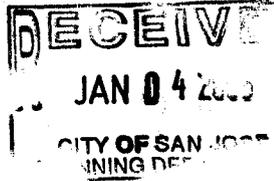




## CITY OF MORGAN HILL

17555 Peak Avenue, Morgan Hill, California 95037-4128 • phone (408) 779-7259 • fax (408) 779-3117

DENNIS KENNEDY  
MAYOR



December 9, 2005

The Honorable Ron Gonzales  
City of San Jose, City Hall  
200 East Santa Clara Street  
San Jose, CA 95113

Dear Mayor *RON* Gonzales:

I appreciated receiving your October 2005 letter, which continued our on-going effort to ensure open communication and collaboration regarding Coyote Valley planning activities.

As you know, it is Morgan Hill's desire to coordinate planning in order to ensure attainment of three key objectives:

- Accurate assessment of anticipated regional traffic impacts from Coyote Valley and other anticipated development;
- Development of a coordinated, regional approach to addressing regional impacts on the transportation system, including planning for improvements to roadways and for modes of alternative transportation;
- Development of compatible strategies for non-urban "greenbelt" areas, so that each jurisdiction can implement feasible approaches applicable in non-urban areas within each sphere of influence.

We agree with San Jose that the South County Circulation Study effort is providing a good way of ensuring that an up-to-date, accurate, regional land use and transportation model is developed. This model will allow participating agencies to analyze traffic impacts of projected development, including but not limited to that expected in Coyote Valley.

When traffic model results are available, we will begin to understand the anticipated magnitude of impacts, and can begin discussions of needed improvements and mitigation strategies. The South County Policy Advisory Board will be instrumental in establishing a direction for this discussion. Morgan Hill agrees with you that collaboration can occur through the Coyote Valley planning process, as well as through various VTA and MTC planning and funding processes related to south county, alternative transportation, and other transportation efforts.

The Coyote Valley "Vision and Expected Outcomes" Statement #10 emphasizes that financing mechanisms must be identified for the capital improvements needed to support the planned levels of development in Coyote Valley. It will be important to ensure that agencies and developers work together to guarantee that all are committed to being responsible for addressing

regional impacts of development, as well as the local impacts over which each agency has jurisdiction. There must be a commitment to require developers to provide fair share mitigation of regional impacts on transportation facilities. This will be a challenge, but it is vitally important to address, so that the region can continue to attract economic development while maintaining quality of life for people living and working in the region.

The draft Coyote Valley greenbelt strategy appears to recognize that existing County regulations applicable to rural residential, hillside, agricultural, and open space areas will largely serve to establish the desired "greenbelt" within San Jose's sphere of influence. While developers in the urbanizing portion of Coyote Valley will likely pay a fee, it does not appear that there will be an "acre for acre" requirement. Instead, it is contemplated that a feasible level of developer fees will be used by a non-profit entity established to pursue greenbelt purposes such as limited acquisition of public trails/areas, and promotion of desirable agricultural and other activities within the South Coyote area. Efforts would likely be focused on opportunities to support agriculture and to preserve open space, wetlands, and wildlife habitat.

The above approach appears consistent with the approach that Morgan Hill already uses to some extent, and would expect to emphasize in the future in the non-urban "greenbelt" areas within the Morgan Hill sphere of influence. We appreciate all of the good work that San Jose is doing to determine a feasible approach to establishing a non-urban greenbelt in the South of Palm area, and we look forward to continuing to collaborate on a compatible approach to "greenbelts" within each of our spheres of influence.

I suggest that we meet again in January, after the preliminary results of the traffic model are available from the South County Circulation Study. It may also be helpful to have the results of the EPS analysis of whether Coyote Valley housing will "pay for itself" in terms of generating sufficient ongoing revenue to pay for ongoing city services.

Ron, I appreciate your willingness to continue these discussions, and I look forward to meeting with you soon. I will have Lisa Lewis of my staff contact your staff to make arrangements for our next meeting.

Sincerely,



Dennis Kennedy  
Mayor

Cc: Forrest Williams, San Jose Councilmember  
Morgan Hill City Councilmembers  
Ed Tewes, City Manager  
Jim Ashcraft, Public Works Director  
Kathleen Molloy Previsich, Community Development Director