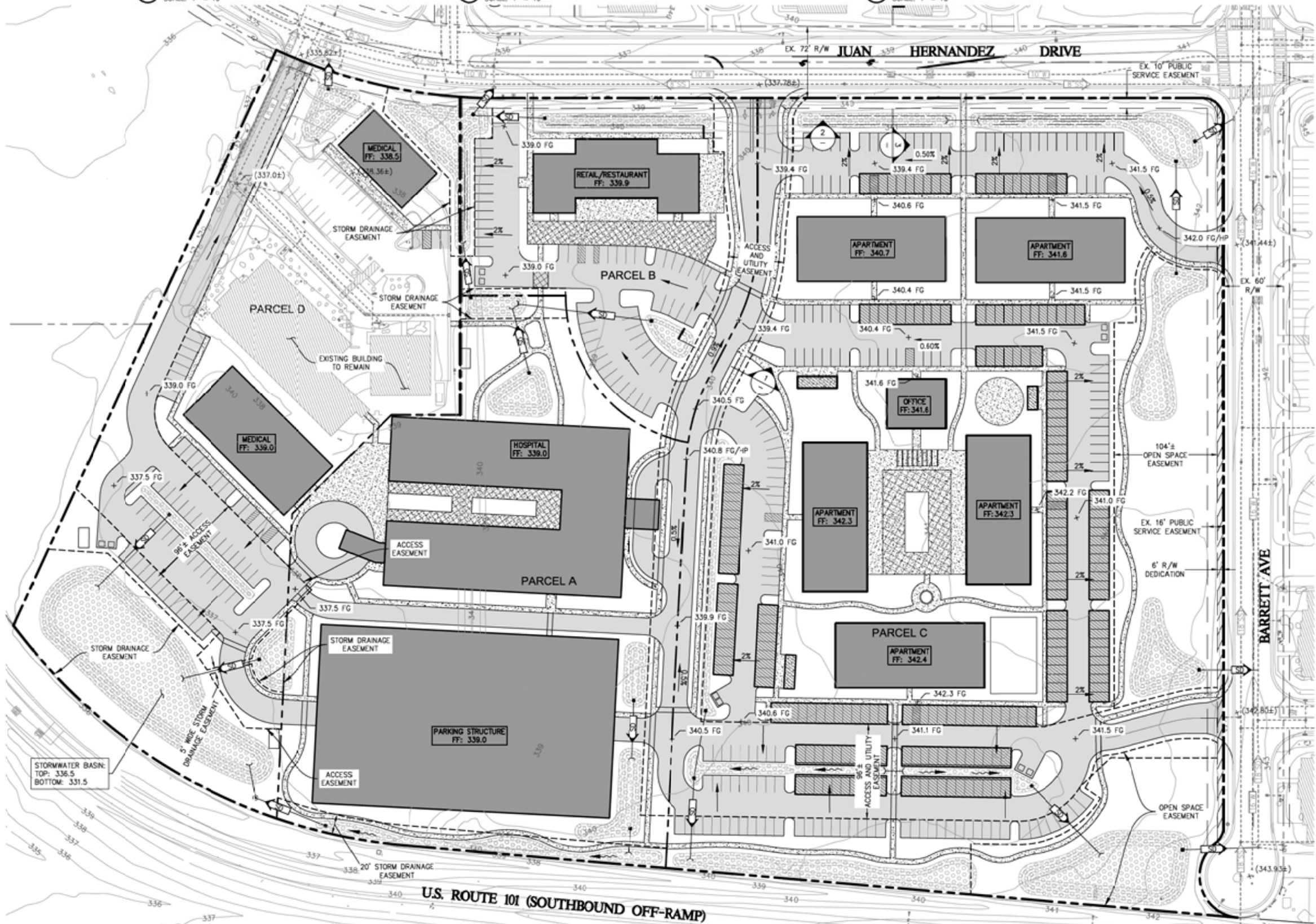


2 STREET 'A' (A PRIVATE STREET)
SCALE: 1" = 10'



3 JUAN HERNANDEZ DRIVE
SCALE: 1" = 10'

NOTE: NO CHANGES PROPOSED WITH THE EXCEPTION OF STRIPING CHANNELIZATION



Civil Engineering
Land Surveying
4 Years Court
Mentoring: California
301 Judd St
Whitson Engineers

Whitson
ENGINEERS

NOT VALID
WITHOUT
SIGNATURE

SUBMITTAL / REVISION

LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT
Morgan Hill, California

CONCEPTUAL GRADING PLAN

APN 817-09-039, -040, -041

SCALE: 1" = 50'
DRAWN: GK
JOB No.: 2690.01
SHEET

C2.1

Packet Pg. 398

Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

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3

RETAIL/ RESTAURANT



1

HOSPITAL

Figure 15

11.n

evoco

EVOCO ARCHITECTURE & INTERIORS
160 SOUTH LINDEN AVE # 210
SO. SAN FRANCISCO CA 94080
415.312.0454

OWNER:
LILLIAN COMMONS, LLC
782 SLEEPER AVENUE
MOUNTAIN VIEW, CA 94040

REVISIONS	
DATE/DESC.	

LILLIAN COMMONS/ MORGAN HILL
MEDICAL CAMPUS
0 AND 16130 JUAN HERNANDEZ DRIVE
MORGAN HILL, CA 95037

SEAL:

TITLE:
EXTERIOR
BUILDING VIEWS- 2

DATE:
OCTOBER 22, 2019

SCALE:
AS NOTED

JOB #:
19150

DRAWN
BY :
DP

A 9 2
Packet Pg. 400

Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

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5.0

LAND USES

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

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

Table 1 PD Master Plan Allowed and Conditional Uses

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	C
Bed and Breakfast	C
Business Support Services	P
Cinemas and Theatres	C
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	P
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)
Duets and Duplexes	C
Emergency Shelters	C
Farmers Markets	P
Food and Beverage Production <10,000 square feet	P
Fuel and Service Stations	C
General Retail	P
Government Offices	P
Group Housing	C
Home Day Care, Small and Large	P
Hospitals	P
Hotel and Motels	C
Instructional Services	P
Live/Work Unit	P
Medical Offices and Clinics	P
Mixed Use Residential	P
Multi-Family Dwellings	P
Nursing Homes and Long-Term Care	C
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	C
Residential Care Facilities, Small	P
Restaurant- Fast Food, Sit Down	C
School, Public and Private	C
Single-Family Detached Dwellings	C
Senior Housing, Independent Living	C
Social Services	C
Tasting Rooms	P
Veterinarian Clinics and Hospitals	C
Accessory Uses	(per Section 18.44)
Home Occupations	(per Section 18.92.060)
Temporary Uses	(per Section 18.92.150)

6.0

DEVELOPMENT STANDARDS

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

Table 2 PD Master Plan Development Standards

Development Aspect	Parameter
Minimum Lot Size	10,000 square feet
Minimum Lot Dimensions	100-foot width; 100-foot depth
Maximum building coverage	50%
Minimum setbacks (front, rear, side, street) [1]	25, 0 , 0, 15 feet (respectively)
Maximum height (exceptions 18.56.020)	Residential/Office – 4 stories or 45 feet Hospital – 4 stories or 55 feet
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
On-Site Parking	Per Section 18.72 [2]
Retail	1 space per 250 square feet of net floor area
Restaurant (sit down)	1 space per 100 square feet of net floor area
Medical Office	1 space per 200 square feet of net floor area
Residential (multi-family)	1 bedroom unit – 1 covered 2 bedroom unit – 1 covered and 1 uncovered per unit
Guest Parking	1 per 3 units (shared with Medical Office use)
Electrical Vehicle Parking	1 per 25 to 49 automobile spaces, 2 per 50 to 100 automobile spaces, plus 1 per 50 ratio over 100 automobile spaces
Non-Residential Bicycle Parking	10% of automobile spaces; long term (enclosed): 5% of automobile spaces
Residential Bicycle Parking	10% of automobile spaces; long-term (enclosed), 1 per 5 units

NOTE:

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

[2] Unless otherwise modified in this table.

PD Master Plan Development Standards for Single Family Residential

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

NOTE:

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

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

[3] Unless otherwise modified in this table.

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

7.0

CONSISTENCY WITH 2035 GENERAL PLAN

7.1 General Plan Land Use Designations

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

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

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

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

7.2 General Plan Goals and Policies

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

City and Neighborhood Form

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

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
Residential Neighborhoods-GOAL CNF-10 A variety of housing types and densities available to all residents.	Consistent: The PD Master Plan allows for a variety of housing types. The conceptual Site Plan shows multifamily residential which will provide the community with new housing types including one and two bedroom apartments.
Policy CNF-10.3 Adequate Supply of Multi-Family Housing. Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.	The PD Master Plan will assist the City in achieving an adequate housing supply as the PD Master Plan allows for 200 residential units. The conceptual Site Plan provides for a mix of residential, commercial, and medical uses that will allow for the placement of housing convenient to the shops, services, and offices, and adjacent to major transportation routes.
Policy CNF-10.6 Density Near Infrastructure. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.	Consistent: The property is adjacent to Juan Hernandez Road and Barrett Avenue in an area with existing utilities. A survey was completed by Whitson Engineers that determined there was adequate infrastructure available around the project site to support the uses identified in the PD Master Plan.
New Subdivisions-GOAL CNF-11 High quality, aesthetically pleasing, livable, sustainable, well-planned residential neighborhoods, well-connected to neighborhood services.	Consistent: The PD Master Plan's conceptual Site Plan provides a well-planned, aesthetically pleasing, livable, sustainable and well-connected residential neighborhood with integrated commercial/retail and medical offices.
Policy CNF-11.5 Outside Connections. Require new subdivisions to provide multiple connections to the surrounding community. Methods to achieve this may include: - Providing multiple points of entry into the project for motorists, bicyclists and pedestrians. - Extending the existing street pattern at the edges of the subdivision into the site. Extended streets should match the type and scale of streets to which they connect. - Installing landscaping and street improvements at the edge of subdivisions that appear as common amenities shared with adjacent neighborhoods.	Consistent: As shown in the PD Master Plan conceptual Site Plan, development within the property will be designed to be compatible with the surrounding neighborhood. Multiple points of pedestrian ingress/egress are provided along Barrett Avenue and Juan Hernandez Drive, with connections to existing sidewalks. Two points of ingress/egress for vehicles and bicycles are provided along Barrett Avenue, and two along Juan Hernandez Drive. A private drive is provided along the southern portion of the property that could provide connectivity to the adjacent vacant parcel to the south when it is developed in the future. The conceptual Site Plan provides for connectivity to this adjacent vacant parcel to facilitate connectivity in anticipation of its eventual development. Residential and open space/park uses will be adjacent to existing residential uses and

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
- Minimizing the use of gates, fences, and walls that separate the subdivision from the surrounding community. - Planning for future connections to adjacent undeveloped property.	Barrett Elementary School, and connectivity within the property will be provided via several pedestrian paths. The open space area abuts Barrett Avenue, which is adjacent to Barrett Elementary School, and will be made accessible to the school. The northern most open space/park area will be dedicated by easement for public use, including use by the Barrett Elementary School, to be used as a common amenity.
Policy CNF-11.10 Open Space. Require new subdivisions to feature integrated common open spaces, parks, and community facilities that serve as social and design focal points. Open spaces should be a close walking distance from all residents and should be large enough to be useful for residents.	The conceptual Site Plan includes approximately three acres of passive park/open space. Approximately 1.7 acres of the open space will be available to the elementary school for its use and benefit. The remainder of open space, including walking trails, serves the residential, commercial and office components of the plan, as well as neighboring residents. The open space and park areas are within walking distance of all of these uses and connected by pedestrian paths.
Policy CNF-12.1 Neighborhood Center Design. Allow neighborhood centers within future residential neighborhoods. Neighborhood centers are envisioned as nodes or focal points that offer neighborhood-serving services and amenities within a reasonable walking distance from adjoining residential areas. These centers should be designed to increase the accessibility of goods and services within existing residential neighborhoods, particularly for the benefit of senior citizens and those with limited mobility, and to offer opportunities for socialization.	Consistent: The PD Master Plan includes neighborhood serving uses and amenities including retail, restaurant, and medical office/hospital uses to serve the proposed and existing neighborhood. These uses include public gathering areas and pedestrian access. These services will be within walking distance to the existing and proposed neighborhoods and will increase the accessibility of services for the existing neighborhood, particularly for the benefit of senior citizens by providing close walkable medical offices.
Policy CNF-12.4 Neighborhood Center Requirements. Require future neighborhood centers to meet the following requirements: - The design of neighborhood center should provide a sense of place, promote casual interaction, and enhance overall well-being. - The design of neighborhood center should complement the residential character of its immediate surroundings, including site design, access, building style, building materials, signage, lighting, and landscaping.	Consistent: The PD Master Plan conceptual Site Plan includes pedestrian pathways that connect the open space, residential, retail, and medical components of the plan. The PD Master Plan includes a small retail center and open space/ park areas that , along with the pedestrian access ways, will provide gathering areas and a sense of place, thereby promoting casual interaction and overall wellbeing. The project will be required to undergo design review with the City of Morgan Hill to ensure that the design complements the residential character of the adjacent neighborhood.

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

Housing

Table 4 General Plan 2035 - Housing Goals and Policies

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

Economic Development

Table 5 General Plan 2035 - Economic Development Goals and Policies

General Plan Economic Development Goals and Policies	Consistency Analysis
Policy ED-7.4 Compatible Uses in Retail Centers. Encourage the evolution of retail centers into mixed-use activity nodes by supporting integration of uses that provide necessary or useful services or amenities that will benefit nearby residential areas and commercial establishments. Such uses may include but shall not be limited to: a. Health services and fitness facilities. b. Childcare. c. Housing, including affordable and senior housing. d. Religious facilities. e. Education/training facilities. f. Parks/community facilities/public gathering places.	Consistent: The PD Master Plan provides a mix of retail and medical uses convenient to the proposed and existing adjacent neighborhood. The medical and retail uses will provide health and retail services and amenities to the existing and proposed neighborhood. The PD Master Plan also includes public plaza and gathering locations.
GOAL ED-8 Office and industrial areas that provide high-quality work locations for existing and new businesses. Policy ED-8.1 Office and Industrial Development. Support the development of office and industrial facilities to meet local demand, compete for regional growth opportunities, and create high-quality jobs that match with local housing opportunities.	Consistent: The PD Master Plan allows for medical and retail uses to meet local demand and create high quality jobs. The PD Master Plan also allows for residential uses thereby providing local housing opportunities adjacent to places of employment.

Healthy Community

Table 6 General Plan 2035 - Healthy Community Goals and Policies

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

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

Transportation

Table 7 General Plan 2035- Transportation Goals and Policies

General Plan Transportation Goals and Policies	Consistency Analysis
GOAL TR-3 A coordinated, continuous network of streets and roads. Policy TR-3.16 Private Development Access along Arterials. Require development that occurs along arterial streets to obtain access through a local street or major entrance and not through curb cuts directly onto the arterial street wherever possible.	Consistent: The property is not accessed directly from an arterial. Tennant Avenue and Butterfield Boulevard are the nearest arterials too the property. The property is accessed from Juan Hernandez Drive and Barrett Avenue, which connect to these arterials.
Policy TR-3.17 Planned Development Access near Highway 101. Require Planned Developments (PDs) for commercial, office, or industrial uses at the intersections of Highway 101 and arterial streets to take access from a public street intersecting with the arterial street at a minimum distance of 600 feet from the freeway on and off ramps, unless the City Engineer finds that direct access to the arterial street or closer access will meet safety standards, or that mitigating actions will be taken to ensure safe access and minimum interference with traffic flows.	Consistent: Access to the property will be from Juan Hernandez Drive and Barrett Avenue. Juan Hernandez Drive is an existing City street that intersects Tennant Avenue at a safe distance from the off ramp of US Highway 101. The nearest property driveway is more than 700 feet north of Tennant Avenue.
Parking-GOAL TR-5 Adequate off-street parking. Policy TE-5.1 Adequate Parking Supply. Ensure that all developments provide adequate and convenient parking...	Consistent: The conceptual Site Plan provides for a 500-space parking structure and 96 additional spaces for the existing and proposed medical uses, 55 spaces for the retail use, and 359 spaces for residential use, which totals 1,010 on-site parking spaces. Based on the parking demand study, the parking supply for the entire project is proposed to total 1,010 spaces, as indicated in the study. The total gross parking requirement for the entire project is 965 spaces using the more conservative approach. There will be an overall surplus of about 45 spaces using City gross parking requirements with selected ITE peak parking rates. The project therefore will provide an adequate total parking supply to meet the overall project demand. Parking is conveniently located within walking distance to the various uses, and can be easily facilitated through a shared parking arrangement.

Policy TR-5.3 Parking Lot Connection. Require cross-connection of parking lots, where feasible and practical, at the time of design review for all commercial and industrial developments.	Consistent: As shown in the PD Master Plan conceptual Site Plan, parking lots are cross-connected where practical.
Bikeways-GOAL TR-8 A useable and comprehensive bikeway system that safely connects neighborhoods with workplaces and community destinations. Policy TR-8.12 Bicycle Parking. Bicycle parking and other supportive facilities shall be provided at all schools, parks, recreation facilities, commercial centers, civic buildings (including the library), transit centers, and work places based on the recommendations and standards in the Bikeways Master Plan.	Consistent: Existing bike lanes on Juan Hernandez Drive will serve the development providing a safe bikeway system to get to and from the property. Bicycle parking will be provided at each use on the property to encourage residents, employees, and patrons to use alternative means of transportation. On-site bicycle parking will adhere to the Bikeways Master Plan guidelines, and zoning code requirements.
Pedestrian Network- GOAL TR-9 Expanded pedestrian opportunities. Policy TR9.7 Concurrent Implementation. Where feasible, implement the trails and pedestrian system concurrent with adjacent developments.	Consistent: As shown in the conceptual Site Plan, sidewalks and pathways will be provided throughout the property to encourage walking on the campus. Sidewalks connect to those located on adjacent streets to provide connectivity.
Policy TR 10.3 and TR-10.4 Flexible Work Hours. Encourage employers to provide a flexible set of working hours to ease traffic congestion. Carpooling. Support a Countywide car/vanpool matching program.	Consistent: The applicant will provide educational materials to end uses or future developers to encourage employers to provide flexible work hours, carpooling options, and other alternative transportation methods as may be available. Bay Area employers with 50 or more full-time employees within the Bay Area Air Quality Management District geographic boundaries are required to register and offer commuter benefits to their employees in order to comply with Air District Regulation 14, Rule 1.

Natural Resources and Environment

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

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

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

Safety, Services, and Infrastructure

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

General Plan Safety, Services and Infrastructure Goals and Policies	Consistency Analysis
Noise GOAL SSI-8 Prevention of noise from interfering with human activities or causing health problems. Policy SSI-8.1 Exterior Noise Level Standards. Require new development projects to be designed and constructed to meet acceptable exterior noise level standards (see Table SSI-1), as follows: - Apply a maximum exterior noise level of 60 dBA Ldn in residential areas where outdoor use is a major consideration (e.g., backyards in single-family housing developments and recreation areas in multi-family housing projects). Where the City determines that providing an Ldn of 60 dBA or lower cannot be achieved after the application of reasonable and feasible mitigation, an Ldn of 65 dBA may be permitted. - Indoor noise levels should not exceed an Ldn of 45 dBA in new residential housing units.	Consistent: The conceptual Site Plan includes a 25 foot buffer from the US Highway 101 off-ramp and places the parking and parking garage closest to the freeway to further buffer the medical and residential uses. Residentially occupied buildings are located a minimum of 250 feet from the US Highway 101s through lanes. A noise analysis was completed for the project that determined all exterior and interior noise levels would be met with implementation of the recommendations contained therein. Mitigation measures will be implemented when the buildings are constructed to ensure the acceptable noise levels are met.

Noise levels in new residential development exposed to an exterior Ldn 60 dBA or greater should be limited to a maximum instantaneous noise level (e.g., trucks on busy streets, train warning whistles) in bedrooms of 50 dBA. Maximum instantaneous noise levels in all other habitable rooms should not exceed 55 dBA. The maximum outdoor noise level for new residences near the railroad shall be 70 dBA Ldn, recognizing that train noise is characterized by relatively few loud events.	
Policy SSI-8.4 Office Noise Level Standards. Interior noise levels in office buildings should be maintained at 45 dBA Leq (hourly average) or less, rather than 45 dBA Ldn (daily average).	Consistent: Mitigation measures including noise reduction measures and emergency generator noise suppressors will be implemented when the buildings are constructed to ensure the acceptable noise levels are met. A noise analysis is provided as part of the CEQA documentation.
Policy SSI-8.9 Site Planning and Design. Require attention to site planning and design techniques other than sound walls to reduce noise impacts, including: a) installing earth berms, b) increasing the distance between the noise source and the receiver; c) using non-sensitive structures such as parking lots, utility areas, and garages to shield noise sensitive areas; d) orienting buildings to shield outdoor spaces from the noise source; and e) minimizing the noise at its source.	Consistent: Building location was taken into account in the conceptual Site Plan to locate sensitive uses a minimum of 250 feet from the through lanes of US Highway 101. Building placement and strategically placed landscaping will help to minimize noise at its source. Additionally, the noise analysis recommends an 8 foot sound wall along Highway 101 to reduce noise impacts to the residential component of the project.

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8.0

PD MASTER PLAN AND ZONING FINDINGS

8.1 PD Master Plan Findings

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

General Plan and Zoning Consistency

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

Finding

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

Superior to Development Under Existing Zoning

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

Finding

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

Substantial Public Benefit

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

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

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

Finding

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

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

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

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

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

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

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

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

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

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

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

Community Benefits from the Project

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

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

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

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

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

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

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

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

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

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

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

Adequate Property Size

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

Finding

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

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

Adequate Infrastructure

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

Finding

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

Compatible with Surroundings

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

Finding

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

Zoning Map Findings

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

Finding

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

8.2 Zoning Amendment Findings

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

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

General Plan Consistency

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

Finding

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

Public Interest, Health, Safety, Convenience, Welfare

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

Finding

The multi-family residential uses would be beneficial to the public interest, health, safety, convenience, and welfare of the city. The multi-family residential uses would provide more opportunities for residents to work near the medical offices, retail uses, and medical/hospital facility on the property, all of which provide job opportunities for the onsite and surrounding residential uses. The residential uses, including 15 percent affordable units, would also allow seniors the opportunity to age in place, consistent with 2025 General Plan policy. Providing residential uses in close proximity to the commercial and office uses would also reduce the greenhouse gas emissions if the residents were employees or were patrons of the proposed uses, and would enable school-aged children to walk to school. The multi-family residential housing added on this property, when capped at 200 units, would not create an overload on the local street system. Additionally, where the housing is positioned on the property allows for a step down from the existing residential and public facility use to the denser office and commercial uses. The hospital use would also be beneficial to the public interest, health, safety, convenience, and welfare of the city. The hospital would provide much needed medical service to the community and a variety of job opportunities.

Internal Consistency

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

Finding

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

Physically Suitable Site

- C. Additional Finding for Zoning Map Amendments. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.*

Finding

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

9.0

LEGAL DESCRIPTIONS

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

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

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

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

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

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

End of Description

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

Legal Description – APN 817-09-040

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

Parcel One:

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

Parcel two:

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

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



GPA2019-0005, ZA2019-0016, SD2019-0007 & EA2019-0023 LILLIAN COMMONS



Lillian Commons

Project:

General Plan Amendment, Zoning Amendment and Planned Development Master Plan, a Tentative Parcel Map and a Mitigated Negative Declaration for a Proposed Planned Development Medical Campus and Mixed-Use Project

Request:

City Council approve:

1. Mitigated Negative Declaration and MMRP
2. Amend the General Plan from Commercial to Mixed-Use Flex
3. Amend the Zoning from CS and PD to MU-F and PD
4. A Tentative Parcel Map to subdivide into four parcels

Lillian Commons – Location



Lillian Commons – CEQA

- An Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) was prepared for the project
- General Plan Amendment from Commercial to Mixed-Use Flex

Lillian Commons – Master Plan

Conceptual Site Plan



Lillian Commons – Proposed Development Standards

Development Aspect	Parameter
Minimum Lot Size	10,000 square feet
Minimum Lot Dimensions	100-foot width; 100-foot depth
Maximum building coverage	50%
Minimum setbacks (front, rear, side, street) [1]	25, 0, 0, 15 feet (respectively)
Maximum height (exceptions 18.56.020)	Residential/Office – 4 stories or 45 feet Hospital – 4 stories or 55 feet
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
On-Site Parking	Per Section 18.72 [2]
Retail	1 space per 250 square feet of net floor area
Restaurant (sit down)	1 space per 100 square feet of net floor area
Medical Office	1 space per 200 square feet of net floor area
Residential (multi-family)	1 bedroom unit – 1 covered 2 bedroom unit – 1 covered and 1 uncovered per unit
Guest Parking	1 per 3 units (shared with Medical Office use)
Electrical Vehicle Parking	1 per 25 to 49 automobile spaces, 2 per 50 to 100 automobile spaces, plus 1 per 50 ratio over 100 automobile spaces
Non-Residential Bicycle Parking	10% of automobile spaces; long term (enclosed): 5% of automobile spaces
Residential Bicycle Parking	10% of automobile spaces; long-term (enclosed), 1 per 5 units

Lillian Commons – Proposed Land Uses

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	C
Bed and Breakfast	C
Business Support Services	P
Cinemas and Theatres	C
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	P
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)	11.o
Duets and Duplexes	C	
Emergency Shelters	C	
Farmers Markets	P	
Food and Beverage Production <10,000 square feet	P	
Fuel and Service Stations	C	
General Retail	P	
Government Offices	P	
Group Housing	C	
Home Day Care, Small and Large	P	
Hospitals	P	
Hotel and Motels	C	
Instructional Services	P	
Live/Work Unit	P	
Medical Offices and Clinics	P	
Mixed Use Residential	P	
Multi-Family Dwellings	P	
Nursing Homes and Long-Term Care	C	
Parking Lots and Structures	P	
Parks and Recreational Facilities	P	
Personal Services	P	
Professional Offices	P	
Residential Care Facilities	C	
Residential Care Facilities, Small	P	
Restaurant- Fast Food, Sit Down	C	
School, Public and Private	C	
Single-Family Detached Dwellings	C	
Senior Housing, Independent Living	C	
Social Services	C	
Tasting Rooms	P	
Veterinarian Clinics and Hospitals	C	
Accessory Uses	(per Section 18.44)	
Home Occupations	(per Section 18.92.150)	Packet Pg. 432
Temporary Uses	(per Section 18.92.150)	

Lillian Commons – Revised Conceptual Site Plan



Lillian Commons – Commission Recommendation

- Limit maximum height of Residential/Office to 3 stories or 35 ft;
- Limit the number of residential units to 150;
- Allow Hospitals, Medical Offices and Clinics, and Mixed Use Residential on Parcel C; and

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

<u>Use</u>	<u>Planned Development (PD)</u>
<u>Hospitals</u>	<u>P</u>
<u>Medical Offices and Clinics</u>	<u>P</u>
<u>Mixed Use Residential</u>	<u>P</u>

- Do not allow residential uses on Parcels A, B, & D; as well as reduce the number of retail uses.

Commission Recommendation

Table 1-2 Parcels A, B, and D PD Masid Conditional Uses

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	€
Bed and Breakfast	€
Business Support Services	P
Cinemas and Theatres	€
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	PC
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)	11.o
Duets and Duplexes	€	
Emergency Shelters	C	
Farmers Markets	PC	
Food and Beverage Production <10,000 square feet	P	
Fuel and Service Stations	€	
General Retail	P	
Government Offices	P	
Group Housing	€	
Home Day Care, Small and Large	P	
Hospitals	P	
Hotel and Motels	C	
Instructional Services	P	
Live/Work Unit	P	
Medical Offices and Clinics	P	
Mixed Use Residential	P	
Multi-Family Dwellings	P	
Nursing Homes and Long-Term Care	€	
Parking Lots and Structures	P	
Parks and Recreational Facilities	P	
Personal Services	P	
Professional Offices	P	
Residential Care Facilities	C	
Residential Care Facilities, Small	PC	
Restaurant- Fast Food, Sit Down	C	
School, Public and Private	C	
Single Family Detached Dwellings	€	
Senior Housing, Independent Living	€	
Social Services	C	
Tasting Rooms	P	
Veterinarian Clinics and Hospitals	€	
Accessory Uses	(per Section 18.44)	
Home Occupations	(per Section 18.92.150)	
Temporary Uses	(per Section 18.92.150)	

Attachment: Staff Presentation (2892 : Lillian Commons)



Lillian Commons – PD Findings

18.30.050.H.7 PD Master Plan Findings

- a. The proposed development is consistent with the General Plan, Zoning Code and any applicable specific plan or area plan adopted by the City Council.
- b. The proposed development is superior to the development that could occur under the standards applicable in the existing zoning districts.
- c. The proposed project will provide a substantial public benefit(s).
- d. The site for the proposed development is adequate in size and shape to accommodate proposed land uses.
- e. Adequate transportation facilities, infrastructure, and public services exist or will be provided to serve the proposed development.
- f. The proposed development will not have a substantial adverse effect on surrounding property and will be compatible with the existing and planned land use character of the surrounding area.
- g. Findings required for the concurrent approval of a Zoning Map Amendment can be made.

Lillian Commons – Zoning Amendment Findings

18.114.060 Zoning Amendment Findings

- a. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.
- b. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
- c. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

Questions?





CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Chris Ghione, Public Services Director
APPROVED BY: City Manager

APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO UNDERGROUND DRY UTILITIES FOR THE HALE AVENUE EXTENSION PROJECT NEAR MAIN AND HALE AVENUES

RECOMMENDATION(S)

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities at the intersection of **Main and Hale Avenues** for the Hale Avenue Extension Project for a not to exceed amount of \$384,876.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2020-2021 Strategic Priorities
Transportation

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan
Morgan Hill 2035 General Plan
Vision Zero

REPORT NARRATIVE:

The Hale Avenue Extension Project is a long-term significant transportation project of the City of Morgan Hill, designed to provide an arterial street for the west side of the community in alignment with the City's goal of providing complete streets. The limits of the Hale Avenue Extension project are Main Avenue at the north end and Spring Avenue at the south end (Attachment 1), with the undergrounding work identified in this report occurring near Main Avenue. The project has been designed as a two-lane roadway with a median, bike lanes, and pedestrian walkway in conformance with the City's multi-modal arterial standard. This reach of roadway has been a planned arterial in the City's General Plan since 1969.

Significant outreach on the project occurred with the Community in 2008 through 2012 when the project was intended to be funded by the City's then Redevelopment Agency. However, due to the loss of redevelopment, the project was put on hold for approximately 5 years. In 2016, the County's Measure B initiative through the VTA provided a means for funding of the project. At this time, the project was reinitiated with Measure B as the primary funding source for construction.

In 2017, the City certified the Environmental Impact Report (EIR) for the project. This report provided the community another significant opportunity to provide input on the project. With the EIR, the Official Plan Line was also established. The Plan Line includes both the City's section of the project, between Main and Spring (Phase 1) and the County's section of the project, from DeWitt to Edmundson (Phase 2). The Plan allowed the City to obtain all of the right of way required for Phase 1 through an acquisition process that was conducted from 2017 through 2019. In June 2020, the Council approved a funding agreement with the VTA, which will provide the City \$16.5 million to construct the Hale Avenue Extension Project.

In 2018, Mark Thomas's contract was amended to include utility undergrounding services. Thus, applications to underground dry utilities were submitted to Pacific Gas and Electric Company (PGE) in September 2018 for the Hale Avenue Extension Project. Two applications were submitted. The first application, Phase 1, included undergrounding at the Dewitt/Spring intersection, which was approved by the City Council in February 2020. The second application, Phase 2, includes undergrounding at the Main/Hale intersection, Warren Avenue and Nob Hill Avenue. The City has now received these plans. The undergrounding in this area has taken significant time to design due to the complexity and quantity of overhead lines to be relocated. The dry utility undergrounding work includes electric, cable, and telephone lines. PGE's scope of work includes inspection of underground conduits/structures, pole removal, installing cables/connectors, and energizing. Underground conduits and vaults will be the responsibility of the Valley Water Phase 2A contractor through a cost share agreement with the City of Morgan Hill. This method will be less expensive than having PGE perform this work.

Construction of the roadway is intended to commence this Winter/Spring and to be constructed in coordination with Valley Water's Upper Llagas Creek Flood Control Project. The two projects have various overlapping components near the intersection of Hale and Main Avenues and the Flood Control Project will need to complete work in that area prior to the Hale Avenue construction. The undergrounding work in this area is critical to both the Hale Avenue Extension project and the Valley Water Flood Control Projects moving forward.

COMMUNITY ENGAGEMENT: Inform

The Hale Avenue Extension Project has been in the City's General Plan since the 1960's and continues to be an important north/south arterial gap fill project. Numerous community engagement and design meetings were held throughout the early planning and design phases. In addition, the environmental studies process also solicited input from the community regarding environmental impacts from the project. Staff has been providing project updates on the City's website and will continue posting updates throughout construction. A full communications plan is in development for the construction phase of this project.

ALTERNATIVE ACTIONS:

The City Council could decide not to execute the PGE agreement at this time. This is not recommended as undergrounding dry utilities is normally required for both the Hale Avenue Extension Project and the Valley Water Flood Control Project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There have been significant actions taken on the Hale Avenue Extension Project beginning in 1969 and most recently occurring in June 2020 with the funding agreement with the Valley Transportation Authority to fund the project. Recent actions specifically relating to undergrounding work on the project include:

- On January 18, 2017, City Council approved a Service Agreement for Design Professionals with Mark Thomas & Company to design the Hale Avenue Extension Project for \$401,873.
- On April 18, 2018, City Council approved a First Amendment with Mark Thomas & Company for additional work, including utility undergrounding for \$92,860.
- On April 17, 2019, City Council approved a second amendment with Mark Thomas & Company for increased services, which include bidding and construction services for \$88,700.
- On February 19, 2020, the City Council approved an agreement with PG&E for the undergrounding work associated with the project at the Spring/DeWitt Avenue Intersection.

FISCAL AND RESOURCE IMPACT:

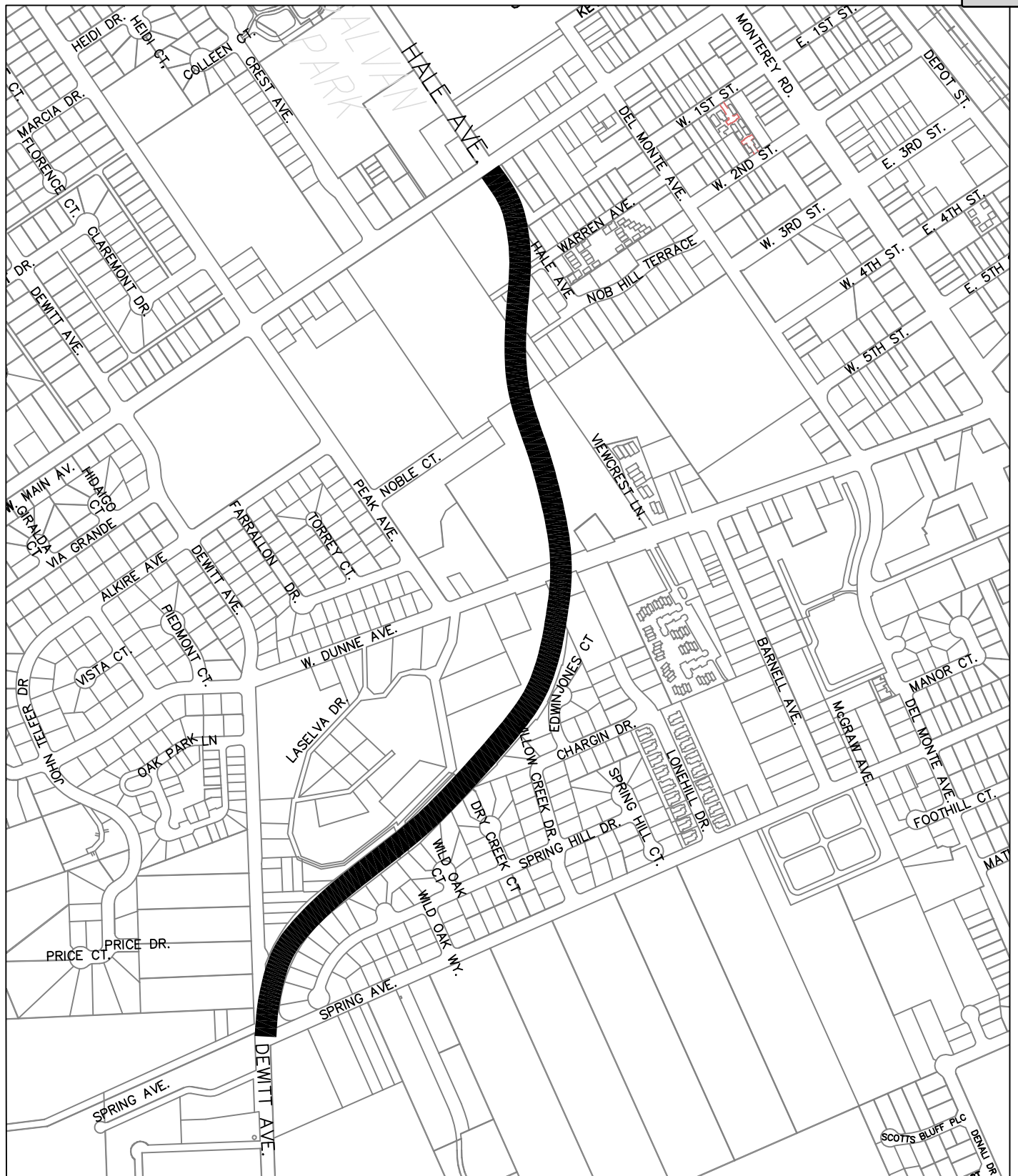
Sufficient funds and budgetary appropriations are available in the approved Hale Avenue Extension Project. The VTA's Measure B Grant will contribute at least \$16.5 million towards the project for which these costs are eligible for funding.

CEQA (California Environmental Quality Act): Project.

A Final Environmental Impact Report was prepared by David J. Powers & Associates for the Hale Avenue Extension and Hale Avenue Plan Line Projects. City Council certified the Final Environmental Impact Report (FEIR) and adopted a Mitigation and Monitoring Program (MMRP) for construction of the Hale Avenue Extension Project ("Project") by Resolution No. 17-070, adopted on August 23, 2017.

LINKS/ATTACHMENTS:

1. Project Location
2. PGE_Project_Contract_114993900.E.CONTRACTPK
3. Undergrounding Plans (weblink)



SCALE: NTS

City of Morgan Hill

Public Works Department

LOCATION PLAN

Hale Avenue Extension



CITY OF MORGAN HILL

N:\PROJECTS\CIP\STREETS\546007-Santa Teresa Const\Staff Reports\hale

Date: 3/23/11

Drwn by: DIG

PAGE 1 OF 1

Packet Pg. 24



October 21, 2020

Christina Tuner
City of Morgan Hill, A Government Agency
17575 Peak Ave.
MORGAN HILL, CA 95037

RE: Contract ID: 1251334: Rule 20 Part 1

Dear Christina Tuner,

Enclosed are gas and/or electric agreements for your project located at:

WEST MAIN AND HALE, MORGAN HILL, 95037

This letter summarizes the agreements for this project.

	Non-Refundable Payment	Refundable Option*	50% Discount Option*
Electric Overhead to Underground Conversion (20B)	\$387,375.59	\$0.00	\$0.00
Less Credit (Engineering Advance, etc.)	\$2,500.00	\$0.00	\$0.00
TOTAL **	\$384,875.59	\$0.00	\$0.00
TOTAL PAYMENT DUE	\$384,875.59	OR	\$384,875.59

* Only applies to Rule 15 Refundable Amounts. Amount shown is less credit for associated Applicant work.

** The Income Tax Component of Contribution (ITCC) is included in the above charges when applicable.

Changes to the agreement, either to any of the terms or to the amount owing, are not permitted, and any change or interlineations voids the agreement. The payment of any amount less than the full amount shown will be deposited by PG&E, but PG&E will not begin any work on this contract until the amount is paid in full. The contract shall be deemed effective the date a fully executed copy is received by PG&E. Please allow 45 days from PG&E's receipt of the Agreement for construction to commence.

If the agreement is not returned to PG&E within 90 days of the date of this letter, the proposed agreement is canceled and PG&E may need to re-estimate the job.

PG&E is committed to providing timely and efficient service and we look forward to continuing to work with you on this and future projects.

Should you have any questions regarding these contracts, please contact your project manager Ca Huynh at 408-479-0378 or CPH4@pge.com.

To complete your contract ONLINE

- Follow the instructions provided with your electronic contract
- Submit payment at pge.com/contractpayments

Sincerely,

Matthew Schneiderman
Matthew Schneiderman
Service Planning Supervisor

To complete your contract BY MAIL

- Make checks payable to: PGE or Pacific Gas and Electric
- Complete, sign and retain one copy of the agreement for your records
- Complete, sign and return one copy of the agreement with your payment to:
PG&E CFM/PPC DEPARTMENT
PO BOX 997340
Sacramento, CA 95899-7340



114993900E

Ref: Contract ID: 1251334: WEST MAIN AND HALE, MORGAN HILL, 95037

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Attachment: PGE_Project_Contract_114993900.E.CONTRACTPK (2901 : APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO



**Pacific Gas and Electric Company
Agreement to Perform
Tariff Schedule Related Work**

DISTRIBUTION:

- ☐ APPLICANT (Original)
☐ DIVISION (Original)
☐ ACCTG. SVCS.

REFERENCES:

Notification # 114993900
Contract # 1251334
R20-PM # 31438

1.b

City of Morgan Hill, A Government Agency (Applicant) has requested PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (PG&E), to perform the tariff schedule related work as located and described in paragraph 3 herein. PG&E agrees to perform the requested work and furnish all necessary labor, equipment, materials and related facilities required therefor, subject to the following conditions:

1. Whenever part or all of the requested work is to be furnished or performed upon property other than that of Applicant, Applicant shall first procure from such owners all necessary rights-of-way and/or permits in a form satisfactory to PG&E and without cost to it.
2. Applicant shall indemnify and hold harmless PG&E, its officers, agents and employees, against all loss, damage, expense and liability resulting from injury to or death of any person, including but not limited to, employees of PG&E, Applicant or any third party, or for the loss, destruction or damage to property, including, but not limited to property of PG&E, Applicant or any third party, arising out of or in any way connected with the performance of this agreement, however caused, except to the extent caused by the active negligence or willful misconduct of PG&E, its officers, agents and employees. Applicant will, on PG&E's request, defend any suit asserting a claim covered by this indemnity. Applicant will pay all costs that may be incurred by PG&E in enforcing this indemnity, including reasonable attorneys' fees.
3. The location and requested work are described as follows: (Describe in detail the materials and facilities to be furnished and/or work to be performed by PG&E. If more space is required, use other side and attach any necessary drawings as Exhibits A, B, C, etc):

LOCATION: **WEST MAIN AND HALE, MORGAN HILL, 95037**

DESCRIPTION OF WORK: **Rule 20B - Underground existing overhead electric facilities**

Engineering & Administrative Costs		\$218,399.82
Value of Applicant Design Work	(+)	\$0.00
Cost of Additional Applicant Design Plan Checks	(+)	\$0.00
Value of 20B Underground System	(+)	\$202,692.77
Tie-In of 20B by PG&E	(+)	\$192,838.16
PG&E Land Rights Costs	(+)	\$0.00
Inspection Fees	(+)	\$4,281.60
Value of 20B Trench & Excavation	(+)	\$184,253.94
Value of 20B Conduits & Substructures	(+)	\$117,279.67
Rule 20B Trench Permits Obtained by PG&E	(+)	\$1,000.00
less Cost of Equivalent Overhead System	(-)	\$364,662.06
SUB TOTAL	(=)	\$556,083.89
plus ITCC @ 24%	(+)	\$133,460.13
less 20B Underground System Installed by Applicant	(-)	\$4,584.24
less 20B Trench & Excavation Provided by Applicant	(-)	\$184,253.94
less 20B Conduits & Substructures Installed by Applicant	(-)	\$113,330.25
less Value of Applicant Design Work	(-)	\$0.00
Electric Rule 20B Cash Payment	(=)	\$387,375.59



114993900E

4. Applicant shall pay to PG&E, promptly upon demand by PG&E, as the complete contract price hereunder, the sum 1.b
Three Hundred Eighty-Seven Thousand Three Hundred Seventy-Five Dollars And Fifty-Eight Cents (\$387,375.59)

Upon completion of requested work, ownership shall vest in: ☒ PG&E ☐ Applicant

Executed this _____ day of _____

City of Morgan Hill, A Government Agency

PACIFIC GAS & ELECTRIC COMPANY

Applicant

By: _____

By: Matthew Schneiderman

Christina Tuner
Print/Type/Name

Matthew Schneiderman

Title: **City Manager**

Title: **Service Planning Supervisor**

Mailing Address: 17575 Peak Ave.
MORGAN HILL CA 95037



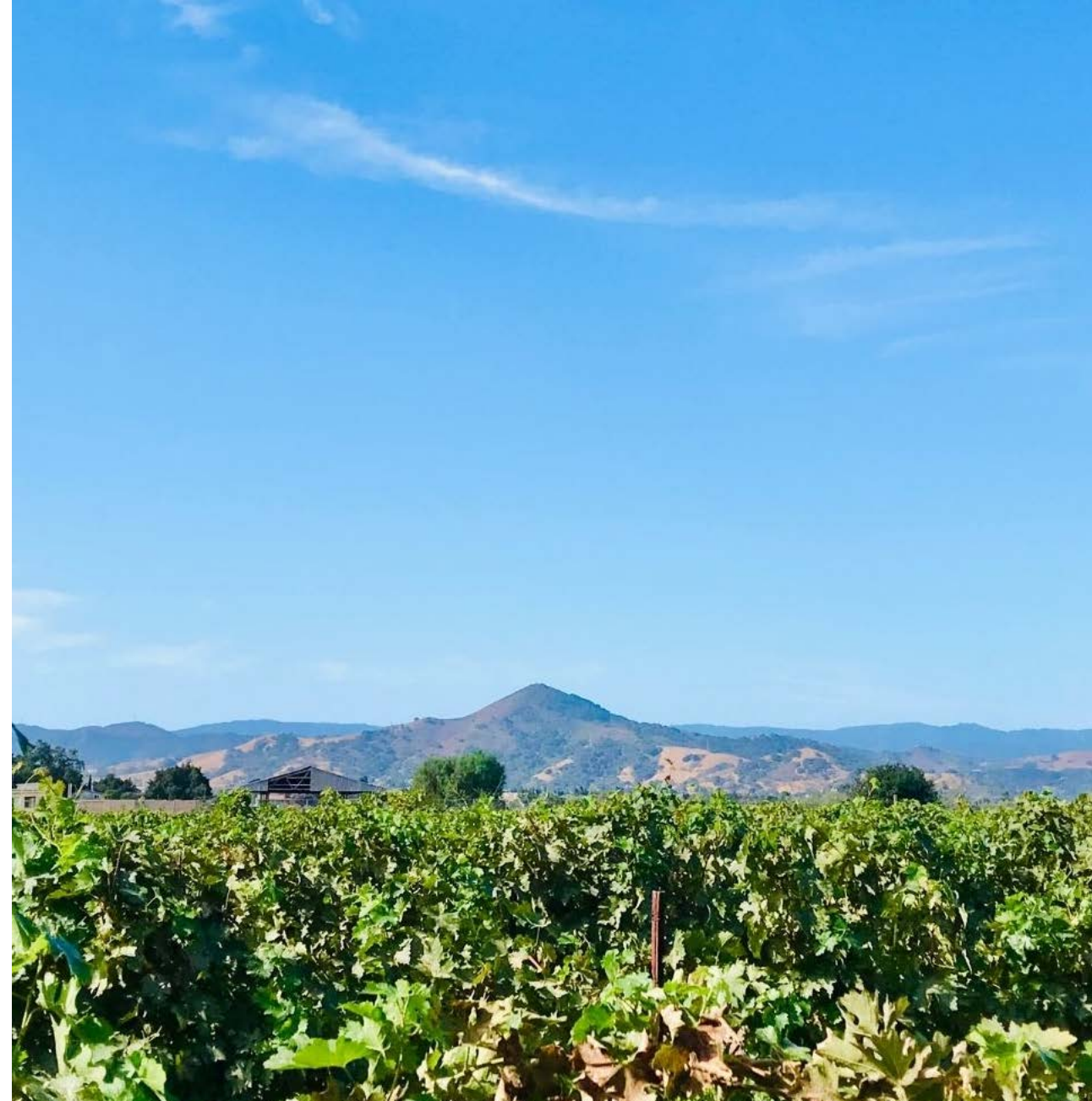
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VISIT
MORGAN HILL

Annual Report

Presented: November 4th, 2020

Item #10



FINANCES FY 2019-2020

VISIT MORGAN HILL INCOME: **\$316,761**

INCOME DISTRIBUTED TO VMH FROM INCEPTION – JUNE 30, 2020

INCLUDED TBID INCOME FROM BEFORE JULY 1, 2019

TBID COLLECTIONS: **\$309,365**

COLLECTED BY CITY FOR MONTHS OF JULY 2019 – JUNE 2020

FY 2020-2021 Income Forecast: ↓ 50%

ACCOMPLISHMENTS

- COMPLETED STRATEGIC PLAN & ENGAGED 200+ STAKEHOLDERS
- DEVELOPED LOGO, BRAND, & CONTENT PILLARS
- ESTABLISHED OFFICIAL SOCIAL MEDIA CHANNELS
- TOURISM BUSINESS COMMUNITY EMAIL NEWSLETTER
- COVID-19 COMMUNICATIONS AND MASK DONATION
- TOURISM SYMPOSIUM 2019, ROUNDTABLE 2020, & FORUM 2020
- KEY OPERATIONAL MILESTONES & BOARD MANAGEMENT
- SUCCESSFUL SPORT VENUE COLLABORATION
- ESTABLISHED FY 20/21 WORKPLAN & BUDGET



DESTINATION STRATEGIC PLAN

3-YEAR ROADMAP BASED ON RESEARCH & ENGAGEMENT

FORMAL MISSION & VISION STATEMENTS

STRATEGIC PRIORITIES & WORKPLAN STRUCTURE

- **SPORTS TOURNAMENTS**
- **EVENTS & FESTIVALS**
- **LEISURE VISITORS**
- **TOURISM PRODUCT DEVELOPMENT**

MONITOR COVID-19

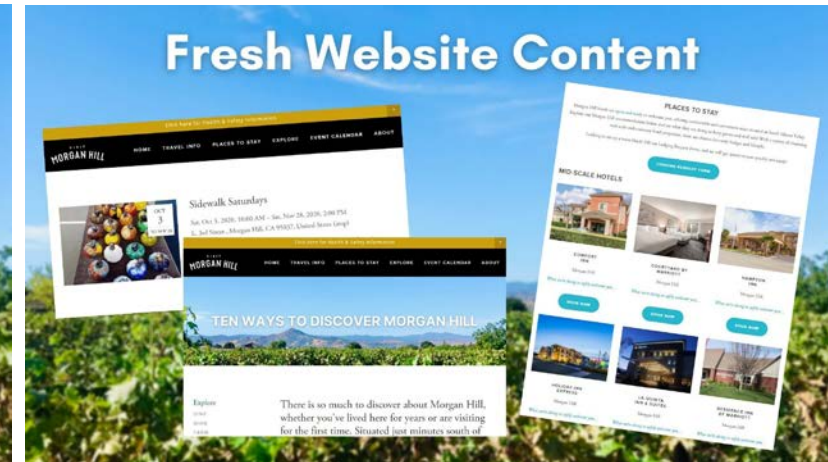
MARKETING

GENERAL LEISURE:

- VISITOR CONTENT VIA WEB AND SOCIAL MEDIA
- PLACE-BRANDING ACTIVATION PARTNERSHIP

SPORTS & EVENTS:

- HOTEL & EVENT REQUEST FORM & LEAD DISTRIBUTION
- SPORT EVENT SPONSORSHIP & RESOURCES SUPPORT



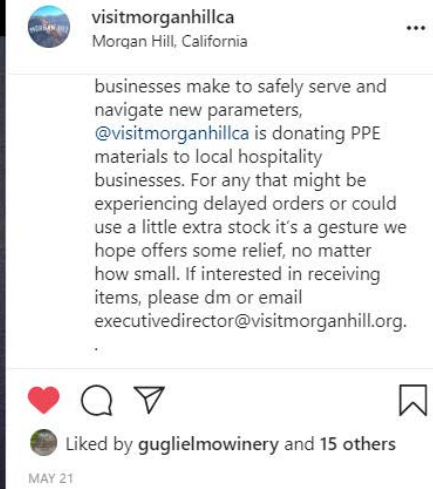
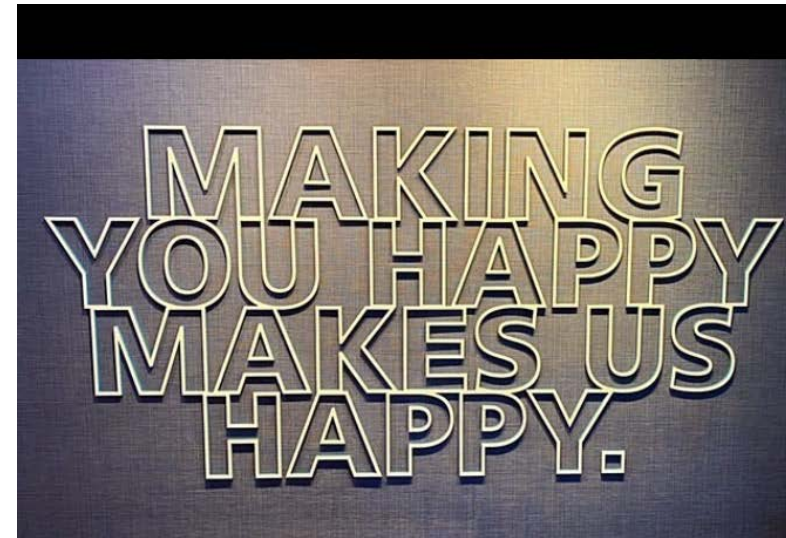
COMMUNICATIONS

COVID-19 RESPONSE:

- MASK & GLOVE DONATION
- HEALTH AND WHAT'S OPEN WEB PAGES
- STATE MEDICAL HOUSING ASSISTANCE
- INDUSTRY CORRESPONDENCE
 - GUIDELINES, RESOURCES, ROUNDTABLE, ADVOCACY, SURVEYS

WILDFIRE RESPONSE:

- EVACUEE HOUSING WEBPAGE
- HOTEL COLLAB (SAN JOSE, SANTA CRUZ)
- TRAVEL ALERT INFO PAGE



What's Ahead?

OWNED CONTENT & CHANNEL DEVELOPMENT

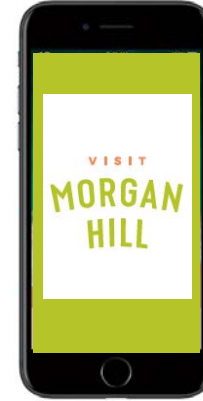
- BRAND IMPLEMENTATION ACROSS CHANNELS
- CONTINUE CONTENT & PHOTOGRAPHY DEVELOPMENT
- DEVELOP VISITOR E-NEWSLETTER AND BLOG

BUSINESS DEVELOPMENT

- CONTINUE LEAD GENERATION WITH SPORTS & EVENTS

PAID MEDIA PLAN (ADVERTISING)

- EXPLORING REGIONAL COOPERATIVE PARTNERSHIPS
- SEEKING FLEXIBLE PROGRAMS AS COVID-19 CONTINUES





CONTACT

Krista Rupp - executivedirector@visitmorganhill.org

WHAT WE DO

[Visitmorganhill.org/what-we-do](https://visitmorganhill.org/what-we-do)

TOURISM COMMUNITY NEWSLETTER

visitmorganhill.org/tourism-community-enews

SOCIAL MEDIA

Instagram & Facebook [@visitmorganhillca](#)

Twitter [@visitmorganhill](#)

LinkedIn [@Visit Morgan Hill](#)



V I S I T
MORGAN HILL

Annual Report

Presented: November 4th, 2020

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MARKETING

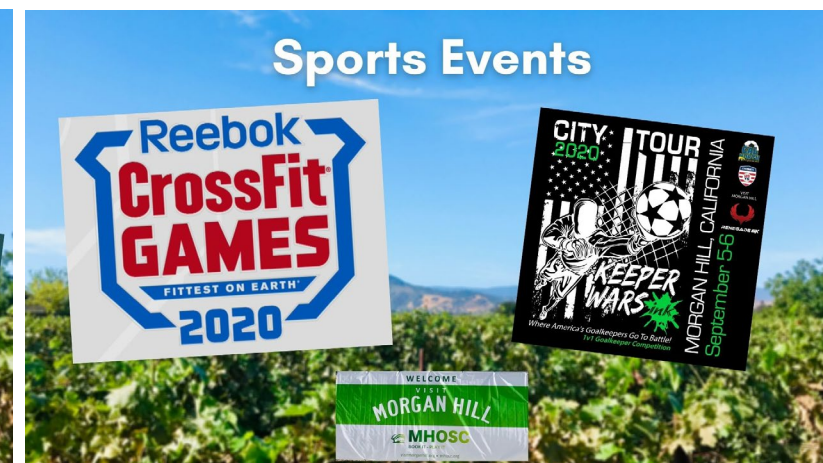
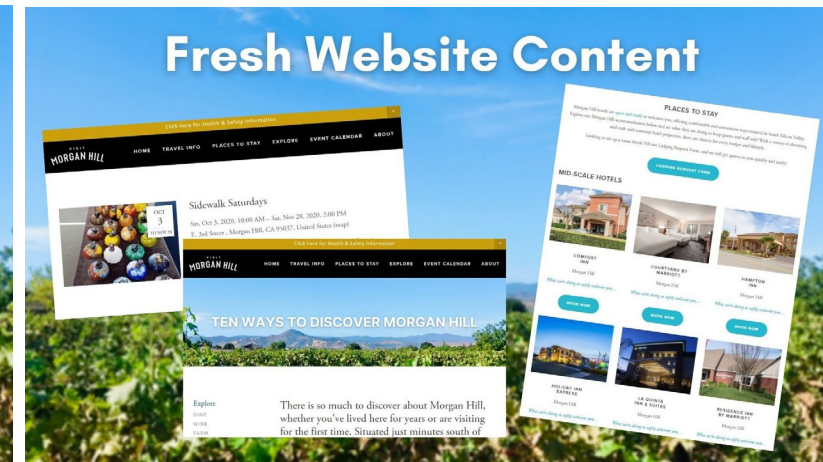
GENERAL LEISURE:

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SPORTS & EVENTS:

- HOTEL & EVENT REQUEST FORM & LEAD DISTRIBUTION
- SPORT EVENT SPONSORSHIP & RESOURCES SUPPORT

SAFE & RESPONSIBLE MESSAGING



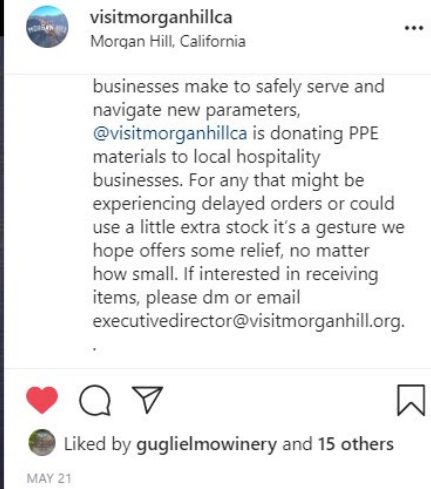
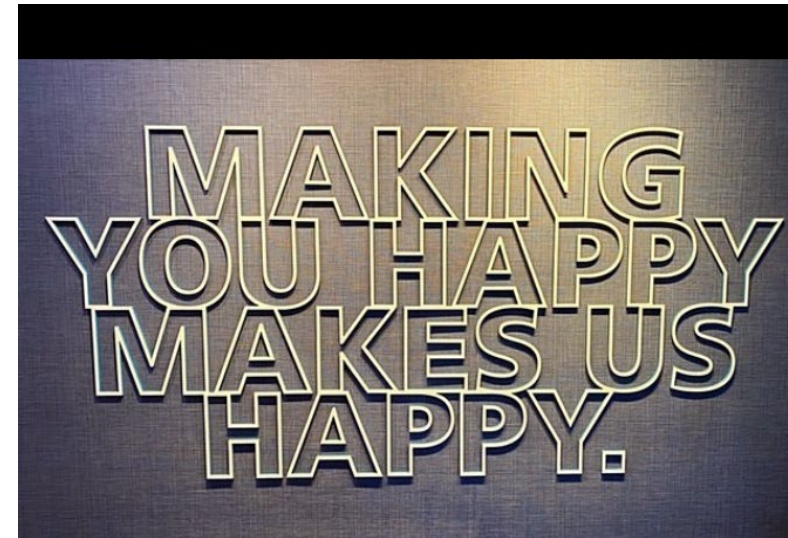
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CONTACT

Krista Rupp - executivedirector@visitmorganhill.org

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LinkedIn [@Visit Morgan Hill](#)





Planning for Success.

Item # 11
AGENDA DATE: 11/04/2020
SUPPLEMENT # 1

November 2, 2020

Morgan Hill City Council
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Re: Lillian Commons – PD Master Plan (APNs 817-09-039, 817-09-040 and 817-09-041)
(GPA2019-0005/ZA2019-0016/SD2019-0007/EA2019-0023)

Dear City Council Members,

EMC Planning Group, consultant for the applicant of the Lillian Commons/Morgan Hill Medical Campus Mixed Use Development, wanted to address you directly with this letter and graphic attachments since this is difficult to do in a virtual meeting. We feel it is important to address a few items in regard to the Planning Commission meeting recommendations to the City Council for project approval.

The Planning Commission voted to recommend approval of the Mitigated Negative Declaration/Mitigation Monitoring and Reporting Program, the General Plan land use designation amendment for the site from Commercial to Mixed-Use Flex (MU-F), the Zoning Amendment to accept the PD Master Plan (PC recommended Master Plan attached) and the Tentative Parcel Map (PC recommended map attached). Within the PD Master Plan recommendation for approval, the Planning Commission recommended two use tables be included in the Plan. The southern portion of the property (Parcel A, B & D) would not allow residential uses and the northern portion of the property (Parcel C), as shown on the attachments, would provide for a residential component, as well as, some medical related uses, should the project shift toward more medical use than is currently shown on the conceptual Site Plan.

The applicant believes additional land uses should be added to the northern property to address, what we believe was the intent of the decision made at the Planning Commission Hearing. The Mixed Use Residential land use designation does not describe uses, but rather, how the residential uses could be applied in the design. [Attached](#) are

EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM

301 Lighthouse Avenue Suite C Monterey California 93940 Tel 831-649-1799 Fax 831-649-8399
www.emcplanning.com

two Land Use Tables, Table 1 for Parcel A, B & D (southern area of project) and Table 2 for Parcel C (northern area of project). The tables include permitted and conditional land uses, recommendations from the Planning Commission at the October 13, 2020 hearing, and items in **RED** which the applicant would like the City Council to consider adding as part of your approval.

The Mixed-Use Flex designation, as defined in the PD Master Plan ordinance allows only those uses permitted in the applicable general plan land use designation. The MU-F designation is necessary for inclusion of both the Hospital use and the Residential use on this property. In fact, the MU-F is the only City land use designation that specifically identifies a hospital in the use list. This is why the applicant has requested the Zoning Amendment from CS to MU-F, with a PD overlay. In addition, the PD overlay and desire for a Master Plan was the direction of the City Council for this property in 2011.

For your reference, attached are the conceptual Site Plan, and the Tentative Parcel Map recommended for City Council approval at the Planning Commission meeting. The revised conceptual Site Plan, to be included in the PD Master Plan, is reflective of over a years' worth of input from the Planning Commission, City Staff, and the Community and what the applicant would request be approved by the City Council and included in the PD Master Plan. Also attached is a color Land Use Bubble Diagram, representing the proposed Land Uses on the property.

We look forward to presenting the project to you on Wednesday, November 4th, and hope, together, we can bring a Medical Campus and state of the art Mixed Use project to the City of Morgan Hill.

Sincerely,



Michael J. Groves
Senior Principal

Attachments

Land Use Tables 1 & 2

Illustrative Site Plan

Tentative Parcel Map

Land Use Bubble Diagram

Cc: Jennifer Carman, Adam Paszkowski, Jenna Luna, Cecily Murray

ATTACHMENT A

TABLE 1

Table 1 Parcels A, B & D - PD Master Plan Allowed and Conditional UsesItems in **RED** represent Uses or changes the applicant recommends.

Use	Planned Development (PD)
Banks and Financial Institutions	P
Business Support Services	P
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	C to P
Drive-Through and Drive-in Facilities	C
Emergency Shelters	C
Farmers Markets	C to P
General Retail	P
Hospitals	P
Hotel and Motels	C
Instructional Services	P
Medical Offices and Clinics	P
Nursing Homes and Long-Term Care	C
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	P
Residential Care Facilities, Small	C to P
Restaurant- Fast Food, Sit Down	C
School, Public and Private	C
Senior Housing, Independent Living	C
Social Services	C
Accessory Uses	(per Section 18.44)
Temporary Uses	(per Section 18.92.150)

ATTACHMENT B

TABLE 2

Table 2 Parcel C - PD Master Plan Allowed and Conditional Uses

Items in **RED** represent Uses or changes the applicant recommends.

Use	Planned Development (PD)
Accessory Dwelling Units	P
Duets and Duplexes	P
Home Day Care, Small	P
Home Day Care, Large	C
Hospitals	P
Live/Work Unit	P
Medical Offices and Clinics	P
Mixed Use Residential	P
Multi-Family Dwellings	P
Nursing Homes and Long-Term Care	C
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Residential Care Facilities	C
Residential Care Facilities, Small	P
Single-Family Attached Dwellings	P
Single-Family Detached Dwellings	P
Senior Housing, Independent Living	P
Accessory Uses	(per Section 18.44)
Home Occupations	(per Section 18.92.060)
Temporary Uses	(per Section 18.92.150)

Lillian Commons / Morgan Hill Medical Campus

SITE DATA:
APN: 817-09-039, 040 and 041
Site Area: GLA -19.67 AC, 856,782 SF
Parcel A - Proposed Medical Office / Hospital - 6.50 AC
100,000 - 130,00 SF, 566 Pkg. Spaces
Parcel B - Proposed Commercial/Restaurant - 1.88 AC
10,000 SF, 50 Pkg. Spaces
Parcel C - Proposed Residential - 9.49 AC
150 Dwelling Units Maximum
1.98 AC Park/Recreation
School Drop-off/Pick-up Lot
Parcel D - Proposed Urgent Care/ Existing Medical - 1.69 AC
15,900 SF Ex. Medical
4,500 SF Proposed Urgent Care
31 Pkg. Spaces
Right-of-way Dedication - 0.10 AC
Zoning: Service Commercial - CS w/ PD Overlay
Existing General Plan Designation: Commercial
Proposed General Plan Amendment: Mixed Use Flex
Parking: Total Required 790 spaces/ Provided 895 spaces*
Required: Medical Office / Hospital @ 1/200 & other = 452 spaces
Proposed: Medical Office / Hospital @ 1/200 & other = 597 spaces
Required: Retail/Restaurant @ 1/250 and 1/100 = 70 spaces
(Assumes 5,000 Retail and 5,000 Restaurant)
Proposed: Retail/Restaurant 50 spaces
Required: SF Residential (2 covered per DU + guest pkg.) 268 spaces
Proposed: SF Residential (2 covered per DU + guest pkg.) 268 spaces
*Shared parking proposed between Parcels per Municipal Code Section 18.72.050

Floor Area Ratio: 417,696 SF (0.5% max.)

- LEGEND:**
- Buildings
 - Buffers / Open Space
 - Sidewalks/Pathways
 - Park / Recreation
 - Landscaping (See Landscape Plan for Details)

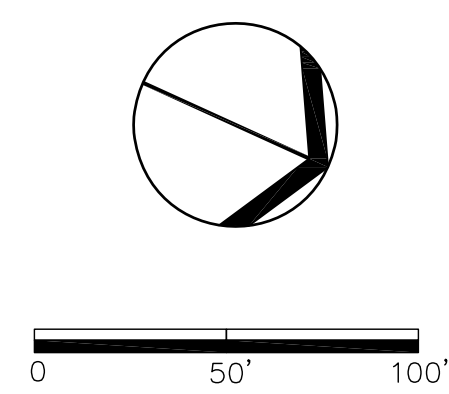
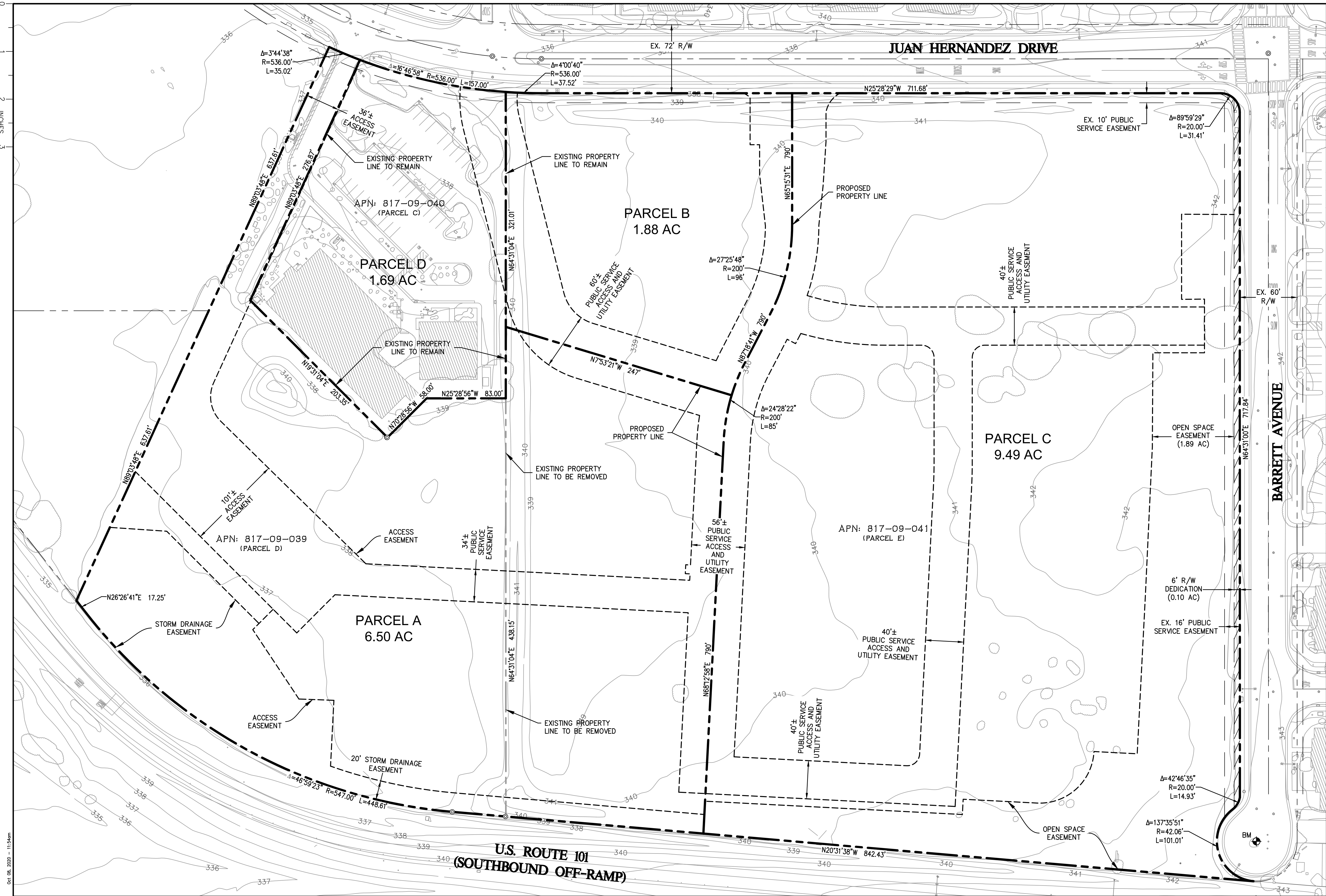


Figure 12
ILLUTRATIVE SITE PLAN
PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA
October 30, 2019
Revised October 6, 2020

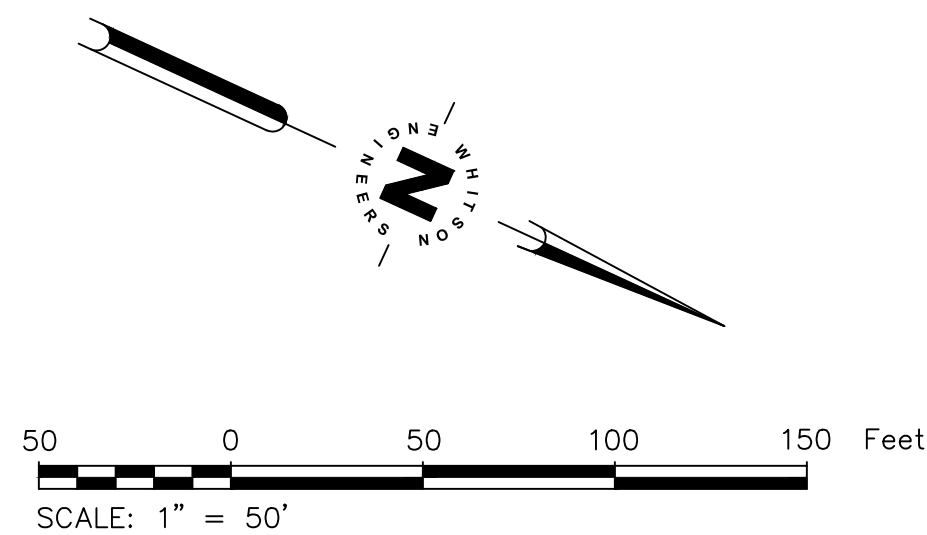


EMC PLANNING GROUP INC.
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Monterey, CA 831.649.1799 www.emcplanning.com





T:\Monterey\Projects\2690.01 - Morgan Hill\CAD\PLANS\2690.01-11.dwg Oct 08, 2020 - 11:54am



SUBDIVISION NOTES

PROPERTY DATA
ASSESSORS' PARCEL NO.: 817-09-039
817-09-040
817-09-041

LOCATION OF PROPERTY:
0 JUAN HERNANDEZ DRIVE

EXISTING LAND USE:
PROPOSED LAND USE:
COMMERCIAL
MIXED USE-FLEX (MU-F)

EXISTING AND PROPOSED ZONING:
SERVICE COMMERCIAL (CS) WITH
A PLANNED DEVELOPMENT (PD)
OVERLAY

OFF-SITE UTILITIES:
STORM DRAINAGE
SANITARY SEWER
WATER
GAS & ELECTRIC
TELEPHONE

CITY OF MORGAN HILL
CITY OF MORGAN HILL
CITY OF MORGAN HILL
PACIFIC GAS & ELECTRIC
VERIZON

NOTES:

- SUBDIVIDER SHALL CONFORM TO THE REQUIREMENTS OF THE CITY OF MORGAN HILL CODE OF ORDINANCES CHAPTER 17.32 IN REGARDS TO SUBDIVISION IMPROVEMENTS.
- LOT DIMENSIONS AND EASEMENT LOCATIONS ARE PRELIMINARY AND SUBJECT TO CHANGE PENDING FINAL ENGINEERING DESIGN.
- THE PROJECT WILL BE PHASED.

ON-SITE UTILITIES:
STORM DRAINAGE
SANITARY SEWER
WATER
GAS & ELECTRIC
TELEPHONE

PRIVATE
PRIVATE
CITY OF MORGAN HILL
PACIFIC GAS & ELECTRIC
VERIZON

PARCEL SUMMARY

DESCRIPTION	AREA (AC)
PARCEL A	6.50
PARCEL B	1.88
PARCEL C	9.49
PARCEL D	1.69
R/W DEDICATION	0.10
TOTAL	19.67

VICINITY MAP

SCALE: 1" = 1000'

ABBREVIATIONS/LEGEND

	GROUND CONTOUR
	PROPOSED PROPERTY LINE
	EXISTING PROPERTY LINE TO BE REMOVED
	ADJACENT PROPERTY LINE
	CENTERLINE
	EXISTING EASEMENT
	PROPOSED EASEMENT
	TREE DRIP LINE
	BENCHMARK
	SURVEY MONUMENT
	RIGHT OF WAY DEDICATION

LEGAL DESCRIPTION

PARCELS C, D AND E, AS SAID PARCELS ARE SHOWN AND SO DESIGNATED ON THE PARCEL MAP FILED FOR RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16, SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.

BENCHMARK

LOCAL BENCHMARK TAKEN AS 2-INCH BRASS DISC. ELEVATIONS SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). ELEVATIONS WERE DETERMINED THROUGH STATIC GPS OBSERVATIONS AND THE USE OF THE NATIONAL GEODETIC SURVEY'S ONLINE POSITIONING USER SERVICE (OPUS). A NAVD88 ELEVATION OF 343.77 FEET FOR THE BRASS DISC WAS ESTABLISHED FOR THE LOCAL SITE BENCHMARK DESIGNATED POINT NUMBER 600, SHOWN HEREON.

PROJECT TEAM

OWNER/APPLICANT

LILLIAN COMMONS, LLC
782 SLEEPER AVENUE
MOUNTAIN VIEW, CA 94040

(605) 575-9608

PLANNER

EMC PLANNING GROUP, INC.
301 LIGHTHOUSE AVENUE
SUITE C
MONTEREY, CA 93940

MICHAEL GROVES
(831) 649-1799

LANDSCAPE ARCHITECT

W. JEFFREY HEID LANDSCAPE
ARCHITECT
6179 ONEIDA DRIVE
SAN JOSE, CA 95123

JEFFREY HEID
(408) 691-5207

CIVIL ENGINEER

WHITSON ENGINEERS
6 HARRIS COURT
MONTEREY, CA 93940

RICHARD WEBER, RCE 55219
(831) 649-5225

ARCHITECT

EVOCO ARCHITECTURE
160 SOUTH LINDEN AVENUE
SUITE 210
SOUTH SAN FRANCISCO, CA 94080

DEEPAK PATANKAR
(415) 312-0454



TENTATIVE PARCEL MAP 0 JUAN HERNANDEZ DRIVE PROPOSED SUBDIVISION OF PARCELS C, D, AND E AS SHOWN ON BOOK 513 OF MAPS ON PAGE 16 CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA



Civil Engineering
Land Surveying
6 Harris Court
Monterey, California
831.649.5225
whitsonengineers.com

ORIGINAL: SEPTEMBER 25, 2020

REVISED: OCTOBER 6, 2020

PROJECT No. 2690.01

Lillian Commons / Morgan Hill Medical Campus

SITE DATA:
APN: 817-09-039, 040 and 041
Site Area: GLA -19.67 AC, 856,782 SF
Mix Use Parcels:
Medical Campus - 8.19 AC, 42% of GLA
Commercial - 1.88 AC, 10% of GLA
Residential - 7.51 AC, 38% of GLA
Park - 1.98 AC, 10% of GLA
Right-of-way Dedication - 0.10 AC



LAND USE BUBBLE DIAGRAM
PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA
October 6, 2020



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com

From: Armando Be <barmando3@gmail.com>

Date: November 4, 2020 at 3:28:17 PM PST

To: Rich Constantine <Rich.Constantine@morganhill.ca.gov>, Larry Carr

<Larry.Carr@morganhill.ca.gov>, Yvonne Martinez Beltran

<yvonne.martinezbeltran@morganhill.ca.gov>, Rene Spring <Rene.Spring@morganhill.ca.gov>, John

McKay <john.mckay@morganhill.ca.gov>, Christina Turner <Christina.Turner@morganhill.ca.gov>

Subject: 11. APPROVE AMENDMENTS TO THE GENERAL PLAN LAND USE MAP AND ZONING MAP

Hi Mayor and Council Members,

The developer seeks an amendment to the zoning and general plan. It seeks an amendment of the property from commercial to multi use flex. It also seeks a permit to build up to 150 homes on approximately half of the northerly portion of the lot. While it presents proposed schematic plans for a medical complex and a smaller retail restaurant, the developer has made no commitment that is what it will build on the site. In fact, it is not even willing to enter into a Development Agreement to give some degree of guarantee that it is serious about building that medical complex.

Unfortunately, the designation of the entire lot to multi-use Flex allows the developer the flexibility to basically do with the southerly half designated for the medical complex whatever it wants, including building more housing. And the City will be in no position to refuse any future proposed development, including housing. So instead of a medical complex, which would generate desirable medical jobs, there is a good possibility that the City will end up with the entire commercial parcel developed into new housing.

So why does the developer refuse to enter into a Development Agreement? You know the answer. It does not want to be bound to the development of a medical complex. Why should the City not impose a condition that in order to obtain the requested amendments, the developer shall enter into a Development Agreement?

There are other options. The Council can amend the proposed northerly residential portion to allow for housing and leave the southerly portion as is, commercial. If the developer in the future submits plans to develop the medical complex, future councils can pass on the matter and amend the general plan and the zoning. To amend the entire parcel now takes that power away from the City.

I do like the idea of a medical complex, with all of the jobs that it would create. Unfortunately, without a Developer Agreement or a limited amendment presently, the reality that the medical complex will be built has little guarantee. There is a higher probability that the entire commercial property will be developed with housing if this Council approves to amend the entire parcel and designates its zoning as multi purpose flex.

I urge you to consider the alternatives that I have proposed (condition the amendments to the developer entering into a Development Agreement to build that medical complex or limit the multi purpose flex zoning to the northern half of the parcel and leave the southern portion commercial.

Regards,

Armando Benavides

bcc: Newly elected council member, Borgioli



**GPA2019-0005, ZA2019-0016,
SD2019-0007 & EA2019-0023
LILLIAN COMMONS**



November 4, 2020

Lillian Commons



Project:

General Plan Amendment, Zoning Amendment and Planned Development Master Plan, a Tentative Parcel Map and a Mitigated Negative Declaration for a Proposed Planned Development Medical Campus and Mixed-Use Project

Request:

City Council approve:

1. Mitigated Negative Declaration and MMRP
2. Amend the General Plan from Commercial to Mixed-Use Flex
3. Amend the Zoning from CS and PD to MU-F and PD
4. A Tentative Parcel Map to subdivide into four parcels

Lillian Commons – Location



Lillian Commons – CEQA



- An Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) was prepared for the project
- General Plan Amendment from Commercial to Mixed-Use Flex

Lillian Commons – Initial Conceptual Site Plan



Lillian Commons – Proposed Development Standards



Development Aspect	Parameter
Minimum Lot Size	10,000 square feet
Minimum Lot Dimensions	100-foot width; 100-foot depth
Maximum building coverage	50%
Minimum setbacks (front, rear, side, street) [1]	25, 0, 0, 15 feet (respectively)
Maximum height (exceptions 18.56.020)	Residential/Office – 4 stories or 45 feet Hospital – 4 stories or 55 feet
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
On-Site Parking	Per Section 18.72 [2]
Retail	1 space per 250 square feet of net floor area
Restaurant (sit down)	1 space per 100 square feet of net floor area
Medical Office	1 space per 200 square feet of net floor area
Residential (multi-family)	1 bedroom unit – 1 covered 2 bedroom unit – 1 covered and 1 uncovered per unit
Guest Parking	1 per 3 units (shared with Medical Office use)
Electrical Vehicle Parking	1 per 25 to 49 automobile spaces, 2 per 50 to 100 automobile spaces, plus 1 per 50 ratio over 100 automobile spaces
Non-Residential Bicycle Parking	10% of automobile spaces; long term (enclosed): 5% of automobile spaces
Residential Bicycle Parking	10% of automobile spaces; long-term (enclosed), 1 per 5 units

Lillian Commons – Proposed Land Uses

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	C
Bed and Breakfast	C
Business Support Services	P
Cinemas and Theatres	C
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	P
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)
Duets and Duplexes	C
Emergency Shelters	C
Farmers Markets	P
Food and Beverage Production <10,000 square feet	P
Fuel and Service Stations	C
General Retail	P
Government Offices	P
Group Housing	C
Home Day Care, Small and Large	P
Hospitals	P
Hotel and Motels	C
Instructional Services	P
Live/Work Unit	P
Medical Offices and Clinics	P
Mixed Use Residential	P
Multi-Family Dwellings	P
Nursing Homes and Long-Term Care	C
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	C
Residential Care Facilities, Small	P
Restaurant- Fast Food, Sit Down	C
School, Public and Private	C
Single-Family Detached Dwellings	C
Senior Housing, Independent Living	C
Social Services	C
Tasting Rooms	P
Veterinarian Clinics and Hospitals	C
Accessory Uses	(per Section 18.44)
Home Occupations	(per Section 18.92.060)
Temporary Uses	(per Section 18.92.150)

Lillian Commons – Revised Conceptual Site Plan



Lillian Commons – Commission Recommendation

- Limit maximum height of Residential/Office to 3 stories or 35 ft;
- Limit the number of residential units to 150;
- Allow Hospitals, Medical Offices and Clinics, and Mixed Use Residential on Parcel C; and

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

<u>Use</u>	<u>Planned Development (PD)</u>
<u>Hospitals</u>	<u>P</u>
<u>Medical Offices and Clinics</u>	<u>P</u>
<u>Mixed Use Residential</u>	<u>P</u>

- Do not allow residential uses on Parcels A, B, & D; as well as reduce the number of retail uses.

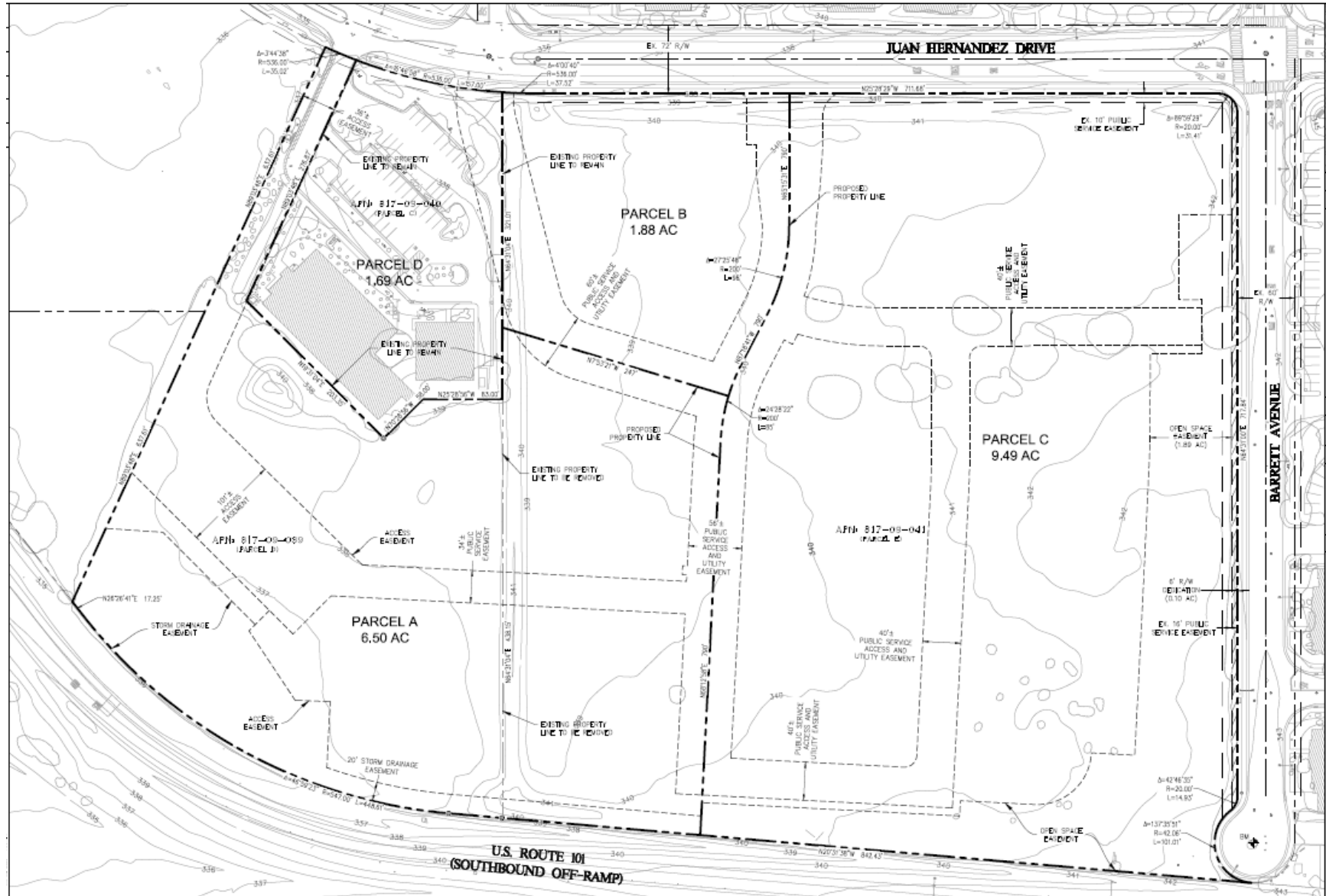
Commission Recommendation

Table 1-2 Parcels A, B, and D PD Masid Conditional Uses

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	C
Bed and Breakfast	C
Business Support Services	P
Cinemas and Theatres	C
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	PC
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)
Duets and Duplexes	C
Emergency Shelters	C
Farmers Markets	PC
Food and Beverage Production <10,000 square feet	P
Fuel and Service Stations	C
General Retail	P
Government Offices	P
Group Housing	C
Home Day Care, Small and Large	P
Hospitals	P
Hotel and Motels	C
Instructional Services	P
Live/Work Unit	P
Medical Offices and Clinics	P
Mixed Use Residential	P
Multi-Family Dwellings	P
Nursing Homes and Long-Term Care	C
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	C
Residential Care Facilities, Small	PC
Restaurant- Fast Food, Sit Down	C
School, Public and Private	C
Single-Family Detached Dwellings	C
Senior Housing, Independent Living	C
Social Services	C
Tasting Rooms	P
Veterinarian Clinics and Hospitals	C
Accessory Uses	(per Section 18.44)
Home Occupations	(per Section 18.92.060)
Temporary Uses	(per Section 18.92.150)

Lillian Commons – Parcel Map



Lillian Commons – PD Findings



18.30.050.H.7 PD Master Plan Findings

- a. The proposed development is consistent with the General Plan, Zoning Code and any applicable specific plan or area plan adopted by the City Council.
- b. The proposed development is superior to the development that could occur under the standards applicable in the existing zoning districts.
- c. The proposed project will provide a substantial public benefit(s).
- d. The site for the proposed development is adequate in size and shape to accommodate proposed land uses.
- e. Adequate transportation facilities, infrastructure, and public services exist or will be provided to serve the proposed development.
- f. The proposed development will not have a substantial adverse effect on surrounding property and will be compatible with the existing and planned land use character of the surrounding area.
- g. Findings required for the concurrent approval of a Zoning Map Amendment can be made.

Lillian Commons – Zoning Amendment Findings



18.114.060 Zoning Amendment Findings

- a. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.
- b. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
- c. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

Lillian Commons

Table 2 Parcel C - PD Master Plan Allowed and Conditional Uses

Items in **RED** represent Uses or changes the applicant recommends.

Use	Planned Development (PD)
Accessory Dwelling Units	P
Duets and Duplexes	P
Home Day Care, Small	P
Home Day Care, Large	C
Hospitals	P
Live/Work Unit	P
Medical Offices and Clinics	P
Mixed Use Residential	P
Multi-Family Dwellings	P
Nursing Homes and Long-Term Care	C
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Residential Care Facilities	C
Residential Care Facilities, Small	P
Single-Family Attached Dwellings	P
Single-Family Detached Dwellings	P
Senior Housing, Independent Living	P
Accessory Uses	(per Section 18.44)
Home Occupations	(per Section 18.92.060)
Temporary Uses	(per Section 18.92.150)

Lillian Commons

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

Items in **RED** represent Uses or changes the applicant recommends.

Use	Planned Development (PD)
Banks and Financial Institutions	P
Business Support Services	P
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	C to P
Drive-Through and Drive-in Facilities	C
Emergency Shelters	C
Farmers Markets	C to P
General Retail	P
Hospitals	P
Hotel and Motels	C
Instructional Services	P
Medical Offices and Clinics	P
Nursing Homes and Long-Term Care	C
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	P
Residential Care Facilities, Small	C to P
Restaurant- Fast Food, Sit Down	C
School, Public and Private	C
Senior Housing, Independent Living	C
Social Services	C
Accessory Uses	(per Section 18.44)
Temporary Uses	(per Section 18.92.150)

Questions?





Regular Meeting Agenda

City Council

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

Wednesday, November 4, 2020 7:00 p.m.

Virtual Meeting

AMENDED AGENDA

Please note that this agenda has been amended to correct the project location in the recommended action of item 1.

MEETING GUIDELINES

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. We will address the Order in the following ways:

Members of the public may NOT physically attend meetings at the Morgan Hill City Council Chamber.

The City Council Meeting will be live-streamed on Channel 17 and on the City's website. Those members of the public wishing to participate remotely may do so via the electronic meeting at:

<https://bit.ly/110420CityCouncilMtg> or by calling in to: (669) 900-9128, then enter the meeting id: 881 9811 7548.

Public comment for City Council meetings will be accepted via email to ccpubliccomment@morganhill.ca.gov <<mailto:ccpubliccomment@morganhill.ca.gov>>. Members of the public participating in the electronic meeting wishing to speak may do so during public comment.

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

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

Deputy City Clerk Michelle Bigelow

PRESENTATIONS

**2021 TRANSIT SERVICE PLAN- DRAFT OPTIONS, JAY TYREE, SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY**

VTA PRESENTATION SUPPLEMENT

PROCLAMATIONS

Proclaiming the month of November 2020 as Philanthropy Month

CITY MANAGER'S REPORT

City Manager Christina Turner

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

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

Time Estimate for Consent Calendar: 1 - 10 Minutes

1. APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO UNDERGROUND DRY UTILITIES FOR THE HALE AVENUE EXTENSION PROJECT NEAR MAIN AND HALE AVENUES

Recommendation:

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities at the intersection of Main and Hale Avenues for the Hale Avenue Extension Project for a not to exceed amount of \$384,876.

2. APPROVE SUBDIVISION IMPROVEMENTS AGREEMENT FOR 185 SANCHEZ DRIVE

Recommendation:

1. Authorize the City Manager to execute the Subdivision Improvements Agreement with Mike Brewer (property owner); and
2. Authorize the recordation of the Subdivision Improvements Agreement.

3. APPROVE SECOND AMENDMENT TO CARBONIC SERVICE INC. SERVICE AGREEMENT

Recommendation:

1. Determine that competitive bids upon notice would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances per Section 3.04.150 (1) of the Morgan Hill Municipal Code; and
2. Approve and authorize the City Manager to execute and administer the second amendment to the service agreement with Carbonic Service, Inc. extending the agreement for two additional years of service at no increase to the total contract amount of \$200,000.

4. APPROVE FISCAL YEAR 2020-21 WORK PLANS FOR PARKS AND RECREATION AND LIBRARY, CULTURE AND ARTS COMMISSIONS

Recommendation:

1. Approve the proposed Parks and Recreation Commission FY 2020-21 Work Plan; and
2. Approve the proposed Library, Culture and Arts Commission FY 2020-21 Work Plan.

5. APPROVE THE OCTOBER 21, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

6. RECEIVE CORPORATION YARD SPACE STUDY

Recommendation:

Receive Corporation Yard Space Study.

7. RECEIVE REPORT REGARDING UPCOMING 2021 COMMISSION VACANCIES - PER MADDY ACT

Recommendation:

Receive report.

OTHER BUSINESS

8. RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

Recommendation:

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightning Complex fire.

Estimated Time: 30 Minutes

9. CONSIDER FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

Recommendation:

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

Estimated Time: 5 Minutes

PUBLIC HEARING

10. ACCEPT THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNER'S ASSOCIATION ANNUAL REPORT AND ADOPT A RESOLUTION AMENDING THE MHTBID MANAGEMENT PLAN

Recommendation:

1. Accept and direct the City Clerk to file the Visit Morgan Hill Annual Report; and
2. Open and Close a Public Hearing to amend the Morgan Hill Tourism Business Improvement District (MHTBID) Management Plan to change reporting schedule to conform with the California Streets and Highways Code.

Estimated Time: 15 Minutes

11. APPROVE AMENDMENTS TO THE GENERAL PLAN LAND USE MAP AND ZONING MAP, TENTATIVE PARCEL MAP AND MITIGATED NEGATIVE DECLARATION FOR A MIXED USE DEVELOPMENT ON A 19.67-ACRE SITE (APNS 817-09-039, 817-09-040 AND 817-09-041) (GPA2019-0005/ZA2019-0016/SD2019-0007/EA2019-0023-JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS))

Recommendation:

1. Open/close public hearing;
2. Adopt resolution approving the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for the project;
3. Adopt resolution approving an amendment to the General Plan land use designation;
4. Waive the first and second reading of Zoning Amendment Ordinance;
5. Introduce Zoning Amendment Ordinance; and
6. Adopt resolution approving a Tentative Parcel Map.

Estimated Time: 90 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 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 cityclerk@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 cityclerk@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

SUSTAINABLE MORGAN HILL



VISION

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

Choose Morgan Hill

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

City Council Ongoing Priorities

- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advancing Regional Initiatives

2020-2021 Strategic Priorities

- **Fiscal Sustainability**
- Affordable Housing and Homelessness
- Community Engagement and Messaging
- Economic Development
- Transportation



These strategic priorities were established prior to the COVID-19 pandemic. In light of recent events, we recognize that all of these goals and priorities will be viewed through the lens of the global pandemic, and we will continue to have equity, public health, and financial responsibility in mind.

2021 Transit Service Plan

Draft Options

*Morgan Hill City Council
November 2020*

Time to Decide Next Year's Transit Service Plan

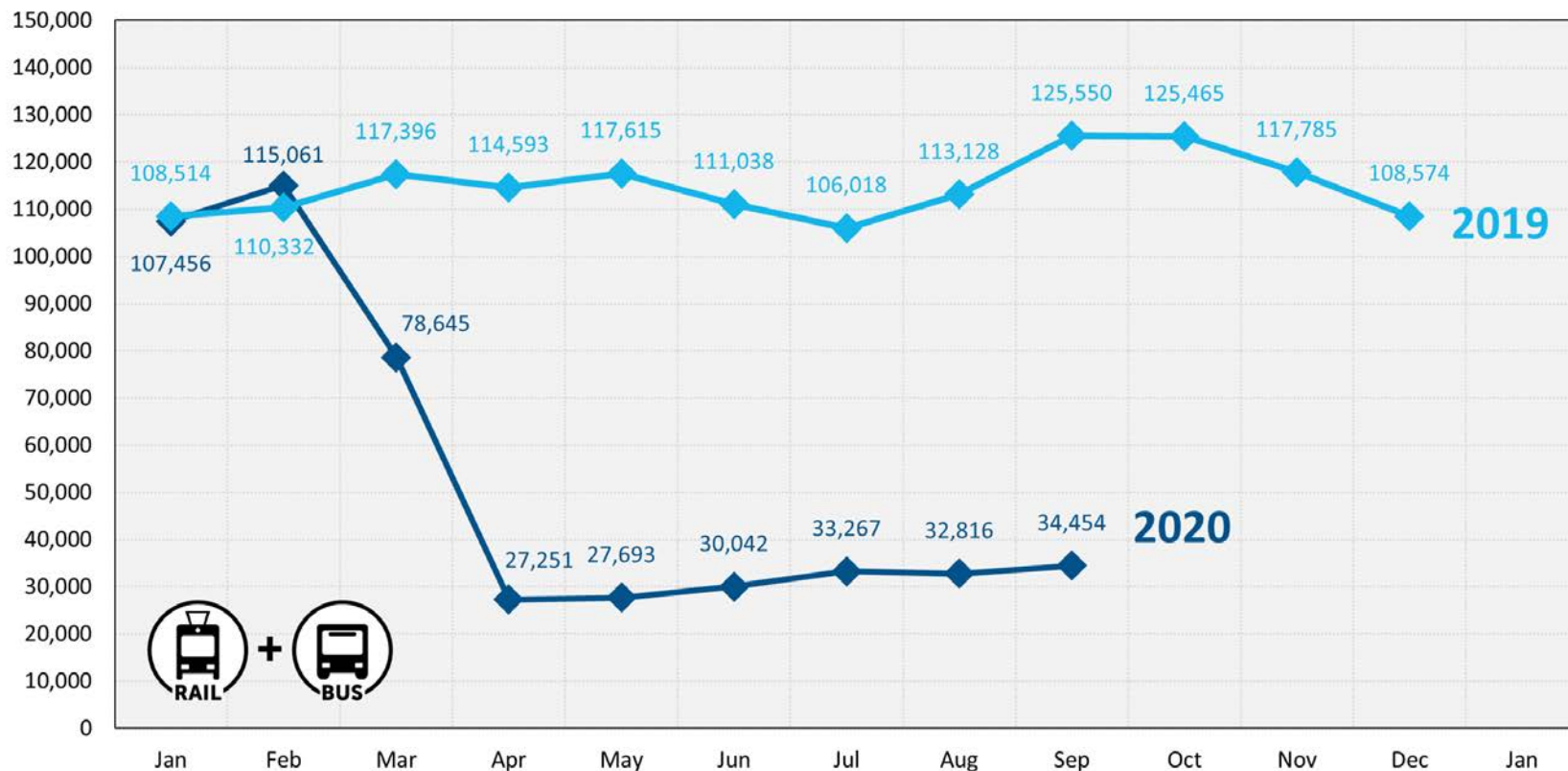
VTA typically implements major service changes annually each February

- Draft plan developed each summer
- Community engagement and revisions in the fall
- VTA Board adoption in November/December

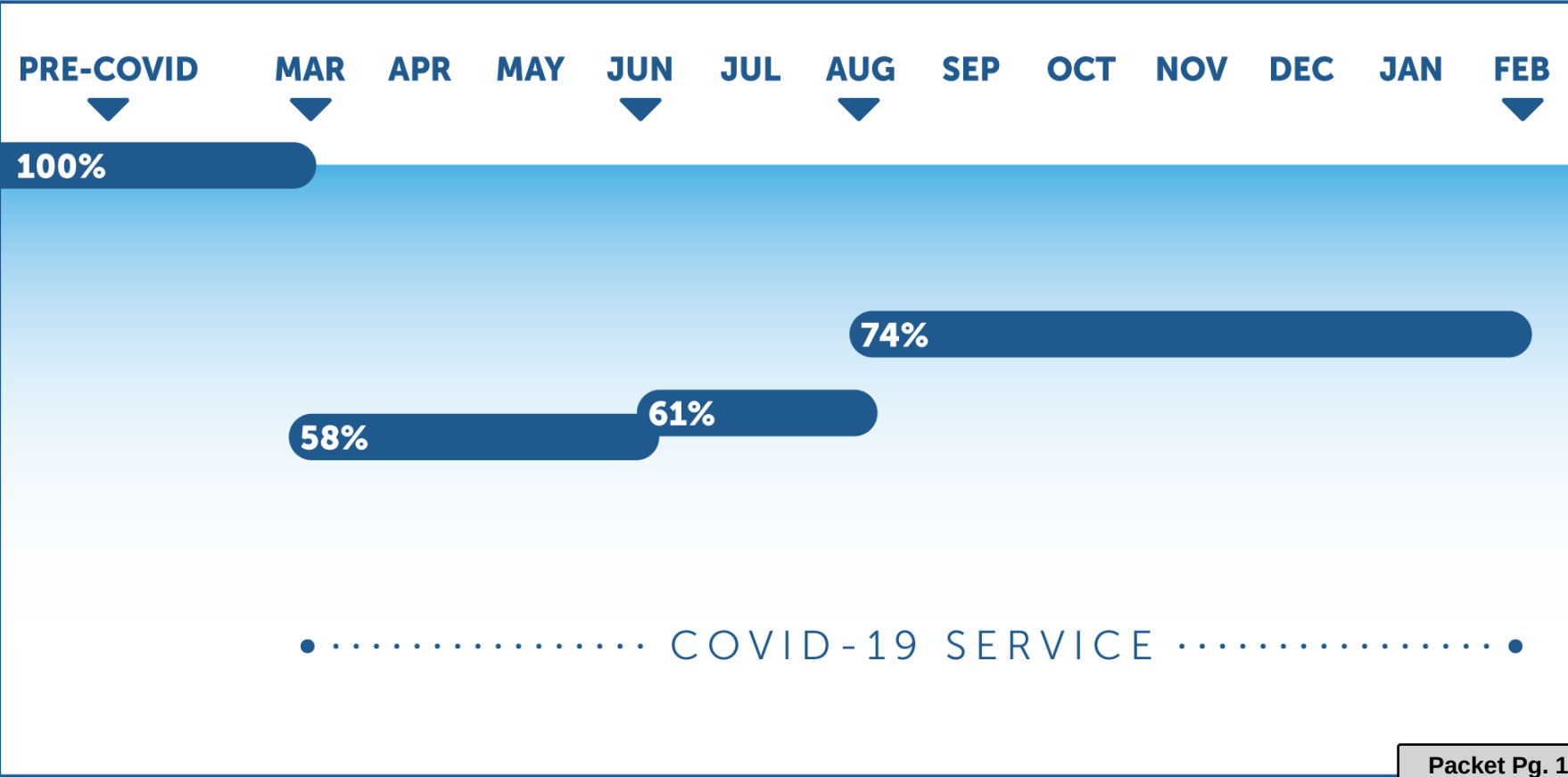
Background

- New Transit Service Plan (NTSP) implemented in late 2019
- Ridership demand impacted by COVID-19 beginning in March 2020
- Transit service adjusted throughout 2020 in response

VTA Ridership during COVID-19 (average weekday boardings, systemwide)

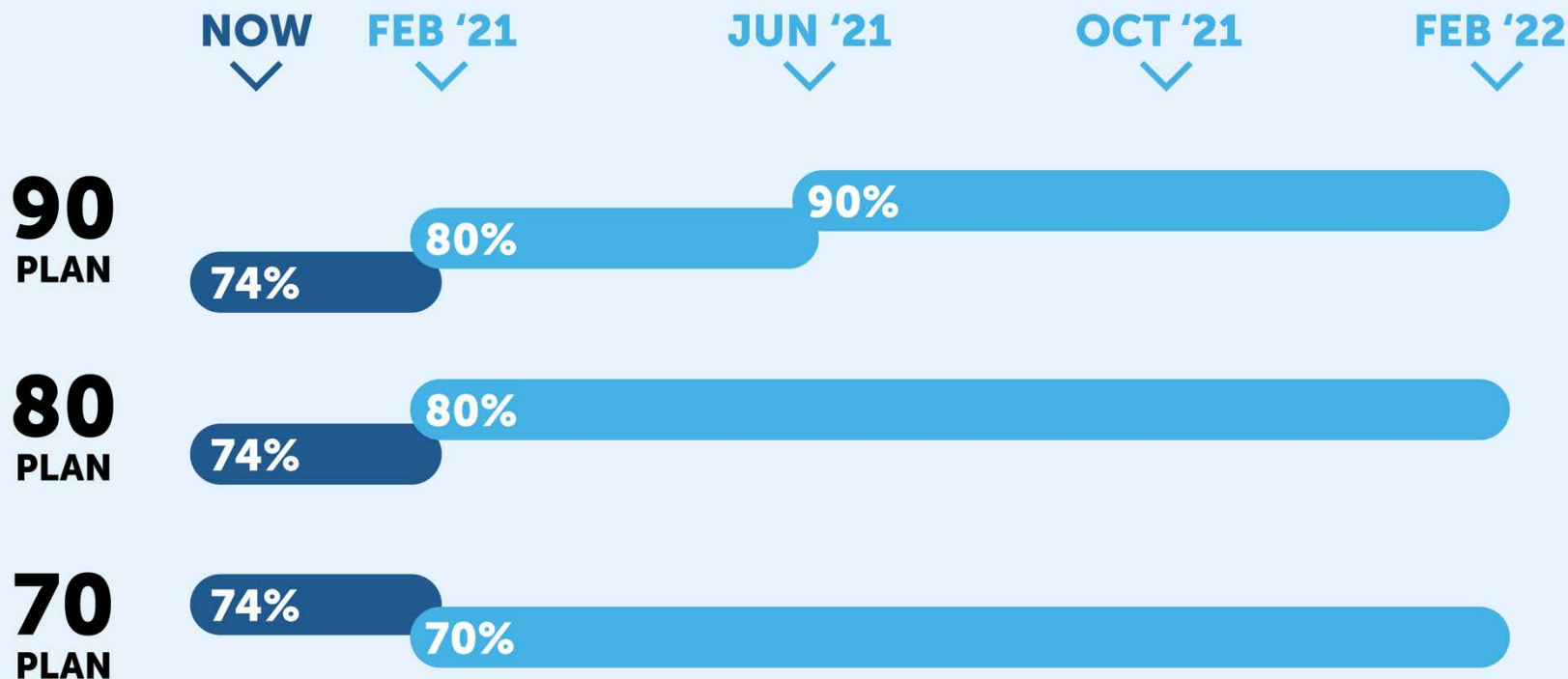


2020 VTA Transit Service Hours



Communication: 2021 Transit Service Plan- Draft Options, Jay

Three Options for 2021 Service



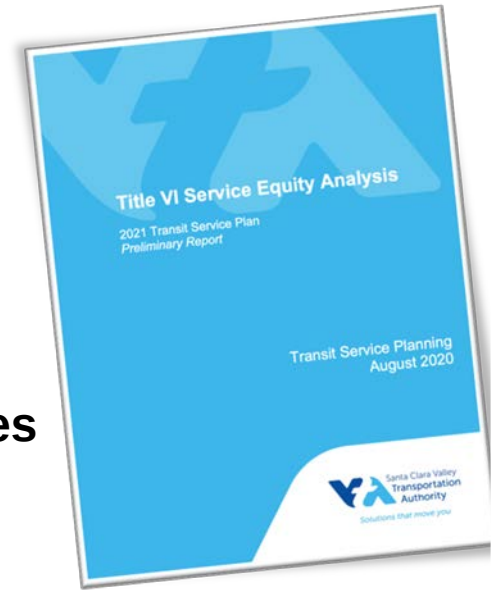
2021 Service Plan Options

		100% (Pre-COVID Service)	90% Plan	80% Plan	70% Plan
	Frequency	Weekday: 15 min. Weekend: 20 min.	Weekday: 15 min. Weekend: 30 min.	Weekday: 20 min. Weekend: 30 min.	Weekday: 20 min. Weekend: 30 min.
	End Time	1:30 a.m.	12:30 a.m.	12:30 a.m.	10:00 p.m.
Frequent Network Frequency		15 min.	15 min.	20 min.	20 min.
End Time		Varies	A few routes end earlier	Most routes end earlier	Ends at 10 p.m. or earlier
	Midday Service Cuts	n/a	1 route	Minor	Major
	Weekend Service Cuts	n/a	Minor	Minor	Major
Discontinued Routes		n/a	None	None	2 routes
New Routes		n/a	Rapid 568 VMC Shuttle	Rapid 568 VMC Shuttle	VMC Shuttle

Equity Analysis for Service Plan Options

Title VI Service Equity Analysis determinations:

- ✓ No disparate impact on **minority communities**
- ✓ No disproportionate burden on **low-income communities**



Communication: 2021 Transit Service Plan- Draft Options, Jay

VTA Access Paratransit Service Impacts

Time-of-Day service availability:

- Staff recommendation is to **maintain pre-COVID service availability**

Geographic service availability:

- **No impact to geographic service availability**



Definition of “Major Transit Stop” in California law → 15-min peak bus service

Development projects

- Some projects disqualified from meeting criteria for Density Bonus law (AB 1763) and “screening out” from VMT analysis under CEQA (SB 743)

Affordable housing projects

- Some affordable housing projects disqualified from meeting TOD criteria

Plan Bay Area 2050 growth targets

- May be more difficult to meet regional growth targets (established using the 15-min network of routes)

Morgan Hill Local Service (weekday)

today

80 plan

90 plan

68

20-min
5:00a – 12:00a

20-min
5:00a – 12:00a

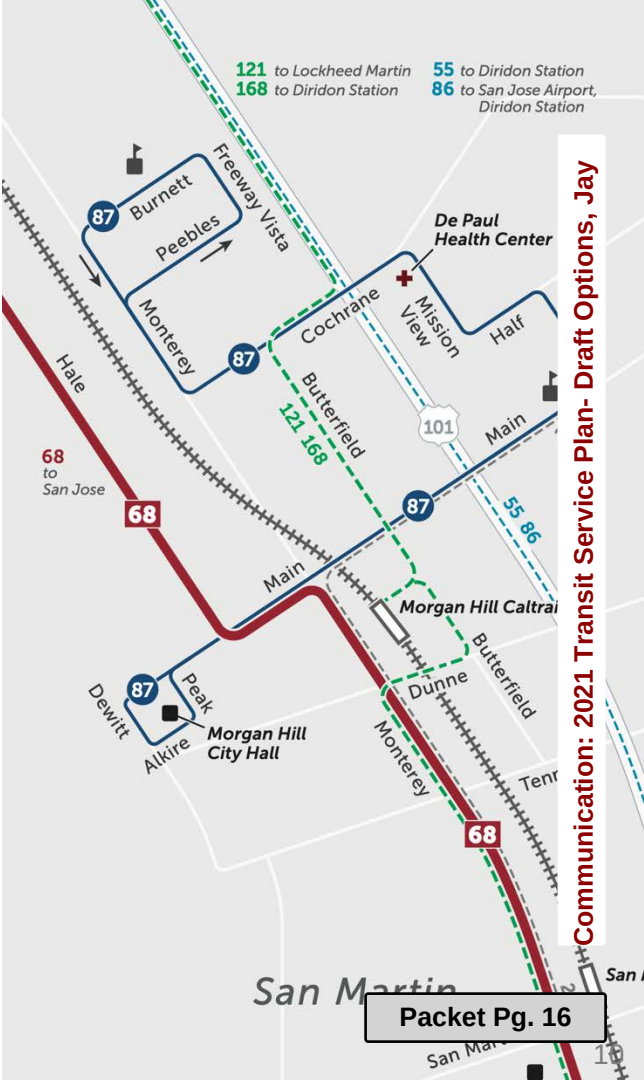
15-min
5:00a – 12:00a

87

60-min
6:30a – 9:00a
2:00p – 5:30p

60-min
6:30a – 9:00a
2:00p – 5:30p

60-min
6:30a – 9:00a
2:00p – 5:30p



Morgan Hill **Express** and **Rapid** Service

121

- suspended during 2020 due to COVID-19
- service level is determined by partners
- plan to resume service in early 2021

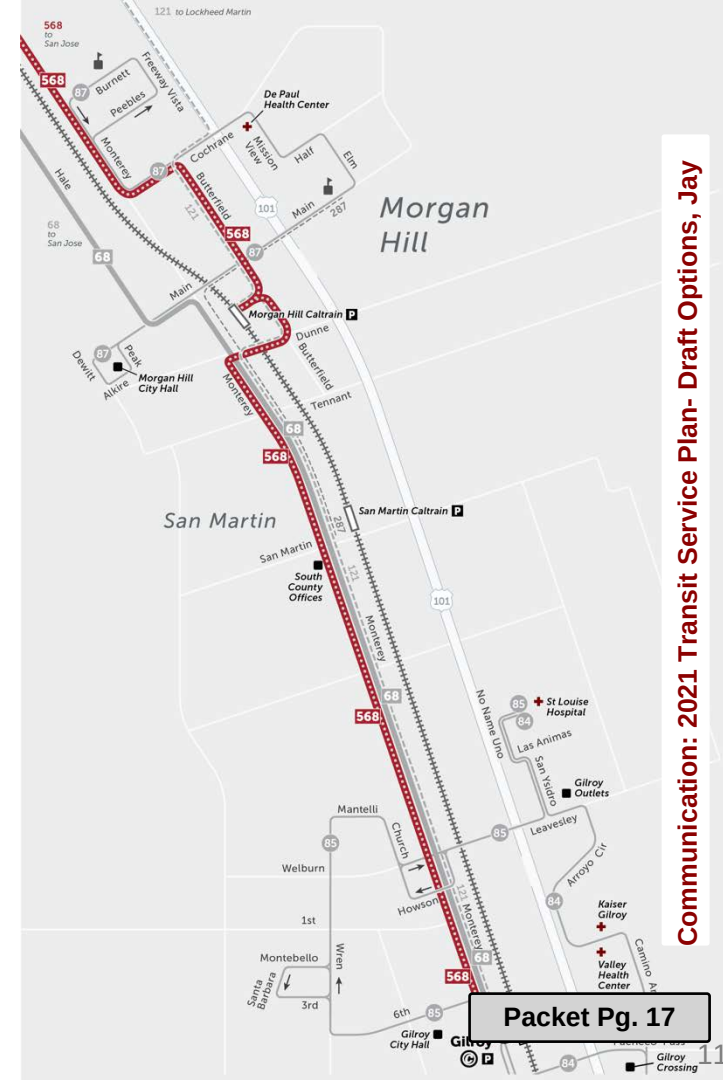
168

- 4 morning trips and 4 evening trips (one-way)
- to be replaced by Rapid 568



568

- new route (starts February)
- longstanding rider request
- Gilroy – Morgan Hill – Downtown San Jose
- all-day bidirectional service
- 30-min frequency, 5:30a – 6:30p
- will supplement Frequent Route 68



Schedule

May – Aug	Develop draft plans
Sep – Oct	Community engagement
Late Oct	Develop staff recommendation
Nov	Staff recommendation to VTA committees
Dec	Staff recommendation to VTA Board of Directors

Service begins **February 2021**



17575 Peak Avenue Morgan Hill CA 95037 (408) 776-7382

Website Address: www.morgan-hill.ca.gov

October 16, 2020

Valley Transportation Authority
55-A West Santa Clara Street
San Jose, CA 95113

RE: VTA 2021 Transit Service Plan

To Whom it May Concern,

The City is supportive of the desire to restore valuable and efficient transit services that follow the State mandated stay-at-home restrictions and appreciate the opportunity to comment on the draft recovery plan. The City further recognizes the financial situation that VTA is facing. On behalf of our residents and businesses, we would like to highlight that South County and Morgan Hill specifically, have minimal service in comparison to cities to the north, and any permanent discontinuance of service would create further hardship on our community and should not be considered.

Please consider the following comments and issues:

I. 70% Service Plan Scenario

This plan significantly reduces services to Morgan Hill by discontinuation of Route 87 with no replacement service, reduces Route 121 and Route 168 trips significantly, and introduces longer headway times with fewer trips. We are opposed to the reductions to the Route 68 frequency considering the capacity issues currently faced on the 68. Should Route 87 be removed, the City will no longer have any east-west public transportation. Before eliminating the 87, the City requests that the VTA look at funding alternatives to provide additional local (east-west) transportation through alternative models. The 70% alternative will significantly affect our community in addition to our ability to qualify for future funding to achieve our affordable housing goals.

II. 80% Service Plan Scenario

We are thankful for the addition for Rapid Route 586 with 30-minute headways starting at 5:30am until 6:30pm. We are opposed to the reductions to the Route 68 frequency considering the capacity issues currently faced on the 68 and are not supportive of any permanent discontinued service. Route 168 includes a stop at the Morgan Hill Transit Center, connecting it to the Cal Train Station services. If Route 168 is discontinued, we would request Route 586 provide a stop at the Morgan Hill Transit Center and preserve that vital connection to the Transit

Center and Cal Train Station.

III. 90% Service Plan Scenario

The City is supportive of the 90% Service Plan as it is closest to the amount of service that we previously had and adds Route 586. Again, we are opposed to the reductions to Route 68, and with the proposed elimination of Route 168, the City would like to see Route 586 provide a stop at the Morgan Hill Transit Center. This would preserve the vital bus route connection to the Morgan Hill Transit Center and Caltrain Station.

Thank you for your consideration of these comments and concerns. We appreciate VTA's willingness to work with our City. We would welcome the opportunity to discuss our feedback with you.

Sincerely,



Christina Turner
City Manager
City of Morgan Hill



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Chris Ghione, Public Services Director
APPROVED BY: City Manager

APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO UNDERGROUND DRY UTILITIES FOR THE HALE AVENUE EXTENSION PROJECT NEAR MAIN AND HALE AVENUES

RECOMMENDATION(S)

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities at the intersection of Main and Hale Avenues for the Hale Avenue Extension Project for a not to exceed amount of \$384,876.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2020-2021 Strategic Priorities
Transportation

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan
Morgan Hill 2035 General Plan
Vision Zero

REPORT NARRATIVE:

The Hale Avenue Extension Project is a long-term significant transportation project of the City of Morgan Hill, designed to provide an arterial street for the west side of the community in alignment with the City's goal of providing complete streets. The limits of the Hale Avenue Extension project are Main Avenue at the north end and Spring Avenue at the south end (Attachment 1), with the undergrounding work identified in this report occurring near Main Avenue. The project has been designed as a two-lane roadway with a median, bike lanes, and pedestrian walkway in conformance with the City's multi-modal arterial standard. This reach of roadway has been a planned arterial in the City's General Plan since 1969.

Significant outreach on the project occurred with the Community in 2008 through 2012 when the project was intended to be funded by the City's then Redevelopment Agency. However, due to the loss of redevelopment, the project was put on hold for approximately 5 years. In 2016, the County's Measure B initiative through the VTA provided a means for funding of the project. At this time, the project was reinitiated with Measure B as the primary funding source for construction.

In 2017, the City certified the Environmental Impact Report (EIR) for the project. This report provided the community another significant opportunity to provide input on the project. With the EIR, the Official Plan Line was also established. The Plan Line includes both the City's section of the project, between Main and Spring (Phase 1) and the County's section of the project, from DeWitt to Edmundson (Phase 2). The Plan allowed the City to obtain all of the right of way required for Phase 1 through an acquisition process that was conducted from 2017 through 2019. In June 2020, the Council approved a funding agreement with the VTA, which will provide the City \$16.5 million to construct the Hale Avenue Extension Project.

In 2018, Mark Thomas's contract was amended to include utility undergrounding services. Thus, applications to underground dry utilities were submitted to Pacific Gas and Electric Company (PGE) in September 2018 for the Hale Avenue Extension Project. Two applications were submitted. The first application, Phase 1, included undergrounding at the Dewitt/Spring intersection, which was approved by the City Council in February 2020. The second application, Phase 2, includes undergrounding at the Main/Hale intersection, Warren Avenue and Nob Hill Avenue. The City has now received these plans. The undergrounding in this area has taken significant time to design due to the complexity and quantity of overhead lines to be relocated. The dry utility undergrounding work includes electric, cable, and telephone lines. PGE's scope of work includes inspection of underground conduits/structures, pole removal, installing cables/connectors, and energizing. Underground conduits and vaults will be the responsibility of the Valley Water Phase 2A contractor through a cost share agreement with the City of Morgan Hill. This method will be less expensive than having PGE perform this work.

Construction of the roadway is intended to commence this Winter/Spring and to be constructed in coordination with Valley Water's Upper Llagas Creek Flood Control Project. The two projects have various overlapping components near the intersection of Hale and Main Avenues and the Flood Control Project will need to complete work in that area prior to the Hale Avenue construction. The undergrounding work in this area is critical to both the Hale Avenue Extension project and the Valley Water Flood Control Projects moving forward.

COMMUNITY ENGAGEMENT: Inform

The Hale Avenue Extension Project has been in the City's General Plan since the 1960's and continues to be an important north/south arterial gap fill project. Numerous community engagement and design meetings were held throughout the early planning and design phases. In addition, the environmental studies process also solicited input from the community regarding environmental impacts from the project. Staff has been providing project updates on the City's website and will continue posting updates throughout construction. A full communications plan is in development for the construction phase of this project.

ALTERNATIVE ACTIONS:

The City Council could decide not to execute the PGE agreement at this time. This is not recommended as undergrounding dry utilities is normally required for both the Hale Avenue Extension Project and the Valley Water Flood Control Project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There have been significant actions taken on the Hale Avenue Extension Project beginning in 1969 and most recently occurring in June 2020 with the funding agreement with the Valley Transportation Authority to fund the project. Recent actions specifically relating to undergrounding work on the project include:

- On January 18, 2017, City Council approved a Service Agreement for Design Professionals with Mark Thomas & Company to design the Hale Avenue Extension Project for \$401,873.
- On April 18, 2018, City Council approved a First Amendment with Mark Thomas & Company for additional work, including utility undergrounding for \$92,860.
- On April 17, 2019, City Council approved a second amendment with Mark Thomas & Company for increased services, which include bidding and construction services for \$88,700.
- On February 19, 2020, the City Council approved an agreement with PG&E for the undergrounding work associated with the project at the Spring/DeWitt Avenue Intersection.

FISCAL AND RESOURCE IMPACT:

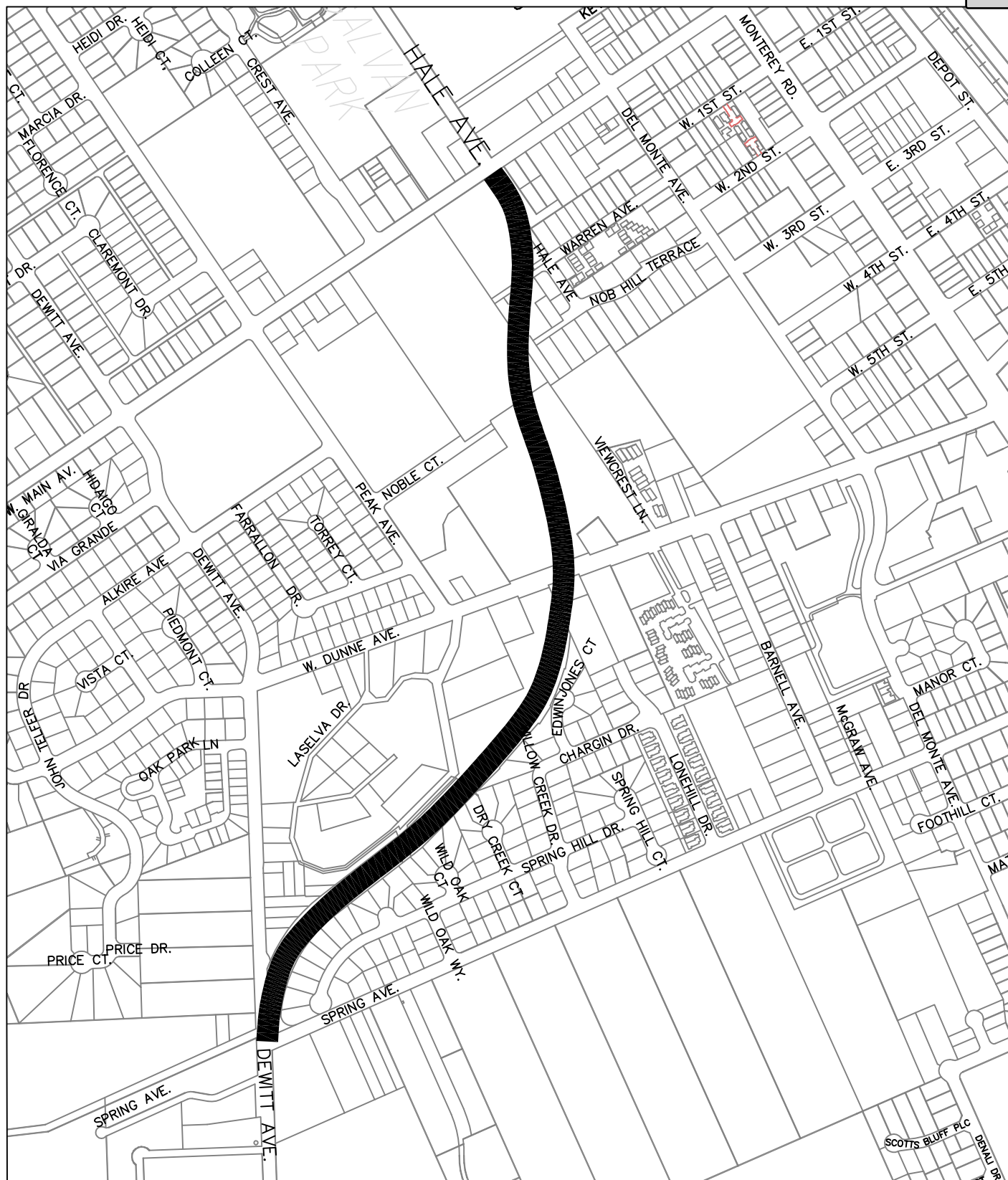
Sufficient funds and budgetary appropriations are available in the approved Hale Avenue Extension Project. The VTA's Measure B Grant will contribute at least \$16.5 million towards the project for which these costs are eligible for funding.

CEQA (California Environmental Quality Act): Project.

A Final Environmental Impact Report was prepared by David J. Powers & Associates for the Hale Avenue Extension and Hale Avenue Plan Line Projects. City Council certified the Final Environmental Impact Report (FEIR) and adopted a Mitigation and Monitoring Program (MMRP) for construction of the Hale Avenue Extension Project ("Project") by Resolution No. 17-070, adopted on August 23, 2017.

LINKS/ATTACHMENTS:

1. Project Location
2. PGE_Project_Contract_114993900.E.CONTRACTPK
3. Undergrounding Plans (weblink)



SCALE: NTS

City of Morgan Hill

Public Works Department

LOCATION PLAN

Hale Avenue Extension



CITY OF MORGAN HILL
N:\PROJECTS\CIP\STREETS\546007-Santa Teresa Const\Staff Reports\hale

Date: 3/23/11

Drwn by: DIG

PAGE 1 OF 1

Packet Pg. 24

Attachment: Project Location (2901 : APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO UNDERGROUND DRY UTILITIES



October 21, 2020

Christina Tuner
City of Morgan Hill, A Government Agency
17575 Peak Ave.
MORGAN HILL, CA 95037

RE: Contract ID: 1251334: Rule 20 Part 1

Dear Christina Tuner,

Enclosed are gas and/or electric agreements for your project located at:

WEST MAIN AND HALE, MORGAN HILL, 95037

This letter summarizes the agreements for this project.

	Non-Refundable Payment	Refundable Option*	50% Discount Option*
Electric Overhead to Underground Conversion (20B)	\$387,375.59	\$0.00	\$0.00
Less Credit (Engineering Advance, etc.)	\$2,500.00	\$0.00	\$0.00
TOTAL **	\$384,875.59	\$0.00	\$0.00
TOTAL PAYMENT DUE	\$384,875.59	OR	\$384,875.59

* Only applies to Rule 15 Refundable Amounts. Amount shown is less credit for associated Applicant work.

** The Income Tax Component of Contribution (ITCC) is included in the above charges when applicable.

Changes to the agreement, either to any of the terms or to the amount owing, are not permitted, and any change or interlineations voids the agreement. The payment of any amount less than the full amount shown will be deposited by PG&E, but PG&E will not begin any work on this contract until the amount is paid in full. The contract shall be deemed effective the date a fully executed copy is received by PG&E. Please allow 45 days from PG&E's receipt of the Agreement for construction to commence.

If the agreement is not returned to PG&E within 90 days of the date of this letter, the proposed agreement is canceled and PG&E may need to re-estimate the job.

PG&E is committed to providing timely and efficient service and we look forward to continuing to work with you on this and future projects.

Should you have any questions regarding these contracts, please contact your project manager Ca Huynh at 408-479-0378 or CPH4@pge.com.

To complete your contract ONLINE

- Follow the instructions provided with your electronic contract
- Submit payment at pge.com/contractpayments

Sincerely,

Matthew Schneiderman

Matthew Schneiderman
Service Planning Supervisor

To complete your contract BY MAIL

- Make checks payable to: PGE or Pacific Gas and Electric
- Complete, sign and retain one copy of the agreement for your records
- Complete, sign and return one copy of the agreement with your payment to:
PG&E CFM/PPC DEPARTMENT
PO BOX 997340
Sacramento, CA 95899-7340



114993900E

Ref: Contract ID: 1251334: WEST MAIN AND HALE, MORGAN HILL, 95037

Packet Pg. 25

Attachment: PGE_Project_Contract_114993900.E.CONTRACTPK (2901 : APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO



**Pacific Gas and Electric Company
Agreement to Perform
Tariff Schedule Related Work**

DISTRIBUTION:

- ☐ APPLICANT (Original)
☐ DIVISION (Original)
☐ ACCTG. SVCS.

REFERENCES:

Notification #

Contract #

R20-PM #

1.b

1251334

31438

City of Morgan Hill, A Government Agency (Applicant) has requested PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (PG&E), to perform the tariff schedule related work as located and described in paragraph 3 herein. PG&E agrees to perform the requested work and furnish all necessary labor, equipment, materials and related facilities required therefor, subject to the following conditions:

1. Whenever part or all of the requested work is to be furnished or performed upon property other than that of Applicant, Applicant shall first procure from such owners all necessary rights-of-way and/or permits in a form satisfactory to PG&E and without cost to it.
2. Applicant shall indemnify and hold harmless PG&E, its officers, agents and employees, against all loss, damage, expense and liability resulting from injury to or death of any person, including but not limited to, employees of PG&E, Applicant or any third party, or for the loss, destruction or damage to property, including, but not limited to property of PG&E, Applicant or any third party, arising out of or in any way connected with the performance of this agreement, however caused, except to the extent caused by the active negligence or willful misconduct of PG&E, its officers, agents and employees. Applicant will, on PG&E's request, defend any suit asserting a claim covered by this indemnity. Applicant will pay all costs that may be incurred by PG&E in enforcing this indemnity, including reasonable attorneys' fees.
3. The location and requested work are described as follows: (Describe in detail the materials and facilities to be furnished and/or work to be performed by PG&E. If more space is required, use other side and attach any necessary drawings as Exhibits A, B, C, etc):

LOCATION: **WEST MAIN AND HALE, MORGAN HILL, 95037**

DESCRIPTION OF WORK: **Rule 20B - Underground existing overhead electric facilities**

Engineering & Administrative Costs		\$218,399.82
Value of Applicant Design Work	(+)	\$0.00
Cost of Additional Applicant Design Plan Checks	(+)	\$0.00
Value of 20B Underground System	(+)	\$202,692.77
Tie-In of 20B by PG&E	(+)	\$192,838.16
PG&E Land Rights Costs	(+)	\$0.00
Inspection Fees	(+)	\$4,281.60
Value of 20B Trench & Excavation	(+)	\$184,253.94
Value of 20B Conduits & Substructures	(+)	\$117,279.67
Rule 20B Trench Permits Obtained by PG&E	(+)	\$1,000.00
less Cost of Equivalent Overhead System	(-)	\$364,662.06
SUB TOTAL	(=)	\$556,083.89
plus ITCC @ 24%	(+)	\$133,460.13
less 20B Underground System Installed by Applicant	(-)	\$4,584.24
less 20B Trench & Excavation Provided by Applicant	(-)	\$184,253.94
less 20B Conduits & Substructures Installed by Applicant	(-)	\$113,330.25
less Value of Applicant Design Work	(-)	\$0.00
Electric Rule 20B Cash Payment	(=)	\$387,375.59



114993900E

4. Applicant shall pay to PG&E, promptly upon demand by PG&E, as the complete contract price hereunder, the sum of 1.b
Three Hundred Eighty-Seven Thousand Three Hundred Seventy-Five Dollars And Fifty-Eight Cents (\$387,375.59)

Upon completion of requested work, ownership shall vest in: ☒ PG&E ☐ Applicant

Executed this _____ day of _____

City of Morgan Hill, A Government Agency

PACIFIC GAS & ELECTRIC COMPANY

Applicant

By: _____

By: Matthew Schneiderman

Christina Tuner
Print/Type/Name

Matthew Schneiderman

Title: **City Manager**

Title: **Service Planning Supervisor**

Mailing Address: 17575 Peak Ave.
MORGAN HILL CA 95037

Attachment: PGE_Project_Contract_114993900.E.CONTRACTPK (2901 : APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO



114993900E



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

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

APPROVE SUBDIVISION IMPROVEMENTS AGREEMENT FOR 185 SANCHEZ DRIVE

RECOMMENDATION(S)

1. Authorize the City Manager to execute the Subdivision Improvements Agreement with Mike Brewer (property owner); and
2. Authorize the recordation of the Subdivision Improvements Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment and Preserving
Open Space and Agricultural Land

2020-2021 Strategic Priorities

Fiscal Sustainability

GUIDING DOCUMENTS

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

The project is located on 185 Sanchez Drive (APN 764-24-028) and involves the subdivision of a 0.46-acre parcel in to approximately two 10,000 square foot parcels (See attached site map Attachment No. 1). There is an existing single-family house on one of the lots and a new 2,704 square foot single-family house with a 557 square foot attached garage planned to be built on the other lot. The developer is required to enter into a Subdivision Improvements Agreement (Attachment No. 2) with the City of Morgan Hill and provide a financial guarantee covering the project's public improvements.

The project's Parcel Map (Final Map) conforms to all the requirements of the Subdivision Map Act and the conditions of approval for the Tentative Parcel Map (SD2020-0001). The Final Map will be approved administratively.

The developer has furnished the City with the necessary documents to complete the processing of the Final Map and has made provisions with a title company to provide the City with the required fees, security, and insurance prior to recordation of the Final Map.

Staff recommends that the City Council authorize the City Manager to sign the Subdivision Improvements Agreement on behalf of the City and authorize the recordation of the Subdivision Improvements Agreement.

COMMUNITY ENGAGEMENT: Involve

On March 31, 2020, the Community Development Director approved the Tentative Parcel Map for the project. Residents within a 300-foot radius were informed about the project. Comments received from the public and from the project applicant were considered in the review process.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There were no prior City Council and Commission actions on this project.

FISCAL AND RESOURCE IMPACT:

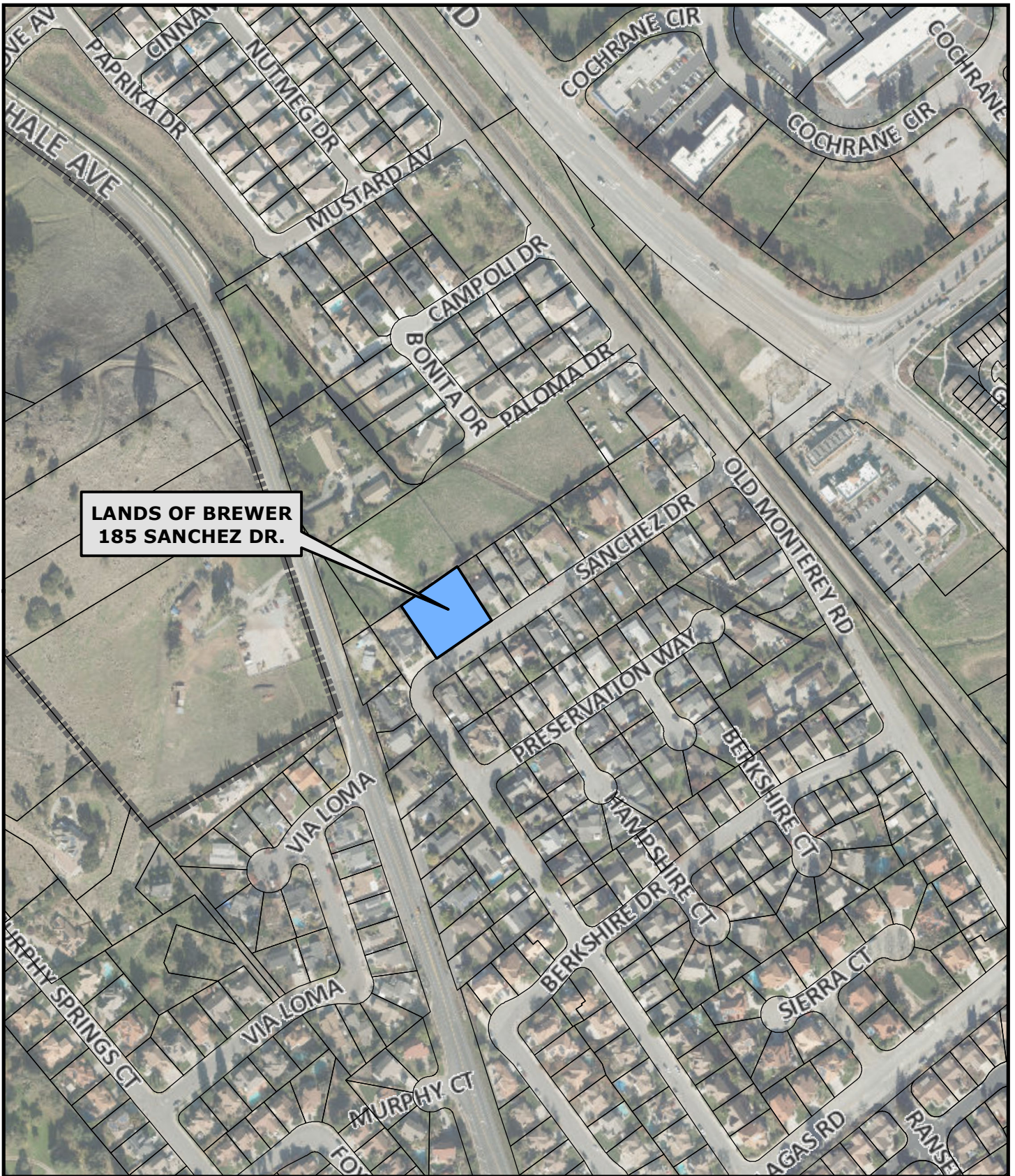
Development review costs for this project are paid for from development processing fees.

CEQA (California Environmental Quality Act):

Categorical Exemption – pursuant to CEQA Section 15315 – Minor Land Divisions.

LINKS/ATTACHMENTS:

1. Site Map
2. Subdivision Improvements Agreement



**LANDS OF BREWER
185 SANCHEZ DR.**

Attachment: Site Map [Revision 1] (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)



**Land Development Engineering
Engineering and Utilities Department**

Document Path: G:\R-14\PROJ\GIS\John\Maria_185SanchezDr.mxd

**SITE MAP
185 SANCHEZ DR.**



0 100 200 400 600 800
Feet

RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

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

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

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

SUBDIVISION IMPROVEMENTS AGREEMENT

MIKE BREWER

185 SANCHEZ DRIVE – LANDS OF BREWER

(APN: 764-24-028)

This Subdivision Improvements Agreement ("Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and **Mike Brewer** ("Subdivider"), is entered into this _____ day of _____, 20____. City and Subdivider hereby acknowledge the following:

1. Subdivider has filed a Tentative Subdivision Map and supporting documents for **185 Sanchez Drive**, the subdivision known as **Lands of Brewer** ("Map").
2. City desires, as part of the conditions of approval ("Conditions") of the Final Tract Map or Parcel Map ("Final Map"), that certain improvements be installed by Subdivider ("Improvements") as shown on the City Engineer approved and signed Subdivision Improvement Plans entitled "Improvement Plans for 185 Sanchez Drive - Lands of Brewer" ("Plans").
3. Subdivider has been unable to complete, prior to filing of the Final Map, all of the improvements required by City to the satisfaction of the City Engineer.
4. Subdivider is required by the terms of the Morgan Hill Municipal Code ("Municipal Code"), to improve all streets, highways, or public areas which are part of the development, including but not limited to necessary paving, curbs, sidewalks, catch basins, water mains, culverts, storm drains, and sanitary sewers, in accordance with the plans and specifications on file with the City Engineer and to post certain securities to secure the completion of the Improvements.
5. To assure City that Subdivider will construct, install and complete all Improvements required for the Subdivision, the parties have entered into this Agreement.

6. This Agreement is executed pursuant to California Government Code Section 66410 et seq., and Chapter 17.32 of the Municipal Code in order to provide for the manner in which Improvements shall be constructed and completed.

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

Section 1. Incorporation by Reference

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

Section 2. Construction of Improvements

(a) Subdivider shall construct to the approval of City, and as provided for in the Conditions, the Improvements as shown fully executed in the Plans entitled "Improvement Plans for 185 Sanchez Drive - Lands of Brewer".

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

(c) Survey Monumentation:

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

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

Section 3. Modification of Plans

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

Section 4. Security

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

Improvements and the City Engineer's Estimated Costs of Improvements as of September 18, 2020 are attached hereto as Exhibit "A".

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

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

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

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

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

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

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

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

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

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

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

Section 5. Inspections

At least fifteen (15) calendar days prior to the commencement of any work hereunder, Subdivider shall notify City in writing of the fixed start date of construction so that City shall be able to provide inspection

services. Subdivider shall at all times maintain proper facilities and provide safe access to all parts of the work site(s) for City inspections, including any workshops or plants where work related to the Improvements is being conducted.

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

Section 6. Timing of Performance

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

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

Section 7. Work Performance and Warranty

(a) Subdivider shall construct, at Subdivider's own expense, all of the Improvements in a good and workmanlike manner, and furnish all required materials incident thereto, in accordance with the Plans and to the satisfaction of City, including any changes required by City which in City's opinion are necessary to complete the Improvements.

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

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

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

(e) Subdivider warrants that: (1) it has investigated the work to be performed under this agreement, (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should Subdivider discover any conditions materially differing from those inherent in the Improvements or work or as represented by City, it shall immediately inform City and shall not proceed, except at Subdivider's risk, until written instructions are received from City.

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

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

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

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

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

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

(b) Except as otherwise provided by this Agreement, City rejects all lands, rights-of-way, and easements offered for dedication on the Final Map of the Subdivision. All such offers shall, however, remain open, and shall constitute irrevocable offers of dedication in accordance with Government Code Section 66477.2. All such offers may be accepted by City in its sole discretion at any later date without further notice to Subdivider as provided by law. By way of explanation only, it is the current intention of City to accept all or part of the irrevocable offers to dedicate upon acceptance of the Improvements called for in this Agreement.

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

Section 9. Indemnity

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

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

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

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

Section 10. Insurance

Concurrent with the execution of this Agreement, Subdivider is required to procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of Subdivider and its Subcontractors relating to or arising from the performance of work associated with the Improvements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by the City. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by City. If the Subdivider will utilize the services of a General Contractor to perform all of the work associated with the Improvements, then Subdivider may opt to have all coverages provided by Subdivider's General Contractor, provided that a written contract is executed between Subdivider and the General Contractor whereby the written contract specifically required General Contractor to fulfill all of the City insurance requirements as outlined in this Agreement, including all endorsements in favor of the City. Verification of the written contract must be provided to City upon request. If Subdivider fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement City shall issue a stop work order, or terminate the Agreement for default. Subdivider further understands that the City reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to Subdivider, at any time as deemed necessary to protect the interests of the City.

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

- (1) **Commercial General Liability Insurance ("CGL"):** Subdivider shall maintain CGL and shall include coverage for liability arising from Subdivider's or its Subcontractor's acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit each occurrence and either a general aggregate limit of two million dollars (\$2,000,000.00) or a general aggregate limit of one million dollars (\$1,000,000) as applied on a "per project" or "per location" basis, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CGL coverage is being provided by Subdivider's General Contractor pursuant to Section 10, General Contractor may elect to insure the CGL

exposures under an “Owners and Contractors Protective Liability Policy (OCP)” on which the City is included as an additional insured.

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

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

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

(2) **Workers’ Compensation Insurance and Employer’s Liability:** Subdivider shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers’ Compensation Insurance and Safety Act and provide protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater. If Subdivider is self-insured, Subdivider must provide its Certificate of Permission to Self-Insure, duly authorized by the State of California Department of Industrial Relations.

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

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

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

(1) ALL Policies:

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

(2) ALL Policies except Workers Compensation:

- a. “Additionally Insured” - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds.
- b. “Primary and Non-Contributing” - Insurance shall be primary non-contributing.

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

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

(e) Certificates. Subdivider shall furnish City with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the Subdivider’s agreement with the City shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days’ notice by the insurer to City, unless due to non-payment of premiums, in which case ten (10) days written notice must be made to City. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

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

Section 11. Permits and Requisite Fees

(a) Subdivider shall pay all current fee obligations due under City Resolution No. 5592, as amended, in accordance with the Department of Public Work fee schedule, as follows:

- (1) **\$9,000** payable at the time of recording of the Final Map, and

(2) The fees due for the new parcel will be determined upon development of the parcel and payable prior to issuance of a building permit for the new parcel.

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

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

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

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

Section 12. On-Site Supervision

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

Section 13. Waiver

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

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

a. Address of Subdivider is as follows:

b. Address of City is as follows:

City Engineer
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

With a copy to:

City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Section 15. Noncompliance

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

Section 16. Notice of Breach and/or Default

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

- (a) Subdivider refuses or fails to complete the Improvements as required in Section 6 above.
- (b) Subdivider refuses or fails to perform or cure any defects in the Improvements as required in Section 7.
- (c) Subdivider is insolvent, is subject to a receivership, or files any petition in bankruptcy, either voluntary or involuntary which Subdivider fails to discharge within thirty (30) days.
- (d) The commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance in lieu of or in avoidance of foreclosure.
- (e) Subdivider or any of Subdivider's contractors, subcontractors, agent, or employees materially violates any of the provisions of this Agreement and not cure the violation within a reasonable time.

Section 17. Performance by Surety or City

- (a) In the event of a material breach and/or default by Subdivider, Subdivider's surety shall have the duty to take over and complete the Improvements.
- (b) If the surety, within a reasonable time after receiving notice of Subdivider's default does not provide City written notice to take over the performance of this Agreement or if the surety does not commence performance thereof within the time specified in such notice to City, City may take over the construction of the Improvements and prosecute the same to completion, by contract or by any method City may deem advisable, on behalf and at the expense of Subdivider, and Subdivider's surety shall be liable to City for any excess cost or damages incurred by City thereby. In such event, City, without liability for so doing, may take possession of and utilize such materials, appliances, and other property belonging to Subdivider as may be on the work site(s) and necessary therefore to complete the Improvements.
- (c) City shall have the right to draw upon or utilize the appropriate security provided for in Section 4 to recover costs and damages to City damages. The right of City to draw upon or utilize the security is additional and not in lieu of any other remedy available to City at law or in equity. The parties agree that the estimated costs and security amounts may not reflect the actual cost of construction or installation of Improvements, and therefore, City damages for Subdivider's default shall be measured by the cost of completing the required Improvements.
- (d) Failure of Subdivider to comply with terms of this Agreement shall constitute consent to filing by City of a notice of violation against all lots in the Subdivision, or to rescind the approval or otherwise revert the Subdivision to acreage. The remedies provided in this Subsection (d) are in addition to and not in lieu of other remedies available to City.

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

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

Section 18. Successors in Interest

This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties. It shall be recorded in the Office of the Recorder of Santa Clara County concurrently with the Final Map of the Subdivision and shall constitute a covenant running with the land and an equitable servitude upon the real property within the Subdivision. It shall be the responsibility of City to cause the executed Agreement to be recorded.

Section 19. Effective Date

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

Section 20. Amendment of Agreement

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

Section 21. Execution

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

Section 22. Non-Liability of Officials and Employees of the City.

No official or employee of City shall be personally liable for any default or liability under this Agreement.

Section 23. Law to Govern: Venue

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

Section 24. Limitations Upon Subcontracting and Assignment.

Neither this Agreement or any portion shall be assigned by Subdivider without prior written consent of City.

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Section 25. Miscellaneous

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

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

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

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

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

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

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

[TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS: (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND** (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.]

CITY OF MORGAN HILL

By: _____

Christina J. Turner, City Manager

Date: _____

ATTEST:

By: _____

Michelle Bigelow, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____

Donald A. Larkin, City Attorney

Date: _____

"Subdivider"

MIKE BREWER

By: Mike Brewer owner

Print Name and Title

(If Corporation, must be Chairperson of the Board, President, or Vice President)

Date: 10-10-2020

By: _____

Print Name and Title

(If Corporation, must be Secretary, Assistant Secretary, CFO, or Assistant Treasurer)

Date: _____

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

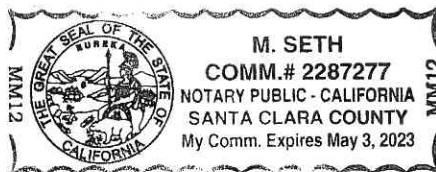
State of **California**
County of **Santa Clara**

On October 10 2020, before me, M. SETH, Notary Public a Notary Public in and for said County and State, personally appeared Mike J Brewer proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

W. S. SETH
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT "A"

IMPROVEMENTS AND

ESTIMATED COSTS OF IMPROVEMENTS

AS OF SEPTEMBER 18, 2020

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
Schedule I - Streets & Earthwork					
1	Clearing and grubbing	1	LS	\$ 5,000.00	\$ 5,000.00
2	Curb, gutter demolition and off-haul	150	LF	\$ 20.00	\$ 3,000.00
3	Sidewalk demolition and off-haul	565	SF	\$ 10.00	\$ 5,650.00
4	Driveway approach demolition and off-haul	424	SF	\$ 10.00	\$ 4,240.00
5	(N) Curb and gutter	150	SF	\$ 25.00	\$ 3,750.00
6	(N) Sidewalk	581	SF	\$ 10.00	\$ 5,810.00
7	(N) Driveway approach	435	SF	\$ 15.00	\$ 6,525.00
8	AC Grind and overlay	2,700	SF	\$ 5.00	\$ 13,500.00
9	Raise/Lower Ex. boxes to new finish grade	2	EA	\$ 500.00	\$ 1,000.00
10	1" City Std. Water service & meter box	1	EA	\$ 4,000.00	\$ 4,000.00
11	Existing water service meter & valve relocation	1	EA	\$ 1,000.00	\$ 1,000.00
12	4" SDR26 sanitary sewer lateral	2	EA	\$ 4,000.00	\$ 8,000.00
13	Street tree per City STD. L-17	3	EA	\$ 1,000.00	\$ 3,000.00
					\$ 64,475.00
10% Contingency					\$ 6,447.50
Grand Total					\$ 70,922.50

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **Mike Brewer** (hereinafter designated as "principal") have entered into a Subdivision Improvement Agreement:

MIKE BREWER
185 SANCHEZ DRIVE – LANDS OF BREWER
(APN: 764-24-028)

whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 20_____, and identified as project **185 SANCHEZ DRIVE - LANDS OF BREWER**, is hereby referred to and made a part hereof; and

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

Now, therefore, we, the principal and _____, as surety, are held and firmly bound unto the City of Morgan Hill hereinafter called ("City"), in the penal sum of Seventy Thousand Nine Hundred Twenty Three dollars (\$70,923.00) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The Surety's office is located at _____,

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

License No.:

Address: _____

Telephone No.: _____

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

Name of non-resident _____

agent:

Non-resident agent's office

address:

Telephone

No.:

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

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

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

Executed this _____ day of _____ 20 ____ .

[form document – do not execute]

[form document – do not execute]

Principal

Principal

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

Surety

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

Attorney-in Fact

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

California Resident Agent

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

Non-resident Agent - Attorney-in-Fact

APPROVED:

[form document – do not execute]

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

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

Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **Mike Brewer** (hereinafter designated as "the principal") have entered into a Subdivision Improvement Agreement:

MIKE BREWER
185 SANCHEZ DRIVE – LANDS OF BREWER
(APN: 764-24-028)

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated _____, 20_____, and identified as project **185 SANCHEZ DRIVE - LANDS OF BREWER**, is hereby referred to and made a part hereof; and

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

Now, therefore, the principal and the undersigned as corporate surety, and their successors and assigns are held firmly bound unto the City of Morgan Hill and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the agreement and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of Seventy Thousand Nine Hundred Twenty Three dollars (\$70,923.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City of Morgan Hill in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

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

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

The Surety's office is located at _____,

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

License No.: _____

Address: _____

Telephone No.: _____

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

Name of non-resident agent: _____

Non-resident agent's office address: _____

Telephone No.: _____

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

Executed this _____ day of _____ 20 ____ .

[form document – do not execute]

[form document – do not execute]

Principal

Principal

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

Surety

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

Attorney-in Fact

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

California Resident Agent

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

Non-resident Agent - Attorney-in-Fact

APPROVED:

[form document – do not execute]

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

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

Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

**EXHIBIT “D”
WARRANTY BOND
(50% of Cost of Construction)**

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California (hereinafter designated as “City”), and **Mike Brewer** (hereinafter designated as “Principal”) have entered into a Subdivision Improvement Agreement (hereinafter “Agreement”):

**MIKE BREWER
185 SANCHEZ DRIVE – LANDS OF BREWER
(APN: 764-24-028)**

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

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

Now, therefore, we, the Principal and _____ as Surety, are held and firmly bound unto the City of Morgan Hill in the penal sum of Thirty Five Thousand Four Hundred Sixty Two dollars (\$35,462) for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

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

Surety waives the provisions of Civil Code Sections 2819 and 2845. Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement

or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

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

Attn: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

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

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

SURETY:

Principal:

Date: _____

Date: _____

s/ *[form document – do not execute]*

s/ *[form document – do not execute]*

Name: _____

Name: _____

Title: _____

Title: _____

(Attach Acknowledgment with Notary

Seal and Power of Attorney)

APPROVED:

[form document – do not execute]

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

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

Donald A. Larkin, City Attorney

Date: _____

END OF WARRANTY BOND

Attachment: Subdivision Improvements Agreement (2887 : Subdivision Improvements Agreement for 185 Sanchez Drive)

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

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

APPROVE SECOND AMENDMENT TO CARBONIC SERVICE INC. SERVICE AGREEMENT

RECOMMENDATION(S)

1. Determine that competitive bids upon notice would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances per Section 3.04.150 (1) of the Morgan Hill Municipal Code; and
2. Approve and authorize the City Manager to execute and administer the second amendment to the service agreement with Carbonic Service, Inc. extending the agreement for two additional years of service at no increase to the total contract amount of \$200,000.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The purpose of this report is to provide the City Council with an opportunity to consider a second amendment to the City's contract for the rental of three 1,000 lb. CO² tanks at the Aquatics Center and the provision of CO² to the Aquatics Center, Centennial Recreation Center, and Community and Cultural Center. CO² is used at the pools and splash pads to maintain water chemistry.

The City has contracted with Carbonic Service Inc. since November 2016 to provide CO² services. The City's current contract expires on December 31, 2020. The original amount of the agreement was \$200,000 for three years. On November 8, 2019, the First Amendment extended the term one year to December 31, 2020. The average annual amount expended against this contract is \$20,000, so there is no need to increase the contract amount. Per the Second Amendment, Carbonic Service, Inc. has also agreed not to increase the 0.24 cents per lb. rate for the CO² during the first year (calendar year 2021). However, the cost of the CO² during the second year (calendar year 2022) will increase to 0.25 cents per lb.

Section 3.04.150 (1) of the Morgan Hill Municipal Code authorizes extending this agreement if the Council determines that competitive bids upon notice would not be likely to result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances. Staff has been satisfied with

the services provided by Carbonic Service and recommends that the Second Amendment be approved based on the City Council's determination that soliciting competitive bids would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances. The Amendment extends the term by two years while the total compensation amount remains the same at a not to exceed number of \$200,000.

COMMUNITY ENGAGEMENT: Not Applicable

As the provision of CO² is a regular and expected City Service, no efforts were made to inform the community about this proposed contract amendment.

ALTERNATIVE ACTIONS:

The City Council could decline to approve the amendment and instead direct staff to proceed with a request for proposals (RFP) for the rental of tanks and the provision of CO² in order to have a new agreement in place by January 1, 2021.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council previously awarded the original agreement to Carbonic Service, Inc. on November 16, 2016. The First Amendment was approved via City Manager authority on November 8, 2019.

FISCAL AND RESOURCE IMPACT:

The funding for the purchase of CO² is included in the contract services line items of the Aquatics Center, Centennial Recreation Center and Community and Cultural Center budgets. There is no increase to the amount of the contract. The slight increase programmed into the second year of the proposed amendment can be accommodated by the normal budgets for the facilities.

CEQA (California Environmental Quality Act): Categorical Exemption

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

LINKS/ATTACHMENTS:

1. Carbonic Service Second Amendment

SECOND AMENDMENT TO AGREEMENT CARBONIC SERVICES, INC.

This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and CARBONIC SERVICES, 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 pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of November 18, 2016 for services for a maximum compensation of Two Hundred Thousand and no/100 dollars (\$200,000.00) ("SERVICE AGREEMENT").
3. The CITY and SERVICE PROVIDER entered into a "First Amendment to Agreement" made as of November 8, 2019, to extend the term of the SERVICE AGREEMENT for one year. The SERVICE AGREEMENT and the First Amendment thereto are attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

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

A. Paragraph 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 November 18, 2016, until December 31, 2022."

B. Pursuant to the terms set forth in Paragraph 4.1. Amount, Compensation is based on the rate and bases set forth in Exhibit B. As of January 1, 2021, SERVICE PROVIDER'S billing rates have increased and are set forth in the revised Exhibit "B" dated October 2, 2020, attached hereto and incorporated herein by this reference.

C. Paragraph 11.2.2. shall be amended and replaced in its entirety by the following:

"11.2.2. **Workers Compensation.**

If the performance of SERVICE PROVIDER'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, SERVICE PROVIDER'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected

or appointed officials, boards, agencies, officers, agents, employees, and volunteers.”

D. Paragraph 8 shall be amended and replaced in its entirety by the following:

“8. Termination.

Termination Without Cause. CITY may, at its sole discretion and without cause, terminate this Agreement in part or in whole upon written notice to SERVICE PROVIDER. Upon receipt of such notice, SERVICE PROVIDER shall, at CITY'S expense, comply with the notice and take all reasonable steps to minimize costs to close out and demobilize.

Should CITY terminate this Agreement without cause before the term stated in Section 2 above, CITY agrees to purchase the tanks from SERVICE PROVIDER at fair market value of seven thousand seven hundred fifty dollars (\$7,750) per tank. The compensation allowed under this Section 8 shall be SERVICE PROVIDER'S sole and exclusive compensation for such termination and SERVICE PROVIDER waives any claim for other compensation or losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect or incidental damages of any kind resulting from the termination without cause. Termination pursuant to this Section does not relieve SERVICE PROVIDER from any of its obligations for losses arising from or related to the work performed by SERVICE PROVIDER.

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

E. Paragraph 8.1 shall be added to the Agreement as follows:

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

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(Signatures on Next Page)

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 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

Michelle Bigelow, Deputy City Clerk
 Date: _____

Christina J. Turner, City Manager
 Date: _____

APPROVED AS TO FORM:

CARBONIC SERVICES, INC.

Donald A. Larkin, City Attorney
 Date: _____

DocuSigned by:
Geordel Rossman
 By: _____
 Title: Geordel Rossman - President
 Print Name and Title of Signer.
 If Corporate: Chairman, President or Vice President

Date: 10/13/2020

DocuSigned by:
Delayne Jennings
 By: _____
 Title: Delayne Jennings - CFO
 Print Name and Title of Signer.
 If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 10/19/2020

Exhibit 1**FIRST AMENDMENT TO AGREEMENT
CARBONIC SERVICE, INC.**

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 11/8/19 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and CARBONIC SERVICE, INC., a California Corporation ("SERVICE PROVIDER").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into based upon the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of November 18, 2016, for services for a maximum compensation of TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$200,000.00) ("SERVICE AGREEMENT"). The SERVICE AGREEMENT is attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

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

A. Paragraph 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 November 18, 2016, until December 31, 2020. 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."

B. Paragraph 3 shall be amended and replaced in its entirety by the following:

"The services to be performed by SERVICE PROVIDER shall be the leasing of three 1, 000 lb. carbon dioxide tanks and the provision of carbon dioxide liquid bulk at per pound pricing as set forth in revised Exhibit "A" dated October 2, 2019, attached hereto and incorporated herein by this reference."

C. Pursuant to the terms set forth in Paragraph 4.1 **Amount**, Compensation is based on the rate and bases set forth in Exhibit B. As of the Effective Date of the First Amendment, SERVICE PROVIDER'S billing rates have increased and are set forth in the revised Exhibit "B" dated October 2, 2019, approved by CITY and attached hereto and incorporated herein by this reference.

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D. Paragraph 13 shall be amended and replaced in its entirety by the following:

"13. Compliance with Law.

13.1. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

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

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

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

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

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

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

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

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Signature page to follow

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 SERVICE AGREEMENT, the terms of this First Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

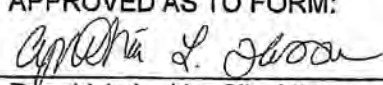
- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
 (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:


 Michelle Bigelow, Deputy City Clerk

Date: 11/8/19

APPROVED AS TO FORM:


 Donald A. Larkin, City Attorney

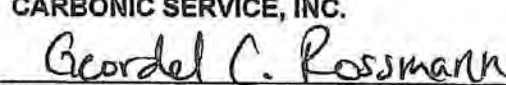
Date: 11-9-19

CITY OF MORGAN HILL


 Christina J. Turner, City Manager

Date: 11/8/19

CARBONIC SERVICE, INC.

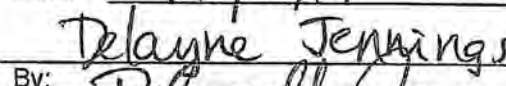

 Geordell C. Rossmann

By: Geordell C. Rossmann
 Title: President

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date: 10/7/19


 By: Delayne Jennings
 Title: V.P./CFO

Print Name and Title of Signer.

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

Date: 10/7/19

124-04-74-113

EXHIBIT "1"

**SERVICE AGREEMENT
CARBONIC SERVICE, INC.**

THIS AGREEMENT is entered into and becomes effective on 11/18/16 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and CARBONIC SERVICE, 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 November 16, 2016.

2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 30, 2019 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.

3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be the leasing of three 1,000 lb. carbon dioxide tanks and the provision of carbon dioxide liquid bulk at per pound pricing, as further described in Exhibit A.

4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:

4.1. **Amount.** \$200,000. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed two hundred thousand dollars and shall be billed based on the rate and basis set forth in Exhibit B. If the City Manager extends the term of this Agreement for up to one year pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed during the extended term period exceed an additional five percent (5%) above the compensation allowed to be paid to SERVICE PROVIDER during the initial term of this Agreement.

4.2. **Billing.** SERVICE PROVIDER shall provide CITY with a monthly invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

5. **Default.**

- 5.1. **Notice of Default.** In the event that CITY determines, in its sole discretion, that SERVICE PROVIDER has failed or refused to perform any of the obligations set forth in this Agreement, or is in breach of any provision of the Agreement, CITY may give written notice of default to SERVICE PROVIDER in the manner specified for the giving of notices in this Agreement.
- 5.2. **Opportunity to Cure Default.** Except for emergencies, SERVICE PROVIDER shall cure any default in performance of its obligations under this Agreement within two (2) days (or such shorter time as CITY may reasonably require) after receipt of written notice. However, if the breach cannot be reasonably cured within such time, SERVICE PROVIDER will commence to cure the breach within two (2) days (or such shorter time as CITY may reasonably require) and will diligently and continuously prosecute such cure to completion within a reasonable time, which shall in no event be later than ten (10) days after receipt of such written notice.

6. **CITY's Rights and Remedies.** If SERVICE PROVIDER fails to cure any default of this Agreement within the time period set forth above in Section 5, then CITY may pursue any remedies available under law or equity, including, without limitation, the following:

- 6.1. **Delete Certain Services.** CITY may, without terminating the Agreement, delete certain portions of the work, reserving to itself all rights to losses related thereto.
- 6.2. **Perform and Withhold.** CITY may, without terminating this Agreement, engage others to perform the work or portion of the work that has not been adequately performed by SERVICE PROVIDER and withhold the cost thereof to CITY from future payments to SERVICE PROVIDER, reserving to itself all rights to losses related thereto.
- 6.3. **Suspend the Agreement.** CITY may, without terminating this Agreement and reserving to itself all rights to losses related thereto, suspend all or any portion of this Agreement for as long a period of time as CITY determines, in its sole discretion, is appropriate, in which event CITY shall have no obligation to adjust the compensation or schedule of performance under this Agreement, and shall have no liability to SERVICE PROVIDER for damages if CITY directs SERVICE PROVIDER to resume work.
- 6.4. **Terminate the Agreement for Default.** CITY shall have the right to terminate this Agreement, in whole or in part, upon the failure of SERVICE PROVIDER to promptly cure any default as required by Section 5. CITY's election to terminate this Agreement for default shall be communicated by giving SERVICE PROVIDER a written notice of termination in the manner specified for the giving of notices in this Agreement. Any notice of termination given to SERVICE PROVIDER by CITY shall be effective immediately, unless otherwise provided therein.
- 6.5. **Additional Provisions.** All of CITY's rights and remedies under this Agreement are cumulative, and shall be in addition to those rights and remedies available in law or in equity. Designation in this Agreement of certain breaches as material shall not waive CITY's authority to designate other breaches as material nor limit CITY's right to terminate this Agreement, or prevent CITY from terminating this Agreement for breaches that are not material. CITY's determination of whether there has been noncompliance with this Agreement so as to warrant exercise by CITY of its rights and remedies for default under this Agreement, shall be binding on the Parties. No termination or action taken by CITY after

such termination shall prejudice any other rights or remedies of CITY provided by law or equity or by this Agreement upon such termination; and CITY may proceed against SERVICE PROVIDER to recover all damages and losses suffered by CITY.

7. **Damages.** CITY will be entitled to recovery of all losses under law or equity in the event of SERVICE PROVIDER's default under this Agreement. In the event that CITY's losses arise from SERVICE PROVIDER's default under this Agreement, CITY shall be entitled to deduct the cost of such losses from monies otherwise payable to SERVICE PROVIDER. If the losses incurred by CITY exceed the amount payable, SERVICE PROVIDER shall be liable to CITY for the difference and shall promptly remit same to CITY.

8. **Termination Without Cause.** CITY may, at its sole discretion and without cause, terminate this Agreement in part or in whole upon written notice to SERVICE PROVIDER. Upon receipt of such notice, SERVICE PROVIDER shall, at CITY's expense, comply with the notice and take all reasonable steps to minimize costs to close out and demobilize..

Should CITY terminate this Agreement without cause before the term stated in Section 2 above, CITY agrees to purchase the tanks from SERVICE PROVIDER at fair market value of seven thousand seven hundred fifty dollars (\$7,750) per tank. The compensation allowed under this Section 8 shall be SERVICE PROVIDER's sole and exclusive compensation for such termination and SERVICE PROVIDER waives any claim for other compensation or losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect or incidental damages of any kind resulting from the termination without cause. Termination pursuant to this Section does not relieve SERVICE PROVIDER from any of its obligations for losses arising from or related to the work performed by SERVICE PROVIDER.

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

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

10. **Hazardous Materials.** Without limiting any other requirement or obligation of SERVICE PROVIDER under this Agreement, if SERVICE PROVIDER needs to use any material or chemical considered to be a hazardous material under any federal, state or local law, regulation or policy, SERVICE PROVIDER agrees to fully and timely abide by and comply with all laws, regulations and policies pertaining to the use,

transport, removal, handling, disposal or other activity related to any and all such materials or chemicals. Prior to commencement of work or services under this Agreement, SERVICE PROVIDER shall provide CITY with a complete list of the hazardous materials SERVICE PROVIDER reasonably anticipates it may need to use to provide the services of SERVICE PROVIDER under this Agreement, together with the reasonably anticipated quantities thereof, if requested by CITY.

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

11.1. **Insurance Types and Amounts.**

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

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

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

11.1.4. **Pollution (Environmental) Liability.** If the performance of SERVICE PROVIDER's work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases

or hazardous materials, SERVICE PROVIDER shall procure and maintain Pollution Liability covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

11.1.5. Professional Liability.

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

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

11.1.5.3. If the performance of SERVICE PROVIDER's work or service under this Agreement involves contact with minors, SERVICE PROVIDER shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

11.2.1. General Liability.

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

11.2.1.2. the insurer waives the right of subrogation against the City of Morgan Hill and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

11.2.1.3. insurance shall be primary non-contributing.

11.2.2. Workers Compensation.

The insurer waives the right of subrogation against the City of Morgan Hill and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

11.3. **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.

11.4. **Certificates.** SERVICE PROVIDER shall furnish CITY with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to SERVICE PROVIDER's agreement with CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein

Certificate Holder address:

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

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

13. **Compliance with Law.** SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

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

15. **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.

16. **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.

17. **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:

Carbonic Service, Inc.
1920 DeLaCruz Boulevard
Santa Clara, CA 95050

Address of CITY is as follows:

Community Services Dept. 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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18. **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.

19. **Maintenance of Records.**

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

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

19.3. **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.

20. **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.

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

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

23. **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.

24. **Defense and Indemnification.**

24.1. **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").

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

24.3. **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.

24.4. **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.

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

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

provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

26. **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.

27. **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.

28. **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.

29. **Binding Agreement.** Notwithstanding the provisions of Section 18 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of SERVICE PROVIDER in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

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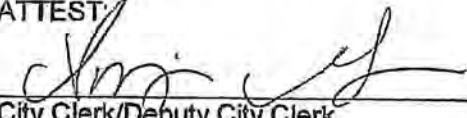
30. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

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

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

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

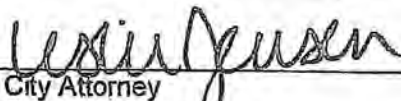
ATTEST:


 City Clerk/Deputy City Clerk

for Michelle Wilson
 Print Name

Date: 11/18/16

APPROVED AS TO FORM:

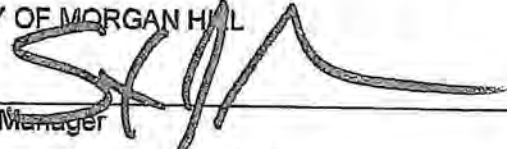

 City Attorney

for Donald A. Larkin
 Print Name

Date: 11/18/16

Resolution No. 16-179

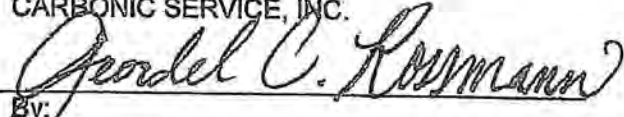
CITY OF MORGAN HILL


 City Manager

Steve Rymer
 Print Name

Date: 11-7-16

CARBONIC SERVICE, INC.

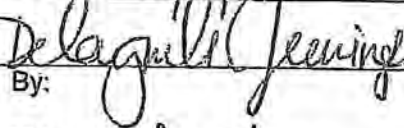

 By:

Title:

President

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

Date: 11/7/16


 By:

Title:

Secretary

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

Date: 11/7/16

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

Expiration Date(s)

Seal:

**EXHIBIT A
SCOPE OF SERVICES**

1. Installation and leasing of three (3) 1,000 lb. CO2 rental tanks to be located at the Aquatics Center in the existing outside containment area.
2. CO2 service to be provided from the gaseous side of the tanks.
3. Tanks to be plumbed independently to serve three (3) separate, existing points of connection as defined on site by the City Maintenance Manager or City Facilities Maintenance Specialist.
4. Weekly or bi-monthly provision to provide Carbon Dioxide Beverage Grade Liquid Bulk CO2 at per pound unit pricing for rental tanks at the Morgan Hill Aquatics Center (16200 Condit Road, Morgan Hill) and at the Morgan Hill Centennial Recreation Center (171 W. Edmundson Avenue).
5. All service calls and technical support as needed.

EXHIBIT B**SCHEDULE OF COMPENSATION RATES**

1. Three (3) 1,000 lb. Micro Bulk CO2 tanks: Lease payment one hundred twenty dollars (\$120.00) per month plus tax for each tanks.
2. Liquid Bulk CO2 at twenty one cents (\$0.21) per pound for first year. Pricing increases may be necessary on an annual basis depending upon cost increase from supplier, but may not exceed five percent (5%) annual increase.
3. Fuel Surcharge is nine dollars (\$9.00) per delivery.
4. No Hazardous Materials charge

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

Work days and hours as scheduled with and agreed to by City Maintenance Manager or other City Representative.

Attachment: Carbonic Service Second Amendment [Revision 2] (2882 : Carbonic Service Second Amendment)

Exhibit A dated October 2, 2019

Revised Scope of Services

Carbon Dioxide Liquid Bulk and Renting of Tanks

Restated Scope of Services:

1. Installation and leasing of three (3) 1,000 lb CO² rental tanks to be located at the Aquatics Center in the existing outside containment area.
2. CO² service to be provided from the gaseous side of the tanks.
3. Tanks to be plumbed independently to serve three (3) separate existing points of connection as defined on site by the City Maintenance Manager or other City Facilities Maintenance Staff.
4. All service calls and technical support as needed.
5. Weekly or bi-monthly provision to provide Carbon Dioxide Beverage Grade Liquid Bulk CO² at per pound unit pricing for rental tanks at the following facilities:

1. Morgan Hill Aquatics Center located at 16200 Condit Road, Morgan Hill
2. Centennial Recreation Center located at 171 W. Edmundson Ave., Morgan Hill

ADD NEW FACILITY:

3. Community and Cultural Center located at 17000 Monterey Road, Morgan Hill

Exhibit B dated October 2, 2019
Revised Schedule of Compensation Rates
Carbon Dioxide Liquid Bulk and Renting of Tanks

1. Three (3) 1,000 lb. Micro Bulk CO² tanks; Lease payment one hundred thirty-five dollars and five cents (\$135.05) per month plus tax for each tank,
2. Liquid bulk CO² is twenty-four cents (0.24) per pound.
3. Fuel surcharge and hazardous materials charge is thirteen dollars (\$13.00) per delivery.

Exhibit B

Revised Schedule of Compensation Rates dated October 6, 2020

Carbonic Service, Inc.
Carbon Dioxide Liquid Bulk and Renting of Tanks

January 1, 2021 to December 31, 2021:

1. Three (3) 1,000 lb. Micro Bulk CO² tanks: Lease payment one hundred thirty-five dollars and five cents (\$135.05) per month plus tax for each tank.
2. Liquid bulk CO² is twenty-four cents (0.24) per pound. (No change to 2020 pricing).
3. Fuel surcharge and hazardous materials charge is up to thirteen dollars (\$13.00) per delivery.

January 1, 2022 to December 31, 2022:

1. Three (3) 1,000 lb. Micro Bulk CO² tanks: Lease payment one hundred thirty-five dollars and five cents (\$135.05) per month plus tax for each tank.
2. Liquid bulk CO² is twenty-five cents (0.25) per pound.
3. Fuel surcharge and hazardous materials charge is up to thirteen dollars (\$13.00) per delivery.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Chris Ghione, Public Services Director
APPROVED BY: City Manager

APPROVE FISCAL YEAR 2020-21 WORK PLANS FOR PARKS AND RECREATION AND LIBRARY, CULTURE AND ARTS COMMISSIONS

RECOMMENDATION(S)

1. Approve the proposed Parks and Recreation Commission FY 2020-21 Work Plan; and
2. Approve the proposed Library, Culture and Arts Commission FY 2020-21 Work Plan.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment and Preserving
Open Space and Agricultural Land
Maintaining Infrastructure
Supporting Our Youth
Seniors
and Entire Community
Preserving Our Community History
Enhancing Diversity and Inclusiveness

2020-2021 Strategic Priorities

Economic Development
Fiscal Sustainability
Regional Initiatives

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan
Economic Blueprint
Vision Zero

REPORT NARRATIVE:

Annually, the Library, Culture and Arts Commission (LCAC) and the Parks and Recreation Commission (PRC) submit Work Plans for approval by the City Council. After approval by the Council, the Commissions use these Work Plans to guide their work over the next year.

In development of this year's proposed Work Plans, both the LCAC and the PRC were significantly delayed in developing their Plans due to Covid-19 and a delay in the appointment of new commissioners. With the recent appointment of new commissioners both Commissions are submitting proposed Work Plans for review by the City Council.

City staff believe that the Work Plans can be achieved without significant impact on staff resources. As has been the case in past years, many commissioners have volunteered to take much of the legwork associated with the specific Work Plan items. This is even more important with the recent reduction in resources allocated to the Community Services Department, which supports both Commissions.

COMMUNITY ENGAGEMENT: Consult

The development of the Work Plans occurred at noticed public meetings of the PRC and the LCAC. Specific Work Plan items will include appropriate public engagement.

ALTERNATIVE ACTIONS:

The Council could alternatively modify a Commission's Work Plan to eliminate, add, or change specific items within a Work Plan.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The PRC approved their Work Plan for City Council review on October 20, 2020 and the LCAC approved their Work Plan for City Council review on October 6, 2020.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact associated with the approval of the Commission Work Plans. Each Work Plan identifies the estimated staff resources necessary to support the specific Work Plan items. Supporting the LCAC and PRC is an ongoing activity for the Community Services Department.

CEQA (California Environmental Quality Act): Not a Project

Development of Commission Work Plans is an administrative activity of government that will not result in direct or indirect physical changes in the environment. While some projects on the Work Plans may result in changes to the physical environment, those projects would undergo appropriate environmental review on a project by project basis to meet CEQA requirements.

LINKS/ATTACHMENTS:

1. LCAC 2020-21 Workplan Draft
2. PRC 2020-21 Workplan Draft

Library, Culture & Arts Commission
FY 2020-2021 Work Plan
 Draft

Overall Mission: To assist the City Council in accomplishing its goals by fostering an environment conducive to and supportive of the arts, culture, and life-long learning in Morgan Hill, working with existing community groups to promote resources, and facilitate partnerships.

Project Area	City Council Goal Supported	Staff Resources Required	Specific Task / Commissioners Assigned
Community Outreach	Supporting our Youth, Seniors and Entire Community Enhancing Diversity and Inclusiveness Community Engagement and Messaging	PS Director (minimal) CS Supervisor (Moderate)	(1) Participate with other groups to support community outreach and support arts and culture in the community (including Valle del Sur, El Toro Arts, SV Creates, Poppy Jasper Film Festival, Morgan Hill Diwali Festival, Coyote Creek Music Festival, Morgan Hill Art School, DTA Wine Art and Music Stroll, SJMA Let's Look at Art, Movimiento de Arte y Cultura Latino Americana) (All) (2) Explore development of a calendar relating to library, culture and arts events (Khera/Thompson) (3) Explore opportunities for art programming in conjunction with the new Morgan Hill Magical Bridge Playground. (Khera/Thompson/Chabra) (4) Review City Commission website for opportunities for improvement and explore use of social media for promotion of Commission initiatives (Khera//Chabra/Borchers) (5) Explore opportunities for youth engagement in the arts (Khera) (6) Develop outreach program to the Latinx community through art programming (Lake/Lyn) (7) Develop open art studio program (physical or virtual) (Lake/Ganapathy/Borchers/Lyn)
Art and Culture Events	Supporting our Youth, Seniors and Entire Community Enhancing Diversity and Inclusiveness	PS Director (minimal) CS Coordinator (minimal) CS Supervisor (minimal)	(1) Facilitate the Art a la Carte event (Lake/Chabra are the leads/all members will support) (2) Explore opportunity to partner with artists on a children's art show (Khera/Chabra) (3) Evaluate the opportunity to create an international festival utilizing entertainment and food from various cultures (All)

Project Area	City Council Goal Supported	Staff Resources Required	Specific Task / Commissioners Assigned
Permanent and Proposed Public Art	Supporting our Youth, Seniors and Entire Community Preserving Our Cultural Heritage	PS Director (minimal) Maintenance Coordinator (minimal)	(1) Partner with local Artists to display their work. Review the possibility of implementing a utility box art program or other programs (doors, walls, etc.) (Ganapathy/Thompson/Chabra/Borchers/Lyn) (2) Form subcommittees as needed to support specific art requests that come forward (All) (3) Review art inventory and complete updates to historical items list (Borchers/Lyn) (4) Explore the options and feasibility of creating an artist registry (Ganapathy//Khera/Borchers/Lyn) (5) Develop google map of existing public art (Borchers)
Library Outreach and Support	Supporting our Youth, Seniors and Entire Community Enhancing Diversity and Inclusiveness	Library Staff (moderate)	(1) Support Library outreach and advocacy as needed (All) (2) Coordinate Commissioner's Corner in Library to provide book recommendations (Khera/Ganapathy/Lyn) (3) Participate in annual Library Commissioners Forum (All) (4) Support incorporation of Children's art into the Library (Lake/Chabra/Lyn) (5) Explore other opportunities for Library art contests in other media (examples: poetry, photography, literature) (Ganapathy/Borchers/Lyn)
Support of Historical Resources	Preserving our Cultural Heritage	PS Director (minimal)	(1) Explore opportunities for the Commission to support the Morgan Hill Historical Society partnership (Ganapathy/Lyn) (2) Support outreach and advocacy for the Historical Society as needed (All)

Staff Resources Required:

0-30 hours: Minimal; 31-60 hours: Moderate; 60+ hours: Significant

Parks & Recreation Commission

FY 2020-21 Work Plan – Draft

Project (Commissioner Responsible)	City Council Priority Supported	Staff Resources Required	Desired Outcome
1. Get youth more active in Parks and Recreation	Supporting Our Youth, Seniors & Entire Community	Recreation Manager (Minimal)	Review program opportunities for new youth programming. (Locicero)
2. Support bicycle and trails development efforts	Supporting Our Youth, Seniors & Entire Community	PS Director (Minimal)	1. Support the VTA Bicycle and Pedestrian Advisory Committee. (Berman) 2. Work to coordinate with community members on bicycle and trails issues with volunteer Bicycle and Pedestrian Advocacy Group. (Grzan-Pieracci)
3. Support efforts to create an inclusive playground	Supporting Our Youth, Seniors & Entire Community	PS Director (Significant) CS Supervisor (Moderate)	Support the group that has formed for the creation of an inclusive playground in Morgan Hill. Support in the planning and fundraising efforts. (Locicero/Berman/Scott)
4. Support planning for updated sports facilities and partnerships	Supporting Our Youth, Seniors & Entire Community Economic Development	PS Director (Moderate) Recreation Manager (Minimal)	1. Evaluate opportunities to construct sand volleyball facilities in partnership with a facility operator, including support for feasibility study. (Berman) 2. Monitor Outdoor Sports Center transition to new operator. (van Keulen) 3. Monitor Centennial Recreation Center Expansion Project progress. (van Keulen)
5. Support City in grant opportunities	Supporting Our Youth, Seniors & Entire Community	PS Director (Significant) Mngt Analyst (Significant)	Support City staff in identifying and evaluating grant opportunities and associated projects. (Scott/Berman)
6. Increase volunteer Adopt a Park Program participation	Supporting Our Youth, Seniors & Entire Community Maintaining Fiscal Responsibility	PS Director (Minimal) CS Supervisor (Minimal)	As an exploratory committee, evaluate the opportunity to recreate ongoing volunteer groups to support park maintenance. (Scott/Lovato)
7. Evaluate opportunities to increase youth involvement in park planning	Supporting Our Youth, Seniors & Entire Community	PS Director (Minimal) Rec Coord (Minimal)	Work with City staff to review opportunities to more formally include youth in park planning projects. (Grzan-Pieracci/Moniz)

Project (Commissioner Responsible)	City Council Priority Supported	Staff Resources Required	Desired Outcome
8. Support City park planning efforts	Supporting Our Youth, Seniors & Entire Community	PS Director (Minimal)	1. Evaluate future opportunities for parkland acquisition and development. (van Keulen/Lovato) 2. Research opportunities for the creation of additional dog parks in existing or new park spaces (Moniz).
9. Review pedestrian access to park space for low income housing areas	Supporting Our Youth, Seniors & Entire Community	PS Director (Minimal)	Review affordable housing areas near Monterey road for pedestrian connections to park space. (Grzan-Pieracci/Moniz)
Staff Resources Required: 0-50 hours = Minimal 51-100 hours = Moderate 100+ hours = Significant			

DRAFT



Meeting Minutes City Council

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

Wednesday, October 21, 2020 5:30 pm

Virtual Meeting

SPECIAL MEETING

A Special Meeting of the City Council was called at 5:30 p.m. for the purpose of conducting City business including a closed session.

CALL TO ORDER

Mayor Constantine called the meeting to order at 5:30 pm.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow called the roll.

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

DECLARATION OF POSTING OF AGENDA

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

Minutes Acceptance: Minutes of Oct 21, 2020 5:30 PM (CONSENT CALENDAR)

CLOSED SESSION

The City Attorney announced the closed session item.

OPPORTUNITY FOR PUBLIC COMMENT

Public comment opened at 5:31 pm.

There being no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 5:32 pm.

Conference with Real Property Negotiators (Govt Code § 54956.8)

Property: 19665 B, Hale Avenue, Morgan Hill; APN 764-07-005

Agency Negotiators: Chris Ghione, Christina Turner

Negotiating Parties: Santa Clara Valley Habitat Agency

Under Negotiation: Price and Terms of Payment

RECONVENE

The meeting reconvened at 6:00 pm.

City Attorney Donald Larkin announced that there was no reportable action.

CITY MANAGER'S REPORT

CITY MANAGER'S REPORT SUPPLEMENT

City Manager Christina Turner spoke to the evening's supplements and presentations.

Elections update

Starting in early October all registered voters in Santa Clara County were mailed their ballots. If you would like to track your ballot or you have not received your ballot you can check the status at wheresmyballot.sos.ca.gov. Ballots can be dropped off at any ballot drop box in the county and voters can safely drop their Vote by Mail ballots at any post office, drop box location, or Vote Center within the county. As an alternative to using the Vote by Mail Ballot, voters can vote via paper ballot or use a voting machine to cast their ballot. That can be done at any vote center in our county. Vote Centers will begin to open on October 31st and continue through November 2nd from 9 am to 5 pm daily as well as on election day on November 3rd from 7 am to 8 pm. On our website we have a list of the drop box and vote center locations in Morgan Hill. To help voters access information and make informed decisions, the nonpartisan and nonprofit League of Women Voters of California have created Voters Edge, this is where you can access a voter's guide in 5 different languages. You can learn more by visiting votersedge.org/ca. Within this you can access your entire ballot by entering your address, you can get in depth information on candidates, measures, and who supports them. You can read explanations about measures and who supports, opposes, and funds them. Find out where, when, and how to vote including local polling locations and voting centers and keep track of your choices and save them for election day.

The nomination period for write in candidates for the offices of Mayor and City Council closed yesterday at 5 pm. We have one individual who has qualified to run as a write in candidate for Mayor's office and that is Steve Chappell.

Census update

The 2020 count ended abruptly on Thursday October 15th. While we are disappointed that our efforts to count are stopping for 2020, we are proud of our overall efforts and response rates. Santa Clara County's overall response rate for this count was 77.7%, this is up from 2010 which had a response rate of 74%. Morgan Hill's 2020 response rate is 81.9%, that is up from our 75.3% in 2010. Morgan Hill had the 5th highest response rate in the County, we do have some harder to count areas within our City which makes that 5th place even more important to mention.

Monterey Road Cleanup

The City of San Jose coordinated a major clean up with Union Pacific Railroad to address the dumping and encampment site along the Union Pacific Railroad tracks that are adjacent to Monterey, Emado, and Bailey Road in South San Jose. This was done late September. The site received major debris removal and cleaning that included removal of homeless encampments, abandoned vehicles, and a substantial amount of illegal dumping. The cleanup included trash, debris, hazards, abandoned vehicles, also maintenance of trees and vegetation to increase the line of site and closing Emado Road with the goal of reducing future dumping. To date, San Jose has found little, if any, further dumping in the area they have cleaned up. San Jose and Union Pacific will continue to provide services if needed. We are also working with San Jose to find out how we can partner with them.

Town Hall

Tomorrow evening, October 22nd at 5:30 pm, we will have a Town Hall regarding three district measures. We will have the Open Space Authority, Valley Transportation, and Cal Train here for a brief discussion of each of their measures as well as time for Q&A.

CITY ATTORNEY'S REPORT

City Attorney Don Larkin had no report.

PRESENTATIONS

YAC PRESENTATION- ASSET #10 - SAFETY

PUBLIC COMMENT

Public comment opened at 6:31 pm. The following people were called to speak:

Chuck Bergoff

Brian Sullivan on behalf of Claudia Rossi

Joe Baranowski

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

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	John McKay, Council Member
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

CONSENT CALENDAR

MOTION:

Approving consent calendar items 3, 5, 7, 9, 10, 12, and 13.

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

1. **ITEM PULLED FOR DISCUSSION**
2. **ITEM PULLED FOR DISCUSSION**
3. **APPROVE STORMWATER BEST-MANAGEMENT-PRACTICES OPERATION AND MAINTENANCE AGREEMENT FOR THE WHITTAKER RESIDENCE AT 2295 ROLLING HILLS DRIVE**

Recommendation:

1. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement with Gary Whittaker and Wanda Whittaker (property owners) pending review and approval by the City Attorney; and
2. Authorize the recordation of the Agreement.

4. ITEM PULLED FOR DISCUSSION

5. APPROVE RESOLUTION AUTHORIZING GRANT APPLICATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT-RELATED AGREEMENTS AND DOCUMENTS

Recommendation:

Adopt resolution approving the following actions:

1. Authorizing staff to prepare and submit a Statewide Park Development and Community Revitalization Program Grant Application to the State of California Department of Parks and Recreation for an amount not to exceed \$8,500,000 for the development of the proposed park at Butterfield Boulevard and Monterey Road; and
2. Authorizing the City Manager to negotiate and execute the Statewide Park Development and Community Revitalization Program Grant agreement and other documents, reports, forms, and agreements related to the performance of the identified project.

6. ITEM PULLED FOR DISCUSSION

7. APPROVE MILLER SPATIAL SERVICES, LLC CONSULTANT AGREEMENT

Recommendation:

1. Authorize the City Manager to execute a consultant agreement with Miller Spatial Services, LLC for the installation and implementation of the Cityworks and SeeClickFix software system for the amount of \$231,810 for the purchase and installation of a Service Request Management (SRM), Asset Management and Customer Relationship Management (CRM) software solution for the Maintenance and Utility Departments; and
2. Authorize the City Manager to execute any associated license agreements for system components upon approval by the City Attorney.

8. ITEM PULLED FOR DISCUSSION

9. APPROVE THE SEPTEMBER 16, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

10. APPROVE THE SEPTEMBER 23, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

11. ITEM PULLED FOR DISCUSSION

12. AWARD ENGINEERED WOOD FIBER AND MULCH MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a maintenance services agreement to JET Mulch, Inc. for up to \$80,000 (approximately \$40,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

13. DECLARE SURPLUS AND APPROVE AUCTION OF TWO BUILDING DIVISION VEHICLES

Recommendation:

1. Declare two vehicles to be surplus; and
2. Authorize the purchasing officer to dispose of the vehicles in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

ITEMS PULLED FOR DISCUSSION

1. ADOPT RESOLUTION SUPPORTING TELECOMMUTING AND OTHER MEASURES TO REDUCE SINGLE-OCCUPANCY VEHICLE TRIPS

Recommendation:

Adopt resolution supporting expanded telecommuting and other measures to reduce single-occupancy vehicle trips and joining the Bay Area Air Quality Management District's Commute Free Tomorrow Initiative.

MOTION:

Approving the recommended action.

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

2. APPROVE APPLICATION FOR INNOVATIVE TRANSIT GRANT PARTNERSHIP WITH RIDE CO, INC.

Recommendation:

Authorize the City Manager to execute a Memorandum of Understanding with RideCo, Inc. for the application and implementation of the Valley Transportation Authority's Innovative Transit Grant.

MOTION:

Approving the recommended actions.

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

4. APPROVE PETITION TO CANCEL WILLIAMSON ACT CONTRACT FOR PROPERTY IDENTIFIED BY ASSESSOR PARCEL NUMBER 726-09-002 (WA2017-0001: DIANA-GROSSWEILER)

Recommendation:

Adopt resolution approving the cancellation of the Williamson Act Contract.

MOTION:

Approving the recommended action.

RESULT: ADOPTED [4 TO 1]
MOVER: Rich Constantine, Mayor
SECONDER: John McKay, Council Member
AYES: Constantine, Martinez Beltran, Carr, McKay
NAYS: Spring

6. APPROVE PURCHASE OF A POLICE SERGEANT VEHICLE

Recommendation:

1. Approve the purchase of new Police Sergeant Chevrolet Tahoe and associated build-out equipment not to exceed the amount of \$84,641.87, which includes a 10% contingency of \$7,694.72;
2. Approve repurposing of the existing Police Chevrolet Tahoe #141; and
3. Authorize the City Manager to approve the purchase order with Priority 1 Public Safety Equipment Installation, Inc.

MOTION:

Approving the recommended actions.

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

8. APPROVE STATE OF CALIFORNIA, OFFICE OF EMERGENCY SERVICES' UNIVERSAL RESOLUTION DESIGNATING APPLICANT'S AGENT FOR DISASTER ASSISTANCE

Recommendation:

1. Designate City Manager, Finance Director, or Assistant to the City Manager to submit for Disaster Assistance to the State of California, Office of Emergency Services, for the purpose of obtaining certain federal financial assistance; and
2. Direct the City Clerk to certify the Designation of Applicant's Agency Resolution to the State of California, Office of Emergency Services.

MOTION:

Approving the recommended actions.

RESULT: APPROVED [UNANIMOUS]
MOVER: Larry Carr, Council Member
SECONDER: John McKay, Council Member
AYES: Constantine, Martinez Beltran, Carr, McKay, Spring

The meeting recessed at 6:56 pm and reconvened at 7:05 pm.

11. AWARD TREE MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a Maintenance Services Agreement to A Plus Tree, Inc. for up to \$600,000 (\$300,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

Program Administrator Tony Eulo provided the report and presentation.

Public comment opened at 8:01 pm. The following people were called to speak:

Pat Mahoney

Olivia Navarro

Armando Benavides

Luis Arguello

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

MOTION:

Rejecting all bids and directing staff to rebid the contract.

RESULT:	MOTION FAILED [2 TO 3]
MOVER:	Rene Spring, Council Member
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Martinez Beltran, Spring
NAYS:	Constantine, Carr, McKay

MOTION:

Approving the recommended actions.

RESULT:	AWARDED [3 TO 2]
MOVER:	Rich Constantine, Mayor
SECONDER:	John McKay, Council Member
AYES:	Constantine, Carr, McKay
NAYS:	Martinez Beltran, Spring

OTHER BUSINESS

14. ACCEPT DONATION FROM MORGAN HILL COMMUNITY FOUNDATION FOR ANIMAL SERVICES

Recommendation:

Adopt resolution:

1. Accepting a donation from the Morgan Hill Community Foundation (MHCF) in the amount of \$31,509 for reimbursement of expenditures associated with the Santa Clara County Animal Shelter Agreement; and
2. Amending the adopted Fiscal Year (FY) 2020-21 budget in the General Fund (010) to recognize the MHCF donation as revenue, and appropriate \$31,509 in the Police Department budget for associated expenditures.

City Manager Christina Turner provided the report.

Public comment opened at 8:46 pm.

Nick Gaich was called to speak.

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

MOTION:

Approving the recommended actions.

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

15. RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2020 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Accept and file report.

Finance Director Dat Nguyen provided the report and presentation.

Public comment opened at 9:19 pm.

There being no requests to speak, public comment closed.

RESULT: ACCEPT REPORT

The meeting recessed at 9:20 pm and reconvened at 9:30 pm.

MOTION:

Continuing items 18 and 19 to the November 4, 2020 City Council meeting.

RESULT: CONTINUED [UNANIMOUS]

MOVER: Rich Constantine, Mayor

SECONDER: Rene Spring, Council Member

AYES: Constantine, Martinez Beltran, Carr, McKay, Spring

16. NON-PROFIT FUNDING AND ORGANIZATION INCLUSIVENESS

Recommendation:

1. Receive information on organizational inclusiveness for organizations receiving City funding; and
2. Provide direction for future policy work as desired.

Public Services Director Chris Ghione provided the report.

Public comment opened at 9:48 pm. The following people were called to speak:

Armando Benavides

Sunny Ochoa

Roger Knopf

Brian Sullivan

Matthew Stein

Joe Baranowski

Mario Banuelos on behalf of Claudia Rossi

Peter Mandel

Jeff Dixon

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

RESULT: REPORT RECEIVED

MOTION:

Extending the meeting to midnight.

RESULT: EXTENDED [UNANIMOUS]

MOVER: Rich Constantine, Mayor

SECONDER: Rene Spring, Council Member

AYES: Constantine, Martinez Beltran, Carr, McKay, Spring

PUBLIC HEARING (TIME CERTAIN - TO BE HEARD NO EARLIER THAN 7:00 PM)

17. ADOPT ORDINANCE AMENDING THE ZONING CODE TO PROHIBIT HEAVY DISTRIBUTION AND PARCEL SORTING USES, AMEND PROVISIONS RELATED TO LOCAL DELIVERY SERVICES AND CLARIFY THE DEFINITION OF SIGNIFICANT PROJECTS SUBJECT TO DESIGN REVIEW

Recommendation:

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

City Attorney Donald Larkin provided the report and presentation.

MOTION:

Extending meeting to 12:30 am.

RESULT:	EXTENDED [3 TO 2]
MOVER:	Rich Constantine, Mayor
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Constantine, Martinez Beltran, Carr
NAYS:	McKay, Spring

The public hearing opened at 12:01 am. The following people were called to speak:

Gino Borgioli
 Bryan Espiritu
 Rick Kent
 Armando Benavides
 Susie Jimenez
 Miguel Jimenez
 John Williams
 Joe Baranoski

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

MOTION:

Extending the meeting to 12:45 am.

RESULT:	EXTENDED [4 TO 1]
MOVER:	Rich Constantine, Mayor
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Constantine, Martinez Beltran, McKay, Spring
NAYS:	Carr

MOTION:

Continuing this item to the October 28, 2020 Special City Council Meeting.

RESULT:	CONTINUED TO A FUTURE MEETING [4 TO 1]
MOVER:	Larry Carr, Council Member
SECONDER:	Rene Spring, Council Member
AYES:	Constantine, Carr, McKay, Spring
NAYS:	Martinez Beltran

OTHER BUSINESS

18. RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

Recommendation:

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightening Complex fire.

This item has been continued to the November 4, 2020 City Council meeting.

RESULT:	CONTINUED
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19. FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

Recommendation:

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

This item has been continued to the November 4, 2020 City Council meeting.

RESULT:	CONTINUED
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FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, the meeting adjourned at 12:30 am.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Chris Ghione, Public Services Director
APPROVED BY: City Manager

RECEIVE CORPORATION YARD SPACE STUDY

RECOMMENDATION(S)

Receive Corporation Yard Space Study.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure

REPORT NARRATIVE:

For the last several years the City and the Morgan Hill Unified School District (MHUSD) have been collaborating on the planning for the future of the Corporation Yard located on Edes Court and adjacent to Community Park. The current site is just under 7 acres in size and currently houses both City and MHUSD functions. City functions include Utilities Operations, Maintenance Operations and Public Works Inspection. MUHSD utilizes space for Transportation Services, which includes both bus management and dispatch and fleet maintenance services.

MHUSD currently leases 3.42 acres of the site from the City. The current lease ends on June 30, 2021 and discussion on renewal has already begun. MHUSD representatives continue to express an interest in purchasing a portion of the site versus leasing the site from the City. MHUSD has also expressed a desire for more space and the opportunity to combine the operations of Transportation Services, Grounds Maintenance and Facility Maintenance on to one site.

In recent years, the City and MHUSD have worked on developing a process to plan for the next steps in evaluating future use of the Corporation Yard Site. This is important as both the City and MHUSD anticipate increased space needs in the future. The City had also previously had planning documents that indicated a relocation of the Corporation Yard Site was desirable to expand Community Park on to the site. Attachment 1, was developed in 2016 and identifies the planning flow chart that has been utilized by the City and MHUSD.

With the adoption of the 2017 Bikeways, Trails, Parks and Recreation Master Plan the City's vision for the park expansion at Community Park shifted and the planned expansion was reduced significantly and replaced with a plan to acquire and develop a second Large Community Park site on the East side of the City. Knowing that additional park space was not planned onsite, the City and MHUSD then began looking into

understanding the future space needs and if the existing space could meet those needs. This culminated in the hiring of Griffin Structures to prepare a Space Needs Analysis for the site.

Space Needs Analysis

Griffin Structures has worked collaboratively with team members at the City and MHUSD to develop the Space Needs Analysis report (Attachment 2). The objective of this work was to develop a space program which identifies facility requirements for a future corporate yard/transportation yard for both the City and the School District. In order to meet the objective and provide a good starting point, the team at Griffin Structures evaluated background information, developed future operations assumptions, performed an existing conditions assessment and prepared conceptual solutions for the future space needs. Initially the City and MHUSD requested that four scenarios were to be reviewed, including:

1. Standalone City maintenance functions on existing site;
2. Standalone School District maintenance functions on existing site;
3. City and the School District maintenance functions operating jointly (i.e. shared facilities) on the existing site; and
4. City and the School District maintenance functions operating jointly (i.e. shared facilities) on a new site.

As the report moved forward it became clear that future needs coupled with adding the additional components of MHUSD Grounds Maintenance and Facilities Maintenance to the existing site was not a feasible option. To host these needs on the existing site would have required the construction of a three storied giant box building that would have made little sense from a cost perspective as compared to acquiring new property for a site. With this in mind, the team moved forward in reviewing the following options:

1. Shared space for the CITY and MHUSD for the existing services (Transportation Services only for MHUSD).
2. Joint space at a new location for all City and MHUSD services.

The designs for these options were developed and budget level cost estimates were created.

One of the keys to allowing for the existing services to stay on site for the long term would be the use of shared parking at the Community Park site. This may be feasible based on the typical parking needs of Corporation Yard staff as M-F working hours and peak Park use outside these hours. Site Plan Option 3B-3 outlined in the report most clearly identifies the layout that fits this need. The initial cost estimates for full development of this option is \$43.3M. Under this scenario a phased build out of the plans could occur allowing for the cost to be spread over several years. Griffin Structures also explored the option of constructing a new Corporation Yard site to meet all of the needs of both the City and MHUSD. This option would be approximately 10 acres in size and cost \$67.5M.

Funding for Improvements

No dedicated funding has been included in the City's budget for this work, however, the

City would have several options in funding its portion of improvements.

- Including expansion costs in future impact fee studies and infrastructure master plans for water, wastewater and public facilities.
- Use of the sale of property (portion to MHUSD or all in event of a move to a new site).
- Use of water and wastewater ratepayer fees to improve existing facilities (this could include bonding for the construction)
- Combination of the above options.

MHUSD Funding Info

Funding for the purchase or improvement of the Corp Yard is not currently identified in the District's budget; however, the District has several options for funding the acquisition of the Corp Yard and subsequent improvements.

- Measure G Bond – Series C, the final issuance of the bond, is currently planned to be issued in 2021.
- Capital Facilities Funds – Mello Roos or Developer Fees
- Special Reserve

Next Steps

Staff from the City and MHUSD are working to identify a recommended option for long-term/permanent joint use of the existing site versus the long-term plans for development of a new site. If the option for the joint site is selected, the following next steps would occur.

1. Begin more detailed design on joint planning of the site layout and a phased development plan.
2. Analyze parking impacts to Community Park upon buildout at existing site.
3. Develop recommendation on potential future sale of a portion of the site to the MHUSD.
4. Develop a funding plan for the phased development of the site.

COMMUNITY ENGAGEMENT: Inform

Community engagement has not occurred thus far as the work has been internal to MHUSD and the City. City staff will keep the community informed on future steps relating to funding of improvements that may have financial implications for residents, businesses or developers.

ALTERNATIVE ACTIONS:

There are no alternative actions to receiving the report.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Several past actions have occurred over the last several decades in relation to shared use of the Corporation Yard. The Space Needs Analysis was authorized by the City Council on February 20, 2020. The current lease for space at the Corporation Yard for the MHUSD was amended by the Council in 2016 and runs through June 30, 2021.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with receiving this report.

CEQA (California Environmental Quality Act): Categorical Exemption

Discussion regarding potential changes to the Corporation Yard is exempt from CEQA under Public Resources Code § 21102, 21150 (Feasibility or planning studies for possible future actions that the agency has not approved, adopted, or funded).

LINKS/ATTACHMENTS:

1. MH MHUSD Corp Yard Decision Matix
2. Corporation Yard Space Analysis Report (weblink)

Potential Corp Yard Relocation

City Priorities

- Future Space Needs
- Future Park Space Needs/
Park Master Plan
- Operational Efficiency
- Coordination of Operations with
the District (General Plan Goals)

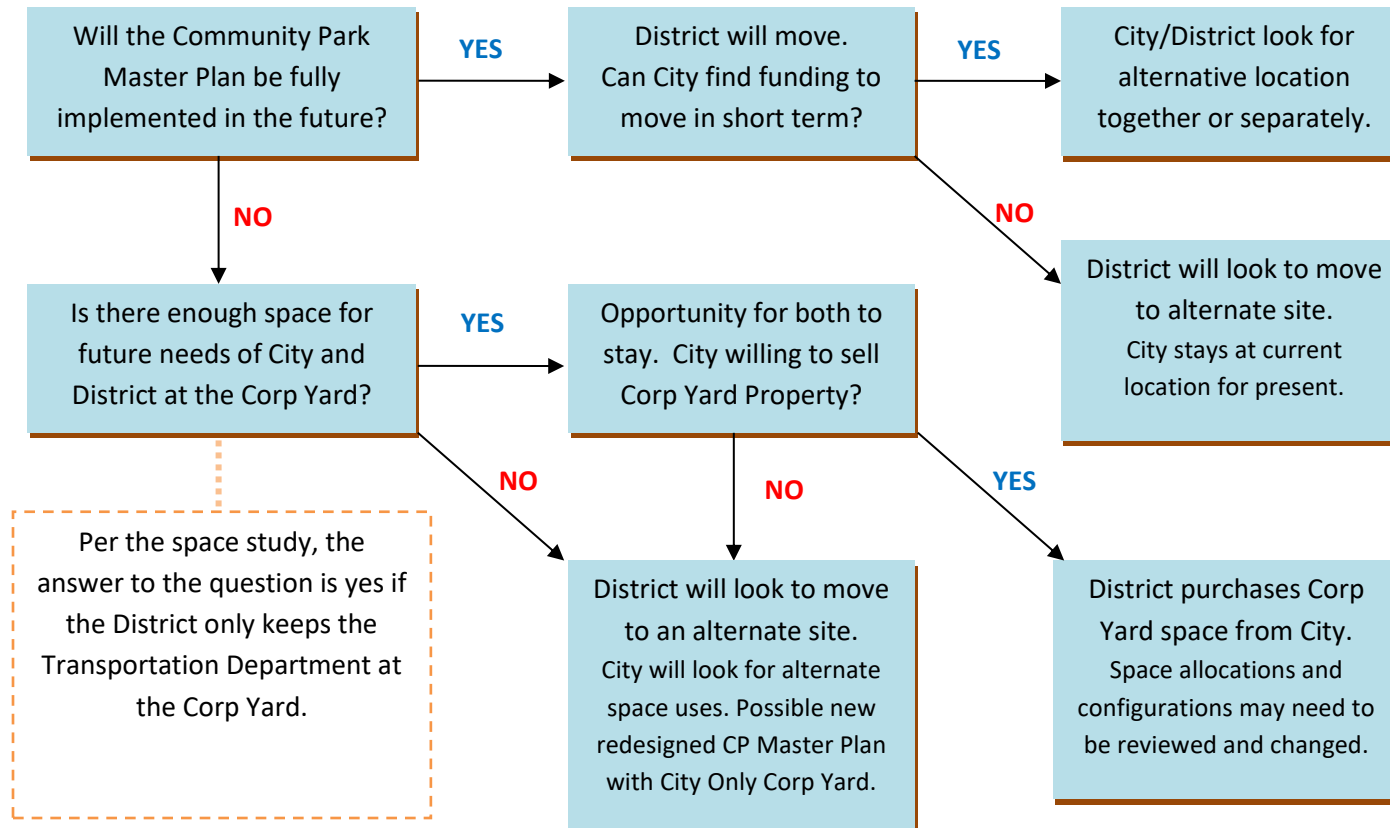
District Priorities

- Future Space Needs
- Full Service Bus Yard
- Eliminate Lease Payment
- Operational Efficiency
- Measure G Timeframe

Key Facts

- District does not have the funds to purchase new land and build.
- MHUSD looking for a full service bus yard
- District Corp Yard Lease expires June 2021.
- 1 year notice required to cancel current lease.

Decision Matrix





CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

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

RECEIVE REPORT REGARDING UPCOMING 2021 COMMISSION VACANCIES - PER MADDY ACT

RECOMMENDATION(S)

Receive report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Fostering a Positive Organizational Culture
Preserving Our Community History
Enhancing Diversity and Inclusiveness

2020-2021 Strategic Priorities

Community Engagement and Messaging

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 (LCAC) and Planning Commissioners with terms due to expire in 2021 are highlighted in the attached "Local Appointment List". The LCAC will have four (4) members with terms due to expire on April 1, 2021 and the Planning Commission will have three (3) members with terms due to expire on June 1, 2021. No terms on the

Parks and Recreation Commission are due to expire in the 2021 calendar year.

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, 2020 and every year before December 31, thereafter.

FISCAL AND RESOURCE IMPACT:

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

CEQA (California Environmental Quality Act):

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

LINKS/ATTACHMENTS:

1. chapter 2.22 Master Provisions for boards and commissions
2. chapter 2.32 Parks and Recreation Commission
3. Chapter 2.36 Planning Commission
4. chapter 2.68 Library, Culture and Arts Commission
5. Local Appt Term listing
6. Resolution 7082

Chapter 2.22 - MASTER PROVISIONS FOR BOARDS AND COMMISSIONS*

Sections:

2.22.010 - Establishment of boards and commissions.

- A. There are established within the city the following boards and commissions:
 - 1. Planning commission;
 - 2. Parks and recreation commission;
 - 3. Library, culture and arts commission; and
 - 4. Disaster council.
- B. Unless otherwise set forth, all members of boards, commissions and committees shall be residents of the city and shall continue to be residents of the city during their terms of office. Notwithstanding the foregoing, individuals who reside within the Morgan Hill Unified School District boundary and who do not otherwise reside in any city other than Morgan Hill may be appointed to boards, commissions and committees provided that no more than thirty percent of the members of any board, commission or committee shall be non-Morgan Hill residents.
- C. Members shall be appointed by the mayor subject to approval of a majority vote of the city council and may be removed without cause by vote of any three members of the city council.
- D. The appointment terms of members may be extended, at the discretion of the city council, until such time as a successor member may be appointed and take office.
- E. Vacancies in the commission occurring other than by expiration of term shall be filled for the unexpired term in the same manner as original appointments.
- F. The members of the commission shall organize the commission and shall elect from its members a chair and vice-chair and such other officers as may be necessary in accordance with adopted city council policy.

(Ord. 1778 N.S. § 2 (part), 2006)

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

2.22.030 - Clerk and secretary.

The city clerk or designate shall also act as clerk for each of the boards and commissions and shall have authority to sign any official notices and also to certify any resolution of the commissions or boards. The city council may appoint a person not a member of the commission or board to act as secretary of the

commission or board. The secretary shall keep a record of all proceedings of said board or commission, its resolutions, its findings and actions, which records shall be a public record and kept with the city clerk in the City Hall building.

(Ord. 1778 N.S. § 2 (part), 2006)

2.22.040 - Rules of procedure.

- A. The chair shall preside at all meetings of the board or commission. The vice chair shall assume the duties of the chair in the absence of or in case of inability of the chair.
- B. A majority of the members of the commission or board shall constitute a quorum for the transaction of business.
- C. Unless otherwise specified herein, each board or commission may adopt its own rules and regulations for the transaction of its business. Such rules shall be subject to approval of the city council before becoming effective.

(Ord. 1778 N.S. § 2 (part), 2006)

2.22.050 - Rules of attendance.

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

(Ord. 1778 N.S. § 2 (part), 2006)

2.22.060 - Meetings.

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

(Ord. 1778 N.S. § 2 (part), 2006)

(Ord. No. 1930 N.S., § 3, 4-22-2009)

2.22.070 - Compensation.

Members of the boards and commissions shall serve without compensation but may receive reimbursement for actual and necessary expenditures made or incurred in the performance of their prescribed duties in accordance with state law and the Municipal Code and policies of the city of Morgan Hill.

(Ord. 1778 N.S. § 2 (part), 2006)

2.22.080 - Effect.

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

(Ord. 1778 N.S. § 2 (part), 2006)

Chapter 2.32 - PARKS AND RECREATION COMMISSION*

Sections:

2.32.010 - Created.

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 2.36 - 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 2.68 - LIBRARY, CULTURE AND ARTS COMMISSION

Sections:

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 November 4, 2020 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 converting to 4 year by 2024)

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>
July 22, 2020	Emily Borchers	April 1, 2022
June 6, 2018	Poonam Chabra	April 1, 2021
July 22, 2020	Patrice Lyn	April 1, 2022
March 20, 2019	Suman Ganapathy	April 1, 2021
May 3, 2017	Katie Khera	April 1, 2021
April 16, 2014	Paul Lake	April 1, 2022
March 20, 2019	Jake Thompson	April 1, 2021

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>
November 28, 2018	Neil Berman	April 1, 2022
February 21, 2018	Maureen Grzan-Pieracci	April 1, 2022
October 2, 2013	Ronald Locicero	April 1, 2022
February 17, 2016	Richard Scott	April 1, 2024
July 22, 2020	David Lovato	April 1, 2024
May 4, 1998	Craig C. van Keulen	April 1, 2022
July 22, 2020	John Moniz	April 1, 2024

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, 2023
May 3, 2017	Mohammad Habib	June 1, 2021
April 17, 2019	Laura Gonzalez Escoto	June 1, 2021
April 17, 2019	Malisha Kumar	June 1, 2021
January 28, 1989	Joseph Mueller	June 1, 2023
June 21, 2017	Juan Miguel Munoz Morris	June 1, 2023
April 25, 2007	Wayne Tanda	June 1, 2023

Note: Yellow Highlighted Commissioners have terms expiring in 2021

Attachment: Local Appt Term listing (2899 : Upcoming 2021 Commission Vacancies - Maddy Act)

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.

City of Morgan Hill
 Resolution No. 7082
 Page 2 of 3

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 7082 (2899 : Upcoming 2021 Commission Vacancies - Maddy Act)



17575 PEAK AVENUE MORGAN HILL CALIFORNIA 95037
general@morganhill.ca.gov

POSTED ON _____, 2014 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>
January 13, 2011	Susan Brazelton	April 1, 2015
May 16, 2012	Loren Burks-Winzeler.	April 1, 2016
September 17, 2014	Cecilia Clark	April 1, 2015
April 16, 2014	Judith Cowan	April 1, 2016
April 16, 2014	Bill Haskell	April 1, 2016
April 25, 2007	Tim Hennessey	April 1, 2015
April 16, 2014	Paul Lake	April 1, 2016

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>
November 7, 2007	Martin Cheek	April 1, 2016
April 16, 2014	LaRene Green	April 1, 2018
May 16, 2012	Matthew Kelly	April 1, 2016
April 26, 2006	Kimberly Leiser	April 1, 2018
October 2, 2013	Ronald Locicero	April 1, 2018
April 16, 2014	Mary Seehafer	April 1, 2016
May 4, 1998	Craig C. van Keulen	April 1, 2018
<i>School District Liaison</i>	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>
May 18, 2011	John Kim KcKay	June 1, 2017
February 9, 2005	Susan Koepp-Baker	June 1, 2015
February 5, 2014	Zenon Komarczyk	June 1, 2015
January 28, 1989	Joseph Mueller	June 1, 2015
September 1, 2014	Michael Orosco	June 1, 2017
May 16, 2012	Rene Angelo Spring	June 1, 2017
April 25, 2007	Wayne Tanda	June 1, 2015



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Dwight Good, Fire Marshal
APPROVED BY: City Manager

RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

RECOMMENDATION(S)

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightning Complex fire.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Supporting Our Youth
Seniors
and Entire Community

2020-2021 Strategic Priorities

Community Engagement and Messaging

REPORT NARRATIVE:

The Santa Clara Unit (SCU) Lightning Complex fires started on August 16, 2020 as a result of lightning strikes in the Northern Diablo Range of eastern Santa Clara County, southern Alameda and San Joaquin counties, eastern Contra Costa County, and western Stanislaus and Merced counties. The complex comprised of seven incidents which were grouped by geographical location and incident command structure. The complex burned 396,624 acres over multiple locations throughout the six counties and was 100% contained by October 1, 2020. The complex resulted in 26 structures being damaged, 222 structures being destroyed, and 6 confirmed civilian and fire personnel injuries.

The Santa Clara Unit of CAL FIRE (SCU) requested and received assistance from CAL FIRE's Incident Management Team #6 (IMT #6) very early in the SCU Lightning Complex. IMT #6 provided SCU with strong command and control functions needed to control what would become the 3rd largest wildfire in California's recent history. At its peak, the SCU Lightning Complex was staffed with a total of 2,025 personnel, including 253 fire engines, 41 bulldozers, 41 water tenders, 25 hand crews, 9 helicopters, and overhead and command staff. Cal Fire added to its ranks by bringing back retirees, calling employees back from vacations, and hiring new fire personnel, to help fill the demand. These resources were later supplemented by National Guard and U.S. military resources. Firefighters from Arizona, Idaho, Kansas, Montana, New Mexico, Texas, Utah, Washington, Canada, and Australia also responded. Suppression costs for this Complex exceeded \$100 million.

On August 20, 2020, it was determined the complex fires which started in the Northern Diablo Range of the eastern Santa Clara County were traveling south and threatening the unincorporated areas of the County and eastern foothills of the City of Morgan Hill. The unincorporated areas of eastern Santa Clara County were put under an evacuation order, and certain neighborhoods of eastern City limits (Holiday Lake Estates and Jackson Oaks) were put under an evacuation warning. As a result, the City activated its Emergency Operations Center (EOC) and proclaimed a local emergency.

On August 23, 2020, due to significant weather concerns, forecasted to bring heavy wind and dry lightning potentially starting new fires, CAL FIRE upgraded the evacuation warning to an order for Jackson Oaks, Holiday Lake Estates and Thomas Grade residents. The east of Peet Road to Coyote Creek; South of Eagle View Drive and North of Half Road was put under a warning. After the weather system passed, the evacuation orders were reverted on August 24, and repopulation of the evacuated neighborhoods was allowed.

Emergency Operations Center (EOC)

Upon activation, all the sections were operational either physically in the EOC or virtually.

Operations:

Police - Law enforcement branch established structure to physically go door-to-door to communicate the evacuation information to the residents in the impacted communities, and provided for controlled evacuation and checkpoint, and patrolling of the evacuated neighborhoods.

DEOC – A call center was established and staffed for residents to call with inquiries with access to resources. The establishment of the call center also relieved call volumes to the PD dispatch center and Public Information Office. Maintenance teams were staffed to provide support in setting up traffic signage and equipment.

Fire – Unit Chief Jake Hess, as the Agency Administrator, oversaw the CAL FIRE Incident Management Team 6 to ensure: the protection of life and property, cost-effective incident management, cooperation with local agency partners and stakeholders, the appropriate and timely use of evacuation orders and warnings, the clear and consistent release of public information, fire suppression repair, and to secure suppression and recovery funding through FEMA's Fire Management Assistant Grant program.

Assistant Chief Dwight Good provided Incident Support, coordinated with City and County agencies, and ensured that SCU maintained routine business and response functions.

Logistics: Operated virtually to arrange for various resources to include rental of message boards, traffic signage and other equipment.

Planning: Operated virtually to prepare and document incident updates. For situational analysis, the City's mobile command vehicle was staffed and deployed to the SCU Lightning Complex fire incident command center in Pleasanton. This allowed for real time information to flow directly from the CAL FIRE incident command post into the City's EOC. It essentially provided Morgan Hill a "seat at the table" and allowed opportunity to weigh in as CAL FIRE developed plans and actions with impacts to the Morgan Hill and South County communities.

Finance: Operated virtually to establish and communicate charge codes for timekeeping and tracking City's response costs on this incident. The section is responsible for facilitating FEMA reimbursement application process which is already underway.

Management: Operated physically out of the EOC and included the City Manager as the Director of Emergency Services, City Attorney, Emergency Services Coordinator, and Public Information Officer. The section was responsible for the activation of the EOC, proclamation of local emergency, participating in various situational awareness briefings, and sending communications to the Morgan Hill community, City staff, and other stakeholders.

What Worked

Situational Analysis – The City's partnership with CAL FIRE really proved to be invaluable during this incident. The CAL FIRE Santa Clara Unit Fire Chief, also the Morgan Hill Fire Chief, was the incident commander thereby providing comfort that Morgan Hill's interests were well represented. In addition, Morgan Hill PD's mobile command vehicle and staff were deployed to the incident command center in Pleasanton. This essentially allowed for real time information to flow directly from the CAL FIRE incident command post into the City's EOC.

Communications - During the incident, information was available on the City website through a homepage newsflash and limited information was provided on our government access channel, Channel 17, referring viewers to the City website with a direct URL. Communications were sent out via e-blasts, social media posts, including Nextdoor, and through AlertSCC. In addition, staff held two virtual town halls, with over 1100 community members participating in each, to update the community and answer any questions in a live environment. The call center provided a centralized resource center which offloaded over 1800 calls from the police department dispatch center and could be accessed by staff at the EOC or at remote locations. Unlike the October 2019 PSPS events, where access and flow of information from the utility was often delayed and inaccurate, the access and flow of information during this fire incident was impeccable. Having a direct inlet at the CAL FIRE incident command center, aided in the City access to factual information and maps, which were then shared with the community in a timely manner.

During the event, over 25 direct emails were sent, in English with a link to the Spanish translation, to over 18,000 Morgan Hill residents and businesses with an average open rate of 44% (industry standard is 20%). Facebook posts saw an amazing reach with an all-time high of over 72,000 on the day of the actual evacuation. Facebook posts reach averaged between 20,000 – 30,000 during the event. Nextdoor posts were viewed on average by approximately 1500 – 3000 households with a high of 7700 views of the post indicating that the evacuation warning had ended.

The communications and engagement team conducted a follow-up survey on the City's communication efforts. The survey had 1135 respondents with over 57% not being in the evacuation warning area. Just under 80% of respondents indicated that communication during the fire was good to outstanding and the average rating for content, frequency, quality, timeliness, and methods of communication was 4.4 out of 5. Many comments were shared in the survey, with a majority of them being complimentary and expressing appreciation. A few comments will be further followed up on to provide clarity for residents and/or to enhance future emergency communications. A link to the survey results and comments have been included for reference.

Evacuations – Law Enforcement issued evacuation warnings and orders under the advisement of CAL FIRE out of an abundance of caution and well in advance of any immediate threats, thereby providing adequate time for impacted community members to prepare or evacuate. During the fire event, the neighborhoods of Jackson Oaks, Holiday Lake Estates, and Thomas Grade started in an evacuation warning and progressed to an evacuation order before returning to an evacuation warning. The neighborhoods of Jackson Meadows, Borello Estates, and Coyote Estates were under evacuation warning for the duration of the event. The Holiday Lake Estates and Jackson Oaks neighborhoods have a single means of egress which poses a challenge during an evacuation. Thanks to the engaged and prepared residents, these neighborhoods were quickly evacuated in an orderly fashion and without any issues.

Challenges

Communications – Generally there are two key elements in the communication process, the sender and receiver of information. Another critical element is how the information is communicated or received. In modern times we rely heavily on electronic communications received via email and or cell phones. There remains an elevated concern of communicating important information in case loss of power is experienced either due to PSPS events, fire, and other natural or manmade incidents.

The California Public Utility Commission (CPUC) is the agency tasked with regulating privately owned public utilities, including electric power and telecommunications. Recently, the CPUC ordered wireless companies to ensure their towers have a minimum of 72-hours backup power to ensure a minimum level of service with work to be complete by July 2021. Although the City does not have exclusive jurisdiction to regulate telecommunication companies, the City is engaging with providers to communicate the unique challenges Morgan Hill encounters such as the single means

of egress for eastern hill side areas, and urge for increased resiliency of their telecommunication infrastructure servicing the Morgan Hill community.

In the event of a utility or telecommunications system failure during an emergency, the Morgan Hill Police Department will utilize patrol officers, mobile messaging boards, and Long-Range Acoustic Device (LRAD) to provide emergency orders. These supplemental methods were deployed successfully during the evacuation warnings and orders issued for the SCU Lightning Complex fires.

Egress – The single means of egress on the eastern hillside continues to pose a challenge. The evacuation during this fire incident provides some level of assurance, thanks to the engaged and prepared residents. It is important that residents stay informed and engaged and help mitigate their properties of any fire hazards.

How Can Community Help

Be prepared: As catastrophic wildfires continue to increase each year in California, make sure to protect yourself and your family – plan, prepare and stay aware. Property owners and residents in areas most at risk are encouraged to take the steps in CAL FIRE’s “Ready, Set, Go!” to be ready for wildfire.

Maintain fire hazards around home and property: Property owners and residents can reduce their risk of fire loss by as much as 70% by maintaining an adequate Defensible Space around their homes. The Santa Clara County FireSafe Council offers detailed wildfire hazard surveys upon request.

Subscribe to City communications: <http://bit.ly/signupforCityemailcommunications>

Subscribe to Alert SCC notifications: <https://www.sccgov.org/sites/oes/alertscc/Pages/home.aspx>

Termination of Local Emergency

The SCU Lightning Complex Fire is now 100% contained. No structures in Morgan Hill were damaged, and any other impacts from the fire are within the normal control of the City’s normal protective services personnel, equipment, and facilities. Staff recommends that Council terminate the local emergency caused by the SCU Lightning Complex Fire. However, termination of the local emergency due to fire does not change the City’s emergency status due to the COVID-19 global pandemic.

COMMUNITY ENGAGEMENT: Inform.

The communication efforts and results of the survey are outlined above. This report serves to inform the community with a debrief of the SCU Lightning Complex fire incident.

ALTERNATIVE ACTIONS:

None.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On August 26, 2020, the City Council held a special meeting to adopt the resolution ratifying proclamation of local emergency due to Santa Clara Unit (SCU) Lightning Complex Fire.

FISCAL AND RESOURCE IMPACT:

The City's current estimate of the financial impact of the SCU Lightning Complex Fire is \$181,000, the majority of which is overtime. These costs are primarily charged to the General Fund (010) operational budgets. No budgetary adjustments are recommended at this time but may be brought forward during mid-cycle budget adjustments.

The Federal Emergency Management Agency (FEMA) has authorized a major declaration for the SCU Lightning Complex fire and approved Santa Clara County to be eligible to submit for 75% reimbursement of eligible costs. The City has submitted initial application for public assistance. The process can sometimes take months or years before a decision is made and funds are received.

CEQA (California Environmental Quality Act):

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

LINKS/ATTACHMENTS:

1. Resolution Terminating Local Emergency-CSU Lightning Complex
2. Presentation
3. Results from Fire Communications Survey (Weblink)
4. Supplement

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL TERMINATING THE LOCAL
EMERGENCY**

WHEREAS, under the authority contained in California Government Code sections 8610 and 8634 and Morgan Hill Municipal Code Chapter 2.44, the Director of Emergency Services proclaimed the existence of a disaster in the City of Morgan Hill (the "City") on August 20, 2020; and

WHEREAS, the situation resulting from said conditions of extreme peril is now deemed to be within the control of the normal protective services, personnel, equipment, and facilities of the City.

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 that the state of local emergency is hereby terminated.

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 ____ day of _____, 20__ by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

DATE: _____

Rich Constantine, MAYOR

APPROVED AS TO FORM AND LEGALITY:

Donald A. Larkin, CITY ATTORNEY

Attachment: Resolution Terminating Local Emergency-CSU Lightning Complex (2904 : SCU Fire Follow-up)

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, adopted by the City Council at the meeting held on _____, 20____.

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

DATE: _____

Irma Torrez, CITY CLERK

Attachment: Resolution Terminating Local Emergency-CSU Lightning Complex (2904 : SCU Fire Follow-up)

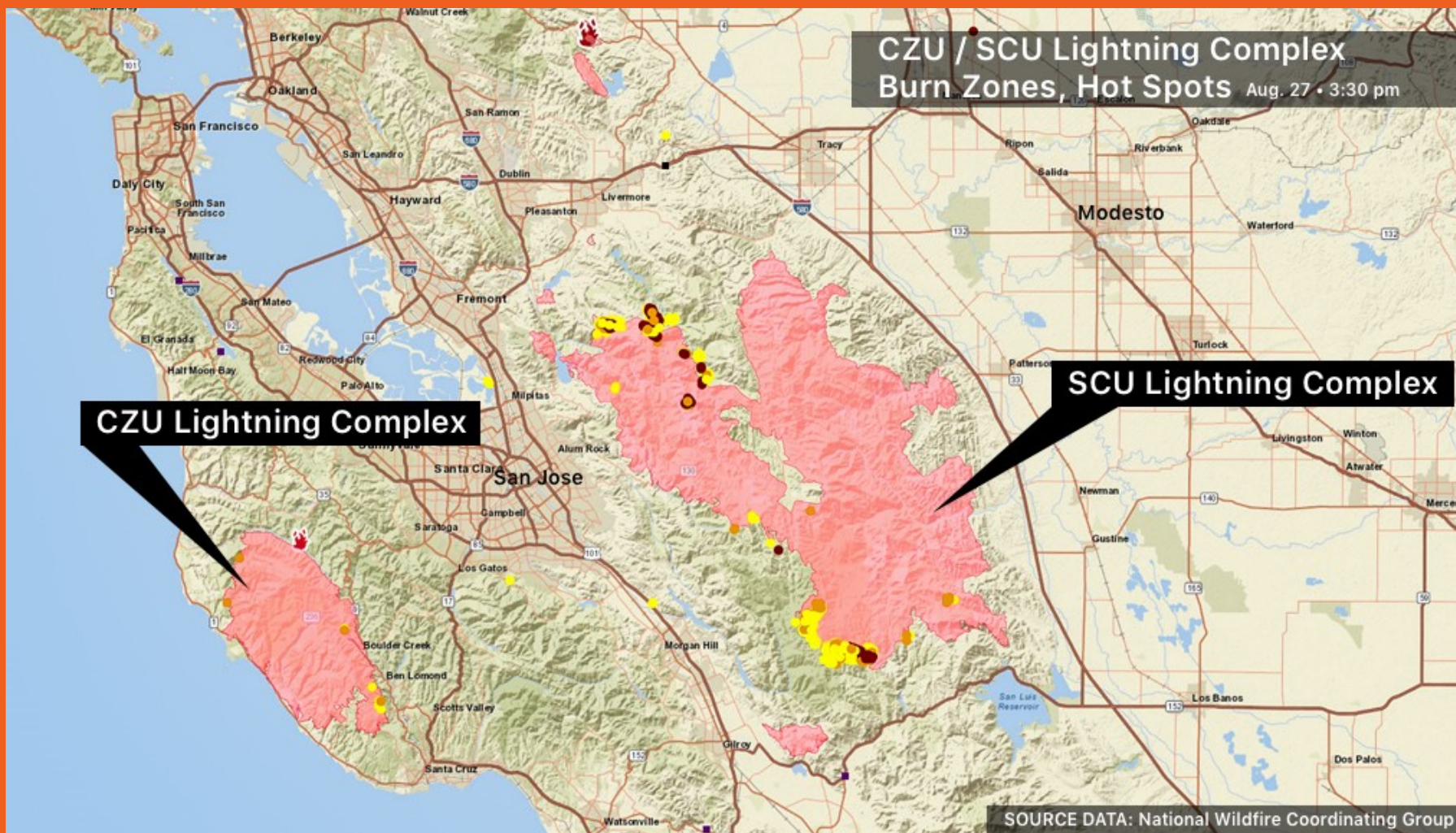


SCU Lightning Complex Fire Report



Overview

- Fires began on August 16, 2020
- 100% contained by October 1, 2020
- 396,624 acres burned within 7 counties
- 3rd largest fire in California history
- 2025 fire personnel, 253 engines, 41 bulldozers, 41 water tenders, 25 hand crews, 9 helicopters



How did we get here?

- 4 million Acres burned in California since August 15, 2020
- Mega Fire Era
- Ember-cast has started fires up to 10 miles away
- Post Drought Conditions
- Wildland Urban Interface issues
- California's Mediterranean climate is designed to burn



Lightning Siege

- Lightning Siege
- Northern California Geographic Area Coordinating Center
- CAL FIRE Team 6 was activated for SCU Complex
- Cooperation with Law Enforcement & Fire Agencies was fantastic
- 80 Million Dollar Fire



Impacts to Morgan Hill



- As the western edge of the SCU Complex burned into Henry Coe Park, we needed to get aggressive with our evacuation and notifications
- Evacuation of residents on the eastside of Morgan Hill (out of an abundance of caution and to ensure evacuations were completed on our terms and timeframes)
- Air quality issues



Challenges

- 7 counties involved with SCU Complex
- Covid 19 mitigation efforts daily
- Private and public lands
- Limited resources available
- Aircraft Issues with visibility
- Evacuations
- CDCR Crews limited due to Covid-19 and early release of Inmates



Successes

- Amazing cooperation with all Law Enforcement and Fire Agencies
- Morgan Hill communications was outstanding
- Low firefighter injuries & no fatalities
- Alameda County Fairgrounds
- 858 new firefighter positions
- Holiday Lakes and Jackson Oaks are certified Firewise Communities



Communications

- Public Information Officer (PIO) Team located at Emergency Operations Center (EOC)
- Coordination with CALFIRE PIO at Incident Command Center, Morgan Hill Police Department Sgt at Incident Command Center and Santa Clara County EOC
- Call Center established in EOC

Communication Channels

- City website homepage
- 25 eblasts to over 18,000 (average open rate 44%)
- Facebook posts (high reach of 77,000)
- Call Center (1800+ calls)
- 4 Media Interviews
- 2 Town Halls (over 1100 Participants at each)
- Twitter
- Nextdoor
- Instagram
- Channel 17



Communication Survey Results

Over 78% rated communications as good to outstanding

* Please complete the following sentence. The overall communication from the City of Morgan Hill during the SCU Lightning Complex Fire event was ...

Answer	0%	100%	Number of Response(s)	Response Ratio
Outstanding, I felt well informed throughout the event.			604	53.2 %
Good			297	26.1 %
Fair			48	4.2 %
Poor, I did not feel well informed and I did not know where to find information			18	1.5 %
Non-existent, I received no information from the City of Morgan Hill			10	<1 %
Other			3	<1 %
No Response(s)			155	13.6 %
Totals			1135	100%

Communication Survey Results

4.4 out of 5

* Please indicate your level of satisfaction with the following attributes of our communications during the SCU Lighting Complex Fire event

1 = Very Dissatisfied, 2 = Somewhat Dissatisfied, 3 = Neutral, 4 = Somewhat Satisfied, 5 = Very Satisfied

Answer	1	2	3	4	5	Number of Response(s)	Rating Score [*]
Quality and accuracy of information provided						975	4.4
Timeliness of information provided						975	4.4
Methods of communication						975	4.4
Frequency of updates						975	4.3

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

Survey Comments Summary

- The majority of respondents felt the communication was good to excellent/outstanding
- Appreciated the Virtual Town Halls
- Concern for elderly
- Concern that many people do not use Twitter
- Desire for text messages from the City

Survey Comments Summary (cont.)

- Misunderstandings about AlertSCC
- Lots of kudos for PD and Fire... appreciated the in-person notifications
- Very much appreciated the Call Center
- Interest in more information on Channel 17
- Lots of upset over the SJ AlertSCC
- More visuals and maps requested

Fiscal and Resource Impact to Morgan Hill

- Current estimate is \$181,000 to the General Fund (primarily overtime)
- Initial public assistance application has been submitted
- No budgetary adjustments are recommended at this time



Questions



From: [Christina Turner](#)
To: [D. Muirhead](#)
Cc: [CC Public Comment](#)
Subject: RE: Comments City Council October 21, 2020 Items #7, #18, #19
Date: Wednesday, October 21, 2020 1:40:10 PM

Hi Doug - Please see responses to your comments below:

Item #7 Thank you for your comments.

Item #18 The CalFire Watershed Emergency Response Team (WERT) Evaluation was included in our weekly 411 and here is a direct link to the report: <https://www.morgan-hill.ca.gov/DocumentCenter/View/37327/SCU-Lightning-Complex-Fire-Watershed-Emergency-Response-Team-Report> We have also included it on our website on a Fire page.

Item #19 For the Council Reports, you can refer to the policy at the following link. <https://www.morgan-hill.ca.gov/DocumentCenter/View/6076/CP-97-01-Rules-for-the-Conduct-of-City-Council-Meetings>

Here is an excerpt for the reports:

4.5 City Council Reports: On an alternating basis, at each Council meeting a Council Member has the opportunity to share with the Council and community any pertinent updates or information in regard to their appointments to outside agencies, upcoming events, or relevant City business. These are non-action items.

4.8 Other Reports: These are pertinent updates or information on upcoming activities or events relevant to City business. These are non-action items.

These reports have been suspended until we return to in-person meetings. At the meeting on October 21, Council will decide whether to reconsider this decision at a future meeting.

Thank you,
Christina

-----Original Message-----

From: D. Muirhead <doug.muirhead@stanfordalumni.org>
Sent: Thursday, October 15, 2020 11:23 AM
To: CC Public Comment <CCPublicComment@morganhill.ca.gov>
Subject: Comments City Council October 21, 2020 Items #7, #18, #19

Comments for Morgan Hill City Council Meeting: October 21, 2020

- Item #7. Purchase/install SRM, AM, and CRM systems
- Item #18. Report on SCU Lightning Complex fire
- Item #19. Discussion on adding Council Reports to the agendas.

7. Purchase/install Service Request Management (SRM),
Asset Management and Customer Relationship Management (CRM)
software for the Maintenance and Utility Departments

[comment] I am pleased to finally see some movement in this area.

Eighteen months ago at the Goal Setting, I was excited to hear that a replacement for Report-A-Concern was in the works.

These systems benefit your employees but can also provide better request management from our residents. Last year at County GIS day, County Parks talked about their new Asset Management system. Automated generation and tracking of work orders as well as scheduled asset inventory assessment and preventative maintenance are all benefits.

Attachment: Supplement (2904 : SCU Fire Follow-up)

The ability for the public to inject situations to be assessed would be a plus (to be enabled after staff had some experience with the new system).

Please acquire this capability.

18. Report on SCU Lightning Complex fire

[comment] I am disappointed that you did not inform the community of the CalFire Watershed Emergency Response Team Evaluation CA-SCU-005740 September 21, 2020 which the City and I have had since September 30.

19. Discussion on adding Council Reports to the agendas

[comment] I am unsure what a "Council Report" is.

You used to have a single Council Member do a brief report at the start of each meeting, rotating through all members. This no longer happens. At the Goal Setting at the start of the year, Council Members endorsed more reporting by more members as a way to inform the entire Council and the community on what and how members were benefiting our City and its residents through their outside assignments and local activities.

You have talked about wanting more interaction with residents and this is one way to start the conversations.

Thank you for your consideration, Doug Muirhead, Morgan Hill

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CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

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

CONSIDER FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

RECOMMENDATION(S)

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Advancing Regional Initiatives

REPORT NARRATIVE:

The purpose of this report is for City Council to consider whether to direct staff to bring back a report for City Council discussion regarding adding Council reports to the agenda.

At the September 16, 2020 City Council meeting, Mayor Pro Tem Martinez Beltran requested that Council reports be added to the agenda.

COMMUNITY ENGAGEMENT: Inform

The report serves to inform the community of the potential discussion regarding adding Council reports to the agenda.

ALTERNATIVE ACTIONS:

City Council could direct staff to bring this item forward at the January 2021 Goal Setting Workshop or decide to wait for the discussion until in-person City Council meetings recommence.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Not applicable.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact to this item.

CEQA (California Environmental Quality Act):

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

LINKS/ATTACHMENTS:

1. Supplement

Item # 19**AGENDA DATE: 10/21/2020****SUPPLEMENT # 1**

From: [Christina Turner](#)
To: [D. Muirhead](#)
Cc: [CC Public Comment](#)
Subject: RE: Comments City Council October 21, 2020 Items #7, #18, #19
Date: Wednesday, October 21, 2020 1:40:10 PM

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[comment] I am pleased to finally see some movement in this area.

Eighteen months ago at the Goal Setting, I was excited to hear that a replacement for Report-A-Concern was in the works.

These systems benefit your employees but can also provide better request management from our residents. Last year at County GIS day, County Parks talked about their new Asset Management system. Automated generation and tracking of work orders as well as scheduled asset inventory assessment and preventative maintenance are all benefits.

Attachment: Supplement (2905 : Adding Council Reports to virtual meetings)

The ability for the public to inject situations to be assessed would be a plus (to be enabled after staff had some experience with the new system).

Please acquire this capability.

18. Report on SCU Lightning Complex fire

[comment] I am disappointed that you did not inform the community of the CalFire Watershed Emergency Response Team Evaluation CA-SCU-005740 September 21, 2020 which the City and I have had since September 30.

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CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Edith Ramirez, Economic Development Director
APPROVED BY: City Manager

ACCEPT THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNER'S ASSOCIATION ANNUAL REPORT AND ADOPT A RESOLUTION AMENDING THE MHTBID MANAGEMENT PLAN

RECOMMENDATION(S)

1. Accept and direct the City Clerk to file the Visit Morgan Hill Annual Report; and
2. Open and Close a Public Hearing to amend the Morgan Hill Tourism Business Improvement District (MHTBID) Management Plan to change reporting schedule to conform with the California Streets and Highways Code.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure
Preserving and Cultivating Public Trust

2020-2021 Strategic Priorities

Economic Development
Fiscal Sustainability

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan
Economic Blueprint
Fire Services Standards of Coverage
Morgan Hill 2035 General Plan

REPORT NERRATIVE:

On January 23, 2019, the City Council adopted a resolution establishing a Morgan Hill Tourism Business Improvement District (MHTBID). The MHTBID provides for the collection of a 1.5% assessment of gross short-term room rental revenue, separate from and in addition to the City's Transient Occupancy Tax (TOT) of 11%. The City's 11% TOT are public funds that support the General Fund while the 1.5% MHTBID assessments are public funds that are managed by a non-profit board and are used for marketing and sales promotions as well as sports facility improvements/programs designed to market the area as a tourism and event destination and increase room night sales at assessed lodging businesses.

The Streets and Highways Code 36650 requires the MHTBID to provide the City Council an annual report that articulates the following:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

The purpose of this staff report is to present the MHTBID's first Annual Report (Attachment A) for acceptance by the City Council and to request an amendment of the MHTBID's Management Plan to change the reporting schedule to conform with the California Streets and Highways Code and to hold a public hearing for the approval of the revised MHTBID's Management Plan.

BACKGROUND:

Tourism Business Improvement District (TBID)

In California, Tourism Business Improvement Districts (TBIDs) for general law cities are formed under the provisions of both the Property and Business Improvement District Law of 1994 and, the Parking and Business Improvement Area Law of 1989. California BIDs are also subject to other laws designed to ensure approval by business owners paying the assessment and accountability by the managing body to those business owners.

TBIDs are formed by a majority of assessed businesses consenting and with local government approval. Funds raised through TBIDs are returned to a non-profit corporation which contracts with the local government to manage those funds. Several accountability mechanisms ensure funds are spent in accordance with a specifically defined Management District Plan that includes marketing and sales programs approved by the businesses paying into the MHTBID.

On November 28, 2018, the Council approved the Resolution of Intention which allows the Council to initiate proceedings for District formation and scheduled the Public Hearing for January 23, 2019, at which time the Council adopted a resolution establishing the MHTBID and adopting the MHTBID Management Plan.

Management District Plan

A Management District Plan (Plan) identifies the MHTBID's boundary, budget, services, and governance. Below is a summary of the parameters of the proposed MHTBID's Plan:

- **Boundary:** All lodging businesses located within the boundaries of the City of

Morgan Hill.

- **Term**: Five (5)-year assessment beginning March 1, 2019 through February 29, 2024, with an annual 30-day period of protest for termination by assessed businesses.
- **Budget**: Annual assessment rate of 1.5% (on top of the existing TOT) of gross short-term room rental revenue producing an annual budget of approximately \$410,000 (pre-COVID-19).
- **Mission**: Marketing and sales promotions as well as sports facility improvements/programs designed to market the area as a tourism and event destination and increase room night sales at assessed lodging businesses.
- **Governance**: A non-profit corporation, Visit Morgan Hill, was formed to serve as the “Owner’s Association” charged with management of funds and implementation of the MHTBID Management District Plan. An annual report is required to be provided to the City Council within 90 days of the anniversary of the effective date of the MHTBID assessment.

The District has a five (5) year life—dated January 23, 2019 with a new District start date of March 1, 2019 and ending February 29, 2024. The assessment began March 1, 2019. The City is responsible for collecting the assessment on a monthly basis from each lodging business located in the District boundaries. The City forwards the assessments to the Owner’s Association, known as Visit Morgan Hill, a non-profit corporation in charge of managing District programs as provided in the Management District Plan. The City gets paid a fee equal to two percent (2%) of the amount of assessment collected to cover its costs of collection and administration.

Owners’ Association Makeup (Visit Morgan Hill Board of Directors):

The Owner’s Association, Visit Morgan Hill, is a private entity, separate from the City of Morgan Hill. The make-up of the Visit Morgan Hill Board of Directors includes four (4) lodging representatives, two (2) City of Morgan Hill representatives and three (3) community representatives that represent areas associated with wineries, tourism, and sports recreation tourism. Currently, the Economic Development Director serves on the Visit Morgan Hill Board as Secretary and the Public Services Director as Treasurer.

Annual Report

The Owner’s Association is required to present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650, within ninety (90) days of the MHTBID’s anniversary (March 1), except for first formation year. Visit Morgan Hill has provided an Annual Report for the City Council’s review and acceptance (Attachment 1). VMH’s first Annual Report does not propose any changes to the boundaries, benefit zones or classifications of businesses. A list of activities and accomplishments undertaken by the District are listed in the Annual Report, including hosting a Tourism Symposium for 100+ stakeholders, the creation of a Strategic Plan, Logo, Branding, and marketing and promotions efforts. Since March 2019, VMH has

collected \$451,148 through June 30, 2020. The City collects 2% for management and administration and VMH has reimbursed the City \$100,000 for formation costs and contributions to the Amgen Tour of California. The MHTBID was expected to collect approximately \$410,000 annually, however the COVID-19 pandemic has had a significant impact on lodging and hotels have had extremely low occupancy levels, particularly during the restriction of all non-essential travel from March – July 2020. While lodging is picking up, occupancy remains below pre-pandemic level with lowered average daily rates. For the current fiscal year July 1, 2020 – June 30, 2021, VMH is anticipating a 50-55% decrease in income year over year, which is 55-60% less than the original estimated income of \$410,000 for VMH annually.

Management Plan

The State's Streets & Highways Code 36650 requires an annual report to be presented to the City Council within 120 days of each fiscal year (except for year one). VMH's Management Plan and the Bylaws required the annual report be presented within 90 days of VMH's anniversary, which is January 1. Both documents need to be to conform and be consistent with the Streets & Highways Code (36650)'s reporting requirements. VMH made necessary changes to the organization's Bylaws in January 2020 and is requesting the City Council hold a Public Hearing to adopt a Resolution (Attachment B) amending the MHTBID's Management Plan to make the Annual Report due 120 days from the end of the fiscal year. A 10-day Public Notice was issued to assessed parties in the District and placed in a newspaper publication (Attachment D).

COMMUNITY ENGAGEMENT: Inform

A 10-day Public Notice was issued to assessed parties in the District and placed in a newspaper publication (Attachment D).

VMH meets on a monthly basis and conforms with Brown Act noticing requirements. These meetings are open to the public and meetings records are kept at visitmorganhill.org.

ALTERNATIVE ACTIONS:

The Council may comment on the Annual Report and provide feedback to VMH.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On July 18, 2018, the City Council directed staff to proceed with the creation of a Morgan Hill Tourism Business Improvement District (MHTBID).

On November 7, 2018, the City Council approved the Management District Plan (Plan) that identifies the proposed MHTBID's boundary, budget, services, and governance and directed staff to circulate the MHTBID Petition Form.

On November 28, 2018, the Council approved the Resolution of Intention that directed staff to issue MHTBID Public Notice.

On January 23, 2019, the City Council voted to establish the MHTBID and adopted the Management Plan previously approved.

FISCAL AND RESOURCE IMPACT:

The City collects 1.5%, gross short-term room rental assessment rate on behalf of the MHTBID. The City retains a fee equal to two percent (2%) of the amount of assessment collected to cover its costs of collection and administration. These revenues are separate from and in addition to the City's Transient Occupancy Tax (TOT) of 11%. These funds are public funds that are managed by a non-profit board (VMH) and are used for marketing and sales promotions as well as sports facility improvements/programs designed to market the area as a tourism and event destination and increase room night sales at assessed lodging businesses.

The formation costs associated with the establishment of the MHTBID have been reimbursed by the MHTBID as well as a contribution of \$27,500 for the 2018 Amgen Tour of California.

CEQA (California Environmental Quality Act): Not a Project

Pursuant to CEQA, organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment are exempt activities.

LINKS/ATTACHMENTS:

1. Attachment A--Annual Report FY 19-20 FINAL
2. Attachment B--Resolution TBID MDP Amendment
3. Attachment C- MHTID MDP REDLINE
4. Attachment D-Public Hearing Notice for VMH Amendment to Management Plan 11042020

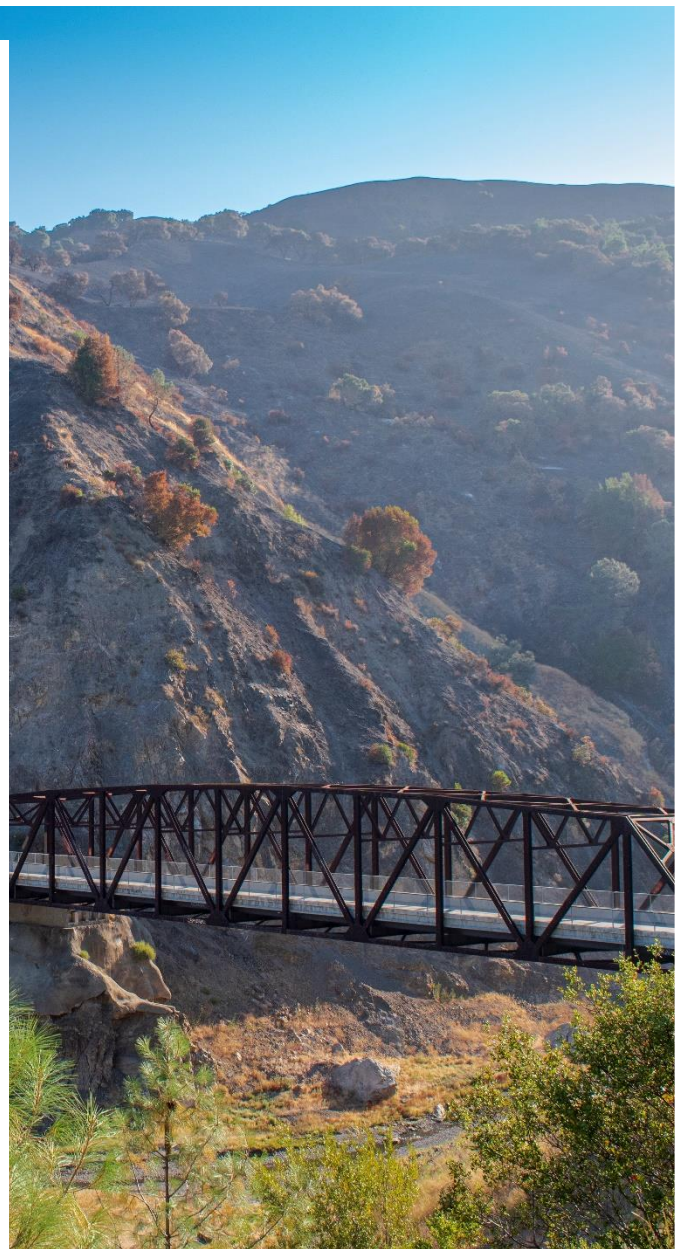
Morgan Hill Tourism Business Improvement District & Visit Morgan Hill

Annual Report

Inception – June 30, 2020

OCTOBER 19, 2020

Submitted by: Visit Morgan Hill



VISIT
MORGAN HILL

Attachment: Attachment A--Annual Report FY 19-20 FINAL [Revision 1] (2896 : MHTBID Annual Report by VMH)

Annual Report

This report serves as the Annual Report from Visit Morgan Hill (VMH) in charge of the Morgan Hill Tourism Business Improvement District (MHTBID) to the Morgan Hill City Council.

MHTBID BACKGROUND

The MHTBID assessment was implemented beginning January 1, 2019 and will continue for five (5) years through December 31, 2023. The assessment collects 1.5% of hotel tax revenue for the purpose of marketing and promoting Morgan Hill as a sports, recreation, and wine tourism destination.

VISIT MORGAN HILL

The Owners Association responsible for the MHTBID is known as the Visit Morgan Hill Board of Directors (known as the advisory body) and is made up of four hotel representatives, three community members representing the wineries, sports and community at large; and two representatives from the City of Morgan Hill Economic Development and Community Services departments. VMH was formed in March 2019.

As of October 21, 2020, the following are the Visit Morgan Hill Board members and their respective areas and terms.

Representative	Industry	Appointment Term (2020)	Appointment Term (2021)
Michael Meredith	Hotel	2019-2021	2021-2023
Chris Ghione	City	N/A	N/A
Edith Ramirez	City	N/A	N/A
Andrew Firestone	Hotel	2019-2021	2021-2023
Gene Guglielmo	Winery	2019-2021	2021-2023
Carrie Benjamin*	Sports/Recreation	2019-2021	2021-2023
Alexis Solis	Hotels	2021-2023	2021-2023
Doug Hall**	Community	2020-2022	2021-2023
David Dworkin	Hotels	2020-2022	2021-2023

*formerly David Eadie March 2019-December 2019

**formerly Frank Leal March 2020-July 2020

The initial appointment terms beginning at VMH's formation in March 2019 are as follows:

Representative	Industry	Initial Term (2019)
----------------	----------	---------------------

Michael Meredith	Hotel	2019-2021
Chris Ghione	City	N/A
Edith Ramirez	City	N/A
Andrew Firestone	Hotel	2019-2021
Gene Guglielmo	Winery	2019-2021
Carrie Benjamin*	Sports/Recreation	2019-2021
Karen Mendes	Hotels	2019-2020
Frank Leal	Community	2019-2020
Bina Roy Desai	Hotels	2019-2020

**formerly David Eadie*

METHOD AND BASIS OF LEVYING ASSESSMENT

The annual MHTBID assessment rate is one and a one-half of percent (1.5%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to December 31, 2018. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the MHTBID. The proposed MHTBID will have a five (5) year life, beginning January 1, 2019 through December 31, 2023. Pursuant to Streets and Highways Code §36670, once per year, beginning on the anniversary of MHTBID formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on MHTBID termination.

IMPROVEMENTS AND ACTIVITIES

A summary of activities and improvements is provided here, and please see detailed overview found in Appendix Item D. Since formation, Visit Morgan Hill has:

- Hired executive director
- Hosted a Tourism Symposium
- Adopted a strategic plan
- Developed a logo and brand
- Adopted a fiscal year budget
- Established a website with comprehensive suite of visitor information
- Established office location and communications
- Distributed lodging and event RFPs to local hotels & venues
- Collaborated with local government and associations for Covid-19 response

COST OF PROVIDING IMPROVEMENTS AND ACTIVITIES

See Appendix Item B & D

For the fiscal year July 1, 2020 – June 30, 2020, operating expenses totaled \$95,628.

- 66% operations – payroll, tax, bank fees, office equipment and insurance
- 18% industry & community relations – tourism symposium; PPE donation
- 15% professional services – formation services; small part of brand design

INCOME STATEMENT

See Appendix Item B

From inception - June 30, 2020, VMH's income was \$316,761. This is the amount distributed by the City to VMH from inception - June 30, 2020. There is about a 2-month processing period before VMH receives monthly TBID funds. May and June 2020 TBID collections were distributed to VMH in July and August 2020, respectively. For July 1, 2019 – June 30, 2020 the TBID income collected, but not all distributed to VMH was \$309,365.

BALANCE SHEET

See Appendix Item C

ESTIMATED AMOUNT OF SURPLUS OF DEFICIT REVENUES CARRIED OVER

See Appendix Item D

A \$221,133 balance was carried over into the current fiscal year (July 1, 2020).

CASH SUMMARY

See Appendix Item D

TAXES WERE PREPARED WITHOUT AUDIT

Visit Morgan Hill's 2019 Federal Return of Organization Exempt from Income Tax has been electronically filed with the Internal Revenue Service. No tax is payable with the filing of this return. Visit Morgan Hill's 2019 California Exempt Organization Annual Information Return was also electronically filed. No audit conducted.

OTHER CONTRIBUTIONS

No contributions were made from sources other than the assessments levied pursuant to this part. A \$100,000 loan (Amgen Tour of California & MHTBID Formation Services) and \$8,505 administrative fees were withheld from the TBID funds by the City of Morgan Hill, as agreed

upon repayment by VMH. The loan was paid off as of May 2020. These are accounted for in the Balance Sheet.

PROPOSED CHANGES

There are no proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district. However, there is a proposed amendment to the District Management Plan.

APPENDIX Item A: IMPROVEMENTS AND ACTIVITIES DETAIL

Below are the improvements and activities made by Visit Morgan Hill. Because this is the first ever Annual Report, VMH is reporting on accomplishments made since inception.

State of Travel with COVID-19

Beginning March 16th, 2020, hospitality and tourism took an incredible hit with all non-essential travel halted. Visit Morgan Hill, as most destination marketing organizations worldwide, experienced significant funding drops as lodging businesses had unprecedented drops in business. As of July 15th, leisure travel was permitted again by Santa Clara County, but the uncertainty of the virus impact on health, and the discrepancies across county and state everchanging business guidelines created consumer confusion and hesitancy to travel. Californian's travel sentiment hovered at around 50%, throughout the summer of 2020, which Visit Morgan Hill considered in being sensitive to both the community and potential visitors regarding travel promotion. In October, Visit California announced that as much as 80% of Californians are "travel ready" prompting support of DMOs such as Visit Morgan Hill resuming travel promotion.

VMH Response to Covid-19

Beginning in March 2020, VMH engaged in local coronavirus resources and information sharing via its web page, email communication, and direct calls, with industry specific guidance for hotels, wineries, and restaurants. VMH distributed the State of California's Department of General Services request for Coronavirus lodging proposals to local Morgan Hill hotels. VMH partnered with the City, Chamber, Downtown Association, and Wineries Association to disseminate information and created a "What's Open in Morgan Hill" listing of multiple services in operation. A tourism specific round table with CalTravel, the state's tourism advocacy association, providing and overview of impact, legislature, and guidelines. In April, VMH engaged in a donation effort of masks and gloves to local hospitality businesses in April, including hotels, restaurants, wineries, and any business that requested them. This effort provided relief early in the pandemic when supply chains and deliveries were challenged, making these products more difficult to obtain for businesses hoping to keep their doors open.

Destination Strategic Plan

VMH developed a Strategic Plan that identifies the organization's strategic goals and priorities. The strategic planning effort kicked off with a Tourism Symposium (Oct 2020), attended by the local hospitality leaders and community members with interest and role in tourism. The planning process also included a Comprehensive Background Study, leveraging Community Stakeholder feedback, Baseline Tourism Data review, and a Comparative Analysis of other destinations. Furthermore, a Market Study was also conducted, analyzing and rating Morgan

Hill's tourism assets/attractors, current markets, and positioning. The Background and Market studies lead to the development of Visit Morgan Hill's Strategic Goals and Priorities. The Strategic Plan also included a detailed plan for implementing resources to accomplish the goals and priorities. This included the development of a "departmental" structure to organize work, identified Target and Strategic tourism markets to pursue, and provided tactical strategies for launching the core work. New Vision and Mission Statements were also created.

VISION

Recognition of Morgan Hill as a dynamic destination and a thriving local tourism economy

MISSION

Position Morgan Hill as a vibrant leisure, sports, and events destination and be a catalyst for local tourism benefit through overnight hotel stays

STRATEGIC PRIORITIES

Sports Tournaments*

Work with existing sports facilities to pursue competitive sports tournaments.

Events & Festivals*

Work with local festivals to position these events for an overnight audience and support business development for special event venues.

Leisure Marketing

Foster growth in leisure visitation by promoting Morgan Hill wineries, dining, outdoor experiences, downtown, and cycling.

Tourism Product Development

Collaborate and advocate for demand driving tourism product development and improvement.

**The strategic plan recognizes that Sports Tournaments and Events & Festivals are challenged due to COVID-19 restrictions*

STRATEGIC PRIORITIES

1. Develop Organizational Role & Identity

Establish brand identity and purpose with 1) visitors, 2) the local community, and 3) regional tourism industry partners

2. Develop Awareness with Target Markets

Create and share visitor-focused content aligned with Morgan Hill's assets through owned, earned, and bought channels.

3. Business Development for Strategic Markets

Develop strategic group market opportunities -- sport tournament, special event, and small meetings/teambuilding.

4. Product Development Support

Advocate across local tourism businesses and organizations for new and enhanced visitor products and experiences.

5. Formalize Business & Administrative Operations

Develop efficient systems and policies to manage organizational functions, communications, and reporting processes.

FY 2020-2021 Budget

In September 2020, Visit Morgan Hill established its first formal expense budget, providing staff the ability to execute on the strategic plan and efforts through June 2021. VMH income will be monitored as the impacts of the coronavirus persist, and budget adjusted per VMH board of directors, as necessary.

Operations & Administrative	\$124,650
Payroll, Fees, Insurance, Systems	\$120,900
Accounting	\$1,600
Office Supplies/Misc	\$1,000
Office Rental	\$1,200
Dues and Subscriptions	\$3,000
Membership (i.e. CalTravel)	\$1,500
Data Subscription (STR)	\$1,500
Professional Fees	\$45,500
Strategic Plan & Brand Design	\$39,500
Design, Web, Print, Shipping	\$6,000
Marketing Communications	\$5,500
Digital Advertising	\$4,500
Public Relations	\$1,000
Business Development & Industry	\$15,000
Keeper Wars	\$3,000
Other Sports Bids & Sponsorships	\$12,000
Industry & Community Relations	\$5,000
Place Branding Activation	\$1,000
Other Local Partnership	\$4,000
TOTAL	\$198,700

Established New Logo & Brand

Leveraging the community engagement efforts of the Strategic Plan effort, Visit Morgan Hill endeavored in a brand and logo development process. A brand and logo are crucial components of comprehensive tourism marketing efforts and solidifies VMH as a credible and established destination marketing organization to both potential visitor markets and local community audiences. Our first official brand logo was approved in August 2020 and implemented across VMH's website, social media channels, and internal business communication channels.



Expanded Digital Visitor Content

With a recent uptick in traveler confidence and the completion of its destination strategic plan, Visit Morgan Hill is ramping up with new digital content to inspire and inform visitors. Several new and updated web pages at visitmorganhill.org provide foundational visitor info and the level of detail that prospective travelers seek throughout the inspiration, planning, and booking phases. Current content includes Covid-19 related Public Health resources, and business support promotion through “what’s open” and “safe and welcoming” messaging. VMH’s digital content will continue to expand and evolve as marketing programs rollout.

Communications

Visit Morgan Hill established a Tourism Community e-newsletter, sent about 3-4 times a month with local tourism industry information. Also, with a destination strategy, logo, and augmented website content, Visit Morgan Hill established core social media channels (Facebook, Instagram, Twitter, LinkedIn) for continual development and communication to Target and Strategic Markets, Local and Regional Partners, and the Morgan Hill Tourism Community about Morgan Hill destination assets, safe and welcoming messaging, local business support, and industry updates.

Safe and Welcoming Tourism Messaging

VMH partook in the City of Morgan Hill's Place Branding Partnership opportunity in collaboration with the Chamber of Commerce and other organizations to create colorful painted sidewalk art across the city. In addition to providing interest to spaces, the artwork shares Visit California's Responsible Travel message, which are 7 principles for being a smart and responsible visitor, spelling the acronym of RESPECT. The artwork by local artist Nacho Moya, spotlights Morgan Hill's many visitor assets - hotels, wine, farms, dining, sports, outdoors, and shopping.

Business Development

Visit Morgan Hill established strategic markets to target through business development efforts, including sports tournaments, special events, and other B2B markets such as small meetings. In addition to an event inquiry form, some notable accomplishments:

Census Training Meetings - A census training group seeking meeting space was referred to VMH. With group gatherings restricted, finding a much-needed venue was difficult for them. VMH was able to quickly distribute the meeting information to dozens of local venues for bidding. The event was secured at the Villa Mira Monte, who generously opened their doors despite being officially closed to the public, to host the series of trainings free of charge.

Soccer Goalie Event - Visit Morgan Hill also helped secure the Keeper Wars Ink youth soccer goalie competition at the Morgan Hill Outdoor Sports Center. This socially distanced event had limited numbers of players on the field at a time, with staggered heats, dispersing groups over the course of Labor Day Weekend. Many families stayed overnight for the event and visited local restaurants.

MHOSC Partnership - Visit Morgan Hill and the Outdoor Sports Center teamed up to create a fence banner to hang at the OSC. The branded logo banner shares a "welcome" message and includes the Visit Morgan Hill logo and website URL. This banner will be visible to sporting groups onsite and provides an exposure opportunity for broadcasted events, providing awareness of the visitor information organization.

Group Resource Index - VMH created a visitor resources list of basic needs like pharmacy, convenience, hardware, sporting good, etc. that will be available by direct link only to sporting or special event group organizers working with VMH, putting important resources at their fingertips.

APPENDIX Item B: INCOME STATEMENT

Visit Morgan Hill

Income Statement

Inception - June 30, 2020

Income

TBID	\$316,761
Interest	
Total Income	\$316,761

Operating Expenses

Administrative	
Salaries	\$57,251
Employee tax	
Employer tax	
Payroll service fees & wire fees	\$505
Insurance	\$2,954
Softwares, Systems (adobe, office, squarespace)	\$606
Office Supplies, hardware, postage, misc	\$1,964
	\$63,280
Dues and Subscriptions (Memberships, Subscriptions, Dues)	
TBD	\$0
	\$0
Professional Fees (Outside Services, Design, Printing, Shipping)	
TBID & VMH Formation Service	\$11,985
Brand Design	\$2,605
Content/Collateral/Web	\$0
	\$14,590
Marketing Communications	
Digital Advertising/PR	\$0
	\$0
Business Development & Industry	
Sport Bids & Sponsorship	\$0
	\$0
Industry & Community Relations	
Tourism Symposium	\$15,984
Mask Donation	\$1,774
	\$17,758

Total Operating Expense	\$95,628
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Net Income	\$221,133
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APPENDIX Item C: BALANCE SHEET

Visit Morgan Hill

Balance Sheet

June 30th, 2020

Assets

Current Assets	Checking	\$221,133
	AR	
Total Current Assets		\$221,133

Liabilities & Equity

Liabilities	\$0
	\$0

Equity	Year	
	Earnings	\$316,761
	Less Op Exp	\$95,628

Total Liabilities & Equity	\$221,133
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APPENDIX Item D: CASH SUMMARY

Visit Morgan Hill

Cash Summary

Year Ending June 30th, 2020

Income

TBID	\$316,761	
Interest	\$0	
Total		\$316,761

Less Operating Expenses

Administrative	\$63,280	
Dues & Subscriptions	\$0	
Professional Fees	\$14,590	
Marketing Communications	\$0	
Business Development	\$0	
Industry & Community Relations	\$17,758	
Total		\$95,628

Summary

Opening Balance 6.1.19	\$0	
Cash Movement	\$221,133	
Closing Balance		\$221,133

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DECLARING ITS INTENTION TO AMEND THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) MANAGEMENT DISTRICT PLAN SECTION V. ITEM C. AND FIXING THE TIME AND PLACE OF A PUBLIC MEETING AND A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF**

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code § 36636 et seq., authorizes modification of the plan by resolution after public hearing; and

WHEREAS, Visit Morgan Hill has drafted the amendments to the MHTBID Management District Plan Section V. Item C. to reconcile discrepancies with the Visit Morgan Hill Bylaws and Streets and Highways Code § 36650; and

WHEREAS, the MHTBID Owners' Association, also known as the Visit Morgan Hill Board of Directors, have met to consider the amendment to MHTBID Management District Plan Section V. Item C.; and

WHEREAS, the amendments do not change the boundaries of the MHTBID nor the assessment levied; and

WHEREAS, the MHTBID Owners' Association have petitioned the City Council to accept these changes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THAT:

1. The recitals set forth herein are true and correct.
2. The City Council finds that the MHTBID Owners' Association have approved in public forum support of the amendments to the MHTBID Management District Plan Section V. Item C. The City Council accepts the petition and adopts this Resolution amending the MHTBID Management District Plan in accordance with the Property and Business Improvement District Law of 1994.
3. The City Council finds that the amended Plan satisfies all requirements of Streets and Highways Code § 36636.
4. The City Council adopts this Resolution after holding a Public Hearing on November 4, 2020 at 7:00 PM.
5. The Public Hearing is open to the public via virtual participation.

6. At the public meeting and hearing the testimony of all interested persons for or against the amendment of the MHTBID Management District Plan Section V. Item C. may be received. If at the conclusion of the public hearing, there are of record written protests by the owners of the lodging businesses within the MHTBID that pay more than fifty percent (50%) of the estimated total assessment of the entire MHTBID, no further proceedings to amend the MHTBID Management District Plan shall occur for a period of one (1) year.
7. The amended change to Plan is on file with the City Clerk and may be reviewed upon request.
8. This resolution shall take effect immediately upon its adoption by the City Council.

PASSED AND ADOPTED by the City Council of Morgan Hill at a regular meeting held on the 4th day of November 2020 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED:

ATTEST:

RICH CONSTANTINE, 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.20-0XX, adopted by the City Council at the meeting held on November 4, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

2018-2023



MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

*Prepared pursuant to the Property and Business Improvement District Law of
1994, Streets and Highways Code section 36600 et seq.*

October 30, 2018

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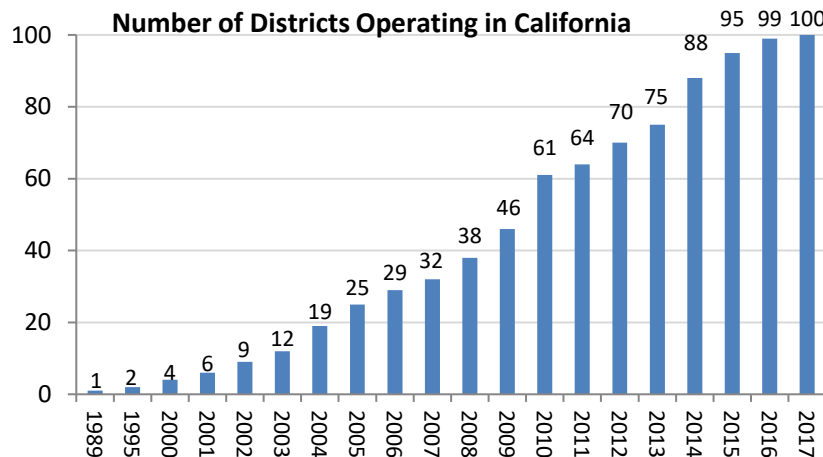
I. OVERVIEW

Developed by City of Morgan Hill (the City) and Morgan Hill lodging businesses, the Morgan Hill Tourism Business Improvement District (MHTBID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion and sports facility management programs for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors. The City and the Morgan Hill lodging businesses desire to enhance tourism activities in Morgan Hill. The vision of marketing and promoting the area for sports recreation and wine tourism, increasing and improving lodging options and demand generators that will collectively ‘grow the pie.’

- Location:** The proposed MHTBID includes all lodging businesses located within the boundaries of City of Morgan Hill, as shown on the map in Section III.
- Services:** The MHTBID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions and sports facility management programs will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.
- Budget:** The total MHTBID annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$410,000.
- Cost:** The annual assessment rate is one and a one-half of percent (1.5%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to December 31, 2018.
- Collection:** The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the MHTBID. The City shall take all reasonable efforts to collect the assessments from each lodging business.
- Duration:** The proposed MHTBID will have a five (5) year life, beginning January 1, 2019 through December 31, 2023. Pursuant to Streets and Highways Code §36670, once per year, beginning on the anniversary of MHTBID formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on MHTBID termination.
- Management:** Visit Morgan Hill (VMH) will serve as the MHTBID’s Owners’ Association. The Owners’ Association is charged with managing funds and implementing programs in accordance with this Plan and must provide annual reports to the City Council within ninety (90) days of the MHTBID’s anniversary (January 1).

II. BACKGROUND

Tourism Business Improvement Districts (TBIDs) are an evolution of the traditional Business Improvement District (BID). The first TBID was formed in West Hollywood, California in 1989. Since then, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TBID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TBID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TBIDs without a state law.



California's TBIDs collectively raise over \$250 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Morgan Hill lodging businesses invest in stable, lodging-specific marketing programs.

TBIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TBID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TBIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TBIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TBIDs:

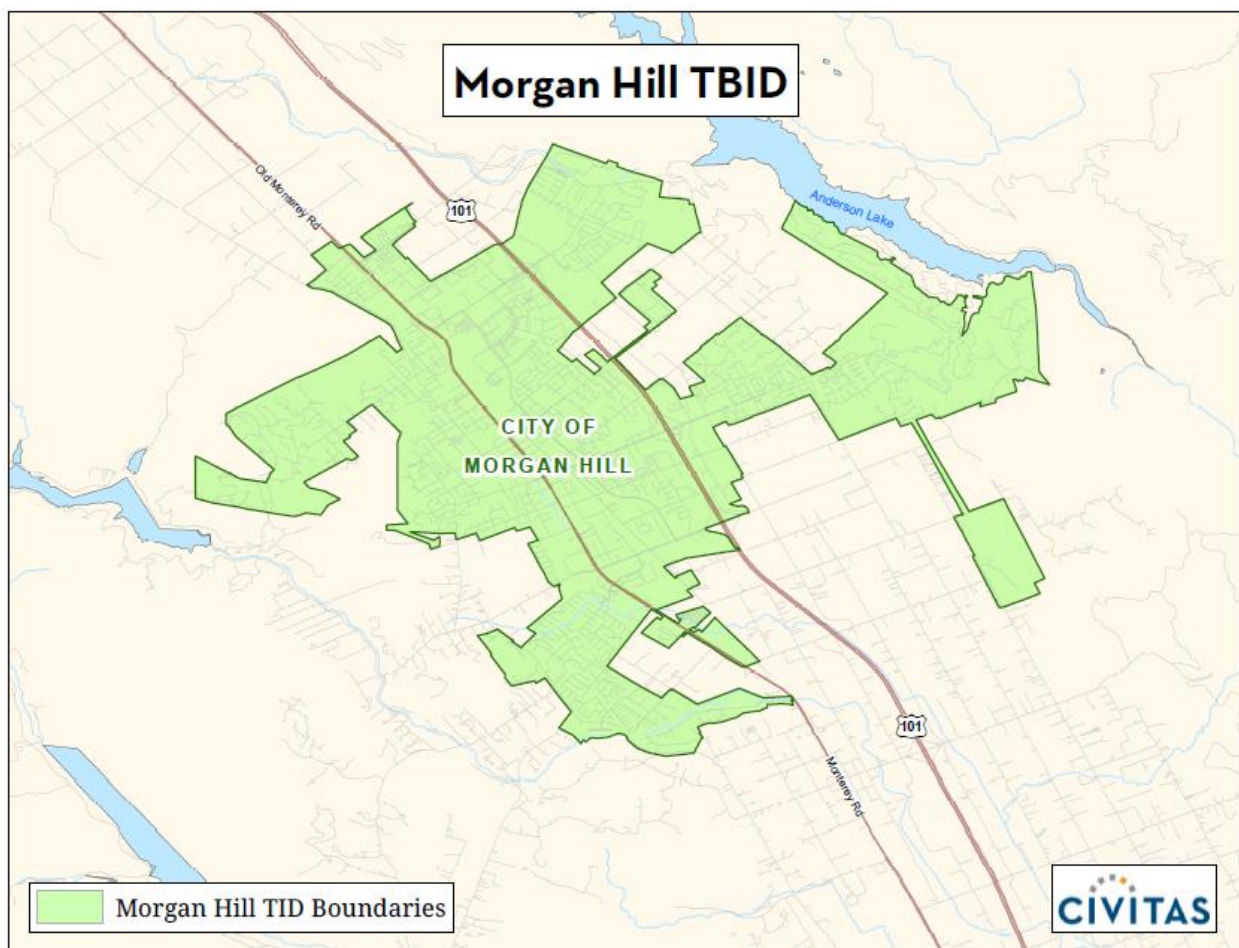
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

III. BOUNDARY

The MHTBID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of City of Morgan Hill.

Lodging business means: any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transient for dwelling, lodging, or sleeping purposes, and includes any hotel, inn, tourist home or house, dormitory, public or private club, recreational vehicle park, mobile home or house trailer at a fixed location located outside a mobile home park and not occupied by employees, operator or owner of said mobile home park, or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes eighteen (18) lodging businesses. A complete listing of lodging businesses within the proposed MHTBID can be found in Appendix 2.

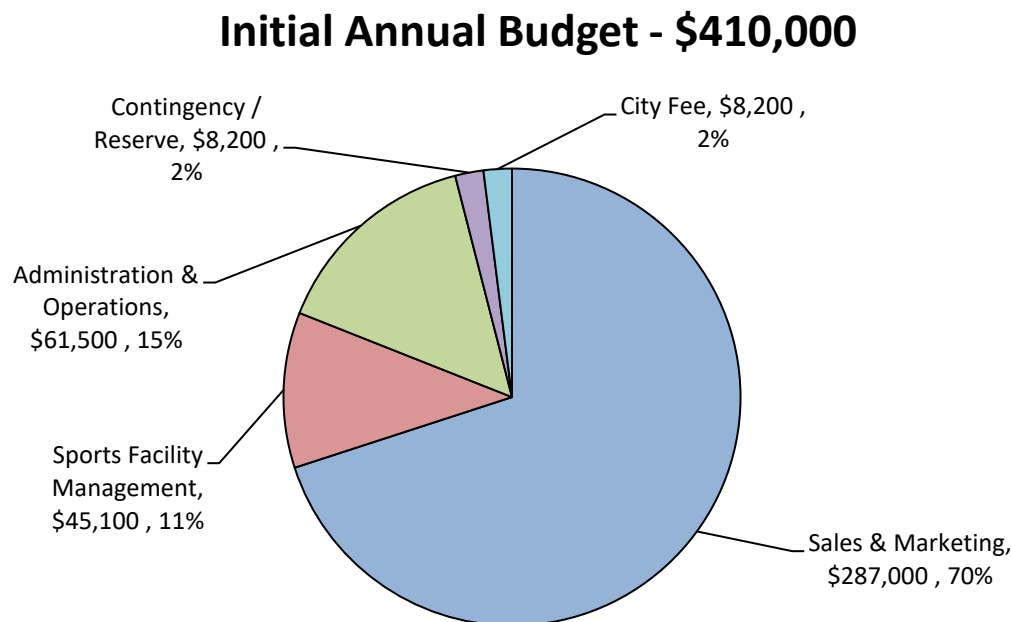


IV. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the MHTBID funds are sales and marketing and sports facility management programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit the assessed businesses. A detailed annual budget will be developed and approved by the Owner's Association, Visit Morgan Hill, Board (VMH). The table below illustrates the initial annual budget allocations. The total initial budget is \$410,000.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the VMH Board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the MHTBID, any and all assessment funds may be used for the costs of defending the MHTBID. In the first year of operation, the costs of creating the MHTBID may be repaid by deducting repayment funds proportionally from budget categories.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by the VMH Board on an as-needed basis.

Sales and Marketing

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Morgan Hill as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Regional tourism promotion and marketing to benefit assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Sales blitzes for assessed businesses;
- Familiarization tours of assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Owners' Association/Visit Morgan Hill staff attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses; and
- Development and maintenance of a website designed to promote assessed businesses.

Sports Promotion, Facilities and Management

The sports promotion, facilities and management portion of the budget shall be utilized for the promotion and improvement of sports facilities, related to the sales and marketing of hotels in the MHTBID to increase the desirability of the City as a place for overnight visits for sports opportunities in Morgan Hill, and may include the following activities:

- Sports marketing and promotion designed to increase overnight visitation and room night sales at assessed businesses;
- Financial incentives to maintain, and attract new sporting events that have a significant impact on lodging business room night generation;
- Improvements to existing sports facilities utilized by overnight visitors designed to create a visitor experience that will bring repeat visits to assessed businesses.

Sports promotion, facilities and management funds shall not be used for ongoing maintenance and operations costs of existing and new sports facilities.

Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

City Administration Fee

The City of Morgan Hill shall be paid a fee equal to two percent (2%) of the amount of assessment collected to cover its costs of collection and administration.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the VMH Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the VMH Board. Contingency/reserve funds may be spent on District programs or administrative and renewal costs in such proportions as determined by the VMH Board. The reserve fund may be used for the costs of renewing the MHTBID.

B. Annual Budget

The total five (5) year improvement and service plan budget is projected at approximately \$410,000 annually, or \$2,050,000 through 2023. This amount may fluctuate as sales and revenue increase and decrease at assessed businesses, but is not expected to change significantly over the term.

C. California Constitutional Compliance

The MHTBID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term ‘assessments’ to levies on real property.¹ Rather, the MHTBID assessment is a business-based assessment and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the MHTBID, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, “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 The services in this Management District Plan (Plan) are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the MHTBID. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the MHTBID, and are narrowly tailored. MHTBID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessee. Assessment funds shall not be used to feature non-assessed lodging businesses in MHTBID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this MHTBID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing and sales and sports facility management programs promoting lodging businesses paying the MHTBID assessment. The marketing and sales and sports facility management programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing and sales and sports facility management programs that specifically benefit

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

² Cal. Const. art XIII C § 1(e)(1)

the assessed lodging businesses, the administration and contingency services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Although the MHTBID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”³

2. Specific Government Service

The assessment may also be utilized to provide, “a 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.”⁴ The legislature has recognized that marketing and promotions services like those to be provided by the MHTBID are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”⁶

3. Reasonable Cost

MHTBID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the VMH, and reports submitted on an annual basis to the City within ninety (90) days of the MHTBID’s anniversary (January 1). Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from MHTBID-funded activities, be featured in advertising campaigns, and benefit from other MHTBID-funded services. Non-assessed lodging businesses will not receive these, nor any other, MHTBID-funded services and benefits.

The MHTBID-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-MHTBID funds. MHTBID funds shall only be spent to benefit the assessed businesses and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is one and a one-half of one percent (1.5%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to December 31, 2018.

The term “gross room rental revenue” as used herein means: the consideration charged, whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor, or otherwise, including all receipts, cash, credits and property, and services of

³ Government Code § 53758(a)

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the "MHTBID Assessment." The assessment is imposed solely upon and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

The MHTBID shall reimburse the City of Morgan Hill for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent MHTBID assessment are sought to be recovered in the same collection action by the City, the MHTBID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any lodging business that fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
2. *Continued Delinquency:* Any lodging business that fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. *Fraud:* If the City determines that the nonpayment of any remittance due is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties stated in paragraphs in 1 and 2 of this subsection E.
4. *Interest:* In addition to the penalties imposed, any lodging business who fails to remit any assessment imposed shall pay interest at the rate of one-half of one percent (0.5%) or fraction thereof on the amount the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

F. Audits

The City may audit those records kept by the lodging business at any time upon reasonable notice to the lodging business. If the audit reveals an underpayment of assessments in excess of ten percent (10%) of the total amount owed to the City for any consecutive three (3) month period during the audit period, the lodging business shall pay the City's actual costs to perform the audit as well as the full amounts, plus penalties and interest of assessment, that the audit reveals should have been remitted to the City.

G. Time and Manner for Collecting Assessments

The MHTBID assessment will be implemented beginning January 1, 2019 and will continue for five (5) years through December 31, 2023. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business. The

City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association, Visit Morgan Hill.

H. Disestablishment

Pursuant to Streets and Highways Code §36670, the MHTBID may be disestablished by resolution of the Morgan Hill City Council if there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the MHTBID and either of the following two (2) circumstances exist.

1. Misappropriation of Funds, Malfeasance, or Violation of Law

If the Morgan Hill City Council finds that there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the MHTBID, it shall notice a hearing on disestablishment.

2. Petition by Assessed Lodging Businesses

During the operation of the MHTBID, there shall be a thirty (30) day period each year in which assessed lodging businesses may request disestablishment of the MHTBID. The first such period shall begin one (1) year after the date of establishment of the MHTBID (January 1, 2020) and shall continue for thirty (30) days. The next such thirty (30) days period shall begin two (2) years after the date of the establishment of the MHTBID (January 1, 2021) and shall continue for thirty (30) days. Each successive year of operation of the MHTBID shall have such a thirty (30) day period.

Upon the written petition of the owners or authorized representatives of assessed lodging businesses who pay fifty percent (50%) or more of the MHTBID assessments levied, the Morgan Hill City Council shall pass a resolution of intention to disestablish the MHTBID.

If either of the two (2) circumstances detailed above exist, pursuant to Streets and Highways Code §36670(b), the Morgan Hill City Council shall adopt a resolution of intention to disestablish the MHTBID prior to holding a public hearing on disestablishment. The resolution of intention shall state the reason for the disestablishment, the time and place of the public hearing, and a proposal to dispose of any assets acquired with the MHTBID assessment revenues. Notice of the public hearing on disestablishment of the MHTBID shall be given by mail to the owner of each assessed lodging business within the MHTBID. The Morgan Hill City Council shall conduct the public hearing not less than thirty (30) days after the notice is mailed. The public hearing shall be held not more than sixty (60) days after the adoption of the resolution of intention to disestablish the MHTBID.

V. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the MHTBID as defined in Streets and Highways Code §36612. The City Council has determined that Visit Morgan Hill (VMH) will serve as the Owners' Association for the MHTBID.

The VMH Board shall be comprised of at least nine (9) directors. Among the minimum nine (9) directors:

- Four (4) directors shall be owners or approved managers of lodging businesses paying the MHTBID assessment; and
- Two (2) directors shall be City of Morgan Hill staff members representing Community Services and Economic Development and shall be appointed by the Morgan Hill City Council; and
- One (1) director shall represent a winery located in Morgan Hill region, be in good standing with the Wineries Association of Santa Clara County; and
- One (1) director shall be a representative of an entity associated with sports recreation tourism involved in Morgan Hill; and
- One (1) director shall be a representative of the community at large with an interest in tourism.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the VMH Board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association, Visit Morgan Hill, is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association, Visit Morgan Hill, shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The VMH Board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1) ~~within ninety (90) days of the MHTBID's anniversary (January 1)~~ within one hundred-twenty (120) days of the MHTBID's fiscal year (June 30). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2018 SUPPLEMENT ***
(ALL 2017 LEGISLATION)

STREETS AND HIGHWAYS CODE DIVISION 18. PARKING PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

- (a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.
- (b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.
- (c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.
- (d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.
- (e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:
 - (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.
 - (2) Job creation.
 - (3) Business attraction.
 - (4) Business retention.
 - (5) Economic growth.
 - (6) New investments.
- (f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.
- (g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.
- (h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.
 - (1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.
 - (2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the

incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions

36606. “Activities”

“Activities” means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. “Assessment”

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. “Business”

“Business” means all types of businesses and includes financial institutions and professions.

36608. “City”

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. “City council”

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

36610. “Improvement”

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

36611. “Management district plan”; “Plan”

“Management district plan” or “plan” means a proposal as defined in Section 36622.

36612. “Owners’ association”

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. “Property”

“Property” means real property situated within a district.

36614.5. “Property and business improvement district”; “District”

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

36614.6. “Property-based assessment”

“Property-based assessment” means any assessment made pursuant to this part upon real property.

36614.7. “Property-based district”

“Property-based district” means any district in which a city levies a property-based assessment.

36615. “Property owner”; “Business owner”; “Owner”

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. “Special benefit”

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law**36617. Alternate method of financing certain improvements and activities; Effect on other provisions**

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment**36620. Establishment of property and business improvement district**

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board

of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
- (b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
 - (1) A map showing the boundaries of the district.
 - (2) Information specifying where the complete management district plan can be obtained.
 - (3) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
 - (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
 - (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

- (a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.
- (d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

- (e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.
- (f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.
- (g) The time and manner of collecting the assessments.
- (h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.
- (i) The proposed time for implementation and completion of the management district plan.
- (j) Any proposed rules and regulations to be applicable to the district.
- (k)
 - (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.
 - (2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.
- (l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.
- (m) In a property-based district, the total amount of general benefits, if any.
- (n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.
- (o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

- (a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.
- (b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay

50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments**36631. Time and manner of collection of assessments; Delinquent payments**

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

- (a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may

classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

- (1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.
- (2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500))

or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

- (1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
- (2) The improvements, maintenance, and activities to be provided for that fiscal year.
- (3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
- (4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
- (5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- (6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

- (a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
- (b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.
- (c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

- (a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:
 - (1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.
 - (2) During the operation of the district, there shall be a 30-day period each year in which assesseses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.
- (b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

- (a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.
- (b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

Business Name	Business Address	City, State, ZIP
Budget Inn	19240 Monterey Rd.	Morgan Hill, CA 95037
Comfort Inn	16225 Condit Rd.	Morgan Hill, CA 95037
Courtyard	18610 Madrone Pkwy.	Morgan Hill, CA 95037
Economy Inn	15080 Monterey Rd.	Morgan Hill, CA 95037
Executive Inn	16505 Condit Rd.	Morgan Hill, CA 95037
Extended Stay America	605 Jarvis Rd.	Morgan Hill, CA 95037
Hampton Inn Morgan Hill	16115 Condit Rd.	Morgan Hill, CA 95037
Holiday Inn Express	17035 Condit Rd.	Morgan Hill, CA 95037
Holiday Motel	16210 Monterey Rd.	Morgan Hill, CA 95037
Granada Hotel*	17440 Monterey Rd.	Morgan Hill, CA 95037
La Quinta	17043 Condit Rd.	Morgan Hill, CA 95037
Maple Leaf RV Park	15200 Monterey Rd.	Morgan Hill, CA 95037
Microtel Inn and Suites	16245 Condit Rd.	Morgan Hill, CA 95037
Morgan Hill Inn	16250 Monterey Rd.	Morgan Hill, CA 95037
Paradise Motel	16310 Monterey Rd.	Morgan Hill, CA 95037
California Inn	16525 Condit Rd.	Morgan Hill, CA 95037
Rancho Motel	19040 Monterey Rd.	Morgan Hill, CA 95037
Residence Inn	18620 Madrone Pkwy.	Morgan Hill, CA 95037

*This business is not yet open.

**NOTICE OF PUBLIC MEETING AND PUBLIC HEARING CONCERNING THE
AMENDMENT OF THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT
DISTRICT (MHTBID) MANAGEMENT DISTRICT PLAN SECTION V. ITEM C.**

NOTICE IS HEREBY GIVEN that on November 4, 2020, at 7:00 PM, the City Council (the “Council”) of the City of Morgan Hill (the “City”) will hold a Public Hearing to amend the Morgan Hill Tourism Business Improvement District (the “MHTBID”) District Management Plan Section V. Item C.

NOTICE IS HEREBY FURTHER GIVEN that the Public Hearing will be held virtually via this link: http://morganhillca.iqm2.com/Citizens/Detail_Meeting.aspx?ID=1933. And this public meeting shall be held pursuant to Government Code section 54954.6 to allow public testimony regarding the amendment of the MHTBID Management District Plan Section V. Item C.

Amendment:

Current MHTBID District Management Plan

Section: V. Governance, C. Annual Report

The VMH Board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1) **within ninety (90) days of the MHTBID’s anniversary (January 1).** The annual report shall include:

Amended MHTBID District Management Plan

Section: V. Governance, C. Annual Report

The VMH Board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1) **within one hundred-twenty (120) days of the MHTBID’s fiscal year (June 30).** The annual report shall include:

Protest:

Any owner of a lodging business within the proposed MHTBID may protest the amendment to the MHTBID Management District Plan. If written protests are received from the owners of lodging businesses in the proposed MHTBID who represent fifty percent (50%) or more of the estimated annual assessments to be levied, the amendment shall not be adopted. You may also participate at the public hearing and submit a protest at that time or mail a written protest to:

Office of the City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Information:

Should you desire additional information about this proposed amendment to the MHTBID Management District Plan, contact Edith Ramirez, Economic Development Director for the City of Morgan Hill at edith.ramirez@morganhill.ca.gov.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 4, 2020

PREPARED BY: Adam Paszkowski, Principal Planner
APPROVED BY: City Manager

APPROVE AMENDMENTS TO THE GENERAL PLAN LAND USE MAP AND ZONING MAP, TENTATIVE PARCEL MAP AND MITIGATED NEGATIVE DECLARATION FOR A MIXED USE DEVELOPMENT ON A 19.67-ACRE SITE (APNS 817-09-039, 817-09-040 AND 817-09-041) (GPA2019-0005/ZA2019-0016/SD2019-0007/EA2019-0023-JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS))

RECOMMENDATION(S)

1. Open/close public hearing;
2. Adopt resolution approving the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for the project;
3. Adopt resolution approving an amendment to the General Plan land use designation;
4. Waive the first and second reading of Zoning Amendment Ordinance;
5. Introduce Zoning Amendment Ordinance; and
6. Adopt resolution approving a Tentative Parcel Map.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Advancing Regional Initiatives

2020-2021 Strategic Priorities

Economic Development

GUIDING DOCUMENTS

Economic Blueprint
Morgan Hill 2035 General Plan

REPORT NARRATIVE:

Location Map:



Project Summary:

1. Location: 16130 Juan Hernandez Drive, on the southeast corner of Barrett Avenue and Juan Hernandez Drive (APNs 817-09-039, 817-09-040 and 817-09-041)
2. Site Area: 19.67± Acres
3. General Plan: Commercial
4. Zoning: CS (Service Commercial) and PD (Planned Development Combining District)

Project Description:

The project proposal, Lillian Commons (also referred to as Juan Hernandez - MH Medical Properties), includes a request for a General Plan Amendment (GPA2019-0005), Zoning Amendment and Planned Development Master Plan (ZA2019-0016), and Tentative Parcel Map (SD2019-0007). Although a Site Review/Design Review Permit is required for site improvements, one has not been submitted to date; however, the proposed conceptual development of the site, and the potential development evaluated in the Initial Study prepared for the project, includes construction of the following: a 4,500 square foot urgent care facility; a 10,000 square foot medical building; a 100,000 square foot medical office/hospital with 55 beds; a three-story parking garage with 500 spaces; a 10,000 square foot commercial retail/restaurant building; and a maximum 200-unit multi-family residential development. Site plans have been provided (Attachment 8).

The 19.67± acre project site is located at the southeast corner of the intersection of Juan Hernandez Drive and Barrett Avenue in the City of Morgan Hill. The project site consists of three existing parcels: two undeveloped adjoining parcels of land, Assessor's Parcel Number (APN) 817-09-041 (13.94± acres) and APN 817-09-039 (4.04± acres), and an existing 12,300 square foot medical office, 3,600 square foot surgical facility, and paved parking lot on APN 817-09-040 (1.69± acres).

Planning Commission Action

The Planning Commission reviewed the project on September 29, 2020 and accepted public comment on the proposed project. During the review of the project, the Commission expressed praise for the hospital and medical uses proposed on the project site but had concerns regarding the amount of housing proposed on the site and discussed ways to reduce or eliminate the housing portion of the site. A major concern of the Commission was that residential would be constructed on the site and the hospital/medical uses would not come to fruition. During the September 29th public hearing, the applicant indicated that there were two different hospitals interested in the site; one of which was interested in developing the entire site with hospital and medical uses and the other represented in the conceptual site plan in which half of the property will be developed with hospital and medical uses and the other half would be developed with residential. Please refer to the September 29, 2020 Planning Commission Staff Report (Attachment 9)

The Commission continued the public hearing to October 13, 2020 to allow time for staff to clarify what options the Planning Commission has and to prepare alternative motions that reflected options for a lower building height for residential uses in the Planned Development Master Plan, reducing the number of uses listed in the Planned Development Master Plan, and considerations for limiting residential uses in the Planned Development Master Plan. Please refer to the October 13, 2020 Planning Commission Staff Report (Attachment 11)

In response to the Commission's request of Staff, the applicant also provided a memo to the Planning Commission (Attachment 10) at their October 13, 2020 meeting indicating that they agreed to 1) reduce the building height for residential development from four stories to three stories; 2) reduce the number of residential units from a maximum of 200 units to a maximum of 150 units; 3) reduce the residential uses on 7.5 to 8 acres of the project site; and 4) that residential will be limited to the northern portion of the project site on proposed Parcel C. The applicant also requested in their memo that the Commission allow residential single-family detached dwellings as a permitted use on Parcel C and that the applicant is not interested in a Development Agreement at this time. In response to reducing residential uses on the site, the applicant also provided the Commission a Land Use Bubble Diagram, Illustrative Site Plan and Tentative Parcel Map indicating the changes to the residential use on Parcel C; as well as relocating driveways/EVAs which are consistent with conditions listed in the Tentative Parcel Map. The applicant indicated at the October 13th Planning Commission meeting that the scenario with residential on Parcel C is the most likely scenario at this time and requested the Commission recommend approval of the PD Master Plan with the above changes.

Mitigated Negative Declaration/Mitigation Monitoring and Reporting Program:

An Initial Study/Mitigated Negative Declaration (IS/MND) was prepared for the project by David J. Powers dated June 2020 in conformance with the California Environmental Quality Act (CEQA). In addition, a Mitigation Monitoring and Reporting Program (MMRP) has been prepared (Attachment 13) for the project which includes all measures

required to reduce potentially significant environmental impacts to a less-than-significant level. In addition, the MMRP identifies the timing of implementation; the agency responsible for implementing the mitigation; and the agency responsible for monitoring the mitigation. The project results in no significant environmental impacts with the inclusion of Standard Conditions and Mitigation Measures for Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hydrology and Water Quality, Noise, and Transportation.

At the October 13, 2020 Planning Commission meeting the Commission voted to recommend approval of the Mitigated Negative Declaration/Mitigation Monitoring and Reporting Program for the project on a 6-1 vote.

General Plan Amendment:

The project includes amending the General Plan for the project site from Commercial to Mixed-Use Flex, to accommodate the proposed residential portion of the project. At the October 13, 2020 Planning Commission meeting the Commission voted to recommend approval of the General Plan land use designation amendment for the site from Commercial to Mixed-Use Flex on a 5-2 vote.

Zoning Amendment:

The project includes rezoning the project site from CS (Service Commercial) to MU-F (Mixed-Use Flex) and the establishment of a PD (Planned Development) combining district which requires the approval of a Zoning Map Amendment. Pursuant to Section 18.30.050.A of the Morgan Hill Municipal Code, “the purpose of the Planned Development (PD) combining district is to allow for high quality development that deviates from standards and regulations applicable to base zoning districts in Morgan Hill. The PD combining district is intended to promote creativity in building design, flexibility in permitted uses, and innovation in development concepts. The PD combining district provides landowners with enhanced flexibility to take advantage of unique site characteristics and develop projects that will provide public benefits for residents, employees, and visitors.”

The PD allows a project to deviate from development standards in the base zoning district (except the maximum floor area ratio and residential density may not exceed maximums established in the General Plan). The applicant has provided a list of Proposed Development Standards for the project site as shown in Table 2 of Section 6.0 of the proposed PD Master Plan (Attachment 14). During the September 29th Planning Commission meeting the applicant requested the following deviations from the proposed MU-F zoning district:

- a. Increasing the maximum height from 35-feet to four stories or 45-feet for residential and office uses and three stories or 52 feet for the hospital use; and
- b. Reducing the minimum rear setback to zero (0) feet.

However, as mentioned previously, at the October 13th Planning Commission meeting the applicant agreed to reduce the maximum height of residential uses to three stories.

Permitted land uses in the PD combining district may deviate from the land use regulations of the applicable base zoning district provided the PD combining district allows only those land uses permitted in the applicable General Plan land use designation. The applicant has provided a revised list of Proposed Land Uses, permitted and conditional, for the project site as indicated in Table 1 of Section 5.0 of the proposed PD Master Plan (Attachment 14). In this list, the applicant has included refined uses that are consistent with the Mixed-Use Flex General Plan land use designation.

During the October 13, 2020 Planning Commission meeting several motions were made regarding the approval of the Zoning Amendment and PD Master Plan. The first motion failed on a 3-4 vote to recommend approval of the Zoning Amendment from CS and PD to MU-F and PD and to modify 'Table 1 PD Master Plan Allowed and Conditional Uses' of the proposed PD Master Plan to not include any residential type uses.

Therefore, another motion was made to recommend approval of the Zoning Amendment and PD Master Plan for Parcel C (the northern half of the project site) only from CS and PD to MU-F and PD and amending 'Table 2 PD Master Plan Development Standards' of the proposed PD Master Plan to limit the maximum height of Residential/Office to 3 stories or 35 feet and to modify the proposed PD Master Plan to limit the number of residential units to 150. The motion also included replacing 'Table 1 PD Master Plan Allowed and Conditional Uses' of the proposed PD Master Plan with 'Table 1-1 Parcel C PD Master Plan Allowed and Conditional Uses' which would only apply to Parcel C and would allow the following as Permitted uses: Hospitals; Medical Offices and Clinics; and Mixed Use Residential (no Conditional uses were included in the motion, although the Commission discussed requiring a Conditional Use Permit for the residential uses on the parcel). The motion also included revising the PD Master Plan to incorporate the revised Land Use Bubble Diagram, Illustrative Site Plan, and Tentative Parcel Map as presented by the applicant at the meeting including the public benefit of a parking lot along the parcel's boundary on Barrett Avenue across from Barrett Elementary. The motion was passed on a 4-3 vote.

The above motion was followed by second motion by the Planning Commission to recommend approval of the Zoning Amendment and PD Master Plan for Parcels A, B and D (the southern half of the project site) from CS and PD to MU-F and PD and creating 'Table 1-2 Parcels A, B and D PD Master Plan Allowed and Conditional Uses' of the proposed PD Master Plan to include the following as Permitted uses: Banks and Financial Institutions; Business Support Services; Commercial Recreation, Indoor <15,000 square feet; Cultural Institutions; General Retail; Hospitals; Instructional Services; Medical Offices and Clinics; Parking Lots and Structures; Parks and Recreational Facilities; Personal Services; and Professional Offices; and the following as Conditional uses: College and Trade Schools; Convenience Market; Community Assembly; Day Care Center; Drive-Through and Drive-In Facilities; Emergency Shelters; Farmers Market; Hotels and Motels; Residential Care Facilities; Residential Care Facilities, Small; Restaurant- Fast Food, Sit Down; School, Public and Private; and Social Services; In addition Accessory Uses would be allowed pursuant to Chapter 18.44 of the City's Municipal Code and Temporary Uses would be allowed pursuant to

Section 18.92.150 of the Code. The motion was passed on a 6-1 vote.

Tentative Parcel Map:

The project includes a Tentative Parcel Map to divide the existing three parcels into four parcels consisting of Parcels A, B, C and D. As mentioned previously, at the October 13th Planning Commission meeting the applicant presented a revised Tentative Parcel Map. Therefore, on October 13, 2020 the Planning Commission made a motion to recommend approval of the Tentative Parcel Map as presented by the applicant on a 6-1 vote.

Should the applicant move forward with single family dwellings or other for-sale units, the Tentative Parcel Map would need to be replaced by a Tentative Subdivision Map.

COMMUNITY ENGAGEMENT: Inform

The proposed project was publicly noticed (mailing to property owners within 600 feet of the project and newspaper legal noticing) for the minimum 10-day period and a sign was posted on the project site pursuant to the Planning Division Requirements. The project was also publicly heard at the September 29, 2020 and October 13, 2020 Planning Commission meetings.

ALTERNATIVE ACTIONS:

The City Council could approve the project with amendments, direct staff to make changes to the request, or deny the proposed project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Prior to the Planning Commission September 29, 2020 and October 13, 2020 meetings, the Planning Commission reviewed the preliminary application associated with this project at their January 28, 2020 meeting. As required by Section 18.30.050 (Planned Development Combining District) of the Morgan Hill Municipal Code, the applicant submitted an application for preliminary input from the Planning Commission on the proposed Planned Development on November 1, 2019. At the time, the applicant was requesting a Preliminary Review Application for a 4,500 square foot urgent care facility, a 10,000 square foot cancer center, a 100,000 square foot medical office/hospital with 55 beds, a parking deck, a 10,000 square foot commercial retail/restaurant building, and a 200 to 220-unit multifamily residential development.

FISCAL AND RESOURCE IMPACT:

The City development review functions are cost-recovery, with fees collected from applicants to cover cost of services. These fees have been collected.

CEQA (California Environmental Quality Act):

An Initial Study/Mitigated Negative Declaration (IS/MND) dated June 2020 was prepared for the project by David J. Powers in conformance with the California Environmental Quality Act (CEQA). The IS/MND was circulated for 30-days from June 30, 2020 to July 30, 2020. In summary, the comments received on the IS/MND did not raise any new issues about the project's environmental impacts, or provide information

indicating the project would result in new environmental impacts or impacts substantially greater in severity than disclosed in the IS/MND.

LINKS/ATTACHMENTS:

1. Resolution - Mitigated Negative Declaration
2. Resolution - General Plan Amendment
3. Ordinance - Zoning Amendment
4. Ordinance - Zoning Amendment Exhibit A
5. Resolution - Tentative Parcel Map
6. Resolution - Tentative Parcel Map - Exhibit A Standard Conditions
7. Resolution - Tentative Parcel Map - Exhibit B
8. Proposed Site Plans (weblink)
9. September 29, 2020 Planning Commission Staff Report and Attachments (weblink)
10. Applicant Response to Planning Commission - Updated PD Master Plan
11. October 13, 2020 Planning Commission Staff Report and Attachments (weblink)
12. Initial Study, Mitigated Negative Declaration, & Response to Comments (weblink)
13. Mitigation Monitoring and Reporting Program (MMRP)
14. PD Master Plan - Dated March 2020
15. Staff Presentation

RESOLUTION NO. 20-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE MITIGATED NEGATIVE DECLARATION THAT WAS PREPARED IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND RECOMMENDING APPROVAL OF A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS) (APNS 817-09-039, 817-09-040 AND 817-09-041)

WHEREAS, prior to the adoption of this Resolution, the Planning Division of the City of Morgan Hill prepared an Initial Study and a Mitigated Negative Declaration for the Juan Hernandez – MH Medical Properties Project (Planning File No's. GPA2019-0005, ZA2019-0016, SD2019-0007 and EA2019-0023) in accordance with the requirements of the California Environmental Quality Act of 1970, as amended (“CEQA”), and state and local guidelines implementing CEQA; and

WHEREAS, the Juan Hernandez – MH Medical Properties Project (“Project”) analyzed under the Initial Study/Mitigated Negative Declaration consists of the request to amend the General Plan land use designation, a Zoning Amendment, subdivide the property into 4 lots, and Planned Development Master Plan for property located on the southeast corner of the intersection of Juan Hernandez Drive and Barrett Avenue (APNs: 817-09-039, 817-09-040 and 817-09-041); and

WHEREAS, in connection with the approval of a project involving the preparation of an Initial Study/Mitigated Negative Declaration that identifies one or more significant environmental effects, CEQA requires the decision-making body of the lead agency to incorporate feasible mitigation measures that would reduce those significant environment effects to a less-than-significant level; and

WHEREAS, whenever a lead agency approves a project requiring the implementation of measures to mitigate or avoid significant effects on the environment, CEQA also requires a lead agency to adopt a Mitigation Monitoring and Reporting Program to ensure compliance with the mitigation measures during project implementation; and

WHEREAS, the City of Morgan Hill is the lead agency on the Project, and the City Council is the decision-making body for the proposed Project; and

WHEREAS, the Planning Commission has reviewed, considered and recommended approval of the Initial Study/Mitigated Negative Declaration and related Mitigation Monitoring and Reporting Program for the Project at their October 13, 2020 meeting; and

WHEREAS, the City Council has reviewed and considered the Initial Study/Mitigated Negative Declaration and related Mitigation Monitoring and Reporting Program for the Project; and

WHEREAS, the Initial Study/Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Project are, by this reference, incorporated into this Resolution as if fully set forth herein; and

WHEREAS, the Project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 89.5 of the California Department of Fish and Game Code.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. THAT THE CITY COUNCIL does hereby make the following findings:

- (1) It has independently reviewed and analyzed the Initial Study/Mitigated Negative Declaration and other information in the record and has considered the information contained therein, prior to acting upon the Project;
- (2) The Initial Study/Mitigated Negative Declaration prepared for the Project has been completed in compliance with CEQA and consistent with state and local guidelines implementing CEQA; and
- (3) The Initial Study/Mitigated Negative Declaration represents the independent judgment and analysis of the City as lead agency for the Project. The Development Services Director of the Development Services Department at 17575 Peak Avenue, Morgan Hill, California 95037, is the custodian of documents and records of proceedings on which this decision is based.
- (4) On the basis of the whole record before it (including the initial study and any comments received), there is no substantial evidence that the project will have a significant effect on the environment with the application of mitigation measures.

SECTION 2. THAT THE CITY COUNCIL does hereby adopt the Mitigation Monitoring and Reporting Program prepared for the Project. The Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program are: (1) on file in the Development Services Department, Planning Division, located at 17575 Peak Avenue, Morgan Hill CA 95037 and (2) available for inspection by any interested person on-line at: <https://www.morgan-hill.ca.gov/2037/Lillian-Commons> rather than in person.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 4th day of November 2020 by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

APPROVED:

ATTEST:

RICH CONSTANTINE, 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.20-XXX, adopted by the City Council at the meeting held on November 4, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. 20-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT GPA2019-0005 TO AMEND THE GENERAL PLAN LAND USE MAP ON A 19.67-ACRE SITE FOR THE JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS) (APNS 817-09-039, 817-09-040 AND 817-09-041) FROM COMMERCIAL TO MIXED-USE FLEX

WHEREAS, the project applicant Lillian Commons, LLC proposes to amend the General Plan land use designation from Commercial to Mixed Use Flex on an 19.67-acre site located on the southeast corner of the intersection of Juan Hernandez Drive and Barrett Avenue (APNs: 817-09-039, 817-09-040 and 817-09-041); and

WHEREAS, the General Plan Amendment to amend the map was reviewed and found to be consistent with the 2035 General Plan; and

WHEREAS, an Initial Study/Mitigated Negative Declaration was prepared and found consistent with the California Environmental Quality Act (CEQA); and

WHEREAS, such request was considered and recommended for approval by the Planning Commission at its regular meeting of September 29, 2020 and October 13, 2020;

WHEREAS, such request was considered by the City Council at its regular meeting of November 4, 2020; 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 MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed General Plan Amendment is found to be consistent with the policies and provisions of the Morgan Hill 2035 General Plan as described in the staff report to the Planning Commission, incorporated herein by this reference.

SECTION 2. An Initial Study and Mitigated Negative Declaration (MND) was prepared in compliance with CEQA. The City Council of the City of Morgan Hill hereby finds that, on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment with the application of mitigation measures and that the Mitigated Negative Declaration reflects the Planning Commission's

independent judgment and analysis, and that the Mitigated Negative Declaration was considered prior to action taken to adopt this Resolution.

SECTION 3. The City Council of the City of Morgan Hill adopts the General Plan Amendment application, GPA2019-0005: Juan Hernandez – MH Medical Properties (Lillian Commons).

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 4th day of November 2020 by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

APPROVED:

ATTEST:

RICH CONSTANTINE, 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.20-XXX, adopted by the City Council at the meeting held on November 4, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

ORDINANCE NO. XXXX

AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING A ZONING MAP AMENDMENT FOR A MIXED-USE FLEX AND PLANNED DEVELOPMENT COMBINING DISTRICT AND MASTER PLAN FOR A MIXED-USE DEVELOPMENT ON A 19.67-ACRE SITE LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF JUAN HERNANDEZ DRIVE AND BARRETT AVENUE (JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS)) (APNS 817-09-041, 817-09-039 AND 817-09-040)

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

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

The project complies with the allowed density range for units and floor area ratio on the site in accordance with the General Plan.

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

The project is a mixed-used development that would provide health care services, retail and housing opportunities within the City.

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

The project is a mixed development proposal consisting of medical, retail and residential development. The project builds off the existing medical offices on the site to provide a complete medical services center; provides a small commercial component with retail/restaurant uses to serve the employees and visitors to the medical office/hospital uses as well as the surrounding community; provide housing for the medical office/hospital uses that would be affordable to the employees of these uses; provide housing in proximity to a school, commercial services and employment opportunities.

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

The proposed development is consistent with the policies established by the General Plan and Zoning Code.

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

The development will allow a mix of compatible uses, including a residential component to provide sustainability to the remainder of the uses, and a retail and medical office/hospital component to provide work opportunities to the neighborhood and community.

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

Several public benefits include a medical center featuring medical offices, urgent care/pharmacy, and hospital beds; high-density housing to achieve Regional Housing Needs Allocation by providing lower income housing units; open space, courtyards, and plazas available to the public that provide opportunities for people to informally meet and gather; pedestrian and bicycle pathways that enhance circulation within the property and connect to the surrounding neighborhood; locate housing in proximity to parks, school, retail and employment opportunities to reduce vehicle miles traveled and greenhouse gas emissions; provide green buildings and sustainable development features, including photovoltaic renewable energy and exceeding Title 24 standards by three to five percent; and provide accessible parks and open space beyond the minimum required.

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

The project site is 19.67-acres and will have a density of 7 to 24 dwelling units per acre and a floor area ratio of 0.42 to 0.5. The size and shape of the site will accommodate the proposed medical, retail, residential and open space uses.

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

The site fronts Juan Hernandez Drive and Barrett Avenue. There are wet and dry utilities and infrastructure in the surrounding area that will support the project.

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

The project is compatible with the surrounding single-family residential uses and Barrett Elementary School and will not have a substantial adverse effect with Conditions of Approval and Mitigation Measures included. The open space and residential uses will provide a suitable buffer between the adjacent single-family residences and school.

SECTION 10. The request was considered by the Planning Commission at its regular meeting of September 29, 2020 and October 13, 2020, at which time the Planning Commission recommended approval of Zoning Amendment application, ZA2019-0016: Juan Hernandez – MH Medical Properties (Lillian Commons) and the Planned Development Master Plan as described in the attached Exhibit “A” dated October 30, 2019, and revised on March 13, 2020, and further revised by applicant on October 6, 2020, and by this reference incorporated herein. The City Council accepts the recommendation of the Planning Commission.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE 4th DAY OF NOVEMBER 2020, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 18th DAY OF NOVEMBER 2020, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

IRMA TOREZ, City Clerk

⌘ CERTIFICATE OF THE CITY CLERK ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. XXXX, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 18th day of November 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

EXHIBIT A

Planned Development Master Plan

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

Lillian Commons/Morgan Hill Medical Campus A Mixed Use Development

Lillian Commons, LLC-Applicant

**October 30, 2019
Revised March 13, 2020**



Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)

**Prepared by
EMC Planning Group**

PD MASTER PLAN ZONING AMENDMENT /
GENERAL PLAN AMENDMENT /
APPLICATION FOR DEVELOPMENT PERMIT

Lillian Commons/Morgan Hill Medical Campus A Mixed Use Development

Prepared for

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March 13, 2020

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1.0

INTRODUCTION

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

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

The PD Master Plan presents the following required information:

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

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

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

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2.0

PLANNING OBJECTIVES

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

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

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3.0

COMMUNITY BENEFITS AND GENERAL PLAN AMENDMENT JUSTIFICATION

3.1 Planned Development Community Benefits

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

- Provide the City with a well-rounded medical center featuring medical offices, urgent care/ pharmacy, and hospital beds.
- Provide the City with additional high-density housing to help the City achieve its Regional Housing Needs Allocation for lower income housing, and construct affordable housing units.
- Provide the neighborhood and City with open space, courtyards, and plazas that provide opportunities for people to informally meet and gather.
- Provide the neighborhood and City with pedestrian and bicycle pathways that enhance circulation within the property and connect to the surrounding neighborhood.
- Locate housing in proximity to parks, a school, retail, and employment opportunities to reduce vehicle miles traveled and greenhouse gas emissions.
- Provide the City with green buildings and sustainable development features. These will include photovoltaic renewable energy and meeting or exceeding Title 24 standards by three to five percent.
- Provide accessible parks and open space beyond the minimum required by the City. Park land will be dedicated to the City and the project will provide a walking/ jogging trail around the perimeter of the property to facilitate healthy living.

3.2 General Plan Amendment Justification

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

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

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

This definition suits the development planned in the PD Master Plan, as the PD Master Plan conceptual Site Plan incorporates housing near the medical office/hospital uses that is intended to be affordable to the employees of these uses. In addition, the conceptual Site Plan incorporates a small commercial component within a 10,000 square foot building, with retail/restaurant uses to serve the employees and visitors to the hospital as well as the surrounding residential community. The conceptual Site Plan shows how the medical office/hospital, commercial, and high-density residential uses will be arranged and connect with one another.

Best Interest of the Community

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

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

The mix of uses will provide convenient retail uses and services adjacent to both the high density residential uses and the medical office/hospital. The medical office/hospital will be located close to a freeway access, and just off two thoroughfares (Tennant Avenue and Butterfield Boulevard) providing convenient access to Morgan Hill residents and those from elsewhere in the region.

Public Need

Is there currently a public need for this amendment?

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

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

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

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

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

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

² [All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.](#)

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4.0

PROPERTY AND DEVELOPMENT DESCRIPTIONS

4.1 Property Description

Location

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

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

Property Characteristics

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

Existing Land Use Designation and Zoning

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

Property Data

Project Location

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

Street Address

0 and 16130 Juan Hernandez Drive, Morgan Hill, CA

Existing Assessor's Parcel Numbers

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

Acreage

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

Net Property Acreage: 4.03, 1.66, and 13.49 (19.18- acres)

Zoning

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

General Plan Designation

Mixed Use Flex (amended from Commercial)

4.2 PD Master Plan Description

General Plan Amendment

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

Zoning Map Amendment

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

Parcel Map

A parcel map will divide the property's three existing parcels into four parcels to facilitate development or sale. The two vacant parcels would be subdivided into three parcels (A-C). The existing medical office site (Parcel D), would be reconfigured and included as part of the overall PD Master Plan. [Figure 9, Tentative](#)

Parcel Map, prepared by the project engineer indicates how the property will be subdivided. The three existing lots will be re-organized into four parcels. Parcel A, 4.17 acres, Parcel B, 1.78 acres, Parcel C, 9.49 acres, Parcel D, 4.13 acres, and 0.10 acres will be dedicated as right-of-way along Barrett Avenue.

Development

Development anticipated within the PD Master Plan would be in the range of 350,000 – 417,696 square feet of residential, commercial, office, and/or institutional uses, including up to 200-150 multi-family dwelling units. All land uses permitted in the PD Master Plan are presented in Section 5.0.

Figure 10, Site Plan is presented in Section 4.5. The conceptual Site Plan includes five uses. The square footage of each use is that provided on the conceptual Site Plan, and could slightly increase or decrease.

- 4,500 square foot urgent care/pharmacy facility on the existing medical site;
- 10,000 square foot medical office as cancer center;
- 100,000 square foot medical office and hospital with a parking deck (multi-story with 54,000 square-foot footprint);
- 10,000 square foot commercial retail/restaurant building; and
- 200-150-unit multifamily residential development ~~(178,500 square feet living units plus clubhouse, and 32,886 square feet covered carports).~~

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

Parcel A

The proposed medical/hospital facility will occupy one building in Parcel A. Two pick-up/drop-off areas are located adjacent to the proposed buildings to assist patients. Development of Parcel A includes a 500-space parking structure that will be shared by the adjacent uses along with access and utility infrastructure. A small park is also located on Parcel A for visitors and employees.

Parcel B

This parcel will be developed with approximately 10,000 square feet of commercial/retail uses, including a 5,000 square-foot sit down restaurant, a 55-space surface parking lot, and access and utility infrastructure. The remaining 5,000 square feet will be available for other personal service or retail uses. The mix of uses within this building will be market driven and could fluctuate over the life of the building.

Parcel C

Parcel C will be developed with 200-150 multifamily residential units ~~in five buildings, a 3,000-square foot leasing office/club house, interior recreation area, covered and uncovered parking for 359-vehicles~~

and bicycles. Additional vehicle parking will be available through a shared parking agreement with the developer of Parcel A. ~~The proposed mix of units consists of 61 one bedroom units and 139 two bedroom units. Two of the five buildings will be three stories, approximately 35 feet tall, and are located closest to Juan Hernandez Drive. The other three buildings will be four stories, approximately 45 feet tall and will be placed around an interior recreation area and swimming pool.~~ Parcel C may also be developed with Single Family attached and detached for-sale dwelling units or other medical office uses.

Parcel D

Parcel D includes two existing medical buildings totaling 15,900 square feet and parking. The existing medical buildings will remain and a new one story 4,500 square foot urgent care/pharmacy medical facility will be constructed on this parcel, located in what is now occupied by a portion of the parking lot, leaving 30 surface parking spaces to remain for the existing medical facility and urgent care/pharmacy. A 10,000 square foot medical office – cancer center and a 66-space surface parking lot will be developed on this reconfigured parcel. Parking for the existing medical building displaced by the proposed urgent care/pharmacy facility will be replaced adjacent to the proposed medical office – cancer center and through a shared parking agreement with the remainder of the medical facility that will be developed on the new Parcel A.

Parkland/Open Space

The PD Master Plan includes the provision of approximately 2.9 acres of parks and open space. Amenities on Parcel C include a swimming pool, hot tub, lounging patio, and tot lot/play area, open play fields, and jogging/walking trail connections to adjacent sidewalk systems. Recreational parkland amenities in Parcel A include passive recreational opportunities with a landscaped area and park benches located between the medical/hospital facility and the commercial uses on Parcel B. Trail connections are provided throughout the property including new pedestrian access to the existing medical campus (Parcel D).

Site Access/Circulation

Access to the project site will be provided by four driveways: the existing driveway to the medical office would be retained and extended to provide secondary access to the medical/hospital facility and cancer center. An additional driveway, approximately 460 feet north of the existing driveway, will provide the primary access to Parcels A-C through the middle of the property. Two additional driveways will provide secondary access to the multifamily residential development from Barrett Avenue. The accessways for all project components are interconnected within the property. All new accessways will be designed to meet City of Morgan Hill design and performance standards for streets, driveways, curb, gutter and sidewalks. The conceptual Site Plan provides a layout of the circulation system for the project.

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

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

Parking

Parking will be located on each parcel and a shared parking agreement will be implemented per Municipal Code Section 18.72.050, on-site parking alternative-Section F, to meet the parking needs of the development. Parking below standards for some uses will be met by implementing a shared parking agreement between the newly created parcels within the property. Additionally, the mix of land uses will result in walking trips that will reduce parking demands for some uses.

Signage and Lighting

A detailed signage and lighting plans will be submitted during the Design Review phase of the project review. Signage and lighting will comply with the City of Morgan Hill Municipal Code, Sections 18.88 and 18.72.060G. We anticipate signage will be located at the intersection of Juan Hernandez Drive and the main access drive into the property, currently labeled as Street A on the conceptual Site Plan. Additional internal signage locations have not been determined at this time.

Storm Water Infrastructure

All drainage systems will be designed to comply with City and Regional Water Quality Control Board requirements for storm water management. Bio swales will be dispersed throughout the development, including a 25-foot wide landscape buffer along the east property line and a storm water basin, located in the southeast corner of the property. All drainage improvements will be designed and landscaped to meet City and State design criteria and performance standards. Where necessary, fencing around the ponds will consist of black chain link or decorative fencing and landscaping to shield views from US Highway 101 and onsite patrons.

Other Utilities

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

Phasing

The proposed project would likely be constructed in phases starting with development of Parcel C, followed by development of Parcels B and D, and closing with the development of Parcel A. The hospital use will require approvals by the Office of Statewide Health Planning and Development (OSHDP) and the Division of the State Architect, some approvals could take as long as seven years, which is why it is expected to be the final element of the project to be developed. Full occupancy of all uses is assumed to occur in the year 2025-2027. Market factors could result in a changed phasing sequence.

Conceptual Development Plans

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

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

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

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

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

Full Size Plans, Illustrative Building Elevations, provided under separate cover, illustrate the building elevations and provide perspective renderings for each building. The building architecture and design are inspired by a distinctly modern and geometric aesthetic, using classical materials for a timeless appearance. The elevations are crafted of warm wood, grey stone and contrasting light stucco. The transparent glazing panes will provide ample daylight and animate the buildings, flooding the interior spaces with natural light and the orthogonal volumes and surfaces complement each other. The parking deck form is reduced in mass by using landscape screens facing US Highway 101.

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

Conceptual Site Development Data

The PD Master Plan's conceptual Site Plan (see Figure 10) is used to provide the numbers that were used to prepare the project description and CEQA documentation. Additional dwelling units or floor area may be achieved on the property. The PD Master Plan allows a range of 350,000 – 417,696 square

feet of commercial, office, and/or institutional floor space and a maximum of ~~200~~ 150 multi-family or single family dwelling units. It is expected the conceptual Site Plan will be modified prior to Design Review. Modification will be kept to a limit acceptable to not trigger additional CEQA impacts or mitigation measures. If the conceptual Site Plan changes exceed this limit, additional CEQA documentation may be necessary.

Medical Office/Cancer Center

Building Coverage: 10,000 square feet

Floor Area: 10,000 square feet

Building Height: One story (25-foot maximum)

Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 2 EV spaces, and 5 bicycle spaces

Medical/Hospital

Building Coverage: 33,333 square feet

Floor Area: 100,000 square feet

Building Height: Three story (52-foot maximum including rooftop equipment)

Parking: 500 shared spaces within deck, including 9 ADA spaces, 10 EV spaces, and 25 bicycle spaces

Decked Parking

Building Coverage: 54,000 square feet

Building Height: Three story (32-foot)

Retail/Restaurant

Building Coverage: 10,000 square feet

Floor Area: 10,000 square feet

Building Height: One story (25-foot)

Parking: 55 spaces, including 3 ADA spaces, 2 EV spaces, and 5 uncovered bicycle spaces

Multi-Family Housing

Building Coverage: 51,750 square feet (apartments and clubhouse/leasing office)³

Floor Area: 175,500 square feet – apartments; 3,000 square feet – club house⁴

Building Height: Varies by building: Three story (35-foot maximum); ~~Four-story (45-foot)~~

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

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

Dwelling Units: 200-150 Units (~~conceptual Site Plan assumes 61 at 1 bedroom and 139 at 2 bedroom, or 200 units~~)

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

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

Urgent Care and Pharmacy

Building Coverage: 4,500 square feet

Floor Area: 4,500 square feet

Building Height: One story (25-foot)

Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 3 uncovered bicycle spaces

Existing Medical Buildings

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

Floor Area: 15,900 square feet

Building Height: One story

Parking: 96 shared spaces, including 30 existing spaces, 4 ADA spaces, 2 EV spaces and 4 uncovered bicycle spaces.

Park

Open Space / Passive Park Acreage: +/- 2.2 acres

Recreation exclusive for Multi-Family: +/- 0.70 acres

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

Total Building Coverage

(Net Property Land Area: 835,391 square feet / 19.18 acres)

Allowed: 417,696 square feet (50% of net land area)

Proposed: Not to exceed 50% (conceptual Site Plan indicates 212,319 square feet (25% of net land area)

Floor Area Ratio (FAR)

(Net Property Land Area: 835,391 square feet / 19.18 acres)

Maximum FAR (per MU-F 0.5): 417,696 square feet

Proposed FAR: (0.42-0.5) 350,000 to 417,696 square feet (conceptual Site Plan indicates 351,786 square feet)

Total Square Feet

(Within buildings/carports on conceptual Site Plan)

Retail/Restaurant: 10,000 square feet

Medical Offices (4): 30,400 square feet

Medical/Hospital: 100,000 square feet

Residential: 178,500 square feet (includes club house/leasing office at 3,000 square feet)

Covered Residential Parking: 32,886 square feet – expected to be carports

Total: 351,786 square feet – (does not include the commercial parking structure)

Total Parking

Proposed Vehicle Parking: 1,010 spaces total (96 compact spaces at bio swales)

Covered Vehicle Parking: 700 spaces (500 spaces within parking structure)

Bicycle Parking: 118 (36 covered spaces, 82 uncovered spaces)

ADA Parking: 28 spaces

Electric Vehicle (EV): 23 spaces

4.3 Implementing Approvals

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

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

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

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

4.4 Ownership and Ongoing Obligations

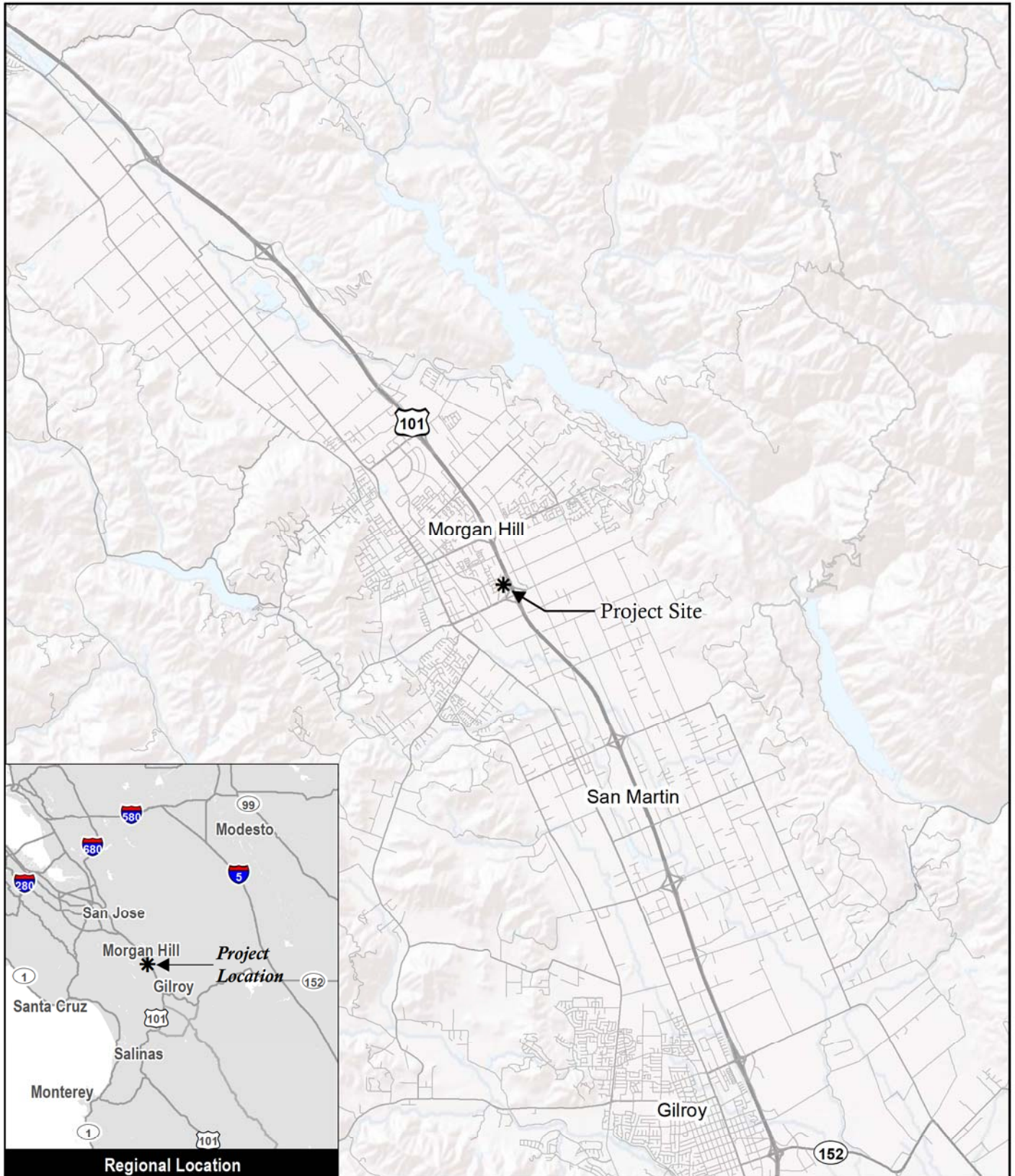
The PD Master Plan, General Plan Amendment, and subdivision proponent seeks to obtain City approval of the General Plan Amendment, PD Master Plan and subdivision entitlements. The applicant/proponent intends to develop Parcel D with the Medical Center (e.g. urgent care/pharmacy, cancer center, medical offices, etc.). The medical /hospital parcel, retail/restaurant parcel, and residential parcel will most likely be sold to end users or to specialized developers.

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

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

4.5 Maps and Diagrams

Maps and Diagrams are presented on the following pages.



Source: ESRI 2019

Figure 1

Regional Location Map

Lillian Commons/Morgan Hill Medical Campus



0 2 miles



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Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)



0 300 feet



Subject Property



Morgan Hill
City Limits

Source: ESRI 2019, Santa Clara County GIS 2018

Figure 2

Vicinity Map



Lillian Commons/Morgan Hill Medical Campus

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Source: Office of the Assessor, County of Santa Clara 2019

Figure 3
Assessor's Parcel Map

Lillian Commons/Morgan Hill Medical Campus
Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)

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SUBMITTAL / REVISION	

LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT
Morgan Hill, California

EXISTING CONDITIONS MAP

SCALE: 1"=50'
DRAWN: GK
JOB No.: 2690.01

SHEET
C1.0

SURVEY NOTES

1. THIS MAP REPRESENTS AN AERIAL TOPOGRAPHIC SURVEY PERFORMED BY WHITSON ENGINEERS ON JUNE 26, 2019. MAPING SCALE IS 20' PER INCH WITH CONTOURS AT ONE FOOT INTERVALS.
2. THIS MAP PORTRAYS THE SITE AT THE TIME OF THE SURVEY AND DOES NOT SHOW SOILS OR GEOLOGY INFORMATION, UNDERGROUND CONDITIONS, EASEMENTS, ZONING OR REGULATORY INFORMATION OR ANY OTHER ITEMS NOT SPECIFICALLY REQUESTED BY THE CLIENT.
3. BOUNDARY LOCATIONS SHOWN HEREON WERE DETERMINED WITH THE BENEFIT OF A FIELD SURVEY SUPPLEMENTED BY RECORD DATA. ALL BOUNDARY SHOWN IS FROM RECORD DATA. THIS TOPOGRAPHY DOES NOT CONSTITUTE A BOUNDARY SURVEY. THERE MAY BE EASEMENTS OR OTHER RIGHTS, RECORDED OR UNRECORDED, AFFECTING THE SUBJECT PROPERTY WHICH ARE NOT SHOWN HEREON.
4. DISTANCES AND DIMENSIONS SHOWN ARE EXPRESSED IN FEET AND DECIMALS THEREOF, UNLESS OTHERWISE NOTED.
5. LOCATING OF UNDERGROUND UTILITIES WAS NOT WITHIN THE SCOPE OF THE TOPOGRAPHIC SURVEY. WITH THE EXCEPTION OF OBSERVED FACILITIES, SIZE AND LOCATION OF UNDERGROUND UTILITIES ARE SHOWN BASED ON AS-BUILT DOCUMENTS PROVIDED BY THE CITY OF MORGAN HILL.

BENCHMARK

LOCAL BENCHMARK TAKEN AS 2-INCH BRASS DISC. ELEVATIONS SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). ELEVATIONS WERE DETERMINED THROUGH STATIC GPS OBSERVATIONS AND THE USE OF THE NATIONAL GEODETIC SURVEY'S ONLINE POSITIONING USER SERVICE (OPUS). A NAVD88 ELEVATION OF 343.77 FEET FOR THE BRASS DISC WAS ESTABLISHED FOR THE LOCAL SITE BENCHMARK DESIGNATED POINT NUMBER 600, SHOWN HEREON.

LEGEND

- | | |
|--|-------------------------|
| | SUBJECT PROPERTY LINE |
| | ADJACENT PROPERTY LINE |
| | CENTERLINE |
| | SANITARY SEWER LINE |
| | WATER LINE |
| | STORM DRAIN |
| | EXISTING CONTOUR |
| | UTILITY MANHOLE |
| | STORM DRAIN CATCH BASIN |
| | FIRE HYDRANT |
| | WATER VALVE |
| | SURVEY MONUMENT (FOUND) |

ABBREVIATIONS

- | | |
|---------|-------------------------|
| AC | ACRE |
| BW | BACK OF WALK |
| CB | CATCH BASIN |
| CH-LNK | CHAIN LINK |
| CONC | CONCRETE |
| EP | EDGE OF PAVEMENT |
| FL | FLOWLINE |
| GR | GRATE |
| HP | HIGH POINT |
| INV | INVERT |
| JP | JOINT POLE |
| LP | LOW POINT |
| MH | MANHOLE |
| OH | OVERHEAD |
| PL | PROPERTY LINE |
| SD | STORM DRAIN |
| SS | SANITARY SEWER |
| TC | TOP OF CURB |
| TS | TRAFFIC SIGNAL |
| WV | WATER VALVE |
| WM | WATER METER |
| x271.19 | EXISTING SPOT ELEVATION |

PROJECT TEAM

CIVIL ENGINEER / SURVEYOR

WHITSON ENGINEERS
6 HARRIS COURT
MONTEREY, CA 93940

(831) 649-5225

ARCHITECT

EVOCO ARCHITECTURE
160 SOUTH LINDEEN AVENUE, SUITE 210
SOUTH SAN FRANCISCO, CA 94080

(415) 312-0454

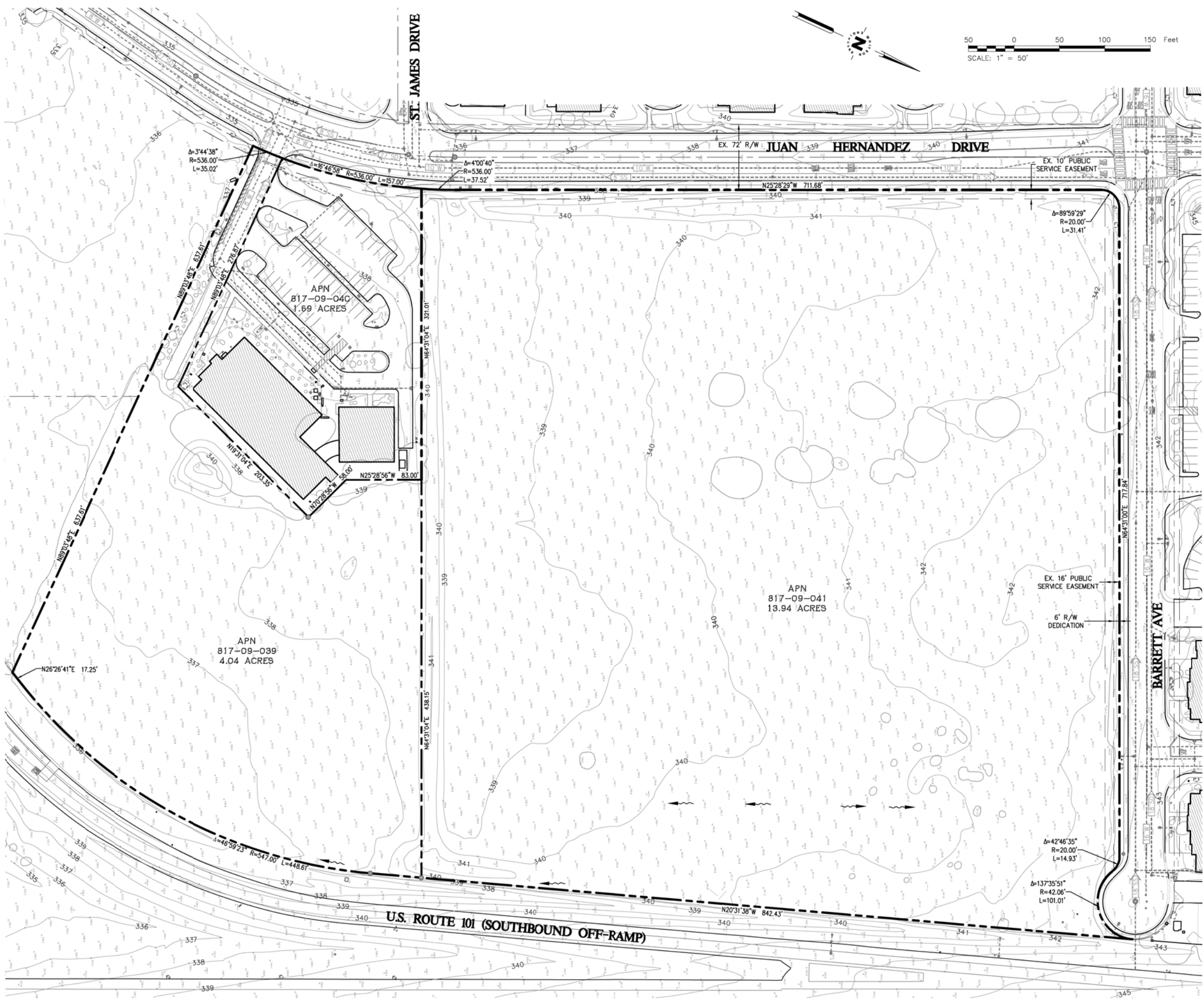
LANDSCAPE ARCHITECT

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6179 ONEIDA DRIVE
SAN JOSE, CA 95123

(408) 691-5207

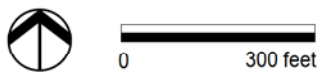
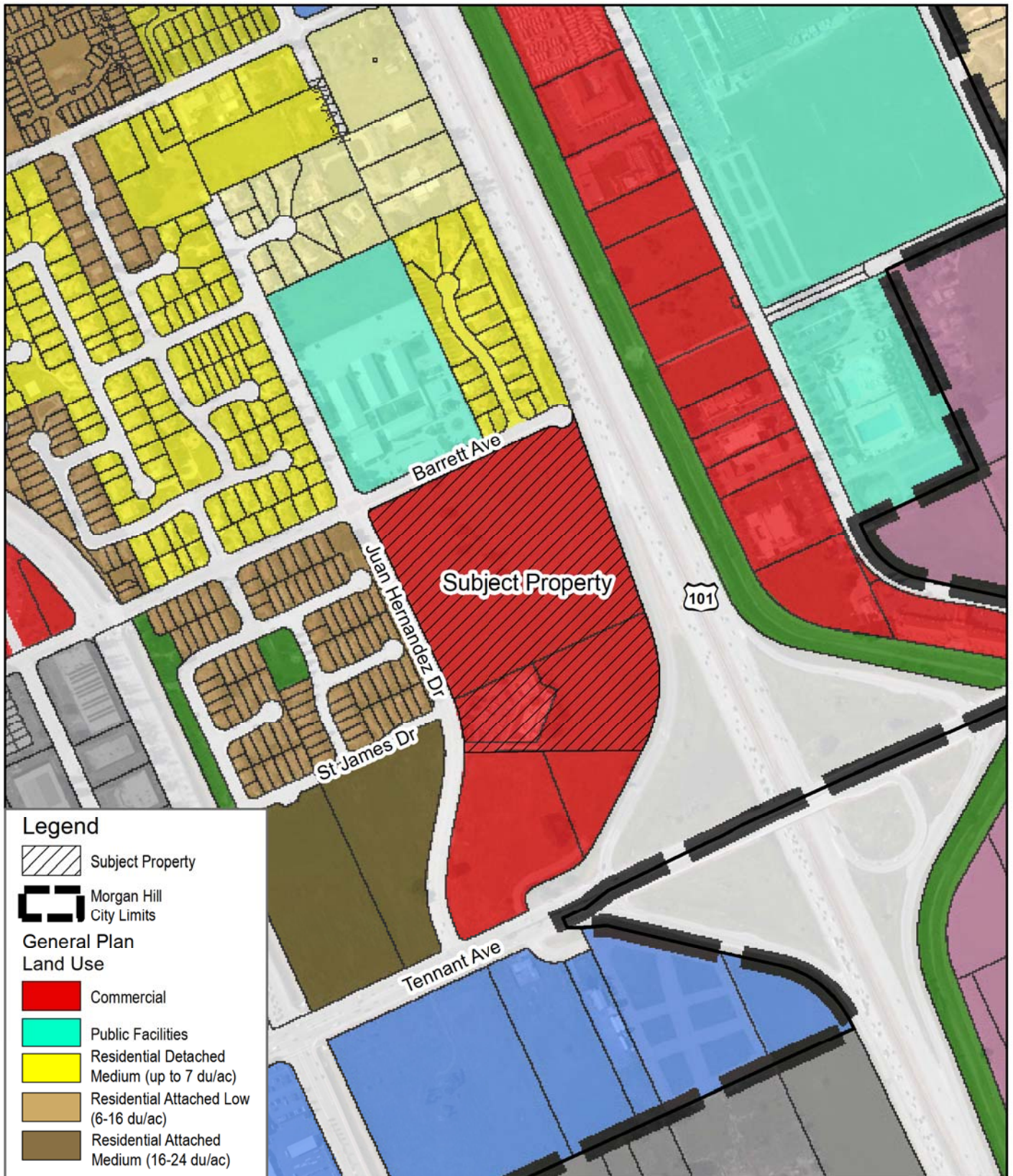
SHEET INDEX

- | | |
|------|----------------------------------|
| C1.0 | EXISTING CONDITIONS MAP |
| C2.0 | CONCEPTUAL SITE AND UTILITY PLAN |
| C2.1 | CONCEPTUAL GRADING PLAN |



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Source: ESRI 2019, Santa Clara County 2017

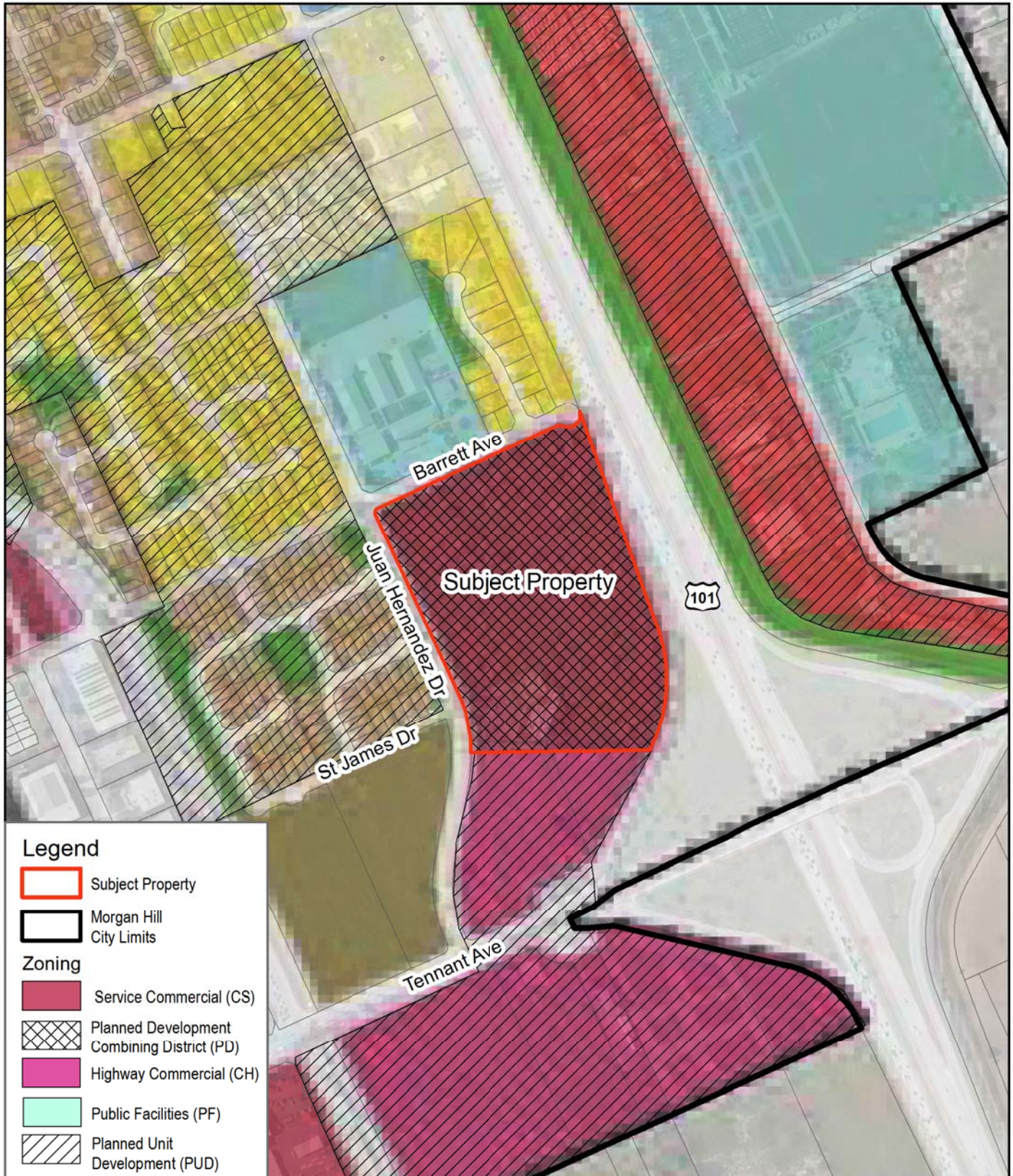
Figure 5

Existing City General Plan Land Use Map

Lillian Commons/Morgan Hill Medical Campus



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Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)

Figure 6

Existing City Zoning Map

Lillian Commons/Morgan Hill Medical Campus

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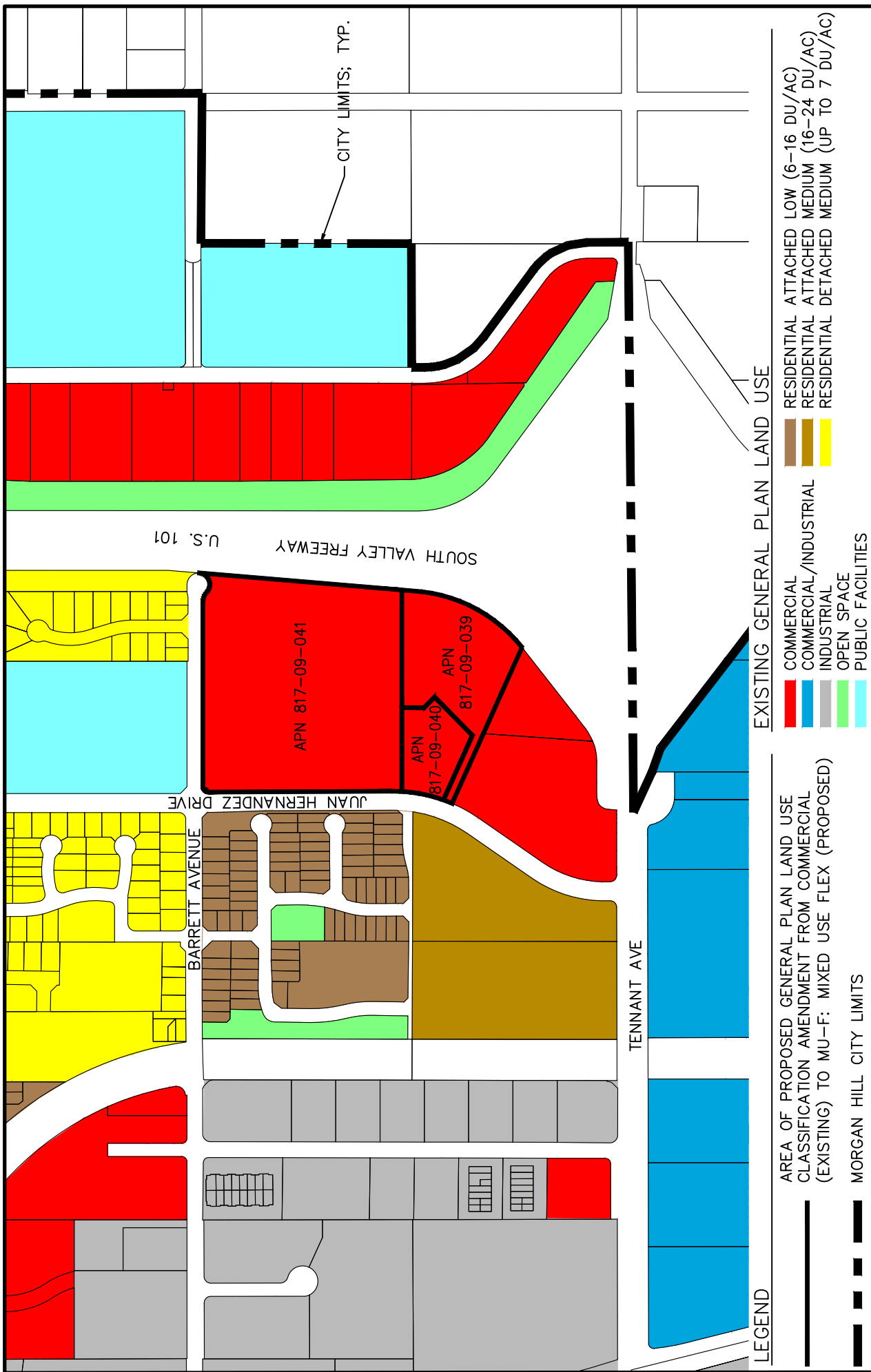


FIGURE 7 - PROPOSED GENERAL PLAN AMENDMENT TO THE CITY OF MORGAN HILL ENTITLED 0 JUAN HERNANDEZ DRIVE,

PREPARED BY:
 HITSON ENGINEERS
 HARRIS COURT
 MONTEREY, CA 93940
 (415) 649-5225

TOE

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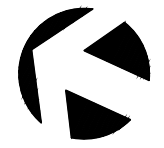
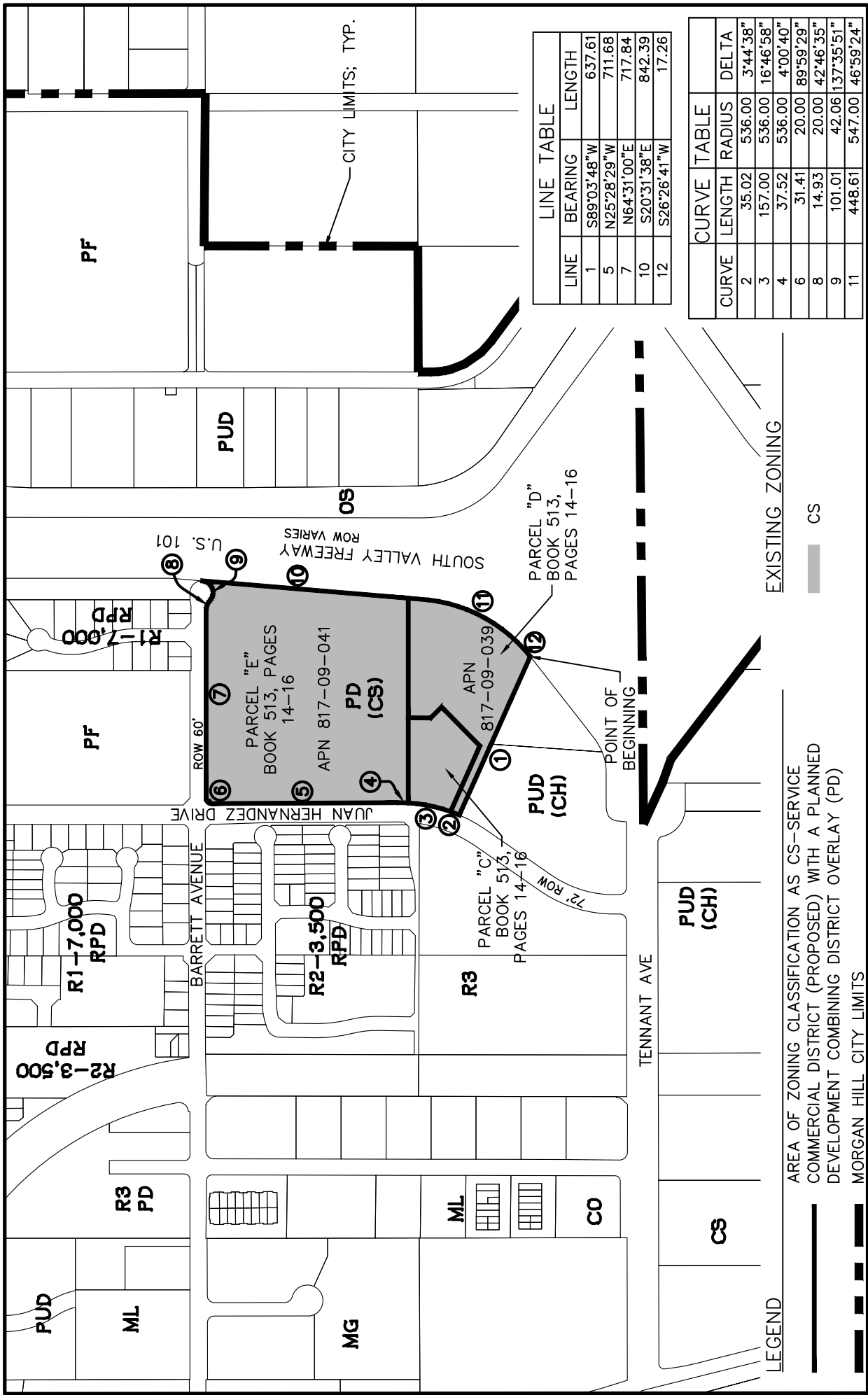
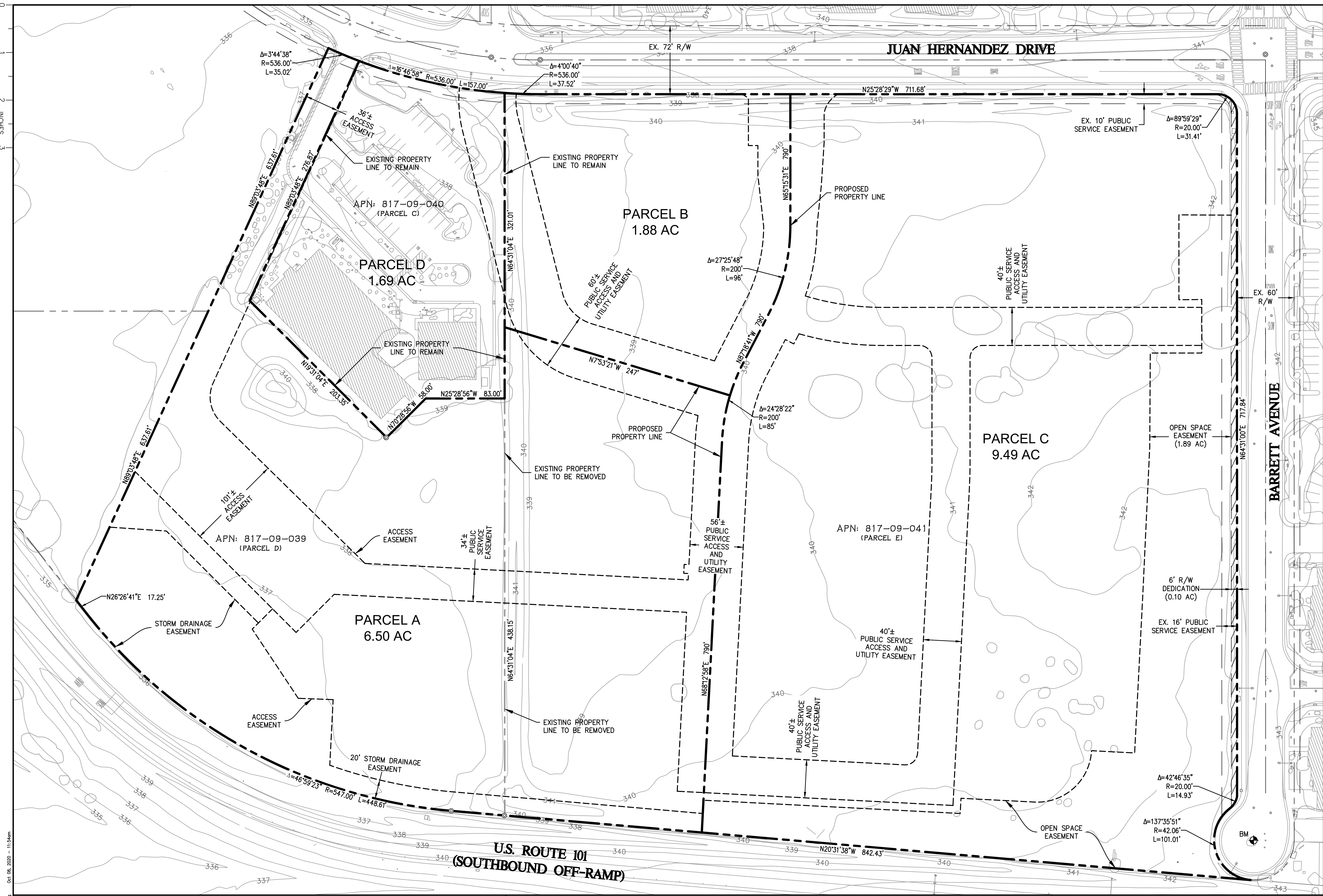


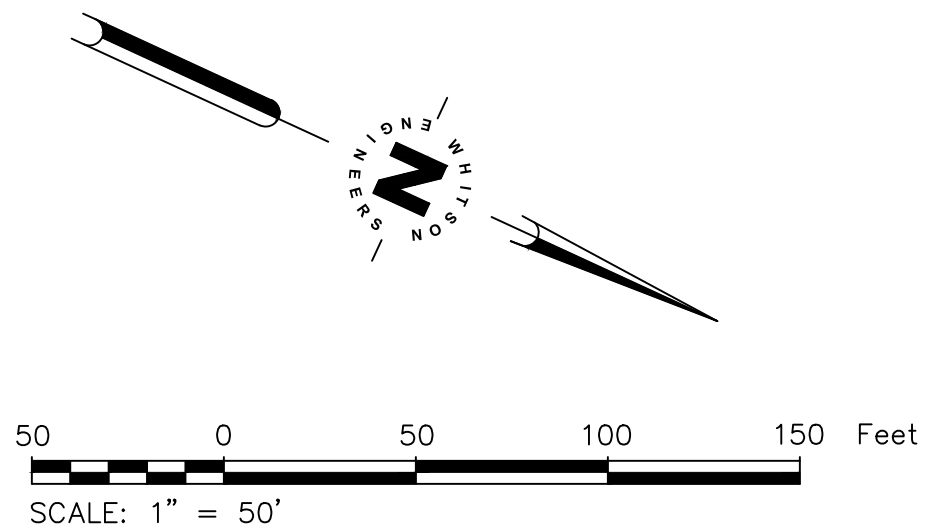
FIGURE 8 - MAP SHOWING ZONING LANDS OF 0 JUAN HERNANDEZ DRIVE, MORGAN HILL, BEING A PART OF ORDINANCE No. 11.d

PREPARED BY:
 HITSON ENGINEERS
 HARRIS COURT
 MONTEREY, CA 93940
 (415) 649-5225
 TOE

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SUBDIVISION NOTES

PROPERTY DATA ASSESSORS' PARCEL NO.:	817-09-039 817-09-040 817-09-041
LOCATION OF PROPERTY:	0 JUAN HERNANDEZ DRIVE
EXISTING LAND USE:	COMMERCIAL
PROPOSED LAND USE:	MIXED USE-FLEX (MU-F)
EXISTING AND PROPOSED ZONING:	SERVICE COMMERCIAL (CS) WITH A PLANNED DEVELOPMENT (PD) OVERLAY

OFF-SITE UTILITIES:
STORM DRAINAGE
SANITARY SEWER
WATER
GAS & ELECTRIC
TELEPHONE

CITY OF MORGAN HILL
CITY OF MORGAN HILL
CITY OF MORGAN HILL
PACIFIC GAS & ELECTRIC
VERIZON

NOTES:

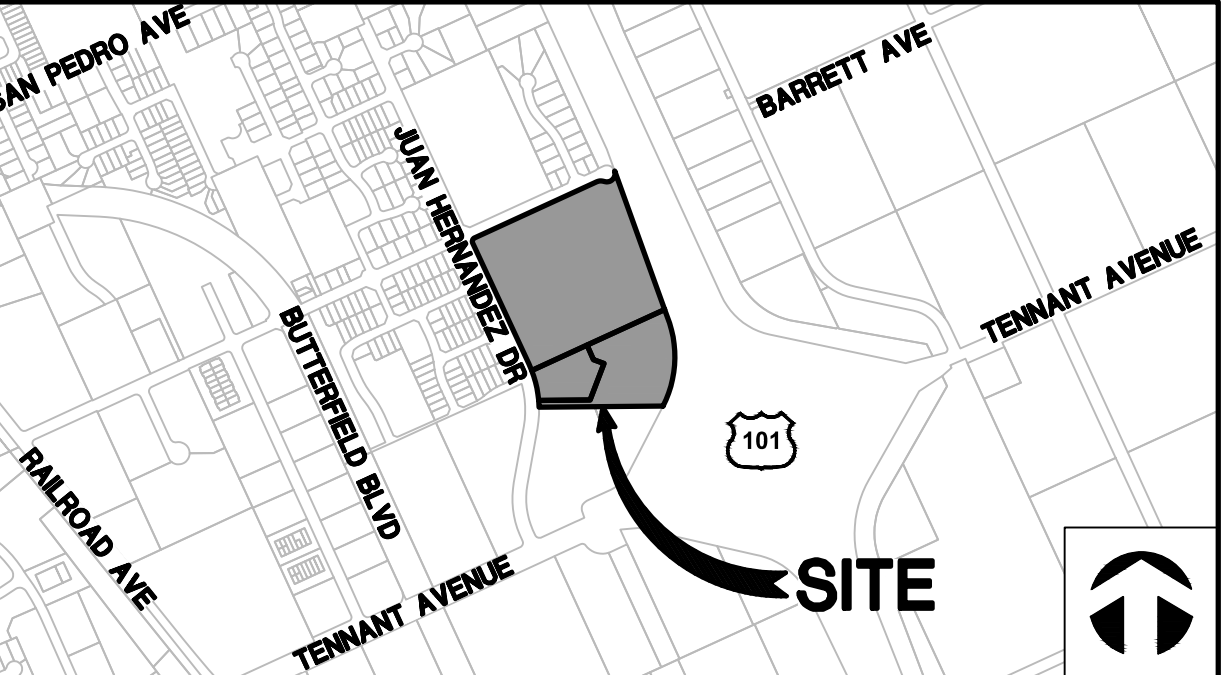
- SUBDIVIDER SHALL CONFORM TO THE REQUIREMENTS OF THE CITY OF MORGAN HILL CODE OF ORDINANCES CHAPTER 17.32 IN REGARDS TO SUBDIVISION IMPROVEMENTS.
- LOT DIMENSIONS AND EASEMENT LOCATIONS ARE PRELIMINARY AND SUBJECT TO CHANGE PENDING FINAL ENGINEERING DESIGN.
- THE PROJECT WILL BE PHASED.

ON-SITE UTILITIES:
STORM DRAINAGE
SANITARY SEWER
WATER
GAS & ELECTRIC
TELEPHONE

PRIVATE
PRIVATE
CITY OF MORGAN HILL
PACIFIC GAS & ELECTRIC
VERIZON

PARCEL SUMMARY

DESCRIPTION	AREA (AC)
PARCEL A	6.50
PARCEL B	1.88
PARCEL C	9.49
PARCEL D	1.69
R/W DEDICATION	0.10
TOTAL	19.67



VICINITY MAP

SCALE: 1" = 1000'

ABBREVIATIONS/LEGEND

	GROUND CONTOUR
	PROPOSED PROPERTY LINE
	EXISTING PROPERTY LINE TO BE REMOVED
	ADJACENT PROPERTY LINE
	CENTERLINE
	EXISTING EASEMENT
	PROPOSED EASEMENT
	TREE DRIP LINE
	BENCHMARK
	SURVEY MONUMENT
	RIGHT OF WAY DEDICATION

LEGAL DESCRIPTION

PARCELS C, D AND E, AS SAID PARCELS ARE SHOWN AND SO DESIGNATED ON THE PARCEL MAP FILED FOR RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16, SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.

BENCHMARK

LOCAL BENCHMARK TAKEN AS 2-INCH BRASS DISC. ELEVATIONS SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). ELEVATIONS WERE DETERMINED THROUGH STATIC GPS OBSERVATIONS AND THE USE OF THE NATIONAL GEODETIC SURVEY'S ONLINE POSITIONING USER SERVICE (OPUS). A NAVD88 ELEVATION OF 343.77 FEET FOR THE BRASS DISC WAS ESTABLISHED FOR THE LOCAL SITE BENCHMARK DESIGNATED POINT NUMBER 600, SHOWN HEREON.

PROJECT TEAM

OWNER/APPLICANT

LILLIAN COMMONS, LLC
782 SLEEPER AVENUE
MOUNTAIN VIEW, CA 94040

(605) 575-9608

PLANNER

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EVOCO ARCHITECTURE
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DEEPAK PATANKAR
(415) 312-0454



TENTATIVE PARCEL MAP
0 JUAN HERNANDEZ DRIVE
PROPOSED SUBDIVISION OF
PARCELS C, D, AND E AS SHOWN ON
BOOK 513 OF MAPS ON PAGE 16
CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA



Civil Engineering
Land Surveying
6 Harris Court
Monterey, California
831.649.5225
whitsonengineers.com

ORIGINAL: SEPTEMBER 25, 2020

REVISED: OCTOBER 6, 2020

PROJECT No. 2690.01

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Lillian Commons / Morgan Hill Medical Campus

SITE DATA:

APN: 817-09-039, 040 and 041

Site Area: GLA -19.67 AC, 856,782 SF

Structure Size:

Parcel A - Proposed Medical Office / Hospital - 4.17 AC
100,000 SF, 500 Pkg. Spaces
0.44 AC Passive Park

Parcel B - Proposed Commercial/Restaurant - 1.78 AC
10,000 SF, 55 Pkg. Spaces

Parcel C - Proposed Residential Apartments - 9.49 AC
175,500 SF Res., 359 Pkg. Spaces
3,000 SF Leasing Office/Club House
2.42 AC Park/Recreation

Parcel D - Proposed Urgent Care/ Existing Medical - 4.13 AC
15,900 SF Ex. Medical
4,500 SF Proposed Urgent Care
10,000 SF Proposed Medical Office,
96 Pkg. Spaces

Right-of-way Dedication - 0.10 AC

Zoning: Service Commercial - CS w/ PD Overlay

Existing General Plan Designation: Commercial

Proposed General Plan Amendment: Mixed Use Flex

Parking: Total Required 1,161 spaces/ Provided 1,010 spaces*

Required: Medical Office / Hospital @ 1/200 = 652 spaces

Proposed: Medical Office / Hospital @ 1/219 = 596 spaces

Required: Retail/Restaurant @ 1/250 and 1/100 = 70 spaces
(Assumes 5,000 Retail and 5,000 Restaurant)

Proposed: Retail/Restaurant 55 spaces

Required: Apartments @ 1.5/1 bdrm and 2.0/2 bdrm = 375 spaces

Guest Parking at 1/3 DU = 68 spaces Total = 443 (203 covered)

Proposed: Apartments 359 spaces

*Shared parking proposed per Municipal Code Section 18.72.050

Lot Coverage:

Building = 212,319 SF (25% NLA)

Parking/Driveways = 227,804 SF

Landscape/Storm Water Mgmt. = 335,045 SF

Hardscape = 81,614 SF

Floor Area Ratio: 351,786 SF (0.42%)

LEGEND:

- Site Boundary (Whitson Engineering)
- ▒ Structures on Site
- ▒ Parking Carports



0 50' 100'

Figure 10

SITE PLAN

PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA

October 30, 2019

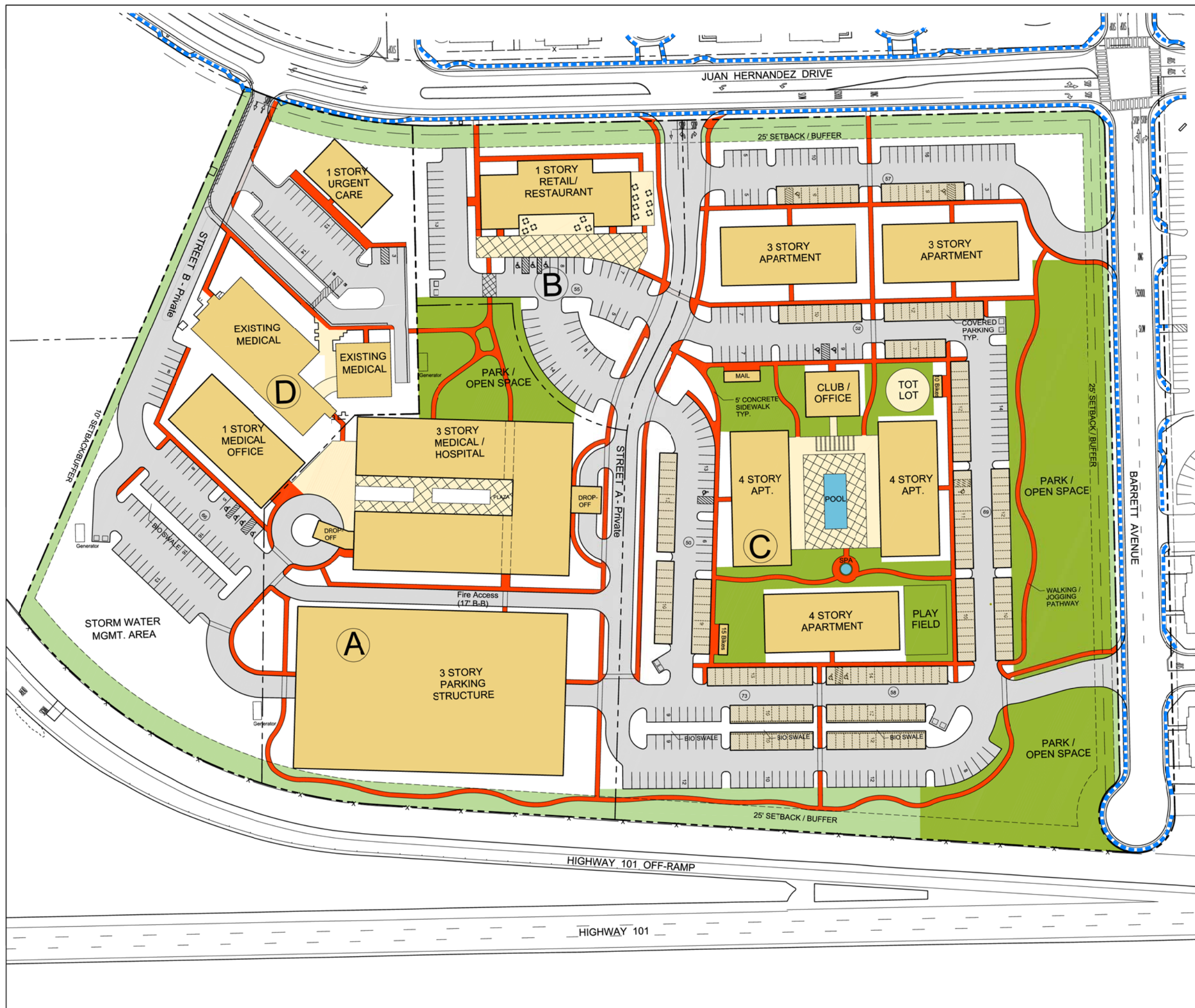


EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM

Monterey, CA 831.649.1799 www.emcplanning.com

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Lillian Commons / Morgan Hill Medical Campus



- LEGEND
- Buildings / Carports
 - Existing Sidewalks
 - Walkways / Jogging Paths
 - Gathering Areas
 - Park / Recreation / Open Space
 - Landscape Buffers / Open Space

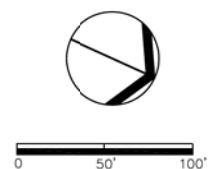


Figure 11
PEDESTRIAN CIRCULATION /
OPEN SPACE PLAN
PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA
October 30, 2019



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com

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Lillian Commons / Morgan Hill Medical Campus

SITE DATA:

APN: 817-09-039, 040 and 041

Site Area: GLA -19.67 AC, 856,782 SF

Parcel A - Proposed Medical Office / Hospital - 6.50 AC
100,000 - 130,00 SF, 566 Pkg. Spaces

Parcel B - Proposed Commercial/Restaurant - 1.88 AC
10,000 SF, 50 Pkg. Spaces

Parcel C - Proposed Residential - 9.49 AC
150 Dwelling Units Maximum
1.98 AC Park/Recreation
School Drop-off/Pick-up Lot

Parcel D - Proposed Urgent Care/ Existing Medical - 1.69 AC
15,900 SF Ex. Medical
4,500 SF Proposed Urgent Care
31 Pkg. Spaces

Right-of-way Dedication - 0.10 AC

Zoning: Service Commercial - CS w/ PD Overlay

Existing General Plan Designation: Commercial

Proposed General Plan Amendment: Mixed Use Flex

Parking: Total Required 790 spaces/ Provided 895 spaces*

Required: Medical Office / Hospital @ 1/200 & other = 452 spaces

Proposed: Medical Office / Hospital @ 1/200 & other = 597 spaces

Required: Retail/Restaurant @ 1/250 and 1/100 = 70 spaces

(Assumes 5,000 Retail and 5,000 Restaurant)

Proposed: Retail/Restaurant 50 spaces

Required: SF Residential (2 covered per DU + guest pkg.) 268 spaces

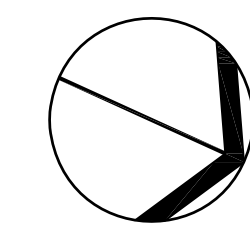
Proposed: SF Residential (2 covered per DU + guest pkg.) 268 spaces

*Shared parking proposed between Parcels per Municipal Code Section 18.72.050

Floor Area Ratio: 417,696 SF (0.5% max.)

LEGEND:

- Buildings
- Buffers / Open Space
- Sidewalks/Pathways
- Landscaping
(See Landscape Plan for Details)
- Park / Recreation



0 50' 100'

Figure 12

ILLUTRATIVE SITE PLAN

PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA

October 30, 2019

Revised October 6, 2020



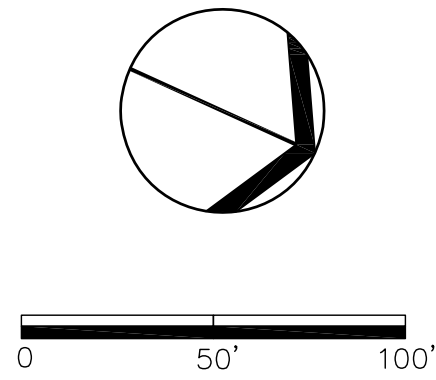
EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM

Monterey, CA 831.649.1799 www.emcplanning.com



Lillian Commons / Morgan Hill Medical Campus

SITE DATA:
APN: 817-09-039, 040 and 041
Site Area: GLA -19.67 AC, 856,782 SF
Mix Use Parcels:
Medical Campus - 8.19 AC, 42% of GLA
Commercial - 1.88 AC, 10% of GLA
Residential - 7.51 AC, 38% of GLA
Park - 1.98 AC, 10% of GLA
Right-of-way Dedication - 0.10 AC



LAND USE BUBBLE DIAGRAM
PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA
October 6, 2020



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com

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PROJECT DATA

1.

PROPERTY DATA:
ASSESSORS PARCEL NO.: 817-09-039
817-09-040
817-09-041
3.

EXISTING SITE:
PERVIOUS: ±18.51 AC
IMPERVIOUS: ±1.16 AC
TOTAL AREA: ±19.67 AC
4.

PROPOSED SITE:
PERVIOUS: ±8.82 AC
IMPERVIOUS: ±10.75 AC
RIGHT OF WAY DEDICATION: ±0.10 AC
TOTAL AREA: ±19.67 AC
5.

OFF-SITE UTILITIES:
STORM DRAINAGE CITY OF MORGAN HILL
SANITARY SEWER CITY OF MORGAN HILL
WATER/FIRE CITY OF MORGAN HILL
GAS & ELECTRIC PACIFIC GAS & ELECTRIC
TELEPHONE VERIZON

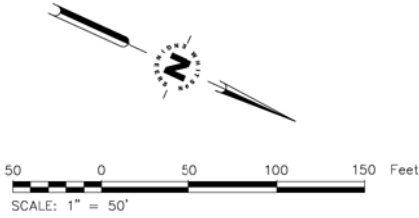
ON-SITE UTILITIES:
STORM DRAINAGE PRIVATE
SANITARY SEWER PRIVATE
WATER/FIRE PRIVATE
GAS & ELECTRIC PACIFIC GAS & ELECTRIC
TELEPHONE VERIZON
6.

ESTIMATED PRELIMINARY EARTHWORK:
CUT: ±30,000 CY
FILL: ±30,000 CY
NET BALANCE
7.

LEGAL DESCRIPTION:
PARCELS C, D AND E, AS SAID PARCELS ARE SHOWN AND SO DESIGNATED ON THE PARCEL MAP FILED FOR RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16, SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.
8.

PARCEL AREAS:
PARCEL A 4.17 AC
PARCEL B 1.78 AC
PARCEL C 9.49 AC
PARCEL D 4.13 AC
R/W DEDICATION 0.10 AC
TOTAL AREA: 19.67 AC
9.

BUILDING SETBACKS:
FRONT 25'
REAR 0'
SIDE 0'
STREET 15'



CONSTRUCTION KEYNOTES:

1. SOUTHBOUND LEFT TURN LANE CHANNELIZATION PER TRAFFIC STUDY.
2. STORMWATER BASIN SIZED TO DETAIN THE 10-YEAR, 24-HOUR STORM EVENT, INCLUDING FLOW CONTROL STRUCTURE TO LIMIT POST-PROJECT PEAK FLOWS TO PRE-PROJECT PEAK FLOWS FOR THE 2- THROUGH 10-YEAR STORM EVENTS.
3. CONNECT TO EXISTING WATER MAIN.
4. CONNECT TO EXISTING SEWER MAIN.
5. CONNECT TO EXISTING STORM DRAIN.
6. ACCESSIBLE PARKING. SEE SITE PLAN FOR PARKING COUNT AND REQUIREMENTS.
7. TRASH ENCLOSURE.
8. DOMESTIC WATER BACKFLOW DEVICE.
9. FIRE MAIN DOUBLE CHECK ASSEMBLY.
10. FIRE HYDRANT.

CONSTRUCTION PLAN LEGEND

- #

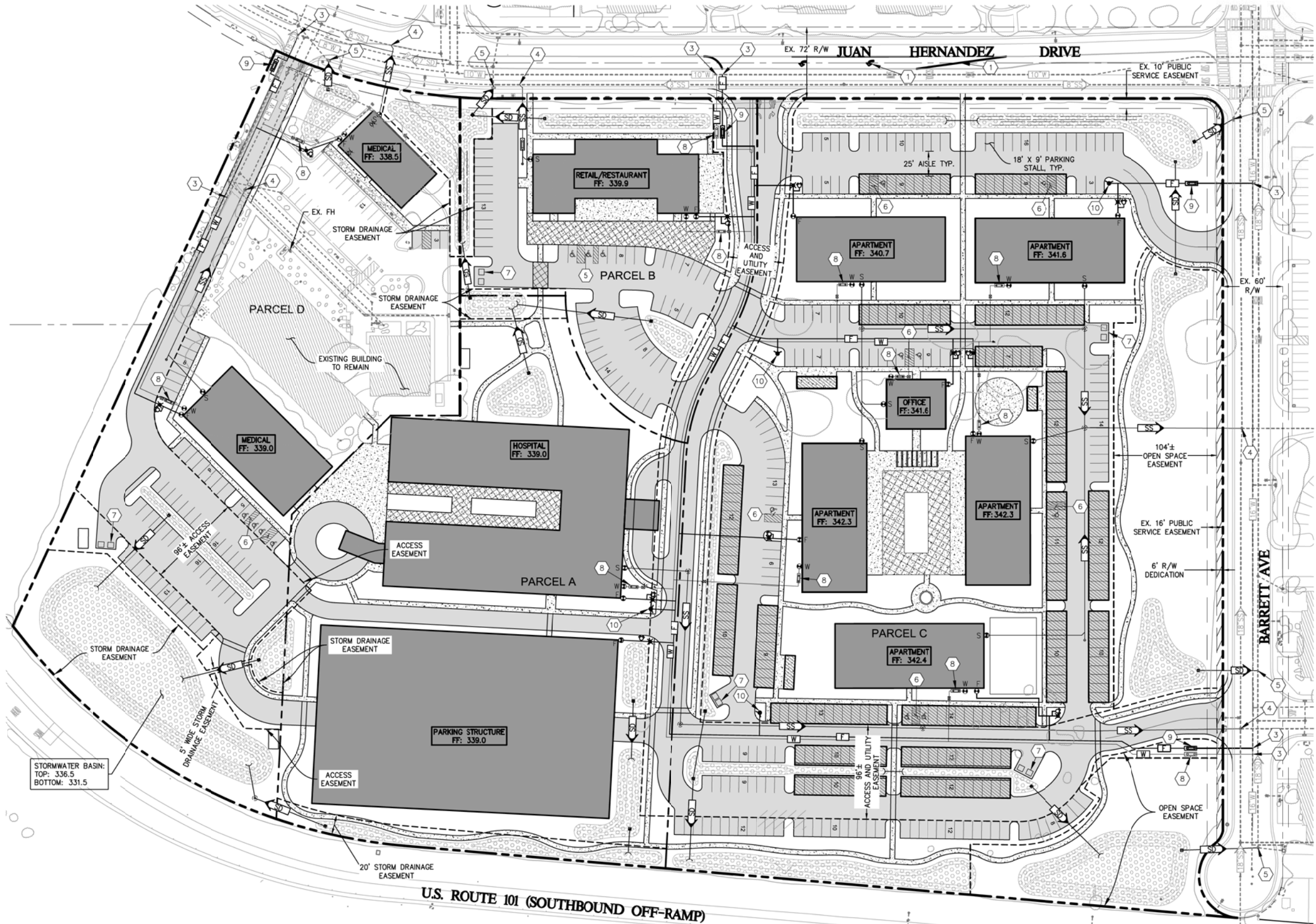
CONSTRUCTION KEYNOTE
- ASPHALT PAVING
- PROPOSED BUILDING
- CONCRETE WALKS AND FLATWORK
- 2

STORMWATER BIORETENTION OR BIOSWALE
- PROPOSED CARPORT/SHADE STRUCTURE
- RIGHT OF WAY DEDICATION
- PROPERTY LINE (EXISTING)
- PROPOSED PROPERTY LINE
- S

SEWER BUILDING POINT OF CONNECTION
- W

WATER BUILDING POINT OF CONNECTION
- F

FIRE BUILDING POINT OF CONNECTION
- FIRE DEPARTMENT CONNECTION AND POST INDICATOR VALVE
- UTILITY MANHOLE
- CLEANOUT



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LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT

Morgan Hill, California

CONCEPTUAL SITE AND UTILITY PLAN

SCALE: 1"=50'

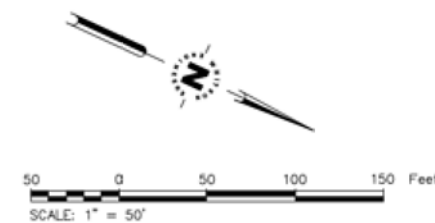
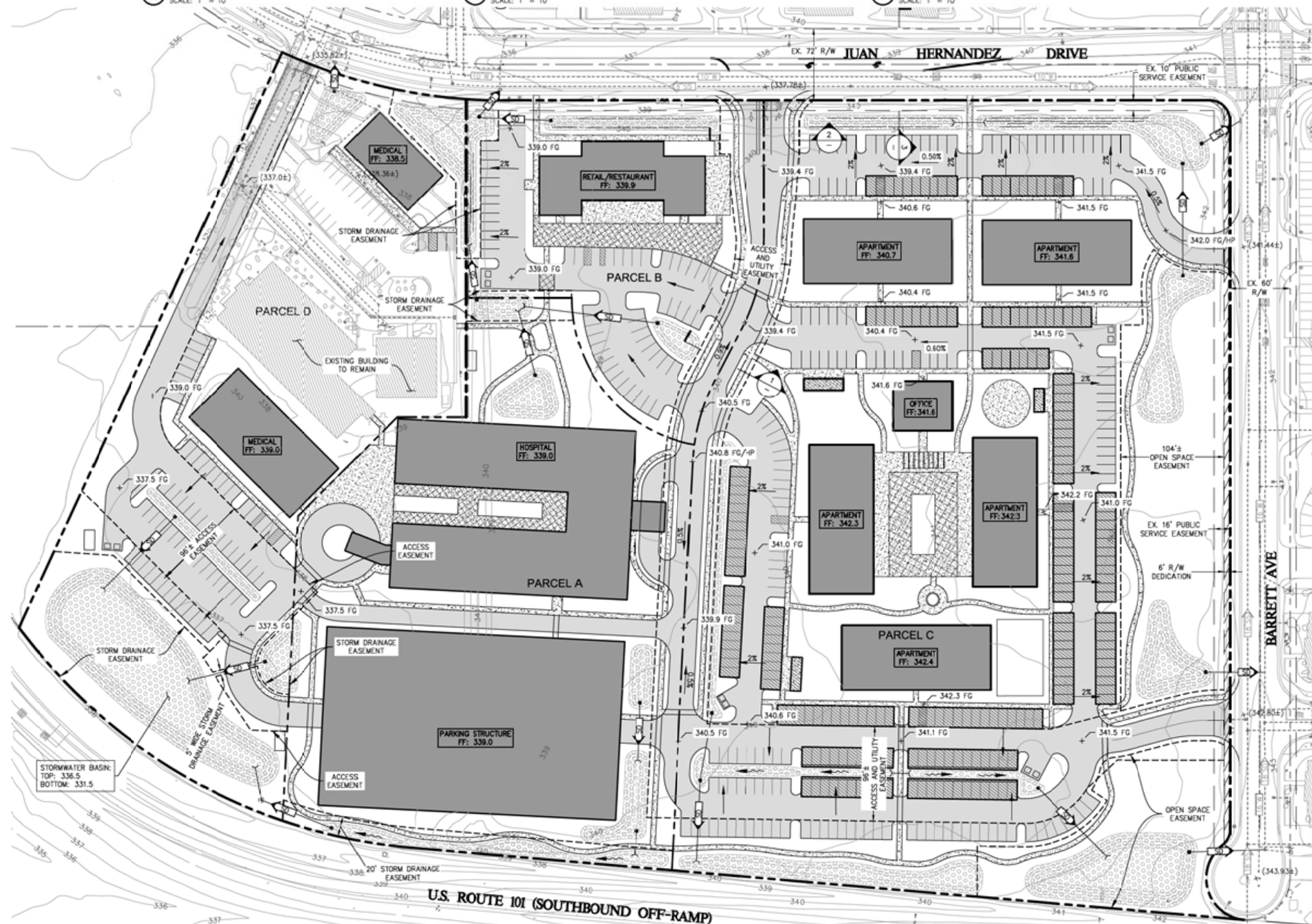
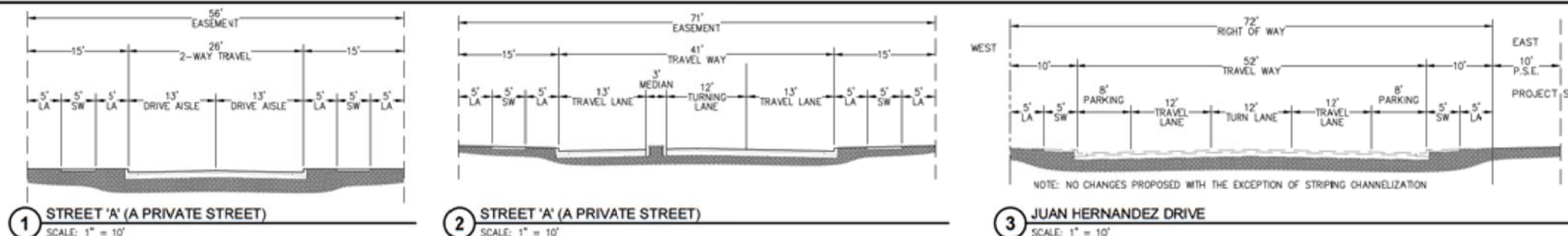
DRAWN: GK

JOB No.: 2690.01

SHEET

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ESTIMATED PRELIMINARY EARTHWORK:
CUT: ±30,000 CY
FILL: ±30,000 CY
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DISCUSSION

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LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT
Morgan Hill, California

1

CONCEPTUAL GRADING PLAN

SCALE:	1" = 1'
DRAWN:	
JOB No.:	2690
SHEET	
C2.1	

Packet Pg. 268

Figure 14

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3

RETAIL/ RESTAURANT



1

HOSPITAL

Figure 15

11.d
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SO. SAN FRANCISCO CA 94080
415.312.0454

OWNER:
LILLIAN COMMONS, LLC
782 SLEEPER AVENUE
MOUNTAIN VIEW, CA 94040

REVISIONS	
DATE/DESC.	

**LILLIAN COMMONS/ MORGAN HILL
MEDICAL CAMPUS**
0 AND 16130 JUAN HERNANDEZ DRIVE
MORGAN HILL, CA 95037



TITLE:
EXTERIOR
BUILDING VIEWS- 2

DATE:
OCTOBER 22, 2019

SCALE:
AS NOTED

JOB #:
19150

DRAWN
BY :
DP

Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)

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5.0

LAND USES

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

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

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

<u>Use</u>	<u>Planned Development (PD)</u>
<u>Hospitals</u>	<u>P</u>
<u>Medical Offices and Clinics</u>	<u>P</u>
<u>Mixed Use Residential</u>	<u>P</u>

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

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	C
Bed and Breakfast	C
Business Support Services	P
Cinemas and Theatres	C
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	P <u>C</u>
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)
Duets and Duplexes	C
Emergency Shelters	C
Farmers Markets	PC
Food and Beverage Production <10,000 square feet	P
Fuel and Service Stations	C
General Retail	P
Government Offices	P
Group Housing	C
Home Day Care, Small and Large	P
Hospitals	P
Hotel and Motels	C
Instructional Services	P
Live/Work Unit	P
Medical Offices and Clinics	P
Mixed Use Residential	P
Multi-Family Dwellings	P
Nursing Homes and Long-Term Care	C
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	C
Residential Care Facilities, Small	PC
Restaurant- Fast Food, Sit Down	C
School, Public and Private	C
Single Family Detached Dwellings	C
Senior Housing, Independent Living	C
Social Services	C
Tasting Rooms	P
Veterinarian Clinics and Hospitals	C
Accessory Uses	(per Section 18.44)
Home Occupations	(per Section 18.92.060)
Temporary Uses	(per Section 18.92.150)

Attachment: Ordinance - Zoning Amendment Exhibit A [Revision 1] (2892 : Lillian Commons)

6.0

DEVELOPMENT STANDARDS

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

Table 2 PD Master Plan Development Standards

Development Aspect	Parameter
Minimum Lot Size	10,000 square feet
Minimum Lot Dimensions	100-foot width; 100-foot depth
Maximum building coverage	50%
Minimum setbacks (front, rear, side, street) [1]	25, 0 , 0, 15 feet (respectively)
Maximum height (exceptions 18.56.020)	Residential/Office – 4-3 stories or 45-35 feet Hospital – 4 stories or 55 feet
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
On-Site Parking	Per Section 18.72 [2]
Retail	1 space per 250 square feet of net floor area
Restaurant (sit down)	1 space per 100 square feet of net floor area
Medical Office	1 space per 200 square feet of net floor area
Residential (multi-family)	1 bedroom unit – 1 covered 2 bedroom unit – 1 covered and 1 uncovered per unit
Guest Parking	1 per 3 units (shared with Medical Office use)
Electrical Vehicle Parking	1 per 25 to 49 automobile spaces, 2 per 50 to 100 automobile spaces, plus 1 per 50 ratio over 100 automobile spaces
Non-Residential Bicycle Parking	10% of automobile spaces; long term (enclosed): 5% of automobile spaces
Residential Bicycle Parking	10% of automobile spaces; long-term (enclosed), 1 per 5 units

NOTE:

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

[2] Unless otherwise modified in this table.

PD Master Plan Development Standards for Single Family Residential

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

NOTE:

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

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

[3] Unless otherwise modified in this table.

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

CONSISTENCY WITH 2035 GENERAL PLAN

7.1 General Plan Land Use Designations

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

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

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

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

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

7.2 General Plan Goals and Policies

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

City and Neighborhood Form

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

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
Residential Neighborhoods-GOAL CNF-10 A variety of housing types and densities available to all residents.	Consistent: The PD Master Plan allows for a variety of housing types. The conceptual Site Plan shows multifamily residential which will provide the community with new housing types including one and two bedroom apartments. ⁶
Policy CNF-10.3 Adequate Supply of Multi-Family Housing. Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.	The PD Master Plan will assist the City in achieving an adequate housing supply as the PD Master Plan allows for 200 <u>150</u> residential units. The conceptual Site Plan provides for a mix of residential, commercial, and medical uses that will allow for the placement of housing convenient to the shops, services, and offices, and adjacent to major transportation
Policy CNF-10.6 Density Near Infrastructure. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.	Consistent: The property is adjacent to Juan Hernandez Road and Barrett Avenue in an area with existing utilities. A survey was completed by Whitson Engineers that determined there was adequate infrastructure available around the project site to support the uses identified in the PD Master Plan.
New Subdivisions-GOAL CNF-11 High quality, aesthetically pleasing, livable, sustainable, well-planned residential neighborhoods, well-connected to neighborhood services.	Consistent: The PD Master Plan's conceptual Site Plan provides a well-planned, aesthetically pleasing, livable, sustainable and well-connected residential neighborhood with integrated commercial/retail and medical offices.

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

Policy CNF-11.5 Outside Connections. Require new subdivisions to provide multiple connections to the surrounding community.

Methods to achieve this may include:

- Providing multiple points of entry into the project for motorists, bicyclists and pedestrians.
- Extending the existing street pattern at the edges of the subdivision into the site. Extended streets should match the type and scale of streets to which they connect.
- Installing landscaping and street improvements at the edge of subdivisions that appear as common amenities shared with adjacent neighborhoods.

Consistent: As shown in the PD Master Plan conceptual Site Plan, development within the property will be designed to be compatible with the surrounding neighborhood. Multiple points of pedestrian ingress/egress are provided along Barrett Avenue and Juan Hernandez Drive, with connections to existing sidewalks. Two points of ingress/egress for vehicles and bicycles are provided along Barrett Avenue, and two along Juan Hernandez Drive. A private drive is provided along the southern portion of the property that could provide connectivity to the adjacent vacant parcel to the south when it is developed in the future. The conceptual Site Plan provides for connectivity to this adjacent vacant parcel to facilitate connectivity in anticipation of its eventual development. Residential and open space/park uses will be adjacent to existing residential uses and

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
- Minimizing the use of gates, fences, and walls that separate the subdivision from the surrounding community. - Planning for future connections to adjacent undeveloped property.	Barrett Elementary School, and connectivity within the property will be provided via several pedestrian paths. The open space area abuts Barrett Avenue, which is adjacent to Barrett Elementary School, and will be made accessible to the school. The northern most open space/park area will be dedicated by easement for public use, including use by the Barrett Elementary School, to be used as a common amenity.
Policy CNF-11.10 Open Space. Require new subdivisions to feature integrated common open spaces, parks, and community facilities that serve as social and design focal points. Open spaces should be a close walking distance from all residents and should be large enough to be useful for residents.	The conceptual Site Plan includes approximately three acres of passive park/open space. Approximately 1.7 acres of the open space will be available to the elementary school for its use and benefit. The remainder of open space, including walking trails, serves the residential, commercial and office components of the plan, as well as neighboring residents. The open space and park areas are within walking distance of all of these uses and connected by pedestrian paths.
Policy CNF-12.1 Neighborhood Center Design. Allow neighborhood centers within future residential neighborhoods. Neighborhood centers are envisioned as nodes or focal points that offer neighborhood-serving services and amenities within a reasonable walking distance from adjoining residential areas. These centers should be designed to increase the accessibility of goods and services within existing residential neighborhoods, particularly for the benefit of senior citizens and those with limited mobility, and to offer opportunities for socialization.	Consistent: The PD Master Plan includes neighborhood serving uses and amenities including retail, restaurant, and medical office/hospital uses to serve the proposed and existing neighborhood. These uses include public gathering areas and pedestrian access. These services will be within walking distance to the existing and proposed neighborhoods and will increase the accessibility of services for the existing neighborhood, particularly for the benefit of senior citizens by providing close walkable medical offices.
Policy CNF-12.4 Neighborhood Center Requirements. Require future neighborhood centers to meet the following requirements: - The design of neighborhood center should provide a sense of place, promote casual interaction, and enhance overall well-being. - The design of neighborhood center should complement the residential character of its immediate surroundings, including site design, access, building style, building materials, signage, lighting, and landscaping.	Consistent: The PD Master Plan conceptual Site Plan includes pedestrian pathways that connect the open space, residential, retail, and medical components of the plan. The PD Master Plan includes a small retail center and open space/park areas that, along with the pedestrian access ways, will provide gathering areas and a sense of place, thereby promoting casual interaction and overall well-being. The project will be required to undergo design review with the City of Morgan Hill to ensure that the design complements the residential character of the adjacent neighborhood.

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

Housing

Table 4 General Plan 2035 - Housing Goals and Policies

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

Economic Development

Table 5 General Plan 2035 - Economic Development Goals and Policies

General Plan Economic Development Goals and Policies	Consistency Analysis
Policy ED-7.4 Compatible Uses in Retail Centers. Encourage the evolution of retail centers into mixed-use activity nodes by supporting integration of uses that provide necessary or useful services or amenities that will benefit nearby residential areas and commercial establishments. Such uses may include but shall not be limited to: a. Health services and fitness facilities. b. Childcare. c. Housing, including affordable and senior housing. d. Religious facilities. e. Education/training facilities. f. Parks/community facilities/public gathering places.	Consistent: The PD Master Plan provides a mix of retail and medical uses convenient to the proposed and existing adjacent neighborhood. The medical and retail uses will provide health and retail services and amenities to the existing and proposed neighborhood. The PD Master Plan also includes public plaza and gathering locations.
GOAL ED-8 Office and industrial areas that provide high-quality work locations for existing and new businesses. Policy ED-8.1 Office and Industrial Development. Support the development of office and industrial facilities to meet local demand, compete for regional growth opportunities, and create high-quality jobs that match with local housing opportunities.	Consistent: The PD Master Plan allows for medical and retail uses to meet local demand and create high quality jobs. The PD Master Plan also allows for residential uses thereby providing local housing opportunities adjacent to places of employment.

Healthy Community

Table 6 General Plan 2035 - Healthy Community Goals and Policies

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

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

Transportation

Table 7 General Plan 2035- Transportation Goals and Policies

General Plan Transportation Goals and Policies	Consistency Analysis
GOAL TR-3 A coordinated, continuous network of streets and roads. Policy TR-3.16 Private Development Access along Arterials. Require development that occurs along arterial streets to obtain access through a local street or major entrance and not through curb cuts directly onto the arterial street wherever possible.	Consistent: The property is not accessed directly from an arterial. Tennant Avenue and Butterfield Boulevard are the nearest arterials to the property. The property is accessed from Juan Hernandez Drive and Barrett Avenue, which connect to these arterials.
Policy TR-3.17 Planned Development Access near Highway 101. Require Planned Developments (PDs) for commercial, office, or industrial uses at the intersections of Highway 101 and arterial streets to take access from a public street intersecting with the arterial street at a minimum distance of 600 feet from the freeway on and off ramps, unless the City Engineer finds that direct access to the arterial street or closer access will meet safety standards, or that mitigating actions will be taken to ensure safe access and minimum interference with traffic flows.	Consistent: Access to the property will be from Juan Hernandez Drive and Barrett Avenue. Juan Hernandez Drive is an existing City street that intersects Tennant Avenue at a safe distance from the off ramp of US Highway 101. The nearest property driveway is more than 700 feet north of Tennant Avenue.
Parking-GOAL TR-5 Adequate off-street parking. Policy TE-5.1 Adequate Parking Supply. Ensure that all developments provide adequate and convenient parking...	Consistent: The conceptual Site Plan provides for a 500-space parking structure and 96 additional spaces for the existing and proposed medical uses, 55 spaces for the retail use, and 359 spaces for residential use, which totals 1,010 on-site parking spaces. Based on the parking demand study, the parking supply for the entire project is proposed to total 1,010 spaces, as indicated in the study. The total gross parking requirement for the entire project is 965 spaces using the more conservative approach. There will be an overall surplus of about 45 spaces using City gross parking requirements with selected ITE peak parking rates. The project therefore will provide an adequate total parking supply to meet the overall project demand. Parking is conveniently located within walking distance to the various uses, and can be easily facilitated through a shared parking arrangement.

Policy TR-5.3 Parking Lot Connection. Require cross-connection of parking lots, where feasible and practical, at the time of design review for all commercial and industrial developments.	Consistent: As shown in the PD Master Plan conceptual Site Plan, parking lots are cross-connected where practical.
Bikeways-GOAL TR-8 A useable and comprehensive bikeway system that safely connects neighborhoods with workplaces and community destinations. Policy TR-8.12 Bicycle Parking. Bicycle parking and other supportive facilities shall be provided at all schools, parks, recreation facilities, commercial centers, civic buildings (including the library), transit centers, and workplaces based on the recommendations and standards in the Bikeways Master Plan.	Consistent: Existing bike lanes on Juan Hernandez Drive will serve the development providing a safe bikeway system to get to and from the property. Bicycle parking will be provided at each use on the property to encourage residents, employees, and patrons to use alternative means of transportation. On-site bicycle parking will adhere to the Bikeways Master Plan guidelines, and zoning code requirements.
Pedestrian Network-GOAL TR-9 Expanded pedestrian opportunities. Policy TR9.7 Concurrent Implementation. Where feasible, implement the trails and pedestrian system concurrent with adjacent developments.	Consistent: As shown in the conceptual Site Plan, sidewalks and pathways will be provided throughout the property to encourage walking on the campus. Sidewalks connect to those located on adjacent streets to provide connectivity.
Policy TR 10.3 and TR-10.4 Flexible Work Hours. Encourage employers to provide a flexible set of working hours to ease traffic congestion. Carpooling. Support a Countywide car/vanpool matching program.	Consistent: The applicant will provide educational materials to end uses or future developers to encourage employers to provide flexible work hours, carpooling options, and other alternative transportation methods as may be available. Bay Area employers with 50 or more full-time employees within the Bay Area Air Quality Management District geographic boundaries are required to register and offer commuter benefits to their employees in order to comply with Air District Regulation 14, Rule 1.

Natural Resources and Environment

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

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

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

Safety, Services, and Infrastructure

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

General Plan Safety, Services and Infrastructure Goals and Policies	Consistency Analysis
Noise GOAL SSI-8 Prevention of noise from interfering with human activities or causing health problems. Policy SSI-8.1 Exterior Noise Level Standards. Require new development projects to be designed and constructed to meet acceptable exterior noise level standards (see Table SSI-1), as follows: - Apply a maximum exterior noise level of 60 dBA Ldn in residential areas where outdoor use is a major consideration (e.g., backyards in single-family housing developments and recreation areas in multi-family housing projects). Where the City determines that providing an Ldn of 60 dBA or lower cannot be achieved after the application of reasonable and feasible mitigation, an Ldn of 65 dBA may be permitted. - Indoor noise levels should not exceed an Ldn of 45 dBA in new residential housing units.	Consistent: The conceptual Site Plan includes a 25 foot buffer from the US Highway 101 off-ramp and places the parking and parking garage closest to the freeway to further buffer the medical and residential uses. Residentially occupied buildings are located a minimum of 250 feet from the US Highway 101s through lanes. A noise analysis was completed for the project that determined all exterior and interior noise levels would be met with implementation of the recommendations contained therein. Mitigation measures will be implemented when the buildings are constructed to ensure the acceptable noise levels are met.

Noise levels in new residential development exposed to an exterior Ldn 60 dBA or greater should be limited to a maximum instantaneous noise level (e.g., trucks on busy streets, train warning whistles) in bedrooms of 50 dBA. Maximum instantaneous noise levels in all other habitable rooms should not exceed 55 dBA. The maximum outdoor noise level for new residences near the railroad shall be 70 dBA Ldn, recognizing that train noise is characterized by relatively few loud events.	
Policy SSI-8.4 Office Noise Level Standards. Interior noise levels in office buildings should be maintained at 45 dBA Leq (hourly average) or less, rather than 45 dBA Ldn (daily average).	Consistent: Mitigation measures including noise reduction measures and emergency generator noise suppressors will be implemented when the buildings are constructed to ensure the acceptable noise levels are met. A noise analysis is provided as part of the CEQA documentation.
Policy SSI-8.9 Site Planning and Design. Require attention to site planning and design techniques other than sound walls to reduce noise impacts, including: a) installing earth berms; b) increasing the distance between the noise source and the receiver; c) using non-sensitive structures such as parking lots, utility areas, and garages to shield noise sensitive areas; d) orienting buildings to shield outdoor spaces from the noise source; and e) minimizing the noise at its source.	Consistent: Building location was taken into account in the conceptual Site Plan to locate sensitive uses a minimum of 250 feet from the through lanes of US Highway 101. Building placement and strategically placed landscaping will help to minimize noise at its source. Additionally, the noise analysis recommends an 8 foot sound wall along Highway 101 to reduce noise impacts to the residential component of the project.

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8.0

PD MASTER PLAN AND ZONING FINDINGS

8.1 PD Master Plan Findings

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

General Plan and Zoning Consistency

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

Finding

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

Superior to Development Under Existing Zoning

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

Finding

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

Substantial Public Benefit

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

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

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

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

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

Finding

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

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

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

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

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

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

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

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

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

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

Bicycle parking and pathways are provided to promote alternative modes of transportation. Landscaping will be designed to meet and exceed the state standards for water conservation, including low water use trees and shrubs, and plantings to provide shade to reduce the need for excessive building cooling.

Community Benefits from the Project

Healthcare Facilities. The PD Master Plan would provide much needed medical facilities to serve the community. The Urgent Care/Pharmacy would reduce trips traveled to receive routine medical care. The Cancer Center would provide services to meet the growing need for this service in the area.

Retail Component. Providing an appropriately sized retail/restaurant building would provide onsite workers the opportunity to have breakfast or lunch within walking distance from their place of employment, avoiding automobile travel.

Creates Jobs for Morgan Hill. The hospital, urgent care/pharmacy, medical office and retail uses proposed will provide varied work opportunities for the people living in Morgan Hill and the surrounding area.

Parks and Public Gathering Places. A passive park along Barrett Avenue, a passive park between the retail and medical uses, and installation of a walking/jogging trail around the perimeter of the property are proposed to provide a public health benefit. The two park areas encompass approximately 2.20 acres of land. It is expected the Restaurants will also have outdoor dining areas, providing places to gather.

Pedestrian and Bicycle Pathways. Pathways are proposed within the parks to allow walking opportunities and exercise for all ages. Walkways will connect from the park and to all other uses on the property and to the sidewalks on the surrounding streets, providing full connectivity.

Affordable Housing. The PD Master Plan adds residential uses on the property in conjunction with an amendment to the 2035 General Plan. As proposed in the Conceptual Site Plan, the residential units

are planned at a density of about 20 units per acre, thus increasing the inherent affordability, and 15 percent of the units will be deed restricted affordable units. If the project is designed with Single Family for-sale units, affordable housing will be provided per the City code.

School Drop-off. The project will help to alleviate the parking and drop-off issues associated with Barrett Avenue Elementary School. Cross walks will be installed on both adjoining streets to enhance walkability to and from the project. Parking to serve the school and public is expected to be provided in the park adjacent to Barrett Avenue.

Green and Sustainable Design. The buildings and site furnishings will include green building and sustainable development features.

Landscape the Site. The development will provide abundant landscaping throughout to create a green and aesthetic feel, as well as screen development from the traffic on US Highway 101, Juan Hernandez Drive and Barrett Avenue.

Restore Habitat. The project tree and landscape planting will enhance wildlife on the project site as well as provide a visually pleasing atmosphere for the surrounding area. Flowering plants and trees are proposed to accomplish this restoration. Adequate Property Size

Adequate Property Size

d. The site for the proposed development is adequate in size and shape to accommodate proposed land uses.

Finding

With approximately 19.67 acres of land, there is adequate land area to provide the uses proposed in the PD Master Plan. The medical office / hospital uses proposed are intentionally located adjacent to the existing medical office to promote a walkable medical campus. The retail uses, including public services, are proposed along the active local street to ensure visibility and ease of access by the surrounding residential uses and provide easy access by the residents and employees on the property. Residential uses, providing affordable housing, are located on the property to provide adequate separation from the highway and close proximity to the passive park and Barrett Elementary School.

The PD Master Plan under a Mixed Use Flex general plan designation, which includes multi-family residential uses, retail commercial and restaurant, medical office/hospital uses, and open space parks, will provide a dynamic environment of compact living. This will allow residents and employees to meet daily needs and lessen the need for a private automobile.

Adequate Infrastructure

e. Adequate transportation facilities, infrastructure, and public services exist or will be provided to serve the proposed development.

Finding

The PD Master Plan, which abuts the US Highway 101 off-ramp, is surrounded on two sides by local streets and has a driveway connection just south of the existing medical offices, used for access to the medical campus and additional driveways are proposed for site access. Juan Hernandez Drive and Barrett Avenue are existing local streets with the capacity to handle the development of this property. Circulation to the property from within Morgan Hill is provided by Tennant Avenue and Butterfield Boulevard. Public utilities exist in the surrounding streets and can serve the proposed development.

Compatible with Surroundings

- f. The proposed development will not have a substantial adverse effect on surrounding property and will be compatible with the existing and planned land use character of the surrounding area.*

Finding

The PD Master Plan deviates from the approved commercial zoning existing on the property by the addition of hospital and multi-family residential uses. With the incorporated general plan amendment to Mixed Use Flex, and the mixed use development envisioned in the conceptual Site Plan, suitable transitions between the existing uses will be provided. There are no uses included in the conceptual Site Plan that would have an adverse effect on the surrounding residential and school uses. The existing residential uses adjacent to Juan Hernandez Drive and Barrett Avenue, and Barrett Elementary School will benefit from the retail and restaurant uses that the PD Master Plan provides. The park and open space provided on the property will benefit the adjacent Barrett Elementary School and the adjacent residences. The high density residential use will provide a suitable buffer between the adjacent single family residences and school, and the walkable medical campus. The uses proposed will not cause odors, health risks, or safety issues to the surrounding sensitive uses. Adequate measures will be taken during the construction phase to protect the surrounding property from noise, vibration, dust, and construction traffic.

Zoning Map Findings

- g. Findings required for the concurrent approval of a zoning map amendment can be made.*

Finding

The project site is in a Services Commercial zoning district with a PD combining overlay so the finding can be made that it is consistent with the zoning map. Amending the 2035 General Plan use to allow the residential and hospital use will not alter the zoning map.

8.2 Zoning Amendment Findings

The following statements describe how the PD Master Plan complies with the findings required for the approval of a planned development project per Municipal Code Section 18.114.060 - Findings for Approval.

A. *Findings for all Zoning Code and Zoning Map Amendments.*

General Plan Consistency

1. *The proposed amendment is consistent with the general plan and any applicable specific plan as provided by Government Code Section 65860.*

Finding

With the general plan amendment that is incorporated into the PD Master Plan, the zoning map amendment is consistent with the 2035 General Plan. The general plan land use diagram amendment from Commercial to Mixed Use Flex allows specific residential uses to be included in the CS district with the PD overlay.

Public Interest, Health, Safety, Convenience, Welfare

2. *The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the city.*

Finding

The multi-family residential uses would be beneficial to the public interest, health, safety, convenience, and welfare of the city. The multi-family residential uses would provide more opportunities for residents to work near the medical offices, retail uses, and medical/hospital facility on the property, all of which provide job opportunities for the onsite and surrounding residential uses. The residential uses, including 15 percent affordable units, would also allow seniors the opportunity to age in place, consistent with 2025 General Plan policy. Providing residential uses in close proximity to the commercial and office uses would also reduce the greenhouse gas emissions if the residents were employees or were patrons of the proposed uses, and would enable school-aged children to walk to school. The multi-family residential housing added on this property, when capped at 200-150 units, would not create an overload on the local street system. Additionally, where the housing is positioned on the property allows for a step down from the existing residential and public facility use to the denser office and commercial uses. The hospital use would also be beneficial to the public interest, health, safety, convenience, and welfare of the city. The hospital would provide much needed medical service to the community and a variety of job opportunities.

Internal Consistency

- B. *Additional Finding for Zoning Code Text Amendments. The proposed amendment is internally consistent with other applicable provisions of the zoning code.*

Finding

No changes to the existing zoning code text will be made. The PD Master Plan continues to rely on Zoning Code development standards for the most part. Several deviations from established standards are specifically outlined in the PD Master Plan, consistent with the regulations for establishing PD districts and PD Master Plans. There would be no internal inconsistencies as a result of the PD Master Plan.

Physically Suitable Site

- C. *Additional Finding for Zoning Map Amendments. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.*

Finding

The 19.67 acre parcel is suitable in design, location, shape and size to accommodate the uses allowed by the PD Master Plan. The multi-family residential use would be appropriate next to the passive park located on the property along Barrett Avenue and would serve as a buffer from the more intense uses of office/commercial on the southern end of the property. With the amendment to the 2035 General Plan changing the land use designation from Commercial to Mixed Use Flex, the PD Master Plan is consistent with the general plan and zoning code. All of the uses in the PD Master Plan will contribute to the health, safety, and welfare of persons living or working on the property and surrounding properties, and to the community at large. The PD Master Plan promote community health and social interaction within the neighborhood by providing retail stores, a restaurant, plazas, and open spaces as gathering places. The pathways provide places for healthful exercise.

9.0

LEGAL DESCRIPTIONS

Legal Description – APN 817-09-039 and 817-09-041

Real property in the City of Morgan Hill, County of Santa Clara, State of California, described as follows:

All of parcels “D” and “E”, as shown on that certain Parcel Map filed for record in the Office of the Recorder, County of Santa Clara, State of California on May 24, 1983 in Book 513 of Maps, on Pages 14, 15, and 16, more particularly described as follows:

Beginning at the most southerly corner of said parcel “D”, as shown on said Parcel Map; thence

- 1) South 89°03’ 48” West, 637.61’, thence
- 2) Along a non-tangent circular curve, concave west, the center of which bears South 89°03’ 47” West, with a radius 536.00’, through a central angle 3° 44’ 38”, an arc length of 35.02 feet; thence
- 3) North 89° 03’ 48” East, 276.87 feet; thence
- 4) North 19° 31’ 04” East, 203.35 feet; thence
- 5) North 70° 28’ 56” West, 58.00 feet; thence
- 6) North 25° 28’ 56” West, 83.00 feet; thence
- 7) South 64° 31’ 04” West, 321.00 feet; thence
- 8) Along a non-tangent circular curve, concave southwest, the center of which bears South 68° 32’ 11” West, with a radius 536.00’, through a central angle 4° 00’ 40”, and arc length of 37.52 feet; thence
- 9) North 25° 28’ 29” West, 711.68 feet; thence
- 10) Along a tangent circular curve, concave east, with a radius 20.00 feet, through a central angle 89° 59’ 29”, and arc length of 31.41 feet; thence
- 11) North 64° 31’ 00” East, 717.84 feet; thence
- 12) Along a non-tangent circular curve, concave south, the center of which bears South 15° 32’ 49” East, with a radius 20.00 feet, through a central angle 42° 46’ 35”, an arc length 14.93 feet; thence

- 13) Along a tangent reverse circular curve, concave northwest, with a radius 42.06 feet, through a central angle 137° 35' 51", an arc length 101.01 feet; thence
- 14) South 20° 31' 38" East, 842.39 feet; thence
- 15) Along a non-tangent circular curve, concave west, the center of which bears South 69° 29' 06" West, with a radius 547.00 feet, through a central angle 46° 59' 24", an arc length 448.61 feet; thence
- 16) South 26° 26' 41" West, 17.26 feet, more or less to the Point of Beginning

End of Description

All of parcels "C", as shown on that certain Parcel Map filed for record in the Office of the Recorder, County of Santa Clara, State of California

Legal Description - APN 817-09-040

The land referred to herein below is situated in the City of Morgan Hill, County of Santa Clara, State of California and is described as follows:

Parcel One:

Parcel C, as shown on Parcel Map recorded in Book 513 of Maps, at Pages 14, 15, 16, Santa Clara County Records, and being a portion of Lot 25 and lot 52 of "Catherine Dune Ranch Map No. 7", as shown on Map thereof, recorded in Book "L" of Maps, at page 26, Santa Clara County Records.

Parcel two:

An easement for ingress and egress over, under, on and across a strip of land 35.00 feet wide, described as follows:

Beginning at an iron pipe distant thereon South 25 degrees 57' 55" East 126.93 feet from the Southerly corner common to Lots 24 and 25, as shown on said Map and running thence North 89 degrees 03' 48" East 276.87 feet, South 00 degrees 56 deg. 12" East 35.00 feet, and South 89 degrees 03' 48" West 272.72 feet; thence along a curve to the left from a tangent bearing of North 00 degrees 56' 12" West, having a radius of 536.00 feet and a Central Angle of 3 degrees 44' 48", a distance of 35.03 feet to the Point of Beginning.

RESOLUTION NO. 20-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A TENTATIVE PARCEL MAP FOR A 4-LOT PARCEL MAP ON A 19.67-ACRE SITE LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF JUAN HERNANDEZ DRIVE AND BARRETT AVENUE (JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS)) (APNS 817-09-039, 817-09-040 AND 817-09-041).

WHEREAS, on November 18, 2019, Lillian Commons, LLC submitted an application for a tentative parcel map (SD2019-0007: Juan Hernandez – MH Medical Properties) for the Lillian Commons project; and

WHEREAS, such request was considered and recommended for approval by the Planning Commission at its regular meeting of September 29, 2020 and October 13, 2020;

WHEREAS, such request was considered by the City Council at its regular meeting of November 4, 2020; and

WHEREAS, in accordance to the California Environmental Quality Act (CEQA), the City completed an Initial Study to determine whether the project could have a significant effect on the environment, and found that with the application of mitigation measures there will not be a significant effect in this case, and therefore a Mitigated Negative Declaration has been prepared and considered by the City Council prior to action taken to adopt this Resolution; 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 MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The Tentative Parcel Map, together with its provisions for its design and improvements, is consistent with the General Plan.

SECTION 2. The Tentative Parcel Map as described herein, and attached hereto, as Exhibit B, is hereby approved, as conditioned in the set of standard conditions attached hereto, as Exhibit A, and by this reference incorporated herein, as well as all mitigation measures identified in the Mitigated Negative Declaration and Mitigation Monitoring Reporting Program incorporated by this reference as though fully set forth herein.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 4th day of November 2020 by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

APPROVED:

ATTEST:

RICH CONSTANTINE, 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.20-XXX, adopted by the City Council at the meeting held on November 4, 2020.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Resolution - Tentative Parcel Map [Revision 1] (2892 : Lillian Commons)

EXHIBIT "A" STANDARD CONDITIONS

APPLICATION NO: SD2019-0007: JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS)

THE FOLLOWING APPROVAL REQUIREMENTS AND ANY SPECIAL CONDITIONS SHALL BE APPLIED THROUGH THE DEVELOPMENT APPROVAL PROCESS.

Legend

MHMC= Morgan Hill Municipal Code
MHARH= Morgan Hill Architectural Review Handbook
CMH= City of Morgan Hill
CFC= California Fire Code

I. PROJECT DESCRIPTION

The project includes a Tentative Parcel Map to subdivide the project site into four parcels.

The project shall comply with all requirements of related project approvals granted by the City, including all of the following:

- A. Initial Study/Mitigated Negative Declaration – June 2020 (EA2019-0023)

II. PROJECT MITIGATION MEASURES

The applicant shall be subject to compliance with the mitigation measures of the project's adopted Mitigation Monitoring and Reporting Program. The following mitigation measures shall be included with all building permit, grading, or improvement plans.

- A. **MM AIR-3.1:** The following mitigation measure shall be implemented during all phases of construction to minimize emissions:
 - The project applicant shall develop a plan demonstrating that the off-road equipment used onsite to construct the project would achieve a fleet-wide average 70-percent reduction in DPM exhaust emissions or greater. One feasible plan to achieve this reduction would include the following:
 - All diesel-powered off-road equipment, larger than 25 horsepower, operating on the site for more than two days continuously shall meet U.S. EPA Tier 4 particulate matter emissions standards. Alternatively, diesel-powered equipment that meets U.S.EPA Tier 2 or 3 engines and include CARB-certified Level 3 Diesel Particulate Filters (or equivalent) would meet this requirement, as would the use of equipment that is electrically powered or uses non-diesel fuels.

- B. **MM-BIO-1.1:** Construction shall be scheduled to avoid the nesting season to the extent feasible. If construction can be scheduled to occur between September 1st and January 31st (inclusive) to avoid the raptor nesting season, no impacts will be expected. If construction will take place between February 1st and August 31st, then pre-construction surveys for nesting birds shall be completed by a qualified ornithologist to ensure that no nests will be disturbed during project implementation. Surveys shall be completed within 30 days of the on-set of site clearing or construction activities. During this survey, the ornithologist shall inspect all trees and other potential nesting habitats (e.g., trees, shrubs, buildings) onsite trees as well as all trees within 250 feet of the site for nests.
- C. **MM-BIO-1.2:** If an active nest is found sufficiently close to work areas to be disturbed by these activities, the ornithologist shall determine the extent of a disturbance-free buffer zone to be established around the nest (typically 250 feet for raptors and 50-100 feet for other species) that shall remain off limits to construction until the nesting season is over, to ensure that no nests of species protected by the Migratory Bird Treaty Act and California Fish and Wildlife Code will be disturbed during project implementation. A report indicating the result of the survey and any designated buffer zones shall be submitted to the satisfaction of the Development Services Director prior to issuance of a grading perm.
- D. **MM-BIO-5.1:** To the extent feasible, activities shall avoid impacts to any protected trees. Avoidance is considered to be completely avoiding any work or staging under the dripline of trees. The boundary of the designated avoidance buffer shall be flagged or fenced prior to initial ground disturbance. If complete avoidance is not feasible, BIO MM-5.2 shall be implemented.
- E. **MM-BIO-5.2:** The project proponent shall comply with local ordinances and submit permit applications for removal, trimming, damage, or relocation of all trees covered by the City ordinance. The replacement trees shall be planted on site to the extent feasible and the project proponent shall comply with all other replacement requirements imposed by the City.
- F. **MM-NOI-1.1:** Develop a noise construction control plan including but not limited to the following construction best management control:
- Equipment and trucks used for construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically attenuating shields or shrouds);
 - Impact tools (e.g., jackhammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered wherever possible to

- avoid noise associated with compressed air exhaust from pneumatically powered tools; and
- Stationary noise sources shall be located as far from noise-sensitive receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or include other measures.
 - Construct temporary noise barriers, where feasible, to screen stationary noise-generating equipment. Temporary noise barrier fences would provide a 5 dBA noise reduction if the noise barrier interrupts the line-of-sight between the noise source and receptor and if the barrier is constructed in a manner that eliminates any cracks or gaps.
 - Unnecessary idling of internal combustion engines shall be strictly prohibited.
 - Construction staging areas shall be established at locations that will create the greatest distance between the construction-related noise sources and noise-sensitive receptors nearest the project site during all project construction. Locate material stockpiles, as well as maintenance/equipment staging and parking areas, as far as feasible from residential receptors.
 - Control noise from construction workers' radios to a point where they are not audible at existing residences bordering the project site.
 - Where feasible, temporary power service from local utility companies should be used instead of portable generators.
 - Locate cranes as far from noise-sensitive receptors as possible.
 - During final grading, substitute graders for bulldozers, where feasible. Wheeled heavy equipment are quieter than track equipment and should be used where feasible.
 - Substitute nail guns for manual hammering, where feasible.
 - Avoid the use of circular saws, miter/chop saws, and radial arm saws near the adjoining noise-sensitive receptors. Where feasible, shield saws with a solid screen with material having a minimum surface density of two pounds per square foot (e.g., such as 0.75-inch plywood).
 - Maintain smooth vehicle pathways for trucks and equipment accessing the site, and avoid local residential neighborhoods as much as possible.
 - During interior construction, the exterior windows facing noise-sensitive receptors should be closed.
 - During interior construction, locate noise-generating equipment within the building to break the line-of-sight to the adjoining receptors.

- The contractor shall prepare a detailed construction schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with adjacent residential land uses so that construction activities can be scheduled to minimize noise disturbance.
 - Designate a "disturbance coordinator" who would be responsible for responding to any complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., bad muffler, etc.) and will require that reasonable measures be implemented to correct the problem. Conspicuously post a telephone number for the disturbance coordinator at the construction site and include it in the notice sent to neighbors regarding the construction schedule.
- G. **MM-NOI-2.1:** A qualified acoustical consultant shall be retained to review mechanical equipment systems during final design of the proposed project. The consultant shall review selected equipment and determine specific noise reduction measures necessary to reduce noise to comply with the City's noise level requirements. Prior to the issuance of building permits for the project, the emergency generator must be selected and approved by the City planning department. The generator shall include adequate noise suppressing features to reduce impacts on surrounding uses to meet the City's exterior and interior noise level requirements of 60 dBA.
- H. **MM-TRN-1.1:** Improvements to mitigate the impact at this intersection consist of the implementation of a traffic signal. However, the decision to install a traffic signal is not be based solely on satisfying one traffic signal warrant. Instead, intersections that meet the peak-hour signal warrant shall be subject to further analysis before determining that a traffic signal is necessary. Thus, the project impact at this intersection shall be mitigated with payment of the traffic impact fee, as determined by City staff.

III. PROJECT CONDITIONS OF APPROVAL

This Tentative Parcel Map approval is limited to the plan set dated October 6, 2020 on file (File Number SD2019-0007) with the Development Services Department. These documents show the location and sizes of all lots in this development, the location and dimensions of all vehicle and pedestrian circulation ways (ingress/egress), common areas, and other easement areas.

The Final Map shall be in substantial compliance with the approved Tentative Map as determined by the City Engineer and Development Services Director.

PLANNING DIVISION

DEFENSE AND INDEMNITY

- A. As part of, and in connection, with this application to the City of Morgan Hill, Applicant agrees to defend, indemnify, and hold harmless the City of Morgan Hill, its officers, agents, employees, officials and representatives (Indemnitees) from and against any and all claims, actions, or proceedings arising from any suit for damages or for equitable or injunctive relief which is filed against City to attack, set aside, void or annul its approval of this application or any related decision, or the adoption of any environmental documents which relates to said approval. The City shall promptly notify the Applicant of any such claim, action or proceeding and the City shall cooperate fully in the defense thereof. In the event that Applicant is required to defend Indemnitees in connection with the proceeding, Indemnitees shall retain the right to approve (a) the counsel to so defend Indemnitees; (b) all significant decisions concerning the manner in which the defense is conducted; and (c) any and all settlements, which approval shall not be unreasonably withheld. This indemnification shall include, but is not limited to, (a) all pre-tender litigation costs incurred on behalf of the City, including City's attorney's fees and all other litigation costs and expenses, including expert witnesses, required to defend against any lawsuit brought as a result of City's approval or approvals; (b) reasonable internal City administrative costs, including but not limited to staff time and expense spent on the litigation, after tender is accepted; and (c) all damages, costs, expenses, attorney fees or expert witness fees that may be awarded to the prevailing party arising out of or in connection with the approval of the application or related decision. City may, in its sole discretion, participate in the defense of such action; but such participation shall not relieve Applicant of its obligations under this condition. The undersigned hereby represents that they are the Applicant or are fully empowered by the Applicant as their agent to agree to provide the indemnification, defense and hold harmless obligations, and the signature below represents the unconditional agreement by Applicant to be bound by such conditions.

TIME LIMITS

- A. **Term:** The Tentative Parcel Map approval granted pursuant to this Resolution shall remain in effect for two years to November 4, 2022. Failure to apply for Final Map approval with the City Engineer within this term shall result in expiration of approval unless an extension of time is granted by the Development Services Department/Planning Commission prior to the expiration date. **(MHMC 17.20.170; 17.24.110)**

SITE DEVELOPMENT

- A. **Street Names:** Street names, private or otherwise, used to identify building locations shall be submitted to the Planning Division for approval. Proposed street names shall comply with the Street Naming Policy approved by City Council (Resolution No. 4601) and CP 94-13.
- B. **Standard Condition AIR-1:** The following measures shall be implemented during all phases of construction to control dust and exhaust at the project site:
- All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
 - All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
 - All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
 - All vehicle speeds on unpaved roads shall be limited to 15 miles per hour (mph).
 - All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
 - Replant vegetation in disturbed areas as soon as possible after completion of construction.
 - Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of the California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
 - All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
 - Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.
- C. **Standard Condition AIR-2:**
- Install air filtration in residential and medical buildings. Air filtration devices shall be rated MERV16 or higher for portions of the site that have annual PM2.5 exposure above 1.1 micrograms per cubic meter and MERV13 or higher for all other portions of the site. To ensure adequate health protection to sensitive receptors (i.e. residents), this ventilation system, whether mechanical or passive, all fresh air circulation into the dwelling units shall be filtered.

- As part of implementing this measure, an ongoing maintenance plan for the buildings' heating, ventilation, and air conditioning (HVAC) air filtration system shall be required.
 - Ensure that the use agreement and other property documents:
 - Require cleaning, maintenance, and monitoring of the affected buildings for air flow leaks;
 - Include assurance that new owners or tenants are provided information on the ventilation system; and
 - Include provisions that fees associated with owning or leasing a unit(s) in the building include funds for cleaning, maintenance, monitoring, and replacement of the filters, as needed.
- D. **Standard Condition AIR-3:** Provide electrical power at truck loading docks to avoid use of truck refrigeration units.
- E. **Standard Condition AIR-4:** Designate truck circulation routes that avoid residential areas to the greatest extent reasonable.
- F. **Standard Condition GEO-1:** To avoid or minimize potential damage from seismic shaking, the proposed development shall be built using standard engineering and seismic safety design techniques. Building design and construction at the site shall be completed in conformance with the recommendations of a design-level geotechnical investigation, which will be included in a report to the City. The structural designs for the proposed development will account for repeatable horizontal ground accelerations. The report shall be reviewed and approved by the City of Morgan Hill Building Division prior to issuance of a building permit. The buildings shall be required to meet the requirements of applicable Building and Fire Codes, including the 2019 California Building Code Chapter 16, Section 1613, as adopted or updated by the City. The project shall be designed to withstand soil hazards identified on the site and the project shall be designed to reduce the risk to life or property to the extent feasible and in compliance with the Building Code.
- G. **Standard Condition GEO-2 (Storm Drain System):** Prior to final map approval or issuance of a grading permit the applicant shall complete the following to the satisfaction of the Director of Public Works.
 1. Plan describing how material excavated during construction will be controlled to prevent this material from entering the storm drain system.
 2. Water Pollution Control Drawings for Sediment and Erosion Control.
- H. **Standard Condition GEO-3 (NPDES Permit Conformance):** As required by the State Water Resources Control Board (SWRCB) Order No. 99-08-DWQ, construction activity resulting in a land disturbance of one acre or more of soil, or whose projects are part of a larger common plan of development that in total

disturbs more than one (1) acre, are required to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) package and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with Section A, B, and C of the General Permit prior to the commencement of soil disturbing activities. A NOI Receipt Letter assigning a Waste Discharger Identification number to the construction site will be issued after the State Water Resource Control Board (SWRCB) receives a complete NOI package (original signed NOI application, vicinity map, and permit fee); copies of the NOI Receipt Letter and SWPPP shall be forwarded to the Building and Public Works Department review. The SWPPP shall be made a part of the improvement plans (SWRCB NPDES General Permit CA000002).

- I. **Standard Condition HYD-1:** In accordance with the City of Morgan Hill Standard Conditions of Approval and the Construction General Permit, the following measures are included in the project to reduce construction-related water quality impacts to a less than significant level:

The following BMPs shall be implemented during project construction:

- Burlap bags filled with drain rock will be installed around storm drains to route sediment and other debris away from the drains.
- Earthmoving or other dust-producing activities will be suspended during periods of high winds.
- All exposed or disturbed soil surfaces will be watered at least twice daily to control dust.
- Stockpiles of soil or other materials that can be blown by the wind will be watered or covered.
- All trucks hauling soil, sand, and other loose materials will be covered and all trucks will be required to maintain at least two feet of freeboard.
- All paved access roads, parking areas, staging areas and residential streets adjacent to the construction site will be swept daily (with water sweepers).
- Vegetation in disturbed areas will be replanted as quickly as possible.

- J. **Standard Condition HYD-2:** In accordance with the City of Morgan Hill Standard Conditions of Approval and the Construction General Permit, the following measures shall be included in the project to reduce construction-related water quality impacts to a less than significant level:

- As required by the State Water Resources Control Board (SWRCB) Order No. 99-08-DWQ, construction activity resulting in a land disturbance of one acre or more of soil, or whose projects are part of a larger common plan of development that in total disturbs more than one (1) acre, are required to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General

Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) package and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with Section A, B, and C of the General Permit prior to the commencement of soil disturbing activities. A NOI Receipt Letter assigning a Waste Discharger Identification number to the construction site will be issued after the State Water Resource Control Board (SWRCB) receives a complete NOI package (original signed NOI application, vicinity map, and permit fee); copies of the NOI Receipt Letter and SWPPP shall be forwarded to the Building and Land Development Engineering Divisions review. The SWPPP shall be made a part of the improvement plans. (SWRCB NPDES General Permit CA000002).

- K. **Standard Condition HYD-3:** The Project Engineer shall provide a hydrology report demonstrating that post-development stormwater runoff peak flows discharged from the site do not exceed pre-project peak flows for the two (2) through 10-year storm events. Peak flow controls must also meet the flood control standards established by the Santa Clara County Drainage Manual.

HABITAT PLAN

- A. **Fees:** The approved project is covered pursuant to the Santa Clara Valley Habitat Plan (Habitat Plan) and subject to fees and conditions contained in the Habitat Plan.
- B. **Application Package:** Prior to issuance of a grading permit, the project shall complete and submit a Habitat Plan Application Package. All fees shall be paid prior to issuance of a grading permit. **(MHMC 18.132)**
- C. **Conditions:** Any additional conditions or mitigations required by the Habitat Plan shall be clearly stated on all plans that involve any ground disturbing activity (i.e. grading plans, improvement plans, paving plans, demolition plans or other plans for site clearing or temporary stockpile of dirt). **(MHMC 18.132)**

CULTURAL RESOURCES

- A. **Significant historic or archaeological materials:** This project has been determined not to be in a site identified as archaeologically sensitive by the City's adopted archaeological sensitivity map, but nonetheless could adversely impact undocumented human remains or unintentionally discover significant historic or archaeological materials. The following policies and procedures for treatment and disposition of inadvertently discovered human remains or archaeological materials

shall apply and should be provided as standard conditions on the building permit, grading permit, or improvement plans. If human remains are discovered, it is probable they are the remains of Native Americans.

1. If human remains are encountered, they shall be treated with dignity and respect as due to them. Discovery of Native American remains is a very sensitive issue and serious concern. Information about such a discovery shall be held in confidence by all project personnel on a need to know basis. The rights of Native Americans to practice ceremonial observances on sites, in labs and around artifacts shall be upheld. Remains should not be held by human hands. Surgical gloves should be worn if remains need to be handled. Surgical mask should also be worn to prevent exposure to pathogens that may be associated with the remains.
2. In the event that known or suspected Native American remains are encountered, or significant historic or archaeological materials are discovered, ground-disturbing activities shall be immediately stopped. Examples of significant historic or archaeological materials include, but are not limited to, concentrations of historic artifacts (e.g., bottles, ceramics) or prehistoric artifacts (chipped chert or obsidian, arrow points, groundstone mortars and pestles), culturally altered ash-stained midden soils associated with pre-contact Native American habitation sites, concentrations of fire-altered rock and/or burned or charred organic materials, and historic structure remains such as stone-lined building foundations, wells or privy pits. Ground-disturbing project activities may continue in other areas that are outside the discovery locale.
3. An “exclusion zone” where unauthorized equipment and personnel are not permitted shall be established (e.g., taped off) around the discovery area plus a reasonable buffer zone by the Contractor Foreman or authorized representative, or party who made the discovery and initiated these protocols, or if on-site at the time of discovery, by the Monitoring Archaeologist (typically 25-50ft for single burial or archaeological find).
4. The discovery locale shall be secured (e.g., 24-hour surveillance) as directed by the City or County if considered prudent to avoid further disturbances.
5. The Contractor Foreman or authorized representative, or party who made the discovery and initiated these protocols shall be responsible for immediately contacting by telephone the parties listed below to report the find and initiate the consultation process for treatment and disposition:

- The City of Morgan Hill Development Services Director (408) 779-7247
 - The Contractor's Point(s) of Contact
 - The Coroner of the County of Santa Clara (if human remains found) (408) 793-1900
 - The Native American Heritage Commission (NAHC) in Sacramento (916) 653-4082
 - The Amah Mutsun Tribal Band (916) 481-5785 (H) or (916) 743-5833 (C)
6. The Coroner has two working days to examine the remains after being notified of the discovery. If the remains are Native American the Coroner has 24 hours to notify the NAHC.
 7. The NAHC is responsible for identifying and immediately notifying the Most Likely Descendant (MLD) from the Amah Mutsun Tribal Band. (Note: NAHC policy holds that the Native American Monitor will not be designated the MLD.)
 8. Within 24 hours of their notification by the NAHC, the MLD will be granted permission to inspect the discovery site if they so choose.
 9. Within 24 hours of their notification by the NAHC, the MLD may recommend to the City's Development Services Director the recommended means for treating or disposing, with appropriate dignity, the human remains and any associated grave goods. The recommendation may include the scientific removal and non-destructive or destructive analysis of human remains and items associated with Native American burials. Only those osteological analyses or DNA analyses recommended by the Amah Mutsun Tribal Band may be considered and carried out.
 10. If the MLD recommendation is rejected by the City of Morgan Hill the parties will attempt to mediate the disagreement with the NAHC. If mediation fails, then the remains and all associated grave offerings shall be reburied with appropriate dignity on the property in a location not subject to further subsurface disturbance.

GENERAL

- A. **Recordation of Map:** The recordation of the final map shall not be completed until approval of the Design Review Permit is completed.
- B. **Signed copies of Approval Certificate:** Submit two (2) signed copies of the Approval Certificate to the Planning Division prior to issuance of a building permit.

ENGINEERING DIVISION

PROJECT SPECIFIC ENGINEERING CONDITIONS

A. Site Access

1. Barrett Avenue Driveways: The project is proposing two full access driveways along Barrett Avenue, across Barrett Elementary School. These new driveways are designated in the project's Traffic Impact Analysis, dated June 19, 2020, as Driveway 3 (closest to Juan Hernandez Drive) & Driveway 4. The City Engineer has determined that allowing these two driveways to be full access will create unsafe conditions for vehicle, pedestrian and bicycle traffic in the vicinity of Barrett Elementary School especially during the school's drop-off and pick-up periods.
 - a. At Design Review stage, revise Driveways 3 & 4 to provide emergency vehicle access only.
2. Juan Hernandez Driveways:
 - a. The project is also proposing two full access driveways along Juan Hernandez Drive. These driveways are designated in the project's Traffic Impact Analysis as Driveway 1 (existing, southern driveway at New Private Street B) & Driveway 2 (new main driveway located in the middle of the project site) per the project's Traffic Impact Analysis. The City Engineer has determined that allowing Driveway 1 (existing, southern driveway) to remain at its current location will create conflicting vehicle turn movements. The project's Traffic Impact Analysis stated that "the close proximity of Driveway 1 to the Juan Hernandez Drive/St. James Drive intersection (approximately 100 feet to the south), in addition to the increase in traffic volumes at the site driveway, could potentially create conflicts between southbound left-turning traffic accessing Driveway 1 and northbound left-turning traffic at St. James Drive."
 - i) At Design Review stage, relocate Driveway 1 (southern driveway) to the north and align with St. James Drive (existing public street) to form the east leg of the intersection.
 - b. Third New Driveway at Juan Hernandez Drive: The applicant has requested City staff to consider a third new driveway along Juan Hernandez Drive (north of the new main driveway – Driveway 2) if the two proposed driveways along Barrett Avenue will be restricted to emergency vehicle access only. This third driveway is not reflected on the plans submitted by the applicant.
 - i) At Design Review stage, the project shall submit an analysis of the suitability of a third new driveway at Juan Hernandez Drive

and adequacy of the driveway operations for review and approval by the City Engineer.

- B. **Barrett Avenue Improvements:** The applicant requested input from the Morgan Hill Unified School District (MHUSD) on the project's site plan. The applicant agrees with the following MHUSD recommendations: (1) provide a school drop-off/pick-up area for the school within the project site, adjacent to Barrett Avenue; (2) widen the proposed sidewalk to a minimum width of 6', along the project frontage, on the south side of Barrett Avenue to allow for both bicyclists and pedestrians; and (3) provide a mid-block crosswalk at Barrett Avenue. Engineering staff discussed the above recommendations with MHUSD staff on September 4, 2020.

1. At Design Review stage, the project shall submit an analysis of the proposed school drop-off/pick-up area and any conflicts with the two existing school driveways at Barrett Avenue. A drop-off/pick-up area located closer to the intersection of Barrett Avenue and Juan Hernandez Drive is preferred as this will allow students and other pedestrians to use the existing crosswalk at the intersection. This will eliminate the need for a mid-block crosswalk at Barrett Avenue.

C. **Tentative Map**

1. At Design Review stage, address the following:
 - a. Add a Public Service Easement over the location of the public water main and water meters within the project site, as determined by the City Engineer.
 - b. Show additional Stormwater/Storm Drainage Easements over stormwater control measures and associated storm drainage pipes if one or more parcels will drain to a stormwater control measure located on an adjacent parcel.
 - c. Show private water, private storm drainage, and private sanitary sewer easements over these utilities over any of these utilities if these are proposed to cross over parcels.
2. The width of the right-of-way dedication on the south side of Barrett Avenue will be finalized at Design Review stage.

- D. **Grading:** At Design Review stage, submit a Preliminary Drainage Report.

- E. **Stormwater Management:** This project shall comply with the California Regional Water Quality Control Board Central Coast Region Resolution No. R3-2013-0032 as documented by the Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements. At Design Review stage, the project shall address the following:

1. Submit a revised Stormwater Control Plan that includes all the items listed in Appendix B (Stormwater Control Plan Checklist) of the Guidance Manual.

2. Size each Drainage Management Area (DMA) based on proposed grading and each DMA boundary clearly identified. Note: Multiple DMAs may drain to one stormwater control measure, but one DMA may not drain to multiple stormwater control measures.
3. Submit the Project's Geotechnical Report that includes site-specific soil infiltration rates for each area of the site where infiltration facilities are proposed, and information about any surface or subsurface soil contamination at the site.
4. Infiltration facilities that allow runoff to be filtered through surface or imported soils (indirect infiltration method), such as bioretention areas, shall be used unless a combination of indirect and direct infiltration systems are necessary to increase detention and/or retention.
5. Revise the plans to show the following:
 - a. Each stormwater basin located within the limits of a parcel
 - b. Sanitary sewer connections from all trash enclosures
 - c. Site-specific cross-sections for the proposed stormwater basins. Include top and bottom elevations.
 - d. Stormwater basin details
 - e. If the project proposes bioretention areas, provide details identifying elevations for all structure components associated with the facilities (top of media, top of gravel pack, subdrain invert, etc.).

F. Utilities

1. At Design Review stage, revise the plans to address the following:
 - a. On Parcel C, provide separate sewer laterals for the Office building and Apartment building located to the southeast of the Office building.
 - b. Show the size of the water lines.
 - c. Provide a sanitary sewer test manhole behind the property line for the non-residential portion of the project for pretreatment to measure flows and for samples to be readily obtained therefrom by the City.

G. **Reimbursement:** The applicant/property owner shall reimburse the Morgan Hill Unified School District (MHUSD) in the amount of \$23,120 for the traffic signal improvements completed at the intersection of Juan Hernandez Drive and Tennant Avenue by MHUSD in 2007. The reimbursement amount was calculated based on the estimated share of peak hour trips contributed to the intersection by each anticipated new development in the vicinity of the intersection.

H. **Parkland Dedication and Parkland Fee In-Lieu Exemption:** The residential portion of the project is subject to the payment of parkland in-lieu fees to meet the parkland obligation pursuant to the Parkland Dedication and Parkland Fee In-Lieu requirements (Morgan Hill Municipal Code Chapter 17.28).

STANDARD ENGINEERING CONDITIONS

A. GENERAL

1. The applicant shall cause the construction of all public and private improvements in accordance with the latest City Standard Drawings and Specifications. **(MHMC 12.02.090 A; 17.32.010 A)**
2. The applicant shall have a Final Map prepared by a registered engineer (licensed prior to 01/01/1982: registration number 33,965 or lower) or licensed land surveyor delineating all parcels and easements created. There shall be concurrence in writing by PG & E, Telephone, Cable TV and any other affected agencies to all improvements and easements which are applicable to them. The number and locations of monuments shall be set as required by the City Engineer. **(MHMC 17.20.200 A; 17.20.290; 17.24.010)**
3. The applicant shall submit as part of the improvement drawings for the project, profiles of all improvements and typical cross-sections of all streets and details of curbs, gutters, and sidewalks, to be accomplished to the satisfaction of the City Engineer prior to submittal of Final Map. **(MHMC Sec 17.32.060 B; 17.32.070; 17.32.080 A)**
4. Obtain necessary encroachment permits from the City of Morgan Hill and provide guarantee covering off-site improvements. **(MHMC 12.08.040 A; 12.08.090)**
5. Improvement plans are to show water lines, sanitary sewer, storm drain system, pavement widths, curve radius, and existing utilities.
6. Enter into a Subdivision Improvement Agreement (SIA) with the City of Morgan Hill to cover required improvements. **(MHMC 12.02.150; 17.32.010 B; 17.32.160)**
7. Reciprocal access easements and maintenance agreements ensuring access to all parcels and joint maintenance of all common roads, drives or parking areas shall be provided by CC&R's and by deed and shall be recorded concurrent with the map, or prior to issuance of building permit where no map is involved. **(MHMC 17.20.350 H)**
8. **IMPACT FEE INCREASE** - The City of Morgan Hill, pursuant to City Code Chapter 3.56 has established impact fees to finance the cost of improvements required by new development. City Code Chapter 3.56.050 provides for automatic annual (July 1st) adjustment of those fees in existence utilizing the Engineering News Record Index for the preceding twelve months. The City

maintains historical records on the Engineering News Record Index. These records are available for inspection during normal business hours. **(MHMC 3.56.010; 3.56.030; 3.56.050)**

B. STREET IMPROVEMENTS

1. The applicant shall cause the design and construction of all new public and private streets serving the project. The design of all new public and private streets shall be consistent with the General Plan Land Use and Circulation Element as well as the Street Standard Details as contained within the Public Works Standards Details. The construction of the streets shall be undertaken to the lines and grades and in a manner satisfactory to the City Engineer. All street improvements shall be constructed to the satisfaction of the City Engineer. The timing of the improvements will be determined by the City. **(MHMC 12.02.010; 12.02.090; 17.32.060 B; CMH General Plan; CMH Design Standards and Standard Details for Construction)**
2. The project shall install and dedicate street improvements including, but not limited to, curb and gutter, sidewalk, compaction, street paving, oiling, storm drainage facilities, sewer and water, fire protection, undergrounding of utilities and street lighting in conformance with City of Morgan Hill requirements. **(MHMC 12.02.010; 12.02.50; 12.02.080; 12.02.100; 17.28.010; 17.32.060)**
3. Dedication of the required corner cutoff at the intersection of Juan Hernandez Drive and Barrett Avenue. **(MHMC 12.02.010; 12.02.50; 12.02.080; 12.02.100; 17.28.010)**
4. Underground existing utilities: All existing overhead utilities adjacent to any site boundary or along any street frontage of the site shall be placed underground in accordance with City standards and affected utility company guidelines. **(MHMC 12.02.090 B; 17.32.020 E.1)**

C. SANITARY SEWER SYSTEM

1. The applicant shall cause to be undertaken the design and construction of sanitary sewer improvements including, but not limited to installation of sewer line extension on the private street(s)/drive aisle(s). The sanitary collection system shall include, but not be limited to manholes with manhole frames and covers, cleanouts, wye-branches and laterals, and separate sewer taps to each lot. These are to be installed by the developer. **(MHMC 13.20.355; 17.32.020 C; CMH Sewer System Master Plan; CMH Design Standards and Standard Details for Construction)**

2. All existing and future sewer lines shall be tied into the City's system and existing septic systems shall be abandoned in accordance with City requirements. **(MHMC 13.24.060; 17.32.20 C)**

D. STORM DRAIN SYSTEM

1. A complete storm drainage study of the proposed development must be submitted showing amount of run-off, and existing and proposed drainage structure capacities. This study shall be subject to review and approval by the City Engineer. All needed improvements will be made by the applicant. No overloading of the existing system will be permitted. **(MHMC 17.32.020 B; 17.32.090; CMH Design Standards and Standard Details for Construction)**
2. The applicant shall cause the design and construction to be undertaken for a storm drainage collection system shown on the Tentative Map plans. All storm drain improvements shall be constructed to the satisfaction of the City Engineer. **(MHMC 17.32.020 A & B)**
3. Collection system shall be designed to be capable of handling a 10-year storm without local flooding. On-site detention facilities shall be designed to a 25-year storm capacity. Streets shall be designed to carry a 100-year storm. Items of construction shall include, but not be limited to installation of surface and subsurface storm drain facilities, manholes with manhole frames and covers, catch basins and laterals. Note: the project may be required to **retain** stormwater runoff as part of resolution R3-2013-0032 prior to releasing discharge rates at pre-development flows. **(MHMC 17.32.020 B; 18.74.440; CMH Design Standards and Standard Details for Construction; CMH Storm Drainage System Master Plan)**
4. Prior to final map approval or issuance of a grading permit the applicant shall complete the following to the satisfaction of the City Engineer.
 - a. Storm drain calculations to determine detention/retention pond sizing and operations.
 - b. Plan describing how material excavated during construction will be controlled to prevent this material from entering the storm drain system.
 - c. Water Pollution Control Drawings (WPCD) for Sediment and Erosion Control.**(CMH Design Standards and Standard Details for Construction)**
5. As required by the State Water Resources Control Board (SWRCB) Order No. 2009-0009-DWQ, construction activity resulting in a land disturbance of one (1) acre or more of soil, or whose projects are part of a larger common plan of development that in total disturbs more than one (1) acre, are required to obtain

coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) ONLINE at: <http://smarts.waterboards.ca.gov/smarts/faces/SwSmartsLogin.jsp> and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with the General Permit. The SWPPP Manual shall follow the CASQA SWPPP template/format at <https://www.casqa.org/store/products/tabid/154/p-167-construction-handbookportal-initial-subscription.aspx> and shall be approved by Land Development Engineering. A Waste Discharger Identification (WDID) number will be issued to the construction site after the SWRCB receives and verifies the submitted ONLINE NOI information. The WIDI number and approved SWPPP Manual shall be provided to Land Development Engineering Division and the Building Division prior to any approval of grading activities (SWRCB NPDES General Permit CA000002).

6. NPDES GENERAL PERMIT SITE SWPPP INSPECTIONS AND COMPLIANCE:
 - a. ALL project onsite and offsite construction activity shall have the site inspected by a qualified third party SWPPP Inspector (QSD or QSP or RCE) or the project shall be charged for SWPPP inspections performed by a City Inspector. This will be determined at improvement plan stage.
 - b. SWPPP Inspections shall occur weekly during the rainy season (September 15th thru May 1st).
 - c. SWPPP Inspections shall occur bi-weekly during the non-rainy season.
 - d. 48 hours prior to and following a forecasted rain event, SWPPP Inspections shall occur in addition to those of items 2 or 3 above.
 - e. Per each of the inspection conditions 2, 3, or 4, the NPDES SWPPP Inspector shall certify in writing to the Building Division and Land Development Engineering Division if the site is in compliance or non-compliance with the NPDES General Permit for Stormwater, site SWPPP Manual, and Water Pollution Control Drawings (per the CMH-SWPPP Inspection Check List to be provided by Land Development Engineering). QSD/QSP SWPPP Inspectors shall forward onsite and offsite information/certification to the Building (on-site private property issues) and Public Works (public right-of-way issues) inspectors respectively.
 - f. Prior to rain events, BMPs not in compliance will need to be corrected immediately.

- g. Illicit discharges per the NPDES General Permit, non-compliance of tracking control, and inlet protection within the public right of way shall be address immediately.
- h. Other non-compliance issues need to be addressed within a 24-hour period.
- i. Non-compliance issues which have been corrected shall be verified by NPDES SWPPP Inspector by a follow up inspection.
- j. BMPs maintenance/inspections shall include tree protection if applicable.

E. WATER SYSTEM

- 1. The applicant shall cause the design and construction to be undertaken of a domestic water system to the satisfaction of the City Engineer. The water system improvements shall be constructed within public easements or street rights-of-way to the satisfaction of the City Engineer and dedicated to the City. **(MHMC 17.32.020 A & D; CMH Design Standards and Standard Details for Construction; CMH Water System Master Plan)**
- 2. Abandonment of any existing water well shall be in conformance with Santa Clara Valley Water District (SCVWD) Ordinance 90-1. Location and disposition to be shown on the plan. Well(s) shall be properly registered with the SCVWD and either be maintained or abandoned in accordance with SCVWD standards.
- 3. Installation of water line extension on the proposed private streets. **(MHMC 17.32.020 A & D; CMH Water System Master Plan)**
- 4. Provide separate water services and meters for each parcel. These are to be installed by developer. **(MHMC 17.32.020 D)**

F. OTHER CONDITIONS

- 1. The owner shall dedicate all necessary utility easements. **(MHMC 12.02.080 D; 17.28.010 A)**
- 2. The applicant shall cause the design and construction required to underground all electric, gas, Cable TV and communication lines within the development. Such design and construction shall be to the satisfaction of the affected utilities and the City Engineer. **(MHMC 17.32.020 E.1)**
- 3. The final map for a minor subdivision (4 lots or less) shall be signed by the City Engineer and the Planning Commission Secretary prior to issuance of a grading permit. **(MHMC 17.20.390; 17.24.210)**
- 4. Final landscape plans shall be submitted with and included as part of the improvement plans for the project. **(MHMC 17.08.090)**

5. Prior to the approval of any Building Permit for grading activity, the developer shall schedule a pre-construction meeting with the Public Works Inspection Division with the following project team members:
 - a. Civil Engineer of record
 - b. Geotechnical Engineer of record
 - c. Third Party QSD/QSP SWPPP Inspector
 - d. General Contractor
 - e. Subcontractors

G. NPDES WATER QUALITY STORMWATER MANAGEMENT DEVELOPMENT STANDARDS

1. State Water Resources Control Board Post Construction Requirements (PCRs): Project shall comply with the California Regional Water Quality Control Board Central Coast Region Resolution No. R3-2013-0032 as documented by the **Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements** (developed from Resolution No. R-2013-0032 Attachment 1 and 2 at: http://www.waterboards.ca.gov/centralcoast/water_issues/programs/stormwater/docs/lid/lid_hydromod_charette_index.shtml). A copy of the guidance manual can be obtained through the Land Development Engineering's website. Project shall meet the applicable requirements of the Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements:
 - a. Performance Requirement 1: Site Design and Runoff Reduction
 - b. Performance Requirement 2: Water Quality Treatment
 - c. Performance Requirement 3: Runoff Retention
 - d. Performance Requirement 4: Peak Management
2. **Properly Design Trash Enclosure Areas:** All trash enclosure areas must meet the following Structural or Treatment Control BMP requirements:
 - a. Roof Required: Trash enclosure areas shall have an all-weather noncombustible solid roof to prevent rainwater from mixing with the enclosure's contents.
 - b. Walls Required: Trash enclosure shall have structural walls to prevent unauthorized off-site transport of trash.
 - c. Doors: Trash enclosure shall have door(s) which can be secured when closed.
 - d. Grades: The pad for the enclosure shall be designed to not drain outward, and the grade surrounding the enclosure shall be designed to not drain into the enclosure.

- e. Drain Inlet: Within the enclosure, an area drain with an approved (Zurn) vandal- proof drain shall be installed and shall be plumbed to the sanitary sewer system with grease trap. Grease trap shall be located within the trash enclosure footprint.
3. **Design Standards for Structural or Treatment Control BMPs:** The post-construction treatment control BMPs shall incorporate, at a minimum, either a volumetric or flow- based treatment control design standard, or both, as identified below to mitigate (infiltrate, filter or treat) storm water runoff:
 - a. Volumetric Treatment Control BMP
 - i) The 85th percentile 24-hour runoff event determined as the maximized capture storm water volume for the area, from the formula recommended in Urban Runoff Quality Management, WEF Manual of Practice No. 23/ASCE Manual of Practice No. 87, (1998); or
 - ii) The volume of annual runoff based on unit basin storage water quality volume, to achieve 80 percent or more volume treatment by the method recommended in California Stormwater Best Management Practices Handbook – Industrial/ Commercial, (2003); or
 - iii) The volume of runoff produced from a historical-record based reference 24-hour rainfall criterion for “treatment” that achieves approximately the same reduction in pollutant loads achieved by the 85th percentile 24-hour runoff event.
 - b. Flow Based Treatment Control BMP
 - i) The flow of runoff produced from a rain event equal to at least two times the 85th percentile hourly rainfall intensity for the area; or
 - ii) The flow of runoff produced from a rain event that will result in treatment of the same portion of runoff as treated using volumetric standards above.
4. **Stormwater Runoff Management Plan (SWRMP) required:** The stormwater runoff management plan shall include sufficient information to evaluate the environmental characteristics of affected areas, the potential impacts of the proposed development on water resources, and the effectiveness and acceptability of measures (post-construction BMPs) proposed for managing stormwater runoff.
5. **Stormwater BMP operation, maintenance, and replacement responsibility**

- a. All on-site stormwater management facilities shall be operated and maintained in good condition and promptly repaired/replaced by the property owner(s) or other legal entity approved by the city.
 - b. Any repairs or restoration/replacement and maintenance shall be in accordance with city-approved plans.
 - c. The property owner(s) shall develop a maintenance schedule for the life of any stormwater management facility and shall describe the maintenance to be completed, the time period for completion, and who shall perform the maintenance. This maintenance schedule shall be included with the approved stormwater runoff management plan.
6. **Stormwater BMP operation and Maintenance Agreement (SWBOMA):**
Prior to the issuance of any building permits requiring stormwater management BMPs, the owner(s) of the site shall enter into a formal written stormwater BMP operation and maintenance agreement with the city. The city shall record this agreement, against the property or properties involved, with the County of Santa Clara and it shall be binding on all subsequent owners of land served by the storm water management treatment BMPs (City standard STORMWATER BMP OPERATION AND MAINTENANCE AGREEMENT to be provided by Land Development Engineering).
7. **Stormwater BMP inspection responsibility**
- a. The property owner(s) shall be responsible for having all stormwater management facilities inspected for condition and function by a Register Civil Engineer (RCE).
 - b. Unless otherwise required by the City engineer or designee, stormwater facility inspections shall be done at least twice per year (April 15th and September 15th) by the RCE. Written records shall be kept of all inspections and shall include, at minimum, the following information:
 - i) Site address;
 - ii) Date and time of inspection;
 - iii) Name of the person conducting the inspection;
 - iv) List of stormwater facilities inspected;
 - v) Condition of each stormwater facility inspected;
 - vi) Description of any needed maintenance or repairs; and
 - vii) As applicable, the need for site re-inspection.
 - c. Upon completion of each inspection, an inspection report shall be submitted to Land Development Engineering.

8. **Records of maintenance and inspection activities:** On or before April 15th and September 15th of each year, the party responsible for the operation and maintenance of on-site stormwater management facilities under the BMP operation and maintenance agreement shall provide the City engineer or designee with records of all inspections, maintenance and repairs.
9. **Annual Certification of SWRMP:** On or before September 30th of each year, a Registered Civil Engineer (RCE) shall provide written certification that the developments stormwater quality design standards are properly maintained and functioning as required by the SWRMP.

POLICE DEPARTMENT

- A. **Safety and Security Plan.** The Police Department shall review and approve a safety and security plan for the facility including a security camera plan prior to the issuance of a building permit or site development permit, whichever one is issued first.
- B. **Camera Access.** The Police department will require access to camera feed and camera recordings to be able to view real time and recorded footage if/when required.

HOUSING DIVISION

- A. **Inclusionary Housing Agreement:** The developer shall execute and record an Inclusionary Affordable Housing Agreement with the City prior to issuance of a building permit. **(MHMC 14.04.050)**
- B. **BMR Standards:** The Below Market Rate (BMR) units shall comply with the BMR standards.

BMR standards:

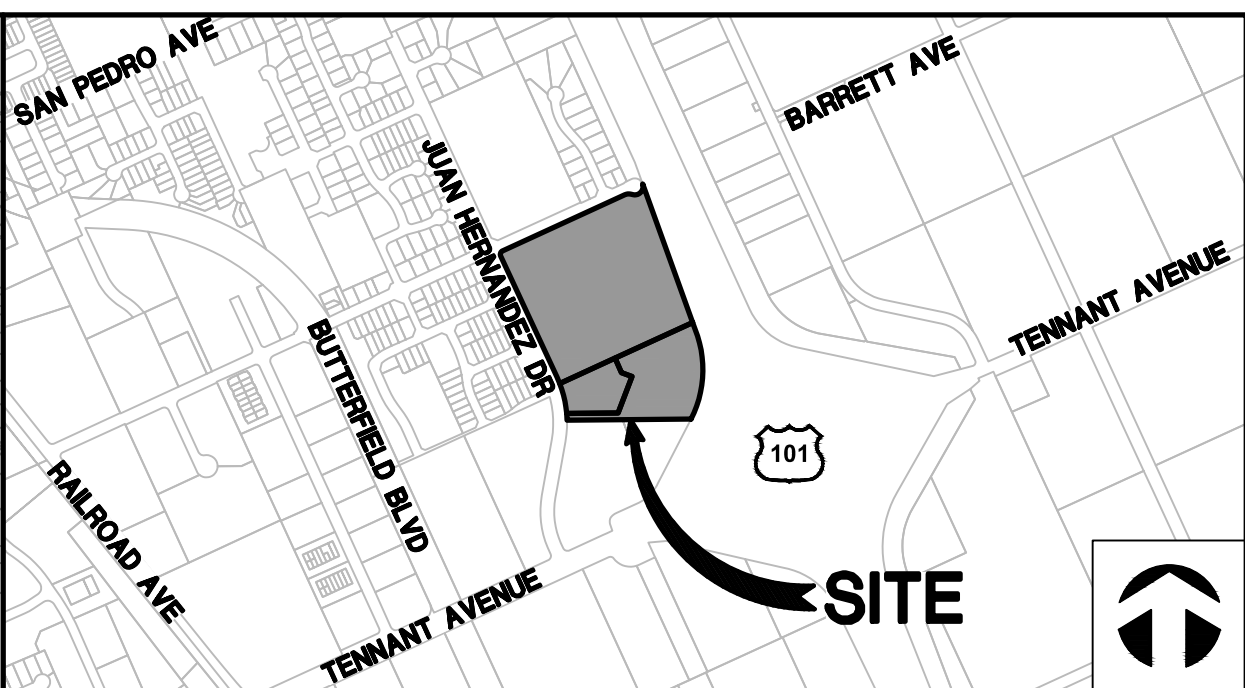
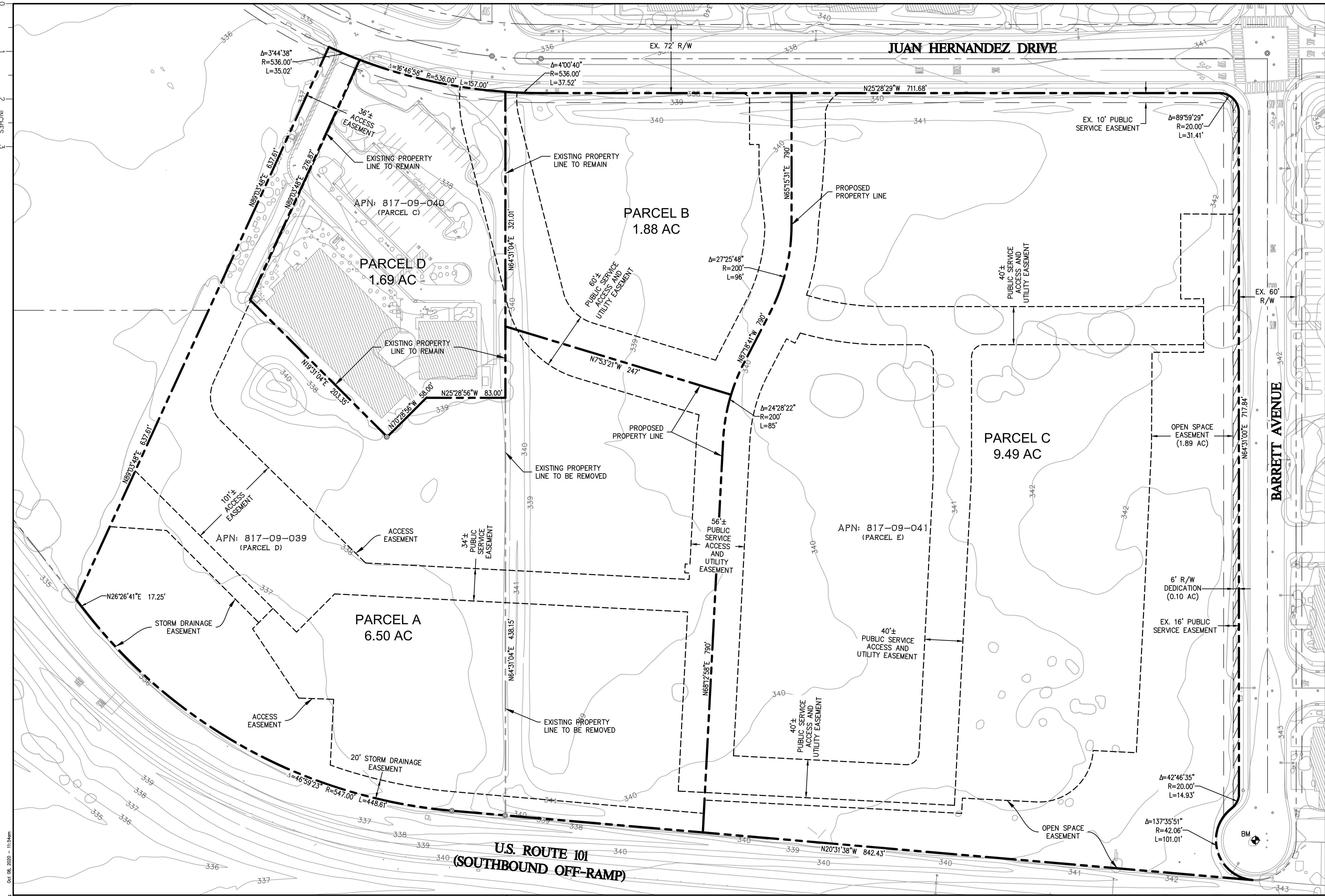
1. Location. BMR units shall be distributed evenly throughout the project.
2. Lot Size. Lot size shall be at least the same size as the smallest lot of a market rate unit within the project;
3. Bedroom Count. Average bedroom count shall be the same as the average bedroom count in the market rate units in the project;
4. Exterior. Exterior trim entry door hardware, and finish to the same standard as the Market Rate
5. Minimum standards for equipment, fixtures, appliances and finishes have been established for the BMR units. All items installed by the developer shall be of good quality and in new condition. Good quality shall be deemed

as entry level but generally not the lowest level of product offered for that application. All products shall offer durability, reliability and maintain a quality appearance and function that is standard to most other median priced homes in the area. The below listed items must be installed as a basic feature of each BMR home.

6. Minimum Interior standard finishes will be as follows:
 - a. All closets shall have doors
 - b. Interior doors to be raised panel type or same as market rate
 - c. Door hardware to be brass finish or equivalent
 - d. Appliances shall be major brand name
 - e. Microwave with an exhaust vent shall be installed over the range
 - f. Kitchen counters shall be white ceramic tile
 - g. Kitchen cabinets shall be stained wood with white melamine interiors
 - h. Units will be roughed in for AC including electrical and line set
 - i. Basic alarm system to secure all accessible openings to the home
 - j. Carpet in bedrooms, hallways, family rooms
 - k. Linoleum or tile entry, bathroom kitchens
 - l. Laminate flooring may substitute for carpet or linoleum
 - m. Electric garage door opener

7. Timing of Construction. BMR units shall be constructed in proportion to the BMR ownership housing requirement applicable to the project. For example, for a project with 389 units and an 20% BMR rental housing commitment, at least one BMR unit shall be constructed before or concurrently with every 5th market rate unit constructed. The last market rate unit to be completed in the project may not receive a certificate of occupancy until the last BMR unit has received a certificate of occupancy. The Director may approve a modified schedule if the timing requirement will create unreasonable delays in the issuance of certificates of occupancy for market rate units.

EXHIBIT "B"



VICINITY MAP SCALE: 1" = 1000'

ABBREVIATIONS/LEGEND	
	GROUND CONTOUR
	PROPOSED PROPERTY LINE
	EXISTING PROPERTY LINE TO BE REMOVED
	ADJACENT PROPERTY LINE
	CENTERLINE
	EXISTING EASEMENT
	PROPOSED EASEMENT
	TREE DRIP LINE
	BENCHMARK
	SURVEY MONUMENT
	RIGHT OF WAY DEDICATION

LEGAL DESCRIPTION
PARCELS C, D AND E, AS SAID PARCELS ARE SHOWN AND SO DESIGNATED ON THE PARCEL MAP FILED FOR RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16, SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.

BENCHMARK
LOCAL BENCHMARK TAKEN AS 2-INCH BRASS DISC. ELEVATIONS SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). ELEVATIONS WERE DETERMINED THROUGH STATIC GPS OBSERVATIONS AND THE USE OF THE NATIONAL GEODETIC SURVEY'S ONLINE POSITIONING USER SERVICE (OPUS). A NAVD88 ELEVATION OF 343.77 FEET FOR THE BRASS DISC WAS ESTABLISHED FOR THE LOCAL SITE BENCHMARK DESIGNATED POINT NUMBER 600, SHOWN HEREON.

PROJECT TEAM

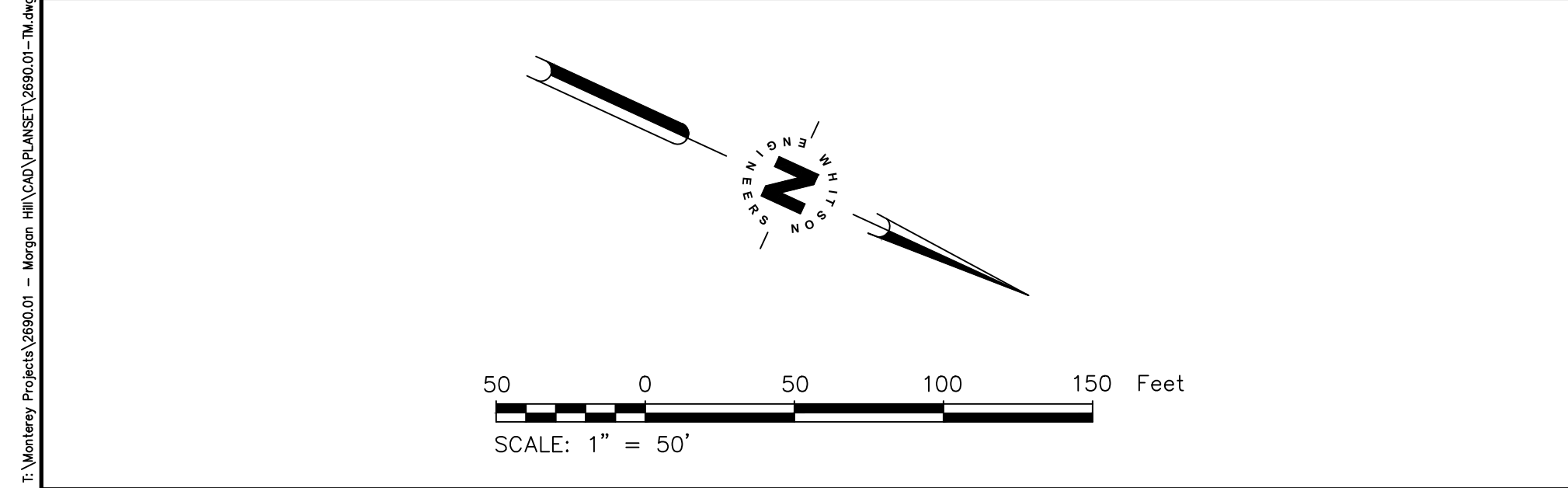
OWNER/APPLICANT	CIVIL ENGINEER
LILLIAN COMMONS, LLC 782 SLEEPER AVENUE MOUNTAIN VIEW, CA 94040 (605) 575-9608	WHITSON ENGINEERS 6 HARRIS COURT MONTEREY, CA 93940 RICHARD WEBER, RCE 55219 (831) 649-5225
PLANNER	ARCHITECT
EMC PLANNING GROUP, INC. 301 LIGHTHOUSE AVENUE SUITE 210 MONTEREY, CA 93940 MICHAEL GROVES (831) 649-1799	EVOCO ARCHITECTURE 160 SOUTH LINDEN AVENUE SUITE 210 SOUTH SAN FRANCISCO, CA 94080 DEEPAK PATANKAR (415) 312-0454
LANDSCAPE ARCHITECT	
W. JEFFREY HEID LANDSCAPE ARCHITECT 6179 ONEIDA DRIVE SAN JOSE, CA 95123 JEFFREY HEID (408) 691-5207	



TENTATIVE PARCEL MAP
0 JUAN HERNANDEZ DRIVE
PROPOSED SUBDIVISION OF
PARCELS C, D, AND E AS SHOWN ON
BOOK 513 OF MAPS ON PAGE 16
CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA



ORIGINAL: SEPTEMBER 25, 2020
REVISED: OCTOBER 6, 2020 PROJECT No. 2690.01



PROPERTY DATA

ASSESSORS' PARCEL NO.:

817-09-039

817-09-040

817-09-041

LOCATION OF PROPERTY:

0 JUAN HERNANDEZ DRIVE

EXISTING LAND USE:

COMMERCIAL

PROPOSED LAND USE:

MIXED USE-FLEX (MU-F)

EXISTING AND PROPOSED ZONING:

SERVICE COMMERCIAL (CS) WITH A PLANNED DEVELOPMENT (PD) OVERLAY

OFF-SITE UTILITIES:

STORM DRAINAGE

SANITARY SEWER

WATER

GAS & ELECTRIC

TELEPHONE

CITY OF MORGAN HILL

CITY OF MORGAN HILL

CITY OF MORGAN HILL

PACIFIC GAS & ELECTRIC

VERIZON

ON-SITE UTILITIES:

STORM DRAINAGE

SANITARY SEWER

WATER

GAS & ELECTRIC

TELEPHONE

PRIVATE

PRIVATE

CITY OF MORGAN HILL

PACIFIC GAS & ELECTRIC

VERIZON

NOTES:

1. SUBDIVIDER SHALL CONFORM TO THE REQUIREMENTS OF THE CITY OF MORGAN HILL CODE OF ORDINANCES CHAPTER 17.32 IN REGARDS TO SUBDIVISION IMPROVEMENTS.

2. LOT DIMENSIONS AND EASEMENT LOCATIONS ARE PRELIMINARY AND SUBJECT TO CHANGE PENDING FINAL ENGINEERING DESIGN.

3. THE PROJECT WILL BE PHASED.

PARCEL SUMMARY

DESCRIPTION	AREA (AC)
PARCEL A	6.50
PARCEL B	1.88
PARCEL C	9.49
PARCEL D	1.69
R/W DEDICATION	0.10
TOTAL	19.67



Planning for Success.

October 6, 2020

Jennifer Carmen, Development Services Director /
Adam Paszkowski, Principal Planner
City of Morgan Hill
17575 Peak Avenue, Morgan Hill, CA 95037

Re: GPA2019-0005, ZA2019-0016 & SD2019-0007 Response to Planning Commission Hearing
Comments

Dear Jennifer / Adam,

On September 29, 2020, you (the City staff) and EMC Planning Group presented the PD Master Plan to the Planning Commission. The applicant strongly believes that the residential use within the Mixed- Use development is a critical part of the development program for the property, not only providing necessary moderately priced housing for essential workers, but as a buffer from the hospital use to the adjacent residential and school uses. In response to the Planning Commission comments, we have made revisions to the conceptual Site Plan and Tentative Parcel Map (see attached) and have the following modifications that could be made to the PD Master Plan document.

The applicant would offer and agree to the following items listed below. References are provided to the locations where these are addressed within the PD Master Plan document. The requested PD Master Plan changes for the Planning Commission to recommend are as follows:

1. Reduction in building height for residential development from four stories maximum to three stories maximum. (Section 4.2, Parcel C, page 4-4);
2. Residential unit count to be adjusted from 200 units to 150 units maximum. (Section 4.2, Parcel C, page 4-4);

Attachment: Applicant Response to Planning Commission - Updated PD Master Plan (2892 : Lillian Commons)

EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM

Jennifer Carmen
 Town of Morgan Hill
 October 6, 2020, Page 2

3. Residential Land Use on the project site will be limited to 7.5 to 8 acres (up to 41% of the gross land area), excluding the park area located adjacent to Barrett Avenue and Highway 101. (new item, add to Section 4.2, Parcel C, page 4-4);
4. The residential land use will be limited to occupying the northern portion of the property near Barrett Avenue, Parcel C, as depicted on the latest site plan. (new item, add to Section 4.2, Parcel C, page 4-4);
5. Residential Single Family Detached lots would be changed to a Permitted use instead of a Conditional use. (Section 5.0, Table on page 5-2); and
6. The applicant will not participate in the drafting of a Development Agreement until the end users can participate in the agreement. (Section 4.4, page 4-11).

With regard to item #3 above, the application is providing a bubble diagram of land use types, including acreage and percentages of use by type for the record and the Planning Commissions information.

Thank you to you and the City for your direction and support. Please include this in the Staff Report for the October 13th Planning Commission meeting and let us know how you would like to present this information to the Planning Commission. Again, thank you!

Sincerely,



Michael J. Groves

President/Senior Principal

Cc: Cecily Murray

Attachments:

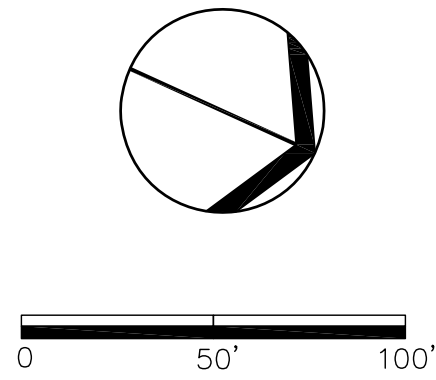
- Revised Site Plan (dated 10-6-20), based on Planning Commission comments and Staff recommendations.
- Revised Tentative Parcel Map (dated 10-6-20), showing revised Parcel information.
- Bubble Diagram (dated 10-6-20) outlining the Mixed-Use land use types, including acreages and percentage of each use type for Planning Commission information.

Attachment: Applicant Response to Planning Commission - Updated PD Master Plan (2892 : Lillian Commons)



Lillian Commons / Morgan Hill Medical Campus

SITE DATA:
APN: 817-09-039, 040 and 041
Site Area: GLA -19.67 AC, 856,782 SF
Mix Use Parcels:
Medical Campus - 8.19 AC, 42% of GLA
Commercial - 1.88 AC, 10% of GLA
Residential - 7.51 AC, 38% of GLA
Park - 1.98 AC, 10% of GLA
Right-of-way Dedication - 0.10 AC



LAND USE BUBBLE DIAGRAM
PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA
October 6, 2020



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com



Lillian Commons / Morgan Hill Medical Campus

SITE DATA:
APN: 817-09-039, 040 and 041
Site Area: GLA -19.67 AC, 856,782 SF
Parcel A - Proposed Medical Office / Hospital - 6.50 AC
100,000 - 130,00 SF, 566 Pkg. Spaces
Parcel B - Proposed Commercial/Restaurant - 1.88 AC
10,000 SF, 50 Pkg. Spaces
Parcel C - Proposed Residential - 9.49 AC
150 Dwelling Units Maximum
1.98 AC Park/Recreation
School Drop-off/Pick-up Lot
Parcel D - Proposed Urgent Care/ Existing Medical - 1.69 AC
15,900 SF Ex. Medical
4,500 SF Proposed Urgent Care
31 Pkg. Spaces
Right-of-way Dedication - 0.10 AC
Zoning: Service Commercial - CS w/ PD Overlay
Existing General Plan Designation: Commercial
Proposed General Plan Amendment: Mixed Use Flex
Parking: Total Required 790 spaces/ Provided 895 spaces*
Required: Medical Office / Hospital @ 1/200 & other = 452 spaces
Proposed: Medical Office / Hospital @ 1/200 & other = 597 spaces
Required: Retail/Restaurant @ 1/250 and 1/100 = 70 spaces
(Assumes 5,000 Retail and 5,000 Restaurant)
Proposed: Retail/Restaurant 50 spaces
Required: SF Residential (2 covered per DU + guest pkg.) 268 spaces
Proposed: SF Residential (2 covered per DU + guest pkg.) 268 spaces
*Shared parking proposed between Parcels per Municipal Code Section 18.72.050

Floor Area Ratio: 417,696 SF (0.5% max.)

LEGEND:

- Buildings
- Buffers / Open Space
- Sidewalks/Pathways
- Park / Recreation
- Landscaping (See Landscape Plan for Details)

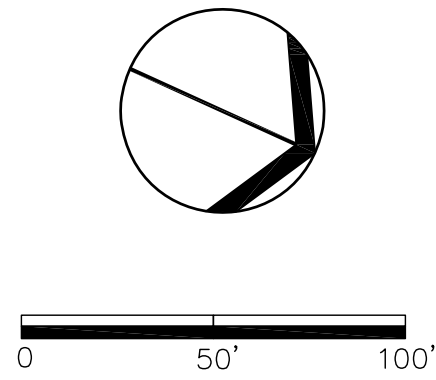
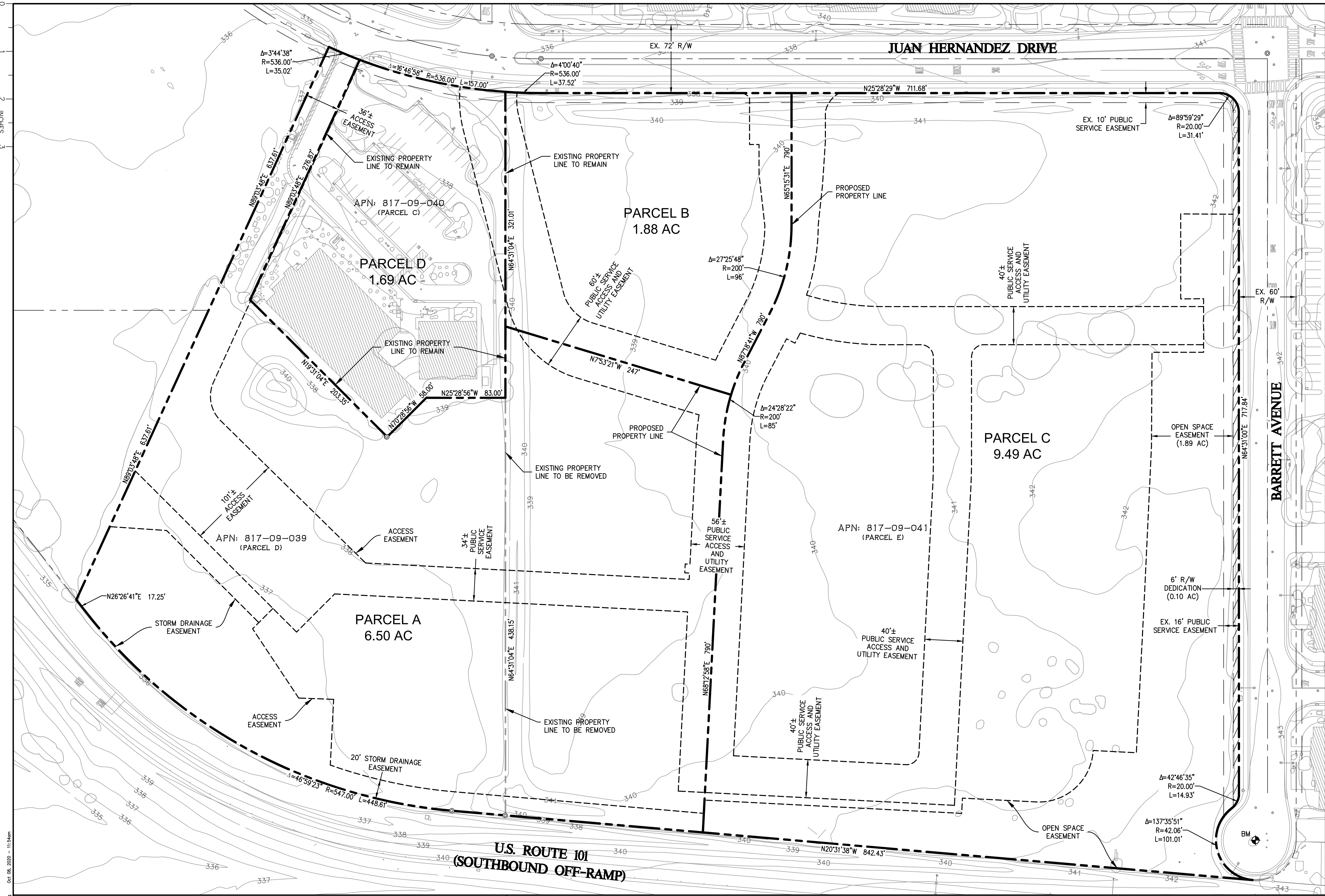


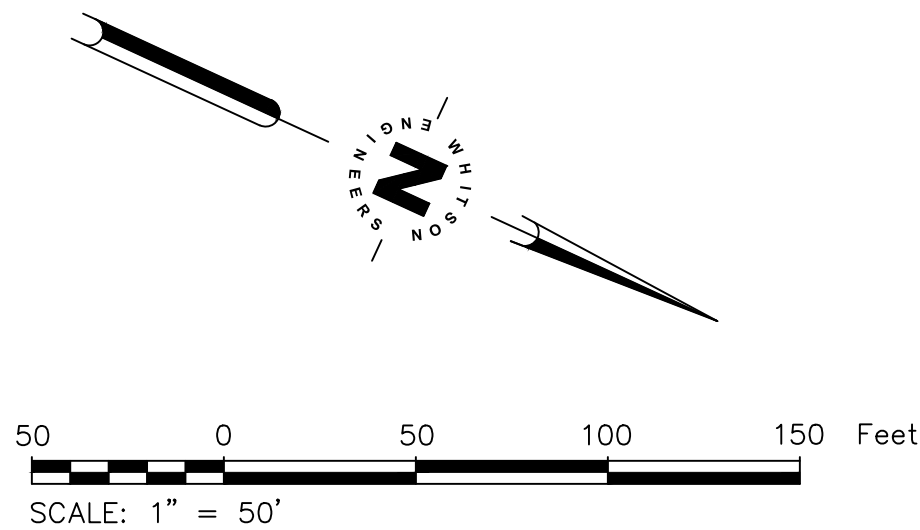
Figure 12
ILLUTRATIVE SITE PLAN
PD Master Plan / General Plan Amendment /
Application for Development Permit
Morgan Hill, CA
October 30, 2019
Revised October 6, 2020



EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com



T:\Monterey\Projects\2690.01 - Morgan Hill\CA\GIS\ANSET\2690.01-11.dwg Oct 08, 2020 - 11:54am



SUBDIVISION NOTES

PROPERTY DATA ASSESSORS' PARCEL NO.:	817-09-039 817-09-040 817-09-041
LOCATION OF PROPERTY:	0 JUAN HERNANDEZ DRIVE
EXISTING LAND USE:	COMMERCIAL
PROPOSED LAND USE:	MIXED USE-FLEX (MU-F)
EXISTING AND PROPOSED ZONING:	SERVICE COMMERCIAL (CS) WITH A PLANNED DEVELOPMENT (PD) OVERLAY

OFF-SITE UTILITIES:
STORM DRAINAGE
SANITARY SEWER
WATER
GAS & ELECTRIC
TELEPHONE

CITY OF MORGAN HILL
CITY OF MORGAN HILL
CITY OF MORGAN HILL
PACIFIC GAS & ELECTRIC
VERIZON

NOTES:

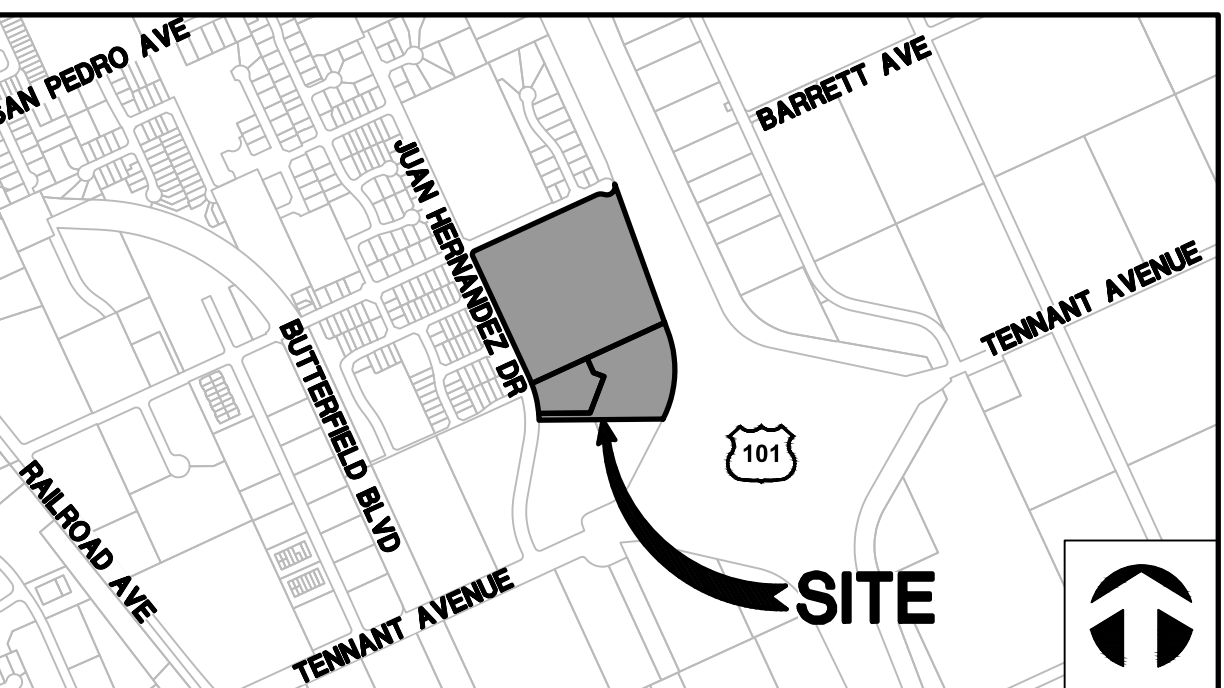
- SUBDIVIDER SHALL CONFORM TO THE REQUIREMENTS OF THE CITY OF MORGAN HILL CODE OF ORDINANCES CHAPTER 17.32 IN REGARDS TO SUBDIVISION IMPROVEMENTS.
- LOT DIMENSIONS AND EASEMENT LOCATIONS ARE PRELIMINARY AND SUBJECT TO CHANGE PENDING FINAL ENGINEERING DESIGN.
- THE PROJECT WILL BE PHASED.

ON-SITE UTILITIES:
STORM DRAINAGE
SANITARY SEWER
WATER
GAS & ELECTRIC
TELEPHONE

PRIVATE
PRIVATE
CITY OF MORGAN HILL
PACIFIC GAS & ELECTRIC
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PARCEL SUMMARY

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PARCEL A	6.50
PARCEL B	1.88
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PARCEL D	1.69
R/W DEDICATION	0.10
TOTAL	19.67



VICINITY MAP

SCALE: 1" = 1000'

ABBREVIATIONS/LEGEND

	GROUND CONTOUR
	PROPOSED PROPERTY LINE
	EXISTING PROPERTY LINE TO BE REMOVED
	ADJACENT PROPERTY LINE
	CENTERLINE
	EXISTING EASEMENT
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	BENCHMARK
	SURVEY MONUMENT
	RIGHT OF WAY DEDICATION

LEGAL DESCRIPTION

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BENCHMARK

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PROJECT TEAM

OWNER/APPLICANT

LILLIAN COMMONS, LLC
782 SLEEPER AVENUE
MOUNTAIN VIEW, CA 94040

(605) 575-9608

PLANNER

EMC PLANNING GROUP, INC.
301 LIGHTHOUSE AVENUE
SUITE 210
MONTEREY, CA 93940

MICHAEL GROVES
(831) 649-1799

LANDSCAPE ARCHITECT

W. JEFFREY HEID LANDSCAPE
ARCHITECT
6179 ONEIDA DRIVE
SAN JOSE, CA 95123

JEFFREY HEID
(408) 691-5207

CIVIL ENGINEER

WHITSON ENGINEERS
6 HARRIS COURT
MONTEREY, CA 93940

RICHARD WEBER, RCE 55219
(831) 649-5225

ARCHITECT

EVOCO ARCHITECTURE
160 SOUTH LINDEN AVENUE
SUITE 210
SOUTH SAN FRANCISCO, CA 94080

DEEPAK PATANKAR
(415) 312-0454



TENTATIVE PARCEL MAP
0 JUAN HERNANDEZ DRIVE

PROPOSED SUBDIVISION OF
PARCELS C, D, AND E AS SHOWN ON
BOOK 513 OF MAPS ON PAGE 16

CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA



Whitson
ENGINEERS

Civil Engineering
Land Surveying
6 Harris Court
Monterey, California
831.649.5225
whitsonengineers.com

ORIGINAL: SEPTEMBER 25, 2020

REVISED: OCTOBER 6, 2020

PROJECT No. 2690.01

MITIGATION MONITORING AND REPORTING PROGRAM

Lillian Commons Medical Campus Project
File Numbers: GPA2019-0005, ZA2019-0016,
SD2019-0007 and EA2019-0023
September 2020



PREFACE

Section 21081.6 of the California Environmental Quality Act (CEQA) requires a Lead Agency to adopt a Mitigation Monitoring and Reporting Program (MMRP) whenever it approves a project for which measures have been required to mitigate or avoid significant effects on the environment. The purpose of the monitoring and reporting program is to ensure compliance with the mitigation measures during project implementation.

The Initial Study (IS) prepared for the Lillian Commons Medical Campus Project concluded that the implementation of the project could result in significant effects on the environment and mitigation measures were incorporated into the proposed project or are required as a condition of project approval. This MMRP addresses those measures in terms of how and when they will be implemented.

This document does *not* discuss those subjects for which the IS concluded that the impacts from implementation of the project would be less than significant.

I, _____, the applicant, on the behalf of _____, hereby agree to fully implement the Mitigation Measures described below which have been developed in conjunction with the preparation of an IS for my proposed project. I understand that these mitigation measures or substantially similar measures will be adopted as conditions of approval with my development permit request to avoid or significantly reduce potential environmental impacts to a less than significant level, where feasible.

Project Applicant's Signature _____

Date _____



Lillian Commons Medical Campus Project
 File No. GPA2019-0005, ZA2019-0016,
 SD2019-0007, and EA2019-0023

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
AIR QUALITY			
Impact AIR-1: The project would implement BAAQMD best management practices to ensure construction-related criteria pollutant emissions impacts are reduced to less than significant levels.			
Standard Condition AIR-1: The following BAAQMD BMPs would be implemented as standard conditions: • All exposed surfaces (e.g. parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day. • All haul trucks transporting soil, sand, or other loose material off-site shall be covered. • All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited. • All vehicle speeds on unpaved roads shall be limited to 15 miles per hour (mph). • All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.	To be implemented by the applicant and contractors during construction.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of grading and building permits.	Director of the City's Development Services Department.

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• Replant vegetation in disturbed areas as soon as possible after completion of construction. • Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of the California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points. • All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation. • Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.			
Impact AIR-3: The project would exceed BAAQMD thresholds for construction impacts.			
MM AIR-3.1: The project applicant shall develop a plan demonstrating that the off-road equipment used onsite to construct the project would achieve	To be implemented by the applicant and contractors during construction.	All measures will be required as part of the development permit. All measures will be printed on	Director of the Development Services Department.

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a fleet-wide average 70-percent reduction in DPM exhaust emissions or greater. One feasible plan to achieve this reduction would include the following: All diesel-powered off-road equipment, larger than 25 horsepower, operating on the site for more than two days continuously shall meet U.S. EPA Tier 4 particulate matter emissions standards. Alternatively, diesel-powered equipment that meets U.S. EPA Tier 2 or 3 engines include CARB-certified Level 3 Diesel Particulate Filters (or equivalent) would meet this requirement, as would the use of equipment that is electrically powered or uses non-diesel fuels.		all construction documents, contracts, and project plans prior to issuance of grading and building permits.	
BIOLOGICAL RESOURCES			
Impact BIO-1: Construction activities on the project site could result in the loss of raptor and/or migratory bird eggs or nestlings, either directly by destroying an active nest or indirectly by disturbing and causing the abandonment of an active nest.			
MM BIO-1.1: Construction shall be scheduled to avoid the nesting season to the extent feasible. If construction can be scheduled to occur between September 1 st and January 31 st (inclusive) to avoid the raptor nesting season, no impacts will be expected. If construction will take place between February 1 st and August 31 st , then pre-construction surveys for nesting birds shall be completed by a qualified ornithologist to ensure that no nests will be disturbed during project implementation. Surveys shall be completed within 30 days of the on-set of site clearing or	To be implemented by qualified biologist prior to issuance of any grading and/or building permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	Director of Development Services Department.

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construction activities. During this survey, the ornithologist shall inspect all trees and other potential nesting habitats (e.g., trees, shrubs, buildings) onsite trees as well as all trees within 250 feet of the site for nests. MM BIO-1.2: If an active nest is found sufficiently close to work areas to be disturbed by these activities, the ornithologist shall determine the extent of a disturbance-free buffer zone to be established around the nest (typically 250 feet for raptors and 50-100 feet for other species) that shall remain off limits to construction until the nesting season is over, to ensure that no nests of species protected by the Migratory Bird Treaty Act and California Fish and Wildlife Code will be disturbed during project implementation. A report indicating the result of the survey and any designated buffer zones shall be submitted to the satisfaction of the Development Services Director prior to issuance of a grading permit.			
Impact BIO-5: The removal, cutting down, poisoning, or other destruction of protected trees, including pruning that would reduce the canopy area by more than 25 percent of any Ordinance sized tree, would require permits or mitigation measures under the City Municipal Code.			
MM BIO-5.1: To the extent feasible, activities shall avoid impacts to any protected trees. Avoidance is considered to be completely avoiding any work or staging under the dripline of trees. The boundary of the designated avoidance buffer shall be flagged or fenced prior to initial ground disturbance. If complete avoidance is not feasible, BIO MM-5.2 shall be implemented.	To be implemented by qualified biologist prior to issuance of any grading and/or building permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	Director of the Development Services Department.

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MM BIO-5.2: The project proponent shall comply with local ordinances and submit permit applications for removal, trimming, damage, or relocation of all trees covered by the City ordinance. The replacement trees shall be planted on site to the extent feasible and the project proponent shall comply with all other replacement requirements imposed by the City.			
CULTURAL RESOURCES			
Impact CUL-1: Previously unrecorded archaeological resources and/or human remains could be uncovered during project construction.			
Standard Condition CUL-1: In the event of the unintentional discovery of undocumented human remains or significant historic or archaeological materials during construction, the following policies and procedures for treatment and disposition measures shall be implemented: • If human remains are encountered, they shall be treated with dignity and respect as due to them. Information about such a discovery shall be held in confidence by all project personnel on a need to know basis. The rights of Native Americans to practice ceremonial observances on sites, in labs and around artifacts shall be upheld. ○ Remains shall not be held by human hands. Surgical gloves shall be worn if remains need to be handled.	To be implemented by the applicant and contractors during construction.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	Director of Development Services Department.

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○ Surgical mask shall also be worn to prevent exposure to pathogens that may be associated with the remains. • In the event that known or suspected Native American remains are encountered, or significant historic or archaeological materials are discovered, ground-disturbing activities shall be immediately stopped. Ground-disturbing project activities may continue in other areas that are outside the discovery location. • An “exclusion zone” where unauthorized equipment and personnel are not permitted shall be established (e.g., taped off) around the discovery area plus a reasonable buffer zone by the Contractor Foreman or authorized representative, or party who made the discovery, or if on-site at the time of discovery, by the Monitoring Archaeologist (typically 25 to 50 foot buffer for a single burial or archaeological find). • The discovery location shall be secured as directed by the City if considered prudent to avoid further disturbances. • The Contractor Foreman or authorized representative, or party who made the discovery shall be responsible for immediately contacting by telephone the			

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parties listed below to report the find and initiate the consultation process for treatment and disposition: ○ The City of Morgan Hill Development Services Director ○ The Contractor's Point(s) of Contact ○ The Coroner of the County of Santa Clara (if human remains found) ○ The Native American Heritage Commission (NAHC) in Sacramento ○ The Amah Mutsun Tribal Band • The Coroner will have two working days to examine the human remains after being notified of the discovery. If the remains are Native American, the Coroner has 24 hours to notify the NAHC. The NAHC is responsible for identifying and immediately notifying the Most Likely Descendant (MLD). (Note: NAHC policy holds that the Native American Monitor will not be designated the MLD.) • Within 24 hours of their notification by the NAHC, the MLD will be granted permission to inspect the discovery site if they so choose. • Within 48 hours of their notification by the NAHC, the MLD may recommend to the City's Community Development			

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Director the recommended means for treating or disposing, with appropriate dignity, the human remains and any associated grave goods. The recommendation may include the scientific removal and non-destructive or destructive analysis of human remains and items associated with Native American burials. Only those osteological analyses or DNA analyses recommended by the Amah Mutsun Tribal Band may be considered and carried out. If the MLD recommendation is rejected by the City of Morgan Hill, the parties will attempt to mediate the disagreement with the NAHC. If mediation fails, then the remains and all associated grave offerings shall be reburied with appropriate dignity on the property in a location not subject to further subsurface disturbance.			
GEOLOGY AND SOILS			
Impact GEO-1: The project site would experience intense ground shaking in the event of a large earthquake, which could result in a significant geological impact.			
Standard Condition GEO-1: To avoid or minimize potential damage from seismic shaking, the proposed development shall be built using standard engineering and seismic safety design techniques. Building design and construction at the site shall be completed in conformance with the recommendations of a design-level geotechnical investigation, which will be included in a report to the City. The structural designs for	To be implemented by the applicant and contractors prior to issuance of a building permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of building permits.	Director of the Development Services Department.

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the proposed development will account for repeatable horizontal ground accelerations. The report shall be reviewed and approved by the City of Morgan Hill Building Division prior to issuance of a building permit. The buildings will be required to meet the requirements of applicable Building and Fire Codes, including the 2017 California Building Code Chapter 16, Section 1613, as adopted or updated by the City. The project will be designed to withstand soil hazards identified on the site and the project shall be designed to reduce the risk to life or property to the extent feasible and in compliance with the Building Code.			
Impact GEO-2: Ground disturbance would expose soils and increase the potential for wind or water related erosion and sedimentation at the site until construction is complete, which could result in a significant erosion impact.			
Standard Condition GEO-2 (Storm Drain System): Prior to final map approval or issuance of a grading permit the applicant shall complete the following to the satisfaction of the Director of Public Works. 1. Plan describing how material excavated during construction will be controlled to prevent this material from entering the storm drain system. 2. Water Pollution Control Drawings for Sediment and Erosion Control.	To be implemented by the applicant and contractors prior to the issuance of a grading permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of grading permits.	Director of the Development Services Department.
Standard Condition GEO-3 (NPDES Permit Conformance): As required by the State Water Resources Control Board (SWRCB) Order No. 99-08-DWQ, construction activity resulting in a land disturbance of one acre or more of soil, or	To be implemented by the applicant and contractors prior to the issuance of a grading permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans	Director of the Development Services Department.

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whose projects are part of a larger common plan of development that in total disturbs more than one (1) acre, are required to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) package and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with Section A, B, and C of the General Permit prior to the commencement of soil disturbing activities. A NOI Receipt Letter assigning a Waste Discharger Identification number to the construction site will be issued after the State Water Resource Control Board (SWRCB) receives a complete NOI package (original signed NOI application, vicinity map, and permit fee); copies of the NOI Receipt Letter and SWPPP shall be forwarded to the Building and Public Works Department review. The SWPPP shall be made a part of the improvement plans (SWRCB NPDES General Permit CA000002).		prior to issuance of grading permits.	
HYDROLOGY AND WATER QUALITY			
Impact HYD-1: Construction activities could result in significant impacts to water quality due to dust, litter, oil, and other pollutants generated from project construction.			
Standard Condition HYD-1: In accordance with the City of Morgan Hill Standard Conditions of Approval and the Construction General Permit,	To be implemented by the applicant and contractors prior to and during construction.	All measures will be required as part of the development permit. All measures will be printed on	Director of the Development Services Department

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the following measures are included in the project to reduce construction-related water quality impacts to a less than significant level: • Burlap bags filled with drain rock will be installed around storm drains to route sediment and other debris away from the drains. • Earthmoving or other dust-producing activities will be suspended during periods of high winds. • All exposed or disturbed soil surfaces will be watered at least twice daily to control dust. • Stockpiles of soil or other materials that can be blown by the wind will be watered or covered. • All trucks hauling soil, sand, and other loose materials will be covered and all trucks will be required to maintain at least two feet of freeboard. • All paved access roads, parking areas, staging areas and residential streets adjacent to the construction site will be swept daily (with water sweepers). Vegetation in disturbed areas will be replanted as quickly as possible.		all construction documents, contracts, and project plans prior to issuance of grading permits.	
Standard Condition HYD-2: As required by the State Water Resources Control Board (SWRCB) Order No. 99-08-DWQ, construction activity resulting in a land disturbance of one acre or more of soil, or whose projects are part of a larger	To be implemented by the applicant and during post-construction.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans	Director of the Development Services Department

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common plan of development that in total disturbs more than one (1) acre, are required to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 for Discharges of Storm Water Associated with Construction Activity (General Permit). To be permitted with the SWRCB under the General Permit, owners must file a complete Notice of Intent (NOI) package and develop a Storm Water Pollution Prevention Plan (SWPPP) Manual in accordance with Section A, B, and C of the General Permit prior to the commencement of soil disturbing activities. A NOI Receipt Letter assigning a Waste Discharger Identification number to the construction site will be issued after the State Water Resource Control Board (SWRCB) receives a complete NOI package (original signed NOI application, vicinity map, and permit fee); copies of the NOI Receipt Letter and SWPPP shall be forwarded to the Building and Land Development Engineering Divisions review. The SWPPP shall be made a part of the improvement plans. (SWRCB NPDES General Permit CA000002).		prior to issuance of grading permits.	
Standard Condition HYD-3: The Project Engineer shall provide a hydrology report demonstrating that post-development stormwater runoff peak flows discharged from the site do not exceed pre-project peak flows for the two (2) through 10-year storm events. Peak flow controls must also meet the flood control standards	To be implemented by the applicant prior to approval of the development permit.	The report shall be provided to the City prior to approval of the development permit.	Director of Development Services Department

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established by the Santa Clara County Drainage Manual.			
NOISE AND VIBRATION			
Impact NOI-1: Project construction could result in excessive noise levels at nearby noise-sensitive receptors.			
MM NOI-1.1: Develop a noise construction control plan including but not limited to the following construction best management control: • Equipment and trucks used for construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically attenuating shields or shrouds); • Impact tools (e.g., jackhammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools; and • Stationary noise sources shall be located as far from noise-sensitive receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or include other measures. • Construct temporary noise barriers, where feasible, to screen stationary noise-generating equipment. Temporary noise barrier fences would provide a 5 dBA noise reduction if the noise barrier interrupts the line-of-sight between the noise source and receptor and if the	To be implemented by applicant and contractors prior to ground-disturbance activities and during construction.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	Director of the Development Services Department

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barrier is constructed in a manner that eliminates any cracks or gaps. • Unnecessary idling of internal combustion engines shall be strictly prohibited. • Construction staging areas shall be established at locations that will create the greatest distance between the construction-related noise sources and noise-sensitive receptors nearest the project site during all project construction. Locate material stockpiles, as well as maintenance/equipment staging and parking areas, as far as feasible from residential receptors. • Control noise from construction workers' radios to a point where they are not audible at existing residences bordering the project site. • Where feasible, temporary power service from local utility companies should be used instead of portable generators. • Locate cranes as far from noise-sensitive receptors as possible. • During final grading, substitute graders for bulldozers, where feasible. Wheeled heavy equipment are quieter than track equipment and should be used where feasible. • Substitute nail guns for manual hammering, where feasible. • Avoid the use of circular saws, miter/chop saws, and radial arm saws near the adjoining noise-sensitive receptors.			

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Where feasible, shield saws with a solid screen with material having a minimum surface density of two pounds per square foot (e.g., such as 0.75-inch plywood). • Maintain smooth vehicle pathways for trucks and equipment accessing the site, and avoid local residential neighborhoods as much as possible. • During interior construction, the exterior windows facing noise-sensitive receptors should be closed. • During interior construction, locate noise-generating equipment within the building to break the line-of-sight to the adjoining receptors. • The contractor shall prepare a detailed construction schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with adjacent residential land uses so that construction activities can be scheduled to minimize noise disturbance. • Designate a "disturbance coordinator" who would be responsible for responding to any complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., bad muffler, etc.) and will require that reasonable measures be implemented to correct the problem. Conspicuously post a telephone number for the disturbance coordinator at the construction site and include it in the			

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notice sent to neighbors regarding the construction schedule.			
Impact NOI-2: While the noise assessment determined that the mechanical equipment noise would be below the noise level thresholds established in the City's Municipal Code with implementation of MM NOI-1.1, the final location of the mechanical equipment has not been finalized. As a result, the following mitigation measure is included in the project.			
MM NOI-2.1: A qualified acoustical consultant shall be retained to review mechanical equipment systems during final design of the proposed project. The consultant shall review selected equipment and determine specific noise reduction measures necessary to reduce noise to comply with the City's noise level requirements. Prior to the issuance of building permits for the project, the emergency generator must be selected and approved by the City planning department. The generator shall include adequate noise suppressing features to reduce impacts on surrounding uses to meet the City's exterior and interior noise level requirements of 60 dBA.	To be implemented by applicant prior to approval of building permits.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of building permits.	Director of the Development Services Department.
TRANSPORTATION			
Impact TRN-1: The Tennant Avenue and Condit Road intersection is projected to operate at an unacceptable level of service (LOS F) and have peak-hour traffic volume levels that warrant installation of a traffic signal during PM peak-hour.			
MM TRN-1.1: Improvements to mitigate the impact at this intersection consist of the implementation of a traffic signal. However, the decision to install a traffic signal is not based solely on satisfying one traffic signal warrant. Instead, intersections that meet the peak-hour signal warrant shall be subject to further analysis before determining that a traffic signal is necessary. Thus, the project impact at this intersection shall be mitigated with payment of the traffic impact fee, as determined by City staff.	Fee to be paid by project applicant prior to issuance of building permits.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of building permits.	Director of the Development Services Department.

Source: City of Morgan Hill. Initial Study. Lillian Commons Medical Campus Project. September 2020.

PD Master Plan Zoning Amendment / General Plan Amendment/
Application for Development Permit

Lillian Commons/Morgan Hill Medical Campus A Mixed Use Development

Lillian Commons, LLC-Applicant

October 30, 2019
Revised March 13, 2020



Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

Prepared by
EMC Planning Group

**PD MASTER PLAN ZONING AMENDMENT /
GENERAL PLAN AMENDMENT/
APPLICATION FOR DEVELOPMENT PERMIT**

**Lillian Commons/ Morgan Hill Medical Campus
A Mixed Use Development**

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MARCH 13, 2020

Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

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1.0

INTRODUCTION

This Planned Development (PD) Master Plan has been prepared pursuant to the requirements of the City of Morgan Hill Municipal Code, and submittal requirements of the Community Development Department. This PD Master Plan also incorporates the requirements for a General Plan Amendment; the property has been concurrently re-designated from Commercial to Mixed Use Flex.

The PD Master Plan covers an area of approximately 19.7 acres east of Juan Hernandez Drive and north of Tennant Avenue. Refer to PD Master Plan section 4.5 for maps illustrating the plan boundary.

The PD Master Plan presents the following required information:

- Planning objectives;
- Community benefits;
- Land uses and approvals;
- Development standard deviations requested;
- Circulation plan;
- Locations of public facilities and open space;
- Diagrams showing various aspects of planned development;
- Development phasing; and
- Ongoing obligations

The PD Master Plan provides an overlay to the base Commercial Services (CS) zoning district. The purpose of the CS zoning district is to provide an area for commercial services that may be inappropriate in neighborhood or pedestrian-oriented shopping areas, and which generally require automotive access for customer convenience, servicing of vehicles or equipment, loading or unloading, or parking of commercial service vehicles.

The purpose of the Planned Development (PD) combining district is to allow for high quality development that deviates from standards and regulations applicable to base zoning districts in the City of Morgan Hill. Permitted land uses may deviate from the land use regulations of the applicable base zoning district, in this case Service Commercial, provided the PD combining district allows only those land uses permitted in the applicable general plan land use designation.

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2.0

PLANNING OBJECTIVES

The PD Master Plan is designed to achieve the following planning objectives:

- Build off existing medical offices to provide a complete medical services center within the City.
- Provide a small commercial component with retail/restaurant uses to serve the employees and visitors to the medical office/hospital uses as well as the surrounding community.
- Provide housing for the medical office/ hospital uses that would be affordable to the employees of these uses.
- Provide high-density housing in proximity to a school, commercial services, and employment opportunities.

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3.0

COMMUNITY BENEFITS AND GENERAL PLAN AMENDMENT JUSTIFICATION

3.1 Planned Development Community Benefits

The PD Master Plan will provide the following community benefits to the City of Morgan Hill:

- Provide the City with a well-rounded medical center featuring medical offices, urgent care/ pharmacy, and hospital beds.
- Provide the City with additional high-density housing to help the City achieve its Regional Housing Needs Allocation for lower income housing, and construct affordable housing units.
- Provide the neighborhood and City with open space, courtyards, and plazas that provide opportunities for people to informally meet and gather.
- Provide the neighborhood and City with pedestrian and bicycle pathways that enhance circulation within the property and connect to the surrounding neighborhood.
- Locate housing in proximity to parks, a school, retail, and employment opportunities to reduce vehicle miles traveled and greenhouse gas emissions.
- Provide the City with green buildings and sustainable development features. These will include photovoltaic renewable energy and meeting or exceeding Title 24 standards by three to five percent.
- Provide accessible parks and open space beyond the minimum required by the City. Park land will be dedicated to the City and the project will provide a walking/ jogging trail around the perimeter of the property to facilitate healthy living.

3.2 General Plan Amendment Justification

The PD Master Plan incorporates an amendment to the 2035 General Plan designation for the property to Mixed Use Flex (MU-F). The general plan amendment is necessary to permit the residential and hospital uses. Under the PD zoning, only those uses allowed in the property's general plan land use designation may be permitted by the PD zoning, and the general plan amendment to Mixed Use Flex accomplishes that purpose.

The 2035 General Plan defines the Mixed Use Flex district as follows:

The Mixed Use Flex designation, which is primarily applied to properties along the Monterey Road corridor north and south of downtown, allows for a mix of residential, commercial, and office uses applied either vertically (i.e., one structure with multiple uses) or horizontally (i.e., structures with different land uses located adjacent to one another). Density should transition from higher to lower at the ends of Monterey corridor. The Mixed Use Flex designation allows 7 to 24 units per acre and a maximum FAR of 0.5. Prior to development of Residential or Mixed-Use projects within the Mixed Use Flex designation a block level master plan is required to identify how commercial uses will be incorporated within the development of the block and how individual development projects will connect with each other. Commercial development may proceed without preparation of a block level master plan consistent with the Commercial designation.

This definition suits the development planned in the PD Master Plan, as the PD Master Plan conceptual Site Plan incorporates housing near the medical office/hospital uses that is intended to be affordable to the employees of these uses. In addition, the conceptual Site Plan incorporates a small commercial component within a 10,000 square foot building, with retail/restaurant uses to serve the employees and visitors to the hospital as well as the surrounding residential community. The conceptual Site Plan shows how the medical office/hospital, commercial, and high-density residential uses will be arranged and connect with one another.

Best Interest of the Community

Why is the proposed amendment in the best interest of the community?

The residential uses are located within the property to provide a transition in intensity between the existing medical uses, Barrett Avenue Elementary School, and the single family residential uses abutting Juan Hernandez Drive to the west. The commercial, medical office/ hospital uses will be located adjacent to the existing medical offices, providing a campus feel on the property. The structured parking will provide adequate parking to accommodate the medical uses and provide overflow parking for the compatible high-density residential uses on the project site.

The mix of uses will provide convenient retail uses and services adjacent to both the high density residential uses and the medical office/hospital. The medical office/hospital will be located close to a freeway access, and just off two thoroughfares (Tennant Avenue and Butterfield Boulevard) providing convenient access to Morgan Hill residents and those from elsewhere in the region.

Public Need

Is there currently a public need for this amendment?

The Commercial uses outlined in the 2035 General Plan, though appropriate for this property, do not include the “third leg” which provides a sustainable living solution for commercial and institutional employees. Housing, and especially affordable housing, are a critical public need throughout the State, and especially in the Bay Area. Apartments are an affordable housing option for service workers and would provide employees the opportunity to eliminate their commute to work. The one and two bedroom apartments, with 15 percent affordable, would allow younger adults, families, and seniors to live and work in a sustainable manner. Additionally the proposed amendment to the 2035 General Plan for this property would go a long way toward meeting several General Plan policies, as listed below, and addressed in Section 7.0, 2035 General Plan Consistency.

Housing- Policy HE-4u: Mix of Housing Near Services. Encourage a mix of housing types in each neighborhood located convenient to shopping, services, recreation, and transit routes.

Healthy Community- Policy HC-3.8 Private Open Space. Encourage new development to permit public access to private open space and parks where feasible and appropriate.

City & Neighborhood Form- Policy CNF-13.1 Mixed Use Flex Development. Encourage a mix of uses, either vertically or horizontally, to allow residents and employees to meet daily needs without the use of the private automobile.

The proposed hospital would also provide for the public needs, adding a much-needed medical services to the City of Morgan Hill. The hospital will also provide a variety of jobs for the city and surrounding population.

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4.0

PROPERTY AND DEVELOPMENT DESCRIPTIONS

4.1 Property Description

Location

The property within the PD Master Plan is located in the City of Morgan Hill, California, on Juan Hernandez Drive between Tennant Avenue and Barrett Avenue, adjacent to South Valley Freeway (US Highway 101-Salinas Valley Freeway). [Figure 1, Regional Location Map](#), shows the property location in a regional setting. All figures discussed in this section are presented in Section 4.5. Regional access to the property is provided by US Highway 101, and local access to the property is provided by Tennant Avenue from the south and Barrett Avenue from the north. Ingress and egress to the project site will be primarily from Juan Hernandez Drive, along the western property boundary.

The approximately 19.67-acre property consists of two adjoining undeveloped parcels of land (13.94-acres and 4.04-acres) and one developed parcel (1.69-acres). [Figure 2, Location Map](#), illustrates the location of the property with the parcels delineated. [Figure 3, Assessor's Parcel Map](#), presents the parcel map for the property and the Assessor's Parcels Numbers (APNs) 817-09-041 (13.94-acres), 817-09-039 (4.04-acres) and 817-09-040 (1.69-acres). Legal descriptions are presented in Section 9.0.

Property Characteristics

The undeveloped land is relatively flat, with several trees located on the northern parcel. Most of the property is vacant and has been farmed in the distant past. Two medical office buildings and related site improvements (driveway, parking, landscaping, and utilities) exist on the southern portion of the property as illustrated on [Figure 4, Existing Conditions Map](#).

Existing Land Use Designation and Zoning

The property is designated Commercial in the 2035 General Plan as illustrated in [Figure 5, Existing City General Plan Land Use Diagram](#), and is located in the Service Commercial zoning district with a Planned Development Combining District Overlay (PD) as illustrated in [Figure 6, Existing City Zoning Map](#).

Property Data

Project Location

City of Morgan Hill, CA (East of Juan Hernandez Drive, south of Barrett Avenue and west of US Highway 101 or Salinas Valley Freeway).

Street Address

0 and 16130 Juan Hernandez Drive, Morgan Hill, CA

Existing Assessor's Parcel Numbers

817-09-039, and 817-09-040, and 817-09-041

Acreage

Gross Property Acreage: 4.04, 1.69, and 13.94 (19.67 acres)

Net Property Acreage: 4.03, 1.66, and 13.49 (19.18- acres)

Zoning

Services Commercial District (CS) with Planned Development Combining District (PD) overlay

General Plan Designation

Mixed Use Flex (amended from Commercial)

4.2 PD Master Plan Description

General Plan Amendment

Incorporated into the PD Master Plan is an amendment to the 2035 General Plan land use diagram to change the designation for the property from Commercial to Mixed Use Flex (MU-F). [Figure 7, General Plan Amendment](#) indicated the existing and proposed land use designation.

Zoning Map Amendment

Concurrent with approval of the PD Master Plan, the property will be re-zoned by ordinance to reflect the application of the Planned Development combining district with a base CS district, and incorporation of this PD Master Plan for the property as illustrated in [Figure 8, Zoning Plat](#).

Parcel Map

A parcel map will divide the property's three existing parcels into four parcels to facilitate development or sale. The two vacant parcels would be subdivided into three parcels (A-C). The existing medical office site (Parcel D), would be reconfigured and included as part of the overall PD Master Plan. [Figure 9, Tentative](#)

Parcel Map, prepared by the project engineer indicates how the property will be subdivided. The three existing lots will be re-organized into four parcels. Parcel A, 4.17 acres, Parcel B, 1.78 acres, Parcel C, 9.49 acres, Parcel D, 4.13 acres, and 0.10 acres will be dedicated as right-of-way along Barrett Avenue.

Development

Development anticipated within the PD Master Plan would be in the range of 350,000 – 417,696 square feet of residential, commercial, office, and/or institutional uses, including up to 200 multi-family dwelling units. All land uses permitted in the PD Master Plan are presented in Section 5.0.

Figure 10, Site Plan is presented in Section 4.5. The conceptual Site Plan includes five uses. The square footage of each use is that provided on the conceptual Site Plan, and could slightly increase or decrease.

- 4,500 square foot urgent care/pharmacy facility on the existing medical site;
- 10,000 square foot medical office as cancer center;
- 100,000 square foot medical office and hospital with a parking deck (multi-story with 54,000 square-foot footprint);
- 10,000 square foot commercial retail/restaurant building; and
- 200-unit multifamily residential development (178,500 square feet living units plus clubhouse, and 32,886 square feet covered carports).

All uses will share common driveway access to Juan Hernandez Drive and Barrett Avenue. The conceptual Site Plan illustrates the overall development concept, including the proposed land uses, building placement, circulation patterns, parking, and open space. The descriptions in this section are based on the conceptual Site Plan.

Parcel A

The proposed medical/hospital facility will occupy one building in Parcel A. Two pick-up/drop-off areas are located adjacent to the proposed buildings to assist patients. Development of Parcel A includes a 500-space parking structure that will be shared by the adjacent uses along with access and utility infrastructure. A small park is also located on Parcel A for visitors and employees.

Parcel B

This parcel will be developed with approximately 10,000 square feet of commercial/retail uses, including a 5,000 square-foot sit down restaurant, a 55-space surface parking lot, and access and utility infrastructure. The remaining 5,000 square feet will be available for other personal service or retail uses. The mix of uses within this building will be market driven and could fluctuate over the life of the building.

Parcel C

Parcel C will be developed with 200 multifamily residential units in five buildings, a 3,000 square foot leasing office/club house, interior recreation area, covered and uncovered parking for 359 vehicles

and bicycles. Additional vehicle parking will be available through a shared parking agreement with the developer of Parcel A. The proposed mix of units consists of 61 one bedroom units and 139 two bedroom units. Two of the five buildings will be three stories, approximately 35 feet tall, and are located closest to Juan Hernandez Drive. The other three buildings will be four stories, approximately 45 feet tall and will be placed around an interior recreation area and swimming pool. Parcel C may also be developed with Single Family attached and detached for-sale dwelling units or other medical office uses.

Parcel D

Parcel D includes two existing medical buildings totaling 15,900 square feet and parking. The existing medical buildings will remain and a new one story 4,500 square foot urgent care/pharmacy medical facility will be constructed on this parcel, located in what is now occupied by a portion of the parking lot, leaving 30 surface parking spaces to remain for the existing medical facility and urgent care/pharmacy. A 10,000 square foot medical office – cancer center and a 66-space surface parking lot will be developed on this reconfigured parcel. Parking for the existing medical building displaced by the proposed urgent care/pharmacy facility will be replaced adjacent to the proposed medical office – cancer center and through a shared parking agreement with the remainder of the medical facility that will be developed on the new Parcel A.

Parkland/Open Space

The PD Master Plan includes the provision of approximately 2.9 acres of parks and open space. Amenities on Parcel C include a swimming pool, hot tub, lounging patio, and tot lot/play area, open play fields, and jogging/walking trail connections to adjacent sidewalk systems. Recreational parkland amenities in Parcel A include passive recreational opportunities with a landscaped area and park benches located between the medical/hospital facility and the commercial uses on Parcel B. Trail connections are provided throughout the property including new pedestrian access to the existing medical campus (Parcel D).

Site Access/Circulation

Access to the project site will be provided by four driveways: the existing driveway to the medical office would be retained and extended to provide secondary access to the medical/hospital facility and cancer center. An additional driveway, approximately 460 feet north of the existing driveway, will provide the primary access to Parcels A-C through the middle of the property. Two additional driveways will provide secondary access to the multifamily residential development from Barrett Avenue. The accessways for all project components are interconnected within the property. All new accessways will be designed to meet City of Morgan Hill design and performance standards for streets, driveways, curb, gutter and sidewalks. The conceptual Site Plan provides a layout of the circulation system for the project.

Juan Hernandez Drive is a two lane street with striping at Barrett Avenue to allow for turn lanes. The street is wide enough to provide on street parking but individual spaces are not marked. Barrett Avenue is a two lane street primarily providing access to Barrett Elementary School. Two left turn lanes from Juan Hernandez Drive into the property are proposed.

Sidewalks will be extended into the property from the existing sidewalks along Juan Hernandez Drive and Barrett Avenue. Connection will be made to the existing sidewalks on Juan Hernandez Drive and Barrett Avenue. Within the project boundary, sidewalks will be provided on all internal driveways to meet Americans with Disabilities (ADA) standards. Bicycle traffic shares the paved area or uses the sidewalk. Pathways and sidewalks designated for bicycle use will meet Caltrans design standards for bikeways. The passive park with a jogging/walking trail for pedestrians, will serve as a passage way from Barrett Avenue to the south side of the property. Additionally, all the uses proposed in the development project will have pedestrian connections to the park.

Parking

Parking will be located on each parcel and a shared parking agreement will be implemented per Municipal Code Section 18.72.050, on-site parking alternative-Section F, to meet the parking needs of the development. Parking below standards for some uses will be met by implementing a shared parking agreement between the newly created parcels within the property. Additionally, the mix of land uses will result in walking trips that will reduce parking demands for some uses.

Signage and Lighting

A detailed signage and lighting plans will be submitted during the Design Review phase of the project review. Signage and lighting will comply with the City of Morgan Hill Municipal Code, Sections 18.88 and 18.72.060G. We anticipate signage will be located at the intersection of Juan Hernandez Drive and the main access drive into the property, currently labeled as Street A on the conceptual Site Plan. Additional internal signage locations have not been determined at this time.

Storm Water Infrastructure

All drainage systems will be designed to comply with City and Regional Water Quality Control Board requirements for storm water management. Bio swales will be dispersed throughout the development, including a 25-foot wide landscape buffer along the east property line and a storm water basin, located in the southeast corner of the property. All drainage improvements will be designed and landscaped to meet City and State design criteria and performance standards. Where necessary, fencing around the ponds will consist of black chain link or decorative fencing and landscaping to shield views from US Highway 101 and onsite patrons.

Other Utilities

Sewer, water, and wastewater infrastructure will be designed and constructed in conformance with City standards. Ownership and maintenance will generally correspond to location within public or private property. Where utilities cross private property, easements will be established as necessary to provide access. Other utility infrastructure (gas, electric, communications, etc.) will be designed and constructed in conformance with State or utility standards. Ownership of these utilities will remain with the utility, with easements established as necessary to provide access.

Phasing

The proposed project would likely be constructed in phases starting with development of Parcel C, followed by development of Parcels B and D, and closing with the development of Parcel A. The hospital use will require approvals by the Office of Statewide Health Planning and Development (OSHDP) and the Division of the State Architect, some approvals could take as long as seven years, which is why it is expected to be the final element of the project to be developed. Full occupancy of all uses is assumed to occur in the year 2025-2027. Market factors could result in a changed phasing sequence.

Conceptual Development Plans

Figure 10, *Conceptual Site Plan*, illustrates the overall development concept, including the proposed land uses, buildings, circulation patterns, parking, and open space and common areas. This plan documents the percentage of site area that will be dedicated for all types of open space.

Figure 11, *Pedestrian Circulation/Open Space Plan*, illustrates the connectivity of the project, how it relates to the surrounding pedestrian network, and open space proposed on the project site.

Figure 12, *Illustrative Site Plan*, is a conceptual color rendering of how all the elements come together on the property.

Figure 13, *Conceptual Site and Utility Plan*, provides locations of sewer, water and fire connection on the site plan and also shows the proposed storm water management areas.

Figure 14, *Conceptual Grading Plan*, provides conceptual contour grading, drainage and flood control facilities, easement, property lines, rights-of-ways, and existing features beyond the site boundaries. Structures, building footprint and floor elevations are also depicted on the conceptual Grading Plan.

Full Size Plans, Illustrative Building Elevations, provided under separate cover, illustrate the building elevations and provide perspective renderings for each building. The building architecture and design are inspired by a distinctly modern and geometric aesthetic, using classical materials for a timeless appearance. The elevations are crafted of warm wood, grey stone and contrasting light stucco. The transparent glazing panes will provide ample daylight and animate the buildings, flooding the interior spaces with natural light and the orthogonal volumes and surfaces complement each other. The parking deck form is reduced in mass by using landscape screens facing US Highway 101.

Full Size Plans, The Conceptual Landscape Plans, provided under separate cover, identify landscaped areas throughout the PD Master Plan and explain the main landscape concepts to be achieved for the project. The conceptual Landscape Plans identify the major types of plant material to be used including street trees, parking lot trees, shrubbery to be used to screen the parking lots, and buffer plantings.

Conceptual Site Development Data

The PD Master Plan's conceptual Site Plan (see Figure 10) is used to provide the numbers that were used to prepare the project description and CEQA documentation. Additional dwelling units or floor area may be achieved on the property. The PD Master Plan allows a range of 350,000 – 417,696 square

feet of commercial, office, and/or institutional floor space and a maximum of 200 multi-family or single family dwelling units. It is expected the conceptual Site Plan will be modified prior to Design Review. Modification will be kept to a limit acceptable to not trigger additional CEQA impacts or mitigation measures. If the conceptual Site Plan changes exceed this limit, additional CEQA documentation may be necessary.

Medical Office / Cancer Center

Building Coverage: 10,000 square feet

Floor Area: 10,000 square feet

Building Height: One story (25-foot maximum)

Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 2 EV spaces, and 5 bicycle spaces

Medical / Hospital

Building Coverage: 33,333 square feet

Floor Area: 100,000 square feet

Building Height: Three story (52-foot maximum including rooftop equipment)

Parking: 500 shared spaces within deck, including 9 ADA spaces, 10 EV spaces, and 25 bicycle spaces

Decked Parking

Building Coverage: 54,000 square feet

Building Height: Three story (32-foot)

Retail / Restaurant

Building Coverage: 10,000 square feet

Floor Area: 10,000 square feet

Building Height: One story (25-foot)

Parking: 55 spaces, including 3 ADA spaces, 2 EV spaces, and 5 uncovered bicycle spaces

Multi-Family Housing

Building Coverage: 51,750 square feet (apartments and clubhouse/leasing office)

Floor Area: 175,500 square feet – apartments; 3,000 square feet – club house

Building Height: Varies by building: Three story (35-foot maximum); Four story (45-foot)

Dwelling Units: 200 Units (conceptual Site Plan assumes 61 at 1 bedroom and 139 at 2 bedroom, or 200 units)

Parking: 359 spaces, including 8 ADA spaces, 200 covered spaces, and 7 EV spaces

Bicycle Parking: 36 covered bicycle spaces, 40 uncovered bicycle spaces

Urgent Care and Pharmacy

Building Coverage: 4,500 square feet

Floor Area: 4,500 square feet

Building Height: One story (25-foot)

Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 3 uncovered bicycle spaces

Existing Medical Buildings

Building Coverage: 15,900 square feet (12,300 square feet and 3,600 square feet)

Floor Area: 15,900 square feet

Building Height: One story

Parking: 96 shared spaces, including 30 existing spaces, 4 ADA spaces, 2 EV spaces and 4 uncovered bicycle spaces.

Park

Open Space / Passive Park Acreage: +/- 2.2 acres

Recreation exclusive for Multi-Family: +/- 0.70 acres

Additional open space is provided on site in landscaped buffers including walking/jogging trails.

Total Building Coverage

(Net Property Land Area: 835,391 square feet / 19.18 acres)

Allowed: 417,696 square feet (50% of net land area)

Proposed: Not to exceed 50% (conceptual Site Plan indicates 212,319 square feet (25% of net land area)

Floor Area Ratio (FAR)

(Net Property Land Area: 835,391 square feet / 19.18 acres)

Maximum FAR (per MU-F 0.5): 417,696 square feet

Proposed FAR: (0.42-0.5) 350,000 to 417,696 square feet (conceptual Site Plan indicates 351,786 square feet)

Total Square Feet

(Within buildings/carports on conceptual Site Plan)

Retail/Restaurant: 10,000 square feet

Medical Offices (4): 30,400 square feet

Medical/Hospital: 100,000 square feet

Residential: 178,500 square feet (includes club house/leasing office at 3,000 square feet)

Covered Residential Parking: 32,886 square feet – expected to be carports

Total: 351,786 square feet – (does not include the commercial parking structure)

Total Parking

Proposed Vehicle Parking: 1,010 spaces total (96 compact spaces at bio swales)

Covered Vehicle Parking: 700 spaces (500 spaces within parking structure)

Bicycle Parking: 118 (36 covered spaces, 82 uncovered spaces)

ADA Parking: 28 spaces

Electric Vehicle (EV): 23 spaces

4.3 Implementing Approvals

After the actions noted above are complete (General Plan Amendment, Zoning Map Amendment, and Parcel Map), the following implementing actions will remain to be taken by the City prior to construction. These approvals will most likely be separate actions for each parcel within the PD Master Plan.

Final Maps. After the tentative parcel map is approved, final maps will be filed. It is anticipated that a separate final map may be filed for each parcel, along with a corresponding improvement plan.

Design Review Permits. Prior to construction, each structure will be required to obtain a design review permit. Each design review permit will be approved by resolution by the Planning Commission.

Conditional Use Permits. Some uses that are allowed within the PD Master Plan will require a conditional use permit. Each conditional use permit will be approved by resolution by the Planning Commission.

4.4 Ownership and Ongoing Obligations

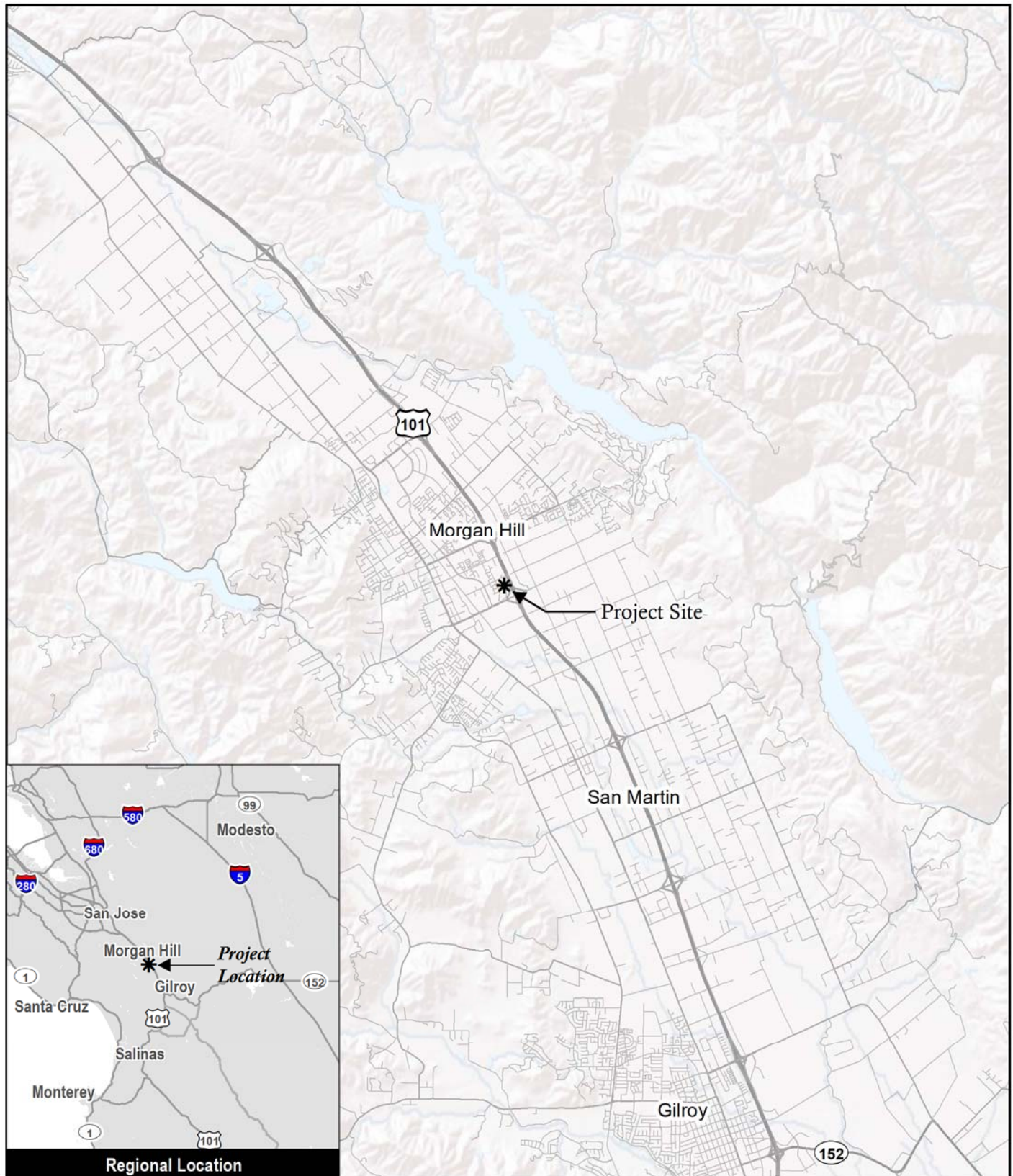
The PD Master Plan, General Plan Amendment, and subdivision proponent seeks to obtain City approval of the General Plan Amendment, PD Master Plan and subdivision entitlements. The applicant/proponent intends to develop Parcel D with the Medical Center (e.g. urgent care/pharmacy, cancer center, medical offices, etc.). The medical /hospital parcel, retail/restaurant parcel, and residential parcel will most likely be sold to end users or to specialized developers.

Park land will be set aside within an easement upon filing of the final parcel map(s). Infrastructure will be constructed by future developers. Dedication and long-term maintenance financing of circulation, water, wastewater, and storm water infrastructure will be determined when development applications are processed.

A memorandum of agreement (MOA) or development agreement (DA) will be drafted by the applicant and distributed to the developers of each lot to allow for an orderly manner in which to provide capital improvements and maintenance of the infrastructure and common areas located throughout the property. It is expected that a shared parking agreement will be prepared as part of the MOA/DA to allow shared parking among the end users of the PD Master Plan development.

4.5 Maps and Diagrams

Maps and Diagrams are presented on the following pages.



Source: ESRI 2019

Figure 1

Regional Location Map

Lillian Commons/Morgan Hill Medical Campus

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0 300 feet



Subject Property



Morgan Hill
City Limits

Source: ESRI 2019, Santa Clara County GIS 2018

Figure 2

Vicinity Map

Lillian Commons/Morgan Hill Medical Campus

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Source: Office of the Assessor, County of Santa Clara 2019

0 575 feet

Subject Property

Figure 3
Assessor's Parcel Map

Lillian Commons/Morgan Hill Medical Campus

Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

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SURVEY NOTES

1. THIS MAP REPRESENTS AN AERIAL TOPOGRAPHIC SURVEY PERFORMED BY WHITSON ENGINEERS ON JUNE 26, 2019. MAPING SCALE IS 20' PER INCH WITH CONTOURS AT ONE FOOT INTERVALS.
2. THIS MAP PORTRAYS THE SITE AT THE TIME OF THE SURVEY AND DOES NOT SHOW SOILS OR GEOLOGY INFORMATION, UNDERGROUND CONDITIONS, EASEMENTS, ZONING OR REGULATORY INFORMATION OR ANY OTHER ITEMS NOT SPECIFICALLY REQUESTED BY THE CLIENT.
3. BOUNDARY LOCATIONS SHOWN HEREON WERE DETERMINED WITH THE BENEFIT OF A FIELD SURVEY SUPPLEMENTED BY RECORD DATA. ALL BOUNDARY SHOWN IS FROM RECORD DATA. THIS TOPOGRAPHY DOES NOT CONSTITUTE A BOUNDARY SURVEY. THERE MAY BE EASEMENTS OR OTHER RIGHTS, RECORDED OR UNRECORDED, AFFECTING THE SUBJECT PROPERTY WHICH ARE NOT SHOWN HEREON.
4. DISTANCES AND DIMENSIONS SHOWN ARE EXPRESSED IN FEET AND DECIMALS THEREOF, UNLESS OTHERWISE NOTED.
5. LOCATING OF UNDERGROUND UTILITIES WAS NOT WITHIN THE SCOPE OF THE TOPOGRAPHIC SURVEY. WITH THE EXCEPTION OF OBSERVED FACILITIES, SIZE AND LOCATION OF UNDERGROUND UTILITIES ARE SHOWN BASED ON AS-BUILT DOCUMENTS PROVIDED BY THE CITY OF MORGAN HILL.

BENCHMARK

LOCAL BENCHMARK TAKEN AS 2-INCH BRASS DISC. ELEVATIONS SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). ELEVATIONS WERE DETERMINED THROUGH STATIC GPS OBSERVATIONS AND THE USE OF THE NATIONAL GEODETIC SURVEY'S ONLINE POSITIONING USER SERVICE (OPUS). A NAVD88 ELEVATION OF 343.77 FEET FOR THE BRASS DISC WAS ESTABLISHED FOR THE LOCAL SITE BENCHMARK DESIGNATED POINT NUMBER 600, SHOWN HEREON.

LEGEND

- SUBJECT PROPERTY LINE
- ADJACENT PROPERTY LINE
- CENTERLINE
- SANITARY SEWER LINE
- WATER LINE
- STORM DRAIN
- EXISTING CONTOUR
- UTILITY MANHOLE
- STORM DRAIN CATCH BASIN
- FIRE HYDRANT
- WATER VALVE
- SURVEY MONUMENT (FOUND)

ABBREVIATIONS

- AC ACRE
- BW BACK OF WALK
- CB CATCH BASIN
- CH-LNK CHAIN LINK
- CONC CONCRETE
- EP EDGE OF PAVEMENT
- FL FLOWLINE
- GR GRATE
- HP HIGH POINT
- INV INVERT
- JP JOINT POLE
- LP LOW POINT
- MH MANHOLE
- OH OVERHEAD
- PL PROPERTY LINE
- SD STORM DRAIN
- SS SANITARY SEWER
- TC TOP OF CURB
- TS TRAFFIC SIGNAL
- WV WATER VALVE
- WM WATER METER
- x271.19 EXISTING SPOT ELEVATION

PROJECT TEAM

CIVIL ENGINEER / SURVEYOR

WHITSON ENGINEERS
6 HARRIS COURT
MONTEREY, CA 93940

(831) 649-5225

ARCHITECT

EVOCO ARCHITECTURE
160 SOUTH LINDEEN AVENUE, SUITE 210
SOUTH SAN FRANCISCO, CA 94080

(415) 312-0454

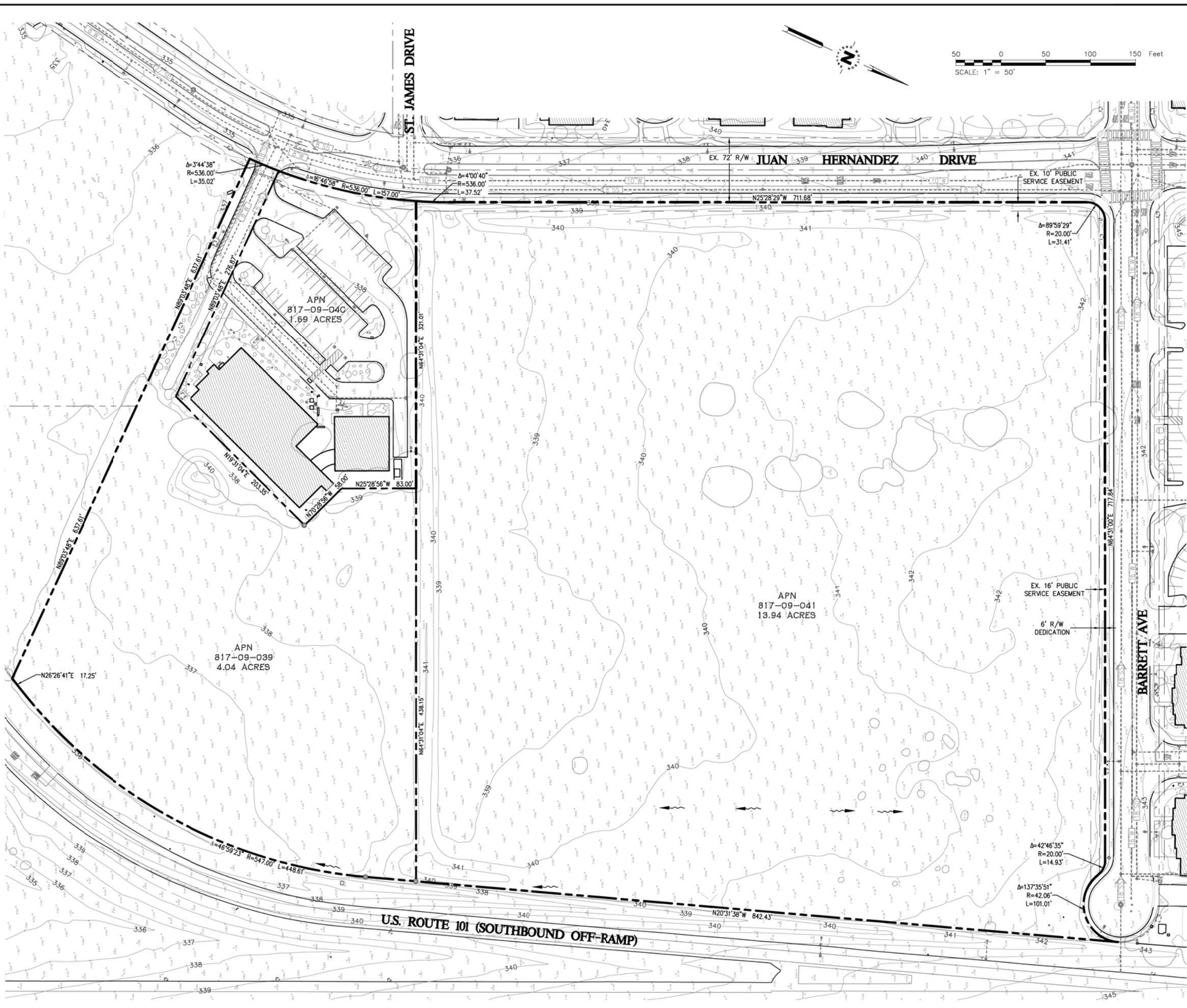
LANDSCAPE ARCHITECT

W. JEFFREY HEID LANDSCAPE ARCHITECT
6179 ONEIDA DRIVE
SAN JOSE, CA 95123

(408) 691-5207

SHEET INDEX

- C1.0 EXISTING CONDITIONS MAP
- C2.0 CONCEPTUAL SITE AND UTILITY PLAN
- C2.1 CONCEPTUAL GRADING PLAN



Civil Engineering
Land Surveying

6 Harris Court
Monterey, California
93940
whitsonengineers.com



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WITHOUT
SIGNATURE

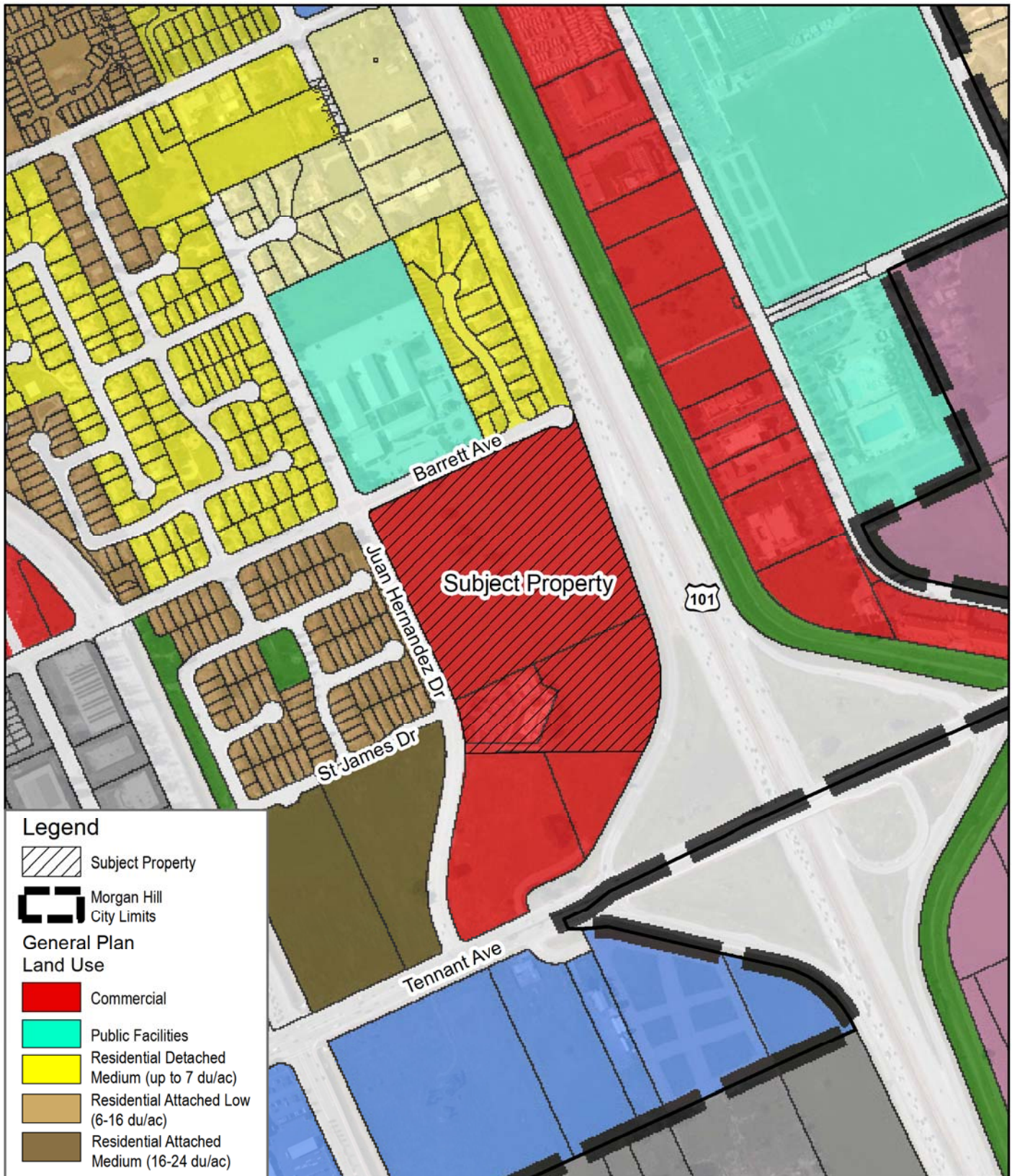
SUBMITTAL / REVISION

LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT
Morgan Hill, California
EXISTING CONDITIONS MAP

SCALE: 1"=50'
DRAWN: GK
JOB No.: 2690.01

SHEET
C1.0

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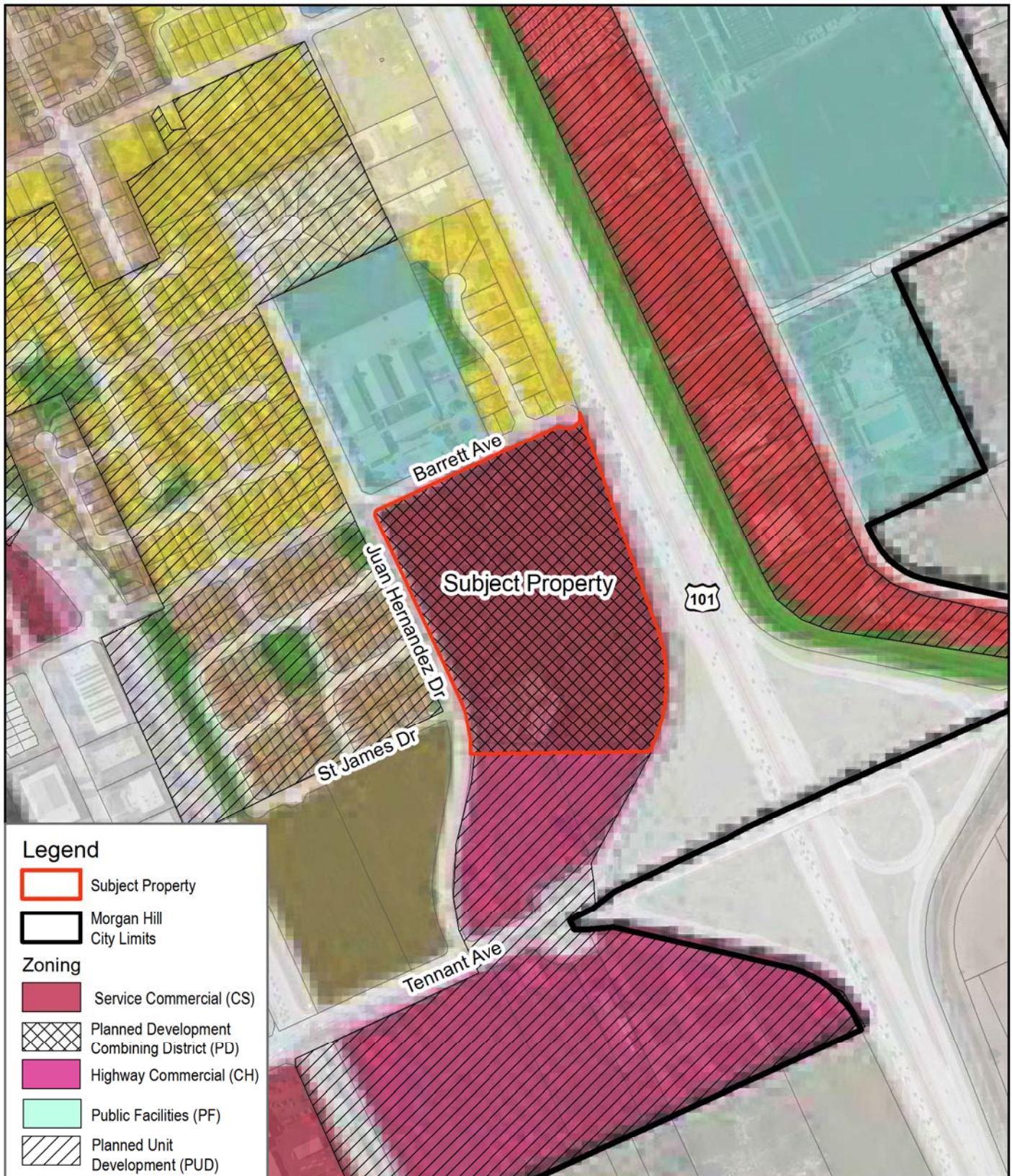
Source: ESRI 2019, Santa Clara County 2017

Figure 5

Existing City General Plan Land Use Map

Lillian Commons/Morgan Hill Medical Campus

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Source: ESRI 2019, Santa Clara County 2017

Figure 6

Existing City Zoning Map

Lillian Commons/Morgan Hill Medical Campus

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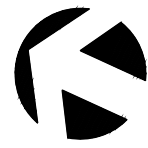
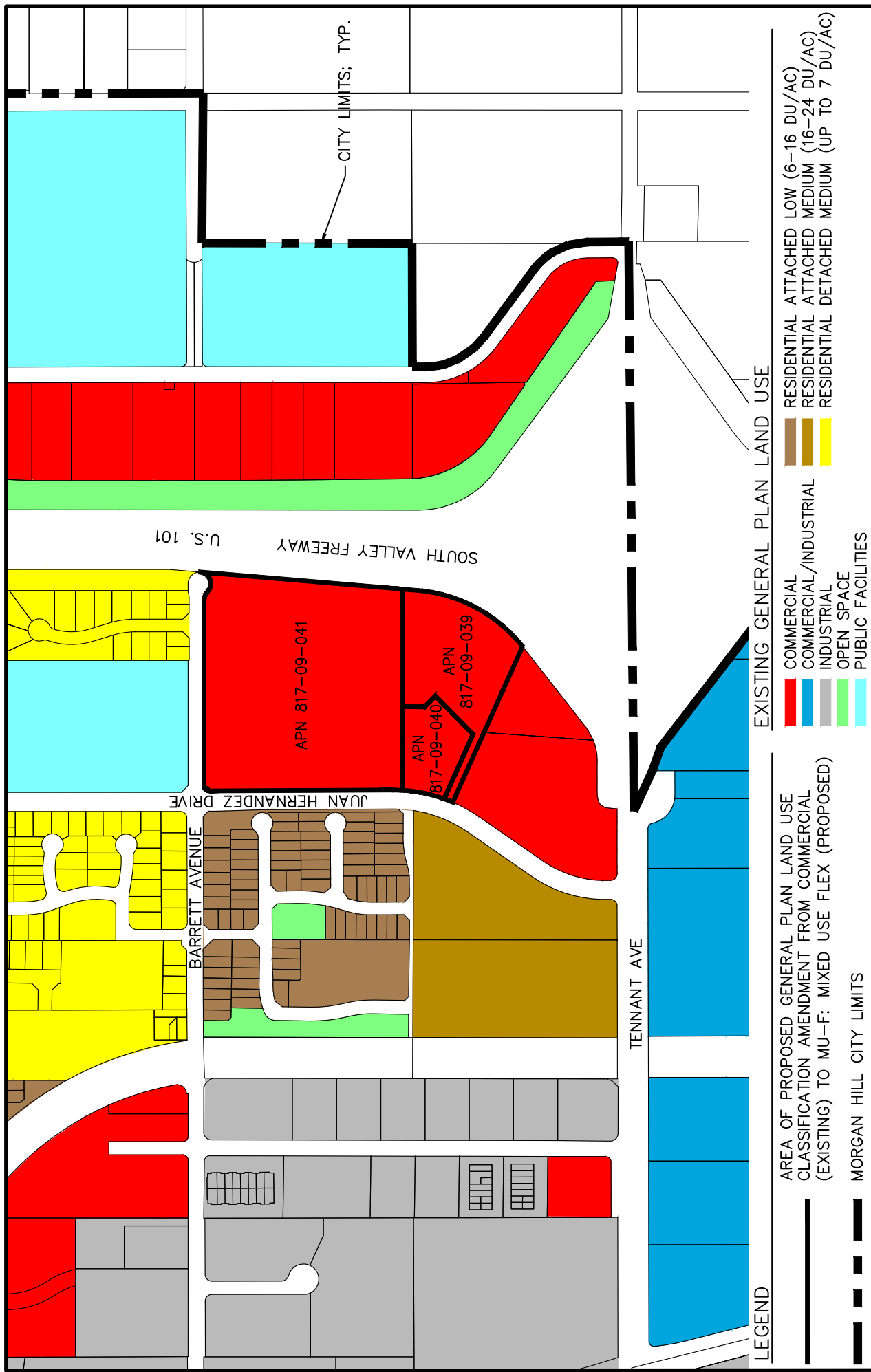


FIGURE 7 - PROPOSED GENERAL PLAN AMENDMENT TO THE CITY OF MORGAN HILL ENTITLED 0 JUAN HERNANDEZ DRIVE,

PREPARED BY:
 HITSON ENGINEERS
 HARRIS COURT
 MONTEREY, CA 93940
 (415) 649-5225

Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

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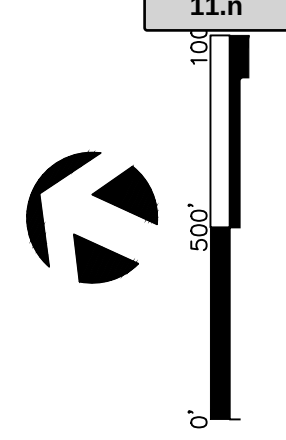
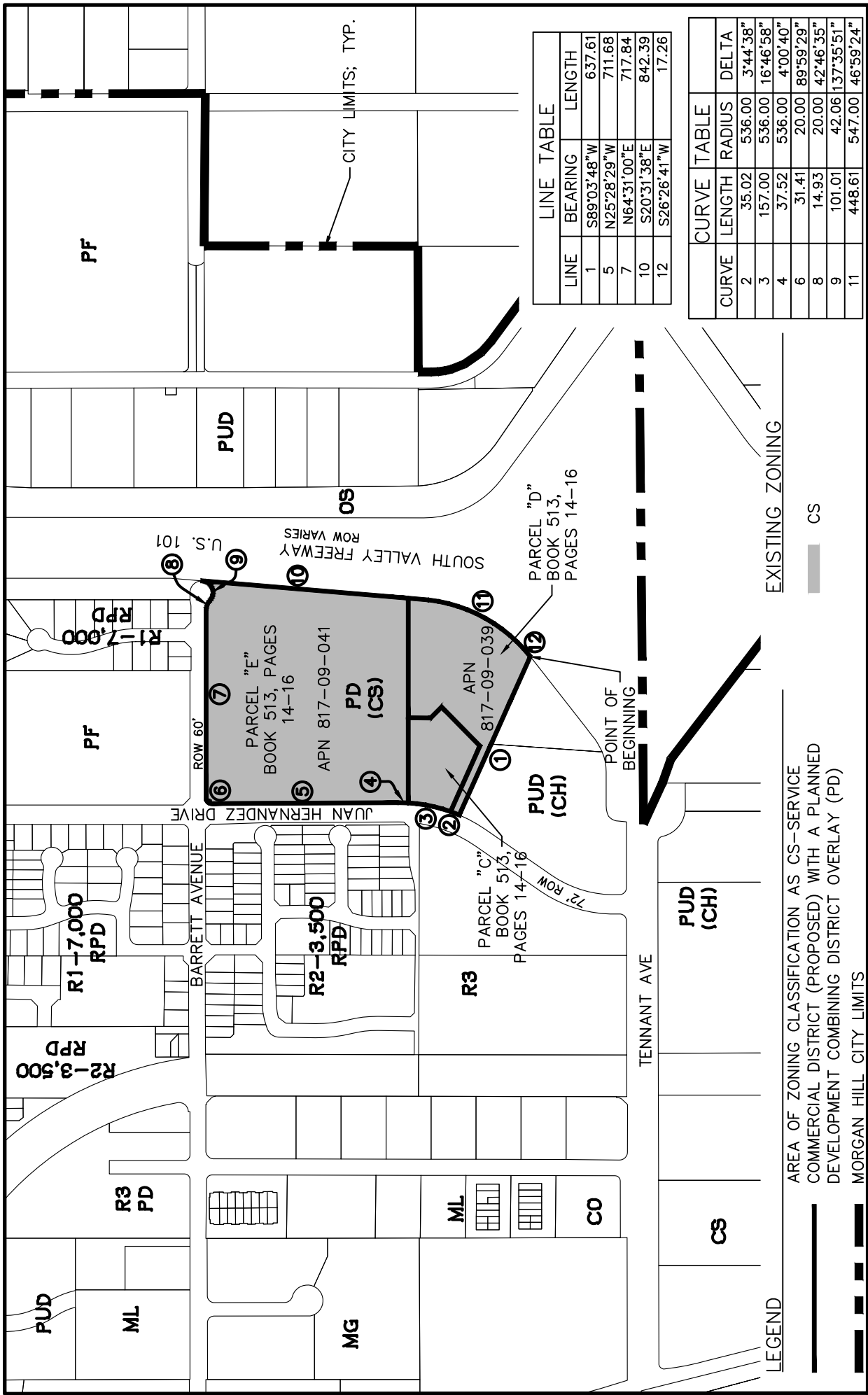
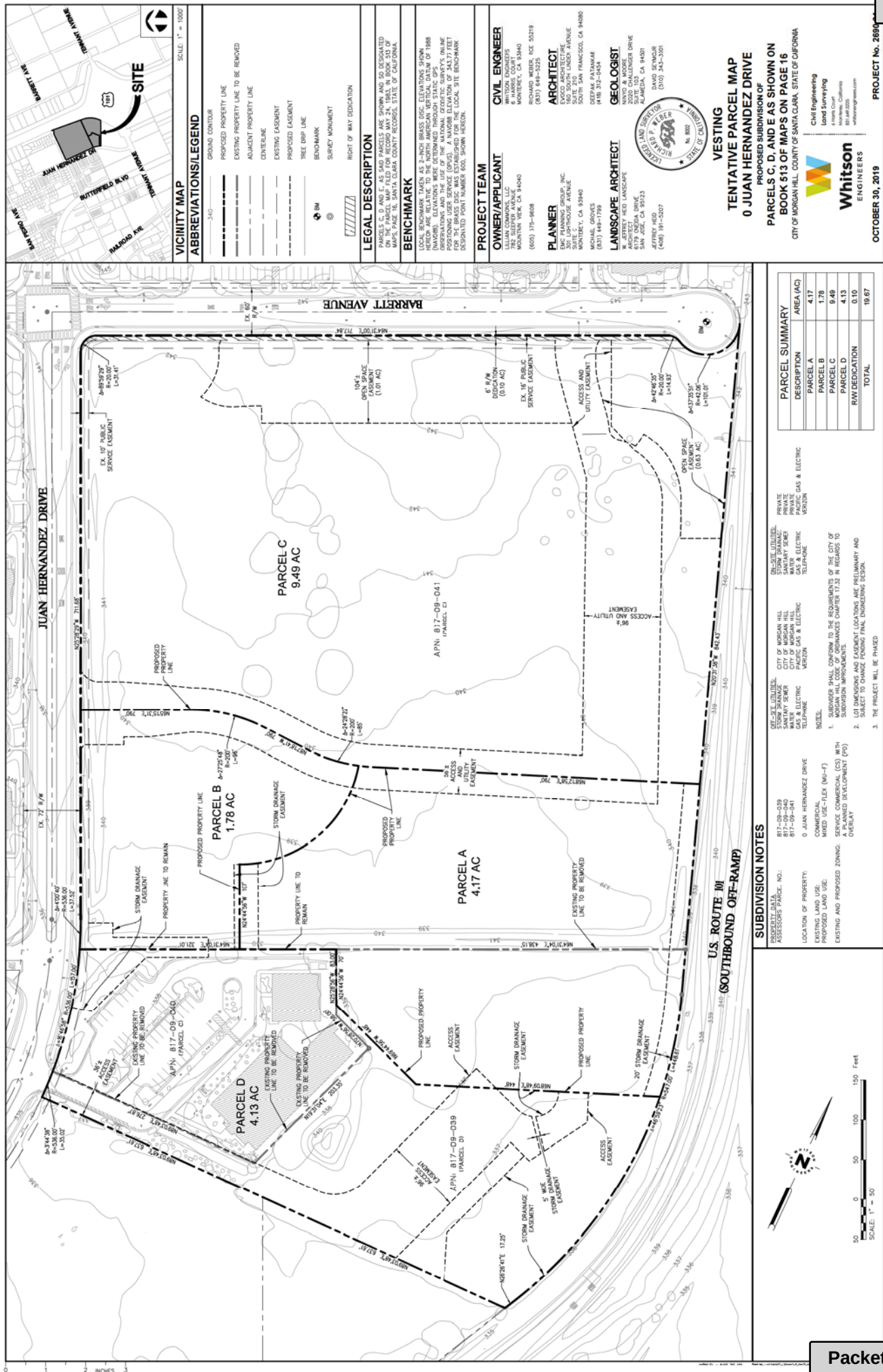


FIGURE 8 - MAP SHOWING ZONING LANDS OF 0 JUAN HERNANDEZ DRIVE, MORGAN HILL, BEING A PART OF ORDINANCE No. 11.n

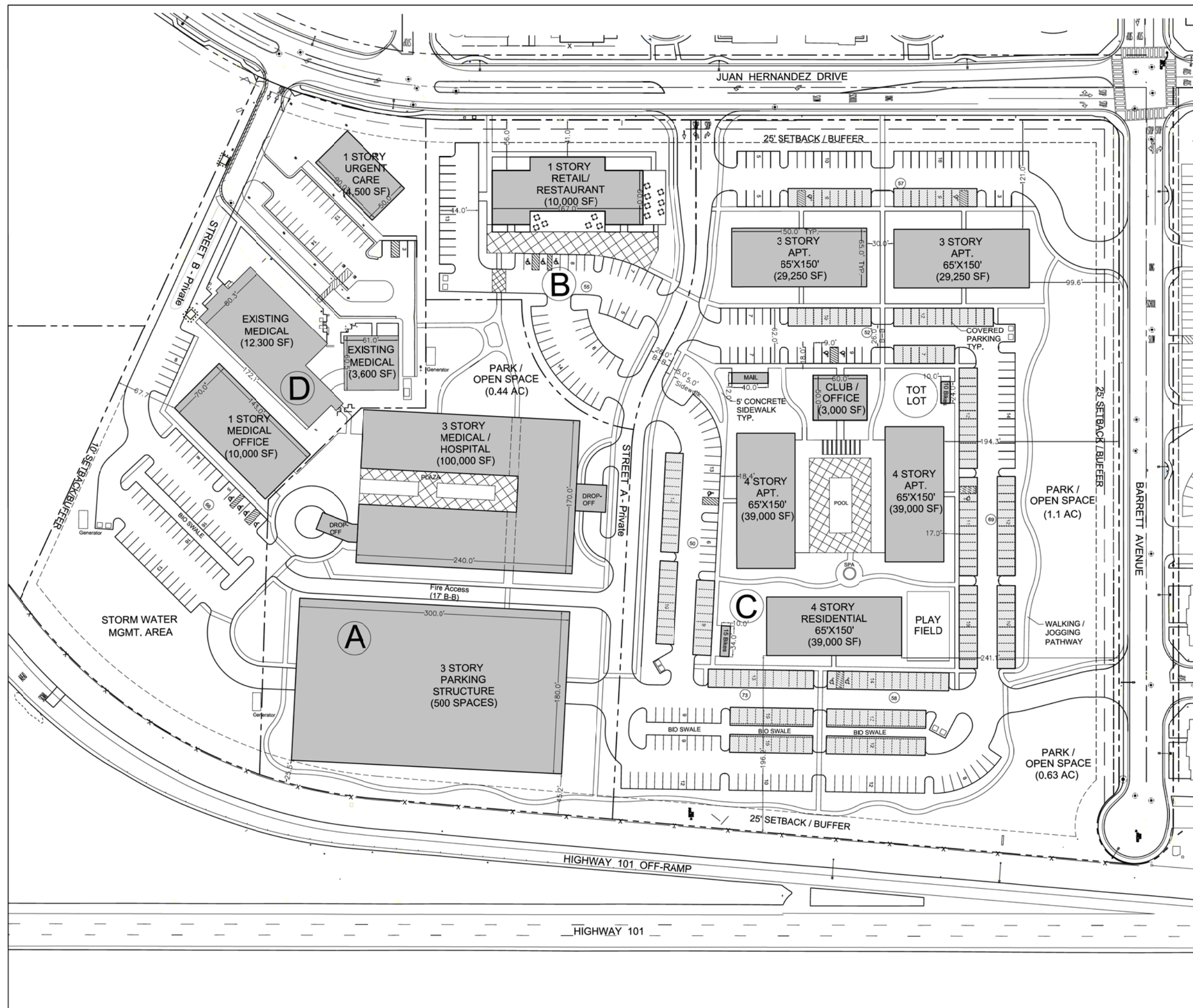
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 (415) 649-5225

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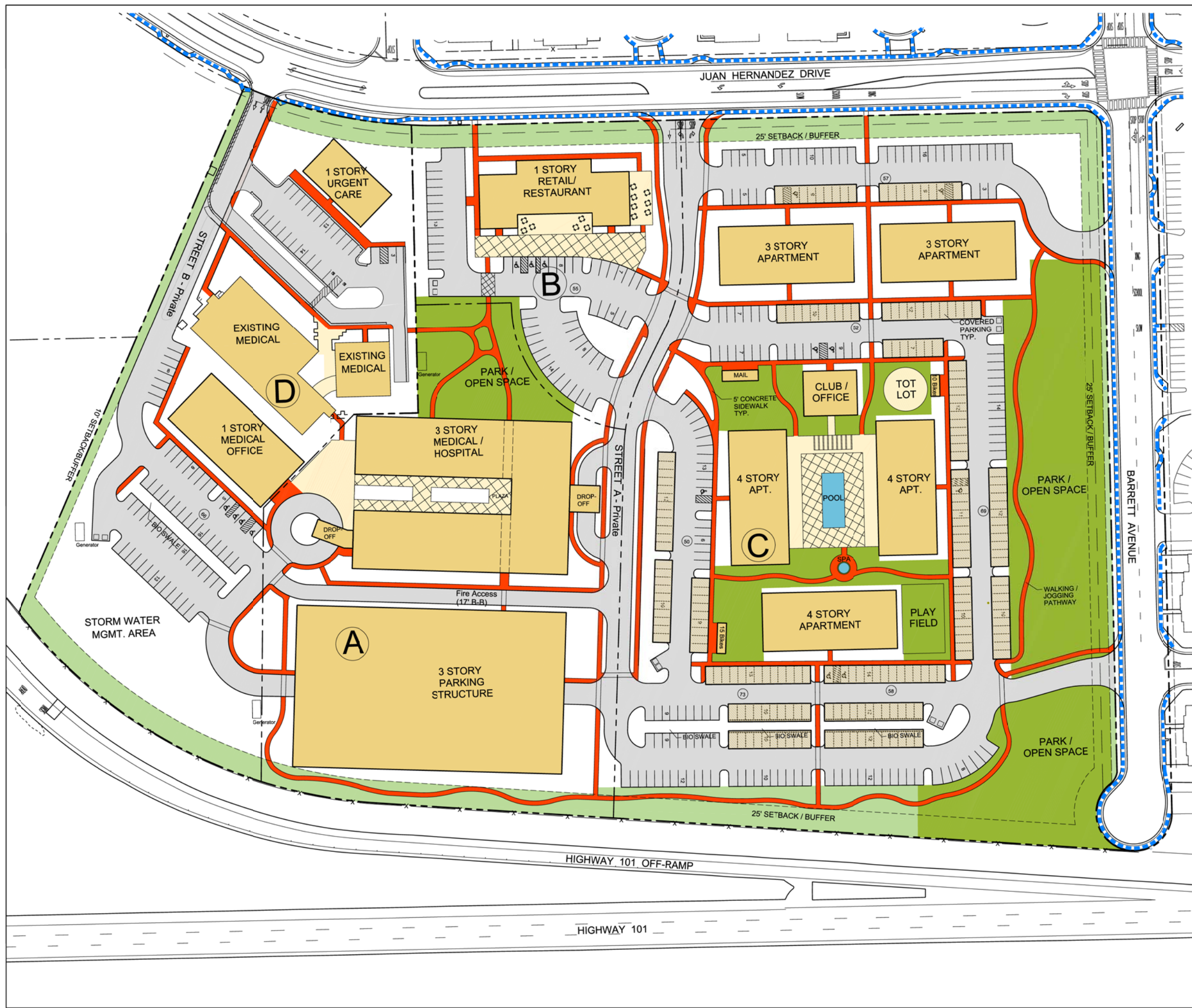
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Packet Pg. 392



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Lillian Commons / Morgan Hill Medical Campus



- LEGEND
- Buildings / Carports
 - Existing Sidewalks
 - Walkways / Jogging Paths
 - Gathering Areas
 - Park / Recreation / Open Space
 - Landscape Buffers / Open Space

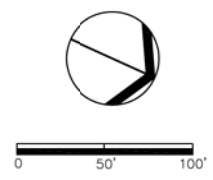


Figure 11
PEDESTRIAN CIRCULATION / OPEN SPACE PLAN
PD Master Plan / General Plan Amendment / Application for Development Permit
Morgan Hill, CA
October 30, 2019

EMC

EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
Monterey, CA 831.649.1799 www.emcplanning.com

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SUBMITTAL / REVISION

LILLIAN COMMONS / MORGAN HILL
MEDICAL CAMPUS - A MIXED USE DEVELOPMENT

Morgan Hill, California

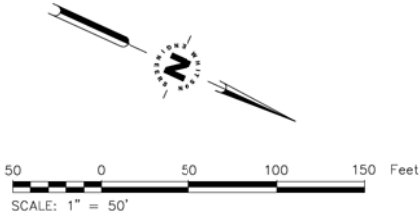
CONCEPTUAL SITE AND UTILITY PLAN

SCALE: 1"=50'
DRAWN: GK
JOB No.: 2690.01
SHEET

C2.0

PROJECT DATA

1. **PROPERTY DATA:**
ASSESSORS PARCEL NO.: 817-09-039
817-09-040
817-09-041
3. **EXISTING SITE:**
PERVIOUS: ±18.51 AC
IMPERVIOUS: ±1.16 AC
TOTAL AREA: ±19.67 AC
4. **PROPOSED SITE:**
PERVIOUS: ±8.82 AC
IMPERVIOUS: ±10.75 AC
RIGHT OF WAY DEDICATION: ±0.10 AC
TOTAL AREA: ±19.67 AC
5. **OFF-SITE UTILITIES:**
STORM DRAINAGE CITY OF MORGAN HILL
SANITARY SEWER CITY OF MORGAN HILL
WATER/FIRE CITY OF MORGAN HILL
GAS & ELECTRIC PACIFIC GAS & ELECTRIC
TELEPHONE VERIZON
- ON-SITE UTILITIES:**
STORM DRAINAGE PRIVATE
SANITARY SEWER PRIVATE
WATER/FIRE PRIVATE
GAS & ELECTRIC PACIFIC GAS & ELECTRIC
TELEPHONE VERIZON
6. **ESTIMATED PRELIMINARY EARTHWORK:**
CUT: ±30,000 CY
FILL: ±30,000 CY
NET BALANCE
7. **LEGAL DESCRIPTION:**
PARCELS C, D AND E, AS SAID PARCELS ARE SHOWN
AND SO DESIGNATED ON THE PARCEL MAP FILED FOR
RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16,
SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.
8. **PARCEL AREAS:**
PARCEL A 4.17 AC
PARCEL B 1.78 AC
PARCEL C 9.49 AC
PARCEL D 4.13 AC
R/W DEDICATION 0.10 AC
TOTAL AREA: 19.67 AC
9. **BUILDING SETBACKS:**
FRONT 25'
REAR 0'
SIDE 0'
STREET 15'

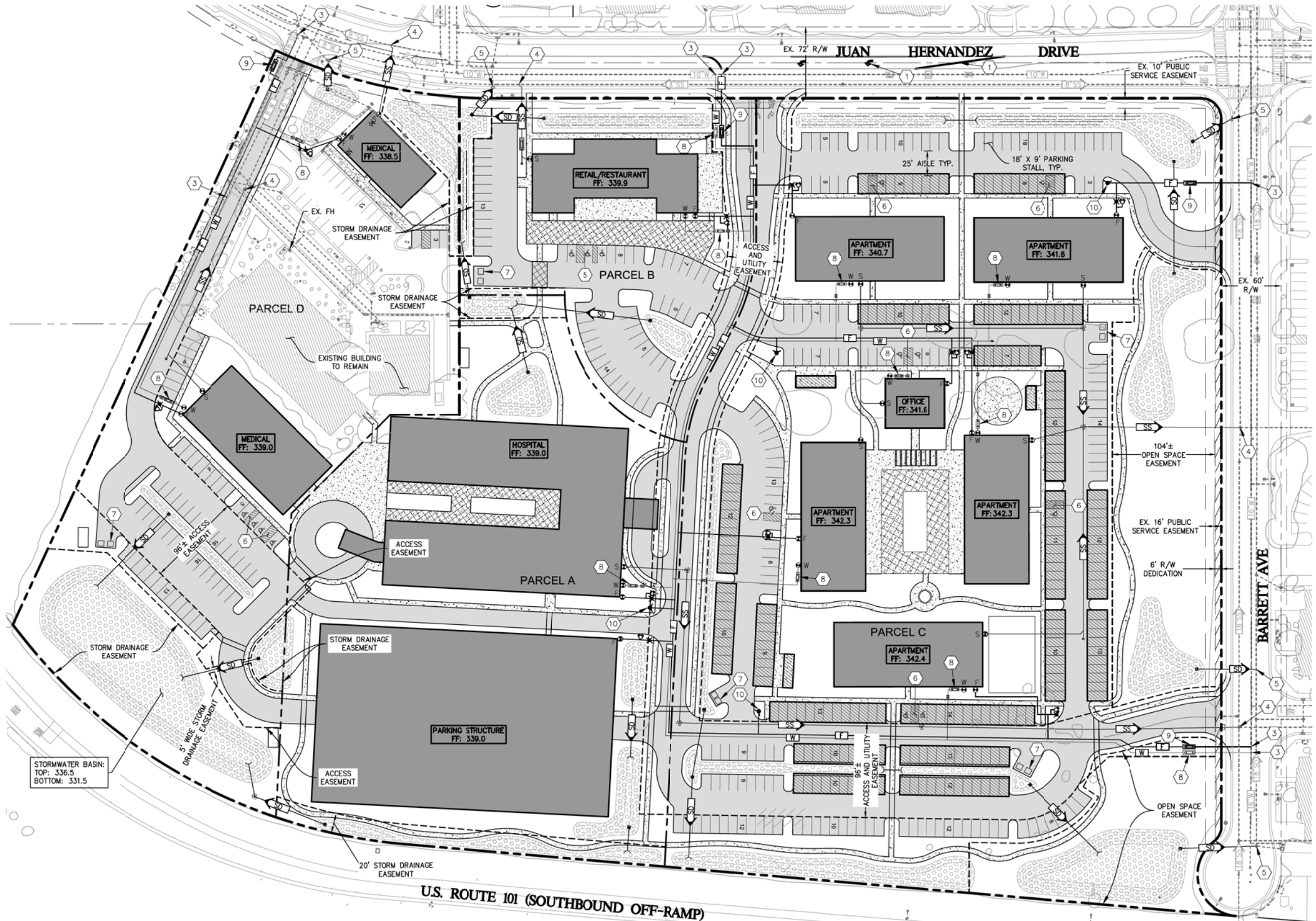


CONSTRUCTION KEYNOTES:

1. SOUTHBOUND LEFT TURN LANE CHANNELIZATION PER TRAFFIC STUDY.
2. STORMWATER BASIN SIZED TO DETAIN THE 10-YEAR, 24-HOUR STORM EVENT, INCLUDING FLOW CONTROL STRUCTURE TO LIMIT POST-PROJECT PEAK FLOWS TO PRE-PROJECT PEAK FLOWS FOR THE 2- THROUGH 10-YEAR STORM EVENTS.
3. CONNECT TO EXISTING WATER MAIN.
4. CONNECT TO EXISTING SEWER MAIN.
5. CONNECT TO EXISTING STORM DRAIN.
6. ACCESSIBLE PARKING. SEE SITE PLAN FOR PARKING COUNT AND REQUIREMENTS.
7. TRASH ENCLOSURE.
8. DOMESTIC WATER BACKFLOW DEVICE.
9. FIRE MAIN DOUBLE CHECK ASSEMBLY.
10. FIRE HYDRANT.

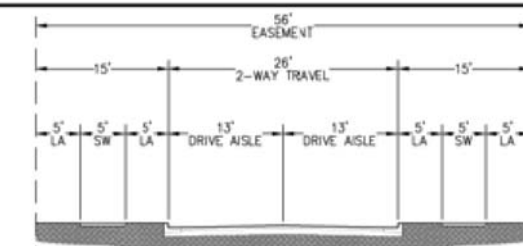
CONSTRUCTION PLAN LEGEND

- # CONSTRUCTION KEYNOTE
- ASPHALT PAVING
 - PROPOSED BUILDING
 - CONCRETE WALKS AND FLATWORK
 - STORMWATER BIORETENTION OR BIOSWALE
 - PROPOSED CARPORT/SHADE STRUCTURE
 - RIGHT OF WAY DEDICATION
 - PROPERTY LINE (EXISTING)
 - PROPOSED PROPERTY LINE
 - SEWER BUILDING POINT OF CONNECTION
 - WATER BUILDING POINT OF CONNECTION
 - FIRE BUILDING POINT OF CONNECTION
 - FIRE DEPARTMENT CONNECTION AND POST INDICATOR VALVE
 - UTILITY MANHOLE
 - CLEANOUT

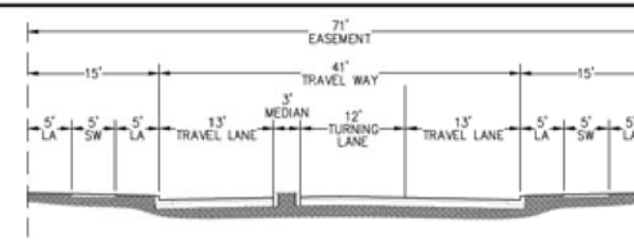


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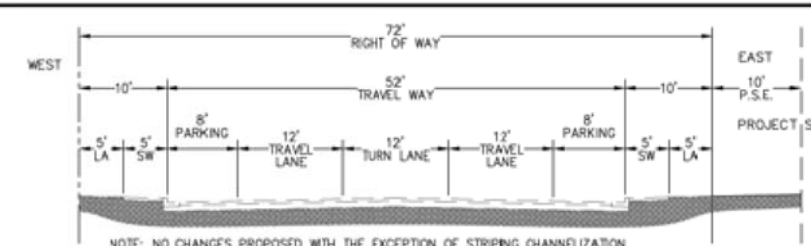
ESTIMATED PRELIMINARY EARTHWORK:
CUT: ±30,000 CY
FILL: ±30,000 CY
NET BALANCE



① STREET 'A' (A PRIVATE STREET)

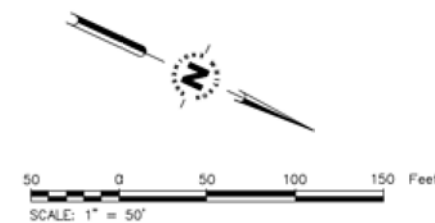
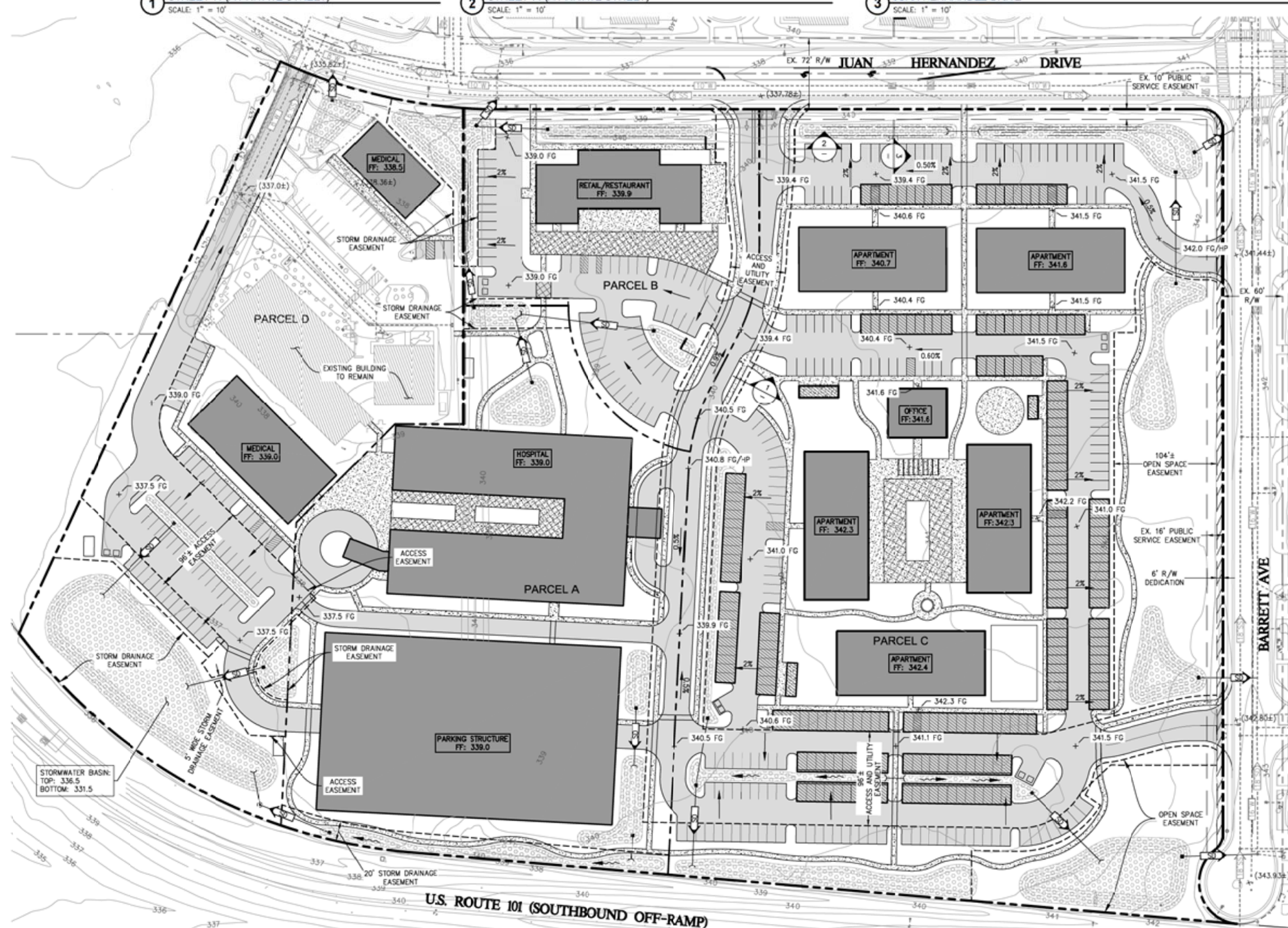


② STREET 'A' (A PRIVATE STREET)



② JUAN HERNANDEZ DRIVE

NOTE: NO CHANGES PROPOSED WITH THE EXCEPTION OF STRIPING CHANNELIZATION



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3 RETAIL/ RESTAURANT



1 HOSPITAL

Figure 15

11.n

evoco

EVOCO ARCHITECTURE & INTERIORS
160 SOUTH LINDEN AVE # 210
SO. SAN FRANCISCO CA 94080
415.312.0454

OWNER:
LILLIAN COMMONS, LLC
782 SLEEPER AVENUE
MOUNTAIN VIEW, CA 94040

REVISIONS	
DATE/DESC.	

LILLIAN COMMONS/ MORGAN HILL
MEDICAL CAMPUS
0 AND 16130 JUAN HERNANDEZ DRIVE
MORGAN HILL, CA 95037

SEAL:

TITLE:
EXTERIOR
BUILDING VIEWS- 2

DATE:
OCTOBER 22, 2019

SCALE:
AS NOTED

JOB #:
19150

DRAWN
BY :
DP

A 9 2
Packet Pg. 402

Attachment: PD Master Plan - Dated March 2020 (2892 : Lillian Commons)

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5.0

LAND USES

Table 1, PD Master Plan Allowed and Conditional Uses, presents uses allowed by the PD Master Plan. The table identifies the use as a permitted (P) or conditionally permitted (C) land use. Uses in bold are new uses added to the permitted uses in the CS zoning district as part of this PD Master Plan. Some uses permitted in the CS district were eliminated from the list. The MU-F General Plan designation permits the property to be developed in a mixed use fashion allowing residential and hospital uses not currently allowed within the 2035 General Plan Commercial land use designation or the CS zoning district.

The conceptual Site Plan portrays five types of uses on the property; however, a revised site plan, or the future reuse or re-purposing of buildings after they are constructed and initially occupied, could change or add to those uses. Table 1, PD Master Plan Allowed and Conditional Uses, provides a comprehensive list of allowed and conditional land uses that could be approved within the PD Master Plan.

Table 1 PD Master Plan Allowed and Conditional Uses

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	C
Bed and Breakfast	C
Business Support Services	P
Cinemas and Theatres	C
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	P
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)
Duets and Duplexes	C
Emergency Shelters	C
Farmers Markets	P
Food and Beverage Production <10,000 square feet	P
Fuel and Service Stations	C
General Retail	P
Government Offices	P
Group Housing	C
Home Day Care, Small and Large	P
Hospitals	P
Hotel and Motels	C
Instructional Services	P
Live/Work Unit	P
Medical Offices and Clinics	P
Mixed Use Residential	P
Multi-Family Dwellings	P
Nursing Homes and Long-Term Care	C
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	C
Residential Care Facilities, Small	P
Restaurant- Fast Food, Sit Down	C
School, Public and Private	C
Single-Family Detached Dwellings	C
Senior Housing, Independent Living	C
Social Services	C
Tasting Rooms	P
Veterinarian Clinics and Hospitals	C
Accessory Uses	(per Section 18.44)
Home Occupations	(per Section 18.92.060)
Temporary Uses	(per Section 18.92.150)

6.0

DEVELOPMENT STANDARDS

Development standards such as heights, setbacks, and building coverage within the planned development combining district are established in the PD Master Plan. Those standards may deviate from development standards in the Service Commercial base zoning district except that the maximum permitted floor area ratio and residential density may not exceed maximums established in the 2035 General Plan for the commercial land use designation. The floor area ratio for the Commercial land use designation in the 2035 General Plan is 0.6. The general plan amendment to Mixed Use Flex changes the floor area ratio to 0.5, which is reflected in the PD Master Plan. Standards in bold have been revised from those of the CS zoning district as part of this PD Master Plan. [Table 2, PD Master Plan Development Standards](#), presents the development standards.

Table 2 PD Master Plan Development Standards

Development Aspect	Parameter
Minimum Lot Size	10,000 square feet
Minimum Lot Dimensions	100-foot width; 100-foot depth
Maximum building coverage	50%
Minimum setbacks (front, rear, side, street) [1]	25, 0 , 0, 15 feet (respectively)
Maximum height (exceptions 18.56.020)	Residential/Office – 4 stories or 45 feet Hospital – 4 stories or 55 feet
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
On-Site Parking	Per Section 18.72 [2]
Retail	1 space per 250 square feet of net floor area
Restaurant (sit down)	1 space per 100 square feet of net floor area
Medical Office	1 space per 200 square feet of net floor area
Residential (multi-family)	1 bedroom unit – 1 covered 2 bedroom unit – 1 covered and 1 uncovered per unit
Guest Parking	1 per 3 units (shared with Medical Office use)
Electrical Vehicle Parking	1 per 25 to 49 automobile spaces, 2 per 50 to 100 automobile spaces, plus 1 per 50 ratio over 100 automobile spaces
Non-Residential Bicycle Parking	10% of automobile spaces; long term (enclosed): 5% of automobile spaces
Residential Bicycle Parking	10% of automobile spaces; long-term (enclosed), 1 per 5 units

NOTE:

[1] Outdoor seating, courtyards, and other publicly-accessible spaces may occupy the front setback. Residential porches and similar entry features may project ten feet into the front setback.

[2] Unless otherwise modified in this table.

PD Master Plan Development Standards for Single Family Residential

Development Aspect	Parameter
Minimum Lot Size (Single Family Residential)	1,000 square feet
Minimum Lot Dimensions	22-foot width; 45-foot depth
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Minimum Setbacks (front, rear, interior side, street side)	5 or N/A, 5 or N/A, 0 [1] or 3, 5 feet (respectively)
Maximum Height	3 stories or 35 feet [2]
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
Open Space	Per Section 18.40-4 based on lot size
Parking Residential (Single Family) Guest Parking	Per Section 18.72 [3] 2 spaces - 1 covered space for each housing unit 1 per housing unit [4] (shared with Medical Office use)

NOTE:

[1] A setback of zero feet is acceptable on one side yard; provided, that the sum of both side yard setbacks is at least eight feet

[2] Roof elements with minimum 5:12 roof pitch may exceed the building plate height by up to eight feet.

[3] Unless otherwise modified in this table.

[4] These guest spaces may include a combination of driveway parking, alley parking, on-street parking in front of the residence, and designated guest parking spaces.

7.0

CONSISTENCY WITH 2035 GENERAL PLAN

7.1 General Plan Land Use Designations

2035 General Plan- Commercial. The Commercial designation is primarily located along arterial roadways west of US Highway 101 and along the eastern freeway frontage. This designation is intended to allow a wide range of retail businesses, administrative and executive office uses, and professional services, either in stand-alone buildings or as part of shopping centers. The largest concentrations of this designation are found along Monterey Road and at the freeway interchanges, where retail stores are emphasized. The Service Commercial overlay along Monterey Road, north of Wright Avenue, allows auto-related uses, except for sales. The Commercial designation allows a maximum FAR of 0.6 and Mixed Use Flex designation allows a maximum FAR of 0.5

The General Plan goals and policies for Commercial with a Planned Development Combining District overlay are described below. In general, the 2035 General Plan encourages neighborhood-scale shopping near residential neighborhoods to foster walking and biking and to avoid car trips.

2035 General Plan - Mixed Use Flex. The Mixed Use Flex designation, which is primarily applied to properties along the Monterey Road corridor north and south of downtown, allows for a mix of residential, commercial, and office uses applied either vertically (i.e., one structure with multiple uses) or horizontally (i.e., structures with different land uses located adjacent to one another). Density should transition from higher to lower at the ends of Monterey corridor. The Mixed Use Flex designation allows 7 to 24 units per acre and a maximum FAR of 0.5. Prior to development of a Residential or Mixed-Use project within the Mixed Use Flex designation, a block level master plan is required to identify how commercial uses will be incorporated within the development of the block and how individual development projects will connect with each other. Commercial development may proceed without preparation of a block level master plan consistent with the Commercial designation.

Because the PD Master Plan includes a mix of uses on the property including retail, medical office, medical hospital, multi-family apartments, and a park element as part of the Planned Development Combining District, Mixed Use in addition to Commercial 2035 General Plan goals and policies have been analyzed.

7.2 General Plan Goals and Policies

Applicable 2035 General Plan Goals, Policies, and Implementation Measures are presented in Table 3 through Table 9 below, along with an assessment of PD Master Plan consistency.

City and Neighborhood Form

Table 3 General Plan 2035 - City and Neighborhood Form Goals and Policies

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
Residential Neighborhoods-GOAL CNF-10 A variety of housing types and densities available to all residents.	Consistent: The PD Master Plan allows for a variety of housing types. The conceptual Site Plan shows multifamily residential which will provide the community with new housing types including one and two bedroom apartments.
Policy CNF-10.3 Adequate Supply of Multi-Family Housing. Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.	The PD Master Plan will assist the City in achieving an adequate housing supply as the PD Master Plan allows for 200 residential units. The conceptual Site Plan provides for a mix of residential, commercial, and medical uses that will allow for the placement of housing convenient to the shops, services, and offices, and adjacent to major transportation routes.
Policy CNF-10.6 Density Near Infrastructure. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.	Consistent: The property is adjacent to Juan Hernandez Road and Barrett Avenue in an area with existing utilities. A survey was completed by Whitson Engineers that determined there was adequate infrastructure available around the project site to support the uses identified in the PD Master Plan.
New Subdivisions-GOAL CNF-11 High quality, aesthetically pleasing, livable, sustainable, well-planned residential neighborhoods, well-connected to neighborhood services.	Consistent: The PD Master Plan's conceptual Site Plan provides a well-planned, aesthetically pleasing, livable, sustainable and well-connected residential neighborhood with integrated commercial/retail and medical offices.
Policy CNF-11.5 Outside Connections. Require new subdivisions to provide multiple connections to the surrounding community. Methods to achieve this may include: - Providing multiple points of entry into the project for motorists, bicyclists and pedestrians. - Extending the existing street pattern at the edges of the subdivision into the site. Extended streets should match the type and scale of streets to which they connect. - Installing landscaping and street improvements at the edge of subdivisions that appear as common amenities shared with adjacent neighborhoods.	Consistent: As shown in the PD Master Plan conceptual Site Plan, development within the property will be designed to be compatible with the surrounding neighborhood. Multiple points of pedestrian ingress/egress are provided along Barrett Avenue and Juan Hernandez Drive, with connections to existing sidewalks. Two points of ingress/egress for vehicles and bicycles are provided along Barrett Avenue, and two along Juan Hernandez Drive. A private drive is provided along the southern portion of the property that could provide connectivity to the adjacent vacant parcel to the south when it is developed in the future. The conceptual Site Plan provides for connectivity to this adjacent vacant parcel to facilitate connectivity in anticipation of its eventual development. Residential and open space/park uses will be adjacent to existing residential uses and

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
- Minimizing the use of gates, fences, and walls that separate the subdivision from the surrounding community. - Planning for future connections to adjacent undeveloped property.	Barrett Elementary School, and connectivity within the property will be provided via several pedestrian paths. The open space area abuts Barrett Avenue, which is adjacent to Barrett Elementary School, and will be made accessible to the school. The northern most open space/park area will be dedicated by easement for public use, including use by the Barrett Elementary School, to be used as a common amenity.
Policy CNF-11.10 Open Space. Require new subdivisions to feature integrated common open spaces, parks, and community facilities that serve as social and design focal points. Open spaces should be a close walking distance from all residents and should be large enough to be useful for residents.	The conceptual Site Plan includes approximately three acres of passive park/open space. Approximately 1.7 acres of the open space will be available to the elementary school for its use and benefit. The remainder of open space, including walking trails, serves the residential, commercial and office components of the plan, as well as neighboring residents. The open space and park areas are within walking distance of all of these uses and connected by pedestrian paths.
Policy CNF-12.1 Neighborhood Center Design. Allow neighborhood centers within future residential neighborhoods. Neighborhood centers are envisioned as nodes or focal points that offer neighborhood-serving services and amenities within a reasonable walking distance from adjoining residential areas. These centers should be designed to increase the accessibility of goods and services within existing residential neighborhoods, particularly for the benefit of senior citizens and those with limited mobility, and to offer opportunities for socialization.	Consistent: The PD Master Plan includes neighborhood serving uses and amenities including retail, restaurant, and medical office/hospital uses to serve the proposed and existing neighborhood. These uses include public gathering areas and pedestrian access. These services will be within walking distance to the existing and proposed neighborhoods and will increase the accessibility of services for the existing neighborhood, particularly for the benefit of senior citizens by providing close walkable medical offices.
Policy CNF-12.4 Neighborhood Center Requirements. Require future neighborhood centers to meet the following requirements: - The design of neighborhood center should provide a sense of place, promote casual interaction, and enhance overall well-being. - The design of neighborhood center should complement the residential character of its immediate surroundings, including site design, access, building style, building materials, signage, lighting, and landscaping.	Consistent: The PD Master Plan conceptual Site Plan includes pedestrian pathways that connect the open space, residential, retail, and medical components of the plan. The PD Master Plan includes a small retail center and open space/park areas that, along with the pedestrian access ways, will provide gathering areas and a sense of place, thereby promoting casual interaction and overall wellbeing. The project will be required to undergo design review with the City of Morgan Hill to ensure that the design complements the residential character of the adjacent neighborhood.

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
Mixed Use Flex-GOAL CNF-13 Mixed use flex developments that include a variety of uses and forms to foster a dynamic urban environment. Policy CNF-13.1 Mixed Use Flex Development. Encourage a mix of uses, either vertically or horizontally, to allow residents and employees to meet daily needs without the use of the private automobile.	Consistent: The PD Master Plan allows for a variety of uses including retail, residential, and medical uses. The combination of uses within the property provides for walkability to services for residents and employees.
Commercial and Office- GOAL CNF-15 Sufficient, sustainable, and concentrated commercial and office uses. Policy CNF-15.3 Retail Uses at Major Intersections. Encourage retail sales use at major intersections as the focus of clustered commercial development.	Consistent: The PD Master Plan provides for clustered commercial, medical, and retail uses near a major intersection at the south side of Morgan Hill.
Policy CNF-15.5 Office Development. Encourage new regional and local-serving office development at appropriate locations.	Consistent: The PD Master Plan allows for medical offices / hospital uses to create a campus of medical offices to serve the community and region.
Commercial / Industrial-GOAL CNF-18 Integrated job-generating centers that offer workers and businesses a range of services to meet their daily needs. Policy CNF-18.1 Vibrant Job Centers. Encourage land with a Commercial/Industrial designation to develop with job-generating uses with amenities that support workers and businesses, such as restaurants, lodging, fitness centers, and hair salons.	Consistent: The PD Master Plan allows for concentrated and integrated retail, medical offices and hospital uses that will provide jobs for the City and the surrounding neighborhood. The medical office/hospital is expected to produce approximately 472 jobs. The PD Master Plan also allows for amenities such as restaurants, and personal services to serve the neighborhood and the surrounding community.

Housing

Table 4 General Plan 2035 - Housing Goals and Policies

General Plan Housing Goals and Policies	Consistency Analysis
Goal HE-4 A range of housing types for all age groups, served by transit, recreational amenities, shopping, and health and personal services, that allows residents to age in place.	Consistent: The PD Master Plan allows for a range of housing types including one and two bedroom units and affordable units. The PD Master Plan allows for housing conveniently co-located with services including medical office / hospital and retail uses. Residents of the neighborhood would live within walking distance of health and personal services that would allow for them to age in place.
Policy HE-4u: Mix of Housing Near Services. Encourage a mix of housing types in each neighborhood located convenient to shopping, services, recreation, and transit routes.	The PD Master Plan allows for a range of housing types including one and two bedroom units and affordable units. The PD Master Plan allows for housing conveniently co-located with services including medical office / hospital, retail uses, open space/park uses, and Barrett Elementary School. The nearest Valley Transportation Authority bus route is located more than one mile from the property, but the applicant is open to the establishment of service at the property.

Economic Development

Table 5 General Plan 2035 - Economic Development Goals and Policies

General Plan Economic Development Goals and Policies	Consistency Analysis
Policy ED-7.4 Compatible Uses in Retail Centers. Encourage the evolution of retail centers into mixed-use activity nodes by supporting integration of uses that provide necessary or useful services or amenities that will benefit nearby residential areas and commercial establishments. Such uses may include but shall not be limited to: a. Health services and fitness facilities. b. Childcare. c. Housing, including affordable and senior housing. d. Religious facilities. e. Education/training facilities. f. Parks/community facilities/public gathering places.	Consistent: The PD Master Plan provides a mix of retail and medical uses convenient to the proposed and existing adjacent neighborhood. The medical and retail uses will provide health and retail services and amenities to the existing and proposed neighborhood. The PD Master Plan also includes public plaza and gathering locations.
GOAL ED-8 Office and industrial areas that provide high-quality work locations for existing and new businesses. Policy ED-8.1 Office and Industrial Development. Support the development of office and industrial facilities to meet local demand, compete for regional growth opportunities, and create high-quality jobs that match with local housing opportunities.	Consistent: The PD Master Plan allows for medical and retail uses to meet local demand and create high quality jobs. The PD Master Plan also allows for residential uses thereby providing local housing opportunities adjacent to places of employment.

Healthy Community

Table 6 General Plan 2035 - Healthy Community Goals and Policies

General Plan Healthy Community Goals and Policies	Consistency Analysis
Parks, Recreation, and Trails- GOAL HC-3 Usable, complete, well-maintained, safe, and high-quality activities and amenities, including active and passive parks and recreational facilities, community gardens, and trails that are accessible to all ages, functional abilities, and socio-economic groups.	Consistent: As shown in the conceptual Site Plan, the PD Master Plan includes over three acres of passive park areas, open space buffer areas, and a tot lot connected by meandering pedestrian pathways. The passive park and open space on the property will allow for multiple activities for all socio-economic groups, functional ability, and ages.
Policy HC-3.8 Private Open Space. Encourage new development to permit public access to private open space and parks where feasible and appropriate.	Consistent: The PD Master Plan identifies open space areas that will be available to residents and patrons of the medical and retail facilities.

General Plan Healthy Community Goals and Policies	Consistency Analysis
Access to Health Care- GOAL HC-7 Access for all residents to health care facilities and other important community health amenities. Policy HC-7.2 Professional Education. Encourage increased education and professional development resources to support students and employees in the health care field.	Consistent: The PD Master Plan provides for 130,400 square feet of medical facilities and important health amenities for residents. It is expected that a wide variety of medical practices will be provided within a campus setting that could encourage increased professional development resources to support students/interns in the health care field.

Transportation

Table 7 General Plan 2035- Transportation Goals and Policies

General Plan Transportation Goals and Policies	Consistency Analysis
GOAL TR-3 A coordinated, continuous network of streets and roads. Policy TR-3.16 Private Development Access along Arterials. Require development that occurs along arterial streets to obtain access through a local street or major entrance and not through curb cuts directly onto the arterial street wherever possible.	Consistent: The property is not accessed directly from an arterial. Tennant Avenue and Butterfield Boulevard are the nearest arterials too the property. The property is accessed from Juan Hernandez Drive and Barrett Avenue, which connect to these arterials.
Policy TR-3.17 Planned Development Access near Highway 101. Require Planned Developments (PDs) for commercial, office, or industrial uses at the intersections of Highway 101 and arterial streets to take access from a public street intersecting with the arterial street at a minimum distance of 600 feet from the freeway on and off ramps, unless the City Engineer finds that direct access to the arterial street or closer access will meet safety standards, or that mitigating actions will be taken to ensure safe access and minimum interference with traffic flows.	Consistent: Access to the property will be from Juan Hernandez Drive and Barrett Avenue. Juan Hernandez Drive is an existing City street that intersects Tennant Avenue at a safe distance from the off ramp of US Highway 101. The nearest property driveway is more than 700 feet north of Tennant Avenue.
Parking-GOAL TR-5 Adequate off-street parking. Policy TE-5.1 Adequate Parking Supply. Ensure that all developments provide adequate and convenient parking...	Consistent: The conceptual Site Plan provides for a 500-space parking structure and 96 additional spaces for the existing and proposed medical uses, 55 spaces for the retail use, and 359 spaces for residential use, which totals 1,010 on-site parking spaces. Based on the parking demand study, the parking supply for the entire project is proposed to total 1,010 spaces, as indicated in the study. The total gross parking requirement for the entire project is 965 spaces using the more conservative approach. There will be an overall surplus of about 45 spaces using City gross parking requirements with selected ITE peak parking rates. The project therefore will provide an adequate total parking supply to meet the overall project demand. Parking is conveniently located within walking distance to the various uses, and can be easily facilitated through a shared parking arrangement.

Policy TR-5.3 Parking Lot Connection. Require cross-connection of parking lots, where feasible and practical, at the time of design review for all commercial and industrial developments.	Consistent: As shown in the PD Master Plan conceptual Site Plan, parking lots are cross-connected where practical.
Bikeways-GOAL TR-8 A useable and comprehensive bikeway system that safely connects neighborhoods with workplaces and community destinations. Policy TR-8.12 Bicycle Parking. Bicycle parking and other supportive facilities shall be provided at all schools, parks, recreation facilities, commercial centers, civic buildings (including the library), transit centers, and work places based on the recommendations and standards in the Bikeways Master Plan.	Consistent: Existing bike lanes on Juan Hernandez Drive will serve the development providing a safe bikeway system to get to and from the property. Bicycle parking will be provided at each use on the property to encourage residents, employees, and patrons to use alternative means of transportation. On-site bicycle parking will adhere to the Bikeways Master Plan guidelines, and zoning code requirements.
Pedestrian Network- GOAL TR-9 Expanded pedestrian opportunities. Policy TR9.7 Concurrent Implementation. Where feasible, implement the trails and pedestrian system concurrent with adjacent developments.	Consistent: As shown in the conceptual Site Plan, sidewalks and pathways will be provided throughout the property to encourage walking on the campus. Sidewalks connect to those located on adjacent streets to provide connectivity.
Policy TR 10.3 and TR-10.4 Flexible Work Hours. Encourage employers to provide a flexible set of working hours to ease traffic congestion. Carpooling. Support a Countywide car/vanpool matching program.	Consistent: The applicant will provide educational materials to end uses or future developers to encourage employers to provide flexible work hours, carpooling options, and other alternative transportation methods as may be available. Bay Area employers with 50 or more full-time employees within the Bay Area Air Quality Management District geographic boundaries are required to register and offer commuter benefits to their employees in order to comply with Air District Regulation 14, Rule 1.

Natural Resources and Environment

Table 8 General Plan 2035 - Natural Resources and Environment Goals and Policies

General Plan Natural Resources and Environment Goals and Policies	Consistency Analysis
Water Quality and Conservation - GOAL NRE-7 Conservation of water resources. Policy NRE-7.1 Water Standards for Private Development. Promote water conservation and efficient water use in all private development projects. Require development to exceed State standards for the use of water.	Consistent: Water saving measures will be implemented on the development project in the way of "green" design features. Very low flow toilets, efficient landscaping, and water capture and reuse will be used to conserve water.

Policy NRE-7.3 Water Efficiency and Landscaping. Promote water conservation and efficient water use in all public and private landscaping plans.	Consistent: Drought tolerant and area-suitable landscape materials will be utilized on the development project to promote water conservation.
Energy Efficiency-GOAL NRE-16 Conservation of energy resources. Policy NRE-16.1 Energy Standards for New Development. New development, including public buildings, should be designed to exceed State standards for the use of energy.	Consistent: New development will be designed consistent with energy standards that meet and exceed the City and State standards for use of energy.
Policy NRE-16.7 Renewable Energy. Encourage new and existing development to incorporate renewable energy generating features, like solar panels and solar hot water heaters.	Consistent: Future development of the property will adhere to new State climate change regulations, which include requirements to provide solar energy and otherwise reduce electrical use. Design approval of development is required, during which the merits of the project site plan and design will be considered, including renewable energy.

Safety, Services, and Infrastructure

Table 9 General Plan 2035- Safety, Services, and Infrastructure Goals and Policies

General Plan Safety, Services and Infrastructure Goals and Policies	Consistency Analysis
Noise GOAL SSI-8 Prevention of noise from interfering with human activities or causing health problems. Policy SSI-8.1 Exterior Noise Level Standards. Require new development projects to be designed and constructed to meet acceptable exterior noise level standards (see Table SSI-1), as follows: - Apply a maximum exterior noise level of 60 dBA Ldn in residential areas where outdoor use is a major consideration (e.g., backyards in single-family housing developments and recreation areas in multi-family housing projects). Where the City determines that providing an Ldn of 60 dBA or lower cannot be achieved after the application of reasonable and feasible mitigation, an Ldn of 65 dBA may be permitted. - Indoor noise levels should not exceed an Ldn of 45 dBA in new residential housing units.	Consistent: The conceptual Site Plan includes a 25 foot buffer from the US Highway 101 off-ramp and places the parking and parking garage closest to the freeway to further buffer the medical and residential uses. Residentially occupied buildings are located a minimum of 250 feet from the US Highway 101s through lanes. A noise analysis was completed for the project that determined all exterior and interior noise levels would be met with implementation of the recommendations contained therein. Mitigation measures will be implemented when the buildings are constructed to ensure the acceptable noise levels are met.

Noise levels in new residential development exposed to an exterior Ldn 60 dBA or greater should be limited to a maximum instantaneous noise level (e.g., trucks on busy streets, train warning whistles) in bedrooms of 50 dBA. Maximum instantaneous noise levels in all other habitable rooms should not exceed 55 dBA. The maximum outdoor noise level for new residences near the railroad shall be 70 dBA Ldn, recognizing that train noise is characterized by relatively few loud events.	
Policy SSI-8.4 Office Noise Level Standards. Interior noise levels in office buildings should be maintained at 45 dBA Leq (hourly average) or less, rather than 45 dBA Ldn (daily average).	Consistent: Mitigation measures including noise reduction measures and emergency generator noise suppressors will be implemented when the buildings are constructed to ensure the acceptable noise levels are met. A noise analysis is provided as part of the CEQA documentation.
Policy SSI-8.9 Site Planning and Design. Require attention to site planning and design techniques other than sound walls to reduce noise impacts, including: a) installing earth berms, b) increasing the distance between the noise source and the receiver; c) using non-sensitive structures such as parking lots, utility areas, and garages to shield noise sensitive areas; d) orienting buildings to shield outdoor spaces from the noise source; and e) minimizing the noise at its source.	Consistent: Building location was taken into account in the conceptual Site Plan to locate sensitive uses a minimum of 250 feet from the through lanes of US Highway 101. Building placement and strategically placed landscaping will help to minimize noise at its source. Additionally, the noise analysis recommends an 8 foot sound wall along Highway 101 to reduce noise impacts to the residential component of the project.

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8.0

PD MASTER PLAN AND ZONING FINDINGS

8.1 PD Master Plan Findings

The following statements describe how the PD Master Plan complies with the findings required for the approval of a planned development project per Municipal Code Section 18.30.050.H.7 (Findings).

General Plan and Zoning Consistency

- a. The proposed development is consistent with the general plan, zoning code and any applicable specific plan or area plan adopted by the city council.*

Finding

The PD Master Plan incorporates an amendment of the 2035 General Plan. The 2035 General Plan designation of Mixed Use Flex with a seven dwelling unit per acre minimum and 24 dwelling unit per acre maximum will allow the residential uses proposed within the PD Master Plan and the hospital use, not currently an allowed use on the property. Section 7 outlines in greater detail how the PD Master Plan is consistent with the goals and policies of the 2035 General Plan. As allowed by Municipal Code Section 18.30.050, the PD Master Plan identifies several changes to the development standards that apply in the CS district; these changes include increased building heights and modifications to parking standards for shared parking arrangements. The floor area ratio is reduced from 0.6 to 0.5. The Planning Commission will have say on two aspects of future development, to ensure consistency with zoning regulations. Design approval is required for all development, during which the merits of the site plan and architectural design will be considered. Some uses may require a conditional use permit, and those will require a hearing to determine suitability. During these reviews, consistency with zoning code requirements will be analyzed as they specifically relate to the development project. The PD Master Plan is not located within a specific plan or area plan.

Superior to Development Under Existing Zoning

- b. The proposed development is superior to the development that could occur under the standards applicable in the existing zoning districts.*

Finding

The PD Master Plan allows a mix of compatible uses, including a much-needed residential component to provide sustainability to the remainder of the uses, and a retail and medical office / hospital component to provide work opportunities to the neighborhood and community. The urgent care/ pharmacy would provide a convenient location for the surrounding neighborhood and patrons to the school to utilize the services it will provide. The affordable multi-family residential uses will allow tenants to age in place, and will provide a near-by down-sizing option for empty nesters in the adjacent single family houses. The passive park with a walking/jogging trail system, located along Barrett Avenue and US Highway 101, will allow for enjoyment by the retail and medical office employees and visitors, as well as by the apartment residents and residents of the surrounding neighborhood. The high-density residential use will allow elementary school-aged children to walk to Barrett Elementary School. The retail area will provide convenience services to both the medical/office uses and residents.

Substantial Public Benefit

- c. *The proposed project will provide a substantial public benefit as defined in Paragraph 8 (Substantial Public Benefit Defined) below. The public benefit provided shall be of sufficient value as determined by the planning commission to justify deviation from the standards of the zoning district that currently applies to the property.*

Substantial Public Benefit Defined. When used in this section, “substantial public benefit” means a project feature not otherwise required by the zoning code or any other provision of local, state, or federal law that substantially exceeds the city’s minimum development standards and significantly advances goals of the general plan. A project must include one or more substantial public benefits to be rezoned as a planned development. The public benefit provided shall be of sufficient value as determined by city council to justify deviation from the standards of the zoning district that currently apply to the property. Examples of substantial public benefits include but are not limited to:

- a. ***Housing that is affordable to lower-income households.***
- b. ***Public plazas, courtyards, open space, and other public gathering places that provide opportunities for people to informally meet and gather.***
- c. ***New or improved pedestrian and bicycle pathways that enhance circulation within the property and connectivity to the surrounding neighborhood.***
- d. ***Green building and sustainable development features that substantially exceed the city’s minimum requirements.***
- e. *Preservation, restoration, or rehabilitation of a historic resource.*
- f. *Increased transportation options for residents and visitors to walk, bike, and take public transit to destinations and reduce greenhouse gas emissions.*
- g. ***Publicly accessible parks and open space beyond the minimum required by the city or other public agency.***
- h. *Habitat restoration and or protection of natural resources beyond the minimum required by the city or other public agency.*

Finding

The items shown in bold above are items for which the PD Master Plan exceeds the City's minimum development standards.

Affordable Housing. The PD Master Plan adds residential uses on the property in conjunction with an amendment to the 2035 General Plan. The residential units are planned at a density of about 20 units per acre, thus increasing the inherent affordability, and 15 percent of the units will be deed restricted affordable units. The PD Master Plan proponent agrees to enter into a contract with the City to ensure the continued affordability of all affordable rental units for 55 years or a longer period of time if required by an applicable construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for the lower income density bonus units will be set at an affordable rent as defined in Section 50053 of the Health and Safety Code.

Single Family for-sale units will comply with the City of Morgan Hill Municipal Code Section 18.48.070, and the city shall ensure that the initial occupant of all affordable for-sale units are households of low-, very low-, or moderate-income, as applicable, that the units are offered at an affordable housing cost as defined in Health and Safety Code Section 50052.5, and that affordability covenants and restrictions continue for 55 years.

Under Municipal Code Section 18.156, residential units are subject to Residential Development Control System (RDCS), and require an application for Residential Building Allotment for any units proposed. SB-330 (2019 – Nancy Skinner) was recently signed by the Governor and eliminates this program that is designed to meter new housing development over time.

Parks and Public Gathering Places. A passive park along Barrett Avenue, a passive park between the retail and medical uses, and installation of a walking/jogging trail around the perimeter of the property are proposed to provide a public benefit. The two park areas encompass approximately 2.20 acres of land. This acreage does not include the walking trail within other open areas of the property. This area can be used by residents, employees, and the general public as they visit the uses on the project site. The tenants on the property may also use the passive park as an amenity for people to informally meet and gather.

Pedestrian and Bicycle Pathways. Pathways are proposed within the park to allow walking opportunities and exercise for seniors and youth. Walkways will connect from the park to all other uses on the property and to the surrounding local streets to provide full connectivity. This will encourage visitors to walk, bike, and use other forms of transportation to reduce greenhouse gas emissions and promote a healthy community. The pathways will provide a connection between the high-density residential uses and Barrett Elementary School, and will connect all uses to the retail commercial area.

Because the development is a Commercial subdivision, the applicant is technically not required to dedicate open space per Title 17, Section 17.28.150. However the proponents, because they are submitting for a PD Master Plan, would like to dedicate a portion of the property as park area, available to the public and to the adjacent Barrett Elementary School. The minimum required open space for this project, if it were a multi-family subdivision, would be to provide recreation amenities in the amount

of .0088 acres per dwelling unit, at 200 dwelling units this would equal 1.76 acres of land. The park area and open space adjacent to Barrett Avenue is approximately 1.73 acres and would be dedicated with an easement, and be available to the general public. Additional public open space is provided where the pathway continues along US Highway 101. Additional open space and amenities are provided for private use of the multi-family residences (approximately 0.70 acres) and as a break area for the employees (approximately 0.44 acres); these would remain in private ownership.

Green and Sustainable Design. The buildings and site furnishings will include green building and sustainable development features such as LED smart lighting, solar power, very low flow toilets, and building materials to encourage healthy indoor air quality.

Residential market-rate and affordable housing rental units are proposed to provide a sustainable land use pattern that reduces the number and length of vehicle trips. This higher density residential and mixed use development is within walking distance to Barrett Elementary School, and will also provide for convenient services within walking distance for the on-site employees and residents.

Bicycle parking and pathways are provided to promote alternative modes of transportation. Landscaping will be designed to meet and exceed the state standards for water conservation, including low water use trees and shrubs, and plantings to provide shade to reduce the need for excessive building cooling.

Community Benefits from the Project

Healthcare Facilities. The PD Master Plan would provide much needed medical facilities to serve the community. The Urgent Care/Pharmacy would reduce trips traveled to receive routine medical care. The Cancer Center would provide services to meet the growing need for this service in the area.

Retail Component. Providing an appropriately sized retail/restaurant building would provide onsite workers the opportunity to have breakfast or lunch within walking distance from their place of employment, avoiding automobile travel.

Creates Jobs for Morgan Hill. The hospital, urgent care/pharmacy, medical office and retail uses proposed will provide varied work opportunities for the people living in Morgan Hill and the surrounding area.

Parks and Public Gathering Places. A passive park along Barrett Avenue, a passive park between the retail and medical uses, and installation of a walking/jogging trail around the perimeter of the property are proposed to provide a public health benefit. The two park areas encompass approximately 2.20 acres of land. It is expected the Restaurants will also have outdoor dining areas, providing places to gather.

Pedestrian and Bicycle Pathways. Pathways are proposed within the parks to allow walking opportunities and exercise for all ages. Walkways will connect from the park and to all other uses on the property and to the sidewalks on the surrounding streets, providing full connectivity.

Affordable Housing. The PD Master Plan adds residential uses on the property in conjunction with an amendment to the 2035 General Plan. As proposed in the Conceptual Site Plan, the residential units

are planned at a density of about 20 units per acre, thus increasing the inherent affordability, and 15 percent of the units will be deed restricted affordable units. If the project is designed with Single Family for-sale units, affordable housing will be provided per the City code.

School Drop-off. The project will help to alleviate the parking and drop-off issues associated with Barrett Avenue Elementary School. Cross walks will be installed on both adjoining streets to enhance walkability to and from the project. Parking to serve the school and public is expected to be provided in the park adjacent to Barrett Avenue.

Green and Sustainable Design. The buildings and site furnishings will include green building and sustainable development features.

Landscape the Site. The development will provide abundant landscaping throughout to create a green and aesthetic feel, as well as screen development from the traffic on US Highway 101, Juan Hernandez Drive and Barrett Avenue.

Restore Habitat. The project tree and landscape planting will enhance wildlife on the project site as well as provide a visually pleasing atmosphere for the surrounding area. Flowering plants and trees are proposed to accomplish this restoration. Adequate Property Size

Adequate Property Size

d. The site for the proposed development is adequate in size and shape to accommodate proposed land uses.

Finding

With approximately 19.67 acres of land, there is adequate land area to provide the uses proposed in the PD Master Plan. The medical office / hospital uses proposed are intentionally located adjacent to the existing medical office to promote a walkable medical campus. The retail uses, including public services, are proposed along the active local street to ensure visibility and ease of access by the surrounding residential uses and provide easy access by the residents and employees on the property. Residential uses, providing affordable housing, are located on the property to provide adequate separation from the highway and close proximity to the passive park and Barrett Elementary School.

The PD Master Plan under a Mixed Use Flex general plan designation, which includes multi-family residential uses, retail commercial and restaurant, medical office/hospital uses, and open space parks, will provide a dynamic environment of compact living. This will allow residents and employees to meet daily needs and lessen the need for a private automobile.

Adequate Infrastructure

e. Adequate transportation facilities, infrastructure, and public services exist or will be provided to serve the proposed development.

Finding

The PD Master Plan, which abuts the US Highway 101 off-ramp, is surrounded on two sides by local streets and has a driveway connection just south of the existing medical offices, used for access to the medical campus and additional driveways are proposed for site access. Juan Hernandez Drive and Barrett Avenue are existing local streets with the capacity to handle the development of this property. Circulation to the property from within Morgan Hill is provided by Tennant Avenue and Butterfield Boulevard. Public utilities exist in the surrounding streets and can serve the proposed development.

Compatible with Surroundings

- f. The proposed development will not have a substantial adverse effect on surrounding property and will be compatible with the existing and planned land use character of the surrounding area.*

Finding

The PD Master Plan deviates from the approved commercial zoning existing on the property by the addition of hospital and multi-family residential uses. With the incorporated general plan amendment to Mixed Use Flex, and the mixed use development envisioned in the conceptual Site Plan, suitable transitions between the existing uses will be provided. There are no uses included in the conceptual Site Plan that would have an adverse effect on the surrounding residential and school uses. The existing residential uses adjacent to Juan Hernandez Drive and Barrett Avenue, and Barrett Elementary School will benefit from the retail and restaurant uses that the PD Master Plan provides. The park and open space provided on the property will benefit the adjacent Barrett Elementary School and the adjacent residences. The high density residential use will provide a suitable buffer between the adjacent single family residences and school, and the walkable medical campus. The uses proposed will not cause odors, health risks, or safety issues to the surrounding sensitive uses. Adequate measures will be taken during the construction phase to protect the surrounding property from noise, vibration, dust, and construction traffic.

Zoning Map Findings

- g. Findings required for the concurrent approval of a zoning map amendment can be made.*

Finding

The project site is in a Services Commercial zoning district with a PD combining overlay so the finding can be made that it is consistent with the zoning map. Amending the 2035 General Plan use to allow the residential and hospital use will not alter the zoning map.

8.2 Zoning Amendment Findings

The following statements describe how the PD Master Plan complies with the findings required for the approval of a planned development project per Municipal Code Section 18.114.060 - Findings for Approval.

A. Findings for all Zoning Code and Zoning Map Amendments.

General Plan Consistency

- 1. The proposed amendment is consistent with the general plan and any applicable specific plan as provided by Government Code Section 65860.*

Finding

With the general plan amendment that is incorporated into the PD Master Plan, the zoning map amendment is consistent with the 2035 General Plan. The general plan land use diagram amendment from Commercial to Mixed Use Flex allows specific residential uses to be included in the CS district with the PD overlay.

Public Interest, Health, Safety, Convenience, Welfare

- 2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the city.*

Finding

The multi-family residential uses would be beneficial to the public interest, health, safety, convenience, and welfare of the city. The multi-family residential uses would provide more opportunities for residents to work near the medical offices, retail uses, and medical/hospital facility on the property, all of which provide job opportunities for the onsite and surrounding residential uses. The residential uses, including 15 percent affordable units, would also allow seniors the opportunity to age in place, consistent with 2025 General Plan policy. Providing residential uses in close proximity to the commercial and office uses would also reduce the greenhouse gas emissions if the residents were employees or were patrons of the proposed uses, and would enable school-aged children to walk to school. The multi-family residential housing added on this property, when capped at 200 units, would not create an overload on the local street system. Additionally, where the housing is positioned on the property allows for a step down from the existing residential and public facility use to the denser office and commercial uses. The hospital use would also be beneficial to the public interest, health, safety, convenience, and welfare of the city. The hospital would provide much needed medical service to the community and a variety of job opportunities.

Internal Consistency

- B. Additional Finding for Zoning Code Text Amendments. The proposed amendment is internally consistent with other applicable provisions of the zoning code.*

Finding

No changes to the existing zoning code text will be made. The PD Master Plan continues to rely on Zoning Code development standards for the most part. Several deviations from established standards are specifically outlined in the PD Master Plan, consistent with the regulations for establishing PD districts and PD Master Plans. There would be no internal inconsistencies as a result of the PD Master Plan.

Physically Suitable Site

- C. *Additional Finding for Zoning Map Amendments. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.*

Finding

The 19.67 acre parcel is suitable in design, location, shape and size to accommodate the uses allowed by the PD Master Plan. The multi-family residential use would be appropriate next to the passive park located on the property along Barrett Avenue and would serve as a buffer from the more intense uses of office/commercial on the southern end of the property. With the amendment to the 2035 General Plan changing the land use designation from Commercial to Mixed Use Flex, the PD Master Plan is consistent with the general plan and zoning code. All of the uses in the PD Master Plan will contribute to the health, safety, and welfare of persons living or working on the property and surrounding properties, and to the community at large. The PD Master Plan promote community health and social interaction within the neighborhood by providing retail stores, a restaurant, plazas, and open spaces as gathering places. The pathways provide places for healthful exercise.

9.0

LEGAL DESCRIPTIONS

Legal Description – APN 817-09-039 and 817-09-041

Real property in the City of Morgan Hill, County of Santa Clara, State of California, described as follows:

All of parcels “D” and “E”, as shown on that certain Parcel Map filed for record in the Office of the Recorder, County of Santa Clara, State of California on May 24, 1983 in Book 513 of Maps, on Pages 14, 15, and 16, more particularly described as follows:

Beginning at the most southerly corner of said parcel “D”, as shown on said Parcel Map; thence

- 1) South 89°03’ 48” West, 637.61’, thence
- 2) Along a non-tangent circular curve, concave west, the center of which bears South 89°03’ 47” West, with a radius 536.00’, through a central angle 3° 44’ 38”, an arc length of 35.02 feet; thence
- 3) North 89° 03’ 48” East, 276.87 feet; thence
- 4) North 19° 31’ 04” East, 203.35 feet; thence
- 5) North 70° 28’ 56” West, 58.00 feet; thence
- 6) North 25° 28’ 56” West, 83.00 feet; thence
- 7) South 64° 31’ 04” West, 321.00 feet; thence
- 8) Along a non-tangent circular curve, concave southwest, the center of which bears South 68° 32’ 11” West, with a radius 536.00’, through a central angle 4° 00’ 40”, and arc length of 37.52 feet; thence
- 9) North 25° 28’ 29” West, 711.68 feet; thence
- 10) Along a tangent circular curve, concave east, with a radius 20.00 feet, through a central angle 89° 59’ 29”, and arc length of 31.41 feet; thence
- 11) North 64° 31’ 00” East, 717.84 feet; thence
- 12) Along a non-tangent circular curve, concave south, the center of which bears South 15° 32’ 49” East, with a radius 20.00 feet, through a central angle 42° 46’ 35”, an arc length 14.93 feet; thence

- 13) Along a tangent reverse circular curve, concave northwest, with a radius 42.06 feet, through a central angle $137^{\circ} 35' 51''$, an arc length 101.01 feet; thence
- 14) South $20^{\circ} 31' 38''$ East, 842.39 feet; thence
- 15) Along a non-tangent circular curve, concave west, the center of which bears South $69^{\circ} 29' 06''$ West, with a radius 547.00 feet, through a central angle $46^{\circ} 59' 24''$, an arc length 448.61 feet; thence
- 16) South $26^{\circ} 26' 41''$ West, 17.26 feet, more or less to the Point of Beginning

End of Description

All of parcels "C", as shown on that certain Parcel Map filed for record in the Office of the Recorder, County of Santa Clara, State of California

Legal Description – APN 817-09-040

The land referred to herein below is situated in the City of Morgan Hill, County of Santa Clara, State of California and is described as follows:

Parcel One:

Parcel C, as shown on Parcel Map recorded in Book 513 of Maps, at Pages 14, 15, 16, Santa Clara County Records, and being a portion of Lot 25 and lot 52 of "Catherine Dune Ranch Map No. 7", as shown on Map thereof, recorded in Book "L" of Maps, at page 26, Santa Clara County Records.

Parcel two:

An easement for ingress and egress over, under, on and across a strip of land 35.00 feet wide, described as follows:

Beginning at an iron pipe distant thereon South 25 degrees 57' 55" East 126.93 feet from the Southerly corner common to Lots 24 and 25, as shown on said Map and running thence North 89 degrees 03' 48" East 276.87 feet, South 00 degrees 56 deg. 12" East 35.00 feet, and South 89 degrees 03' 48" West 272.72 feet; thence along a curve to the left from a tangent bearing of North 00 degrees 56' 12" West, having a radius of 536.00 feet and a Central Angle of 3 degrees 44' 48", a distance of 35.03 feet to the Point of Beginning.



GPA2019-0005, ZA2019-0016, SD2019-0007 & EA2019-0023 LILLIAN COMMONS



Attachment: Staff Presentation (2892 : Lillian Commons)

Lillian Commons

Project:

General Plan Amendment, Zoning Amendment and Planned Development Master Plan, a Tentative Parcel Map and a Mitigated Negative Declaration for a Proposed Planned Development Medical Campus and Mixed-Use Project

Request:

City Council approve:

1. Mitigated Negative Declaration and MMRP
2. Amend the General Plan from Commercial to Mixed-Use Flex
3. Amend the Zoning from CS and PD to MU-F and PD
4. A Tentative Parcel Map to subdivide into four parcels

Lillian Commons – Location



Lillian Commons – CEQA

- An Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) was prepared for the project
- General Plan Amendment from Commercial to Mixed-Use Flex

Lillian Commons – Master Plan

Conceptual Site Plan



Lillian Commons – Proposed Development Standards

Development Aspect	Parameter
Minimum Lot Size	10,000 square feet
Minimum Lot Dimensions	100-foot width; 100-foot depth
Maximum building coverage	50%
Minimum setbacks (front, rear, side, street) [1]	25, 0, 0, 15 feet (respectively)
Maximum height (exceptions 18.56.020)	Residential/Office – 4 stories or 45 feet Hospital – 4 stories or 55 feet
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
On-Site Parking	Per Section 18.72 [2]
Retail	1 space per 250 square feet of net floor area
Restaurant (sit down)	1 space per 100 square feet of net floor area
Medical Office	1 space per 200 square feet of net floor area
Residential (multi-family)	1 bedroom unit – 1 covered 2 bedroom unit – 1 covered and 1 uncovered per unit
Guest Parking	1 per 3 units (shared with Medical Office use)
Electrical Vehicle Parking	1 per 25 to 49 automobile spaces, 2 per 50 to 100 automobile spaces, plus 1 per 50 ratio over 100 automobile spaces
Non-Residential Bicycle Parking	10% of automobile spaces; long term (enclosed): 5% of automobile spaces
Residential Bicycle Parking	10% of automobile spaces; long-term (enclosed), 1 per 5 units

Lillian Commons – Proposed Land Uses

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	C
Bed and Breakfast	C
Business Support Services	P
Cinemas and Theatres	C
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	P
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)	11.o
Duets and Duplexes	C	
Emergency Shelters	C	
Farmers Markets	P	
Food and Beverage Production <10,000 square feet	P	
Fuel and Service Stations	C	
General Retail	P	
Government Offices	P	
Group Housing	C	
Home Day Care, Small and Large	P	
Hospitals	P	
Hotel and Motels	C	
Instructional Services	P	
Live/Work Unit	P	
Medical Offices and Clinics	P	
Mixed Use Residential	P	
Multi-Family Dwellings	P	
Nursing Homes and Long-Term Care	C	
Parking Lots and Structures	P	
Parks and Recreational Facilities	P	
Personal Services	P	
Professional Offices	P	
Residential Care Facilities	C	
Residential Care Facilities, Small	P	
Restaurant- Fast Food, Sit Down	C	
School, Public and Private	C	
Single-Family Detached Dwellings	C	
Senior Housing, Independent Living	C	
Social Services	C	
Tasting Rooms	P	
Veterinarian Clinics and Hospitals	C	
Accessory Uses	(per Section 18.44)	
Home Occupations	(per Section 18.92.150)	Packet Pg. 434
Temporary Uses	(per Section 18.92.150)	

Lillian Commons – Revised Conceptual Site Plan



Lillian Commons – Commission Recommendation

- Limit maximum height of Residential/Office to 3 stories or 35 ft;
- Limit the number of residential units to 150;
- Allow Hospitals, Medical Offices and Clinics, and Mixed Use Residential on Parcel C; and

Table 1-1 Parcel C PD Master Plan Allowed and Conditional Uses

<u>Use</u>	<u>Planned Development (PD)</u>
<u>Hospitals</u>	<u>P</u>
<u>Medical Offices and Clinics</u>	<u>P</u>
<u>Mixed Use Residential</u>	<u>P</u>

- Do not allow residential uses on Parcels A, B, & D; as well as reduce the number of retail uses.

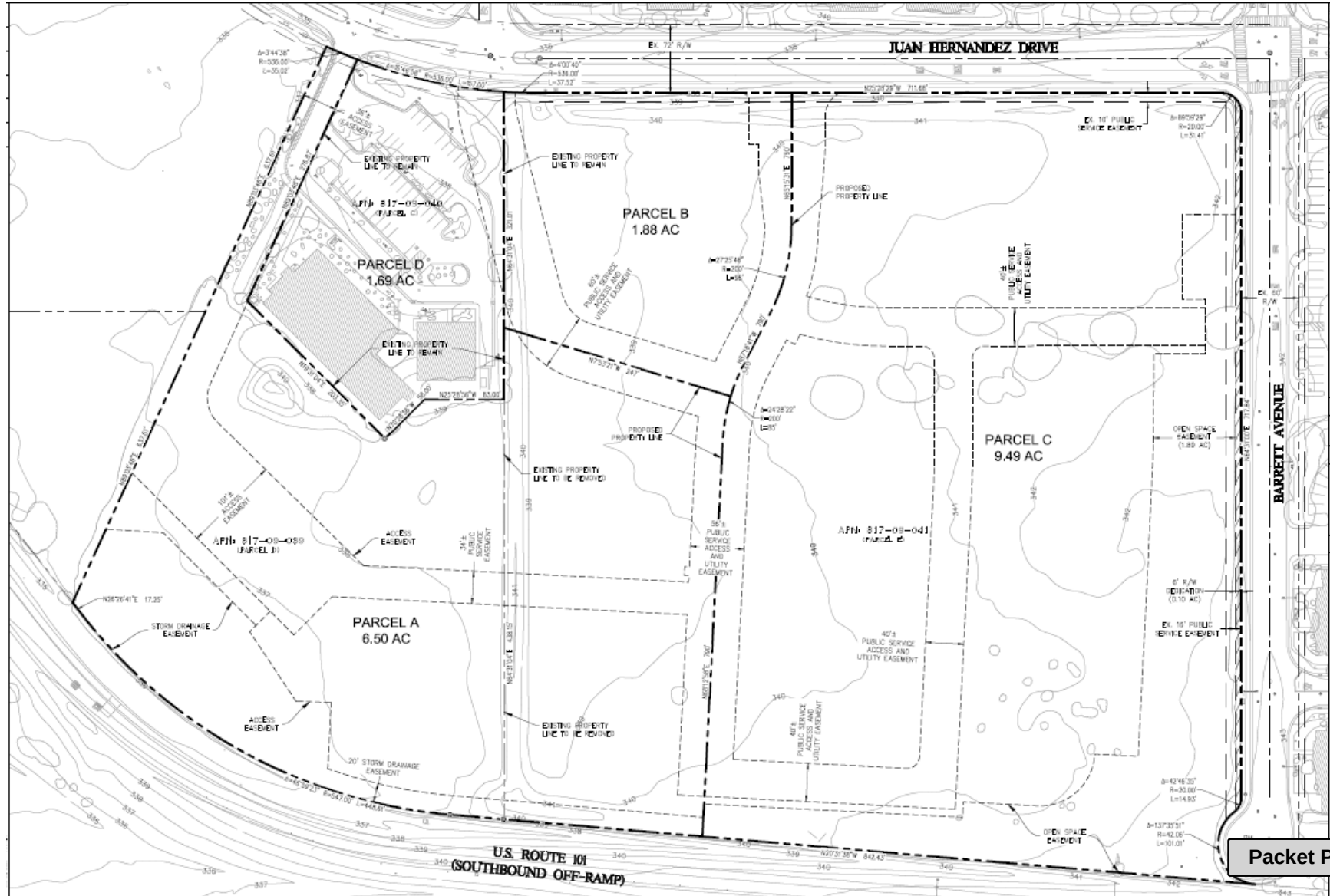
Commission Recommendation

Table 1-2 Parcels A, B, and D PD Masid Conditional Uses

Use	Planned Development (PD)
Accessory Dwelling Units	P
Banks and Financial Institutions	P
Bars and Nightclubs	C
Bed and Breakfast	C
Business Support Services	P
Cinemas and Theatres	C
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	PC
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)	11.o
Duets and Duplexes	C	
Emergency Shelters	C	
Farmers Markets	PC	
Food and Beverage Production <10,000 square feet	P	
Fuel and Service Stations	C	
General Retail	P	
Government Offices	P	
Group Housing	C	
Home Day Care, Small and Large	P	
Hospitals	P	
Hotel and Motels	C	
Instructional Services	P	
Live/Work Unit	P	
Medical Offices and Clinics	P	
Mixed Use Residential	P	
Multi-Family Dwellings	P	
Nursing Homes and Long-Term Care	C	
Parking Lots and Structures	P	
Parks and Recreational Facilities	P	
Personal Services	P	
Professional Offices	P	
Residential Care Facilities	C	
Residential Care Facilities, Small	PC	
Restaurant- Fast Food, Sit Down	C	
School, Public and Private	C	
Single Family Detached Dwellings	C	
Senior Housing, Independent Living	C	
Social Services	C	
Tasting Rooms	P	
Veterinarian Clinics and Hospitals	C	
Accessory Uses	(per Section 18.44)	
Home Occupations	(per Section 18.92.150)	
Temporary Uses	(per Section 18.92.150)	

Lillian Commons – Parcel Map



Lillian Commons – PD Findings

18.30.050.H.7 PD Master Plan Findings

- a. The proposed development is consistent with the General Plan, Zoning Code and any applicable specific plan or area plan adopted by the City Council.
- b. The proposed development is superior to the development that could occur under the standards applicable in the existing zoning districts.
- c. The proposed project will provide a substantial public benefit(s).
- d. The site for the proposed development is adequate in size and shape to accommodate proposed land uses.
- e. Adequate transportation facilities, infrastructure, and public services exist or will be provided to serve the proposed development.
- f. The proposed development will not have a substantial adverse effect on surrounding property and will be compatible with the existing and planned land use character of the surrounding area.
- g. Findings required for the concurrent approval of a Zoning Map Amendment can be made.

Lillian Commons – Zoning Amendment Findings

18.114.060 Zoning Amendment Findings

- a. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.
- b. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
- c. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

Questions?





Regular Meeting Agenda

City Council

Rich Constantine - Mayor
Yvonne Martinez Beltran - Mayor Pro Tem
Larry Carr - Council Member
John McKay - Council Member
Rene Spring - Council Member

Wednesday, November 4, 2020 7:00 p.m.

Virtual Meeting

AMENDED AGENDA

Please note that this agenda has been amended to correct the project location in the recommended action of item 1.

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CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

Deputy City Clerk Michelle Bigelow

PRESENTATIONS

**2021 TRANSIT SERVICE PLAN- DRAFT OPTIONS, JAY TYREE, SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY**

VTA PRESENTATION SUPPLEMENT

PROCLAMATIONS

Proclaiming the month of November 2020 as Philanthropy Month

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CITY ATTORNEY'S REPORT

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ADOPTION OF AGENDA

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Time Estimate for Consent Calendar: 1 - 10 Minutes

1. APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO UNDERGROUND DRY UTILITIES FOR THE HALE AVENUE EXTENSION PROJECT NEAR MAIN AND HALE AVENUES

Recommendation:

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities at the intersection of Main and Hale Avenues for the Hale Avenue Extension Project for a not to exceed amount of \$384,876.

2. APPROVE SUBDIVISION IMPROVEMENTS AGREEMENT FOR 185 SANCHEZ DRIVE

Recommendation:

1. Authorize the City Manager to execute the Subdivision Improvements Agreement with Mike Brewer (property owner); and
2. Authorize the recordation of the Subdivision Improvements Agreement.

3. APPROVE SECOND AMENDMENT TO CARBONIC SERVICE INC. SERVICE AGREEMENT

Recommendation:

1. Determine that competitive bids upon notice would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances per Section 3.04.150 (1) of the Morgan Hill Municipal Code; and
2. Approve and authorize the City Manager to execute and administer the second amendment to the service agreement with Carbonic Service, Inc. extending the agreement for two additional years of service at no increase to the total contract amount of \$200,000.

4. APPROVE FISCAL YEAR 2020-21 WORK PLANS FOR PARKS AND RECREATION AND LIBRARY, CULTURE AND ARTS COMMISSIONS

Recommendation:

1. Approve the proposed Parks and Recreation Commission FY 2020-21 Work Plan; and
2. Approve the proposed Library, Culture and Arts Commission FY 2020-21 Work Plan.

5. APPROVE THE OCTOBER 21, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

6. RECEIVE CORPORATION YARD SPACE STUDY

Recommendation:

Receive Corporation Yard Space Study.

7. RECEIVE REPORT REGARDING UPCOMING 2021 COMMISSION VACANCIES - PER MADDY ACT

Recommendation:

Receive report.

OTHER BUSINESS

8. RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

Recommendation:

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightning Complex fire.

Estimated Time: 30 Minutes

9. CONSIDER FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

Recommendation:

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

Estimated Time: 5 Minutes

PUBLIC HEARING

10. ACCEPT THE MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNER'S ASSOCIATION ANNUAL REPORT AND ADOPT A RESOLUTION AMENDING THE MHTBID MANAGEMENT PLAN

Recommendation:

1. Accept and direct the City Clerk to file the Visit Morgan Hill Annual Report; and
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Estimated Time: 15 Minutes

11. APPROVE AMENDMENTS TO THE GENERAL PLAN LAND USE MAP AND ZONING MAP, TENTATIVE PARCEL MAP AND MITIGATED NEGATIVE DECLARATION FOR A MIXED USE DEVELOPMENT ON A 19.67-ACRE SITE (APNS 817-09-039, 817-09-040 AND 817-09-041) (GPA2019-0005/ZA2019-0016/SD2019-0007/EA2019-0023-JUAN HERNANDEZ – MH MEDICAL PROPERTIES (LILLIAN COMMONS))

Recommendation:

1. Open/close public hearing;
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3. Adopt resolution approving an amendment to the General Plan land use designation;
4. Waive the first and second reading of Zoning Amendment Ordinance;
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Estimated Time: 90 Minutes

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November 4, 2020
Non-Agenda Public Comment
City Council Meeting

On August 19th, Councilman Carr requested that the Morgan Hill Ranch Business Park PDU Agreement and the Development Agreement for the Butterfield Technology Park be reviewed. I don't know if this is being considered as part of a future workshop on how to permanently deal with Distribution Centers but for reasons I'll discuss, I hope it will be.

The crux of the PDU Agreement is the infamous section 10 that we've heard so much about. It is all of two paragraphs long, the second of which is shown on the first of two slides attached. I've provided the exact text and also clickable links to all references. In a nutshell what this part of section 10 says is that for any project to be approved it must be consistent with two things: the Development Plan and architectural and signage Guidelines.

Consistency with the Development Plan means the proposed use has to be allowed under the Land Uses and Zoning Restrictions that are defined in the Business Park Master Plan. For any and all parcels designated as R&D/Manufacturing, such as Shoe Palace, this means uses that are allowed in Light Industrial District. Compliance with Light Industrial uses is EXACTLY why compulsory Conditional Use Permits were PROCESSED by the staff and approved by the Planning Commission multiple times in the past, including those shown on this slide. The City has refused to give any explanation whatsoever why the Shoe Palace Expansion project was permitted without requiring a CUP as the PUD Agreement clearly requires. That is the all old.

In reviewing the Butterfield Development Agreement for the first time during the last few days, another issue became known for the first time that I think is extremely relevant to the discussion regarding Distribution Centers. The summary is shown on the second slide.

The first bullet on slide two is from the first paragraph of section 10 and just reiterates that projects must be consistent with the Guidelines.

As shown in the second bullet, the whole reason for the Guidelines was stated in the Development plan: to control the type of construction and the operations that are allowed at any facility in the Business Park.

The Guideline unambiguously states that **"Loading doors shall be located at grade and raised docks are not allowed"**. Either the Guideline has been amended and is not visible anywhere on the City portal or I don't understand why or how this has been completely ignored. I'm assuming this restriction on Dock-High Doors exists in the current version of the Guideline making many buildings in the Park non-conforming. This should be dealt with as part of the proposed Distribution Center workshop. **Until then, the PDU Agreement which fully applies to the "Butterfield Technology Center" Development Agreement needs to be enforced.** I doubt there will be any 'rush' by developers to get permits for projects anywhere in the Business Park until this is resolved.

An important reason to include this existing restriction on dock doors in the discussion and review Mr. Carr has requested as part of regulating Distribution Centers is because an objective review of the Business Park Development Plan provides clear historical, Morgan Hill specific, context for what type of facilities were really being targeted for those important Industrial parcels and indicates that a commonsense restriction on the absolute number of dock-high doors is entirely consistent. Given the current restriction is zero, developers should be open to accepting a common set of conditions that would apply to all Industrial development in MH including in the Business Park.

Joe Baranowski

Morgan Hill Ranch Business Park PUD Agreement*

Some inconvenient truths (old & new?)

*The PUD agreement is attached to Ordinance 979 which can be downloaded from here: <https://drive.google.com/file/d/1ZwTx7n5mDrhSEvxAfZ4OrLFldLNMxE8/view?usp=sharing>

UP-13-01:Jarvis-Miller (Shoe Palace): "within the Morgan Hill Ranch Business Park, Warehouse and Distribution facilities are identified as conditional use which is the reason the CUP application is before you this evening" Hear it directly from the source:

https://drive.google.com/file/d/1qYT_Dk5VunIZ_-GexXmMlein2Xq2knKm/view?usp=sharing

UP2017-002:Jarvis-Jubilee Church: "the project site is located within the Morgan Hill Ranch Business Park PUD and has been designated within an area that allows for all uses permitted in the Light Industrial Zoning district" <http://morganhillca.iqm2.com/Citizens/FileOpen.aspx?Type=30&ID=3475&MeetingID=1575>



What does “Paragraph 10’ really say? Just because it was written in 1980 doesn’t mean it is hard to understand.

“City staff shall review such plans and specifications to determine whether such proposed use is *consistent with the approved Guidelines* and the *approved Development Plan*, and the City staff *shall process* the use, building, and other related permit for all proposed construction, and the City staff shall have the authority to approve and shall approve all use permits and building permits for all proposed construction *which is consistent with the Guidelines* and the approved Development Plan,”

Is there any question that the literal meaning of the text matches the obvious intent? Projects must be consistent with the Guidelines and Development Plan.

Joe Baranowski
November 4, 2020



PUD Agreement already has unambiguous restriction on Dock-High Doors

- “Prior to the first site and architectural review or use permit application for construction of building improvements upon the Project, WILTRON shall, submit or cause to be submitted to City for approval architectural and signage guidelines (hereinafter called the “Guidelines”) for all future construction on the Property. *City and WILTRON shall utilize such Guidelines, as amended thereafter, in approving architecture and signage of future construction on the Property.*” (section 10, first paragraph)
- **The intent and importance of the Guidelines is clear from the Development Plan:** “Research and Development/Manufacturing activities are planned as the primary use of the site, occupying some 275.3 acres. It is expected that this use will consist of expanding Santa Clara County electronics firms seeking to take advantage of a high-quality South County location for their business. Typical activities will be labor-intensive research, development, and manufacturing *facilities whose construction and operation will be controlled through the MH Business Park Deed Restrictions and Architectural Guidelines.*”[1]
- What do Guidelines say? (Unless there is an amended version I don’t know about) **NO DOCK-HIGH DOORS ARE PERMITTED.**
 - » (Paragraph 8) Storage and Loading Areas: “**Loading doors shall be located at grade (no raised docks)** and shall be painted or otherwise surfaced” [2] I’m sure there will be some reason why this means something other than what it says but...
- This should be dealt with as part of adoption of the Responsible Growth for MH Initiative or alternative Zoning Amendment. Until then, the PDU Agreement, including all parts of the Development Plan and Guidelines are Applicable Law, that must be respected, including as specified in the “Butterfield Technology Center” Development Agreement. Developers currently bound to the terms of the Development Agreement should be more than willing to accept commonsense limits on Dock-High Doors.
- **Any objective review of the Morgan Hill Ranch Business Park Development Plan provides clear historical context that restrictions on the absolute number of dock-high doors is entirely consistent with the intended uses!**

[1] Master Plan, Morgan Hill Business Park Land Use & Circulation, (pg. 14). <https://www.morgan-hill.ca.gov/DocumentCenter/View/16440>

[2] The Business Park, Morgan Hill Ranch, Architectural Review Guidelines. https://drive.google.com/file/d/1nB-Epi99ec-08CXJPB6G1EtjA0LZWx_q/view?usp=sharing



Supplement & Presentation List

November 4, 2020

City Council Meeting

Supplements

- Item 11 – Lillian Commons – - Supplement 1 - Letter from applicant
- Item 11 – Lillian Commons - Supplement 2- Email from Armando Benavides

Presentations

- Item 10- VMH Presentation
- Item 11- Updated Presentation

From: Armando Be <barmando3@gmail.com>

Date: November 4, 2020 at 3:28:17 PM PST

To: Rich Constantine <Rich.Constantine@morganhill.ca.gov>, Larry Carr

<Larry.Carr@morganhill.ca.gov>, Yvonne Martinez Beltran

<yvonne.martinezbeltran@morganhill.ca.gov>, Rene Spring <Rene.Spring@morganhill.ca.gov>, John

McKay <john.mckay@morganhill.ca.gov>, Christina Turner <Christina.Turner@morganhill.ca.gov>

Subject: 11. APPROVE AMENDMENTS TO THE GENERAL PLAN LAND USE MAP AND ZONING MAP

Hi Mayor and Council Members,

The developer seeks an amendment to the zoning and general plan. It seeks an amendment of the property from commercial to multi use flex. It also seeks a permit to build up to 150 homes on approximately half of the northerly portion of the lot. While it presents proposed schematic plans for a medical complex and a smaller retail restaurant, the developer has made no commitment that is what it will build on the site. In fact, it is not even willing to enter into a Development Agreement to give some degree of guarantee that it is serious about building that medical complex.

Unfortunately, the designation of the entire lot to multi-use Flex allows the developer the flexibility to basically do with the southerly half designated for the medical complex whatever it wants, including building more housing. And the City will be in no position to refuse any future proposed development, including housing. So instead of a medical complex, which would generate desirable medical jobs, there is a good possibility that the City will end up with the entire commercial parcel developed into new housing.

So why does the developer refuse to enter into a Development Agreement? You know the answer. It does not want to be bound to the development of a medical complex. Why should the City not impose a condition that in order to obtain the requested amendments, the developer shall enter into a Development Agreement?

There are other options. The Council can amend the proposed northerly residential portion to allow for housing and leave the southerly portion as is, commercial. If the developer in the future submits plans to develop the medical complex, future councils can pass on the matter and amend the general plan and the zoning. To amend the entire parcel now takes that power away from the City.

I do like the idea of a medical complex, with all of the jobs that it would create. Unfortunately, without a Developer Agreement or a limited amendment presently, the reality that the medical complex will be built has little guarantee. There is a higher probability that the entire commercial property will be developed with housing if this Council approves to amend the entire parcel and designates its zoning as multi purpose flex.

I urge you to consider the alternatives that I have proposed (condition the amendments to the developer entering into a Development Agreement to build that medical complex or limit the multi purpose flex zoning to the northern half of the parcel and leave the southern portion commercial.

Regards,

Armando Benavides

bcc: Newly elected council member, Borgioli

2021 Transit Service Plan

Draft Options

*Morgan Hill City Council
November 2020*

Time to Decide Next Year's Transit Service Plan

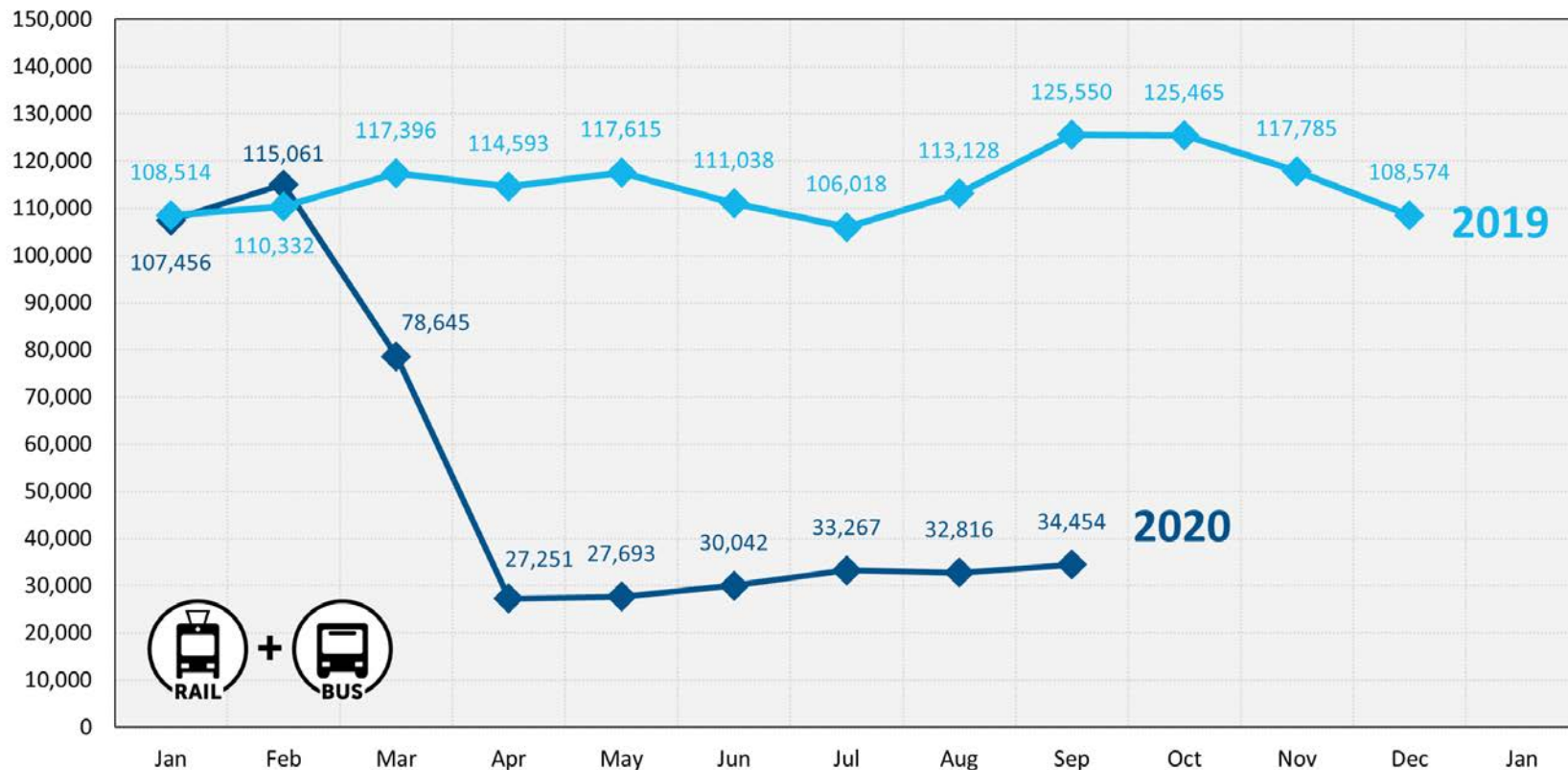
VTA typically implements major service changes annually each February

- Draft plan developed each summer
- Community engagement and revisions in the fall
- VTA Board adoption in November/December

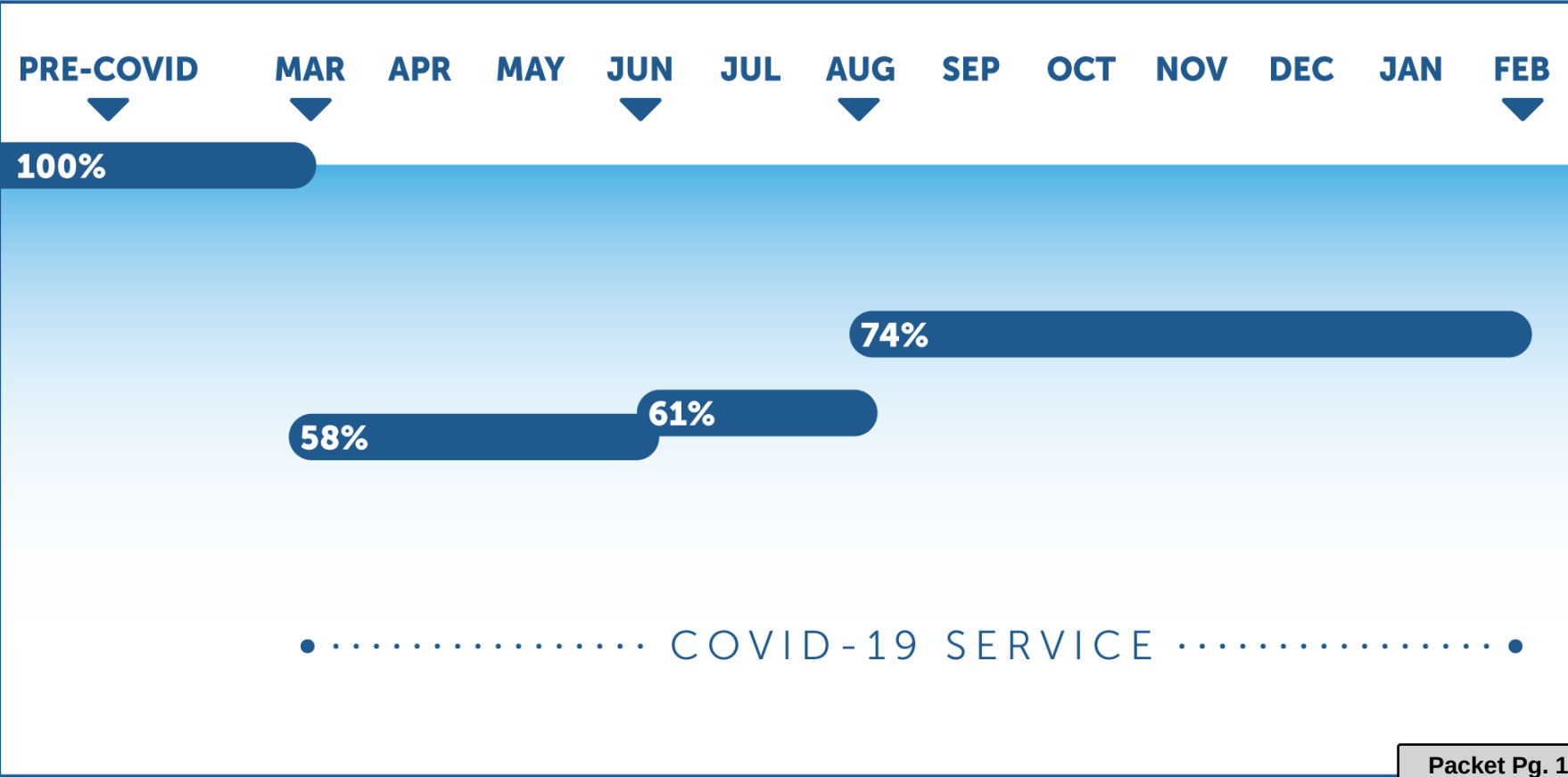
Background

- New Transit Service Plan (NTSP) implemented in late 2019
- Ridership demand impacted by COVID-19 beginning in March 2020
- Transit service adjusted throughout 2020 in response

VTA Ridership during COVID-19 (average weekday boardings, systemwide)

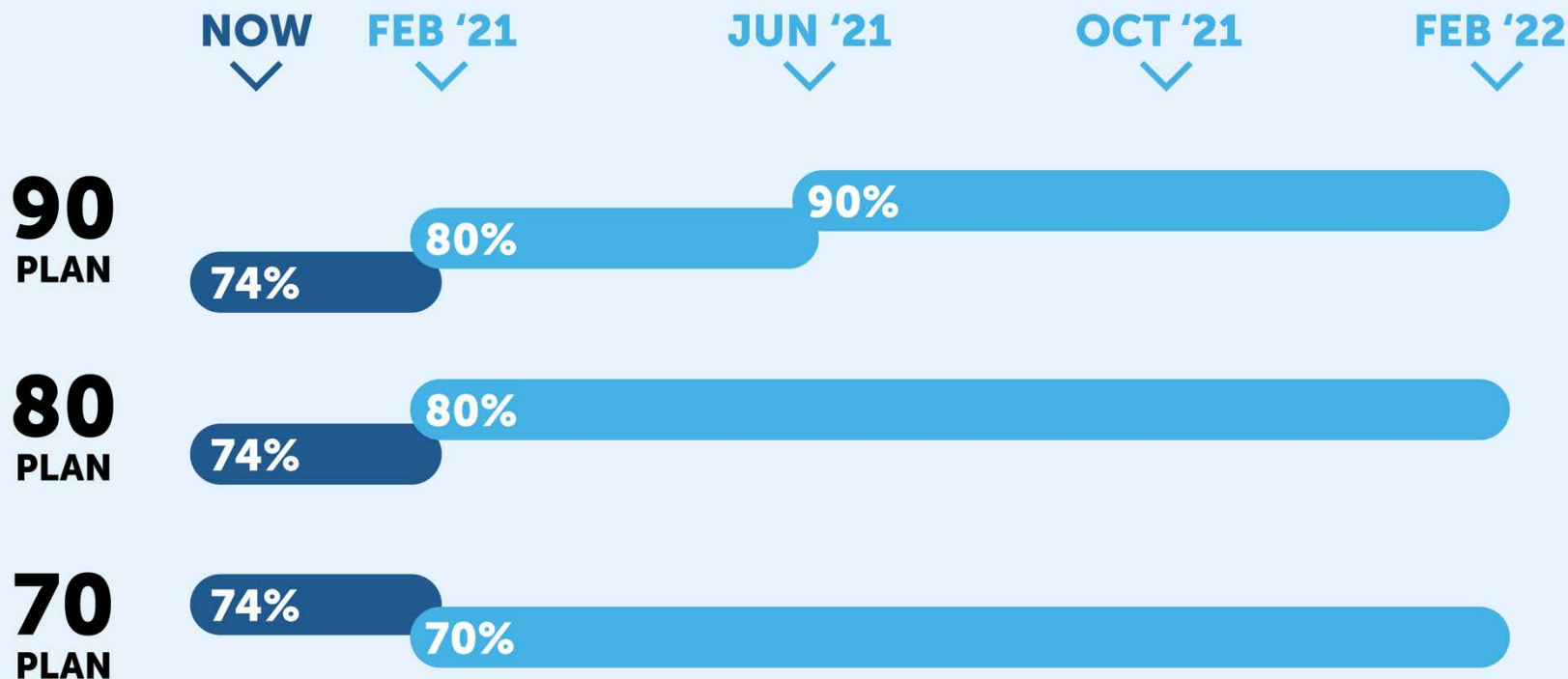


2020 VTA Transit Service Hours



Communication: 2021 Transit Service Plan- Draft Options, Jay

Three Options for 2021 Service



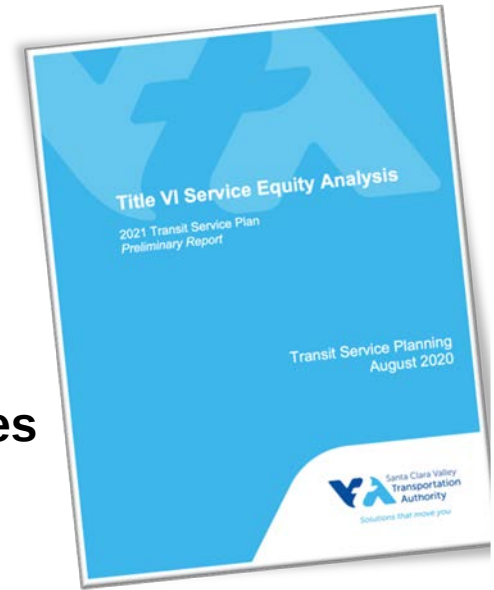
2021 Service Plan Options

		100% (Pre-COVID Service)	90% Plan	80% Plan	70% Plan
	Frequency	Weekday: 15 min. Weekend: 20 min.	Weekday: 15 min. Weekend: 30 min.	Weekday: 20 min. Weekend: 30 min.	Weekday: 20 min. Weekend: 30 min.
	End Time	1:30 a.m.	12:30 a.m.	12:30 a.m.	10:00 p.m.
Frequent Network Frequency		15 min.	15 min.	20 min.	20 min.
End Time		Varies	A few routes end earlier	Most routes end earlier	Ends at 10 p.m. or earlier
	Midday Service Cuts	n/a	1 route	Minor	Major
	Weekend Service Cuts	n/a	Minor	Minor	Major
Discontinued Routes		n/a	None	None	2 routes
New Routes		n/a	Rapid 568 VMC Shuttle	Rapid 568 VMC Shuttle	VMC Shuttle

Equity Analysis for Service Plan Options

Title VI Service Equity Analysis determinations:

- ✓ No disparate impact on **minority communities**
- ✓ No disproportionate burden on **low-income communities**



Communication: 2021 Transit Service Plan- Draft Options, Jay

VTA Access Paratransit Service Impacts

Time-of-Day service availability:

- Staff recommendation is to **maintain pre-COVID service availability**

Geographic service availability:

- **No impact to geographic service availability**



Definition of “Major Transit Stop” in California law → 15-min peak bus service

Development projects

- Some projects disqualified from meeting criteria for Density Bonus law (AB 1763) and “screening out” from VMT analysis under CEQA (SB 743)

Affordable housing projects

- Some affordable housing projects disqualified from meeting TOD criteria

Plan Bay Area 2050 growth targets

- May be more difficult to meet regional growth targets (established using the 15-min network of routes)

Morgan Hill Local Service (weekday)

today

80 plan

90 plan

68

20-min

5:00a – 12:00a

20-min

5:00a – 12:00a

15-min

5:00a – 12:00a

87

60-min

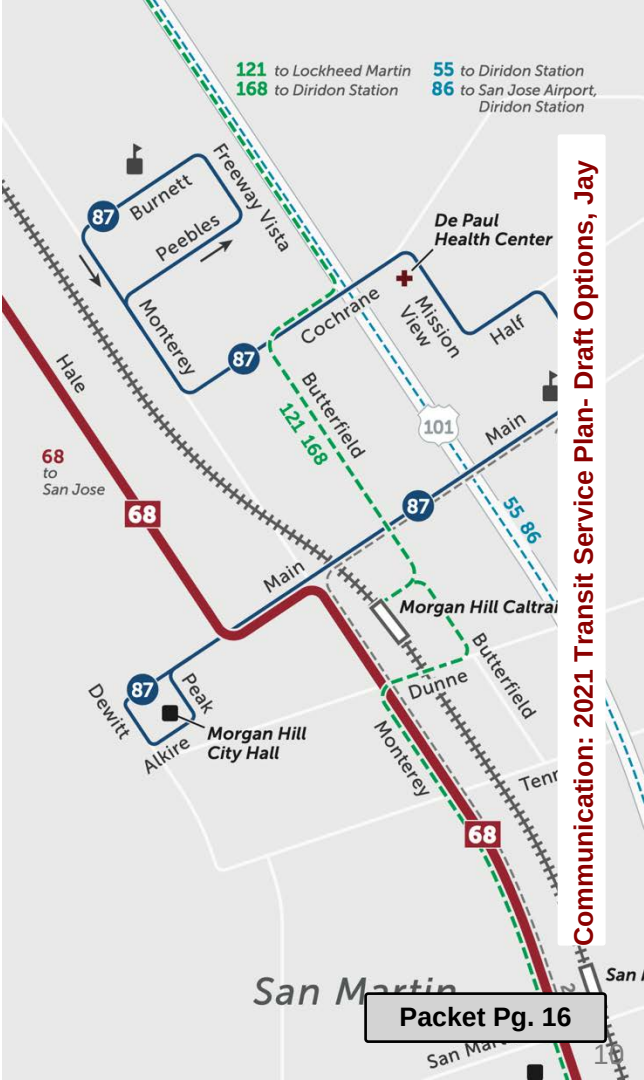
6:30a – 9:00a
2:00p – 5:30p

60-min

6:30a – 9:00a
2:00p – 5:30p

60-min

6:30a – 9:00a
2:00p – 5:30p



Morgan Hill **Express** and **Rapid** Service

121

- suspended during 2020 due to COVID-19
- service level is determined by partners
- plan to resume service in early 2021

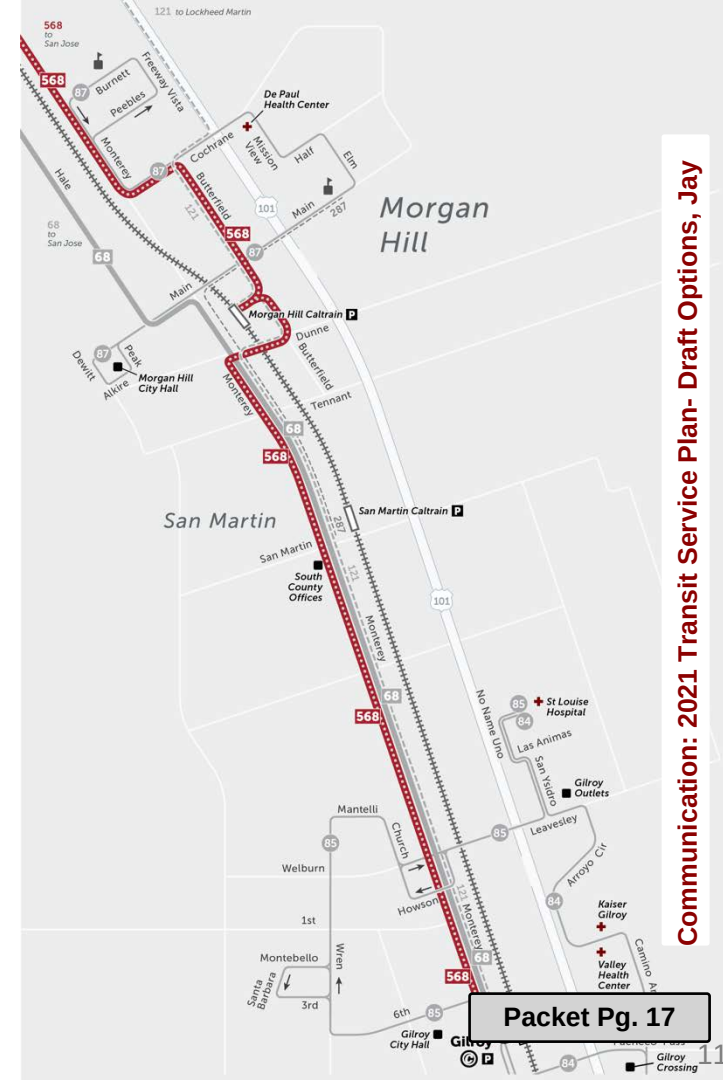
168

- 4 morning trips and 4 evening trips (one-way)
- to be replaced by Rapid 568



568

- new route (starts February)
- longstanding rider request
- Gilroy – Morgan Hill – Downtown San Jose
- all-day bidirectional service
- 30-min frequency, 5:30a – 6:30p
- will supplement Frequent Route 68



Schedule

May – Aug	Develop draft plans
Sep – Oct	Community engagement
Late Oct	Develop staff recommendation
Nov	Staff recommendation to VTA committees
Dec	Staff recommendation to VTA Board of Directors

Service begins **February 2021**



17575 Peak Avenue Morgan Hill CA 95037 (408) 776-7382

Website Address: www.morgan-hill.ca.gov

October 16, 2020

Valley Transportation Authority
55-A West Santa Clara Street
San Jose, CA 95113

RE: VTA 2021 Transit Service Plan

To Whom it May Concern,

The City is supportive of the desire to restore valuable and efficient transit services that follow the State mandated stay-at-home restrictions and appreciate the opportunity to comment on the draft recovery plan. The City further recognizes the financial situation that VTA is facing. On behalf of our residents and businesses, we would like to highlight that South County and Morgan Hill specifically, have minimal service in comparison to cities to the north, and any permanent discontinuance of service would create further hardship on our community and should not be considered.

Please consider the following comments and issues:

I. 70% Service Plan Scenario

This plan significantly reduces services to Morgan Hill by discontinuation of Route 87 with no replacement service, reduces Route 121 and Route 168 trips significantly, and introduces longer headway times with fewer trips. We are opposed to the reductions to the Route 68 frequency considering the capacity issues currently faced on the 68. Should Route 87 be removed, the City will no longer have any east-west public transportation. Before eliminating the 87, the City requests that the VTA look at funding alternatives to provide additional local (east-west) transportation through alternative models. The 70% alternative will significantly affect our community in addition to our ability to qualify for future funding to achieve our affordable housing goals.

II. 80% Service Plan Scenario

We are thankful for the addition for Rapid Route 586 with 30-minute headways starting at 5:30am until 6:30pm. We are opposed to the reductions to the Route 68 frequency considering the capacity issues currently faced on the 68 and are not supportive of any permanent discontinued service. Route 168 includes a stop at the Morgan Hill Transit Center, connecting it to the Cal Train Station services. If Route 168 is discontinued, we would request Route 586 provide a stop at the Morgan Hill Transit Center and preserve that vital connection to the Transit

Center and Cal Train Station.

III. 90% Service Plan Scenario

The City is supportive of the 90% Service Plan as it is closest to the amount of service that we previously had and adds Route 586. Again, we are opposed to the reductions to Route 68, and with the proposed elimination of Route 168, the City would like to see Route 586 provide a stop at the Morgan Hill Transit Center. This would preserve the vital bus route connection to the Morgan Hill Transit Center and Caltrain Station.

Thank you for your consideration of these comments and concerns. We appreciate VTA's willingness to work with our City. We would welcome the opportunity to discuss our feedback with you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'CT', with a stylized flourish extending to the right.

Christina Turner
City Manager
City of Morgan Hill