



CITY OF MORGAN HILL

Regular Meeting Agenda

Planning Commission

John McKay - Chairman

Liam Downey - Vice Chairman

Joseph Mueller - Planning Commissioner

Wayne Tanda - Planning Commissioner

Yvonne Martinez Beltran - Planning Commissioner

Mohammad Habib - Planning Commissioner

Juan Miguel Munoz Morris - Planning Commissioner

Tuesday, April 10, 2018 7:00 pm

Council Chamber

17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

ROLL CALL ATTENDANCE

PLEDGE OF ALLEGIANCE

DECLARATION OF POSTING AGENDA

Pursuant to Government Code Section 54954.2

OPEN PUBLIC COMMENT PERIOD

Members of the public are entitled to address the Planning Commission concerning any item within the Morgan Hill Planning Commission's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the Planning Commission 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)

ORDERS OF THE DAY

OTHER BUSINESS

1. **PRELIMINARY PLAN REVIEW SR2018-0004: COCHRANE-EVERGREEN: PRELIMINARY PLAN REVIEW OF A PROPOSED COMMERCIAL AND RETAIL CENTER. THE PROPERTIES, IDENTIFIED BY ASSESSOR PARCEL NUMBERS 726-250-35 AND 726-320-21, ARE LOCATED ON THE EASTERLY SIDE OF BUTTERFIELD BOULEVARD BETWEEN COCHRANE ROAD AND JARVIS DRIVE (COCHRANE ROAD INVESTORS, LLC, OWNERS).**

Recommendation:

The applicant is requesting Planning Commission initial comments on the project. Open public hearing to receive testimony and provide direction on content of proposed plan.

CONTINUED PUBLIC HEARING

2. **ZA2016-0006: ZONING CODE UPDATE AND ZONING MAP AMENDMENTS**

Recommendation:

1. Discuss and consider comments on the Zoning Code Update and Zoning Map Amendments; and,
2. Adopt Resolution recommending City Council consider the Addendum to the Morgan Hill 2035 Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA) and approval of ZA2016-0006: Zoning Code Update and Zoning Map Amendments.

ANNOUNCEMENTS

ADJOURNMENT

NOTICE

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the legislative body less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the legislative body. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the Commission 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 Commission on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Commission 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 Commission, 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 Commission 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 Commission.

Persons interested in proposing an item for the Commission agenda should contact a member of the Commission who may plan an item on the agenda for a future Commission meeting. Should your comments require Commission action, your request may be placed on the next appropriate agenda. Commission 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 Commission at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the Commission, 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 Commission Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

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



CITY OF MORGAN HILL

PLANNING COMMISSION STAFF REPORT

MEETING DATE: April 10, 2018

PREPARED BY: Richard Smeaton,

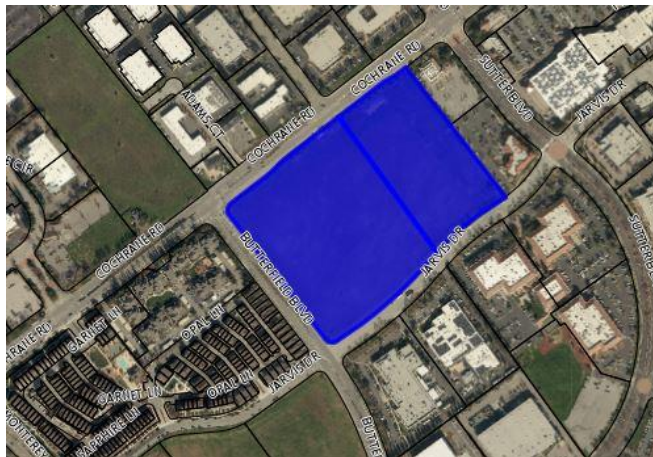
APPROVED BY: Jennifer Carman, Community Development Director

**PRELIMINARY PLAN REVIEW SR2018-0004: COCHRANE-
EVERGREEN: PRELIMINARY PLAN REVIEW OF A PROPOSED
COMMERCIAL AND RETAIL CENTER. THE PROPERTIES, IDENTIFIED
BY ASSESSOR PARCEL NUMBERS 726-250-35 AND 726-320-21, ARE
LOCATED ON THE EASTERLY SIDE OF BUTTERFIELD BOULEVARD
BETWEEN COCHRANE ROAD AND JARVIS DRIVE (COCHRANE
ROAD INVESTORS, LLC, OWNERS).**

RECOMMENDATION(S)

The applicant is requesting Planning Commission initial comments on the project. Open public hearing to receive testimony and provide direction on content of proposed plan.

LOCATION MAP



BACKGROUND

The project site is located within the Morgan Hill Ranch Planned Unit Development (PUD) (now referred to as a Planned Development or PD). The City Council adopted Ordinance No. 2109, N.S. on August 8, 2014, amending the PD to include a Precise Development Plan (now referred to as a Master Plan) (The Village) for the 20.25-acre site (Attachment 1). The Master Plan included site development standards and a list of permitted and conditional uses for the site.

On June 24, 2014, the Planning Commission approved SD-13-14, which approved a Tentative Subdivision Map to subdivide the property into eight parcels.

Project Description

Evergreen Devco, Inc. has submitted a Preliminary Review request pursuant to Morgan Hill Municipal Code section 18.30.060 to obtain guidance from the Planning Commission and City staff for the proposed development of approximately 20 acres of commercial development for “The Village”, located within the Morgan Hill Ranch PD. The site is located at the easterly side of Butterfield Boulevard, between Cochrane Road and Jarvis Drive. Residential uses are located to the west across Butterfield Boulevard, office/industrial uses to the north and the south, and restaurant and office uses to the east.

“The Village” proposal includes:

- 1) 4-story, 110 to 120 room hotel;
- 2) Convenience store, fuel center, and car was;
- 3) Tire store;
- 4) 2-story medical office;
- 5) Two fast food pads;
- 6) Retail building;
- 7) Office building;
- 8) Grocery store;
- 9) 85-unit senior living residential care facility;
- 10) Four, drive-thru locations; and
- 11) Changes to the approved uses for the site.

The plans (Attachment 2) are conceptual with the applicant requesting Planning Commission input regarding allowed uses permitted by-right and overall design of the center.

ANALYSIS:

The proposed Preliminary Review was analyzed with respect to consistency with the: 1) General Plan; 2) Zoning Ordinance and “The Village” PD Development Standards; 3) Parcel Development 4) Morgan Hill Architectural Handbook; 5) 2017 Morgan Hill Economic Blueprint; 6) Entitlement Process; and 7) CEQA.

1. General Plan

The site has a Commercial designation in the Morgan Hill 2035 General Plan. 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, where retail stores are emphasized. The Commercial designation allows a maximum 0.6 floor area ratio (FAR).

Figure CNF-4 (Industrial Subareas) within the General Plan identifies the property to be located within Industrial Sub Area 3. This area is considered a Core Employment Area, which includes many of the City's largest employers and will continue to be the strongest location for future employment growth with an emphasis on Research and Development, light manufacturing, office, and supporting uses.

The General Plan specifies a maximum 0.6 FAR for projects with a Commercial land use designation in this Subarea. The project proposes building FAR's that would be below 0.6.

There are five General Plan Policies on which the applicant seeks guidance from the Planning Commission:

Policy CNF-8.2 – Design Features. Encourage design features and amenities in new development and redevelopment, including, but not limited to:

- Highly connected street layouts, supporting multiple paths of travel for all modes
- Cluster buildings to create useable open space
- Abundant landscaping
- Attractive transitions between uses
- Comfortable pedestrian facilities that promote a high level of pedestrian activity
- Distinctiveness and variety in architectural design

Policy CNF-8.7 Design Sensitivity. Ensure that new development is sensitive to the character of adjacent structures and the immediate neighborhood.

Policy CNF-8.11 Pedestrian Spaces. Encourage the design of attractive outdoor pedestrian spaces that encourage impromptu public gathering places with features such as plazas, interior walkways and paseos, ornamental gates, trellises, lighting, trees and landscaping, seating and fountains.

Policy CNF-17.2 – Industrial Land Use Conflicts. Ensure proposed new uses adjacent to industrial uses do not introduce land use conflicts that would adversely impact industrial activities.

Policy CNF-17.3 – Buffer between Industrial and Incompatible Uses. Ensure that all industrial uses are well sited and buffered from incompatible uses; buffers may include offices adjacent to sensitive uses, landscaping, berms, etc.

2. Zoning Ordinance / “The Village” Planned Unit Development

Permitted and Conditional Uses

The project would include an amendment to the “The Village” PD allowed uses. A comparison of the uses that are currently permitted and the changes that are being

proposed are contained in Table 1. Additional details have been provided in the applicant's project development proposals (Attachments 3 and 4).

The applicant is requesting to limit the number of conditional uses within the shopping center; therefore, it is requested that the Planning Commission provide guidance regarding the proposed use changes. Uses that are proposed to be changed are indicated in **bold**.

Table 1
Approved and Proposed Uses for the Cochrane- Evergreen Project

Use	Approved Planned Development	Proposed Amendment
Business Support Services	P	P
Commercial Services	P	P
Commercial Recreation Use <3,000 sq. ft.	P	P
Drive-Thru Restaurant (max 2)	P	P
Drive-Thru Restaurant (max 3)	C	P
Drive-in or Drive-Thru Restaurant (4+)	C	C
Financial Services	P	P
Home Improvement Center	P	P
Hotel/Motel	P	P
Office, Medical/Dental	P	P
Office Administrative	P	P
Office Professional	P	P
Personal Services	P	P
Research & Development	P	P
Restaurant, site-down & fast food	P	P
Retail, intensive (excluding convenience and specialty market)	P	P
Commercial Recreation, indoor, greater than 3,000 sq. ft. in size	C	C
Congregate Care for the Elderly/Assisted Living Facilities	C	P
Convenience Markets & Specialty Markets	C	P
Day Care Centers and Nursery School	C	P
Day Care Centers, Adult	C	P
Kennel	C	C
Minor Vehicle Repair	C	P
Nursing Home or Convalescent Hospital	C	P
Service Station	C	P

P= Permitted Use

C= Conditional Use

The applicant is requesting to allow uses by-right that traditionally require additional review due to the more intense nature of the use, possible impacts on surrounding

properties and/or compatibility of sensitive uses. Uses that traditionally require greater review include Congregate Care for the Elderly/Assisted Living Facilities, Convenience and Specialty Markets, Day Care Centers and Nursery Schools, Adult Day Care Centers, Minor Vehicle Repair facilities, Nursing Home or Convalescent Hospitals, and Service Stations.

The PD limits the use of drive-thrus to restaurant use only. Although not noted above, the applicant would need to request to expand the use of a drive-thru on the site for a carwash. The total number of drive-thrus at the site would be four.

3. Parcel Development

A Tentative Subdivision Map was approved to subdivide the site into eight parcels two years ago. The current proposal provides eleven parcels and an open space lot, which would require an amendment to the approved Tentative Subdivision Map. The proposed site plan includes:

Parcel Number	Parcel Size	Building Size	Proposed Use
1	57,430 square feet	3,870 square feet	Convenience store, fueling station and touch-free drive-thru car wash
2	37,512 square feet	3,500 square feet	Quick service restaurant and drive-thru
3	40,976 square feet	4,500 square feet	Quick service restaurant and drive-thru
4	60,038 square feet	7,200 square feet	Retail and food service with drive-thru
5	95,976 square feet	44,000 square feet	Hotel use
6	58,552 square feet	10,000 square feet	Tire store
7	101,929 square feet	22,000 square feet	Grocery store
8	30,474 square feet	4,800 square feet	Retail building
9	143,599 square feet	35,000 square feet	Medical office
10	176,517 square feet	36,802 square feet	85-unit residential care facility
11	47,017 square feet	5,500 square feet	Offices
A	36,011 square feet	N/A	Open Space and parking

4. Site and Architecture Review

Initial comments were provided to the applicant to design the project consistent with the Morgan Hill Architectural Review Handbook. The project design is driven by the development plan for the property. The site will contain 11 parcels, each of which may be sold individually, and each containing required parking for the proposed use on the lot. The developer will be required to create reciprocal parking and access easements across the entire site, as well as covenants and restrictions which address permitted uses, non-compete issues, common signage standards and maintenance responsibilities.

The site has been designed as an auto oriented commercial development that is comprised of uses operating independently of one another. For example, the proposed assisted living/memory care facility has been situated to the rear of the property, isolated from other uses. Staff raised concerns with the applicant over this location and suggested relocating this use closer to the existing and planned residential development northwest of Butterfield Boulevard. The applicant indicated they preferred the tire store and fueling station along Butterfield Boulevard.

Planning staff also recommended that the tire store be located along Cochrane Road, away from the residential uses and that pedestrian retail/commercial uses be located along Butterfield Boulevard. The applicant prefers that the tire store be located along Butterfield Boulevard to have a prominent frontage. Frontage along Cochrane Road is limited because of the design of the buildings and drive-thru locations.

To address some of the staff comments, the developer moved the hotel building closer to the street and moved the convenience store/fueling station closer to the corner of Cochrane Road and Butterfield Boulevard. Staff remains concerned with the location of the fueling station, as noise, lighting and traffic could impact neighboring residential uses.

Details have not been provided as to the architecture of individual buildings at this time. The applicant intends to develop design guidelines that will help create a cohesive look for the development as each parcel develops. A complete analysis of the project's conformance with architectural standards will occur upon the submittal of a Site and Architectural Review application for each parcel.

5. **Economic Development**

The City's 2017 Morgan Hill Economic Blueprint establishes the City's current priorities for the implementation of Economic Development goals. The document does not replace the Economic Development Element of the General Plan, but rather supplements the 2035 General Plan by identifying quantifiable actions required to generate jobs, attract investment, grow economic vitality, as well as new tax revenues for the community.

The Economic Blueprint identified four key industries which will drive economic prosperity, create a fiscally sustainable future:

1. Innovation and Advanced Manufacturing
2. Retail
3. Tourism
4. Healthcare

The proposed development, with the proposed uses directly supports three of the four key industries identified in the Economic Blueprint: Healthcare, Tourism, and Retail.

Retail

The Economic Blueprint promotes growing retail offerings and strengthening commercial nodes. The proposed development would create an additional 83,000 square feet of new retail development. The Economic Blueprint identifies retail flexibility as a key strategy to support the retail industry.

The development would be consistent with the identified Economic Blueprint strategies:

Retail Flexibility

Strategy No. 14: Continually revisit retail industry trends and requirements.

Strategy No. 16: Re-Evaluate and propose changes to shopping center-site specific zoning requirements

Tourism

The Economic Blueprint promotes growing leisure, agriculture, wine country and recreational tourism. Supporting lodging is a strategy for this industry. The site is also located near key employment areas for the City and more business quality hotel development has been requested by the community's top employers to support their business needs.

The development would be consistent with the following Economic Blueprint strategies:

Support Lodging

Strategy No. 25: Ensure General Plan and Zoning Code address Bed & Breakfasts, Air B&B and Hotel Development

Strategy No. 27: Identify Pre-zoned lodging sites

Healthcare

The Economic Blueprint promotes growing and fostering medical services and diagnostics industry by attracting services and facilities. The proposed development would add 35,000 square feet of new medical offices.

The development would be consistent with the following Economic Blueprint strategies:

Actively Promote Locations for Medical Uses

Strategy No. 33: Identify and Market pre-zoned medical sites

6. Entitlement Process

The applicant has submitted applications for amendments to the approved Planned Development and Tentative Subdivision Map, and for a Development Agreement.

The applicant will apply for the Site and Architecture Review for the site improvements and landscaping. Each individual parcel will apply for Site and Architecture Review as the final user is identified.

7. California Environmental Quality Act (CEQA):

The Preliminary Review application is not subject to CEQA, as there will be no action taken as this is an information item only.

The addition of assisted living/memory care facility (classified as a commercial use), the fueling station / convenience store, hotel, and additional fast-food drive-thru to the approved site plan has necessitated a review of the previously approved Mitigated Negative Declaration. The proposed project is currently being reviewed primarily for traffic impacts, greenhouse gas emissions, and possible impacts to sensitive receptors. Based on the timing of the construction of development, future applications may require further environmental review.

LINKS/ATTACHMENTS:

1. ORD2109 - Cochrane-South Bay
2. Evergreen Village, Proposed Plan, March 5, 2018
3. Project Narrative October 18, 2017
4. Project Narrative January 26, 2018

ORDINANCE NO. 2109, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE MORGANHILL BUSINESS PARK PLANNED UNIT DEVELOPMENT ZONING DISTRICT TO INCORPORATE A PRECISE DEVELOPMENT PLAN FOR THE 20.25-ACRE SITE LOCATED AT THE SOUTHEASTERLY CORNER OF COCHRANE ROAD AND BUTTERFIELD BLVD.

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

- SECTION 1. AMENDING THE PLANNED UNIT DEVELOPMENT DISTRICT** established under Ordinance No. 545, New Series located on the south side of Cochrane Road between Monterey Rd. and US 101 for a 20.25-acre site located on the southeasterly corner of Cochrane Road and Butterfield Blvd. for Zoning Amendment application ZA-13-12: Cochrane-South Bay Dev. (APNS 726-32-021 and 726-25-035).
- SECTION 2. INCORPORATING THE DEVELOPMENT PLAN BY REFERENCE.** There hereby is attached hereto as Exhibit "A" and made a part of this ordinance, a precise development plan as contained in that certain series of documents date stamped June 18, 2014, on file at the Community Development Department, entitled "The Village" prepared by Kenneth Rodrigues & Partners Inc. and BKF Engineers/ Surveyors/Planners. These documents, as amended by site and architectural review, show the location and relative sizes of all proposed buildings, vehicle and pedestrian circulation ways, parking areas, landscape areas and any other purposeful uses on the project.
- SECTION 3. DESCRIPTION OF LAND IN REZONING.** There hereby is attached hereto as Exhibit "B" are the development standards for "The Village" and made a part of this ordinance which defines the development standard and land uses allowed or conditionally allowed within the boundaries of the described parcel of land.
- SECTION 4. FINDING OF CONSISTENCY WITH THE GENERAL PLAN.** The City Council hereby finds that the amendments established by this ordinance as herein described are compatible with the goals, objectives, policies and land use designation of the General Plan of the City of Morgan Hill. The development plan established by this zoning amendment will define an orderly and logical development plan and establish uses that are supportive of the surrounding development and future development permitted in the Morgan Hill Business Park PUD. The Council further finds that the proposed amendments are required in order to serve the public health, convenience and general welfare as provided by Section 18.62.070 of the Morgan Hill Municipal Code.
- SECTION 5. MITIGATED NEGATIVE DECLARATION.** The City Council hereby finds that, 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

City of Morgan Hill
Ordinance No. 2109, New Series
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have a significant effect on the environment and that the Mitigated Negative Declaration reflects the City Council's independent judgment and analysis, and that the Mitigated Negative Declaration was adopted prior to action taken to adopt the Ordinance. The custodian of the documents or other material which constitute the record shall be the Community Development Department.

SECTION 6. SEVERABILITY. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 7. EFFECTIVE DATE; PUBLICATION. This Ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 16TH DAY OF JULY 2014, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 8th DAY OF AUGUST 2014, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

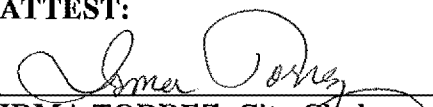
AYES: COUNCILMEMBERS: Larry Carr, Rich Constantine, Marilyn Librers, Gordon Siebert, Steve Tate

NOES: COUNCILMEMBERS: None

ABSTAIN: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

ATTEST:


IRMA TORREZ, City Clerk

APPROVED:


STEVE TATE, Mayor

~ CERTIFICATION ~

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2109, New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the 8th day of August, 2014.

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

DATE: 10/22/2014


IRMA TORREZ, City Clerk

Attachment: ORD2109 - Cochrane-South Bay (1687 : SR2018-0004 Preliminary Design Review: Cochrane-Evergreen)

EXHIBIT A

THE VILLAGE

MORGAN HILL, CALIFORNIA

SOUTH BAY DEVELOPMENT
KENNETH RODRIGUES & PARTNERS, INC.

TABULATION

TOTAL SITE AREA 20.25 ACRES

PHASE 1

SITE AREA 6.07 ACRES
BUILDING AREA 31,300 SF
PARKING 238 STALLS
RATIO 7.5 / 1000

PHASE 2

SITE AREA 14.18 ACRES
BUILDING AREA 165,000 SF
PARKING 736 STALLS
RATIO 4.5 / 1000

DEVELOPMENT
SERVICES

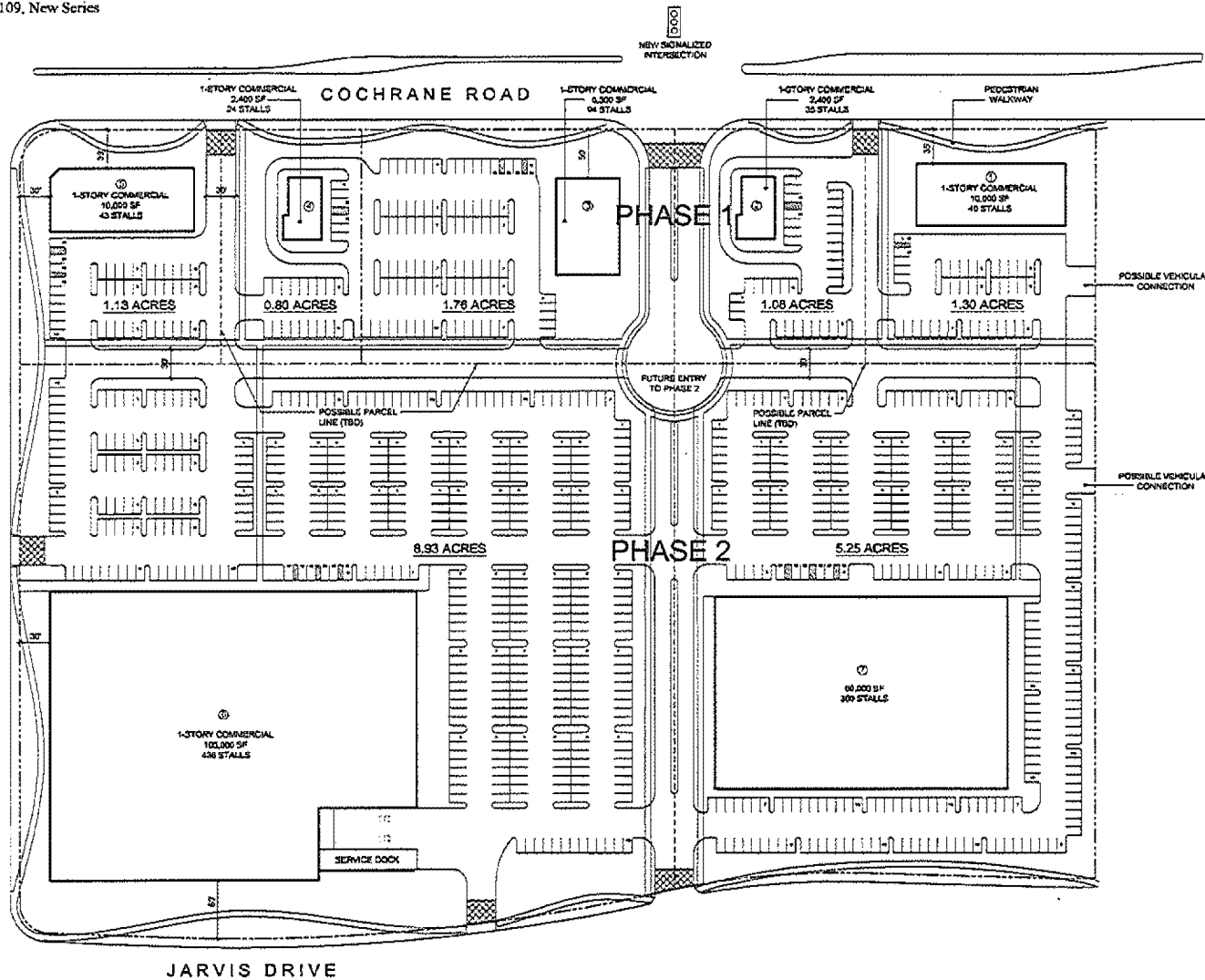
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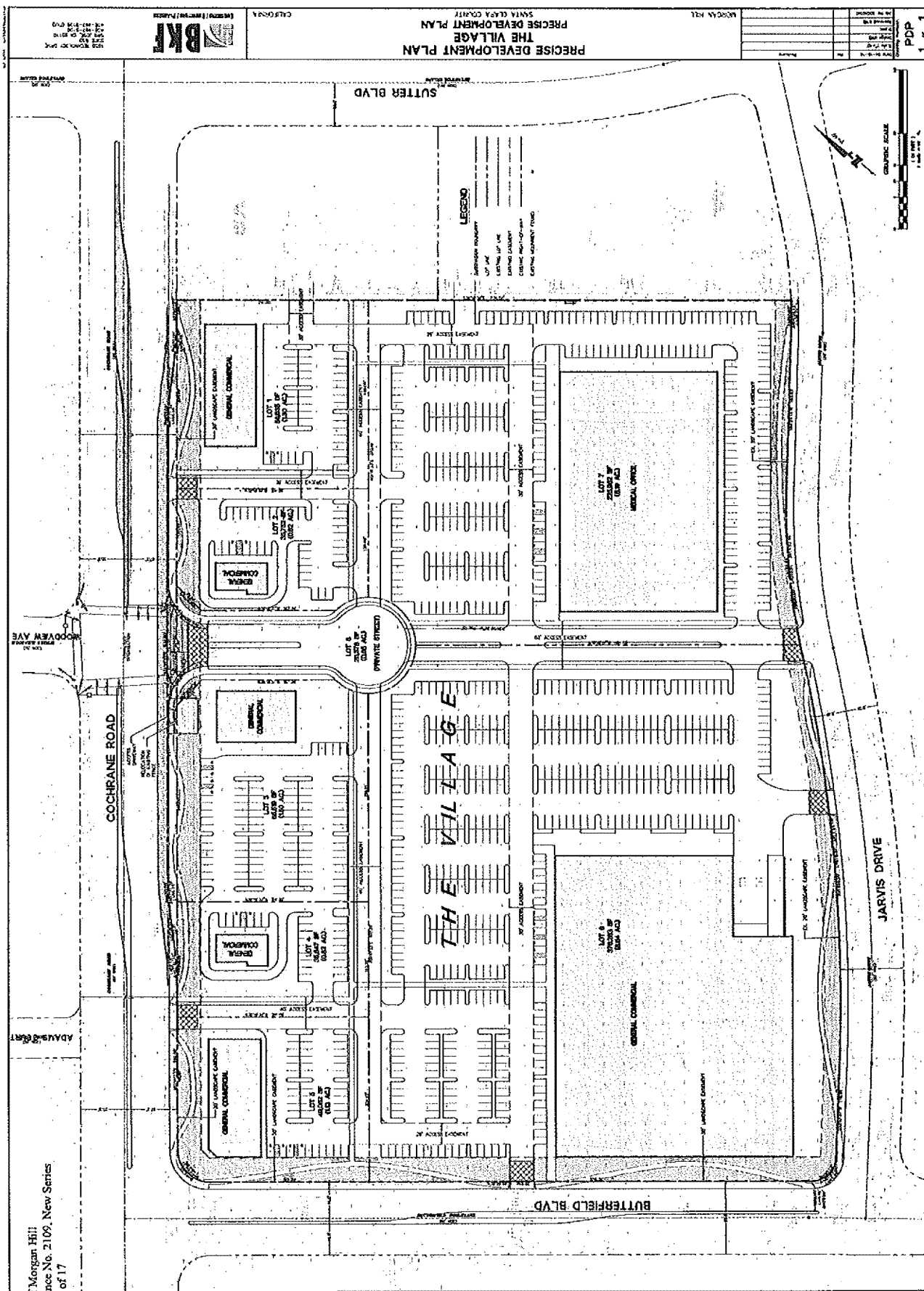
CITY OF MORGAN HILL

MASTER SITE PLAN

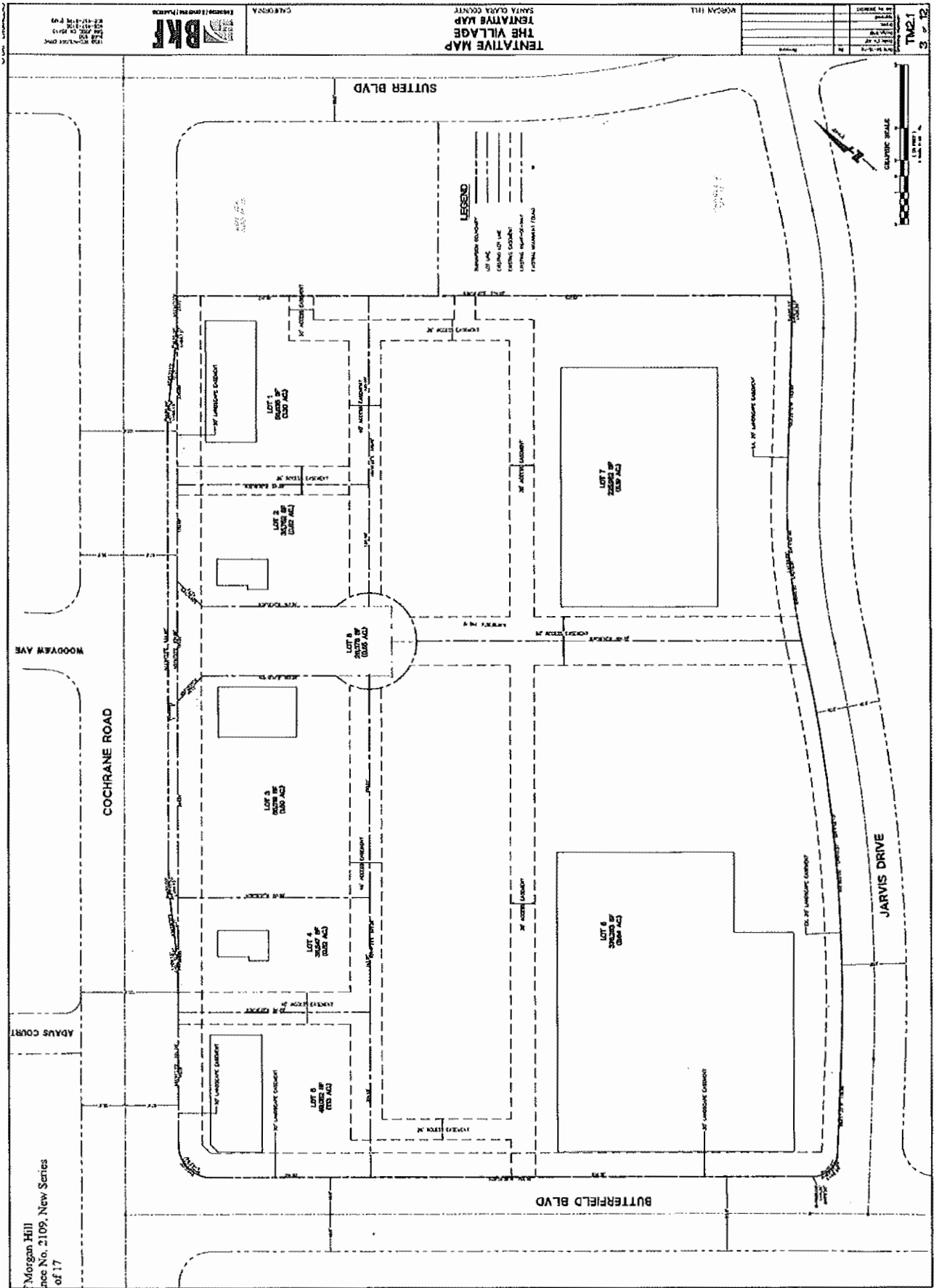


BUTTERFIELD BOULEVARD

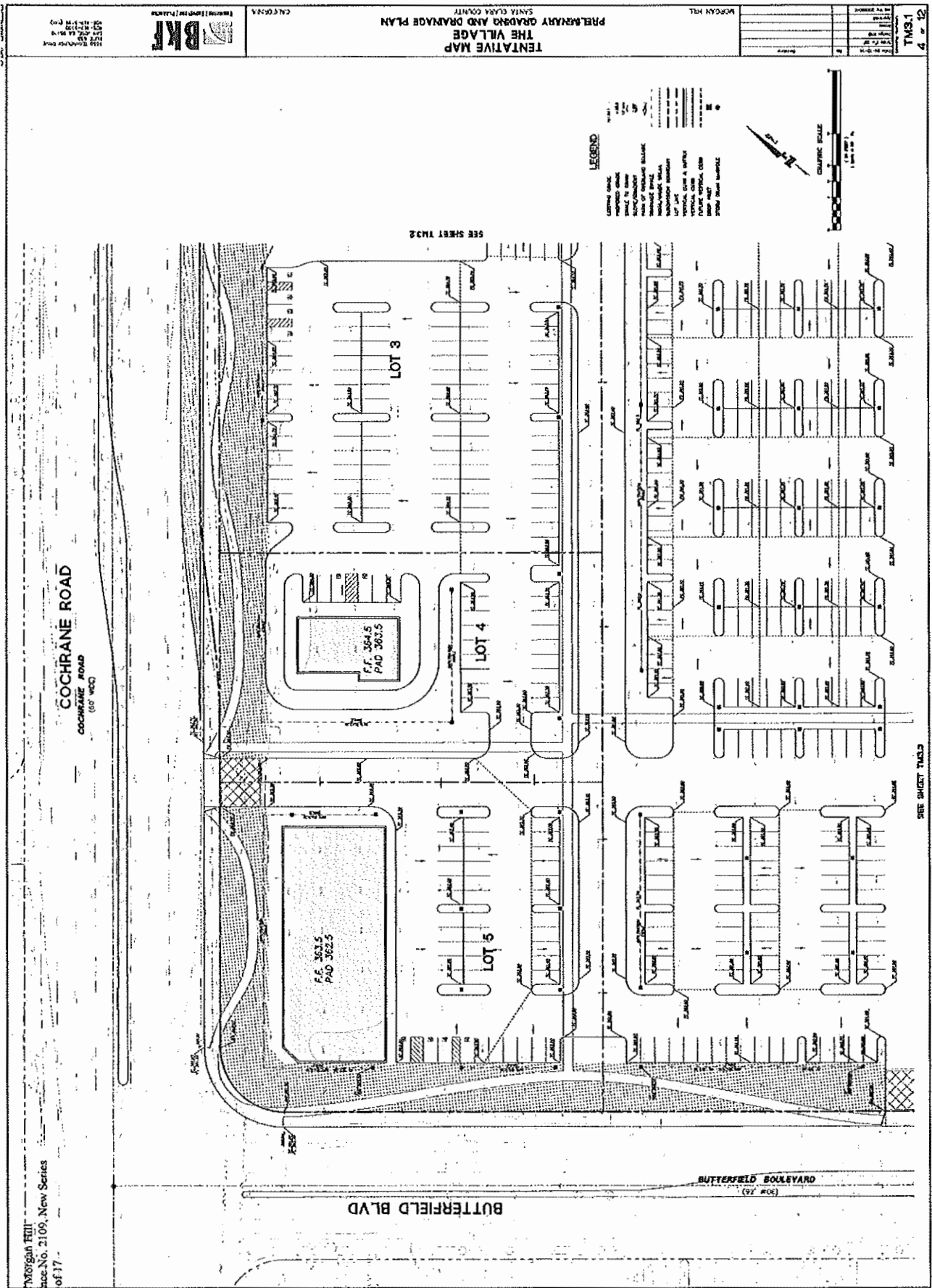


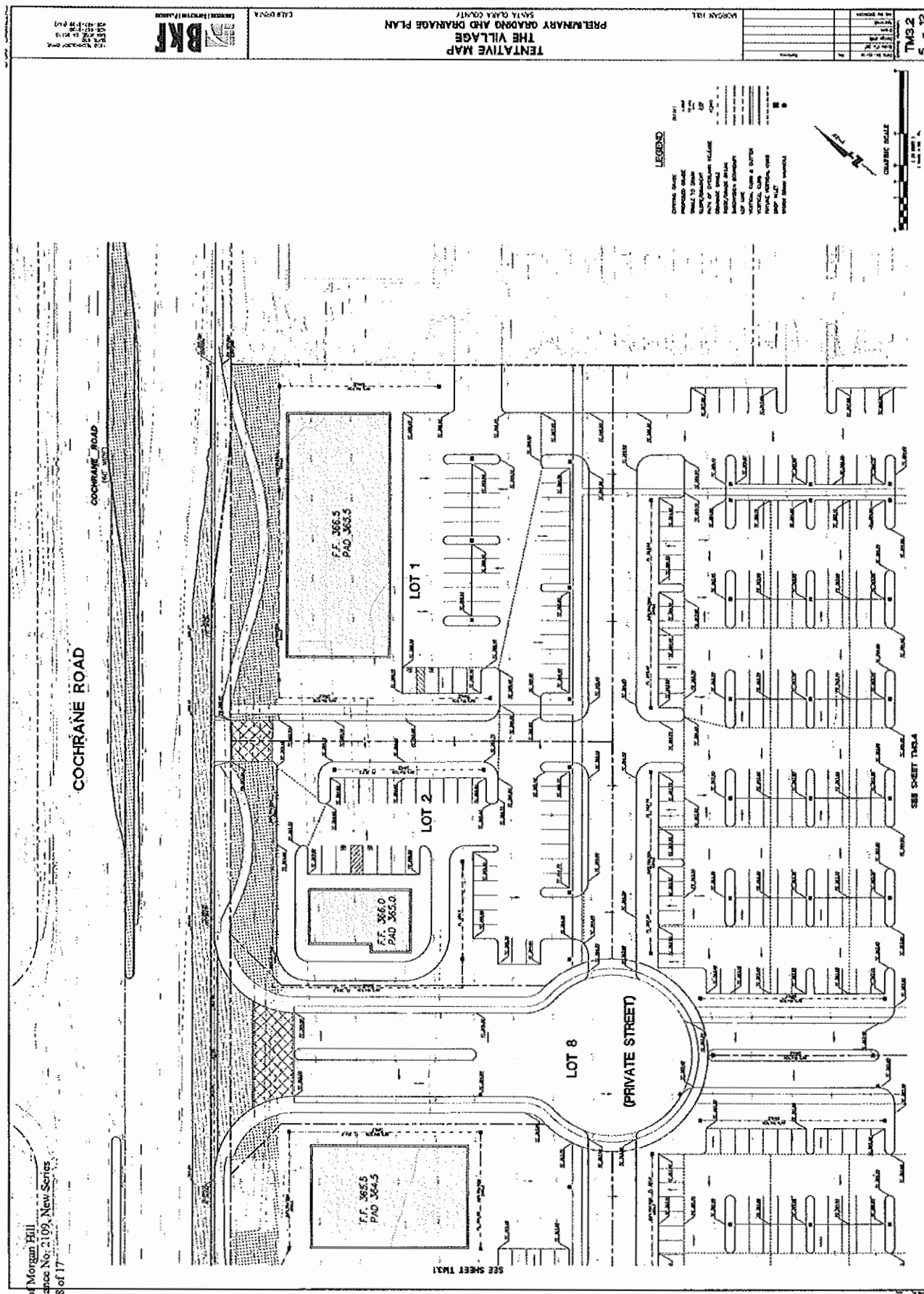


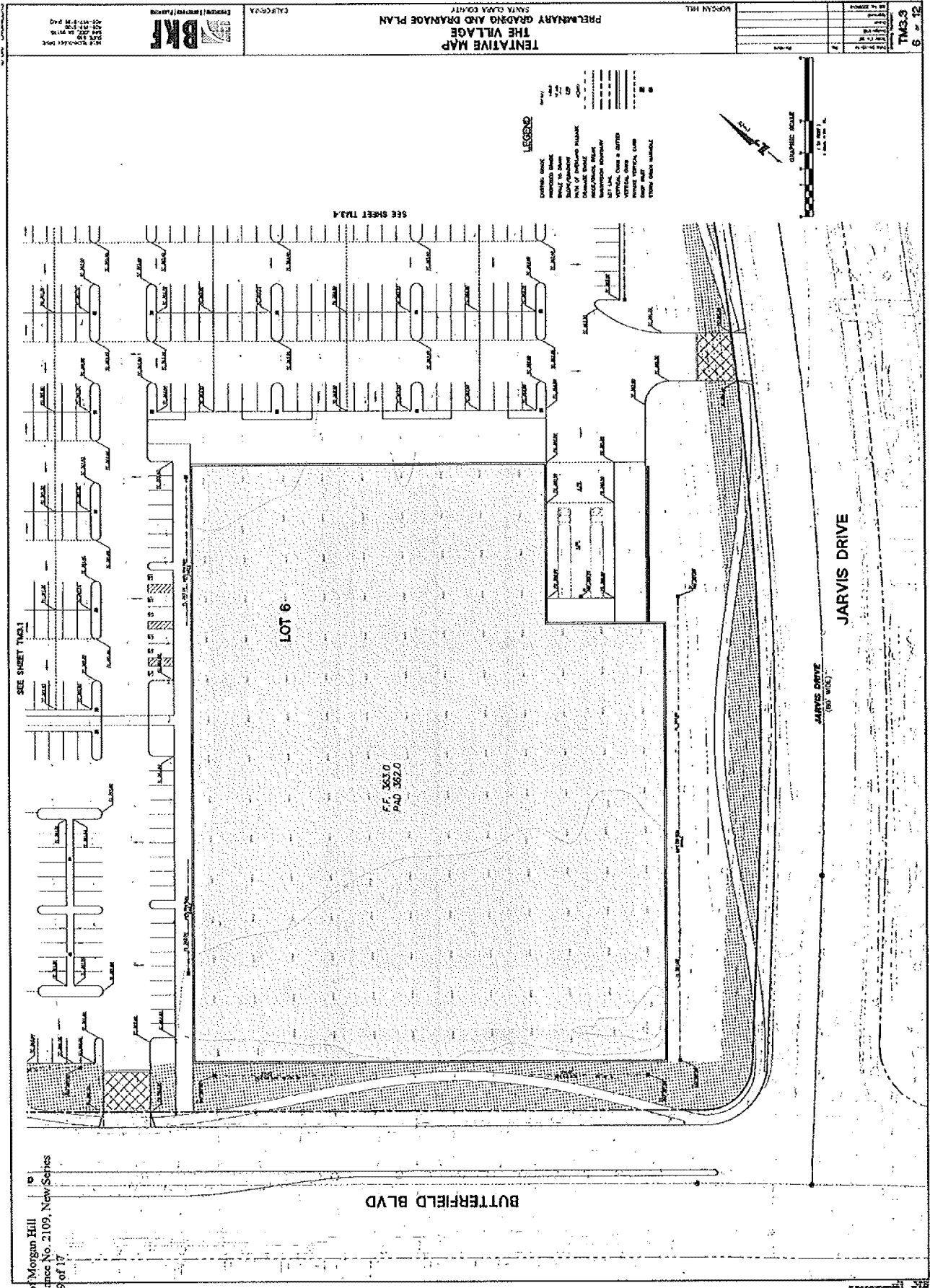
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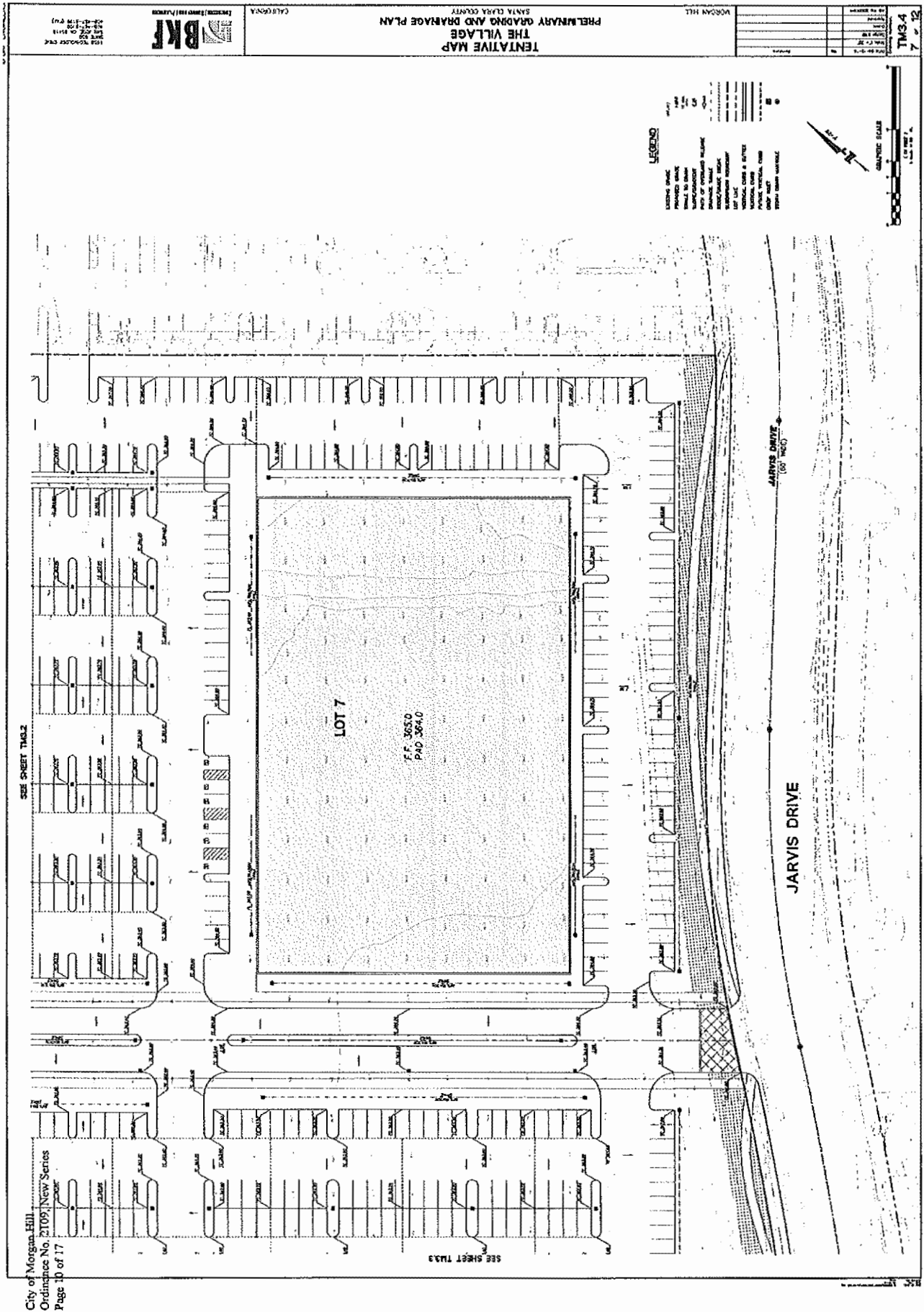


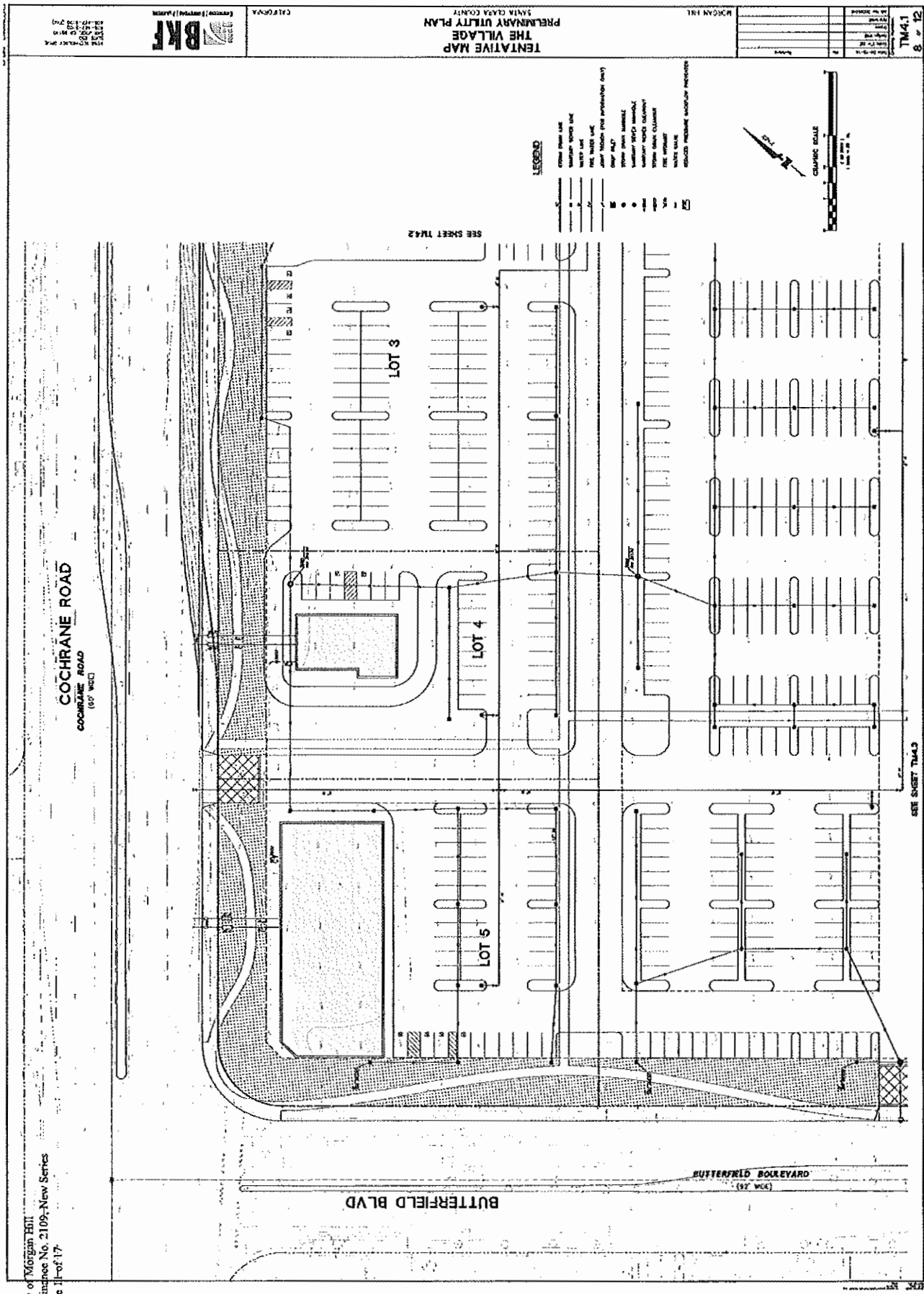
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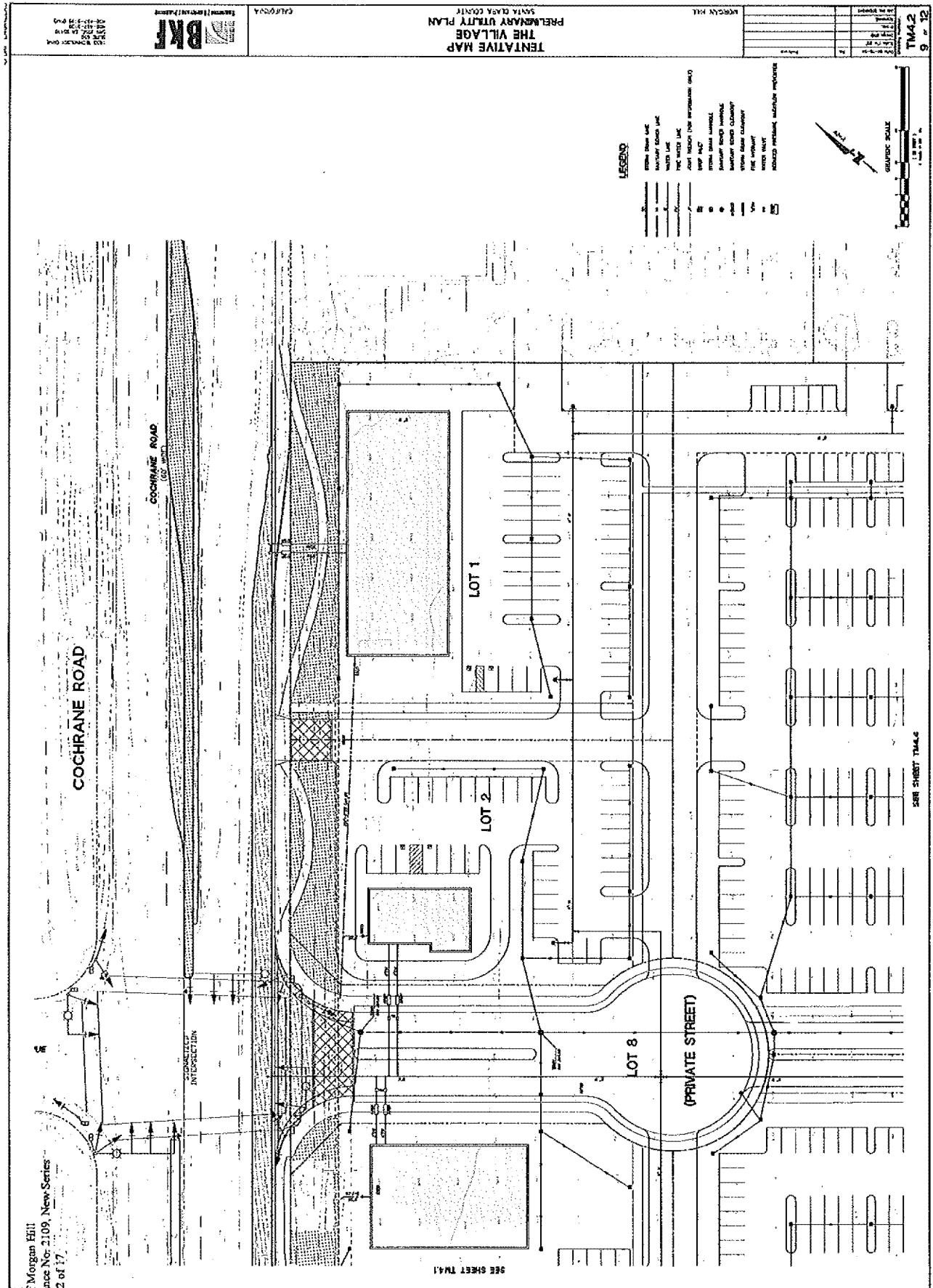




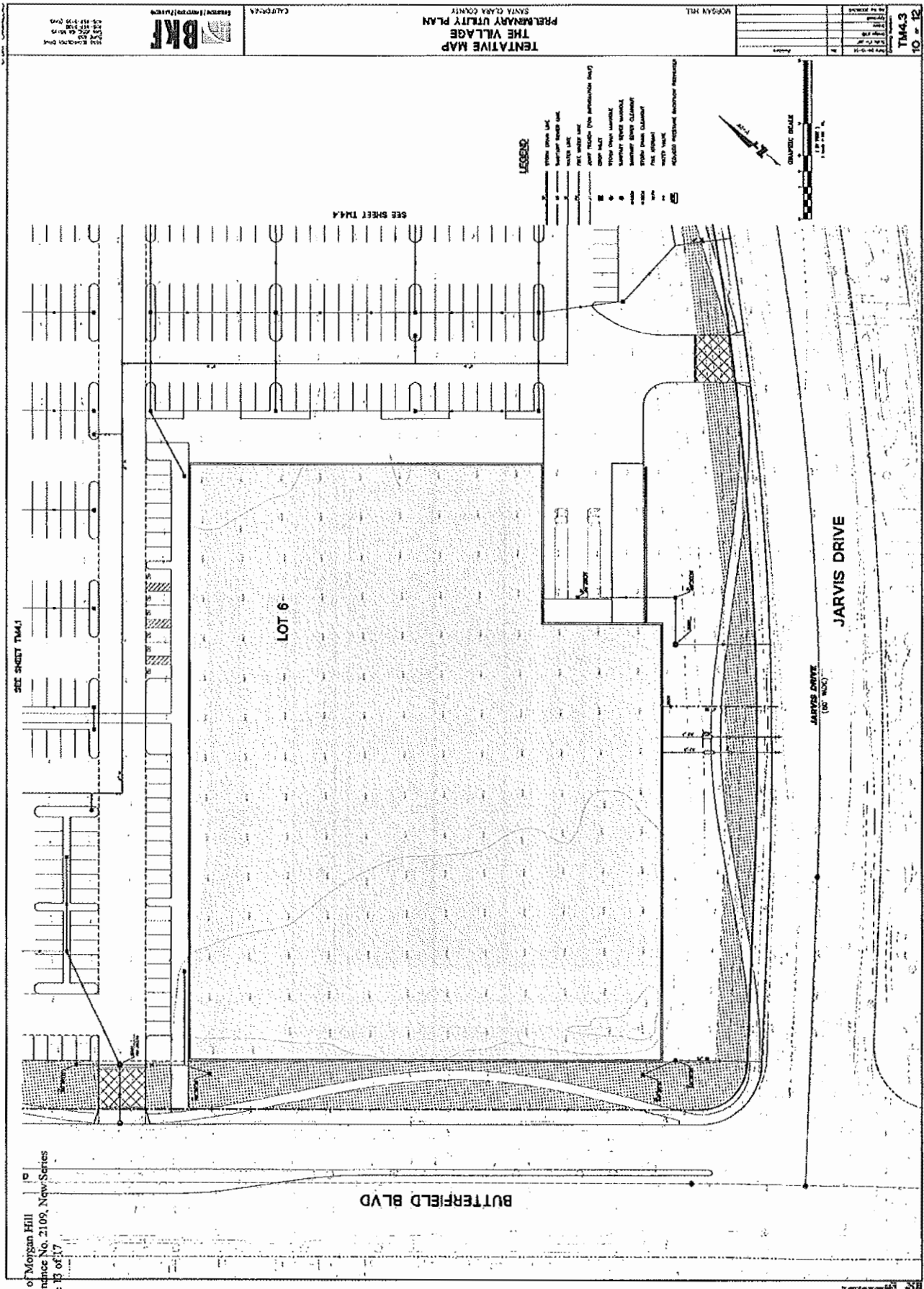




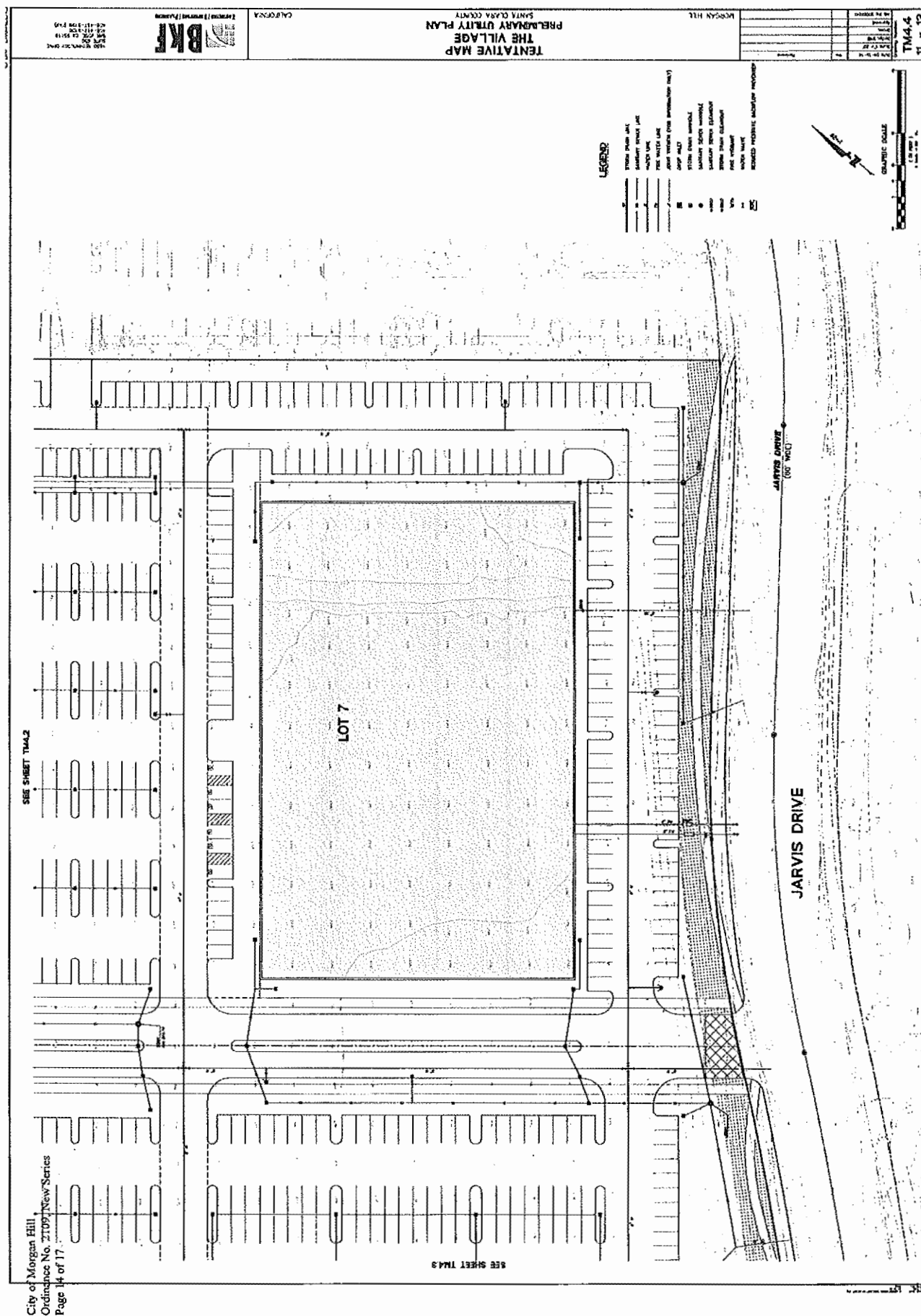




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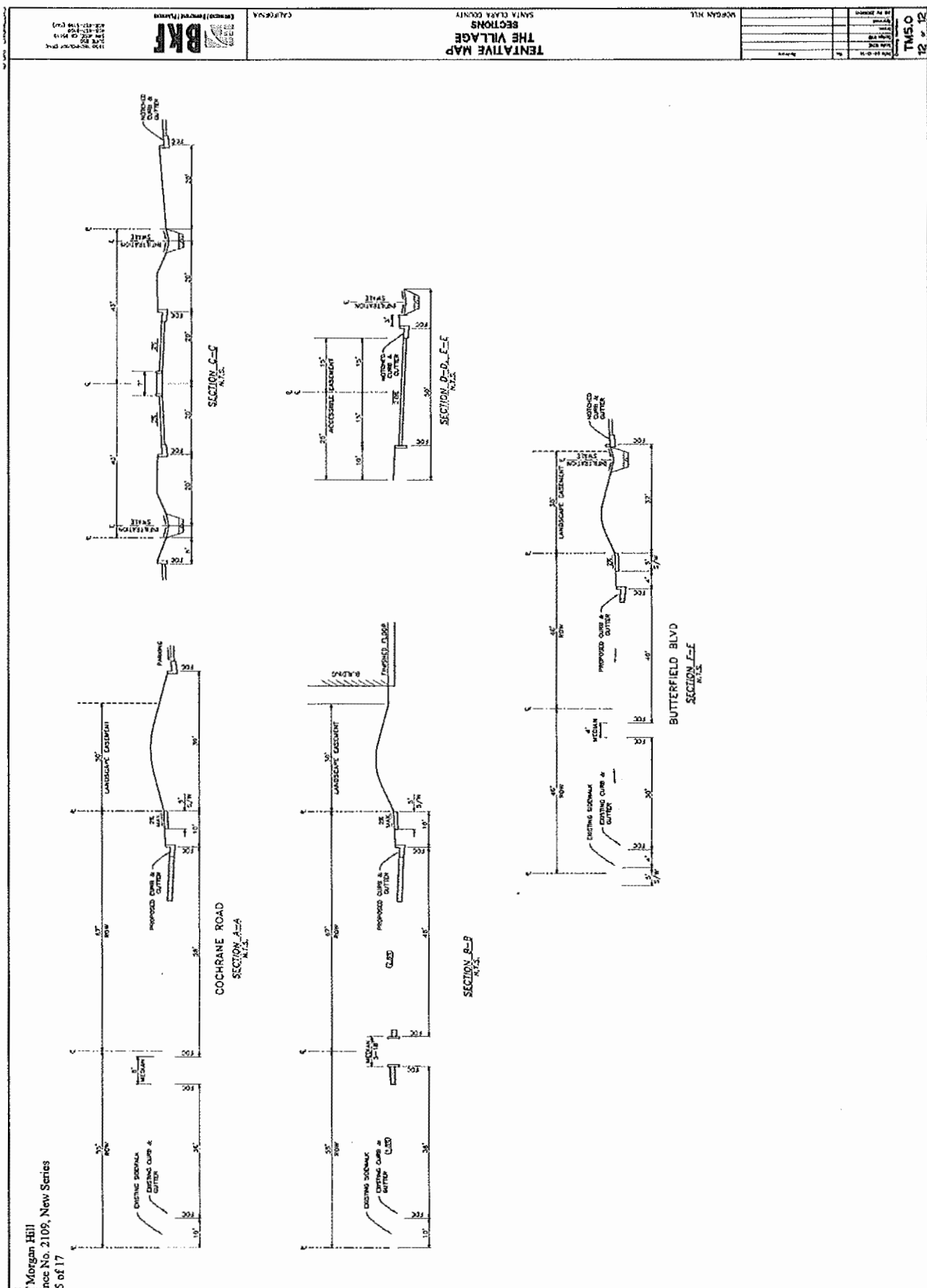


Exhibit B

Morgan Hill Business Ranch

“The Village” PUD Development Standards

PUD Location:

The 20-acre “The Village” is located in the southeast quadrant of Butterfield Blvd. and Cochrane Rd., and bound by Jarvis Dr. to the south. APN’s 726-25-035 & 726-32-021

PUD Objective:

The objective of planned development is to create and maintain a broad range of general office, medical office, light R & D and retail uses that would be supportive of the surrounding businesses, residential uses and the residents of the City of Morgan Hill.

Site development standards:

- A. Maximum building size shall be per the approved Precise Development Plan
- B. Building location shall be per the approved Precise Development Plan
- C. Building setbacks shall be per the approved Precise Development Plan
- D. Maximum building height: 50 ft.
- E. Any subdivision must be consistent with the approved Precise Development Plan

The following uses as defined in Chapter 18.04 of the Morgan Hill Municipal Code shall be permitted within The Village precise development boundary:

Permitted Uses:

- A. Business support services;
- B. Commercial Services;
- C. Commercial recreation, indoor, 3000 sq. ft. or less in size;
- D. Drive –through restaurant (maximum of two);
- E. Financial services;
- F. Home Improvement Center;
- G. Hotel/motel/lodging facilities;
- H. Offices, Medical/Dental;
- I. Offices, Administrative;
- J. Offices, Professional;
- K. Personal Services;
- L. Research and development;
- M. Restaurants, sit-down and fast food;
- N. Retail, intensive (excluding convenience or specialty markets);

Permitted Uses shall be defined in accordance with Morgan Hill Municipal Code section 18.04. Uses not specifically listed may be found to be consistent in nature with other listed permitted uses in accordance with Municipal Code chapter 18.22.

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The following uses as defined in Chapter 18.04 of the Morgan Hill Municipal Code may be conditionally allowed in The Village precise development boundary, subject to issuance of a conditional use permit in accordance with Chapter 18.54 of the Morgan Hill Municipal Code:

Conditional Uses

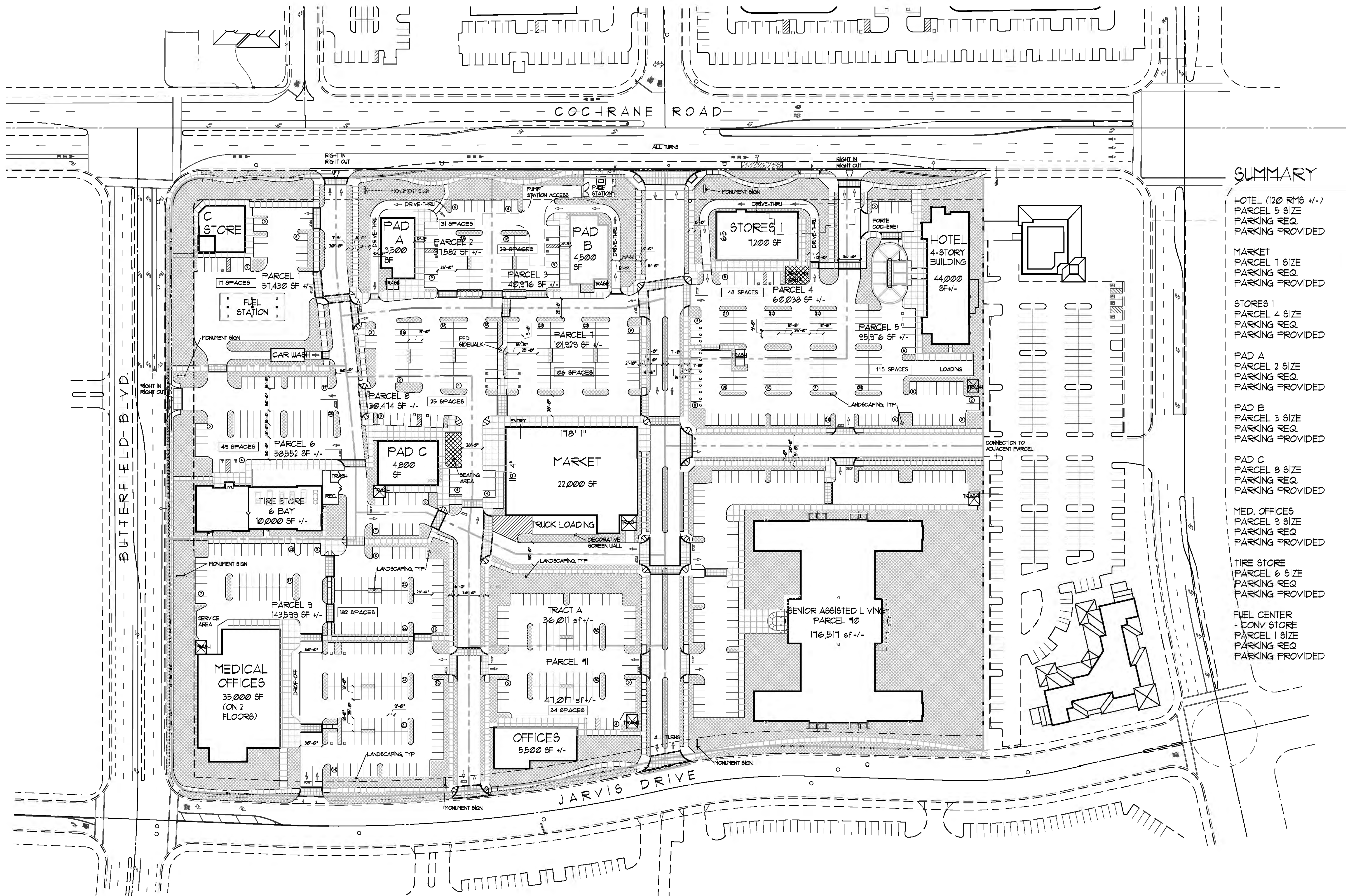
- A. Commercial recreation, indoor, greater than 3000 sq. ft. in size;
- B. Congregate care for the elderly/assisted living facilities;
- C. Convenience markets & specialty markets;
- D. Day care centers and nursery school;
- E. Day care centers, Adult;
- F. Drive-in or drive through restaurant uses (beyond the 2 permitted);
- G. Kennel;
- H. Minor motor vehicle repair;
- I. Nursing home or convalescent hospital;
- J. Service station

Conditionals Uses shall be defined in accordance with Morgan Hill Municipal Code section 18.04. Uses not specifically listed may be found to be consistent in nature with other listed permitted or conditional uses in accordance with Municipal Code chapter 18.22.

All uses, whether permitted or conditional, shall be conducted in such a manner so as to avoid any nuisance, hazard or commonly recognized offensive condition or characteristic, as established by the commercial and industrial performance standards of Morgan Hill Municipal Code Chapter 18.48

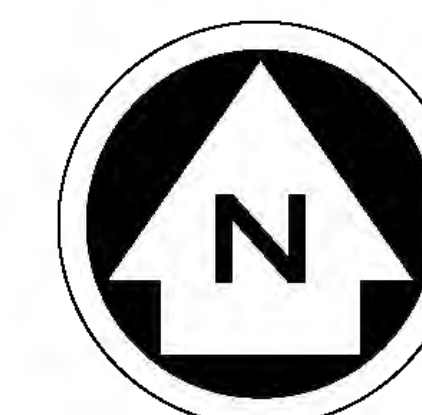
Additional required conditions.

- A. Parking standards for all uses within The Village PD shall be consistent with Chapter 18.50 Parking and Paving of the Morgan Hill Municipal Code.
- B. Sign limitations shall be satisfied in accordance with Chapter 18.76 of the Morgan Hill Municipal Code.
- C. Design permit approval by the community development director shall be required of all new construction, additions or substantial building or site alterations
- D. All development and landscaping shall be consistent with Chapter 18.74 Design Review of the Morgan Municipal Code.
- E. Design permit approval by the community development director shall be required of all substantial landscape alterations.



SUMMARY

HOTEL (120 RMS +/-)	44,000 SF
PARCEL 5 SIZE	95,916 SF +/-
PARKING REQ.	132 STALLS
PARKING PROVIDED	115 STALLS
MARKET	22,000 SF
PARCEL 1 SIZE	101,929 SF +/-
PARKING REQ.	110 STALLS
PARKING PROVIDED	106 STALLS
STORES I	7,200 SF
PARCEL 4 SIZE	60,038 SF +/-
PARKING REQ.	50 STALLS
PARKING PROVIDED	48 STALLS
PAD A	3,500 SF
PARCEL 2 SIZE	31,582 SF +/-
PARKING REQ.	35 STALLS
PARKING PROVIDED	31 STALLS
PAD B	4,500 SF
PARCEL 3 SIZE	40,916 SF +/-
PARKING REQ.	45 STALLS
PARKING PROVIDED	29 STALLS
PAD C	4,800 SF
PARCEL 8 SIZE	30,414 SF
PARKING REQ.	24 STALLS
PARKING PROVIDED	25 STALLS
MED. OFFICES	35,000 SF
PARCEL 9 SIZE	143,593 SF +/-
PARKING REQ.	175 STALLS
PARKING PROVIDED	182 STALLS
TIRE STORE	10,000 SF
PARCEL 6 SIZE	58,552 SF +/-
PARKING REQ.	50 STALLS
PARKING PROVIDED	49 STALLS
FUEL CENTER + CONV STORE	3,810 SF
PARCEL 1 SIZE	51,430 SF +/-
PARKING REQ.	12-15 STALLS
PARKING PROVIDED	11 STALLS





Butterfield & Cochrane

Proposed Development

September 25, 2016

rev . October 18, 2017

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Butterfield & Cochrane Development

Planning Objectives

Evergreen intends to develop a first-rate shopping center offering lifestyle amenities to serve the community of Morgan Hill. Evergreen has a successful track record of developing shopping center sites throughout California, Arizona, and Colorado, which enables us to apply a diverse spectrum of knowledge regarding what works well and serves communities best. As a testament to our extensive retail experience, we have completed development projects across the United States in more than 175 municipalities.

We would like to apply our experience to the approximately 20-acre site at the Southeast corner of Butterfield & Cochrane. We feel that the current site plan we are proposing allows for the highest functionality and developability within the site. There is strength in thoughtful vehicular movement, as well as extensive walkability between the varying portions of the site. We intend to bring appropriate and cohesive architecture to the development site that will enable the site to enhance the surrounding developments and character embodied in the City of Morgan Hill. We will establish a set of Design Guidelines that will reflect the colors, materials and architectural style for the buildings in the shopping center, as well as landscape and hardscape designs and materials palettes, that will be utilized for the development of the site.



Butterfield & Cochrane Development

Development Standard Deviations

The currently approved uses approved in the Morgan Hill Business Ranch "The Village" PUD Development Standards for this parcel are as follows:

Uses permitted (no conditional use permit required):

- A. Business Support Services
- B. Commercial Services
- C. Commercial Recreation, indoor, 3,000 sq. ft. or less in size
- D. Drive-through restaurant (maximum of two)
- E. Financial services
- F. Home Improvement Center
- G. Hotel/motel/lodging facilities
- H. Offices, Medical/Dental
- I. Offices, Administrative
- J. Offices, Professional
- K. Personal Services
- L. Research & Development
- M. Restaurants, sit-down and fast food
- N. Retail, intensive (excluding convenience or specialty markets)

Uses subject to issuance of a conditional use permit:

- A. Commercial recreation, indoor, greater than 3,000 sq. ft. in size
- B. Congregate care for the elderly/assisted living facilities
- C. Convenience markets & specialty markets
- D. Day care centers and nursery school
- E. Day care centers, Adult
- F. Drive-in or drive through restaurant uses (beyond 2 permitted)
- G. Kennel
- H. Minor vehicle repair
- I. Nursing Home or convalescent hospital
- J. Service station



Butterfield & Cochrane Development

With our application, we are requesting that the uses be amended as follows:

Uses permitted (no conditional use permit required):

- A. Business Support Services
- B. Commercial Services
- C. Commercial Recreation, indoor, 3,000 sq. ft. or less in size
- D. Drive-through restaurant (maximum of three)
- E. Financial services
- F. Home Improvement Center
- G. Hotel/motel/lodging facilities
- H. Offices, Medical/Dental
- I. Offices, Administrative
- J. Offices, Professional
- K. Personal Services
- L. Research & Development
- M. Restaurants, sit-down and fast food
- N. Retail, intensive (excluding convenience or specialty markets)
- O. Convenience market & specialty markets
- P. Service station
- Q. Minor Motor vehicle repair
- R. Congregate care for the elderly/assisted living facilities
- S. Nursing Home or convalescent hospital
- T. Day care centers, Adult

Uses subject to issuance of a conditional use permit:

- A. Commercial recreation, indoor, greater than 3,000 sq. ft. in size
- B. Drive-in or drive through restaurant uses (beyond 3 permitted)
- C. Kennel



Butterfield & Cochrane Development

Development Scheme (Construction Phasing)

Our intent is to develop the center in more than one phase of construction:

1. Master Developer (Phase One):
 - a. Offsite improvements including:
 - i. dedicate right of way and widening of Cochrane Rd. across project frontage,
 1. 67 ft from centerline
 2. 3 traffic lanes
 3. 1 bicycle lane
 - ii. installation of a raised landscape median along project frontage in Cochrane Rd.,
 - iii. install curb, gutter and sidewalks along project frontage on Cochrane Rd., Butterfield Blvd. and Jarvis Dr.,
 - iv. remove and replace Street lights,
 1. Cochrane Ave.
 2. Jarvis Dr.
 - v. installation of traffic signals at the project's primary entrance on Cochrane Rd.,
 - vi. utility laterals,
 - vii. all access point driveway approaches,
 - viii. conformance with all Project Mitigation Measures as delineated in the Negative Mitigation Declaration
 - b. Onsite infrastructure required so that all parcels are graded and ready for individual parcel improvements:
 - i. private drive aisles complete with lighting and temporary onsite drainage and access points to each parcel,
 - ii. required modifications to the Sewer lift station and access to the facility from on-site,
 - iii. Project mitigation measures per the Mitigated Negative Declaration by Wagstaff and Associates;
 1. air quality



Butterfield & Cochrane Development

- 2. burrowing owls
 - 3. nesting raptors
 - iv. municipal water for both fire and domestic uses stubbed to each parcel,
 - v. municipal sanitary sewer stubbed to each parcel,
 - vi. municipal storm sewer tie-ins stubbed to each parcel, and
 - vii. dry utility services (natural gas, telecommunications and electric) stubbed to each parcel.
2. End Users (Subsequent Individual Phases):
- a. Each parcel owner will work directly with the City to fully develop, build out and maintain their parcel in accordance with the City of Morgan Hill Development standards.



Butterfield & Cochrane Development

Applicant's Intention – Sale/Lease and Common Area Maintenance

Evergreen understands the importance of designing a shopping center that is visually appealing, thoughtfully laid-out, and has the necessary parameters in place to stay first rate long after the initial development is completed.

As such, we propose to develop and record with this development a set of CC&R's that will provide oversight and guidance for the individual parcel developments (including the requirement to utilize the Design Guidelines) to ensure a cohesive appearance of the fully built project.

Each parcel owner will be responsible for the construction and maintenance of the improvements on their parcel, subject to the enforcement of maintenance standards by the Manager of the shopping center.

Evergreen has successfully developed many shopping centers utilizing these CC&R's and Design Guideline standards and is highly confident that the development of this project will meet the City's standards and expectations for a cohesive and high quality project.



Butterfield & Cochrane Development

Butterfield & Cochrane

Proposed Development

January 26, 2018



Butterfield & Cochrane Development

Planning Objectives

Evergreen intends to develop a first-rate shopping center offering lifestyle amenities to serve the community of Morgan Hill. Evergreen has a successful track record of developing shopping center sites throughout California, Arizona, and Colorado, which enables us to apply a diverse spectrum of knowledge regarding what works well and serves communities best. As a testament to our extensive retail experience, we have completed development projects across the United States in more than 175 municipalities.

We would like to apply our experience to the approximately 20-acre site at the southeast corner of Butterfield Boulevard & Cochrane Road. Based on feedback and continued discussions with the City, we feel that the site plan we are proposing allows for the highest functionality and developability of the site. We have incorporated a gathering area that can be used for small events, concerts, exhibits, or other community events. While the site plan is still somewhat preliminary, we want to work with the City to add more detail to provide extensive walkability via pathways between the varying portions of the site, as well as the residential neighborhood across Butterfield Boulevard and the industrial uses to the north, south and east. We would also like to provide connectivity to the downtown area, which might include bicycle racks, potentially a “pick up a bike, drop off a bike” that we believe exists next to the parking garage downtown, and vehicular service for the senior housing component. We intend to bring appropriate and cohesive architecture to the development that will enable the site to enhance the surrounding developments and character embodied in the City of Morgan Hill. We will establish a set of Design Guidelines that will reflect the colors, materials and architectural style for the buildings in the shopping center, as well as landscape and hardscape designs and materials palettes, that will be utilized for the development of the site.



Butterfield & Cochrane Development

Proposed Uses

The following are the proposed uses we intend to develop, or work with end users to develop, to create a development that provides services that are lacking in the area and even within the City. Per the included site plan, the uses are as follows:

Parcel 1: An approximate 3,000 SF convenience store that also provides up to 9 fuel pumps and a touch-free car wash. The prospective user has agreed to place their convenience store on the hard corner.

Parcel 2: An approximate 3,500 SF quick service restaurant that allows for indoor seating along with a drive-thru.

Parcel 3: An approximate 2,000 SF quick service restaurant that allows for indoor seating along with a drive-thru.

Parcel 4: An approximate 7,200 SF shops building with a mixture of service and food uses. The western end cap would include a drive-thru for a potential food user up to 4,500 SF. We anticipate up to 5 users for the shops space.

Parcel 5: A proposed 44,000 SF, full-service 4-story hotel that will provide full room service to approximately 110 rooms. It will provide employment for 30 - 35 employees. All rooms are "Suites" which allows the bedroom area to be separated from a living area. All rooms include a light kitchen that consists of a refrigerator/freezer, a microwave, coffee maker, and counter space. The hotel's amenities include an indoor swimming pool, Spin2Cycle laundry and fitness, a lobby lounge/breakfast area that includes complimentary daily breakfast, 1,200-2,500 SF of conference and meeting space and an outdoor seating area that includes a fire pit and barbeque grills for visitors to utilize.

Parcel 6: An approximate 10,000 SF tire store that includes a beautiful showroom that would be directly adjacent to Butterfield Boulevard and 6 bays for tire services. The currently proposed user utilizes pneumatic air guns that are equivalent to the sound of a vacuum at 100 FT away therefore ensuring they can fully service their customers while still minimizing the impact on their neighbors.



Butterfield & Cochrane Development

Parcel 7: An approximate 22,000 SF grocery store that focuses on convenience, healthy eating, and quick solutions to dinner. They utilize a loading dock on the south side of the store to take advantage of the adjacent access drive and minimize impeding other users and patrons.

Parcel 8: An approximate 3,000 SF retail building intended for the use of 1 – 2 service providing tenant(s).

Parcel 9: An approximate 35,000 SF, 2-story medical office building. The services provided would vary from dentistry, orthodontics, family medicine, to specialized treatments.

Parcel 10: Senior Living of approximately 85 units of residential care for the elderly, more commonly known as assisted living. This facility will be licensed and monitored by the California Department of Social Services for non-ambulatory residents (RCFE – Title 22, Division 6, Chapter 8). Care involves assisting the residents with the activities of daily life such as dressing, bathing and medication reminders. Three meals are provided daily. Various activities and outings are organized for the residents. A town car and/or small limo-bus will be provided to meet the residents' transportation needs and connect them to the downtown and the senior center at the CRC. The facility will include a common lobby, lounge, reading room/library, common dining areas, activity rooms, beauty salon/barber shop, fitness center, laundries and offices for the staff.

Parcel 11: An approximate 5,500 SF office building for the use of 1 – 2 tenant(s).

Tract A: A $\frac{3}{4}$ to 1-acre open space that can be used for community events, exhibits or other activities for the development.

Additionally, we intend to provide pedestrian connectivity throughout the development to allow for better accessibility to all stores for the patrons. We are extremely excited to present this project to the City and bring significant value through needed uses and convenience to the City and neighborhood.





PLANNING COMMISSION STAFF REPORT

MEETING DATE: April 10, 2018

PREPARED BY: John Baty, Principal Planner/Development Services

APPROVED BY: Jennifer Carman, Community Development Director

ZA2016-0006: ZONING CODE UPDATE AND ZONING MAP AMENDMENTS

RECOMMENDATION(S)

1. Discuss and consider comments on the Zoning Code Update and Zoning Map Amendments; and,
2. Adopt Resolution recommending City Council consider the Addendum to the Morgan Hill 2035 Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA) and approval of ZA2016-0006: Zoning Code Update and Zoning Map Amendments.

BACKGROUND AND ANALYSIS:

The Planning Commission opened the public hearing on the Zoning Code Update at the March 27, 2018 Planning Commission meeting and continued the hearing to the April 10, 2018 meeting.

For background and analysis, the staff report (Attachment 2) and presentation (Attachment 3) from the March 27, 2018 Planning Commission meeting have been provided.

Comments received on the Zoning Code Update (Attachment 4) and initial staff responses to comments (Attachment 5) are attached. Each comment and corresponding response are numbered.

Per comments received at the last meeting, staff will be meeting with representatives from the Hotel Coalition. Staff requests that discussion on the hotel issue be held for a future Planning Commission meeting.

California Environmental Quality Act (CEQA):

An Addendum to the Environmental Impact Report (EIR) for the City of Morgan Hill's Morgan Hill 2035 Project certified on July 27, 2016 (State Clearinghouse No. 2015022074) was prepared for the Zoning Code Update project pursuant to the provisions of the State of California Environmental Quality Act (CEQA) Guidelines Section 15164.

The Addendum concludes that the proposed project will not result in any new impacts that were not already identified in the Morgan Hill 2035 EIR or any impacts of greater severity than were already addressed.

LINKS/ATTACHMENTS:

1. Draft Planning Commission Resolution
2. March 27, 2018 Planning Commission Staff Report
3. March 27, 2018 Planning Commission Presentation
4. Correspondence
5. Initial Staff Response to Correspondence
6. Public Review Draft Final Zoning Code (weblink)
7. Addendum to Morgan Hill 2035 EIR (weblink)

RESOLUTION NO. 18-XX**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF A COMPREHENSIVE UPDATE OF TITLE 18 – ZONING OF THE CITY OF MORGAN HILL MUNICIPAL CODE (FILE NO. ZA2016-0006: ZONING CODE UPDATE) INCLUDING AN AMENDMENT TO THE CITY’S OFFICIAL ZONING MAP CONSISTENT WITH THE MORGAN HILL 2035 GENERAL PLAN.**

WHEREAS, the City of Morgan Hill’s Zoning Code, Title 18 of the City’s Municipal Code, has not been comprehensively updated since it was adopted in 1981; and

WHEREAS, in 2013 the City began the Morgan Hill 2035 Project, which included a comprehensive update of the City’s General Plan, Residential Development Control System (RDCS), and Zoning Code; and

WHEREAS, in November 2016 Morgan Hill voters approved an update of the City’s long-standing residential growth control program. The RDCS is codified in Title 18, Chapter 18.78 of the Municipal Code; and

WHEREAS, on July 27, 2016 the City Council adopted the Morgan Hill 2035 General Plan, which is the City’s primary policy document governing local land use and development. The General Plan includes a Land Use Map and designations that identify uses and development intensities along with basic policies to guide development and conservation decisions in Morgan Hill through the year 2035; and

WHEREAS, Morgan Hill’s Zoning Code, codified as Title 18 in the City of Morgan Hill’s Municipal Code, is one of the primary tools for implementing the General Plan with detailed land use and development regulations. The Zoning Code establishes a Zoning Map with zoning districts that apply to all properties in the City. The Zoning Code identifies exactly which land uses are allowed in each zoning district and establishes the permitted building heights, minimum setbacks, and other development standards for each district. In addition to development standards, the Zoning Code identifies permitting requirements for different land uses and types of development, and the process by which the City reviews permit applications and administers the requirements of the Zoning Code; and

WHEREAS, the Zoning Code Update portion of the Morgan Hill 2035 Project began with a series of stakeholder, staff, Planning Commission, and City Council meetings in late 2015 to assess the strengths and weaknesses of the City’s existing Zoning Code, and in 2016 and 2017 to discuss the general approach for the Zoning Code Update process; and

WHEREAS, the Planning Commission and City Council identified four goals to guide the Zoning Code Update process: A. Implement and achieve consistency with the Morgan Hill 2035 General Plan; B. Create a user-friendly code for applicants, staff, and City officials; C. Modernize terminology and requirements to reflect current practices; and D. Improve regulations to effectively address land use and development issues; and

WHEREAS, after a Public Review Draft Zoning Code (Initial Draft) was published on August 8, 2017, the Planning Commission held a series of four public workshops on August 29, September 19, October 3, and November 28, 2017 to provide, receive, and discuss comments and proposed edits to the Initial Draft; and

WHEREAS, on January 17, 2018 a Joint City Council/Planning Commission Study Session was held for the Planning Commission and staff to receive feedback/direction from the City Council on several policy questions related to the Zoning Code Update. The Planning Commission concluded, and the City Council agreed, that the policy questions discussed at the Study Session, while important for future consideration, did not warrant extending the Zoning Code Update process beyond the targeted spring 2018 adoption hearings; and

WHEREAS, a Public Review Draft Final Zoning Code (Final Draft) was published on March 7, 2018 addressing comments and incorporating edits received during the review of the Initial Draft; and

WHEREAS, although several existing zoning district names are proposed to be changed to better reflect their intent and match the district's corresponding General Plan Land Use designation, less than one-percent of the approximately 12,865 parcels within the existing City Limits are included in the proposed Zoning Map Amendment. The Zoning Map Amendment (Exhibit B) changes the zoning district for 41 sites (approximately 100 parcels) to a zoning district that is consistent, or more consistent, with the site's Morgan Hill 2035 General Plan Land Use designation; and

WHEREAS, an Addendum to the Environmental Impact Report (EIR) for the City of Morgan Hill's Morgan Hill 2035 Project certified on July 27, 2016 (State Clearinghouse No. 2015022074) was prepared for the Zoning Code Update project pursuant to the provisions of the State of California Environmental Quality Act (CEQA) Guidelines Section 15164, and the Addendum concludes that the proposed project will not result in any new impacts that were not already identified in the Morgan Hill 2035 EIR or any impacts of greater severity than were already addressed; and

WHEREAS, the Zoning Code Update and associated Zoning Map Amendments complies with the City's Morgan Hill 2035 General Plan as required by Government Code Section 65860; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process; and

Resolution No. 18-XX

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WHEREAS, the Zoning Code Update, including Zoning Map Amendments, was considered by the Planning Commission at their regular meeting of March 27, 2018 and April 10, 2018 at which time the Planning Commission recommended approval of application ZA2016-0006: Zoning Code Update; and

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed Zoning Code Update and associated Zoning Map Amendment is consistent with the Morgan Hill 2035 General Plan.

SECTION 2. The Zoning Code Update and associated Zoning Map Amendment is required in order to serve the public convenience, necessity, and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. The Planning Commission has evaluated the Public Review Draft Final Zoning Code (Exhibit A) and associated Zoning Map Amendments (Exhibit B) to be consistent with the four goals identified for the Zoning Code Update.

SECTION 4. The Planning Commission recommends that the City Council consider the Addendum to the Morgan Hill 2035 Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA) and approve ZA2016-0006: Zoning Code Update and Zoning Map Amendments.

PASSED AND ADOPTED THIS 10th DAY OF APRIL 2018, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

JENNA LUNA, Deputy City Clerk

JOHN McKAY, Chair

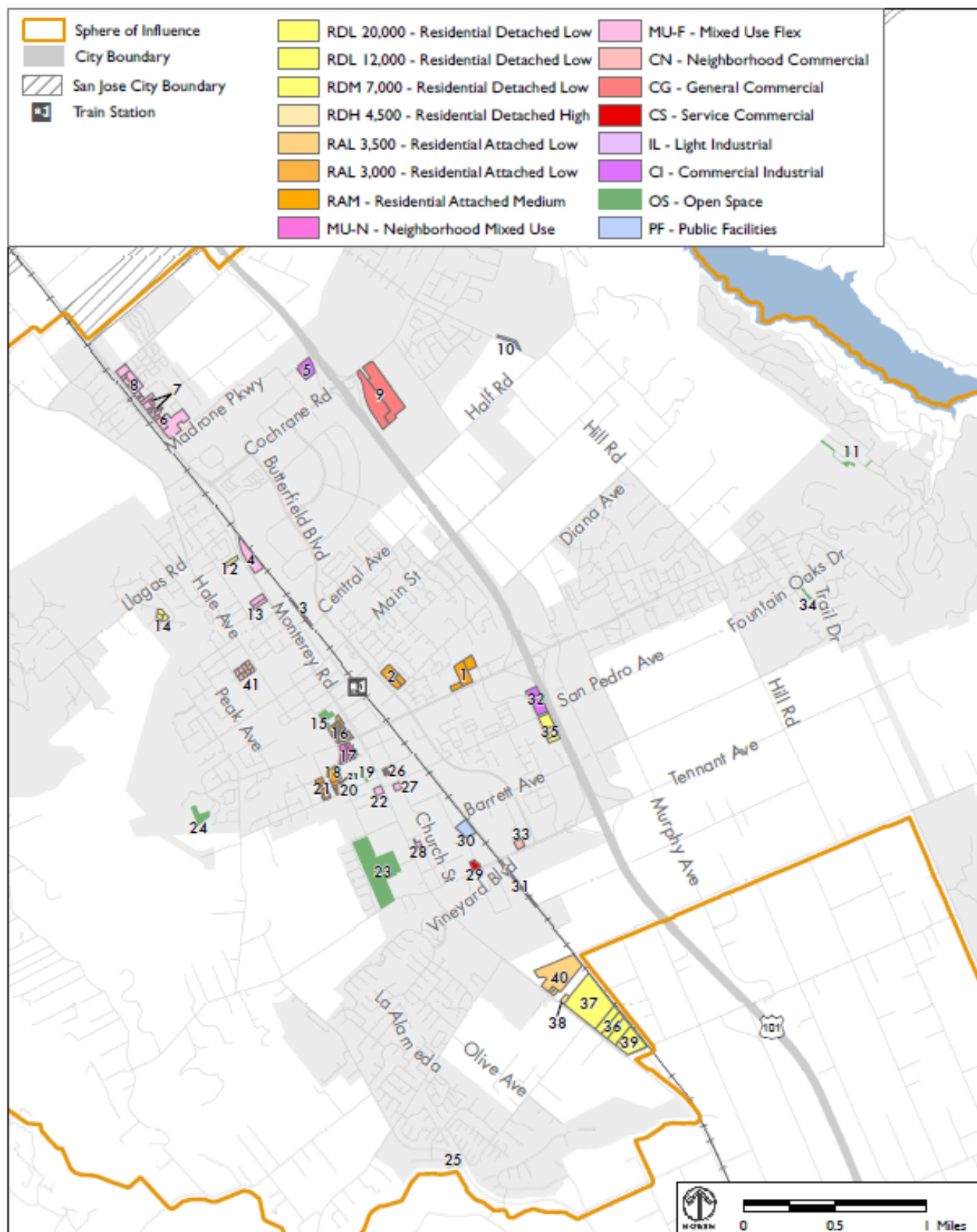
Date: _____

Attachment: Draft Planning Commission Resolution (1719 : Zoning Code Update)

Resolution No. 18-XX
Page No. 4

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Exhibit A – Public Review Draft Final Zoning Code

Attachment: Draft Planning Commission Resolution (1719 : Zoning Code Update)

Exhibit B – Zoning Map Amendment

PARCELS WITH A PROPOSED ZONING CHANGE

Map ID	APNs	Existing Zoning	Proposed Zoning
1	72602008, 72602012, 72602016	R2 3,000	RAM
2	72612001, 72612004	R2 3,500	RAM
3	72624001	R2 3,500	IL
4	72625006	ML	MU-F
5	72633027	ML	CI (or IL)
6	72636002, 72636003, 72636004, 72636007, 72636008, 72636009, 72636059 ^A	CG	MU-F
7	72636010, 72641015	R1 7,000	MU-F
8	72641018, 72641020, 72641021, 72641042, 72641065, 72642001, 72642002, 72642003, 72642010, 72642012	CS	MU-F
9	72831014, 72831016 ^B	CO	CG
10	72834001	R1 20,000	PF
11	72905027, 72906030	R1 12,000	OS
12	76411002	R2 3,500	RDM 7,000
13	76412006, 76412007	CG	MU-F
14	76431040, 76431041, 76431042	RE 40,000	RDL 20,000
15	76708008, 76708009, 76708010, 76708011	RE 100,000	OS
16	76708013, 76708018, 76708019, 76708020, 76708021, 76708024, 76708025, 76708026, 76708027, 76708028, 76708029, 76708035, 76708036, 76708037, 76708038, 76708039, 76708040, 76708041, 76708042, 76708043, 76708047	D-R3	RAL 3,000
17	76709015, 76709016, 76709017, 76709018, 76709019	R3 (CU)	MU-N
18	76709027	R3 2,000	RAM
19	76710008	R1 7,000	OS
20	76711007, 76711010, 76711011, 76711012	R2 3,500	RAM
21	76711045, 76711046, 76711047, 76711048, 76711050, 76711052, 76711053, 76711056	R2 3,500	RAM
22	76717051	CG	MU-F
23	76718048	PF	OS
24	77307033	R1 20,000	OS
25	77902022	RE 40,000	OS
26	81701008, 81701009, 81701010	R2 3,500	MU-F
27	81702001	R2 3,500	MU-F
28	81703011	R2 3,500	MU-F
29	81705041	ML	CS (or CN)
30	81705082	ML	PF
31	81706054	PF	IL

Resolution No. 18-XX

Page No. 7

PARCELS WITH A PROPOSED ZONING CHANGE

Map ID	APNs	Existing Zoning	Proposed Zoning
32	81711073	MO	CI
33	81729027	CO	CN
34	81750081	R1 7,000	OS
35	81760024, 81760025, 81760028, 81760029, 81760030	RE 40,000	RDL 20,000
36	82506012, 82506013, 82506014, 82506015	RE 100,000	RDL 12,000
37	82506016	RE 100,000	RDM 7,000
38	82506017	RE 100,000	RDH 4,500
39	82506023, 82506024, 82506025	RE 100,000	RDL 12,000
40	82506026	RE 100,000	RAL 3,500
41	76419016, 76419017, 76419018, 76419019, 76419020, 76419021, 76419022, 76419023, 76419024	CO	CN
Notes:			
A. Parcel 72636059 includes two different zoning changes. The portions along Monterey Road and Madrone Parkway will be changed from existing zoning CG and R1 7,000 to MU-F Mixed Use Flex. The interior of the site will be changed from existing zoning R1 7,000 to RAL 3,500.			
B. Zoning on Parcels 72831014 and 72831016 will only be changed on the southerly portion of the parcels. The portion along Cochrane Road that is currently zoned PUD will remain PUD. The southerly half with existing zoning CO will be changed to CG.			



PLANNING COMMISSION STAFF REPORT

MEETING DATE: March 27, 2018

PREPARED BY: John Baty, Principal Planner/Development Services
APPROVED BY: Jennifer Carman, Community Development Director

ZA2016-0006: ZONING CODE UPDATE

RECOMMENDATION(S)

1. Open public hearing to receive testimony and provide staff with comments on the Public Review Draft Final Zoning Code and Zoning Map Amendments.
2. Continue public hearing to April 10, 2018

BACKGROUND:

Relationship to General Plan and Residential Development Control System (RDCS)

The Morgan Hill 2035 General Plan, which was adopted by City Council on July 27, 2016, is the City's primary policy document governing local land use and development. The General Plan includes a Land Use Map and designations that identify uses and development intensities along with basic policies to guide development and conservation decisions in Morgan Hill over the next 20 years.

Morgan Hill's Zoning Code, codified as Title 18 in the City of Morgan Hill Municipal Code, is one of the primary tools for implementing the General Plan with detailed land use and development regulations. The Zoning Code establishes a Zoning Map with zoning districts that apply to all property in the City. The Zoning Code identifies exactly which land uses are allowed in each zoning district and establishes the permitted building heights, minimum setbacks, and other development standards for each district.

In addition to development standards, the Zoning Code also establishes standards for signs, parking, landscaping, accessory dwelling units (ADUs), wireless communications, historic resources, and many other topics. Finally, the Zoning Code identifies permits required for different land uses and types of development, and the process by which the City reviews permit applications and administers the requirements of the Zoning Code.

A comprehensive update of the City's long-standing residential growth control program, Residential Development Control System (RDCS), was approved by voters in November 2016. The RDCS is codified in Title 18, Chapter 18.78 of the Municipal Code.

Zoning Code Update Process

The Zoning Code Update portion of the Morgan Hill 2035 Project began with a series of stakeholder, staff, Planning Commission, and City Council meetings in late 2015 to assess the strengths and weaknesses of the City's existing Zoning Code, and in 2016 and 2017 to discuss the general approach for the Update process.

The Planning Commission and City Council supported an efficient process with sufficient opportunity to provide input on important aspects of the Zoning Code while avoiding a line-by-line review. The Commission and Council also identified the following goals for the updated Zoning Code:

- A. Implement and achieve consistency with the Morgan Hill 2035 General Plan;
- B. Create a user-friendly code for applicants, staff, and City officials;
- C. Modernize terminology and requirements to reflect current practices; and,
- D. Improve regulations to effectively address land use and development issues.

The Zoning Code Update changes the existing Zoning Code only as needed to achieve these goals. The majority of regulations and procedures in the existing Zoning Code have been carried forward and clarified in the Zoning Code Update. The Zoning Code Update has been a deliberative process to enhance the overall usability of the document and to introduce substantive changes only where needed.

After the Public Review Draft Zoning Code was published on August 8, 2017, the Planning Commission held a series of four public workshops (August 29, September 19, October 3, and November 28, 2017) to provide, receive, and discuss comments and proposed edits to the Draft to better achieve the above stated goals.

On January 17, 2018 a Joint City Council/Planning Commission Study Session was held for the Planning Commission and staff to receive feedback/direction from the Council on several policy questions related to the Zoning Code Update and to discuss the next steps in the Zoning Code Update process.

The Planning Commission concluded, and the City Council agreed, that the policy questions discussed at the Joint Study Session, while important topics for future consideration, did not warrant extending the Zoning Code Update beyond the targeted March/April 2018 Commission and Council adoption hearings.

A Public Review Draft Final Zoning Code (attached as weblink) was published on March 7, 2018 addressing comments and incorporating edits received during the review of the initial draft Zoning Code. Edits to the previous draft are shown in red underline/strikethrough format. Substantive changes to the existing Zoning Code are identified throughout the Draft Zoning Code flagged with a red triangle and described with notes using italicized text.

► *Note: Substantive changes to the existing zoning code are noted using italicized text in this format.*

In addition to publishing a general notice of the March 27, 2018 Planning Commission hearing in the Mercury News, individual notices were mailed on Friday, March 16, 2018

to property owners (approximately 100 sites) where the zoning district for their property is proposed to be modified to be consistent (or more consistent) with their property's existing General Plan Land Use designation. A list of the proposed change sites is attached showing the existing General Plan designation, existing Zoning District, proposed Zoning District, and any property owner requests. The Map ID in the list of proposed zoning map change sites corresponds to areas shown on the map attached (via weblink).

Following the Planning Commission meeting on March 27, 2018, staff anticipates the following process to complete the Zoning Code Update:

- April 10, 2018 Continued Planning Commission hearing to recommend City Council consider Addendum to Morgan Hill 2035 EIR in accordance with CEQA and adoption of Zoning Code and Map
- May 2, 2018 City Council adoption hearing
- May 16, 2018 City Council second reading
- June 15, 2018 Zoning Code effective

ANALYSIS:

Consistency with Zoning Code Update Goals

This section provides a summary of how the Public Review Draft Final Zoning Code and proposed Zoning Map amendments achieve each of the goals the Planning Commission and City Council identified for the Zoning Code Update.

A. Implement and achieve consistency with the Morgan Hill 2035 General Plan

In accordance with state law, the Zoning Districts described in the text of the Zoning Code and how those districts are applied to individual properties as shown on the Zoning Map, must be consistent with their corresponding General Plan Land Use designations.

1. Zoning Map Amendments – Although many of the existing Zoning District names are proposed to be changed to better reflect their intent and match the district's corresponding General Plan Land Use designation, less than 1% (approximately 100 sites) of the approximately 12,865 parcels within the existing City Limits are included in the proposed Zoning Map Amendment. This Map Amendment would change the zoning district for those approximately 100 sites to a zoning district that is consistent (or more consistent) with the site's Morgan Hill 2035 General Plan Land Use Map designation.

As shown in Table 18.14-1 of the Draft Zoning Code and in the excerpt below, a single General Plan designation (e.g., Commercial) may have multiple conforming zoning districts (i.e., CN Neighborhood Commercial, CG General Commercial, CH Highway Commercial, or CS Service Commercial). In these cases, the Planning Commission could recommend, and the City Council could

decide, to apply a particular district to a specific property based on a variety of factors (e.g., the overall intent of the district, existing use(s) on the property, adjacent/surrounding uses and/or zoning districts, etc.)

Zoning District Symbol	Name of Zoning District	General Plan Designation
Commercial Zoning Districts		
CN	Neighborhood Commercial	Commercial
CG	General Commercial	
CH	Highway Commercial	
CS	Service Commercial	

In response to the mailed public hearing notices several property owners have contacted the City to express an interest in either maintaining their existing zoning district or changing their zoning district to a different district than the one proposed. Attached is a list of those sites and the requested zoning districts.

Staff will consider input from property owners and the Planning Commission on property owner requests and provide a recommendation regarding those changes for the April 10, 2018 Planning Commission hearing.

2. The allowed uses and development standards for each Zoning District were reviewed for consistency with the district's corresponding General Plan Land Use designation.
3. The CI Commercial Industrial Zoning District is a new district to implement the Commercial/Industrial General Plan Land Use designation, which was introduced during the Morgan Hill 2035 General Plan Update to promote job-generating development of lands by allowing flexibility in the mix of compatible industrial, office, and commercial uses.

B. Create a user-friendly code for applicants, staff, and City officials

Morgan Hill's Zoning Code hasn't been comprehensively updated since the City's "modern" code was adopted in 1981. Since then, the City has amended the Zoning Code many times, with content added, removed, and revised. As a result, the current Zoning Code suffers from problems with organization, consistency, and flow making it difficult for readers to find what they are looking for and to understand what they find. Readers may also overlook important requirements because related content is not kept together or clearly cross referenced.

The Public Review Draft Final Zoning Code improves upon the user-friendliness of the Code by:

- reorganizing parts into a more logical order/grouping
- eliminating unnecessary repetition, duplicative, or contradictory information
- consolidating often used information
- improving navigation with lists of chapters at the start of each division, lists of sections at the start of each chapter, and consistent section numbering
- adding tables, including for all uses and development standards for each zoning district
- using graphics to illustrate development standards
- simplifying language
- using consistent and defined terminology, including rules of measurement
- eliminating duplicative and contradictory information
- including cross-references to related information

C. Modernize terminology and requirements to reflect current practices

Part 2 of the Zoning Ordinance contains tables that list allowed land uses in each zoning district. As part of the Zoning Ordinance Update, existing land use terms were modernized to reflect current practices, policy goals, and other considerations. The Zoning Ordinance Update revises existing land use terminology to:

- Match terminology in state law (e.g., accessory dwelling units (ADUs) instead of secondary dwelling units)
- Reflect common Morgan Hill usage (e.g. duets)
- Integrate better with other regulatory agencies (e.g., residential care facilities. long-term care)
- Identify land uses that are currently allowed but not specifically identified in the existing Zoning Ordinance (e.g., live/work)
- Explicitly identify common land uses not currently listed (e.g., medical offices)
- Identify land uses specifically called out in the General Plan (e.g., community gardens)

- Call out land uses encouraged by the City's Economic Development Blueprint (e.g., small-scale food and beverage production, tasting rooms)
- Remove unnecessary distinctions between similar land uses that do not need to be regulated differently (e.g., grocery stores listed as separate allowed use from retail stores)
- Remove antiquated land use terms (upholstery shops)
- Remove land uses with special regulations that have been eliminated (e.g., extensive retail in the light industrial zone).

Definitions to land use terms have also been updated to reflect current usage and match state law. New terms without existing definition have been added.

Other changes to the Zoning Ordinance to reflect best practices are described in Section D below.

D. Improve regulations to effectively address land use and development issues

Specific content in the existing Zoning Code does not address all of the important land use and development issues in Morgan Hill. Some regulations are outdated or inconsistent with current needs, practices, or recent changes in state law. The below list highlights some of the more substantive changes proposed in the Draft Zoning Code.

- Chapter 18.96 – Wireless Communications is a new chapter establishing standards for the installation, modification, and operation of wireless communications facilities. Currently the City does not have rules or procedures in place for wireless facilities.
- Chapter 18.84 – Accessory Dwelling Units is a revision of the City's existing Chapter 18.55 – Secondary Dwelling Units, which was last updated in 2010. The Accessory Dwelling Units chapter includes revisions to comply with changes in state law since 2010.
- Section 18.30.050 – Planned Development Combining District (PD) limits the use of new PDs to properties that are one acre or more, establishes new findings for use of PDs, and requires projects to provide a substantial public benefit (i.e., a feature not otherwise required by the Zoning Code that advances a General Plan Goal).
- Section 18.92.130 – Residential Transition Standards, which applies to all properties in a mixed-use, commercial, or industrial zoning district that abut a residential zoning district or use, establishes increased minimum setback, daylight plane, landscaping, and loading standards.

- Section 18.64.030 and 18.64.050 are new sections of the Landscaping chapter listing the required contents of landscape plans and general landscape requirements needed to ensure consistency with the City's Water Conservation in Landscaping ordinance.
- Section 18.88.120 – Temporary Signs changes existing temporary sign regulations to comply with the Reed v. Gilbert US Supreme Court decision. Regulations for different types of temporary signs are changed to be content neutral.
- To comply with state law which requires that emergency shelters be permitted by-right in at least one zoning district with sufficient capacity to accommodate the local need for emergency shelter, Section 18.92.050 – Emergency Shelters was added to the Draft Zoning Code and includes minimum performance standards for emergency shelters.
- To minimize the proliferation of mini-storage uses, Section 18.92.100.B has been added to the supplemental standards for mini-storage facilities, requiring a minimum 5,000-foot separation between a mini-storage facility established after the effective date of the Zoning Code Update and another mini-storage facility.
- As required by state law, Section 18.92.140 – Rooftop Solar Energy Systems was added to the Draft Zoning Code.
- The land use regulation tables in Chapter 18.22 – Mixed Use Zoning Districts, 18.24 – Commercial Zoning Districts, and 18.26 – Industrial Zoning Districts were modified to change the permitting requirements for certain uses that are identified in and support the implementation of the City's Economic Blueprint.
- To facilitate the development of hotels on sites located adjacent to Highway 101, Section 18.24.030B – Hotel Height in the CH Zoning District and Section 18.26.030B – Hotel Height in the CI Zoning District have been added to the Draft Zoning Code granting the Planning Commission, with the issuance of a Design Permit, the ability to approve a hotel with a maximum height of up to 65 feet on parcels in the CH or CI Zoning Districts that are directly adjacent to Highway 101. To approve the Design Permit the Commission must find that the project incorporates enhanced building design features that mitigate any adverse aesthetic impacts that may result from the increased building height.

CEQA (California Environmental Quality Act):

An Addendum to the Environmental Impact Report (EIR) for the City of Morgan Hill's Morgan Hill 2035 Project (attached via weblink) certified on July 27, 2016 (State Clearinghouse No. 2015022074) was prepared for the Zoning Code Update project pursuant to the provisions of the State of California Environmental Quality Act (CEQA) Guidelines Section 15164.

The Addendum concludes that the proposed project will not result in any new impacts that were not already identified in the Morgan Hill 2035 EIR or any impacts of greater severity than were already addressed.

LINKS/ATTACHMENTS:

1. Public Review Draft Final Zoning Code (weblink)
2. Proposed Zoning Map Changes with Property Owner Requests
3. Map and Table of Proposed Zoning Map Change Sites (weblink)
4. Addendum to Morgan Hill 2035 EIR (weblink)
5. 03 Supplement 1
6. 03 Supplement 2
7. 03 Supplement 3
8. 03 Supplement 4
9. 03 Meeting handout 1
- 10.03 Meeting handout 2
- 11.03_Presentation_ZA2016-0006-ZoningCodeUpdate

MORGAN HILL 2035



ZA2016-0006: Zoning Code Update Planning Commission Hearing



March 27, 201
Item #

Attachment: March 27, 2018 Planning Commission Presentation (1719 : Zoning Code Update)

Recommendation

1. Open Public Hearing on Public Review Draft Final Zoning Code and Zoning Map Amendments
 - a. Receive Public Testimony
 - b. Provide Staff w/ Comments
2. Continue Planning Commission Public Hearing to April 10, 2018

Background/Timeline

- Late 2015 – Existing Zoning Code Evaluation
- July 2016 – MH2035 General Plan Adopted
- Early 2017 – Update Approach /w PC and CC
- Aug. 2017 – Public Review Draft Zoning Code
- Aug./Nov. 2017 – 4 PC Workshops
- Jan. 2018 – Joint CC/PC Study Session
- Mar. 2018 – Final Draft Zoning Code

► *Note: Substantive changes to the existing zoning code are noted using italicized text in this format.*

Changes from August 2017 Draft to March 2018 Final Draft shown in red/underline strikethrough text

- Spring 2018 – Adoption Hearings (PC then CC)

Zoning Code Update Goals

- A. Implement and achieve consistency with Morgan Hill 2035 General Plan;
- B. Create user-friendly code for applicants, staff, and City officials;
- C. Modernize terminology and requirements to reflect current practices; and
- D. Improve regulations to effectively address land use and development issues.

Zoning Code Update Goals

A. Implement and achieve consistency with Morgan Hill 2035 General Plan

1. Three Types of Zoning Map Changes

a) Name Change

(e.g., from R2 3,500 to RAL 3,500; from HC Highway Commercial to CH Highway Commercial).

b) General Plan Conformance

(e.g., existing RAL GP – from the D-R3 Downtown R3 Zoning District to the RAL 3,000 Zoning District).

c) Existing Zoning District Proposed to Go Away

(e.g., from CO Administrative Office to CN Neighborhood Commercial).

Zoning Code Update Goals

A. Implement and achieve consistency with Morgan Hill 2035 General Plan

1. Zoning Map Changes for General Plan Conformance

Zoning District Symbol	Name of Zoning District	General Plan Designation
Commercial Zoning Districts		Commercial
CN	Neighborhood Commercial	
CG	General Commercial	
CH	Highway Commercial	
CS	Service Commercial	

Zoning Code Update Goals

B. Create user-friendly code for applicants, staff, and City officials

- reorganizing parts into a more logical order / grouping
- eliminating unnecessary repetition, duplicative, or contradictory information
- consolidating often used information
- improving navigation
- adding tables for uses and development standards
- using graphics to illustrate development standards
- simplifying language
- using consistent and defined terminology
- including cross-references to related information

Zoning Code Update Goals

C. Modernize terminology and requirements to reflect current practices

- Match terminology used in state law (e.g., ADUs)
- Reflect common Morgan Hill usage (e.g., duets)
- Integrate better with other regulatory agencies
- Identify land uses currently allowed but not specifically identified in the existing Zoning Ordinance (e.g., live/work)
- Explicitly identify common land uses not currently listed (e.g., medical offices)
- Identify land uses specifically called out in General Plan (e.g., community gardens)
- Call out land uses encouraged by Economic Blueprint (e.g., tasting rooms)

Zoning Code Update Goals

D. Improve regulations to effectively address land use and development issues

- Chapter 18.96 – Wireless Communications (new)
- Chapter 18.84 – Accessory Dwelling Units (revision)
- Section 18.30.050 – PD Combining District (revision)
 - Only on sites one acre or more
 - New findings
 - Substantial public benefit
- Section 18.92.130 – Residential Transition Standards (new)
- Section 18.24.030B and 18.26.030B – Hotel Height (new)

Zoning Code Update Next Steps

- April 10, 2018 - Continued Planning Commission Hearing to recommend City Council consider Addendum to MH2035 EIR and adoption of Zoning Code/Map
- May 2, 2018 - City Council Adoption Hearing
- May 16, 2018 - City Council Second Reading
- June 15, 2018 - Zoning Code/Map Effective

Zoning Code Update and Map Amendment

- Public Testimony
- Planning Commission Comments

MORGAN HILL 2035



ZA2016-0006: Zoning Code Update Planning Commission Hearing



March 27, 201
Item #

Attachment: March 27, 2018 Planning Commission Presentation (1719 : Zoning Code Update)

275 Tennant Avenue – Property Owner Requesting Moving to CG or CN Instead of Proposed Move to CS



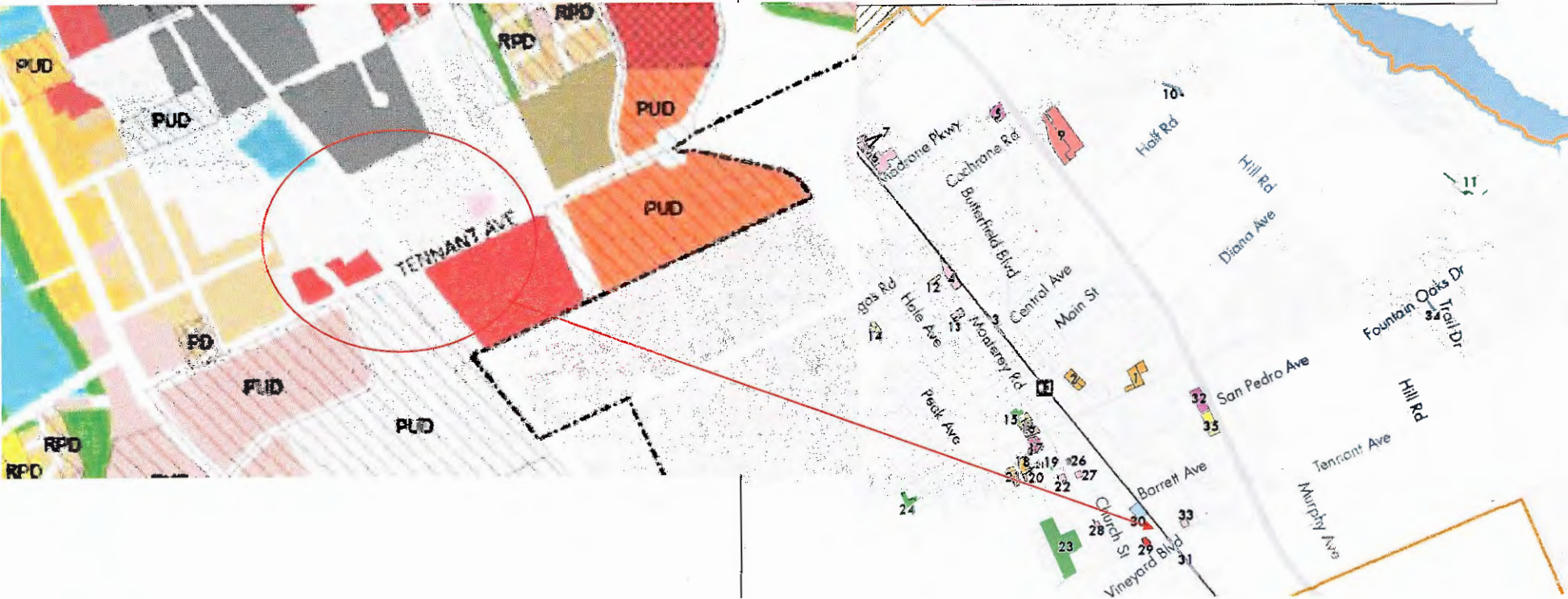
275 Tennant History - Overview

- Year Built : 1989
- Built by: Bill Brown, Attorney – Owner User as Multi-Tenant Building
- Historical Use: Professional Offices, Personal Services
- Current Zoning: Light Industrial – General Plan: Commercial
- Building Size: 19,247 Sq. Ft.
- Lot Size: 54,014 Sq. Ft.
- Eakins Living Trust Purchased – April 2015 \$3,550,000
- Managed by: Eakins Properties

Current Proposed Zoning Changes

Proposed Zoning Map Update

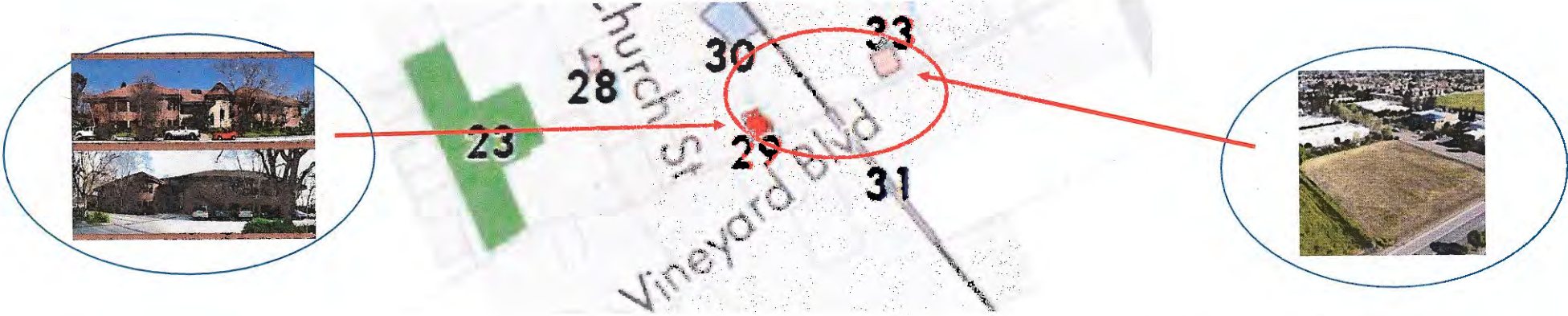
 Sphere of Influence	 RDL 20,000 - Residential Detached Low	 MU-F - Mixed Use Flex
 City Boundary	 RDL 12,000 - Residential Detached Low	 CN - Neighborhood Commercial
 San Jose City Boundary	 RDM 7,000 - Residential Detached Low	 CG - General Commercial
 Train Station	 RDH 4,500 - Residential Detached High	 CS - Service Commercial
	 RAL 3,500 - Residential Attached Low	 IL - Light Industrial
	 RAL 3,000 - Residential Attached Low	 CI - Commercial Industrial
	 RAM - Residential Attached Medium	 OS - Open Space
	 MU-N - Neighborhood Mixed Use	 PF - Public Facilities



Attachment: Correspondence (1719 : Zoning Code Update)

Current Proposed Commercial Zoning Changes on Tennant

MORGAN HILL 2035 FINAL EIR ADDENDUM
CITY OF MORGAN HILL
PROJECT DESCRIPTION



Map ID	APNs	Existing Zoning	Proposed Zoning
29	81705041	ML	CS
33	81729027	CO	CN

Attachment: Correspondence (1719 : Zoning Code Update)

Current Proposed Commercial Zoning
Changes on Tennant

Map ID	APNs	Existing Zoning	Proposed Zoning
29	81705041	ML	CS
33	81729027	CO	CN



275 Tennant (#29)



16015 Caputo (#33)

Attachment: Correspondence (1719 : Zoning Code Update)

Potential Commercial Zoning – 275 Tennant

Proposed:

- Service Commercial (CS). 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.

Requested Change:

- Neighborhood Commercial (CN). The purpose of the CN zoning district is to provide a location for retail, office, and service uses to serve residents living in surrounding neighborhoods.

Or:

- General Commercial (CG). The purpose of the CG zoning district is to provide a location for a broad range of commercial and employment uses to serve Morgan Hill residents, workers, and visitors.

Uses Consistent with 275 Tennant, Current Tenants, Market CS, CG, CN (Permitted vs. CUP)

TABLE 18.24-1 PERMITTED LAND USES IN THE COMMERCIAL ZONING DISTRICTS

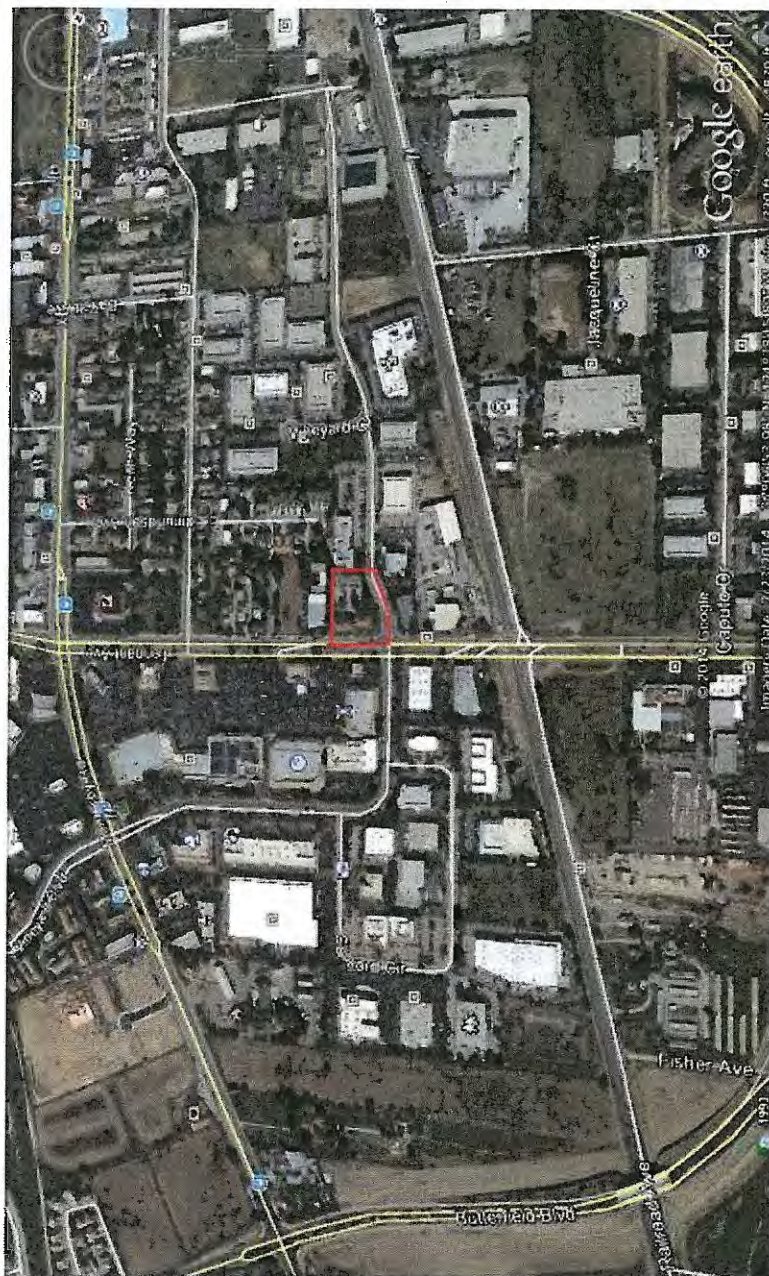
Key	Zoning District				Additional Regulations
	CN	CG	CH	CS	
P Permitted Use					
A Administrative Use Permit required					
C Conditional Use Permit required					
- Use not allowed					
Government Offices	P	P	-	C	
Medical Offices and Clinics	P	P	A-	C	
Banks and Financial Institutions	P	P	P	P	
Business Support Services	P	P	P	P	
Personal Services	P	P	-	C	
Professional Offices	P	P	P-	PC	
Commercial Recreation, Indoor					
≤ 150,000 sq. ft.	P	P	P	P	

Uses Not Consistent with 275 Tennant, Current Tenants, Market CS, CG, CN (Permitted vs. CUP)

TABLE 18.24-1 PERMITTED LAND USES IN THE COMMERCIAL ZONING DISTRICTS

Key	Zoning District				Additional Regulations
	CN	CG	CH	CS	
P Permitted Use					
A Administrative Use Permit required					
C Conditional Use Permit required					
- Use not allowed					
Plant Nurseries	-	C	-	P	
Home Improvement Centers	-	P	-	P	
Large Commodity Retail	-	C	-	C	
Vehicle-Related Uses					
Fuel and Service Stations	C	C	C	C	
Towing and Impound	-	-	-	C	
Vehicle Rentals	C [1]	C [1]	P	P	
Vehicle Repair and Maintenance, Minor	-	C	-	P	
Vehicle Sales and Leasing	C [1]	C [1]	P	P	
Vehicle Washing	C	C	C	C	
Wholesaling	-	C	-	P	

275 Tennant



**Centrally Located: Near Shopping, Transportation,
Residential and other Commercial Uses**

275 Tennant Interior



Typical Hallway

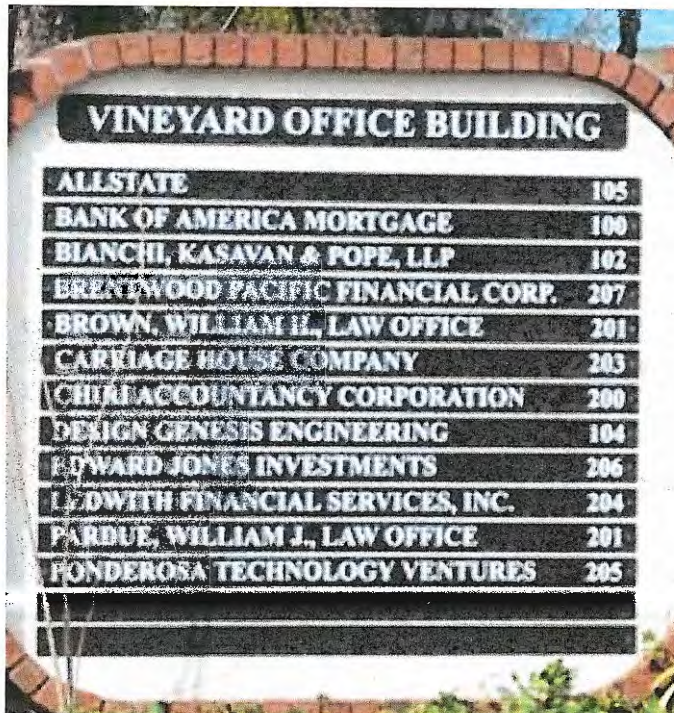


Atrium Entry



Typical Interior

Historical Tenants – 275 Tennant



Current Tenants – 275 Tennant

BANK OF AMERICA HOME LOANS	100
BERLIN, SUSIE, LAW OFFICE	203
CHIRI ACCOUNTANCY CORPORATION	200
DESIGN GENESIS	104
EDWARD JONES INVESTMENTS	206
PARDUE, WILLIAM J., LAW OFFICE	105
PEDERSON PSY.D, ERIK, PSYCHOLOGIST	202
PONDEROSA TECHNOLOGY VENTURES	205
R&R MASSAGE	201B
SL INSURANCE ASSOCIATES	207
SWEETVINYL	204
US HOME OWNERSHIP, LLC	102
VELO HOMES & ESTATES	201A
WESTERN STATES ROOFING ASSOC.	106

Approx. 10,000 sq. ft. or >50% of building to turn over in 2018-2019

275 Tennant Rezoning Summary

- Landmark Building – High Quality Construction, Centrally Located, High Visibility
- Building has 50+ More Years Economic Lifespan (Currently Highest and Best Use)
- Property will not be redeveloped in foreseeable future
- Ideal for either CG – CN – not CS– (Most CS uses are not realistic or applicable)
- Adjacent to planned residential areas
- Planning Interior Remodeling and significant turnover of current tenants in 2018-2020
- Would like to market to Medical Offices and Personal Services uses without needing CUP – and continue without zoning-out current tenants (Therapists, Massage)

J. RANDALL TOCH
ATTORNEY AT LAW



March 23, 2018

Via Email: John.Baty@MorganHill.ca.gov
– Original to Follow via First Class United States Mail

Mr. John Baty, Principal Planner
City of Morgan Hill
Development Services Center
17575 Peak Avenue
Morgan Hill, CA 95037

Re: Public Comments to City of Morgan Hill Draft Final Zoning Code
Our Client – The Morgan Hill Hotel Coalition, an Unincorporated Association

Dear Mr. Baty:

This law office represents the Morgan Hill Hotel Coalition, an unincorporated association (the "**Hotel Coalition**"). We have been asked to provide comments on behalf of the Hotel Coalition to the Draft Final Zoning Code (the "**Proposed Zoning Scheme**"), which was circulated for comment by the City of Morgan Hill (the "**City**") on March 7, 2018.

Initially, we note that the Proposed Zoning Scheme appears to amend the zoning code of the City to allow hotel/motel use in every type of commercial zoning district within the City. In attempting to give effect to this change, the Proposed Zoning Scheme either adds hotel/motel use to each type of commercial district that did not previously allow such use, or else it seeks to eliminate zoning districts such as CO "Administrative Office", which currently do not allow hotel/motel use.

Even assuming for purposes of discussion only that such an ordinance might be lawful and consistent with the detailed land use policies established for the City under the 2035 General Plan, which was adopted on July 27, 2016 (the "**General Plan**"), a policy that would allow virtually unlimited hotel/motel development within the City would be foolhardy at best, and, at worst, could, potentially, result in massive urban blight and economic decay in large portions of the City.

We simply cannot concede that a majority of the electors in the City of Morgan Hill will support a Proposed Zoning Scheme that would allow virtually unlimited hotel/motel development within the City by making every existing office and retail property (whether currently developed or not), as well as numerous other types of "commercial" properties, possible future locations of hotels and/or motels.

Mr. John Baty, Principal Planner
 City of Morgan Hill
 Development Services Center
 March 23, 2018
 Page 2

Additionally, as mentioned above, we believe that the Proposed Zoning Scheme itself is largely inconsistent with the City and Neighborhood Form (Land Use) element of the General Plan, and, that therefore, the Proposed Zoning Scheme, or a significant portion thereof, may potentially be legally invalid. As a Principal Planner for the City, we assume that you are aware that California law requires all general law cities and counties in the State of California to adopt a general plan and then to enact zoning ordinances consistent with that general plan. In connection with the foregoing, California Government Code Section 65860 states, in pertinent part, as follows:

§65860(a) County or city zoning ordinances shall be consistent with the general plan of the county or city by January 1, 1974. A zoning ordinance shall be consistent with a city or county general plan only if both of the following conditions are met: [¶] (1) The city or county has officially adopted such a plan. [¶] (2) ***The various land uses authorized by the ordinance are compatible with the objectives, policies, general land uses, and programs specified in the plan.*** [¶] (b) Any resident or property owner within a city or a county, as the case may be, may bring an action or proceeding in the superior court to enforce compliance with subdivision (a). ***[Emphasis Added]***

In a case involving Government Code Section 65860, the Supreme Court of the State of California ruled as follows:

A zoning ordinance that conflicts with a general plan is invalid at the time it is passed. [Citations Omitted] The court does not invalidate the ordinance. It does no more than determine the existence of the conflict. It is the preemptive effect of the controlling state statute, the Planning and Zoning Law, which invalidates the ordinance. [¶] ***A void statute or ordinance cannot be given effect.*** (Leshner Communications, Inc. v. City of Walnut Creek (1990) 52 Cal.3d 531, at page 544, 802 P.2d 317, 277 Cal.Rptr. 1) ***[Emphasis Added]***

The inconsistency between the General Plan and the Proposed Zoning Scheme is plain, straightforward, and unmistakable. On page CNF-13 of the General Plan, the City and Neighborhood Form Element states, in pertinent part, as follows:

NON-RESIDENTIAL DESIGNATIONS [¶] [Image of RED Bar denoting color coding on the General Plan Land Use Map] ***Commercial.*** * * * 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. ***[Emphasis Added]***

Mr. John Baty, Principal Planner
 City of Morgan Hill
 Development Services Center
 March 23, 2018
 Page 3

However, the Proposed Zoning Scheme would allow a myriad of land uses other than just retail, office, and professional services, on parcels that are designated as "Commercial" under the General Plan. And, for that reason, the Proposed Zoning Scheme is legally invalid.

The Proposed Zoning Scheme's overbroad list of contemplated uses of lands designated as "Commercial" under the General Plan is set forth below, and we note that the list even includes uses that the Proposed Zoning Ordinance itself acknowledges to be "Industrial" and "Transportation, Communication, and Utility" rather than commercial.

In reproducing the contemplated "commercial" land uses from the Proposed Zoning Scheme, we have taken the liberty of listing specific uses identified in the Proposed Zoning Scheme, which are patently inconsistent with retail, office, and professional services in ~~strikeout type~~; however, this list is by no means intended to be a complete or exhaustive compilation of all "commercial" uses under the Proposed Zoning Scheme that are – or may ultimately be determined to be – inconsistent with permitted "commercial" land uses under the General Plan. Further, we express no opinion as to whether or not any other aspects of the Proposed Zoning Scheme are inconsistent with sections of the General Plan that do not deal specifically with commercial uses.

18.124.040 – Commercial Uses

- ~~A. Adult Businesses.~~
- B. Animal-Related Uses [including].
 - 1. ~~Animal Boarding~~
 - 2. ~~Equestrian Centers.~~
 - 3. ~~Veterinarian Clinics and Hospitals.~~
- C. Banks and Financial Institutions.
- D. Business Support Services.
- ~~E. Cinemas and Theaters.~~
- ~~F. Commercial Recreation.~~
 - 1. ~~Commercial Recreation, Indoor.~~
 - 2. ~~Commercial Recreation, Outdoor.~~
- G. Drive-Through and Drive-in Facilities.
- ~~H. Eating and Drinking Uses.~~
 - 1. ~~Bars and Nightclubs.~~
 - 2. ~~Restaurants, Fast Food.~~
 - 3. ~~Restaurants, Sit Down.~~
 - 4. Tasting Rooms.
- I. Farmers Market.

Mr. John Baty, Principal Planner
 City of Morgan Hill
 Development Services Center
 March 23, 2018
 Page 4

- ~~J. Funeral Parlors and Mortuaries.~~
- ~~K. Lodging Facilities.~~
 - ~~1. Bed and Breakfast.~~
 - ~~2. Hotels and Motels.~~
- ~~L. Mini Storage.~~
- ~~M. Personal Services.~~
- ~~N. Plant Nurseries.~~
- ~~O. Professional Offices.~~
- ~~P. Retail.~~
 - ~~1. Building Materials.~~
 - ~~2. Convenience Markets.~~
 - ~~3. General Retail.~~
 - ~~4. Goods Produced On-Site.~~
 - ~~5. Home Improvement Centers.~~
 - ~~6. Large Commodity Retail.~~
- ~~Q. Vehicle-Related Uses.~~
 - ~~1. Fuel and Service Stations.~~
 - ~~2. Towing and Impound.~~
 - ~~3. Vehicle Rentals.~~
 - ~~4. Vehicle Repair and Maintenance, Major.~~
 - ~~5. Vehicle Repair and Maintenance, Minor.~~
 - ~~6. Vehicle Sales and Leasing.~~
 - ~~7. Vehicle Washing.~~
- ~~R. Wholesaling.~~

~~18.124.050 – Industrial Uses~~

- ~~A. Construction and Material Yards.~~
- ~~B. Food and Beverage Production.~~
- ~~C. Manufacturing, Light.~~
- ~~D. Manufacturing, General.~~
- ~~E. Research and Development.~~
- ~~F. Salvage and Wrecking.~~
- ~~G. Warehousing and Distribution.~~
 - ~~1. Warehousing and Distribution, Large.~~
 - ~~2. Warehousing and Distribution, Small.~~
 - ~~3. Outdoor Storage.~~

Mr. John Baty, Principal Planner
 City of Morgan Hill
 Development Services Center
 March 23, 2018
 Page 5

~~18.124.060 – Transportation, Communication, and Utility Uses~~

- ~~A. Freight Terminals and Transfer.~~
- ~~B. Light Fleet-Based Services.~~
- ~~C. Parking Lots and Structures.~~
- ~~D. Recycling Facilities.~~
 - ~~1. Reverse Vending Machine.~~
 - ~~2. Recycling Collection Facility.~~
 - ~~3. Recycling Processing Facility.~~
- ~~E. Transportation Terminals.~~
- ~~F. Utilities, Major.~~
- ~~G. Wireless Communication Facilities.~~

We also note that the very purpose of the “Commercial” land use designation, as defined in the General Plan, which is 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”, appears to have been largely ignored in the text of the Proposed Zoning Scheme. For example, as noted earlier in this letter, the Proposed Zoning Scheme, without explanation, seeks to eliminate the currently existing CO (“Administrative Office”) zoning district. The CO district is entirely consistent with the General Plan. In fact, even though Policy CNF-15.5 of the General Plan Policy CNF-15.5 of the General Plan specifically encourages “Administrative Office” and “Executive Office” uses, neither Administrative office nor Executive office, is even included in the list of contemplated commercial land uses described in Section 18.124.00 of the Proposed Zoning Scheme. The Proposed Zoning Scheme should be furthering the land use policies specified in the General Plan not working at cross-purposes to them.

We urge the City to proceed cautiously in this matter, and, specifically, to make a concerted effort to include ALL interested business owner stakeholders in the ongoing process, including actively soliciting the input of members of the Morgan Hill Hotel Coalition. For their part, the members of the Morgan Hill Hotel Coalition stand ready, willing, and able to work with City staff, the members of the Planning Commission, and the honorable members of the City Council to achieve a legal and long term sustainable zoning code that is beneficial for all concerned. If you have any questions, or if I can provide you with any further documents or information, please contact me.

Very truly yours,



J. Randall Toch, Esq.

Attorney for the Morgan Hill Hotel Coalition

Attachment: Correspondence (1719 : Zoning Code Update)

Mr. John Baty, Principal Planner
City of Morgan Hill
Development Services Center
March 23, 2018
Page 6

cc: Client (Via Email)
Donald Larkin, Esq., City Attorney of City of Morgan Hill (Via Email)

Attachment: Correspondence (1719 : Zoning Code Update)

17380 Ringel Drive
Morgan Hill, CA 95037

March 28, 2018

Dear Planning Commission:

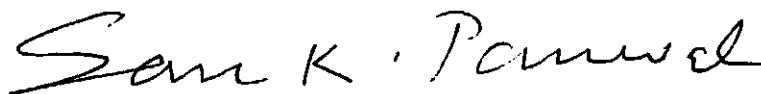
I am a resident of Morgan Hill since 1980. My family owns the Budget Inn Motel and the Comfort Inn. I ran the Budget Inn Motel for nearly twenty years as the owner/manager. Our family built the Comfort Inn in 1999. I still worked there everyday despite the fact that I am 79 years old.

My understanding is that the Planning Commission is considering changing the zoning code such that all commercial property may be used for a hotel. I think this is a mistake as it would allow hotels on every commercial property within the City without considering traffic, the surrounding location, or any other factors. Hotels are open 24 hours a day and guests come in at all hours. Hotels tend to have large signs and extensive lighting. We built the Comfort Inn on Condit Road because the city had decided beforehand that hotels should be clustered near the freeway on Condit Road. Commercial land remains available on Condit Road as well as near the highway on Tennant. These are ideal locations for any new hotels in the future. The City should limit new hotels to locations that are ideal for that use and not at every commercial space in the city.

You should also note that the supply of mid to high level hotel rooms increased by 20% last year when the La Quinta opened. Further hotel rooms will become available when the Granada opens. Thus, the current zoning code has not hindered new hotels from opening.

I am requesting that you change the proposed zoning code to include commercial zoning districts that do not permit hotel use such as "administrative office" and a separate commercial service zoning district that does not permit hotels.

Yours,



San K. Panwala

Attachment: Correspondence (1719 : Zoning Code Update)

From: lq6818dos2 Morgan Hill
To: [John Baty](#)
Cc: [Andrew Firestone](#)
Subject: Planning Commission: "Zoning Code"- La Quinta Inn & Suites Morgan Hill Statement
Date: Thursday, March 29, 2018 5:37:44 PM

Hi John,

I hope you are well. I was asked to forward the message below on behalf of Andrew and La Quinta Inn & Suites Morgan Hill that I had also sent to Jennifer.

Kindly let me know if you have any questions.

With much appreciation,

Anna-Liza Anderson
 La Quinta Inn & Suites Morgan Hill
 Lq6818dos2@laquinta.com

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

From: lq6818dos2 Morgan Hill
 Sent: Wednesday, March 28, 2018 5:13 PM
 To: 'jennifer.carman@morganhill.ca.gov' <jennifer.carman@morganhill.ca.gov>
 Cc: 'Andrew Firestone' <andrew@stoneparkcapital.com>
 Subject: Planning Commission: "Zoning Code"- La Quinta Inn & Suites Morgan Hill Statement

Hi Jennifer,

I hope you are doing well.

If you recall, I attended the meeting yesterday 03/27/2018 for the City Planning Commissioners. I spoke on behalf of Andrew Firestone and La Quinta Inn & Suites Morgan Hill. I spoke at 12:23am regarding the issue on "Zoning Code".

I know that due to how late it was, there will be an additional meeting to discuss the Zoning Code and as well possibly have a meeting with hotels partners. With that said, I was also asked to share the statement I read last night.

On behalf of Andrew Firestone and La Quinta Inn & Suites Morgan Hill, kindly find our formal statement regarding the concern and issue with the possible change in Zoning Codes for Morgan Hill;

"Effective city planning and development is the result of careful study of current and future designs of a community. Morgan Hill has maintained a unique small town feel, due to its strict review and adherence to its general plan which laid out the smartest course for development for the future. The notion that City Hall would like to erase years of study and planning and redesign the development guidelines with a single action seems short sighted and impulsive. The implications of shuffling the zoning and code will forever impact the look and feel of Morgan Hill.

For anyone looking to build a hotel in Morgan Hill, there are numerous sites available and are located in areas that best suit this category of development.

To allow any and all commercial land to be built for hotel use will negatively impact the residents of Morgan Hill due to increased noise, traffic, nighttime lighting and activity in areas which would previously not have been considered. This is not an attempt to prevent hotel development, but rather an attempt to maintain the consistency and character that Morgan Hill has successfully preserved."

If you have any questions, kindly let myself or Andrew know who is also copied to this email.

Attachment: Correspondence (1719 : Zoning Code Update)

Attention:

Donald Larkin, City of Morgan Hill Attorney
Planning Commissioners

My name is Nicole Grave

I am the owner of parcel #76708025, 70 West 5th Street Morgan Hill California 95037.

I have many concerns regarding the proposed Zoning Code modification for my parcel.

I would first like to point out that the Public Notice that I received states that it is the City of Morgan Hills intention to change my zoning from D-R3 to RAL 3,000. However, in deciphering the text of the proposed modifications, it states that parcels that are now R3 will change to RAM and the map shows R3 will be changed to RAL 3,000. I verified with John Baty, the City of Morgan Hills Interim Planner and contact for questions regarding this issue, that the notice is correct and the proposed change to my parcel is specific to the current D-R3 parcels. I am unable to locate the section/s specifically referencing the D-R3 parcels being separate in consideration.

Inconsistencies, which makes me question the entire document.

In the seventeen years I have owned this parcel, the zoning code has changed many times with the advantageous agenda of the City of Morgan Hill to create high density, particularly in the downtown area.

The majority of parcels on 5th Street are high density and would be considered under the proposed zoning code as RAH Residential Attached High Density. To remain consistent with what is existing the appropriate Zoning for my property would be Residential Attached High, RAH.

Therefore, I am not in agreement with the proposed changes to the zoning for my parcel and I formally request the planning commission to withdraw the proposed modification to my parcel.

These proposed zoning changes to West 5th Street at this stage of the city's agenda serves as nothing other than robbing allotments from West 5th Street to use them on other projects. The City of Morgan Hill could potentially take away my ability to develop consistently with my neighborhood, a neighborhood with high density, a neighborhood the City created.

It appears malicious in intent based on previous communication I have had with City Staff regarding development concerns in my area, specifically the Hencken Oaks project. It is self-serving, arbitrary and capricious in the larger scheme, it developmentally affects only two parcels on the entire parcel block 16, one of which I own.

I request that you take a closer look at the City of Morgan Hill's, reasoning, intention and focus on parcel block 16's proposed Zoning changes.

Sincerely,

Nicole Grave, Homeowner

Attachment: Correspondence (1719 : Zoning Code Update)

18.108.050 – Historic Alteration Permit

See Section 18.60.080 (Historic Alteration Permits).

18.108.060 – Historic Demolition or Relocation Permit

See Section 18.60.090 (Historic Demolition or Relocation Permits).

18.108.070 – Minor Exceptions

► *Note: This section replaces existing Chapter 18.57 (Exceptions) and makes the following changes to the existing Zoning Code: moves specific allowed exceptions to fence height, setbacks, lot coverage, parking, and height moved to chapters; Removes provisions on permit application and conditions that apply to all types of permits and states once in new Chapter 18.104 (Common Permit Requirements); moves existing Section 18.57.020 (Exceptions to height limits), Section 18.57.030 (Exceptions to required setbacks), and 18.57.040 (Exceptions to front yard setback requirements) to their applicable chapters. These exceptions are allowed by right and do not required a Minor Exception approval; allows the Planning Commission to approve minor exceptions for other dimensional standards up to 10 percent of the standard at a noticed public hearing, and excludes certain standards from eligibility for a Minor Exception; establishes new findings for approval in Subsection F (Findings for Approval)*

A. Purpose. A Minor Exception allows for small deviations from development standards to accommodate projects which meet the needs of property owners, are consistent with the purpose of the Zoning Code and General Plan, and do not negatively impact neighboring properties or the community at large.

B. When Allowed.

1. **Permitted Exceptions.** The City may approve a Minor Exception to allow for the following physical development standards:

- a. Maximum fence and wall height as allowed by Section 18.52.050 (Exceptions to Height Limits)
- b. Minimum setbacks as allowed by Section 18.56.030 (Setback Exceptions)
- c. *>* Minimum lot width for infill lots/redevelopment one lot to two lots not to exceed 10% of min
- d. *x* Maximum lot coverage as allowed by Section 18.56.40 (Lot Coverage Exceptions)
- e. *x* Maximum building height as allowed by Section 18.56.020 (Height Exceptions)
- f. *x* Number of required on-site parking spaces and dimensional standards for parking spaces, driveways, parking lots, and loading areas as allowed by Section 18.72.060.K (Adjustments to Parking Design and Development Standards).
- g. *x* Other similar dimensional standards up to ten percent of the required standard with Planning Commission approval.

2. **Excluded Modifications.** The City may not approve Minor Exception for:

- a. Lot area, width, or depth;

Lightpost Winery

900 Lightpost Way Morgan Hill Ca 95037 408-499-9365 info@lightpostwinery.com

To: City of Morgan Hill Planning Commission,

John Baty, Principal planner

17575 Peak Avenue Morgan Hill, CA 95037

Reference: **Public Notice on the zoning code update (file No ZA2016-0006)**

Dear Planning Commission Members,

This letter is in response to City Of Morgan Hill letter dated March 16th with intent to address concerns raised by this letter in regards to proposed zoning changes from ML (Light industrial) to CI (commercial industrial) for facility located at 900 Lightpost Way in Morgan Hill (61,300 s.f. facility), parcel number 72633027.

As you may know, it is currently occupied by Prism Electronics Corp (Wholesale electronics distribution and Asset recovery company) and Lightpost Winery. Prism Electronics has been doing business in Morgan Hill since 2005, proudly employing over 60 employees and have been at this facility since 2014. Lightpost Winery is a new business intended for wine production and public tasting room associated activities including public wine tasting, culinary wine pairing, Tasting/Tours/Marketing Events, private group tasting, corporate, private events. Both light industrial activities and commercial activities are included here.

Current Morgan Hill Code of Ordinance, section 18.36.020 - Permitted uses for ML district allows food production, including wine. Conditional use permit was received for winery tasting room in accordance with Section 18.36.030 (which is ancillary to and supportive of permitted uses).

Parcel use is consistent with Morgan Hill 2035 General Plan to create "A vibrant, enhanced, visible, and well-promoted tourist industry that draws on Morgan Hill's unique character and variety of amenities" and supports Wine Tourism goal (Policy ED-4 "Wine Tourism. To enhance the City's appeal as a tourism destination, support efforts to further develop the local wine industry").

It is also consistent with 2035 General Plan Land Use Map designating this parcel as "commercial/industrial" (Figure CNF-3), which is designated as "Retail, office, services or warehouses, offices, manufacturing" (TABLE CNF-2, Summary of Land Use Designations). Public tasting room, culinary experience in the form of food and wine pairing, direct-to-consumer wines sales manufactured at the facility are indeed retail and service activities. It is "enhancing the City's position as a hub for wine tourism". Its location boarding regional Freeway 101 provides "Regional Freeway Visibility and Access. Encourage the location of tourist- and recreation oriented commercial development and support facilities along the freeway" plus "Actively promote development of tourist-oriented commercial, industrial, and recreational uses and facilities, including such uses as lodging, meeting and conference centers, outdoor restaurants, wine and beer tasting, and farmers' markets".

Attachment: Correspondence (1719 : Zoning Code Update)

Activities of both businesses at this facility can support vision and many goals that City established:

Fiscal sustainability, economic development, growth management, tourism support services, tourism marketing and branding, etc. (sections of CNF-18, CNF-19, ED1-ED4).

We are concerned that proposed zoning changes in draft Code in its current form may compromise or restrict our business activities now or in the future, reducing its viability and attractiveness for new investors, vendors, customers, visitors. Hopefully some updates can be added to the draft Code, otherwise we'd like to reserve the opportunity to keep our existing zoning code.

Some of the concerns are outlined below with added notes.

Page 26-3

Table 18-26.1 Permitted Land Uses in the industrial zoning districts.

Currently we are permitted by right to have a winery at our facility and a conditional use permit for tasting room.

Proposed zoning suggests food and Beverage production > 10,000 s.f. now requires to obtain Conditional use permit. While we are currently under 5,000 of production area- we have full intent to grow our business and expand above 10,000 in the next couple years.

If **(P2) code** (instead of C) can be used for both facilities size between 5,000,<10,000 square foot and >10,000s.f.- it will allow us to expand our business and invest additional capital without fear and business uncertainty.

The current code Section **18.36.020 - Permitted uses** section states that "Food production, when located one hundred fifty feet or more from a residential zone, measured at the nearest building corner, and when the type of food being produced will not emit a generally offensive odor. Examples include items such as bakery goods, sugar and confectionary products, grain products, beer or wine – that note can be kept in the new code as well if needed.

Table 18.26.1 Notes (6)

It is unclear the purpose of restricting the tasting room size to 10% or 3000 s.f. Tasting room brings visitors and 3000 s.f. tasting room is fairly small size for the winery (that may include not only main tasting room but club member tasting room, corporate visitors tasting room, etc). More visitors- more revenue generated for the City and for the business. It is fairly common practice also when some wineries outsource part of their production to custom crush facilities – therefore reducing the needs to have large production facility but bottle and sell their product on the premises via direct-to consumer sales (therefore in need for larger tasting room, so 90/10% ratio proposed in new code may not be efficient use of available space).

While it does not apply to our specific situation, tasting room not necessarily located within the building occupied by primary use- often it is a separate structure on the same site (Note 6 specifies that tasting room must be within the building).

Tasting room size would be more appropriately defined by demonstrated building capacity (size, parking) rather than manufacturing/tasting room square footage percentage ratio.

Page 26-4**Table 18.26.1**

Warehouse and distribution – with current zoning allowed permitted by right.

It is understandable that large distribution facilities shall have conditional use permit, but for smaller facilities (Warehouse and Distribution, Small) it would be greatly appreciated if we keep the business opportunity the same and permitted by right (code P) for “Warehouse and Distribution, Small” category.

page 88-4

Freestanding freeway-oriented signs consistent with Section 18.88.100.C

If there is an opportunity to allow Freestanding sign in support to winery tasting room operations (as freeway- dependent business) on our parcel since the property directly oriented towards Hwy 101- it would be greatly appreciated.

We commend City of Morgan Hill team efforts to make zoning codes more efficient/adaptable.

We also believe this can, and should, be done without compromising existing commercial/industrial operations and hope that City will take our request into consideration.

Thank you,

Sofia Fedotova
Lightpost Winery, Prism Electronics owner

John Mauro
Lightpost Winery, Prism Electronics owner

Frank Electric Partners
3800 Blackhawk Road, #140
Danville, CA 94506
925-785-8996
mje@abasf.com

April 2, 2018

HAND DELIVERED OR FORWARDED (EMAIL)

By Ross Doyle, Ruggeri, Jensen, Azar

John Baty
Planning Department
City of Morgan Hill
Morgan Hill, CA

Re: 30 & 50 Myrtle Avenue
APN 817-01-021 & APN 817-01-022
Zoned CC-R

Dear Mr. Baty:

We write to formally request the Morgan Hill Planning Commission to "forgive", "eliminate", "amend" or "return" the current entitlements at 50 Myrtle Avenue and continue our planned project for both Myrtle Avenue parcels in accordance with the soon to be revised zoning requirements as discussed and represented to Ross Doyle at Ruggeri, Jensen, Azar. Further, it is our understanding that this request will be considered at the April 10, 2018 Morgan Hill Planning Commission meeting.

After the planned Zoning Code Update, Frank Electric Partners could develop each parcel separately under their existing Zoning districts (MU-N and MU-N (RPD)). Frank Electric Partners is currently proposing to develop both parcels with a single development under the proposed MU-N Mixed Use Neighborhood Zoning District (renames/replaces CC-R).

Sincerely,



Michael J. Eggers
General Partner
Frank Electric Partners

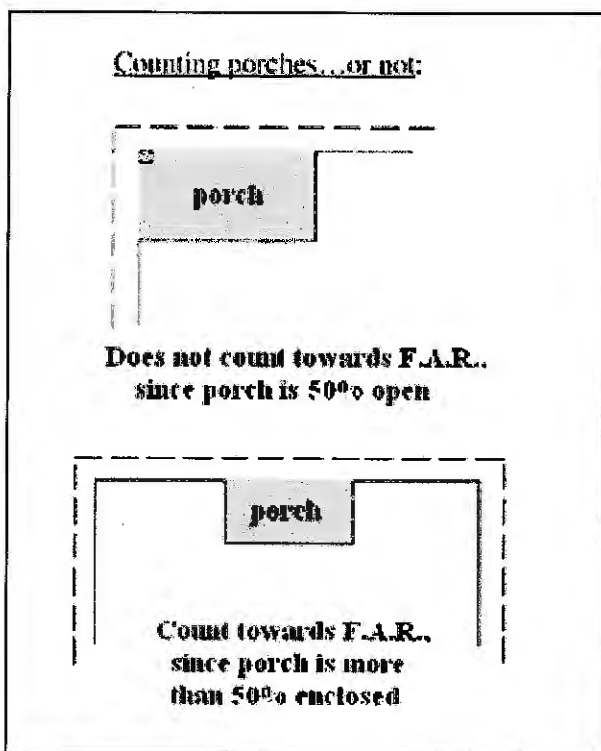
Attachment: Correspondence (1719 : Zoning Code Update)

From: John Moniz
To: [John Baty](#)
Subject: Zoning Code Update Comment
Date: Tuesday, April 03, 2018 7:59:06 AM

Hello John,

Firstly, I want to congratulate you on a really nice update to the zoning code. The combination of text and graphics provides the reader a clear understanding of the allowable uses and development standards of each zoning district. The only section I think we need to consider more is how FAR is calculated, specifically the inclusion of porches in floor area. My concern is that, in the economic performance of any residential project, if a square foot of porch is considered the same as a square foot of living space, then all builders will choose to build a larger home than a larger porch, as the square footage of the living space is how they (the builders) make projects profitable. A reasonable approach might be represented by the graphic below:

- Porches (covered) that are open on at least two sides not count as floor area (not including posts)
- Porches (covered) that are open to only one side count as floor area
- Another interpretation might be that any porch element covered by the primary roof is counted as floor area



I look forward to your presentation on the 10th.

John Moniz, CGBP
 Senior Planner

Zoning Code Update – Response to Comments

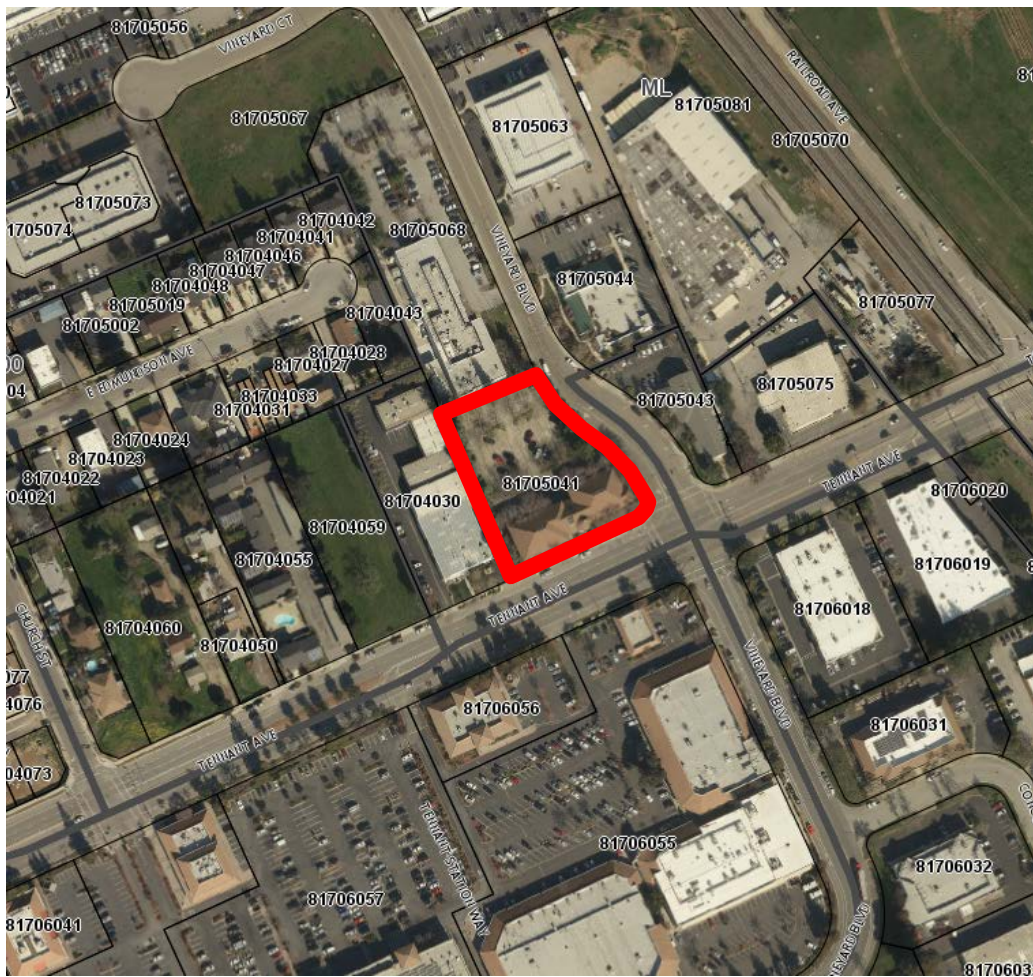
List of Comments Received

1. [275 Tennant Avenue](#) (Dan Eakins)
2. [Morgan Hill Hotel Coalition](#) (J. Randall Toch)
 - 2.a. [Budget Inn and Comfort Inn](#) (San K. Panwala)
 - 2.b. [La Quinta Inn & Suites](#) (Andrew Firestone/Anna-Liza Anderson)
3. [70 W. 5th Street](#) (Nicole Grave)
4. [Section 18.108.070 Minor Exceptions](#) (Craig van Kuelen)
5. [900 Lightpost Way](#) (Sofia Fedotova)
6. [30 and 50 Myrtle Avenue](#) (Michael J. Eggers)
7. [Floor Area Ratio – Porches](#) (Ruggeri-Jensen-Azar)
8. Nina Lane (Winland and Burgos)

Zoning Code Update – Response to Comments

1. 275 Tennant Avenue (Dan Eakins)

Staff supports the proposed CN Neighborhood Commercial Zoning District for the subject site instead of the proposed CS Service Commercial Zoning District. The uses allowed, and the permitting requirements for professional office, medical office, and personal service uses, in the CN Zoning District are more consistent with the current and future uses that occupy or are expected to occupy the existing professional office building.



Attachment: Initial Staff Response to Correspondence (1719 : Zoning Code Update)

Zoning Code Update – Response to Comments

2. [Morgan Hill Hotel Coalition](#) (J. Randall Toch)

2.a. [Budget Inn and Comfort Inn](#) (San K. Panwala)

2.b. [La Quinta Inn & Suites](#) (Andrew Firestone/Anna-Liza Anderson)

Where Hotels and Motels are Allowed (Existing / Proposed)

The following table compares current and proposed permitting requirements for hotel and motel uses in existing and proposed zoning districts. No change in permitting requirements are proposed for the MU-N Mixed Use Neighborhood, MU-F Mixed Use Flex, CN Neighborhood Commercial, and CH Highway Commercial Zoning Districts. In the CG General Commercial and CS Service Commercial Zoning Districts, the permitting requirement is proposed to change from a Conditional Use Permit (CUP) to an Administrative Use Permit (AUP). In the proposed new CI Commercial/Industrial Zoning District, hotels and motels are proposed to be permitted. In the SRL-A Sports Recreation & Leisure Zoning District, hotels and motels are proposed to no longer be allowable and in the SRL-B Sports Recreation & Leisure Zoning District, hotels and motels would require a CUP.

Hotels and Motels

Existing / Proposed Zoning District	Existing Permitting	Proposed Permitting
CC-R / MU-N	C	C
CL-R / MU-F	C	C
CN / CN	C	C
CG / CG	C	A
HC / CH	P	P
CS / CS	C	A
- / CI	-	P
SRL-A / SRL-A	C	-
SRL-B / SRL-B	P	C

“-” = Not permitted. “P” = Permitted. “A” Administrative Use Permit. “C” Conditional Use Permit.

AUP decisions are appealable to Planning Commission

CUP decisions are appealable to City Council.

General Plan Consistency

To support business and leisure travelers, the General Plan includes several policies to accommodate a variety of locations for new lodging opportunities.

Zoning Code Update – Response to Comments

The Commercial/Industrial General Plan Land Use designations states specifically, “this designation would allow office, research and development, light industrial uses, and similar uses, and would also allow amenities, such as retail services, restaurants, and lodging...”

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...

Policy ED-3.8 Dynamic Working Environments. Allow amenities, such as retail, services, restaurants, and lodging, as ancillary uses to support the primary job-generating uses...

Policy ED-4.9 Overnight Accommodations. Support the construction of a full range of new lodging facilities to build the local tourism industry...

Policy ED-4.11 Tourism Support Services. Actively promote development of tourist-oriented commercial, industrial, and recreational uses and facilities, including such uses as lodging...

The General Plan Land Use Map designates the general distribution of basic land uses, including housing, business, industry, open space, and public facilities within the City’s planning area. The General Plan Land Use designations are implemented (carried out on a day-to-day basis) by the specific rules (e.g., allowed uses, permitting requirements, development standards, etc.) established for each zoning district in the City’s Zoning Code.

CO Administrative Office Zoning District

The range of mainly professional office uses that are currently permitted or conditionally allowable in the CO Administrative Office Zoning District are similarly allowed in the CN Neighborhood Commercial that would replace the CO District that is proposed to be eliminated. Unlike the CN District, the existing CO District does not allow the possibility for small scale retail and/or services to be integrated into existing neighborhoods.

Of the five (5) areas that are currently zoned CO, three (3) are fully developed with existing professional office buildings/uses and two (2) are vacant. Even if the CO Zoning District were retained, it is likely that the City would entertain/support a rezoning request for the two (2) vacant sites to a different commercial district that allowed greater flexibility in terms of allowable uses, particularly given their proximity to Highway 101 and two major collectors, and not being located near sensitive receptors.

Zoning Code Update – Response to Comments

370 W. Dunne Avenue



17705 Hale Avenue



15305 Watsonville Road
15325, 15335, 15345 Calle Enrique



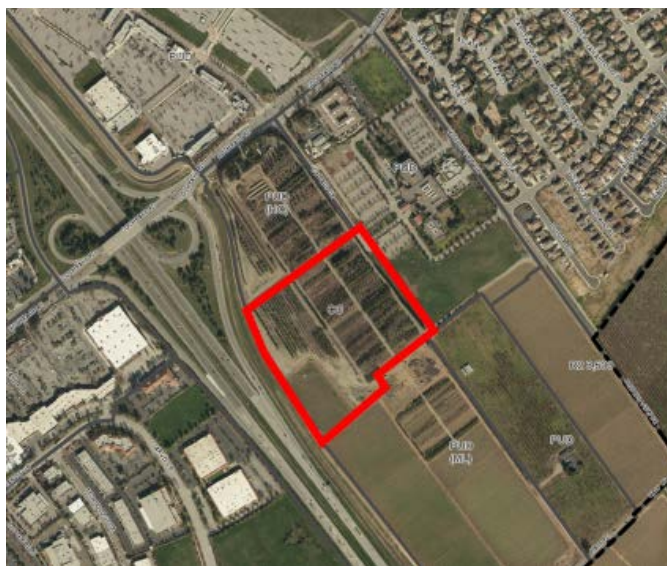
Attachment: Initial Staff Response to Correspondence (1719 : Zoning Code Update)

Zoning Code Update – Response to Comments

Northwest corner Caputo Drive and
Tennant Avenue



East of Hwy 101, 800ft southerly Cochrane Road



Attachment: Initial Staff Response to Correspondence (1719 : Zoning Code Update)

Zoning Code Update – Response to Comments

3. 70 W. 5th Street (Nicole Grave)

Comparison of existing D-R3 Zoning District and proposed RAL 3,000 Zoning District

APN: 767-08-025

General Plan: RAL - Residential Attached Low

Lot Dimensions: 40 feet by 200 feet

Lot Size: 8,000 sf (0.18 acre)

	Zoning	
	Existing	Proposed
	D-R3	RAL 3,000
Minimum Lot Area (sf)	3,200	3,000
Minimum Lot Area per Unit (sf)	1,200	3,000
Minimum Lot Width (ft)	40	40
Minimum Lot Depth (ft)	80	80
Maximum Building Coverage (%)	70	50
Minimum Setbacks (ft)		
Front	15	20**
Rear	15	15
Sides	5	5
Maximum Height (stories / ft)	3 / 35	30*

General Plan Density (Units/Acre)

6 to 16

6 to 16

Theoretical Units on 8,000sf lot

1 to 2

1 to 2

** 18.56.030 - Setback Exceptions allow up to 5-foot projection into front setback for porches, stairs, etc. Director may approve up to 25% reduction for front setback with Minor Exception.

* 18.56.020 - Height Exceptions allow projections above height limit.

The parcel in question (yellow outline in map below) is located within a portion of the Downtown (red outline) that is designated Residential Attached Low (RAL) on the Morgan Hill 2035 General Plan Land Use Map. The existing D-R3 Downtown Medium Density Zoning District is not consistent with the RAL General Plan designation. There are two existing/proposed zoning districts that would conform to the RAL General Plan designation: R2 3,000/RAL 3,000 and R2 3,500/RAL 3,500. Staff is proposing RAL 3,000.

Zoning Code Update – Response to Comments



Citywide Zoning District Name Changes

Several of the City's Zoning Districts (mostly residential) are proposed to have their names changed to better reflect the corresponding General Plan Land Use designation. The table below shows those proposed zoning district symbols/names, previous zoning district, and General Plan designation:

Zoning District Symbol	Name of Zoning District (Previous Zoning District, If Applicable)	General Plan Designation
Residential Zoning Districts		
RE 10	Residential Estate (10 acre lots)	Residential Estate
RE 2.5	Residential Estate (2.5 acre lots) (formerly the RE Residential Estate 100,000 district)	
RE 1	Residential Estate (1 acre lots) (formerly the RE Residential Estate 40,000 district)	
RDL 20,000	Residential Detached Low Density (20,000 sq. ft. lots) (formerly the R-1 Single-Family Low Density 20,000 district)	Residential Detached Low

Zoning Code Update – Response to Comments

Zoning District Symbol	Name of Zoning District (Previous Zoning District, If Applicable)	General Plan Designation
RDL 12,000	Residential Detached Low Density (12,000 sq. ft. lots) (formerly the R-1 Single-Family Low Density 12,000 district)	
RDM 9,000	Residential Detached Medium Density (9,000 sq. ft. lots) (formerly the R-1 Single-Family Medium Density 9,000 district)	Residential Detached Medium
RDM 7,000	Residential Detached Medium Density (7,000 sq. ft. lots) (formerly the R-1 Single-Family Medium Density 7,000 district)	
RDH 4,500	Residential Detached High Density (4,500 sq. ft. lots) (formerly the R-1 Single-Family High Density 4,500 district)	Residential Detached High
RAL 3,500	Residential Attached Low Density (3,500 sq. ft. per unit) (formerly the R-2 Medium Density 3,500 district)	Residential Attached Low
RAL 3,000	Residential Attached Low Density (3,000 sq. ft. per unit) (formerly the R-2 Medium Density 3,000 district)	
RAM	Residential Attached Medium Density (2,000 sq. ft. per unit) (formerly the R-3 Medium Density district)	Residential Attached Medium
RAH	Residential Attached High Density (1,100 sq. ft. per unit) (formerly the R-4 High Density district)	Residential Downtown

Zoning Code Update – Response to Comments

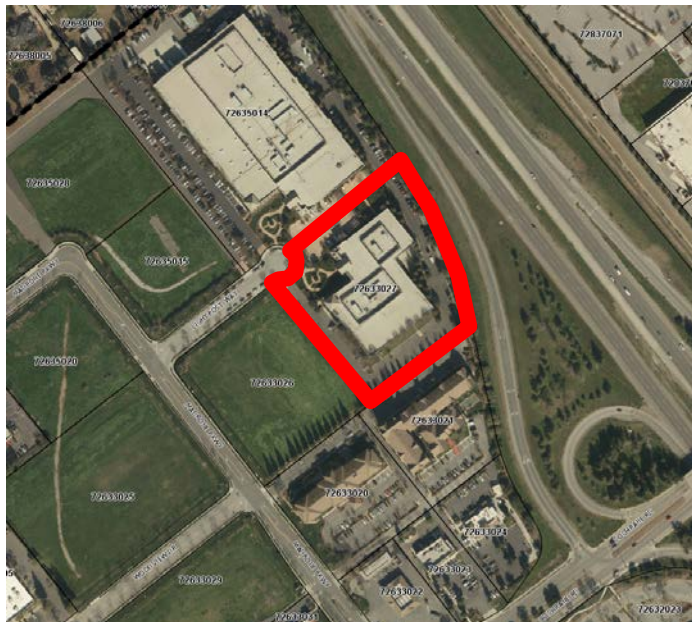
4. [Section 18.108.070 Minor Exceptions](#) (Craig van Kuelen)

Staff supports adding minimum lot width to the list of permitted exceptions.

A project that receive a Minor Exception for lot width would still need to meet the minimum lot size requirement for the zoning district.

Zoning Code Update – Response to Comments

5. 900 Lightpost Way (Sofia Fedotova)



The site has a Commercial/Industrial General Plan Land Use designation and is currently zoned ML Light Industrial, which will be renamed IL Light Industrial in the new Zoning Code.

Although the site is proposed to be rezoned to the new CI Commercial Industrial Zoning District to be more consistent with the current General Plan designation, the site could remain IL Light Industrial, which would still conform.

Staff proposes to retain the existing Light Industrial Zoning District for this site.

Food and Beverage Production >5,000sf and Food and Beverage Production 5,000sf to 10,000sf are permitted in the IL Light Industrial Zoning District when 150-feet or more from a residential zoning district, otherwise a CUP is required. Food and Beverage Production >10,000sf requires an Administrative Use Permit (AUP) in the IL Light Industrial Zoning District.

The purpose of limiting the square footage of tasting rooms to 3,000sf or 10 percent of the floor area of the primary use, whichever is less, and requiring that they be located within the same building as the primary use is to ensure that the tasting room remains an accessory use to the primary industrial brewery or winery use.

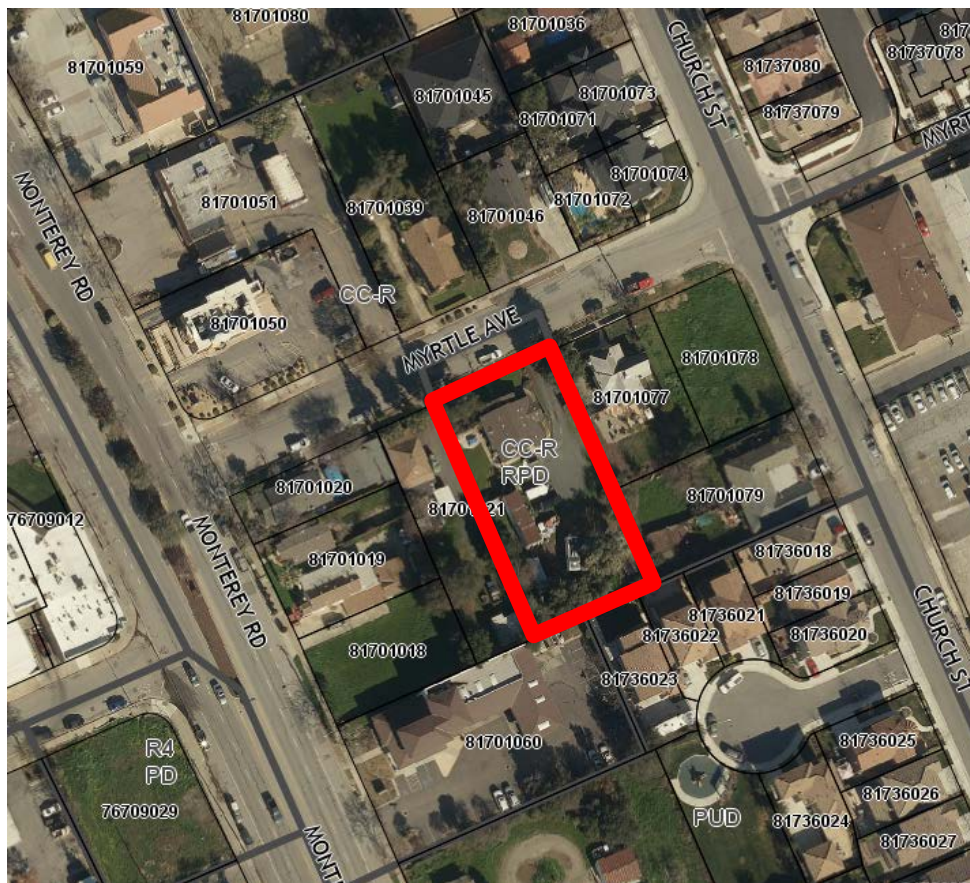
Warehousing and Distribution, Small remains a permitted use in the IL Light Industrial Zoning District.

The City is investigating additional guidelines/regulations for freestanding freeway-oriented signage. The proposed Zoning Code limits freeway-oriented signs to larger unified commercial retail development of 100,000sf or more on sites a minimum of 10 acres that directly abut Highway 101.

Zoning Code Update – Response to Comments

6. 30 and 50 Myrtle Avenue (Michael J. Eggers)

Staff supports the proposal to remove the Residential Planned Development (RPD) Overlay from 50 Myrtle Avenue leaving the underlying conventional MU-N Mixed Use Neighborhood Zoning District (currently CC-R). The properties to the west (same owner) and to the east (different owners) are currently zoned CC-R (MU-N).



Attachment: Initial Staff Response to Correspondence (1719 : Zoning Code Update)

Zoning Code Update – Response to Comments

7. Floor Area Ratio – Porches (Ruggeri-Jensen-Azar)

Staff supports the requested change to not count porches that are 50% or less enclosed (not including posts/columns) and covered as living space for floor area ratio (FAR) calculation purposes.

The porch example below would not be counted as living space.



Photo by Patricia Nielson: www.minarosebeauty.com

The California Room in the photo below would be counted as living space.



Photo from Spinnaker Development: www.realtor.com/advice/buy/what-is-a-california-room/

Zoning Code Update – Response to Comments

8. Nina Lane (Winland and Burgos)

Linda and Donald Winland are opposed to the proposed rezoning of the area south of San Pedro Avenue between Nina Lane and Highway 101 (outlined in red below) from the existing RE 1 Residential Estate Zoning District to the RDL 20,000 Residential Detached Low Zoning District.

Vince Burgos, Jr. suggested the area be rezoned RDL 12,000 Residential Detached Low given the adjacent zoning districts to the west.

The adjacent subdivision to the west around San Vicente Court is zoned R1 12,000 (RPD). The three larger parcels on the southwest corner of San Pedro Avenue and Nina Lane (APNs 817-60-019, -026, -027) are zoned R1 7,000.

The area in red has a Residential Detached Low General Plan Land Use designation. The RDL 12,000, RDL 20,000, and RE 1 Zoning Districts are consistent with the RDL General Plan designation.

