DATE: July 1, 2015

TO: Thomas J. Haglund, City Administrator

FROM: Lee Butler, Development Center Manager

SUBJECT: Status Report on Unreinforced Masonry (URM) Building Retrofits

Recommendation: It is recommended that the city council receive this report.

General Plan Consistency: The vision and guiding principles for the Gilroy 2020 General Plan, as well as the council-accepted guiding principles for the forthcoming Gilroy 2040 General Plan promote job growth, downtown revitalization, and public safety. The unreinforced masonry (URM) building retrofit program is consistent with these principles in that it promotes safer buildings, thereby protecting public safety; provides means by which vacant buildings can be occupied, thereby encouraging job growth and business development; and it focuses investment into the city’s core, thereby promoting downtown revitalization.

Council Goals and Action Agenda Consistency: Council’s 2015 action agenda includes the following two goals: “Create a More Livable Gilroy Community for All” and “Grow the Economy: Business Development and Vibrant Downtown.” Similarly, Goal #5 of the Economic Development Strategic Plan is to “enhance downtown as a local and visitor destination.” Retrofitting the city’s URM buildings makes downtown buildings safer and supports a growing economy by investing in buildings to allow for new business occupants.

Background: On December 1, 2014 and January 26, 2015, council received a status update on the progress in retrofitting the URM buildings downtown. A copy of the January 26, 2015 council staff report is included as Attachment A.

Since the January discussion with the council, the URM Task Force (TF) has met roughly every two to four weeks. Notable progress has been made with a number of buildings, as follows:

- 7401 Monterey Road (Halls Building) – After starting the construction on the south wall (facing 6th Street), revised plans were submitted to remove (rather than retrofit) the north URM wall. A building permit has now been issued for the north wall, and work on the building has recommenced. The owner expects the exterior construction to be complete in the next six months.

- 7451 Monterey Road (Gaeta) – On the south side of the paseo, a voluntary (full) retrofit is now complete. This is no longer a URM building.

Item X.A. URM Status Update
• 7455 Monterey Road (formerly Tuckness, now Williams) - On the north side of the paseo, a mandatory retrofit is now complete. This is still a URM building.
• 7517 – 7525 Monterey Road (Patels) – The Architecture and Site Permit for these two structures was approved by Planning Commission on May 7, 2015.
• 7760 Monterey Road (Hernandez) – Just south of the Downtown Business Association building, this U-shaped URM submitted retrofit plans to the building division.

Discussion: Completing the retrofit of the URM buildings is a key priority for encouraging downtown revitalization. The completion of the retrofits at 7451 and 7455 Monterey Road marks the fifth and sixth URM buildings that have achieved compliance with the URM ordinance within the last year or so. This drops the total number of URM buildings to 15, with 13 of those non-compliant with the URM ordinance. These totals include the wall on the public parking lot at Hornlein Court.

On March 2, 2015, the council received a report identifying that the URM wall on the north side of the public parking lot at the northeast corner of Monterey Road and Hornlein Court is located on city property. Upon further investigation, it was determined that the portion of the wall located on city property is actually integrally connected to the wall immediately north of the city property at 7320 Monterey Road. The owner of that property, KC Chen, is exploring whether to construct a new two-story building rather than retrofit the existing URM building. For these reasons, the demolition of the portion of the URM wall on the city’s property has not occurred as expeditiously as previously planned.

The following exhibits show the location and status of current and former URM buildings in the downtown. Exhibit 1 shows the location of all current and former (since 2012) URM buildings. Exhibit 2 depicts a magnified view of the area between Lewis and 6th Streets, where the highest concentration of URMs exists.
Green markers with a star show the location of former URM buildings that have either been demolished or are fully retrofit. These buildings are no longer URM buildings.

Green pins show the location of the building that has met the mandatory retrofit standards of the URM ordinance. This building is still a URM.

Yellow pins show the locations of URM buildings where retrofit construction is underway or where the URM Task Force is in contact with the building owner.

Red pins show the location of URM where the owners have provided little or no contact with the city on URM matters affecting their building.
At this point in time, only two URM building owners are not actively coordinating with the city and the URM TF. Those properties are 7491 Railroad Street (Creamery) and 7511 Monterey Road (Water Store).

As depicted in the exhibits, the following blocks in the heart of downtown contain no remaining URM buildings:
- East side of Monterey between 5th and 6th Streets and
- West side of Monterey between 6th and 7th Streets.

The following blocks have only a very limited number of URM buildings remaining, as follows:
- East side of Monterey between 4th and 5th Streets,
  - Only one URM wall exists on this portion of the block. The interior wall falls on the property line between two separately-owned properties.
- East side of Monterey between 6th and 7th Streets, and
  - One building on this block has URM walls. The building does contain three tenant spaces. Adjacent to this building, the city owns a URM wall on the north side of the public parking lot at Hornlein Court.
- West side of Monterey between 5th and 6th Streets.
  - After completion of two voluntary retrofits and one mandatory retrofit, only one URM building remains out of compliance on this block. Construction has started on the one remaining URM and retrofit is expected to be complete in the next six months.

In the heart of the downtown, this leaves only the west side of Monterey between 4th and 5th Streets as the one block where a multitude of URM building challenges remain. In that one block, six URM building are non-compliant with the current URM ordinance. One building on this block (7511 Monterey Road) recently completed the mandatory retrofit standards and is currently in compliance with the URM ordinance. Another two properties (7529-7531 and 7547 Monterey Road) are currently under construction to comply with URM retrofit requirements.

**Environmental Assessment:** This URM status update will not result in any physical changes to the environment and is not considered a project. All actions taking place in response to the URM ordinance will require their own separate CEQA clearances, as applicable. In accordance with Section 15268 (Ministerial Projects statutory exemption) of the State CEQA Guidelines, URM retrofits requiring only the issuance of building permits are considered exempt from further review under CEQA. URM retrofit work that triggers any discretionary review will be considered on a case-by-case basis, with the CEQA clearance evaluated for each individual proposal.

**Outreach:** Contacts at the Downtown Business Association, Economic Development Corporation, and Chamber of Commerce were informed of the council’s discussion of this topic. An announcement of the council’s discussion of this topic was also made at a regular URM TF meeting. The agenda and packet for this council meeting were posted
online in accordance with city requirements.

**Human Resources Impacts:** Adequate staff is available to implement the URM ordinance.

**Fiscal Impacts:** Sufficient funds are budgeted to support the URM ordinance.

Attachment A: January 26, 2015 council staff report – URM Status Report
DATE: January 26, 2015

TO: Thomas J. Haglund, City Administrator

FROM: Lee Butler, Development Center Manager

SUBJECT: Status Report on Unreinforced Masonry (URM) Building Retrosits

**Recommendation:** It is recommended that the city council receive this report.

**General Plan Consistency:** The vision and guiding principles for the Gilroy 2020 General Plan, as well as the council-accepted guiding principles for the forthcoming Gilroy 2040 General Plan promote job growth, downtown revitalization, and public safety. The unreinforced masonry (URM) building retrofit program is consistent with these principles in that it promotes safer buildings, thereby protecting public safety; provides means by which vacant buildings can be occupied, thereby encouraging job growth and business development; and it focuses investment into the city's core, thereby promoting downtown revitalization.

**Council Goals and Action Agenda Consistency:** Retrofitting the city’s URM buildings is a top priority under the council’s 2014 Goal #2: Develop a Thriving Gilroy Downtown. The URM retrofit work is also consistent with council’s 2014 Goal #1: Create a More Livable Gilroy Community for All by making the downtown buildings safer prior to allowing occupancy.

**Background:** On December 1, 2014, council received a status update on the progress in retrofitting the URM buildings downtown. A copy of the December 1, 2014 council staff report is included as Attachment A.

Since the December discussion with the council, the URM Task Force (TF) has met four times. At its January 6th meeting, the URM TF met with the owner’s representative from 7477 Monterey Road (just north of the Chamber of Commerce and Garlic Festival Association offices) and learned that the URM retrofit portion of the construction was complete. The construction satisfies the voluntary (full) retrofit standards, so that building is no longer a URM. The TF members congratulated the representative of 7477 Monterey Road and requested that this success story be shared with the full council. The URM TF also discussed the progress made throughout various blocks of the downtown and requested that the staff presentation to council include a geographic analysis of progress.

**Discussion:** Completing the retrofit of the URM buildings is a key priority for encouraging downtown revitalization. The completion of the full retrofit at 7477...
Monterey Road marks the fourth URM building that has achieved compliance with the URM ordinance within the past year. This drops the total number of URM buildings to 16, with 15 of those non-compliant with the URM ordinance. These totals include the wall on the public parking lot at Homlein Court.

The following exhibits show the location and status of current and former URM buildings in the downtown. Exhibit 1 shows the location of all current and former (since 2012) URM buildings. Exhibit 2 depics a magnified view of the area between Lewis and 6th Streets, where the highest concentration of URMs exists.

Green markers with a star show the location of former URM buildings that have either been demolished or are fully retrofit. These buildings are no longer URMs buildings.
Green pins show the location of the building that has met the mandatory retrofit standards of the URM ordinance. This building is still a URM.

Yellow pins show the locations of URM buildings where retrofit construction is underway or where the URM Task Force is in contact with the building owner.

Red pins show the location of URM where the owners have provided little or no contact with the city on URM matters affecting their building.

At this point in time, only two URM building owners are not actively coordinating with the city and the URM TF. Those properties are 7491 Railroad Street (Creamery) and 7511 Monterey Road (Water Store).

As depicted in the exhibits, the following blocks in the heart of downtown contain no remaining URM buildings:

- East side of Monterey between 5th and 6th Streets and
- West side of Monterey between 6th and 7th Streets.

The following blocks have only a very limited number of URM buildings remaining, as follows:

- East side of Monterey between 4th and 5th Streets,
  - Only one URM wall exists on this portion of the block. The interior wall falls on the property line between two separately-owned properties.
- East side of Monterey between 6th and 7th Streets, and
  - One building on this block has URM walls. The building does contain three tenant spaces. Adjacent to this building, the city owns a URM wall on the north side of the public parking lot at Hornlein Court.
- West side of Monterey between 5th and 6th Streets.
  - While three URM buildings remain, two retrofits are currently under construction and the third has signed a formal agreement with the city where by mandatory retrofit standards should be complete in the next three months.

In the heart of the downtown, this leaves only the west side of Monterey between 4th and 5th Streets as the one block where a multitude of URM building challenges remain. In that one block, six URM building are non-compliant with the current URM ordinance. One building on this block recently completed the mandatory retrofit standards and is currently in compliance with the URM ordinance.

**Environmental Assessment:** This URM status update will not result in any physical changes to the environment and is not considered a project. All actions taking place in response to the URM ordinance will require their own separate CEQA clearances, as applicable. In accordance with Section 15268 (Ministerial Projects statutory exemption) of the State CEQA Guidelines, URM retrofits requiring only the issuance of building permits are considered exempt from further review under CEQA. URM retrofit work that
triggers any discretionary review will be considered on a case-by-case basis, with the CEQA clearance evaluated for each individual proposal.

**Outreach:** Contacts at the Downtown Business Association and Chamber of Commerce were informed of the council's discussion of this topic. The council’s discussion was also announced at regular URM TF meetings. The agenda and packet for this council meeting were posted online in accordance with city requirements.

**Human Resources Impacts:** Adequate staff is available to implement the URM ordinance.

**Fiscal Impacts:** Sufficient funds are budgeted to support the URM ordinance.

Attachment A: December 1, 2014 council staff report – URM Status Report