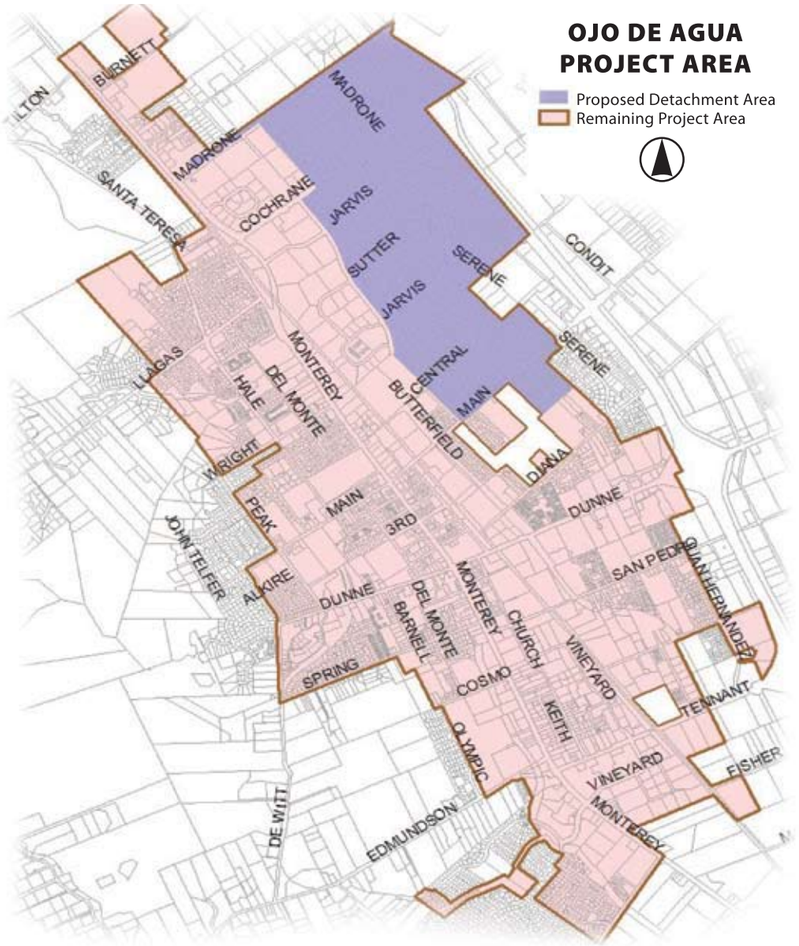
Continued Improvements... *(cont. from page 1)*

The rest of the Redevelopment Plan will remain as it was originally adopted, and the proposed changes will not affect any of the goals or policies of RDA. The proposed amendment will simply allow RDA to continue making improvements in the Project Area and focus on Downtown. There will be no eminent domain authority in residential areas.

The overall purpose of the Plan remains to help residents, businesses, and property owners protect their investments and make Morgan Hill a great place to live and work.

If you would like to discuss redevelopment in Morgan Hill or the proposed amendment, please join us at the Town Hall meeting, August 21, 2006, from 6:30 to 8:30 pm, in the El Toro Room at the Community Center, located at 17000 Monterey Road. This informal meeting will give you a chance to find out more and ask any questions you may have. We hope to see you there!



OJO DE AGUA PROJECT AREA

Proposed Detachment Area
Remaining Project Area

CITY OF MORGAN HILL REDEVELOPMENT AGENCY

City of Morgan Hill
Redevelopment Agency
17555 Peak Avenue
Morgan Hill, CA 95037-4128

(408) 776-7373
BAHS.BAHS@morgan-hill.ca.gov.

If you would like information on the Redevelopment Agency in Spanish, contact the Department of Business Assistance and Housing Services at (408) 776-7373 or via e-mail at BAHS.BAHS@morgan-hill.ca.gov.

Si usted quiere recibir información en el español sobre la Agencia de Reurbanización, avise Department of Business Assistance and Housing Services en (408) 776-7373 o vía correo electrónico en BAHS.BAHS@morgan-hill.ca.gov.

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CITY OF MORGAN HILL REDEVELOPMENT AGENCY

MAKING IT HAPPEN *in* MORGAN HILL

A MORGAN HILL REDEVELOPMENT AGENCY PUBLICATION

Making it Happen in Morgan Hill

Did you ever wonder what life would be like without a Redevelopment Agency? The world Morgan Hill residents have grown to love and enjoy wouldn't be nearly as pleasant without the many improvements the Morgan Hill Redevelopment Agency (RDA) has implemented for the past quarter-century. In RDA's 25 years, roadways vastly improved, Downtown has blossomed, affordable housing is a reality and community facilities have been constructed.

Key Street Improvements

Before redevelopment, traffic flow on Dunne Avenue would likely be viewed by residents as horrid at best. Traffic exiting the freeway heading towards Monterey Road was lethargic, leaving residents frustrated. Recognizing a problem, RDA doubled the lane usage to four, resulting in steady traffic flow for residents. Another improvement was made when Butterfield Boulevard was constructed. The new road alleviated traffic congestion in the Downtown area, providing a faster route to Monterey Road.

(cont. page 2)

JOIN US

TOWN HALL MEETING

August 21, 2006
6:30 to 8:30 pm
El Toro Room
The Community Center
17000 Monterey Road

25 YEARS OF MAKING IT HAPPEN

Morgan Hill's Redevelopment Agency is celebrating 25 years of "Making it Happen in Morgan Hill." Look for signs popping up around town marking the projects the Agency has funded or is in the process of improving.

Continued Improvements Help Make Morgan Hill a Great Place to Live, Work & Play

Back in 1981, the Morgan Hill City Council adopted the Ojo de Agua Redevelopment Plan in order to breathe new life into the City. Since that time, the Morgan Hill Redevelopment Agency (RDA) has made substantial improvements, including the Community and Cultural Center, Centennial Recreation Center, and the Aquatics Center. Much more work is needed, particularly in the Downtown area, but the Redevelopment Agency is about to reach certain financial limits that will prevent any further work.

Therefore, the Redevelopment Agency is proposing an amendment to the Plan to extend these limits. As part of the amendment, the Agency is also proposing to remove territory that no longer needs redevelopment improvements (see back page for a map of the Project Area).

Doing this will immediately increase revenues for the City, the County, and all other local taxing agencies. Another part of the amendment is to re-establish eminent domain authority on a limited basis. When the Plan was originally adopted, RDA could purchase land through eminent domain in the entire Project Area. Now, RDA is proposing to include such authority only on specific commercial corridors.

(cont. back page)

Downtown *(cont. from page 1)*

Speaking of Downtown, RDA has made vast aesthetic improvements to popular Monterey Road. Where once the street was lifeless and run-down, you can now stroll through downtown on widened sidewalks lined with blossoming plants and trees. Buildings have been given face lifts, including 45 different façade improvements. The current Skeels Hotel, a once dilapidated site, is now home to the new Skeels building and an exciting ground floor restaurant, Ragoots.

Affordable Housing

Morgan Hill families hold their children's priorities dear to their hearts. Our children's education is also valued and appreciated. To keep teachers close to the community, RDA built affordable housing for educators at the 10-unit Viale center. More affordable housing was created when blighted trailer parks behind Albertson's at Dunne and Monterey were replaced with the award-winning 72-unit facility, Villa Ciolino, helping families who work in Morgan Hill have the opportunity to live here as well.

Economic Revitalization

RDA was a catalyst for constructing the Morgan Hill Business Ranch, heralded by the *San Jose Business Journal* as the largest business park in Silicon Valley. Starbucks, Togo's, Jamba Juice, and a host of other businesses call the expanded Vineyard Town Center their home. Restoration of the old Granary on Depot Street has received the California Redevelopment Agency Award of Excellence for Commercial/Industrial development. In addition, RDA completely restored the original Morgan Hill House (Villa Mira Monte) and Morgan Hill Elementary School.

Community Facilities

Having a place to meet for community events, hold classes or host a holiday party for friends and family was once a near impossible feat for Morgan Hill residents. RDA took action by constructing the Morgan Hill Community Center. The spacious facilities are ideal for banquets, business meetings, classes and weddings. Concerts and dramatic performances can be enjoyed at the center's 300-seat amphitheater or community playhouse, a beautifully renovated 1930's era church. The Aquatic Center provides fun for the entire family with a water park right here in Morgan Hill.

It's been RDA's pleasure to provide the community with such amenities, and there's still more to come.

25 YEARS OF MAKING IT HAPPEN

Q&A

Q: Has the Redevelopment Plan already been amended?
A: No. Amending a Redevelopment Plan is a long process that has just begun. Right now, the Redevelopment Agency (RDA) is simply doing detailed studies.

Q: Why is the Redevelopment Plan being amended?
A: Because the Plan has certain financial limits that are about to be met. If they are not increased, RDA will not be able to make any additional improvements.

Q: Will this increase cost me any money?
A: No. Redevelopment is funded by redirecting some of the property taxes you already pay back into the community.

If you are a property owner, you would pay the same amount with or without redevelopment, and with or without the proposed amendment.

Q: What else will change with the Plan Amendment?
A: The Plan is being amended to delete property that no longer needs the attention of RDA. This means RDA will receive less money for improvement projects, but the City will receive more in the General Fund. The County and local taxing agencies will also receive additional money.

To offset the loss of revenue from the deleted area, RDA is proposing to reauthorize its ability to issue bonds. This would allow RDA make improvements sooner.

Q. Are schools impacted by the proposed amendment?
A: Because of the way redevelopment is funded, local schools will benefit from the amendment.

Q: Will there be eminent domain?
A: Right now, the re-establishment of eminent domain authority is being proposed. However, it would be limited to only non-residential properties fronting on Monterey Avenue and in the Downtown area that may need RDA's assistance as a last resort. RDA would not have eminent domain authority elsewhere. Your opinion is welcomed and encouraged, as these are ideas in formation, and nothing has been finalized

Q: Will we be able to provide input regarding this amendment?
A: Yes. Only preliminary steps have been taken at this point, so you will have several opportunities to share ideas with RDA. The first opportunity is at the Town Hall Meeting on August 21, from 6:30 to 8:30 pm, in the El Toro Room at the Community Center, located at 1700 Monterey Road.

Who Pays for Redevelopment?

Redevelopment improvements are paid for primarily through "tax increment," which is a redistribution of property taxes. Here's how it works:

Let's say you own a property, and it is assessed at $100,000. Your property tax (at 1% of the assessed value) is $1,000 each year. That $1,000 gets divided between the City (A), and several other public agencies (B). As you can see, most of your tax dollar is spread throughout the entire County. The amount received by the City is not a lot, considering the many services provided.

$100,000

Now, let's say a Redevelopment Plan is adopted, and because of improvements in your community, you are able to sell your property for $150,000. The property tax for the new owner (still at 1%) is now $1,500, because the new assessed value is $150,000.

The $500 from the increased value makes the pie larger. The pie then gets divided differently, with a new portion (C) going to the Redevelopment Agency. Some of the amount in "C" must be shared with local taxing agencies, but the majority is spent on improvements in the Project Area. In other words, more of your money will be spent in Morgan Hill.

$150,000

This type of funding is called "tax increment" and is in place for many years in order to raise enough money to make the needed improvements.