



## PLANNING COMMISSION STAFF REPORT

### MEETING DATE: December 10, 2019

PREPARED BY: Jim Rowe, Contract Planner

APPROVED BY: Jennifer Carman, Community Development Director

### SR2019-0029 DEPAUL - TC MORGAN HILL VENTURES: PRELIMINARY PLAN REVIEW FOR A PROPOSED PLANNED DEVELOPMENT COMMERCIAL AND INDUSTRIAL PROJECT ALSO REFERRED TO AS THE MORGAN HILL TECHNOLOGY PARK (TRAMMELL CROW).

#### RECOMMENDATION(S)

1. Open/close the continued public hearing to allow the Planning Commission to provide preliminary comments on the proposed Planned Development.

#### LOCATION MAP



#### PROJECT SUMMARY:

1. Location: North side of Half Road, south side of Cochrane Road and west of the southerly extension of DePaul Drive. (APN 728-30-006, -008, -009 and APN 728-31-014, -015 and -016)
2. Site Area: 60.82 Acres
3. General Plan: Commercial (30.08 acres), Commercial Industrial (30.74 acres)
4. Zoning: Planned Unit Development-CH (Highway Commercial) on approximately 12 acres, CO (Administrative Office) on

approximately 18.08 acres and PUD (Light Industrial) on 30.74 acres.

**BACKGROUND:**

The project was presented to the Planning Commission at a Special Meeting held on October 15, 2019. The Planning Commission received several hours of public comment from concerned residents. Due to the late hour, the Planning Commission continued the public hearing regarding the project until the October 22, 2019 meeting to allow for the applicant rebuttal and Planning Commission discussion. The staff report and all related documents from the October 15, 2019 Planning Commission meeting have been provided (Attachment 1).

In response to the preliminary comments received from the Planning Commission and comments received from the public, the applicant has prepared a revised project description (Attachment 2). In addition, a new site plan, building elevations and other related plans have been prepared for the project (Attachments 3 through 7). The applicant is requesting additional preliminary comments from the Commission on the revised site plan. Changes to the site plan include:

1. The larger 533,220 square foot building (Building 3) has been replaced with three smaller buildings. The new six building light industrial component will have buildings ranging in size from 79,990 square feet (Building C) to 219,600 square feet (Building B).
2. All service doors are now located on the side building elevations eliminating the need for the 10-foot screen wall on DePaul Drive.
3. The number of truck service doors is reduced from 199 to 124 doors.
4. Communication towers will be located at the southwest corner of Building C and northwest corner of Building D to provide enhanced wireless voice and data (5G) communication infrastructure.
5. The on-site stormwater detention and treatment facilities will also include capacity to provide new stormwater / runoff pollution protection for the De Paul Health Center.
6. The revised site plan eliminates the truck trailer parking. The number of automobile parking spaces has been increased from 752 spaces to 1,420 parking spaces.
7. Location of project amenities are included in the revised site plan. Amenities will include accommodations for public art, and the planting of canopy trees at the perimeter of the project site to provide shade for the adjacent public Madrone Multi-Use Trail.

Conclusion

Staff recommends the Planning Commission provide additional feedback regarding the revised Preliminary Development Plan. As a reminder, input is not a recommendation for approval or denial of the project. At this point in project review, any recommendation to the applicant is advisory only and shall not be binding on either the applicant or the City.

**California Environmental Quality Act (CEQA):**

An Environmental Impact Report (EIR) is being prepared to identify the significant environmental effects anticipated to result from development and operation of the project as proposed. An amendment to scope and budget has been prepared for additional services based on the above changes to the project description. The additional analysis will add approximately 12 weeks to the estimated processing schedule. The Draft EIR is now expected to be completed and circulated for public review and comment in March 2020. Subsequent to the preparation of the EIR, public hearings will be scheduled to consider and take action on the project.

**LINKS/ATTACHMENTS:**

1. Planning Commission Staff Report- October 15, 2019 (Weblink)
2. Revised Project Description and Statement of Public Benefit 11-04-19
3. Elevations: Buildings A to C (Weblink)
4. Elevations: Buildings D to F (Weblink)
5. Grading Plan (Weblink)
6. Site Plan (Weblink)
7. Site Sections (Weblink)
8. Item 1 Supplemental #1

DEVELOPMENT  
SERVICES

NOV 06 2019

CITY OF MORGAN HILL

Trammell Crow Company

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San Francisco, CA 94105415-772-0399 Direct  
650 224 8707 MobileTjodry@trammellcrow.com  
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**Tom Jodry**  
Senior Vice President  
Development Management

City of Morgan Hill Planning Department  
Attention Jim Rowe  
17575 Peak Avenue  
Morgan Hill, CA 95037-7236

General Plan Amendment, Zoning Amendment and PD Combining District Plan  
APPLICATION & SUPPORTING STATEMENT  
DATE: 11/4/2019

Dear Jim,

In response to the requirements set forth by the City of Morgan Hill Municipal Code regarding the proposed General Plan Amendment, Zoning Amendment and Planned Development Combining District Application, we propose a General Plan Amendment and PD Combining District Zoning designation be approved for the subject property we refer to as *Morgan Hill Technology Center*, an advanced manufacturing and research business park.

The project will consist of a 2.92 acre Highway Commercial parcel fronting Cochrane Road, 6 parcels on varying sizes totaling 54.7 acres and 6 buildings with a combined square footage of 1,042,000 sf of Advanced Manufacturing Building space.

Morgan Hill Technology Center will provide numerous public benefits to the City of Morgan Hill that advance goals of the 2035 General Plan and the City's Economic Blueprint. Examples of benefits include the following:

1. The project creates additional industrial land to generate skilled job opportunities and to promote a healthy jobs-housing balance for Morgan Hill
2. The project reduces the site's commercial footprint, responding to the Economic Blueprint's retail concentration efforts
3. The project provides industrial inventory, improving expansion opportunities for local and regional businesses, while maximizing the economic potential of the land
4. We anticipate the project will generate 1,000 or more net new jobs and \$100 million or more in annual salaries and wages, including job opportunities for Morgan Hill residents that reduce commute times and support aligning household incomes with local housing costs

Date: 11/4/2019

General Plan Amendment, Zoning Amendment and PD Combining District Plan  
APPLICATION & SUPPORTING STATEMENT

5. The project anticipates the generation of over 400 construction jobs
6. The project is respectful of the community and designed appropriately so it is not intrusive and does not max out allowable building coverage or height limits. The project offers considerable landscaping, benches along DePaul Drive, tenant amenity areas and screening throughout with significant articulation and varied facade elevation heights
7. The project will serve as an acoustic barrier for properties to the East of Highway 101
8. The project will create multiple opportunities for wall murals and public art
9. The project combines state of the art facilities with flexible design to attract new companies to the City
10. Salaries at the project are anticipated to be meaningfully higher than the average salary in Morgan Hill
11. The project proposes to provide enhanced wireless voice & data communication infrastructure in response to the City's Telecommunications Master Plan
12. The project will contribute significant impact fee funds, approximately \$13,000,000, to help ensure the City maintains a healthy, fiscally sustainable budget
13. The project will provide approximately \$700,000 in annual General Fund revenues which will contribute to local schools, police, firefighters, infrastructure and parks
14. The project will help drive sales taxes from employees patronizing local shops and restaurants, and overnight stays at local hotels, including occupancy taxes (TOTs – Transit Occupancy Tax) that support Morgan Hill's General Fund
15. The project will enhance the area through the direct construction of streets, sidewalks, and public infrastructure, improving pedestrian accessibility
16. The project proposes to provide public benches in multiple locations along DePaul Drive, Half Road & Cochrane Road
17. The project will provide enhanced bike and trail entry/access stations to the Madrone Channel Multi-use Trail and shading of the trail through its perimeter

Date: 11/4/2019

General Plan Amendment, Zoning Amendment and PD Combining District Plan  
APPLICATION & SUPPORTING STATEMENT

landscaping. Elements will include public drinking/water-bottle refilling and pet water stations, and exercise/rest nodes

18. The project will feature sustainable design elements including solar compatibility, bike racks, bike charging stations and provisioning for EV charging stations

19. The project will provide new stormwater/runoff pollution protection for the De Paul Health Center

We request the approval of a General Plan Amendment to change the current land use designations of Commercial and Commercial/Industrial as follows:

Current General Plan Designation Commercial shall be reduced in area from approximately 30.08 acres to 2.92 acres per the attached "Exhibit 1 – Existing General Plan Designation and Zoning District" and "Exhibit 2 – Proposed General Plan Designation and Zoning District". The change affects all or part of APNs: 728-31-014, 728-31-015, and 728-31-016.

Current General Plan Designation Commercial/Industrial shall be expanded in area to 57.00 acres per the attached "Exhibit 1 – Existing General Plan Designation and Zoning District" and "Exhibit 2 – Proposed General Plan Designation and Zoning District". The change affects all or part of APNs: 728-30-006, 728-30-008, 728-30-009, 728-31-014, 728-31-015, and 728-31-016.

Note: The areas listed above are for proposed parcels and have taken into account expected right of way dedications.

In addition, we request Planned Development Combining District Zoning (PDZ-IL) be approved for the proposed combined total of the proposed Industrial Zoned property per the attached Exhibit 2.

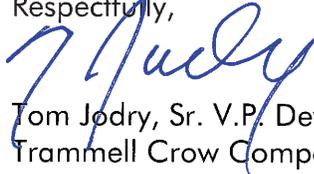
The proposed Industrial uses support a wide range of quality jobs, generate a significant amount of revenue and provide essential services that underpin the local and regional economies.

A Parcel Map will be recorded upon acceptance and approval of the new General Plan & Planned Development Combining District per the attached "Exhibit -3".

We request the specific uses be approved per the attached Highway Commercial (CH) PD Combining Use Designation Exhibit and Industrial (CI) PD Combining Use Designation Exhibit.

Date: 11/4/2019  
General Plan Amendment, Zoning Amendment and PD Combining District Plan  
APPLICATION & SUPPORTING STATEMENT

Respectfully,



Tom Jodry, Sr. V.P. Development Management  
Trammell Crow Company

CC: Will Parker  
Don Little  
Daniel Odette

Attachment: Revised Project Description and Statement of Public Benefit 11-04-19 (2583 : SR2019-0029 Preliminary Plan Review for Morgan Hill

## Item # 1

AGENDA DATE: 12/10/19

SUPPLEMENTAL # 1

December 5<sup>th</sup>, 2019

John and Tami Lee-Lukez  
1675 Mission Avenida  
Morgan Hill, CA 95037

Jennifer Carman – Development Services Director  
Morgan Hill Planning Commission  
17575 Peak Avenue  
Morgan Hill, CA 95037

Dear Ms. Carman:

My wife and I are writing in opposition to the proposed zoning changes being requested for the Morgan Hill Technology Park (SR2019-0029). Our family and numerous other families in our neighborhood have been closely following the developments on this project since we learned about it this summer.

We have studied the revised site plan released on December 4<sup>th</sup>, and still find the fundamental use case of the project to be out of character with both the General Plan and current zoning for these parcels. The “Technology Park” nomenclature hardly suits what can only reasonably be construed to be a “distribution center”. I have worked at high technology companies in Morgan Hill and presently in San Jose in buildings of 75,000 to 120,000 square feet which have 1 to 2 truck dock doors. The revised site plan contains 124 dock doors across six buildings.

We fully support quality development in Morgan Hill and appreciate the City’s desire and need to increase the tax base to fund valuable facilities and services in Morgan Hill. To date, Morgan Hill has done a reasonably good job of managing growth in a way to preserve the unique character and nature of the environment here. This project takes a predominantly retail and residential area and adds what will be a high volume of smoke belching class 8 trucks to the area on a freeway and overpass structure not designed for this kind of traffic volume. The DePaul / Cochrane interchange will be further clogged with all the truck traffic and nearby neighborhoods built in just the last 2 years will get to listen to Diesel trucks coming and going at the wee hours of the night.

The City and The Planning Commission should encourage the quality development prospects for these parcels of land that deliver high paying jobs – not the kind of jobs a distribution center will deliver paying perhaps \$15 / hour to \$25 / hour (currently advertised Amazon warehouse job salaries). Morgan Hill already has solid examples of high tech and innovative companies with Anritsu Corporation and Specialized Bicycles as long time examples. Why not have Trammell Crow come up with a site plan that truly would attract companies of this nature -- these buildings are generally 1 to 2 floors with between 50,000 to 100,000 square feet and many windows and only a few dock doors.

Regards,

John and Tami Lee-Lukez



# SR2019-0029: DePaul – TC Morgan Hill Ventures Preliminary Review

## December 10, 2019



# Purpose of Tonight's Meeting

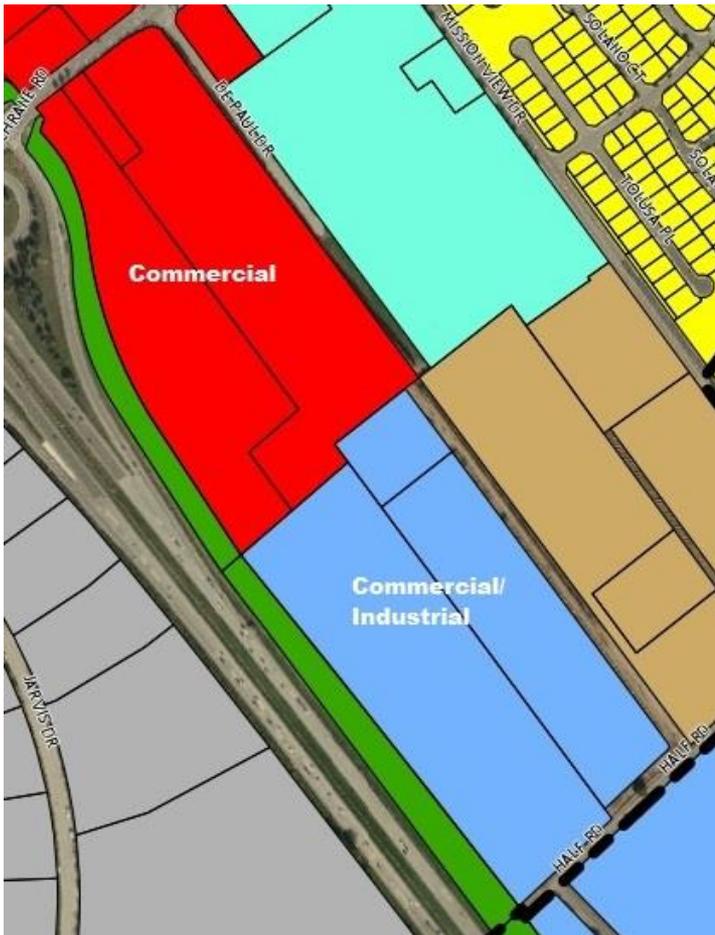


- Application for a Planned Development District (PD) requires a Preliminary Review hearing.
- Response to the preliminary comments received from the October 15 & 22, 2019 Planning Commission meetings
- Revised Project Description
- New Site Plan & Elevations
- Requesting additional preliminary comments from the Commission on the revised site plan

# Application for:

General Plan Amendment to adjust the boundaries between Commercial and Commercial/Industrial Land Use Designations

Existing



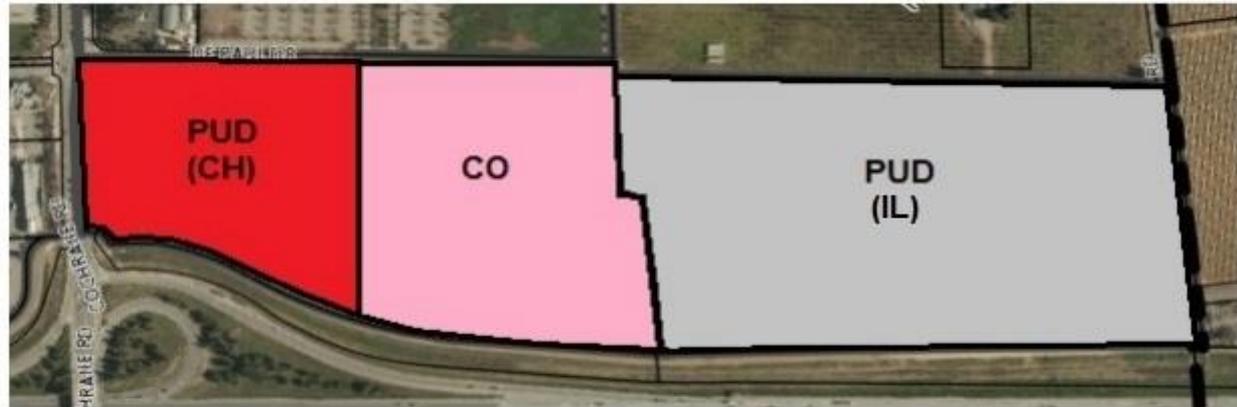
Proposed



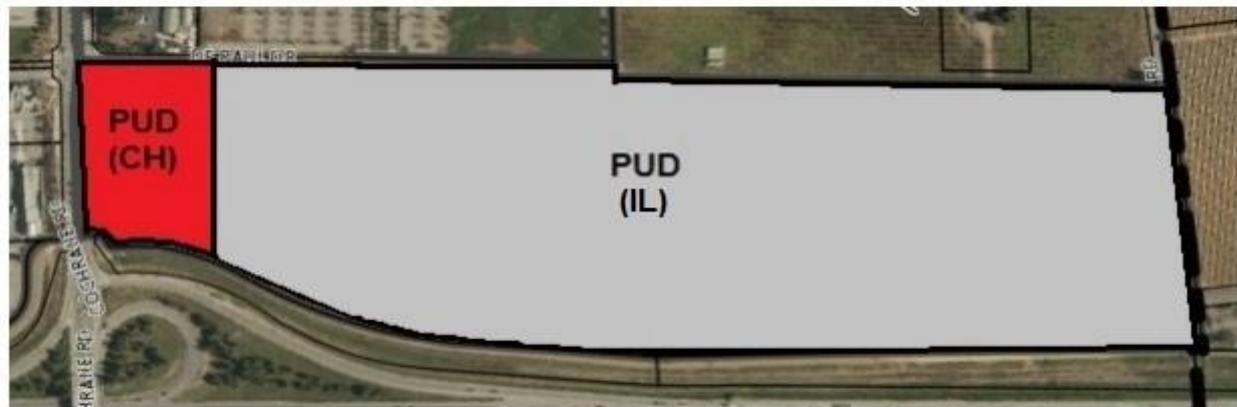
# Application for:

Zoning Amendment to create a Planned Development  
Combining District and associated Master Plan

Existing



Proposed

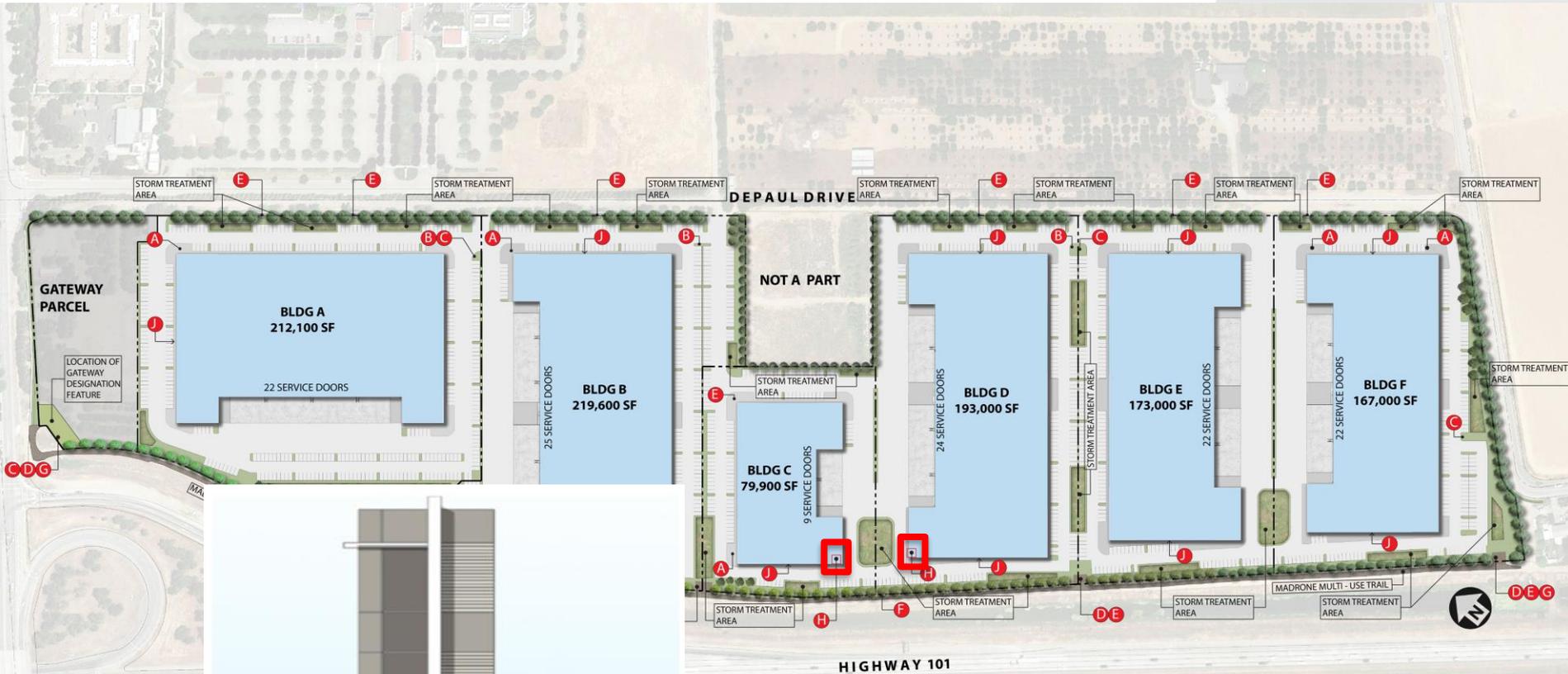


# Conceptual Plan



	GATEWAY PARCEL	BLDG.A	BLDG.B	BLDG.C	BLDG.D	BLDG.E	BLDG.F	IL TOTAL
<b>SITE AREA</b>								
In s.f.	134,246	531,208	474,599	209,280	399,072	371,997	399,108	2,519,510
In acres	2.92	12.19	10.89	4.80	9.16	8.53	9.16	57.84
<b>ZONING</b>	CH	IL	IL	IL	IL	IL	IL	IL
<b>BUILDING AREA</b>		<b>212,100</b>	<b>219,600</b>	<b>79,900</b>	<b>193,000</b>	<b>173,000</b>	<b>167,000</b>	<b>1,044,600 s.f.</b>
<b>COVERAGE</b>		39.9%	46.3%	38.2%	48.4%	46.5%	41.8%	41.4%
<b>AUTO PARKING PROVIDED</b>								
Standard ( 9' x 18' )		376	306	130	195	207	206	1420 stalls
<b>NUMBER OF SERVICE DOOR</b>		22	25	9	24	22	22	124

# Conceptual Plan



A BIKE RACK



H COMMUNICATION TOWER



E STREETScape AMENITY



F SPLIT-RAIL FENCE



G BOTTLE REFILLING STATION

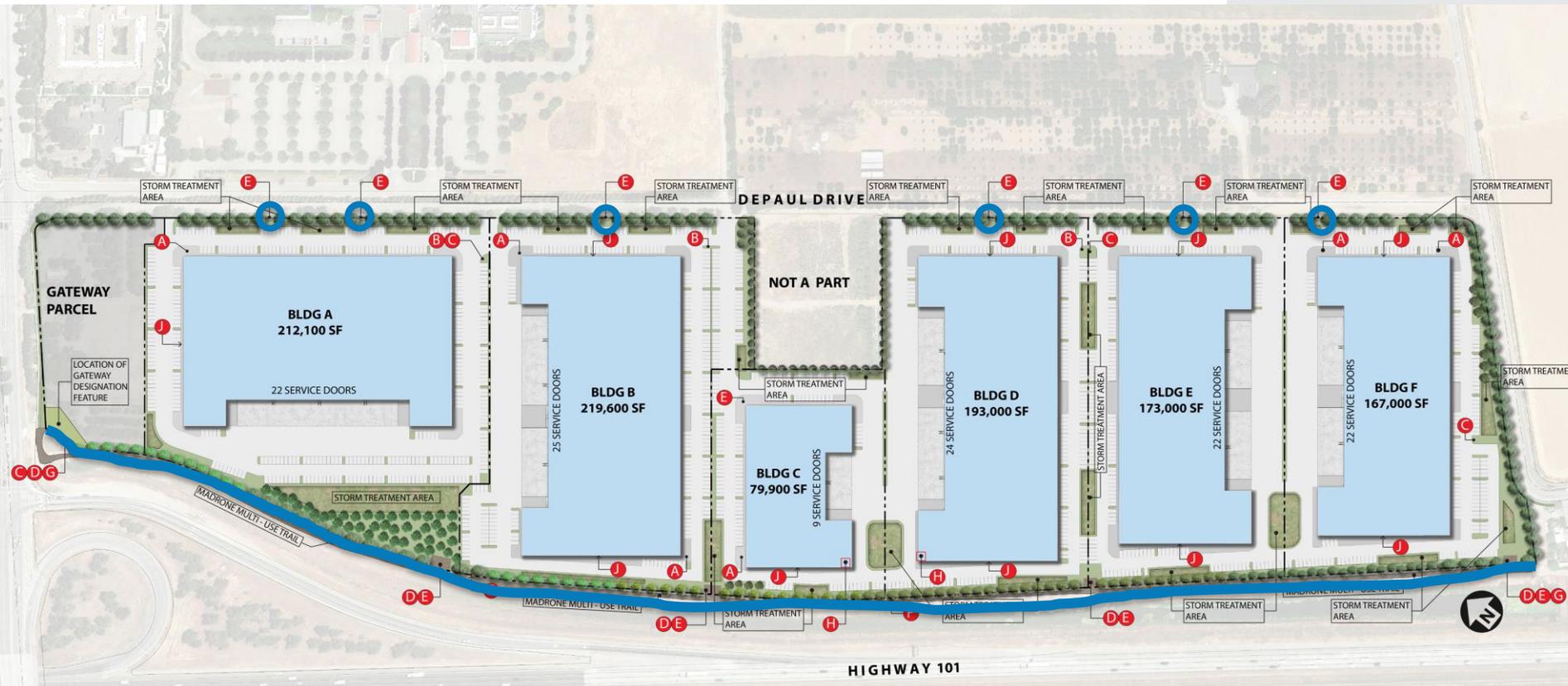


H COMMUNICATION TOWER

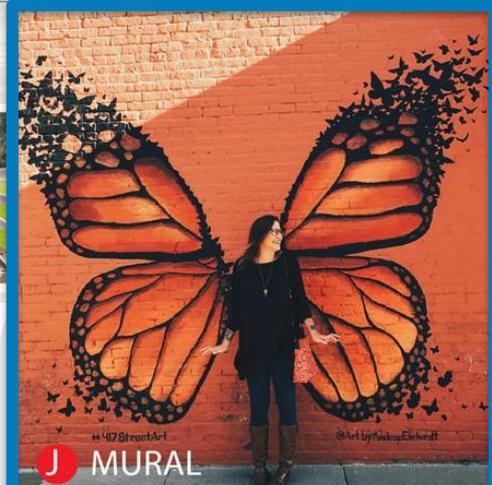


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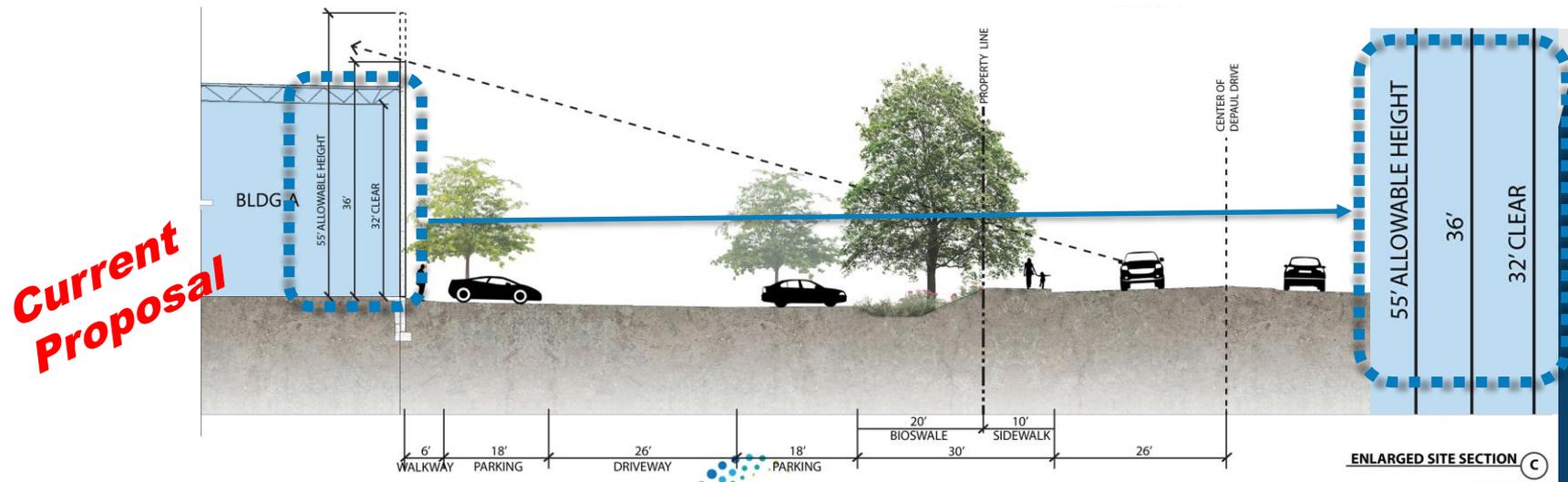
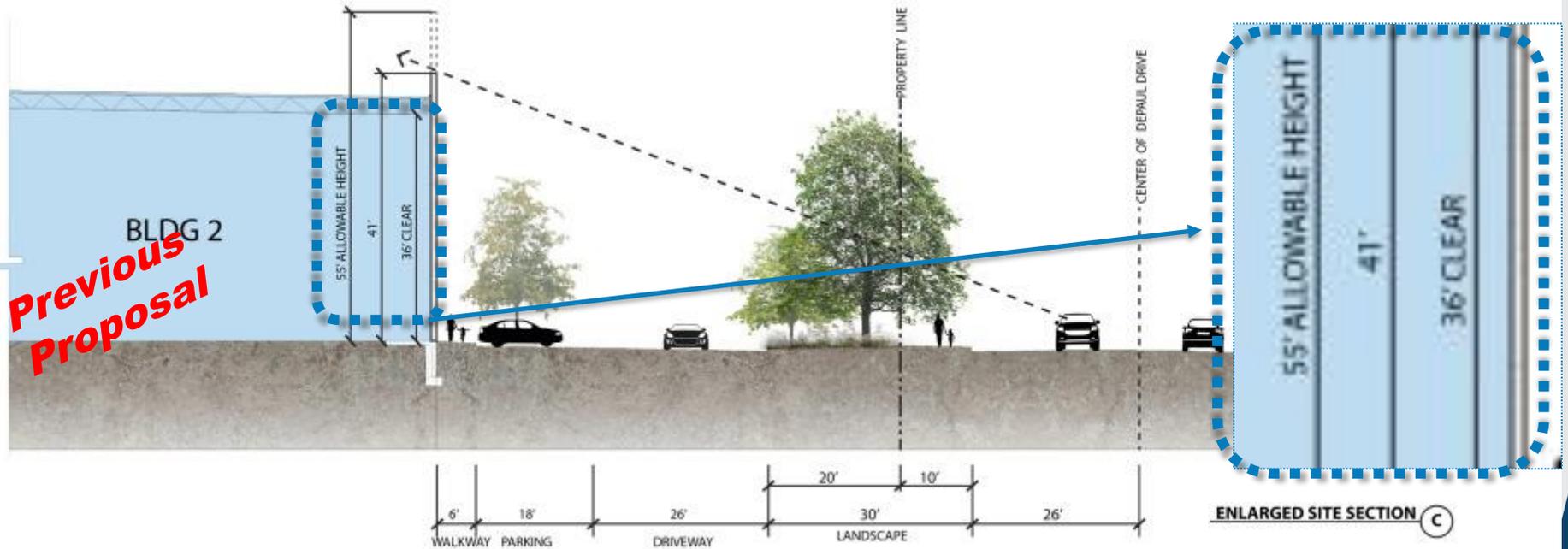
# Conceptual Plan



# Conceptual Plan



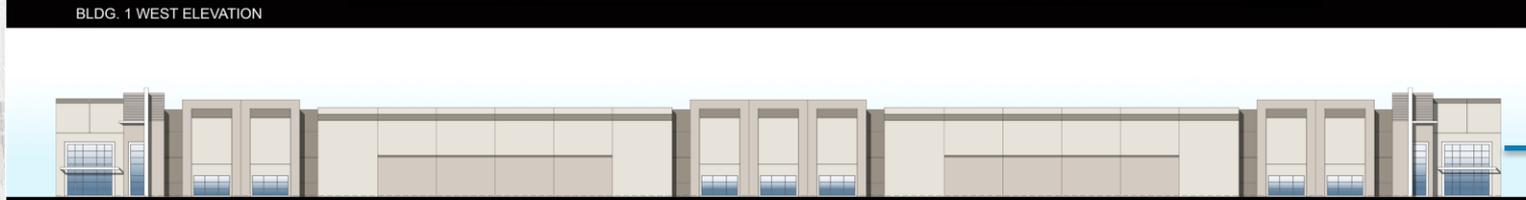
# Proposed Development Standards



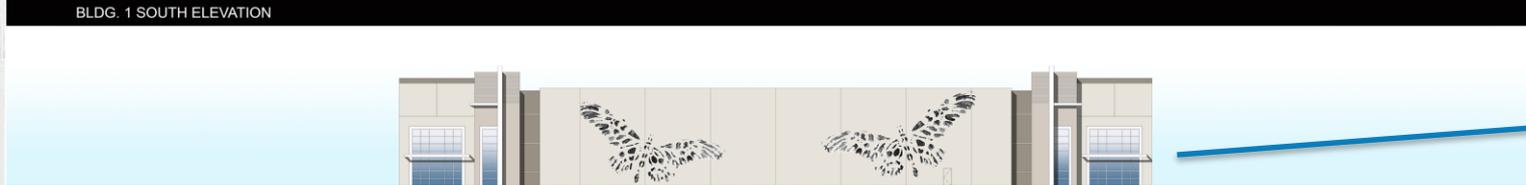
# Conceptual Plan



BLDG. 1 WEST ELEVATION



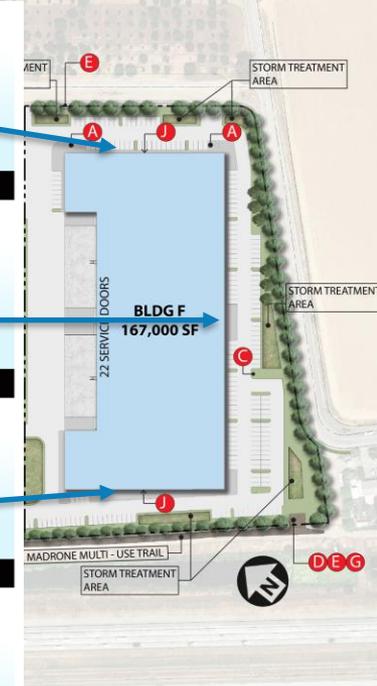
BLDG. 1 SOUTH ELEVATION



BLDG. 1 EAST ELEVATION



BLDG. 1 NORTH ELEVATION



# Questions?



# THE WALL STREET JOURNAL.

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<https://www.wsj.com/articles/e-commerce-companies-get-creative-in-quest-for-last-mile-space-1544364000>

## LOGISTICS REPORT

# E-Commerce Companies Get Creative in Quest for 'Last Mile' Space

Garages, unused lots come into play as firms seek warehousing closer to customers



Packages sit on a cart outside an Amazon warehouse in San Francisco. PHOTO: DAVID PAUL MORRIS/BLOOMBERG NEWS

By *Erica E. Phillips*

Dec. 9, 2018 9:00 am ET

From tents on vacant suburban lots to a parking garage converted for package handling underneath Chicago's Millennium Park, companies are getting creative in the race to get goods to consumers this holiday season.

The explosive growth of e-commerce and the competition among retailers to deliver goods quickly is running hard up against the scarcity of warehousing near population centers, triggering a land grab for distribution space that experts say is accelerating this year. Unlike the sprawling fulfillment centers typically built on the outskirts of cities, the newer, more streamlined handling sites are set up in densely populated areas so that companies can package up orders as close to the "last mile" as possible.

"Retailers are constantly trying to figure out better ways to make their supply chains more efficient and cost-effective—and this time of year in particular," said Steve Kozarits, an

industrial real-estate broker with Transwestern.

Such operations are part of the push by digital and physical retailers to extend the spokes in their distribution networks, largely to fill the demands of e-commerce.

Retailers also are stepping up their competition this year, with merchants including Amazon.com Inc., Walmart Inc. and Target Corp. offering two-day shipping, often without extra charges, to more shoppers.

Sometimes that calls for decidedly unconventional solutions.



A delivery station in Thousand Oaks, Calif., where packages for delivery are set on a wire rack in an outdoor parking lot. PHOTO: ERICA E. PHILLIPS FOR THE WALL STREET JOURNAL

In at least three metropolitan areas, Amazon is running delivery operations out of large tents pitched on vacant parcels of land.

Orders fulfilled and packaged at nearby warehouses are sent to the sites, which Amazon calls “delivery stations,” and local drivers then ferry the boxes to customers. Many of the drivers work through Amazon Flex, a smartphone app similar to Uber Technologies Inc., where drivers use their own vehicles, choose shifts they want to work and schedule their own pickups.

Amazon said it operates more than 100 delivery stations in the U.S., many of which are in more permanent structures. The company said the stations run year-round, not just during the holiday season. An Amazon spokeswoman declined to provide further details on the program.

On a recent afternoon at a warehouse delivery station in Thousand Oaks, Calif., near Los Angeles, sandwich-board signs directed Amazon Flex drivers into an outdoor parking lot where Amazon packages awaiting delivery were set on large wire racks.

In downtown Chicago, real-estate firm JLL is converting a 3.8 million-square-foot parking garage under the city’s famed Millennium Park into last-mile logistics facilities for retailers.

The site is right at the center of the city and its population of 2.7 million people, just a few blocks from Chicago's popular "Magnificent Mile" shopping district.

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Newsletter Sign-up

"The need for that amount of parking was dwindling," JLL's Matt Powers said. Since the garage was designed to allow trucks and other large vehicles, Mr. Powers said it made sense to convert it for logistics. "Eventually, if it's a success you're going to have proximity to replenish stores downtown, plus be a delivery point to that population," he said.

JLL wouldn't disclose the names of any current or potential retail tenants at its "Millennium Chicago" project.

Brokers said retailers' need for locations in New York City's boroughs is driving redevelopment of unused structures, including pre-World War I-era warehouses, some factories and public storage locations. Several developers are building multistory warehouses for e-commerce fulfillment in New York City and elsewhere in to get more out of high-cost land in urban areas.

The need for space is so urgent that some businesses in New York are using recently-demolished sites—before construction begins on a new project—to stage vehicles for deliveries, JLL's Leslie Lanne said.

Logistics startups are adding to the competition for urban space.

Deliv Inc., Shippi and Darkstore are among those providing last-mile services for businesses trying to match Amazon's same-day shipping service.

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MORE

- • Korea's Giant Shipyard Merger Faces Scrutiny in Europe December 10, 2019
  - • Trucking Market Will Absorb Celadon Shutdown, Transport Experts Say December 10, 2019
  - • Trucker Celadon Group Files for Bankruptcy December 9, 2019
- 

Darkstore, which runs same-day fulfillment operations out of 43 urban warehouses across the U.S., is testing methods for delivering online orders for Nike Inc.

and other brands in several cities. One of those sites is a nondescript warehouse on 36th Street

in Manhattan, where workers package up orders for delivery drivers from other startups such as Deliv.

“If you’re no longer going to walk to a store, there needs to be a place for that inventory that’s local,” said Darkstore founder and Chief Executive Lee Hnetinka. “The new store associate is a warehouse worker, and they’re empowering the online revolution.”

Services such as Flexe Inc., FlowSpace Inc. and Warehouse Exchange have also jumped in by offering warehouse tenants and owners the ability to sublease empty portions of their facilities to short-term tenants.

Mr. Kozarits of Transwestern said many of the methods for ensuring speedy delivery have veterans of the logistics business “scratching their heads.” But necessity, driven by e-commerce’s explosive growth and fast-approaching holiday deadlines, is driving inventive thinking.

Amazon’s delivery tents, for example, are like nothing Mr. Kozarits has seen before, he said, “But if it works, next year we will probably see other people doing the same thing.”

**Write to Erica E. Phillips at [erica.phillips@wsj.com](mailto:erica.phillips@wsj.com)**

### **Corrections & Amplifications**

An earlier version of this article incorrectly attributed a comment from Matt Powers, executive vice president of JLL’s retail and e-commerce distribution group, to Greg Matter of JLL. (*Dec. 12, 2018*)

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# A presentation to the Morgan Hill Planning Commission

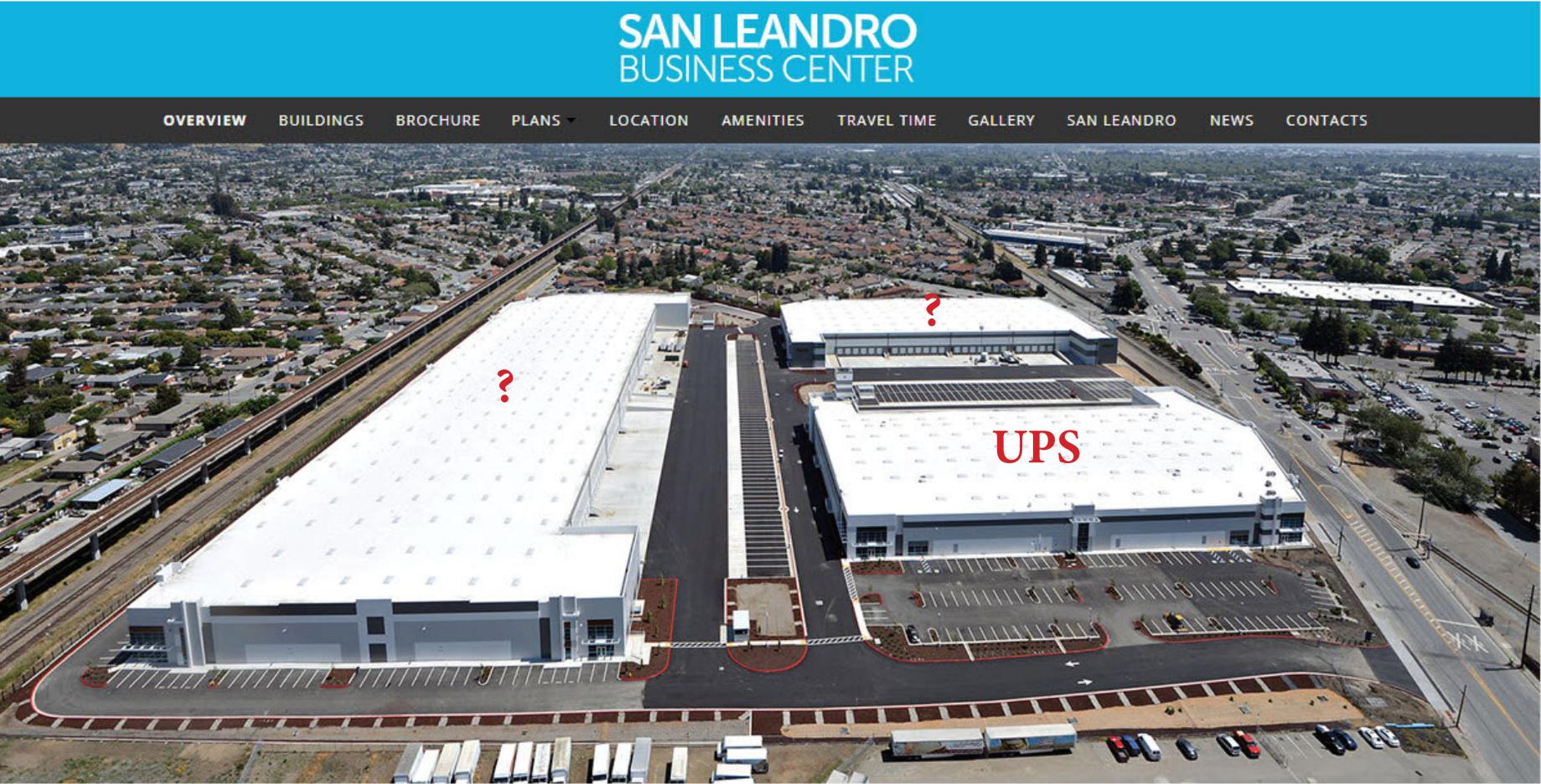
December 10, 2019

Joe Baranowski

TC revised 'plans' : No more worries - “more and better jobs”  
and 'Advanced Manufacturing' now a sure thing ??



# Assuming revised site drawings reflect what TC actually intends to build



Trammell Crow project completed in 2019. Dock doors on one side of buildings. 32 -36 foot high ceilings. UPS leased one building according to San Francisco Business Times. Tenants for other two buildings not listed in public listings but reported to be either manufacturing, logistics, or e-commerce (e.g. logistics).

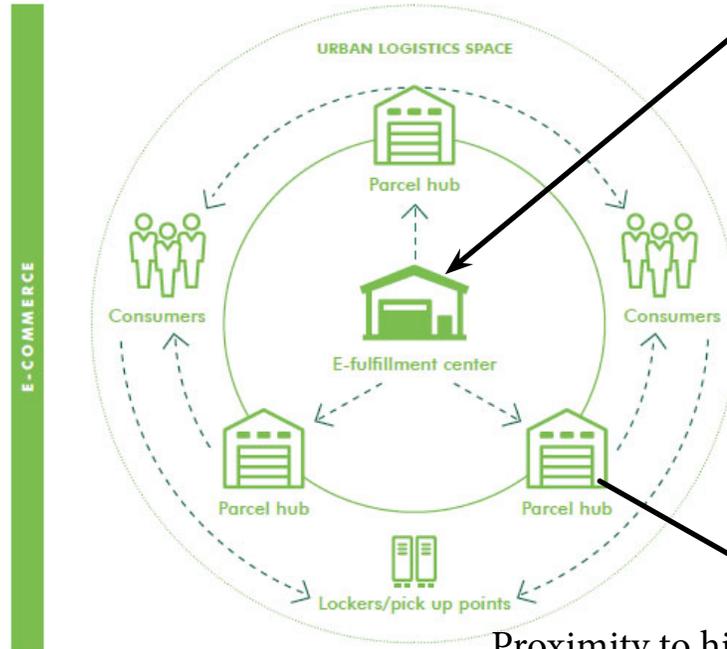


# Removing cross-docking is step in right direction but not enough

TRADITIONAL VS E-COMMERCE LOGISTICS SCHEMA



Q1 2017.



Less likely tenant is large, regional Distribution Center

Proximity to highway and high dock-density still make it highly likely that very high demand 'last-mile' Distribution Center tenants are the real target



# If project is for 'Advanced Manufacturing' and 'technology employers' ...

- Where IS a cohesive, complete Master Plan draft? It is the text in Master Plan that matters.
- Even in final version, drawings are 'informative', which in this case means what?
- If "Advanced Manufacturing" is what you want, then define it as permitted use!
- Master Plan should strictly limit maximum number of dock doors, and prohibit cross-docking

DRAFT Light Industrial (IL) PD Combining Use Designation Exhibit – Amended 9-27-19

<ul style="list-style-type: none"> <li>• Food products not elsewhere listed in this table (e.g., spices, roasted nuts, flour mixes and doughs)</li> </ul>				P	
Equipment Sales & Rental (General Rental Centers, Commercial and Industrial Machinery, Equipment, and Heavy Equipment Sales, Rental, Leasing and Repair)				P	Use must be located entirely within the building
Multimedia Services (Newspaper and book publishing, software publishing, printing, motion picture and sound recording studios, radio and television broadcasting)				P	
Medical Supply Sales (Sales, Services & Distribution of Medical-related products)				P	
Plant Nurseries				P	
Professional Offices				P	
Research and Development (USE CMH CODE)				P	
Building Materials				P	
Home Improvement Centers				C	
Large Commodity Retail				C	
Towing and Impound				C	
Vehicle Sales and Leasing				C	
Vehicle Repair and Maintenance, Major				C	
Vehicle Repair and Maintenance, Minor				P [1]	
Wholesaling				P	
Construction and Material Yards				P	
<del>Manufacturing</del> <b>Advanced Manufacturing</b>				P	
Technological Administrative, Sales, and Engineering				P	

DRAFT Light Industrial (IL) PD Combining Use Designation Exhibit – Amended 9-27-19

(Semi-conductor, Computer Hardware, Software and Related, etc.)					
<del>Warehousing and Distribution, Large</del>				P	<del>300,000 SF or Greater</del>
<del>Warehousing and Distribution, Small</del>				P	<del>Less than 300,000 SF</del>
<del>Warehousing and Distribution with Outdoor Storage</del>				C	
<del>Refrigerated Warehouse/Cold Storage</del>				C	
Light Fleet-Based Services				P	
Recycling Facilities				C	
Utilities, Major				C	
Wireless Communications Facilities (Architecturally Integrated Antennas)					See Chapter 18.96
Telecommunications (Co-location, data center, network operation/surveillance center and broadcast facilities)				P	
Accessory Uses (Uses other than entertainment events, when in conjunction with a permitted use)				P	See note 5 below

If both Large and Small are both being proposed as Permitted anyway, WHY change the size limit EXCEPT to allow for future approvals on other Light Industrial properties with no public input (remove CUP) ????



# To Morgan Hill Residents

- Still no serious effort to tell public what PC and CC will be asked to approve. City still can't / won't answer the Planning Commissioner's simple question asked in last meeting: "WHAT IS THE PROJECT" !!
- NO good reason a comprehensive, well thought out Master Plan draft has not been made available yet
- We KNOW the EIR will allow the original 202 dock plans (and probably more)
- Even if the 'revised' drawings reflect real plans, high Truck Traffic generating Distribution Center operations are likely
- City approved Shoe Palace based on applicant's word that Truck Traffic would only increase from 5 to 8 trips per day based on current operations in existing building and now we know they want to lease the entire 500,000 sq feet, 56 Truck Dock Distribution Center to third parties !!! *(Public must demand that new Traffic Impact Analysis be done by independent consultant, NOT Hexagon, before any tenants are allowed to begin operations in new building! )*
- What is real reason for increasing the definition of 'Distribution, Small' from 75,000 to 300,000 square feet ?
- Voter approved Initiative remains only way to guarantee Citizens Voices will be heard on what happens with TC project and MHRGC is proceeding to prepare Initiative for filing and signature gathering.



Item # 1

AGENDA DATE: 12/10/19

SUPPLEMENTAL # 1

December 5<sup>th</sup>, 2019

John and Tami Lee-Lukez  
1675 Mission Avenida  
Morgan Hill, CA 95037

Jennifer Carman – Development Services Director  
Morgan Hill Planning Commission  
17575 Peak Avenue  
Morgan Hill, CA 95037

Dear Ms. Carman:

My wife and I are writing in opposition to the proposed zoning changes being requested for the Morgan Hill Technology Park (SR2019-0029). Our family and numerous other families in our neighborhood have been closely following the developments on this project since we learned about it this summer.

We have studied the revised site plan released on December 4<sup>th</sup>, and still find the fundamental use case of the project to be out of character with both the General Plan and current zoning for these parcels. The “Technology Park” nomenclature hardly suites what can only reasonably be construed to be a “distribution center”. I have worked at high technology companies in Morgan Hill and presently in San Jose in buildings of 75,000 to 120,000 square feet which have 1 to 2 truck dock doors. The revised site plan contains 124 dock doors across six buildings.

We fully support quality development in Morgan Hill and appreciate the City’s desire and need to increase the tax base to fund valuable facilities and services in Morgan Hill. To date, Morgan Hill has done a reasonably good job of managing growth in a way to preserve the unique character and nature of the environment here. This project takes a predominantly retail and residential area and adds what will be a high volume of smoke belching class 8 trucks to the area on a freeway and overpass structure not designed for this kind of traffic volume. The DePaul / Cochrane interchange will be further clogged with all the truck traffic and nearby neighborhoods built in just the last 2 years will get to listen to Diesel trucks coming and going at the wee hours of the night.

The City and The Planning Commission should encourage the quality development prospects for these parcels of land that deliver high paying jobs – not the kind of jobs a distribution center will deliver paying perhaps \$15 / hour to \$25 / hour (currently advertised Amazon warehouse job salaries). Morgan Hill already has solid examples of high tech and innovative companies with Anritsu Corporation and Specialized Bicycles as long time examples. Why not have Trammell Crow come up with a site plan that truly would attract companies of this nature -- these buildings are generally 1 to 2 floors with between 50,000 to 100,000 square feet and many windows and only a few dock doors.

Regards,

John and Tami Lee-Lukez

**Jenna Luna**

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**From:** Jeff Zellmer <jeff.zellmer@gmail.com>  
**Sent:** Saturday, December 07, 2019 1:45 PM  
**To:** Planning\_Commission  
**Cc:** Rene Spring  
**Subject:** Trammel Crowe

To The Morgan Hill Planning Commision and Rene Spring

We live in the Sparhawk Community in Llagas Valley and have been residents of Morgan Hill since 1991. We watched the full videos of the two council meetings regarding the propsoed Trammel Crowe project. Our perception was that the TC people were ill prepared and presented a complete lack of transparency. From their description of 192 loading docks to their stats on "average" manufacturing salaries, there was just too much nonsense. The revised project still shows 124 docks.

As a long term Chief Financial Officer with responsibility for real estate and facilities, I see this plan as a thinly veiled large scale distribution center. Splitting the docks across 5 or more buildings does not change anything. If I was an executive evaluating the space for R&D, Advanced Manufacturing or Administrative functions, I see those docks as simply inefficient wasted space. I would look elsewhere for a more effective space.

We respect the planning commisions' role here and appreciate the thoughtful questions and comments the members provided in the prior 2 meetings. We understand that you can not and should not simply reject the proposal. We simply ask that you continue with the probing questions and a level of skepticism towards Trammel Crowe and their advisors. Their behavior to date has not earned our trust yet.

We, and so many of our friends and neighbors who you will hear from, do not support this project as proposed.

Thank you.

Jeff and Michelle Zellmer

Sent from my iPad

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**Jenna Luna**

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**From:** Linda Nowlen <lnowlen@outlook.com>  
**Sent:** Tuesday, December 10, 2019 4:54 PM  
**To:** Juan Miguel Munoz Morris; Liam Downey; Mohammad Habib; Joseph Mueller; Wayne Tanda; Malisha Kumar; Laura Gonzalez-Escoto; Jenna Luna  
**Subject:** RE: Review of New Trammell Crow Design

Dear Commissioners,

I appreciate the efforts Trammell Crow put forth in redesigning aspects of their building specifications for the proposed MH Technology Park. This new design is definitely a step in the right direction. But there are many questions left unanswered, leaving me with major concerns about how this would play out if the rezoning is approved. Below is an outline of my thoughts, Pros/Cons and Questions Left Unanswered. There wasn't much time to review before tonight's meeting and I cannot attend due to another important commitment so I would like to submit some comments, even at this late hour, in hopes you will be able to read, even after the meeting takes place.

### Pros

- Greater flexibility for advanced manufacturing (AM). If these 6 buildings are truly intended for light manufacturing, this design offers more building sizes and an increase in the number of building entrances, to enable a wider range of companies to find the right fit.
- 1/3 fewer dock doors (aka service doors). TCC requested flexibility in service doors to configure interior space for AM companies, where dock doors are mainly limited to supplies-in and products-out. That should imply that most of these service doors would then be unnecessary (see Midpoint 237 example). However, we can't be certain about any of this, and it's possible they could add more doors just as much as they could take some of these away in the final design.
- Cross docking and most perimeter trailer storage has been removed.
- Improvements to the Madrone trail.

### Cons

- Another "conceptual" design. Trammell Crow has identified all of their site plans thus far as conceptual which is obviously not the same as the final design. The Master Plan will reveal the final design. We have not yet seen the Master Plan for the MH Technology Park project.
- Warehouse construction. These buildings are still specified as warehouse-style tilt-up slab construction with 55' exterior heights and 32-35' interior heights. This limits "possible uses" to distribution and advanced manufacturing only. In fact, these building specs are exactly what are defined as ideal for distribution by TCC's parent company CBRE. NOT ONE OF THESE BUILDING IS SUITABLE FOR A HIGH TECH COMPANY - Research/Development or corporate offices. No high tech company is going to put cubicles in a big cavernous warehouse with an over abundance of drafty dock doors.

- Missing documentation on Permitted Uses. These new designs have no supporting doc to override what was submitted previously. At the 10/15 design review meeting, permitted uses were discussed and distribution was a prominent entry. In fact, there was a proposal by TCC to update our MH zoning code to redefine Warehouse/Distribution (Small) as < 300,000 SF and Warehouse/Distribution (Large) > 300,000 SF. Currently our zoning code defines “small” as < 75,000 SF so this is a substantial increase. All 6 buildings are now smaller than 300,000 SF. See: “IL (Light Industrial) Proposed Permitted and Conditional Uses”, Planning Commission agenda for 10/15 mtg [https://morganhillca.igm2.com/Citizens/Detail\\_Meeting.aspx?ID=1895](https://morganhillca.igm2.com/Citizens/Detail_Meeting.aspx?ID=1895)
- Number of loading docks. There are still way too many dock doors. While these dock configurations can provide flexibility for AM, they can also allow for some company to come in as a distribution center and use every one of those “service” doors for 24/7 operations.
- CI zoning district designation is not being honored. The NEW Commercial/Industrial CI zoning district designation, requested by TC, is supposed to provide for a vibrant job center along with supporting commercial buildings. All of these buildings are strictly for industrial, not commercial. (ref from MH General Plan and zoning codes).
- Communications Tower. Many people in our community have expressed concerns about the environmental and health ramifications of a 5G tower.

### **Questions Left Unanswered**

- When will we see the Master Plan, rather than conceptual plans? Conceptual plans can change at any time before they are presented to MH City Council for approval.
- What “permitted uses” are being requested related to this new design? See “Missing documentation on Permitted Uses” under Cons listed above for details on permitted uses discussed during the October design review. .
- Is there still a requirement for Warehouse/Distribution in “permitted uses” for funding purposes? It seems the reason could be that if you are trying to build warehouses, you need to include this as a permitted use. But how about constructing R&D type office buildings and you might get investors to back the funding for R&D or corporate usage without needing to also specify distribution?
- Why can’t TCC dedicate a portion of this development to R&D or corporate office space to give further flexibility for possible tenants?
- What restrictions are given for converting these buildings to Warehouse/Distribution? What prevents TCC from reconfiguring the development if they get the green light to move forward? Can they merge buildings or increase dock doors and trailer parking after this “conceptual” stage?

- How can we be confident this does not become the NEW “Intermediate Distribution Center” that Amazon is now using to serve metropolitan markets with one-hour deliveries? Along with big rig trucks delivering at the center, we would have hundreds of delivery trucks coming and going throughout the day to load up and deliver food and other goods in a “one hour” radius.
- We’ve made it clear we don’t want a distribution center but who said we want manufacturing next to homes and schools? Even with light industrial (AM), is there a guarantee these companies won’t contaminate our air, soil, and ground water? Is there a guarantee we won’t see high-volume manufacturing that rivals distribution centers in their daily truck traffic? How can we guarantee the “right types” of AM companies will move in? For example, Paramit, who manufactures high-end medical devices, is suitable for a neighboring company. A high volume auto parts manufacturer, on the other hand, is no better than a distribution center for traffic.

Best Regards,

Linda Nowlen  
28-year resident of Morgan Hill

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