

CHOOSE MORGAN HILL

Happy New Year Morgan Hill Business Community!

We hope you are off to a positive start to 2022.

In this eNewsletter, you will find information about key efforts that impact our business community, including:

- Quarterly Sales Tax Update,
- Housing Element Plan,
- Industrial Preservation & Optimization Policy Town Hall,
- Downtown Lane Reduction and Place-Branding Update, and
- Business Resources.

Please feel free to reach out to the team if you have any questions or want to connect with us. We look forward to working with you in 2022 and thank you for continuing to "Choose Morgan Hill."

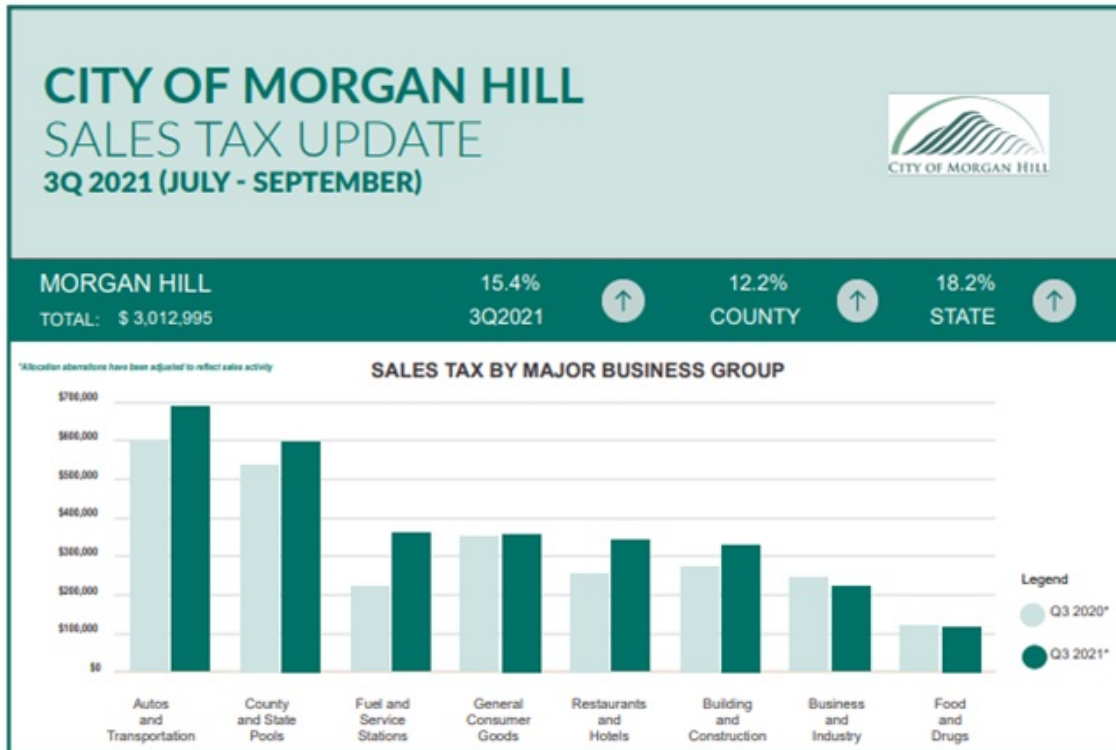
Quarterly Sales Tax Update 3Q2021



Morgan Hill's July-September 2021 sales tax receipts are in. Here are some high level takeaways:

- Overall citywide sales tax was up 15% from the same quarter in 2020.
- The Restaurant/Hotel Industry grew 35% citywide and exceeded 2019 pre-pandemic numbers statewide.
- 1Q2021 Downtown Morgan Hill yielded the highest sales tax generated since 2019 and it's 2nd quarter numbers surpassed any amount of sales tax ever generated by the Downtown District. In 3Q2021, Downtown ranked as the 3rd largest generator of sales tax when compared to all other citywide Shopping Center Districts.
- Fuel/Service Stations grew 63% most likely due to the return of commuters and travel.

- A taxpayer's contribution to the County use tax pool decreased 40% due to tax reporting changes which now requires a portion of taxes be allocated to jurisdictions with fulfillment centers and an overall decrease in online spending, hinting at a welcome increase in brick-n-mortar shop spending.



CITY OF MORGAN HILL HIGHLIGHTS

Morgan Hill's receipts from July through September were 20.9% above the third sales period in 2020. Excluding reporting aberrations, actual sales were up 15.4%.

Pandemic based economic recovery contributed significantly to this good news. One of the industries hit hardest across the state during the pandemic was the restaurants-hotels group which experienced a strong rebound - up a robust 35% this quarter as consumers were eager to leave the house to dine at various casual venues, quick-service establishments.

Consumer spending was in line with statewide trends as outlays for autos-transportation vehicles and products grew 14%. Heightened commodity prices and larger contractor's work orders thrust building-construction upward by 19%.

As more people hit the roads for work and leisure related travel, service stations reported a 63% rebound which included pump prices being higher over the summer months. Because local merchants improved economic performance, the City's use tax distribution was also positive.

Business-industry saw sales slump below comparable period levels; one bright spot was a surge in medical/biotech commodities.

Net of aberrations, taxable sales for all of Santa Clara County grew 12.2% over the comparable time period; the Bay Area was up 15.1%.



TOP 25 PRODUCERS

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| <ul style="list-style-type: none"> 7 Eleven Arco Cal Door & Drawers Chevron Chrysler Dodge Jeep Ram Morgan Hill Cochrane 76 Cochrane Chevron Ford Store Morgan Hill Golden Eagle Gas Home Depot House of Thunder Harley Davidson Johnson Lumber Ace Hardware Makino McDonalds Morgan Hill Gas & Shop Pan Pacific RV Center Paramit | <ul style="list-style-type: none"> Safeway Safeway Fuel Shell South Bay Airstream Adventures Target TJ Maxx Victory Honda of Morgan Hill Walmart Supercenter |
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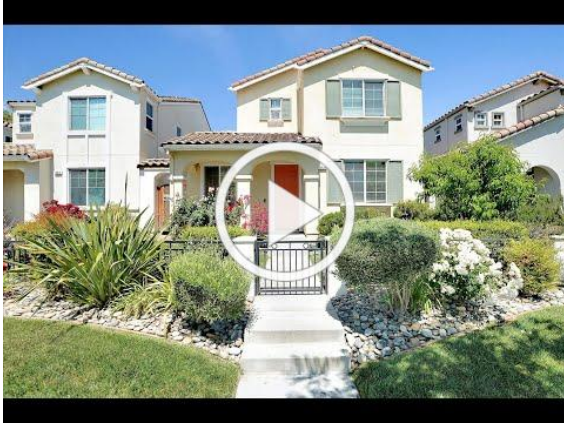
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Published by HdL Companies in Winter 2022

Topics of Discussion

Help Shape the Future of Housing

The City is in the process of updating



the Housing Element of the General Plan for the 2023-2031 period as required by State law. The Housing Element establishes policies and programs to address Morgan Hill's existing and projected housing needs for all economic segments of the community. The first step in this process is to ask community members what they see as Morgan Hill's most important housing needs.

Town Hall Meeting
Housing Element Plan
Thursday, February 10, 2022 • 5:30 pm

Join the meeting
[HERE](#)

The Virtual Townhall will discuss the existing and upcoming Housing Element, housing needs of the City, the City's Sites Inventory, housing policies, and Affirmatively Furthering Fair Housing (AFFH) requirements.

Please complete this 10 question survey to provide us with your input. All responses are confidential. Please help shape the future of housing in Morgan Hill.

Complete the survey
[HERE](#)



Industrial (employment) Land Preservation

Today, there are only 120 acres of undeveloped industrial land in Morgan Hill. Over the past 8 years, industrial lands inventory has declined by 59%. Preserving existing industrial parks and optimizing remaining industrial lands will support the City's economic prosperity, offer jobs to the community and preserve the quality of life in Morgan Hill. Staff plans to bring forward Zoning Code amendments, and an Industrial Ordinance that formalizes the current Urgency Ordinance essentially prohibiting stand-alone distribution uses and certain types of buildings commonly used in distribution facilities.

Town Hall Meeting
Industrial Preservation & Optimization
Thursday, January 27, 2022 • 5:30 pm

Join the meeting
[HERE](#)

For more information, please visit the project [website page HERE.](#)

Downtown Beautification & Lane Reduction Update



On January 19, 2022 staff brought forward to City Council, a recommendation on the Downtown Lane Reduction Design, a Traffic Mitigation Plan, and a Project Implementation Schedule. A synopsis of the meeting actions and next steps can be found below. For more information, visit the [**project page HERE**](#).

What happened?

On May 19, 2021, the City Council voted on and approved moving forward with the Monterey Road Downtown Lane Reduction. Therefore, the decisions made during the January 19, 2022, City Council meeting were related to project implementation, design, and timeline. After much discussion, deliberation, and community input, the City Council voted 3 – 2, accepting all seven recommendations outlined in the staff report:

- Approved the proposed Traffic Mitigation Plan Implementation Schedule to support the Monterey Road Lane Reduction Program;
- Approved the re-design of traffic lanes for Monterey Road from Dunne Avenue to Main Avenue to be implemented as approved in the Implementation Schedule;
- Directed staff to install pedestrian safety bollards at pedestrian crossings on Monterey Road and First, Second, and Fourth Streets;
- Directed staff to bring forward a review of the Parklet Program and develop a Parklet Fee Financing Assistance Program;
- Directed staff to explore the creation of a community parklet that incorporates an interactive art installation;
- Directed staff to bring forward a consulting contract to implement a Property-Based Improvement District (PBID); and
- Adopted a resolution to amend the Fiscal Year (FY) 2021-22 Budget and appropriate \$210,530 from the General Fund.

What's next?

Beginning in February, staff will begin collecting current traffic counts on Butterfield Blvd and Downtown Monterey Rd. Traffic mitigation plans, which include the installation of 13 new signal controllers to synchronize the flow of traffic on Butterfield Blvd and three electronic signs to communicate the new traffic pattern, will be implemented in early Spring 2022. Updated traffic counts will be collected again three months after implementing the Traffic Mitigation Plan. City Council will review the data and choose one of the following actions:

- Implement the Downtown Lane Reduction without further delay, or
- Delay the Downtown Lane Reduction until the Hale Avenue Extension is completed (estimated late 2023)

What about the initiative petition?

In June 2021, an initiative petition titled "Citizens' Initiative amending the

General Plan to require voter approval of any future Monterey Road Lane Reduction" was submitted to the City. Following the signature-gathering process, the completed Initiative signature packet was submitted to the City Clerk on December 21, 2021. On Thursday, January 20, 2022, the Registrar of Voters Office notified the City Clerk that the results of the random sampling signature verification process fell between 95 – 110% requiring a full count of the signatures submitted until the minimum number of signatures needed is verified. The Registrar of Voters has an additional 30 business days to verify the initiative packet and signatures. If the initiative packet and signatures are verified, then the Initiative will be brought before City Council for certification and one of the following actions:

- Order a report pursuant to Section 9212 at the regular meeting at which the certification of the initiative is presented. When the report is presented to the legislative body, the legislative body shall either adopt the ordinance within 10 days or order an election pursuant to subdivision (b).
- Adopt the Initiative as written, reversing the prior decision to support the Downtown Lane Reduction
- Place the Initiative on the November 2022 ballot (estimated City cost \$50K-\$80K)

Note: If placed on the ballot and approved by voters, the Initiative would prohibit any future Downtown Lane Reduction actions without a voter majority. If approved, the Initiative would not be applied retroactively to any lane reduction actions that had already taken place prior to voter approval.

Business Resources

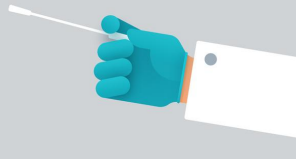


Free Covid Test Kits

Free COVID Test Kits

Every home in the U.S. is eligible to order (4) free rapid antigen at-home COVID-19 tests. These tests can be taken anywhere and give results within

COVID-19 TESTING



[Register for test kits here](#)

30-minutes. The tests are completely free and orders usually ship within 7-12 days. Encourage your employees to order their tests now, so they have them when they need them.

\$2.4 Million Micro-Business Grant



The County of Santa Clara is receiving approximately \$2.4 million from the California Microbusiness COVID-19 Relief Grant Program (MBCRG) to aid very small businesses adversely affected by the pandemic. On January 11, 2022, the Board of Supervisors accepted the grant and approved community partner Enterprise Foundation to administer the program that will provide \$2,500 each to approximately 875 local small businesses.

- Microbusinesses that face systemic barriers to access capital (including businesses owned by women, minorities, veterans, undocumented immigrants, individuals with limited English proficiency, business owners located in low wealth and rural communities, and others) will be encouraged to apply for the grants.
- The MBCRG program is specifically directed at small businesses that have been impacted by the COVID-19 pandemic. These businesses can include sidewalk vendors, independent contractors, and any other small businesses that had less than five employees in both 2019 and 2020, and less than \$50,000 in total business revenue in 2019.

The Team



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