CITY COUNCIL REGULAR MEETING AGENDA

CITY COUNCIL CHAMBERS, CITY HALL
7351 ROSANNA STREET, GILROY, CA
95020

MAYOR
Greg Bozzo

COUNCIL MEMBERS
Dion Bracco
Tom Cline
Terence Fugazzi
Zach Hilton
Carol Marques
Kelly Ramirez

AMENDED AGENDA

Added items 7.8 and 7.9
Item 8.1 has been continued to the August 3rd City Council Meeting and
added 2 closed session items

5:00 PM SPECIAL MEETING
6:00 PM REGULAR MEETING

MONDAY, JUNE 1, 2026 | 5:00 PM

CITY COUNCIL PACKET MATERIALS ARE AVAILABLE ONLINE AT www.cityofgilroy.org
AGENDA CLOSING TIME IS 5:00 P.M. THE TUESDAY PRIOR TO THE MEETING

COMMENTS BY THE PUBLIC WILL BE TAKEN ON AGENDA ITEMS BEFORE ACTION IS TAKEN BY THE CITY COUNCIL. Public testimony is subject to reasonable regulations, including but not limited to time restrictions for each individual speaker. **Please limit your comments to 3 minutes. The amount of time allowed per speaker may vary at the Mayor's discretion depending on the number of speakers and length of the agenda.**

Written comments on any agenda item may be emailed to the City Clerk's Office at publiccomment@cityofgilroy.org or mailed to the Gilroy City Clerk's Office at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the City Clerk's Office by 1 p.m. on the day of a Council meeting will be distributed to the City Council prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of Administration at City Hall, 7351 Rosanna Street prior to the meeting. Any correspondence received will be incorporated into the meeting record. Items received after the 1 p.m. deadline will be provided to the City Council as soon as practicable. Written comments are also available on the City's Public Records Portal at bit.ly/3NuS1IN.

In compliance with the Americans with Disabilities Act, the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at least 72 hours prior to the meeting at (408) 846-0204 or cityclerk@cityofgilroy.org to help ensure that reasonable arrangements can be made.

If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Please take notice that the time

within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

A Closed Session may be called during this meeting pursuant to Government Code Section 54956.9 (d)(2) if a point has been reached where, in the opinion of the legislative body of the City on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City.

Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available with the agenda packet on the City website at www.cityofgilroy.org subject to the Staff's ability to post the documents before the meeting.

KNOW YOUR RIGHTS UNDER THE GILROY OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, task forces, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE, TO RECEIVE A FREE COPY OF THE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT COMMISSION STAFF AT (408) 846-0204.

If you need assistance with translation and would like to speak during public comment, please contact the City Clerk a minimum of 72 hours prior to the meeting at 408-846-0204 or e-mail the City Clerk's Office at cityclerk@cityofgilroy.org.

Si necesita un intérprete durante la junta y gustaría dar un comentario público, comuníquese con el Secretario de la Ciudad un mínimo de 72 horas antes de la junta al 408-846-0204 o envíe un correo electrónico a la Oficina del Secretario de la Ciudad a cityclerk@cityofgilroy.org.

To access written translation during the meeting, please scan the QR Code or click this link:

Para acceder a la traducción durante la reunión, por favor escanee el código QR o haga clic en el enlace:

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Choose Language and Click Attend | Seleccione su lenguaje y haga clic en asistir

Use a headset on your phone for audio or read the transcript on your device.

Use sus auriculares para escuchar el audio o leer la transcripción en el dispositivo.

1. SPECIAL MEETING - 5:00 PM

1.1. Call to Order

1.2. Roll Call

1.3. Appeal Hearing of the Final Decision in the Matter of the Administrative Hearing regarding Business License and Tobacco Retailer's Permit Issued to Account No. 16606725 - The Rock Zone, located at 1323 First Street, Gilroy, California

2. OPPORTUNITY FOR PUBLIC COMMENT

The agenda for this regular meeting is outlined as follows:

3. REGULAR MEETING- 6:00 PM

3.1. Call to Order

3.2. Roll Call

3.3. City Clerk's Report on Posting the Agenda

3.4. Pledge of Allegiance

3.5. Invocation

3.6. Orders of the Day

3.7. Employee Introductions

4. PRESENTATIONS TO THE COUNCIL

4.1. PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL

This portion of the meeting is reserved for persons desiring to address the Council on matters within the Gilroy City Council's jurisdiction but not on the agenda. Persons wishing to address the Council are requested to complete a Speaker's Card located at the entrances and handed to the City Clerk. Speakers are limited to 1 to 3 minutes each, varying at the Mayor's discretion depending on the number of speakers and length of the agenda. The law does not permit Council action or extended discussion of any item not on the agenda except under special circumstances. If Council action is requested, the Council may place the matter on a future agenda.

Written comments to address the Council on matters not on this agenda may be e-mailed to the City Clerk's Office at publiccomment@cityofgilroy.org or mailed to the Gilroy City Clerk's Office at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the City Clerk's Office by 1:00 pm on the day of a Council meeting will be distributed to the City Council prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of Administration at City Hall, 7351 Rosanna Street, prior to the meeting. Any correspondence received will be incorporated into the meeting record. Items received after the 1:00pm deadline will be provided to the City Council as soon as practicable. Written material provided by public members under this section

of the agenda will be limited to 10 pages in hard copy. An unlimited amount of material may be provided electronically.

5. REPORTS OF COUNCIL MEMBERS

Council Member Bracco – Downtown Committee, Santa Clara County Library Joint Powers Authority, Santa Clara Water Commission, Santa Clara Valley Water Joint Water Resources Committee, SCRWA

Council Member Fugazzi – Santa Clara Water Commission (alternate), Silicon Valley Regional Interoperability Authority Board (alternate), SCRWA, Visit Gilroy California Welcome Center, VTA Mobility Partnership Committee

Council Member Marques – ABAG, Downtown Committee, Santa Clara County Library Joint Powers Authority (alternate), Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, SCRWA (alternate)

Council Member Hilton – CalTrain Policy Group, Santa Clara County Expressway Plan 2040 Advisory Board (alternate), Silicon Valley Clean Energy Authority JPA Board, South County Youth Task Force Policy Team, VTA Policy Advisory Committee

Council Member Ramirez – ABAG (alternate), Gilroy Gardens Board of Directors (alternate), Gilroy Sister Cities, Gilroy Youth Task Force (alternate), SCRWA, Santa Clara Housing and Community Development Advisory Committee

Council Member Cline – CalTrain Policy Group (alternate), Gilroy Sister Cities (alternate), Gilroy Youth Task Force, Santa Clara County Expressway Plan 2040 Advisory Board, Silicon Valley Clean Energy Authority JPA Board (alternate), Silicon Valley Regional Interoperability Authority Board, Visit Gilroy California Welcome Center (alternate), VTA Mobility Partnership Committee, VTA Policy Advisory Committee (alternate)

Mayor Bozzo – Gilroy Gardens Board of Directors, Santa Clara Valley Water Joint Water Resources Committee, South County Youth Task Force Policy Team, VTA Board of Directors (alternate), Santa Clara Housing and Community Development Advisory Committee (alternate)

6. BOARD AND COMMISSION INTERVIEWS

6.1. Interviews for Open Seats on the Youth Commission with Future Appointment on June 15, 2026

7. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a request is made by a member of the City Council or a member of the public. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar prior to the time the City Council votes to approve. If removed, the item will be discussed in the order in which it appears.

7.1. Approve the May 18, 2026 City Council Regular Meeting Minutes

7.2. Contract Amendment with Jensen Landscape Services, Inc. under the Existing Multi-Year Agreement (Year 2 of 3) for a One-Time Landscaping Scope, Enhancements, and Weed Abatement Services, establishing a Revised Year Two Not-to-Exceed Amount of $1,189,295

7.3. Claim of Saileel Vijaykar (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)

7.4. Claim of Lisa & Joel Neilsen (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)

7.5. Claim of Rebecca Beyer (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)

7.6. Consent to the Assignment of the Carry the Vision Opioid Remediation Services Agreement to PitStop Outreach

7.7. Consent the Appointment of Arts and Culture Commissioner to Fill the Remainder of a Term Ending 12/31/2027

7.8. Consent the City Administrator's Recommendation to Appoint Michael O'Connell to the Department Head Position of Interim Utilities Director

7.9. Adopt a Resolution Opposing the Development of a Federal Detention Facility in South Santa Clara County

8. PUBLIC HEARINGS

8.1. Public Hearing on Downtown Gilroy Street Banner Policy and Program Guidelines and Fee Schedule Amendment

1. Staff Report:
   John Doughty, Public Works Director
2. Public Comment
3. Recommended Action:
   This public hearing has been continued to the August 3, 2026 Regular City Council meeting.

8.2. Introduction and First Reading of an Ordinance Amending Chapter 30, Article II and XIX of the Gilroy City Code, Relating to Tobacco Retailers and Smoke Shops

1. Disclosure of Ex-Parte Communications
2. Staff Report:
   Sharon Goei, Community Development Director
3. Open Public Hearing

4. Close Public Hearing

5. Recommended Action:

    1. Determine the proposed ordinance is statutorily exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061 (b)(3) for the adoption of an ordinance relating to tobacco retailers and smoke shops;
    2. Motion to read the ordinance by title only and waive further reading of the ordinance; and
    3. Introduce an ordinance amending Chapter 30, Article II and XIX of the Gilroy City Code, relating to tobacco retailers and smoke shops.

9. UNFINISHED BUSINESS

9.1. Council Direction on a Draft Ordinance Amending Chapter 13 of the Gilroy City Code Relating to Tobacco Retailer Permits

1. Staff Report:
   Sharon Goei, Community Development Director

2. Public Comment

3. Recommended Action:
   Council provide direction on any changes to the draft ordinance.

9.2. Receive an Update and Provide Direction on Campaign Finance Laws, including Contribution Limits and Voluntary Expenditure Limits

1. Staff Report:
   Harjot Sangha, Assistant City Administrator

2. Public Comment

3. Recommended Action:
   Receive the report, discuss the policy considerations related to campaign finance regulations, and provide direction, if any.

9.3. Council Discussion and Adoption of a Resolution of the City Council of the City of Gilroy Placing a Ballot Measure Proposal to Add a 0.25% Dedicated Public Safety Special Transactions and Use Tax at the November 3, 2026, General Municipal Elections

1. Staff Report:
   Harjot Sangha, Assistant City Administrator

2. Public Comment

3. Recommended Action:

1. Council discussion and consideration of placing a public safety dedicated special transaction and use tax for the November 3, 2026, statewide general election.
2. If Council wishes to proceed with the public safety dedicated special transactions and use tax, adopt a resolution of the City Council of the City of Gilroy submitting to the qualified electors of the City of Gilroy, at the November 3, 2026, general municipal election previously called by Resolution No. 2026-29, a ballot measure to add Article V, sections 22.33 through and including 22.48 to Chapter 22 of the Gilroy City Code imposing a 0.25% (one-quarter of one percent) public safety special transactions and use tax; and
3. Council review and provide additional direction regarding the draft Public Safety Special Transactions and Use Tax Implementation Plan.

10. INTRODUCTION OF NEW BUSINESS

10.1. Consider Re-opening Wayland and Hanna Parking Lots at Las Animas Veterans Park

1. Staff Report:
   John Doughty, Public Works Director
2. Public Comment
3. Recommended Action:
   Receive the report, consider community input and provide direction on whether to initiate trial re-opening of Wayland Lane Parking Lot and/or Hanna Street Parking Lot at Las Animas Veterans Park.

11. CITY ADMINISTRATOR'S REPORTS

12. CITY ATTORNEY'S REPORTS

13. CLOSED SESSION

13.1. CONFERENCE WITH LABOR NEGOTIATORS - COLLECTIVE BARGAINING UNITS Pursuant to GC Section 54957.6 and GCC Section 17 A.11 (4)

Collective Bargaining Units: AFSCME Local 101 (General & Supervisory Units) Representing Employees Affiliated with AFSCME, Local 101; Local 2805, IAFF Fire Unit Representing Gilroy Firefighters

City Negotiators: Matt Morley, City Administrator; LeeAnn McPhillips, Human Resources Director/Risk Manager

Anticipated Issues(s) Under Negotiation: Wages, Hours, Benefits, Working Conditions; Memorandums of Understanding: City of Gilroy and Gilroy Fire

Fighters Local 2805, City of Gilroy and AFSCME, Local 101 General & Supervisory Units

13.2. Public Employee Appointment/Employment Pursuant to Government Code Section 54957 and Gilroy City Code Section 17A.11(2)
Name/Title: Human Resources Director/Risk Manager

13.3. Public Employee Appointment/Employment Pursuant to Government Code Section 54957 and Gilroy City Code Section 17A.11(2)
Name/Title: Utilities Director

14. ADJOURN TO OPEN SESSION

Report of any action taken in Closed Session and vote or abstention of each Council Member if required by Government Code Section 54957.1 and GCC Section 17A.13(b); Public Report of the vote to continue in closed session if required under GCC Section 17A.11(5).

15. ADJOURNMENT

City of Gilroy
STAFF REPORT

Agenda Item Title: **Appeal Hearing of the Final Decision in the Matter of the Administrative Hearing regarding Business License and Tobacco Retailer's Permit Issued to Account No. 16606725 - The Rock Zone, located at 1323 First Street, Gilroy, California**

Meeting Date: June 1, 2026
From: Matt Morley, City Administrator
Department: Administration
Submitted by: Kim Mancera, City Clerk
Prepared by: Harjot Sangha, Assistant City Administrator

STRATEGIC PLAN GOALS:

RECOMMENDATION

City Council conducts the Appeal Hearing pursuant to Resolution 97-17 in the following order of proceedings:

1. Mayor's introduction of the Item.
2. The City Attorney's explanation of the City of Gilroy City Code and the resolution governing this Appeal hearing and the process to be followed.
3. Public Comment.
4. Opening Argument by Appellant, The Rock Zone — 10 minutes
5. Opening Argument by Respondent, City Staff — 10 minutes
6. Rebuttal Argument by Appellant, The Rock Zone — 5 minutes
7. Rebuttal Argument by Respondent, City Staff — 5 minutes
8. City Council Deliberation.
9. Possible Action:
    i. Deny the Appeal. This action upholds the Decision of the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer’s Permit for Account No. 16606725 issued to The Rock Zone. A Resolution of the City Council, making certain findings, is attached.

ii. Grant the Appeal. This action overturns the Decision by the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone. Appropriate action is a motion to continue the matter to a date certain to bring back the final Resolution Granting Appeal of The Rock Zone and overturning the Decision by the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone.

iii. Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725. This action requires a Resolution of the City Council, making certain findings, to be adopted. The appropriate action is a motion to continue the matter to a date certain to bring back the final Resolution Modifying the Decision of the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone.

10. Continuation to a date certain, if necessary, for adoption of the modified/final resolution.

EXECUTIVE SUMMARY

On March 3, 2026, the City initiated administrative proceedings pursuant to Gilroy City Code Section 13.45 following multiple Police Department enforcement actions involving alleged illegal tobacco products, flavored tobacco products, controlled substances, and related business operations at The Rock Zone located at 1323 First Street. The matter was heard before independent Administrative Hearing Officer Alan Seltzer pursuant to Resolution No. 97-17 over multiple hearing dates after a continuance requested by the business owner's attorney.

Following the evidentiary hearing, the Hearing Officer issued a written Administrative Decision dated April 28, 2026. On May 12, 2026, the business owner timely appealed the Hearing Officer's decision to the City Council pursuant to Resolution No. 97-17 (enclosed within Attachment 1).

The City Council's role is appellate in nature and is limited to review of the administrative record and oral and written argument submitted by the parties.

BACKGROUND

Gilroy City Code Section 13.45 (enclosed within Attachment 1) authorizes the City to revoke, suspend, or modify a business license when the Chief of Police determines that

a licensee or business operation violates City code provisions or other applicable laws, or operates in a manner detrimental to public welfare.

Resolution No. 97-17 establishes the City's administrative hearing procedures and authorizes the appointment of a Hearing Officer to conduct administrative hearings and issue decisions.

On January 23, 2026, Interim Chief of Police Scot Smithee submitted a memorandum recommending initiation of business license revocation proceedings for The Rock Zone based upon multiple enforcement actions and alleged violations involving tobacco products and controlled substances.

On March 3, 2026, the City issued a Notice for Administrative Hearing regarding Business License No. 16606725 for The Rock Zone.

The matter was assigned to independent Administrative Hearing Officer Alan Seltzer.

ANALYSIS

Chronology of Events

- November 15, 2024: Gilroy Police Department conducted an undercover operation at The Rock Zone during which officers allegedly purchased flavored nicotine products, and a mushroom product later confirmed to contain psilocybin.
- March 6, 2025: Gilroy Police Department and California Department of Tax and Fee Administration (CDTFA) executed a search warrant at the business, resulting in the seizure of alleged illegal tobacco and psilocybin (mushroom) products.
- January 8, 2026: Gilroy Police Department and Code Enforcement conducted a compliance inspection during which approximately 306 tobacco-related items were seized.
- January 23, 2026: Police Chief recommended that the City proceed with a business license revocation process for The Rock Zone. (enclosed within Attachment 1)
- March 3, 2026: The City issued the Notice for Administrative Hearing pursuant to GMC Section 13.45. (Attachment 1)
- March 11, 2026: A prehearing order was issued by the Hearing Officer to allow parties to submit relevant documents for the hearing. (Attachment 2)
- March 17, 2026: Counsel, Steve M. Defilippis of Picone & Defilippis, for The Rock Zone, requested a continuance to prepare for the hearing. The City agreed to this request. (Attachment 3)
- March 18, 2026: The Hearing Officer granted the continuance and rescheduled the hearing to April 3, 2026. (Attachment 4)

- April 1, 2026: A pre-hearing conference was conducted regarding requests for a stay and continuance associated with related criminal proceedings. (Attachment 14 – transcript)
- April 2, 2026: A March 30, 2026, email from Steve Defilippis, Attorney of Respondent, and a corresponding response from Hearing Officer Alan Seltzer addressing the points raised regarding the release of police reports pending the conclusion of a related criminal case. (Attachment 5)
- April 3, 2026: The administrative hearing commenced before the Hearing Officer. Police Department personnel testified regarding enforcement operations, inspections, seized products, and related investigations. The Hearing Officer heard arguments from Mr. Defilippis regarding his request for the stay and continuance. The Hearing Officer declined to rule on the request for a stay before the City had an opportunity to present evidence establishing a prima facie case that a violation warranting relief under GCC Section 13.45 had occurred.(Attachment 15 – transcript)
- April 6, 2026: The Hearing Officer issued an Administrative Order denying the respondent's request for a stay and continuing the hearing to April 17, 2026. (Attachment 6)
- April 17, 2026: The hearing resumed, and additional testimony and documentary evidence were presented regarding Tobacco Retailer Permit status, seized products, and California flavored tobacco law exemptions. (Attachment 16 – transcript)
- April 28, 2026: Hearing Officer Alan Seltzer issued a written Administrative Decision. (Attachment 7, Exhibits considered in the Decision are enclosed within and referenced as corresponding Exhibit)
- May 7, 2026: Respondent's attorney submitted a request for reconsideration of the Hearing Officer's decision and penalty. (Attachment 8)
- May 8, 2026: The Hearing Officer denied reconsideration and advised that the respondent's remedy was an appeal to the City Council pursuant to Resolution No. 97-17. (Attachment 9)
- May 12, 2026: Respondent's attorney formally appealed the Hearing Officer's decision to the City Council. (Attachment 10)
- May 18, 2026: City Clerk issued notice of Administrative Appeal Hearing, setting June 1, 2026, at 5:00 p.m., as the date and time for the Appeal Hearing before the City Council. (Attachment 11)

Appeal Issues Raised by Appellant

The appeal (Attachment 8) submitted by the appellant took exceptions to the following matters as stated in the April 28, 2026, decision of the Hearing Officer (summarized):

1. The City failed to establish that all seized products were unlawful;
2. The Hearing Officer improperly relied upon generalized officer testimony;
3. Certain products allegedly qualified for exemptions under California law; and
4. The imposed penalties are excessive and financially burdensome.

The Hearing Officer addressed these issues within the written Administrative Decision and related procedural orders.

City Attorney has prepared three memorandums for the City Council related to this Appeal Hearing:

- A memorandum outlining a summary of The Rock Zone appeal, which contains a chronology of events and addresses each of the exceptions taken by The Rock Zone. (Attachment 12 - Exhibit 1).
- A memorandum containing the Order of Proceedings for the Appeal Hearing, which is also outlined in the Recommendations section of this staff report. (Attachment 12 – Exhibit 2)
- A memorandum outlining the Actions required by the City Council on such an Appeal Hearing and substantial evidence. (Attachment 12 – Exhibit 3).

Council Appeal Process and Standard of Review

The appeal hearing is conducted pursuant to Resolution No. 97-17. Under the Resolution, the Hearing Officer conducts the evidentiary hearing and issues a written decision. The City Council functions in an appellate capacity, with its review confined to the administrative record and oral and written argument submitted by the parties.

Section VII of Resolution No. 97-17 provides that:

> *"Upon consideration of the entire record of the hearing, including the Hearing Officer's decision and the exceptions and written argument that were filed with the City Clerk, the City Council may adopt the Hearing Officer's decision in its entirety, or the decision may be rejected or modified."*

Accordingly, the City Council's role is not to conduct a new evidentiary hearing or retry the matter, but rather to evaluate the administrative record developed before the Hearing Officer and determine whether the decision should be upheld, modified, or overturned. **Attachment 7, and related Exhibits 1 through 11**, are core to the Hearing Officer's decision, encompassing evidence considered, a summary of testimonies, the Hearing Officer's analysis, findings of fact, and conclusions of law. All other attachments are relevant to the administrative hearing process and chronology of events.

In evaluating the appeal, the City Council should determine whether substantial evidence exists in the administrative record to support the Hearing Officer's findings and decision. "Substantial evidence" means evidence that reasonably supports the decision reached. It does not require undisputed evidence or that the evidence supporting the decision outweighs all contrary evidence.

Council Options

Pursuant to Resolution No. 97-17 and the City Attorney's procedural memorandum (see separate attachment), the City Council has the following options:

1. **Deny the Appeal.** This action upholds the Decision of the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone. A Resolution of the City Council, making certain findings, is attached (Attachment 13).
2. **Grant the Appeal.** This action overturns the Decision by the Administrative Hearing Officer to modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone. Appropriate action is a motion to continue the matter to a date certain to bring back the final Resolution Granting Appeal of The Rock Zone and overturning the Decision by the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone.
3. **Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725.** This action requires a Resolution of the City Council, making certain findings, to be adopted. The appropriate action is a motion to continue the matter to a date certain to bring back the final Resolution Modifying the Decision of the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone.

ALTERNATIVES

Council's options are outlined above in the Analysis Section.

FISCAL IMPACT/FUNDING SOURCE

There is no direct fiscal impact from considering the appeal beyond the existing administrative, enforcement, and legal costs of the proceedings.

NEXT STEPS

Pending Council deliberation and decision, staff will carry out the directive and/or return to Council with modified resolutions, if necessary.

Attachments:

- Attachment 1 through 11 – Related to the Administrative Hearing Process to date, as referenced within the staff report.
- Attachment 12 – (Exhibits 1 through 3) City Attorney Memorandums to Council
- Attachment 13 – Resolution Upholding Hearing Officer's Decision

- Attachment 14 through 16 – Transcripts of the Hearings on April 1, 2026; April 3, 2026; and April 17, 2026, respectively.

City of Gilroy
7351 Rosanna Street
Gilroy, California
95020-6197

Finance Department
Telephone (408) 846-0420
Harjot.Sangha@cityofgilroy.org
http://www.cityofgilroy.org

March 3, 2026

Adel Ammari
The Rock Zone
1323 1st Street
Gilroy, CA 95020

Subject: Administrative Hearing Notice and Notice of Violation – The Rock Zone

Dear Mr. Ammari:

Enclosed please find a packet of materials pertaining to The Rock Zone, located at 1323 1st Street, Gilroy, California.

The packet includes:

1. **Notice of Administrative Hearing Regarding Business License No. 16606725**, scheduled for March 19, 2026, at 9:00 a.m., to be conducted via telephone and/or Zoom, concerning a recommendation to revoke the business license pursuant to Gilroy City Code Section 13.45. The packet also includes:
    - A copy of the Chief of Police's Memorandum dated January 23, 2026, outlining the basis for the recommendation.
    - Relevant excerpts of Gilroy City Code Sections 13.2, 13.4, and 13.45; and
    - A copy of the City's Administrative Hearing Policy (Resolution No. 97-17).
2. **Notice of Violation (Case No. CE26-0010)** issued by the Community Development Department's Code Enforcement Division, dated March 3, 2026, regarding unpermitted construction identified during an inspection conducted on January 8, 2026. The Notice details applicable code sections and required corrective actions, including submission of a demolition permit application by March 19, 2026.

Please review all enclosed materials carefully. If you have questions regarding the administrative hearing, please feel free to contact me. Questions regarding the Notice of Violation should be directed to the Community Development Department as indicated in the notice.

Sincerely,

Harjot Sangha
Finance Director
Phone: 408-846-0294 | Email: Harjot.Sangha@cityofgilroy.org

CC: Property Owner

NOTICE FOR ADMINISTRATIVE HEARING REGARDING
BUSINESS LICENSE NO. 16606725

THE ROCK ZONE
1323 1st Street, Gilroy, CA 95020

Gilroy City Code Section 13.45

Pursuant to Gilroy Code Section 13.4, a separate license must be obtained for each branch or location of a "fixed place of business" transacted and carried on within the City. Pursuant to Gilroy City Code Section 13.45 (see attached copy), the City Administrator may revoke a business license. The Gilroy Interim Chief of Police has recommended to the City Administrator that The Rock Zone's Business License No. 16606725 ("License") issued by the City of Gilroy to The Rock Zone, 1323 1st Street, Gilroy, CA 95020, on January 1, 2026, be revoked.

PLEASE TAKE NOTICE that on March 19, 2026, the City Administrator will act on the basis of the Interim Chief of Police's recommendation (see attached Memorandum) and decide whether to revoke the License pursuant to the terms of Gilroy City Code, Section 13.45.

PLEASE TAKE FURTHER NOTICE that on March 19, 2026, at 9 a.m., the City Administrator, or his/her designee, will conduct an administrative hearing.

Date:	March 19, 2026
Time:	9:00 am
Location:	Telephone and/or virtual through the Zoom platform
Telephone Access:	Phone number: (669) 900-6833 Meeting ID: 853-5804-4530 Passcode: 031521
Zoom Link:	Link: https://tinyurl.com/TheRockZone Passcode: 031521

The administrative hearing will be conducted in accordance with the Administrative Hearing Policy established by the City Council, Resolution No. 97-17, a copy of which is enclosed.

Dated: 3/3/2026

Matt Morley, City Administrator
City of Gilroy

Served by certified and first-class mail on Business License holder, Adel Ammari, The Rock Zone, 1323 1st Street, Gilroy, CA 95020

Served by certified and first-class mail on property owner, WRR CA Properties LLC., 2582 SE 9th Street, Pompano Beach, FL 33062

13.2 Required; compliance with chapter.

The carrying on of any business, trade, calling, profession, or occupation without first having procured a license from the city so to do, or without complying with any and all regulations of such business, trade, calling, profession, or occupation, shall be deemed a separate violation of this chapter for each and every day that such business, trade, calling, profession, or occupation is carried on. (Ord. No. 646, § 2; Ord. No. 91-4, § 2, 3-4-91)

13.4 Separate license required for each branch of a fixed place of business; required for each type of business transacted at same location; exemption.

(a) A separate license must be obtained for each branch or location of a fixed place of business transacted and carried on, and for each separate type of business at the same location, and each license shall authorize the licensee to transact and carry on only the business licensed thereby at the location or in the manner designated in such license; provided, the warehouses and distributing plants used in connection with and identical to a business licensed under the provisions of this chapter shall not be deemed to be separate places of business or branch establishments. Every person engaging in a business at a fixed place of business in the city, as herein defined, and who has procured a license therefor, shall have the right to deliver the goods, wares or merchandise for which such license was issued, at any place in the city, without procuring any additional license therefor.

(b) Every person engaging in any transient business in the city, as herein defined, and who has procured a license therefor, shall have the right to sell the goods, wares or merchandise or engage in the business for which such transient license was issued at a fixed place of business without procuring any additional license therefor.

(c) In the issuance of transient licenses and licenses for fixed places of business, no discrimination or distinction shall ever be made against nonresidents of the city in favor of residents of the city, and residents and nonresidents of the city shall be entitled to equal rights in all matters relating to the issuances of licenses. (Ord. No. 646, § 4; Ord. No. 91-4, § 4, 3-4-91)

13.45 Revocation or suspension; violation; notice; hearing.

In the event that the chief of police has reasonable cause to believe and does believe that any licensee or other person employed by or representing such licensee is violating any of the provisions of this chapter or any other law or ordinance relating to the business of the licensee, or is conducting or has conducted or operated such business so as to be detrimental to the public morals or the public welfare, all facts and information relating to such alleged violation or conduct shall be reported to the city administrator. Prior to taking action affecting the license, the City Administrator, at his sole discretion, shall elect to proceed according to either subsection (1) or subsection (2) below.

(1) A hearing shall be set for a regular or special meeting of the city council, and the licensee shall be given at least ten (10) days written notice by registered or certified mail of the substance of the alleged violation and the date of said hearing. The city council shall hear and receive evidence, written and oral, upon all issues involved, and shall have the power to revoke, modify or suspend such license. The decision of the city council shall be final and binding upon all parties.

(2) The matter shall be set for an administrative hearing to revoke, modify, or suspend the license pursuant to the city's administrative hearing policy, if such a policy has been adopted by the city council. (Ord. No. 823, § 1, 7-1-68; Ord. No. 99-24, § I, 12-20-99; Ord. No. 2002-02, § I, 1-3-00)

Gilroy Police Department

City of Gilroy
7301 Hanna Street
Gilroy, California
95020-6129

Admin. (408) 846-0310
Comm. (408) 846-0350
Records (408) 846-0300
Fax (408) 846-0339

SCOT SMITHEE
Interim Chief of Police

MEMORANDUM

DATE: January 23, 2026

TO: Harjot Sangha, City Administrator

FROM: Scot Smithee, Chief of Police

SUBJECT: Rock Zone – 1323 First Street

I am recommending the city proceed with a business license revocation process for the Rock Zone, operating at 1323 First Street pursuant to Gilroy Municipal Code 13.45 (Revocation or suspension; violation; notice; hearing).

This recommendation is based on the following actions/violations:

On 11/15/24 an undercover buy operation was conducted where illegal mushrooms and flavored tobacco were purchased from the establishment. (Case 24-5175)

On 3/6/25 the Gilroy Police Department and the California Department of Tax and Fee Administration (CDTFA) served a search warrant on this business, resulting in the seizure of an unknown number of illegal tobacco products. A citation was issued for Business and Professions Code 22974.2(a)(1) and was processed by CDTFA. (Case 25-970)

On 1/8/26 a joint inspection was conducted on the business by Gilroy Police Department and Code Enforcement Officers resulting in the seizure of approximately 306 illegal tobacco related items. The business owner/manager was arrested on a felony warrant for the previous sales of narcotics case. (Case 26-139)

This business had a City Tobacco Retailers Permit, but that permit is expired.

Based on multiple violations of California statutes and City Municipal Code violations I recommend the business license for the Rock Zone be revoked.

City of Gilroy
7351 Rosanna Street
Gilroy, California
95020
http://www.cityofgilroy.org

March 3, 2026

PROPERTY OWNER/AGENT OF SERVICE
JOSE NUNEZ
WRR CA PROPERTIES LLC
84 W SANTA CLARA ST, STE 770
SAN JOSE, CA 95113

Subject: **NOTICE OF VIOLATION** – **Unpermitted Construction**

Property Address: 1323 First St. **APN**: 790-43-017 **Case #**: CE26-0010

Dear Property Owner,

On January 8, 2026, the Community Development Department's Code Enforcement Division conducted an inspection of the subject property located at **1323 First Street**. Unpermitted construction was identified during the inspection.

As a result, you are being issued this Notice of Violation that details the violations and corrective actions required.

Violations

GCC Section 1.7 – General Penalty; Continuing Violations
Any person, firm or corporation, whether, as principal, agent, employee or otherwise, who violates any of the provisions of this Code or who fails to comply with any of the mandatory requirements of this Code is guilty of an infraction, and upon conviction thereof, shall be punished as set forth below. Except as otherwise provided, every such person shall be guilty of a separate offense for each and every day during any portion of which any violation is committed, continued or permitted by such person, and shall be punishable accordingly. Any violation of this title or of the codes incorporated thereunder, following three (3) prior convictions therefor, shall constitute a misdemeanor.

2025 California Building Code

[A] 105.1 Required
Any owner or owner's authorized agent who intends to construct, enlarge, alter, repair, move, demolish or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause any such work to be performed, shall first make application to the building official and obtain the required permit.

[A] 114.1 Unlawful Acts
It shall be unlawful for any person, firm or corporation to erect, construct, alter, extend, repair, move,

remove, demolish or occupy any building, structure or equipment regulated by this code, or cause same to be done, in conflict with or in violation of any of the provisions of this code.

Order to Correct Violations

1. On or before **March 19, 2026**, submit an application for a demolition permit to the Community Development Department Building Division to remove the unpermitted construction inside the business. Contact the Building Division (408) 846-0437 for further information.

If the corrective actions are not completed by the compliance date, the City of Gilroy may pursue additional enforcement actions available to the City, including issuing administrative penalties or recording a lien against the subject property.

If you have any questions, please contact Community Development Director Sharon Goei at 408-846-0467 or sharon.goei@cityofgilroy.org.

Sincerely,



Sharon Goei
Community Development Director
City of Gilroy

RESOLUTION NO. 97-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY ADOPTING A MUNICIPAL ADMINISTRATIVE HEARING POLICY

WHEREAS, the Gilroy Municipal Code requires permits or licenses for persons engaged in various activities including, but not limited to, peddling or soliciting or vending; operating dances, dance halls, barrooms, adult businesses, cardrooms or food establishments; keeping animals and fowl; conducting bingo games; holding large meetings or parades; and

WHEREAS, the Gilroy Municipal Code may require an administrative hearing prior to denying, suspending, or revoking the above described permits or licenses; and

WHEREAS, administrative hearings may also be required prior to the exercise of certain municipal authority powers, such as to abate a nuisance; and

WHEREAS, the Gilroy Municipal Code does not provide express administrative hearing procedures for each of the administrative hearings necessary for the City's orderly operation and regulation; and

WHEREAS, the City Administrator recommends that a City policy be adopted to govern administrative hearings in the City; and

WHEREAS, policies of the City may be adopted by resolution or formal motion of the City Council; and

WHEREAS, it is the intent of the City Council to adopt a municipal administrative hearing policy that provides a meaningful opportunity to be heard and that maintains an informal hearing process that may be utilized by City officials acting as hearing officers in the absence of other express hearing requirements; and

WHEREAS, the City Council considers and finds that significant public and private interests are served by establishing an informal, efficient and readily accessible public hearing process that is neither technical nor cumbersome.

NOW, THEREFORE, BE IT RESOLVED THAT the following administrative hearing procedures are adopted as a matter of City policy, which procedures should be complied whenever there is no alternative procedure provided by the Gilroy Municipal Code, whenever the City conducts administrative hearings such as are aforementioned.

SECTION 1 - NOTICE

Notice of the date, time and location of any administrative hearing shall be given to the applicant, appellant, owner or operator as the case may be (hereafter "Applicant") by mail at least ten days prior to the hearing, which mail shall be addressed to the Applicant's most recent address on file with the City. If the hearing regards a permit, license, or application, notice shall be mailed to the applicant/appellant's address shown on the face of that document. The notice may enclose a copy of this Resolution and a statement that the hearing will proceed pursuant to the provisions contained herein.

SECTION II - HEARING OFFICER

The City Administrator may serve as a Hearing Officer, or may designate any other person, including but not limited to other City officials or employees, to be a Hearing Officer.

To maintain an efficient and fair hearing, the Hearing Officer may set time limits or implement other rules of procedure, provided that a meaningful opportunity to be heard is preserved.

SECTION III - RECORD OF HEARING

The City shall be responsible for making a record of the hearing either by audio or video tape. The Hearing Officer shall lodge this record with the City Clerk who shall maintain the record for one (1) year from the conclusion of the hearing. If requested in writing by the Applicant, the City shall have the hearing record transcribed at the Applicant's cost. The City may require that a reasonable deposit in the amount of the estimated cost of preparation accompany any request for a transcribed record.

SECTION IV - EVIDENCE

The Hearing Officer shall rule on the admissibility of any evidence. Formal rules of evidence shall not apply and the Hearing Officer shall not be bound by the California Evidence Code or the Federal Rules of Evidence. No oath is required for witness testimony. However, a witness may request that his or her own testimony be provided under oath, which factor may be considered by the hearing officer when weighing the evidence. Documentary evidence shall be marked for identification purposes, and copies of all such evidence shall be maintained by the City Clerk with the record of the hearing for one (1) year after the conclusion of the hearing. Cross-examination of witnesses shall not be permitted.

SECTION V - HEARING OFFICER'S DECISION

Within a reasonable time not to exceed thirty (30) days from the date the hearing is closed, the Hearing Officer shall submit a written decision to the City Clerk. Such decision shall contain written findings of fact, which must be supported by substantial evidence in the record as a whole, and which findings must support the Hearing Officer's decision. A copy of the decision shall be

promptly mailed to the Applicant.

SECTION VI - APPEAL OF HEARING OFFICER'S DECISION

Not later than 15 days after the Hearing Officer's decision is mailed to the Applicant, the Applicant may appeal the decision by filing with the City Clerk written exceptions to any portion of the decision together with written argument in support of each exception and the amount of fees for an appeal to the City Council as fixed by resolution or by ordinance. The City Clerk shall place the appeal on an agenda for a City Council meeting which permits at least ten day notice to the Applicant and which will allow the appeal to be heard no more than 45 days after the City Clerk's receipt of the appeal. The City Clerk shall notify the Applicant of the date, time and location that the appeal shall be heard at least ten days prior to the meeting.

SECTION VII - ACTION BY CITY COUNCIL ON APPEAL

Appeal to the City Council shall be confined to oral and written argument and the administrative record. Upon consideration of the entire record of the hearing, including the Hearing Officer's decision and the exceptions and written argument that were filed with the City Clerk, the City Council may adopt the Hearing Officer's decision in its entirety or the decision may be rejected or modified.

SECTION VIII - STATUTE OF LIMITATIONS

Pursuant to Code of Civil Procedure Section 1094.6, any petition for judicial review shall be filed not later than ninety days after the City Council makes its final decision. The provisions of Section 1094.6 shall apply to any such action.

PASSED AND ADOPTED this 3rd day of March, 1997 by the following vote:

AYES: COUNCILMEMBERS: GILROY, MORALES, ROGERS, ROWLISON, SPRINGER, VALDEZ, GAGE

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE

APPROVED:

Donald F. Gage, Mayor

ATTEST:

Susanne E. Steinmetz, City Clerk

I, RHONDA PELLIN, Deputy City Clerk of the City of Gilroy, do hereby certify that the attached Resolution No. 97-17 is an original resolution, duly adopted by the Council of the City of Gilroy at a regular meeting of said Council held on the 3rd day of March, 1997, at which meeting a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this 6th day of March, 1997.

Rhonda Pellin

Deputy City Clerk of the City of Gilroy

(Seal)

BEFORE A HEARING OFFICER
OF THE
CITY OF GILROY

In the matter of the Administrative Hearing regarding Business License No. 16606725 THE ROCK ZONE, Respondent	**PRE-HEARING ORDER** **Business License Revocation Proceeding for the premises at 1323 First Street, Gilroy, CA**

Pursuant to the Notice dated March 3, 2026, this matter is scheduled for hearing on March 19, 2026, at 9:00 am, remotely on the Zoom platform. The hearing shall be held pursuant to the City of Gilroy (city) Municipal Administrative Hearing Policy, Resolution No. 97-17. Therefore, the following shall be applicable:

A. Procedure

1. Formal rules of evidence shall not apply, and the Hearing Officer shall not be bound by the California Evidence Code or the Federal Rules of Evidence.

2. No oath is required for a witness to testify. However, a witness may request that his or her own testimony be provided under oath, which factor may be considered by the Hearing Officer when weighing the evidence.

3. The hearing shall be recorded.

4. Cross-examination shall not be permitted.

B. Order of Presentation

1. Opening statement from the city and testimony from its witnesses.

2. Opening statement from respondent and testimony from its witnesses.

3. Rebuttal testimony to the extent allowed by the Hearing Officer.

4. If requested, closing arguments may be presented on behalf of the city and respondent.

C. Submission of Evidence

The parties shall have until March 16, 2026, no later than 4:00 pm, to submit any relevant documents to Harjot Sangha, City Finance Director, at Harjot.Sanha@cityofgolroy.org, who shall transmit the documents to the other party upon receipt.

IT IS SO ORDERED.

Dated: March 11, 2026



ALAN SELTZER, Hearing Officer

Harjot Sangha

From: Harjot Sangha
Sent: Wednesday, March 18, 2026 10:18 AM
To: 'Karen Flores'; Steve
Subject: RE: EXTERNAL - Fwd: Administrative Hearing 3/19 Time Sensitive

Importance: High

Good afternoon,

I did not receive Mr. Defilippis' email. Thank you for forwarding it. I did receive Karen's email from earlier in the day and the voice message.

The Administrative Hearing Officer has accepted the request and continued the hearing to Friday, April 3, at 9 am. He will be issuing a continuance order, which I will remit later today. The meeting link and joining instructions will remain the same; the meeting will be conducted via Zoom.

For the Notice of Violation regarding unpermitted construction identified during the inspection, please contact Community Development Director Sharon Goei at 408-846-0467 or Sharon.Goei@cityofgilroy.org.

Please let me know if you have any additional questions.

Thank you,

Harjot Sangha | Finance Director
Finance Department
7351 Rosanna Street, Gilroy, CA 95020
Cell 408.888.6690 | Direct 408.846.0294
http://www.cityofgilroy.org

From: Karen Flores <kflores@pdaplc.com>
Sent: Tuesday, March 17, 2026 5:24 PM
To: Harjot Sangha <Harjot.Sangha@cityofgilroy.org>
Cc: Steve <flipsmd2005@yahoo.com>
Subject: Re: EXTERNAL - Fwd: Administrative Hearing 3/19 Time Sensitive

Good afternoon,

I am including Mr. Defilippis on this email; he also emailed you directly. Below is his email.

Karen C. Flores
Assistant to
STEVE M. DEFILIPPIS, Esq.

---------- Forwarded message ---------
From: **Steve Defilippis** <flipsmd2005@yahoo.com>
Date: Tue, Mar 17, 2026 at 3:34 PM
Subject: URGENT-Upcoming Administrative Hearing 3/19 on Adel Ammari dba Rock Zone (1323 1st St.)
To: harjot.sangha@cityofgilroy.org <harjot.sangha@cityofgilroy.org>
Cc: andy.faber@berliner.com <andy.faber@berliner.com>, Karen Flores <kflores@pdaplc.com>

Mr. Sangha,
Good afternoon. I was just retained regarding the above matter that is scheduled for this Thursday. My staff has been trying to reach you to discuss this matter. I have very limited information, and obviously this case involves very serious allegations with potentially severe consequences to my client. I would like to do two things immediately: First, I am requesting a continuance of the hearing so that I can investigate and properly prepare for this hearing; Secondly, I would like to discuss with you the deconstruction\remediation being requested by the City so that I can properly direct my client as to what is needed to be accomplished in the short run and once we have a plan to do that work, to set up a reasonable date for my client to bring the property into compliance with the City's request.

Please contact me immediately so we can discuss how to best move forward with this hearing and the building code issues. Easiest way to reach me is by cell phone (408-307-9362).

Looking forward to working with you to bring this matter to an early and honorable resolution.

Steve M. Defilippis, Esq.

Picone & Defilippis
625 N. 1st Street
San Jose, CA 95112
T: 408-292-0441
F:408-287-6550

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On Tue, Mar 17, 2026 at 4:29 PM Harjot Sangha <Harjot.Sangha@cityofgilroy.org> wrote:

Hi Karen,

Confirming receipt of your request via email and voice message. I will circle back if that is a possibility, given it is two days out.

Thank you,

Harjot Sangha | Finance Director

Finance Department

7351 Rosanna Street, Gilroy, CA 95020

Cell 408.888.6690 | Direct 408.846.0294

http://www.cityofgilroy.org

From: Karen Flores <kflores@pdaplc.com>
Sent: Tuesday, March 17, 2026 11:32 AM
To: Harjot Sangha <Harjot.Sangha@cityofgilroy.org>
Subject: EXTERNAL - Fwd: Administrative Hearing 3/19 Time Sensitive

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Good morning Mr. Sangha,

I sent this email below but noted that you are listed on a letter to Mr. Ammari dated March 3, 2026.

Could you please advise whether we can reschedule this hearing as we have been retained to appear in this matter?

I appreciate your time in advance.

Karen C. Flores

Assistant to

STEVE M. DEFILIPPIS, Esq.
RYAN RAMSEYER, Esq.
NICOLE A. ALVARADO, Esq. &

CARLIN LOZINSKY, Esq.

PICONE & DEFILIPPIS, A P.L.C.

625 North First Street
San Jose, CA 95112
PH: (408) 292-0441
FX: (408) 287-6550

kflores@pdaplc.com

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---------- Forwarded message ---------
From: **Karen Flores** <kflores@pdaplc.com>
Date: Tue, Mar 17, 2026 at 8:31 AM
Subject: Administrative Hearing 3/19 Time Sensitive
To: <Matt.Morley@cityofgilroy.org>

Good morning,

Our office has just been retained to represent Adel Ammari in a matter scheduled for an Administrative hearing this Thursday.

I apologize for the short notice. I had a family loss over the weekend and was out on Monday. I was notified we had been retained by Adel Ammari.

Could you please advise how we can request a continuance so that Mr. Defilippis can appear on his behalf?

Thank you.

Karen C. Flores

Assistant to

STEVE M. DEFILIPPIS, Esq.
RYAN RAMSEYER, Esq.
NICOLE A. ALVARADO, Esq. &

CARLIN LOZINSKY, Esq.

PICONE & DEFILIPPIS, A P.L.C.

625 North First Street
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kflores@pdaplc.com

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BEFORE A HEARING OFFICER
OF THE
CITY OF GILROY

In the matter of the Administrative Hearing regarding Business License No. 16606725 THE ROCK ZONE, Respondent	**ADMINISTRATIVE ORDER CONTINUING HEARING** **Business License Revocation Proceeding for the premises at 1323 First Street, Gilroy, CA**

Pursuant to Notice dated March 3, 2026, this matter was originally scheduled for hearing on March 19, 2026, at 9:00 am, remotely on the Zoom platform. On March 17, 2026, Steve M. Defilippis, of Picone & Defilippis, notified City Finance Director Harjot Sangha that he had just been retained by Respondent as counsel in this proceeding and requested a continuance to properly prepare for the hearing. The City's representatives agreed to the request.

Good Cause Appearing, the hearing on this matter shall be continued from March 19, 2026, at 9:00 am, to April 3, 2026, at 9:00 am. City Finance Director Harjot Sangha shall provide the parties instructions for attending the continued hearing remotely on Zoom.

IT IS SO ORDERED.

Dated: March 18, 2026

ALAN SELTZER, Hearing Officer

Harjot Sangha

From: alan@alanseltzerlaw.com
Sent: Thursday, April 2, 2026 3:30 PM
To: Harjot Sangha
Subject: FW: EXTERNAL - Fwd: AMARI: UTL and Tobacco Articles
Attachments: img-cb293f4e-a5b5-43fc-9206-07d3e30dfd7e

Please forward the following to the city's representatives and Mr. Defiilippis in response to the email from Mr. Defillipis below.

As the parties have been informed, the hearing in the Business License No. 16606725 Revocation Proceeding, scheduled tomorrow morning, is being held pursuant to Gilroy Municipal Code §13.45(2) and City Council Resolution No. 97-17. The hearing is informal. Formal rules of evidence do not apply, there is no cross-examination, and there is no provision for discovery. The Hearing Officer's decision shall be based only on the evidence presented at the hearing, including the testimony of witnesses and documentary evidence entered into the record by the Hearing Officer, as well as matters subject to administrative notice.

The record at this point includes only the packet of materials, dated March 3, 2026, addressed to Adel Ammari, which is entitled "Administrative Hearing Notice and Notice of Violation – The Rock Zone," which has been received by all parties. No police reports have been entered into the record and, therefore, they are not part of the record of decision at this preliminary point of the proceedings. If this remains the case, they may not be considered in rendering a decision in this matter, which iequires determining if the city has shown by the preponderance of the evidence whether respondent has violated "…any of the provisions of this chapter or any other law or ordinance relating to the business of the license, or is conducting or has conducted or operated such business so as to be detrimental to the public morals or the public welfare" as set for in Gilroy Municipal Code §13.45.

The Hearing Officer issued a Pre-Hearing Order dated March 11,2026. As set forth in that Order, the hearing will proceed tomorrow first with the city's opening statement and testimony followed by the respondent's opening statement and testimony. The city will have the opportunity during the presentation of its case to present evidence satisfying its burden of proof that a violation warranting relief under Gilroy Municipal Code §13.45 has occurred. It is anticipated that the city's testimony may also be relevant to identifying the city's interest in the determination whether a stay of proceedings should be issued and, if so, the conditions to which it should be made subject.

As the Hearing Officer stated at the pre-hearing conference held April 1, 2026, the parties should be prepared to address both respondent's request for a stay and the merits of this case. Thus, respondent, in presenting his case in chief, may renew his request for a stay of these proceedings or seek a continuance as indicated in the email below. The issuance of a stay is discretionary, not mandatory. In considering whether to grant a stay, the factors identified in *Avant! Corp. v. Superior Court* (2000) 79 Cal.App.4th 876, will be considered.



From: Steve Defilippis <flipsmd2005@yahoo.com>
Date: Thursday, April 2, 2026 at 11:58 AM
To: alan@alanseltzerlaw.com <alan@alanseltzerlaw.com>
Cc: Harjot Sangha <harjot.sangha@cityofgilroy.org>
Subject: Fw: EXTERNAL - Fwd: AMARI: UTL and Tobacco Articles

Please see the email exchange below. The City is not willing to release the reports and case materials, which should be voluminous, pending the conclusion of the criminal case. Obviously, I cannot prepare a defense to these allegations without seeing these materials. There should be at least one (possibly two, for the searches in March of 2025 and January of 2026) set(s) of search warrant materials (affidavit in support of the warrant, the warrant itself, and a return on the warrant listing all items seized), reports for the November 2024 buys at the Rock Zone, reports for the March 2025 execution of the warrant and related photos and videos of the search, and the reports, photos and related videos of the January 6 and January 8, 2026 arrest and search (these dates came from our discussions on the record yesterday, as I am unclear as to the exact dates). Of course, pursuant to Gilroy PD policy, each of the involved officers would have been wearing body worn cameras during these events, and there also should be a master list of all the items seized. While I can understand the City's reluctance to make these materials available to the public, no such issue is presented by denying the respondent access to the very materials being relied upon by the City to seek the revocation of the license held by Mr. Ammari and the Rock Zone.

This development seems to support the request for a stay, as the City is both seeking to go forward with the hearing, while at the same time precluding respondent from seeing any of the evidence being brought against him. This would certainly appear to be a clear violation of due process, and clearly demonstrates the prejudice that Mr. Ammari and the Rock Zone will suffer from moving forward with this hearing prior to the conclusion of the criminal matter so that the materials can be provided to Respondent. I have also requested the identity of the witnesses who will testify for the City, but no information has been forthcoming.

Accordingly, I am bringing these matters to your attention as further support for the requested stay, as well as to advise you that I will be unable to be adequately prepared to go forward with the substantive (non-stay related) portion of the hearing tomorrow in light of being denied access to ALL of the relevant materials the City is relying upon. Based on these factors, I will still be seeking the requested stay, and if denied, will then request an order that the materials be provided, and that a continuance is needed until they are produced and I have had an opportunity to properly prepare.

I suppose, as a footnote, it is also relevant that some or all of these reports have been provided to yourself. It would seem to be quite fundamental that anything provided to a hearing officer would be discoverable to all parties, yet this has not been done by the City. Finally, I would assume that most (or perhaps all) of the witnesses have reviewed these reports prior to testifying, again supporting the need for them. Thus, if there is a need for preclusion of those materials being provided to the Respondent, then the prejudice analysis in light of that preclusion falls in favor of Mr. Ammari and supports the stay.

Let me know if you need anything further. Otherwise, I will see everyone at 9:00 AM tomorrow.

Steve M. Defilippis, Esq.
Picone & Defilippis
625 N. 1st Street
San Jose, CA 95112
T: 408-292-0441
F:408-287-6550

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Thank you.

----- Forwarded Message -----
From: Harjot Sangha <harjot.sangha@cityofgilroy.org>
To: Steve Defilippis <flipsmd2005@yahoo.com>
Cc: Karen Flores <kflores@pdaplc.com>
Sent: Thursday, April 2, 2026 at 08:25:06 AM PDT
Subject: RE: EXTERNAL - Fwd: AMARI: UTL and Tobacco Articles

Steve – Mr. Seltzer has determined not to rely on the reports and will instead rely on the evidence that City staff will present.

Thank you,
Harjot

From: Steve Defilippis <flipsmd2005@yahoo.com>
Sent: Thursday, April 2, 2026 8:20 AM
To: Harjot Sangha <Harjot.Sangha@cityofgilroy.org>
Cc: Karen Flores <kflores@pdaplc.com>
Subject: Re: EXTERNAL - Fwd: AMARI: UTL and Tobacco Articles

Thanks Harjot. However, it appears that Mr. Seltzer had access to the reports, as he was familiar with what searches occurred, the arrest, and subsequent investigation. Please forward whatever has been submitted to the hearing officer. Thanks.

Steve M. Defilippis, Esq.
Picone & Defilippis
625 N. 1st Street
San Jose, CA 95112
T: 408-292-0441
F:408-287-6550

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Thank you.

On Thursday, April 2, 2026 at 08:09:57 AM PDT, Harjot Sangha <harjot.sangha@cityofgilroy.org> wrote:

Steve,

Confirming receipt. With respect to the police reports, I've been advised that due to the ongoing criminal proceedings, the City cannot release the police reports, as those will be made available by the DA as part of those proceedings. Hearing Officer has been advised of the same. I understand the business owner has furnished you with all other documents remitted to them.

There were no new submissions from the City's side.

Thank you,

Harjot Sangha Finance Director
Finance Department
7351 Rosanna Street, Gilroy, CA 95020
Cell 408.888.6690 C Direct 408.846.0294
http://www.cityofgilroy.org

-----Original Message-----
From: Steve <flipsmd2005@yahoo.com>
Sent: Wednesday, April 1, 2026 4:50 PM
To: Harjot Sangha <Harjot.Sangha@cityofgilroy.org>
Cc: Karen Flores <kflores@pdaplc.com>
Subject: EXTERNAL - Fwd: AMARI: UTL and Tobacco Articles

CAUTION: This email originated from an External Source. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Harjot,
Attached please find some materials that I will be utilizing at the hearing of this matter. Please forward your materials as soon as possible. Thank you.

Sent from my iPhone

Steve M. Defilippis
Picone & Defilippis, A P.L.C.
625 N 1st Street
San Jose, CA 95112
408-292-0441

BEFORE A HEARING OFFICER
OF THE
CITY OF GILROY

In the matter of the Administrative Hearing regarding Business License No. 16606725 THE ROCK ZONE, Respondent	**ADMINISTRATIVE ORDER CONTINUING HEARING AND DENYING REQUEST FOR STAY OF PROCEEDING** **Business License Revocation Proceeding for the premises at 1323 First Street, Gilroy, CA**

Pursuant to the "Notice for Administrative Hearing Regarding Business License No. 16606725," dated March 3, 2026, and after a continuance granted at the request of respondent's counsel, the hearing in this matter commenced on April 3, 2026, at 9:00 am, remotely on the Zoom platform. The purpose of the hearing was to consider the recommendation by the Gilroy Chief of Police to proceed with the business license revocation process for The Rock Zone, operating at 1323 First Street, pursuant to City of Gilroy Municipal Code (GMC) §13.45, and the city's Administrative Hearing Policy, Resolution No. 97-17. Steve M. Defilippis, of Picone & Defilippis, appeared on behalf of Adel Ammari and The Rock Zone. Gilroy Police Department Sargeant Guerin, and Officers Ludden, Tong, and Remmick appeared and testified under oath on behalf of the city.

Before the city presented its case, Mr. Defilippis requested (1) a stay of the proceeding, asserting it was required to protect the fifth amendment privilege held by Mr. Ammari in a related criminal action and (2) a continuance, arguing that he had been denied meaningful access to the city's evidence against Mr. Ammari. The Hearing Officer declined to rule on Mr. Defilippis's requests before hearing the City's case, ruling that after the city had the opportunity to present evidence in support of establishing a prima facia case that a violation warranting relief under Gilroy Municipal Code §13.45 had occurred, respondent, in presenting his case in chief, could renew his request for a stay or continuance.

Following the City's testimony, Mr. Defilippis renewed his request for a stay and, alternatively, a continuance. After considering argument from Mr. Defilippis, the following rulings were made:

1. Respondent's Request for a Stay of the Proceedings pending completion of the criminal trial in which Mr. Ammari is a defendant was DENIED.

At the hearing, the Hearing Officer stated on the record that a stay was not constitutionally required, but discretionary under applicable case law. He noted that the corporation holding the business license does not possess a Fifth Amendment privilege, and that Mr. Ammari, to the extent he was listed as an individual on the license, could protect his privilege by declining to testify personally, while the corporation could present testimony through another agent or employee. The ruling denying the stay is supported by the following authority.

In *Avant! Corp. v. Superior Court* (2000) 79 Cal. App.4th 876, the court recognized the well-established rule that corporations have no privilege against self-incrimination (*at* 884), and that California courts have consistently held that the government may conduct administratively proceedings contemporaneously with criminal proceedings arising from the same conduct, and that it is even permissible to draw an adverse inference from the invocation of the fifth amendment privilege in a civil or administrative proceeding. It stated:

> Concluding that the administrative law judge's refusal to stay the civil proceeding was not an abuse of discretion, Keating, citing Baxter v. Palmigiano (1976) 425 U.S. 308, 318 [96 S. Ct. 1551, 1557, 47 L. Ed. 2d 810], held that "[a] defendant has no absolute right not to be forced to choose between testifying in a civil matter and asserting his Fifth Amendment privilege. Not only is it permissible to conduct a civil proceeding at the same time as a related criminal proceeding, even if that necessitates invocation of the Fifth Amendment privilege, but it is even permissible for the trier of fact to draw adverse inferences from the invocation of the Fifth Amendment in a civil proceeding." (Keating v. Office of Thrift Supervision, supra, 45 F.3d at p. 326.)" *Avant! Corp.* at 866-67.

GMC §13.5 requires a business license to state among other things, "the name of the person to whom issued" and "the name of the business licensed." The "Business Name" on Business License Number 16606725 at issue in this proceeding is The Rock Zone.[1] The Business Owner to whom the license was issued is a corporation – ATML, Inc.

ATML, Inc. has no Fifth Amendment privilege rights and there is no basis for Mr. Defilippis's stay request with respect to that corporation. Adel Ammari is also listed on the Business License under "Business Owner(s)."[2] Even if he is an individual business owner and listed licensee, Mr. Ammari has no absolute right to a stay.

[1] The Hearing Officer has taken administrative notice of Business License Number 16606725.

[2] As set forth in this Order, in ruling on the motion, the Hearing Officer has assumed that in addition to ATML, Inc., Mr. Ammari was also listed on the Business License as an owner to whom the license was issued. At the continued hearing, the parties are asked to specifically address Mr. Ammari's status with respect to being listed under the title

In *Avant! Corp., supra,* in addition to Avant! Corporation's claim of privilege, Avant! also asserted that its corporate employees had Fifth Amendment interests, which must begiven serious consideration. In response the court acknowledged, while true, those interests were "not overriding," particularly where the trial court had fashioned a remedy to protect the employees' Fifth Amendment rights. *Id*. at 886-87

As noted at the hearing, in this proceeding, Mr. Ammari's fifth amendment rights to silence have been protected and accommodated. Under the governing Administrative Hearing Policy, Resolution No. 97-17, Mr. Ammari cannot be called as a witness. He cannot be compelled to testify. There is no provision for discovery or the subpoena of documents or witnesses. And, if he chooses to testify in this proceeding, he cannot be made subject to cross-examination. Thus, he is in complete control of the scope of his testimony and ability to preserve his right against self-incrimination. Second, ATML, Inc. is a, if not the sole, licensee in this license revocation proceeding. Mr. Ammari is identified as ATML, Inc.'s agent for service of process and its officers in ATML, Inc.'s corporation documents filed with the California Secretary of State. ATML, Inc. may identify another person to act as its agent and testify in this proceeding without implicating Mr. Ammari's Fifth Amendment privilege.

In addition to considering the extent to which Mr. Ammari's Fifth Amendment rights are implicated in this proceeding and accommodated as set forth above, the hearing officer has also considered the following additional five factors identified in *Keating* and *Avant! Corporation* in determining whether a civil proceeding should be stayed pending the disposition of the parallel criminal proceeding:

(1) the interest of the city in proceeding expeditiously with this proceeding or any particular aspect of it, and the potential prejudice to city of a delay.

There was no reason to prevent that part of the proceeding involving the city's presentation of its own evidence. That presentation did not implicate Mr. Ammari's Fifth Amendment privilege and as discussed further below, allowed the respondent to learn the evidence the city relied upon to satisfy its burden of proof that violations warranting relief under Gilroy Municipal Code §13.45 had occurred. By proceeding without a stay, the city's witnesses testified to three separate violations between November 15, 2024, and January 8, 2026, providing respondent the facts upon which the city's case is based. Although Mr. Defilippis presented argument that these violations have occurred over a long period of time, that the determination of what is an illegal tobacco product has been

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"Business Owner(s)" on Business License Number 16606725. If Mr. Ammari's status is other than a licensee, in lieu of the consideration of the five factors identified in *Keating* and *Avant! Corporation* and findings made in this Order that show that his fifth amendment rights are accommodated in this proceeding, unequivocal denial of the stay request would have been appropriate.

complex over that time, that Mr. Ammari has learned what is and is not allowed by the creation of the UTL, and that there are no illegal products being sold at The Rock Zone now, the city should not be forced to rely on representations of Mr. Ammari's current compliance when it has a compelling regulatory interest in the prompt resolution of this matter to prevent future health and safety violations.

And, as the court in *Avant! Corp.* stated at 887: "To require the city to wait for the result of the related criminal action 'would increase the danger of prejudice resulting from the loss of evidence, including the inability of witnesses to recall specific facts, or the possible death of a party.' [Citation omitted.]" *Id.* at 887.

(2) the burden which any particular aspect of the proceedings may impose on respondent.

As explained above, the procedures governing this proceeding protect Mr. Ammari's Fifth Amendment rights. He cannot be called as a witness. He cannot be compelled to testify. And, if he chooses to testify in this proceeding, he cannot be made subject to cross-examination. Thus, he is in complete control of the scope of his testimony and ability to preserve his right against self-incrimination. In addition, assuming he is a licensee, he is not the only licensee to whom the Business License in this case was issued, and ATML, Inc., which has no Fifth Amendment privilege, may appoint a different agent with no Fifth Amendment rights implicated to testify on its behalf.

(3) the convenience of the court in the management of its cases, and the efficient use of judicial resources.

A stay of these proceedings pending completion of the related criminal case in which Mr. Ammari is a defendant could last for many months if not years if he is convicted and then exhausts his appellate rights. Mr. Defilippis is not Mr. Ammari's criminal counsel and cannot make any guarantee how long the criminal process may take. As stated above, the potential loss of witnesses, evidence and even the hearing officer, favor proceeding with the hearing.[3]

(4) the interests of persons not parties to the civil litigation; and (5) the interest of the public in the pending civil and criminal litigation.

The public interest in tobacco licensing is strong as reflected in the extensive state and local regulatory structure for tobacco licensing and favors proceeding with the

[3] In *Avant! Corp.*, in stating that denial of the stay motion clearly promotes the convenience of the court, the court quoted *U.S. v. Private Sanitation Industry Ass'n* (E.D.N.Y. 1992)811 F.Supp. 802, 808: "[C]onvenience of the courts is best served when motions to stay proceedings are discouraged."

hearing. Staying enforcement of that regulatory framework is counter to its protective purpose.

In conclusion, Mr. Ammari's Fifth Amendment rights are accommodated by the procedures governing this proceeding, and weighing the additional five factors identified in *Keating* and *Avant! Corp.* favor denying the stay request.

2. Respondent's Request for a Continuance was granted, and the hearing was continued to April 17, 2026, at 10:00 am without objection.

A hearing officer is not an independent judicial officer of the state and has no more authority than granted by city ordinances and resolutions. As stated above, the city's Administrative Hearing Policy, Resolution No. 97-17, has no provision for discovery or the subpoena of witnesses or documents. In granting the continuance request, the Hearing Officer recognized that respondent only learned the facts upon which the city's license revocation case was based at the April 3, 2026, hearing, and required additional time to prepare its response.

It also became apparent that the city's witnesses needed time to confirm that all the confiscated products testified about were in fact illegal under the applicable provisions of the Gilroy Municipal Code 13.45 and related state law, specifically Professions Code Section 22974.2. In that regard, the parties were directed to return on April 17, 2026, with information about whether any of the confiscated products were on the Unflavored Tobacco List (UTL) established by AB 3218 and SB 1230 that was signed into law in September 2024.

ORDER

Good Cause Appearing, the hearing on this matter shall be continued to April 17, 2026, at 10:00 am. City Finance Director Harjot Sangha shall provide the parties instructions for attending the continued hearing remotely on Zoom.

IT IS SO ORDERED.

Dated: April 6, 2026



ALAN SELTZER, Hearing Officer

BEFORE A HEARING OFFICER
OF THE
CITY OF GILROY

In the matter of the Administrative Hearing regarding Business License No. 16606725 THE ROCK ZONE, Respondent	**ADMINISTRATIVE DECISION** **Business License Revocation Proceeding for the premises at 1323 First Street, Gilroy, CA**

STATEMENT OF THE CASE

Pursuant to the "Notice for Administrative Hearing Regarding Business License No. 16606725," dated March 3, 2026, this matter was initially scheduled for hearing on March 19, 2026, at 9:00 am, remotely on the Zoom platform. The purpose of the hearing was to consider the Chief of Police's recommendation to proceed with the business license revocation process for The Rock Zone, operating at 1323 First Street, pursuant to the City of Gilroy (city) Municipal Code (GMC) §13.45, and Municipal Administrative Hearing Policy, Resolution No. 97-17.

On March 17, 2026, Steve M. Defilippis, of Picone & Defilippis, notified City Finance Director Harjot Sangha that he had just been retained by respondent as counsel and requested a continuance to properly prepare for the hearing. The City's representatives agreed to the request. Therefore, an Order Continuing the Hearing to April 3, 2026, was entered March 18, 2026.

On March 30, Mr. Defilippis requested a stay of this proceeding based on the assertion that Mr. Ammari was the defendant in a related criminal action and that a stay was necessary to protect his fifth amendment privilege against self-incrimination. A pre-hearing conference attended by Mr. Defilippis and assistant City Attorney Jolie Houston was held on March 31, 2026. At the conclusion of the hearing, the parties were informed that they should be prepared to address both respondent's request for a stay and the merits of this case and that after the city presented its case, respondent, in presenting its case in chief, could renew its request for a stay or seek a continuance.

On April 3, 2026, this hearing commenced remotely on the zoom platform. The Business Owner and Adel Ammari appeared with their attorney, Steve M. Defilippis. They were accompanied by Elizabeth Vera, an employee of The Rock Zone, who observed the hearing. Gilroy Police Department Sargeant Geoffrey Guerin, Officer Doug Ludden, Officer Don Tong, and Officer Doug Remmick appeared and testified under oath. Also present was Harjot Sangha, who hosted the meeting. Gilroy Police Department

Captain Luke Powell and Community Development Director Sharon Goei observed the proceedings but did not testify.

At the commencement of respondent's case, after the city's witnesses testified, the Hearing Officer denied respondent's stay request and continued the hearing to April 17, 2026. An Order Continuing Hearing and Denying Request for Stay issued April 6, 2026.

On April 17, 2026, the hearing resumed remotely on the zoom platform. Gilroy Police Department Sargeant Guerin, Corporal Remmick, Officer Ludden, and Arica Hernandez, the City's Supervising Accounting Technician appeared and testified under oath. Gilroy Police Department Captain Luke Powell, Officer Don Tong, and Community Development Director Sharon Goei observed the proceedings but did not testify. Steve Defilippis, Esq., represented the Rock Zone and examined its employees Elizabeth Vera and Amy Davis, who testified under oath. Adel Ammari appeared at the hearing but did not testify. Also present was Harjot Sangha, who hosted the meeting.

EVIDENCE CONSIDERED

The following exhibit was presented and accepted into evidence at the hearing on April 3, 2026:

Exhibit 1. The packet of materials mailed to Adel Ammari by Mr. Sangha, dated March 3, 2026.[1]

The following exhibits were presented and accepted into evidence at the hearing on April 17, 2026:

Exhibit 2. National Law Review Article "California Bans Online Sales of Flavored Tobacco Products Effective January 1, 2025," submitted by Respondent.

Exhibit 3. Tobacco law Blog article "California Finalizes Unflavored Tobacco List Regulations," submitted by Respondent.

Exhibit 4. Article entitled "California to increase tobacco retailer license fee," submitted by Respondent.

Exhibit 5. Unflavored Tobacco List (utl-2026-04-01), submitted by Respondent.

Exhibit 6. Statement of Haley Edwards, transcribed from email sent April 15, 2026.

[1] Exhibit 1 contains the Notice for Administrative Hearing Regarding Business License No. 16606725, excerpts from the Gilroy City Code, the memorandum from Chief of Police Smithee recommending this business license revocation proceeding, and a copy of Resolution No. 97-17.

After testimony concluded at the hearing on April 17, 2026, the Hearing Officer left the record open until the end of the April 20, 2026, business day, for the City to submit official records relating to the status of Respondent's Tobacco Retailer's Permit (TRP) and for the Respondent to submit the photograph of The Rock Zone store entry signage referenced in Ms. Vera's testimony. Both parties were given until the end of the April 20, 2026, to submit briefing about the scope of the exemption allowing the sale of flavored shisha tobacco products in California Health & Safety Code §104559.5(c).

On April 17, 2026, Sargeant Guerin, on behalf of the city, submitted the following documents that were accepted into evidence:

Exhibit 7. Regulatory Permit issued to The Rock Zone on 05/21/2024, with License Expiration Date 12/31/2024.

Exhibit 8. Regulatory Permit issued to The Rock Zone ATML, Inc. on 02/04/2026, with License Expiration Date 12/31/2026.

Exhibit 9. Email from Sargeant Guerin dated 4/17/26 attaching regulatory permits and links to (1) Health & Safety Code §104559.5; (2) California Attorney General Unflavored Tobacco List Regulations; (3) Health & Safety Code §104559.1; (4) California Department of Justice Unflavored Tobacco List (UTL).[2]

On April 20, 2026, Steve Defilippis, on behalf of respondent, filed his post hearing submission that was accepted into evidence as:

Exhibit 10. Cover letter (2 pages); photographic attachments (4 pages); business license and regulatory permit documents (8 pages).[3]

In addition, the Hearing Officer has taken administrative notice of the Gilroy Municipal Code, including Chapter 13,[4] as well as the city's Finance Department business license records, including:

Exhibit 11. Finance Department Receipt dated 1/21/2025 for The Rock Zone Tobacco Permit. [5]

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[2]https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC&sectionNum=104559.5
https://oag.ca.gov/tobacco/flavorban/regulations
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=104559.1&lawCode=HSC
https://utl.doj.ca.gov/

[3] The contents of Exhibit 10 are further identified and discussed in the Analysis section below.

[4] All citations are to the Gilroy Municipal Code unless otherwise noted.

[5] An administrative hearing officer in California can take administrative notice of records of a city department, including "Facts not reasonably subject to dispute and capable of immediate and accurate determination by resort to official sources." *Cf.* Evidence Code § 452(h).

SUMMARY OF TESTIMONY

THE HEARING ON APRIL 3, 2026

Sergeant Guerin

Sergeant Guerin testified that he supervises the Gilroy Police Department's Anti-Crime Team, whose primary focus is investigation and suppression of criminal street gang activity and narcotics crimes. He stated that his team also handles other enforcement duties, including illegal tobacco enforcement. Sergeant Guerin explained that City Hall had received complaints that several smoke shops in Gilroy were potentially selling illegal products, including flavored nicotine and other illegal items. In response to those complaints, his team was directed to investigate to see if the complaints about violations of state and local law were true. Sergeant Guerin next provided an overview of three enforcement actions involving The Rock Zone.

First, on November 15th, 2024, he directed his team to conduct an undercover operation at The Rock Zone. He stated that Officer David Ludden entered the store in plainclothes and purchased Zimo wintergreen flavored nicotine pouches and a Polk a Dot Magic Mushroom chocolate bar. Sergeant Guerin stated the mushroom bar case was referred to the Santa Clara County District Attorney due to potential psilocybin content, a controlled substance. He also stated the flavored nicotine matter was referred to the California Department of Tax and Fee Administration (CDTFA).

Sergeant Guerin explained that after the District Attorney's Office subsequently informed him that criminal charges would be filed against Adel Ammari related to the mushroom bar sale, a search warrant was obtained and executed on March 6, 2025. Officer Don Tong was the lead investigator, and CDTFA agents participated. During the search, officers on the scene located two additional Polk a Dot mushroom bars, like the one that was purchased during the November 15th undercover operation. Sergeant Guerin testified that CDTFA agents separately seized flavored tobacco products. He acknowledged that he did not have specifics on what they took; he just knew it was a several boxes of flavored nicotine product.

Sergeant Guerin testified that in response to complaints that the Rock Zone was continuing to sell flavored, tobacco product, his team conducted a compliance inspection on January 8, 2026, with City code enforcement officers. CDTFA was not present and Corporal Doug Remmick led the inspection. He stated that approximately 306 items of flavored tobacco products were located and confiscated.

Corporal Remmick

Corporal Remmick testified regarding two matters: the November 15, 2024, undercover operation and the January 8, 2026, compliance inspection.

Corporal Remmick stated that an undercover operation was conducted on November 15, 2024, at which time he directed Detective Ludden to enter The Rock Zone in an undercover capacity. He testified that Detective Ludden purchased some wintergreen flavored nicotine pouches and a magic mushroom bar, which claimed to be mushroom or psilocybin. He acknowledged that at the time of the operation, he was not sure if the bar actually contained psilocybin. However, once the items were booked into evidence and the mushroom bar was sent to the lab in Santa Clara County, lab testing confirmed the presence of psilocybin in the bar.

Corporal Remmick also testified that he led the compliance inspection on January 8, 2026. Upon arrival, he made contact with an employee, whom he identified as Amy Lorraine Davis. He stated he spoke with her throughout the inspection, explaining the process. He also stated he spoke by phone with the owner, Adel Ammari, who did not object to the inspection. During the inspection, approximately 306 items of flavored tobacco products were confiscated. He said those items are currently being held at the Gilroy Police Department pending transfer to the California Department of Tax and Fee Administration.

Detective Ludden

Detective Ludden testified regarding his participation in the November 15, 2024, undercover operation at The Rock Zone. He said he entered the store in plainclothes, without a uniform or identifying information, and approached the employee at the front. He asked whether the store carried "Zyn" nicotine pouches. The employee indicated they were out of Zyn's due to a shortage but showed him similar flavored nicotine pouches called "Zimo." Ludden said he purchased one Wintergreen Zimo flavored nicotine pouch.

Detective Ludden continued by stating that while he was looking around the store, he saw some little chocolate bars that were called Polk a Dots, with labeling stating the bars contained mushrooms and had 200mg of magic per piece. He said the store employee told him if he wanted to microdose to take four tabs, and that anything more than that would make you feel it way more "and you start like, trippin." Detective Ludden testified he purchased both the Zimo pouch and the Polk a Dot bar and then met with Corporal Remmick following the purchase.

Officer Tong

Officer Tong testified regarding the execution of the search warrant on March 6,

2025, at The Rock Zone. He stated that on that date, he and members of the Anti-Crime Team executed a search warrant based on the prior undercover investigation described by Corporal Remmick and Detective Ludden. The warrant was predicated on the psilocybin mushroom bar purchased by Detective Ludden in November 2024. CDTFA agents accompanied the team and participated in a simultaneous compliance check for flavored tobacco violations.

Officer Tong stated that during the search, officers located multiple items of contraband, including flavored tobacco products and additional psilocybin mushroom bars. He testified that all items seized by the police department were booked into evidence at the Gilroy Police Department and are still being held pending transfer to the CDTFA. Officer Tong added that CDTFA agents also seized a significant quantity of items, which remain in their possession.

Steve M. Defilippis

After the city concluded its presentation, respondent's counsel, Mr. Defilippis renewed his request for a stay or continuance. His argument on behalf of those requests, the colloquy with the Hearing Officer regarding them, and the ruling on them are addressed and stated in the Order Continuing Hearing and Denying Request for Stay, issued April 6, 2026. During his presentation, Mr. Defilippis expressed concern that the testimony of the city's police officers contained many conclusive statements about what was contained in the 306 items seized in the January 2026 inspection. He contended that they were hookah tobacco products that appear on the Unflavored Tobacco List ("UTL") as permitted items, meaning they may have been improperly seized. He questioned whether a comparison with the UTL had been made to determine if these confiscated items are listed or unlisted products. He added that he had submitted documents related to the UTL for the record but had not yet been able to compare the UTL against the specific seized items because he lacked a detailed inventory list.

In response to Mr. Defilippis's argument, Sergeant Guerin stated that after the UTL was published in December 2025, his team compared seized product from other smoke shops against the list and returned items that turned out to be legal. He stated he did not believe any products seized from The Rock Zone needed to be returned but deferred to Corporal Remmick for confirmation.[6] When asked by the Hearing Officer whether any of the products seized in January 2026 appeared on the UTL as legally authorized products, Corporal Remmick stated he would need to review every product individually to 100% confirm his answer.

[6] Sargeant Guerin also stated that prior to the UTL's publication, his team relied on guidance from the CDTFA in enforcing the flavored tobacco ban, and that in some cases product was seized that later proved to be legal and was returned.

In continuing the hearing until April 17, 2026, the Hearing Officer requested that the city address the question of whether the flavored tobacco seized from The Rock Zone on January 8, 2026, was on the UTL. In addition, the Order Continuing Hearing and Denying Request for Stay issued April 6, 2026, requested that the parties address Mr. Ammari's status with respect to being listed under the name ATML, Inc., the "Business Owner(s)" on Business License Number 16606725.

THE HEARING ON APRIL 17, 2026

The City's Presentation

Arica Hernandez

Arica Hernandez works for the City of Gilroy as a Supervising Accounting Technician. She addressed the question about Mr. Ammari's status with respect to being listed on Business License Number 16606725. She testified that Business License Number 16606725 was issued to ATML, Inc. Mr. Ammari's name was listed below on the License as the contact person for the corporation, not as the licensee.

Sargeant Guerin

Sargeant Guerin requested that Corporal Remmick address the Hearing Officer's question of whether the seized flavored tobacco from The Rock Zone was on the UTL.

Corporal Remmick

Corporal Remmick testified that after the hearing on April 3, 2026, he re-inventoried the products seized during the inspection of The Rock Zone conducted on January 8, 2026. He stated that he counted 314 items and compared those items to the UTL currently posted on the California Department of Justice website. He stated that 126 items, consisting of cigars and loose-leaf cigar wraps, were on the approved list.[7] Of the remaining 188 illegal products, he testified that a majority of those items were hookah or flavored shisha tobacco products. He explained that there was a partial exemption for the sale of flavored shisha tobacco where the retailer restricts entry to anyone under 21 years of age. He stated that The Rock Zone does not restrict entry like that.

Respondent's Presentation

Mr. Defilippis first asked that his exhibits be placed in evidence. See Exhibits 2-6, inclusive. He then called Corporal Remmick, Sargeant Geurin, Officer Tong and Officer Ludden as witnesses. The Hearing Officer ruled that Municipal Administrative Hearing

[7] Seargent Guerin later offered that they would be returned to the Respondent.

Policy, Resolution No. 97-17, had no provision to subpoena witnesses or compel testimony, and that the officers were not required to testify.[8] The officers declined to testify. Mr. Defillipis next requested that The Rock Zone employees Elizabeth Vera and Amy Davis testify. Both did so under oath.

Elizabeth Vera

Ms. Vera testified that she has been an employee of The Rock Zone since 2004. She testified that the store identifies everyone who purchases tobacco products to make sure they are 21 years old. She said if someone comes in the store, they must establish that they are 21 to purchase tobacco products, including hookah tobacco. She said there are multiple signs inside the store that advise you must be 21 years old to purchase tobacco products. She said she believed the hookah tobacco seized on January 6, 2026, was legal to sell because she checked to see if the people are over the age of 21 years old. She added that before 2025 and publication of the UTL, there was nothing to help determine if products were illegal.

Ms. Vera testified that she was present during the police searches of March 6, 2025, and January 8, 2026. She said that hookah tobacco was seized during both searches, adding under questioning that hookah products seized in January 2026 were previously present in the store in March 2025, but not taken then. She reiterated that she thought those products were legal to sell because she "cards" to make sure people are over the age of 21.

Amy Davis

Ms. Davis testified that she has been an employee of The Rock Zone for two years, since the middle of 2024. She stated she was present during the search of the store conducted in January 2026.

Ms. Davis testified that at the time of the January 2026 search, there was a sign at the front door of the store stating you must be 21 years old to enter. She said the sign had been there since she started her employment two years ago. She testified the sign states: "Under 21 – No Tobacco, No Vape, We Card, Please have ID ready." She was asked by Mr. Defilippis when operating the store, if someone looks close to the age of 21, does she ask for identification. She responded she asked for identification not only of persons appearing close to 21 years old, but anyone purchasing tobacco products. She explained that if an older person was not carded, a younger customer over 21 in the store would get upset.

[8] As Mr. Defilippis was aware, Section IV of the Municipal Administrative Hearing Policy, Resolution No. 97-17, prohibits cross-examination. Attempting to call the officers as witnesses in his direct case or presentation was an attempt to evade that prohibition and not permitted on this separate ground.

She described her experience during the January 8, 2026, search. She was told to stand in a corner and, in the beginning, not to touch her phone. She said she was not allowed to examine what was taken from the store and did not ask for an inventory. She believed all items taken related to hookah tobacco were legal so long as she was carding people to make sure they were over 21.

City's Rebuttal

Corporal Remmick

Corporal Remmick initially responded to the claim of partial exemption that allows for the sale of hookah or shisha tobacco. He said for a tobacco retailer to legally sell hookah tobacco, the retailer must be in compliance with all laws, which included having a valid TRP from the city during the search on January 8, 2026.

Arica Hernandez

Ms. Hernandez testified that the TRP for The Rock Zone expired on December 31, 2024. See Exhibit 7. She stated that no reapplication for a TRP was submitted until February 2026, when a TRP erroneously issued prematurely while enforcement activities were in process and the permit application remained under review. See Exhibit 8.[9]

Sargeant Guerin

Sargeant Guerin testified that if The Rock Zone did not have a TRP, it could not sell hookah tobacco. He said that when his team conducted its investigation of smoke shops, he was told The Rock Zone did not have a TRP. He also commented on the restriction on selling hookah tobacco as it pertains to persons under 21 years of age. He said that sale was permissible only if minors were prohibited from entrance into the store; i.e. persons under 21 cannot enter the premises.

Officer Ludden

Officer Ludden testified that when he conducted his undercover inspection of The Rock Zone on November 15, 2024, he was not asked for identification when he purchased products that day. He said that undermined The Rock Zone employees' testimony that they card everyone despite how old they appear.

[9] At this point, Mr. Difilippis interjected that The Rock Zone had a retailer's license for the period 10/2/2025-10/1/2026. He then admitted the License was from the State CDTFA, not the city.

Steve Defilippis Closing

Mr. Defilippis concluded by stating that there was no UTL to guide the Respondent until December 2025. With respect to restricting entry to persons under 21, he argued that The Rock Zone is not just a tobacco shop; there are numerous other products sold there. He stated that the hookah tobacco sale restriction is for the purchase of that product, not entry to the premises.

ANALYSIS

A. Applicable Law

1. Local License Requirement

GMC §13.2 requires that all businesses operating in the City of Gilroy must obtain a city-issued business license. Additional regulatory permits may be required depending on the business type.[10] In this case, The Rock Zone was required to have a TRP to operate as a tobacco retailer. *See* §13.68. Selling tobacco without a valid TRP is unlawful and a violation of both §13.2 and 13.68. Similarly, selling flavored or otherwise prohibited tobacco products violates both §13.2 and §13.68.

2. California Health & Safety Code §104559.5

California Health & Safety Code §104559.5(b)(1) prohibits the sale of flavored tobacco products as follows:

> (b)(1) A tobacco retailer, or any of the tobacco retailer's agents or employees, shall not sell, offer for sale, or possess with the intent to sell or offer for sale, a flavored tobacco product or a tobacco product flavor enhancer.

Shisha or hookah tobacco is subject to an exemption from this prohibition if all four requirements of §104559.5(c) are met:

> (c) Subdivision (b) does not apply to the sale of flavored shisha tobacco products by a hookah tobacco retailer if **all** of the following conditions are met:

[10] GMC §13.2: "The carrying on of any business, trade, calling, profession, or occupation without first having procured a license from the city so to do, or without complying with any and all regulations of such business, trade, calling, profession, or occupation, shall be deemed a separate violation of this chapter for each and every day that such business, trade, calling, profession, or occupation is carried on."

(1) The hookah tobacco retailer has a valid license to sell tobacco products issued pursuant to Chapter 2 (commencing with Section 22971.7) of Division 8.6 of the Business and Professions Code.

(2) **The hookah tobacco retailer does not permit any person under 21 years of age to be present or enter the premises at any time**.

(3) **The hookah tobacco retailer shall operate in accordance with all relevant state and local laws relating to the sale of tobacco products**.

(4) If consumption of tobacco products is allowed on the premises of the hookah tobacco retailer, the hookah tobacco retailer shall operate in accordance with all state and local laws relating to the consumption of tobacco products on the premises of a tobacco retailer, including, but not limited to, Section 6404.5 of the Labor Code.

(Emphasis added.)

Thus, the exemption for shisha tobacco from the prohibition in subsection (b)(1) requires the exclusion of persons under 21 from entering the store (no entry at all) and compliance with all relevant state and local laws relating to the sale of tobacco products.

3. The Unflavored Tobacco List (UTL)

In 2020, Senate Bill 793 banned flavored tobacco products (subject to certain exceptions) and tobacco product flavor enhancers in California. *See* Health & Safety Code, § 104559.5. Assembly Bill 3218, which went into effect on January 1, 2025, amended the flavored tobacco ban put in place five years earlier by Senate Bill 793 and established the Unflavored Tobacco List (UTL), a list of covered tobacco products that are permissibly unflavored under the law. *See* Health & Safety Code, § 104559.1(a). Products not appearing on the UTL are subject to seizure, and state and local law enforcement agencies are authorized to seek civil penalties against retailers of products not appearing on the list. Assembly Bill 3218 required the Attorney General to establish and maintain the UTL on or before December 31, 2025. *See* Health & Safety Code, § 104559.1(m). Thus, to be sold legally in California, a covered tobacco product must be included on this list; otherwise, it is classified as a prohibited flavored tobacco product.

4. Revocation of a Business License

The grounds for and process by which a business license may be revoked, suspended or modified is governed by GMC §13.45, which states in its pertinent part:

> In the event that the chief of police has reasonable cause to believe and does believe that any licensee or other person employed by or representing such licensee **is violating any of the provisions of this chapter or any other law or ordinance relating to the business of the licensee, or is conducting or has conducted or operated such business so as to be detrimental to the public morals or the public welfare**, all facts and information relating to such alleged violation or conduct shall be reported to the city administrator. Prior to taking action affecting the license, the City Administrator, at his sole discretion, shall elect to proceed according to either subsection (1) or subsection (2) below. (Emphasis added.)
> .....
>
> (2) The matter shall be set for an administrative hearing to revoke, modify, or suspend the license pursuant to the city's administrative hearing policy, if such a policy has been adopted by the city council.

City Council Resolution No. 97-17 adopted the municipal administrative hearing policies that govern this proceeding. It provides that the formal rules of evidence shall not apply; cross-examination shall not be permitted; no discovery is authorized; and no oath is required for a witness to testify (however, a witness may request that his or her own testimony be provided under oath, which factor may be considered by the Hearing Officer when weighing the evidence).

B. Evaluation of the Evidence and Reasons for the Decision

1. Did The Rock Zone Operate without a TRP?

When Police Chief Smithee recommended initiation of the business license revocation process for The Rock Zone on January 23, 2026 (see Exhibit 1), The Rock Zone did not have a TRP. Thus, this matter proceeded as a business license revocation matter, not a TRP revocation.

The testimony of Ms. Hernandez, supported by Exhibits 7 and 8, suggests that The Rock Zone did not have a regulatory permit from the city for over a year between the expiration of The Rock Zone's TRP on 12/31/2024 (Exhibit 7) and the issuance of the subsequent TRP to The Rock Zone ATML INC, with an issue date of 2/4/26 (Exhibit 8). This would mean that Rock Zone also did not have a TRP when the city conducted its inspection of the store on March 6, 2025, and January 8, 2026. However, as discussed below, the record as a whole does not support such a finding.

In his post-hearing submission, Mr. Defilippis included a copy of Mr. Ammari's Tobacco Retailer Permit Application dated 1/8/25 (Exhibit 10, p.15), and the Regulatory Permit issued to The Rock Zone with an issue date of 1/31/2025 and an expiration date of

12/31/2025 (Exhibit 10, p.18, referred to as "Regulatory Permit 012805"). Regulatory Permit 012805 largely fills the gap between 12/31/2024 and 2/4/2026. Because of the submission of this additional 2025 Regulatory Permit, the Hearing Officer took administrative notice of the city's regulatory permit files in the Finance Department.

There is no hard copy of Regulatory Permit 012805 in the Finance Department's administrative records, nor is the permit contained within the excel data base in which TRPs are stored. However, the city's files contain a hard copy of the receipt for payment by Adel Ammari of the permit fee to renew The Rock Zone "Tobacco Permit", dated 1/21/2025, in the sum of $100.00. See Exhibit 11. Based on the evidence showing the issuance of Regulatory Permit 012805, the Hearing Officer finds that The Rock Zone was reissued Regulatory Permit 012805 on 1/31/25, but that it was not properly filed in the city's physical files and electronic data base. This explains why Ms. Hernandez did not see Regulatory Permit 012805 when she was checking the data base during her testimony.

Substantial evidence supports the following findings. The Rock Zone had a TRP (Exhibit 8) during 2024 when the November 15, 2024, undercover operation took place. There was a one-month gap when there was no effective TRP from the expiration of Exhibit 8 on 12/31/2024 to the issuance of Regulatory Permit 012805 on 1/31/2025. The next gap commenced on 12/31/2025, when Regulatory Permit 012805 expired. That gap continued until 2/4/26 when the permit reflected in Exhibit 8 commenced. Thus, The Rock Zone had no TRP when the January 8, 2026, store search/inspection took place and when Chief Smithee initiated this proceeding on January 23, 2026.

The sale of tobacco products without a TRP during these short gaps violates §§13.2 and 13.68. However, respondent's efforts to obtain regulatory permits to comply with the city's permit requirements during this enforcement period is a mitigating factor in determining the appropriate penalty to be imposed.

2. The Search on November 15, 2024.

The undisputed evidence in the record is that an undercover inspection of The Rock Zone was conducted on November 15, 2024, during which Officer Ludden purchased one Zimo wintergreen flavored nicotine pouch and a "Polk a Dot" mushroom magic bar, which claimed to be mushroom or psilocybin. Corporal Remmick testified that lab testing in Santa Clara County confirmed the presence of psilocybin in the bar.[11] Respondent presented no evidence regarding this operation. The Officers' testimony provides substantial evidence that the sale of these two illegal products occurred on

[11] Psilocybin is a Schedule I controlled substance. Health & Safety Code §11054. A person who possesses for sale a controlled substance may be punished by imprisonment pursuant to Health & Safety Code §11378.

November 15, 2024.[12]

3. The Search on March 6, 2025.

Similarly, it is undisputed that a search warrant for The Rock Zone premises was obtained and executed on March 6, 2025, at which time Officer Don Tong was the city's lead investigator, and CDTFA agents participated. Officer Tong testified that the warrant was predicated on the psilocybin mushroom bar purchased by Detective Ludden on November 15, 2024. Sargeant Guerin and Officer Tong testified that during the search, officers on the scene seized two additional Polk a Dot mushroom magic bars, like the one that was purchased during the November 15th undercover operation. The Officers' testimony provides substantial evidence that these two illegal products were available for sale on March 6, 2025, in violation of California law.

Sargeant Guerin and Officer Tong also testified that CDTFA agents separately seized flavored tobacco products during the search conducted March 6, 2025. Ms. Vera testified that she was present when hookah tobacco was seized by the CDTFA during the that search. However, Sargeant Guerin acknowledged that he did not have specifics on what the CDTFA took. Officer Tong stated that the boxes of flavored nicotine product seized by CDTFA agents remain in their possession. Ms. Vera provided no specific details about the seized products. Thus, the record does not provide an adequate foundation to include the seizure of tobacco products by the CDTFA on March 6, 2025, as grounds to base the revocation or suspension of The Rock Zone's business license.

4. The Inspection of January 8, 2026.

Corporal Remmick inventoried the products seized during the inspection of The Rock Zone conducted on January 8, 2026. He counted 314 items and compared those items to the UTL currently posted on the California Department of Justice website. He admitted that 126 items, consisting of cigars and loose-leaf cigar wraps, were on the approved list. Of the remaining 188 illegal products, he testified that a majority of those items were hookah or flavored shisha tobacco products.

At the hearing, the Officers explained that there is a partial exemption for the sale of flavored shisha tobacco where the retailer restricts anyone under 21 years of age from entering the store premises. They stated that The Rock Zone does not restrict entry but allows persons under 21 to enter the store. The employee witnesses for The Rock Zone admitted that persons under 21 were allowed to enter the store but relied on their testimony that they "carded" everyone who purchased tobacco products to assert the sale of hookah tobacco was legal. In

[12] Evidence Code §664 states: "It is presumed that official duty has been regularly performed." The Officers' testimony satisfies the substantial evidence test that constitutes the City's burden of proof in this administrative proceeding.

addition, Mr. Defilippis argued that the hookah tobacco sale restriction prohibits the purchase of that product by minors, not entry by minors into a tobacco retailer's premises.

In fact, as stated above, Health & Safety Code §104559.5(c)(2) "...does not permit any person under 21 years of age to be present or enter [a hookah tobacco retailer's] premises at any time." In his post-hearing submission, Mr. Defilippis admits that §104559.5(c)(2) contains a "requirement for barring entry into the premises for minors." He contends, however, that this requirement only came into existence with the UTL and, therefore, "did not exist when the first search occurred in March 2025," and "had just come out in December 2025, very shortly before the January 8 search." Exhibit 10, p.1. He argues this gave little time for the respondent to learn these requirements.

Actually, Health & Safety Code §104559.5(c) and its "no entry" requirement for minors in subsection (2), has been in effect since December 2022. Section 104559.5, which includes the hookah flavored tobacco restrictions in subdivision (c), was originally enacted on August 28, 2020**,** as part of Senate Bill 793. Its implementation was delayed by a referendum challenge, and it took effect on December 21, 2022, after it was upheld by voters as Proposition 31. Thus, the "no entry for minors" provision had been in effect for some time before the seizure of the flavored hookah tobacco by the CDTFA on March 6, 2025, and the Gilroy Police Department on January 8, 2026.

As stated above, California Health & Safety Code §104559.5(b)(1) prohibits the sale of flavored tobacco products. The Rock Zone's practice of allowing minors to enter its store while it sold shisha or hookah tobacco disqualified it from the safe harbor in subsection (c) and violated Health & Safety Code §104559.5(b)(1), thereby subjecting its business license to revocation or suspension pursuant to GMC §13.45.

5. <u>The Consideration of Mitigating Factors</u>

Respondent's Exhibit 10, pp. 1-2, requests consideration of various factors in determining the appropriate penalty in this case. In seeking probation, Mr. Defilippis contends that the owner had a good faith belief that hookah tobacco was legal and that his belief that barring entry to minors was not required to sell flavored hookah tobacco was reasonable. He supports this contention with statements that the laws governing tobacco sales are complex and were even more so before publication of the UTL. He asserts that this is shown by the fact that hookah tobacco was left in the store following the March 2025 search, and that an inventory of the 314 items seized on January 8, 2026, resulted in a finding that 126 items were legal and the majority of the remaining 188 items were hookah tobacco. However, the record in this proceeding does not support Respondent's portrait of complexity and request for leniency for respondent's prohibited sale of flavored shisha tobacco.

First, the rules about the sale of hookah tobacco were in effect years before

publication of the UTL. As stated above, the "no entry" requirement for minors in Health & Safety Code §104559.5(c)(2) went into effect in December 2022. Second, there was no confusion on the part of the Police Officers who testified that California law required the exclusion of minors from the store to sell hookah tobacco. And, as to The Rock Zone employees' understanding of the legality of selling hookah tobacco, Ms. Vera testified that hookah tobacco was seized during the searches on both March 6, 2025, and January 8, 2026. Her testimony that hookah products seized in January 2026 were previously present in the store in March 2025, does not give rise to confusion about "whether the signage and carding of patrons was sufficient, or if there needed to be an absolute exclusion" as contended by Mr. Defilippis in Exhibit 10, at p. 2. The identify of products on the UTL is the subject of separate regulations from the "no entry" requirements in §104559.5(c) that must be satisfied to legally sell shisha or hookah tobacco.

The Hearing Officer is aware of the signage the owner posted giving notice that sales to anyone under 21 was prohibited and the testimony of The Rock Zone employees that they card all purchasers of tobacco products. However, "carding" patrons does not comply with the clear requirements of §104559.5(c) and the employees' testimony was undermined by the testimony of Officer Ludden who stated that he was not asked for identification when he purchased products during his undercover inspection of The Rock Zone on November 15, 2024.

On the other hand, Respondent has demonstrated it had TRPs in 2024, 2025, and 2026, and the violation for selling tobacco products without a regulatory permit is limited to the month from 12/31/2024 to 1/31/2025 and the thirty-five days between12/31/2025 to 2/4/2026.

In addition, Mr. Ammari's counsel has repeatedly represented that his client has sought to achieve full compliance with the law, and in this regard, during the April 3, 2026 hearing, Community Development Director Goei acknowledged that Mr. Ammari had remedied the Notice of Violation dated March 3, 2026, for unpermitted construction identified by the Code Enforcement Division during its inspection of The Rock Zone on January 8, 2026. *See* NOV in Exhibit 1.

6. Disposition

The undercover purchase of the Zimo Wintergreen flavored nicotine pouch on November 15, 2024, and the sale and possession for sale of the Polk a Dot mushroom magic chocolate bars on November 15, 2024, and again on March 6, 2025, constitute violations of law warranting a penalty pursuant to §13.45. Similarly, the sale of flavored shisha or hookah tobacco without complying with requirements of Health & Safety Code §104559.5(c) supports imposition of a penalty pursuant to §13.45.

GMC §13.45 grants the Hearing Officer the authority to revoke, modify, or suspend The Rock Zone's business license. In imposing an appropriate penalty, the Hearing Officer is mindful of Mr. Defilippis's representation that Mr. Ammari has been in business for over thirty years within the city and that this is the first revocation proceeding to which he has been subjected. In choosing not to revoke The Rock Zone's business license, the Hearing Officer is also mindful that revocation of a business license has the additional impact of §13.46, which provides: "If a license is revoked under Section 13.45..., no license of a similar nature, shall be issued for a period of one (1) year from the date of said revocation to the same licensee, nor to any other applicant acting on his behalf."

After consideration of mitigating factors and the duration and recurrence of the proven violations of state laws and city ordinances relating to the business of the licensee over the enforcement period, The Rock Zone's business license shall be modified so that it may not sell any "tobacco product" as that term is defined in GMC §13.66 for six months from the effective date of this Decision. The Rock Zone's current Regulatory Permit similarly shall be modified to prohibit the sale of tobacco products for the same period.

FINDINGS OF FACT

1. Business License Number 16606725 was issued to the business named The Rock Zone operating at 1323 First Street, Gilroy, California.

2. The Business Owner to whom Business License Number 16606725 was issued is a corporation, ATML, Inc (the "Licensee").

3. The character of the business licensed in Business License Number 16606725 is tobacco retailer.

4. On November 15, 2024, an undercover inspection of The Rock Zone was conducted by the Gilroy Police Department, during which an undercover police officer purchased from the Licensee one Zimo wintergreen flavored nicotine pouch and a "Polk a Dot" mushroom magic bar containing psilocybin, a Schedule I controlled substance.

5. A search warrant for The Rock Zone premises was obtained and executed on March 6, 2025, during which time Gilroy Police Officers seized two additional Polk a Dot mushroom magic bars that were in the possession of the Licensee with the intent to sell or offer for sale.

6. CDTFA agents also participated in the search conducted on March 6, 2025, and during that search, CDTFA agents separately seized flavored tobacco products.

7. On January 8, 2026, Gilroy Police Officers conducted a compliance inspection of The Rock Zone during which 314 tobacco product items were seized. After those items were compared to the UTL currently posted on the California Department of Justice website, 126 were on the approved list and found to be legal. Of the remaining 188 illegal products, a majority of those items were hookah or flavored shisha tobacco products in possession of the Licensee with the intent to offer for sale.

8. Based on the violations discovered during the operations conducted on November 15, 2024, March 6, 2025, and January 8, 2026, Chief of Police Scot Smithee recommended the city proceed with a business license revocation process for The Rock Zone pursuant to GMC §13.45.

9. Notice of Hearing in this proceeding was served on the parties on March 3, 2026.

10. The hearing in this proceeding commenced on April 3, 2026, and concluded on April 17, 2026. The record closed on April 20, 2026.

11. Steve M. Defillipis represented the respondent business, business licensee and Adel Ammari in this proceeding.

12. The Rock Zone has had a Tobacco Retailer's Permit, also known as a TRP or Regulatory Permit, during the city's enforcement/investigation period from November 15, 2024, though January 23, 2026, except for an initial one-month gap from 12/31/2024 to 1/31/2025, and then from 12/31/2025, until 2/4/2026.

13. The Rock Zone had no TRP or Regulatory Permit when the January 8, 2026, store search/inspection took place and when Chief Smithee made his recommendation initiating this proceeding on January 23, 2026.

14. At the hearing, respondent and its employees admitted that they allowed persons under 21 to enter the store's premises.

15. At the hearing, respondent and its employees contended that because they "carded" or inspected the identification of all purchasers of tobacco products, the sale of flavored shisha tobacco products was legal.

16. If any statement under the above heading is determined to be a conclusion of law, it is to be treated as such.

CONCLUSIONS OF LAW

1. ATML, Inc, the Business Owner to whom Business License Number 16606725 was issued, is a corporation that does not possess a Fifth Amendment privilege against self-incrimination.

2. As a Tobacco Retailer, The Rock Zone was required to obtain a TRP to operate as a tobacco retailer. Selling tobacco without a valid TRP is unlawful and a violation of both GMC §13.2 and §13.68.

3. California Health & Safety Code §104559.5(b)(1) provides that a tobacco retailer, or any of the tobacco retailer's agents or employees, shall not sell, offer for sale, or possess with the intent to sell or offer for sale, a flavored tobacco product or a tobacco product flavor enhancer.

4. California Health & Safety Code §104559.5(c)(2) requires that a hookah tobacco retailer not permit any person under 21 years of age to be present or enter the retailer's premises at any time.

5. The Rock Zone's employees allowed persons under the age of 21 to enter the store's premises while offering for sale flavored shisha or hookah tobacco products in violation of the requirements of Health & Safety Code §104559.5(c).

6. Substantial evidence supports the finding that The Rock Zone illegally sold a Zimo Wintergreen flavored nicotine pouch and Polk a Dot mushroom magic chocolate bar on November 15, 2024, possessed with the intent to sell two Polk a Dot mushroom magic chocolate bars again on March 6, 2025, and possessed with the intent to sell flavored shisha or hookah tobacco products without complying with requirements of Health & Safety Code §104559.5(c) on March 6, 2025 and January 8, 2026.

7. The purchase of a Zimo Wintergreen flavored nicotine pouch from an employee of the Rock Zone by an undercover Gilroy police officer on November 15, 2024, constitutes a violation of law relating to the business of the licensee and conduct detrimental to the public welfare warranting imposition of a penalty pursuant to GMC §13.45.

8. The sale of and possession with the intent to sell Polk a Dot mushroom magic chocolate bars containing a Class 1 controlled substance on November 15, 2024, and again on March 6, 2025, constitute violations of law relating to the business of the licensee and conduct detrimental to the public welfare warranting imposition of a penalty pursuant to GMC §13.45.

9. The possession with the intent to sell flavored shisha or hookah tobacco on March 6, 2025, and January 8, 2026, without complying with requirements of Health & Safety

Code §104559.5(c) constitute violations of law relating to the business of the licensee and conduct detrimental to the public welfare warranting imposition of a penalty pursuant to GMC §13.45.

10. GMC §13.45 grants the Hearing Officer the authority to revoke, modify, or suspend The Rock Zone's business license upon a finding that a licensee, or a person employed by or representing the licensee, has violated any provision of Chapter 13 or any other law or ordinance relating to the business of the licensee, or has conducted the business so as to be detrimental to the public morals or public welfare.

11. The Hearing Officer has authority to impose a modification or condition on Business License No. 16606725, including a prohibition on the sale of tobacco products, as a lesser sanction in lieu of full revocation, consistent with the remedial purposes of Chapter 13 and the Tobacco Retailer's Permit provisions of Article VIII of Chapter 13.

12. The term "tobacco product" as used in this Decision has the meaning set forth in GMC § 13.66.

13. The violations established at this hearing, are serious, but do not, under the specific facts presented, warrant outright revocation of the Licensee's general business license at this time. A six-month prohibition on tobacco product sales is proportionate to the violations found and serves the public interest in promoting compliance with the City's business license and tobacco retail regulations.

14. If any statement under the above heading is determined to be a finding of fact, it is to be treated as such.

DECISION AND ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer hereby ORDERS as follows:

1. No Revocation. Business License No. 16606725 issued to The Rock Zone ATML Inc (Account No. 16606725) is not revoked at this time.

2. Modification of Business License. Business License No. 16606725 (Account No. 16606725) is hereby modified effective on the date this Decision becomes final (the "Effective Date"). As a condition of the continued validity of said License, The Rock Zone ATML Inc is prohibited from selling any "tobacco product," as that term is defined in GMC § 13.66, at the premises located at 1323 First Street, Gilroy, California, for a period of six (6) months from the Effective Date (the "Restriction Period"). For clarity, Business License No. 16606725 otherwise remains in full force and effect during the Restriction Period, except as limited by this modification.

3. Modification of Tobacco Retailer's Permit / Regulatory Permit. The Tobacco Retailer's Permit (Regulatory Permit) issued to The Rock Zone ATML Inc for Account No. 16606725 is hereby similarly modified for the same six (6) month period from the Effective Date. During the Restriction Period, said Permit shall confer no authority to sell any tobacco product as defined in GMC § 13.66, and The Rock Zone ATML Inc shall not sell or offer for sale any such tobacco product at the above-referenced premises.

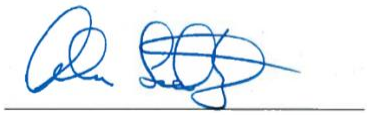
4. Resumption of Tobacco Sales. Upon the expiration of the six (6) month Restriction Period, and provided that no further violations have occurred, Business License No. 16606725 and the Tobacco Retailer's Permit/Regulatory Permit shall automatically revert to their unmodified terms, authorizing the retail sale of tobacco products in accordance with applicable law, without further action required by the Licensee, unless otherwise directed by the City.

5. Notice of Compliance. The Licensee shall, within five (5) business days of the Effective Date, remove or conspicuously cover all tobacco product displays, signage, and advertising at the premises that may indicate the availability of tobacco products for purchase. Failure to comply with the terms of this Order may result in further enforcement action, including but not limited to revocation of Business License No. 16606725 and/or the Tobacco Retailer's Permit.

6. Effective Date. This Decision shall become final and effective upon expiration of the appeal period set forth below, if no timely appeal is filed.

IT IS SO ORDERED.

Dated: April 28, 2026



Alan Seltzer, Hearing Officer

Respondent is hereby notified that not later than 15 days after the Hearing Officer's decision is mailed to the respondent, the respondent may appeal the decision by filing with the City Clerk written exceptions to any portion of the decision together with written argument in support of each exception and the amount of fees for an appeal to the City Council as fixed by resolution or by ordinance. See City Council Resolution No. 97-17, Section VI.

City of Gilroy
7351 Rosanna Street
Gilroy, California
95020-6197

Finance Department
Telephone (408) 846-0420
Harjot.Sangha@cityofgilroy.org
http://www.cityofgilroy.org

March 3, 2026

Adel Ammari
The Rock Zone
1323 1st Street
Gilroy, CA 95020

Subject: Administrative Hearing Notice and Notice of Violation – The Rock Zone

Dear Mr. Ammari:

Enclosed please find a packet of materials pertaining to The Rock Zone, located at 1323 1st Street, Gilroy, California.

The packet includes:

1. **Notice of Administrative Hearing Regarding Business License No. 16606725**, scheduled for March 19, 2026, at 9:00 a.m., to be conducted via telephone and/or Zoom, concerning a recommendation to revoke the business license pursuant to Gilroy City Code Section 13.45. The packet also includes:
    - A copy of the Chief of Police's Memorandum dated January 23, 2026, outlining the basis for the recommendation.
    - Relevant excerpts of Gilroy City Code Sections 13.2, 13.4, and 13.45; and
    - A copy of the City's Administrative Hearing Policy (Resolution No. 97-17).
2. **Notice of Violation (Case No. CE26-0010)** issued by the Community Development Department's Code Enforcement Division, dated March 3, 2026, regarding unpermitted construction identified during an inspection conducted on January 8, 2026. The Notice details applicable code sections and required corrective actions, including submission of a demolition permit application by March 19, 2026.

Please review all enclosed materials carefully. If you have questions regarding the administrative hearing, please feel free to contact me. Questions regarding the Notice of Violation should be directed to the Community Development Department as indicated in the notice.

Sincerely,

Harjot Sangha
Finance Director
Phone: 408-846-0294 | Email: Harjot.Sangha@cityofgilroy.org

CC: Property Owner

NOTICE FOR ADMINISTRATIVE HEARING REGARDING
BUSINESS LICENSE NO. 16606725

THE ROCK ZONE
1323 1st Street, Gilroy, CA 95020

Gilroy City Code Section 13.45

Pursuant to Gilroy Code Section 13.4, a separate license must be obtained for each branch or location of a "fixed place of business" transacted and carried on within the City. Pursuant to Gilroy City Code Section 13.45 (see attached copy), the City Administrator may revoke a business license. The Gilroy Interim Chief of Police has recommended to the City Administrator that The Rock Zone's Business License No. 16606725 ("License") issued by the City of Gilroy to The Rock Zone, 1323 1st Street, Gilroy, CA 95020, on January 1, 2026, be revoked.

PLEASE TAKE NOTICE that on March 19, 2026, the City Administrator will act on the basis of the Interim Chief of Police's recommendation (see attached Memorandum) and decide whether to revoke the License pursuant to the terms of Gilroy City Code, Section 13.45.

PLEASE TAKE FURTHER NOTICE that on March 19, 2026, at 9 a.m., the City Administrator, or his/her designee, will conduct an administrative hearing.

Date:	March 19, 2026
Time:	9:00 am
Location:	Telephone and/or virtual through the Zoom platform
Telephone Access:	Phone number: (669) 900-6833 Meeting ID: 853-5804-4530 Passcode: 031521
Zoom Link:	Link: https://tinyurl.com/TheRockZone Passcode: 031521

The administrative hearing will be conducted in accordance with the Administrative Hearing Policy established by the City Council, Resolution No. 97-17, a copy of which is enclosed.

Dated: 3/3/2026

Matt Morley, City Administrator
City of Gilroy

Served by certified and first-class mail on Business License holder, Adel Ammari, The Rock Zone, 1323 1st Street, Gilroy, CA 95020

Served by certified and first-class mail on property owner, WRR CA Properties LLC., 2582 SE 9th Street, Pompano Beach, FL 33062

13.2 Required; compliance with chapter.

The carrying on of any business, trade, calling, profession, or occupation without first having procured a license from the city so to do, or without complying with any and all regulations of such business, trade, calling, profession, or occupation, shall be deemed a separate violation of this chapter for each and every day that such business, trade, calling, profession, or occupation is carried on. (Ord. No. 646, § 2; Ord. No. 91-4, § 2, 3-4-91)

13.4 Separate license required for each branch of a fixed place of business; required for each type of business transacted at same location; exemption.

(a) A separate license must be obtained for each branch or location of a fixed place of business transacted and carried on, and for each separate type of business at the same location, and each license shall authorize the licensee to transact and carry on only the business licensed thereby at the location or in the manner designated in such license; provided, the warehouses and distributing plants used in connection with and identical to a business licensed under the provisions of this chapter shall not be deemed to be separate places of business or branch establishments. Every person engaging in a business at a fixed place of business in the city, as herein defined, and who has procured a license therefor, shall have the right to deliver the goods, wares or merchandise for which such license was issued, at any place in the city, without procuring any additional license therefor.

(b) Every person engaging in any transient business in the city, as herein defined, and who has procured a license therefor, shall have the right to sell the goods, wares or merchandise or engage in the business for which such transient license was issued at a fixed place of business without procuring any additional license therefor.

(c) In the issuance of transient licenses and licenses for fixed places of business, no discrimination or distinction shall ever be made against nonresidents of the city in favor of residents of the city, and residents and nonresidents of the city shall be entitled to equal rights in all matters relating to the issuances of licenses. (Ord. No. 646, § 4; Ord. No. 91-4, § 4, 3-4-91)

13.45 Revocation or suspension; violation; notice; hearing.

In the event that the chief of police has reasonable cause to believe and does believe that any licensee or other person employed by or representing such licensee is violating any of the provisions of this chapter or any other law or ordinance relating to the business of the licensee, or is conducting or has conducted or operated such business so as to be detrimental to the public morals or the public welfare, all facts and information relating to such alleged violation or conduct shall be reported to the city administrator. Prior to taking action affecting the license, the City Administrator, at his sole discretion, shall elect to proceed according to either subsection (1) or subsection (2) below.

(1) A hearing shall be set for a regular or special meeting of the city council, and the licensee shall be given at least ten (10) days written notice by registered or certified mail of the substance of the alleged violation and the date of said hearing. The city council shall hear and receive evidence, written and oral, upon all issues involved, and shall have the power to revoke, modify or suspend such license. The decision of the city council shall be final and binding upon all parties.

(2) The matter shall be set for an administrative hearing to revoke, modify, or suspend the license pursuant to the city's administrative hearing policy, if such a policy has been adopted by the city council. (Ord. No. 823, § 1, 7-1-68; Ord. No. 99-24, § I, 12-20-99; Ord. No. 2002-02, § I, 1-3-00)

Gilroy Police Department

City of Gilroy
7301 Hanna Street
Gilroy, California
95020-6129

Admin. (408) 846-0310
Comm. (408) 846-0350
Records (408) 846-0300
Fax (408) 846-0339

SCOT SMITHEE
Interim Chief of Police

MEMORANDUM

DATE: January 23, 2026

TO: Harjot Sangha, City Administrator

FROM: Scot Smithee, Chief of Police

SUBJECT: Rock Zone – 1323 First Street

I am recommending the city proceed with a business license revocation process for the Rock Zone, operating at 1323 First Street pursuant to Gilroy Municipal Code 13.45 (Revocation or suspension; violation; notice; hearing).

This recommendation is based on the following actions/violations:

On 11/15/24 an undercover buy operation was conducted where illegal mushrooms and flavored tobacco were purchased from the establishment. (Case 24-5175)

On 3/6/25 the Gilroy Police Department and the California Department of Tax and Fee Administration (CDTFA) served a search warrant on this business, resulting in the seizure of an unknown number of illegal tobacco products. A citation was issued for Business and Professions Code 22974.2(a)(1) and was processed by CDTFA. (Case 25-970)

On 1/8/26 a joint inspection was conducted on the business by Gilroy Police Department and Code Enforcement Officers resulting in the seizure of approximately 306 illegal tobacco related items. The business owner/manager was arrested on a felony warrant for the previous sales of narcotics case. (Case 26-139)

This business had a City Tobacco Retailers Permit, but that permit is expired.

Based on multiple violations of California statutes and City Municipal Code violations I recommend the business license for the Rock Zone be revoked.

City of Gilroy
7351 Rosanna Street
Gilroy, California
95020

http://www.cityofgilroy.org

March 3, 2026

PROPERTY OWNER/AGENT OF SERVICE
JOSE NUNEZ
WRR CA PROPERTIES LLC
84 W SANTA CLARA ST, STE 770
SAN JOSE, CA 95113

Subject: **NOTICE OF VIOLATION** – **Unpermitted Construction**

Property Address: 1323 First St. **APN**: 790-43-017 **Case #**: CE26-0010

Dear Property Owner,

On January 8, 2026, the Community Development Department's Code Enforcement Division conducted an inspection of the subject property located at **1323 First Street**. Unpermitted construction was identified during the inspection.

As a result, you are being issued this Notice of Violation that details the violations and corrective actions required.

Violations

GCC Section 1.7 – General Penalty; Continuing Violations
Any person, firm or corporation, whether, as principal, agent, employee or otherwise, who violates any of the provisions of this Code or who fails to comply with any of the mandatory requirements of this Code is guilty of an infraction, and upon conviction thereof, shall be punished as set forth below. Except as otherwise provided, every such person shall be guilty of a separate offense for each and every day during any portion of which any violation is committed, continued or permitted by such person, and shall be punishable accordingly. Any violation of this title or of the codes incorporated thereunder, following three (3) prior convictions therefor, shall constitute a misdemeanor.

2025 California Building Code

[A] 105.1 Required
Any owner or owner's authorized agent who intends to construct, enlarge, alter, repair, move, demolish or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause any such work to be performed, shall first make application to the building official and obtain the required permit.

[A] 114.1 Unlawful Acts
It shall be unlawful for any person, firm or corporation to erect, construct, alter, extend, repair, move,

remove, demolish or occupy any building, structure or equipment regulated by this code, or cause same to be done, in conflict with or in violation of any of the provisions of this code.

Order to Correct Violations

1. On or before **March 19, 2026**, submit an application for a demolition permit to the Community Development Department Building Division to remove the unpermitted construction inside the business. Contact the Building Division (408) 846-0437 for further information.

If the corrective actions are not completed by the compliance date, the City of Gilroy may pursue additional enforcement actions available to the City, including issuing administrative penalties or recording a lien against the subject property.

If you have any questions, please contact Community Development Director Sharon Goei at 408-846-0467 or sharon.goei@cityofgilroy.org.

Sincerely,



Sharon Goei
Community Development Director
City of Gilroy

RESOLUTION NO. 97-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY ADOPTING A MUNICIPAL ADMINISTRATIVE HEARING POLICY

WHEREAS, the Gilroy Municipal Code requires permits or licenses for persons engaged in various activities including, but not limited to, peddling or soliciting or vending; operating dances, dance halls, barrooms, adult businesses, cardrooms or food establishments; keeping animals and fowl; conducting bingo games; holding large meetings or parades; and

WHEREAS, the Gilroy Municipal Code may require an administrative hearing prior to denying, suspending, or revoking the above described permits or licenses; and

WHEREAS, administrative hearings may also be required prior to the exercise of certain municipal authority powers, such as to abate a nuisance; and

WHEREAS, the Gilroy Municipal Code does not provide express administrative hearing procedures for each of the administrative hearings necessary for the City's orderly operation and regulation; and

WHEREAS, the City Administrator recommends that a City policy be adopted to govern administrative hearings in the City; and

WHEREAS, policies of the City may be adopted by resolution or formal motion of the City Council; and

WHEREAS, it is the intent of the City Council to adopt a municipal administrative hearing policy that provides a meaningful opportunity to be heard and that maintains an informal hearing process that may be utilized by City officials acting as hearing officers in the absence of other express hearing requirements; and

WHEREAS, the City Council considers and finds that significant public and private interests are served by establishing an informal, efficient and readily accessible public hearing process that is neither technical nor cumbersome.

NOW, THEREFORE, BE IT RESOLVED THAT the following administrative hearing procedures are adopted as a matter of City policy, which procedures should be complied whenever there is no alternative procedure provided by the Gilroy Municipal Code, whenever the City conducts administrative hearings such as are aforementioned.

SECTION 1 - NOTICE

Notice of the date, time and location of any administrative hearing shall be given to the applicant, appellant, owner or operator as the case may be (hereafter "Applicant") by mail at least ten days prior to the hearing, which mail shall be addressed to the Applicant's most recent address on file with the City. If the hearing regards a permit, license, or application, notice shall be mailed to the applicant/appellant's address shown on the face of that document. The notice may enclose a copy of this Resolution and a statement that the hearing will proceed pursuant to the provisions contained herein.

SECTION II - HEARING OFFICER

The City Administrator may serve as a Hearing Officer, or may designate any other person, including but not limited to other City officials or employees, to be a Hearing Officer.

To maintain an efficient and fair hearing, the Hearing Officer may set time limits or implement other rules of procedure, provided that a meaningful opportunity to be heard is preserved.

SECTION III - RECORD OF HEARING

The City shall be responsible for making a record of the hearing either by audio or video tape. The Hearing Officer shall lodge this record with the City Clerk who shall maintain the record for one (1) year from the conclusion of the hearing. If requested in writing by the Applicant, the City shall have the hearing record transcribed at the Applicant's cost. The City may require that a reasonable deposit in the amount of the estimated cost of preparation accompany any request for a transcribed record.

SECTION IV - EVIDENCE

The Hearing Officer shall rule on the admissibility of any evidence. Formal rules of evidence shall not apply and the Hearing Officer shall not be bound by the California Evidence Code or the Federal Rules of Evidence. No oath is required for witness testimony. However, a witness may request that his or her own testimony be provided under oath, which factor may be considered by the hearing officer when weighing the evidence. Documentary evidence shall be marked for identification purposes, and copies of all such evidence shall be maintained by the City Clerk with the record of the hearing for one (1) year after the conclusion of the hearing. Cross-examination of witnesses shall not be permitted.

SECTION V - HEARING OFFICER'S DECISION

Within a reasonable time not to exceed thirty (30) days from the date the hearing is closed, the Hearing Officer shall submit a written decision to the City Clerk. Such decision shall contain written findings of fact, which must be supported by substantial evidence in the record as a whole, and which findings must support the Hearing Officer's decision. A copy of the decision shall be

promptly mailed to the Applicant.

SECTION VI - APPEAL OF HEARING OFFICER'S DECISION

Not later than 15 days after the Hearing Officer's decision is mailed to the Applicant, the Applicant may appeal the decision by filing with the City Clerk written exceptions to any portion of the decision together with written argument in support of each exception and the amount of fees for an appeal to the City Council as fixed by resolution or by ordinance. The City Clerk shall place the appeal on an agenda for a City Council meeting which permits at least ten day notice to the Applicant and which will allow the appeal to be heard no more than 45 days after the City Clerk's receipt of the appeal. The City Clerk shall notify the Applicant of the date, time and location that the appeal shall be heard at least ten days prior to the meeting.

SECTION VII - ACTION BY CITY COUNCIL ON APPEAL

Appeal to the City Council shall be confined to oral and written argument and the administrative record. Upon consideration of the entire record of the hearing, including the Hearing Officer's decision and the exceptions and written argument that were filed with the City Clerk, the City Council may adopt the Hearing Officer's decision in its entirety or the decision may be rejected or modified.

SECTION VIII - STATUTE OF LIMITATIONS

Pursuant to Code of Civil Procedure Section 1094.6, any petition for judicial review shall be filed not later than ninety days after the City Council makes its final decision. The provisions of Section 1094.6 shall apply to any such action.

PASSED AND ADOPTED this 3rd day of March, 1997 by the following vote:

AYES: COUNCILMEMBERS: GILROY, MORALES, ROGERS, ROWLISON, SPRINGER, VALDEZ, GAGE

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE

APPROVED:

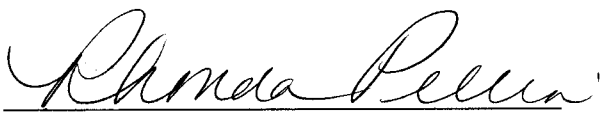
Donald F. Gage, Mayor

ATTEST:

Susanne E. Steinmetz, City Clerk

I, RHONDA PELLIN, Deputy City Clerk of the City of Gilroy, do hereby certify that the attached Resolution No. 97-17 is an original resolution, duly adopted by the Council of the City of Gilroy at a regular meeting of said Council held on the 3rd day of March, 1997, at which meeting a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this 6th day of March, 1997.



Deputy City Clerk of the City of Gilroy

(Seal)

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1, 2026
Volume XVI, Number 91
THE NATIONAL LAW REVIEW

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California Bans Online Sales of Flavored Tobacco Products Effective January 1, 2025

by: Azim Chowdhury, Keller and Heckman LLP - *The Continuum of Risk*

Posted On Friday, October 25, 2024



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On August 28, 2024, the California legislature passed two laws – Assembly Bill 3218 (“AB 3218”) and Senate Bill 1230 (“SB 1230”) – that expand the scope of the state’s enforcement powers against flavored tobacco products. These laws, which have been signed by the Governor and are set to go into effect on January 1, 2025, will have a significant impact on the tobacco, nicotine, and vapor product industries.

Prohibition of Online Sales of Flavored Products

AB 3218 makes a seemingly minor, but very significant, change to Section 30101.7 of the California Revenue and Taxation Code, which outlines the conditions that tobacco product delivery sellers (i.e., online retailers that deliver products directly to adult California consumers) must meet to sell tobacco products in the state. The law adds an additional condition that provides that delivery sellers must comply with all “applicable state laws or local ordinances that impose[] restrictions *on the retail sale* of cigarettes or tobacco products directly to the public from a retail location . . . *as if the delivery sales occurred entirely within the state and place.*”

In short, this added provision will make online delivery sellers subject to the same restrictions as tobacco product retailers. Therefore, since the California flavor ban explicitly prohibits the sale of flavored tobacco products at brick-and-mortar retail stores and vending machines, once AB 3218 goes into effect, the sale of such products by delivery sellers will be treated as retail sales and, therefore, prohibited — closing the last remaining avenue to sell flavored tobacco products to California adult consumers.

Expanded Definition of Nicotine

Both AB 3218 and SB 1230 expand the definition of “nicotine” beyond tobacco-derived nicotine to include synthetically derived nicotine and nicotine analogs. Under the revised definition, nicotine will consist of “any form of the chemical nicotine, including any salt or complex, regardless of whether the chemical is naturally or synthetically derived, and includes nicotinic alkaloids and nicotine

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ed definition pulls synthetic nicotine and flavor ban, this new definition appears to be limited to the flavor ban and, therefore, would not apply to California tax regulations.

Characterizing Flavor Expanded

Of note, both laws revise the definition of "characterizing flavor" to now capture "menthol sensation" products, which do not contain menthol flavor ingredients but typically contain synthetic cooling agents like WS-3. Characterizing flavor is now defined as any "taste or odor, distinguishable by an ordinary consumer either prior to or during the consumption of a tobacco product, other than the taste or odor of tobacco, including, but not limited to, tastes or odors relating to any fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, menthol, mint, wintergreen, herb, or spice, **or a cooling sensation distinguishable by an ordinary consumer during the consumption of a tobacco product**."

Unflavored Tobacco List

AB 3218 prohibits wholesalers, distributors, and delivery sellers from selling or attempting to sell tobacco products that are not listed on the "Unflavored Tobacco List" ("UTL"). The UTL, which will be published on the Attorney General's website by December 31, 2025, will catalogue all tobacco products that lack characterizing flavor and are thus eligible for sale in California. Entities that sell or intend to sell unlisted products within the state may be fined up to $10,000 per violation.

While the Attorney General will promulgate the specific regulations implementing UTL, AB 3218 states that tobacco product manufacturers and importers will be required to report to the Attorney General the unflavored tobacco products that these entities manufacture or import for sale or distribution in California. Manufacturers and importers will have to follow reporting procedures similar to those in states that have passed PMTA directory regulations, "including the submission of an attestation signed under penalty of perjury that the product in question is unflavored."

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to issue fines (up to $50,000) against cking a characterizing flavor if the entities did not have a reasonable basis to do so. The Attorney General will also have the power to charge reporting entities up to $1,000 for each product that they submit for UTL listing and for relisting applications.

CDTFA Authority

Both laws also authorize the California Department of Tax and Fee Administration ("CDTFA") and other state or local law enforcement agencies to seize and, when appropriate, destroy flavored tobacco products from retailers that sold or intended to sell the products. Violators may also be fined $50 for each individual package of flavored tobacco products that was seized. AB 3218 makes wholesalers subject to the same treatment.

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Azim Chowdhury

Email
202.434.4230

Bio and Articles

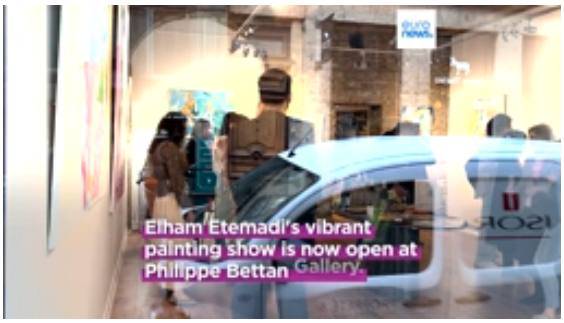
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California Finalizes Unflavored Tobacco List Regulations

By **Troutman Pepper Locke Tobacco Practice**, **Bryan Haynes** & **Zie Alere** on September 23, 2025

In August, the California Department of Justice (DOJ) **finalized** **regulations** to implement California's unflavored tobacco list (UTL) law, which the state enacted in 2024. The new regulations include detailed filing requirements for manufacturers and importers to have their tobacco products legally sold in California.

The deadline for applicants to be considered for the initial publication of the UTL is October 9, 2025.

What Is the UTL?

The UTL is a forthcoming list of unflavored tobacco products allowed to be sold in California. The DOJ will publish the UTL on or before December 31, 2025. After this publication, distributors, wholesalers, and delivery sellers will be prohibited from selling "any tobacco product not appearing on the UTL or any tobacco product flavor enhancer to any retailer, wholesaler, or other person for sale in California." **Cal. Health & Safety Code § 104559.1(o)(1)**.

Additionally, any product not listed on the UTL "shall be deemed a flavored tobacco product" under California's general flavor ban statute. This means that tobacco retailers will similarly be prohibited from selling any unlisted products. *See* **Cal. Health & Safety Code § 104559.5(b)(1)**.

What Products are Covered?

The UTL requirements generally apply to “tobacco products,” which are defined as follows:

> (i) A product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including cigarettes, cigars, little cigars, chewing tobacco, pipe tobacco, or snuff.
>
> (ii) An electronic device that delivers nicotine or other vaporized liquids to the person inhaling from the device, including an electronic cigarette, cigar, pipe, or hookah.
>
> (iii) Any component, part, or accessory of a tobacco product, whether or not sold separately.

Cal. Health & Safety Code § 104559.5(a)(17).

However, regarding items (ii) and (iii), the UTL regulations indicate that listing is not required “for any electronic device that is not sold with nicotine or liquid intended to be vaporized and inhaled from the device, or for any separately sold accessory, component, or part … unless that accessory, component, or part contains nicotine or liquid intended to be vaporized and inhaled from the accessory, component, or part.” **Cal. Code Regs. tit. 11, § 945(d)**.

Further, the definition of “tobacco product” for purposes of the UTL “excludes looseleaf tobacco, premium cigars, and shisha tobacco products,” as those terms are defined for purposes of California’s general flavor ban statute, Cal. Health & Safety Code § 104559.5. *See* **Cal. Health & Safety Code § 104559.1(s)(3)**.

How Do I List My Products?

Manufacturers and importers of tobacco products must apply through the **UTL portal** by October 9, 2025, to be considered for inclusion on the initial publication of the list. *See* **Cal. Code Regs. tit. 11, § 947(f)**. Within the UTL application, each brand style must be separately submitted for consideration through either a “product form” or a “variant form.”

Product forms must contain detailed descriptions of each brand style, including, among other things, trademark ownership details, physical characteristics, and any determinations made by other government agencies regarding the flavor of the brand style. A product form must also note whether the brand style has received premarket authorization from the U.S. Food and Drug Administration (FDA), along with explanations and supporting documentation related to the product's FDA premarket review status. *See* **Cal. Code Regs. tit. 11, § 945**. A sample of each brand style submitted through a product form must be sent to DOJ for review. *See* **Cal. Code Regs. tit. 11, § 947(b)(5)**.

Variant forms are abbreviated filings for products similar to those for which the applicant has already completed a product form. A "variant" is "a Brand Style that is identical to that Predicate Brand Style in all respects, with the exception of the universal product code, manufacturing stock keeping unit number, packaging or labeling (including multipacks), inclusion (or non-inclusion) of an electronic device (as part of a multipack), or Product count per package. 'Variant' does not include any Brand Style with a packaging difference that imparts flavor." **Cal. Code Regs. tit. 11, § 942(r)**. A "predicate brand style" is "a Brand Style for which an Applicant has previously completed a product form." **Cal. Code Regs. tit. 11, § 942(m)**.

A variant form may be filed only for of the following types of variants:

1. Variants with packaging designed for a market outside of California, including exports;
2. Variants with different packaging or different Product count per package, unless the packaging itself imparts flavor;
3. Variants with promotional packaging or discount Brand Styles;
4. Language on packaging different from Predicate Brand Style, e.g. French or Spanish;
5. Variants with a different universal product code or stock keeping unit;
6. Multipacks; and,
7. Multipacks with electronic devices.

Cal. Code Regs. tit. 11, § 946(c). Notably, applicants are not required to submit samples of brand styles submitted through variant forms. *See* **Cal. Code Regs. tit. 11, § 947(b)(5)**.

Application and Renewal Fees

The initial application fee is $300.00 per brand style submitted through a product form and $150.00 per brand style submitted through a variant form. To maintain their products' listing, applicants must annually pay a fee of $150.00 per brand style alongside a renewal application. *See* **Cal. Code Regs. tit. 11, §§ 951** (regarding renewal applications), **954** (regarding fees).

Why It Matters

The UTL statute, as implemented by the recent regulations, imposes a new hurdle for manufacturers and importers seeking to sell their products in California. Although the law seeks to restrict the sale of flavored products, the regulatory compliance burden falls primarily on companies selling unflavored products because they must ensure their products are listed to be legally sold in California.

Our team regularly advises on compliance with novel state regulatory frameworks like the California UTL regime. If you have questions about the UTL requirements as they relate to your business, our team is happy to assist.

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TOBACCO (/TOBACCO)

California to increase tobacco retailer license fee

Higher fees do nothing to stop the underground market that is already costing the state an estimated $1.5 billion a year in lost tax revenue, California Fuels & Convenience Alliance says

*By **Diane Adam (/profile/diane-adam)** on Oct. 07, 2025*



Convenience stores in California will soon face an increase in their annual state tobacco retailer license fee. | Shutterstock

California (https://www.cspdailynews.com/tobacco/filtered-cigarettes-ban-californias-santa-cruz-county-be-implemented-2027) tobacco retailers, including convenience stores, will soon face an increase in their annual state tobacco retailer license fee.

Signed on Friday by Gov. Gavin Newsom, Assembly Bill 573 will now require each application for a retailer license filed on or after July 1, 2026, to be accompanied by a fee of $450 per retail location. The current fee for the tobacco retailer license is $265 per year, which has been unchanged since 2016, the bill states.

Under the legislation, the California Department of Tax and Fee Administration (CDTFA) will receive funding to continue and expand its flavored tobacco product seizure and enforcement operations.

California's **ban (https://www.cspdailynews.com/tobacco/california-voters-uphold-ban-flavored-tobacco-sales)** on all flavored tobacco sales in the state took effect in December 2022.

The bill states that the "passage of California's law banning the sale of most flavored tobacco products resulted in a significant increase in seizure costs that have drastically affected the total number of inspections the CDTFA is able to complete."

Democratic state assembly member Chris Rogers, who introduced the bill, said "CDTFA is currently only able to visit 11% of tobacco retailers each year and, without additional funding from the state tobacco license, those inspection numbers will continue to decline."

The increase of the tobacco retailer fee will make sure more retailers are inspected annually by the CDTFA, the bill states, and it adds that it would "bolster compliance with the **state (https://www.cspdailynews.com/tobacco/fdas-center-tobacco-products-steps-enforcement-efforts-illicit-e-cigarettes)** flavored tobacco licensing and tax laws and the Stop Tobacco Access to Kids Enforcement Act."

The California Fuels & Convenience Alliance (CFCA), which has advocated for the convenience-store industry since 1952 in California, told *CSP Daily News* that it is "deeply" disappointed that the governor signed this legislation.

This bill "imposes a substantial increase in tobacco licensing fees on **compliant retailers (https://www.cspdailynews.com/tobacco/nato-executive-director-discusses-state-vapor-nicotine-pouches-convenience-stores)** while doing little to curb the state's rampant illicit tobacco trade," CFCA said. "This bill is intended to enhance enforcement of the state's flavored tobacco ban, yet it fails to address the real source of the problem, which is illegal sales occurring online and outside of the regulated marketplace."

CFCA members (https://www.cspdailynews.com/tobacco/california-flavored-tobacco-sales-ban-would-devastate-small-retailers-opponents-say) are responsible small business owners who have fully complied with state law by removing flavored products from their shelves, the association said.

“Despite their compliance, they continue to lose business to illicit sellers who face minimal enforcement,” CFCA said. “Burdening legitimate operators with dramatically higher license fees is unfair and counterproductive because it raises costs for small retailers while doing nothing to stop the underground market that is already costing California an estimated $1.5 billion a year in lost tax revenue.”

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Attachment 7 – Exhibit 5

"Unflavored Tobacco List – utl-2026-04-01.csv"

The Excel file is very large and can be accessed by visiting the link here.

On Wednesday, April 15, 2026, 6:11 PM, Haley Edwards <haley.travel26@gmail.com> wrote:

I was working alone at the time when 8-10 officers came in the door, they walked up saying they had a warrant to search the store. They asked me if I had a chair to sit on and made me pull it to the front of the store and sit in the middle of them, 2 police officers stood behind me on each side of me, watching everything I did on my phone. They told me I could not text or make a phone call, specifically telling me not to call the owner and that I would be able to tell him after everything was finished. They asked for my id, asked me what my relation was to the owner, and asked me questions about where we ordered our product from. They showed the warrant as 2 police officers stood at the front door making sure that no customers could enter the store telling customers we were closed for the moment and telling them to come back another time. There was one police officer that stayed in front of me to explain what they were looking for (flavored vapes, flavored wraps, shrooms, thc-a, cbd, and more) while he asked me if there was anything else hidden in the store. They began searching through drawers, all the shelves, and went into the office to search in there as well. They searched through the entire building before waiting on another team to get there, who then re-searched through the entire shop and collected all items in boxes, after everything was collected I asked to take inventory of everything they were taking to keep for our records and they told me no, that they would mark everything and the owner would be sent an invoice for it along with the legal paperwork.

City of Gilroy

7351 Rosanna Street
Gilroy, California
95020-6197

Business License Phone (408) 337-0319
Email Gilroy@hdlgov.com

May 21, 2024

Review information for accuracy. If changes are made, return this form to above address.

Business ID#	16606725
License #	16606725
Category ID	TOBACCO
Units	1.00

THE ROCK ZONE
1323 1ST ST

GILROY , CA 95020-4735

Business Information
1323 1ST ST
GILROY , CA 95020-4735

(408)848-5055

Owner Information
ATML, INC.

Please detach permit at this perf ⟶ and post it in a conspicuous place.

City of Gilroy

REGULATORY PERMIT

License Expiration Date 12/31/2024

Issue Date	05/21/2024
Business ID#	16606725
License #	16606725
Category ID	TOBACCO

THE ROCK ZONE
1323 1ST ST
GILROY , CA 95020-4735

ATML, INC.
If you have any questions regarding this license, please call (408) 337-0319.

In conformity with the ordinance of the City of Gilroy.

NOTE:Permits are due and payable July 1st and January 1st, unless otherwise provided by Ordinance. Payments received 30 days after expiration date will be subject to a penalty of 25% the first month and an additional penalty of 10% each month thereafter.

Post Permit in Conspicuous Place.

THIS PERMIT IS NOT TRANSFERABLE.

012730

City of Gilroy

7351 Rosanna Street
Gilroy, California
95020-6197

February 4, 2026

Review information for accuracy. If changes are made, return this form to above address.

Account# 16606725

Category ID TOBACCO
Units 1

THE ROCK ZONE ATML INC
1323 1ST ST
GILROY, CA 95020-4725

Business Information
1323 1ST S
GILROY, CA 95020-4725
(408) 848-5055

Owner Information
ATML, INC. .

Please detach permit at this perf ⟶ and post it in a conspicuous place.

City of Gilroy

REGULATORY PERMIT

License Expiration Date 12/31/2026

Issue Date 2/4/2026
Account # 16606725

Category ID TOBACCO

THE ROCK ZONE ATML INC
1323 1ST ST
GILROY, CA 95020-4725

ATML, INC. . .

If you have any questions regarding this license, please call (408) 846-0420

In conformity with the ordinance of the City of Gilroy.

NOTE:Permits are due and payable July 1st and January 1st, unless otherwise provided by Ordinance. Payments received 30 days after expiration date will be subject to a penalty of 25% the first month and an additional penalty of 10% each month thereafter.

Post Permit in Conspicuous Place.

THIS PERMIT IS NOT TRANSFERABLE.

012307

Harjot Sangha

From: Geoffrey Guerin
Sent: Friday, April 17, 2026 11:59 AM
To: Harjot Sangha
Cc: Sharon Goei; Luke Powell; Arica Hernandez; Douglas Remmick
Subject: Additional information to be submitted to Alan Seltzer for Rock Zone Hearing

Harjot,

Please forward the following information to Hearing Officer Seltzer.

I have included links to applicable California Health & Safety Code sections relevant to Rock Zone's sale of flavored tobacco and hookah/shisha products. Specifically, HSC §104559.5 defines a "hookah tobacco retailer" and outlines the prohibition on the sale of flavored tobacco products, as well as the limited exception under subdivision (c), which requires strict compliance with all listed conditions.

As outlined in HSC §104559.5(b)(1), a tobacco retailer, or any of its agents or employees, shall not sell, offer for sale, or possess with the intent to sell any flavored tobacco product or tobacco product flavor enhancer.

Additionally, I have included a link to the California Department of Justice website regarding Unflavored Tobacco List (UTL) regulations. Under HSC §104559.1, the Attorney General maintains a list of tobacco product brand styles that lack a characterizing flavor. For a product to be legally sold in California, it must appear on the UTL; otherwise, it is classified as a prohibited flavored tobacco product pursuant to HSC §§104559.1(g) and 104559.5(a)(6).

Relevant links:

- https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC&sectionNum=104559.5
- https://oag.ca.gov/tobacco/flavorban/regulations
- https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=104559.1&lawCode=HSC
- https://utl.doj.ca.gov/

Please let me know if any additional information is needed.

Thank you ,

Geoff

PICONE & DEFILIPPIS, A P.L.C.
A Professional Law Corporation
625 North First Street
San Jose, CA 95112
408-292-0441 Fax: 408-287-6550

STEVE M. DEFILIPPIS
STEPHEN S. PICONE
RYAN RAMSEYER

NICOLE ALVARDO
CARLIN LOZINSKY
AVERY DOTTERER
KANDYCE TRANEICE BAKER

SENT VIA EMAIL

April 20, 2026

CITY OF GILROY
7351 Rosanna Street
Gilroy CA 95020-6197
ATTN: ALAN SELTZER
alan@alanseltzerlaw.com

Dear Mr. Seltzer,

At the conclusion of the hearing, a request was made to provide updated information regarding what the requirement is to allow the sale of flavored hookah tobacco. While it does not appear to be clear exactly what the rules were before the UTL came out, that document does now indicate what seems to be a requirement for barring entry into the premises of minors. Of course, the UTL did not exist when the first search occurred in March 2025, and hence, the officers did not seize the hookah tobacco at that time. And, while the UTL had just come out in December 2025, very shortly before the January 8 search, that gave little time for retailers to obtain the UTL, learn its requirements, and begin to comply. As was testified to at the hearing, the parties had a good faith belief that there was nothing wrong with the hookah tobacco, since it had been left in the store following the search in March of 2025. It was only in January of 2026 that it was seized. The understanding of the owners was reasonable, as there are different types of facilities that are being regulated, with hookah lounges being places where the product is actually smoked, and where it would make sense to exclude minors from the from the premises at all. This would be similar to how a bar that does not also have a restaurant attached must exclude persons under 21, while a restaurant that contains a bar can allow persons under 21 to be there as long as they're not purchasing alcohol.

Additionally, I have attached the photographs showing the signage that the business has had in place throughout the time at issue in this proceeding, restricting sales to anyone under 21, and providing that they will be carded to ensure compliance. I have also attached all of the business licenses for the premises, demonstrating that the business had active licenses with the city of Gilroy and the state of California at the time of the two searches.

Finally, in addressing the overall evidentiary status of this hearing, I will offer a few comments. It is apparent from the documentation submitted by my office to you for the hearing, as well as the testimony regarding the seizure occurring in March of 2025, when no UTL list existed, and the subsequent seizure immediately following the issuance of the UTL, that the laws governing the sale of tobacco in California are complex, and can be confusing even to attorneys and regulatory agents, such as the city of Gilroy representatives who testified at the hearing. The initial seizure resulted in the taking of 126 items that were not in fact illegal, and of the remaining 188, the "majority" (the officer could not clarify any further what the exact amount was) included the hookah tobacco that is legal under certain circumstances, thus giving rise to the issue as to the confusion created by whether the signage and carding of patrons was sufficient, or if there needed to be an absolute exclusion. Even the officers did not recognize that there was a problem when they went into the business in March of 2025, and did not seize those products. It was only after the issuance of the UTL that they were even considered for seizure.

In terms of the credibility of the officers testifying for the city at the hearing, while I would acknowledge that it was honorable for them to agree to be under oath, as did all of my witnesses, the refusal to answer questions from respondent is quite troubling. As officers of the law, their function is to seek and obtain the truth, not present a one-sided version that excludes important facts regarding what occurred. Why would they unanimously across-the-board refuse to answer questions, not even knowing the importance of those matters to a proper determination of what in fact occurred?

In short, Mr. Amari is a 72-year-old man who has attempted to stay in compliance with the law, having maintained his license with the city to conduct his business for over 30 years without any incidents until now. Now that these matters have been brought to his attention, everything at issue has been removed from the store, and he remains in full compliance. He is still subject to regulatory fines by the state for the products that ultimately are determined to be illegal. It would not seem to be beneficial to anyone involved to either suspend, restrict, or terminate his license. Instead, a simple probationary term could be imposed during which the city would be able to conduct even more stringent checkups than they would otherwise. The goal is to achieve compliance, not to punish a man who is making the efforts to comply, but has fallen in several minor respects in trying to stay current with some rather difficult laws to follow. As noted above, even the regulatory agents were unclear as to what was legal and what was illegal. Now, with the advent of the UTL, that has become clearer, and his compliance will be that much easier to regulate.

Thank you.

Very Truly Yours,

Steve M. Defilippis
Attorney for Respondent

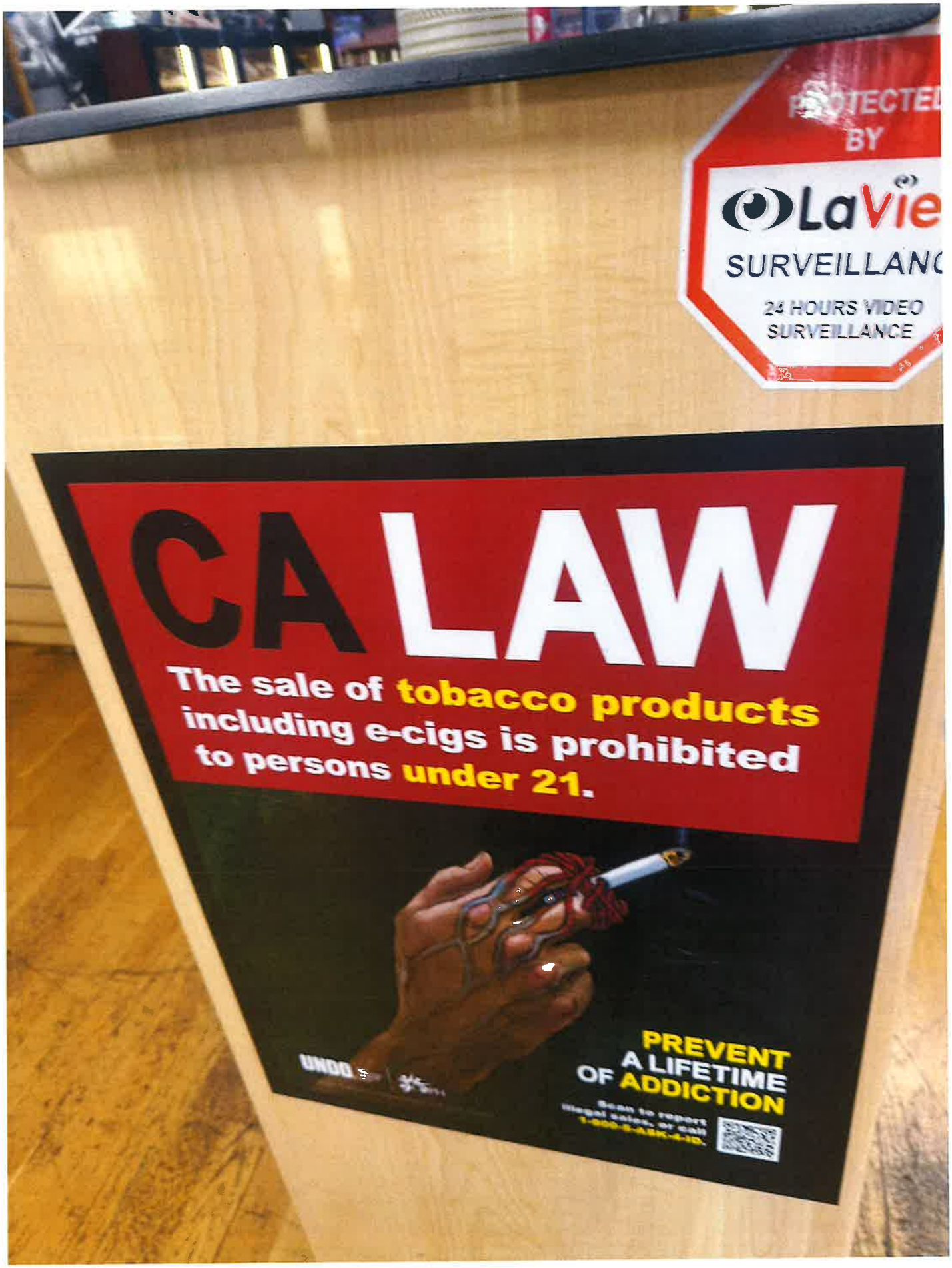
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Tobacco is
Sold At this
Shop? Thank
Rocktone
EVERY DAY
Under 21
No Tobacco
No Vapor
We
Card
Please Have ID Ready
1ST
ALARM
408-866-1111


Rewards
are waiting
Check in. Earn points.
Get rewarded!
Check in
The Sale of Tobacco Products to Persons Under 21 Years of Age Is Prohibited by Law and Subject to Penalties
To Report an Unlawful Tobacco Sale Call
1-800-5 ASK-4-ID
U.S. Armed Forces active duty personnel with military ID must be at least 18 years of age
Valid Identification May Be Required
This sign must be readable by the consumer and must not be altered, covered or obliterated in whole or in part
Business and Professions Code Section 22952
24/7
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IF YOU WERE BORN AFTER TODAY'S DATE IN
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YOU CAN'T BUY TOBACCO, E-CIGARETTES OR VAPOR PRODUCTS!

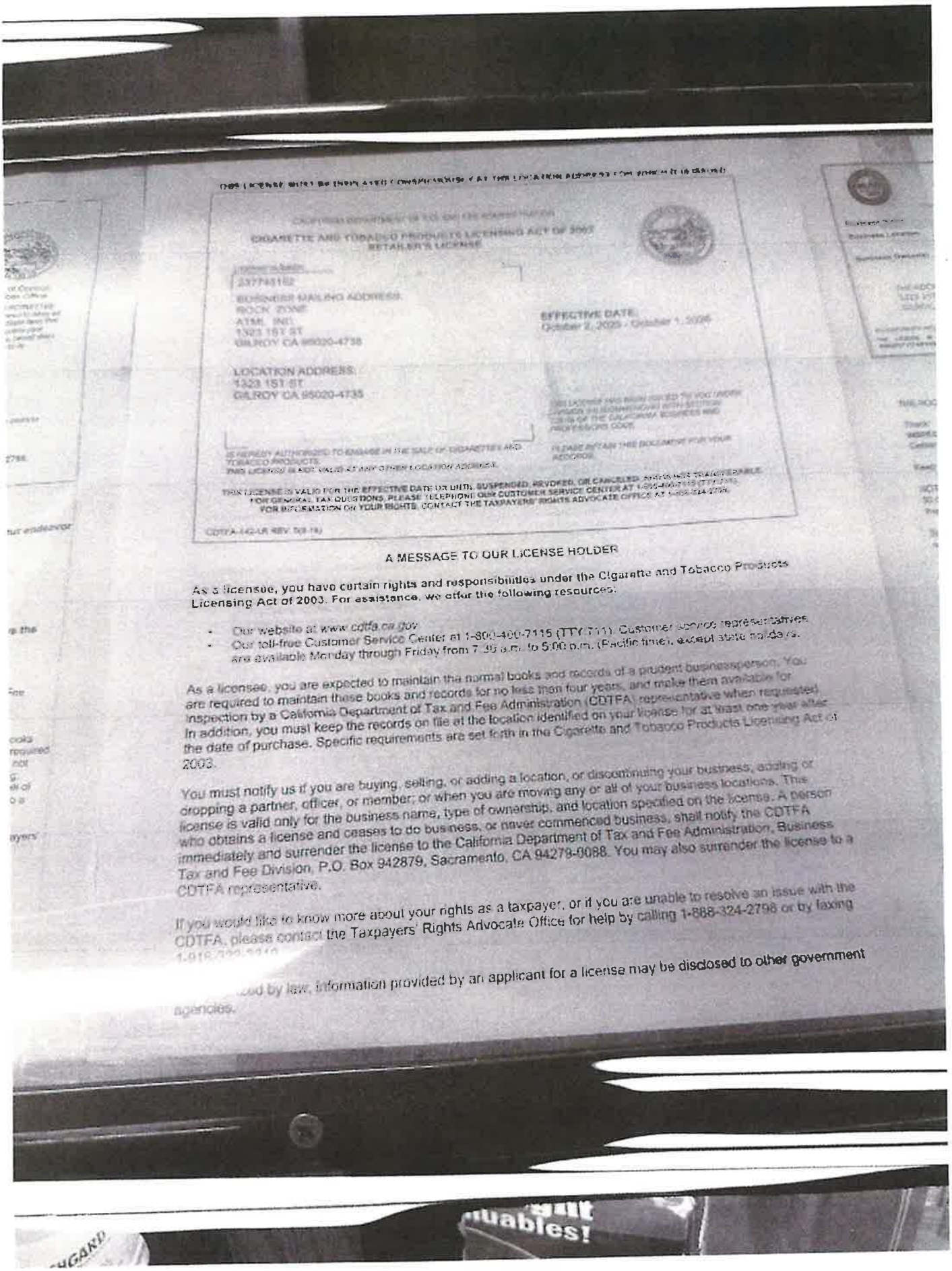

PROTECTED BY
LaVie
SURVEILLANCE
24 HOURS VIDEO SURVEILLANCE
CA LAW
The sale of tobacco products including e-cigs is prohibited to persons under 21.
PREVENT A LIFETIME OF ADDICTION

(No subject)

From: Adel Ammari (adelammari54@yahoo.com)

To: ub@cityofgilroy.org

Date: Thursday, January 8, 2026 at 11:32 AM PST



CIGARETTE AND TOBACCO PRODUCTS LICENSING ACT OF 2003
RETAILER'S LICENSE

BUSINESS MAILING ADDRESS
ROCK ZONE
ATM, INC.
1323 1ST ST
GILROY CA 95020-4738

EFFECTIVE DATE:
October 2, 2025 - October 1, 2026

LOCATION ADDRESS:
1323 1ST ST
GILROY CA 95020-4735

IS HEREBY AUTHORIZED TO ENGAGE IN THE SALE OF CIGARETTES AND TOBACCO PRODUCTS AND LICENSED AS ARE VALID AT ANY OTHER LOCATION ADDRESS.

THIS LICENSE IS VALID FOR THE EFFECTIVE DATE OR UNTIL SUSPENDED, REVOKED, OR CANCELED. WHEN NOT TRANSFERABLE.
FOR GENERAL TAX QUESTIONS, PLEASE TELEPHONE OUR CUSTOMER SERVICE CENTER AT 1-800-400-7115 (TTY 711).
FOR INFORMATION ON YOUR RIGHTS, CONTACT THE TAXPAYERS' RIGHTS ADVOCATE OFFICE AT 1-888-324-2798.

CDTFA-142-LR REV. 5(8-19)

THIS LICENSE MUST BE DISPLAYED CONSPICUOUSLY AT THE LOCATION ADDRESS FOR WHICH IT IS ISSUED.

PLEASE RETAIN THIS DOCUMENT FOR YOUR RECORDS.

THIS LICENSE HAS BEEN ISSUED TO YOU UNDER DIVISION 20 (COMMENCING WITH SECTION 22970) OF THE CALIFORNIA BUSINESS AND PROFESSIONS CODE.

A MESSAGE TO OUR LICENSE HOLDER

As a licensee, you have certain rights and responsibilities under the Cigarette and Tobacco Products Licensing Act of 2003. For assistance, we offer the following resources:

- Our website at *www.cdtfa.ca.gov*
- Our toll-free Customer Service Center at 1-800-400-7115 (TTY 711). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

As a licensee, you are expected to maintain the normal books and records of a prudent businessperson. You are required to maintain these books and records for no less than four years, and make them available for inspection by a California Department of Tax and Fee Administration (CDTFA) representative when requested. In addition, you must keep the records on file at the location identified on your license for at least one year after the date of purchase. Specific requirements are set forth in the Cigarette and Tobacco Products Licensing Act of 2003.

You must notify us if you are buying, selling, or adding a location, or discontinuing your business, adding or dropping a partner, officer, or member; or when you are moving any or all of your business locations. This license is valid only for the business name, type of ownership, and location specified on the license. A person who obtains a license and ceases to do business, or never commenced business, shall notify the CDTFA immediately and surrender the license to the California Department of Tax and Fee Administration, Business Tax and Fee Division, P.O. Box 942879, Sacramento, CA 94279-0088. You may also surrender the license to a CDTFA representative.

If you would like to know more about your rights as a taxpayer, or if you are unable to resolve an issue with the CDTFA, please contact the Taxpayers' Rights Advocate Office for help by calling 1-888-324-2798 or by faxing

...ed by law, information provided by an applicant for a license may be disclosed to other government agencies.

City of Gilroy

REGULATORY PERMIT

License Expiration Date 12/31/2025

Issue Date 01/31/2025
Account # 16606725

Category ID TOBACCO

THE ROCK ZONE
1323 1ST ST
GILROY , CA 95020-4735

ATML.,INC.
If you have any questions regarding this license, please call (408) 846-0420.

In conformity with the ordinance
of the City of Gilroy.

NOTE:Permits are due and payable July 1st and
January 1st, unless otherwise provided by Ordinance.
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subject to a penalty of 25% the first month and an
additional penalty of 10% each month thereafter.

Post Permit In Conspicuous Place.

THIS PERMIT IS NOT TRANSFERABLE.

012805

City of Gilroy

REGULATORY PERMIT

License Expiration Date 12/31/2026

Issue Date 2/4/2026
Account # 16606725

Category ID TOBACCO

THE ROCK ZONE ATML INC
1323 1ST ST
GILROY, CA 95020-4725

ATML, INC. . .

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In conformity with the ordinance
of the City of Gilroy.

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012807

CITY OF GILROY
BUSINESS LICENSE

"For Services Provided in the City of Gilroy, California Only"

2026

TO BE POSTED IN A CONSPICUOUS PLACE
AND
NOT TRANSFERABLE OR ASSIGNABLE.

Business Name THE ROCK ZONE

Business Location 1323 1ST ST
GILROY, CA 95020-4735

Business Owner(s) ATML, INC.
ADEL AMMARI

License Number 16606725

Business Type RETAIL SALES - GENERAL

Expiration Date December 31, 2026

ADEL AMMARI
THE ROCK ZONE
1323 1ST ST
GILROY, CA 95020-4735

IN CONFORMITY WITH THE ORDINANCE OF THE CITY OF GILROY

THE LICENSE IS ISSUED WITHOUT VERIFICATION THAT THE LICENSE IS SUBJECT TO AN EXEMPTION FROM LICENSING BY THE STATE. SB-1558

For all inquiries regarding this license, contact HdL Business Tax Support Center at (408) 337-0318.

THE ROCK ZONE :

Thank you for your payment on your City of Gilroy Business License. **ALL LICENSES MUST BE AVAILABLE FOR INSPECTION UPON REQUEST**. If you have questions concerning your business license, contact the Business Support Center via email at: Gilroy@hdlgov.com or by telephone at: (408) 337-0318.

Keep this portion for your certificate separate in case you need a replacement for any lost, stolen, or destroyed certificate.

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BUSINESS SUPPORT CENTER
8839 N CEDAR AVE #212
FRESNO, CA 93720-1832

City of Gilroy
BUSINESS LICENSE

ADEL AMMARI
THE ROCK ZONE
1323 1ST ST
GILROY, CA 95020-4735

License Number: **16606725**

Date of Issue: **01/01/2026**

THIS LICENSE MUST BE DISPLAYED CONSPICUOUSLY AT THE LOCATION ADDRESS FOR WHICH IT IS ISSUED

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

CIGARETTE AND TOBACCO PRODUCTS LICENSING ACT OF 2003
RETAILER'S LICENSE

LICENSE NUMBER
237745152

BUSINESS MAILING ADDRESS:
ROCK ZONE
ATML INC
1323 1ST ST
GILROY CA 95020-4735

LOCATION ADDRESS:
1323 1ST ST
GILROY CA 95020-4735

EFFECTIVE DATE:
October 2, 2025 - October 1, 2026

THIS LICENSE HAS BEEN ISSUED TO YOU UNDER DIVISION 8-6 (COMMENCING WITH SECTION 22970) OF THE CALIFORNIA BUSINESS AND PROFESSIONS CODE.

PLEASE RETAIN THIS DOCUMENT FOR YOUR RECORDS.

IS HEREBY AUTHORIZED TO ENGAGE IN THE SALE OF CIGARETTES AND TOBACCO PRODUCTS.
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CDTFA-442-LR REV. 5(8-19)

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As authorized by law, information provided by an applicant for a license may be disclosed to other government agencies.

City of Gilroy
FINANCE - DEPT 20
7351 Rosanna St
Gilroy, CA 95020
(408) 846-0219
Welcome

01/08/2026 11:37AM Nallely
004024-0013 000053985
Payment Effective Date 01/08/2026

MISCELLANEOUS
TOBACCO PERMIT (TOBACC)
2026 Item: TOBACC
1 @ $109.5700
TOBACCO PERMIT (TOBACC) $109.57

$109.57

Subtotal	**$109.57**
Total	**$109.57**
CASH	$120.00
CASH	-$10.43
Change due	**-$10.43**

Paid by: ADEL F AMMARI

Thank you for your payment

CUSTOMER COPY
DUPLICATE RECEIPT

Business Name: THE ROCK ZONE
BL Account #: 16606725

TOBACCO RETAILER PERMIT APPLICATION

City of Gilroy Finance Department 7351 Rosanna Street, Gilroy, CA 95020
Phone (408) 846-0420

Date: 1-8-26 ( ) New License (✓) Renewal ( ) Change of Ownership ( ) New Location

1. Do you have a qualified disability for which you request an accommodation? ☐ Yes ☑ No
2. Business name: ATML / Rock Zone Business telephone: (408) 848 5055
3. Business address: 1323 First Street, Gilroy, CA 95020
4. Business mailing address: Same
5. Owner's name: Adel F. Ammari Owner's telephone: (408) 310 5678
6. Owner's address: 726 Gascony Ct., Gilroy, CA 95020
7. Gilroy Business License Account Number: 16606725
8. California Department of Tax and Fee Administration Tobacco Retailer License No.: 237745152
   (attach copy of license)
9. I hereby certify that I have read and understand the attached City, State, and Federal Laws Every Tobacco Retailer Should Know form.
10. I hereby certify that **all** current employees that sell tobacco products have also read and understand the form and that all new employees will do the same before selling tobacco products.

This application is being submitted in accordance with City of Gilroy Municipal Code Chapter 13, Article VIII, Tobacco Retailer Permit. The information contained in this application is a true statement of all information included herein. The undersigned below implies full authority in acting on behalf of the business and owners by signing and submitting this application.

11. Signature of proprietor/authorized agent: [signature] Adel Ammari (print name) Date 1-8-26

    Signature of proprietor/authorized agent: [signature] Adel Ammari (print name) Date 1-8-26

12. Tobacco Retail Permit Fee **$109.57**.
    Payable to **City of Gilroy**, Finance Department, 7351 Rosanna Street, Gilroy, CA 95020-6197

If approved, this Tobacco Retailer Permit is valid through December 31, 2026.

Note: Ord. 13.69 (b) – A permitted tobacco retailer shall inform the city in writing of any change in the information submitted on an application for a Tobacco Retailer Permit within ten (10) business days of a change.

**** If you are no longer retailing Tobacco or Tobacco products, sign and complete the following:**

_____ Signature

No longer retailing Tobacco Products as of: ____/____/____ Date

_____ Print Name

_____ Title

____/____/____ Date

Business Name: THE ROCK ZONE
BL Account #: 16606725

TOBACCO RETAILER PERMIT APPLICATION

City of Gilroy Finance Department 7351 Rosanna Street, Gilroy, CA 95020
Phone (408) 846-0420

Date: 1-8-26 ( ) New License (✓) Renewal ( ) Change of Ownership ( ) New Location

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Print Name _____ Title _____ ___/___/___ Date

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01/08/2026 11:37AM Nallely
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TOBACCO PERMIT (TOBACC) $109.57

$109.57

Subtotal	**$109.57**
Total	**$109.57**
CASH	
CASH	$120.00
	-$10.43
Change due	**-$10.43**

Paid by: ADEL F AMMARI

Thank you for your payment

CUSTOMER COPY
DUPLICATE RECEIPT

THIS LICENSE MUST BE DISPLAYED CONSPICUOUSLY AT THE LOCATION ADDRESS FOR WHICH IT IS ISSUED

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

CIGARETTE AND TOBACCO PRODUCTS LICENSING ACT OF 2003
RETAILER'S LICENSE

LICENSE NUMBER
237745152

BUSINESS MAILING ADDRESS:
ROCK ZONE
ATML INC
1323 1ST ST
GILROY CA 95020-4735

EFFECTIVE DATE:
October 2, 2025 - October 1, 2026

LOCATION ADDRESS:
1323 1ST ST
GILROY CA 95020-4735

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CDTFA-442-LR REV. 5(8-19)

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City of Gilroy

REGULATORY PERMIT

License Expiration Date 12/31/2025

Issue Date 01/31/2025
Account # 16606725

Category ID TOBACCO

THE ROCK ZONE
1323 1ST ST
GILROY , CA 95020-4735

ATML.,INC.
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In conformity with the ordinance
of the City of Gilroy.

NOTE:Permits are due and payable July 1st and
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012805

City of Gilroy

REGULATORY PERMIT

License Expiration Date 12/31/2026

Issue Date 2/4/2026
Account # 16606725

Category ID TOBACCO

THE ROCK ZONE ATML INC
1323 1ST ST
GILROY, CA 95020-4725

ATML, INC. . .

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CITY OF GILROY
BUSINESS LICENSE

"For Services Provided in the City of Gilroy, California Only"

2026

TO BE POSTED IN A CONSPICUOUS PLACE
AND
NOT TRANSFERABLE OR ASSIGNABLE.

Business Name THE ROCK ZONE

Business Location 1323 1ST ST
GILROY, CA 95020-4735

Business Owner(s) ATML, INC.
ADEL AMMARI

License Number 16606725

Business Type RETAIL SALES - GENERAL

Expiration Date December 31, 2026

ADEL AMMARI
THE ROCK ZONE
1323 1ST ST
GILROY, CA 95020-4735

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8839 N CEDAR AVE #212
FRESNO, CA 93720-1832

City of Gilroy
BUSINESS LICENSE

ADEL AMMARI
THE ROCK ZONE
1323 1ST ST
GILROY, CA 95020-4735

License Number: **16606725**

Date of Issue: **01/01/2026**

THIS LICENSE MUST BE DISPLAYED CONSPICUOUSLY AT THE LOCATION ADDRESS FOR WHICH IT IS ISSUED

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

CIGARETTE AND TOBACCO PRODUCTS LICENSING ACT OF 2003
RETAILER'S LICENSE

LICENSE NUMBER
237745152

BUSINESS MAILING ADDRESS:
ROCK ZONE
ATML INC
1323 1ST ST
GILROY CA 95020-4735

LOCATION ADDRESS:
1323 1ST ST
GILROY CA 95020-4735

EFFECTIVE DATE:
October 2, 2025 - October 1, 2026

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CDTFA-442-LR REV. 5(8-19)

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City of Gilroy
FINANCE - DEPT 20
7351 Rosanna St
Gilroy, CA 95020
(408) 846-0300
Welcome

01/21/2025 12:30PM Natalia B
002828-0042 000039571
Payment Effective Date 01/21/2025

MISCELLANEOUS

TOBACCO PERMIT (TOBACC)	
2025 Item: TOBACC	
1 @ $100.0000	
TOBACCO PERMIT (TOBACC)	$100.00
	$100.00
Subtotal	**$100.00**
Total	**$100.00**
CASH	$100.00
Change due	**$0.00**

Paid by: ADEL AMMARI

Comments: THE ROCK ZONE TOBACCO RENEWAL 2025

Thank you for your payment

CUSTOMER COPY

PICONE & DEFILIPPIS, A P.L.C.
A Professional Law Corporation
625 N. First Street
San Jose, CA 95112
(408)292-0441 Fax: (408)287-6550

STEVE M. DEFILIPPIS
STEPHEN S. PICONE
RYAN RAMSEYER

NICOLE A. ALVARADO
CARLIN LOZINSKY
AVERY DOTTERER
TRANEICE BAKER

May 7, 2026

Alan Seltzer
Administrative Hearing Officer
Via Email @ alan@alanseltzerlaw.com

Re: ***Amari/Rock Zone Request for Reconsideration***

Dear Mr. Seltzer,

On behalf of my clients, Adel Ammari and The Rock Zone, I am respectfully requesting that you reconsider the penalty being recommended in your April 28, 2026 decision. Please consider the following in reviewing this issue.

Mr. Amari is operating a small, family business, and while corporate owned, the corporation simply consist of himself and no other investors or partners. While the store sells tobacco products, it also sells other items, but the cash flow to keep the business running is primarily based upon the sale of the tobacco products. Removing those items from the store will significantly impact his ability to generate revenue.

While the length of the suspension, by itself, will have a far reaching impact upon its ability to continue to operate, other factors need to be considered here. What you were not aware of is that the state separately imposes significant penalties in situations of this type. Mr. Ammari is facing fines of over $70,000 based on the products that were seized. The state calculates its fines based on each individual item that is possessed by the vendor. In other words, if a single box of a particular tobacco product contains 50 separate items, 50 separate fines are imposed. These fines will, by themselves, have a devastating impact upon this small business. Adding a six month suspension of the ability to sell tobacco products onto that will ensure that the business will be unable to generate enough income to stay open.

It is apparent from the decision in this case that causing the closure of the business, or long-term revocation of the license, was not your intent. I am hopeful, that you will reconsider the length of the

suspension, factoring in the huge financial penalties that the state will be imposing, and modify this decision to ensure that while the business is penalized, it is not wiped out by the nature of the sanction.

Thank you for considering this matter.

Very Truly Yours,

Steve M. Defilippis
STEVE M. DEFILIPPIS

SMD\ds

BEFORE A HEARING OFFICER
OF THE
CITY OF GILROY

In the matter of the Administrative Hearing regarding Business License No. 16606725 THE ROCK ZONE, Respondent	**RESPONSE TO REQUEST FOR RECONSIDERATION** **Business License Revocation Proceeding for the premises at 1323 First Street, Gilroy, CA**

On May 7, 2026, Steve M. Defilippis, of Picone & Defilippis, requested reconsideration of the penalty stated in the Decision rendered in this proceeding dated April 28, 2026.

In response, the Hearing Officer finds:

1. The Hearing Officer has only that authority granted by Resolution No. 97-17. There is no provision for reconsideration of a final decision by a Hearing Officer in Resolution No. 97-17.

2. Respondent's remedy is to appeal the Decision pursuant to section VI of Resolution No. 97-17, to the City Council by filing with the City Clerk a written exception to that portion of the decision sought to be reconsidered together with written arguments in support of the exception not later than 15 days after the Hearing Officer's decision was mailed to the respondent.

IT IS SO ORDERED.

Dated: May 8, 2026

ALAN SELTZER, Hearing Officer

PICONE & DEFILIPPIS, A P.L.C.
A Professional Law Corporation
625 N. First Street
San Jose, CA 95112
(408)292-0441 Fax: (408)287-6550

STEVE M. DEFILIPPIS
STEPHEN S. PICONE
RYAN RAMSEYER

NICOLE A. ALVARADO
CARLIN LOZINSKY
AVERY DOTTERER
TRANEICE BAKER

May 12, 2026

City Clerk of Gilroy
ATTN: Kim Mancera
7351 Rosanna St.
Gilroy, CA 95020
Phone: 408-846-0204
Fax: 408-852-2651
cityclerk@cityofgilroy.org
Kim.Mancera@cityofgilroy.org

Re: Appeal of The Administrative Hearing Decision Regarding The Rock Zone, Bus. Lic. #16606725

TO THE CITY COUNCIL AND THE HONORABLE CITY COUNCIL MEMBERS:

On behalf of the respondents in this matter, Adel Ammari (owner) and The Rock Zone (Bus. Lic. #16606725), please consider this as a formal appeal of the decision issued on April 28, 2026 by Alan Seltzer, administrative hearing officer in the above matter.

Respondent takes exception to the following matters as stated in the April 28, 2026 decision of Mr. Seltzer:

1. Failure to establish the violations claimed: As will be apparent from the transcript of the proceedings in this matter, the City failed to establish that any particular items found on the business premises of The Rock Zone were in fact illegal. Only conclusory statements of officers that items were illegal were presented, but the items were never identified in any respect, or shown to be outside of the law. Because Respondent was never told what items were in fact seized, and which ones were claimed to be illegal, he was effectively precluded from being able to effectively defend against the accusations levied. In fact, at one point, the seizing officer testified that they were actually incorrect on at least half of the items that were seized, had now determined that those items were in fact legal, and it was disputed as to whether the remaining items were legal or illegal since the majority of the

remaining items could be lawfully sold, but only based on a question of whether proper signage and age verification would suffice or if exclusion from the premises of minors was required.

2. Due process violations based on the failure to produce existing materials identifying what was in fact seized from The Rock Zone: the City refused to provide police reports or other documents showing what in fact was taken from the premises of The Rock Zone, any listing of what the items seized consisted of, the search warrant used to obtain those items, the body worn camera footage of the officers during the search, laboratory testing reports of the seized materials, or any other materials that were created in connection with the investigation into The Rock Zone. It is a fundamental premise of due process that an accuser, here the City of Gilroy, must identify the basis for actions being taken against a citizen. Numerous materials existed to give Respondent the ability to meet the accusations being levied by the City, yet the City claimed that it had no duty to provide those materials to Counsel for respondent. This is a fundamental violation of due process, and a violation of simple rules of fair play, and common sense in how a proceeding must occur.

3. Stay or continuance of the proceedings: here, respondent timely requested a continuance of the hearing, and a stay of the proceedings pending the outcome of the related criminal charges that have been brought, and which arise out of the exact same set of circumstances as were being alleged as the basis of the license revocation proceedings. As noted in number two, above, Counsel was denied any of the documents that were in the sole possession of the city, and was required to defend this action blindly, only learning of what the accusations were during the actual hearing. The city based its claim that it didn't have to produce materials on a theory of their being a "ongoing investigation" yet all of these materials were things that would have to be produced ultimately in the existing criminal case. Until those materials were produced, there should be no basis for the City to go forward with this administrative proceeding. This request was timely, made, and should have been granted.

4. The penalty is excessive: Respondent Adel Amari is operating a small, family business, and while corporate owned, the corporation simply consist of himself and no other investors or partners. While the store, The Rock Zone, sells tobacco products, it also sells other items, but the cash flow to keep the business running is primarily based upon the sale of the tobacco products. Removing those items from the store will significantly impact his ability to generate revenue.

While the length of the suspension, by itself, will have a far-reaching impact upon its ability to continue to operate, other factors need to be considered here. Please be aware that the state separately imposes significant penalties in situations of this type. Mr. Ammari is facing fines of over $70,000 based on the products that were seized. The state calculates its fines based on each individual item that is possessed by the vendor. In other words, if a single box of a particular tobacco product contains 50 separate items, 50 separate fines are imposed. These fines will, by themselves, have a devastating impact upon this small business. Adding a six-month suspension of the ability to sell tobacco products onto that will ensure that the business will be unable to generate enough income to stay open.

It is apparent from the decision in this case that causing the closure of the business, or long-term revocation of the license, was not the intent of the hearing officer. It is respectfully requested that the Council reconsider the length of the suspension, factoring in the huge financial penalties that the state will be imposing, and modify this decision to ensure that while the business is penalized, it is not wiped out by the nature of the sanction.

Respondent is currently in the process of requesting and obtaining the recording, made by the hearing officer, and obtaining a transcript of the same for use in this proceeding on appeal. Once that transcript is prepared, the actual recording and the transcript thereof will be presented for consideration. It is respectfully requested that the City Council calendar this matter for consideration at an upcoming hearing, once the transcripts have been able to be secured. It is further requested that the parties be permitted to appear at the hearing of this matter to present argument regarding this requested relief.

Thank you for your attention to this matter.

PICONE & DEFILIPPIS, A P.L.C.

By: *Steve M. Defilippis*
STEVE M. DEFILIPPIS
Attorneys For Respondent

cc: Harjot Sangha (City of Gilroy) via email
Enc. Response to Request for Consideration

BEFORE A HEARING OFFICER
OF THE
CITY OF GILROY

In the matter of the Administrative Hearing regarding Business License No. 16606725 THE ROCK ZONE, Respondent	**RESPONSE TO REQUEST FOR RECONSIDERATION** **Business License Revocation Proceeding for the premises at 1323 First Street, Gilroy, CA**

On May 7, 2026, Steve M. Defilippis, of Picone & Defilippis, requested reconsideration of the penalty stated in the Decision rendered in this proceeding dated April 28, 2026.

In response, the Hearing Officer finds:

1. The Hearing Officer has only that authority granted by Resolution No. 97-17. There is no provision for reconsideration of a final decision by a Hearing Officer in Resolution No. 97-17.

2. Respondent's remedy is to appeal the Decision pursuant to section VI of Resolution No. 97-17, to the City Council by filing with the City Clerk a written exception to that portion of the decision sought to be reconsidered together with written arguments in support of the exception not later than 15 days after the Hearing Officer's decision was mailed to the respondent.

IT IS SO ORDERED.

Dated: May 8, 2026

ALAN SELTZER, Hearing Officer

City Clerk's Office
Phone: (408) 846-0204
http://www.cityofgilroy.org

City of Gilroy

7351 Rosanna Street
Gilroy, California
95020

May 18, 2026

Adel Ammari
The Rock Zone
1323 First Street
Gilroy, CA 95020

RE: NOTICE OF ADMINISTRATIVE APPEAL HEARING

Dear Business Owner,

This Notice provides the date, time, and location of the appeal hearing to the Gilroy City Council regarding the hearing officer's administrative decision order dated April 28, 2026, rendered in the matter of the Administrative Hearing regarding Business License No. 16606725 issued to The Rock Zone. The appeal hearing will be conducted pursuant to the provisions of Resolution No. 97-17.

The appeal hearing will be held as follows:

Date:	June 1, 2026
Time:	5:00 p.m.
Location:	In-Person
Address:	City of Gilroy – Council Chambers 7351 Rosanna Street Gilroy, CA 95020

Should you have any questions regarding this Notice or the scheduled date and time to appear, please contact me at kim.mancera@cityofgilroy.org, or via phone at (408) 846-0204.

Sincerely,

Kim Mancera

Kim Mancera, CMC
City Clerk

CC: Matt Morley, City Administrator | File Copy
Steve Defilippis, Respondent Attorney

MEMORANDUM

TO: Mayor Bozzo and City Councilmembers

FROM: Jolie Houston, Assistant City Attorney

RE: The Rock Zone Appeal – Summary
Monday, June 1, 2026

DATE: May 27, 2026

The Appeal of the City of Gilroy's (City) Hearing Officer's Decision (Decision) to modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 for The Rock Zone is scheduled to be heard by the City Council on June 1, 2026, at 5:00 p.m. The general concept of this Appeal Hearing is that the Hearing Officer holds a hearing, and the City Council acts like an "appellate court" with its review limited to the existing administrative record and oral argument.

The Administrative Hearing (Hearing) was held pursuant to City's Administrative Hearing Policy adopted by Resolution 97-17 (Hearing Policy).

The Hearing was scheduled for March 19, 2026.

On January 23, 2026, the Police Chief issued a memorandum recommending the City proceed with a business license revocation for The Rock Zone.

On March 3, 2026, the City issued a Notice of Administrative Hearing pursuant to Gilroy City Code (GCC) Section 13.45.

On March 11, 2026, a Pre-Hearing Order was issued. This Order allowed the parties until March 16, 2026, by 4:00 p.m., to submit relevant documents to Mr. Sangha, who would then transmit the documents to the parties.

On March 17, 2026, The Rock Zone's attorney, Steve M. Defilippis, of Picone & Defilippis, requested a continuance of the Hearing. The City agreed to this request.

On March 18, 2026, an Order Continuing the Hearing to April 3, 2026, was issued.

On March 30, 2026, Mr. Defilippis requested a stay of the proceedings based on the assertion that Mr. Ammari (business owner) was the defendant in a related criminal action and that a stay was necessary to protect his client's Fifth Amendment privilege against self-incrimination.

On April 1, 2026, a pre-hearing conference was held, and at the conclusion of that

conference both parties were informed to be prepared to address the stay and the merits of the case at the Hearing on April 3, 2026.

On April 2, 2026, the Hearing Officer via email clarified what would be included in the packet of materials for the "Administrative Hearing Notice and Notice of Violation-The Rock Zone."

On April 3, 2026, the Hearing was held remotely via Zoom. The Hearing Officer heard arguments from Mr. Defilippis regarding his request for the stay and continuance. The Hearing Officer declined to rule on the request for a stay before the City had an opportunity to present evidence in support of establishing a prima facie case that a violation warranting relief under GCC Section 13.45 had occurred.

Following the City's testimony, Mr. Defilippis renewed his request for a stay and alternatively, a continuance. After considering the arguments from Mr. Defilippis, the Hearing Officer determined that Mr. Ammari's Fifth Amendment rights were accommodated by the Hearing Policy and relevant case law supported denying the request for a stay. In addition, the Hearing Officer granted the Request for Continuance. The Hearing Officer determined that a continuance would allow the parties time to confirm that the confiscated products were in fact illegal under the GCC and related state law.

On April 6, 2026, an Order Continuing the Hearing and Denying the Request for Stay of Proceedings was issued. The Hearing was continued to April 17, 2026.

On April 17, 2026, the Hearing resumed via Zoom. After testimony concluded, the Hearing Officer left the administrative record open until April 20, 2026, for the City to submit official records relating to the status of the Respondent's (business owner) Tobacco Retailer's Permit. In addition, both parties were given until April 20, 2026, to submit briefing concerning the scope of the Health and Safety Code exemption allowing the sale of flavored shisha tobacco products.

On April 28, 2026, the Decision was issued. The Decision provided notice of the right to Appeal pursuant to the Hearing Policy.

On May 7, 2026, Mr. Defilippis requested reconsideration of the penalty recommended in the Decision.

On May 8, 2026, The Hearing Officer responded to the Request for Reconsideration stating that the remedy provided for in Policy 97-17 would be an Appeal.

On May 12, 2026, Mr. Defilippis raised four exceptions in support of the Appeal. They are more specifically detailed in his letter.

On May 18, 2026, the City issued a Notice of Administrative Appeal Hearing for June 1, 2026, at 5:00 p.m.

The formal appeal by The Rock Zone provided four exceptions to the April 28, 2026, Decision. They are briefly addressed below.

Exception 1. Failure to establish the violations claimed. Based upon the Findings of Fact and Conclusions of Law the Hearing Officer's Decision is supported by substantial evidence in the administrative record.

Exception 2. Due process violations based on the failure to produce existing materials identifying what was in fact seized from The Rock Zone. The Hearing Officer advised the parties that his decision will be based only on evidence presented at the hearing, including testimony of witnesses and documentary evidence entered into the record by the Hearing Officer, as well as matters subject to administrative notice. He determined that the police reports were not entered into the record and they would not be made part of the record of decision in the proceedings. He advised the parties his decision required determining if the City has shown by the preponderance of the evidence whether The Rock Zone has violated any the provisions of the GCC or any other law or ordinance relating to the business of the license, or is conducting or has conducted or operated such business so as to be detrimental to the public morals or public welfare as set forth in GCC Section 13.45. (Email dated Apri 2, 2026)

Exception 3. Stay or continuance of the proceedings. The request was timely and should have been granted. The Hearing Officer granted the first continuance at the request of The Rock Zone's counsel. On April 3, 2026, the continued Hearing, the Hearing Officer considered City's testimony and the renewed request for a stay and alternatively, a continuance made by Mr. Defilippis. The Hearing Officer denied the request for a stay and granted the continuance until April 17, 2026. On May 7, 2026, Mr. Defilippis requested reconsideration of the matter, specifically the penalty. The Hearing Officer advised that pursuant to the Hearing Policy the only available remedy was an appeal to the City Council.

Exception 4. The penalty is excessive. After considering the oral and written testimony in the administrative record, the Hearing Officer determined that the violations established at the Hearing were serious, but did not, under the specific facts presented, warrant an outright revocation of Business License No. 16606725. He found that a "six-month prohibition on tobacco product sales is proportionate to the violations found and serves the public interest in promoting compliance with the City's business and tobacco retail regulations." Since the concurrent state enforcement action was not part of the Hearing, the Hearing Officer did not, and could not, consider evidence the business owner of The Rock Zone would be facing significant penalties for violations of state laws and regulations.

Order of Proceedings – June 1, 2026 City Council Meeting

Appeal from the Hearing Officer's Decision to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725, The Rock Zone, 1323 First Street, Gilroy CA.

I. Mayor's Introduction of the Item.

II. City Attorney's Explanation of the City of Gilroy City Code (GCC) (GCC Article VIII, Tobacco Retailer Permit, Section 13.65 et seq, and GCC Chapter 13, Licenses, Sections 13.2 and 13.45) governing this Appeal Hearing.

III. Public Comment.

Although this is not a Public Hearing, pursuant to Section 54954.3 of the Government Code, members of the Public who wish to address the Council on this matter may do so at this time.

IV.	Opening Argument by Appellant, The Rock Zone	(10 mins)
V.	Opening Argument by Respondent, City Staff	(10 mins)
VI.	Rebuttal Argument by Appellant, The Rock Zone	(5 mins)
VII.	Rebuttal Argument by Respondent, City Staff	(5 mins)

NOTE- At this Appeal Hearing there will be no addition oral or written testimony. The Council's review is limited to the administrative record and oral argument. (Policy 97-17)

VIII. City Council Deliberation.

Possible Actions:

A. **Deny the Appeal.** This action *upholds* the Decision of the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone. A Resolution of the City Council, making certain findings, is attached.

B. **Grant the Appeal**. This action *overturns* the Decision by the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone. Appropriate action is a motion to continue the matter to a date certain to bring back the final Resolution Granting Appeal of The Rock Zone and overturning the Decision by the Administrative Hearing Officer to Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone.

C. **Modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725.** This action requires a Resolution of the City Council, making certain findings, be adopted. The appropriate action is a motion to continue the matter to a date certain to bring back the final Resolution Modifying the Decision of the Administrative Hearing Officer to Modify Business License

No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 issued to The Rock Zone.

IX. Adjourn the Special City Council Meeting of June 1, 2026.

MEMORANDUM

TO: Mayor Bozzo and City Councilmembers

FROM: Jolie Houston, Assistant City Attorney

RE: The Rock Zone Appeal – Substantial Evidence

DATE: May 27, 2026

The Appeal of the City of Gilroy's (City) Hearing Officer's Decision (Decision) to modify Business License No. 16606725 and Tobacco Retailer's Permit for Account No. 16606725 for The Rock Zone is scheduled to be heard by the City Council at 5:00 p.m. on June 1, 2026. This Administrative Hearing (Hearing) is being held pursuant to City's Administrative Hearing Policy adopted by Resolution 97-17 (Hearing Policy). The general concept is that the Hearing Officer holds a hearing, and the City Council acts like an appellate court, with its review limited to the administrative record and oral argument. Section VII of the Hearing Policy provides as follows:

SECTION VII – ACTION BY CITY COUNCIL ON APPEAL

> Appeal to the City Council shall be confined to oral and written argument and the administrative record. Upon consideration of the entire record of the hearing, including the Hearing Officer's decision and the exceptions and written argument that were filed with the City Clerk, the City Council may adopt the Hearing Officer's decision in its entirety, or the decision may be rejected or modified.

Under the Hearing Policy, the City Council has the power to adopt the Decision, or reject it, or modify it. If your decision is to modify the business license, then if the matter is tested in court, the legal standard would be whether or not "substantial evidence" exists to support your decision. In other words, is there sufficient evidence in the record in front of you (that is, the record of the administrative hearing before the Hearing Officer) to support a decision to modify the Business License and/or Tobacco Retailer's Permit?

"Substantial evidence" means that there is evidence in the record supporting the decision. It does not mean that the evidence is conclusive, or that it is even more compelling than evidence that may point in the other direction. In other words, the substantial evidence test does not presume that there is only one result that could be reached. Often in such matters there is substantial evidence that would support a decision going either way. It is for the City Council to make a decision supported by substantial evidence; if that decision is supported by substantial evidence, then it should be upheld in a court, even if the court believes that the weight of evidence may have been in the other direction.

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY ADOPTING THE ADMINISTRATIVE HEARING OFFICER'S DECISION REGARDING BUSINESS LICENSE NO. 16606725 AND TOBACCO RETAILER'S PERMIT NO. 16606725 ISSUED TO THE ROCK ZONE, LOCATED AT 1323 FIRST STREET, GILROY, CALIFORNIA

WHEREAS, Gilroy Municipal Code Section 13.45 authorizes the City to suspend, revoke, or modify a business license where the Chief of Police determines that violations of law or City code have occurred in connection with the operation of the business; and

WHEREAS, the City's Administrative Hearing Policy established by Resolution No. 97-17 authorizes the appointment of a Hearing Officer to conduct administrative hearings and issue written decisions; and

WHEREAS, on March 3, 2026, the City issued a Notice for Administrative Hearing concerning Business License No. 16606725 to The Rock Zone located at 1323 First Street, Gilroy, California; and

WHEREAS, Administrative Hearing Officer Alan Seltzer conducted administrative proceedings pursuant to Resolution No. 97-17, including hearings held on April 3, 2026, and April 17, 2026; and

WHEREAS, the Hearing Officer considered testimony, documentary evidence, written submissions, procedural motions, and the administrative record developed during the proceedings; and

WHEREAS, on April 28, 2026, the Hearing Officer issued a written Administrative Decision regarding Business License No. 16606725 and related Tobacco Retailer's Permit No. 16606725; and

WHEREAS, via a letter dated May 12, 2026, Steve M. Defilippis, Attorney representing Adel Ammari and The Rock Zone, timely appealed the Hearing Officer's Administrative Decision to the City Council pursuant to Resolution No. 97-17; and

WHEREAS, pursuant to Section VII of Resolution No. 97-17, the City Council's review on appeal is confined to oral and written argument and the administrative record; and

WHEREAS, the City Council has reviewed and considered:

1. the complete administrative record;
2. the Hearing Officer's Administrative Decision;
3. the written appeal submitted by the appellant;
4. oral arguments presented to the City Council; and
5. all other materials submitted in connection with the appeal proceedings.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF GILROY DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. The City Council finds that the administrative proceedings conducted before the Hearing Officer complied with the procedures established under Resolution No. 97-17 and afforded appellant due process, including notice and opportunity to be heard.

SECTION 3. The City Council finds that substantial evidence exists within the administrative record to support the Hearing Officer's findings and Administrative Decision dated April 28, 2026, including evidence relating to:

a) enforcement actions conducted by the Gilroy Police Department;

b) testimony regarding undercover operations, inspections, and seizures;

c) evidence concerning flavored tobacco products and controlled substances;

d) business operations conducted at the premises; and

e) violations of applicable laws and City regulations.

SECTION 4. The City Council further finds that the Hearing Officer properly considered the evidence and arguments presented by both the City and appellant, including arguments relating to:

a) alleged legality of seized products;

b) applicability of exemptions under California law;

c) procedural objections;

d) requests for stay; and

e) administrative penalties and remedies.

SECTION 5. Pursuant to Resolution No. 97-17, the City Council hereby adopts and affirms the Administrative Decision of Hearing Officer Alan Seltzer dated April 28, 2026, regarding Business License No. 16606725 and Tobacco Retailer's Permit No. 16606725 issued to The Rock Zone.

SECTION 6. The appeal filed by Steve M. Defilippis, Attorney representing Adel Ammari and The Rock Zone, is hereby denied.

SECTION 7. The City Administrator, City Attorney, Finance Director, Police Chief, and all other appropriate City officials are authorized and directed to take all actions necessary to implement this Resolution and the Hearing Officer's Administrative Decision.

PASSED, APPROVED, AND ADOPTED this 1st day of June 2026, by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

_____

Greg Bozzo, Mayor

ATTEST:

_____

Kim Mancera, City Clerk

CERTIFICATE OF THE CLERK

I, **KIM MANCERA**, City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2026-XX** is an original resolution, or true and correct copy of a City Resolution, duly adopted by the Council of the City of Gilroy at a Special Meeting held **Monday, June 1, 2026**, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **Date**.

_____
Kim Mancera
City Clerk of the City of Gilroy

(Seal)

Alan Seltzer (Administrative Hearing Officer) (00:02):

All right, let me start again. It's, um, April 1st, 2:00 in the afternoon. My name is Alan Seltzer and I'm the independent hearing officer who's been assigned to hear this matter, which is the, um, uh, license revocation involving the Rock Zone. Um, I asked for this meeting because, um, Mr. Defilippis, you represent, uh, the, the business owner, Mr. Amari, correct?

Steve Defilippis (Respondent Attorney) (00:34):

That's correct. And the business, of course, itself.

Alan Seltzer (Administrative Hearing Officer) (00:37):

Okay. Um, on Monday, um, you've submitted a request to stay the proceeding raising, um, the property owner's Mr. Amari's, uh, Fifth Amendment privilege, uh, against self-incrimination. So far I've got it, right? (Laughs).

Steve Defilippis (Respondent Attorney) (00:58):

That's correct.

Alan Seltzer (Administrative Hearing Officer) (00:58):

Okay. So let me tell you, I'm gonna ask you each to address some of my concerns and then figure out how we should deal with this procedurally. Um, so I understand that there's no automatic stay. This is subject to my discretion whether to stay the case, and in doing so, I have to basically hear from you, Mr. Defilippis, and also the city attorney, as to whether there's a substantial prejudice to the criminal defense i- if, if the hearing was to go forward. And it just, to the extent that that's an issue, I may have to try to balance the issues, I mean, balance the interests in accommodating, uh, the interests which I'm gonna try to identify in a moment.

(01:42):

Um, so I, I did receive the, um, stay request and I've read some of the cases and I see, I can see how in, um, the Pacers versus Superior Court case that you cited, Mr. Defilippis, that a stay of discovery would be appropriate because requiring answering discovery would compel, um, testimony in violation of the Fifth Amendment privilege.

(02:13):

Um, so I, I, I see that's a, a discovery, uh, issue, um, but I was intrigued by the Black versus State Bar case that you also cited, where the California Supreme Court basically held that there was no immunity, um, from proceeding. There was no, no stay, there was no problem, um, in proceeding with a disciplinary hearing, which this might be more like a disciplinary hearing than it is a civil proceeding involving discovery because in Black v. State Bar, the, the person could have just declined to testify and protected their privilege. So, um, and, and I, I'm gonna ask you to try to address one of my concerns is that there's no cross-examination in this proceeding.

(03:07):

So, um, if Mr. Amari has an interest in testifying, I'm not making any assumptions whether he was, would be and whether it's self-incrimination privile... against self-incri... cri... crimination privilege is even at issue, but assuming he would've te- testify, he couldn't be cross-examined so he could limit his testimony in a way that might protect that privilege.

(03:31):

Um, so I, that's, you know, and then I have to balance issues. And I just wanna get this out on the table and hear from you. Um, I know that, Mr. Defilippis, you have suggested that, um, you would, uh, consent or agree to, uh, Mr. Amari removing all prohibited, um, products during the pendency of the stay from the store. That's, that was, that's the offer I saw in your state request. D- did I get that right?

Steve Defilippis (Respondent Attorney) (04:05):

That is correct. And, and there are no longer any, uh, prohibited items, uh, in the store.

Alan Seltzer (Administrative Hearing Officer) (04:12):

But if I was to accept that as a basis for balancing the city's concern, then, um, I would think that the city would have the right to go in and inspect and, and ensure that during the pendency of a stay.

Steve Defilippis (Respondent Attorney) (04:27):

Absolutely.

Alan Seltzer (Administrative Hearing Officer) (04:28):

Okay.

Steve Defilippis (Respondent Attorney) (04:28):

And that, uh, that was part of, uh, what I had suggested as well in my, uh, uh, email-

Alan Seltzer (Administrative Hearing Officer) (04:34):

Okay.

Steve Defilippis (Respondent Attorney) (04:34):

... to, uh, uh, yourself.

Alan Seltzer (Administrative Hearing Officer) (04:37):

All right. So I might have missed the, the, the agreement to that as well. On the other hand, I, I, if the city was not amenable to that, I, I have looked at and see that I could suspend the tobacco retail permit. I, I as- I assume that, um, the business, um, sells more than tobacco products, so you could agree, uh, to, in balancing the city's interest, uh, to, to, to a suspension of the tobacco permit pending the criminal trial, just throwing that out.

(05:16):

Um, and so what is, you know, I'm gonna ask Ms. Houston to address what the, um, city's interests are in terms of, uh, agreeing to a stay or opposing a stay. And, um, uh, in that regard, uh, in preparing for the hearing, I just wanna say I note that, and I wanna make sure I understand that on January 6th, um, Mr., Um, Amari met with an officer Carillo where he was, uh, uh, arrested and posted bail. Um, and is that the criminal case that's, uh, caught, prompted your request?

Steve Defilippis (Respondent Attorney) (05:59):

That is, that is the arrest that resulted in the, uh, the criminal prosecution, yes.

Alan Seltzer (Administrative Hearing Officer) (06:04):

Okay. Well, that, that's, that's helpful to know. So in that regard then, after January 6th, 2026, the police reentered the store, I believe. I'm not sure. You'll have to let me know, but I think, um, after... No, it was after the, um, March 2025, um, I'm looking at my notes here, search warrant that was served, um, that on January 8th, I think that's two days after this meeting at which Mr. Amari was arrested, the police went back to the store and found more flavored nicotine. So I see that, you know, there's some issues of trust and, and, and compliance. Um, so I think I've given you as much as I could figure out in the short time I've had this state request, and I think what I'm gonna do since I have the request, I'm gonna ask Ms. Houston to address, you know, whether or not a stay is something the city would agree to, and under what terms, and then just help me, um, uh, understand the city's position as to whether a stay is even required in this particular case.

Jolie Houston (Assistant City Attorney) (07:32):

Mm-hm. Okay. First, um, again, I'm not going to the substance of the business license revocation or not since I'm not advising you on that and I, it's this, I'm not, there's gonna be staff members that will be putting on-

Alan Seltzer (Administrative Hearing Officer) (07:48):

[inaudible 00:07:49].

Jolie Houston (Assistant City Attorney) (07:48):

... the city's case. I-

Alan Seltzer (Administrative Hearing Officer) (07:50):

And Ms.- Ms. Houston, I get that and for the record, I just want... I've asked the attorneys here solely for the purpose of addressing a stay request-

Jolie Houston (Assistant City Attorney) (07:59):

Yeah.

Alan Seltzer (Administrative Hearing Officer) (07:59):

... a procedural request, and to help brief me on what my discretion is. All right? Because it's a case of first impression for this hearing officer.

Jolie Houston (Assistant City Attorney) (08:09):

Yeah. So, um, again, I, I just wanted to make the record clear on that. Um, the city attorney's office is not recommending this proceeding be stayed. We don't believe it is relevant to this administrative hearing. The, uh, the business owner is represented by an attorney. The attorney can put on the case for him, um, and if there are issues of due process or first, first amendment protections, they can be noted for the record and then the hearing, the, it can be proceed- it can proceed. And as you mentioned, there is no cross-examination. So, um, again, Mr. Def- Defilippis can put on the case for his client and that will be the evidence that you will hear and decide on and it will... And if there are some objections, they'll be noted in the record, and if this gets appealed to counsel, those objections will be in the record that go to counsel and then ultimately if there's a writ taken, they will be in the record that will go to Superior Court.

(09:25):

But, um, we don't believe that a stay is required, is required by law. We don't believe that it's necessary in this case. And as I would say for an example, because this is an administrative hearing, um, when there is a DUI conviction trial that's going on for someone that's alleged or being prosecuted for DUI, the DMV can still run a parallel track for a revocation of a driver's license that driver's [inaudible 00:10:04]-

(10:03):

... revocation of a driver's license. That driver's license hearing is not going to be stayed because there's a criminal prosecution. And so there is, I think, a good analogy. We want this administrative proceeding to go forward. If there's any objections, the applicant is represented by an attorney, it can be put into the record. And the hearing officer, based on the city's evidence and testimony can make a decision. And it, and it does not require the applicant's, um, testimony. And again, as you mentioned, there's no First Amendment requirement. Uh, I mean, First Amendment, no, um, cross-examine requirement, sorry.

PART 1 OF 4 ENDS [00:10:04]

Alan Seltzer (Administrative Hearing Officer) (10:51):

Okay. Mr. Def- Defilippis, uh, your take.

Steve Defilippis (Respondent Attorney) (10:56):

Thank you. Uh, I have a much different, uh, analysis of this and, uh, part of it, uh, stems from an understanding of the, uh, the criminal process itself. Um, first of all, uh, while I appreciate Ms. Houston's reference to, uh, a DUI case, when the administrative hearing occurs in a DUI case, it is the criminal defendant who requests the, uh, administrative hearing. Um, there is essentially an automatic suspension that occurs that the, uh, DUI defendant can just allow to, uh, to go forward. Um, and, uh, it's simply a temporary, uh, suspension of, uh, the driving privilege. The, uh, actual suspension lasts 30 days, and the balance of the suspension is, uh, allows driving to and from work. So it is very minimal impingement upon the, uh, the DUI defendant, uh, and that was a, uh, concern that was brought up, uh, by the, uh, concerns about driving, uh, you know, when you are someone who drinks and gets behind the wheel. Um, so it is-

Alan Seltzer (Administrative Hearing Officer) (12:18):

So you, you're saying that in the DUI, uh, hyp- hypothetical, it's the criminal defendant who requests the hearing, otherwise the suspension goes forward?

Steve Defilippis (Respondent Attorney) (12:28):

That's correct.

Alan Seltzer (Administrative Hearing Officer) (12:28):

Okay.

Steve Defilippis (Respondent Attorney) (12:29):

Um, you have to, you have 10 days to, uh, request the, uh, administrative hearing and, uh, uh, it is the criminal defendant that has to make that request. Uh, if they make the request, the hearing, uh, goes forward and there's a stay of the, uh, suspension pending the outcome of the hearing. Um, also, uh, uh, sometimes that hearing can actually be stayed pending the outcome of the criminal DUI case as well, uh,

or it can go forward if the, uh, the criminal defendant chooses, uh, to have it go forward. Here, the concern is not simply that there's going to be discovery, uh, uh, that has to be answered under oath. It is not a concern that the, uh, uh, there will be cross-examination. Um, a criminal defendant does not have to provide discovery in a criminal case until 30 days before trial, uh, and that's only if the prosecutor provides all discovery and provides a witness list to the, uh, the defendant and then the defendant has to respond back with discovery.

(13:47):

So for instance, in a, uh, uh, typical out of custody case, uh, those can proceed six months to a year, uh, and longer. And most of that time the prosecutor is not aware of what the defense is in the case. Um, and there is no requirement that the defendant have to, uh, provide information to the, uh, the prosecution. Here, you would have a recorded proceeding. And part of this, I think, does have to go to, you know, how is this matter going to be defended in the administrative proceeding? Uh, there's going to be issues of the understanding of the, uh, uh, of the business and the business owner as to what is and is not allowed to be sold in, uh, a tobacco store. And really the only person that can put that on is, uh, Mr. Omari. Mr. Omari would be the only one that can, can say what he knew and what he understood as the, uh, uh, governing, uh, principles that he had to, uh, to do business under.

Alan Seltzer (Administrative Hearing Officer) (15:06):

Can I ask you a question on that?

Steve Defilippis (Respondent Attorney) (15:07):

Sure.

Alan Seltzer (Administrative Hearing Officer) (15:07):

I mean, wha- uh, what's the relevance of his understanding if, and I have still t- need time to prepare for this hearing, if the issue is whether or not illegal products were sold?

Steve Defilippis (Respondent Attorney) (15:20):

Uh, his understanding and his, his history, uh, in the business would go to what the ultimate punishment, uh, should be and whether, uh, uh, you know, his license gets taken away, does it get suspended for, uh, a period of time. And if it gets suspended for a period of time, is it going to be a short period of time, a long period of time? Uh, are there going to be, uh, any kind of fines levied? Uh, is, uh, uh, you know, is this something where essentially what you can do is allow the, uh, business owner to go back to, uh, uh, continuing his business assuming that he no longer violates, uh, any of these rules and has that understanding of, uh, what the, uh, uh, the rules are and, uh, um, you know, does it under- essentially a probationary, uh, type of, uh, uh, term.

(16:19):

So I believe that is relevant. And what's going to happen is you're gonna have a recorded, uh, uh, proceeding where Mr. Omari gives, uh, testimony. Even though it's just direct examination with no cross, it requires him to divulge what his, uh, particular, uh, uh, defense is going to be, which would also be a defense in the, uh, uh, the criminal case. So it's sort of essentially forcing him to have to divulge matters that, uh, um, would affect the outcome of the, uh, the criminal case. The concerns that the city raises, um, the city did these actions back in November of '24 and March of '25. And Mr. Omari continued to do business after, uh, those events occurred, and there was fairly significant period of

time, um, about, uh, uh, we're at, uh, a little over a year from, uh, uh, the last time that, uh, uh, evidence items were seized from the, uh, from the business and, uh, my-

Alan Seltzer (Administrative Hearing Officer) (17:44):

Yet you're... You're saying, you're saying Mar- the March 6th, 2025 seizure because-

Steve Defilippis (Respondent Attorney) (17:53):

Yes.

Alan Seltzer (Administrative Hearing Officer) (17:54):

But, uh, have you received the, the police reports in this case? I, I, I was under the impression you have.

Steve Defilippis (Respondent Attorney) (18:02):

I have not been provided anything by the city in connection with the, uh, administrative proceedings other than, uh, um, the notices of the hearing.

Alan Seltzer (Administrative Hearing Officer) (18:15):

Oh, uh, I thought I was, had, had, uh, requested that, uh, documents that were to be submitted at the hearing be p- be exchanged before-

Steve Defilippis (Respondent Attorney) (18:27):

I, I believe that the, uh, the exchange on that, uh, and Mr. Sangha can, uh, confirm this is going to be the close of business today.

Harjot Sangha (Finance Director) (18:39):

That is correct. Uh, the, uh, business owner was provided, uh, with instructions on how to request the police, uh, reports. I'm not sure if they've shared it with their legal counsel or not, or if they've requested copies or not.

Alan Seltzer (Administrative Hearing Officer) (18:52):

Okay. All right. So why don't you continue then? I'm sorry to have raised-

Steve Defilippis (Respondent Attorney) (18:59):

Thank you. Uh, so my position is that the, the lack of cross-examination and lack of discovery are not, uh, um, essentially, uh, turning points in the determination of whether, uh, a stay should be, uh, utilized. And the reason I brought up the fact that, uh, there is, uh, uh, you know, basically a one-year period of time that the business has continued to, to operate, uh, shows that the, uh, uh, the city is not being prejudiced by the ongoing, uh, uh, operation of the business that, uh, should there be any, uh, uh, stay imposed, as I have suggested in my, uh, request. Um, the city should be able to come in at any time and, uh, make, uh, its own determination of whether there is still compliance with the, uh, um...

(20:03):

... Of whether there is still compliance with the, uh, uh, terms of the, uh, the city codes. Um, there is deconstruction that, uh, was part of, uh, this proceeding. Um, that has been, uh, already done. Uh, we're simply waiting for the city to, uh, um-

PART 2 OF 4 ENDS [00:20:04]

Alan Seltzer (Administrative Hearing Officer) (20:24):

Let, let me clarify something. Uh, my understanding is that the land use permit issue is not part of my jurisdiction. I'm only dealing with the revocation of, uh, the proposed revocation of a business license. So just, just so you know, I don't believe, and in fact, I do not have jurisdiction over the land use issue.

Steve Defilippis (Respondent Attorney) (20:45):

Yeah. Uh, my, my understanding just simply came from reviewing the limited documents that I've received, uh, uh, which basically, uh, uh, throw both of those issues kinda together and I, I assume that it was, both were being considered.

Alan Seltzer (Administrative Hearing Officer) (21:03):

Well, this, this, this pre-hearing conference might have some (laughs) other good results-

Steve Defilippis (Respondent Attorney) (21:09):

Yeah.

Alan Seltzer (Administrative Hearing Officer) (21:09):

... clarifying what's going on.

Steve Defilippis (Respondent Attorney) (21:10):

Narrow, narrow some things down for us.

Alan Seltzer (Administrative Hearing Officer) (21:12):

Yeah.

Steve Defilippis (Respondent Attorney) (21:12):

Uh, but I think that's also a, uh, a good point to bring up because, uh, what it does show is, it shows the, uh, the efforts that my client is making to, uh, uh, to be in compliance with the city. Uh, you know, he's a 72-year-old man, um, who has, uh, you know, been involved in this business for 30 years and, uh, has not had any problems in the past until, uh, this particular, uh, event. And, uh, now that it's come to light, everything that's been requested of him, he has, he has done and is continuing to, uh, make every effort that he can to, uh, comply with the, uh, the city rules. So I think that, uh... Uh, I'm sorry, was there something you wanted to-

Alan Seltzer (Administrative Hearing Officer) (22:01):

Yeah, before you leave this area, uh, you have, you're not gonna get the police reports till tonight, apparently. But if you were under the... You knew that after March and after the arrest, there was another police, um, uh, search of the, uh, facilities and illegal flavored, uh, tobacco products were seized. Would that change your c- um, argument with respect to the city's interests?

Steve Defilippis (Respondent Attorney) (22:36):

Well, it may be confusion on the part of my client, but, uh, my understanding was that the last time that they came back, what they took was, uh, hookah tobacco. And, uh, uh, it was his understanding that the hookah tobacco was, uh, uh, essentially allowed as one of the items that can be sold. Uh, so I don't believe that, uh, this last seizure was anything that, uh, uh, uh, supports the, uh, the city's position on, uh, uh, the license revocation issue.

Alan Seltzer (Administrative Hearing Officer) (23:21):

All right. Okay. Keep going. I'm sorry to interrupt, but...

Steve Defilippis (Respondent Attorney) (23:27):

It's all right. Uh, best to ask those questions as we're going along, uh, or otherwise we forget them. Um-

Alan Seltzer (Administrative Hearing Officer) (23:33):

It's, it, it's my MO. I'm sorry about that, but I, I'm fact finding and I need to understand what's going on.

Steve Defilippis (Respondent Attorney) (23:41):

Uh, good.

(23:42):

Uh, in any event, uh, I think, uh, really what I can, what I can summarize this as is, is this is a, this is an individual that, uh, has had long history of compliance with the city. This, uh, recent turn of events, um, he's been involved in, in taking care of, uh, uh, to make sure that he is no longer in, out of compliance with the, uh, the city rules. And he's doing everything that he can to, uh, to make sure that, uh, he has the ability to move forward with, uh, with this business. It's a business he's, he's long had. And, uh, uh, you know, what we're trying to do is we're trying to avoid there being any kind of, uh, um, ongoing issues, uh, that impact the, uh, the criminal case.

(24:35):

Uh, you know, this is the guy who's gotten to 72 years old without, uh, any, uh, criminal history. Uh, he does not have any, uh, adverse background. Uh, he's been a contributing member of the, uh, the Gilroy community. And, uh, uh, what we're looking for is a short period of time. It's probably gonna be somewhere between, uh, three and six months, and probably closer to the three than to the six. And, uh, trying to get the, uh, the matter just simply put off so that there is no impact on the, uh, the criminal case.

Alan Seltzer (Administrative Hearing Officer) (25:14):

All right. Well, you have m- made me think about my discretion in terms of ultimately deciding this case and what type of, uh, penalty or what discretion I have on that regard, but now I w- I need to focus on the stay, um, request. Um, Ms. Houston, uh, anything to say in response?

Jolie Houston (Assistant City Attorney) (25:42):

Um, no. I would say that we still wanna proceed with the administrative hearing. Um, I don't know all the background. I haven't read the police reports. I haven't... I'm not part of that prosecution.

Alan Seltzer (Administrative Hearing Officer) (25:56):

Mm-hmm.

Jolie Houston (Assistant City Attorney) (25:57):

I know tomorrow or I... It's Friday, I guess. (laughs) It's Friday. Um, uh, there will be city witnesses there that will be able to talk to the prejudice of the city if there was a stay.

(26:12):

Um, and I haven't talked to, uh, you know, I haven't been involved in the criminal prosecution or the, the... Not the criminal prosecution, the, uh, city's background on all of this.

(26:26):

But, I do not see how, um, we can't go forward with this hearing because it is about his business license and it has nothing to do with the, um, the criminal case. Because this is a local code section that's being in... I- it's, it's a local permit that is being violated, and if you violate the, the city's local rules, the way the business license ordinance is set up is it's a regulatory business license, not just revenue raising.

(27:09):

So if there is cause to believe that there are violations of the Gilroy Code or local codes, um, there can be a recommendation to revoke the business license. And so it is just the business license, it's just the Gilroy Code sections. Um, and so I, I believe very strongly that it can go forward and it should not have ... And if he wants to testify, he can, uh...

(27:37):

Um, but I do think that there is, there is prejudice to the city if this business continues to operate, um, because there were violations of the tobacco permit regulations in the city's code. And I, in trying to just say, "Oh, well, we'll catch him with, with ongoing inspections," I, I, as a representative of this, as the city, I can't, I can't recommend that. I, I think these two hearings can go forward. Uh, the criminal can do what it needs to do, but this is just the local codes.

(28:16):

And, you know, the DA or the... Whoever's prosecuting these other cases, they don't enforce our codes and we don't enforce their codes. So it is, it is a separate enforcement, two different enforcement arms.

Alan Seltzer (Administrative Hearing Officer) (28:32):

A- a- and I, I have to look at the code a little more closely. Um, it, it sounds like almost with respect to viola- if I pro- if the violation is proven, uh, what Mr. Defilippis has talked to me about today is the, goes to the penalty, whether suspension versus, um, revocation, if that's an option, that his client might wanna testify to that.

(29:01):

Is it... That, that's what I, I heard you say, Mr. Defilippis. It may not be a strict defense that, "We didn't sell this," uh, but he might want... I don't know what his testimony's gonna be. I'm not sure, um, how essential his testimony is to the defense as to whether the violation occurred, that is the basis of the revocation.

(29:21):

But it's something, uh, you know, I... We have such a short period of time. I'm gonna keep the hearing on schedule, but I'm not sure whether this is gonna turn out to be a, a bifurcated hearing on the stay issue before going forward.

(29:36):

Um, what I'd like to do is, uh, you know, I, I remember when I was, uh, an attorney and I got a, um, a complaint. And I needed to get a t- there was a TRO scheduled the next day. I had to stay up all night and write a brief. (laughs).

(29:52):

If you, either of you have anything more to, that you think I should consider, uh, before deciding how to proceed on Friday morning at the hearing, because I don't think-

(30:03):

... deciding how to proceed on Friday morning at the hearing because I don't think I'm gonna have time to actually make a decision in advance. Um, and if we do have a hearing, Ms. Houston, I, uh, I have cleared my calendar for next Thursday if we can't, if we're gonna turn this matter into a stay hearing on Friday morning and, and I hear the city's witnesses as to why there's a concern and, um, that is ju- warrants, um, either no stay or a more significant stay in the nature of a suspension of the t- uh, and Mr. ...

(30:39):

I'm tip- tipping my hand. I'm just, all I can think of is suspension of the temporary, I me- I'm sorry, tobacco retail permit pending the, um, during the stay to, to protect the city. These are the things that are in my head, but I don't know how to, how it's gonna come out. So if you have anything you wanna provide, please give it to Mr. Sangha by the close of business. No, actually a little earlier, by 4:00 tomorrow so he can get it to me and I can actually read it.

PART 3 OF 4 ENDS [00:30:04]

Steve Defilippis (Respondent Attorney) (31:07):

Okay.

Jolie Houston (Assistant City Attorney) (31:07):

Okay, yeah.

Steve Defilippis (Respondent Attorney) (31:07):

Um-

Jolie Houston (Assistant City Attorney) (31:09):

And I'd like, I didn't ... Yeah, I, I know that the, Mr. Sangha is coordinating the documents and everything because I, I wasn't, I wasn't involved in all of that.

Alan Seltzer (Administrative Hearing Officer) (31:21):

Mm-hmm.

Jolie Houston (Assistant City Attorney) (31:22):

Uh, but I'm glad that they're going to be going out today for both sides and for you, Mr. Seltzer. The other thing that I do wanna clarify that might help is with the city's business license and the way the revocation hearings are set up through the policy 97-17-

Alan Seltzer (Administrative Hearing Officer) (31:42):

Mm-hmm.

Jolie Houston (Assistant City Attorney) (31:43):

... which I've had hearings under. Um, there, it's revocation modification or, um, so there's, there's several options. You can revoke it, you can modify it, or you can deny the request to revoke it. These are all appealable to the city council and the city council also has those options to revoke, modify, or deny. So, um, there, there are some options and it didn't ... I never thought about even bringing them up to you until now that, yeah, there are some, there ... Uh, so a suspension until the criminal case is, I would believe, an option under that, um, resolution 97-17.

Alan Seltzer (Administrative Hearing Officer) (32:39):

And do you, uh, do you think I have the, um, authority to impose that on my own, or does that n- need to be an agreement between the two, the p- two parties, the-

Jolie Houston (Assistant City Attorney) (32:47):

I-

Alan Seltzer (Administrative Hearing Officer) (32:48):

... the respondent and the city?

Jolie Houston (Assistant City Attorney) (32:49):

I believe it's under your authority under resolution 97-17. There's the notice and then there's the hearing and then there's the hearing officer's decision to do, you know, you're supposed to make written findings and then that can be appealed to the city council where that's when I get involved with the city council. But, um, just from memory of 97-17, I believe those are your options and-

Alan Seltzer (Administrative Hearing Officer) (33:17):

Okay. Um-

Jolie Houston (Assistant City Attorney) (33:18):

... I have that, I have that resolution on my desk somewhere, but (laughs) I don't wanna waste your time trying to find it.

Alan Seltzer (Administrative Hearing Officer) (33:24):

Yeah.

Jolie Houston (Assistant City Attorney) (33:24):

Are you done?

Alan Seltzer (Administrative Hearing Officer) (33:24):

I, I have it right here. (laughs)

Jolie Houston (Assistant City Attorney) (33:24):

Yeah.

Alan Seltzer (Administrative Hearing Officer) (33:26):
So I'll look at it. All right. Anybody wanna tell me anything else? Here's what I think, and I'm-

Steve Defilippis (Respondent Attorney) (33:31):
Yes.

Alan Seltzer (Administrative Hearing Officer) (33:31):
Go, go ahead.

Steve Defilippis (Respondent Attorney) (33:33):
Could, could I just interject something very quick?

Alan Seltzer (Administrative Hearing Officer) (33:34):
Please, please do.

Steve Defilippis (Respondent Attorney) (33:36):
Uh, um, you had mentioned, uh, clearing your calendar for next Thursday. I'm actually out of the country, uh, uh, as of, uh, next, uh, Tuesday evening. Um-

Alan Seltzer (Administrative Hearing Officer) (33:51):
Mm-hmm.

Steve Defilippis (Respondent Attorney) (33:52):
... and I've got, uh, pretty booked calendars on Monday and Tuesday. Um, so we'd have to figure out a different date, uh, if we could, uh-

Alan Seltzer (Administrative Hearing Officer) (34:02):
When do you return?

Steve Defilippis (Respondent Attorney) (34:04):
Uh, on the-

Alan Seltzer (Administrative Hearing Officer) (34:05):
When are you next available?

Steve Defilippis (Respondent Attorney) (34:07):
Yeah. It ... Let me just check my calendar here. I'm actually back, uh, and working on the 15th, um, but I'm pretty booked up that day.

Alan Seltzer (Administrative Hearing Officer) (34:44):
But the 16th or 17th would be fine then.

Steve Defilippis (Respondent Attorney) (34:47):

16th ... Se- se- se-

Alan Seltzer (Administrative Hearing Officer) (34:53):
Right now, I'm looking at the 16th in the afternoon and any time during the 17th. I'm holding my schedule open. And this is just, uh, f- f- for planning purposes and, and-

Steve Defilippis (Respondent Attorney) (35:08):
You, you mentioned those medical appointments. Uh, I've, uh, I'm getting my right hip replaced, uh, and I've got a pre-op, uh, on the afternoon of the 16th at 3:30. Uh, I don't know how flexible you are on times, but, uh, probably would have at least a few hours before that, uh, to, uh-

Alan Seltzer (Administrative Hearing Officer) (35:27):
(laughs)

Steve Defilippis (Respondent Attorney) (35:28):
... do something.

Alan Seltzer (Administrative Hearing Officer) (35:29):
Doctor's, doctor's appointments are dominating all of our schedules. So Friday the 17th will, uh-

Steve Defilippis (Respondent Attorney) (35:35):
Friday the 17th is ... I've got a couple of matters, but I think I can have an associate appear on those.

Alan Seltzer (Administrative Hearing Officer) (35:48):
I would appreciate that because I too have a, a-

Steve Defilippis (Respondent Attorney) (35:51):
Yeah.

Alan Seltzer (Administrative Hearing Officer) (35:52):
... very limited-

Jolie Houston (Assistant City Attorney) (35:53):
Yeah.

Alan Seltzer (Administrative Hearing Officer) (35:53):
... schedule.

Steve Defilippis (Respondent Attorney) (35:54):
I could do, I could do the 17th, uh ...

Alan Seltzer (Administrative Hearing Officer) (35:56):

Okay. And Ms. Houston, I'm ... It's just, uh, we'll talk about all of that on Friday, but at least the city will have an understanding that if there was a, um, a, a, a continuance or a interim stay, um, we would, we would reconvene on the 17th, um, as a pos- as, as a date that would work for at least Mr. Defilippis and hopefully the city. All right.

Steve Defilippis (Respondent Attorney) (36:28):

Mr. Seltzer, uh, is it ... Am I correct in my understanding that what we're dealing with on Friday is the stay issue and then if the, uh, the stay doesn't, uh, uh, happen, then, uh, we'll be back on the 17th for the actual hearing?

Alan Seltzer (Administrative Hearing Officer) (36:45):

I'm not sure. I was thinking if the stay doesn't happen, we'd have the hearing. Um, but that's something that you might want to address. Uh, like I said, I have t- until 4:00 tomorrow. Please help me out.

Steve Defilippis (Respondent Attorney) (36:58):

Okay.

Alan Seltzer (Administrative Hearing Officer) (36:59):

Um-

Steve Defilippis (Respondent Attorney) (37:00):

I'll know more when I see the documents that, uh, Mr. Sangha, uh, provides this afternoon.

Alan Seltzer (Administrative Hearing Officer) (37:06):

Okay. So that could be a possibility. I, I also want to have the ... Whatever decision is gonna be rendered on a stay or needs to happen in April, so we'll figure this one out. Um, all right, well, thank you. You threw me a curveball and we'll see how I can handle it on, uh, Friday morning at least.

Steve Defilippis (Respondent Attorney) (37:28):

All right.

Alan Seltzer (Administrative Hearing Officer) (37:29):

One of those maybe.

Jolie Houston (Assistant City Attorney) (37:29):

Okay. Thank you. Thank you, all the parties. Thank you.

Alan Seltzer (Administrative Hearing Officer) (37:33):

Yeah.

Jolie Houston (Assistant City Attorney) (37:33):

This was a good day call-

Steve Defilippis (Respondent Attorney) (37:33):

Appreciated, they taking the time-

Jolie Houston (Assistant City Attorney) (37:34):
... to have this pre-hearing hearing. Okay.

Alan Seltzer (Administrative Hearing Officer) (37:35):
All right.

Steve Defilippis (Respondent Attorney) (37:35):
[inaudible 00:37:37] taking the time.

Alan Seltzer (Administrative Hearing Officer) (37:38):
So I'm gonna, I'm gonna, I'm gonna close the, the hearing and the record. The, you can stop the recording. Thank you very much. Bye everyone.

Jolie Houston (Assistant City Attorney) (37:46):
Thank you.

Alan Seltzer (Administrative Hearing Officer) (37:46):
See you Friday morning at 9:00.

Steve Defilippis (Respondent Attorney) (37:48):
All right. Take care.

PART 4 OF 4 ENDS [00:37:51]

Alan Seltzer (Administrative Hearing Officer) (00:00:02):

Well, the recording let me know (laughs). My name is Alan Seltzer. I'm not a representative or an employee of the City of Gilroy. I'm an independent hearing examiner assigned to hear this case, which is the administrative hearing regarding business license number 16606725 issued to The Rock Zone located at 1323 1st Street in Gilroy. I hope I had that correct. First, I'm gonna ask, uh, people on the screen. We're on a z- it's, um, April 3rd, I believe, 9:00 in the morning. I'm gonna ask the people on the screen to identify themselves starting with Mr. De- Defilippis.

Steve Defilippis (Respondent Attorney) (00:00:45):

Uh, good morning, sir. Uh, I'm Steve Defilippis. Uh, I represent, uh, Mr. Ammari as well as, uh, The Rock Zone. Mr. Ammari is, uh, seated to my left. Uh, and, uh, Elizabeth Vera, uh, who is affiliated with, uh, The Rock Zone is seated to my right.

Alan Seltzer (Administrative Hearing Officer) (00:01:06):

And Vera is spelled?

Steve Defilippis (Respondent Attorney) (00:01:08):

V-E-R-A.

Alan Seltzer (Administrative Hearing Officer) (00:01:10):

Okay. Good morning, Elizabeth. Mr. Ammari, good morning as well.

Adel Ammari (Respondent) (00:01:13):

Good morning.

Elizabeth Vera (Respondent Employee) (00:01:13):

Good morning.

Alan Seltzer (Administrative Hearing Officer) (00:01:15):

All right. Um, also, um, below, um, I see Mr. Powell, Officer Powell.

Luke Powell (Police Captain) (00:01:26):

Good morning, everybody. Uh, Captain Luke Powell, Gilroy Police Department.

Alan Seltzer (Administrative Hearing Officer) (00:01:33):

Luke Powell. A- a- a- a- anyone else? I see, um, uh, Sergeant Guerin. Is it-

Geoffrey Guerin (Police Sergeant) (00:01:42):

Hi, good morning. Yes. Uh, Geoff Guerin from Gilroy PDA supervisor, anti-crime team. And I do have a couple of my, uh, team members, um, on standby if we need them to jump on, uh, at any time.

Alan Seltzer (Administrative Hearing Officer) (00:01:55):

Okay. Um, and, um, Sharon, would you identify yourself for the record?

Sharon Goei (Community Development Director) (00:02:03):

Yes. Uh, Sharon Goei, community development director, City of Gilroy.

Alan Seltzer (Administrative Hearing Officer) (00:02:08):

Okay. And also, uh, with us is, um, uh, Mr. Sangha, who is the city's finance director and the meeting host and providing me technical assistance, which I definitely need in, uh, handling remote hearings.

(00:02:25):

Um, so, um, before we start, a couple points of information. This proceeding is governed by resolution number 9717 of the Gilroy City Council, which, uh, adopts a municipal hearing administrative policy. According to this, um, policy, this is an informal hearing. I'm doing fact finding, uh, and issuing a decision. The formal and technical rules of evidence do not apply and I'll take any evidence that's relevant, uh, which is, uh, relied upon by, um, responsible persons accustomed, you know, to, who do this in the conduct of serious business.

(00:03:09):

No oath is, uh, required to testify. However, under the policy, a witness may request that his or her own testimony be provided under oath and I'm allowed to weigh that in considering the evidence. So let's do a little, um, uh, administration right here. Um, who are the individuals right now who at this point know they intend to testify?

(00:03:39):

Would you identify yourselves?

Geoffrey Guerin (Police Sergeant) (00:03:42):

Um, I suppose I'm probably gonna testify.

Alan Seltzer (Administrative Hearing Officer) (00:03:45):

So that's, um, Sergeant Guerin. Anybody else from the city at this time? Okay. Mr. Defilippis, anyone from your side know that they're going to testify at this point?

Steve Defilippis (Respondent Attorney) (00:03:59):

Uh, potentially Mr. Ammari.

Alan Seltzer (Administrative Hearing Officer) (00:04:01):

Okay. All right, let me have, um, Sergeant Garren and Mr. Ammari raise your right hand. Do you swear or affirm that the testimony that you will give in this matter will be the truth? M- Sergeant Guerin?

Geoffrey Guerin (Police Sergeant) (00:04:17):

Yes, I do.

Alan Seltzer (Administrative Hearing Officer) (00:04:18):

And Mr. Ammari?

Adel Ammari (Respondent) (00:04:20):

Yes, I do.

Alan Seltzer (Administrative Hearing Officer) (00:04:21):

Thank you very much. Um, now the, as you know, the hearing will be-

Steve Defilippis (Respondent Attorney) (00:04:26):

Mr. Seltzer, before, before we begin, I do wanna address the state issue.

Alan Seltzer (Administrative Hearing Officer) (00:04:30):

Well, I, I'm gonna, I'm gonna let you do that after the city testifies.

Steve Defilippis (Respondent Attorney) (00:04:34):

Well, and, and in my opinion, that is denying the motion, uh, uh, at this point because the idea of, of going forward with the hearing and then considering the stay issue, uh, does not, uh, I think satisfy, uh, the due process issues that are involved in this, uh, in this case. And, and I'm concerned about that because the city knows everything. They know ... I don't know who Officer, uh, Guerin is. Um, that's a name that I've never heard before. Uh, I don't know who, uh, uh, Mr. Powell is. I don't know if he's an officer. I don't know what his, uh, position with Gilroy PD is. I don't know what he did or did not do in relation to this case. I haven't seen the reports in this case. I don't know who the witnesses are.

(00:05:32):

I don't know who I can call as witnesses at this point because I haven't seen what the city has and what the city knows. The city knows everything because they have all the information. They did all of the actions. I'm deprived of that information. So I don't even know who to, who to call as witnesses at this point.

Alan Seltzer (Administrative Hearing Officer) (00:05:55):

Mr. Defilippis, I, I, I have done a lot of ... You've made, given me the opportunity to do a lot of research on this issue, and so I believe it is proper for me to find a middle path to try to accommodate the interests of both parties. I think I'm doing that by allowing the ... Because I have no information either. I have only, the only, um ... I haven't gotten to this part of the, my introduction of my admonitions. There's only the notice and the, um, that went out to everybody, um, uh, setting this hearing and there's, uh, provisions of the Gilroy Municipal Code and a memorandum dated January 23, 2026 from the Chief of Police, which you have and I have. That's the only document that's in the record at this time, and I will identify it again at, as in my hearing introduction. You and I are both gonna learn what the city's case is.

(00:06:58):

And you're ... When you, when they're done, because there's no provision for discovery, I have no ability to issue a subpoena, uh, in advance of a hearing. It's an informal process. There's an appeal to the city council. But what I'm gonna do is give us all an opportunity to hear the city's case because when you do have your ch- it's ... Again, you, you, you, you, uh, preempted me a little bit from giving, uh, my whole admonition, but, um, when the city's finished with this case, then you can renew your stay motion, ask for a continuance based on some of the conc- concerns you've just identified. But I think we, it will be in everyone's best interest if we hear the city's case because as I wrote in my memorandum yesterday responding to your email, by testifying, the city also gives us information to weigh in, in considering your stay request.

(00:07:56):

So that's how I'm gonna proceed and, um, let's move on at this point.

Steve Defilippis (Respondent Attorney) (00:08:01):

If I can just note one thing and I'll be very quick. Um, uh, you should know absolutely nothing at this point. That, uh, that is the proper way for a hearing officer to come into a, uh, case. But a respondent, on the other hand, should be able to know what it is that the city is accusing my client of and what the factual information is behind those accusations. We've gotten the accusations but we haven't gotten any of the information. I shouldn't have to learn that at a hearing.

Alan Seltzer (Administrative Hearing Officer) (00:08:38):

Well, that, that's a question that you should address to the city council with respect to the policy it adopted. I'm bound by that. I'm a hearing officer, I don't have independent authority. And so I'm bound by the resolution that gives the rules for how to conduct this proceeding, all right? That's where, that's where we are. And so, uh, your, your concerns are noted in the record and, um, I'm gonna move on.

Steve Defilippis (Respondent Attorney) (00:09:03):

All right. Thank you.

Alan Seltzer (Administrative Hearing Officer) (00:09:04):

Okay. I appreciate the concerns though, believe me. Um, all right. I think I've said th- th- this is being recorded and very significantly, not only is there no discovery, uh, we just talked about it, there's no cross-examination allowed. So each party gets to present its case and then I have to weigh that in issuing a decision.

(00:09:28):

Okay. So the, uh, the, what I, as in the pre-hearing order, the way we're gonna proceed is that the city will, um, uh, present its case. Right now, it, it has the burden of, uh, proving by a preponderance of evidence that, um, the violations, uh, violations occurred that warrant the remedy in, I think it's 13.45 of the Gilroy Municipal Code.

(00:09:57):

Um, so first I'm gonna hear from the city. They can give an opening statement and then testimony. Then I'll hear from, um, Mr. Defilippis and The Rock Zone. And as I said, I clearly recognize you will renew your stay request and may request a continuance. We'll deal with that at that point. Um, how we proceed after that, we'll see.

(00:10:23):

Um, when the hearing is concluded, I'm required to issue a written decision. So you will not have a decision today in writing, obviously. So there, there will be a written decision and that decision is subject to appeal to the city council not later than 15 days after the decision is mailed to the respondent licensee.

(00:10:46):

Um, in preparing for this hearing, what I've reviewed is the packet of materials, um, mailed to Adel Ammari by Mr. Sangha. It's dated March 3, 2026 and it includes the notice of this hearing, the excerpts from the Gilroy Municipal Code including 13.45, uh, which is the most relevant. It includes the memorandum fr- from, um, Harjot Sangha to Scott, from Scot Smithee, the Chief of Police, recommending this process, uh, based on three, um, actions and violations stated in that memo. And

then there is a, um, March 3, 2026, um, notice of violation related to unpermitted construction, which is not within my jurisdiction, but it was part of the, um, the notice.

(00:11:49):

All right, uh, I'm gonna ask everyone to make sure their cell phones are off. I'm doing mine. And, um, it's the city's case. Sergeant, uh, Sergeant Guerin, I believe you were, or Captain Powell, someone's gotta put on a case for the city. I'm, I'm listening.

Geoffrey Guerin (Police Sergeant) (00:12:13):

Okay. Um, I guess I could start. I'm, I'm limited to just what, uh, my, uh, team, uh, did and I just start at the beginning, I suppose. Um, and, uh, the beginning is that the city, um, had received complaints on, uh, several, um, smoke shops within the, uh, city that they were potentially selling illegal products to include flavored nicotine and, and other illegal products. Um, the s- the complaints came through City Hall. I, I, they did not come to, through the police department, so I, I never was able to speak to any individuals with any specific information, but we, my team was directed to, to investigate this to see if this was, um, these were true, uh, violations of state law and, and others. So on, uh, November 15th, uh, 2024, um, I had my team conduct, um, an operation-

Alan Seltzer (Administrative Hearing Officer) (00:13:19):

And I, I'm gonna ask some questions just so I understand. When you say team, what, what team are we dis- discussing?

Geoffrey Guerin (Police Sergeant) (00:13:26):

Yeah, sorry. Um, so yeah, just a little background. Um, I supervise, um, a specialized team within the police department that's called the anti-crime team. Our primary, uh, focus is, uh, investigation and suppression of, uh, gang, criminal, uh, street gang, um, uh, crimes, as well as any narcotics crimes. And we're generally tasked with other, uh, types of, uh, duties, um, to include something like this, uh, tobacco, uh, illegal, um, tobacco enforcement, um, cases as well.

Alan Seltzer (Administrative Hearing Officer) (00:13:58):

Okay.

Geoffrey Guerin (Police Sergeant) (00:13:59):

I have, I also have a team of, uh, four, um, uh, f- uh, investigators, a corporal and some officers, um, who, um, participated in these, um, inspections and operations, I guess you will.

Alan Seltzer (Administrative Hearing Officer) (00:14:23):

All right. Continue with your testimony.

Geoffrey Guerin (Police Sergeant) (00:14:25):

Okay. So, um, so in response to these complaints, um, I directed my team to conduct an operation into these, um, the various smoke shops within the city. And on, um, November 15th, uh, 2024, um, one of our officers in my team, Officer David Ludden, um, went into The Rock Zone, um, uh, in an undercover p- um, capacity. So no uniform, no identifying information, just looked like a regular guy, uh, walked into the store and purchased, um, some flavored nicotine product, which, uh, specifically were the Zimo's,

um, nicotine, the winter green nicotine pouches. And also he purchased a PolkaDot Magic Mushroom, um, bar.

Alan Seltzer (Administrative Hearing Officer) (00:15:19):
Okay. Would you just repeat Zimo's, Z-I-M-O apostrophe S?

Geoffrey Guerin (Police Sergeant) (00:15:24):
I believe so, yes.

Alan Seltzer (Administrative Hearing Officer) (00:15:26):
And what, Zimo's pouch? I, I just-

Geoffrey Guerin (Police Sergeant) (00:15:29):
Right, a, a nicotine, uh-

Alan Seltzer (Administrative Hearing Officer) (00:15:30):
Nicotine.

Geoffrey Guerin (Police Sergeant) (00:15:31):
... pouch.

Alan Seltzer (Administrative Hearing Officer) (00:15:32):
Okay. You'll have to excuse me, I'm not familiar with some of these products. Go ahead.

Geoffrey Guerin (Police Sergeant) (00:15:40):
Um, okay, so after-

Alan Seltzer (Administrative Hearing Officer) (00:15:42):
And a coc- a coconut-

Geoffrey Guerin (Police Sergeant) (00:15:44):
Um, the, I think it's the br- the brand is PolkaDot, um-

Alan Seltzer (Administrative Hearing Officer) (00:15:47):
Oh, PolkaDot.

Geoffrey Guerin (Police Sergeant) (00:15:47):
... and it's, uh, branded as a Magic Mushroom bar. Um, so we took that, um, we sent the Magic Mushroom bar case to the district attorney because that, uh, we, we believe that possibly would qualify under, um, a criminal, uh, statute of, uh, selling, um, narcotics, uh, because of the potential, um, psilocybin, uh, contained in that bar, which is also known as mushrooms or Magic Mushroom. Um, so we sent that case to the district attorney just for review and we, uh, contacted the CDTFA, which is the California Department of Tax and Fee Administration, uh, because as we understood at the time, they, they handled these types of, um, violations of the law with the flavored, uh, nicotine ban.

(00:16:51):

So, um, the DA, the district attorney in Santa Clara County did initially, um, did not file any charges on the Mushroom bar, um, until the following year I was contacted by the district attorney's office and was informed that they were gonna file, um, criminal charges, um, I think on Mr. Ammari, uh, for the sales of the bar.

(00:17:22):

Um, so with that, um, we, uh, we wrote a search warrant for The Rock Zone, um, related to the mud- the ma- the Mushroom bar case and the team served that warrant on March 6th of 2025. Um, Officer, uh, Investigator Don Tong was the, um, investigating officer on that warrant.

Alan Seltzer (Administrative Hearing Officer) (00:17:55):

D-O-N?

Geoffrey Guerin (Police Sergeant) (00:17:56):

Uh, T-O-N-G.

Alan Seltzer (Administrative Hearing Officer) (00:17:58):

Don Tong was the investigating officer. Okay, thank you.

Geoffrey Guerin (Police Sergeant) (00:18:03):

Um, so on that day, um, the officers on scene contacted, uh, a clerk. Uh, they identified the clerk as Haley Edwards, um, and conducted a search of, uh, The Rock Zone. And during that search, they located ... The officers, um, located two additional PolkaDot Mush- Mushroom bars similar to the one that were purchased during the November 15 undercover operation.

(00:18:38):

Um, that was the extent of the police department side of it. Um, we did have, um, agents from the, uh, CDTFA with us on that day and they seized, uh, other product, um, which is, um, was like flavored tobacco flavored nicotine type product. They did their inventory on that. I, I don't have the specifics on what they took. I just knew it was, uh, several, um, boxes of flavored nicotine product.

(00:19:12):

Um, and I believe, um, Mr. Ammari was, uh, arrested on the warrant for the mesh in bar. Not on that day, it was several weeks or maybe a month before then. Um, and, and he was not contacted on the day that we served the warrant in March of 2025. Um, s- so that was that. And then, um-

Alan Seltzer (Administrative Hearing Officer) (00:19:39):

Yeah, I'm a little confused. March 6th, I think you said, 2025 was when the search warrant was executed by Don Tong, your investigator, uh, accompanied by the CT- CDTFA. And the city's testimony, your testimony, is that you found two additional PolkaDot bars and that's the city's involvement and that's what you're testifying to today. You're not ta- you're not testifying about the C, um, uh, the acronym, CDTFA's search, correct?

Geoffrey Guerin (Police Sergeant) (00:20:13):

Correct. I just know they were there and, and the, and they seized other product that I don't know exactly-

Alan Seltzer (Administrative Hearing Officer) (00:20:18):
Okay.

Geoffrey Guerin (Police Sergeant) (00:20:18):
... what it was.

Alan Seltzer (Administrative Hearing Officer) (00:20:20):
Okay. Is, uh, so far you've identified David Ludden and Don Tong. Are they available to testify to these, um-

Geoffrey Guerin (Police Sergeant) (00:20:30):
Yes.

Alan Seltzer (Administrative Hearing Officer) (00:20:31):
Okay. All right. Continue the, uh, giving, you give me the overview. Okay.

Geoffrey Guerin (Police Sergeant) (00:20:34):
All right.

Alan Seltzer (Administrative Hearing Officer) (00:20:35):
So, and then Mr. Ammari's arrest you said was?

Geoffrey Guerin (Police Sergeant) (00:20:38):
That was prior, uh ... Uh, no, I'm sorry. Um, I believe that was ... Oh, I'm sorry. I'm, uh, I believe he was arrested by another officer on another day, which was later on, I guess it was the following year, in January of 2026, if I understand that correctly.

Alan Seltzer (Administrative Hearing Officer) (00:20:57):
Okay.

Geoffrey Guerin (Police Sergeant) (00:20:58):
Um, I wasn't involved in that arrest, I just know that. Um, so then, and then-

Alan Seltzer (Administrative Hearing Officer) (00:21:07):
Continue, please.

Geoffrey Guerin (Police Sergeant) (00:21:08):
And then, um, so then in response to some more complaints that The Rock Zone was continuing to sell flavored, uh, tobacco product, um, we were directed to conduct an, another, an, an ins- an inspection of the shop, which, uh, we did on January 8th of 2026. Um, we were with, um, officers or agents of the city's code enforcement on that, on that day. Um, CDTFA was not with us on that day. We conducted the inspection. Uh, that was, um, Corporal Remmick's, um, case. Uh, he took the lead on that, uh, on that day. And then, um, they conducted the inspection and they found 306 items of flavored tobacco type products. And that was the extent of our involvement in The Rock Zone.

Alan Seltzer (Administrative Hearing Officer) (00:22:26):

Okay. Um, are, are you gonna have any, um, other officers who are involved in these, um, activities, these ins- investigations and inspections, uh, um, testify? Because you've given me an overview, I'd like to hear from the officers.

Geoffrey Guerin (Police Sergeant) (00:22:53):

Um, yes, they are available. If we'd like them to jump on and testify to their part in, in this, yes.

Alan Seltzer (Administrative Hearing Officer) (00:23:01):

Okay. Uh, um, I'll await that.

Geoffrey Guerin (Sergeant) (00:23:03):

In this, yes.

Alan Seltzer (Administrative Hearing Officer) (00:23:03):

Okay. Uh, um, I'll await then.

PART 1 OF 4 ENDS [00:23:04]

Geoffrey Guerin (Police Sergeant) (00:23:04):

Okay. Give me one second and just let me, uh, well, I guess we could probably start with, um, do you have a preference who we start with or how, how would you like me to [inaudible 00:23:15]?

Alan Seltzer (Administrative Hearing Officer) (00:23:14):

It's the city's case, so I'll, I'll defer to you.

Geoffrey Guerin (Police Sergeant) (00:23:18):

Okay. All right. Give me a second and I will have, uh, Corporal Remmick. I'll have just Corporal Remmick start, um, with that. Give me one second.

Alan Seltzer (Administrative Hearing Officer) (00:23:51):

All right. For the record, um, th- th- the silence now is, um, Sergeant Guerin is, um, bringing on Corporal Remmick to testify and we'll await his joining the Zoom meeting.

Steve Defilippis (Respondent Attorney) (00:24:16):

Mr. Seltzer, uh, could we have a minute, uh, before, uh, we start back up?

Alan Seltzer (Administrative Hearing Officer) (00:24:22):

Sure. Um, [inaudible 00:24:23] Mr. Sangha, let's, um, what time is it right now? I'm sorry. (laughs) My, 9: 20-

Harjot Sangha (Finance Director) (00:24:30):

9:25.

Alan Seltzer (Administrative Hearing Officer) (00:24:31):

It's 9:25. We're gonna go off the record and, um, when, uh, Corporal Remmick is here, we'll go back on. All right, everybody, take a break.

Steve Defilippis (Respondent Attorney) (00:24:40):

Thank you.

Geoffrey Guerin (Police Sergeant) (00:25:24):

Okay. Looks like Doug's on, so I g- guess whenever we're ready to start, um, we'll be ready.

Alan Seltzer (Administrative Hearing Officer) (00:25:56):

I'm gonna go. Okay, Sergeant Guerin, I'm sorry. Um, we stopped the, um, recording while you were finding, um, uh, Corporal Remmick and his, uh ... So I'm gonna ask everybody to come back on screen and, um, Mr. Sangha, tell me when, um, you're back on and-

(00:30:04):

Okay. Um, uh, Sergeant Guerin, um, are, are you ready to have officer, uh, I mean, Corporal Remmick testify?

Geoffrey Guerin (Police Sergeant) (00:30:14):

Yes, he's here and, uh, ready to go, um-

Alan Seltzer (Administrative Hearing Officer) (00:30:17):

Okay. Um, Corporal Remmick, would you, um, raise your right hand? Do you s- wait, I'm sorry. You do not have to testify under oath, um, under this resolution, but any individuals who intend to testify, um, uh, and wish to do so under oath, um, uh, ha- can do so and I can, um, consider the fact that you testified under oath in weighing the evidence. So do you wanna be sworn in?

Douglas Remmick (Police Corporal) (00:30:51):

Sure.

Alan Seltzer (Administrative Hearing Officer) (00:30:52):

Um, please raise your right hand. Do you swear or affirm that the testimony that you will give in this matter will be the truth?

Douglas Remmick (Police Corporal) (00:30:59):

Yes.

Alan Seltzer (Administrative Hearing Officer) (00:31:00):

Okay, please proceed with your testimony.

Douglas Remmick (Police Corporal) (00:31:08):

Um, okay. So, um, we conducted a undercover operation on, uh, November 15th of 2024. I had, um, Detective Ludden in a undercover capacity go in and, uh, at that time, he purchased some, um, flavored

n- nicotine pouches, Wintergreen and he also, um, purchased, um, a Dot magic mushroom bar, which it, it was claimed to be mushroom or psilocybin. And at the time, we weren't sure if it was actually contained psilocybin. And it, it actually did once we sent it to the lab in Santa Clara County. Um, so we also had, uh, that violation. All that stuff was, uh, booked into evidence and, um, Detective Ludden also wrote an undercover, uh, supplemental report for that incident. I don't have anything else on that incident.

Alan Seltzer (Administrative Hearing Officer) (00:32:17):

All right. Um, Sergeant ... Okay. Um, all right, if that's the scope of your testimony-

Geoffrey Guerin (Police Sergeant) (00:32:27):

And then actually, he could probably talk, um, Corporal Remmick, if you can also just, uh, speak on the inspection that, um, you took the lead on on January of 2026 at the Rock Zone.

Douglas Remmick (Police Corporal) (00:32:40):

Okay. Um, so that inspection took place on, um, January 8th of 2026 and, um, I took the lead on that investigation. Um, we went in, made contact with an employee there. Um, my major ... The majority of the time there during that incident, I was speaking with the employee, um, and it just explaining the process of what we were doing. I actually talked to the owner, um, Mr. Ammari on the phone, um, and he understood that we were there and didn't object to the, um, inspection. During the inspection, we ended up confiscating approximately 306 items of flavored tobacco products, which we seized, um, and are currently holding here at the police department, um, pending sending them to the California Department of Tax and Fee Administration. And I don't have anything further on that inspection.

Alan Seltzer (Administrative Hearing Officer) (00:34:02):

Okay. Um, do you know the name of the employee that you spoke with?

Douglas Remmick (Police Corporal) (00:34:08):

Yeah, I do.

Alan Seltzer (Administrative Hearing Officer) (00:34:09):

Could you tell me that?

Douglas Remmick (Police Corporal) (00:34:10):

Yeah, let me just pull, um, her information up here on the report. It was Amy Lorraine Davis.

Alan Seltzer (Administrative Hearing Officer) (00:34:19):

Okay. So you are holding these items and you're sending them to the California Department of, um, [inaudible 00:34:33]-

Douglas Remmick (Police Corporal) (00:34:32):

Pass CDTFA. Yeah.

Alan Seltzer (Administrative Hearing Officer) (00:34:36):

Okay. All right. And that concludes your testimony?

Douglas Remmick (Police Corporal) (00:34:42):
Yes.

Alan Seltzer (Administrative Hearing Officer) (00:34:43):
All right. Sergeant Guerin, your next witness.

Geoffrey Guerin (Police Sergeant) (00:34:48):
Okay. Uh, we will have, uh, Officer David Ludden join us here, uh, momentarily.

Douglas Remmick (Police Corporal) (00:34:55):
He's right here next to me. He's joining right now.

Alan Seltzer (Administrative Hearing Officer) (00:35:03):
Okay. Um, would you ... Uh, Officer Ludden, do you, um, uh, wish to be sworn in? You don't have to, but if you are sworn and I can consider that in weighing the evidence.

Douglas Remmick (Police Corporal) (00:35:16):
He's logging in right now.

Alan Seltzer (Administrative Hearing Officer) (00:35:18):
Oh, I'm sorry. (laughs)

Douglas Remmick (Police Corporal) (00:35:19):
That's okay.

Geoffrey Guerin (Police Sergeant) (00:35:43):
All right. I think David's on. David, can you hear us?

David Ludden (Police Officer) (00:35:46):
Yes. Can you hear me?

Geoffrey Guerin (Police Sergeant) (00:35:47):
Okay. Yes,

Alan Seltzer (Administrative Hearing Officer) (00:35:48):
Yes. Uh, uh, uh, um, Officer Ludden, my name is Alan Seltzer. I'm the hearing officer and before you testify, you have the option of being, uh, sworn in and providing your testimony under oath and if you do so, I can consider that in weighing the evidence. So do you wish to be sworn in?

David Ludden (Police Officer) (00:36:06):
Yes.

Alan Seltzer (Administrative Hearing Officer) (00:36:07):

Okay. Do you swear or affirm that the testimony that you will give in this matter will be the truth and the whole truth?

David Ludden (Police Officer) (00:36:13):

Yes.

Alan Seltzer (Administrative Hearing Officer) (00:36:14):

All right. Thank you very much. Would you, uh, please testify?

David Ludden (Police Officer) (00:36:18):

Yeah. So on November 15th of 2024, um, I was in an undercover capacity in plain clothes and I went over to the Rock Zone on 1st Street. Um, when I went in, I saw the employee at the front. I asked him if they had any, uh, ZYNs, which is a nicotine pouches. Um, at the time they said that they didn't just because there was a shortage, but he did show me, um, like similar flavored tobacco pouches. I believe they were called Zimos. So I got one of the Wintergreen Zimo flavored nicotine pouches. Um, and then as I was looking around the store, I saw some, I saw some little, like, chocolate bars that were called PolkaDots and on the labeling they had mushrooms on there, uh, and it said that they had 200 milligrams of magic per piece.

(00:37:18):

Um, and then the employee was talking to me saying, like, if I wanted to microdose it to take four tabs. And he said, like, anything more than that, like, you start feeling it way more and you start, like, tripping. Um, yeah, and then I purchased the Zimo and the PolkaDot flavor, or the PolkaDot candy bars, and then I met with Cormal- Corporal Remmick.

Alan Seltzer (Administrative Hearing Officer) (00:37:48):

Okay. Anything else you wanna tell me at this hearing?

David Ludden (Police Officer) (00:37:51):

No, that's gonna be it for my involvement.

Alan Seltzer (Administrative Hearing Officer) (00:37:57):

So, um, Sergeant Guerin, um, do you wish to have Officer Tong testify next?

Geoffrey Guerin (Police Sergeant) (00:38:07):

Uh, yeah, we'll have, um, Officer Tong, um, testify to the, um, warrant service in March of 2025. Don, it looks like you're here. You can go ahead and unmute.

Don Tong (Police Officer) (00:38:23):

Yes, I'm here.

Alan Seltzer (Administrative Hearing Officer) (00:38:24):

Um, good morning, Officer Tong. My name's Alan Seltzer. I'm the hearing officer in this matter and, um, before you testify, you should know that under the, um, procedure, you may request to, um, testify

under oath and I'm allowed to consider the fact that you testified under oath in weighing the evidence. So, uh, do you wish to testify under oath?

Don Tong (Police Officer) (00:38:48):

Uh, I do.

Alan Seltzer (Administrative Hearing Officer) (00:38:48):

Um, do you swear or affirm that the testimony that you will give in this matter will be the truth and the whole truth?

Don Tong (Police Officer) (00:38:54):

Yes.

Alan Seltzer (Administrative Hearing Officer) (00:38:55):

All right. Please go forward and testify now.

Don Tong (Police Officer) (00:38:59):

Uh, on March 6th of 2025, uh, myself and members of the Gilroy Anti- Gilroy Police Anti-Crime Team executed a search warrant based on the, um, investigation that we've conducted as listed in the testimony from Corporal Remmick and, uh, Detective Ludden. Um, when we arrived on scene, we executed the search warrant for psilocybin and mushrooms, uh, which was the ones purchased from Detective Ludden. Uh, we also executed this search warrant in collaboration with, uh, the California Department of Tax and Feed Administration, uh, for the compliance check portion of the flavored tobacco.

(00:39:40):

Uh, during our search, we located, uh, multiple items that were contraband for the state of California, which was flavored tobacco in addition to a number of, uh, psilocybin mushroom bars as well. Um, all of those items that were seized were taken as evidence at the Gilroy Police Department, and they're still being held here as of now, uh, pending, uh, our turnover to the California Department of Tax and Fee Administration. Uh, they took quite a few items as well and they have those in possession as well.

Alan Seltzer (Administrative Hearing Officer) (00:40:15):

All right. Anything else you wish to, to state for the record?

Don Tong (Police Officer) (00:40:19):

Uh, no.

Alan Seltzer (Administrative Hearing Officer) (00:40:21):

All right. Thank you. Um, Sergeant Guerin, back to you. Um, does that conclude this city's, um, case in chief, um, or do you have another, anybody else to testify?

Geoffrey Guerin (Police Sergeant) (00:40:35):

Um, I don't have anyone else from the police department, um, but I'll turn it over, uh, to see ... I don't know if, um, Harjot or Sharon have anyone, uh, from their side, um, to testify. But, uh, as far as the police department side, we, we don't have any further.

Alan Seltzer (Administrative Hearing Officer) (00:40:51):

All right. Ms. Goei, I hope I pronounced your name right. (laughs) Um, there you are. Um-

Sharon Goei (Community Development Director) (00:41:02):

Yeah. No, I don't have anything.

Alan Seltzer (Administrative Hearing Officer) (00:41:04):

Okay.

Sharon Goei (Community Development Director) (00:41:04):

I'm just o- observing. Thank you.

Alan Seltzer (Administrative Hearing Officer) (00:41:06):

All right. Thank you. Um, so I think that then concludes the city's case. Is that correct, Sergeant Guerin?

Geoffrey Guerin (Police Sergeant) (00:41:15):

Yes, it does.

Alan Seltzer (Administrative Hearing Officer) (00:41:16):

All right. Take a deep breath. I'm gonna turn it over now to, um, Mr. Defilippis. You've heard the city's testimony and I'm, I'm, I'm, I'm listening.

Steve Defilippis (Respondent Attorney) (00:41:28):

Thank you, Mr. Seltzer. Uh, I would ask that, uh, Mr. Guerin, uh, uh, Mr. Remmick, uh, Mr. Ludden and Mr. Tong all be, uh, uh, directed to stay in the proceedings, uh, so I may be calling them as, uh, uh, additional witnesses, uh, should we get that far.

Alan Seltzer (Administrative Hearing Officer) (00:41:50):

I'm not sure you're able to call them, but, um, but go ahead, go with your ...

Geoffrey Guerin (Police Sergeant) (00:41:59):

Uh, we, um, we will stay ... Well, I'll stay on, um, just in case, um, from the police department side of it.

Alan Seltzer (Administrative Hearing Officer) (00:42:04):

All right.

Steve Defilippis (Respondent Attorney) (00:42:06):

Thank you. As I've indicated, uh, my first request is that, uh, we stay these proceedings, uh, and at the very least, uh, uh, order the matter continued, uh, for the, uh, um, respondent to be able to properly put on the defense, uh, in this case. Um, you've indicated, Mr. Seltzer, that, uh, you don't believe you

have the, uh, the power to order discovery. Um, in my estimation, this is not really a discovery issue, it's a notice issue. Uh, I've learned today during this hearing that, uh, Officer Guerin, uh, and officers, uh, Remmick, Ludden and Tong are witnesses in this case. Uh, never heard of any of them previously.

(00:43:04):

Um, and, uh, that should be rather disturbing in a context of where an individual like my client, a 72-year-old gentleman, uh, who is, uh, uh, relying on this business as, uh, income to live upon and, uh, potentially is going to, uh, lose his license or have, uh, action taken on his license, uh, without us knowing who the witnesses are, what the evidence is. Uh, I've yet to see a list of, uh, uh, items that were seized. Uh, there's a lot of conclusory statements that are being made by the, uh, the various officers, uh, involved as to what's contained in those particular items.

(00:44:06):

Uh, I don't know that anybody has made a comparison with the UTL to, uh, determine if these are listed or unlisted products, which they would have to be. Uh, you know, we're, we're operating in a vacuum and, uh, uh, the fact that, uh, cross-examination is not allowed is, is also rather disturbing, uh, uh, as there are additional factors that need to be, uh, dealt with from these various witnesses and that's why I've asked the, uh, uh, them to stay so that, uh, further questioning, uh, can be done. Um, it would be direct examination if I call them as, uh, witnesses. I'm allowed to call witnesses.

(00:44:58):

Uh, there is no preclusion of me calling any of those individuals. Um, but if they walk out of here, I can't subpoena them because there's nobody with the power to, uh, to subpoena. Um, I don't know. I, you know, I've, I've spent 41 years, uh, as a, uh, a litigator and, uh, u, I just have to say that I find, uh, aspects of, uh, Gilroy's, uh, uh, administrative process to be, uh, rather disturbing. Uh, and, uh, you can take that for what it is, but, uh-

Alan Seltzer (Administrative Hearing Officer) (00:45:44):

Yeah. Mm-hmm.

Steve Defilippis (Respondent Attorney) (00:45:47):

... I am requesting that, uh, you stay these proceedings pending the outcome of the, uh, the case. I believe that you have the ability to direct the city to provide information, uh, and documentation.

(00:46:02):

... to provide information, uh, and documentation to my client. They've refused to do that under a claim that this is, uh, uh, an ongoing investigation. Well, there's a criminal process that, uh, has started. And to say that Mr. Ammari isn't entitled to receive those documents when all of those documents, everything that I identified in my, uh, uh, email from, uh, uh, from yesterday, which is, uh, you know, the search warrant materials, the affidavits, the search warrants itself, uh, the, uh, returns on the search warrants showing exactly what items were, uh, seized.

(00:46:49):

Um, the body-worn cameras that, uh, Gilroy PD's, uh, uh, uh, standard procedures require the officers to be, uh, to be wearing when they walk into a resident or a residence or a business to, uh, uh, conduct an investigation, uh, there should be body-worn cameras. Uh, there should be a evidence list of all items that, uh, that were seized. Uh, there's apparently probably, uh, documents from the, uh, CDTFA that, uh, uh, also, uh, would be available. All of these things are important materials so that I can even figure out what witnesses I need to call.

PART 2 OF 4 ENDS [00:46:04]

Alan Seltzer (Administrative Hearing Officer) (00:47:39):

I don't have the... I'm gonna just, um, relieve you of having to make further argument. It's noted for the record. I just do not have the power to direct the city to produce documents. It's just clear to me that the, the policy doesn't allow that. Um, so, uh, I, I did see that in your email and I have, I am limited to... I have testimony now, um, uh, from the city.

Steve Defilippis (Respondent Attorney) (00:48:05):

Yeah.

Alan Seltzer (Administrative Hearing Officer) (00:48:06):

Uh, I have a question for you. I, I have to figure out how to proceed right now, because I know I've read your emails and I know your concerns. I believe I do at least, and we'll, we'll have a chance to discuss that right now. The business license, uh, that I have taken administrative notice of, because that's what's at stake here, um, and, uh, maybe Mr. Sangha, if necessary, will put it on, but I assume you have it, issued to... The business owners are identified as ATML, Inc. and Adel Ammari. So I, I have a concern right now having done some, uh, research. A corporation does not have a Fifth Amendment privilege. And so the license is issued to the corporation. It also, it appears that the business, uh, to Mr. Ammari, who I, uh, has not and may... I would let you state for the record, um, uh, but the public documents show that he's an officer of the corporation, correct?

Steve Defilippis (Respondent Attorney) (00:49:14):

Yes.

Alan Seltzer (Administrative Hearing Officer) (00:49:15):

Okay. I, I, you know, uh, the case law tells me to try to accommodate his Fifth Amendment privileges, but it also indicates that there's no constitutional right, no mandatory duty to stay and in fact that it's fairly disfavored. Um, most of the cases in administrative proceedings don't grant stays. They try to find some accommodation. So, um, it's something I wanna probe with you because if the corporation was issued the license, um, and there's no Fifth Amendment privilege, um, and there's no cross-examination, he can determine what he wants to say in this, uh, proceeding without incriminating himself and the corporation can, uh, potentially find somebody else, uh, uh, an agent or employee to present the testimony that I think in our prehearing conference you felt was important in terms of mitigating factors is the way I heard it, but it may be directly to the evidence as well, um, as to whether there was a violation and that's your case.

(00:50:32):

Um, so I, I, I'm balancing this, um, the fact that I can't and neither can the city compel his testimony. So his Fifth Amendment privilege is not going to be violated as a matter of this proceeding. Now, I understand there's a balancing because as you've said to me, um, you have to decide how much, or he has to decide how much he wants to speak in this in terms of it being incriminating. Um, but you, the corporation doesn't have a Fifth Amendment privilege and if the, the, um, business license is issued to a corporation, it's, it's, it's, it's issued to the business owners. There's a business name, The Rock Zone, but it's issued to a business owner and it's the owner who's gonna suffer the revocation. You wanna give me some help on that because that's what I see right now.

Steve Defilippis (Respondent Attorney) (00:51:31):

Let's start with the, uh, the notices of, uh, this proceeding. Uh, the corporation that, uh, you've indicated, uh, uh, ATML, uh, I don't believe has ever been listed on anything, uh, in this proceeding. Uh, the, my understanding of the notices that came were notices to Adel Ammari as an individual and, uh, his company that he does business under, uh, which is The Rock Zone.

Alan Seltzer (Administrative Hearing Officer) (00:52:08):

No, actually it's issued to The Rock Zone. It's issued... Actually, the notice of the hearing is related to the license number.

Steve Defilippis (Respondent Attorney) (00:52:18):

Right.

Alan Seltzer (Administrative Hearing Officer) (00:52:18):

Not Mr. Ammari. Mr.... And the notice, there's no... I'm looking at it right now. It's, it's, it's the, the... On the, on the business license, the business name is The Rock Zone. And under section 13.5 of the Gilroy Municipal Code, the, the licensed collector issues a license and has to put the name of the, uh, business licensed and the name of the person to whom it's issued. And so the name of the business is The Rock Zone, but the person to whom it's issued is a corporation and Mr. Ammari. So we know the corporation does not have Fifth Amendment rights and so, um, and it's the corporation that's gonna lose its license along with Mr. Ammari apparently. So that's the confusion here for me or the complexity.

Steve Defilippis (Respondent Attorney) (00:53:19):

But Mr., Mr. Ammari is in fact a holder of, uh, the license. The license was issued, uh, uh, to him.

Alan Seltzer (Administrative Hearing Officer) (00:53:30):

To the corporation, ATML, I'm looking at it right now. Business owners are ATML, Inc. And Adel Ammari.

Steve Defilippis (Respondent Attorney) (00:53:37):

Right.

Alan Seltzer (Administrative Hearing Officer) (00:53:37):

So-

Steve Defilippis (Respondent Attorney) (00:53:38):

And Adel Ammari.

Alan Seltzer (Administrative Hearing Officer) (00:53:43):

Those are the two names listed.

Steve Defilippis (Respondent Attorney) (00:53:45):

Yeah.

Alan Seltzer (Administrative Hearing Officer) (00:53:45):

That's correct.

Steve Defilippis (Respondent Attorney) (00:53:46):

And Adele Ammari certainly has a Fifth Amendment privilege, uh, in this case. There is no question about that. Um, and-

Alan Seltzer (Administrative Hearing Officer) (00:53:59):

You froze. Unfortunately, your, your, uh, screen is frozen. Mr. Sangha, um, I guess there's nothing we can do right now.

Harjot Sangha (Finance Director) (00:54:11):

Yeah, why don't we, uh, give it a moment to see if they can rejoin or it sounds like an internet connectivity issue.

Steve Defilippis (Respondent Attorney) (00:54:18):

Can you hear me?

Alan Seltzer (Administrative Hearing Officer) (00:54:19):

No, we lost you. Um, you said that, uh, Mr. Ammari has a, certainly has a Fifth Amendment privilege.

Steve Defilippis (Respondent Attorney) (00:54:26):

[inaudible 00:54:28].

Alan Seltzer (Administrative Hearing Officer) (00:54:28):

So I'm, I'm trying... I, I'm, I'm looking... I, I gave you the, uh, case, the Avant Corporation case, which had the factors to balance-

Steve Defilippis (Respondent Attorney) (00:54:36):

Right.

Alan Seltzer (Administrative Hearing Officer) (00:54:36):

... in dealing... And, and that's the case that I think governs at this point.

Steve Defilippis (Respondent Attorney) (00:54:42):

The Avant Corporation case is very different than here. In Avant Corporation, it was the corporation that was the criminal defendant, not an individual. There was no individuals charged in that, uh, case.

Alan Seltzer (Administrative Hearing Officer) (00:54:58):

I think there were.

Steve Defilippis (Respondent Attorney) (00:55:00):

And the court was very clear in saying that the corporation doesn't have a Fifth Amendment privilege. On the other hand, here, the, uh, uh, Mr. Ammari is one of the respondents in this case, uh, and, uh, as such, Mr. Ammari has a Fifth Amendment privilege. So here, we're very different than, uh, Avant

Corporation. Uh, furthermore, in the Avant Corporation case, the allegations in the civil matter had to do with defamation, uh, infliction of emotional distress, things of that nature that are not the same as what is, uh, at issue here. Here, the items that were purchased, the items that were found in the searches, all of that is part of the criminal case. And so the criminal case and the administrative proceeding are based on identical factors, uh, identical evidence. Uh, so the evidence that's involved is definitely identical.

(00:56:15):

Now, you've indicated that you don't have the power to grant discovery, um, and that may be the case. I would think it shouldn't be because notice, um, of what you're being charged with, uh, and, and what the city is going to rely upon to, uh, try and take away your ability to, uh, uh, conduct a business that's, uh, your livelihood, um, certainly there should be a requirement that that notice includes, uh, the city turning over the information that it has, uh, about what it is that they're gonna go forward with, uh, uh, in the case. But if not, then where that leaves us is in a position of you need to be able to give me time to seek out the, that material, either through the criminal case or separately, uh, through a Public Records, uh, Act request. Um, I'm baffled that the City of Gilroy is trying to say that Adele Ammari doesn't have a right to those materials. Every single one of those materials is something that they are 100% required under Penal Code Section 10 and 54-

Alan Seltzer (Administrative Hearing Officer) (00:57:43):

Mr. Defilippis, let's not go down that road again. I've heard you, but I'm, I'm not... I don't have that ability. I'm not going to order, make an order to produce. Uh, what I'm going to do is consider the fact that you only learned about their case today. That's the way this proceeding is done and I think you've asked, just asked me to continue this matter, um, and that's... If I do that, I, I, I, I need a moment to think about, uh, that. But I, I, I am concerned that the factors do not and the case law does not indicate a stay is required and I'm not sure, um... And I, I've looked at the factors and I think the city, you know, has provided, uh, uh, enough here to, to, to, to, to have a prima facie case, at least, of a violation because we have the officers who actually, uh, conducted the, um, uh, inspections and search warrant, um, activities that are listed in the police chief's memorandum, they've actually testified to that. But you need... I do think you need an opportunity to put on a case and I think... I don't think Mr. Ammari has a full... Uh, he has the ability to protect his Fifth Amendment rights and not testify within the meaning of the case law I've read. So I need to think about, and I'm gonna take a break, uh, about giving a continuance, but also in weighing the factors, um, uh, what the conditions of that continuance might be based on the police department's testimony. I, I was awaiting that testimony. Um-

Steve Defilippis (Respondent Attorney) (00:59:47):

Can I, can I just briefly address the, uh, Avant factors that, uh-

Alan Seltzer (Administrative Hearing Officer) (00:59:52):

Yes, you-

Steve Defilippis (Respondent Attorney) (00:59:53):

... Involved?

Alan Seltzer (Administrative Hearing Officer) (00:59:54):

You've anticipated my question (laughs), um, and I'm, I, I don't know who wants to do that for the city, but, um, you know, the, the, just so everyone knows, the five factors are the interest in the city in, uh, proceeding, uh, expeditiously, uh, with this, in this proceeding, um, and any prejudice to the city for delay, the burden on, um, your client's Fifth Amendment privilege rights and the extent to which they can be accommodated as we've discussed, the fact that he could find somebody else appoint... He's an agent for the corporation, um, he could find someone else to testify on its behalf. Um, administrative efficiency is a factor, third factor. And then there's the interest of the persons who are not party to the civil, to this proceeding and the public in this proceeding, those which somewhat conflate, but, uh, those are the issues that I have to think about. All right. So I'm gonna ask you, Mr. Defilippis, to address those and then I'll ask the city.

Steve Defilippis (Respondent Attorney) (01:01:06):

Okay. The first thing that, uh, Avant talks about is, uh, obviously is, is there a Fifth Amendment privilege to begin with? In their case, they didn't have on here. We definitely have a Fifth Amendment privilege on behalf of, uh, Mr. Ammari. And then, uh, they go into, uh, the factors and, uh, as you indicated, the interest of the plaintiff in proceeding expeditiously with the litigation or any particular aspect of it and the potential prejudice to the plaintiffs of a delay is the first factor.

Alan Seltzer (Administrative Hearing Officer) (01:01:41):

Mm-hmm.

Steve Defilippis (Respondent Attorney) (01:01:41):

The city went in on, in November of, uh, 2024 and purchased, uh, a, uh, a bar that they utilized to get a search warrant as I understand the testimony and then waited for some four and a half months, uh, or four months to, uh, uh, yeah, four months to, uh, come back in March of, uh, 2025 and, uh, conducted a search. Um, in that search, they, uh, were directed by an employee to where there was two bars of, uh, this polka dot product. Um, they seized those and apparently there was some, uh, uh, actions from the, uh, the taxing authority that, uh, uh, seized some other items, but they didn't really have the information as to what exactly those were. Um, they then waited for almost 10 months to do anything further. Mr. Ammari was arrested in, uh, January of, uh, uh, 2026 and the arrest occurred and you would hear this from, uh, Mr. Ammari, but, uh, Mr. Ammari turned himself in.

(01:03:16):

Uh, this was not something where the Gilroy PD had to go search him out and find him and arrest him. Uh, he turned himself in, uh, when he learned that there was, uh, uh, something going on. Uh, then there was another search, uh, that occurred at that point and, uh, you know, then these proceedings were, uh, initiated after that. So during that time from November of 2024 up until, uh, uh, today, Mr. Ammari's business has continued to operate in the City of Gilroy. And, uh, during that time, uh, it hasn't been shut down. There wasn't, uh, some need immediately following the, uh, the search in March of 2025 to expeditiously proceed with the, uh, uh, the hearing. They took no action. They waited 10 months before they took any action, uh, um, and it wasn't until fairly recently that, uh, the administrative proceedings were, uh, initiated.

(01:04:37):

So I think that, uh, the first factor clearly falls in favor of, um, Mr. Ammari. Uh, the prejudice in proceeding expeditiously, uh, uh, particularly without any information I think is, uh, uh, very high and there's no prejudice to the city, uh, uh, as has, uh, been made, I think, apparent by, uh, what's been going on. You know, they talk about 306 boxes found. Part of the evidence that I will present is that, uh,

those items were hookah tobacco and, uh, that the officer who sees them essentially said that, "Uh, uh, we're just learning about those." And those items were present back in March of 2025 and were not seized. They were seized in January and, uh, Ms. Vera would be able to testify as to, uh, the fact that those items are listed items on the UTL, which allows them to be sold. So they've been improperly, uh, taken by the, uh, Gilroy Police Department. Uh, it looks like-

Alan Seltzer (Administrative Hearing Officer) (01:05:54):

It sounds like you're prepared to have that testimony today. You, you're prepared for, to, to provide that testimony.

Steve Defilippis (Respondent Attorney) (01:06:01):

Well, I'm just learning of these things and, and finding out that... Uh, I haven't had a chance to sit down and look at the UTL and compare it with what, uh, they've taken because I, I don't have the specific documents. I know-

Alan Seltzer (Administrative Hearing Officer) (01:06:16):

When you say UTL, I'm sorry, uh, again, I'm not of, um-

Steve Defilippis (Respondent Attorney) (01:06:21):

Oh, I'm sorry. Uh, that's the unflavored tobacco list, uh, and, uh, that is what now is used, uh, came out in December of 2025. Uh, the UTL is what is now used to determine what is and is not, uh, allowed to be, uh, sold.

Alan Seltzer (Administrative Hearing Officer) (01:06:44):

Is that, is that the document you submitted on April 1st?

Steve Defilippis (Respondent Attorney) (01:06:47):

That's correct.

Alan Seltzer (Administrative Hearing Officer) (01:06:48):

And that's a, that's a, um, state document of identifying what can and cannot be sold?

Steve Defilippis (Respondent Attorney) (01:06:54):

That's correct.

Alan Seltzer (Administrative Hearing Officer) (01:06:54):

Okay. Uh, it's not in evidence. You haven't put on your case, but I do, I do note that you did submit on April 1st a number of documents that I, I, I, uh, uh, I'm waiting for you to, to put in evidence, um-

Steve Defilippis (Respondent Attorney) (01:07:09):

Right.

Alan Seltzer (Administrative Hearing Officer) (01:07:09):

Okay. Well, thank you for that. Okay. So your point about the UTL is that you... Or, what time, what, what is your request for a continuance? How does it relate to the UTL?

Steve Defilippis (Respondent Attorney) (01:07:22):

Well, the, the reason I bring up the UTL is because I believe that shows that the items that were seized in January of, uh, 2026 were not illegal items and so therefore, uh, uh, there is, there is no accusation that can be made that there's ongoing violations by, uh, Mr. Ammari. And so, uh, uh, I'm bringing that up on the analysis of, uh, of the prejudice argument as to who gets prejudiced by, uh, uh, not proceeding forward, uh, with this.

(01:08:10):

Um, the second factor in Avant is, uh, the burden that, uh, uh, is assessed against the, uh, defendant, uh, who is being, uh, um, the subject of the, uh, uh, administrative proceeding in this case, which would be Mr. Ammari, uh, and the corporation. Um, the burden is how do you properly defend, how do you put on a case when you're just learning about, uh, the evidence here today. Um, that's very difficult to, and, uh, again, what, what is required is first I have to know what it is and where it is. So now I can go-

(01:09:03):

What it is and where it is. So now I can go and I can make requests. I would probably have to do it as Public Records Act, uh, request, and that takes some time. And so, there's gonna be some delay that, uh, is incumbent upon, uh, uh, Fonis to, to deal with because, uh, those are not quick proceedings.

PART 3 OF 4 ENDS [01:09:04]

Alan Seltzer (Administrative Hearing Officer) (01:09:24):

No, and I'm concerned about that. W, w, Mr. Ammari, uh, was telephoned by, uh, I think the officer said during one of the searches and r, received it, you know, uh, consented to its, uh, going forward. And there were employees, um, at the store who probably, I would assume, know what was taken. So w, why would a Public Records Act request, whether it's effective or not, I have no idea, but, um, because I don't know if the, the documents are privileged or not. And it's not subject to Public Records Act, but I'm concerned having, um, worked in the municipal world, that that's, could take a, a long time. And I'm, I'm not gonna cons- I don't believe I should continue this matter. That would, that would go on the wrong side of the delay, uh, and e- efficiency, uh, calculation in my mind because a public records request, um, could take considerable time. I'm just worried about that. I'm telling you.

Steve Defilippis (Respondent Attorney) (01:10:29):

Well, and there may be quicker ways to do it through the, uh, uh, discovery in the criminal matter. Um, and, uh, probably some of those reports could get obtained, uh, uh, through that.

Alan Seltzer (Administrative Hearing Officer) (01:10:43):

But I would assume that you, you, you know, you've just been told by the city's testimony what was taken and what the violation did, what, what their claim-

Steve Defilippis (Respondent Attorney) (01:10:51):

No-

Alan Seltzer (Administrative Hearing Officer) (01:10:52):

Is a violation.

Steve Defilippis (Respondent Attorney) (01:10:53):

No, I wasn't told what was taken, uh, and it's very specific as to the, uh, what the particular brand is because what happens and this whole UTL process that, uh, that went on with the government is what they did is required the manufacturers to, uh, register their products with the state of California by October of, uh, 2025 so that they could then produce a list that both enforcement and business owners could use to determine, uh, um, whether or not a, uh, particular item is proper to be sold in the, uh, in the store.

Alan Seltzer (Administrative Hearing Officer) (01:11:38):

Could you state that again? Just state what this whole process, it's the first time I've heard about it.

Steve Defilippis (Respondent Attorney) (01:11:44):

Yeah. What, uh, what the government did was, and, you know, part of the articles that I've submitted, to, is that there's a lot of confusion in the law as to what is and what is not allowed. What the UTL was, was a process where the government said, "Okay, let's require the manufacturers who are distributing this to the retailers to identify and register their products with the state." And then the state draws up a list of what the registered products are. These are the products that are going to be taxed. And if the, if the products are not registered, whether they're flavored or not, they go on, they go on the list if they're allowed, they're not put on the list if they're not registered. So, you could have unflavored tobacco products that are not on the UTL list and those are not legal to sell.

(01:12:57):

So it's a registration process for the manufacturers and then this list gets created, but this doesn't happen until after most of the events that occurred in this particular case and it was-

Alan Seltzer (Administrative Hearing Officer) (01:13:11):

But th, that-

Steve Defilippis (Respondent Attorney) (01:13:12):

The list was actually produced in December of, uh, 2025.

Alan Seltzer (Administrative Hearing Officer) (01:13:15):

It's the city's testimony that the Zimo nicotine pouch is flavored tobacco that violates the law and that the polka dot or whatever, magic mushroom bars, um, contained, were analyzed in the Santa Clara lab. I mean, are you gonna... Uh, that's their testimony.

Steve Defilippis (Respondent Attorney) (01:13:38):

Yeah, that's their testimony. And now what I would do is get the lab report and be able to look at that and say whether or not that's an actual test, a proper test, was it a, uh, um... You know, there's several different types of tests that can be done on products. Uh, on is, uh, uh, it just shows that it probably is an item and there's others that definitively tell you what exactly is in that, uh, particular product. So I don't know what type of testing was done. I'd have to see the, uh, the lab results. Certainly none of these officers are qualified to, uh, uh, actually provide the, uh, uh, the lab results.

Alan Seltzer (Administrative Hearing Officer) (01:14:25):

All right.

Steve Defilippis (Respondent Attorney) (01:14:27):

So I mean, what I'm, what I'm trying to indicate is that there's a lot of complexities in this case that would need further workup, further determinations, further evaluations of the evidence in order to, uh, determine if in fact, uh, there is a violation and what the, uh, mental state was of Mr. Ammari at the time of, uh, uh, these products being in a storm.

Alan Seltzer (Administrative Hearing Officer) (01:14:54):

Well, he can testify as to that, um-

Steve Defilippis (Respondent Attorney) (01:15:00):

By losing his Fifth Amendment privilege.

Alan Seltzer (Administrative Hearing Officer) (01:15:02):

Correct. And that's what I'm trying to, to, um... He... Well, I don't know if the extent to which it would, um, impact his position in the criminal case just yet if... Um, All right, I'm gonna... Did you wanna continue to just finish addressing the five factors?

Steve Defilippis (Respondent Attorney) (01:15:22):

Sure.

Alan Seltzer (Administrative Hearing Officer) (01:15:22):

I didn't want... And, and, and then I'm gonna let the city respond before we go forward.

Steve Defilippis (Respondent Attorney) (01:15:30):

Well, the third is the convenience of the court, uh, I mean, this isn't a court, but, uh, I don't think that, uh, there is a particular inconvenience, uh, um, I mean, the court has to take, uh, whatever evidence gets presented to, if it gets presented at different times, it can, uh, put it all together and, uh, make its determination, uh, uh, accordingly. So I don't think convenience of, uh, the court, uh, uh, management of cases, uh, and officially, efficient use of judicial resources, uh, falls against, uh, Mr. Ammari. Um, the interest of persons not parties to the, uh, the civil litigation and I'll talk about that one at the same time as talking about the interest of the public. Uh-

Alan Seltzer (Administrative Hearing Officer) (01:16:23):

Mm-hmm.

Steve Defilippis (Respondent Attorney) (01:16:24):

I think that, uh, it's kind of one and the same in this particular case, uh, because I know that, uh, the concern the city would raise is as to, uh, uh, well, gee, if he's selling illegal products, uh, um, that's dangerous to the, uh, uh, to the community. Well, they can go in and check, uh, they can monitor what's going on. There are no illegal products being, uh, being sold by Mr. Ammari's store. As a result of these actions, he's learned what is and is not allowed. By the creation of the UTL, he now has information as

to what he is permitted to sell and what he's not permitted to sell and, uh, that is something that, uh, um, that he's doing now.

(01:17:17):

He's in compliance. He's shown his desire to be in compliance with the City of Gilroy. Um, he quickly, uh, came up with, uh... And I know this is not part of, uh, um, this tribunal's, uh, jurisdiction, but it does show his level of cooperation. He immediately presented a, uh, um, demolition plan, got it approved by the, uh, by the city and I believe yesterday there was, uh, uh, a compliance inspection and, uh, was signed off as being properly done. And so, he's now back in compliance in terms of building code issues.

(01:18:02):

Uh, he's in compliance with every other aspect of, uh, of this matter and, uh, I would suggest that there is no adverse interest, uh, that the public would have about the business continuing to operate.

Alan Seltzer (Administrative Hearing Officer) (01:18:18):

All right. Um, Sergeant Guerin, you, you've represented the city. I know this is probably not something you anticipated, um, although I did send a memo saying I would be considering a stay in continuance. Do you have anything to say to me on, on this issue before I take a break on this and decide how to proceed?

Geoffrey Guerin (Police Sergeant) (01:18:40):

Uh, no. And you're right. I am not exactly qualified to speak on, um, a lot of these legal matters. Um, I, I, I will say that, um, in December of 2025, the state did publish the, um, Unflavored Tobacco List, uh, which, um, did, uh, help us, uh, understand what exact products are, um, allowed to be sell, sold in the state of California. Prior to that, uh, we were taking, um, uh, we were going by what the CDTFA and some of the other, um, agencies were doing. So, um, th- there were, um, there were cases in some of our inspections prior to December of 2025 where we, we did in fact, um, seize product that turned out was, uh, legal and we returned those, uh, those products to the other smoke shops and, um, I don't, uh, believe any of the products that we seized, um, were, um, that we needed to return for The Rock Zone.

(01:19:43):

We'd have to, uh, double check that with Corporal Remmick, but, um, that's pretty much all I, I really have to respond on that, unless there's any further d- direct specific questions.

Alan Seltzer (Administrative Hearing Officer) (01:19:52):

Yeah, that's a very important point. Are any of the products that were seized in these three occasions, uh, products on the UTL that are legal or are they all s- under the UTL illegal products to sell?

Geoffrey Guerin (Police Sergeant) (01:20:08):

So, prior to the UTL coming out, we conducted several inspections in smoke shops around the city of Gilroy based on information that we had and, uh, from the CDTFA and also from our understanding of the tobacco ban. Uh, once the UTL came out, we compared, um, what we seized and we ended up returning product to, uh, s- some of the various smoke shops. I don't believe we had any of the products, um, from The Rock Zone inspections, at least the on that we did, I can't speak to the CDTFA one, um, but, um, Corporal Remmick could probably confirm this, but I don't believe we re- had to return any of the product, uh, to The Rock Zone after comparing it to the UTL.

Alan Seltzer (Administrative Hearing Officer) (01:20:58):

Okay. So Corporate Remmick, you're still under oath. Um, can you tell me whether or not... I'm just beginning to understand the importance of this UTL list. Are any of the products that were seized on the three occasions by the city that the city's relying upon, were they, um, returned and, or are they, um, illegal products?

Douglas Remmick (Police Corporal) (01:21:21):

I would have to review every product just to 100% confirm that. I can't say right here and now without a matter, you know, that that's the case. I would have to review every single product.

Alan Seltzer (Administrative Hearing Officer) (01:21:37):

Every single product that you seized?

Douglas Remmick (Police Corporal) (01:21:40):

Yes.

Alan Seltzer (Administrative Hearing Officer) (01:21:42):

Okay. All right. Um,

Geoffrey Guerin (Police Sergeant) (01:21:46):

If I, if I could, um, just though, um, let me just clarify after December of 2025, we did, uh, utilize the, uh, UTL. Um, so I'm speaking specifically on our inspections prior to, um, the UTL being published, um, which it, the ones that we conducted at The Rock Zone were after, uh, December of 20, uh, 25. Now, we're, we are still in the process of, um, having to, we have to re, uh, inventory because of some, uh, administrative requests on the state for taking this and in that we, we, we do intend to, um, make sure we are, um, taking the product that, uh, is in fact an illeg- illegal and if any is found that is not, we, we intend to return.

Alan Seltzer (Administrative Hearing Officer) (01:22:41):

All right. So there are three occasions in 2024, 2025 and 2026 that you've testified that illegal products have been seized, but this current tenth, testimony seems to indicate that there's some question. Um, uh, I wa, I was initially prepared to continue this matter having, um, heard Mr. Defilippis' concerns, but, uh, I do believe that there's a way to accommodate, that there's a way to... He can present evidence through the employees who work with, at the store.

(01:23:27):

Mr. Ammari does not have to testify, um, and so I'm not, um, I'm more, uh, I'm more concerned about a continuance so that both parties can prepare their cases because I, um, would like the city to come back and assure me that the items confiscated are in fact illegal and fall within, um, 13.45 of the Gilroy, uh, Municipal Code, because even though the criminal case has a different standard of proof, the, the burden is on you to show that they violated the, any provisions of the Chapter 13 or any other law or ordinance and that I think was the flavored tobacco, um, ordinance in the, uh, I don't have it in front of me, but I think everybody knows it's in the business of professions code at section 22974.2.

(01:24:34):

So that's what I'm, I'm, I'm concerned about. Um, I'm gonna give, uh, both of you, having heard that, Mr. Defilippis, uh, you said you were available on April 17 at our pre- are you there? Is everybody-

Steve Defilippis (Respondent Attorney) (01:24:55):

Yeah, I am. I'm, I'm checking my calendar.

Alan Seltzer (Administrative Hearing Officer) (01:24:59):

Uh, you, you told, you told me at the pre-hearing conference that you were available on April 17.

Steve Defilippis (Respondent Attorney) (01:25:08):

That's right. I have, uh, I have two matters on, but I can send an associate, to, to those. So, uh, uh, you were thinking 9:00 on the 17th?

Alan Seltzer (Administrative Hearing Officer) (01:25:18):

Uh, you know, I think 10:00 is more civil. (laughs) Um, that's-

Steve Defilippis (Respondent Attorney) (01:25:23):

I don't, I don't have any problem with that.

Alan Seltzer (Administrative Hearing Officer) (01:25:25):

On that, that, I'm not ordering that. I'm just trying to make sure I understand that you, if I, I, I'm gonna issue an order at some point, but I, uh, I'm c- uh, Sergeant Guerin, do you have any, um, concerns or opposition to a continuance to the 17th?

Geoffrey Guerin (Police Sergeant) (01:25:40):

Uh, I don't personally. I'd have to double check with the rest of the, uh, team to see if they would be available, but personally, I'm available for that.

Alan Seltzer (Administrative Hearing Officer) (01:25:49):

Because at that point, I would want the city to confirm that the confiscated, uh, we've all... Look, uh, Mr. Defilippis, Mr. Ammari and his employees know what was confiscated and you now have the list.

Steve Defilippis (Respondent Attorney) (01:26:06):

That, that's not true.

Alan Seltzer (Administrative Hearing Officer) (01:26:07):

Well, I-

Steve Defilippis (Respondent Attorney) (01:26:08):

We, we do not have a list and-

Alan Seltzer (Administrative Hearing Officer) (01:26:10):

We have a testimony of 306 pouches. There's, there's a, there's sufficient evidence to say that this flavored tobacco and the polka dot was confiscated at the bar. I'm just saying I think you've, you've learned just like I have, for the first time with the city's cases, um, and I think you can prepare, um, to present your defense and find someone to testify on behalf of the corporation, um, whose license is at stake here as well as, uh, Mr. Ammari. So I, I'm gonna-

Steve Defilippis (Respondent Attorney) (01:26:54):

Let me, let me just clarify one thing. Um, I, I think you're making an assumption that the employee that was present when the, uh, officers conducted the search would know what was taken. Uh, that's incorrect. The employee on each of these occasions was s, just simply, you know, you counter person who's, uh, um, uh, handling the transactions that occur, but they were kept in a corner of the store while the search went on through other areas, uh, not available to that employee. So, um, the employees do not have, uh, the information as to, uh, what was taken.

Alan Seltzer (Administrative Hearing Officer) (01:27:42):

Well, uh, I'm, I'm, I'm g, I'm, I'm going to c, I'm not gonna stay the matter, I'm just gonna continue to April 17. I, I have to live with the parameters of this hearing process. It is not a criminal matter, it's a very informal administrative hearing. There are consequences, I recognize that, but I am trying to gi, give you all process that I believe is due at this point. And so, um, at, uh, m, my admonition to the city is that I will, uh, ask you to come back with information that, uh, confirms that, uh, the con, uh, the confiscated materials, uh, tobacco products or whatever products are in fact illegal, um, and, um, you'll t- testify to that and then Mr. Defilippis, I will, uh, let you put on your case and, uh, that's where I'm, I'm at.

(01:28:51):

I'm not staying, uh, I'm not gonna grant a stay at this time and I'll tell you why in a written order as soon as I can get to it. But that's, I'm doing the best I can under what seems to be a s- somewhat complex case and especially since the business license has both Mr. Ammari and a corporation's name on it. So, um, uh, I'll continue to look at that issue, uh, over the next time. So, I'm gonna cont- I'm not gonna issue any conditions on this continuance, uh, um, because, uh, I'm gonna take it under, uh, advisement that, uh, and, uh, Sharon, if this is, if Mr. Defilippis has, and his team has misstated it, that he's, uh, remediated the, um, land use permit issue that was attached to this notice of hearing, that that w- there was a sign-off yesterday, is that correct?

Sharon Goei (Community Development Director) (01:29:51):

That is correct.

Alan Seltzer (Administrative Hearing Officer) (01:29:56):

Okay. So there's some good faith shown there. I, I will take that in consideration and, um, I want the city to address my concerns and, um, Mr. Defilippis, I'm gonna, uh, deny a stay, uh, of this proceeding at this time, uh, but continue the item, the, the matter to April 17th at 10:00. And, uh, Mr. Sangha, can you send, uh, instructions for everyone to come back and we'll see. I'm sorry to do this, but we'll see you all on April 17 at 10:00.

Steve Defilippis (Respondent Attorney) (01:30:36):

All right. Thank you, Mr. Seltzer.

Alan Seltzer (Administrative Hearing Officer) (01:30:37):

Everybody understand the ruling?

Geoffrey Guerin (Police Sergeant) (01:30:39):

Yes, we do from, uh, police department.

Alan Seltzer (Administrative Hearing Officer) (01:30:41):

Okay.

Steve Defilippis (Respondent Attorney) (01:30:41):

Yes, on behalf of, uh, respondent, I understand.

Alan Seltzer (Administrative Hearing Officer) (01:30:46):

Okay, thank you. Um, I'm gonna, uh, leave, close the, please turn off the recording and, um, I'm going to close the hearing and I'll see you soon.

PART 4 OF 4 ENDS [01:30:58]

Administrative Hearing Continuance: The Rock Zone – Transcript – April 17, 2026

Alan Seltzer (Administrative Hearing Officer) (00:02):

All right, good morning everyone. For the record, it is April 17, 2026, and we're resuming the administrative hearing regarding the business license revocation proceedings for the license issued to The Rock Zone. Um, it's 10:00 AM and, uh, I've just gone through the, um, list of people who are here. They've identified, and I'm just gonna put it on the record to make this go faster. For the city of Gilroy, Sergeant Guerin, Corporal Remmick, Officer Ludden, Ludden, I'm sorry, Officer Tong. Um, Captain Powell is observing, I believe. And, um, Community Development Director Sharon Goei is also here observing. Um, I see also there's an Amy Davis. Um, could you state your, uh, who you are with respect-

Steve Defilippis (Respondent Attorney) (01:00):

She's, she's a witness for, uh, the respondent.

Alan Seltzer (Administrative Hearing Officer) (01:03):

Okay. So, um, all right. Also here is Mr. Defilippis, uh, representing Mr. Ammari. The owner, Elizabeth, uh, Vera is there, and I see that Amy Davis is also here. Um, and when we get to your case, Mr. Defilippis, I can, uh, give her the option of taking the oath if she wishes. Um, all right. In addition, uh, Harjot Sangha, the city's finance director, is hosting this meeting and providing technical assistance to this, um, hearing officer who's not that good with all of this technology. Um, anybody else o- on this?

Harjot Sangha (Finance Director) (01:46):

Yes. We also have, uh, Arica Hernandez, uh, here to representing the finance department and the business license program to testify regarding any business license program questions.

Alan Seltzer (Administrative Hearing Officer) (01:56):

Okay. Arica Hernandez.

Harjot Sangha (Finance Director) (01:58):

Yes.

Alan Seltzer (Administrative Hearing Officer) (01:59):

All right. Thank you. All right. So, um, I'm not gonna do the whole admonitions from last time. The, the proceedings are governed by the Resolution 9717, Gilroy's, uh, resolution adopting in a municipal administrative hearing policy. Um, what I wanna say is that at the end of the last hearing, uh, when we continued this matter, I requested that the city address the question of whether the seized, um, flavored tobacco items, uh, nicotine items from The Rock Zone on January 8, 2026 were on the UTL, Unflavored Tobacco List. And I also, uh, uh, in my order continuing this hearing, um, requested that the parties address a question I had, um, regarding the actual business license and the fact that, um, Mr. Ammari's name is under, um, listed under ATML Inc, Incorporated, as the business owner or owners to whom the business license was issued.

(03:14):

So, um, I'm gonna first take testimony from the city on these two items and then I'm gonna request that the respondent present, uh, its case and, uh, address these issues as well, uh, if they, if it desires, Mr. D- Defilippis' desires.

(03:35):

So I've turned off my cell phone, please do so. If you need to play, take a break, let me know because I need to put an explanation for the break on the record. All right, uh, for the city, um, Ms. Hernandez or, uh, whoever wants to go first on those two issues, please proceed.

Arica Hernandez (Supervising Accounting Tech.) (03:55):

Okay. I'll start. Um, the business license, our records, um, have the business license issued to ATML Incorporated with, um, the owner as a contact.

Alan Seltzer (Administrative Hearing Officer) (04:12):

And that's your custom and practice?

Arica Hernandez (Supervising Accounting Tech.) (04:13):

That is our custom and practice. If it's a corporation, the business license is, issued to the corporation and will list any officers as contacts.

Alan Seltzer (Administrative Hearing Officer) (04:24):

Okay. Anything else on that?

Arica Hernandez (Supervising Accounting Tech.) (04:27):

No.

Alan Seltzer (Administrative Hearing Officer) (04:28):

Okay. Um, Sergeant Guerin, uh, as to the other issue I asked, uh, city to, um, address.

Geoffrey Guerin (Police Sergeant) (04:37):

Yes, thank you. Uh, we, um, Corporal Remmick went through the, uh, seized product to verify, uh, everything on the, uh, that we took was or was not on the, uh, unflavored tobacco list and I will have him hop on and talk about what he found there. Corporal Remmick?

Douglas Remmick (Police Corporal) (04:54):

Okay, good morning. So after the, uh, uh, hearing on-

Steve Defilippis (Respondent Attorney) (05:03):

Oh, before, before we start there, uh, uh, Mr., uh, uh, Seltzer, if we could clarify whether I believe that, uh, uh, Officer Gara- Guerin said that, uh, this was compared with the UTL. The UTL didn't exist until, uh, December of 2025. So I'm not sure if that's the correct list that they're making the comparison to.

Alan Seltzer (Administrative Hearing Officer) (05:29):

Well, let, let's-

Steve Defilippis (Respondent Attorney) (05:30):

I don't know what he [inaudible 00:05:31] prior to that.

Alan Seltzer (Administrative Hearing Officer) (05:32):

Well, let's, let's hear from Loth- I, uh ... This is all new to me, so let's hear from Officer Remmick, all right? And then you, you can-

Steve Defilippis (Respondent Attorney) (05:40):

Okay.

Alan Seltzer (Administrative Hearing Officer) (05:40):

... you, when, when you, it's your turn, you can address whatever you see as, uh, issues in his testimony. I'm, I'm hearing this for the first time. So, um, it's Corporal Remmick, correct?

Douglas Remmick (Police Corporal) (05:54):

Yes. Good morning.

Alan Seltzer (Administrative Hearing Officer) (05:56):

Good morning. Could you speak up a little bit? I'm, I've got my-

Douglas Remmick (Police Corporal) (05:59):

Yeah. Is that okay?

Alan Seltzer (Administrative Hearing Officer) (06:00):

Yeah.

Douglas Remmick (Police Corporal) (06:00):

I'm using my headphones. Okay. So on, um, after we did the hearing on April 3rd, I did, went in there and re-inventoried the product that, all the product that was, uh, taken from The Rock Zone and, um, I did discover that there was a total of 314 items that were taken and two, um, 126 of those items were actually on the approved list. Um, and those included backwood cigars that are on the list to be, that are approved. And then the other products were wraps, so they were cigar wraps and loose leaf cigar wraps that were, those are okay to have. Um, m- the remainder of the 188 items were not on the list and a major- majority of those items included the, um, hookah or shisha, uh, product, which cannot be, um, they cannot have those because The Rock Zone doesn't have the, uh, 21 and old ... In order to have that shisha, you gotta be 21 years or older to have it in the, in the store there and they don't regulate that age.

Alan Seltzer (Administrative Hearing Officer) (07:08):

Mm-hmm. Okay. And which list is this the December 2025 list that you compared the products to?

Douglas Remmick (Police Corporal) (07:16):

It's the California, the TRP list.

Alan Seltzer (Administrative Hearing Officer) (07:22):

And that's the most modern, the most accurate-

Douglas Remmick (Police Corporal) (07:25):

Yes.

Alan Seltzer (Administrative Hearing Officer) (07:25):
... and current?

Douglas Remmick (Police Corporal) (07:26):
Yeah.

Alan Seltzer (Administrative Hearing Officer) (07:27):
And, and you called it TRP, Tobacco Retailer Product?

Douglas Remmick (Police Corporal) (07:31):
Or UTL. I'm sorry.

Alan Seltzer (Administrative Hearing Officer) (07:32):
Ah, yeah.

Douglas Remmick (Police Corporal) (07:34):
UTL. Sorry. I'm going back and forth between that and the permit.

Alan Seltzer (Administrative Hearing Officer) (07:37):
So this is a 2026 list.

Douglas Remmick (Police Corporal) (07:40):
It's on the website, so I'm assuming that the state of California updates it.

Alan Seltzer (Administrative Hearing Officer) (07:45):
Right.

Douglas Remmick (Police Corporal) (07:45):
But ...

Alan Seltzer (Administrative Hearing Officer) (07:48):
That's the, uh, is that on the Attorney General's website?

Douglas Remmick (Police Corporal) (07:54):
Yeah, I believe so.

Alan Seltzer (Administrative Hearing Officer) (07:57):
Okay. Anything else you wanna tell me?

Douglas Remmick (Police Corporal) (07:59):
Probably on the depart- California Department of Justice Unflavored, uh, Tobacco List.

Alan Seltzer (Administrative Hearing Officer) (08:08):

Okay.

Douglas Remmick (Police Corporal) (08:09):

No, I don't have anything else.

Alan Seltzer (Administrative Hearing Officer) (08:12):

All right. Sergeant Guerin, anything else from the city?

Geoffrey Guerin (Police Sergeant) (08:18):

No. Just to clarify, uh, yes, I believe the list i- was, uh, initially published in, uh, December of 2025. Um, prior to that, we were conducting inspect- inspections based on, um, what we believe to be, uh, what flavored tobacco was. And, uh, it became much easier when the, uh, list was established and it took us a, a while to, um, learn how to, um, use the li- or, you know, once we got access to the list. Um, so, um, we now, we now utilize that list when we do our inspections, um, to make sure we're taking the, the, uh, proper product that is illegal.

Alan Seltzer (Administrative Hearing Officer) (09:03):

Okay. C- Corporal Remmick, uh, uh, just so I understand it, uh, now that I'm, I'm hearing this for the first time, 188 products that were, um, uh, identified by you were not on the list. And you said the majority were, um, shisha products and while sometimes legal, you can only b- be in a store that allows, um, customers who are 21 and older. Did I hear you correctly?

Douglas Remmick (Police Corporal) (09:33):

Yeah, there is ... On the unflavored tobacco list on the Department of Justice, there is an exemption there. It says, "Shisha tobacco, um, smoked in the water pipe, including, you know, the stuff." It's, it says it, that, "It's only partially exempt and may only be sold in licensed tobacco retailers that restrict entry to individuals that are aged 21 years and older."

Alan Seltzer (Administrative Hearing Officer) (09:58):

Right. Okay.

Douglas Remmick (Police Corporal) (10:00):

So you got ... In order, in order to have that product to be sold, you ... Rock Zone has to regulate that people coming in the business can't be o- under the age of 21, which they don't do.

Alan Seltzer (Administrative Hearing Officer) (10:11):

A- a- and can you tell me of the 188 products, uh, were there other than, um, shisha?

Douglas Remmick (Police Corporal) (10:19):

Yeah, there was some more wraps that weren't on there. Um, there were King Palm cigar two packs, um-

Alan Seltzer (Administrative Hearing Officer) (10:29):

But these were really ... Uh, these are-

Douglas Remmick (Police Corporal) (10:31):
These, these are not on the list, so these are not, they cannot have those in there.

Alan Seltzer (Administrative Hearing Officer) (10:34):
So they're in the nature of cigar wraps? [inaudible 00:10:39].

Douglas Remmick (Police Corporal) (10:39):
Some of them, some of them are wraps and some of them are flavored cigars.

Alan Seltzer (Administrative Hearing Officer) (10:48):
Okay, which are not allowed. All right. Um, Mr. Defilippis, I'm gonna turn it over to you.

Steve Defilippis (Respondent Attorney) (11:00):
Uh, first of all, I would ask the, uh, uh, hearing officer to, uh, mark and admit the, uh, exhibits that I have, uh, submitted. Uh, there were, uh, three articles and the UTL list.

Alan Seltzer (Administrative Hearing Officer) (11:18):
I, I will do that. And, uh, you also heard, um, Ms. Goei confirm that the land use permit issue was, um, resolved, uh, at the last hearing, that you also submitted documents relating to that permit, uh-

Steve Defilippis (Respondent Attorney) (11:39):
That's correct.

Alan Seltzer (Administrative Hearing Officer) (11:40):
Um-

Steve Defilippis (Respondent Attorney) (11:41):
But that's, but that's not before you, uh-

Alan Seltzer (Administrative Hearing Officer) (11:44):
Right.

Steve Defilippis (Respondent Attorney) (11:44):
... at this point.

Alan Seltzer (Administrative Hearing Officer) (11:46):
No, I, I have the testimony that it's resolved and I'll consider that. Okay. So I have the three articles and the UTL list. And I also have, um, from, uh, today, a statement, um, and what-

Steve Defilippis (Respondent Attorney) (11:59):
That's correct.

Alan Seltzer (Administrative Hearing Officer) (12:00):

You want that in there as well? I'll put it in there as well.

Steve Defilippis (Respondent Attorney) (12:04):

Yes, that was, that was from an email from the, uh, former employee of, uh, The Rock Zone and, uh, uh, I had that typed up, uh, verbatim, uh, from the email she had sent. And so I would ask that that also be, uh, marked and admitted.

Alan Seltzer (Administrative Hearing Officer) (12:27):

Okay. Uh, I, I'll, I'll number those sequentially, um, after we finish these proceedings today, all right?

Steve Defilippis (Respondent Attorney) (12:35):

Not a problem.

Alan Seltzer (Administrative Hearing Officer) (12:35):

And if you need to refer them, uh, I, I'll do that, uh, during the hearing, but right now, let's, uh ... We've got them in the record.

Steve Defilippis (Respondent Attorney) (12:47):

Okay. Um, and I apologize, uh, but I left something in my office. Uh, could we just take a minute or two break?

Alan Seltzer (Administrative Hearing Officer) (12:55):

Sure. So please stop the recording while Mr. DeF- ... All right, let the record reflect Mr. Defilippis is re-

(13:03):

All right, let the record reflect Mr. Defilippis has returned to, um, the meeting and it's, uh, his turn to present respondent's case.

PART 1 OF 4 ENDS [00:13:04]

Steve Defilippis (Respondent Attorney) (13:24):

I would, uh, call Officer Remmick at this time.

Alan Seltzer (Administrative Hearing Officer) (13:30):

I'm not sure that you can do that in a hearing like this.

Steve Defilippis (Respondent Attorney) (13:40):

I'm allowed to call witnesses.

Alan Seltzer (Administrative Hearing Officer) (13:44):

No, I, I know you are. Um, and if Mr. Remmick wants to testify, you can't s- I don't have subpoena power. You can't call him. If he wants, if, if he, if he's willing to testify, I'll let him. Mister- Officer Remmick?

Douglas Remmick (Police Corporal) (14:01):
No, I don't wanna testify.

Alan Seltzer (Administrative Hearing Officer) (14:03):
Okay.

Steve Defilippis (Respondent Attorney) (14:06):
Interesting. Then I would call, I would call Sergeant Guerin.

Alan Seltzer (Administrative Hearing Officer) (14:13):
I, I don't have... I can't compel you to testify, Sergeant Guerin. So if you wish to testify, you can. If you don't, I'm gonna let the record reflect that you just decline to testify.

Geoffrey Guerin (Police Sergeant) (14:29):
Um, yeah, I suppose I will decline then.

Steve Defilippis (Respondent Attorney) (14:54):
I would call Officer Tong at this time.

Alan Seltzer (Administrative Hearing Officer) (14:59):
Same admonition to you, Officer Tong. If you... I can't compel you to testify in, in this, uh, administrative hearing. If you wish to, you may.

Don Tong (Police Officer) (15:09):
Uh, the same. Uh, I'll, uh... The only testimony that I provided is the, the one that I made previously and it's, uh, uh, any further would be... I, I would decline as well.

Alan Seltzer (Administrative Hearing Officer) (15:19):
Okay. Mr. Defilippis?

Steve Defilippis (Respondent Attorney) (15:22):
All right. At this time, I would call Elizabeth Vera.

Elizabeth Vera (Respondent Employee) (15:33):
I'm here.

Alan Seltzer (Administrative Hearing Officer) (15:34):
Ms. Vera, uh, if you recall, um, you have the opportunity to testify under oath. You need not testify under oath, but if you, um, do, I can, um, take that into consideration and weighing your testimony.

Elizabeth Vera (Respondent Employee) (15:52):
Yes, I will.

Alan Seltzer (Administrative Hearing Officer) (15:54):
I'm sorry. I-

Elizabeth Vera (Respondent Employee) (15:55):
Yes. Yes, I will. I can testify on that.

Alan Seltzer (Administrative Hearing Officer) (15:58):
Thank you. Do you swear or affirm that the testimony that you will give in this matter will be the truth?

Elizabeth Vera (Respondent Employee) (16:04):
Yes.

Alan Seltzer (Administrative Hearing Officer) (16:05):
Thank you very much. Go ahead.

Steve Defilippis (Respondent Attorney) (16:10):
Ms. Vera, does the Rock Zone, uh, have any signs on the front door?

Elizabeth Vera (Respondent Employee) (16:17):
Yes. There is a sign, um, stating that 21 years of age, clear as day.

Steve Defilippis (Respondent Attorney) (16:26):
Does it also say that, uh, we will card?

Elizabeth Vera (Respondent Employee) (16:29):
Yes, it does, as well as multiple signs inside the store as well.

Steve Defilippis (Respondent Attorney) (16:35):
So if somebody comes in to purchase, uh, uh, tobacco related products, are they required to, uh, uh, show an ID to establish that, uh, they're over 21?

Elizabeth Vera (Respondent Employee) (16:48):
Yes. They ID every person that purchases any product that you need to be of age.

Steve Defilippis (Respondent Attorney) (16:57):
And that would include, uh, hookah tobacco, correct?

Elizabeth Vera (Respondent Employee) (17:00):
Correct.

Steve Defilippis (Respondent Attorney) (17:03):
Is it your understanding that, uh, the hookah tobacco that was seized on January 6th, uh, was, uh, legal?

Elizabeth Vera (Respondent Employee) (17:11):
To my understanding, yes.

Steve Defilippis (Respondent Attorney) (17:13):
And it was legal because you card, uh, to check to see if people are over the age of 21?

Elizabeth Vera (Respondent Employee) (17:20):
Correct.

Steve Defilippis (Respondent Attorney) (17:23):
Now, prior to December of 2025, did you have anything, uh, like the UTL list to be able to refer to to determine if, uh, products were in fact legal or illegal?

Elizabeth Vera (Respondent Employee) (17:38):
No.

Steve Defilippis (Respondent Attorney) (18:01):
In the search that was conducted in March of 2025, were the hookah tobacco products seized?

Elizabeth Vera (Respondent Employee) (18:11):
Yes.

Steve Defilippis (Respondent Attorney) (18:15):
And were they also seized in, uh, 2026-

Elizabeth Vera (Respondent Employee) (18:21):
Yes.

Steve Defilippis (Respondent Attorney) (18:22):
... and in January 2026-

Elizabeth Vera (Respondent Employee) (18:23):
Yes, they were.

Steve Defilippis (Respondent Attorney) (18:24):
... uh, event. And, uh, the products that were there in 2026 that were seized, were they also present in the store in March of 2025?

Elizabeth Vera (Respondent Employee) (18:45):
Yes, they were.

Steve Defilippis (Respondent Attorney) (18:46):
But they were not taken?

Elizabeth Vera (Respondent Employee) (18:48):
Correct.

Alan Seltzer (Administrative Hearing Officer) (18:49):
Wait, you're talking about the hookah p- tobacco products? Is that-

Elizabeth Vera (Respondent Employee) (18:54):
Yes.

Alan Seltzer (Administrative Hearing Officer) (18:55):
Okay.

Steve Defilippis (Respondent Attorney) (18:56):
Yeah. The only items that you're aware of that were taken in, uh, January of 2026 were hookah tobacco products, correct?

Elizabeth Vera (Respondent Employee) (19:04):
Correct.

Steve Defilippis (Respondent Attorney) (19:06):
And those are the items that, uh, you believe are proper to be sold because you card to check if people are over the age of 21?

Elizabeth Vera (Respondent Employee) (19:15):
Yes.

Steve Defilippis (Respondent Attorney) (19:19):
Thank you. I have nothing further.

Alan Seltzer (Administrative Hearing Officer) (19:21):
Mr. Defilippis, uh, let, let me assist or at least ask a question. Ms. Vera, what's your relationship to the store? I didn't get that as part of this testimony.

Elizabeth Vera (Respondent Employee) (19:32):
I'm, I am an employee there.

Alan Seltzer (Administrative Hearing Officer) (19:36):
Okay. And you were an employee in, um, March of 2025 and January of 2026?

Elizabeth Vera (Respondent Employee) (19:44):
I've been an employee with them since 2004.

Alan Seltzer (Administrative Hearing Officer) (19:47):

Thank you very much. Okay.

Steve Defilippis (Respondent Attorney) (19:52):
All right. At this time, I would call, uh, Amy Davis.

Amy Davis (Respondent Employee) (20:00):
Hello, good morning.

Alan Seltzer (Administrative Hearing Officer) (20:01):
Ms. Davis, good morning. I think you probably heard before, but you don't have to testify under oath, but if you wish to, I'll s- swear you in and I can, um, take that into consideration in weighing your testimony. Uh, w- do you wanna be sworn in as an, a witness?

Amy Davis (Respondent Employee) (20:17):
Yes.

Alan Seltzer (Administrative Hearing Officer) (20:18):
Okay. Um, do you swear or affirm that the testimony that you will give in this matter will be the truth and the whole truth?

Amy Davis (Respondent Employee) (20:25):
Yes.

Alan Seltzer (Administrative Hearing Officer) (20:26):
All right. Thank you, Ms. Davis.

Amy Davis (Respondent Employee) (20:27):
You're very welcome.

Alan Seltzer (Administrative Hearing Officer) (20:29):
Go ahead.

Steve Defilippis (Respondent Attorney) (20:31):
Ms. Davis, uh, are you an employee of the, uh, Rock Zone?

Amy Davis (Respondent Employee) (20:35):
Yes, I am.

Steve Defilippis (Respondent Attorney) (20:37):
And, uh, were you an employee of the Rock Zone back in January of, uh, 2026?

Amy Davis (Respondent Employee) (20:43):
Yes, I was.

Steve Defilippis (Respondent Attorney) (20:45):
And were you present, uh, when the, uh, police showed up, uh, and, uh, conducted a search of the, uh, the premises that day?

Amy Davis (Respondent Employee) (20:53):
Yes, I was.

Steve Defilippis (Respondent Attorney) (20:56):
And, uh, at that time, was there a sign on the front door that, uh, mentioned a requirement of being 21 years of age?

Amy Davis (Respondent Employee) (21:12):
Yes.

Steve Defilippis (Respondent Attorney) (21:14):
And has that sign been there as long as you've been an employee?

Amy Davis (Respondent Employee) (21:18):
Yes, it has.

Steve Defilippis (Respondent Attorney) (21:20):
How long have you been an employee?

Amy Davis (Respondent Employee) (21:21):
I have been with the Rock Zone for two years.

Steve Defilippis (Respondent Attorney) (21:26):
Okay. So, uh, back to, uh, middle of 2024, correct?

Amy Davis (Respondent Employee) (21:31):
Yes. I'm sorry about that. Yes.

Steve Defilippis (Respondent Attorney) (21:34):
And, and the sign has always been there?

Amy Davis (Respondent Employee) (21:36):
Absolutely.

Steve Defilippis (Respondent Attorney) (21:38):
And, uh, give me just a moment here. The sign says, uh, "Under 21, no tobacco, no vapor," correct?

Amy Davis (Respondent Employee) (22:00):
Yes.

Steve Defilippis (Respondent Attorney) (22:01):
And it also says, "We card."

Amy Davis (Respondent Employee) (22:05):
Yes, it does.

Steve Defilippis (Respondent Attorney) (22:06):
In big, uh, white letters on a red background, uh, in the middle of the sign, correct?

Amy Davis (Respondent Employee) (22:11):
Yes.

Alan Seltzer (Administrative Hearing Officer) (22:13):
Mr. Defilippis-

Steve Defilippis (Respondent Attorney) (22:14):
And it says-

Alan Seltzer (Administrative Hearing Officer) (22:14):
Y- you're looking at a phone. Is that the picture of the, uh, sign that's, um, you're testifying was present in January of 2026?

Steve Defilippis (Respondent Attorney) (22:24):
Yes.

Alan Seltzer (Administrative Hearing Officer) (22:24):
Is that the testimony that Ms. Davis is giving?

Steve Defilippis (Respondent Attorney) (22:27):
That's correct.

Alan Seltzer (Administrative Hearing Officer) (22:28):
I, I, I'm gonna leave the record open till the end of this business day for you to submit that to Mr. Sangha so it's in the record, because I can't see it, but I'd like to see it.

Steve Defilippis (Respondent Attorney) (22:42):
Sure. And that also says, "Please have ID ready," correct?

Amy Davis (Respondent Employee) (22:45):
Yes.

Steve Defilippis (Respondent Attorney) (22:47):

And, uh, when you are, uh, operating the store as an employee of, uh, the, uh, Rock Zone and somebody is appears to be relatively close in age to, uh, 21, do you ask for identification?

Amy Davis (Respondent Employee) (23:10):

Absolutely. If they're buying anything tobacco or anything related to that, I ID.

Steve Defilippis (Respondent Attorney) (23:17):

Of anybody?

Amy Davis (Respondent Employee) (23:18):

Of anybody.

Steve Defilippis (Respondent Attorney) (23:20):

So if I walk into the store, you'd look at me and, uh, want me to show you that I'm over 21?

Amy Davis (Respondent Employee) (23:27):

Absolutely, just because if there's a customer behind you that's younger, that looks younger and I didn't ID you, but I ID'd them for the same product, they're gonna get upset.

Steve Defilippis (Respondent Attorney) (23:38):

Understood. And that was your practice, uh, the entire time that you've been working for, uh, the Rock Zone?

Amy Davis (Respondent Employee) (23:47):

Absolutely.

Steve Defilippis (Respondent Attorney) (23:50):

Now, you were present on January 6th of, uh, 2026 when, uh, the police came, is that correct?

Amy Davis (Respondent Employee) (23:56):

Yes, I was.

Steve Defilippis (Respondent Attorney) (23:58):

And I understand that, uh, they had you stand in a, uh, in a corner and instructed you not to, uh, to touch your phone, correct?

Amy Davis (Respondent Employee) (24:07):

Yes. In the beginning.

Steve Defilippis (Respondent Attorney) (24:09):

When they were through-

Alan Seltzer (Administrative Hearing Officer) (24:10):

I'm sorry. In the beginning.

Amy Davis (Respondent Employee) (24:13):
Yes.

Alan Seltzer (Administrative Hearing Officer) (24:14):
Okay.

Steve Defilippis (Respondent Attorney) (24:16):
And, uh, did they allow you to examine what they were taking from the store?

Amy Davis (Respondent Employee) (24:23):
No, I was kept in the corner.

Steve Defilippis (Respondent Attorney) (24:28):
And, uh, did you ask to, uh, uh, to do an inventory of the, uh, products that were being taken?

Amy Davis (Respondent Employee) (24:36):
Um, no, I didn't ask. They just told me that to... They, uh, they told me just to stand there and just... They were just asking me a bunch of random questions that really didn't have anything to do with what they were doing.

Steve Defilippis (Respondent Attorney) (24:49):
Okay. And then, uh, the items that they took that day were, uh, all related to, uh, hookah tobacco?

Amy Davis (Respondent Employee) (24:58):
Yes.

Steve Defilippis (Respondent Attorney) (25:00):
And you understand that to be, uh, legal, uh-

Amy Davis (Respondent Employee) (25:03):
Yes.

Steve Defilippis (Respondent Attorney) (25:03):
... to sell in the store as long as you're carding people, uh, who are, uh, to make sure they're over the age of 21?

Amy Davis (Respondent Employee) (25:11):
Absolutely.

Steve Defilippis (Respondent Attorney) (25:15):
Thank you. I have nothing further.

Alan Seltzer (Administrative Hearing Officer) (25:18):
Thank you. All right. Um, at this time, I, uh, uh, if there's any rebuttal on the part of the police department, I would hear it, otherwise I'm gonna close the record, uh, and then I mean, I'll let it go ba- I'll let it go back and forth. Uh, you know, you'll get a surrebuttal.

Steve Defilippis (Respondent Attorney) (25:37):
Sure.

Alan Seltzer (Administrative Hearing Officer) (25:38):
Don't worry, Mr. Defilippis. But I, I just want to make-

Steve Defilippis (Respondent Attorney) (25:41):
Mr. Seltzer, I just wanted to make sure that Ms. Davis knows she can log off, uh-

Alan Seltzer (Administrative Hearing Officer) (25:46):
Oh, yeah.

Steve Defilippis (Respondent Attorney) (25:46):
... now.

Alan Seltzer (Administrative Hearing Officer) (25:47):
Yes. Ms. Davis, thank you for your testimony. Um-

Amy Davis (Respondent Employee) (25:50):
Thank you. I appreciate you guys.

Alan Seltzer (Administrative Hearing Officer) (25:52):
All right.

Steve Defilippis (Respondent Attorney) (25:53):
She needs to get back to running the store.

Alan Seltzer (Administrative Hearing Officer) (25:55):
So, um, Sergeant Guerin, anything else or, uh, otherwise I'm gonna close the hearing?
(26:00):
... I'm gonna close the hearing.

PART 2 OF 4 ENDS [00:26:04]

Geoffrey Guerin (Police Sergeant) (26:04):
Um, I could probably bring, um, Corporal Remmick back online here, um, to talk a little bit about, um, the, uh, 21 and, um, over issue.

Alan Seltzer (Administrative Hearing Officer) (26:21):

Mm-hmm.

Geoffrey Guerin (Police Sergeant) (26:22):

Um, but we, we, I may wanna also bring on, back on, Arica, um, because I believe that there are, um, additional regulations, uh, f- from the city for who to allow for sales of hookah, beyond the 21, uh, and, uh, over issue. However, that would be, um, Arica's, um, division right there.

Alan Seltzer (Administrative Hearing Officer) (26:49):

All right. So, um, let's start with Arica so I can understand. Um, because this seems to be a pivotal, pivotal i- issue in terms of legality. I did note somewhere along the line in reviewing some of the laws, that there is a, a 21-year-old issue. Um, um, but I'd have to find my notes on (laughs) that. So go ahead, uh, Arica Hernandez.

Arica Hernandez (Supervising Accounting Tech.) (27:21):

So you're asking me to speak to, um, like a certain product that we, uh, that's-

Alan Seltzer (Administrative Hearing Officer) (27:28):

M- my, my question is, you heard the testimony, um, from the witnesses for the respondent regarding the fact that there is a posted sign, uh, uh, in front of the, um, store that states that you have to be 21 years or older, um-

Arica Hernandez (Supervising Accounting Tech.) (27:46):

Right.

Alan Seltzer (Administrative Hearing Officer) (27:46):

... to purchase, uh, um, uh... Let's see, "No tobacco, no vape-"

Arica Hernandez (Supervising Accounting Tech.) (27:52):

Mm-hmm.

Alan Seltzer (Administrative Hearing Officer) (27:52):

... "under 21. We card. Pl- please have ID ready," is the testimony I heard.

Arica Hernandez (Supervising Accounting Tech.) (27:58):

Right.

Alan Seltzer (Administrative Hearing Officer) (27:59):

And, um, is that... And that they, uh, the, the witnesses say that they actually do, um, check i- identification.

Arica Hernandez (Supervising Accounting Tech.) (28:08):

Right.

Alan Seltzer (Administrative Hearing Officer) (28:08):

So that, that's the record right now. Um, is that a- s- uh, does the city have additional regu- regulations, uh, to the posted notice and the practice?

Arica Hernandez (Supervising Accounting Tech.) (28:19):

On the tobacco retailer permit, we do have them, uh, acknowledge that they're, um, following all the laws, and they signed that affidavit. [inaudible 00:28:29]

Alan Seltzer (Administrative Hearing Officer) (28:31):

Okay. Um, anything else you wanna tell me?

Arica Hernandez (Supervising Accounting Tech.) (28:36):

No.

Alan Seltzer (Administrative Hearing Officer) (28:37):

Okay. S- Sergeant Guerin, do you want Corporal Remmick to address the issue?

Geoffrey Guerin (Police Sergeant) (28:42):

Um, I just wanna clarify one, one more issue with Arica, um-

Alan Seltzer (Administrative Hearing Officer) (28:46):

Sure.

Geoffrey Guerin (Police Sergeant) (28:47):

... from the city's, c- city hall, um, viewpoint. Does-

Alan Seltzer (Administrative Hearing Officer) (28:52):

Take... Well, I should say take your time. I'm fact finding. I- I'm in no rush. I need to (laughs) understand this, so-

Arica Hernandez (Supervising Accounting Tech.) (28:56):

Yeah.

Alan Seltzer (Administrative Hearing Officer) (28:57):

... no pressure. Just-

Geoffrey Guerin (Police Sergeant) (28:58):

Um, I, I would just like to have her speak on if, uh, Rock Zone does in fact, at that time, have a tobacco retailer permit.

Arica Hernandez (Supervising Accounting Tech.) (29:09):

As of the January 2026?

Geoffrey Guerin (Police Sergeant) (29:10):
Yes.

Arica Hernandez (Supervising Accounting Tech.) (29:13):
Um, let me just verify our records here.

Geoffrey Guerin (Police Sergeant) (29:15):
Okay.

Alan Seltzer (Administrative Hearing Officer) (29:16):
And I, you know, I've left the record open for Mr. Defilippis. I can leave the record open also for you to submit, um, documents related to... Uh, I think the question is, uh, d- uh, did The, uh, Rock Zone have a TRP, t- tobacco retailer, retailer's permit, in January 2026?

Arica Hernandez (Supervising Accounting Tech.) (29:53):
I'm just bringing up my record. I just wanna make sure that I provide. No. Their license was expired. Their tobacco per- uh, retailer permit was expired. And, um, as of December 31, 2024.

Alan Seltzer (Administrative Hearing Officer) (30:20):
Two th- Wait, uh, excuse me. Um, n- new information. So, The Rock Zone, from the period of December 2024? Do you have a date, uh, on... It just says December 2024, the-

Arica Hernandez (Supervising Accounting Tech.) (30:36):
Yeah.

Alan Seltzer (Administrative Hearing Officer) (30:36):
... their, the TRP e- uh, expired. W- Do they have a TRP now? 'Cause that's not at issue. That's, this is only a business license revocation proceeding. I'm not-

Arica Hernandez (Supervising Accounting Tech.) (30:47):
Oh, okay. Um-

Alan Seltzer (Administrative Hearing Officer) (30:47):
[inaudible 00:30:48]

Arica Hernandez (Supervising Accounting Tech.) (30:48):
Yeah, the business license, um, I had, had showed it expired December 31, 2025. Um, their, they are appl- They can renew.

Alan Seltzer (Administrative Hearing Officer) (31:00):
Wait, I'm sorry. The TRP expired in December 2024.

Arica Hernandez (Supervising Accounting Tech.) (31:04):

As of January, in January.

Alan Seltzer (Administrative Hearing Officer) (31:08):
Of 2024?

Arica Hernandez (Supervising Accounting Tech.) (31:09):
Right, and they had recently come in to renew the, um, tobacco retailer-

Alan Seltzer (Administrative Hearing Officer) (31:13):
When the-

Arica Hernandez (Supervising Accounting Tech.) (31:13):
... 'cause they were, they were eligible to do that.

Alan Seltzer (Administrative Hearing Officer) (31:16):
And, and when did they renew?

Arica Hernandez (Supervising Accounting Tech.) (31:19):
Um, let me get that detail.

Alan Seltzer (Administrative Hearing Officer) (31:23):
So, uh, uh, the city's administrative records show that the TRP expired in January '24, and I would like to have on the record that when the TRP was renewed, so I understand the gap.

Arica Hernandez (Supervising Accounting Tech.) (31:40):
Okay.

Steve Defilippis (Respondent Attorney) (31:40):
I th- I thought that it was, the testimony previously was that it was December of '24 that it was set to expire.

Arica Hernandez (Supervising Accounting Tech.) (31:45):
Right.

Alan Seltzer (Administrative Hearing Officer) (31:45):
Well, Ms Hernand- Ms.-

Arica Hernandez (Supervising Accounting Tech.) (31:48):
Right.

Alan Seltzer (Administrative Hearing Officer) (31:48):
Mi- Mi- Ms. Hernandez is looking at her records, so I'm gonna give her a chance to clarify.

Arica Hernandez (Supervising Accounting Tech.) (31:52):
Well, the TRP, as it, in January, the TRP had expired effective December 31, 2024.

Alan Seltzer (Administrative Hearing Officer) (32:00):
Okay.

Arica Hernandez (Supervising Accounting Tech.) (32:01):
Yes. And they recently had come in to, um, renew. I'm just gonna get the date for you.

Alan Seltzer (Administrative Hearing Officer) (32:07):
So it's Dec- December 31, 2024 is when it expired.

Elizabeth Vera (Respondent Employee) (32:24):
I'm trying to find the picture of it.

Alan Seltzer (Administrative Hearing Officer) (32:25):
[inaudible 00:32:25] For, for the record, um, we are, uh, still recording, but, uh, we're giving Ms. uh, Hernandez the time to, uh, check the city's records.

Arica Hernandez (Supervising Accounting Tech.) (33:12):
Yeah, I just have to... I'm just f- looking for their receipt. Um, let me look at my recent report here.

Elizabeth Vera (Respondent Employee) (33:21):
Uh, that it's valid from October to... It's not a clear picture, but I could have her send a picture.

Arica Hernandez (Supervising Accounting Tech.) (33:32):
Yeah, I do show their current expirat- The current TRP expiration date is December 31, uh, 2026, "Valid t- tobacco retailer permit: No." So they did apply, um, but we did not issue. That's what it was. They paid, but we did not issue, uh, or approve the, the tobacco retailer.

Alan Seltzer (Administrative Hearing Officer) (33:56):
So when did they apply?

Arica Hernandez (Supervising Accounting Tech.) (33:59):
Let me get that here. I'm trying to just look at my [inaudible 00:34:02]

Alan Seltzer (Administrative Hearing Officer) (34:01):
S- Um.

Arica Hernandez (Supervising Accounting Tech.) (34:07):
And I do apologize. I shoulda had this.

Harjot Sangha (Finance Director) (34:11):

Okay, um-

Arica Hernandez (Supervising Accounting Tech.) (34:11):
Do you have that date?

Harjot Sangha (Finance Director) (34:14):
[inaudible 00:34:13] I don't. I believe, uh, they were issued possibly the first week of February. If you have a record of the certificate in, in their filing, maybe take a look at that, or if, um, if the business owner has a copy of the TRP, perhaps they-

Arica Hernandez (Supervising Accounting Tech.) (34:30):
Mm-hmm.

Harjot Sangha (Finance Director) (34:30):
... could submit it to the record.

Arica Hernandez (Supervising Accounting Tech.) (34:32):
[inaudible 00:34:33]

Harjot Sangha (Finance Director) (34:32):
It should have a date on there.

Elizabeth Vera (Respondent Employee) (34:34):
Why would it say that it's good from-

Steve Defilippis (Respondent Attorney) (34:36):
Yeah.

Elizabeth Vera (Respondent Employee) (34:37):
... date to date? [inaudible 00:34:41]

Steve Defilippis (Respondent Attorney) (34:43):
[inaudible 00:34:41] Just send a picture.

Alan Seltzer (Administrative Hearing Officer) (34:44):
Uh, yeah, I mean, if the parties can stipulate to (laughs) the, the date, the gap, and when it applied-

Arica Hernandez (Supervising Accounting Tech.) (34:54):
Yeah.

Alan Seltzer (Administrative Hearing Officer) (34:54):
... and when [inaudible 00:34:54]

Arica Hernandez (Supervising Accounting Tech.) (34:54):
Um, I show February 5, um, 2026 is in my record here.

Alan Seltzer (Administrative Hearing Officer) (34:59):
Uh, that's the date that the permit was issued?

Arica Hernandez (Supervising Accounting Tech.) (35:01):
Yes.

Alan Seltzer (Administrative Hearing Officer) (35:01):
The TRP-

Arica Hernandez (Supervising Accounting Tech.) (35:02):
No, it was, uh, they, uh, submitted an application, um, the TRP application, to the city. Um-

Alan Seltzer (Administrative Hearing Officer) (35:09):
Okay.

Arica Hernandez (Supervising Accounting Tech.) (35:09):
And it looks like that was the date that, uh, the permit was m- uh, it was mailed out.

Alan Seltzer (Administrative Hearing Officer) (35:17):
So there wasn't approval of the TRP on February 5, 2026-

Arica Hernandez (Supervising Accounting Tech.) (35:21):
Y- you know, honestly, it was mistakenly issued. It w- it shouldn't have been issued.

Alan Seltzer (Administrative Hearing Officer) (35:27):
And why is that? W- why do you say it was mistakenly issued?

Elizabeth Vera (Respondent Employee) (35:34):
Oh, 'cause um-

Arica Hernandez (Supervising Accounting Tech.) (35:34):
Because we were st- It was, um, we were still reviewing the, um, permit, um, because there was, they were subject to an enforcement operation and were found to have illegal tobacco products. So we were s- We should've held that certificate, but it was, um, in, it was erroneously mailed out.

Alan Seltzer (Administrative Hearing Officer) (35:53):
Okay.

Arica Hernandez (Supervising Accounting Tech.) (35:54):
Um, issued and mailed out, yeah.

Alan Seltzer (Administrative Hearing Officer) (35:56):
But that was February 5th-

Arica Hernandez (Supervising Accounting Tech.) (35:58):
Um, yes.

Alan Seltzer (Administrative Hearing Officer) (35:58):
... of 2026?

Arica Hernandez (Supervising Accounting Tech.) (35:59):
That's the date I have here.

Alan Seltzer (Administrative Hearing Officer) (36:04):
Okay. Um, okay. Back to you, Sergeant Guerin. Um-

Steve Defilippis (Respondent Attorney) (36:13):
Before we, before we get there, Mr. Seltzer, uh, I'm looking at a, uh, um, retailer's license, uh, cigarette and tobacco, uh, products licensing, um, effective October 2, 2025 through October 1, 2026, and I'll submit that, uh-

Alan Seltzer (Administrative Hearing Officer) (36:34):
Wait, wait.

Steve Defilippis (Respondent Attorney) (36:34):
... subsequently.

Alan Seltzer (Administrative Hearing Officer) (36:35):
G- give me... Uh, I'm sorry. S- s- s- set... S- give me those dates now.

Steve Defilippis (Respondent Attorney) (36:39):
October 2, '25 through October 1, 2026.

Harjot Sangha (Finance Director) (36:44):
Can we clarify if that's for the state license, or is that the city license?

Elizabeth Vera (Respondent Employee) (36:54):
Um-

Alan Seltzer (Administrative Hearing Officer) (36:55):
For clarification, could you tell us whether... I know that you need a state license as well.

Elizabeth Vera (Respondent Employee) (37:03):
Uh, California Department of Tax and Fee Administration.

Alan Seltzer (Administrative Hearing Officer) (37:06):
Okay, so that, that's not the city's. That's the Ca- California Department.

Elizabeth Vera (Respondent Employee) (37:09):
[inaudible 00:37:10]

Alan Seltzer (Administrative Hearing Officer) (37:11):
CD [inaudible 00:37:12]

Elizabeth Vera (Respondent Employee) (37:11):
Let me [inaudible 00:37:12]

Alan Seltzer (Administrative Hearing Officer) (37:14):
Okay. But Ms. Vera, you're, you're, you don't have, um, a city-issued tobacco retailer's permit. Is that correct? I just wanna-

Elizabeth Vera (Respondent Employee) (37:24):
I'm-

Alan Seltzer (Administrative Hearing Officer) (37:25):
... get the status. (laughs)

Elizabeth Vera (Respondent Employee) (37:25):
I-

Steve Defilippis (Respondent Attorney) (37:25):
She's, she's looking.

Elizabeth Vera (Respondent Employee) (37:25):
Yeah.

Alan Seltzer (Administrative Hearing Officer) (37:58):
All right. While you look at that, 'cause I'm gonna give you an opportunity to address all of this, Mr. Defilippis, so you can do that [inaudible 00:38:04]

Steve Defilippis (Respondent Attorney) (38:03):
Okay.

Alan Seltzer (Administrative Hearing Officer) (38:05):
Um, Sergeant Guerin, um, what's the consequence of, um, not having a TRP during the search, um, and your whole, the whole issue of, uh, being able to sell, uh, hookah tobacco legally. How do you c- how do you connect it? How do I consider all of that?

Geoffrey Guerin (Police Sergeant) (38:25):

Okay, so, um, yes, on the TRP, as far as I understand, if you do not have a tobacco retailer permit, you can't sell tobacco within the City of Gilroy, from what I understand. On, on that day, and, and part of why, uh, The Rock Zone was, um, on our list of directed, uh, smoke shops to, uh, inspect was that, uh, we were told that they did not have a valid, uh, TRP at, at that time. Um, as far as the, um, uh, uh... And then a- as far as that, we don't hold any of those, uh, permitting records here at the police department, so we go by with what City Hall is telling us.

Alan Seltzer (Administrative Hearing Officer) (38:56):

Mm-hmm.

Geoffrey Guerin (Police Sergeant) (38:56):

As far as the 21-and-over restriction on hookah lounges, I think this might be an issue for, uh, up for legal interpretation on-

(39:04):

... Challenges. I think this may be an issue for, uh, up for legal interpretation on your end possibly. Uh, from what I understand, from what my team understands is that when you sell hookah, it is... Um, there are partial exemptions, um, as it relates to the unflavored tobacco list and what can be sold in the state of California. And, and as I understand it, um, the 21 and, uh, year old, uh, issue is that if you, uh, s- a- among other, uh, regulations, but this one in particular, if you are, uh, to sell hookah or shisha, uh, products, uh, no one can enter the store, um, under the age of 21. Uh, I, I, I suppose that if it, uh, was just, um, a tobacco shop, uh, somebody under 21 can enter, however, they can't purchase, which would, uh, make sense if they're checking, um, ID at the counter.

(39:53):

But, uh, as far as I understand the state regulations on selling hookah and shisha, um, it, it mess... Uh, a 20... Someone under 21 cannot enter the premises and I, um... We, we have, um, seen, and I can, I can have, uh, Corporal Remmick and Officer Ludden, uh, come back on to, uh, testify to this, that we have seen, uh, people, um, enter the premises under 21, um, not, not saying that I s- I saw them purchase, uh, anything, but enter the premises. As a matter of fact, um, the, uh... Ms. Davis did have her, um, baby on, um, on scene. Obviously, the baby's not gonna purch- make a purchase, but technically speaking, uh, the, um, she was... Had the baby on, on the premises and, uh, when we went in there in an undercover, um, capacity, um, and I'll have, um, I can have Corporal or Officer Ludden testify this, he was not, uh, ID'd to enter the store to make sure he's 21.

PART 3 OF 4 ENDS [00:39:04]

Alan Seltzer (Administrative Hearing Officer) (40:52):

Okay. So I'm not sure it's necessary. I think... And Mr. Defilippis can, uh, address this. It seems like both Ms. Vera and Ms. Davis testified that people under 21 come in, their, their, uh, their identification is checked, um, when they come to purchase.

David Ludden (Police Officer) (41:09):

And Mr. Seltzer, if I may.

Alan Seltzer (Administrative Hearing Officer) (41:10):

Yeah.

David Ludden (Police Officer) (41:11):
So on the Department of Justice-

Alan Seltzer (Administrative Hearing Officer) (41:13):
Who's, who's speaking now?

David Ludden (Police Officer) (41:15):
Uh, Officer Ludden.

Alan Seltzer (Administrative Hearing Officer) (41:16):
Officer Ludden, thank you. Go ahead.

David Ludden (Police Officer) (41:18):
So the- they emphasize that they card everyone that purchases any tobacco products regardless of how old they appear. On the two instances, I went in to buy tobacco products and the, um, psilocybin candy bar, I was not ID'd. The hookah, it's the restriction is the entry. They have to restrict entry into the establishment of 21 and older.

Steve Defilippis (Respondent Attorney) (41:48):
Yeah, I would object to, uh, any, uh, effort on the part of the police to interpret what the law requires.

Alan Seltzer (Administrative Hearing Officer) (41:56):
Mr. [inaudible 00:41:58]-

David Ludden (Police Officer) (41:57):
It's, it's not interpreting. It says that-

Alan Seltzer (Administrative Hearing Officer) (41:59):
Wait, wait, wait. I'm gonna hear the testimony. It's... This is a administrative hearing. It's very informal, so I'll let you respond. Uh, Officer Ludden, go ahead.

David Ludden (Police Officer) (42:10):
Yeah. So it's not interpreting. It states verbatim, "Flavored shisha is only partially exempt and may only be sold in licensed tobacco retailers that restrict entry to individuals age 21 and older." So there's no interpretation. They have to have the tobacco license and they have to restrict entry age 21 and older.

Alan Seltzer (Administrative Hearing Officer) (42:32):
And Officer Ludden, would... You're reading from the D- help me out here, the DOJ website?

David Ludden (Police Officer) (42:37):
Yeah, it's, it's the State of California Department of Justice Unflavored Tobacco List and it's clearly s- clearly stated on the top.

Alan Seltzer (Administrative Hearing Officer) (42:46):

Okay. I'll look at that. Okay. Anything else from the police department? I'm going to turn this back to you, um, for s- rebuttal, uh, Mr. Defilippis.

Steve Defilippis (Respondent Attorney) (43:12):

First of all, the unflavored tobacco list didn't exist until December of 2025 and, uh, in terms of, the, uh, restricting entry into the, uh, the premises, this is not just a tobacco shop. There are numerous other products that are being sold, uh, at this facility, um, all of which are legal and which, uh, uh, allow people under the age of 21 to be able to come in and purchase. That's why the restriction is to the purchase of, uh, any, um, tobacco products.

Alan Seltzer (Administrative Hearing Officer) (44:02):

All right. I- I'm gonna close... Are you done?

Steve Defilippis (Respondent Attorney) (44:07):

Give me just a moment.

Alan Seltzer (Administrative Hearing Officer) (44:09):

'Cause, uh, what I'm thinking right now is I've left the record open for you to send in that picture, right? The photo. That, that's the one thing that... And, um, I, um, may ask the cities, um, Ms. Hernandez to send, um, to, um, Mr. Sangha the license, um, records on the TRP for, um... So I have it in the record, uh, by the end of the day. And so I hope that's enough time for both of you to get this document, these documents, uh, I'll give you to Monday if, if, if you, if that would be helpful. Uh, but, uh, I'd like to have them when I look at this, uh, under submission and, um, uh, a- a- a- and in submitting whatever you do, if you wanna give me cites or links that I- you would think that I should look at in considering just what the law is, uh, in terms of entry versus, um, checking ID once entered, I'll, I'll take that.

(45:20):

So I'm gonna leave the record open for the parties to submit any briefing on the issue of entry, uh, into a, uh, the establishment, um, and also the documents that I've just mentioned. Uh, licensing on the TRP and the photograph of the sign that gives notice, um, uh, about under 21 entry into the store, all right?

(45:47):

If every-

Steve Defilippis (Respondent Attorney) (45:47):

Uh, Mr. Seltzer, uh, uh, because the, uh, police have refused to, uh, testify, one of the questions that I would've asked and I'm hoping you would ask of them is, uh, whether they have returned any of the, uh, products that, uh, they determined to be illegal.

Alan Seltzer (Administrative Hearing Officer) (46:17):

Well, I, I, I'm not sure I need to ask that question. They've said that the majority, the, the... There are 126 that were-

Steve Defilippis (Respondent Attorney) (46:31):

That are on the approved list.

Alan Seltzer (Administrative Hearing Officer) (46:32):

Yeah, you're a... Uh, I, I'm not gonna... I don't think I need to go into that at this point because the question is the vi- uh, what the violation is that they're alleging and I think they've just told me that 126 of the 314 items were not a violation. So that's where I'm going with that.

Geoffrey Guerin (Police Sergeant) (46:49):

And yes, we do intend to, uh, return the products-

Alan Seltzer (Administrative Hearing Officer) (46:53):

Excuse me. Wait, he said... Thank you for volunteering that.

Steve Defilippis (Respondent Attorney) (46:58):

And, uh, the majority of the 188, uh, it sounds like are in dispute, uh, as to whether they are, uh, legal or illegal-

Alan Seltzer (Administrative Hearing Officer) (47:07):

Well-

Steve Defilippis (Respondent Attorney) (47:07):

... Uh, with the 21-year-old ban.

Alan Seltzer (Administrative Hearing Officer) (47:11):

Well, that's what I asked you. I'm g- I gave to the end of the day for you to submit the ph- photograph and any links or any, um, thing that you think I should write on the, on, on the issue of entry versus you can't enter it all. And I'd give that same to the city if they wanna brief me on that, they can do so. But the documents that I've asked for and left the record open are the TRP license documents that the city has and your... The picture that you were looking at that I couldn't see, um, what, that, uh, Ms. Vera testified. And with that, I believe I've heard enough to try to make a recommendation or a decision here as to what to do. Um, so if everybody, um, understands that order, I'm gonna take the matter under submission. The record will be closed at the end of the day.

(48:04):

Thank you very much for your, uh, patience in this.

Steve Defilippis (Respondent Attorney) (48:07):

Mr. Seltzer, just in case we have some difficulty finding documents, uh, uh, I, I would request that, uh, we have till the end of the day on Monday.

Alan Seltzer (Administrative Hearing Officer) (48:16):

That's fine. Every... Is that all right with you-

Steve Defilippis (Respondent Attorney) (48:19):

Appreciate that.

Alan Seltzer (Administrative Hearing Officer) (48:20):

... Sergeant Guerin, end of the day-

Geoffrey Guerin (Police Sergeant) (48:21):

Yes, perfectly fine with me.

Alan Seltzer (Administrative Hearing Officer) (48:24):

Okay. End of the day, Monday, orders amended and, uh, have a good weekend and, uh, thank you very much for your patience in this.

(48:31):

Bye now.

Geoffrey Guerin (Police Sergeant) (48:31):

Thank you.

Steve Defilippis (Respondent Attorney) (48:32):

All right, thank you.

PART 4 OF 4 ENDS [00:48:34]

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Interviews for Open Seats on the Youth Commission with Future Appointment on June 15, 2026**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Kim Mancera, City Clerk
Prepared by:	Kim Mancera, City Clerk

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Interview candidates for open seats on the Gilroy Youth Commission.

EXECUTIVE SUMMARY

BACKGROUND

The City opened the summer recruitment period ending May 20, 2026, to fill seats on the Gilroy Youth Commission with member terms expiring as of June 30, 2028. A total of five (5) seats with this term length are open.

Interviews have been scheduled with the City Council at this evening's meeting, and appointments are scheduled to take place at the regular meeting on June 15, 2026.

ANALYSIS

As of the May 20, 2026 application deadline, the City had received 27 applications that met the qualifying requirements. The following candidates submitted their application, and redacted versions are attached to this staff report:

1. Abigail Nguyen
2. Alexandra (Lexi) Anderson
3. Annbelle Pham
4. Asztryd Bolanos
5. Avery Lucero
6. Clarissa Lustre
7. Cormac Stumpf
8. Genesis Rufino
9. Jacob Angelo Ona
10. Jaxson Liu
11. Jeremy Vu
12. Kacie Walker
13. Kiara Brinton
14. Linda Diakova
15. Lizeth Gomez
16. Mia Gibson
17. Paige Lott
18. Robert Gareev
19. Ryan Nguyen
20. Sarah Isaac
21. Saurika Dey
22. Sean Anderson
23. Sienna Teel
24. Trinity Wagner
25. Tyler Krepick
26. Violet Ramirez
27. William Purdy

ALTERNATIVES

None. The City Council will be interviewing the candidates at this meeting, with appointments to be made at the June 15, 2026, regular meeting.

FISCAL IMPACT/FUNDING SOURCE

None.

PUBLIC OUTREACH

The recruitment was advertised on the City's website, as well as in the City e-newsletter and through the Gilroy Unified School District.

NEXT STEPS

Candidates may be appointed by the City Council at the June 15, 2026, regular meeting.

Attachments:

1. 2026 Youth Commission Applicaions - Redacted

Boards/Committees/Commissions Application Form

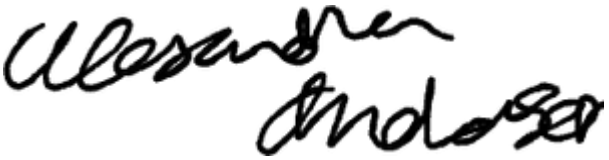
Board/Committee/Commissions	• Youth Commission
First Name	Abigail
Middle Name	Gia Han
Last Name	Nguyen
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Home
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Dr. TJ Owens Gilroy Early College Academy
Grade / School Year:	10th
List your qualifications for this appointment:	- Good time management skills (high school classes and college classes) - Communication skills are very well rounded (works well in groups full of diverse people, took a communication class, multiple presentations made, uncontested class officer, in tune with class's wishes) - Was a media manager for Woven in Medicine (a student led medical journal) for about a year - Always on top of things/responsible (ASB duties such as checking in with members to update the class budget and contributing to meetings with class's ideas in mind) - Class treasurer (ASB) for 1 year, re-elected/uncontested for 2nd year (2026-2027)
List any service to the community incluiding any prior appointments:	- Volunteered for the Run for Fitness event at Gilroy high school - Volunteered to set up Operation Freedom Paws winery - consistent volunteer in South Valley Middle School's Volleyball season - volunteered at Gavilan Community College's to prepare events such as helping to sort out clothes for fundraising - volunteered for multiple swim meets for Gilroy Gators - volunteered at the snack bar during Gilroy High School Basketball season - Volunteered for Gilroy High School's Rev-Up event - volunteered to help set up events and prepare classrooms before summer at

	GECA Total hours committed to community: 49.5 hours
What are your goals while serving on this Board/Commission/Committee?	I hope to further emphasize the voices of multiple people, especially the students of Gilroy whether it be middle school or high school students. However, as of right now, I'd like to focus on the voices of GECA students. I know a lot of people have opinions and ideas about certain situations but don't voice them out, so I want to act as a way to communicate their feelings to a larger group. I'd also like to help work on the sports recreation in Gilroy, specifically volleyball. I used to play volleyball for club and school teams and that community in Gilroy has been having some issues with the Gilroy recreation program about open gyms offered. Hopefully, I can help pitch in to smooth out the consistency of the scheduling and improve the accessibility of those open gyms.
Why are you most qualified to serve on this Board/Commission/Committee?	I'm already a member of some sort of board, that being my school's ASB and a club. I also think that I'm a very well rounded person with strong skills in communication, teamwork, and leadership learned from many of my classes and applied in presentations, performances, projects, and sports. I have lots of experience planning events such as GECA's fall festival, Halloween dance, and fall rally. In these events, I collaborated with lots of different people including the students of my school, other officers, and teachers. I've also helped to introduce and develop more ideas for these events which had the majority of students' interests in mind such as having a treasure hunt during Halloween dance, competitions for spirit games (spike ball tournament, blind bouquet making, musical chairs, volleyball tournament, etc), spirit days, and ensuring that students' concerns are heard such as ticket pricing.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/14/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Alexandra
Middle Name	Loren
Last Name	Anderson
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Home
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Dr. TJ Owens Gilroy Early College Academy (GECA)
Grade / School Year:	9th
List your qualifications for this appointment:	Although my qualifications are limited at this time because I am a freshman in high school my intentions are to expand my leadership skills and advocate for my peers and myself.
List any service to the community incluiding any prior appointments:	I recently volunteered with events at elementary and middle schools, while also participating in planting trees at community gardens. I have taken part in the PTSA that is involved with my school.
What are your goals while serving on this Board/Commission/Committee?	My goal is to be involved with my peers while learning to how to make a difference and contribute to my community.
Why are you most qualified to serve on this Board/Commission/Committee?	I am hardworking, a fast learner and will strive to do the best with my contributions to this great organization.

By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/20/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Annabelle
Last Name	Pham
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Home
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Christopher High School
Grade / School Year:	10th
List your qualifications for this appointment:	I am a current member of the Gilroy Foundation Youth Board and a club officer for my school's Asian Student Union.
List any service to the community incluiding any prior appointments:	Volunteering at Saint Mary School During School Hours - Helped inside classrooms with cleaning up, helping the teacher grade work, and doing any work requested by the teacher. Volunteering at Saint Mary School During the Summer - Helped organize, unbox, and clean up classrooms to prepare for the upcoming school year. Volunteering at Saint Mary School's Italian Dinner - Served the guests dinner, helped in the auction, and cleaned up the tables. Volunteering at Saint Mary School's Spaghetti Dinner - Helped carry and restock the noodles, sauce, and garlic bread to serve the guests. Volunteering at the Gilroy Portuguese Hall - Helped set up the tables to make it look neat for the guests, cleaned up their appetizer and main course plates, served dessert, and cleaned up at the end.

	Volunteering at the Gilroy National Night Out - Helped set up informational tents before the event and walked around to see if any tent holders needed help.
What are your goals while serving on this Board/Commission/Committee?	My goals are to help make the youth community of Gilroy feel more represented and connected, creating one unity. I want to assist in expanding volunteer opportunities, youth events, and career resources, ensuring that different schools with a variety of backgrounds feel represented in a special way. I will bring the student concerns that I hear from my experiences to the City Council, specifically on issues concerning mental health, recreation, school safety, transportation, and involvement of the youth. In all, my goal is to help make my city, Gilroy, a city where those unrecognized feel recognized.
Why are you most qualified to serve on this Board/Commission/Committee?	I am most qualified to serve on this Commission because I bring both a student perspective and a desire to put my experiences forward in service to my community. I recognize and understand the challenges faced by the young people around me, especially in the school environment, and I will ensure that I help make the environment a safer and more engaging place. I am known to be a good listener and provide good advice, getting along well with others, and being responsible. In all, I truly believe I would be a committed member who belongs to serve a role in the Youth Commission.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/15/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Asztryd
Middle Name	Sismai
Last Name	Bolanos
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	South Valley Middle School
Grade / School Year:	8th
List your qualifications for this appointment:	persuasive independent enthusiastic disciplined
List any service to the community incluiding any prior appointments:	. Part of the Freedom Fest Choir in the city of Morgan Hill
What are your goals while serving on this Board/Commission/Committee?	My goals are to promote unity and inclusiveness of youth in the community. I would also like to beckme familiarized with challenges facing youth in our community and come up with creative ways to solve these.
Why are you most qualified to serve on this Board/Commission/Committee?	I am most qualified because I am focused when it comes to achieving goals, while at the same time bringing kindness to solve problems.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth	• I agree.

Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.

Signature	
Date	05/19/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Avery
Middle Name	Grace
Last Name	Lucero
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Mobile
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Brownell middle school
Grade / School Year:	7th
List your qualifications for this appointment:	I have been a part of ASB for my school. Putting together school events and activities. I work well with a team. I've been playing softball for 5 years which has shown me how to be a good team player.
List any service to the community incluiding any prior appointments:	My only experience is with ASB.
What are your goals while serving on this Board/Commission/Committee?	My goal is to grow my experience and help my community.
Why are you most qualified to serve on this Board/Commission/Committee?	Like I mentioned above, I have been part of a team for many years which taught me teamwork, accountability , and hard work. I have helped my school setting up school events.
By clicking on this box, I declare under penalty of perjury that I am	• I agree.

currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.

Signature	
Date	05/14/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission • Arts and Culture Commission • Parks and Recreation Commission
First Name	Clarissa
Last Name	Lustre
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Are you a registered voter within the City of Gilroy?	No
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Mobile
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Driver's License/ID Number	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Gilroy high school
Grade / School Year:	12th
List your qualifications for this appointment:	Team working Fast learning
List any service to the community incluiding any prior appointments:	Volunteers
What are your goals while serving on this Board/Commission/Committee?	Commission
Why are you most qualified to serve on this	Commission

Board/Commission/Committee?	
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/15/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Cormac
Middle Name	M
Last Name	Stumpf
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Home
Primary Phone Number	[redacted]
Alternate Phone Type	Home
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	St. Mary School
Grade / School Year:	7th
List your qualifications for this appointment:	I am passionate about debating, and I possess advanced literary skills, efficient communication abilities, and supportive team-building skills. I am responsible, willing to learn, and able to consider different points of view before making decisions. I believe these qualities would help me be a thoughtful and reliable member of the committee.
List any service to the community incluiding any prior appointments:	I have participated in a multitude of annual Saint Mary's fundraisers, as well as assisted in tours and school events. I have developed skills such as cooperation, improvisation, and flexibility that better support me in this role. I have not previously served on a board or commission, but I am excited to have the opportunity to serve my community.
What are your goals while serving on this Board/Commission/Committee?	My goal is to serve Gilroy responsibly and learn more about how local government works. I would like to represent kids and students in Gilroy, listen to the needs and concerns of others, and contribute thoughtful ideas. I also hope to gain experience working as part of a formal committee.
Why are you most qualified to serve on this	I have above average writing capabilities, including advanced grammar, vocabulary and written communication. I have had previous experience with

Board/Commission/Committee?	organizing groups for after school and weekend activities. I stay informed about what is happening in Gilroy by reading the City of Gilroy newsletters and local news. I am familiar with debate and argument writing from school, which has helped me learn how to listen to different opinions, explain my ideas clearly, and think through issues carefully.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/21/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Genesis
Middle Name	Jasmine
Last Name	Rufino
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Home
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Dr. Tj Owen's Gilroy Early College Academy
Grade / School Year:	9th
List your qualifications for this appointment:	•Organized •Sociable •Consistent •Charismatic •Determined
List any service to the community incluiding any prior appointments:	School events and tutoring younger kids at Ciel
What are your goals while serving on this Board/Commission/Committee?	My goals while serving on this boards are to make the youth feel heard and included in the activities that we will plan for the future.
Why are you most qualified to serve on this Board/Commission/Committee?	I am most qualified to serve on this board because I am a very sociable person meaning i can interacts with many youths and listen to their opinions and preferences.

By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/21/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• [redacted]
First Name	Jacob Angelo
Middle Name	Jaymalin
Last Name	Ona
Home Address	[redacted]
City	GILROY
State	CA
Zip	95020
Are you a registered voter within the City of Gilroy?	No
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Mobile
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Driver's License/ID Number	0
Date of Birth	[redacted]
Last 4 of SSN	[redacted]
List your qualifications for this appointment:	I am willing to learn new things that can contribute to my community's goals, to effectively collaborate with other members of the commission. I am dependable on assignments that will be given to me to achieve our common goal.
List any service to the community incluiding any prior appointments:	None in this country because we just moved here a year ago, I came from the Philippines. In my country, I have served as altar server in our church for 2 years, we had programs for small kids during summer.
What are your goals while serving on this Board/Commission/Committee?	I will actively represent the community's diverse needs to ensure everyone has access to important information and programs and that all youth in the City of Gilroy will have the same will and responsibility to live in a safe and peaceful environment.

Why are you most qualified to serve on this Board/Commission/Committee?	My dedication to my task.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/17/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

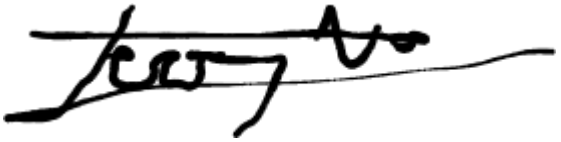
Board/Committee/Commissions	• Youth Commission
First Name	Jaxson
Last Name	Liu
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Dr TJ Owens Gilroy Early College
Grade / School Year:	10th
List your qualifications for this appointment:	I am very passionate about a community full of kindness, and I have lots of practice with working with people to get the best outcome possible. During middle school and high school, I have been bullied, and I watched it happen, too. I don't want sympathy, I just don't want this to continue to happen. If more kindness were perpetuated within the community then the acceptance of bullying would drastically decrease. Small things like little campaigns could make all of the difference. So many people could be helped if small things were done to help them, and that's what I want to do. On top of this, this is my second year being a lifeguard at Christopher High School. I have talked with coworkers, bosses, and patrons. I have honed my communications skills and can now talk efficiently with others. I understand what they are trying to say, and can work with them to help them. As a youth commissioner, I could ensure these attributes get put to use. My passion for a community of kindness will drive me to work harder and harder every day until I make a real difference for everybody. My communication skills will allow me to talk to the people of schools and understand what they want. I know if I use these attributes in the Youth board, I will help greatly.
List any service to the community incluiding any prior appointments:	Over 40 hours doing community service, helping all sorts of events and projects. - Las Animas Clean Up, Walking around Las Animas park picking up trash from all over the park. I made the area was beautiful and I ensured that there was a lot less litter across the park. - Gilroy High School Track Meet, I helped my fellow students create a nice track meet where everything ran smoothly. I assisted them with snacks, the track, and

	even doing dishes to ensure a nice community e - Run For Fun, I helped corral the people and help them get out of their run to the correct place. Every kid and adult went to a specific building after they finished their run so I would help lead them there. Non-community service Hours - Lifeguarding at Christopher High School, I keep the community safe. No matter who enters the pool deck, I prevent harm from coming to them and if any does, I am there to help them when they are in any danger or harm.
What are your goals while serving on this Board/Commission/Committee?	While serving on the Commission, I hope to enact some sort of program in which I encourage people to be kind. Too often are people casted out of community or groups. This could be due to many different kinds of reasons but on the youth commission board I hope to work so people are more integrated into the community. I have many ideas on what I could do for this. My program would incorporate a couple representatives from each school who just watch others. They would have to be very social and wanting to encourage the kindness but if we got the right people, it would definitely work. They would hand out wrist bands to those they see are being kind. At the end of a day, week, or month, some sort of prize could be given out. Overall, I just want to create some wort of project or activity that helps create relationships within the community. I really want to work on this with the commission and I think working with them on an idea like this could lead to something much larger and more beneficial for students.
Why are you most qualified to serve on this Board/Commission/Committee?	I am the most qualified because of my drive. I want to work on my program and continue to pursue a kinder community. This drive will put me over the edge of my competitors. I have thought this through, and have been wanting to do something for the community. It has been too long since there has been a feeling of warm community around most of the people in high school and I hope to fix that. Others don't have this drive, but if they did, there is no way they could have it to the same extent. I am really looking forward to interviews and know I would be the best candidate for the youth commission board.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/20/2026

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Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Jeremy
Middle Name	Quoc Huy
Last Name	Vu
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	GECA (Dr T.J. Owens' Gilroy Early College Academy)
Grade / School Year:	10th
List your qualifications for this appointment:	Some of my qualifications for this position include my leadership skills, responsibility, respect, kindness, intelligence, creativity, perseverance, listening skills, and inclusion. As a capable student, teacher, and avid volunteer, I have exemplified all of these qualities when working alone or in a team.
List any service to the community incluiding any prior appointments:	Some services to the community have included setting up community events in Eagle Ridge, volunteering and tutoring at Ciel Tutoring and the Gilroy Library, creating and executing meaningful and engaging events for teens at the Gilroy Library as part of their Teen Avisory Board (TAB), teaching Confirmation catechism classes for Saint Catherine of Alexandria Catholic Church, serving food for a twice for a yearly dinner event hosted by the Knights of Columbus, and for 3 years I have been consistently volunteering at Brownell Middle School for Mrs. Fortino, a Seventh Grade English Teacher every winter and fall for a total of 4-5 weeks per year. Going in more depth into these accolades, for nearly two years, I have served as a tutor for the Gilroy Library and Ciel Tutoring Services. In addition, I serve as a leader on the Gilroy TAB, where I apply myself to developing meaningful events for teens commissioned and sponsored by the library. Adding on to this, in the past two years, I have also assisted with processes around my local church (Saint Catherine of Alexandria Catholic Church) whenever possible, not only with facilitating services during mass but most importantly, teaching various catechism classes for the church during the Confirmation programs. I teach fellow teens about the Confirmation process and guide them every Sunday,

	and I even worked as a core youth leader during a church retreat while also being one of three keynote speakers at this event. Finally, due to GECA's unique school schedule, it has allowed me to come back to my teacher, Mrs. Fortino, to assist her in her daily classes at the school, offering my assistance whenever possible and accomplishing whatever may be needed. Although I may not be a prior member, I have more than enough experience and skills to excel in such a role if given the opportunity.
What are your goals while serving on this Board/Commission/Committee?	One main priority and goal I will accomplish while serving on the Commission is helping set up the youth for success with free and public extracurricular activities offered as well as supplementary programs. Moreover, I would advertise these programs to the youth to ensure that the youth are informed of these opportunities that would benefit them. Most youth need help, but have no programs to help them or have no knowledge of such programs. However, I will create programs for the aid they require and successfully inform the youth of the existence of these programs. Some of these programs could include tutoring services, fitness programs, and skill-building programs for specific jobs, such as business building or science-related lessons. Even further, I will create online surveys or forms for the community to openly and anonymously complete to determine what issues are at the forefront of attention. I have already executed similar ideas with my time as a core member of the TAB, so I understand the skills required to accomplish these tasks, and have already demonstrated my capability to execute these goals to perfection.
Why are you most qualified to serve on this Board/Commission/Committee?	I am the most qualified for this position because of my extensive experience working with youth during my time volunteering. Not only have I been able to work with my peers and teach them, as demonstrated by my teaching and tutoring experience, but I have already demonstrated these qualities in creating impactful events with my time with the TAB this past year, a similar role in which I have applied myself to craft similar events. Moreover, I have leadership skills and many other qualities I can apply to this position. Furthermore, I have creative approaches that can be used to solve any issue regarding the youth. Adding on to this, I am open to listening to the community regarding how to help the youth with certain issues.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/19/2026

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Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Kacie
Middle Name	Emily
Last Name	Walker
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Mobile
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Brownell Middle School
Grade / School Year:	7th
List your qualifications for this appointment:	I'm responsible, hardworking, and I care about my community and the people in it. I work well with others, listen to different opinions, and always try to be respectful. I enjoy being involved at school and participating in activities and discussions. I want to be part of The Youth Commission so I can represent other kids in my city and help make positive changes. I'm dependable, organized, and always willing to learn and improve.
List any service to the community incluiding any prior appointments:	I have helped my community by assisting with the Photo Booth company "Moments In Focus," where I helped at events and worked with people. I have also helped with school fundraisers. I have experience setting up parties and community events. I have volunteered for the Salinas Rodeo and a couple of different day camps. Additionally, I've volunteered at school basketball games, football games, soccer games, softball games, etc.
What are your goals while serving on this Board/Commission/Committee?	My goals while serving on The Youth Commission are to represent the voices of students and young people in my community, help make positive changes, and be involved in projects that will have good impacts on families and the youth. I also

	want to lean more about leadership, teamwork, and how the local community works, all while working with others to improve the community.
Why are you most qualified to serve on this Board/Commission/Committee?	I believe I would be a good fit for The Youth Commission because I enjoy being involved and helping out whoever I can. I'm good at working with different people, staying organized, and completing tasks I'm given. I like hearing other people's ideas and finding ways to help solve problems. I also would want to use this opportunity to stand up for my fellow peers at school, outside of school, and the whole community in general, all while finding ways to create positive environments. I recently attended a presentation presented by the Gilroy Police Department related to E-Bikes and road safety. This shows how dedicated I am to creating a safer community. I am committed to my faith, attend church weekly, and attend a weekly youth group. I am bilingual and graduated the sixth grade with a Seal of Biliteracy. I've been working on Spanish since I was only three and a half. I have had outstanding grades throughout my whole education. I have participated with the school sports teams, which demonstrates I am capable of team work, and listening to direct orders. I am most qualified to serve on the Commission because I am invested in the community and well-rounded.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Parks and Recreation Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/07/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Kiara
Middle Name	Lindley
Last Name	Brinton
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Home
Primary Phone Number	[redacted]
Alternate Phone Type	Home
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Mount Madonna School
Grade / School Year:	9th
List your qualifications for this appointment:	I frequent Model United Nations conference.
List any service to the community incluiding any prior appointments:	None.
What are your goals while serving on this Board/Commission/Committee?	My goal is to turn the public library into a public gathering space that just so happens to feature books.
Why are you most qualified to serve on this Board/Commission/Committee?	I am well versed in the logistics and recent additions to the library.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within	• I agree.

the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	
Signature	
Date	05/14/2026

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Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Linda
Last Name	Diakova
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Solorsano Middle School
Grade / School Year:	7th
List your qualifications for this appointment:	I am currently involved in my school's student government and the California Junior Scholarship Federation, an academic honor organization for middle school students that emphasizes community service, leadership, and academic achievement. I also previously served a term as president of my elementary school. In athletics, I was awarded Athlete of the Year last year, and I compete as a swimmer with the Gilroy Gators Swim Team, as well as in track-and-field and cross-country. These experiences have taught me discipline, resilience, and the value of hard work. As a three-time district champion and a one-time state champion in the Elks Americanism Essay Contest, I've gained a deeper understanding of the American history and civil rights, which has inspired me to seek hands-on experience in local government and legislation. Through all of my extracurricular activities, I've developed strong leadership skills and a collaborative mindset that I believe will allow me to contribute meaningfully to the Gilroy Youth Commission.
List any service to the community incluiding any prior appointments:	I've taken part in many projects and organizations, including the ASMS Leadership Class, Rucker Student Council, and the California Junior Scholarship Federation. I have also volunteered with numerous community-focused groups, such as the Gilroy Gators Swim Team, Gilroy Rotary Club, Wreaths Across America, Gilroy Exchange Club, Rebekah Children's Services, and the Gilroy Rodeo, where I have volunteered for the past four consecutive years.
What are your goals while serving	I want to use this position to represent Gilroy's younger generation and make a

on this Board/Commission/Committee?	difference locally. My goals while serving on the Youth Commission are to help make Gilroy a better place for young people and to make sure our voices are included in city decisions. I want to work on projects that improve youth safety, mental health awareness, and access to activities and programs for teens. I also hope to strengthen the connection between students and city leaders by listening to what my peers need and bringing their ideas forward. Most of all, I want to learn how local government works, develop my leadership skills, and contribute to meaningful changes that benefit the youth of Gilroy.
Why are you most qualified to serve on this Board/Commission/Committee?	I believe I'm highly qualified to serve on the Youth Commission because I've spent years actively involved in leadership, community service, and representing Gilroy in meaningful ways. I've volunteered with many local organizations, taken part in student leadership groups, and consistently looked for ways to support and uplift others. These experiences have taught me how to listen, collaborate, and follow through on commitments. Academically, I'm dedicated and hardworking, which helps me stay organized and focused when working on long-term projects. I would be honored to serve as a Youth commissioner and make Gilroy a better place. I've been selected to represent Gilroy at the AAUW Tech Trek Science Camp in Santa Cruz this summer along with other eighty-five students from all over the Bay Area, which also inspired me to take on a larger role in my community. Most importantly, I care deeply about the youth of Gilroy. I want to bring forward the ideas and concerns of my peers and help create programs that make our city an even better place for young people. I'm ready to contribute my energy, creativity, and leadership to the Commission and serve in a way that truly reflects the needs of our community.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/19/2026

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Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Lizeth
Middle Name	Guadalupe
Last Name	Gomez Rodriguez
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Mobile
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Dr. TJ Owens Gilroy Early College Academy
Grade / School Year:	10th
List your qualifications for this appointment:	-Accustomed to providing input and serving as a liaison for my student body and the principal as a Student Advisory Counsel member at GECA -Comfortable with all forms of presentations and public speaking -Involved in our Gilroy community as a part of the Gilroy Foundation's Youth Board where we represent the foundation at events, donate grants, and create capstone projects -Engaged in my community by donating over two hundred thirty hours of community service to various organizations like the Gilroy Library, South County Community Sources, The Salvation Army, etc as a way to pay back and continue the services that previously aided me -Well-versed in time management as a high school student, community college student working towards three associates, and part-time worker at Gilroy Gardens -Skilled in all forms of writing ranging from lab reports, short stories, persuasive essays, etc. -Passionate in creating change, uplifting my community, and preaching tolerance -Ready to provide a new perspective to conversations as the first daughter to low-income immigrants

List any service to the community incluiding any prior appointments:	As previously stated, I have over two hundred thirty hours of community service aiding my community including: -Packaging food and produce bags multiple times a week for hundreds of Gilroy residents at both the South County Community Center and Salvation Army. This is especially dear to me because these very programs are what helped my family during my childhood. -Tutoring K-8 students on their homework at the Gilroy Library. I worked with all subjects ranging from math, to Spanish, to English, to history, etc; I even had the honor to teach some English to parents who asked for help! -Aided in preserving historic pictures while volunteering at the Gilroy Museum. History is a huge interest to me, so I immediately jumped to help with this opportunity. -Previously served as a California Junior Scholarship Federation officer two years back. Here I aided in planning large school-based food drives and fundraisers. Over the span of two years, I contributed to planning and organizing food drives that brought in over a thousand cans and over two thousand dollars for the Leukemia and Lymphoma Society now known as Blood Cancer United. -Always willing to help wherever! On top of this, I have worked various game days and events at elementary schools including Rucker, Las Animas, Rod Kelley, and Gilroy Prep! I believe that involvement in these early years of schooling is paramount as I feel my time at Rucker shaped me into who I am today.
What are your goals while serving on this Board/Commission/Committee?	While serving on the Gilroy Youth Commission, my main goal would be to do the absolute most for my community. As a student, I saw the passion and time my educators put into my education while lacking proper resources. As the daughter of immigrants, I saw the sacrifices my parents made for me to be here as they settled in a new world. As a teenage girl, I saw the struggles my classmates battled with mental health while attempting to keep their heads afloat adjusting to changes. I identify myself with various communities: as a teenage girl, a musician, a first-generation student, a oaxaqueña, etc. I am well connected to various communities, and I see the issues and struggles they face on a first-hand basis. If given the privilege to serve on the Youth Commission, my goal would be to represent these voices that are often talked over. It would be my greatest honor to be able to make changes and ensure that the very resources I benefitted from continue to thrive to help others. To be more specific, my goals would include raising awareness on the needs of educators and the arts, highlighting issues plaguing our youth and promoting healthy coping mechanisms, and maybe even creating fairs designed to help immigrants in our city adjust.
Why are you most qualified to serve on this Board/Commission/Committee?	I feel that I am most qualified to serve on the Gilroy Youth Commission because of my passion for service. I know that I do not have an incredibly long list of crazy achievements, but the little things I have done came directly from the love in my heart. This opportunity would be a great privilege for me as it is my dream to have a career in public service in the near future. My earliest memories here in Gilroy date back to those times where I received help from others whether it be Christmas gifts donated to my family when a fire forced us to relocate or teachers treating me with the utmost patience even if we could not speak the same language. There is something special here in Gilroy; our community makes us stronger than ever. It is this community that I want to serve. I am qualified to serve my community as my passion and work ethic will let me accomplish great things.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further	• I agree.

understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	
Signature	
Date	05/19/2026

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Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Mia
Middle Name	Jean
Last Name	Gibson
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Mobile
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	South Valley Middle School
Grade / School Year:	7th
List your qualifications for this appointment:	Beyond Gilroy from Save Our Shores CREW Mt. top day camp (See question 4 for details) Musical Theater student council secretary (5th grade)
List any service to the community incluiding any prior appointments:	I help set up the Friends of the Library at Gilroy library every second Saturday of the month.
What are your goals while serving on this Board/Commission/Committee?	Make a greater tomorrow for the youth of our city for making life safer. Make more public opportunities for teens, expose them to as many paths to success as possible, and to help the ecosystems and animals that are part of our wild community too. I would like to have single use plastics like plastic water bottles and plastic bags decrease, along with more volunteer cleanups around our city for volunteer hours for High Schoolers as an incentive to help our town.
Why are you most qualified to	I am most qualified to serve on the Youth Commission because I served on my

serve on this Board/Commission/Committee?	elementary school's student council as a 5th grader. We would come up with Ideas for spirit days for the students to participate in, evaluate the booths at the dances, and take surveys in our class to see if what we were doing was working the way we hoped it would. In order for me to run in our election, I made a speech to my peers, and as I am a part of musical theater, I am not afraid to go out there in front of people to share what I feel is important to me and our community. I am also most qualified because I have been a part of Mt. Top Day Camp for the last 7 years, having been a participant for 5 years, with 2 years of being CREW. Being a part of CREW means that we are in charge of planning and peer mentorship which is teaching the girls how to be self sufficient and future leaders. I went there for many years learning how to be a leader, along with helping and collaborating with others, and now I use those skills to teach other girls how to do the same. I was in the Beyond Gilroy program that was approximately 4 months long, where we learned about how our oceans and ecosystems are affected by pollution and waste. We also went on out of class lessons to see what was going on ourselves and see the actual ecosystem. At Palm Beach we learned more about the invasive Eucalyptus trees and participated in a beach cleanup, were we removed 15 pounds of trash off our shore, most of which was plastic waste. My goal is to go back next year as a leader to help teach the next class about the problems that our planet is facing.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/14/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Paige
Middle Name	Arlene
Last Name	Lott
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Home
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Dr. TJ Owens Gilroy Early College Academy
Grade / School Year:	10th
List your qualifications for this appointment:	- Leadership skills - Communication skills - Time Efficient - Diplomatic
List any service to the community incluiding any prior appointments:	- YMCA General Board Representative - Gilroy Little League Assistant Coach - Volunteer Community Service - House of Toys Volunteer
What are your goals while serving on this Board/Commission/Committee?	While serving on the board, my goal is to give back to my community and help those in need. Through hard work, dedication, and devotion I believe that I can contribute and sacrifice my time to make a positive impact on my community and those who support. I hope to be apart of a collaborative, productive board in which I am apart of crucial discussions on how we can improve our community. Overall, my primary goal is to open more doors to create a difference and be apart of discusion where we can make that happen.

Why are you most qualified to serve on this Board/Commission/Committee?	I believe I am most qualified to serve on this board because I truly believe that every small discussion can turn into something bigger. If I am apart of these conversations, I will bring great ideas, strategies, and represent voices in my community. I am willing to give up my time and work closely with the rest of the board to discover something we can all do as a team. Working with previous organizations, I've learned that productive dialogue turns into productive and proactive change, which I promise to bring to this committee. I am a very passionate person who is willing to make sacrifices and promises I know I can keep. Thank you considering me for this amazing opportunity at the City of Gilroy Youth Commission.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Parks and Recreation Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	01/29/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Robert
Last Name	Gareev
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Mobile
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Dr. T. J. Owens Gilroy Early College Academy
Grade / School Year:	10th
List your qualifications for this appointment:	I have tried to participate in groups and organizations such as the Youth Commission ever since 5th grade, when I was first introduced to the role of "class assistant", where I had to assist my teachers in setting up and cleaning up the class, as well as helping my classmates. Throughout the years, I have continued to take part in these roles, and was helping not only the teachers, but also the principal of my school. Through these roles, I have learned many new skills, such as generating written reports, communicating with students, and organizing certain events for both the pupils and the members of the community. I believe that such skills, as well as the knowledge on how to apply them to aid people in real-world scenarios, are integral to a member of the Youth Commission.

List any service to the community incluiding any prior appointments:	I am currently a part of my school's associated student body, which is an integral leadership part of the school, aiding the Principal in valuable information, as well as organizing fun and profitable events for the students to enjoy. Additionally, I am also a part of a small, principal-appointed group of 13 students, known as the Honors Tribunal, which is responsible for resolving complex cases between students, as well as organizing in-school events such as the Kindness Week, or many community circles throughout the year. Finally, I try to spend at least 15-20 hours every month volunteering in local events, such as GUSD's Run for Fitness, and the Wings of History Air Museum.
What are your goals while serving on this Board/Commission/Committee?	My main goals that I would like to achieve while serving on the Youth Commission is mainly aiding people, both the Gilroy City Council, and the Youth of this city, in various ways. For example, I would like to participate in planning and organizing events such as the OpportuniTEEN fair, which will help teens explore various careers, internships, and volunteering opportunities.
Why are you most qualified to serve on this Board/Commission/Committee?	I believe that I am the most qualified to serve on the Youth Commission, as I have an extensive record of assisting people, both in my schools and nearby areas, as well as the community as whole through volunteering at local events. I am able to thoroughly complete tasks that are related to communication, organization, and community outreach, which are all important aspects for a youth commissioner.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/24/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Ryan
Middle Name	Huynh
Last Name	Nguyen
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Gilroy Early College Academy
Grade / School Year:	10th
List your qualifications for this appointment:	- Member of the YMCA Mt Madonna Youth Board
List any service to the community incluiding any prior appointments:	- 120+ Community Service Hours - Helped create Project Y
What are your goals while serving on this Board/Commission/Committee?	My goals while serving on this commission is to help out the youth and hopefully do something or plan an event that will create a change for the better.
Why are you most qualified to serve on this Board/Commission/Committee?	I believe I am most qualified to serve on this commission because of my leadership skills and appreciation for the Youth. Being on the YMCA Mt Madonna Youth Board, I have experience planning and leading events very similar to the ones done by this commission. Some other skills I have like my communication skills can allow me to effectively talk with other members and plan events together easily.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy	• I agree.

(this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.

Signature	
Date	05/20/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Sarah
Middle Name	Dayakrupa
Last Name	Isaac
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Home
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Gilroy Early College Academy
Grade / School Year:	10th
List your qualifications for this appointment:	I am currently a sophomore at Gilroy Early College Academy, where I balance high-school work, with college work. Some skills that I have learned from school, as well as prior volunteer opportunities, are communication, responsibility, and teamwork. I always enjoy working with my community, to further help better others and youth, which is something I am truly passionate about, and will strive to make a positive impact through my service and actions. My prior experiences have taught me to be able to stay organized and responsible.
List any service to the community incluiding any prior appointments:	I have volunteered at a local preschool from June 2025, through August 2025, in where I helped to supervise students, as well as assist with classroom activities. I have also been a YMCA youth ambassador, from September 2023, through May 2024, in where I participated in the monthly leadership meetings, as well as attended the volunteer opportunities in which we organized. I am currently a youth leader for my church from December 2021, through the present, in which I prepare to share during monthly zoom meetings, as well as helping to mentor younger children.

What are your goals while serving on this Board/Commission/Committee?	My goals that I wish to accomplish while serving this position are to represent the youth in our community through my voice, as well as learn more about leadership opportunities. I hope to be able to strengthen the level of communication between the board and youth, as well as serve my community.
Why are you most qualified to serve on this Board/Commission/Committee?	I am qualified to serve on this position, since I have always been active in opportunities in the community, and still wish to provide my skills that I've learned in this position as well.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/15/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Saurika
Last Name	Dey
Home Address	[redacted]
City	Gilroy
State	California
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Dr.TJ Owens Gilroy Early College Academy
Grade / School Year:	10th
List your qualifications for this appointment:	I'm currently very involved in leadership and service roles both at my school and in Santa Clara County, where I focus on representing student voices and contributing to community and wellness initiatives. In Santa Clara County, I serve on the Student Wellness Advisory Group, where I help discuss and support youth mental health, school wellness, and student needs. I also serve on the Tobacco Use Prevention Education and Advocacy Council, where I work with other youth representatives to help promote awareness and prevention efforts. In both groups, I contribute ideas, participate in discussions, and help bring a student perspective to county-level conversations that impact young people. At my school, I'm part of the Student Advisory Council, where I help improve communication between students and staff. This role allows me to share student concerns, suggest improvements, and work collaboratively to make the school environment better for everyone. I'm also a Co-Project Director for my school's American Red Cross club, where I help plan, organize, and manage service projects. This includes working with a team, dividing responsibilities, and making sure projects run smoothly from start to finish. Through this role, I've learned how to lead in a group setting while also staying organized and dependable.
List any service to the community incluiding any prior appointments:	I have completed over 200 hours of community service through various volunteer roles in Gilroy and Santa Clara County. One of my main experiences is volunteering at the Gilroy Senior Center, where I worked closely with seniors by serving meals, assisting with lunch check-ins, helping guide them through daily activities, and spending time talking with them. This experience helped me build patience, empathy, and strong communication skills while supporting the daily needs of older adults in my community. I also volunteered at the Gilroy Library,

	where I helped shelve and organize books, supported library events, and assisted staff with general tasks. This role helped me develop responsibility, organization skills, and experience working in a public service environment. In addition to these, I have participated in community service projects such as local cleanups and environmental volunteering with the City of Gilroy and Our City Forest, including trash cleanups and tree planting. These experiences allowed me to contribute to sustainability efforts and work collaboratively with others.
What are your goals while serving on this Board/Commission/Committee?	My main goal while serving on this Board/Commission/Committee is to be an active voice for students and help ensure that youth perspectives are genuinely considered in decisions that affect their health, education, and overall well-being. I want to continue building on my experience in the Student Wellness Advisory Group and the Tobacco Use Prevention Education and Advocacy Council by contributing thoughtful ideas and helping strengthen programs that support student wellness, mental health, and prevention efforts. I also hope to collaborate with other members to develop initiatives that are realistic, effective, and actually reach young people in meaningful ways. Another goal of mine is to improve communication between youth and decision-makers. I want to help bridge that gap by sharing what students are experiencing day-to-day and bringing those perspectives into discussions in a clear and constructive way.
Why are you most qualified to serve on this Board/Commission/Committee?	I'm involved in a few school and county groups where I've had the chance to take part in conversations about student wellness, prevention, and school life in general. Through the Student Wellness Advisory Group and the Tobacco Use Prevention Education and Advocacy Council in Santa Clara County, I've mainly focused on listening, learning from others, and sharing a student perspective when it's helpful. A lot of what I do in these spaces is ask questions, give input when needed, and try to understand what issues students are actually facing. At school, I'm part of the Student Advisory Council, where I help bring student feedback to staff and help communicate concerns or suggestions from students. It's been a good way to understand how decisions get made and how important it is to make sure student voices are actually heard and considered, not just mentioned. I'm also a Co-Project Director for my school's American Red Cross club, where I help with organizing service projects and working with a team. It's mostly about coordination, making sure things get done on time, and helping out where needed so projects run smoothly. Outside of school, I've done over 200 hours of volunteering, including at the Gilroy Senior Center and Gilroy Library. At the senior center, I helped with meal service, check-ins, and just spending time with seniors, and at the library I helped organize materials and support events. These experiences helped me stay consistent with community service and work with different types of people in a respectful way. Overall, I think I'm qualified because I've already had experience being part of groups where I listen, contribute when appropriate, and try to represent others honestly. I'm comfortable working with people, staying responsible with commitments, and learning as I go.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.

Signature	
Date	05/14/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission • Planning Commission
First Name	Sean
Last Name	Anderson
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Are you a registered voter within the City of Gilroy?	Yes
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Home
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Driver's License/ID Number	[redacted]
Date of Birth	[redacted]
Last 4 of SSN	[redacted]
Which School Do You Attend?	Dr. TJ Owens Gilroy Early College Academy
Grade / School Year:	12th
List your qualifications for this appointment:	Golden State Seal Merit Diploma Outstanding Research Presentation Award from CSUMB AA Liberal Arts Degree: Natural Sciences AA Liberal Arts Multiple Subjects Emphasis Certificate of Achievement: IGETC Perfect Score English Language Arts SBAC 2017
List any service to the community incluiding any prior appointments:	Science Alive: Gavilan College GECA PTSA school sponsored events: Graduation Reception 2023, 2024, 2025. Q&A meetings, Back to School Night, Welcome Committee South County Tail Waggers

	Academic Tutoring Cashier Clerk at Gilroy Prep School Pop-up Store Staff Volunteer of Gilroy Little League Our City Forest Tree Planting Community Gardens reconstruction
What are your goals while serving on this Board/Commission/Committee?	My goals while serving on this Committee are to make real improvements in our communities and schools. I want to increase the sense of belonging and community in the GUSD and beyond. Observing from the sidelines for the past few years has been a great experience allowing me to gather knowledge and insight from fellow peers around me. This has propelled me to involve myself in community service, which is something that I intend on continuing if I am accepted to this committee. I am taking my education another step, as I am enrolled at CSUMB for the Fall semester and plan on making connections there to gather more information and opinions on the next steps of this community. I would love to make additional connections with staff and students within the GUSD as I will no longer be a part of this wonderful school district any longer. One of my primary goals while serving on this committee is get people across every single demographic to feel like they belong and that they are included here in Gilroy and beyond. I have noticed that a lot of my peers feel disconnected from the Gilroy community and I'd like to take part in the generation that helped to change that.
Why are you most qualified to serve on this Board/Commission/Committee?	I believe that I am most qualified to serve on this Committee because I have learned invaluable skills during my time in high school and have applied them in all aspects of my life. I've learned about leadership and integrity, but I have also learned more niche skills like precision, detail, and working for the greater good. I know what a quality work ethic gains you as well. I have worked tirelessly in my time in K-12 and it has earned me a spot among 71 others in the graduating Class of 2026 at GECA and two associates degrees during my time as a dual-enrolled high school student. I'm qualified because managing my time is essential for sustaining success among a board of other people as I have learned over the years, and I know what role teamwork plays in making an operation run smoothly. I have applied these and many other skills to group projects in school both high school and college. Teamwork is a universal trait that I have always had a passion for through sports and now academically shifting my focus to building a team to accomplish a common objective.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	

Date	05/20/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Sienna
Middle Name	Rivay
Last Name	Teel
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Oakwood Highschool
Grade / School Year:	11th
List your qualifications for this appointment:	Strong writing and public speaking skills (Speech and debate competitor), familiarity with the community and its needs, willingness to listen to others and take their desires for the community into account. After having lived in Gilroy for over a decade, the prosperity and growth of Gilroy is very important to me. Strong organizational skills.
List any service to the community incluiding any prior appointments:	While I have not previously been directly involved with the Gilroy community services, I have assisted various times at the Eagle ridge holiday events. It has been a joy watching Gilroy become what it is today, and I would love to share and implement some of my own visions for the town, as well having the chance to hear from others who share the same passion.
What are your goals while serving on this Board/Commission/Committee?	Among many other things, I would love to build connections within the community. Given that it is a small town, it is easy to have only a handful of social circles, and I would greatly enjoy being able to connect with others through a shared cause. I am proud of the growth that Gilroy has experienced over the last decade, and would love to be a direct part of that side of the community. Being a member of this board will be a phenomenal opportunity to see the bits of Gilroy that are seen primarily behind the scenes, and I would love to ultimately make a difference. Some of my primary goals for Gilroy include seeing that there are various social events for seniors to ensure that they don't feel secluded in their current environment (Likely people from facilities such as Merrill Gardens and other

	Retirement homes) as well as increasing the utilization of bike and hiking trails and optimizing their location (to raise awareness for and improve the overall health of our community).
Why are you most qualified to serve on this Board/Commission/Committee?	I am an effective communicator that works well on teams and enjoys collaborative work of any sort. I thrive in new environments, and love to connect with others. Adding to this, I am bilingual (Spanish) and willing to use this to the advantage of the team in any way possible. I believe that this experience will better various skills useful in my future, and I look forward to hopefully working with you all soon!
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/17/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Trinity
Middle Name	Hannah Noel
Last Name	Wagner
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
Alternate Phone Type	Mobile
Alternate Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Gilroy Early College Academy
Grade / School Year:	9th
List your qualifications for this appointment:	I believe that I am fit to be a member of the Gilroy Youth Commission due to my desire to contribute to a better society, my creative mind that is eager to display new ideas, and my skills in communication through presentations and social interactions. I currently maintain a GPA greater than 4.6, which is a representation of my abilities in managing time, completing tasks effectively, and giving deep effort into my activities. Not only am I successful academically, but I am able to balance my workload with extracurricular activities, such as dance. Besides my mind, I believe that my heart is just as suited for this position because I having experience in volunteering, I strive to integrate myself with the members of my community, and I am someone who is delighted to call Gilroy my home. I have been a resident for over ten years, and have attended schools in the Gilroy district since Kindergarten. So for me, Gilroy is more than the place I live. It is the holder of my childhood, and my safe space tomorrow. Overall, yes, I believe these qualifications make me fit for this appointment.

List any service to the community incluiding any prior appointments:	I have contributed over 45 hours of community service from 8th grade to today. Over fifteen from a program I attended in 8th grade, and around thirty from active participation in assisting schools and nonprofits in 9th grade.
What are your goals while serving on this Board/Commission/Committee?	My goals in joining the Gilroy Youth Commission are to weave together the skills of those around me to create substantial ideas and contributions to our home, develop a positive impact on our community, and bring people together to form memorable and joyful events.
Why are you most qualified to serve on this Board/Commission/Committee?	I am most qualified to serve in the Youth Commission because I am genuinely passionate about serving, helping, and participating as a member. I am not joining this commission because I am bored, I genuinely intend to leave a lasting impression on my community. This commission is the embodiment of so many of my interests, such as artistic ability, planning and reasoning with others for solutions, and a deep want to be there to help other people around me.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/14/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Tyler
Middle Name	John
Last Name	Krepick
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Christopher High School
Grade / School Year:	10th
List your qualifications for this appointment:	I'm a youth that lives in the city of Gilroy and I'm looking to get involved in the community to make a difference.
List any service to the community incluiding any prior appointments:	I volunteered through the Gilroy Parks and Recreation doing summer camps.
What are your goals while serving on this Board/Commission/Committee?	My goals while serving on this board is to have a impact on the community.
Why are you most qualified to serve on this Board/Commission/Committee?	I am most qualified to serve on this board because as I am getting older I am looking to participate more in the city and join certain groups that I can learn from and participate in.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application	• I agree.

and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.

Signature	
Date	05/18/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	Violet
Last Name	Ramirez
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	South Valley Middle School
Grade / School Year:	7th
List your qualifications for this appointment:	I like helping the community.
List any service to the community incluiding any prior appointments:	I'm in CJSF(California Junior Scholarship Federation). In CJSF we volunteer in the community.
What are your goals while serving on this Board/Commission/Committee?	1. To help resolve problems in our community. 2. To learn more about how local government works.
Why are you most qualified to serve on this Board/Commission/Committee?	I'm probably not the most qualified as I'm younger and have less experience. I am responsible, curious, willing to learn.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete	• I agree.

mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.

Signature	
Date	05/20/2026

*All Commission, Board and Committee applications are a public record.

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Youth Commission
First Name	William
Last Name	Purdy
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Date of Birth	[redacted]
Which School Do You Attend?	Christopher High School
Grade / School Year:	10th
List your qualifications for this appointment:	-Earned a scholarship to attend Camp RYLA (Rotary Youth Leadership Awakening) 2026 (1 of 6 CHS students) -Founder and President of the Asian Student Union at CHS, 2025-present -Club Representative for Photography Club at CHS, 2025-present -Club Representative for Card Club at CHS, 2025-present -1 year of Speech and Debate at CHS, 2025-2026 -1 year of Leadership at CHS, 2024-2025 -ASB Treasurer in 8th grade, 2023-2024
List any service to the community incluiding any prior appointments:	Volunteered at several events including, but not limited to: -Gilroy Gardening Group volunteer, 2026 -Gilroy Garlic Festival volunteer, 2025 (currently signed up to volunteer in 2026) -Tree Planting Project at CHS with the Gilroy Rotary Club, 2025 -Gilroy Museum archive sorting volunteer, 2025 -St. Mary's Spaghetti Dinner volunteer, 2024 -Pack-A-Back volunteer, 2024 -Girl Scouts volunteer, various events 2024-2026
What are your goals while serving on this Board/Commission/Committee?	While serving on this committee, my goals are to continue to serve and help improve the community, strengthen my leadership and teamwork skills, build relationships, and leave a lasting positive impact on the community.
Why are you most qualified to serve on this	I am most qualified to serve on this committee because I am an active young member in the community. I also served on a 13-member Focus Group at CHS,

Board/Commission/Committee?	which provided input and ideas for the Wellness Center. The issues that impact the youth in Gilroy are something I am interested in and concerned about and I want to be a part of the solution.
By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy (this does not apply to Youth Commissioners). Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.	• I agree.
Signature	
Date	05/16/2026

*All Commission, Board and Committee applications are a public record.

City of Gilroy
City Council
Draft Minutes
Monday, May 18, 2026 | 6:00 PM

1. CLOSED SESSION - 5:00 PM

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)

Properties: 7491 Railroad St. (APN 841-06-001); 7780 Monterey Rd. (APN 841-04-020); 7289 Rosanna St. (APN 799-15-027); and 7351 Rosanna St. (APN 799-15-026)
Agency Negotiators: Matt Morley, City Administrator; Raissa de la Rosa, Economic Development Director
Negotiating Parties: Falkon Development; Retraining the Village
Under Negotiation: Price and terms of payment

The closed session meeting was called to order by Mayor Bozzo at 5:00 PM.

Attendance	Attendee Name
Present	Council Member Dion Bracco Council Member Tom Cline Council Member Zach Hilton Council Member Carol Marques Council Member Kelly Ramirez Mayor Greg Bozzo
Absent	Council Member Terence Fugazzi

Motion
Remain in closed session.

RESULT: **Passed**
MOVER: None
SECONDER: None
AYES: Council Member Dion Bracco, Council Member Tom Cline, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
NAYS: None
ABSENT: Council Member Terence Fugazzi

2. OPPORTUNITY FOR PUBLIC COMMENT ON CLOSED SESSION

City Attorney Andy Faber opened public comment at 6:01 P.M.

With no speakers, City Attorney Andy Faber closed public comment.

3. ADJOURN TO OPEN SESSION

City Attorney Andy Faber announced there was no reportable action from the closed

session.

With no additional business before the Council, the closed session meeting was adjourned at 5:19 P.M

4. REGULAR SESSION - 6:00 PM

1. Call to Order

The meeting was called to order by Mayor Bozzo at 6:00 PM.

2. Roll Call

Attendance	Attendee Name
Present	Council Member Dion Bracco Council Member Tom Cline Council Member Zach Hilton Council Member Carol Marques Council Member Kelly Ramirez Mayor Greg Bozzo
Absent	Council Member Terence Fugazzi

3. City Clerk's Report on Posting the Agenda

City Clerk Kim Mancera reported on the Posting of the Agenda.

4. Pledge of Allegiance

Mayor Bozzo led the Pledge of Allegiance.

5. Invocation

Pastor Jesse Jimenez with Victory Outreach led the Invocation.

6. Orders of the Day

None.

7. Employee Introductions

Community Development Director Sharon Goei introduced Senior Planner Aaron Campbell.

5. CEREMONIAL ITEMS - Proclamations and Awards

1. Public Works Week Proclamation

Mayor Bozzo presented the Public Works Week Proclamation to Public Works Director John Doughty.

2. Resource Parent Appreciation Month Proclamation

Mayor Bozzo presented the Resource Parent Appreciation Month Proclamation to

DRAFT

Isidra Fausto Santiago.

6. PRESENTATIONS TO THE COUNCIL

1. Annual Presentation by the Gilroy Chamber of Commerce

The CEO of the Gilroy Chamber of Commerce Cristina Cortes and Planning Commissioner Chair Manny Bhandal provided a report from the Gilroy Chamber of Commerce.

2. VTA Local Investment Plan Presentation

Santa Clara Valley Transportation Authority's Chief Government Affairs Officer Beverly Greene provided a report.

3. PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL

Mayor Bozzo opened public comment at 6:35 P.M.

Arcelia O'Connor - Spoke opposing the ICE detention center that is planned to be built near Gilroy.

Bill O'Connor - Spoke opposing the ICE detention center that is planned to be built near Gilroy.

George M. Rosas - Spoke on cars constantly speeding in his neighborhood.

Frank Logan - Spoke opposing the ICE detention center that is planned to be built near Gilroy.

Lorena Toriba - Spoke opposing the ICE detention center that is planned to be built near Gilroy.

With no further speakers, Mayor Bozzo closed public comment.

7. REPORTS OF COUNCIL MEMBERS

1. Council Member Bracco – Downtown Committee, Santa Clara County Library Joint Powers Authority, Santa Clara Water Commission, Santa Clara Valley Water Joint Water Resources Committee, SCRWA

Council Member Fugazzi – Santa Clara Water Commission (alternate), Silicon Valley Regional Interoperability Authority Board (alternate), SCRWA, Visit Gilroy California Welcome Center, VTA Mobility Partnership Committee

Council Member Marques – ABAG, Downtown Committee, Santa Clara County Library Joint Powers Authority (alternate), Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, SCRWA (alternate)

Council Member Hilton – CalTrain Policy Group, Santa Clara County Expressway Plan 2040 Advisory Board (alternate), Silicon Valley Clean Energy Authority JPA Board, South County Youth Task Force Policy Team, VTA Policy Advisory Committee

Council Member Ramirez – ABAG (alternate), Gilroy Gardens Board of Directors (alternate), Gilroy Sister Cities, Gilroy Youth Task Force (alternate), SCRWA, Santa Clara Housing and Community Development Advisory Committee

Council Member Cline – CalTrain Policy Group (alternate), Gilroy Sister Cities (alternate), Gilroy Youth Task Force, Santa Clara County Expressway Plan 2040 Advisory Board, Silicon Valley Clean Energy Authority JPA Board (alternate), Silicon Valley Regional Interoperability Authority Board, Visit Gilroy California Welcome Center (alternate), VTA Mobility Partnership Committee, VTA Policy Advisory Committee (alternate)

Mayor Bozzo – Gilroy Gardens Board of Directors, Santa Clara Valley Water Joint Water Resources Committee, South County Youth Task Force Policy Team, VTA Board of Directors (alternate), Santa Clara Housing and Community Development Advisory Committee (alternate)

Council Member Bracco - No report

Council Member Marques - Shared that she went to the Gilroy Gardens Cherry Jubilee Event. She also mentioned that she participated in a panel discussion hosted by Casey Estorga at Gavilan College. Lastly, she reported that she attended the Gilroy Sister Cities meeting.

Council Member Hilton - Reported on his involvement with ABAG and mentioned how he has recently worked with the Gilroy Museum to bring historical pieces to City Hall for display purposes.

Council Member Ramirez - Shared that she went to the Gilroy Gardens Cherry Jubilee Event and shared how she participated in a panel discussion hosted by Casey Estorga at Gavilan College. In addition, she reported that she was accepted into the 2026 focus agriculture program and also participated in St Mary's 8th grade student learning plan presentations. She received a tour of the Intuitive Surgical facility located here in Gilroy. She also shared that she attended the Santa Clara County Peace Officer Memorial Celebration at the Sheriff's Department, mentioned how she recently attended a Cities Association meeting and that she presented at the Gilroy Little League Jamboree. Lastly, she proposed that Council sends a letter of opposition against the proposed ICE Detention Center planned to be built near Gilroy.

Council Member Cline - Reported on his participation at St Mary's 8th grade student learning plan presentations and that he received a tour of the Intuitive Surgical facility located here in Gilroy.

Mayor Bozzo - No report

8. CONSENT CALENDAR

Mayor Bozzo opened public comment at 6:57 P.M.

Terry Hernandez - Spoke supporting the approval of community event funding for fiscal year 2027.

With no further speakers, Mayor Bozzo closed public comment.

Motion
Approve the consent calendar.

RESULT:	**Passed**
MOVER:	Council Member Dion Bracco
SECONDER:	Council Member Tom Cline
AYES:	Council Member Dion Bracco, Council Member Tom Cline, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
NAYS:	None
ABSENT:	Council Member Fugazzi

1. **Approve the minutes of the May 2, 2026 Coffee with the Mayor and May 4, 2026 City Council Regular Meeting**

2. **Add the 2026 Citywide Speed Survey to the Fiscal Year 2026 Capital Improvement Program and Approve a Capital Budget Amendment for the Project**

3. **Adopt an Ordinance amending Chapter 15, Section 15.11 of the Gilroy City Code, allowing the City Council to Reduce Prima Facie Speed Limits in School Zones from 25 mph to 15 mph or 20 mph per Assembly Bill 382**

4. **Adopt a Resolution Requesting the Allocation of Fiscal Year 2027 Transportation Development Act Article 3 Pedestrian/Bicycle Project Funding from the Metropolitan Transportation Commission**

5. **Adopt a Resolution Approving the Fiscal Year 2026-2027 Road Rehabilitation Projects for Funding by Senate Bill 1, the Road Repair and Accountability Act of 2017 Funds**

6. **Approval of Community Events Support Program Funding Allocations for FY 2027**

7. **Request for Approval to Disburse $2,103 in Interest Income from the Gilroy Museum Endowment Trust to the Museum Donations Fund**

8. **Annual Military Equipment Use Report 2025, per CA Assembly Bill No. 481**

9. Acceptance of Cash and Investment Report as of March 31, 2026

9. PUBLIC HEARINGS

1. Public Meeting Regarding the Renewal of the Gilroy Tourism Business Improvement District (GTBID)

Economic Development Director Raissa de la Rosa provided a report and presentation.

Mayor Bozzo opened public comment at 7:03 P.M.

With no speakers, Mayor Bozzo closed public comment.

Report received.

2. Public Hearing Pursuant to Government Code Section 3502.3 (AB 2561) to Receive a Report on City of Gilroy Vacancies, and Recruitment and Retention Efforts

Interim Human Resources Director/Risk Manager LeeAnn McPhillips provided a report and presentation.

Mayor Bozzo opened public comment at 7:09 P.M.

With no speakers, Mayor Bozzo closed public comment.

Report received.

10. UNFINISHED BUSINESS

1. Consideration of Downtown Plywood and Vacancy Regulations

Deputy Director of Community Development Bryce Atkins provided a report and presentation.

Mayor Bozzo opened public comment at 7:18 P.M.

Ron Kirkish - Shared his desire to have Downtown Gilroy become more inviting.

With no speakers, Mayor Bozzo closed public comment.

Direction was provided to staff to reactivate Chapter 5D, incorporating the Downtown Committee recommendations, except: 1) the definitions existing in Chapter 5D for vacant buildings would remain; and 2) that the vacancy registration fee would be progressive at $750 the first year and $1,500 each year thereafter. Council also directed staff not to pursue a vacancy tax at this time.

11. INTRODUCTION OF NEW BUSINESS

1. Consideration of Options for Displaying Commemorative Flags at City Hall or

the Civic Center Complex

Public Works Director John Doughty provided a report and presentation.

Mayor Bozzo opened public comment at 7:35 P.M.

Paul Rousseve - Paul does not agree with separating the commemorative flag from the existing flag poles.

Terry Hernandez - Terry believes the commemorative flag as well as the Pride flag should be flown with the U.S. and California flags during Pride Month.

Alejandra Pearlman - Alejandra does not believe in separating the commemorative flag from the existing flag poles.

Greg Felios - encouraged council to find a way to accommodate the requests from those who apply to have a commemorative flag flown.

Carlos Pineda - Carlos asked for a more efficient, welcoming process for commemorative flags.

Sally Armendariz - Sally asked for more inclusivity when it comes to the LGBTQ+ community within Gilroy.

With no further speakers, Mayor Bozzo closed public comment.

Motion
Direct staff to bring back the Flag Flying Policy to remove the required fees and signatures and change the language on the policy to include a third flag pole.

RESULT:	**Passed**
MOVER:	None
SECONDER:	None
AYES:	Council Member Dion Bracco, Council Member Tom Cline, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
NAYS:	None
ABSENT:	Council Member Fugazzi

12. FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

13. CITY ADMINISTRATOR'S REPORTS

City Administrator Matt Morley shared that the City of Gilroy is looking for responses to the Blue Sky Initiative Survey and announced the Developer Roundtable that is scheduled for Wednesday, May 27, 2026 held in the Gilroy Council Chambers from 10:30am to Noon. Lastly, it was noted that there will be a first-time home buyers program on Wednesday, May 27, 2026 held at the Gilroy Library starting at 6:30pm.

14. CITY ATTORNEY'S REPORTS

No report.

15. ADJOURNMENT

With no additional business before the Council, the meeting was adjourned at 8:12 P.M.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the City Council of the City of Gilroy on XXXXXXX, 20XX.

Kim Mancera
City Clerk

DRAFT

City of Gilroy
STAFF REPORT

Agenda Item Title: **Contract Amendment with Jensen Landscape Services, Inc. under the Existing Multi-Year Agreement (Year 2 of 3) for a One-Time Landscaping Scope, Enhancements, and Weed Abatement Services, establishing a Revised Year Two Not-to-Exceed Amount of $1,189,295**

Meeting Date: June 1, 2026
From: Matt Morley, City Administrator
Department: Public Works
Submitted by: John Doughty, Public Works Director
Prepared by: Matt Jones, Deputy Public Works Director

STRATEGIC PLAN GOALS: Maintain and Improve City Infrastructure

RECOMMENDATION

1. Approve a contract amendment with Jensen Landscape Services, Inc., under the existing multi-year contract (Year 2 of 3), to increase contract authority for one-time landscaping enhancements and weed abatement services in the amount of $62,965, for a revised Year two not-to-exceed contract amount of $1,189,295.

2. Adopt a resolution appropriating the related funds for the one-time scope from the General Fund (100).

EXECUTIVE SUMMARY

Staff is requesting City Council approval of a contract amendment to the existing contract with Jensen Landscape Services, Inc. (Year 2 of a three-year agreement) to increase the authorized annual not-to-exceed amount in order to complete two one-time scope additions funded by the General Fund. The proposed work includes priority landscape enhancements at City Hall and vegetation management along the Hecker

Pass trail corridor.

The proposed additional scope exceeds the currently authorized annual not-to-exceed contract amount and therefore requires Council approval to increase contract authority and appropriate additional funding.

The City Hall project will enhance the appearance of the City's primary civic facility through the replacement of plant materials, soil amendments, mulch installation, and irrigation improvements at the main entrances and adjacent parking areas. The Hecker Pass project includes weed and debris removal along the trail corridor between Santa Teresa Boulevard and Burchell Road to reduce fire risk, improve safety, and enhance corridor aesthetics.

The total cost for both one-time scope additions is $62,965, funded through the General Fund. Approval of these amendments will result in an updated not-to-exceed contract amount of $1,189,295, for year two (current year) of the contract.

BACKGROUND

The City Council has identified City beautification, with an emphasis on gateways, as a legislative priority. Staff has identified City Hall and the Hecker Pass Road corridor as key gateway locations that would benefit from targeted improvements at a relatively modest cost.

The City maintains an existing contract with Jensen Landscape Services, Inc. for landscape maintenance services supporting City facilities and operations. As part of ongoing operations, additional work is periodically required to maintain City assets, enhance public-facing facilities, and address safety concerns.

For the Hecker Pass project, the City solicited quotes from three qualified firms, with Jensen Landscape Services, Inc. submitting the lowest responsive proposal.

For the City Hall project, staff requested Jensen Landscape Services, Inc. to develop a scope of work to enhance landscaping at key entry points. Staff reviewed the proposed scope and cost and determined that completing the work through the existing contract would provide efficiency and continuity with current maintenance operations.

The current agreement with Jensen Landscape Services, Inc. does not contain sufficient remaining contract authority to complete the identified work. As a result, contract amendments are required to increase the annual not-to-exceed amount to allow completion of the one-time improvements.

ANALYSIS

Staff is seeking authorization to approve a contract amendment with Jensen Landscape Services, Inc., under the existing multi-year contract (Year 2 of 3), to complete one-time landscape enhancements and weed abatement services. The proposed work exceeds the current annual not-to-exceed contract authority and requires Council approval to increase contract authority and appropriate additional General Fund resources.

City Hall Landscape Enhancements
This work includes soil amendment, mulch installation, irrigation adjustments, and installation of new plant materials at City Hall entrances and planters. The project will improve the appearance and functionality of the City's primary civic facility. The cost is $42,265.

Hecker Pass Trail Weed Abatement
This work includes vegetation and debris removal along the trail corridor between Santa Teresa Boulevard and Burchell Road. The project will reduce fire risk, improve safety and visibility, and enhance a key gateway corridor. The cost is $20,700.

Approval of both amendments will result in an updated annual not-to-exceed contract amount of $1,189,295 for year two (current year) of the contract.

ALTERNATIVES

Alternative 1 – Approve Both scopes (Recommended)
Approving both scopes increases contract authority and allows the City to complete both priority landscape enhancements and fire safety improvements in a timely manner.

Alternative 2 – Approve City Hall Amendment Only
Council may approve only the City Hall scope. This would allow completion of aesthetic improvements at the City's primary civic facility but would delay weed abatement along the Hecker Pass corridor. This alternative is not recommended, as it does not address fire fuel reduction or improvements to a key gateway location.

Alternative 3 – Approve Hecker Pass Amendment Only
Council may approve only the Hecker Pass scope. This would address fire risk and improve a major gateway corridor but would delay landscape enhancements at City Hall. While the Hecker Pass work addresses safety concerns, this alternative does not improve the City's primary civic facility.

Alternative 4 – Do Not Approve Amendments
Council may choose not to approve the amendments. This would prevent completion of the proposed work due to insufficient contract authority and result in continued deferred

maintenance and unaddressed safety concerns.

FISCAL IMPACT/FUNDING SOURCE

There is no existing funding allocated for the proposed work. The total fiscal impact is $62,965, consisting of $42,265 for City Hall landscape enhancements and $20,700 for Hecker Pass trail weed abatement.

Staff is requesting a budget amendment to appropriate General Fund reserves to fund the one-time costs associated with these contract amendments. Approval will result in an updated annual not-to-exceed contract amount of $1,189,295 for year two of the current contract.

PUBLIC OUTREACH

Public Outreach is not required.

NEXT STEPS

- Execute contract amendments with Jensen Landscape Services, Inc. to increase the annual not-to-exceed amount
- Issue work authorizations for the approved one-time scope of work
- Coordinate scheduling and oversee completion of the work
- Completion anticipated by the end of September 2026.

Attachments:

None

Docusign Envelope ID: 8253EA04-3B03-8500-81E1-B6A92EE1DE3B

FIRST AMENDMENT TO AGREEMENT FOR CITY-WIDE LANDSCAPE SERVICES BETWEEN JENSEN LANDSCAPE SERVICES, LLC AND CITY OF GILROY

This First Amendment to the Agreement for Services ("First Amendment") is made and entered into as of June 2, 2026 ("Effective Date"), by and between the City of Gilroy, a California municipal corporation ("CITY"), and Jensen Landscape Services, LLC ("CONTRACTOR").

WHEREAS, CITY and CONTRACTOR are parties to that certain Agreement for Services #24PW2042, effective on September 9, 2024, hereinafter referred to as "Original Agreement"; and

WHEREAS, CITY and CONTRACTOR have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Article COMPENSATION (Consideration) of the Original Agreement shall be amended to read as follows:

Consideration

"In consideration for the services to be performed by CONTRACTOR, CITY agrees to pay CONTRACTOR the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONTRACTOR exceed $1,072,695.00 for year 1, $1,189,295.00 for year 2, and $1,072,695.00 for year 3, plus an annual contingency of $53,634.74."

2. Exhibit "B" ("Scope of Service") of the Original Agreement shall be amended to add the following work (**in year 2 only)** at the locations specified, as extra work and shall be performed by September 8, 2026:

- Hecker Pass Trail Weed Abatement to be performed in Year 2 only. Work to include weed removal, limb up bushes and small trees to minimum clearance of 8 feet (or remove), remove dead plant material (i.e., wood, shrubs, grasses) along the trail adjacent to Hecker Pass Road from Santa Teresa Boulevard to Burchell Road. The work location shall include the area from the trail edge to edge of roadway.

- City Hall Landscape Enhancement to be performed in Year 2 only. Work to include removal of soil around sidewalks, provide and install (80) eighty cubic yards of red mulch at 2" depth at City Hall and Parking lot landscaping areas, demolition of and amend soil, check the irrigation system to ensure that new plants have adequate watering for optimal longevity. Provide plants and install as stated in Exhibit "D".

3. Exhibit "D" of the Original Agreement shall be amended to add the following to the Payment Schedule:

- Hecker Pass Trail Weed Abatement ($20,700) to be performed in Year 2 only. Work to include weed removal, limb up bushes and small trees to minimum clearance of 8 feet (or remove), remove dead plant material (i.e., wood, shrubs, grasses) along the trail

adjacent to Hecker Pass Road from Santa Teresa Boulevard to Burchell Road. The work location shall include the area from the trail edge to edge of roadway.

- City Hall Landscape Enhancement ($42,265) to be performed in Year 2 only. Work to include removal of soil around sidewalks, provide and install (80) eighty cubic yards of red mulch at 2" depth at City Hall and Parking lot landscaping areas, demolition of and amend soil, check the irrigation system to ensure that new plants have adequate watering for optimal longevity. Provide the plants and install as follows:

- Remove two inches of soil around the sidewalks so that the mulch doesn't wash away.
- Provide and install (80) eighty cubic yards of Red Mulch at 2" depth at City Hall and Parking lots. $15,600.00
- Demolition and amend soil..... $3,360.00
- Irrigation, check the system and ensure that new plants receive the necessary water..... $1,500.00

Southeast Entrance

- Provide and install (11) 5 Gallon Camelia Japonica Red Color.....$957.00
- Provide and install (6) 5 Gallon Rhododendrons Catawbiense Boursault.....$522.00
- Provide and install (13) 1 Gallon Azalea Double Dark Pink..... $845.00
- Provide and install (13) 1 Gallon Agapanthus Peter Pan..... $585.00
- Provide and install (6) 1 Gallon Lantana Camara.....$270.00
- Provide and install (33) 1 Gallon Start Jasmine.....$1,485.00

Cost: $4,664.00

Northeast Entrance

- Provide and install (6) 5 Gallon Camelia Japonica Red Color..... $522.00
- Provide and install (3) 5 Gallon Rhododendrons Catawbiense Boursault..... $261.00
- Provide and install (10) 1 Gallon Azalea Double Dark Pink..... $650.00
- Provide and install (10) 1 Gallon Agapanthus Peter Pan..... $450.00
- Provide and install (15) 5 Gallon Nandina Domestica Firepower.....$1,275.00
- Provide and install 2,000 square feet of Kurapia Groundcover..... $10,166.00
- Provide and install (30) 1 Gallon Now Mow Grass Groundcover..... $1,485.00

Cost: $14,674.00

Northwest Entrance

- Provide and install (10) 5 Gallon Camelia Japonica Red Color.....$870.00
- Provide and install (6) 5 Gallon Rhododendrons Catawbiense Boursault..... $522.00
- Provide and install (7) 1 Gallon Azalea Double Dark Pink..... $455.00
- Provide and install (7) 1 Gallon Agapanthus Peter Pan..... $315.00
- Provide and install (6) 1 Gallon Lantana Camara.....$270.00

Cost: $2,467.00

4. This Amendment shall be effective on June 2, 2026.

5. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

6. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CONTRACTOR:

Jensen Landscape Services, LLC

By: Signed by: William Kibbe 86FC4F6A30264D5... [signature]

William Kibbe
[employee name]

Branch Manager
[title/department]

Date: 5/20/2026

CITY:

CITY OF GILROY

By: _____ [signature]

Matt Morley
[name]

City Administrator
[title]

Date: _____

Approved as to Form:

_____
City Attorney

Attest:

_____
City Clerk

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING THE BUDGET FOR THE CITY OF GILROY FOR FISCAL YEAR 2025-26 TO APPROPRIATE FUNDS FOR CITY HALL LANDSCAPE ENHANCEMENTS AND HECKER PASS WEED ABATEMENT SERVICES

WHEREAS, the City Administrator prepared and submitted to the City Council a budget for the City of Gilroy for Fiscal Years 2025-2026 and 2026-2027, and the City Council carefully examined, considered and adopted the same on June 2, 2025; and

WHEREAS, City Staff has prepared and submitted to the City Council proposed amendments to said budget for Fiscal Years 2025-2026 for the City of Gilroy in the staff report dated June 1, 2026, for the Contract Amendment with Jensen Landscape Services for City Hall Landscape Enhancements and Hecker Pass Weed Abatement Services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GILROY, AS FOLLOWS:

1. The expenditure appropriations for Fiscal Year 2025-2026 shall be increased by the Finance Director in the amount of $42,265 for City Hall scope, and $20,700 for the Hecker Pass scope, within the General Fund (100).

PASSED AND ADOPTED this 1st day of June 2026 by the following roll call vote:

AYES:	**COUNCIL MEMBERS:**
NOES:	**COUNCIL MEMBERS:**
ABSTAIN:	**COUNCIL MEMBERS:**
ABSENT:	**COUNCIL MEMBERS:**

APPROVED:

_____
Greg Bozzo, Mayor

ATTEST:

_____
Kim Mancera, City Clerk

CERTIFICATE OF THE CLERK

I, **KIM MANCERA**, City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2025-XX** is an original resolution, or true and correct copy of a City Resolution, duly adopted by the Council of the City of Gilroy at a Regular Meeting of said held on Council held **Monday, October 20, 2025** with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **Date**.

_____
Kim Mancera
City Clerk of the City of Gilroy

(Seal)

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Claim of Saileel Vijaykar (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Human Resources/Risk Management
Submitted by:	LeeAnn McPhillips, Interim Human Resources Director/Risk Manager.
Prepared by:	LeeAnn McPhillips, Interim Human Resources Director/Risk Manager.

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Based on the recommendation from the Municipal Pooling Authority (MPA) and/or legal counsel, this claim is recommended for rejection.

EXECUTIVE SUMMARY

Based on the recommendation from the Municipal Pooling Authority (MPA) and/or legal counsel, the following claim is submitted to the City Council for rejection at the June 1, 2026 meeting:

• Claim of Saileel Vijaykar

BACKGROUND

n/a

ANALYSIS

n/a

ALTERNATIVES

n/a

FISCAL IMPACT/FUNDING SOURCE

n/a

PUBLIC OUTREACH

n/a

NEXT STEPS

n/a

Attachments:

1. Claim of Saileel Vijaykar April 2026

CLAIM PRESENTED TO THE CITY OF GILROY

Please read the instructions on the back before completing.

Claim #: _____

1. Full Name of Claimant:
Saileel Vijaykar

Reserved for Filing Stamp

Claimant's Address:
7555 Pinehurst Pl

Claimant's City, State, Zip:
Gilroy, CA, 95020

☐ In person ☐ Mailed

Claimant's Email Address:
saileel@gmail.com

Police Report # (if applicable)

Claimant's Telephone Number, including area code:
+14083166533

2. If different from above, address to which notices regarding the claim should be sent (include the name, relationship to the claimant, and other contact information of anyone other than the claimant to whom notices regarding the claim should be sent):

First and Last Name — Relationship to Claimant

Address — City, State, Zip:

Email: — Telephone number, including area code:

3. Date (Month/Day/Year) and time the injury, damage, or loss occurred:
02/18/2026

4. Specific location where the injury, damage, or loss occurred:
Front yard of the above property

5. a. What happened (describe in as much detail as possible the circumstances that gave rise to the claim) and why is the City responsible?
On feb 18th, the water supply in our area was turned off and turned on, the sudden change in water pressure created a
forceful surge through the pipes in my property, which resulted in a pipe burst. This caused significant water loss and and required immediate and emergency repairs
I incurred emergency plumbing costs

b. Name(s) and job title(s) of responsible City employee(s), if known.

6. Describe in as much detail as possible the injury, damage, or loss incurred:
Emergency plumbing costed $500

7. Claim amount (if less than $10,000):
$ 500

For amounts $10,000 and over, please indicate whether the claim would be a limited civil case:
☐ Yes (Limited Civil Case) ☐ No (Unlimited Civil Case)

8. How did you arrive at the amount claimed? Please attach documentation.
This amount was paid to the plumber

9. Signature of Claimant or Representative

Date Signed 4/2/2026

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Claim of Lisa & Joel Neilsen (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Human Resources/Risk Management
Submitted by:	LeeAnn McPhillips, Interim Human Resources Director/Risk Manager.
Prepared by:	LeeAnn McPhillips, Interim Human Resources Director/Risk Manager.

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Based on the recommendation from the Municipal Pooling Authority (MPA) and/or legal counsel, this claim is recommended for rejection.

EXECUTIVE SUMMARY

Based on the recommendation from the Municipal Pooling Authority (MPA) and/or legal counsel, the following claim is submitted to the City Council for rejection at the June 1, 2026 meeting:

• Claim of Lisa & Joel Neilsen

BACKGROUND

n/a

ANALYSIS

n/a

ALTERNATIVES

n/a

FISCAL IMPACT/FUNDING SOURCE

n/a

PUBLIC OUTREACH

n/a

NEXT STEPS

n/a

Attachments:

1. Claim of Lisa & Joel Nielsen March 2026

CLAIM PRESENTED TO THE CITY OF GILROY

RECEIVED
MAR 04 2026
GILROY CITY CLERK'S OFFICE

Please read the instructions on the back before completing. *Claim #:* _____

1. Full Name of Claimant:
Joel / Lisa Nielsen

Reserved for Filing Stamp

Claimant's Address:
17475 Montoya Cir

Claimant's City, State, Zip:
Morgan Hill, CA 95037

☐ In person ☐ Mailed

Claimant's Email Address:
jnielsen144@gmail.com

Police Report # (if applicable)

Claimant's Telephone Number, including area code:
801.680.6745

2. If different from above, address to which notices regarding the claim should be sent (include the name, relationship to the claimant, and other contact information of anyone other than the claimant to whom notices regarding the claim should be sent):

First and Last Name | Relationship to Claimant

Address | City, State, Zip:

Email: | Telephone number, including area code:

3. Date (Month/Day/Year) and time the injury, damage, or loss occurred:
Sept 9, 2025

4. Specific location where the injury, damage, or loss occurred:
7301 Hanna St, Gilroy, CA 95020

5. a. What happened (describe in as much detail as possible the circumstances that gave rise to the claim) and why is the City responsible?
During the 16 months Gilroy City PD held this vehicle as evidence, the windows were left open allowing critical electrical components to break. In addition, failure to keep a minimum charge on the battery allowed it to power down and crystalize.

b. Name(s) and job title(s) of responsible City employee(s), if known.
UNK

6. Describe in as much detail as possible the injury, damage, or loss incurred:
See attached

7. Claim amount (if less than $10,000):
$

For amounts $10,000 and over, please indicate whether the claim would be a limited civil case:
☐ Yes (Limited Civil Case) ☒ No (Unlimited Civil Case)

8. How did you arrive at the amount claimed? Please attach documentation.

9. Signature of Claimant or Representative — Date Signed 3/4/26

PRESENTING A CLAIM TO THE CITY OF GILROY

PLEASE TYPE OR PRINT CLEARLY ALL OF THE INFORMATION REQUESTED ON THE CLAIM FORM.
ATTACH ADDITIONAL PAGES, IF NECESSARY, TO GIVE COMPLETE DETAILS AND INFORMATION.

File With: City Clerk's Office
7351 Rosanna Street
Gilroy, CA 95020

Instructions:

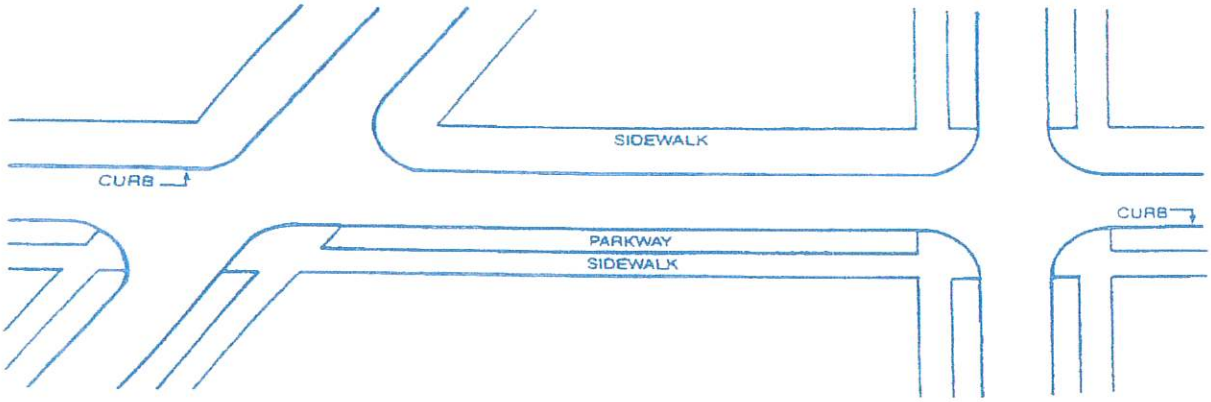
- Claims for death, injury to person or to personal property must be filed not later than six months after the occurrence (Gov. Code Sec. 911.2)
- Claims for damages to real property must be filed not later than 1 year after the occurrence (Gov. Code Sec. 911.2)
- Use the diagram below to provide location place of accident

READ CAREFULLY

For all accident claims, place on following diagram names of streets, including North, East, South and West: Indicate place of accident by "X" and by showing house numbers or distances to street corners. If City vehicle was invlolved, designate by letter "A" location fo City vehicle when you first saw it, and by "B" location of yourself or your vehicle when you first saw City vehicle:

Location of City at time of accident by "A-1" and location of yourself or your vehicle at the time of the accident by "B-1" and the point of impact by "X".

NOTE: If diagrams below do not fit the situation, attach hereto a proper diagram signed by claimant.



THE FOLLOWING PROVIDES INSTRUCTIONS FOR COMPLETING EACH SECTION OF THE CLAIM FORM:

1. **Claimant's Contact Information** - State the full name and mailing address of the person/persons claiming damage or injury. Please include a daytime and evening telephone number, and an email address if you have one.

2. **Official Notices and Correspondence** - Provide the name and mailing address of the person to whom all official notices and other correspondence from the City should be sent, if different from the information provide in section 1. Please provide the best telephone number to reach the representative during business hours.

3. **Date and Time Injury, Damage, or Loss Occurred?** - State the month, date, year, and approximate time (if known) of the incident that caused the alleged damage/injury.

4. **Specific Location Where the Injury, Damage, or Loss Occurred**- Please include street address, city, county, intersection, etc. If applicable, also include the Police Report number in the top right of the form.

5. **What Happened and Why is the City Responsible?**
   a. Please explain the circumstances that led to the alleged damage or injury. State all facts that support your claim against the City and why you believe the City is responsible for the alleged damage or injury.
   b. If known, identify the name of the City Department(s) and/or City employee(s) that allegedly caused the damage or injury.

6. **Describe the Damage or Injury that Arose from the Incident** - Provide in full detail a description of the damage/injury that allegedly resulted from the incident. (What specific damage or injury do you claim resulted from the alleged actions?)

7. **Claim Amount** – If under $10,000, state the specific total dollar amount you are claiming as a result of the alleged damage/injury. If the damage/injury is continuing or you anticipate future costs, indicate with a "+" following the dollar amount. If the total dollar amount exceeds $10,000, select the appropriate court jurisdiction for the claim.

8. **How Did You Arrive at the Amount Claimed?** - Provide a breakdown of how the total amount that you are claiming was computed. You may declare expenses incurred and/or future, anticipated expenses. If you have supporting documentation (i.e. bills, payment receipts, cost estimates), please attach copies of them to your claim. You may redact bank, credit card, or other private information from any documents attached.

9. **Signature** - The claim must be signed by the claimant or by some person (i.e., an attorney or other representative) on behalf of the claimant.

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

January 26, 2026

City of Gilroy – City Clerk's Office

7351 Rosanna Street

Gilroy, CA 95020

RE: FORMAL GOVERNMENT CLAIM (Pursuant to Gov. Code § 910)

Claimant: Joel Nielsen

Vehicle: 2016 Tesla Model X | **VIN:** 5YJXCBE22GF016336

Police Report #: 24-2316

Date of Accrual: September 9, 2025

To the City Clerk:

This letter constitutes a formal claim against the City of Gilroy pursuant to the California Government Claims Act.

1. Claimant Information

Joel Nielsen
17475 Montoya Circle
Morgan Hill, CA
95037
801.680.6745
Jnielsen144@gmail.com

2. Facts and Circumstances

On May 19, 2024, the City of Gilroy and the Gilroy Police Department seized and took exclusive possession of the Claimant's 2016 Tesla Model X as evidence. The vehicle remained in the City's custody and control for approximately 16 months until it was released to the Claimant on September 9, 2025.

During this period, the City acted as a constructive bailee and had a legal duty to exercise ordinary care to preserve the property. The City breached this duty by failing to secure the vehicle against weather elements (storing it with windows down) and failing to maintain the high-voltage battery at a manufacturer-recommended state of charge.

3. Description of Loss and Damages

Upon return of the vehicle on September 9, 2025, the Claimant discovered significant damages that were not present at the time of intake, including:

- **Total Battery Failure:** The high-voltage traction battery suffered permanent chemical degradation and deep-discharge failure due to lack of power maintenance.
- **Water Intrusion:** Significant moisture damage to the interior, electronics, and upholstery consistent with being left open to the elements.
- **Electronic Faults:** System-wide electrical failures and corrosion resulting from prolonged exposure.

4. Public Employees Involved

The specific identities of the employees or impound staff responsible for the intake, storage, and maintenance of the vehicle are currently unknown to the Claimant. The responsible public entity is the City of Gilroy and the Gilroy Police Department.

5. Amount of Claim

The amount of this claim exceeds $10,000.00. Jurisdiction over this matter would rest in the Superior Court of California as an **unlimited civil case**.

6. Notice to Preserve Evidence

The Claimant demands that the City and the Gilroy Police Department preserve all records related to this vehicle, including but not limited to: chain-of-custody logs, storage location movement logs, intake/release photographs, and all communications regarding the vehicle's condition.

Sincerely,

Joel Nielsen

Claimant

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Claim of Rebecca Beyer (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Human Resources/Risk Management
Submitted by:	LeeAnn McPhillips, Interim Human Resources Director/Risk Manager.
Prepared by:	LeeAnn McPhillips, Interim Human Resources Director/Risk Manager.

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Based on the recommendation from the Municipal Pooling Authority (MPA) and/or legal counsel, this claim is recommended for rejection.

EXECUTIVE SUMMARY

Based on the recommendation from the Municipal Pooling Authority (MPA) and/or legal counsel, the following claim is submitted to the City Council for rejection at the June 1, 2026 meeting:

• Claim of Rebecca Beyer

BACKGROUND

n/a

ANALYSIS

n/a

ALTERNATIVES

n/a

FISCAL IMPACT/FUNDING SOURCE

n/a

PUBLIC OUTREACH

n/a

NEXT STEPS

n/a

Attachments:

1. Claim of Rebecca Beyer May 2026

CLAIM PRESENTED TO THE CITY OF GILROY

Please read the instructions on the back before completing. **Claim #:** 26-1764

1. Full Name of Claimant: Rebecca A. Beyer

Claimant's Address: 695 Johnson Way Gilroy CA. 95020

Claimant's City, State, Zip: Gilroy CA. 95020

Claimant's Email Address: ra.beyer07@gmail.com

Claimant's Telephone Number, including area code: (408) 710-9316

Reserved for Filing Stamp

RECEIVED MAY 07 2026

☐ In person ☐ Mailed

Police Report # (if applicable)

2. If different from above, address to which notices regarding the claim should be sent (include the name, relationship to the claimant, and other contact information of anyone other than the claimant to whom notices regarding the claim should be sent):

First and Last Name | Relationship to Claimant

Address | City, State, Zip:

Email: | Telephone number, including area code:

3. Date (Month/Day/Year) and time the injury, damage, or loss occurred: 04/15/2026

4. Specific location where the injury, damage, or loss occurred: On Princevalle. Right across the street from the big football parking lot of Gilroy High School (GHS).

5. a. What happened (describe in as much detail as possible the circumstances that gave rise to the claim) and why is the City responsible?

My mother had just left her house to take our family dog (Nala) for a walk. My dog ran to the grass field of GHS and a cop hit her going 35mph(+) in a school zone. My mother lives at the house Nala was hit at. Literally 10-15ft from the house.

b. Name(s) and job title(s) of responsible City employee(s), if known.

Andrew Lopez, Corporal

6. Describe in as much detail as possible the injury, damage, or loss incurred:

Nala was hit by a speeding cop in a school zone. When we took her to MedVet in San Jose, she was in critical condition, likely to pass. She was not stabilizing and we did not have $12,000 to take life saving measures. She suffered... and passed.

7. Claim amount (if less than $10,000): $ 1,749.17

For amounts $10,000 and over, please indicate whether the claim would be a limited civil case:

☐ Yes (Limited Civil Case) ☐ No (Unlimited Civil Case)

8. How did you arrive at the amount claimed? Please attach documentation.

That is how much the vet bill and euthanasia costs. Attached invoice from MedVet.

9. Signature of Claimant or Representative Rebecca Beyer Date Signed 4/16/26

PRESENTING A CLAIM TO THE CITY OF GILROY

PLEASE TYPE OR PRINT CLEARLY ALL OF THE INFORMATION REQUESTED ON THE CLAIM FORM.
ATTACH ADDITIONAL PAGES, IF NECESSARY, TO GIVE COMPLETE DETAILS AND INFORMATION.

File With: City Clerk's Office
7351 Rosanna Street
Gilroy, CA 95020

Instructions:

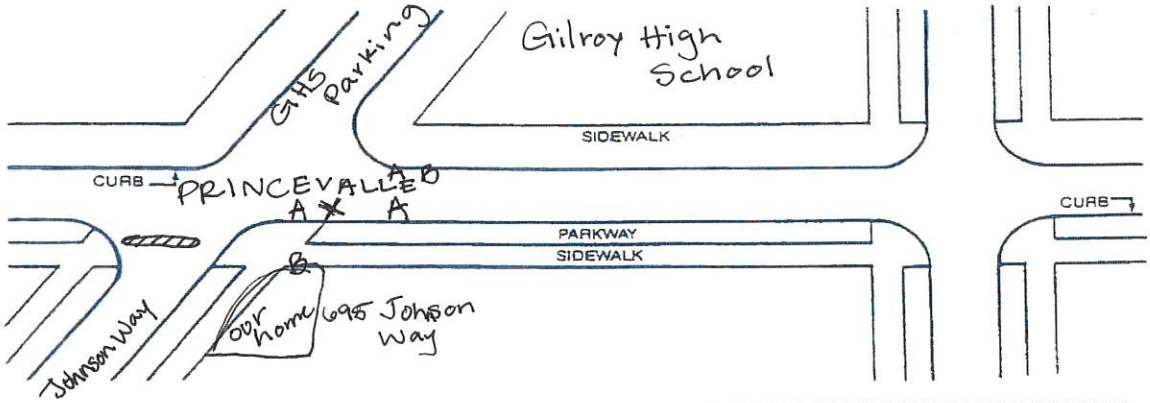
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- Claims for damages to real property must be filed not later than 1 year after the occurrence (Gov. Code Sec. 911.2)
- Use the diagram below to provide location place of accident

READ CAREFULLY

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Location of City at time of accident by "A-1" and location of yourself or your vehicle at the time of the accident by "B-1" and the point of impact by "X".

NOTE: If diagrams below do not fit the situation, attach hereto a proper diagram signed by claimant.



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3. **Date and Time Injury, Damage, or Loss Occurred?** - State the month, date, year, and approximate time (if known) of the incident that caused the alleged damage/injury.

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5. **What Happened and Why is the City Responsible?**
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6. **Describe the Damage or Injury that Arose from the Incident** - Provide in full detail a description of the damage/injury that allegedly resulted from the incident. (What specific damage or injury do you claim resulted from the alleged actions?)

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9. **Signature** - The claim must be signed by the claimant or by some person (i.e., an attorney or other representative) on behalf of the claimant.

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Consent to the Assignment of the Carry the Vision Opioid Remediation Services Agreement to PitStop Outreach**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Harjot Sangha, Assistant City Administrator
Prepared by:	Kylie Katsuyoshi, Management Analyst Trainee

STRATEGIC PLAN GOALS:

RECOMMENDATION

Council consent to the assignment of the Carry the Vision Opioid Remediation Services agreement to PitStop Outreach.

EXECUTIVE SUMMARY

BACKGROUND

At the September 8, 2025, City Council Regular Meeting, the City Council authorized staff to issue an exploratory request for proposals (RFP) for the use of opioid settlement funds. The exploratory RFP was an open solicitation process for vendors who believe their services align with the intent of the funding being made available, without limiting proposals to a specific program or service. The maximum award possible was the current balance in the fund, $237,352.

Staff published the Opioid Remediation Services RFP on September 19, 2025, and the City received six proposals in total. The proposals were vetted by City staff to ensure they meet the funding requirements and to offer a recommendation for grant awards. At the November 17, 2025, City Council Regular Meeting, staff recommended that Council

award two opioid remediation grants, reimbursement-based and not to exceed $118,675 to Carry the Vision and $118,676 to Youth Alliance, for opioid remediation services. However, the Council decided to award the full grant, amounting to $237,352, to Carry the Vision.

In April 2026, Carry the Vision announced a restructuring of its organization and program delivery, resulting in the discontinuation of its community-based programs and its presence in Gilroy as of June 30, 2026. At this time, they remain fully committed to providing all services specified in their scope of work through June 30, 2026, at which point the contract will be terminated. An estimated $111,000 in funding is expected to remain.

ANALYSIS

Carry the Vision has identified and proposed PitStop Outreach for assignment of its Opioid Remediation Services agreement. PitStop has submitted a letter of interest to the City of Gilroy expressing its interest in assuming the City's Opioid Remediation Services Agreement currently held by Carry the Vision and Carry the Vision has submitted a letter of support, both of which are attached.

The proposed assignment includes assuming 100% of the current scope of services, the agreement in its entirety, and focuses on preserving and continuing the program that is already operational without any impact to the current service recipients. The proposal includes continuity in the form of PitStop assuming employment of the current Carry the Vision staff who are providing services, thus preventing unemployment and interruption in services.

ALTERNATIVES

1. Revisit the most recent RFP. Council could utilize the most recent RFP to authorize an award to Youth Alliance for their proposed scope of service, with the remaining amount. Youth Alliance had requested approximately $119,000 as part of their proposal. Staff checked in with Youth Alliance and they are willing to honor their original proposal with the revised remaining amount of $111,000 to carry out their original proposed scope of work with only minor modifications.
2. Issue a new RFP for opioid remediation services.

FISCAL IMPACT/FUNDING SOURCE

An estimated $111,000 will remain on the current Carry the Vision agreement as of

June 30, 2026. The funds will be expended as reimbursements for qualifying expenditures under the scope of services.

PUBLIC OUTREACH

This item was first discussed at the September 8, 2025, Regular City Council Meeting. At the November 17, 2025, City Council Meeting, a contract was awarded. This item was also included on the publicly posted agenda for tonight.

NEXT STEPS

Attachments:

1. PitStop letter of interest May 2026
2. Carry the Vision Letter of Support - Opioid Remediation Services Contract
3. Agreement - Carry the Vision - Signed 2026-01-08
4. Staff Report-Opioid Remediation Services RFP Award
5. Proposal - Youth Alliance

P.O. Box 131
Gilroy, CA 95020
www.pitstopoutreach.org

May 14, 2026

Re: Letter of Interest for Opioid Remediation Services Agreement

Dear Harjot and Kylie,

PitStop Outreach respectfully submits this formal letter of interest regarding assignment and continuation of the City of Gilroy Opioid Remediation Services Agreement currently held by Carry the Vision.

As Carry the Vision transitions away from community based programming effective June 30, 2026, PitStop Outreach is prepared to immediately assume and continue the opioid remediation and opioid awareness work already approved by the Gilroy City Council.

Our proposal is centered on one primary goal: ensuring there is no disruption in services, outreach, opioid education efforts, staffing continuity, reporting, community engagement, or implementation momentum connected to this work. Through continued overdose prevention education, Narcan distribution, peer led outreach, and relationship based engagement, this work helps increase awareness, strengthen community safety, and connect vulnerable residents to critical support and resources.

This proposal does not seek to change the scope approved by Council. Rather, it preserves and continues a program that is already operational, producing measurable outcomes, and deeply embedded within the community.

PitStop Outreach would continue implementation of the currently approved scope of work, including:

- Healing Circles and peer led support services
- Opioid and fentanyl awareness education
- Narcan distribution and overdose prevention outreach
- Outreach and engagement in encampments and high impact areas
- Peer support, navigation, and connection to recovery resources

• Leadership development among individuals with lived expertise
• Family engagement and community education efforts
• Ongoing coordination with Quality of Life Officers and community partners
• Required reporting, data tracking, and compliance activities associated with the agreement

The intention is to maintain continuity of the work already underway while preserving the staffing structure, outreach systems, implementation practices, and community relationships that have contributed to the program's effectiveness thus far.

PitStop Outreach and Carry the Vision have worked side by side for many years supporting individuals experiencing homelessness, substance use challenges, trauma, and disconnection from traditional systems of care. Our teams collaborate daily with outreach, encampment engagement, crisis response, resource navigation, and healing centered community support. Because of this long standing partnership and our direct involvement in outreach throughout Gilroy, PitStop Outreach is well positioned to continue this work seamlessly and immediately.

Most importantly, assignment of this agreement would preserve the involvement of three key staff currently implementing the work: Vanessa Ashford, Aubrey Tasby, and Sam Brown. These individuals understand the people, the barriers, and the realities on the ground. Through years of outreach and relationship building, they have become trusted connectors between vulnerable residents and services, safety, recovery resources, and community support. They have also received specialized training through this grant and are fully prepared to continue implementation immediately. As a result, PitStop Outreach would not need to use grant funds for additional startup training, allowing remaining dollars to go directly toward serving the community.

If this contract is not continued through PitStop Outreach, the City risks losing not only the operational momentum and opioid awareness efforts established over the past seven months, but also the trained, implementation ready outreach capacity developed through this grant. Any significant delay or disruption in staffing or outreach continuity would interrupt the progress already made and create unnecessary gaps in engagement for vulnerable residents already impacted by opioid and fentanyl related challenges.

It is also important to emphasize that the scope of this work extends well beyond Camp Hope. While Camp Hope remains an important site of engagement, the program reaches throughout Gilroy and includes Healing Circles at the Armory, outreach in encampments and other high impact areas, family engagement, and ongoing collaboration with Quality of Life Officers and community partners. Together, these

efforts create a coordinated, community based approach focused on prevention, awareness, connection, leadership development, and reducing opioid related harm throughout Gilroy.

Leadership development among individuals with lived expertise is also central to PitStop Outreach's approach to community engagement and outreach. Through this work, individuals who have overcome significant personal challenges are now helping disseminate opioid awareness information, overdose prevention education, recovery resources, and harm reduction messaging throughout the unhoused community. Several have become influential and stabilizing voices within encampments and outreach settings, helping strengthen communication, reduce stigma, and encourage safer decision making among peers. This peer led model has proven highly effective in building trust and increasing meaningful community engagement.

PitStop Outreach has the infrastructure and operational readiness necessary to successfully assume this agreement, including:

• Established nonprofit status and insurance coverage
• Existing outreach systems and operational infrastructure
• Strong working relationships with community partners and Quality of Life Officers
• Continuation of key Carry the Vision staff including Vanessa Ashford, Aubrey Tasby, and Sam Brown to preserve outreach continuity and implementation knowledge
• Staff already trained in trauma informed engagement, opioid awareness, harm reduction, Narcan distribution, and peer support practices
• Reporting and administrative systems already in place with Jan overseeing reporting and implementation administration
• Direct transition and training support from Carry the Vision related to reporting, invoicing, templates, documentation methods, and implementation systems currently utilized under the agreement

Continued opioid outreach and remediation work requires uninterrupted staffing, outreach systems, and community engagement. The relationships, leadership development, consistency, and outreach infrastructure built through this work represent a significant investment that would be difficult to quickly rebuild if disrupted.

We respectfully ask the City Council to approve assignment of this agreement to PitStop Outreach in order to preserve staffing, protect the momentum already established, and ensure continuity of these critical opioid remediation efforts for the Gilroy community.

Thank you for your consideration and partnership.

Sincerely,



Jan Bernstein Chargin
Board Chair, PitStop Outreach

Docusign Envelope ID: A63BC895-1417-8D55-82E3-91FBB017FC62

May 14, 2026

RE: Letter of Support for Pitstop Outreach for Opioid Remediation Service Agreement

Dear Harjot and Kylie,

On behalf of Carry the Vision, we are writing to express our strong support for assignment of the City of Gilroy Opioid Remediation Services Agreement to PitStop Outreach as Carry the Vision concludes its community based programming effective June 30, 2026.

As the organization that has directly implemented this work since December 2025, we believe continuity is critically important both for the community and for the integrity of the City's investment in these opioid remediation efforts. Based on our direct experience administering and carrying out this work, we believe PitStop Outreach is uniquely positioned to continue the program seamlessly while preserving the momentum, relationships, trust, and implementation capacity already established.

This work is deeply relationship based and depends on consistent engagement, trusted peer leadership, and ongoing community presence. Any significant delay, disruption in key staffing, or interruption in the continuity of outreach and engagement efforts would substantially impact the progress already made and create unnecessary gaps for vulnerable residents already impacted by opioid and fentanyl related challenges. The continuity offered through PitStop Outreach ensures the work can continue immediately without breaking the flow of outreach, education, leadership development, and trusted community connection already established through the program.

Carry the Vision and PitStop Outreach have maintained a longstanding collaborative relationship throughout Gilroy for many years. During that time, both organizations have regularly coordinated efforts related to outreach, encampment engagement, healing centered support, crisis response, and community navigation for vulnerable residents across Gilroy. Through this ongoing collaboration PitStop Outreach is already familiar with the operational structure, outreach methods, reporting requirements, and relationship based practices connected to the work.

Since implementation began, the program has demonstrated strong progress across the scope of work. The following outcomes reflect approximately four months of implementation between December 2025 and March 2026, with April, May, and June data to be included in Carry the Vision's final report. Even within this limited timeframe, the program has shown measurable success and strong community engagement. As of March 2026, Carry the Vision had achieved:

Docusign Envelope ID: A63BC895-1417-8D55-82E3-91FBB017FC62

- 20% completion of Healing Circle goals
- 18% completion of participant engagement goals within Healing Circles
- 55% completion of partner coordination and check in goals
- 33% completion of council engagement goals
- 60% completion of outreach event goals
- 50% completion of quarterly trauma informed and opioid safety training goals
- 86% completion of unique individual engagement goals

Beyond the measurable outcomes, we have witnessed firsthand the impact of this work in increasing opioid and fentanyl awareness, distributing Narcan, strengthening community engagement, and connecting residents to support and resources. We have also seen the importance of consistent outreach and trusted relationship building in reaching individuals who are often disconnected from traditional systems of care.

One of the most important investments made through this work has been the development, training, and support of leaders with lived expertise. Through this grant, individuals with deep understanding of the realities facing vulnerable residents have received trauma informed training, opioid and fentanyl awareness education, harm reduction training, outreach experience, and leadership development opportunities that now position them to effectively carry this work forward.

Community members who were once struggling with instability and disconnection are now helping lead outreach efforts, share overdose prevention education, distribute resources, support safer and healthier decision making among peers, and strengthen communication between vulnerable residents and service providers. This peer leadership component has become one of the strongest and most effective aspects of the program because the information and support are being delivered through trusted relationships already established within the community.

Carry the Vision strongly believes that continuity of key staff and leadership is essential to preserving the effectiveness of the work already underway. Assignment of this agreement to PitStop Outreach would preserve the involvement of three individuals currently implementing the program: Vanessa Ashford, Aubrey Tasby, and Sam Brown. These individuals hold trusted relationships throughout the community and have become important connectors between vulnerable residents, outreach efforts, recovery resources, and support systems. They have also received specialized training and hands on implementation experience through this grant and are fully prepared to continue this work immediately. Preserving this continuity would help ensure the City does not lose the investment, trust, engagement, and implementation readiness already developed through the program.

From an operational standpoint, PitStop Outreach has the capacity and infrastructure necessary to successfully continue this work. Carry the Vision is fully committed to supporting the transition

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process and will provide reporting templates, implementation practices, operational guidance, and transition support necessary to ensure continuity and compliance with City requirements.

At a time when opioid and fentanyl related harms continue impacting vulnerable residents, maintaining continuity of trusted outreach, prevention, and opioid education efforts is critically important. A disruption or loss of this work would significantly interrupt the momentum built over the past several months and create unnecessary gaps in outreach, leadership development, education, and community connection for residents already facing significant barriers. Assignment of this agreement to PitStop Outreach represents a strong and practical solution that preserves the investment.

We respectfully encourage the City to approve this request to protect the momentum already established, and ensure continuity of these critical opioid remediation efforts for the Gilroy community.

Thank you for your partnership and continued support of this work.

Sincerely,

DocuSigned by:
shelley swan
6A3FEEB3912F421...

Shelley Swan, Executive Director

DocuSigned by:
Vanessa Ashford
B5BECC7B8720458...

Vanessa Ashford, Director of Community Initiatives and Peer Services

Carry the Vision
7365 Monterey Road, Suite 203, Gilroy, CA 95020
www.carrythevision.org / 408.275.6133

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26ADM0009

City of Gilroy
Agreement/Contract Tracking

Today's Date:	January 8, 2026	**Your Name:**	Bryce Atkins
Contract Type:	Services over $5k - Consultant	**Phone Number:**	(408) 846-0210

Contract Effective Date: *(Date contract goes into effect)*	12/9/2025
Contract Expiration Date:	12/31/2026
Contractor / Consultant Name: *(if an individual's name, format as last name, first name)*	California Consulting This agreement is with Carry the Visio
Contract Subject: *(no more than 100 characters)*	Opioid Remediation Services
Contract Amount: *(Total Amount of contract. If no amount, leave blank)*	Not-to-exceed $237,000
By submitting this form, I confirm this information is complete:	➢ **Date of Contract** ➢ **Contractor/Consultant name and complete address** ➢ **Terms of the agreement (start date, completion date or "until project completion", cap of compensation to be paid)** ➢ **Scope of Services, Terms of Payment, Milestone Schedule and exhibit(s) attached** ➢ **Taxpayer ID or Social Security # and Contractors License # if applicable** ➢ **Contractor/Consultant signer's name and title** ➢ **City Administrator or Department Head Name, City Clerk** (Attest)**, City Attorney** (Approved as to Form)

Routing Steps for Electronic Signature	
Risk Manager	DocuSigned by: LeeAnn McPhillips
City Attorney Approval As to Form	Signed by: Andrew Faber
City Administrator or Department Head	DocuSigned by: Harjot Sangha
City Clerk Attestation	Signed by: Kim Mancera 6430695D7EC6481...

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TYPE OF PROCURMENT	DOLLAR THRESHOLD / SIGNING AUTHORITY STAFF LEVEL DEPARTMENT HEAD CITY ADMINISTRATOR COUNCIL APPROVAL			
	$0-$999.99	$1,000-$49,999.99	$50,000-$99,999.99	$100,000-Above
EQUIPMENT /SUPPLIES/ MATERIALS **Furniture, hoses, parts, pipe manholes, office supplies, fuel, tools, PPE items, etc…**	• Vendor selection at discretion of staff <u>Payment Method</u> Purchase Card or Payment Request (if vendor does not accept credit cards)	• Informal bid/quotation – 3 quotes (verbal or written) • Purchasing Summary form w/ Purchasing Approval • Purchase Requisition <u>Payment Method</u> Purchase Order*	• Informal bid/quotation – 3 written quotes • Purchasing Summary form w/ City Administrator Approval • Purchase Requisition <u>Payment Method</u> Purchase Order	• Formal Bid • Advertisement • Council Approval • Purchase Requisition signed by City Administrator <u>Payment Method</u> Purchase Order
GENERAL SERVICES **Janitorial, landscape maintenance, equipment repair, installation, graffiti abatement, service inspections, uniform cleaning, etc…**	• Vendor selection at discretion of staff • May require insurance documents depending on scope/ nature of work <u>Payment Method</u> Purchase Card (if incorporated) Signed Payment Request (if sc proprietor or partner)	• Informal bid/quotation – 3 quotes (verbal or written) • Purchasing Summary form w/ Department Head Approval • Standard Agreement • Purchase Requisition <u>Payment Method</u> Purchase Order*	• Informal Bid/RFP quotation – 3 written quotes • Purchasing Summary form w/ City Administrator Approval • Standard Agreement • Purchase Requisition <u>Payment Method</u> Purchase Order	• Formal Bid/RFP/RFQ • Advertisement • Council Approval • Standard Agreement • Purchase Requisition <u>Payment Method</u> Purchase Order
PROFESSIONAL SERVICES **Consultants, architects, designers, auditors, etc…**	• Vendor selection at the discretion of staff • Purchase Summary Form w/ Purchasing Approval • Standard Agreement signed by Department Head • Purchase Requisition <u>Payment Method</u> Purchase Order	• RFP/RFQ to at least 3 consultants • Purchase Summary Form w/ Department Head Approval • Standard Agreement • Purchase Requisition <u>Payment Method</u> Purchase Order	• RFP/RFQ to a list of consultants • Evaluation Spreadsheet w/ City Administrator Approval • Standard Agreement • Purchase Requisition <u>Payment Method</u> Purchase Order	• Formal RFP/RFQ • Advertisement • Council Approval • Standard Agreement signed by City Administrator • Purchase Requisition <u>Payment Method</u> Purchase Order

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AGREEMENT FOR SERVICES
(For contracts over $5,000 – NON-DESIGN, NON-ENGINEERING TYPE CONTRACTOR)

This AGREEMENT made this 8th day of December, 2025, between:

CITY: City of Gilroy, having a principal place of business at 7351 Rosanna Street, Gilroy, California

and CONTRACTOR: Carry the Vision, having a principal place of business at 7365 Monterey Road, Suite 203, Gilroy, CA 95020.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on 12/9/2025 and will continue in effect through 12/31/2026 unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement will terminate this Agreement regardless of any other provision stated herein.

DS SS Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONTRACTOR is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONTRACTOR or any employee or agent of CONTRACTOR. Both parties acknowledge that CONTRACTOR is not an employee for state or federal tax purposes. CONTRACTOR shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONTRACTOR shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONTRACTOR

A. Specific Services

CONTRACTOR agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONTRACTOR shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONTRACTOR'S services.

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C. Employment of Assistants

CONTRACTOR may, at the CONTRACTOR'S own expense, employ such assistants as CONTRACTOR deems necessary to perform the services required of CONTRACTOR by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONTRACTOR'S assistants in the performance of those services. CONTRACTOR assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONTRACTOR shall perform the services required by this Agreement at any place or location and at such times as CONTRACTOR shall determine is necessary to properly and timely perform CONTRACTOR'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONTRACTOR, CITY agrees to pay CONTRACTOR the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONTRACTOR exceed Two Hundred Thirty Seven Thousand Dollars ($237,000).

B. Invoices

CONTRACTOR shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONTRACTOR has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A"**, **Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONTRACTOR of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONTRACTOR shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONTRACTOR, all fees, fines, licenses, bonds or taxes required of or imposed against CONTRACTOR and all other of CONTRACTOR'S costs of doing business. CITY shall not be

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responsible for any expenses incurred by CONTRACTOR in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONTRACTOR

A. Tools and Instrumentalities

CONTRACTOR shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONTRACTOR is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONTRACTOR agrees to provide workers' compensation insurance for CONTRACTOR'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONTRACTOR'S employees.

C. Indemnification of Liability, Duty to Defend

As to all liability, to the fullest extent permitted by law, CONTRACTOR shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONTRACTOR or CONTRACTOR'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONTRACTOR shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis, including coverage for owned and non-owned automobiles, with a minimum combined single limit coverage of $1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property, including the loss of use thereof. As a condition precedent to CITY'S obligations under this Agreement, CONTRACTOR shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

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E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONTRACTOR under this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONTRACTOR is not CITY'S employee, CONTRACTOR shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONTRACTOR acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONTRACTOR'S payments;
- CITY will not make state or federal unemployment insurance contributions on CONTRACTOR'S behalf;
- CITY will not withhold state or federal income tax from payment to CONTRACTOR;
- CITY will not make disability insurance contributions on behalf of CONTRACTOR;
- CITY will not obtain workers' compensation insurance on behalf of CONTRACTOR.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONTRACTOR and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONTRACTOR'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONTRACTOR. Such assignment shall not release CONTRACTOR from any of CONTRACTOR'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of CONTRACTOR's Business/ Death of CONTRACTOR.

CONTRACTOR shall notify CITY of the proposed sale of CONTRACTOR's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONTRACTOR set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY' receipt of such notice of sale.

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If CONTRACTOR is an individual, this Agreement shall be deemed automatically terminated upon death of CONTRACTOR.

B. Termination by City for Default of CONTRACTOR

Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONTRACTOR. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONTRACTOR'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.

2. CONTRACTOR'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONTRACTOR shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONTRACTOR. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONTRACTOR'S default in the performance of this Agreement or material breach by CONTRACTOR of any of its provisions, then in addition to any other rights and remedies CITY may have, CONTRACTOR shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONTRACTOR for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONTRACTOR all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONTRACTOR, at the CONTRACTOR'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONTRACTOR to CITY.

D. Transition after Termination

Upon termination, CONTRACTOR shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONTRACTOR shall cease such work as soon as it is safe to do so. CONTRACTOR shall incur no further expenses in connection with this Agreement. CONTRACTOR shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONTRACTOR's duties by any new CONTRACTOR hired by the CITY to complete such services.

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ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONTRACTOR shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONTRACTOR shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONTRACTOR shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONTRACTOR, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONTRACTOR shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONTRACTOR agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

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F. Conflict of Interest

CONTRACTOR certifies that to the best of its knowledge, no CITY employee or office of any public agency interested in this Agreement has any pecuniary interest in the business of CONTRACTOR and that no person associated with CONTRACTOR has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONTRACTOR for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A", Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

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L. Waiver

CONTRACTOR agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONTRACTOR:

CARRY THE VISION

DocuSigned by:
By: shelley swan
6A3FEEB3912F421...
Name: Shelley Swan
Title: Executive Director

Social Security or Taxpayer Identification Number 01-0952753

CITY:

CITY OF GILROY

DocuSigned by:
By: Harjot Sangha
A1657F23E454419...
Name: Harjot Sangha
Title: Interim City Administrator

Approved as to Form

Signed by:
Andrew Faber
4B98480E252C420...
City Attorney

ATTEST:

Signed by:
Kim Mancera
6430695D7EC6481...
City Clerk

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EXHIBIT "A"

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONTRACTOR shall provide the services indicated on the attached **Exhibit "B"**, Scope of Services ("Services"). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONTRACTOR agrees to assign Renee Ridgway, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONTRACTOR shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONTRACTOR shall commence the Services upon delivery to CONTRACTOR of a written "Notice to Proceed", which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, Kylie Katsuyoshi shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONTRACTOR or if otherwise delivered as provided in the **Section V.H.** ("Notices") of this **Exhibit "A"**.

B. COMPLETION OF SERVICES

When CITY determines that CONTRACTOR has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONTRACTOR written Notice of Final Acceptance, and CONTRACTOR shall not incur any further costs hereunder. CONTRACTOR may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONTRACTOR has not completed all of such Services as required by this Agreement, CITY shall so inform CONTRACTOR within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit "C"**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONTRACTOR as provided for in **Article 4** of this Agreement.

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Direct expenses are charges and fees not included in **Exhibit "B"**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONTRACTOR shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONTRACTOR represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONTRACTOR'S representations and warranties regarding its skills, qualifications and licenses. CONTRACTOR shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONTRACTOR

CONTRACTOR shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONTRACTOR shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY'S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONTRACTOR shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONTRACTOR'S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONTRACTOR for the purpose of verifying any and all charges made by CONTRACTOR in connection with this Agreement. CONTRACTOR shall maintain for a minimum period of three (3) years (from the date of final payment to CONTRACTOR), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONTRACTOR, all of which shall be made available to CITY at the CITY's offices within five (5) business days after CITY's request.

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D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONTRACTOR and all other written and oral information developed or received by or for CONTRACTOR and all other written and oral information submitted to CONTRACTOR in connection with the performance of this Agreement shall be held confidential by CONTRACTOR and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONTRACTOR which is otherwise known to CONTRACTOR or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONTRACTOR'S disclosure thereof) shall be deemed confidential. CONTRACTOR shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONTRACTOR have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONTRACTOR may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONTRACTOR shall not be responsible for, and City shall indemnify CONTRACTOR from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

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H. NOTICES.

Notices are to be sent as follows:

CITY:
City Administrator
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

CONTRACTOR:
Executive Director
Carry the Vision
7365 Monterey Road, Suite 203
Gilroy, CA 95020

I. FEDERAL FUNDING REQUIREMENTS.

☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.

☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONTRACTOR shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONTRACTOR warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONTRACTOR, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

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EXHIBIT "B"

SCOPE OF SERVICES

Docusign Envelope ID: AF7DDBDF-BAA9-4496-B197-D12336C7D175

EXHIBIT B

SCOPE OF SERVICES

Below are the identified services to be performed under this agreement.

1. Services

a. Healing Circles and Peer-Led Support

Facilitate weekly bilingual Healing Circles led by trained peer mentors with lived experience. Circles provide trauma-informed, stigma-free spaces for reflection, emotional regulation, and support. Participants receive referrals to treatment support services and resources.

Objectives/Measurable Outcomes:

- Objective: By 12/31/26, conduct 80 circles serving at least 150 residents from high-need Gilroy neighborhoods. 100 residents connected to recovery services and supports.
- Action Steps: Train eight peer facilitators (by Feb 2026), launch weekly circles (Mar–Dec 2026), and collect feedback after sessions.
- Outcome: 75% of participants report improved well-being, connection, and awareness of recovery and resources. Thirty residents will track progress and obstacles and report out.

b. Community-Based Support Groups

Peer mentor staff will accompany participants to community-based recovery support groups, such as faith-based meetings and 12-step programs, to encourage engagement for those newly exploring or entering sobriety.

Modeling engagement, providing support, and integrating recovery-oriented peer support into their treatment plan.

Objectives/Measurable Outcomes:

- Objective: By Dec 2026, accompany 75 individuals to community-based meetings and support, such as 12-step and faith-based.
- Action Steps: Peer mentors will accompany participants to community-based meetings
- Outcome: 75% of participants report feeling supported in attending community-based meetings and a deeper awareness of recovery and resources.

c. Drop-In Peer Navigation

Docusign Envelope ID: AF7DDBDF-BAA9-4496-B197-D12336C7D175

EXHIBIT B

SCOPE OF SERVICES

Rooted staff will host weekly drop-in hours at the CTV office and/or Reentry Resource Center to offer individualized navigation support, peer guidance, and warm handoffs to community services.

Additionally, offering peer support to parents of impacted youth related to prevention and intervention. Staff will track participation and outcomes to monitor progress and identify barriers to recovery and stability for those seeking them, and use that data to advocate for system change in the South County related to access to services.

Objectives/Measurable Outcomes:

- Objective: By 12/31/26, conduct 75 drop-ins.
- Action Steps: Establish regular drop-in hours at the CTV office and/or Reentry, collect feedback after sessions.
- Outcome: 75% of participants report being connected to a service or support.

d. Weekly Collaboration and Outreach with Partners

Rooted will collaborate with faith-based partners, Quality of Life Officers, and reentry staff to provide coordinated outreach in high-impact areas, including encampments. Together, teams will assess needs, connect residents to services and support, and document barriers that prevent access to care. Information gathered will be elevated to appropriate organizational leadership or government agencies to ensure that solutions and resources are responsive to community realities.

Objectives/Measurable Outcomes:

- Objective: By 12/31/26, conduct weekly check-ins with partners.
- Action Steps: Establish a regular communication schedule, collect brief notes on engagement.
- Outcome: Present at six council meetings.

e. Weekly Outreach in High-Use and At-Risk Communities

Peer staff will conduct weekly outreach in high-use and at-risk neighborhoods, bringing messages of hope, connection, and recovery directly to individuals who may be disconnected from traditional systems of care.

Docusign Envelope ID: AF7DDBDF-BAA9-4496-B197-D12336C7D175

Objectives/Measurable Outcomes:

- Objective: By 12/31/26, conduct 50 weekly outreach in encampments.
- Action Steps: Establish a regular communication schedule, collect brief notes on engagement.
- Outcome: 75% of partners report that communication provided deeper collaboration that lead to enhanced insights to the challenges, barriers, and solutions.

f. Trauma-Informed and Opioid Safety Training

Deliver bilingual trauma-informed and opioid safety training to staff, peer mentors, and volunteers to strengthen capacity for culturally responsive recovery support. Training will cover trauma awareness, harm reduction, self-care, and fentanyl overdose response and safety protocols. Distribute Narcan.

Objectives/Measurable Outcomes:

- Objective: By 9/30/26, train 12 peer recovery staff and volunteers in trauma-informed recovery and fentanyl safety practices.
- Action Steps: Contract bilingual trauma-informed consultant (Feb 2026), conduct quarterly training sessions (Feb, April, July, Oct.), evaluate via pre/post surveys.
- Outcome: 90% of trainees demonstrate increased knowledge and confidence supporting recovery.

g. Educational Workshops for Families and Community Members

Host bilingual workshops for families and residents on understanding topics such as trauma-informed care, addiction, reducing stigma, recognizing overdose, administering Narcan, and navigating treatment supports and referrals. Includes distribution of free Naloxone.

Objectives/Measurable Outcomes:

- Objective: By 12/31/26, conduct five workshops reaching 50 participants and distributing Naloxone.
- Action Steps: Partner with community leaders (Mar 2026), deliver monthly workshops (Mar–Dec), collect participant feedback.

Docusign Envelope ID: AF7DDBDF-BAA9-4496-B197-D12336C7D175

- Outcome: 80% report increased awareness and readiness to respond to opioid emergencies.

h. Community Outreach and Resource Navigation

Conduct outreach in high-impact neighborhoods, including hard-to-reach areas. Distribute Narcan, share recovery resources, and provide navigation/referrals.

Objectives/Measurable Outcomes:

- Objective: By 12/31/26, engage 100 individuals and link 50 to ongoing recovery or mental health services.
- Action Steps: Conduct weekly outreach beginning Feb 2026, track referrals and outcomes.
- Outcome: 50% of those reached engage in at least one follow-up or referral service.

i. Storytelling and Stigma Reduction

Storytelling activities featuring lived-experience narratives from Healing Circles and training graduates. Stories shared at community events and through digital channels to promote compassion and recovery awareness.

Objectives/Measurable Outcomes:

- Objective: By 12/31/26, collect 10 stories, share six publicly.
- Action Steps: Record and translate stories (May–Oct 2026), present stories at two community events and/or council meetings.
- Outcome: 70% of attendees report reduced stigma and improved understanding of recovery. One overdose remembrance event open to community members to honor and remember those who have been lost to overdose. Planned in coordination with the community.

2. Reporting

a. Monthly Invoice Report

With each monthly invoice, a report must be completed in a form provided by the CITY to capture data required for reporting to the State and Trust Administrator ("oversight agencies"). The type of data and the means of collection may change depending upon any changes to the reporting that the City must provide to the oversight agencies.

Docusign Envelope ID: AF7DDBDF-BAA9-4496-B197-D12336C7D175

EXHIBIT B
SCOPE OF SERVICES

b. Year-End Report

There shall be a year-end/final report for the services under this agreement, which shall be a combined report of all activity, participation, and other data from the monthly reports, and any additional data as may be needed to satisfy the funding oversight agencies. The CITY will submit the final report format to the CONTRACTOR.

c. As-Needed Reports

There may be additional reporting needed from time to time, as required by the oversight agencies, the City of Gilroy City Council, the City's independent auditors, or the City Administrator. The CONTRACTOR shall fully cooperate to provide the required information, if available.

Docusign Envelope ID: AF7DDBDF-BAA9-4496-B197-D12336C7D175

EXHIBIT "C"

MILESTONE SCHEDULE

Docusign Envelope ID: AF7DDBDF-BAA9-4496-B197-D12336C7D175

EXHIBIT C

MILESTONE SCHEDULE

Below are the identified milestones and estimated dates for completion.

1. Services

- Services will be in the planning and training phase, to last from contract commencement through February 2026. The milestone to complete training and planning is February 28, 2026
- Implementation of the Services shall commence March 2, 2026, and run through December 31, 2026.
- The final invoice for December 2026 will be due January 15, 2027.

2. Reporting

a. Monthly Invoice Report

Each monthly invoice must include the corresponding monthly report before the invoice can be processed.

b. Year-End Report

The CITY will submit the Year-End/Final report form in November of 2026 to Contractor. The Year-End/Final report will be due at the same time as the final invoice for December 2026, due January 15, 2027.

c. As-Needed Reports

Any additional reports will have their own deadlines, which shall be established with reasonable timeframes for completion, based on the level of work required to complete them.

Docusign Envelope ID: AF7DDBDF-BAA9-4496-B197-D12336C7D175

EXHIBIT "D"

PAYMENT SCHEDULE

Docusign Envelope ID: AF7DDBDF-BAA9-4496-B197-D12336C7D175

EXHIBIT D
PAYMENT SCHEDULE

This contract is a time and materials contract, with invoicing to be issued to CITY no more frequently than once per month, but no less than once per quarter. The invoice shall identify pay rates and hours of labor, as well as costs incurred as provided in the Scope of Work, and other approved costs as may be determined in writing by both parties. Payment terms are net 30 days.

Invoices shall identify which of the services and tasks of the project that each cost applies to, as well as tying the invoice amounts to the invoicing informational form that will be provided to the CONSULTANT by the CITY.

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Award Two Opioid Remediation Grants, not-to-exceed $118,675 to Carry the Vision and $118,676 to Youth Alliance, for Opioid Remediation Services; Adopt a Resolution Amending the Fiscal Year 2026 Budget in the Opioid Settlement Fund by $237,352; and Authorize the City Administrator to Negotiate and Execute Final Grant Agreements**
Meeting Date:	November 17, 2025
From:	Brad Kilger, Interim City Administrator
Department:	Administration
Submitted by:	Bryce Atkins, Assistant to the City Administrator
Prepared by:	Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Council:

1. Award two opioid remediation grants, reimbursement-based and not to exceed $118,675 to Carry the Vision and $118,676 to Youth Alliance, for opioid remediation services;
2. Adopt a resolution amending the Fiscal Year 2026 Budget in the Opioid Settlement Fund by $237,352; and
3. Authorize the City Administrator to negotiate and execute final grant agreements.

BACKGROUND

In response to the national lawsuits and bankruptcies surrounding the production and distribution of opioids, such as Fentanyl, for example, nationwide settlement and bankruptcy agreements were created as part of those processes, and cities and counties throughout the nation were able to sign on to the agreements to receive some

of those funds. The City of Gilroy signed onto those agreements and now accepts payments from the administrators overseeing those settlements.

The individual payments are small, ranging from just a few thousand dollars to approximately $42,000, the most significant amount, although these large amounts are rare. In the budget process, staff do not project payments from these agreements, as the amounts are not known in advance and can vary significantly regarding the amount and timing of the payments.

The use of settlement funds is required to meet conditions in the settlement agreements and is regulated by the State of California and the appointed Trust Administrator. There are several categories of uses, but many of the services described in them are not commonly present in Gilroy. Opioid remediation and prevention is not a program offered by the City, and the City is neither equipped to create such a program nor knows if it would be viable.

The only expenditure against these funds was a purchase of naloxone (also known as Narcan) for distribution to Police and Public Works staff in case they encounter someone in the public experiencing an overdose condition. Aside from that purchase, there has not been any additional use of these funds. The fund currently has a fund balance of $237,352.12.

Staff had received an inquiry and an unsolicited proposal from a local organization seeking to use the funds. However, the City's purchasing policy requires competitive procurement. Without specific programming and knowledge of the available vendors and programs in the area, staff requested, and the Council approved, the issuance of an exploratory request for proposals (RFP). The exploratory RFP was an open solicitation process for vendors who believe their services align with the intent of the funding being made available, without limiting proposals to a specific program or service.

ANALYSIS

As presented to the Council at the September 8, 2025, regular meeting, the evaluation of proposals was first vetted by City staff to ensure they meet the funding requirements and to offer a recommendation for grant awards. Those proposals that meet the requirements would then be presented to the Council, which would determine which awards are made. The City received six proposals, which are attached to this staff report and discussed briefly below, and all meet the intent of the funds.

Proposals Received

The City received the following proposals, listed in order from highest to lowest average screening score. Although staff are presenting the amounts for each proposal, the basis of the staff's recommendation was on the services being provided, matched to the funding requirements, and suitable to the community, rather than the lowest cost.

Organization	Evaluation Average Score	Proposal Amount
Carry the Vision	81	$118,675
Youth Alliance	81	$118,676
End Overdose	79	$72,238
Catholic Charities	77	$129,330
Sunday Friends Foundation	63	$73,889
Bay Area Community Health	56	$125,000

Each of these proposals accomplishes a different assortment of services. Below is a rough identification of services being proposed by each organization. The breakdown is rough due to differences in descriptions of the various programs in each proposal:

Firm	Naloxone Distribution/ Overdose Prevention	Education/ Prevention	Medication-Assisted Treatment	Warm-Handoff/ Recovery Services	Syringe Services	OUD Treatment/ Support those in treatment	Diversion Program	Programs Offered
Bay Area Community Health	X		X	X	X	X		5
Youth Alliance	X	X		X		X	X	5
Carry the Vision	X	X		X		X		4
Sunday Friends Foundation	X	X						2
Catholic Charities		X						1
End Overdose	X							1

Special Considerations
There are a few considerations that played in the screening scores as well as staff's recommendation:

- Bay Area Community Health. While matching Youth Alliance for the largest number of programs offered, including medication-assisted treatment for opioid abuse, the proposal identified that participants are selected based on their existing status as patients or those receiving referrals from other medical professionals and specific sources. A general resident could not participate in their programs. This limits the utility of their programs in addressing the community-wide needs of residents who require support.
- End Overdose. End Overdose had a quality proposal, but the service delivery is dependent upon finding partners to deliver the program. The organization is based in Southern California, and there is a risk that insufficient partnerships will be

created to deliver their train-the-trainer model of service delivery.

- Sunday Friends Foundation. The proposal requires city staff participation, namely, community service officers for certain components, and recreation staff for referrals. Given that the RFP was intended to have the potential firms provide the services and operate independently, this proposal is not feasible as the City's staff in these positions already carry a significant task load and are not available to support the functions. Additionally, it places the firm in a position where, if insufficient participants are found, it could claim that the City did not perform the referral functions adequately.
- Carry the Vision and Youth Alliance. These two organizations submitted separate proposals, but are coordinated to provide similar programs, one for adults and the other for youth. The Youth Alliance proposal includes an additional service of providing a diversion program, which is not offered by any other proposal. These two organizations previously submitted an unsolicited proposal and sought information about the Opioid Settlement funding, which encouraged the activation of these funds.

Staff Recommendation

Staff recommends that the Council award contracts to Carry the Vision and Youth Alliance. Their proposals have some of the largest program type offerings based on their descriptions; have already been providing services in the community; have outreach mechanisms that reach population groups that — statistically speaking — are more likely to be impacted and underserved as documented in the settlement agreements and use of funding descriptions; have coordinated services to reach families, including a youth component that would meet the area of high impact requirement for opioid funding; and proposals that, including these qualities but others, scored the highest in the proposal screening.

With the RFP process being exploratory and the high level of requirements for documentation, reimbursement, and oversight of the opioid settlement funds, the specific contract scopes of work, milestone schedules, and payment schedules must be negotiated with each organization awarded funds; only then can the contracts be executed. Staff is seeking Council approval to authorize the City Administrator to complete negotiations on the proposed agreements selected by the Council for grant awards, and to execute the contracts.

Finally, as mentioned in the background, no funds from the Opioid Settlement Fund have been appropriated in the budget. Staff has included, as part of the recommended action, a resolution for the Council to approve a budget amendment to appropriate the full balance of funds available for the FY26 budget. The unused funds, since the contracts will be based on the calendar year, will roll forward with the contract terms into FY27.

ALTERNATIVES

Council may award, modify, or reject the proposal(s).

FISCAL IMPACT/FUNDING SOURCE

$237,352.12 from the Opioid Settlement Fund (Fund 293). The funds will be expended as reimbursements for qualifying expenditures under the final contract, consistent with the requirements as imposed by the settlement agreements, the funding source for these grant funds.

PUBLIC OUTREACH

This item was first discussed at the September 8, 2025, regular City Council Meeting and was included on the publicly posted agenda for tonight. Any decision on this item will be shared through the City's e-newsletter.

NEXT STEPS

Following the Council's selection of proposals to receive grant funds, staff will complete contract negotiations and execute agreements with the awarded organizations to implement the proposed programs.

Attachments:

1. Budget Amendment Resolution - FY26 Opioid Settlement Fund
2. Proposal - Bay Area Community Health
3. Proposal - Bay Area Community Health Budget
4. Proposal - Carry the Vision
5. Proposal - Catholic Charities
6. Proposal - End Overdose
7. Proposal - Sunday Friends Foundation
8. Proposal - Youth Alliance
9. RFP for Opioid Remediation Services

October 17, 2025

City of Gilroy
Attn: Carina Baksa
Community Engagement Division

Subject: Opioid Remediation Services Proposal

Dear Ms. Baksa and Mr. Atkins,

Youth Alliance (YA) is honored to submit this proposal for the City of Gilroy's Opioid Remediation Services funding. For nearly 30 years, YA has been a trusted community-based organization serving South Santa Clara and San Benito Counties, helping youth and families heal and lead through culturally rooted prevention and leadership programs. Our request for **$118,676** represents half of the available funds and reflects our partnership with Carry the Vision (CV) to jointly implement CARE: Community Action for Recovery & Education, a community-led opioid prevention and education initiative. Through this effort, Youth Alliance will deliver youth-centered prevention, education, and healing by facilitating Xinachtli and Joven Noble groups, peer-led healing circles, and harm reduction workshops, while amplifying youth voice through creative media and outreach campaigns. Together with Carry the Vision's adult-focused recovery work, CARE will build a comprehensive, culturally grounded response to the opioid crisis that uplifts Gilroy's youth and families.

YA has a proven track record of managing public and private funding for youth prevention and wellness programs. For over a decade, we've partnered with Santa Clara County Behavioral Health to lead prevention and restorative justice initiatives, complemented by collaborations with the Santa Clara County Youth Task Force, Elevate Youth California (Prop 64), and San Benito County Probation and Behavioral Health in the neighboring county. These long-standing partnerships demonstrate our capacity to deliver equitable, evidence-based, and fiscally responsible programs that improve community outcomes.

We also confirm that we have reviewed and agree to the terms outlined in Attachment B: Standard Agreement Template included in the RFP and are committed to full compliance with requirements.

We thank the City of Gilroy for its leadership in directing opioid settlement funds toward prevention and community wellness. We welcome the opportunity to continue our long-standing service to Gilroy's youth and families through this important initiative.

With gratitude,

Diane Ortiz, MSW
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COO
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ENGAGE • GROW • LEAD • TRANSFORM

ORGANIZATION HISTORY AND PROVEN SUCCESS

Founded in 1995, Youth Alliance (YA) is a nonprofit organization dedicated to collaborating with youth and families from rural, predominantly Latinx communities in the Central Coast (with a key focus on South Santa Clara County) who have been: (1) historically marginalized; (2) disproportionately impacted by the opioid crisis; and, (3) left without a continuum of care. Lack of access to mental health and behavioral health care has been and remains a critical issue, especially in the context of widespread opioid misuse.

Our goal is to heal individual and generational trauma so that Latinx youth and families recognize their inherent strength, cultural values, and leadership potential. They can then advocate for the full range of services their communities need. We envision a bright future where every young person from these communities can access a robust network of care and myriad pathways to prosper and thrive.

Over 30 years, YA has collaborated with young leaders and their families, public agencies, public officials, and other community partners in South Santa Clara County to establish a community hub with wraparound services, which are evidence-based, culturally responsive, and linguistically appropriate. Today Youth Alliance is a deeply rooted, trusted partner serving more than 2,300 every year across South Santa Clara and San Benito Counties through substance abuse prevention, leadership development, and other wellness programs.

Our team is led by a diverse team of professionals who are bilingual and with deep experience in youth development, holistic whole person care focus, restorative justice practices, and nonprofit management. Together, our staff of over 60 facilitators, case managers, outreach specialists and youth & family advocates are trained in proven models tailored to the unique needs of rural BIPOC families.

For our work to identify risk factors and intervene early to prevent drug abuse—including opioids—we apply frameworks focused on addressing trauma, instilling healthy decision-making, and discovering resilience through cultural values. Behavioral health frameworks include Mental Health First Aid, Substance Use Prevention, Botvin Life Skills Training, and Motivational Interviewing. They are interwoven with culturally-rooted curricula that include Joven Noble, Xinachtli, Cara y Corazón, and Girasol. We are also pioneers in weaving restorative justice and mindfulness practices into whole-person care.

Moreover, YA has established a contractual partnership with Santa Clara County Behavioral Health Services for over a decade to lead in-school and community prevention and restorative justice programs that align with countywide mental health and substance use strategies. We have also implemented prevention initiatives with the Santa Clara County Youth Task Force and Elevate Youth California—the grant program administered by the California Department of Health Care Services and funded by the Regulate and Tax Adult Use of Marijuana Act (Prop 64). These long-standing partnerships reflect our ability to deliver programs that are equitable, effective, and accountable to both fiscal and performance standards.

Our prevention and recovery efforts include school and community workshops on fentanyl awareness, overdose prevention, Narcan intervention use, and harm reduction practices. We coordinate youth-led campaigns and support circles that strengthen protective factors, build resilience, and promote wellness. Guided by the La Cultura Cura framework, our approach helps young people reconnect to identity, culture, and community as key pathways to healing and prevention.

After nearly three decades of service, we continue to show the capacity, trust, and commitment needed to lead effective, culturally grounded opioid prevention and education programs in partnership with our community.

PROJECT NARRATIVE

Describe how you plan to address the abatement strategy(ies). Share the project, including the timeline, a high-level overview of implementation and evaluation steps, and the intended outcomes. Describe how the project addresses opioid use disorder (OUD)-related stigma.

PROGRAM OVERVIEW

Youth Alliance (YA) will implement holistic prevention and education strategies, co-created with the communities it serves—designed to address substance use (especially opioids) among rural marginalized groups and families in South Santa Clara County. These strategies are grounded in trauma-informed, culturally and linguistically responsive practices that meet youth and families where they are. The initiative integrates substance use prevention, early intervention, and youth leadership development to strengthen individual and community resilience. Outcomes are categorized by 1) community accessible education and services, 2) in-school services, and 3) community outreach and information dissemination. Each activity supports the opioid remediation priorities outlined by Santa Clara County in the following ways:

1. **Interventions to Prevent Drug Addiction in Vulnerable Youth:** YA will deliver school-based prevention education, family workshops, and peer-led programs that strengthen coping skills, foster supportive relationships, and build resilience so youth can internalize healthy coping mechanisms, build peer connections, and recognize their potential—all behavioral practices that lead them away from substance use.

2. **Support and Sustain Culturally Relevant Healing and Diversion Programs:** Through culturally rooted models like *Xinachtli* and *Joven Noble*, YA will operate trauma-informed healing circles and leadership groups that address the underlying causes of substance use and promote healthy alternatives.

3. **Diversion of People with Substance Use Disorders from the Justice System into Treatment (at risk or impacted):** YA's restorative justice and healing-centered programs provide non-punitive alternatives for youth at risk of jail or incarceration or as a re-entry resource, connecting them to mentoring, education, and culturally grounded care with trusted adults that have been native to the Gilroy area.

4. **Addressing the Needs of Communities of Color and Vulnerable Populations Disproportionately Impacted by Substance Abuse Disorders:** Programs are bilingual, bicultural, in-school & community-based, reaching all communities of color regardless of the

economic, cultural, educational, or immigration status in Santa Clara County through trusted relationships and accessible prevention services.

We have organized our work to address opioid misuse across three outcomes.

OUTCOME #1

Youth demonstrate increased knowledge, confidence, and participation in substance use prevention—especially opioid misuse—through trauma-informed education, early-intervention workshops, and access to culturally and linguistically appropriate resources.

YA will provide interactive substance abuse prevention workshops in a community setting like the Youth Impact Center, primarily focused on: (1) warning signs for early intervention; (2) use and training of Naloxone (Narcan); (3) non-judgmental ways to discuss substance abuse and its impacts; and, (4) healthy decision-making. Sessions will be age-appropriate, trauma-informed, and adaptable to both in-school and after-school spaces. YA staff will partner with educators to host sessions that respond to the unique needs of youth in the county for parents and for youth.

In addition, participating youth will be eligible for a range of resources at its Gilroy Youth Impact Center that include weekly drop-in sessions, advocacy and leadership groups, resource navigation, art workshops and family activities.

Implementation Steps

- Youth Alliance will offer weekly interactive workshops applying culturally relevant, evidence-informed, and linguistically appropriate curricula to attract and retain participants.

- At the Gilroy Youth Impact Center, YA will connect youth and families to bilingual case managers who can connect families to a range of services, including partners focused on substance abuse prevention and recovery like Carry the Vision, intensive outpatient programs, and (as needed) in-patient hospitalization.

- The Gilroy Youth Impact Center will also serve as a safe space for drop-in sessions and special family activities offered once every other month and during holidays.. Drop-in sessions offer a safe space for youth to work on homework, socialize, have access to snacks and engage in recreational activities. Special family activities include educational activities, creative workshops, listening sessions, or holiday shared meals.

OUTCOME #2

Latinx youth, families, and community members collaborate to reduce stigma surrounding substance use—particularly opioids—by fostering open dialogue, shared understanding, and leadership.

Youth Alliance will integrate opioid prevention education into ongoing healing circles and leadership development programs grounded in culturally responsive models, including Xinachtli and Joven Noble. These circles will create safe spaces for youth to reflect on personal and community experiences with substance use, grief, violence, and structural harm. Grounded in restorative practices and cultural values, these groups will foster connection, empathy, and emotional regulation while linking youth to additional support as needed. Groups will take place at a selected school and a minimum of 4 groups will take place during the contract period.

Youth participating in these activities will be matched with supportive mentors and peers to cultivate leadership skills to model positive behaviors, provide a larger support network focused on substance abuse, and lead a campaign focused on reducing the stigma, especially opioid addiction.

Implementation Steps

- Youth Alliance will recruit at least 40 youth (ages 12-18) to participate in healing circles and leadership development groups through established partnerships with local schools and community organizations, as well as direct outreach in high-need areas throughout Santa Clara County.

- Healing circles and leadership development groups will meet weekly for a 10 week cohort across the selected South County school district(s) and will be eligible to join the Youth Media team, and Advocacy team at the Gilroy Youth Impact Center.

- At least 20 youth peer mentors will be trained and receive continuous coaching in cultural healing, mindfulness, and restorative practices, with a key focus on monitoring for early intervention around opioid misuse and initiating delicate and charged conversations around substance abuse.

- Restorative justice diversion practices will be integrated into the program to provide alternatives to punitive discipline for youth impacted by substance use or related behavioral issues. Youth referred through school or community diversion pathways will participate in leadership training groups and healing circles that emphasize accountability, reflection, and reconnection, helping them rebuild trust and restore relationships while learning coping and leadership skills.

OUTCOME #3

Youth-led media and advocacy campaigns increase community awareness about substance use risks and prevention strategies — emphasizing opioid education, early warning signs, and access to care through trusted and relatable messengers.

YA will expand its multi-channel public awareness campaigns aimed at raising awareness about substance abuse across the county, with a focus on the opioid epidemic. Campaign activities will target all communities in South County across generations. Accessible and relatable media will be developed to be accessible to communities of color. The design will be led by youth leaders mentored by adults versed in storytelling across media. A cornerstone of the campaign will be stories and interviews incorporated into the *Our Voices podcast* or short social media clips.

Implementation Steps

- YA will recruit and identify a cadre of youth leaders from programs it runs at the Gilroy Impact Center and at partner schools. We will also reach out to a variety of longstanding partners, including Gavilan College and Community Media Access Partnership to provide youth with technical skills.

- The team of youth spearheading the campaign will meet weekly to brainstorm and shape elements of campaigns.

- With support from Youth Alliance staff, parent allies, and partners, youth leaders will coordinate additional in-person public awareness activities across schools, parks, and public events. Activities may include, but are not limited to, tabling events, roundtables, listening sessions, resource fairs, open forums, community workshops, and school informational sessions.

- The youth-led team will also develop 5 social media initiatives across the core platforms including Instagram, Facebook, Youtube, and X (Twitter).

- Participants will develop, produce, edit, and publish a minimum of three episodes for the *Our Voices podcast,* where youth share stories and conversations that elevate their voices and lived experiences. The episodes will center on substance abuse, with significant focus on the dangers of opioids. In keeping with the purpose of the podcast, they will include stories and interviews, as well as information on early warning signals, approaching sensitive and high-stakes conversations, and paths to resources.

- Mentors will assist youth leaders in compiling and interpreting feedback and data from campaigns to continue to iterate and innovate.

EVALUATION

To demonstrate a rigorous, culturally responsive approach to measuring outcomes, learning, and accountability across all project activities, Youth Alliance will use the following data collection and assessment practices:

- **Quantitative tracking:** Participant counts, attendance logs, pre/post knowledge surveys.

- **Qualitative feedback:** Restorative reflection circles, youth focus groups, and caregiver feedback used to gather stories of change and perceived shifts in stigma or wellness.

- **Partner data:** Partner feedback will be utilized to improve and learn for future programs.

- **Continuous improvement:** Quarterly team debriefs to assess fidelity to trauma-informed and culturally grounded models; mid-year adjustments documented in written summaries.

All evaluation tools and reflection activities will be linguistically appropriate and culturally accessible to ensure safe participation and honest feedback. For example, all evaluation materials distributed to participants will be available in English, Spanish, and other languages (as needed).

TIMELINE

The following is the cadence that Youth Alliance will use to execute, refine, and evaluate strategies based on the start of the contract. This timeline proposes a November 2025 start and end date of October 2026.

Nov–Dec 2025 | Program Setup and Outreach

• Finalize school partnerships with GUSD and community partners.
• Meet with administrators, counselors, and parent liaisons to plan logistics.
• Develop bilingual outreach materials and hold info sessions for families.
• Establish evaluation tools, reporting templates, and data tracking system.
• Launch introductory social media announcements and recruitment campaign.

Jan–Feb 2026 | Recruitment and Group Enrollment
- Recruit youth and families for prevention workshops and leadership groups.
- Conduct orientations and collect baseline data (intake forms, surveys).
- Deliver staff refresher training on trauma-informed and culturally rooted facilitation.
- Schedule initial bilingual parent workshops and youth information nights.
- Implement 10-week culturally grounded leadership and healing cohorts (Outcome 2) either all in unicent or 2 in January and 2 in May depending on school approval.

Mar–Apr 2026 | Launch of Prevention Workshops
- Begin weekly prevention and education sessions in GUSD schools (Outcome 1).
- Offer bilingual family workshops on fentanyl awareness and early intervention.
- Open weekly drop-in sessions at the Gilroy Youth Impact Center.
- Provide ongoing peer mentor coaching and collect interim data.

May–Jun 2026 | Healing Circles and Leadership Development
- Integrate restorative justice diversion referrals from schools and partners.
- Host family engagement and community-building activities at the Center.
- Conduct mid-year review and program reflection with staff and Data Analyst.

Jul–Aug 2026 | Youth-Led Media and Advocacy Campaigns
- Recruit youth media team and begin planning *Our Voices* podcast episodes.
- Develop social media campaigns focused on stigma reduction and prevention.
- Partner with Communications Specialist for design and dissemination.
- Host community outreach events in parks, schools, and public spaces.

Sep–Oct 2026 | Evaluation and Reporting
- Conduct post-surveys, focus groups, and reflection circles.
- Compile final attendance, participation, and impact data.
- Hold community celebration and youth recognition event.
- Review results with leadership team and submit final report to City of Gilroy.
- Develop sustainability and continuation plan for prevention programming.

Ongoing Activities:
- Weekly coordination and supervision meetings.
- Continuous data tracking and evaluation support by Data Analyst.
- Monthly bilingual family engagement events and school collaboration.

POPULATION OF FOCUS

Describe the target audience impacted by your proposal. How are these targeted audiences most at risk or impacted by OUD considered in this project? How does your project address potential barriers to accessing your programming?

The need for trusted, community-based prevention—especially for BIPOC youth ages 12 to 18—is urgent and well-documented. According to the Santa Clara County Medical

Examiner-Coroner's Office, fentanyl is involved in more than 70 percent of accidental overdose fatalities countywide. Youth and young adults ages 15 to 29 account for a growing share of these deaths, with South County ZIP codes 95020 (Gilroy) and 95037 (Morgan Hill) showing the highest per-capita overdose rates. In Gilroy—where more than 60 percent of residents identify as Hispanic or Latinx—these losses are compounded by limited access to behavioral health care, language isolation, cultural stigma, and fear of law enforcement.

Youth Alliance programming is co-created with the community it serves and therefore directly addresses these barriers that exacerbate the opioid epidemic among Latinx youth across South County. Core pillars of our work which include healing-centered and trauma-informed practice, community co-creation, evidence-based and culturally responsive frameworks, and accessible, safe spaces, have established Youth Alliance as a trusted partner in navigating substance use and mental health challenges. Moreover, we operate in other easily accessible spaces, especially schools throughout the county. By meeting youth and families where they are—physically, in the language they use, and through internalized cultural values—YA removes the structural and psychological barriers that most often prevent Latinx communities from accessing the opioid prevention education and early-intervention services they need.

COMMUNITY NEEDS

Describe how the proposed project will meet community needs. How were those needs identified? How does your project support those most disproportionately impacted by the opioid epidemic? How will you ensure this program is culturally, linguistically, and developmentally appropriate for the proposed community(ies)?

The impetus behind YA was witnessed decimation across generations by intersecting systems of harm, including the amalgamation of policies falling under the banner of the "War on Drugs." Raised by traumatized elders and watching the cycle of trauma begin again with their children, a group of parents formed the organization to create a new path forward, one of healing, opportunity, and empowerment named Barrio Unidos. 30 years later, YA forged that path with services connecting to more than 20,000 people and providing direct services to more than 3,000 each year that (1) bolster resiliency within rural communities (2) equip generations of youth to thrive.

At the heart of all our programming is deep, participatory engagement with the community. Through ongoing active listening—through both informal and formal channels—our programs continually evolve to reflect the lived realities and cultural values of the Latinx families we serve. We therefore ensure that prevention and wellness programs are not ***brought to*** the community but built ***with it***, grounded in trust, cultural values, and shared responsibility for collective well-being. Moreover, we represent our community, with the majority of staff identifying as Latinx and Indigenous and our service providers living in the neighborhoods where we implement our programs. Feedback and insight is woven into our work and formalized through longstanding collaborations with agencies, elected officials, and other nonprofit partners. Now, in the aftermath of the War on Drugs, we face the opioid epidemic and are once again first to witness and respond to its devastating impacts. We also see the barriers we must remove to prevent opioid misuse and intervene early.

For example, many young people in South Santa Clara County, especially those from Latinx, immigrant, and low-income families, face limited access to afterschool and recreational opportunities. Many of these youth are also from hard working parents that may have experienced work related injuries with access to opioids at home while unsupervised. In Gilroy, there are few safe, supervised spaces where youth can build community, express themselves, and connect to caring adults especially if they come from a two working parent household. Without these protective environments, young people are at higher risk of social isolation and exposure to substance use, misinformation, and under the influence of toxic role models they see on social media platforms.

We have responded by creating the Gilroy Youth Impact Center, which is designed in all aspects to be safe and to reflect cultural roots. We also address the threat by creating structured opportunities for youth to connect, learn, and lead so that they are mentors to others struggling with addiction. Moreover (and as stated above), all services are culturally, linguistically, and developmentally appropriate. We also ground our substance abuse prevention programs in evidence-informed approaches, as well as decades of experience. In addition, staff regularly refresh their skills and knowledge through Santa Clara County Behavioral Health trainings.

Accessibility is a key part of the effectiveness of our substance abuse programming. Prevention and healing programs are offered directly on school campuses during school hours, removing the need for transportation and minimizing the risks youth may face traveling long distances after class. Additionally, our Youth Impact Center is conveniently located in downtown Gilroy near public transportation routes and in a safe, well-lit area, or with caring YA staff that can transport them back home.

STAFF PLAN

What is the level of staffing for the project? Ensure accountability for carrying out work plan activities and maintaining overall support and coordination of the work. If planning to use subcontractors, please describe their responsibilities in carrying out grant activities.

The CARE initiative will be implemented by a dedicated and experienced team within YA that ensures strong program delivery, data integrity, compliance, and community engagement. The project will be coordinated by existing leadership and supported by trained direct-service staff who have years of experience providing prevention, wellness, and restorative programs in Gilroy and throughout South Santa Clara County.

The program will be led by a Program Director, who will oversee implementation, manage day-to-day operations, and ensure that all activities align with the approved work plan. The Case Manager / Prevention Specialist will facilitate culturally rooted prevention groups such as Xinachtli and Joven Noble, lead workshops on harm reduction and youth resilience, and maintain case notes, attendance records, and follow-up with participants and families. The Outreach Specialist (in-kind) will focus on engaging youth and families through community

events, conducting direct outreach, and coordinating group activities to maintain strong participation and visibility in the community.

The project will also receive internal support from key staff across the organization to ensure accountability and quality (in-kind). The Chief Operating Officer (COO) will provide executive oversight to ensure fidelity to contract deliverables and responsible management of grant funds. The Director of Development & Initiatives will ensure compliance, performance tracking, and timely submission of reports to the City of Gilroy. A Data Analyst will collect, manage, and analyze quantitative and qualitative program data to evaluate outcomes and ensure alignment with grant metrics. The Communications Specialist will assist with content creation, media coordination, and promotion of youth-led prevention campaigns to enhance outreach efforts and community awareness. Additional Case Managers and Outreach Staff will provide support for group facilitation, event coordination, and family engagement as needed.

Together, this integrated staffing structure ensures that all program activities are well-coordinated, compliant with city requirements, and delivered with consistency and cultural responsiveness. With this team approach, YA will maintain clear accountability for every component of the work plan from implementation and data collection to evaluation and reporting to ensuring the success and sustainability of the CARE initiative.

SUSTAINABILITY

How will this project be sustainable beyond the proposed funding period?

YA is deeply committed to sustaining this project beyond the proposed funding period through a combination of existing infrastructure, strong partnerships, and diversified funding streams. As a long-standing community-based organization with nearly three decades of service, YA has the systems, relationships, and staff capacity to continue this work as part of its broader prevention and wellness portfolio.

The Gilroy Youth Impact Center, where many of the project's workshops and circles will take place, is a permanent community hub that YA operates year-round through a blend of public, private, and philanthropic support. This established site ensures that activities, staff, and participant engagement can continue without interruption once the grant period concludes. The Center's location in downtown Gilroy, close to schools and public transportation, also supports long-term accessibility for youth and families.

Sustainability will also be achieved through ongoing partnerships with Gilroy Unified School District (GUSD), Santa Clara County Behavioral Health Services, and Carry the Vision. These collaborations provide access to in-kind resources such as facilities, staff training, subcontracting opportunities, and referral pathways that reduce program costs and strengthen service integration. YA will continue leveraging these partnerships to align prevention education with existing school wellness initiatives and county behavioral health strategies. Additionally, YA maintains a successful record of securing multi-year grants and government contracts for substance use prevention and youth development. The organization will continue to pursue

funding from state and county behavioral health departments, Elevate Youth California (Prop 64), and local philanthropic foundations to extend and expand program services. Lessons learned and data collected from this initiative will be used to strengthen future grant proposals and demonstrate measurable community impact.

Finally, by embedding prevention and stigma-reduction activities into ongoing youth leadership and restorative justice programs, YA will ensure that the knowledge, skills, and cultural practices established during this project remain part of its long-term service model. Through community ownership, cross-sector collaboration, and continued advocacy, the CARE initiative will outlast its initial grant cycle and remain a sustainable, community-driven effort to promote wellness and prevent opioid misuse in Gilroy.

WORK PLAN

Identify by name which category(ies); subcategory(ies); and each strategy under each subcategory(ies) are being utilized. Identify for each activity within the project which category it applies to and how the category is being met. Include at least one objective with action steps for each abatement strategy chosen in the project proposal.

ACTIVITY 1: Trauma-Informed, Culturally Responsive, And Linguistically Appropriate Workshops And Family Drop-In Services

Category: Prevention
Subcategory: Interventions to Prevent Drug Addiction in Vulnerable Youth
Strategy: Deliver trauma-informed, culturally responsive, and linguistically appropriate substance abuse education workshops and drop-in services that integrate information about opioid misuse.
Activity Description: Youth Alliance will review, translate, and incorporate substance abuse prevention information into trauma-informed, culturally responsive workshops at schools and other community settings. They will primarily focus on (1) warning signs for early intervention; (2) use and training of Naloxone (Narcan); (3) non-judgmental ways to discuss substance abuse and its impacts; and (4) healthy decision-making. The Gilroy Youth Impact Center will host weekly drop-in sessions, resource navigation, and family activities that reinforce prevention education.
Objective: Youth demonstrate increased knowledge, confidence, and participation in substance use prevention—especially opioid misuse.
Target Date: Months 3-10
Impact: Increased youth and family awareness of substance use risks; improved early-intervention behaviors; strengthened protective factors and community connection.

ACTIVITY 2: Healing-Informed, Evidence-Based, and Culturally Responsive Healing Circles and Leadership Groups

Category: Prevention
Subcategory: Support and Sustain Culturally Relevant Healing and Diversion Programs
Strategy: Operate trauma-informed healing circles and leadership groups that address root causes of substance use and promote healthy alternatives.
Activity Description: Youth Alliance will integrate opioid prevention education into ongoing healing circles and leadership development programs grounded in culturally responsive models, including Xinachtli and Joven Noble. These circles will create safe

spaces for youth to reflect on personal and community experiences with substance use, grief, violence, and structural harm. Grounded in restorative practices and cultural values, these groups will foster connection, empathy, and emotional regulation while linking youth to additional support as needed. Youth participating in these activities will be matched with supportive mentors and peers to cultivate leadership skills to model positive behaviors, provide a larger support network focused on substance abuse, and lead a campaign focused on reducing stigma, especially around opioid addiction.
Objective: Latinx youth, families, and community members collaborate to reduce stigma around substance abuse and addiction, particularly opioids, by fostering open dialogue, shared understanding, and leadership.
Target Date: Months 3–12
Impact: Reduced stigma and social isolation related to substance use; strengthened peer networks; increased leadership capacity among youth and families.

ACTIVITY 3: Restorative Justice Diversion and Re-Entry Support

Category: Prevention / Diversion
Subcategory: Diversion of People with Substance Use Disorders from the Justice System into Treatment
Strategy: Incorporate additional information around substance abuse and opioid misuse into existing restorative justice diversion programs offered by Youth Alliance in collaboration with law enforcement agencies, school districts, and community partners..
Activity Description: Youth Alliance will collaborate with law enforcement partners to expand the scope of restorative justice diversion programs currently offered to youth engaging in destructive and illegal behavior that could put them in jail. Substance abuse prevention strategies, with a particular focus on opioid mis-use, will be adapted to be culturally responsive, then introduced to restorative justice healing circles facilitated by Youth Alliance.
Objective: Refine the scope of restorative, non-punitive alternatives for youth to help them recognize warning signs of substance abuse (especially opioid mis-use) and discuss the root causes that lead to addiction—fractured families, punitive and/or isolating practices at school, peer pressure, mental health struggles, and oppressive law enforcement dynamics, among others.
Target Date: Months 6–11
Impact: Increased diversion from the justice system; improved access to culturally responsive behavioral health and substance abuse care; deeper connections with peers; demonstration of constructive behaviors that lead youth away from substance abuse.

ACTIVITY 4: Youth-Led Public Awareness Campaigns

Category: Prevention / Public Education
Subcategory: Public Education and Community Engagement to Reduce Substance Use and Stigma
Strategy: Led by youth leaders, devise and launch culturally responsive, intergenerational prevention campaigns to raise awareness of the dangers of substance abuse (especially opioids) and reduce the stigma around addiction.
Activity Description: Spearheaded by a select youth media team, Youth Alliance will coordinate multi-channel awareness campaigns focused on substance abuse education (including opioid addiction), early warning signs, and access to care. Campaigns will be informed by the expertise of adult mentors. They will feature storytelling, interviews, and

substance abuse prevention education. Campaigns will launch across social media, schools, and public events.
Objective: Increase community awareness and engagement around opioid prevention through youth-led storytelling and trusted-messenger strategies.
Target Date: Months 5–11
Impact: Increased public understanding of opioid risks and prevention resources;greater openness and community dialogue incorporating youth-led messaging

ACTIVITY 5: Community Feedback and Reflection
Category: Evaluation / Continuous Improvement
Subcategory: Community Engagement and Program Learning
Strategy: Use proven culturally grounded reflection and feedback processes to strengthen program quality, accountability, and responsiveness.
Activity Description: Youth Alliance will establish formal and informal communication channels with youth participants, staff, and community partners to gather stories, solicit feedback, and review data. Sessions will be facilitated in English and Spanish (as needed), using trauma-informed, culturally responsive practices that ensure safe participation and honest responses. Staff and youth mentors will synthesize feedback to refine workshops, healing circles, and media campaign content.
Objective: Create ongoing feedback loops that facilitate ongoing co-creation, strengthen program alignment with community needs, and improve the effectiveness of substance abuse prevention activities, particularly new components focused on opioid misuse.
Target Date: Occurring quarterly, beginning Month 3
Impact: Continuous improvement in the quality and relevance of opioid prevention programming; integration of co-creation design into opioid prevention strategies that meet community needs.

BUDGET

Foreword

The following proposed budget is subject to change based on negotiations with the City of Gilroy. Youth Alliance remains open and flexible to adjusting budget allocations in alignment with the City's available resources and shared program goals. Our priority is ensuring fiscal responsibility while maintaining high-quality services that meet the scope of work and deliver measurable impact.

Youth Alliance

Personnel	FTE	Rate	Annual Salary	Total
Program Director	0.1	$42.00	$87,360.00	$8,736.00
Case Manager	1.0	$33.00	$68,640.00	$68,640.00
Fringe				
Fringe Benefits at 28%				$21,665.28
Subtotal Personnel				$99,041.28

Non Personnel	Qty.	Unit Price	Total
Program Supplies	1	$5,000.00	$5,000.00
Incentives	1	$2,000.00	$2,000.00
Training	1	$1,350.00	$1,350.00
Travel/Mileage	1	$500.00	$500.00
Subtotal Non-Personnel			**$8,850.00**

Direct Costs	$107,891.28
Indirect Costs at 10%	$10,789.13
TOTAL	**$118,680.41**

BUDGET NARRATIVE

The expenses are to be broken down by the following categories:

1. **Salaries and Benefits**
    a. In this category, list the individual(s) in your organization who will be paid to work on this project. Include each individual's title, project job duties, FTE on the project (hours/week), and salary and benefits that would be paid for by this grant.

    Program Director, 0.1 FTE, $8,736.00
    Program Director provides strategic oversight, supervision, and alignment with grant deliverables.

    Case Manager, 1.0 FTE, $68,640.00
    Case Manager is the cornerstone of service delivery, providing case management, referrals, and individualized youth support while ensuring consistent recruitment, relationship-building, and community engagement, particularly in neighborhoods and schools.

    Combined Benefits at 28% - $21,665.28

2. **Contractual Services**
    a. In this category, identify contracts that will be used to complete the activities in the work plan. For each contractor, include their name (if known, or write "TBD"), their scope of work related to the grant project duties, and the total amount to be paid.

    N/A

3. **Travel**
    a. In this category, describe who is traveling and for what purpose. Include travel expenses (transportation, lodging, meals) for project-related meetings, trainings, and conferences. Ensure the travel is addressed in the work plan.

    Travel costs will primarily support staff travel within Gilroy and surrounding areas to conduct project-related activities. This includes mileage reimbursement for home visits, meetings at school sites, and other pre-determined community locations where youth and families receive support services. Staff will also travel regularly to and from the Gilroy Youth Impact Center, which will serve as the main hub for case management, coordination, and service delivery.

    In addition, travel funds will cover attendance at local and regional trainings, community meetings, and partner coordination sessions relevant to the project's goals. All travel activities align with the work plan and are essential for maintaining accessibility, collaboration, and continuity of care across program sites.

4. **Operating Supplies**
    a. In this category, list the expenses related to internal supplies and equipment. Supplies and equipment purchased through contractors should be included in the "Contractual Services" section.

       Operating supplies will include materials and equipment necessary to conduct the program activities outlined in the proposal. This includes program supplies to support youth engagement, educational workshops, and enrichment activities; incentives that encourage consistent participation and goal achievement; and food and snacks to ensure that food security is addressed for all youth and families served.

       Additionally, funds may be used for prosocial trips and enrichment activities that promote positive youth development, community connection, and skill-building. All supplies will be used to directly support program implementation, participant well-being, and the creation of a safe, welcoming environment for youth and families.

5. **Other**
    a. In this category, describe expenses not covered in all other sections. Include how each expense contributes to carrying out the work plan.

       Indirect expenses cover the necessary administrative and operational costs required to effectively manage and support the proposed project. These include fiscal management, human resources, communications, insurance, utilities, and technology systems that ensure compliance, reporting accuracy, and program efficiency.

       These costs represent the shared organizational infrastructure that supports all Youth Alliance programs, including oversight by executive leadership, data tracking, and evaluation. Indirect expenses are allocated at the organization's approved rate and are essential for maintaining accountability, staff support, and long-term sustainability of project outcomes.

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Consent the Appointment of Arts and Culture Commissioner to Fill the Remainder of a Term Ending 12/31/2027**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Kim Mancera, City Clerk
Prepared by:	Kim Mancera, City Clerk

STRATEGIC PLAN GOALS:

RECOMMENDATION

Appointment of Meena Vijaykar to the Arts and Culture Commission to fill the remainder of a term ending 12/31/2027

EXECUTIVE SUMMARY

BACKGROUND

The City Council conducted interviews and appointments on March 16, 2026 to fill 2 vacant seats on the Arts & Culture Commission. Three (3) candidates were interviewed, and two (2) were selected.

On Monday, May 4, 2026 Commissioner Steven Porter resigned from the Commission, leaving one vacant seat with a term expiring 12/31/2027.

Candidate Meena Vijaykar was not selected at the March 16, 2026 appointments and is still interested in serving as a Commissioner on the Arts and Culture Commission.

ANALYSIS

Meena Vijaykar has previously interviewed in front of the City Council and holds all of the qualities desired to be an Arts and Culture Commissioner. Her application is included with this report. This appointment would create a full Commission and ensure there is a quorum at each meeting.

ALTERNATIVES

Council could decide not to appoint Meena Vikaykar to the Arts and Culture Commission.

FISCAL IMPACT/FUNDING SOURCE

There are no costs incurred from appointing individuals to the City’s boards, committees, and commissions.

PUBLIC OUTREACH

This item was included on the publicly posted agenda for this meeting.

NEXT STEPS

N/A

Attachments:

1. Meena Vijaykar - Arts & Culture_Redacted

Boards/Committees/Commissions Application Form

Board/Committee/Commissions	• Arts and Culture Commission
First Name	Meena
Last Name	Vijaykar
Home Address	[redacted]
City	Gilroy
State	CA
Zip	95020
Are you a registered voter within the City of Gilroy?	Yes
Primary Phone Type	Mobile
Primary Phone Number	[redacted]
E-mail Address	[redacted]
Driver's License/ID Number	[redacted]
Date of Birth	[redacted]
Last 4 of SSN	[redacted]
List your qualifications for this appointment:	I am an Indian classical dancer and a Director at IASC- Indian cultural organization for South County
List any service to the community incluiding any prior appointments:	When I was in Cupertino, I was very involved with my community as fitness instructor at the YMCA and as parent volunteer at Elementary, middle and High schools winning multiple honorary service awards. Also organized cultural events at the school and enriching teh student body to different cultures, I volunteer every summer teaching aqua aerobics in my community at Eagle ridge, my way of giving back to my neighbors.
What are your goals while serving on this Board/Commission/Committee?	I moved to Gilroy 4+ years and I am keen to serve my community here on the Arts and Culture Commission
Why are you most qualified to serve on this Board/Commission/Committee?	I am qualified because I view Arts and Culture as an important piece of Urban infrastructure. I believe a city with thriving cultural scene attracts talent , boost tourism and increases mental health for residents
By clicking on this box, I declare under penalty of perjury that I am	• I agree.

currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Parks and Recreation Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.

Signature	
Date	02/16/2026

*All Commission, Board and Committee applications are a public record.

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Consent the City Administrator's Recommendation to Appoint Michael O'Connell to the Department Head Position of Interim Utilities Director**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Human Resources/Risk Management
Submitted by:	Matt Morley, City Administrator
Prepared by:	LeeAnn McPhillips, Interim Human Resources Director/Risk Manager.

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Consent the City Administrator's recommendation to appoint Michael O'Connell as Interim Utilities Director effective May 26, 2026.

EXECUTIVE SUMMARY

To ensure continuity in the leadership and management of the Utilities Department, it is recommended that the City Council consent to the appointment of Michael O'Connell as Interim Utilities Director effective May 26, 2026. This interim appointment is necessary as Karl Bjarke needed to end his interim assignment on May 26th due to an extended planned vacation. It is expected that Mr. O'Connell's interim assignment will last approximately two months until an ongoing Utilities Director is hired. Interviews for Utilities Director took place on May 22, 2026, with the finalist candidate returning for a follow-up interview the week of May 26th. Following a background check and notice to a current employer, we are hoping to have a new Utilities Director on board in July.

BACKGROUND

Due to the retirement of Heath McMahon, Karl Bjarke has been serving as the Interim Utilities Director while a recruitment process was completed. Mr. Bjarke needed to end his interim assignment as of May 26, 2026 due to an extended planned vacation he had on the books. To ensure continuity in the leadership and management of the Utilities Department, a new Interim Utilities Director is recommended. This new assignment will bridge the gap until an ongoing Utilities Director is hired. Interviews for the position took place on May 22, 2026 and the remaining steps in the selection process are underway and should be completed soon. Michael O'Connell has agreed to serve in the position of Interim Utilities Director beginning May 26, 2026.

Mr. O'Connell is a thirty-year public-sector professional with expertise and experience in public works, to include water, wastewater, and capital projects functions. He worked for the City of San Jose, rising to the level of Public Works Deputy Director, overseeing 133 staff members and significant capital projects. He also has experience managing a regional wastewater facility. Mr. O'Connell is a licensed professional civil engineer in the State of CA and holds a Bachelor's degree in civil engineering from San Jose State University. He prides himself as a results-driven problem solver with a focus on project planning, design and delivery while leading and mentoring his team. Customer service and stakeholder engagement are two of Mr. O'Connell's identified skills.

Given that Mr. O'Connell worked for the City of San Jose (a non-CalPERS agency with its own retirement system) prior to his retirement in 2021, the various CalPERS rules for interim appointments do not apply. As such, Mr. O'Connell will be hired as a full-time, temporary, at-will Interim Utilities Director. His pay rate will be $131.22 per hour or $5,248.80 per week for a full-time exempt workweek. As required, he will be enrolled in the part-time employee PARS retirement plan in lieu of social security. No other benefits will be paid.

Consistent with Gilroy City Charter Section 703 (c), department heads are appointed with the consent of Council. The purpose of this staff report is to ensure compliance with this section of the Gilroy City Charter.

ANALYSIS

N/A

ALTERNATIVES

No other alternatives are recommended at this time.

FISCAL IMPACT/FUNDING SOURCE

Due to the vacant Utilities Director position, there is adequate funding available in the FY 26 and 27 budgets to cover the personnel costs associated with this interim appointment.

PUBLIC OUTREACH

N/A

NEXT STEPS

With Council's consent of the City Administrator's recommendation to appoint Michael O'Connell to the position of Interim Utilities Director, staff will finalize the hiring process and will continue to work on the final steps to hire a full-time ongoing Utilities Director. We expect a new Utilities Director to start work in July.

Attachments:

None

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Adopt a Resolution Opposing the Development of a Federal Detention Facility in South Santa Clara County**
Meeting Date:	June 1, 2026
From:	Greg Bozzo, Mayor
Department:	Administration
Submitted by:	Greg Bozzo, Mayor
Prepared by:	Greg Bozzo, Mayor

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Adopt a resolution opposing the construction of a federal detention facility in south Santa Clara County.

EXECUTIVE SUMMARY

BACKGROUND

The City has recently become aware of a project to construct a federal immigration detention center in unincorporated Santa Clara County, east of Gilroy city limits on Holsclaw Road.

ANALYSIS

A federal detention facility has the potential to create significant social and economic impacts in the City of Gilroy.

ALTERNATIVES

N/A

FISCAL IMPACT/FUNDING SOURCE

Although there is no fiscal impact from this action, the impacts of a facility in Gilroy could be significant to the local economy.

PUBLIC OUTREACH

This item was included in the publicly posted agenda for this meeting.

NEXT STEPS

Staff will distribute the resolution as prescribed in the document.

Attachments:

1. Resolution opposing a federal detention facility in south Santa Clara County

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY OPPOSING THE CONSTRUCTION OF A FEDERAL DETENTION FACILITY IN SOUTH SANTA CLARA COUNTY DUE TO ITS INCOMPATIBILITY WITH THE REGION'S AGRICULTURAL, TOURISM, ECONOMIC DEVELOPMENT, PLANNING GOALS, AND COMMUNITY VALUES

WHEREAS, a project for the construction of a Federal Immigration Detention Facility is underway outside Gilroy City limits in unincorporated Santa Clara County; and

WHEREAS, the Federal Government has not consulted with the City of Gilroy on the appropriate land use and resource impacts at the project location; and

WHEREAS, a detention facility would occupy a substantial land area while generating limited long-term economic benefits compared to land uses aligned with South County's goals for agriculture, tourism, innovation, and sustainable economic growth; and

WHEREAS, the communities of Gilroy, Morgan Hill, San Martin, and Santa Clara County have worked collaboratively to promote a regional vision centered on agricultural preservation, sustainable economic development, tourism, and strategic industry attraction; and

WHEREAS, South Santa Clara County represents one of the last remaining agricultural corridors within Silicon Valley and plays a vital role in the region's agricultural economy, environmental stewardship, and community identity; and

WHEREAS, South County's agricultural sector supports local employment, wineries, ag-tourism, food production, hospitality businesses, festivals, equine activities, and related industries that significantly contribute to the regional economy; and

WHEREAS, Gilroy, Morgan Hill, and San Martin have invested substantial public and private resources into developing South County as a welcoming tourism and hospitality destination recognized for its agricultural heritage, wineries, recreation, and visitor-serving businesses; and

WHEREAS, Gilroy is a diverse community made up in large part of immigrant families whose contributions have strengthened the region's agricultural economy, local businesses, civic life, and cultural identity; and

WHEREAS, the City of Gilroy values trust, hard work, camaraderie, mutual respect, and strong relationships between residents, local institutions, and public agencies; and

WHEREAS, residents and regional stakeholders have expressed concern that the establishment of a federal detention facility within South County would be incompatible with the region's identity and could negatively impact tourism, private investment, regional branding, and community cohesion; and

WHEREAS, many residents believe that the presence of a detention facility could create fear and distrust within immigrant communities and undermine the shared values that contribute to South County's social and economic stability; and

WHEREAS, federal land-use decisions should remain consistent with local and regional planning objectives and complement, rather than undermine, the long-term economic and community vision established by local jurisdictions.

NOW, THEREFORE, BE IT RESOLVED that the Gilroy City Council formally opposes the development of any federal immigrant detention facility within South Santa Clara County that would adversely affect the agricultural, tourism, hospitality, economic development, community cohesion, and planning objectives of the region; and

BE IT FURTHER RESOLVED that the Gilroy City Council urges all federal agencies and decision-makers to fully evaluate the long-term economic, environmental, and social impacts associated with such a project prior to any approval or land-use authorization; and

BE IT FURTHER RESOLVED that the Gilroy City Council reaffirms its commitment to preserving South County's agricultural heritage, protecting tourism and hospitality investments, supporting sustainable economic development, and fostering a community built on trust, respect, opportunity, and inclusion; and

BE IT FURTHER RESOLVED that the City Clerk shall transmit copies of this Resolution to relevant federal agencies, state representatives, regional planning organizations, and neighboring jurisdictions.

PASSED AND ADOPTED this 1st day of June 2026 by the following roll call vote:

AYES:	**COUNCIL MEMBERS:**
NOES:	**COUNCIL MEMBERS:**
ABSTAIN:	**COUNCIL MEMBERS:**
ABSENT:	**COUNCIL MEMBERS:**

APPROVED:

_____
Greg Bozzo, Mayor

ATTEST:

_____
Kim Mancera, City Clerk

CERTIFICATE OF THE CLERK

I, **KIM MANCERA**, City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2026-XX** is an original resolution, or true and correct copy of a City Resolution, duly adopted by the Council of the City of Gilroy at a Regular Meeting of said Council held on **Monday, Date**, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **Tuesday, XXXXX**

_____
Kim Mancera
City Clerk of the City of Gilroy

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Introduction and First Reading of an Ordinance Amending Chapter 30, Article II and Article XIX of the Gilroy City Code, Relating to Tobacco Retailers and Smoke Shops**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Community Development
Submitted by:	Sharon Goei, Community Development Director
Prepared by:	Michael Fossati, Planning Manager

STRATEGIC PLAN GOALS: N/A

RECOMMENDATION

1. Determine the proposed ordinance is statutorily exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061 (b)(3) for the adoption of an ordinance relating to tobacco retailers and smoke shops; and

2. Motion to read the ordinance by title only and waive further reading of the ordinance; and

3. Introduce an ordinance amending Chapter 30, Article II and XIX of the Gilroy City Code, relating to tobacco retailers and smoke shops.

EXECUTIVE SUMMARY

The City Council has approved a series of urgency interim ordinances to prohibit the issuance of new tobacco retailer permits for a temporary period. During deliberations, Council members raised concerns about the increasing number of "smoke shops" in Gilroy and their potential negative impact on community health, safety, and welfare, as well as the physical community character of the downtown corridor.

Because "smoke shop" is not currently defined in the Gilroy City Code, and because the commercial use tables in Article XIX (Commercial Tables) do not explicitly address this

use type, there is regulatory ambiguity that could undermine the City's ability to enforce the intent of the interim ordinances and any permanent regulations. To remedy this, staff recommends amending Article II (Definitions) to add a clear definition of "smoke shop" and amending Article XIX to clearly restrict smoke shops in any commercial zoning districts. Additionally, since the use of “smoke shop” is not expressly listed as a permitted, conditional or special use in any other zoning districts, the use itself is expressly prohibited.

These amendments are consistent with the multiple goals and policies of the Gilroy 2040 General Plan, are categorically exempt from review under the California Environmental Quality Act (CEQA), and are necessary to protect public health, safety, and welfare, as well as to preserve the community's commercial character before the interim ordinance expires on August 24, 2026.

BACKGROUND

In recent years, the City of Gilroy has seen a significant rise in smoke shops within its commercial corridors. These businesses mainly sell tobacco and nicotine products, electronic cigarettes, vaping devices and accessories, hookahs, pipes, water pipes such as bongs, and related paraphernalia.

In response to community concerns about the proliferation of these uses, the City Council approved a series of urgency interim ordinances pursuant to California Government Code Section 65858 to temporarily prohibit the issuance of new tobacco retailer permits while the City studied appropriate permanent regulations. Ordinance No. 2026-02, the most recent in this series, extends the prohibition through August 24, 2026.

At City Council meetings regarding these urgency ordinances, Council members and the public raised concerns about smoke shops as a distinct use. They noted that smoke shops are concentrated in certain downtown commercial areas, have attracted nuisance activity, and can negatively impact Gilroy's charm, character, and vitality. The Council directed staff to develop permanent zoning solutions before the urgency ordinance expires.

Environmental Assessment

This project qualifies for the CEQA Guidelines Section 15061(b)(3) “common sense” exemption, as it is clear the regulation of the land use for tobacco retailers and smoke shops will not have a significant environmental impact and is therefore not subject to CEQA.

Planning Commission Review

On May 7, 2026, the Planning Commission unanimously recommended adopting the ordinance at the regularly scheduled public hearing (6-0 vote, one absent). One public comment was received from the Chair of the Tobacco-Free Coalition of Santa Clara County, expressing support for the City of Gilroy’s efforts to curb tobacco use and

protect youth from the tobacco industry. No changes were made to the proposed ordinance.

ANALYSIS

Need for a “Smoke shop” Definition (Article II)

The Gilroy City Code currently lacks a definition for “smoke shop” within our zoning ordinance. Without a clear definition, it is challenging to distinguish smoke shops from general retail stores, convenience stores, or other businesses that sell tobacco products. This ambiguity complicates the application of use regulations and impedes effective code enforcement.

Staff recommends adding the following definition to Article II of the Gilroy City Code:

> ***"Smoke shop"*** *means any establishment, structure, facility, or stand that devotes more than fifteen (15) percent of either its gross floor space or display area to the retail sale, display, marketing, bartering, trading or exchange of any combination of tobacco, tobacco products, or tobacco paraphernalia, including electronic smoking devices and accessories, as defined per City Code Chapter 13, Article VIII, Section 13.66.*

This definition aligns with practices in other California cities that regulate smoke shops and major tobacco retailers as separate land-use categories. It establishes an objective threshold to distinguish smoke shops from incidental tobacco sales at convenience stores, gas stations, or grocery stores, ensuring clear and consistent application of zoning regulations.

Proposed Amendment to Article XIX (Commercial Tables)

Staff also recommends amending Article XIX (Commercial Tables) of the Gilroy City Code to prohibit "smoke shops" in all commercial zoning districts, including downtown specific plan districts.

Any business operating legally as a smoke shop prior to the effective date of the adopting ordinance would be considered legal nonconforming use subject to the applicable nonconforming use regulations of the Gilroy City Code. The City Attorney's Office should advise on the appropriate nonconforming use provisions to apply. Furthermore, existing legally established businesses that do not meet the proposed definition of a smoke shop would not be affected by these amendments.

<u>General Plan Consistency</u>

California law requires a city's zoning ordinance to align with its general plan. The proposed zoning amendment regulating smoke shop use supports the goals and policies of the Gilroy 2040 General Plan, as outlined below:

Goal # / Policy #	Title and/or Summary	Analysis
Goal LU 1	Protect and enhance Gilroy's quality of life and unique identity while continuing to grow and change	The proposed zoning amendment responds to the recent increase in unregulated shops in Gilroy and aligns with the city's zoning update goals. It promotes controlled commercial growth during the current moratorium on new tobacco permits.
LU 1.4	**Mix of Uses -** Encourage a diverse mix of land uses to achieve a balance between jobs and housing, to ensure the community's long-term viability, and to increase job opportunities in the city to assist in equalizing the jobs/housing balance. Through the Land Use Diagram, the City shall encourage a range of housing types, mixed-use districts, a diversity of business and industries, and adequate services and leisure activities to meet the social and economic needs of residents.	The growing number of smoke shops in commercial districts limits Gilroy's commercial diversity and reduces space for retail, service, and dining options that better serve residents. The proposed control of smoke shop operations supports a more balanced and diverse commercial land use mix consistent with this policy.
LU 1.14	**Blight -** Require that defunct or abandoned structures that are a visual blight or physical hazard be dismantled or removed within a reasonable period of time. This does not apply to structures that are identified by the City as historic.	City Council and staff have observed that smoke shops are often linked to increased loitering, nuisance activity, and visual blight. Regulating new smoke shop development aligns with this policy's goal to maintain clean, attractive, and safe commercial areas.
Goal LU 4	Encourage the growth and development of retail, office, service, and entertainment uses in Gilroy to provide jobs, support	A zoning amendment to regulate smoke shops will provide controls to reserve prime locations for retail, office, service, and entertainment

	City services, and make Gilroy an attractive place to live.	uses that support the 2040 General Plan's vision for mixed-use and neighborhood commercial districts**.**
LU 4.2	**High Quality Design -** Encourage distinctive and high quality commercial architecture that represents the character of Gilroy and discourages the use of “franchise architecture.”	Smoke shops often use poor-quality signage, window coverings, and displays that diminish the visual appeal of commercial corridors. Regulating the location of new smoke shops supports the City's goal to maintain and enhance the design quality and character of its commercial areas.
LU 4.4	**Commercial Design Standards and Review Procedures -** Require commercial centers to incorporate high standards of site design, construction, buffering, and screening to ensure their compatibility and opportunity to enhance residential neighborhoods.	Smoke shops and their associated activities are often incompatible with nearby residences and sensitive sites such as schools, parks, and childcare facilities. Prohibiting this use in Gilroy aligns with the City's policy to ensure commercial activities support and enhance the surrounding community.
LU 4.6	**Existing Strip Commercial Uses -** Existing strip commercial uses that undergo upgrades or expansion, as well as new commercial centers, shall be of a high-quality design, have limited access to minimize circulations conflicts, and ensure adequate screening from adjacent residential uses.	The concentration of smoke shops in strip commercial centers diminishes the quality of these corridors and makes them less appealing to higher-quality retail and service tenants. Prohibiting new smoke shops will help revitalize and enhance Gilroy's downtown area.
LU 8.7	**Signs and Billboards -** Require the location of signs and billboards to respect the surrounding context in order to minimize any negative impact on the visual environment. Enforce sign regulations and design standards to reduce sign clutter	Smoke shops often use excessive or visually intrusive neon signage, creating sign clutter and diminishing the visual quality of downtown Gilroy. Regulating new smoke shops and prohibiting them downtown will help maintain the

	and illegal signage along corridors.	City's sign quality and streetscape standards.
LU 9.1	**Downtown Pedestrian Improvements -** Work with public and private entities to develop and maintain design improvements to create a safe, convenient, and pleasant pedestrian environment that supports the continued revitalization of the Downtown area. Improvements could include pedestrian-oriented amenities such as lighting, wider sidewalks, clearly marked pedestrian crossings, benches, landscaping, signage, sidewalk seating areas, and public art.	Downtown Pedestrian Improvements aims to create "a safe, convenient, and pleasant pedestrian environment that supports the continued revitalization of the Downtown area." Smoke shops in or near Downtown are inconsistent with this objective, as they often generate nuisance activities that discourage pedestrian use and diminish the quality of the public realm.
H 1.1	**Historic Downtown -** Promote the old downtown section of Monterey Street between Third Street and Eighth Street as the focal point for community identity, providing a “sense of place” and feeling of historic continuity for Gilroy residents.	Smoke shops are incompatible with the vision of a vibrant, pedestrian-friendly downtown that serves as a community gathering place and economic center. Prohibiting smoke shops in downtown districts, including the Downtown Commercial District, is necessary to preserve and enhance the unique character and vitality of Gilroy's historic downtown.

As demonstrated above, the proposed zoning amendments that will regulate smoke shops within the city’s zoning districts are consistent with goals and policies of the 2040 Gilroy General Plan.

Zoning Text Amendment Review

The draft ordinance includes findings that demonstrate the amendment is appropriate for fulfilling the City Council's direction to protect the public health, welfare, and safety of the Gilroy community. Ordinances take effect 30 days after adoption by the City Council.

ALTERNATIVES

The City Council may approve, modify, or reject the proposed amendment. If the Council does not introduce and adopt the ordinance, smoke shop operators may apply for and obtain tobacco retailer permits after the urgency interim ordinance expires on August 24, 2026. If the Council decides to amend the proposed ordinance, staff will provide a revised version according to Council direction.

FISCAL IMPACT/FUNDING SOURCE

Staff time and resources needed to adopt and draft new zoning regulations for City Council priorities are typically funded by the Department's operational budget and the City’s General Fund.

PUBLIC OUTREACH

The notice for the City Council meeting was published in the Gilroy Dispatch on Friday, May 8, 2026. No public comments have been received regarding the proposed amendments. A notice was also posted on the City’s website and at City Hall.

NEXT STEPS

The proposed zoning text amendments add a definition of "smoke shop" to Article II and amend Article XIX to restrict smoke shops in any zoning district. This measure addresses City Council concerns regarding public health and community character by prohibiting smoke shops in all zoning districts. Staff recommends that the City Council adopt the proposed ordinance.

If introduced, the proposed ordinance will be placed on the consent calendar for adoption at the next City Council meeting, tentatively scheduled for June 15, 2026. The ordinance will take effect 30 days after adoption.

Attachments:

1. Draft Smoke Shop Ordinance (Including Exhibit ‘A’)

ORDINANCE 2026-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING THE GILROY CITY CODE, CHAPTER 30 (ZONING), ARTICLE II (DEFINITIONS), AND ARTICLE XIX (COMMERCIAL TABLES) REGARDING TOBACCO RETAILERS AND SMOKE SHOPS

WHEREAS, California Government Code Section 65858 authorizes the legislative body of a city, to protect the public safety, health, and welfare, to adopt as an urgency measure an interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the legislative body, planning commission, or the planning department is considering or studying or intends to study within a reasonable time, and further provides that such interim ordinance shall be of no further force and effect forty-five (45) days from its date of adoption, and that after notice and public hearing, the legislative body may extend the interim ordinance for ten (10) months and fifteen (15) days and subsequently extend the interim ordinance for one (1) year; and

WHEREAS, on November 3, 2025, the City Council voted unanimously to adopt Ordinance No. 2025-08, an urgency interim ordinance pursuant to Government Code Section 65858, prohibiting the issuance of tobacco retailer permits within the Gilroy Downtown Specific Plan area for a period not to exceed forty-five (45) days, which was set to expire on December 17, 2025; and

WHEREAS, on December 8, 2025, the City Council adopted Ordinance No. 2025-11, extending the urgency interim ordinance prohibiting the issuance of new tobacco retailer permits within the Downtown Specific Plan area for a period of ten (10) months and fifteen (15) days, in accordance with Government Code Section 65858, and further approved the findings required by Government Code Section 65858(d); and

WHEREAS, during both meetings, council members and members of the public expressed concerns about the increasing number of "smoke shops" in Gilroy and their potential negative impact on community health, safety, and general welfare. Specific issues included proximity to schools, youth access to tobacco and vaping products, nuisance activity, and the decline of commercial corridor character; and

WHEREAS, on January 5, 2026, the City Council voted unanimously (7-0) to adopt Ordinance No. 2026-01, an urgency interim ordinance pursuant to Government Code Section 65858, expanding the prohibition on the issuance of new tobacco retailer permits to apply citywide for a period not to exceed forty-five (45) days, which was set to expire on February 19, 2026; and

WHEREAS, on February 9, 2026, the City Council adopted Ordinance No. 2026-02, extending the urgency interim ordinance prohibiting the issuance of new tobacco retailer permits citywide for a period of six (6) months and fifteen (15) days, through August 24, 2026, in accordance with Government Code Section 65858, and further approved the findings required by Government Code Section 65858(d); and

WHEREAS, the City Council directed staff to study permanent zoning solutions to address the proliferation of smoke shops in Gilroy before the expiration of the urgency interim ordinance on August 24, 2026; and

WHEREAS, staff found that the term "smoke shop" is not currently defined in the Gilroy City Code, Chapter 30 (Zoning), Article II (Definitions), and the commercial use tables in Article XIX (Commercial Tables) do not explicitly address "smoke shops" as a distinct use type, creating regulatory ambiguity that hinders effective code enforcement and undermines the City's ability to regulate these uses; and

WHEREAS, staff determined that adding a definition of "smoke shop" to Article II and amending Article XIX to expressly regulate smoke shops in commercial zoning districts is necessary to address the regulatory gap, protect public health and safety, preserve community character, and codify permanent zoning regulations before the expiration of Ordinance No. 2026-02 through a zoning text amendment, as permitted per Article LII (Amendment to the Zoning Ordinance); and

WHEREAS, in accordance with the Gilroy City Code, Chapter 30 (Zoning), Article LII (Amendment to the Zoning Ordinance), the Planning Commission has recommended, and the City Council finds, that the proposed Zoning Ordinance text amendments are necessary to carry out the general purpose of the Zoning Ordinance and are consistent with applicable goals and policies of the Gilroy 2040 General Plan, including Land Use Goal LU 1 (Protect and enhance Gilroy's quality of life and unique identity while continuing to grow and change), Land Use Policy LU 1.4 (Mix of Uses), Land Use Policy 1.14 (Blight), Land Use Goal LU 4 (Encourage the growth and development of retail, office, service, and entertainment uses in Gilroy to provide jobs, support City services, and make Gilroy an attractive place to live), Land Use Policy 4.2 (High Qualify Design), Land Use Policy 4.4 (Commercial Design Standards and Review Procedures), Land Use Policy 4.6 (Existing Strip Commercial Uses), Land Use Goal LU 8 (Support growth and development that preserves and strengthens the City's historic, small-town character), Land Use Policy 8.7 (Signs and Billboards), Land Use Goal LU 9 (Encourage the growth and revitalization of Downtown to create a vibrant, high quality place for residents, businesses, and visitors), Land Use Policy 9.1 (Downtown Pedestrian Improvements) and Land Use Policy H 1.1 (Historic Downtown); and

WHEREAS, the adoption of the Zoning Ordinance text amendments is categorically exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3), the general rule that CEQA applies only to projects that may have a significant effect on the environment, because a zoning text amendment that regulates use types within existing commercial zones will not have the potential for causing a significant effect on the environment; and

WHEREAS, on May 7, 2026, the Planning Commission held a duly noticed public hearing, at which time the Planning Commission received and considered the staff report as well as all evidence received including written and oral public testimony related to the proposed Zoning Amendments, and recommended that the City Council approve the proposed amendments; and

WHEREAS, the City Council held a duly noticed public hearing on June 1, 2026, at which time the City Council received and considered the proposed Zoning Amendments, took and considered written and oral public testimony, the staff report, the Planning Commission recommendation, and all other documentation related to the proposed amendments; and

WHEREAS, the location and custodian of the documents or other materials which constitute the record of proceedings upon which the project approval is based is the office of the City Clerk.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GILROY DOES HEREBY ORDAIN AS FOLLOWS:

SECTION I

The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION II

The amendments to the Gilroy City Code, Chapter 30 (Zoning), Article II (Definitions) and Article XIX (Commercial Tables), set forth in Exhibit 'A' regarding smoke shops, are hereby adopted.

SECTION III

If any section, subsection, subdivision, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise void or invalid by any court of competent jurisdiction, the validity of the remaining portion of this Ordinance shall not be affected thereby.

SECTION IV

Pursuant to Section 608 of the Charter of the City of Gilroy, this Ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

PASSED AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the __ day of ___ 2026 by the following roll call vote:

AYES:	**COUNCIL MEMBERS:**
NOES:	**COUNCIL MEMBERS:**
ABSTAIN:	**COUNCIL MEMBERS:**
ABSENT:	**COUNCIL MEMBERS:**

APPROVED:

_____
Greg Bozzo, Mayor

ATTEST:

_____
Kim Mancera, City Clerk

EXHIBIT 'A' of ORDINANCE 2026-XX

ARTICLE II. DEFINITIONS

30.2.10 Word construction.

Words used in the present tense include the future; words in the masculine include the feminine; words in the singular number include the plural; and words in the plural number include the singular. The word "building" includes the word "structure"; and the word "shall" is mandatory and not directory. The term "city council" shall mean the city council of the City of Gilroy, California; the term "planning commission" shall mean the planning commission of the City of Gilroy, California, and the word "city" shall mean the incorporated area of the City of Gilroy. (Ord. No. 2013-08, § 2 (Exh. A), 8-5-13)

30.2.20 Definitions.

For the purpose of this chapter certain terms used herein are defined as follows:

"Abandoned sign" means a sign located on a parcel of land or on a structure either of which is vacant for a period of ninety (90) days, a sign pertaining to a past occupant or business different from the present occupant of or business on the premises, a sign pertaining to a past event or any sign abandoned as the term is used in the law of California.

"Abutting" means land having a common property line or district boundary line or separated only by a private street, alley or easement.

"Accessory building (or structure)" means buildings, both permanent and temporary, excluding accessory dwelling units as defined in this section, which are:

(a) Located on the same lot as the principal building or use;

(b) Subordinate to and serve a principal building or principal use;

(c) Subordinate in area, extent, or purpose to the principal building or principal use; and

(d) Contribute to the comfort, convenience, or necessity of occupants of the principal building or principal use.

"Accessory dwelling unit" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one (1) or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking and food preparation area (which may include countertop appliances), and sanitation on the same parcel as the

single-family or multifamily dwelling is or will be situated. An “accessory dwelling unit” also includes the following:

(a) An efficiency unit, as defined in California Health and Safety Code Section 17958.1.

(b) A manufactured home, as defined in California Health and Safety Code Section 18007.

“Advertising” means any announcement, description or presentation calling public attention to goods or services offered for sale.

“Agency” means an office or commercial establishment in which goods, material or equipment is received for servicing, treatment or processing elsewhere.

“Agent of owner” means a person who can show written proof of authorization to act for a property owner.

“Agriculture” means farming, dairying, pasturage, apiaries, horticulture, floriculture, viticulture and animal or poultry husbandry, but not including the commercial feeding of garbage or offal to swine or other animals.

“Alley” means a public access driveway or lane not exceeding thirty (30) feet in width which provides only a secondary means of access to abutting property.

“Ancillary use” means a use which is:

(a) Subordinate to and serves a principal use;

(b) Subordinate in area, extent or purpose to the principal use;

(c) Part of a single business for commercial and industrial uses;

(d) Contributing to the comfort, convenience or necessity of occupants of the principal use; and

(e) Located on the same lot as the principal use.

“Animal hospital” means a facility providing medical care for small and/or large animals which includes boarding the animals two (2) or more days.

“Animal husbandry” means the care and breeding of domestic farm animals such as cattle, hogs, sheep, and horses.

“Antenna” means a “conductor” erected for the transmission and/or reception of radio, television or other electromagnetic microwave signals.

“Apartment house” means any building or portion thereof which is designed and built for rental occupancy by three (3) or more households.

“Arcade” means any public place of amusement or public place of business in which five (5) or more mechanical amusement devices are installed, and includes any place open to the public, whether or not the primary use of the premises is devoted to the operation of such amusement devices.

“Attached sign” means a sign which is affixed to and made an integral part of a building or structure. Attached signs include wall signs, roof signs, and projecting signs, to distinguish them from freestanding and monument signs.

“Average slope” means the mean slope in the elevation of an area of land, determined by the formula:

$$S = \frac{.00229\ I\ L}{A} \quad \text{where}$$

S = Average percentage slope.

I = Contour interval in feet.

L = Summation of individual contour lengths in scale feet.

A = Gross area of property in acres.

“Awning” means a shelter, projecting over a property, supported entirely from the exterior wall of a building and composed of a collapsible frame covered completely with nonrigid material.

“Bank” means financial institutions including federally chartered banks, savings and loan associations, industrial loan companies, and credit unions providing retail banking services to individuals and businesses. This classification of bank does not include payday lending businesses or check cashing businesses, and as a result, the establishment, expansion, or relocation of such businesses is prohibited. The term “payday lending business” as used herein means retail businesses owned or operated by a “licensee” who offers, originates, or makes a deferred deposit transaction, as that term is defined in California Financial Code section 23001(d), as amended from time to time. The term “check cashing business” as used herein means a retail business owned or operated by a “check casher” as that term is defined in California Civil Code section 1789.31 as amended from time to time.

“Banner” means a temporary advertising display consisting of fabric, canvas, plastic or paper material, which is attached to a building.

“Bar” means an establishment or part of an establishment used primarily for the sale of alcoholic beverages to be consumed on the premises.

“Basement” means a usable space within a building, partly or wholly underground, and having more than one-half (1/2) of its height, measured from its floor to its finished ceiling, below the average adjoining grade. (See also “Story.”)

“Bed and breakfast establishment” means a residential structure, used as a lodging establishment in which the manager is an occupant in the structure and receives compensation in exchange for providing overnight sleeping accommodations which contain no cooking facilities, on a less than weekly basis, and in which breakfast is included as part of the basic compensation.

“Billboard” means a sign, other than a directional sign, which directs attention to a business, commodity, service or entertainment conducted, sold or offered at a place other than on the parcel where the sign is erected. Included are signs erected upon benches.

“Block” means the area consisting of all property abutting one (1) side of a street, between intersecting and intercepting streets, or between a street and a railroad right-of-way, waterway, dead-end street, city boundary or undivided acreage.

“Boarding house” means a building or portion thereof, other than a hotel, where lodging for three (3) or more persons is provided for compensation or profit.

“Building” means a structure having a roof supported by columns and/or walls and intended for the housing or shelter of any persons, animals or property.

“Building coverage” means the land area covered by all of the main and accessory buildings on a lot, including all projections except eaves, and including enclosed drive-up areas, patios and porches, measured from the support posts.

“Building height” means the vertical distance measured from the average finished soil grade at the base of any exterior wall to the highest point of the roof, ridge, or parapet wall.

“Building site” means the land area of a lot which may be occupied by the permitted main building.

“Build-out schedule” means the maximum number of dwelling units assigned to each residential development project for which building permits may be issued each calendar year. The total of all assigned build-out schedules, for each year, shall not exceed the numerical limit set by city council resolution for that calendar year.

“Bulletin board” means a sign located on the same premises and used solely in connection with activities of a church, school, hospital, or public building, and allowing changeable messages.

“Business” means a commercial entity operating in the City of Gilroy with an approved business license.

“Business frontage” means the portion of a building which faces and has access to a street, parking lot, pedestrian mall, or walkway. The primary business frontage is one which contains a customer entrance or which includes a glass-enclosed showroom. If a building has more than one (1) business frontage with a customer entrance, the property owner must designate one (1) of them as the primary business frontage. Unless otherwise stated, the phrase “business frontage” means “primary business frontage.” All other business frontage is secondary frontage.

“Card rooms” means an establishment where legal gambling is conducted and regulated pursuant to City of Gilroy ordinances.

“Caretaker’s quarters (or residence)” means a nonrental residential unit built as part of a commercial or industrial use for the sole purpose of providing shelter for an employee, caretaker, or security personnel for the commercial or industrial use.

“Carport” means a shelter for one (1) or more automobiles which is not enclosed on at least two (2) sides by walls and doors.

“City council” means the elected city council of the City of Gilroy.

Clinic. See “Medical or dental office/clinic.”

“Clustering” means the practice of grouping residential units within a close proximity, and utilizing the surplus land thus saved for common open space, landscaping, recreations, etc.

“Combining district” means a zoning district within which certain regulations and requirements apply in addition to, and in combination with, regulations and requirements of the base zoning district.

“Commercial marijuana activity” has the same meaning as “commercial cannabis activity” as provided in California Business and Professions Code Section 26001(k) as may be amended, and means and includes cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of marijuana or marijuana products. “Commercial marijuana activity” also includes the activities of any business or nonprofit licensees by the state or other government entity under Chapter 3.5 of Division 8 or Division 10 of the Business and Professions Code.

“Common open space” means the area generally used for landscaping and/or recreation which is held in joint ownership by all of the owners of a condominium development and which is jointly maintained by the owners.

“Competitive evaluation” means the process of comparing the project rating scale point rating of projects in order to determine priority in receiving yearly allocation of dwelling units.

“Condominium” means a distinct unit, under separate ownership, which is a portion of a multiple-unit building or development in which such ownership includes an interest in common areas. Condominium units may have one (1) or more common walls with other units.

“Conservation land” means land which possesses or encompasses natural resources. This includes, but is not limited to, streams, watersheds, groundwater recharge, soils, wildlife habitat as defined herein, special land forms and natural vegetation.

“Construction sign” means a sign located on a construction site during the course of construction, which identifies the architects, engineer, contractors, financiers or other persons and other individuals or firms involved with the construction, or announcing the building, enterprise or function for which the construction is intended.

“Corner lot” means a lot bounded on two (2) or more contiguous sides by city streets.

“Corner triangle” means a triangular-shaped area bounded by corner property lines and a line connecting those lines from points thereon which lie twenty (20) feet from the intersection of the projected property lines.

“Corporate office” means an office complex designed as the headquarters of a commercial or industrial corporation.

“Dance area” is defined, for large and medium dance venues, to include the area designated as the dance floor area on the floor plan submitted with the application for a public dance permit to the police department or with the applications for a downtown special use permit submitted to the community development department.

“Dance venue, large” means a venue where public dancing occurs in which the dance is larger than four hundred forty-one (441) square feet or twenty-five percent (25%) of the public access floor area.

“Dance venue, medium” means a venue where the dance floor area is up to twenty-five percent (25%) of the public access floor area; however, in no case is it larger than four hundred forty-one (441) square feet. The use shall be associated with a full service restaurant or theater with hot food available at all times the establishment is open.

“Dance venue, small” means a venue where occasional, spontaneous public dancing occurs in which the area of spontaneous dancing and the performance area combined is less than one hundred fifty (150) square feet, and the dancing is not advertised and entertainment is incidental to the approved use.

“Day care center” means a facility in which the primary use is the provision of childcare services in accordance with the regulations of the State of California.

“Deck” means a structure, usually of wood, built to extend the finished floor surface of a building into outdoor areas (reference section 30.39.40).

“Dish antenna” means an antenna which has a solid, mesh, or nearly solid surface area greater than five (5) square feet.

“Double-faced sign” means a sign designed to be viewed from two (2) directions and which at no point is thicker than twenty-four (24) inches measured from the exterior surface of each face. The two (2) faces of a double-faced sign are either parallel or the angle between them is thirty (30) degrees or less.

“Drive-in” means an enterprise or business activity or other use of land consisting of sales or service activity rendered to patrons who normally receive the products or services while in automobiles upon the premises, including, but not limited to, automobile service stations, drive-in restaurants and drive-up banks.

“Duplex” means a building designed for and intended to be occupied as living quarters by two (2) families living independently of each other.

“Dwelling” or “dwelling unit” means a building or mobile home designed for and/or occupied as a residence by one (1) or more families.

“Dwelling group” means a group of two (2) or more detached residential buildings occupying a parcel of land in one (1) ownership.

“Educational facility” means colleges, universities, tutoring centers, and vocational or trade schools for adults or minors. This definition excludes kindergartens, elementary schools, junior high schools, senior high schools, or special institutions of learning under the jurisdiction of the State Department of Education, which are defined by this chapter as schools.

“Emergency bridge housing” means any new or existing facilities, including, but not limited to, housing in temporary structures, including, but not limited to, emergency sleeping cabins consistent with the requirements of Government Code Section 8698.3(h) that are reserved for homeless persons and families, together with community support facilities, including, but not limited to, showers and bathrooms adequate to serve the anticipated number of residents all of which may be located on

property leased or owned by a political subdivision. An emergency bridge housing community shall include supportive and self-sufficiency development services, have the ultimate goal of moving homeless persons to permanent housing as quickly as reasonably possible, and limit rents and service fees to an ability-to-pay formula reasonably consistent with the United States Department of Housing and Urban Development's requirements for subsidized housing for low-income persons.

"Emergency shelter" means housing with minimal supportive services for homeless persons that is limited to occupancy of one hundred eighty (180) days per calendar year or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. The definition of "emergency shelter" includes other interim interventions, including, but not limited to, a navigation center, emergency bridge housing, and respite or recuperative care.

"Entity" means a person or distinct business enterprise. Where adjacent business enterprises are owned or operated by a single person, each enterprise is an entity.

"Environmental assessment" means the process of determining the impact of proposed projects on the environment. The review process is carried out in accordance with the California Environmental Quality Act and city guidelines.

"Erect" means to build, construct, place, relocate, enlarge, alter, attach, suspend, paint, post, display, hang, affix or maintain a sign or other structure.

"Family" means one (1) or more persons, occupying premises and living together as a single housekeeping unit, as distinguished from a group occupying a hotel, club, fraternity, or sorority.

"Family day care home" means a home that regularly provides care, protection, and supervision for fourteen (14) or fewer children, in the provider's own home, for periods of less than twenty-four (24) hours per day, while the parents or guardians are away.

"Fascia" means a flat horizontal band with a vertical face located on a building below the roofline.

"Fence" or "wall" means any structure made of wood, metal, masonry, shrubbery or other material forming a physical barrier which supports no load other than its own weight and which is designed to delineate, screen or enclose a field, yard, lot or other land area.

"Fence height" means:

(a) Fences in the front setback area: the vertical distance from the top of the curb closest to the fence or wall to the top of the fence or wall.

(b) All other fences: the difference in elevation of the ground surface continuously along the base of the ground level of the higher side of the fence to the top of the fence. Where a fence is erected on top or within three (3) feet of a retaining wall, the height of the fence shall include the retaining wall.

“Freestanding sign” means a sign which is wholly or partly supported by a structural element which is not an integral part of a building.

“Freeway” means a limited access highway, as defined in the California Streets and Highways Code.

“Front lot line” means the property line along a lot’s street frontage. If any official plan line has been established for the street upon which the lot fronts, the official plan line shall be considered the front lot line. For developed lots with more than one (1) street frontage, the street frontage towards which the main building fronts shall be considered the front lot line, except if the main building was clearly constructed under reverse conditions. If the lot is vacant, the shortest street frontage shall be considered the front lot line.

“Front yard” means the required setback area extending across the front of the lot between the side yard lines and measured from the front lot line to the front setback line.

“Garage—commercial” means a building designed or used on a commercial basis for the temporary storage of operable motor vehicles.

“Garage—residential” means an attached or detached accessory building used for the storage of vehicles or trailers by the families who reside upon the premises, including any covered parking space or carport.

“Gross floor area outside of the downtown specific plan area” means the sum of all of the areas of all levels or stories of a structure as measured from the exterior faces of the walls enclosing the structure.

“Gross floor area within the downtown specific plan area” means the sum of the gross horizontal areas of all floors of a building measured from the exterior faces of the exterior walls or from the centerline of walls separating adjacent buildings. Gross floor area does not include parking areas, basements where at least one-half (1/2) of the floor-to-ceiling height is below grade, attic space having a floor-to-ceiling height less than seven (7) feet, open stairways, walkways, porches and balconies, and common areas not served by heating and/or air conditioning.

“Hedge” means plants, trees or shrubs planted in a continuous line to form a dense thicket or barrier. For the purpose of this chapter, a hedge is a fence.

“Home occupation” means a business activity conducted entirely within or from an enclosed dwelling.

“Hospital” means a facility providing medical, psychiatric or surgical services for sick or injured persons primarily on an in-patient basis, including facilities for outpatient and emergency treatment, diagnostic services, training, research and administration, and services to patients, employees or visitors.

“Hotel” means any building, portion of a building, or group of buildings containing guest rooms which is designed, used, or intended for use for the accommodation of transients on a commercial basis.

“Identification sign” means a sign which is limited to the name and address of a business, institution or person and to the activity or product carried on in the business or institution or the occupation of the person.

“Interior lot” means any lot other than a corner lot.

“Junior accessory dwelling unit” means a unit that is no more than five hundred (500) square feet in size and contained entirely within a single-family residence. A junior accessory dwelling unit may include separate sanitation facilities, or may share sanitation facilities with the existing structure.

“Key lot” means the first lot to the rear of a corner lot, the front line of which is a continuation of the side line of the corner lot, and fronting on the street which intersects or intercepts the street on which the corner lot fronts.

“Laundromat” means a place where patrons wash, dry or dry clean clothing or other fabrics in machines operated by the patron.

“Liquor/alcohol sales/bars (on-site consumption)” means an area primarily devoted to the serving of alcoholic beverages and in which the service of food is only incidental to the consumption of such beverages.

“Living area” means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.

“Lot” means a parcel of land under one (1) ownership used or capable of being used under the regulations of this chapter, and including all required yards and other open spaces.

“Lot area” means the computed area contained within the lot lines of a parcel as recorded under a record of survey map, approved as provided in the Subdivision Map Act, except that the access strip of a flag lot shall be excluded in the computation of required lot area.

“Lot coverage” means that portion of a lot covered by all main and accessory buildings on the lot.

“Lot depth” means the average distance from the front lot line to the rear lot line.

“Main building” means the largest building on a lot in which the principal land use of the lot takes place.

“Manufactured housing” means housing which was structurally assembled in a remote location and transported to its eventual site.

“Marijuana” means any or all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin or separated resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, including marijuana infused in foodstuff or any other ingestible or consumable product containing marijuana. The term “marijuana” shall also include “medical marijuana” as such phrase is used in the August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, as may be amended from time to time, that was issued by the office of the Attorney General for the State of California or subject to the provisions of the California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996) or California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program Act).

“Marijuana cultivation” means growing, planting, harvesting, drying, curing, grading, trimming, or processing of marijuana, regardless of whether there is an intent to produce, distribute, or sell the resulting product commercially.

“Marijuana delivery” has the same meaning as “delivery” as provided in California Business and Professions Code Section 26001(p) as may be amended, and includes the commercial transfer of marijuana or marijuana products to a customer. Marijuana delivery also includes the use by a retailer of any technology platform, whether owned or controlled by the retailer or independently licensed, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.

“Marijuana dispensary” or “marijuana dispensaries” means any business, office, store, facility, location, retail or wholesale component of any establishment, cooperative or collective that delivers (as delivery is defined in Business and Professions Code Section 26001(p) or any successor statute thereto) whether mobile or otherwise, dispenses, distributes, exchanges, transmits, transports, sells or provides marijuana to any person for any reason, including members of any medical marijuana cooperative or collective consistent with the August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, as may be amended from time to time,

that was issued by the office of the Attorney General for the State of California or subject to the provisions of the California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996) or California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program Act), or otherwise engages in any commercial marijuana activity.

“Marijuana processing” means any method used to prepare marijuana or its byproducts for commercial retail and/or wholesale, including but not limited to: drying, cleaning, curing, packaging, and extraction of active ingredients to create marijuana related products and concentrates.

“Marquee” means a temporary or permanent roofed structure usually projecting above an outer door and attached to or supported by a building, which is designed for use as a reader board sign.

“Master plan” means the development plan for a project submitted under a planned unit development (PUD) process, with completed CEQA (California Environmental Quality Act) analysis, reviewed by the planning commission and adopted by the city council.

“Mechanical amusement device” means any machine, device, apparatus or other instrument (including, but not limited to, electronic games, marble games and pinball games) the operation of which is permitted, by the payment of any fee or fees for its use, and the use or possession of which is not prohibited by any laws of the State of California.

“Medical marijuana collective” or “cooperative or collective” means any group that is collectively or cooperatively cultivating and distributing marijuana for medical purposes that is organized in the manner set forth in the August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical use, as may be amended from time to time, that was issued by the office of the Attorney General for the State of California or subject to the provisions of the California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996) or California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program Act).

“Medical or dental office/clinic” means a facility, other than a hospital, that provides professional medical services, consultation, diagnosis and treatment of clients on an outpatient basis. This may include a group practice in which several physicians work cooperatively, and/or educational aspects such as medical instruction and/or training as well as house a laboratory, radiology/imaging, pharmacy, rehabilitation and other similar services as accessory uses.

“Membrane accessory structure” means an accessory structure covered by a thin, soft, or pliable sheet or layer, such as canvas, plastic, metal, or fabric.

“Mobile home” means a type of manufactured housing, designed or used for residential occupancy, built upon or having a frame or chassis to which wheels may be attached by which it may be transported, whether or not such structure actually has, at any given time, such wheels attached. Mobile homes do not include recreational vehicles, trailers, or commercial coaches.

“Monument sign” means a low-profile, freestanding sign seven (7) feet or less in height.

“Motel” means a building or group of buildings on the same lot, containing guest rooms, used or designed for use for the accommodation of transients on a commercial basis, which are independently accessible from the outside. The term includes any building or building groups designated as an auto court, motor lodge, or tourist court.

“Motor home” means a self-powered vehicle designed, equipped or used as a dwelling or for living or for sleeping purposes.

Multifaced Sign. A “multifaced sign” is a sign, including advertising statuary, which has four (4) or more faces and which is designed to be viewed from more than two (2) directions.

“Multiple-family building” means a building or structure designed and intended to be occupied as living quarters by three (3) or more families, living independently of each other.

“Museum” means a building, place, or institution devoted to the procurement, care, study, and display of objects of lasting interest or value.

“Navigation center” means housing first, low-barrier, service-enriched shelter focused on moving homeless individuals and families into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.

“Neighborhood recreational facility” means a land use designed to provide recreational, aesthetic, ornamental, horticultural (e.g., community gardens) or childcare services to local residents at a neighborhood scale.

“Nonconforming building” means a building or structure or portion thereof lawfully existing on the effective date of the ordinance codified in this chapter which does not conform to the property development standards of this chapter for the zoning district in which it is located.

“Nonconforming lot” means a lot existing on the effective date of the ordinance codified in this chapter or amendment to the ordinance codified in this chapter that does not conform to the lot requirements of this chapter.

“Nonconforming sign” means a sign which was lawfully erected but does not comply with this chapter due to annexation of the property to the city, or amendment to the Zoning Ordinance or map by a person other than the owner of the real property on which the sign is erected. This definition does not include signs which were lawfully erected but which do not comply with this chapter due to division of real property on which the sign is erected, alterations to any building on the parcel where the sign is located or rezoning by the owner of the real property where the sign is located.

“Nonconforming uses” means a utilization or occupancy of any site lawfully utilized or occupied on the effective date of the ordinance codified in this chapter or amendment to the ordinance codified in this chapter which is not a permitted use for the district in which it is located, according to this chapter.

“Numerical limit” means the total number of dwelling units for residential development projects not exempted by section 30.50.60(b)(2) for which building permits may be issued within the city during a given calendar year. The numerical limit is set by resolution of the city council.

“Off-site sign” means a sign, such as a billboard, which is not located on the same parcel of land as the entity or product it advertises.

“Office” means uses that predominantly sell professional and/or business services. The contact with the general public is not as frequent as with retail businesses or personal services, and a significant portion of the business may take place at other locations. Examples include banks, law offices, accountants, advertising, and computer support.

“Open space” means any parcel or area of land essentially unimproved or in its natural state and which is designated in the general plan for and devoted to an open space use including, but not limited to, public recreation, enjoyment of scenic beauty, conservation or use of natural resources, production of food or fiber, protection of man and his artifacts, buildings or property because of environmentally hazardous areas, containment and structuring of urban development, and preservation of historical sites.

Park. See “Public park.”

“Parking lot” means an area of land, a yard, or other space on a lot legally used for and designed for access and parking by standard, and operable, motor vehicles. This definition excludes land used for display, rental or storage of operable or inoperable vehicles.

“Parking space” means land or space which is owned, paved, laid out for, and used or designed to be used for a standing vehicle.

“Person” shall mean any individual, firm, co-partnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver,

syndicate, county, city and county, municipality, district, joint powers authority or other political subdivision, or any other group or combination acting as a unit.

“Personal services” means commercial uses providing needed services of a personal nature. Personal services generally include barber and beauty shops, nail salons, tanning and spa salons, seamstresses, tailors, shoe repair shops, dry cleaning (except bulk processing plants), and self service laundries.

“Planning commission” means the planning commission of the City of Gilroy.

“Planning manager” means the person employed by the city as head of the planning division of the City of Gilroy. The planning manager also serves as zoning administrator and secretary of the planning commission.

“Political sign” means a sign which is intended to influence the vote for the passage or defeat of a measure, or nomination, election or defeat of a candidate in any governmental election.

“Portable sign” means a sign which is movable, not structurally attached to the ground, nor attached to a building. Such sign may or may not be in the configuration of an “A.”

“Project rating scale” means a measuring device, composed of a number of general and specific rating criteria relating to project design, location, and other characteristics, used for assigning point ratings to proposed residential projects.

“Projecting sign” means a sign erected on the wall of a building or structure, or suspended from an overhang, with display surfaces generally not parallel to the wall.

“Promoter” means any person who is directly or indirectly responsible for the promotion of the public dance as evidenced by activities such as, but not limited to, contracting with the principals, selecting entertainment, advertising or otherwise holding out the event to members of the general public, inviting participants to the event, renting or controlling the event site, or serving as a designated on-site representative while the public dance is occurring.

“Public access floor area” means the combined area within a single venue in which public dancing occurs that includes seating areas, stage, dance floor, dining areas, bar areas, reception areas, and foyers, but does not include kitchens, restrooms, storage areas, food preparation areas and busing areas.

“Public dancing” means dancing that occurs by persons (other than performers) in or upon any premises that members of the general public are admitted to, during any planned or unplanned event, as either the main purpose of the event or as incident to some other purpose, with or without payment of a fee, charge or other consideration.

“Public park” means a park, playground, swimming pool, or athletic field within the City of Gilroy which is under the control, operation, or management of the city or county parks and recreation department or the Gilroy unified school district.

“Reader board sign” means a sign which is designed for manual or electrical changing of copy.

“Realty sign” means a sign of a temporary nature which pertains to the sale, lease, rental, or display of existing lots or buildings or other facilities.

“Rear yard” means the required setback area extending across the full width of the lot and measured between the rear lot line and the rear setback line.

“Recreational vehicle” means a vehicular unit not exceeding forty (40) feet in overall length, eight (8) feet in width, or twelve (12) feet in overall height, primarily designed as temporary living quarters for recreational, camping or travel use. Such a vehicle either has its own motive power or is designed to be mounted on or drawn by an automotive vehicle. Recreational vehicle includes motor homes, truck campers over seven (7) feet in height, travel trailers and camping trailers, but not vans or trucks with campers less than seven (7) feet in height.

“Religious institution” means a building which is used primarily for religious worship and/or related religious activities.

“Residential care home” means a resident-occupied dwelling, licensed by the state/county; in which children and/or adults are cared for on a full-time, live-in basis.

“Residential project” means a development project which will result in the construction of new dwelling units in the city. Residential projects include single-family, multiple-family, mobile home and condominium dwelling units. Such projects may or may not involve the subdivision of land.

“Retaining wall” means a wall designed to contain soil on one (1) side of the wall which is at a higher elevation than that on the other side of the wall.

“Ridgeline” means the highest point along the crest of a hillside from which the contours descend in at least two (2) directions.

“Roof sign” means an attached sign erected on a roof or projecting above the eave or rake of a building or coping of a parapet. A sign erected on top of a canopy, covered passageway, awning or marquee shall be considered a roof sign.

“Scenic land” means any area of land or water with natural scenery considered to have beauty as designated in the general plan.

“School” means an institution of learning for minors, whether public or private, which satisfies compulsory education laws of the State of California and/or offers instruction in those courses of study required by the California Education Code or which is maintained pursuant to standards set by the State Board of Education. This definition includes a kindergarten, elementary school, junior high school, senior high school, or a special institution of learning under the jurisdiction of the State Department of Education, but it does not include a vocational or professional institution or an institution of higher education, including a community or junior college, college or university.

“Setback line” means a line established by this chapter to govern the placement of a building or a structure with respect to its lot boundary lines.

“Side yard” means the required side setback area between the side lot line and the side setback line, and extending from the front lot line to the rear lot line.

“Sign” means any writing, pictorial, representative, symbol, registered trademark, flag (other than the United States or California flags) or any similar figure used to identify, announce, direct attention, or advertise or communicate, together with any material or color forming an integral part of the display or used to differentiate the sign from the background, which is located on private or public property and is visible from outside a building. Includes all parts, portions, units and materials, together with frames, delineated background, structure, support or anchorage for same, which is temporarily or permanently placed, erected, constructed, posted, painted, tacked, nailed, glued, carved, hung, strung or otherwise fastened or affixed to the ground or to any post, fence, building structure, wall, roof or tree.

“Sign area” means the entire area within a single continuous perimeter of not more than eight (8) straight lines forming right angles enclosing the extreme limits of writing, representation, emblem, or any figure of similar character, together with any material or color forming an integral part of the display, or used to differentiate such sign from the background against which it is placed. The supports, uprights or structure on which any such sign is supported shall not be included in determining the sign area unless such supports, uprights or structure are or is designed in such a manner as to form an integral background of the display. In computing maximum permissible sign area, all signs designed or likely to be seen from off the premises upon which the signs are located or proposed to be located shall be included in determining conformance with this chapter. For three (3) dimensional signs, the sign area of one (1) side, and the sign area of the side perpendicular to the first side, are calculated in the manner prescribed above, and combined to become the total sign area.

“Sign height” means the vertical distance from the soil level of the surrounding area to the highest point of the sign or any vertical projection.

"Sign value" means valuation of a particular sign as stated on the sign permit application. If this information is not available, or if evidence satisfactory to the planning director demonstrates that the stated value is erroneous, then the valuation of that sign shall be arrived at by the planning director who shall consider the evidence submitted and compare the particular sign with one (1) or more existing signs in the city of similar age and construction.

"Single-family dwelling" means a building or portion of a building designed for occupancy by one (1) family constituting a single housekeeping unit having only one (1) kitchen, but not including a boarding house, motel or hotel.

"Slope-density" means a system under which residential densities are determined by a formula based on the average slope of the contours of the area. (See "Average slope.")

"Smoke shop" means any establishment, structure, facility, or stand that devotes more than fifteen (15) percent of either its gross floor space or display area to the retail sale, display, marketing, bartering, trading or exchange of any combination of tobacco, tobacco products, or tobacco paraphernalia, including electronic smoking devices and accessories, as defined per City Code Chapter 13, Article VIII, Section 13.66."

"Solar energy system" means any structural design feature, solar collector or other energy device, the primary function of which is to provide for the collection, storage or distribution of solar energy.

"Sound wall fence" means a wall fence, constructed of materials such as concrete block, brick, stone, concrete, steel or stucco, designed to reduce the level of nearby sounds.

"Specific plan" means a project implementing the City of Gilroy's general plan for all or part of an area covered by the general plan, processed pursuant to the state laws governing specific plans which are set forth in California Government Code Section 65450 et seq., reviewed by the planning commission review and adopted by the city council.

"Story" means that portion of a building included between the upper surface of any floor and the upper surface of the floor next above, except that the topmost story shall be that portion of a building included between the upper surface of the topmost floor and the roof thereof. For any finished floor level which is more than six (6) feet above grade for more than fifty percent (50%) of the total perimeter or is more than twelve (12) feet above grade at any point, the space directly below shall be considered a story.

"Street" means a public or permanent private right-of-way, thirty (30) feet or more in width, which affords a primary means of access to property.

“Street frontage” means the length of a site along or fronting on a street or other principal thoroughfare but not including such length along an alley, watercourse, railroad right-of-way or limited access roadway or freeway.

“Structural alteration” means any change in the supporting members of a building, such as bearing walls, columns, beams, girders, floor joists, ceiling joists or roof rafters.

“Structure” means anything constructed or erected upon the ground or attached to such construction having location on the ground, but excluding swimming pools and uncovered paved areas such as patios and parking lots.

“Supportive housing” means housing with no limit on length of stay, that is occupied by the target population and that is linked to on- or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. [Health and Safety Code Section 50675.2(h)]

“Target population” means adults with low income having one (1) or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people. [Health and Safety Code Section 53260(d)]

“Temporary business establishment” means an activity involving the sale or display of merchandise in the open, in a vehicle, or in a temporary building or structure, or for a limited time in a permanent building or structure.

“Temporary sign” means a sign, usually constructed of light materials, displayed for thirty (30) days or less.

“Townhouse” means a condominium dwelling unit which is the sole dwelling unit on a separate parcel of land, with no dwelling units above or below it.

“Trailer” means a vehicle without motive power not exceeding forty (40) feet in overall length, eight (8) feet in width, or twelve (12) feet in overall height, including a boat mounted on a trailer, designed so that it can be drawn by a motor vehicle, to be used for the carrying of boats, persons, cargo or animals.

“Transitional housing” means buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some

predetermined future point in time, which shall be no less than six (6) months and shall not exceed two (2) years. [Health and Safety Code Sections 50675.2(h) and 50801(i)]

“Triple-faced sign” means a three (3) sided sign designed to be viewed from more than two (2) directions, and which forms a triangular shape.

“Truck stop” means a facility used for the fueling and short-term parking of tractor-trailer transport vehicles. Truck stops may include related fueling facilities, weigh stations, traffic routing offices, temporary truck storage areas, restaurants, wash racks, minor repair facilities and related business offices and motels.

“Use” means the purpose, for which land or a building is occupied or maintained, let or leased.

“Veterinarian office” means an office providing medical care for small animals where the animal holding facilities are totally enclosed and the animals are boarded overnight only.

“Veterinary hospital” means a facility providing medical care for domestic pets such as dogs, cats, reptiles, birds and similar animals which may include boarding the animals two (2) or more days. This definition excludes domestic farm animals such as cattle, hogs, sheep, and horses.

“Vocational school” means a commercial land use that involves the instruction to students of special skills, knowledge, or techniques that are generally related to furthering a specific vocation or professional occupation. Vocational schools include trade schools, business schools, cosmetology schools and schools for self-improvement.

“Wall sign” means a sign erected on a wall or fascia of a building or structure (other than a structure whose main purpose is to support a sign), the face of which is parallel to the wall or fascia and all of which is below the coping of the parapet, the top of the fascia, the eave line or below the top of the wall on which it is mounted. A sign which meets the definition of this paragraph, but is erected between posts, pillars, or columns which support a roof or second story, rather than on a wall, is also a wall sign.

“Waste material handling facility” means an area of one hundred (100) square feet or more, including wrecking yards, used for the storage or dismantling of junk, scrap metals, materials salvaged from wrecked or demolished buildings, automobiles, machinery or equipment.

“Wildlife habitat” means any area of land or water valuable or necessary for the preservation or enhancement of wildlife resources.

“Window” means an opening constructed in a wall that functions to admit light or air to an enclosed structure, and is often framed and spanned with glass mounted to permit

opening and closing. Mullions may be present, decoratively or structurally, as part of a mullioned window.

“Window sign” means a sign which is displayed on or located behind and within one (1) foot of a window (not including a glass entry door), and is visible from a street, walkway, parking lot, or pedestrian plaza, any of which is accessible to the public.

“Wire mesh fencing” means fence material which derives its strength from metal strands crossing in a regular pattern, including, but not limited to, those materials known as chain link or chicken wire, but does not include ornamental wrought iron fencing.

Zoning Administrator. See “Planning manager.” (Ord. No. 2013-08, § 2 (Exh. A), 8-5-13; Ord. No. 2014-01, § 1, 1-27-14; Ord. No. 2014-06, § 1, 5-5-14; Ord. No. 2015-01, § 3, 5-4-15; Ord. No. 2016-01, § 2, 1-25-16; Ord. No. 2017-06, §§ 1, 2, 11-20-17; Ord. No. 2017-07, §§ 1, 2, 12-4-17; Ord. No. 2018-02, §§ 2, 3, 1-8-18; Ord. No. 2019-08, §§ 2, 3, 10-7-19; Ord. No. 2020-03, § 2, 7-6-20; Ord. No. 2023-04, § 2, 5-15-23)

30.19.10 Commercial use table.

(a) Statement of Intent. The intent of this commercial use table is to clearly and precisely designate permitted uses and conditional uses within each of the following districts:

PO	Professional Office
C1	Neighborhood Commercial
C3	Shopping Center Commercial
HC	Highway Commercial
CM	Commercial Industrial

Downtown Specific Plan Districts

DHD	Downtown Historic District
DED	Downtown Expansion District
CCA	Civic/Cultural Arts District
TD	Transitional District
CD	Cannery District
GD	Gateway District

(b) Designation of Commercial Uses. The commercial use table indicates whether a variety of uses are unconditionally permitted, permitted only with a conditional use permit from the planning commission, or permitted only under special conditions. The planning commission, or its designee, shall determine, upon written request, whether or

not any use not listed in the commercial use table is similar in character to a described use for the purpose of applying the district regulations and conditions.

(c)(1) Commercial Use Table.

	PO	C1	C3[3]	HC	CM
Commercial Uses					
Adult Businesses[1]			C		
Animal Boarding			C[15]		C[15]
Animal Grooming or Training		X	X		X
Veterinary Hospital/Veterinary Office	C	C	X		X
Antique Shop		X	X	X	X
Appliance Repair		X	X		X
Arcade			X		X
Art Studio or Gallery		X	X		X
Auction House			X		X
Auto Body Repair and Painting					C
Automobile Parts Sales			X	X	X
Automobile Repair			X		X
Automobile Sales (Indoor or Outdoor)			X		X
Automobile Sales, Temporary[6]			C	C	C
Automotive Gasoline/Fueling Station		C	X	X	X
Car Wash			X		X
Tire Shop			X	X	X

	PO	C1	C3[3]	HC	CM
Bank	C	X	X		X
Bakery/Coffee House		X	X	C	X
Bars: On-Site Liquor/Alcohol Consumption (Except as Ancillary to a Restaurant Use)		C[4,9]	X[9]	X[9]	X[9]
Bed and Breakfast Establishment		X	X	X	X
Boat and Motorcycle Sales			X		X
Bowling Alley			X		X
Building Materials Sales and Storage			X		X
Card Room			C		C
Clothing Sales/Service Establishment		X	X		X
Contractor's Yard					X
Dance Venue, Small		X	X	X	X
Dance Venue, Medium[12]			X		X
Dance Venue, Large[12]			X		X
Desktop Publishing/Copy Shop	X	X	X		X
Feed Store			C	C	X
Festival		T	T	T	
Grocery Store or Deli/Supermarket		X	X		X
Gymnasium/Health Studio		X	X		X
Home Occupation[10]	X	X	X		X

	PO	C1	C3[3]	HC	CM
Hotel, Motel			X	X	X
Laboratory (Research and Testing)	C		X		X
Landscape Nursery			X		X
Liquor/Alcohol Sales with Tasting (Wine and Beer Only)[9]			X[9]	X[9]	X[9]
Liquor/Alcohol Sales (Off-Site Consumption)[9]		C[9]	X[9]	X[9]	X[9]
Medical or Dental Office/Clinic	X	X	X		X
Mortuary or Crematory			X		X
Newspaper Printing Facility					X
Office	X	X	X		X
Outdoor Amusement/Recreation[14]			C	C	C
Parking Lot		X	X		X
Pawn Shop			X		X
Personal Services[11]		X	X		X
Pool and Billiards Establishment and Indoor Recreation			X		X
Printing/Sign Painting Establishment			X		X
Restaurant[17]		X	X	X	X
Retail Sales Establishments		X	X	C	X
Smoke Shop[18]					
Theater			X	X	X
Therapy Clinic (Licensed Provider)	X	X	X		X

	PO	C1	C3[3]	HC	CM
Tire Shop			X	X	X
Tow Yard					C
Light Industrial Uses					
Light Industrial Uses Permitted in M1[7]					X
Plumbing or Sheet Metal Shop					X
Pottery and Ceramics Manufacturing					X
Truck Stop				C	C
Public and Semi-Public Uses					
Ambulance Service	X		X	X	X
Religious Institution	X	X	X		C
Community Center	C		X		X
Day Care Center	C	X	X		C
Emergency Shelter[16]	C	C	C	C	X
Hospital, Rest Home, Sanitarium			X		X
Lodge, Club, or Fraternal Hall	C	C	X		X
Public Facility	X	X	X	C	X
School (Private ≤ 12 Students)	X	X	X		X
School (Private > 12 Students)	C	C	C		C
Residential Uses					
Boarding or Rooming House	C				

	PO	C1	C3[3]	HC	CM
Caretaker's Quarters[2]	C	C	C	C	C
Residential Unit	C[5]	X[5]	X[5]		
Temporary Uses					
Christmas Tree Lot		T	T	T	T
Outdoor Booth/Sales[13]	T	T	T	T	T

X = Unconditionally permitted.

T = Temporary use—See Article XLVII.

C = Permitted only with conditional use permit granted by planning commission.

[1] Conditionally permitted in the C3 district except for C3 property that is part of a block which abuts First Street, and in accordance with the requirements set forth in Article XXVIII.

[2] If a caretaker's residence is in a trailer or a mobile home, a conditional use permit is required and is valid for only one (1) year, with a maximum one (1) year extension. One (1) unit for caretaker's quarters is an unconditionally permitted use when in conjunction with hotels, motels, bed and breakfast establishments, ambulance services, churches or mini-storage facilities.

[3] Commercial uses proposed east of the South Valley Freeway, on property zoned C3 (shopping center commercial), shall meet the following findings prior to establishment:

(a) The intent of the proposed business is to merchandise products and/or provide services to a clientele base which represents a regional draw; and

(b) A regional draw shall mean a clientele base with at least seventy-five percent (75%) of the customers residing outside the city limits.

[4] The requirement for a conditional use permit does not apply to businesses whose primary use is the preparation and service of food.

[5] Residential units may be allowed in conjunction with an existing business. Standalone single-family residential use of a lot is not permitted. Residential units in the C3 zones may be allowed when located on the second or third floor of a building. More than one (1) residential unit may be allowed upon approval of a conditional use permit

pursuant to section 30.50.30. All residential unit projects within commercial zones shall comply with the following guidelines:

(a) The number of residential units shall not compromise the quality or character of any existing or proposed businesses located on the same property;

(b) The number of residential dwellings shall be limited by the availability and provision of off-street parking stalls;

(c) All bedrooms proposed for residential use shall meet minimum square footage requirements in compliance with the Uniform Building Code; and

(d) Open space shall be provided, when feasible.

[6] A conditional use permit may be granted to an auto-related sales business for up to four (4) temporary auto sale events on the same property within one (1) calendar year.

[7] Uses allowed in the M1 zoning district subject to a conditional use permit are also subject to conditional use permit in the CM zoning district.

[8] These uses are unconditionally permitted on the second story and above. Any time these uses are proposed for the first floor (sidewalk level), a conditional use permit is required.

[9] Requests for new State Alcoholic Beverage Control (ABC) alcoholic beverage licenses are subject to review and approval of the city's chief of police.

[10] Permitted only if the regulations of Article XL are met.

[11] Commercial uses providing needed services of a personal nature. Personal services generally include barber and beauty shops, nail salons, tanning and spa salons, seamstresses, tailors, shoe repair shops, dry cleaning (except bulk processing plants), self service laundries, massage parlors, and tattoo and piercing parlors.

[12] Provided, that all provisions set forth in Chapter 8 are satisfied. See also Article II, "Definitions," for additional use specifications.

[13] Outdoor booths and sales are permitted for thirty (30) days per calendar year, in compliance with the city's temporary use policy.

[14] Outdoor amusement and recreation facilities require a conditional use permit. Indoor amusement and recreation facilities are permitted without a conditional use permit.

[15] A conditional use permit is required for animal boarding within one hundred fifty (150) feet of residential properties and/or for businesses that board animals outside. Businesses that board animals more than one hundred fifty (150) feet from residentially

zoned properties do not require a conditional use permit as long as the animals are contained inside a building.

[16] Emergency shelters shall be subject to the performance standards listed in section 30.41.32.

[17] A drive-through window may be allowed for retail establishments/restaurant uses outside of the downtown.

[18] Smoke shops are not allowed in commercial or any other zoning district.

(2) Downtown Commercial Use Table.

	DHD	DED	CCA	TD	CD	GD
Commercial Uses						
Animal Boarding		X[11]		X[11]	X[11]	C[19]
Animal Grooming or Training		X		X	X	X
Animal Hospital/Veterinary Office						X
Antique Shop	X	X		X		X
Appliance Repair		X		X		X
Arcade and Internet Access as Primary Use	X	X			X	X
Art, Dance, Gymnastic and Music Studios or Galleries	X	X	X	X	X	X
Auction House	X[4]	X				X
Automotive Body Repair and Painting						C
Automotive Car Stereos and Alarm Systems Sales and Installation	X[17]	X[17]				X[17]
Automotive Car Wash						X
Automotive Gasoline/Fueling Station		X[10]				X
Automotive Parts Sales		X[10]				X

	DHD	DED	CCA	TD	CD	GD
Automotive Repair and Service		X[10]				X[13]
Automotive Sales	X[9]	X				X
Automotive Sales, Temporary[3]		C	C		C	C
Automotive Tire Shop		X[10]				X
Bank	X	X		X	X	X
Bakery/Coffee House	X	X	X	X	X	X
Bakery, Commercial	C[12]	C[12]			X	X
Bed and Breakfast Establishment		X		X		X
Boat and Motorcycle Sales		X				X
Bowling Alley	X	X				X
Building Materials Sales and Storage						X
Card Room		C				C
Clothing Sales/Service Establishment	X	X		X	X	X
Cottage Industry with Light Manufacturing and Assembly					X	X
Dance Venue, Small	X	X	X	X	X	X
Dance Venue, Medium[15]	X	X	X	X	X	X
Dance Venue, Large	X[16]	X[16]	X[16]			C[15]
Desktop Publishing/Copy Shop	X[4]	X	X	X	X	X
Festival	T	T	T	T	T	T
Grocery Store or Deli (Not Supermarket)	X	X	X	X	X	X

	DHD	DED	CCA	TD	CD	GD
Gymnasium/Health Studio	X	X	X	X	X	X
Home Occupation[6]	X	X	X	X	X	X
Hotel, Motel	X	X				X
Laboratory (Research and Testing)	X[4]	C			C	X
Landscape Nursery						X
Liquor/Alcohol Sales/Bars (On-Site Consumption of Beer, Wine, or Liquor, not including Micro-Brewery and Wine Tasting Provisions below)[5]	C[1]	C[1]		C[1]	C[1]	C[1]
Liquor/Alcohol Sales (Off-Site Consumption)[5]	C	C		C		C
Medical or Dental Office/Clinic	X[4]	X		X		X
Micro-Breweries and Wine Tasting[21]	D	D			D	
Museums	X	X	X	X	X	X
Mortuary or Crematory		C		X		X
Newspaper Printing Facility						X
Office	X[4,22]	X	X	X	X	X
Outdoor Amusement/Recreation[18]						C
Parking Lot (Automobile Parking)	X	X	X	X	X	X
Pawn Shop		X				X
Personal Services[7]	X[8]	X[8]	X	X	X	X
Pool/Billiards Establishment and Indoor Recreation	X	X				C
Printing/Sign Painting Establishment		X		X	X	X

	DHD	DED	CCA	TD	CD	GD
Restaurant	X	X	X	X	X	X
Restaurant with Drive Through		X				X
Retail Sales 10,000 sq. ft. or Less	X	X		X	X	X
Retail Sales 10,001 sq. ft. to 50,000 sq. ft.		X				X
Retail Sales 50,001 sq. ft. or More						X
Smoke Shop[23]						
Supermarket		X				X
Theater	X	X	X	X	X	X
Therapy Clinic (Licensed Provider)	X[4]	X		X	X	X
Tow Yard (No Dismantling or Parts Sales)						C
Public and Semi-Public Uses						
Ambulance Service		X[10]	X			X
Community Center	X[4]	X	X	X	X	X
Adult or Child Day Care Center		C	X	X	X	X
Emergency Shelter[20]	C	C	C	C	C	C
Hospital, Rest Home, Sanitarium		C				X
Lodge, Club, or Fraternal Hall	X[4]	C		X	C	X
Public Facility	X	X	X	X	X	X
Religious Institution	X[4]	X		X	X	X
School (Private ≤ 12 Students)	X[4]	X	X	X	X	X

	DHD	DED	CCA	TD	CD	GD
School (Private > 12 Students)	C	C	C	C	C	C
Residential Uses						
Boarding or Rooming House		C		C	C	
Caretaker's Quarters	X	X	X	X	X	C
Residential Units[2]	X[4]	X[4]	X[14]	X	X	X
Temporary Uses						
Bazaar	T	T	T	T	T	
Christmas Tree Lot		T		T	T	T
Outdoor Booth/Sales	T	T	T	T	T	T

X = Unconditionally permitted.

T = Temporary use—See Article XLVII.

C = Permitted only with conditional use permit granted by planning commission.

D = Permitted only with an administratively approved downtown use permit granted by the community development director, or his/her designee.

[1] The requirement for a conditional use permit does not apply to businesses whose primary use is the preparation and service of food, and liquor/alcohol is served as a clearly ancillary use.

[2] All residential unit projects within commercial zones shall comply with the following guidelines:

(a) The number of residential units shall not compromise the quality or character of any existing or proposed businesses located on the same property;

(b) The number of residential dwellings shall be limited by the availability and provision of off-street parking stalls or as allowed by ordinance;

(c) All bedrooms proposed for residential use shall meet minimum square footage requirements in compliance with the Uniform Building Code; and

(d) Open space shall be provided, when feasible.

(e) Notwithstanding subsections (a) and (b) of this footnote, the minimum residential density in the DHD, DED and CD districts shall be twenty (20) units per acre.

(f) Development of new standalone single-family residential use on a lot within the downtown commercial districts is not allowed. However, an existing legally permitted historic single-family residence shall be deemed a conforming land use.

[3] A conditional use permit may be granted to an auto related sales business for up to four (4) temporary auto sales events on the same property within one (1) calendar year.

[4] These uses are unconditionally permitted on the second story and above. Any time these uses are proposed for the ground level or first floor (sidewalk level), a conditional use permit is required. Residential units in these zones shall not front on the street.

[5] Requests for new State Alcoholic Beverage Control (ABC) alcoholic beverage licenses are subject to review and approval of the city's chief of police.

[6] Permitted only if the regulations of Article XL, Home Occupation, are met.

[7] Commercial uses providing needed services of a personal nature. Personal services generally include barber and beauty shops, nail salons, tanning and spa salons, seamstresses, tailors, shoe repair shops, dry cleaning (except bulk processing plants), self service laundries, massage parlors, and tattoo and piercing parlors, except where expressly prohibited (see footnote 8).

[8] Uses offering the primary personal services of massage, tattoo, and/or piercing are prohibited.

[9] Indoor only for the display and sales of automobiles with no repair or servicing.

[10] Not permitted on any parcel fronting on Eigleberry Street or on those parcels that may front a side street on the one-half (1/2) block west of Gourmet Alley.

[11] Day boarding only allowed; no overnight boarding.

[12] Must have a prominent ancillary retail outlet or use.

[13] Must be approved by a conditional use permit if within one hundred fifty (150) feet of a residential use.

[14] Residential units may be allowed on the ground floor if located between Eigleberry and Church Streets behind a business.

[15] Only allowed ancillary to a primary use (see Article II, Definitions). Provided, that all other provisions set forth in Chapter 8 are satisfied.

[16] Up to three (3) large dance venues are allowed in the DHD downtown historic district, DED downtown expansion district, CCA civic/cultural arts district, combined, and

only located on Monterey Street between 1st St. and 10th St. and only with a downtown special use permit granted by the community development director or designee; and provided, that all provisions set forth in Chapter 8 are satisfied. City council approval is required for the fourth or more large dance venue in the DHD downtown historic district, DED downtown expansion district, CCA civic/cultural arts district, combined, and only located on Monterey Street between 1st St. and 10th St. and only with a downtown special use permit granted by the community development director or designee; and provided, that all provisions set forth in Chapter 8 are satisfied.

[17] Sales shall be limited to car stereos and alarm systems, and installation and servicing must take place indoors. In the gateway district, outdoor installation and servicing may occur. However, a conditional use permit is required if located within one hundred fifty (150) feet of a residentially zoned property.

[18] Outdoor amusement and recreation facilities require a conditional use permit. Indoor amusement and recreation facilities are enumerated under “pool/billiards establishment and indoor recreation.”

[19] A conditional use permit is required for animal boarding within one hundred fifty (150) feet of residential properties and/or for businesses that board animals outside. Businesses that board animals more than one hundred fifty (150) feet from residentially zoned properties do not require a conditional use permit as long as the animals are contained inside a building.

[20] Emergency shelters shall be subject to the performance standards listed in section 30.41.32.

[21] Administrative approval of a downtown use permit is required when criteria set forth in section 30.50.35 are met. Any micro-brewery or wine tasting uses not meeting the criteria noted in section 30.50.35 would fall into the liquor sales/bars (on-site consumption of beer, wine, or liquor, except uses meeting micro-brewery and wine tasting provision) category in the use table.

[22] Within the downtown historic district (DHD) zone district, along Monetery Road north of 4th Street and south of 6th Street, ground level active office uses shall be allowed without a conditional use permit until September 1, 2020. Active office uses are those that operate in a manner that promotes and enhances pedestrian activity in the downtown area, in alignment with the downtown specific plan vision. After that date, conditional use permit approval shall be required for such uses throughout the DHD zone district.

[23] Smoke shops are not allowed in commercial or any other zoning district.

(Ord. No. 2013-08, § 2 (Exh. A), 8-5-13; Ord. No. 2014-05, § 2, 5-5-14; Ord. No. 2014-06, §§ 3, 4, 5-5-14; Ord. No. 2016-05, § 1 (Att. A), 3-7-16; Ord. No. 2018-09, § 2, 8-6-18; Ord. No. 2019-08, §§ 7, 8 (Atts. C, D), 10-7-19)

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Council Direction on a Draft Ordinance Amending Chapter 13 of the Gilroy City Code Relating to Tobacco Retailer Permits**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Community Development
Submitted by:	Sharon Goei, Community Development Director
Prepared by:	Bryce Atkins, Deputy Director of Community Development

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Council provide direction on any changes to the draft ordinance.

BACKGROUND

Council established a Legislative Agenda Item entitled "*Consideration of Revising the Tobacco Ordinance and a Moratorium on New Tobacco Retailers During Revision Process*". Staff requested Council direction on this item during the August 4, 2025, regular City Council Meeting. Council directed staff to pursue two potential regulatory measures identified in the City's grant from the County of Santa Clara Public Health Department (CSCPHD). At the time, the Council did not authorize pursuing the moratorium. The two regulatory measures being considered include:

- Reducing the density of tobacco retailers; and
- Flavored tobacco restrictions/bans.

Staff commenced this work, consistent with Council direction, with controls on the amount of staff time to be committed. Staff worked with CSCPHD and its research consultant and conducted some in-house research.

During this process, concerns about smoke shops and enforcement were raised, and a moratorium on issuing tobacco retailer permits was implemented in parallel. This report focuses on the two previously approved regulatory measures and a potential update to centralize Tobacco Retailer Permit (TRP) enforcement, with the intent of seeking Council direction before investing more staff time and resources into any City Code changes related to these matters.

On May 4, 2026, staff returned to Council to receive direction on the proposed changes. During that meeting, Council directed staff to add youth-sensitive facilities to the 1,000-foot prohibited area for schools and to examine ways to enhance enforcement, with particular focus on adding measures to address violations of state and federal law, such as illegal drug sales.

ANALYSIS

The proposed amendments enact the Council's desire to add youth-oriented facilities to the 1,000-foot prohibition areas that schools currently enjoy. It also strengthens the City’s tobacco retailer regulations by expanding the permit program beyond traditional tobacco sales compliance to address broader public health, safety, and nuisance concerns. The changes add definitions and enforcement tools related to illegal products, controlled substances, unlawful cannabis products, untaxed tobacco products, drug paraphernalia, chronic nuisance activity, and youth-oriented facilities. This provides clearer authority for the City to regulate tobacco retailers whose operations involve or contribute to unlawful activity.

The amendments also establish additional operating requirements for tobacco retailers, including compliance with applicable local, state, and federal laws; a prohibition on illegal products; consent to inspections; and restrictions on chronic nuisance activity. These provisions are intended to improve accountability, support enforcement investigations, and help prevent unlawful products or activities from being associated with permitted tobacco retail locations.

The proposed changes further enhance the City’s ability to deny, suspend, or revoke tobacco retailer permits. The amendments allow the City to consider prior unlawful activity, nuisance history, repeated code violations, and attempts to evade enforcement through ownership transfers or restructuring. They also authorize corrective action plans, enhanced inspections, operational conditions, and emergency suspension where continued operation poses an immediate threat to public health, safety, or welfare.

Overall, the amendments provide a stronger and more flexible enforcement framework for addressing noncompliant tobacco retailers. The proposed ordinance would help the City respond more effectively to serious violations, protect youth-oriented facilities and surrounding neighborhoods, prevent sham transfers, and ensure that tobacco retail permits remain a limited and conditional privilege.

The language in the ordinance is in draft form, and formatting and some minor language modifications may be required to better integrate the edits into the existing code language in the final version for Council consideration.

The ordinance does not include the originally proposed change to the department where the application is to be submitted. Instead, with the enhanced enforcement language and the planned conversion of permits into a permit management software module, staff will retain enforcement as a team approach, with dedicated coordination among the associated departments. Additionally, staff will return to Council each February with a report listing the TRPs issued in the prior calendar year and those that renewed for the then-current year.

ALTERNATIVES

Council may choose to provide direction to modify the definition of youth-oriented facility, or determine whether to modify the enhanced enforcement measures.

FISCAL IMPACT/FUNDING SOURCE

A minimal cost for advertising the public hearing will be incurred, within budgeted appropriations. No additional fiscal impacts from the additional regulations are expected.

PUBLIC OUTREACH

This item was included on the publicly posted agenda for this meeting. In addition, this subject was originally discussed during the strategic planning study sessions in 2025 and again at the City Council meeting on August 4, 2025. Any potential changes to the City Code will have a public hearing advertised, should the Council direct staff to proceed.

NEXT STEPS

Staff will bring back a proposed ordinance for a public hearing and, if approved, for later adoption.

Attachments:

1. Draft City Code Language with Redline Edits

13.66 Definitions.

The following words and phrases, whenever used in this article, shall be construed as defined in this section:

"Arm's length transaction" means a sale in good faith and for valuable consideration that reflects the fair market value in the open market between two (2) informed and willing parties, neither of which is under any compulsion to participate in the transaction. A sale between relatives, related companies or partners, or a sale for which a significant purpose is avoiding the effect of the violations of this article is not an arm's length transaction.

"Chronic nuisance tobacco retailer" means a tobacco retailer location at which three or more qualifying incidents occur within any twenty-four-month (24-month) period. Qualifying incidents include, but are not limited to, unlawful sales of illegal products, controlled substance activity, repeated code violations, violent criminal activity, unlawful gambling activity, repeated police service calls, repeated nuisance violations, or violations of this chapter.

"City" means the City of Gilroy and each of its officers and employees designated to enforce or administer the provisions of this article.

"Controlled substance" shall have the same meaning set forth in the California Health and Safety Code Section 11007, as may be amended.

"Drug paraphernalia" shall have the same meaning set forth in California Health and Safety Code Section 11364.5, as may be amended.

"Electronic smoking device" means an electronic and/or battery-operated device, the use of which may resemble smoking, which can be used to deliver an inhaled dose of nicotine or other substances. "Electronic smoking device" includes any such electronic smoking device, whether manufactured, distributed, marketed, or sold as an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic hookah, or any other product name or descriptor. "Electronic smoking device" does not include any product specifically approved by the United States Food and Drug Administration for use in the mitigation, treatment, or prevention of disease.

"Electronic smoking device paraphernalia" means cartridges, cartomizers, e-liquid, smoke juice, tips, atomizers, electronic smoking device batteries, electronic smoking device chargers, and any other item specifically designed for the preparation, charging, or use of electronic smoking devices.

"Illegal product" means any product prohibited by local, state, or federal law to be possessed, displayed, distributed, or sold, including but not limited to illegal cannabis products, counterfeit tobacco products, untaxed tobacco products, prohibited flavored tobacco products, nitrous oxide products sold in violation of law, controlled substances, or unlawful drug paraphernalia

"Permittee" means a tobacco retailer or their authorized representative and/or employee with a valid tobacco retailer's permit.

"Person" means any natural person, partnership, cooperative association, corporation, personal representative, receiver, trustee, assignee, or any other legal entity.

"Proprietor" means a person with an ownership or managerial interest in a business. An ownership interest shall be deemed to exist when a person has a ten percent (10%) or greater interest in the stock, assets, or income of a business other than the sole interest of security for debt. A managerial interest shall be deemed to exist when a person can or does have or share ultimate control over the day-to-day operations of a business.

"Self-service display" means the open display or storage of tobacco products or tobacco paraphernalia in a manner that is physically accessible in any way to the general public without the assistance of the retailer or employee of the retailer and a direct person-to-person transfer between the purchaser and the retailer or employee of the retailer. A vending machine is a form of self-service display.

"Smoking" means possessing a lighted tobacco product, lighted tobacco paraphernalia, or any other lighted weed or plant (including a lighted pipe, cigar, hookah pipe, or cigarette of any kind) and means the lighting of a tobacco product, tobacco paraphernalia, or any other weed or plant (including a pipe, cigar, hookah pipe, or cigarette of any kind).

"Smoking paraphernalia" means tobacco paraphernalia, electronic smoking devices, ~~and~~ electronic smoking device paraphernalia, or any item marketed, displayed, possessed for sale, or sold in connection with the inhalation, ingestion, consumption, preparation, packaging, concealment, or use of tobacco products, nicotine products, cannabis products, controlled substances, or intoxicating substances, to the extent permitted by state law.

"Tobacco paraphernalia" means cigarette papers or wrappers, pipes, holders of smoking materials of all types, cigarette rolling machines, and any other item designed for the smoking, preparation, storing, or consumption of tobacco products.

"Tobacco product" means any substance containing tobacco leaf, including but not limited to cigarettes, cigars, pipe tobacco, hookah tobacco, snuff, chewing tobacco, dipping tobacco, snus, bidis, or any other preparation of tobacco; and any product or formulation of matter containing biologically active amounts of nicotine that is manufactured, sold, offered for sale, or otherwise distributed with the expectation that the product or matter will be introduced into the human body, but does not include any cessation product specifically approved by the United States Food and Drug Administration for use in treating nicotine or tobacco dependence.

"Tobacco retailer" means any person who sells, offers for sale, or does or offers to exchange for any form of consideration tobacco, tobacco products or tobacco paraphernalia. "Tobacco retailing" shall mean the doing of any of these things. This definition is without regard to the quantity of tobacco, tobacco products, or tobacco paraphernalia sold, offered for sale, exchanged, or offered for exchange. (Ord. No. 2014-14, § 1, 11-17-14)

"Youth-Oriented Facility" means a parcel in the city that is occupied by:

1. A library open to the public;
2. A playground open to the public;
3. A youth center, defined as a facility where children, ages six to seventeen, inclusive, come together for programs and activities;
4. A recreation facility open to the public, defined as an area, place, structure, or other facility that is used either permanently or temporarily for community recreation, even though it may be used for other purposes;
5. A park open to the public;
~~1.~~6. A licensed child-care facility or preschool (other than a small-family day care home or a large-family day care home [as defined in California Health & Safety Code § 1596.78]).

13.67 Purpose.

This article is intended to set forth a local permit process for tobacco retailers to ensure that retailers comply with tobacco control laws and city business standards to protect the public health, safety and welfare. Individuals who wish to act as a tobacco retailer within the city must first obtain and maintain a valid tobacco retailer's permit pursuant to these provisions for each location at which that activity is to occur. It is the responsibility of each proprietor to be informed of all laws applicable to tobacco retailing, including those laws affecting the issuance of a tobacco retailer's permit. (Ord. No. 2014-14, § 1, 11-17-14)

13.68 General regulations.

Every person within the city who operates as a tobacco retailer is required to obtain and maintain a valid tobacco retailer's permit. Every person within the city who operates as a tobacco retailer with a valid tobacco retailer's permit shall comply with each of the following conditions:

(a) Location. Tobacco retailing activities shall be conducted at a fixed location and within the enclosed area of the tenant space completely accessible to the general public during the hours of business operation;

(b) Display of Permit. Each tobacco retailer permit shall be prominently displayed in a publicly visible location at the permitted location;

(c) Minimum Age for Persons Selling Tobacco. No person who is younger than the minimum age established by state law for the purchase or possession of tobacco products shall engage in tobacco retailing;

(d) Minimum Age for the Purchase of Tobacco. No person engaged in tobacco retailing shall sell or transfer tobacco products or tobacco paraphernalia to a person whose legal age is under minimum age established by state law for the purchase or possession of tobacco products;

(e) Positive Identification Required. Persons engaged in tobacco retailing may not sell or transfer a tobacco product or tobacco paraphernalia to another person who appears to be under the age of twenty-seven (27) years without first examining the identification of the recipient to confirm that the recipient is at least the minimum age under state law to purchase and possess a tobacco product or tobacco paraphernalia;

(f) On-Site Smoking Prohibited. Persons engaged in tobacco retailing shall not permit smoking inside or in any adjacent outdoor area owned, leased, or operated in the permitted premises. In addition, no person engaged in tobacco retailing shall permit smoking within twenty (20) feet of any doorway, window, opening, or other vent into the permitted premises. Further, no person engaged in tobacco retailing shall permit the presence or placement of usable ash receptacles within the permitted premises, such as ashtrays or ash cans;

(g) Self-Service Displays Prohibited. Tobacco retailing by means of a self-service display is prohibited;

(h) Permit Nontransferable. A tobacco retailer's permit may not be transferred from one (1) person to another or from one (1) location to another. A new tobacco retailer's permit is required whenever the proprietor(s) of a tobacco retailing location change; and

(i) Tobacco retailing is prohibited near schools as follows:

(1) Except as provided in this section, no new tobacco retailer permit may be issued to authorize tobacco retailing within one thousand (1,000) feet of a school as measured by a straight line from the nearest point of property line of the parcel on which the school is located to the nearest point of the property line on which the applicant's business is located. For purposes of this section, "school" means a private or public elementary, middle, junior high or high school, or any combination of such schools.

(2) A tobacco retailer operating lawfully on the effective date of the ordinance codified in this article is exempt from this requirement.

(3) The sale to another individual, through an arm's length transaction, of a tobacco retail business operating lawfully on the effective date of the ordinance codified in this article is exempt from this requirement. The new owner of such business is required to apply for and obtain a new tobacco retailer's permit. (Ord. No. 2014-14, § 1, 11-17-14)

(j) Tobacco retailing is prohibited near youth-oriented facilities as follows:

(1) Except as provided in this section, no new tobacco retailer permit may be issued to authorize tobacco

retailing within one thousand (1,000) feet of a youth-oriented facility as measured by a straight line from the nearest point of property line of the parcel on which the youth-oriented facility is located to the nearest point of the property line on which the applicant's business is located.

(2) A tobacco retailer operating lawfully on the effective date of the ordinance codified in this article is exempt from this requirement.

(3) The sale to another individual, through an arm's length transaction, of a tobacco retail business operating lawfully on the effective date of the ordinance codified in this article is exempt from this requirement. The new owner of such business is required to apply for and obtain a new tobacco retailer's permit.

(k) Compliance with All Laws. Tobacco retailers shall comply with all local, state, and federal laws relating to tobacco products, nicotine products, cannabis products, controlled substances, untaxed tobacco products, drug paraphernalia, public nuisances, gambling devices, consumer protection laws, and business operations.

(l) Illegal Products Prohibited. No tobacco retailer shall possess, display, advertise, market, exchange, distribute, or offer for sale any illegal product. The presence of illegal products within publicly accessible retail areas shall constitute prima facie evidence that the products were offered for sale.

(m) Consent to Inspection. Acceptance of a tobacco retailer permit constitutes consent to reasonable administrative inspections of the permitted premises during regular business hours for purposes of determining compliance with this chapter and applicable law.

(n) Chronic Nuisance Activity Prohibited. No tobacco retailer shall operate in a manner constituting a chronic nuisance tobacco retailer.

13.69 Application procedure.

All applications shall be submitted on a form supplied by the City of Gilroy finance department and shall contain all of the following information:

(a) Application Materials.

(1) The name, address, and telephone number of each proprietor of the business seeking a permit;

(2) The business name, address, and telephone number of the single fixed location for which a permit is sought;

(3) A single name and mailing address authorized by each proprietor to receive all communications and notices (the "authorized address") required by, authorized by, or convenient to the enforcement of this article. If an authorized address is not supplied, each proprietor shall be understood to consent to the provision of notice at the business address specified in subsection (a)(2) of this section;

(4) Proof that the location for which a tobacco retailer's permit is sought has been issued a valid state tobacco retailer's permit by the California Board of Equalization;

(5) Whether or not any proprietor or any agent of the proprietor has admitted violating, or has been found to have violated, this article and, if so, the dates and locations of all such violations within the previous five (5) years;

(6) The application shall be signed by each proprietor or an authorized agent thereof;

(7) Such other information as the city deems necessary for the administration or enforcement of this article as specified on the application form required by this section; and

(8) Proof of annual employee training, and proof of new employee training to the satisfaction of the finance director.

(9) Identification of all owners, operators, managers, financial beneficiaries, and persons with direct or indirect control over the business operations.

(10) Proof of possession of all other applicable permits and licenses required by local, state, and federal law.

(b) A permitted tobacco retailer shall inform the city in writing of any change in the information submitted on an application for a tobacco retailer's permit within ten (10) business days of a change.

(c) All information specified in an application pursuant to this section shall be subject to disclosure under the California Public Records Act (California Government Code Section 6250 et seq.) or any other applicable law, subject to the law's exemptions. (Ord. No. 2014-14, § 1, 11-17-14)

13.70 Issuance of permit.

Upon the receipt of a complete application for a tobacco retailer's permit and the permit fee required by this article, the city shall issue a permit, except as otherwise provided in this article. The term of a tobacco retailer permit is one (1) year and may be renewed annually. A permit will not be issued if substantial evidence demonstrates that one (1) or more of the following exists:

(a) The information presented in the application is inaccurate or false. Intentionally supplying inaccurate or false information shall be a violation of this article;

(b) The application seeks authorization for tobacco retailing at a location for which a tobacco retailer permit has been denied pursuant to this article. However, this subsection shall not constitute a basis for denial of a permit if the applicant provides the city with documentation demonstrating by clear and convincing evidence that the applicant has acquired or is acquiring the location or business in an arm's length transaction, and is not associated with the previous applicant in any way;

(c) The application seeks authorization for tobacco retailing for a proprietor to whom this article prohibits a permit to be issued; or

(d) The application seeks authorization for tobacco retailing that is prohibited pursuant to this article (e.g., mobile vending), that is unlawful pursuant to the Gilroy Municipal Code, or that is unlawful pursuant to any other law. (Ord. No. 2014-14, § 1, 11-17-14)

(e) The application seeks authorization for a location previously determined to constitute a chronic nuisance tobacco retailer, unless the applicant establishes by clear and convincing evidence that substantial corrective measures have been implemented and that the applicant is not associated with prior unlawful activity.

13.71 Permit renewal and expiration.

(a) Renewal of Permit. Each tobacco retailer shall apply for a renewal of the tobacco retailer's permit and submit the permit fee no later than thirty (30) days prior to expiration of the term. A tobacco retailer's permit is invalid if the appropriate fee has not been paid in full or if the term of the permit has expired.

(b) Expiration of Permit. A tobacco retailer's permit not timely renewed shall expire at the end of its term. To renew a permit not timely renewed pursuant to subsection (a) of this section, the proprietor must:

(1) Submit the permit fee and application renewal form; and

(2) Submit a signed affidavit affirming that the proprietor, operator, and/or manager:

a. Has not sold and will not sell any tobacco product or tobacco paraphernalia after the permit expiration date and before the permit is renewed; or

b. Has waited the appropriate ineligibility period established for tobacco retailing without a permit, as set forth in section 13.82, before seeking renewal of the permit. (Ord. No. 2014-14, § 1, 11-17-14)

13.72 Fee for permit.

(a) The fee to issue or to renew a tobacco retailer's permit shall be established from time to time by resolution of the city council. The fee shall be calculated so as to recover any amount up to the cost of administration of this article, including, for example, issuing a permit and administering the permit program, but shall not exceed the cost of the regulatory program, which includes enforcement and training authorized by this article. Fees are nonrefundable except as may be required by law.

(b) All fees and civil penalties collected pursuant to this article shall be maintained in a separate city account to be used to implement this article, such as enforcement or training purposes. (Ord. No. 2014-14, § 1, 11-17-14)

13.73 Permit conveys a limited, conditional privilege.

(a) Nothing in this article shall be construed to grant any person obtaining and maintaining a tobacco retailer's permit any status or right other than the limited conditional privilege to act as a tobacco retailer at the location in the city identified on the face of the permit.

(b) Nothing in this article shall be construed to render inapplicable, supersede, or apply in lieu of any other provision of applicable law, including but not limited to any provision of this Code limitation, the Gilroy Municipal Code, or any condition or limitation on smoking in an enclosed place of employment pursuant to California Labor Code Section 6404.5. For example, obtaining a tobacco retailer permit does not make the retailer a "retail or wholesale tobacco shop" for the purposes of California Labor Code Section 6404.5. (Ord. No. 2014-14, § 1, 11-17-14)

13.74 Compliance monitoring.

(a) Compliance with this article shall be monitored by the city. Any peace officer may enforce the penal provisions of this article. The city may designate any number of additional persons to monitor compliance with this article.

(b) Inspections may be conducted so as to allow the city to determine, at a minimum, if a tobacco retailer is conducting business in a manner that complies with laws regulating youth access to tobacco products and paraphernalia.

(c) The city shall not enforce any law establishing a minimum age for tobacco purchasers or possession against a purchaser of tobacco that otherwise might be in violation of such law because of the person's age if the potential violation occurs when:

(1) The purchaser (hereinafter referred to as "youth decoy") is participating in a compliance check supervised by a peace officer or a code enforcement official of the city;

(2) The youth decoy is acting as an agent of a person designated by the city to monitor compliance with this article; or

(3) The youth decoy is participating in a compliance check funded in part, either directly or indirectly through subcontracting, by the Santa Clara County department of health or the California Department of Health Services. (Ord. No. 2014-14, § 1, 11-17-14)

(d) The city may conduct announced or unannounced compliance inspections to determine compliance with this chapter and applicable law, including inspections relating to illegal products, controlled substances, untaxed tobacco products, drug paraphernalia, nuisance conditions, permit conditions, and unlawful business operations.

(e) Failure to permit lawful inspection authorized by this chapter constitutes an independent violation of this chapter and grounds for permit suspension or revocation.

13.75 Tobacco retailing without a permit.

(a) In addition to any other penalty authorized by law, if a court of competent jurisdiction determines, or the city finds based on a preponderance of evidence, after notice and an opportunity to be heard consistent with section 13.81 et seq., that any person has engaged in tobacco retailing at a location without a valid tobacco retailer's permit, either directly or through the person's agents or employees, the person shall be ineligible to apply for, or to be issued, a tobacco retailing permit as follows:

(1) After a first violation of this section at a location within any sixty (60) month period, no tobacco retailer permit shall be issued for the person or the location (unless ownership of the business at the location has been transferred in an arm's length transaction), until thirty (30) days have passed from the date of the violation;

(2) After a second violation of this section at a location within any sixty (60) month period, no tobacco retailer permit shall be issued for the person or the location (unless ownership of the business at the location has been transferred in an arm's length transaction), until one (1) calendar year has passed from the date of the second violation;

(3) After a third or subsequent violation of this section at a location within any sixty (60) month period, no new permit may be issued for the person or the location (unless ownership of the business at the location has been transferred in an arm's length transaction), until five (5) calendar years have passed from the date of the most recent violation.

(b) Notwithstanding any other provision of this article, prior violations at a location shall continue to be counted against a location and permit ineligibility periods shall continue to apply to a location unless:

(1) The location has been fully transferred to a new proprietor(s); and

(2) The new proprietor(s) provides the city with clear and convincing evidence that the new proprietor(s) has acquired or is acquiring the location in an arm's length transaction, and is not associated with the prior proprietor(s) in any way.

(c) Tobacco products and tobacco paraphernalia offered for sale or exchange in violation of this section are subject to seizure by the city or any peace officer and shall be forfeited after the person, the person's agents or employees, or any other owner of the tobacco products and tobacco paraphernalia seized is given reasonable notice and an opportunity, consistent with section 13.80, to demonstrate that the tobacco products and tobacco paraphernalia were not offered for sale or exchange in violation of this article. The decision by the city may be appealed pursuant to section 13.81. Forfeited tobacco products and tobacco paraphernalia may be destroyed after all internal appeals have been exhausted and the time in which to seek judicial review pursuant to California Code of Civil Procedure Section 1094.6 or other applicable law has expired without the filing of lawsuit or, if such a suit is filed, after judgment in that suit becomes final.

(d) For the purposes of the civil remedies provided in this article:

(1) Each day on which a tobacco product or tobacco paraphernalia is offered for sale in violation of this article constitutes a separate violation; or

(2) Each individual retail tobacco product and each individual retail item of tobacco paraphernalia that is distributed, sold, or offered for sale in violation of this article constitutes a separate violation. (Ord. No. 2014-14, § 1, 11-17-14)

(e) In addition to all other remedies authorized by this chapter, the City may issue administrative citations, seek injunctive relief, pursue nuisance abatement, recover enforcement costs, and seek temporary restraining orders or preliminary injunctions to prevent unlawful tobacco retailing operations

13.76 False and misleading advertising prohibited.

A tobacco retailer without a valid tobacco retailer permit or whose permit has been revoked shall be unable to:

(a) Keep tobacco products and tobacco paraphernalia within public view.

(b) Display any advertisement relating to tobacco products or tobacco paraphernalia that promotes the sale or distribution of such products from the tobacco retailer’s location or that could lead a reasonable consumer to believe that such products can be obtained at that location. (Ord. No. 2014-14, § 1, 11-17-14)

13.77 Penalties and enforcement.

In the course of tobacco retailing or in the operation of the business or maintenance of the location for which a permit has been issued, it shall be a violation of this article for a permittee, or any of the permittee's agents or employees, to violate any local, state, or federal law applicable to tobacco products, tobacco paraphernalia, ~~or~~ tobacco retailing, illegal products, cannabis products, controlled substances, untaxed tobacco products, prohibited flavored tobacco products, drug paraphernalia, gambling devices, nuisance activity, or other unlawful business operations occurring on the premises.

(a) The remedies provided by this article are cumulative and in addition to any other remedies available at law or in equity;

(b) Whenever evidence of a violation of this article is obtained in any part through the participation of a person under the age of eighteen (18) years old, such a person shall not be required to appear or give testimony in any civil or administrative process brought to enforce this article and the alleged violation shall be adjudicated based upon the sufficiency and persuasiveness of the evidence presented;

(c) Violations of this article are subject to a civil action brought by the city attorney, punishable by a civil penalty not less than one thousand dollars ($1,000) and not exceeding five thousand dollars ($5,000) per violation;

(d) Violations of this article may, in the discretion of the city attorney, be prosecuted as misdemeanors;

(e) Causing, permitting, aiding, abetting, or concealing a violation of any provision of this article shall also constitute a violation of this article;

(f) Any tobacco retailer which is opened, operated or maintained contrary to the provisions of this article shall be deemed a public nuisance. In addition to, or in lieu of, any other available legal remedies, the city attorney may commence a civil legal action or actions in a court of competent jurisdiction to abate such nuisance and to enjoin the continued operation and maintenance of the tobacco retailer establishment in a manner prohibited by this article;

(g) In addition to other remedies provided by this article or by other laws, any violation of this article may be remedied by a civil action brought by the city attorney, including, for example, administrative or judicial nuisance abatement proceedings, civil or criminal code enforcement proceedings, and suits for injunctive relief. (Ord. No. 2014-14, § 1, 11-17-14)

(h) A violation of any permit condition, operational requirement, compliance agreement, security plan, or corrective action plan imposed pursuant to this chapter shall constitute a separate violation of this chapter.

(i) A property owner who, after written notice from the City, knowingly permits continued unlawful tobacco retailing activity or nuisance activity on property owned by the property owner may be subject to nuisance abatement proceedings and any other remedies authorized by law.

(j) The remedies provided by this chapter are cumulative and the city may pursue any combination of administrative, civil, equitable, or criminal remedies authorized by law.

13.78 Civil penalties, suspension or revocation of permit.

A permit issued contrary to this article, contrary to any other law, or on the basis of false or misleading information supplied by a proprietor may be suspended or revoked pursuant to section 13.80. Nothing in this article shall be construed to vest in any person obtaining and maintaining a tobacco retailer's permit any status or right to act as a tobacco retailer in contravention of any provision of law.

In addition to any other penalty authorized by this article or by other laws, civil penalties shall be imposed as set forth below. In addition, a tobacco retailer's permit may be suspended and/or revoked as set forth below if any court of competent jurisdiction determines, or the city finds based on a preponderance of the evidence, after the permittee is afforded notice and an opportunity to be heard pursuant to section 13.80, that the permittee, proprietor, operator, manager, employee, or any of the permittee's agents ~~or employees,~~ has violated ~~section 13.68(d)~~:

(1) any provision of this chapter;

(2) any permit condition or compliance agreement;

(3) any local, state, or federal law relating to tobacco products, cannabis products, controlled substances, untaxed tobacco products, drug paraphernalia, gambling devices, public nuisances, or unlawful business operations occurring on the premises; or

(4) any law involving fraud, misrepresentation, concealment, or unlawful transfer of ownership relating to the permitted business.

Penalties shall be as follows:

(a) After a first violation ~~of section 13.68(d)~~ at a location, a civil penalty of one thousand dollars ($1,000) shall be imposed. In addition, the city may suspend the tobacco retailer permit for a period no less than thirty (30) calendar days;

(b) After a second violation ~~of section 13.68(d)~~ at a location within a sixty (60) month period, a civil penalty of two thousand five hundred dollars ($2,500) shall be imposed. In addition, the city may suspend the tobacco retailer permit for a period no less than sixty (60) calendar days;

(c) After a third violation of ~~section 13.68(d)~~ at a location within a sixty (60) month period, a civil penalty of five thousand dollars ($5,000) shall be imposed. In addition, the city may revoke the tobacco retailer permit. (Ord. No. 2014-14, § 1, 11-17-14)

(d) In addition to the above penalties, the city may impose one or more of the following concurrently with the civil penalties and suspension:

(1) Administrative penalties;

(2) Mandatory corrective action plans;

(3) Mandatory employee retraining;

(4) Enhanced inspection requirements; or,

(5) Security or operational conditions.

(e) The city may consider the totality of circumstances, including prior code violations, nuisance activity, police service calls, criminal activity, cooperation with investigators, corrective actions, and the severity of violations when determining penalties.

(f) Emergency Summary Suspension.

(1) Where the City Administrator, Police Chief, Finance Director, or designee determines that continued operation of a tobacco retailer presents an immediate threat to public health, safety, or welfare, the City may immediately suspend the tobacco retailer permit pending an administrative hearing.

(2) Grounds for emergency suspension may include, but are not limited to:

(i) Sales or possession of controlled substances;

(ii) Sales or possession of unlawful cannabis products;

(iii) Repeated sales of illegal products;

(iv) Violence or weapons-related activity;

(v) Human trafficking activity; or

(vi) Chronic nuisance activity.

(3) Written notice of emergency suspension shall be provided as soon as reasonably practicable.

(4) A post-deprivation administrative hearing shall be scheduled within fifteen (15) business days of the effective date of the emergency suspension unless waived by the permittee.

13.79 Revocation of a wrongly issued permit.

A tobacco retailer's permit shall be revoked if the city finds, after the permittee is afforded notice and an opportunity to be heard consistent with the procedure set forth in section 13.81 et seq., that one (1) or more of the bases for denial of a permit under section 13.70 existed at the time application was made or at any time before the permit issued. The decision by the city to revoke shall be the final decision. Such a revocation shall be without prejudice to the filing of a new permit application. (Ord. No. 2014-14, § 1, 11-17-14)

A permit may also be revoked if the City determines that the permit was obtained through concealment, sham transfer, fraudulent ownership restructuring, or any transaction intended to evade enforcement of this chapter.

13.80 Suspension or revocation of a tobacco retailer permit, or forfeiture of seized tobacco and tobacco paraphernalia process.

The city may suspend or revoke a tobacco retailer's permit pursuant to section 13.78 or 13.79 or deem seized tobacco and/or tobacco paraphernalia as forfeit pursuant to section 13.75(c). Before the city suspends or revokes a permit or deems seized tobacco and/or tobacco paraphernalia as forfeit, the city shall provide written notice of the suspension or revocation of a permit or the pending forfeiture by personal delivery or first class certified United States mail. The notice shall provide for the suspension or revocation of the permit or forfeiture of the seized items fifteen (15) calendar days after mailing or personal delivery of the notice unless the permittee requests a hearing. The notice shall instruct the permittee on how to file a request for a hearing consistent with section 13.81 et seq. The notice shall be addressed to the permittee at the address provided in the permittee's application, or other more reliable address if known to the city. If after the passage of fifteen (15) calendar days from the mailing or personal delivery of the notice, the permittee has not requested a hearing, the suspension, revocation, or forfeiture shall become final. (Ord. No. 2014-14, § 1, 11-17-14)

The City may recover administrative enforcement costs, investigation costs, nuisance abatement costs, attorneys' fees where authorized by law, storage costs, and costs associated with seizure and destruction of illegal products.

13.81 Hearing.

(a) The permittee may request a hearing before the city administrator on a decision of the city to suspend and/or revoke a tobacco retailer permit or deem seized tobacco and tobacco paraphernalia. The request must be filed with the city clerk within fifteen (15) calendar days following the mailing or personal delivery of written notice of the suspension and/or revocation.

(b) The city clerk shall schedule an administrative hearing with the city administrator or his or her designee. The administrative hearing shall be held pursuant to the city's administrative hearing policy as set forth in Resolution No. 97-17. (Ord. No. 2014-14, § 1, 11-17-14)

13.82 New permit after revocation.

(a) After a first revocation at a location within any sixty (60) month period, no new permit may be issued for the location until one (1) calendar year has passed from the date of revocation.

(b) After a second or more revocations at a location within any sixty (60) month period, no new permit may be issued for the location until ten (10) calendar years have passed from the date of the most recent revocation. (Ord. No. 2014-14, § 1, 11-17-14)

13.83 Sham transfers prohibited.

(a) No person shall transfer or attempt to transfer ownership or operational control of a tobacco retailer for the purpose of evading enforcement of this chapter.

(b) Among relevant evidence that may be considered, the following circumstances may constitute rebuttable evidence that a transfer is not an arm's length transaction:

(1) Retention of substantially the same employees;

(2) Retention of substantially the same inventory;

(3) Continued use of substantially the same business name, branding, fixtures, or operations;

(4) Familial, financial, or managerial relationships between prior and subsequent operators;

(5) Transfers occurring during active enforcement proceedings; or

(6) Shared financial interests or operational control.

(c) The City may deny, suspend, or revoke permits based upon sham transfers or attempts to evade enforcement.

13.834 Nondiscrimination.

No person shall discharge, refuse to hire, or in any manner discriminate against any employee or applicant for employment because such employee or applicant exercises any rights afforded by this article. (Ord. No. 2014-14, § 1, 11-17-14)

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[1] For state law as to authority of city to license for revenue and regulation purposes, see Gov. C., § 37101. As to authority of city to license in exercise of police power and for purpose of regulations, see B. & P.C., § 16000. As to licensing by cities generally, see B. & P.C., §§ 16000 to 16003.

As to taxation generally, see Ch. 22 of this Code.

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Receive an Update and Provide Direction on Campaign Finance Laws, including Contribution Limits and Voluntary Expenditure Limits**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Harjot Sangha, Assistant City Administrator
Prepared by:	Harjot Sangha, Assistant City Administrator

STRATEGIC PLAN GOALS:

RECOMMENDATION

Council receive the report, discuss the policy considerations related to campaign finance regulations, and provide direction, if any.

EXECUTIVE SUMMARY

The City Council's adopted legislative agenda includes a review of the City's campaign finance laws following the City's transition to district-based elections in 2025. On May 4, 2026, the City Council discussed campaign contribution limits and voluntary campaign expenditure ceilings, among other election- and campaign-related topics, and directed staff to return with additional benchmarking and policy options. Staff subsequently reviewed campaign finance regulations within Santa Clara County and other California cities that have transitioned from at-large to district-based elections and found that most jurisdictions continue utilizing the State default campaign contribution limits established under AB 571, while relatively few maintain voluntary campaign expenditure ceilings or have significantly revised their campaign finance structures following district elections. Based on the benchmarking and Council discussion, this report presents policy options for Council consideration regarding potential amendments to the City's contribution limits and voluntary expenditure ceiling methodology, ranging from maintaining the current citywide structure to implementing district-based expenditure formulas modeled after other California jurisdictions.

BACKGROUND

The City Council's adopted legislative agenda for the current biennial budget cycle includes an item to review the City's campaign finance laws, contribution limits, and related enforcement, particularly as the City has transitioned to district-based elections in 2025.

The City of Gilroy's campaign finance regulations are codified in Chapter 8B of the City Code (attached), which were comprehensively updated in 2012 to align with the Political Reform Act and establish contribution limits, a voluntary expenditure ceiling, enhanced disclosure requirements, and enforcement provisions.

In 2015, the ordinance was amended in response to evolving federal case law, including McCutcheon v. FEC, resulting in an increase in the contribution limit to $750 per election, the establishment of the current $ 1-per-resident voluntary expenditure ceiling, and the removal of limits on contributions to independent committees.

On May 4, 2026, the staff brought an item forward to City Council for review and discussion of campaign finance laws, contribution limits, and related enforcement. Several policy-level questions were raised and discussed by the City Council, including:

- Review of current campaign contribution and voluntary campaign expenditure limits, and whether adjustments are warranted to either of those limits, given that the City has transitioned to a district-based election system and that the current voluntary campaign expenditure limits are applied based on the number of residents in the city as a whole.
- Residency qualifications, requirements, and related enforcement responsibilities
- Campaign finance law violations and related enforcement responsibilities
- Training for candidates on the aforementioned topics and also inclusion of campaign finance laws regarding surplus campaign funds remaining on hand, particularly for those candidates not successful in the election.

Specifically, the Council expressed interest in further reviewing the current contribution limits and voluntary campaign expenditure limits and directed staff to return with options for the Council to explore based on other cities that have transitioned from at-large to district-based elections.

ANALYSIS

Campaign finance regulation operates through a combination of federal constitutional law, California state law, and local municipal ordinances.

At the federal level, campaign finance laws are governed primarily by First Amendment jurisprudence established through case laws. Federal law generally permits mandatory contribution limits but prohibits mandatory expenditure limits for candidates. As a result,

some jurisdictions utilize voluntary expenditure ceilings.

At the state level, campaign finance regulation is primarily governed by the Political Reform Act (PRA) and administered by the California Fair Political Practices Commission (FPPC). The Political Reform Act establishes disclosure and reporting requirements and permits local agencies to adopt additional campaign finance regulations.

With the passage of Assembly Bill 571 (AB571) in October 2019, effective January 1, 2021, a state campaign contribution limit applies by default to city and county candidates if the city or county has not already enacted a contribution limit for such candidates, among other provisions. For Gilroy, campaign finance regulations, including contribution limits, are enacted and codified in the Gilroy City Code, Chapter 8B, and have been periodically updated, most recently in 2015.

Campaign Contribution Limits vs. Voluntary Campaign Expenditure Limits
Campaign finance laws generally regulate two distinct areas:

Type	Description	Gilroy Current Rule
Contribution Limits	Limits the amount an individual or entity may contribute to a candidate	$750 per election
Voluntary Campaign Expenditure Limits	Limits the amount a candidate may spend on their campaign	Voluntary limit of $1 per City resident

Contribution limits are mandatory and enforceable under law. Expenditure limits, however, must remain voluntary under federal constitutional law.

For Gilroy, the current campaign contribution limits were last updated in 2015 to $750 per election, and the voluntary campaign expenditure limits of $1 per City resident are calculated using the California Department of Finance's population estimates. For example, in the 2024 election cycle, the City Council established the voluntary campaign expenditure ceiling using the California Department of Finance's (DOF) demographic report dated May 1, 2023, which indicated the City of Gilroy's population at 60,078 as of January 1, 2023. Thus, the voluntary campaign expenditure ceiling was established at $60,078 for the 2024 General Municipal Election. If the Council were to maintain the same methodology for the 2026 General Municipal Election, based on the DOF demographic report, Gilroy’s population estimate is 62,193 as of January 1, 2026, and the voluntary campaign expenditure ceiling would be $62,193.

Staff reviewed cities in Santa Clara County to determine their maximum contribution and voluntary campaign expenditure limits, if any. In addition, staff reviewed other California cities that have transitioned to district-based elections to assess the general trend in contribution and/or expenditure limits.

Santa Clara County Cities
The enclosed Exhibit A table provides data for Santa Clara County cities based on population, election system (at-large vs. district-based), contribution limits, and expenditure limits or ceilings.

Key Findings:

- The majority of Santa Clara County cities continue to utilize the State default contribution limits established under AB 571 rather than adopt customized local campaign finance ordinances. Of the County's 15 cities, approximately two-thirds rely primarily on the State framework, while a smaller number of jurisdictions have adopted stricter or more customized local contribution and expenditure limit structures.
- Data also demonstrates that there is no uniform regional approach among cities that have transitioned to district-based elections. Several district-based jurisdictions, including Morgan Hill and Sunnyvale, continue utilizing the default State contribution limits and do not maintain voluntary expenditure ceilings. Conversely, some at-large jurisdictions, such as Mountain View, have comparatively sophisticated local campaign finance systems with tiered contribution limits and voluntary expenditure ceilings.
- Gilroy's current $750 contribution limit is lower than the State default limit currently utilized by many neighboring jurisdictions under AB 571. However, Gilroy's limit is generally "moderate" within the County and is not unusually restrictive compared to jurisdictions such as Milpitas and Santa Clara, which maintain significantly lower contribution limits.
- Voluntary expenditure ceilings are substantially less common than contribution limits within Santa Clara County. Only a limited number of cities currently maintain voluntary expenditure ceiling frameworks, including Gilroy, Cupertino, Mountain View, and Santa Clara.

Staff also researched general trends for cities that transitioned to a district-based election system, and cities generally went with either defaulting to the AB571 state limit (if no local limit), keeping existing contribution limits (Santa Ana in 2018), or adopting a revised local contribution and district-based expenditure limit (Redwood City in 2020).

In Redwood City, the contribution limit is set to $1,000 per election. Further, a candidate for district City Councilmember who voluntarily agrees to expenditure ceilings shall not make qualified expenditures exceeding two dollars and forty-five cents ($2.45) per resident (2024 value) in the electoral district in which the candidate is seeking elective office, and uses the 2020 census population data utilized during the districting process. The $ 2.45-per-resident amount is adjusted in even-numbered years based on the Consumer Price Index. Redwood City has a population estimate of 81,809 and seven districts, with an average population of 12,060 per district; thus, the estimated voluntary expenditure limit per district is $29,548. The mayoral seat is internally appointed through a seniority-based rotation.

Policy Options for Council Consideration

Council may consider the following options regarding contribution limits:

Option	Description
Option A	Maintain current $750 contribution limit
Option B	Adjust contribution limit (increase or decrease)
Option C	State default (AB571) $5,900 for 2026, adjusted every two years
Option D	Implement another contribution limit structure as directed by Council

The City Attorney's office advises against lowering the mandatory contribution limit from its present level of $750 per person, because when such limits are challenged, the claim is normally that the limit has been set too low to allow effective campaigning, in violation of the First Amendment. A limit of $750 per person was recently upheld by the U.S. Ninth Circuit Court of Appeals in a case challenging the campaign finance law of the City of Oxnard. Reducing Gilroy's contribution limit could provoke such a challenge.

Council may consider the following options regarding voluntary expenditure ceilings:

<table>
<tr><th>Option</th><th>Description</th></tr>
<tr><td>Option 1

Status Quo</td><td>Maintain the current citywide voluntary expenditure ceiling, utilizing $1 per resident based on the City's total population</td></tr>
<tr><td>Option 2

Six-Way Allocation Model</td><td>Divide the current citywide expenditure ceiling equally among the six Council districts while maintaining the mayoral voluntary expenditure ceiling at the existing citywide $1 per resident formula.

Option 2 Example

<table>
<tr><th>District/Mayoral</th><th>DOF Population/# of Districts</th><th>Rate</th><th>Amount</th></tr>
<tr><td>District 1</td><td>10,366</td><td>$ 1.00</td><td>$ 10,366</td></tr>
<tr><td>District 2</td><td>10,366</td><td>1.00</td><td>10,366</td></tr>
<tr><td>District 3</td><td>10,366</td><td>1.00</td><td>10,366</td></tr>
<tr><td>District 4</td><td>10,366</td><td>1.00</td><td>10,366</td></tr>
<tr><td>District 5</td><td>10,366</td><td>1.00</td><td>10,366</td></tr>
<tr><td>District 6</td><td>10,366</td><td>1.00</td><td>10,366</td></tr>
<tr><td>Mayoral</td><td>62,193</td><td>1.00</td><td>62,193</td></tr>
<tr><td colspan="4">*DOF Population as of January 1, 2026 = 62,193</td></tr>
</table>
</td></tr>
<tr><td>Option 3

District Population Model</td><td>Utilize district population figures derived from the 2020 Census/redistricting dataset and apply a voluntary expenditure ceiling of $1 per resident within each district, and as a whole for the at-large mayoral seat. Then adjust using CPI every two years.</td></tr>
</table>

<table>
<tr><td></td><td>
Option 3 Example
<table>
<tr><th>District/Mayoral</th><th>2020 Census Population</th><th>Rate</th><th>Amount</th></tr>
<tr><td>District 1</td><td>9,851</td><td>$ 1.00</td><td>$ 9,851</td></tr>
<tr><td>District 2</td><td>9,847</td><td>1.00</td><td>9,847</td></tr>
<tr><td>District 3</td><td>9,557</td><td>1.00</td><td>9,557</td></tr>
<tr><td>District 4</td><td>10,225</td><td>1.00</td><td>10,225</td></tr>
<tr><td>District 5</td><td>10,543</td><td>1.00</td><td>10,543</td></tr>
<tr><td>District 6</td><td>9,669</td><td>1.00</td><td>9,669</td></tr>
<tr><td>Mayoral</td><td>59,692</td><td>1.00</td><td>59,692</td></tr>
</table>
</td></tr>
<tr><td>Option 4

Redwood City Model</td><td>
Utilize a district-based expenditure formula modeled after Redwood City, utilizing district Census population figures and a customized per-resident expenditure factor established by the Council, and further determine a factor for the large mayoral seat. Then adjust using CPI every two years.

Hypothetical example: $2.45 for districts, and $1.00 for mayoral, or 50% of $2.45
Option 4 Example
<table>
<tr><th>District/Mayoral</th><th>2020 Census Population</th><th>Rate</th><th>Amount</th></tr>
<tr><td>District 1</td><td>9,851</td><td>$ 2.45</td><td>$ 24,135</td></tr>
<tr><td>District 2</td><td>9,847</td><td>2.45</td><td>24,125</td></tr>
<tr><td>District 3</td><td>9,557</td><td>2.45</td><td>23,415</td></tr>
<tr><td>District 4</td><td>10,225</td><td>2.45</td><td>25,051</td></tr>
<tr><td>District 5</td><td>10,543</td><td>2.45</td><td>25,830</td></tr>
<tr><td>District 6</td><td>9,669</td><td>2.45</td><td>23,689</td></tr>
<tr><td>Mayoral</td><td>59,692</td><td>1.00</td><td>59,692</td></tr>
</table>
Option 4 Example
<table>
<tr><th>District/Mayoral</th><th>2020 Census Population</th><th>Rate</th><th>Amount</th></tr>
<tr><td>District 1</td><td>9,851</td><td>$ 2.45</td><td>$ 24,135</td></tr>
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<tr><td>District 3</td><td>9,557</td><td>2.45</td><td>23,415</td></tr>
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<tr><td>District 5</td><td>10,543</td><td>2.45</td><td>25,830</td></tr>
<tr><td>District 6</td><td>9,669</td><td>2.45</td><td>23,689</td></tr>
<tr><td>Mayoral</td><td>59,692</td><td>1.23</td><td>73,123</td></tr>
</table>
</td></tr>
<tr><td>Option 5

Alternative Structure</td><td>Implement another expenditure ceiling structure or combination as directed by the Council</td></tr>
</table>

As can be seen, there are several ways the Council can approach this policy consideration, and each option can be further modified as the Council deems fit. Overall, given that most cities have not significantly restructured campaign finance law after district elections, the Council can consider a “keep it simple” approach, particularly for voluntary expenditure limits, since they are voluntary.

Further, if Council wishes to institute changes for the 2026 election cycle, Council should keep in mind that staff will need to return with an ordinance for introduction, followed by formal adoption, and an effective date of 30 days after adoption.

ALTERNATIVES

The various alternative/options for both contribution limits and voluntary expenditure limits are discussed in the analysis section above.

FISCAL IMPACT/FUNDING SOURCE

This report is informational only and accommodated within existing resources in the Administration Department. Should the Council direct future ordinance amendments, nominal legal review and advertising costs would be incurred and would be accommodated within existing budgetary appropriations.

PUBLIC OUTREACH

The subject has been included in the adopted biennial budget as a workplan item and in the publicly noticed City Council meeting agendas. No additional or targeted public outreach has been conducted regarding this topic. Should the Council direct future ordinance amendments, statutory notice will be provided.

NEXT STEPS

Should Council direct future ordinance amendments, staff will plan to return at the June 15, 2026, meeting to introduce the ordinance, followed by adoption at the July 27, 2026, meeting, and ordinance becoming effective on August 26, 2026.

Attachments:

1. Exhibit A – Santa Clara County Cities

#	City	Population*	Election System	Contribution Limit	Expenditure Limit / Ceiling
1	Monte Sereno	3,642	At-large	AB 571 default state limit ($5,900)	None identified
2	Los Altos Hills	8,652	At-large	AB 571 default state limit ($5,900)	None identified
3	Saratoga	31,261	At-large	AB 571 default state limit ($5,900)	None identified
4	Los Altos**	31,921	District-based	AB 571 default state limit ($5,900)	None identified
5	Los Gatos	33,293	At-large	AB 571 default state limit ($5,900)	None identified
6	Campbell	43,195	At-large	AB 571 default state limit ($5,900)	None identified
7	Morgan Hill	47,074	District-based	AB 571 default state limit ($5,900)	None identified
8	Cupertino	59,765	District-based	AB 571 default state limit ($5,900)	Voluntary expenditure ceiling by resolution ($50,000 for 2026)
9	Gilroy	62,193	District-based	$750 per election	Voluntary: $1 per resident ($62,193 for 2026)
10	Palo Alto	69,004	At-large	AB 571 default state limit ($5,900)	None identified
11	Milpitas	82,107	At-large	$250	None identified
12	Mountain View	88,533	At-large	$500 standard /$1,000 if accepting VEL	Voluntary CPI-adjusted expenditure ceiling (Estimated $32,352 for 2026)
13	Santa Clara	138,011	District-based	$380 standard / $760 if accepting VEL	Voluntary CPI-adjusted expenditure ceiling (Citywide $55,890, $29,590 district-based contest for 2026)
14	Sunnyvale	161,884	District-based	AB 571 default state limit ($5,900)	None identified
15	San José	980,434	District-based	$800 Council / $1,600 Mayor	None identified

* Based on State Department of Finance population estimate as of January 1, 2026

** Los Altos is transitioning to district-based election with two district up in November 2026

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Council Discussion and Adoption of a Resolution of the City Council of the City of Gilroy Placing a Ballot Measure Proposal to Add a 0.25% Dedicated Public Safety Special Transactions and Use Tax at the November 3, 2026, General Municipal Elections**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Harjot Sangha, Assistant City Administrator
Prepared by:	Harjot Sangha, Assistant City Administrator

STRATEGIC PLAN GOALS: Develop a Financially Resilient Organization
Ensure Neighborhood Equity from City Services
Maintain and Improve City Infrastructure

RECOMMENDATION

1. Council discussion and consideration of placing a public safety dedicated special transactions and use tax for the November 3, 2026, statewide general election.
2. If Council wishes to proceed with the public safety dedicated special transactions and use tax, adopt a resolution of the City Council of the City of Gilroy submitting to the qualified electors of the City of Gilroy, at the November 3, 2026, general municipal election previously called by Resolution No. 2026-29, a ballot measure to add Article V, sections 22.33 through and including 22.48 to Chapter 22 of the Gilroy City Code imposing a 0.25% (one-quarter of one percent) public safety special transactions and use tax; and
3. Council review and provide direction regarding the draft Public Safety Special Transactions and Use Tax Implementation Plan.

EXECUTIVE SUMMARY

The City of Gilroy continues to experience increasing fiscal pressure associated with rising public safety service demands, inflationary operating costs, and broader General

Fund constraints, while public safety services alone account for approximately 64% of General Fund expenditures. Following direction provided by the City Council at its April 6, 2026, meeting, staff is returning with a proposed 0.25% dedicated public safety special transactions and use tax measure for placement on the November 3, 2026, General Election ballot. If approved by two-thirds of voters, the measure is estimated to generate approximately $4.5 million annually dedicated exclusively to police, fire, ambulance, emergency response, and related public safety infrastructure needs, including staffing for the Santa Teresa Fire Station, additional police staffing and dispatch support, and public safety-related infrastructure improvements. The proposed measure also includes accountability provisions such as annual independent audits, a citizen oversight committee, and a Public Safety Special Tax Implementation Plan establishing proposed spending priorities and restrictions on the use of funds.

BACKGROUND

Staff has previously presented to the City Council, including in the April 8, 2024, staff report, that the City has not fully recovered staffing levels following the 2009 recession and subsequent fiscal impacts of the COVID-19 pandemic. At the same time, service expectations and operational demands have continued to increase. Public safety services alone account for approximately 64% of General Fund expenditures, reflecting both their importance and the financial pressure they place on limited resources.

Prior analyses identified significant staffing and infrastructure needs within both the Police and Fire Departments, including additional sworn officers, dispatchers, and fire personnel to meet service demands and adequately staff existing and future fire stations. These needs remain valid today and continue to represent an unfunded obligation. In 2024, the City Council placed a dedicated public safety sales tax measure before voters as a special tax, requiring two-thirds voter approval, which received encouraging results; however, it did not obtain the required threshold.

However, since 2024, the City’s fiscal challenges have broadened. Inflationary pressures, increased service costs (for example, services provided by the County), and ongoing infrastructure needs—particularly related to streets, parks, traffic safety, and other public facilities—have further constrained the City’s ability to maintain current service levels, let alone expand them.

On April 6, 2026, the City Council considered a staff report regarding the potential placement of a local transactions and use tax (local sales tax) measure before Gilroy voters at the November 2026 General Election. The report outlined the City’s ongoing fiscal pressures, including increasing public safety staffing needs, rising operational and service delivery costs, deferred infrastructure and facility maintenance obligations, and broader General Fund constraints. Staff also discussed the distinction between a general tax and a special tax structure, including voter approval thresholds and funding flexibility.

After discussion at the April 6, 2026, meeting, the City Council directed staff to pursue a dedicated public safety special transactions and use tax measure, structured similarly to the 2024 effort, for placement on the November 3, 2026, ballot. This report and the accompanying resolution implement that direction.

ANALYSIS

Public Safety Needs and Funding Review

As discussed during prior Council deliberations in both 2024 and April 2026, the City continues to experience significant public safety staffing and operational needs. Independent staffing analyses and operational assessments identified ongoing deficiencies within both the Police and Fire Departments, including staffing needed to support patrol operations, dispatch services, records functions, and fire suppression and emergency medical response capabilities.

Within the Fire Department, staffing remains a primary operational challenge, particularly related to the long-term goal of fully staffing the Santa Teresa Fire Station and expanding emergency response capacity citywide. Current analyses indicate that approximately 45 fire personnel, an addition of five more from current levels, would be required to adequately staff a fourth fire company, with additional staffing needed for future deployment expansion and supervisory support.

Similarly, the Police Department continues to operate below recommended staffing levels in several classifications, including sworn officers, public safety communicators, and civilian support staff. Existing staffing levels continue to place pressure on response times, proactive policing efforts, employee workload, and retention.

In total, prior analyses identified the need for approximately 32 additional public safety positions between the Police and Fire Departments, representing an estimated ongoing annual cost in the range of approximately $5 million to $6 million.

Transactions and Use Tax

A transactions and use tax, commonly referred to as a local sales tax, is paid on taxable goods purchased within the City and is applied to both residents and non-residents. Because of Gilroy’s regional retail draw, a significant portion of this revenue is generated by individuals who do not reside in the City, which helps distribute the financial burden more broadly. Under State law, the City’s ability to increase its local sales tax rate is limited, and a 0.25% increase represents the maximum available capacity under the current cap. Based on current estimates, a 0.25% tax would generate approximately $4.5 million annually.

Additionally, the tax does not apply to groceries or prescription medications under State law. Staff continues to believe that a transactions and use tax remains the most practical and broad-based local funding mechanism available to address ongoing public

safety needs while minimizing impacts to any single taxpayer group.

Staff anticipates the November ballot with a number of competing initiatives. Local funding for schools (Gavilan and Gilroy Unified) would likely be among them. In the realm of sales tax, the measures would likely be regional. This could create resistance among likely voters. Support from community partners, highlighting keeping local dollars local, could be an effective way of driving interest. In addition, the community's focus on safety is high, pointing to an opportunity that may be difficult to find in the future.

Ballot Measure
California law requires a two-thirds vote of qualified voters for approval of taxes dedicated to a specific purpose, commonly referred to as a "special tax." Because the proposed measure would restrict revenues exclusively to public safety-related purposes, the proposed measure qualifies as a special tax and therefore requires two-thirds voter approval for passage.

Staff recommends a transactions and use tax structure because it provides a broad-based revenue source shared by residents and non-residents who make taxable purchases within the City. Due to Gilroy's substantial regional retail activity, a meaningful portion of sales tax revenues are generated by individuals residing outside the City limits, thereby distributing the tax burden more broadly. As previously stated, based on current estimates, a 0.25% tax would generate approximately $4.5 million annually.

Ballot Measure Language
The attached resolution proposes placing an ordinance before voters at the November 3, 2026, General Election to authorize a dedicated 0.25% public safety special transactions and use tax on an ongoing basis.

The question below is compliant with the election code requirements and substantially similar to the previous ballot initiative:

> *"To provide funding that stays in Gilroy and is dedicated to public safety (police, fire and ambulance) services and public safety infrastructure projects, shall Gilroy enact a 0.25 percent (one-quarter of one percent) transactions and use tax, providing approximately $4.5 million annually until ended by voters, with a citizen oversight committee and annual audits?*

Sales Tax Ordinance
Consistent with the 2024 ordinance structure, the proposed ordinance would establish the following primary provisions:

- Revenues may only be used for public safety-related purposes, including police,

fire, ambulance services, staffing, equipment, facilities, emergency response operations, and related public safety infrastructure improvements;
- Establishment of a Public Safety Special Tax Oversight Committee composed of Gilroy residents to review revenues and expenditures and provide annual public reports to the City Council;
- Requirement for annual independent financial audits regarding collection and expenditure of tax revenues;
- Non-supplanting language intended to ensure that revenues supplement, rather than replace, existing General Fund appropriations for public safety services;
- Tax rate established at 0.25%, consistent with the City's remaining local sales tax capacity under current State limitations; and
- Administrative agreements with the California Department of Tax and Fee Administration (CDTFA) for implementation and administration of the tax.

The detailed sales tax ordinance draft is attached.

Public Safety Tax Implementation Plan and Proposed Allocation of Funds
As part of the 2024 public safety special tax framework, the City also developed a Public Safety Special Transactions and Use Tax Implementation Plan to provide guidance regarding the allocation, oversight, and expenditure of tax proceeds. The Implementation Plan established accountability measures consistent with the proposed ordinance, including restrictions on use of funds, annual independent financial audits, citizen oversight, and non-supplanting requirements intended to ensure that tax revenues supplement rather than replace existing General Fund support for public safety services. The Implementation Plan also established broad spending categories and allocation percentages between infrastructure, police, and fire services for the initial budget cycles.

Staff has updated the Implementation Plan to reflect the projected service needs and estimated uses of a potential $4.5 million annually generated from a 0.25% transactions and use tax as discussed with Council in April 2026. The updated analysis identified public safety priorities generally aligned with the prior implementation framework, including fire staffing, police staffing and support functions, and public safety-related infrastructure improvements.

Based on the April 2026 analysis, staff identified the following potential allocation of revenues generated from the proposed measure:

Service Enhancement	Estimated Annual Allocation
Fire Services – Minimum staffing to support Santa Teresa Fire Station operations	$1,300,000
Police Services – One Sergeant, six Police Officers, one Community Service Officer, six Public Safety Communicators,	$2,500,000

and one Records position	
Public Safety Infrastructure – Traffic safety, pedestrian safety, bike safety, and related infrastructure improvements	$700,000
Total Estimated Annual Revenue	**$4,500,000**

Under this conceptual allocation model, approximately 56% of revenues would support police-related services, 29% would support fire services, and 15% would support infrastructure and safety-related capital improvements. Staff notes that these allocations are intended to provide a policy framework and spending priorities for implementation of the measure and may evolve over time based on operational needs, staffing realities, project timing, and future Council direction. Importantly, the allocation would shift only between dedicated public safety services.

The Implementation Plan also includes:

- Annual independent financial audits;
- A resident citizen oversight committee;
- Non-supplanting provisions to preserve existing General Fund support for police and fire operations; and
- Council adoption of periodic implementation plans identifying proposed allocation priorities and expenditures.

This approach is intended to provide transparency and accountability regarding the expenditure of revenues while maintaining sufficient flexibility to respond to changing operational and public safety needs over time.

The draft of the Implementation Plan is attached to the staff report.

Election Procedures

Submission of Ballot Arguments and Rebuttal

As part of the California Elections Code, Section 9282, the City Council may authorize any member(s) of the City Council to submit an argument in favor of the City's ballot measure for inclusion in the Voters' Sample Ballot. The argument would be capped at 300 words in length. Arguments for or against the measure must be submitted to the Santa Clara County Registrar of Voters (ROV) by Tuesday, August 11, 2026. Arguments may not be signed by more than five (5) persons.

As part of the California Elections Code, Section 9285, the City Council may authorize any member(s) of the City Council to submit a rebuttal argument in favor of the City measure for inclusion in the Voters' Sample Ballot. Any arguments filed against the measure would be transmitted to the City, and the authorized Council or member(s) of Council for rebutting the argument shall have up to 250 words in rebuttal that would be published. Rebuttal due by Tuesday, August 18, 2026.

Authorization for the submission of ballot arguments and rebuttal is included in the attached resolution.

Preparation of an Impartial Analysis

As part of the California Elections Code, Section 9280, the City Council may direct the City Clerk to transmit a copy of the measure to the City Attorney for the purposes of preparing an impartial analysis. The impartial analysis of the measure would discuss its effect and operation. Any such impartial analysis must include a statement indicating that the measure was placed on the ballot by the City's governing body, since it would be initiated by the City. The Impartial Analysis of the measure may not exceed 500 words in length, and must be transmitted to the ROV by Tuesday, August 18, 2026. This authorization is recommended and is included in the attached resolution.

Roles and Limitations During Ballot Measure Campaign Period

The City can provide educational materials to the public to inform them about the Measure. However, the City must refrain from spending any staff time, money, or effort to advocate for the passage of the ballot measure. Council members and staff can work on the campaign on their own time and at their own expense, provided it is clear that they are doing so on their own time rather than with City resources.

ALTERNATIVES

1. The Council directs staff to expand the 15% public safety infrastructure category/definition to also include traffic safety improvements.

2. The Council could direct staff not to proceed with the local sales tax measure for the November 2026 General election.

FISCAL IMPACT/FUNDING SOURCE

This sales tax ballot measure is estimated to generate $4.5 million/year in revenue.

The cost of placing this ballot measure is estimated at $86,000, and will be funded from the General Fund (100). The City Clerk’s budget includes $300,000 for 2026 election costs, which is sufficient to accommodate the district elections, the previously authorized transient occupancy tax (TOT) ballot measure, and this sales tax ballot measure.

Should the measure pass, there will be some implementation costs with the State of California for the initial one-time set-up and ongoing administration. The set-up costs won’t be known until the measure passes and a request to contract with the State is submitted. The ongoing State administrative cost is estimated at about 1.75% of revenue and will be deducted from quarterly revenue, as is currently done.

PUBLIC OUTREACH

No targeted Public outreach has been conducted for this item aside from the publicly posted agenda for the April 2026 and this City Council meeting. Council previously concurred to forgo any type of polling for the measure and approach this as a true grassroots effort.

As discussed in the analysis, there are limitations on what the City can do regarding public outreach for the ballot measure if approved.

If Council approves placing the ballot measure in the upcoming election, staff will conduct fact-based educational outreach to the public within the City's legal constraints.

NEXT STEPS

If the City Council approves this item (2/3rd vote of Council), staff will place the approved language on the November 3, 2026, general election ballot. Additional steps, including the City Attorney's impartial analysis and the City's arguments for the ballot measure, would then be undertaken shortly after Council approval of any ballot measure.

Attachments:

1. Resolution Placing the Initiative
2. Exhibit A: Draft Public Safety Special Transactions and Use Tax Ordinance
3. Draft Public Safety Special Transactions and Use Tax Implementation Plan
4. April 6, 2026 Council Meeting Staff Report

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF GILROY, AT THE NOVEMBER 3, 2026 GENERAL MUNICIPAL ELECTION PREVIOUSLY CALLED BY RESOLUTION NO. 2026-29, A BALLOT MEASURE TO ADD ARTICLE V, SECTIONS 22.33 THROUGH AND INCLUDING 22.48 TO CHAPTER 22 OF THE GILROY CITY CODE TO IMPOSE A PUBLIC SAFETY SPECIAL TRANSACTIONS AND USE TAX

WHEREAS, the City Council of the City of Gilroy previously adopted Resolution No. 2026-29 calling and giving notice of a General Municipal Election to be held in the City of Gilroy on Tuesday, November 3, 2026, and consolidating that election with the Statewide General Election held on the same date; and

WHEREAS, Revenue and Taxation Code Section 7285.91 authorizes the City, subject to approval by a two-thirds vote of the qualified voters of the City voting in an election on the issue, to levy a transactions and use tax pursuant to the Transactions and Use Tax Law at a rate of 0.125% or any multiple thereof; and

WHEREAS, the City Council of the City of Gilroy desires to submit to the voters a proposed special transactions and use tax dedicated to fund public safety services and public safety infrastructure, and to place the measure on the ballot for the next General Election on November 3, 2026; and

WHEREAS, because the revenues from the proposed tax would be legally restricted to specific purposes, the proposed tax constitutes a “special tax” under Article XIII C of the California Constitution and applicable State law, and approval of the measure requires a two-thirds vote of the qualified voters of the City voting on the measure; and

WHEREAS, the full text of the proposed ordinance adding Article V to Chapter 22 of the Gilroy City Code, which would impose the public safety special transactions and use tax if approved by the qualified voters, is attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, the City Council is authorized and directed by statute to submit the proposed tax measure to the voters.

WHEREAS, because the November 3, 2026 General Municipal Election has already been called and consolidated with the Statewide General Election by Resolution No. 2026-29, this Resolution does not separately call or order the election but instead orders the submission of the measure described herein to the qualified voters at that previously-called and consolidated election.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gilroy that:

Section 1. The City Council hereby orders the submission to the qualified electors of the City of Gilroy, at the November 3, 2026 General Municipal Election previously called by Resolution No. 2026-29 and consolidated with the Statewide General Election held on the same date, of a ballot measure to add Article V, Sections 22.33 through and including 22.48, to Chapter 22 of the Gilroy City Code to levy a 0.25 percent (one-quarter of one percent) special transactions and use tax dedicated and restricted to raise revenue for,

and fund, public safety (police, fire, and ambulance) services and public safety infrastructure. The measure shall be deemed approved if a two-thirds (2/3) majority of the qualified electors voting on the measure vote to approve it. The full text of the proposed Article V is attached hereto as Exhibit A and incorporated herein by reference.

Section 2. The ballot measure will be consolidated with and placed on the statewide general election on November 3, 2026, which shall be substantially in the following form:

MEASURE_____

Public Safety Special Transactions and Use Tax

To provide funding that stays in Gilroy and is dedicated to public safety (police, fire and ambulance) services and public safety infrastructure projects, shall Gilroy enact a 0.25 percent (one-quarter of one percent) transactions and use tax, providing approximately $4.5 million annually until ended by voters, with a citizen oversight committee and annual audits?	**YES**
	NO

Section 3. Pursuant to Article XIII C of the California Constitution and Revenue and Taxation Code Section 7285.91, the vote requirement for the measure to pass is a two-thirds (2/3) vote of the qualified voters of the City voting on the measure.

Section 4. The City Clerk is hereby authorized and directed to transmit a certified copy of this Resolution, together with Exhibit A, to the Registrar of Voters of the County of Santa Clara, and to coordinate with the Registrar of Voters and the Board of Supervisors of the County of Santa Clara as necessary to place the measure on the ballot for the November 3, 2026 General Municipal Election previously called by Resolution No. 2026-29. All election services, consolidation, canvass, and reimbursement directives previously approved by Resolution No. 2026-29 shall apply to this measure to the same extent as to other matters submitted at that election, except as otherwise modified herein.

Section 5. The City Council hereby directs the City Clerk to take all actions necessary to facilitate the Election in the time frame specified herein and comply with

provisions of the Elections Code of the State of California, City Charter, Ordinances, Resolutions, and Policies regarding the conduct of the Election.

Section 6. Pursuant to Section 12111 of the California Elections Code and other applicable provisions of law, the City Clerk is hereby directed to: (a) cause a synopsis of the proposed measure to be published at least one time not later than one week before the election in a newspaper of general circulation within the City of Gilroy; (b) cause copies of the full text of the proposed measure set forth in the attached Exhibit A to be printed in the Voter Information portion of the Sample Ballot, or to be made otherwise available to qualified electors as required by law; (c) cause copies of the Sample Ballot to be mailed to each of the qualified electors of the City of Gilroy in accordance with applicable law; and (d) take all other actions necessary or appropriate to submit the measure to the qualified electors at the November 3, 2026 General Municipal Election, including making the full text of the proposed measure available in the Office of the City Clerk at no cost and posting it on the City Clerk's website.

Section 7. Pursuant to Sections 9282 and 9285 of the California Elections Code, the City Council hereby approves the submittal of direct arguments for and against the ballot measure, with a maximum of 300 words in length, if any, and authorizes the City Council or any member or members of the Council to author and submit a ballot measure argument in favor of the ballot measure, and approves the submittal of rebuttal arguments in response to arguments for and against the ballot measure, with a maximum of 250 words in length, and authorizes the City Council or any member or members of the City Council to author and submit a rebuttal, if any, to the Santa Clara County Registrar of Voters (ROV) by Tuesday, August 11, 2026.

Section 8. The City Council hereby directs the City Clerk to transmit a copy of the measure qualifying for placement on the ballot to the City Attorney for preparation of an impartial analysis and transmit to the Santa Clara County Registrar of Voters by Tuesday, August 18, 2026.

Section 9. The City Council hereby acknowledges that the consolidated election will be held and conducted in the manner prescribed in California Elections Code Section 10418.

Section 10. If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

Section 11. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the 1st day of June 2026, by the following roll call vote:

AYES:	**COUNCIL MEMBERS:**
NOES:	**COUNCIL MEMBERS:**
ABSTAIN:	**COUNCIL MEMBERS:**
ABSENT:	**COUNCIL MEMBERS:**

APPROVED:

_____
Greg Bozzo, Mayor

ATTEST:

_____
Kim Mancera, City Clerk

EXHIBIT A

ORDINANCE NO. 2026-XX

AN ORDINANCE OF THE PEOPLE OF THE CITY OF GILROY ADDING ARTICLE V, SECTIONS 22.33 THROUGH AND INCLUDING 22.48 TO CHAPTER 22 OF THE GILROY CITY CODE IMPOSING A PUBLIC SAFETY SPECIAL TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

WHEREAS, pursuant to California Revenue and Taxation Code Section 7285.91, the City of Gilroy ("City") is authorized to levy a transactions and use tax for specific and special purposes, subject to a two-thirds voter approval; and

WHEREAS, the People of the City desire to levy a transactions and use tax for the special purpose of raising revenues and funding public safety (police, fire, and ambulance) services and public safety infrastructure, at a rate of 0.25%, which is equivalent to $0.01 for every $4.00 spent; and

WHEREAS, if approved by the City's voters, this transactions and use tax ordinance will be incorporated into Chapter 22 of the Gilroy City Code.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF GILROY DO HEREBY ORDAIN AS FOLLOWS:

SECTION I

That Article V, Sections 22.33 through 22.48 shall be added to Chapter 22 of the Gilroy City Code to read as follows:

Article V
Public Safety Special Transactions and Use Tax

22.33 Title.
This article shall be known as the "Public Safety Special Transactions and Use Tax." This ordinance shall be applicable in the incorporated territory of the City.

22.34 Definitions.
As used in this chapter, "City" means the City of Gilroy and "tax" means the transactions and use taxes imposed under the provisions of this chapter; "tax revenue" and "tax revenues" mean all proceeds of the tax received by the City from the California Department of Tax and Fee Administration.

22.35 Operative date.
"Operative date" means the first day that the tax is imposed and collected. The operative date shall be April 1, 2027, unless a later operative date becomes effective under the provisions of Section 22.37.

22.36 Purpose.

The ordinance codified in this chapter is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted to accomplish those purposes:

(a) To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.91 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be effective if a two-thirds vote of the qualified voters of the City voting in an election on the issue vote to approve the imposition of the tax at an election called for that purpose.
(b) To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
(c) To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.
(d) To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of the ordinance codified in this chapter.

22.37 Contract with State.
Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

22.38 Transactions tax rate.
For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.25 percent (one-quarter of one percent) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of the ordinance codified in this chapter.

22.39 Place of sale.
For the purposes of the ordinance codified in this chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to

a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

22.40 Use tax rate.
An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of the ordinance codified in this chapter for storage, use or other consumption in said territory at the rate of 0.25 percent (one-quarter of one percent) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

22.41 Adoption of provisions of State law.
Except as otherwise provided in this chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this chapter as though fully set forth herein.

22.42 Limitations on adoption of State law and collection of use taxes.
(a) Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made in Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code. In addition, the substitution shall not be made when:
1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California;
2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of the ordinance codified in this chapter.
3. In those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
    i. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or

ii. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that Code.

(b) The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

22.43 Permit not required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this chapter.

22.44 Exemptions and exclusions.

(a) There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

(b) There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this section, delivery to a point outside the City shall be satisfied:
    i. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
    ii. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of the ordinance codified in this chapter.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of the ordinance codified in this chapter.
5. For the purposes of subsections (3) and (4) of this subsection (B), the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(c) There are exempted from the use tax imposed by this chapter, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of the ordinance codified in this chapter.
4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of the ordinance codified in this chapter.
5. For the purposes of subsections (3) and (4) of this subsection (C), storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
6. Except as provided in subsection (7) of this subsection (C), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code,

aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

(d) Any person subject to use tax under this chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

22.45 Permissible uses: Implementation Plan.

(a) Expenditure Plan: The revenues of the tax shall only be used to fund the following uses and purposes. Funding with tax revenues of all other uses and purposes, except as provided in subsections (c) through (e) of this section, is prohibited.

1. Law Enforcement, Police and Public Safety.
    i. Law enforcement and police patrol services;
    ii. Police traffic safety and enforcement services;
    iii. Gang enforcement, school resource services, and violence reduction;
    iv. Police support services, including equipment and the financing thereof;
    v. Mental health response teams, services and resources.
2. Firefighting, Paramedics, Wildfire Risk Reduction and Public Safety.
    i. Maintain firefighter and paramedic staffing levels to maintain rapid 9-1-1 emergency response times;
    ii. Hire additional firefighters and paramedics to staff fire stations;
    iii. Establishment of additional paramedic units within the Fire Department, including advanced life support paramedic teams;
    iv. Purchase of specialized equipment for Fire Department use and the financing thereof;
    v. Programs and services to reduce wildfire risk, including early fire alerts, evacuation planning, defensible space inspections and vegetation management;
    vi. Mental health response teams, services and resources.
3. Public Safety Infrastructure.
    i. Maintain, enhance, construct, and/or relocate fire and/or police stations and facilities (including, but not limited to, land acquisition, facilities design, and use of temporary facilities) and the financing thereof.

(b) The Council, by resolution, shall approve, and may from time to time amend, a transactions and use tax implementation plan which shall outline the allocation percentages between police, fire and public safety infrastructure appropriations to which the tax revenues will be applied.

(c) The tax revenues shall be used to enhance police and fire uses and purposes as outlined in subsection (a) and detailed in the transactions and use tax

implementation plan. Funding of the implementation plan may not be below the actual revenues received from the tax nor shall tax revenues be used to replace previously budgeted funds unless approved by the City Council based on a finding of fiscal crisis or catastrophic disaster. Tax revenues will not be used to supplant the general fund obligations to fund baseline services based upon population and economic conditions, except as provided in subsection (d) below.

(d) For the duration of the tax, annual funding of the Police Department, Fire Department and public safety programs' purposes may not be a lower amount of City general fund expenditures than was funded under the City's 2026-27 fiscal year general fund budget, as adopted on June 2, 2025, unless a lower level of funding is first approved by the affirmative vote of a 2/3 majority of Council members.

(e) The Council, by resolution, shall establish a seven member Citizen Oversight Committee to annually review expenditures and appropriations of the tax revenues to ensure that all such revenues are spent or appropriated for the purposes and uses set forth in subsection (a), in accordance with the approved implementation plan as described in subsection (b), and, as specifically authorized, in subsections (c) and (d). Each member of the Council shall appoint one member of the Committee who shall have a term coinciding with the term of the appointing Council member. Each Committee member shall be a resident of the City at the time of appointment and shall remain a resident of the City while serving on the Committee. The Mayor shall appoint the chairperson of the Committee subject to the approval of the majority of the Council. The Committee shall receive the assistance of City staff and shall:

1. Review the annual independent audit and issue an annual public report on the expenditures and appropriations of the tax revenues;
2. Make recommendations for the City Council to consider regarding the implementation plan; and
3. Undertake such additional duties as the Council may designate, not inconsistent with the purposes identified in this chapter.

22.46 Amendments.

All amendments subsequent to the effective date of the ordinance codified in this chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this chapter.

22.47 Enjoining collection forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this chapter, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

22.48 Severability.
If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the chapter and the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION II

This ordinance, following its adoption by at least five (5) affirmative votes of the Council and its publication, shall become effective upon the approval of the tax imposed hereunder by two-thirds of the voters of the City voting thereon at an election called for that purpose. The "operative date" of the tax imposed hereunder shall be as provided in section 22.35.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF GILROY this X day of MONTH, 2026 by the following vote:

AYES:	**COUNCIL MEMBERS:**
NOES:	**COUNCIL MEMBERS:**
ABSTAIN:	**COUNCIL MEMBERS:**
ABSENT:	**COUNCIL MEMBERS:**

APPROVED:

_____
Greg Bozzo, Mayor

ATTEST:

_____
Kim Mancera, City Clerk

City of Gilroy

Public Safety Special Transactions and Use Tax Implementation Plan

DRAFT

Adopted: December XX, 2026

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DRAFT

Introduction

On November 3, 2026, the voters of the City of Gilroy ("City") approved a 0.25 percent (one-quarter of one percent) transactions and use tax to enhance funding for public safety services in the City. The tax is codified as Gilroy City Code ("GCC") Chapter 22, Article V, titled “Public Safety Special Transactions and Use Tax” (“Public Safety Tax”). As part of the voter-approved ballot measure, and pursuant to GCC section 22.45, “Permissible uses: Implementation Plan,” the City is required to prepare and establish an Implementation Plan for the expenditure of tax proceeds. This Implementation Plan provides a background on the Public Safety Tax and guidance for the spending of tax proceeds as authorized by the voters. This Implementation Plan follows and advances the purpose for the Public Safety Tax by only funding expenditures related to public safety services.

Background

On November 3, 2026, the voters of the City approved the Public Safety Tax as a special tax of the City. The ballot measure was approved by more than two-thirds of City voters. The Public Safety Tax imposed a 0.25 percent (one-quarter of one percent) transaction and use tax upon all retailers in the City for the sale of all tangible personal property sold at retail in the City. This tax was designed to supplement public safety funding.

Administration, Oversight, and Implementation

Term of Plan

This Implementation Plan will remain in force for the duration of the Public Safety Tax levied within the City, starting in April 2027, and will continue in perpetuity unless repealed by the voters. The Implementation Plan, as written in this first edition, will consist of a broad percentage allocation among the three funding categories: Infrastructure, Police, and Fire. As experience is gained using the Public Safety Sales Tax proceeds and ongoing costs are funded by those proceeds, the plan may be modified to varying levels of specificity. Each edition of the plan, as amended, will then be in effect until the next amendment is adopted by the City Council.

Restrictions on Use of Funds

Pursuant to GCC section 22.45, all proceeds of the Public Safety Tax shall be accounted for and designated for use by the City only for the public safety services set forth in the GCC subsection 22.45(a) and this Implementation Plan. This Implementation Plan may be amended from time to time by a majority vote of the City Council, so long as the funds are utilized for public safety services and infrastructure. The Citizen’s Oversight Committee for the Public Safety Tax may consider and render recommendations for amendments to this Implementation Plan, but the Implementation Plan may only be amended by the City Council at its discretion, within the confines of the Public Safety Tax permissible uses.

DRAFT

No revenues collected pursuant to the Public Safety Tax may be used to replace previous General Fund expenditures on Police and Fire department operating expenses at budgeted levels for Fiscal Year 2026-27 as adopted on June 2, 2025. The General Fund amounts adopted for Fiscal Year 2027 for the two departments are detailed below:

Police	$33,643,758
Fire	$16,012,655
Total	**$49,656,413**

It is the intent of the voters that revenues collected under the Public Safety Tax supplement, rather than supplant, existing City expenditures for public safety. There is an allowance for certain exceptions to this, as detailed in the ordinance.

Citizens' Oversight

GCC subsection 22.45(e) established a Citizens' Oversight Committee to monitor the expenditures of revenue collected pursuant to the Public Safety Tax and report to the people and the City Council. Members of the Citizens' Oversight Committee are to be appointed by the City Council. The Committee consists of seven members. The Citizens' Oversight Committee members cannot be current City employees, officials, contractors, or vendors of the City. Past employees, officials, or vendors shall be eligible to serve on the Committee, if there are no conflicts of interest as determined by the City Attorney. The Citizens' Oversight Committee is charged with reviewing expenditures of revenue collected pursuant to the Public Safety Tax to determine whether such funds are expended for the purposes specified in this Implementation Plan, and issuing reports on its findings to the City Council and the public at least annually. Committee members may also review the annual financial or performance audits performed by an independent auditor.

To preserve the integrity and independence of the oversight process, Committee members will not play a formal role in contracting, project management, or any other aspect of the public safety measure funding.

The Committee is not charged with decision-making on spending priorities, schedules, project details, funding source decisions (e.g., leveraged funds, developer fees, etc.), financing plans, or tax rate assumptions. The Committee shall serve in an advisory-only role to the City Council and City Administrator and may therefore make recommendations about amendments to this implementation plan, but shall not have a role in approval of any amendments.

Fiscal Accountability

The amount generated by the Public Safety Tax and how it is used shall be included in the annual audit of the City's financial operations by an independent certified public accountant.

DRAFT

Amendment of the Implementation Plan

This Implementation Plan may be amended from time to time by a majority vote of the City Council, so long as the funds are utilized for public safety services as outlined in the Public Safety Tax measure.

Spending Priorities/Proposed Use of Funds

For the first budget cycle (Fiscal Years 2027-28 and 2028-29), the Public Safety Tax revenues shall be appropriated by the following percentages, for use in determining appropriations in the two fiscal years' budgets, all terms having the meaning as described in the Public Safety Tax:

- Infrastructure: Use of 15% of total proceeds;
- Police: Use of 56% of total proceeds; and
- Fire: Use of 29% of total proceeds.

DRAFT

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Council Consideration of Placing a Potential Sales Tax Ballot Measure for the November 2026 Election Ballot**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Harjot Sangha, Finance Director
Prepared by:	Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS: Develop a Financially Resilient Organization
Ensure Neighborhood Equity from City Services
Maintain and Improve City Infrastructure

RECOMMENDATION

1. Council discussion and direction on whether to pursue the placement of a sales tax ballot measure before the Gilroy community for the 2026 General Election.
2. If proceeding with placement, then determine whether to pursue it as general tax or special sales tax.

EXECUTIVE SUMMARY

The City of Gilroy continues to face increasing fiscal pressure driven by rising service demands, escalating costs, and longstanding infrastructure and public safety needs. In 2024, the City Council placed a dedicated public safety sales tax measure before voters as a special tax, requiring two-thirds voter approval, which received encouraging results; however, it did not obtain the required threshold. While that effort focused specifically on police and fire services, the City's current financial environment reflects broader and more complex needs that extend beyond public safety alone.

Public safety remains a critical priority, such as staffing for the Santa Teresa Fire Station; however, the City is also experiencing increasing cost pressures and needs in areas such as public works, traffic and pedestrian safety, and infrastructure maintenance. These competing demands continue to strain the City's General Fund, which is the primary source of discretionary funding for most municipal services.

Given these conditions, staff is bringing forward for discussion and direction from the City Council on whether to place a ballot measure before the community at the November 2026 general election. If so, whether to pursue a more flexible funding approach through a general transaction and use tax, which would require majority voter approval and allow revenues to be used across a wider range of City services. While a general tax does not legally restrict how funds are spent, staff proposes that the Council establish a clear spending framework and accountability measures to ensure alignment with community priorities.

BACKGROUND

As previously presented to the City Council, including in the April 8, 2024, staff report, the City has not fully recovered staffing levels following the 2009 recession and subsequent fiscal impacts of the COVID-19 pandemic. At the same time, service expectations and operational demands have continued to increase. Public safety services alone account for approximately 64% of General Fund expenditures, reflecting both their importance and the financial pressure they place on limited resources.

Prior analyses identified significant staffing and infrastructure needs within both the Police and Fire Departments, including additional sworn officers, dispatch personnel, and fire personnel required to meet service demands and adequately staff existing and future fire stations. These needs remain valid today and continue to represent an unfunded obligation.

However, since 2024, the City's fiscal challenges have broadened. Inflationary pressures, increased service costs (for example, services provided by the County), and ongoing infrastructure needs—particularly related to streets, parks, traffic safety, and other public facilities—have further constrained the City's ability to maintain current service levels, let alone expand them.

ANALYSIS

The core policy question before the City Council is whether to pursue a local transactions and use tax (local sales tax) measure and, if so, how best to structure it to meet the City's current and future needs.

Current and Future Needs

Fire
Because the fire service operates 24 hours a day, every day of the year, staffing a single position around the clock requires more than one person. After accounting for shifts, time off, training, and vacancies, it takes approximately 3.76 firefighters to cover one position continuously. Since each fire engine is staffed with three personnel—a captain, an engineer, and a firefighter/paramedic—it takes about 11 to 12 firefighters to fully staff one fire company year-round.

Today, the City operates three fire companies. Expanding service to a fourth company at the Santa Teresa station would increase staffing needs to at least 45 personnel. This expansion would improve response times, enhance coverage in growing areas of the city, and reduce service disruptions, such as temporary station closures and reliance on overtime. Adding a fifth company (a truck/aerial unit at Chestnut station) would require approximately 57 personnel, including relief. This additional unit would expand the Department's capabilities for more complex emergencies, including multi-story structure fires, commercial incidents, rescue operations, and specialized ventilation needs, while also improving overall service levels and insurance ratings. As the Department grows from three to four, and eventually five companies, it is also recommended to add a Deputy Fire Chief to maintain effective management, oversight, and coordination of operations, training, and long-term planning.

The staffing model demonstrates that expanding fire service in Gilroy—particularly with a fourth station—requires additional personnel to ensure safe, reliable, and responsive emergency services for the community.

Position	Currently Authorized	Five Fire Company Deployment Staffing Required	Required Relief for Five Fire Companies	Total Positions Needed	Additional Positions Needed
Fire Captain	12	15	0	**15**	3
Engineer	9	15	0	**15**	6
Firefighter/ Paramedic	19	15	12	**27**	8
Total Positions	40	45	12	**57**	17

Estimated Cost = $3.6 million/year

Police
The Police Department continues to experience staffing gaps relative to both historical service

levels and updated workload expectations. As identified in the April 2024 staffing analysis, the Department requires additional sworn, field support, and specialized support personnel to meet current service demands.

The Department remains below recommended staffing levels by multiple positions across classifications, including patrol officers, communications staff, and records personnel. These gaps impact the Department's ability to respond proactively to community needs, maintain reasonable workloads, and adapt to increasing service demands driven by population growth, regulatory requirements, and evolving public safety expectations.

While the City has managed these constraints through operational adjustments, continued reliance on existing staffing levels is not sustainable without impacting service delivery, response times, or officer workload and retention.

Position Type	Recommended Staffing Level	FY26 Authorized Staffing Level	Additional Positions Needed
Sergeant	12	11	1
Corporal	9	9	0
Police Officer	51	45	6
Community Service Officer (CSO)	5	4	1
Public Safety Communicators	20	14	6
Records	9	8	1

Estimated Cost = $2.5 million/year

Public Works

In addition to public safety staffing needs, there is also a critical need for capital investment in public works infrastructure that directly supports the safety of residents on our streets and in our neighborhoods. This includes improvements such as safer intersections, enhanced crosswalks, traffic calming measures, and Safe Routes to School enhancements that protect students and families traveling to and from school. Investments in sidewalk repairs, bike lane improvements, street lighting, and signal upgrades all play a vital role in reducing accidents and improving overall safety for pedestrians, cyclists, and drivers. While these needs are well understood, limited funding has constrained the City's ability to implement these safety-focused projects at the necessary pace, resulting in a backlog of improvements essential to protecting the community.

Other Needs

The aforementioned analysis has outlined the needs of three core Departments that rely on discretionary funding to deliver services and projects. Other Departments across the organization are no exception to the growing demands and have unmet needs to provide optimal levels of service.

In addition to identified staffing and operational needs, the City faces a growing but not yet fully quantified liability related to deferred facility maintenance. Many of the City's public assets—including streets, parks, recreation facilities, and the Civic Center campus—are aging and require ongoing investment to remain safe, functional, and aligned with community expectations. While routine maintenance continues, limited funding has constrained the City's ability to proactively address lifecycle replacements, system upgrades, and major repairs. As a result, deferred maintenance needs have accumulated over time and are expected to increase as facilities continue to age. Council has recently taken action to establish a Capital Infrastructure Reserve (CIR) and a related funding policy to begin addressing capital infrastructure needs. It is important to note that these anticipated expenses constrain the City's ability to incur additional operating costs supporting public safety.

The City Council has made economic development a clear priority by establishing a dedicated Economic Development Department and hiring an Economic Development Director to advance business attraction, retention, and long-term revenue growth. These efforts are foundational and expected to yield meaningful fiscal and community benefits over time; however, by nature, economic development is a long-term strategy that requires sustained investment and patience before it can begin generating significant new revenues. In contrast, pursuing a quarter-cent transactions and use tax would provide an immediate and locally controlled funding source, enabling the City to address pressing service delivery needs in the near term while continuing to build a stronger economic base for the future.

The table below presents the City's current sales tax forecast through FY32, including the projected year-over-year percent change and corresponding dollar change. As shown, the base forecast reflects relatively modest growth over time, generally aligned with inflationary (CPI-level) increases rather than significant expansion in the local economy.

To illustrate the potential impact of economic development efforts, staff applied a simplified, hypothetical assumption of incremental growth above the baseline, beginning at 1% in FY28 and gradually increasing to 5% by FY32. This scenario reflects a reasonable "long game" outcome where sustained economic development efforts begin to yield measurable increases in sales tax revenue over time.

Fiscal Year	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32
Base Sales Tax Forecast	$ 20,478,000	$ 20,062,000	$ 20,248,000	$ 20,580,000	$ 20,873,000	$ 21,121,000	$ 21,319,000	$ 21,491,000
% Change (Base)	-	-2.00%	0.90%	1.60%	1.40%	1.20%	0.90%	0.80%
$ Change (Base)	-	(416,000)	186,000	332,000	293,000	248,000	198,000	172,000
Added Growth from Econ Dev. (%)	-	-	-	1.00%	2.00%	3.00%	4.00%	5.00%
Added Revenue from Econ Dev. ($)	-	-	-	205,800	417,460	633,630	852,760	1,074,550
Total w/ Econ Dev Impact	**$ 20,478,000**	**$ 19,646,000**	**$ 20,434,000**	**$ 21,117,800**	**$ 21,583,460**	**$ 22,002,630**	**$ 22,369,760**	**$ 22,737,550**

As can be seen, even under this optimistic growth scenario, it would take approximately 4–5 years to generate meaningful incremental revenue, and by FY32, the additional annual revenue—while helpful—would still be insufficient on its own to fully fund major service expansions such as staffing a new fire station. This analysis underscores that while economic development is a critical long-term strategy for strengthening the City's revenue base, it does not provide an immediate or sufficient solution to address the City's current and near-term service and staffing needs.

In summary, the City's identified service, staffing, and infrastructure needs—across public safety, public works, and facilities—clearly exceed the resources currently available within the General Fund. These are not new challenges, but they have become more pronounced over time and are increasingly difficult to address through existing funding alone. Given this reality, it is prudent for the City Council and the community to consider whether placing a transactions-and-use tax measure on the ballot is an appropriate step toward addressing some core priorities. Doing so would allow voters the opportunity to weigh in on a locally controlled funding solution to sustain and enhance the services and infrastructure that are fundamental to the community's safety, quality of life, and long-term stability.

Potential Local Sales Tax Measure

A transaction and use tax, commonly referred to as a local sales tax, is paid on taxable goods purchased within the City and is applied to both residents and non-residents. Because of Gilroy's regional retail draw, a significant portion of this revenue is generated by individuals who do not reside in the City, which helps distribute the financial burden more broadly. Based on current estimates, a 0.25% tax would generate approximately $4.5 million annually.

Under State law, the City's ability to increase its local sales tax rate is limited, and a 0.25% increase represents the maximum available capacity under the current cap.

In considering a ballot measure, the Council must determine whether to structure the tax as a general tax or a special tax. A special tax would dedicate the revenue to specific purposes, such as public safety, but would require approval by two-thirds of voters. In contrast, a general tax requires only a simple majority vote but does not allow for legally binding restrictions on how the funds are used.

Given the City's expanded fiscal needs beyond public safety, a general tax structure may provide a more practical and flexible approach. It would allow the City to respond to changing

conditions over time while increasing the likelihood of voter approval. At the same time, staff recognize the importance of maintaining public trust and ensuring that any new revenue is used in a manner consistent with community expectations.

To address this, staff would recommend that the City Council adopt a spending framework that prioritizes key service areas, which can be adjusted based on future needs. Under this approach, new revenues could be directed first toward fire services to address the staffing to cover the Santa Teresa Station. The second priority could be police services, including staffing, support functions, and community safety initiatives. The third priority would be public works infrastructure, with a focus on traffic safety improvements, pedestrian safety enhancements, and maintenance of streets and public facilities. The funding could be allocated incrementally in that order of priority, or in any combination thereof.

Potential Service Delivery Enhancement with $4.5 million/year in New Local Sales Tax

Service Enhancement	Amount
Fire: Minimum 45 staffing to cover the Santa Teresa Station	$1,300,000.00
Police: One Sergeant, six Police Officers, one CSO, six Safety Communicators, and one Records	2,500,000.00
Public Works: Traffic and bike/Ped. Safety infrastructure improvements	700,000.00
Total	**$4,500,000.00**

This table identifies one potential use of funds for additional sales tax revenue. Of note, this revenue continues to leave a gap in funding, notably for a fifth fire station. Staff would anticipate other efforts, including development, both through construction and business development, to contribute to future needs.

Although this framework of utilizing funds for public safety alone would not be legally binding under a general tax structure, it would provide clear policy direction and accountability for the allocation of funds.

To further reinforce transparency and accountability, staff recommend establishing a community oversight committee composed of Gilroy residents. This committee would review the collection and expenditure of tax revenues and provide annual public reports to the City Council. In addition, independent annual audits could be conducted to ensure that funds are used in accordance with Council-adopted policies or an established framework.

Other Considerations

Staff anticipates a November ballot with a number of competing initiatives. Local funding for schools (Gavilan and Gilroy Unified) would likely be among them. In the realm of sales tax, the measures would likely be regional. This could create resistance among likely voters.

Support from community partners highlighting keeping local dollars local could be an effective way of driving interest. In addition, community focus on safety is high, pointing to an opportunity that may be difficult to find in the future.

It is also inciteful to note that sales tax in Gilroy is paid by patrons whose origin is outside the city limits due to our substantial retail infrastructure. This would shift some of the costs of city resources to these users.

At times, sales tax measures contain a sunset date. The sunset date would force the reconsideration of the tax a point in time in the future. This can be a significant and effective control measure to ensure funds are spent as expected. It is important to note, however, that the funds would fill an ongoing operating need and a sunset date could risk creating service level reductions in the future should the funding end.

With respect to polling, given the environment, timing, and past election results, staff would not recommend conducting polling or a community survey and instead pursue this as a true grassroots effort, similar to the 2024 initiative.

ALTERNATIVES

The Council could direct staff not to proceed with the local sales tax measure for the November 2026 General election.

FISCAL IMPACT/FUNDING SOURCE

There is no direct fiscal impact of receiving this report. However, the following fiscal impacts have been identified in anticipation of the Council's potential decision-making.

- $150,000 to $200,000 – Ballot Measure – This cost estimate is for the County of Santa Clara Registrar of Voters to place the ballot measure on the November 2026 election.

- Other legal and administrative costs for drafting the resolutions and ballot materials.

PUBLIC OUTREACH

Should Council ultimately decide to put this initiative before the Gilroy community, additional outreach will be conducted to provide information regarding the process and the measure.

NEXT STEPS

If the Council directs staff to proceed with placing a local sales tax ballot measure, staff will take the necessary steps to complete the requirements and return to the Council for formal approval by June 2026.

Attachments: None

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Consider Re-opening Wayland and Hanna Parking Lots at Las Animas Veterans Park**
Meeting Date:	June 1, 2026
From:	Matt Morley, City Administrator
Department:	Public Works
Submitted by:	John Doughty, Public Works Director
Prepared by:	John Doughty, Public Works Director

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Receive the report, consider community input and provide direction on whether to initiate trial re-opening of Wayland Lane Parking Lot and/or Hanna Street Parking Lot at Las Animas Veterans Park.

EXECUTIVE SUMMARY

On February 9, 2026 the City Council considered a FAIR Memo prepared and submitted by Council Member Marques. The Memo sought City Council support to evaluate and consider re-opening of the Wayland Parking Lot at Las Animas Park on a trial basis. The City Council authorized staff to proceed with further evaluation of the request. Staff included the Hanna Parking Lot in this assessment as the lot was also closed by City Council for similar stated reasons. Staff has documented existing conditions and provided possible options to address on-site ADA deficiencies and costs associated with re-opening.

BACKGROUND

History Leading to Parking Lot Closures

- January 31, 2022 – Issues of tents being erected at Las Animas Park, including in the handball courts and vandalism of restrooms and other facilities, commences an effort to find ways to address the conditions created by the unhoused using the park as living accommodations and issues with loitering during all times of the day in parking lots adjacent to residential areas.
- March 2022 through mid-April 2022 – Issues continue to intensify at Las Animas Park. Enhanced coordination between the Program Administrator for the unhoused, as well as the Police Quality of Life team and Recreation, to connect the unhoused with services and resolve the prohibited camping at the park.
- June 7, 2022 – A complaint was received from the Gilroy Tennis Club about revenge vandalism to the tennis courts arising from a conflict between the Tennis Club and soccer players. Cameras were installed in the park.
- August 1st and 15th, 2022 – Public comments were received regarding illegal andnuisance-related activity happening repeatedly at the Hanna Street Parking Lot, including assault, rape, shots heard, burglary, drug paraphernalia in the lot near the lot next to the playground, nudity, loud music/noise, public intoxication, trespassing, and suspicious behaving persons and vehicles to name a few.
- Late August 2022 - Following the council meetings, a series of site visits, e-mail correspondence, and meetings followed regarding constructing a locking gate to lock the lot after-hours, cameras for monitoring activity in the lot, and discussions about possible ways to enforce the closure were held.
- August 18, 2022 – City Administrator forwarded an e-mail to Council from a resident regarding the proposed improvements to address the lot. In the e-mail, the City Administrator informed Council of the procurement and eventual installation of the locking gate for use when closing the parking lot.
- Mid-September 2022 – Correspondence between an engaged resident and the City Administrator demonstrates the order placed for the gate and the intent to lock the gate when the park closes. Additionally, signs were installed to denote the park's closure at 11 p.m., as well as signage restricting parking along Hanna Street near the neighborhood entrance to the park.
- Late October 2022 – Due to costs, the proposed gate required bidding. Bidding was requested for construction.
- January 17, 2023 – The Parks and Recreation Commission, based on the issues relating to late use of the parks, recommended adjusting park closure times for Las Animas Park from 11 p.m. to 10 p.m. Closing time remains 11:00 p.m. per Municipal Code.
- February 2023 – The locking gate is installed at the Hanna Parking Lot. Immediate improvement is witnessed in the parking lots.
- March 15, 2023 – An e-mail was received from a resident concerning issues at the Las Animas neighborhood parking lots, requesting that staff close the parking lots permanently. The e-mail also listed negative activity in the parking lot overnight with cold temperatures.
- March 16, 2023 – Once the park closed for the day, the gates remained locked with signs informing of the temporary closure of the parking lots for an

undetermined amount of time.

History Post Closure

- March 28, 2023 – A community meeting was held at City Hall in the evening with the neighbors around the parking lots to discuss the issues experienced at the park and, more specifically, the subject parking lots. The residents again advocated for the permanent closure of the residential parking lots.
- April 10, 2023 – The City Administrator met with representatives of the Gilroy Tennis Club to discuss the Wayland Lane Parking Lot closure. Around the time of closure, the City received complaints from the GTC concerning closing the parking spaces. At that time, the City Administrator offered to allow the GTC use of the lot during tournaments and other significant events but otherwise determined that the health/safety issues outweighed the convenience of those parking spaces. Thus, the lot would remain closed.
- There is no record that GTC took up staff's offer to open the lots during tournaments and significant events.
- On February 9, 2026 the City Council considered a FAIR Memo prepared and submitted by Council Member Marques. The Memo sought City Council support to evaluate re-opening of the Wayland Parking Lot at Las Animas Park.
- On February 9, 2026, the City Council supported the request and directed staff to return at a future date to discuss potential re-opening of Wayland Park.
- On March 24, 2026, the Parks and Recreation Commission considered the question of re-opening both Wayland Lane and Hanna Street Parking Lots. Eight residents provided comments on the item. Following comment and deliberation, the Commission by a vote of 6-0 (Commissioner Bozzo absent), recommended the City Council keep the parking lots closed until a comprehensive plan is developed to address undesirable activity in Las Animas Park.

ANALYSIS

Overview

Council Member Marques has requested the City Council consider directing the City Administrator to re-open Wayland Parking Lot located on the west side of the park, near the tennis courts. The request came via FAIR Memo which is included as Attachment 1. Wayland Parking Lot along with the Hanna Parking Lot were closed indefinitely by the then City Administrator on March 16, 2023. The Closure followed a series of actions and responses by the city which ultimately were deemed inadequate/unsuccessful. On September 18, 2023, staff presented a report to the City Council as follow-up to the closure detailing the background and rationale for closures which is included as

Attachment 2. The background section of this report includes a synopsis of the process leading to closure of both parking lots.

The FAIR Memo focused on Wayland Parking Lot in response to requests of the Gilroy Tennis Club (GTC) to re-open the lot nearest the tennis courts. GTC is a non-profit organization that has provided financial support to maintain the Las Animas tennis courts. GTC indicates that many members and other tennis enthusiasts often used Wayland Parking Lot to access the courts. The City has fielded a few inquiries from other park users asking why the Wayland Parking Lot was still closed. Beyond the tennis courts, the Wayland Parking Lot provides access to handball courts, the basketball court and baseball fields.

This report also includes discussion of the Hanna Parking Lot which is located at the terminus of Hanna Street approximately 125 feet west of Arnold Drive. The Hanna Lot serves as access to the satellite public works yard which serves Las Animas Park. Hanna Lot connects to nearby playground equipment and picnic area. This lot is relatively close to the planned pickleball courts and existing dog park.

Existing Conditions

Wayland Parking Lot—General Observations

- One (1) ADA parking space
- 15 standard parking spaces
- Locking swing gate at entry (Wayland Lane)
- One (1) parking lot light
- Access to park amenities via pedestrian bridge West Branch Llagas Creek

The Wayland Parking Lot is in overall poor condition. There are significant alligator cracks both in the access drive as well as the parking lot itself. There is uplift and significant cracking on the drive aisle from a tree root. The parking lot is usable, but the lot will optimally need significant restoration in the next 2-5 years if opened to the public. Parking space delineations are in need of refreshing. A single parking lot light provides minimal security coverage. Lighting is called out due to the lighted tennis courts, which under the Municipal Code, are open until 11:00 PM. It is likely that additional lighting would be of concern to the neighboring homes. Sharp cut-off designs and timers could significantly reduce impacts beyond the parking lot boundaries. Electrical/lighting improvement costs have not been estimated at the present time as there is no immediate obligation to improve with initial re-opening and any electrical work would be most appropriate during major rehabilitation.

Required Improvement for Re-Opening. The City Building Official visited the site and identified several issues with the ADA parking space and accessible path of travel from the ADA parking space. The ADA space exceeds cross and running slopes and the signage and markings are non-compliant (see Attachment 3, Photo 2). The concrete

ramp extending from the ADA space, exceeds running slope and will require installation of a handrail (see Attachment 3, Photo 3). Additionally, the pedestrian bridge is lacking required wheel stops between the bottom of the rail and the bridge decking (see Attachment 3,Photo 3). Correction of these items is necessary to re-open the parking lot. Estimated cost for all work is less than $25,000.

Hanna Parking Lot—General Observations

- One (1) ADA parking space
- Twenty-two (22) standard parking spaces
- Locking swing gate at entry (located on park property)
- No parking lot lights
- Access to park amenities via existing ADA compliant pedestrian path

The Hanna Street lot is in slightly better condition than Wayland. There is visible cracking. Staff would recommend re-sealing of lot and re-striping of parking spaces in the next 12-18 months to extend life of the lot should it be re-opened. One of the challenges for this lot is illegal parking and nuisance activities that reportedly occur on the remnant piece of Hanna Street (Arnold Drive to the park boundary). This portion of the street is posted with restricted parking hours from 11:00 pm to 6 am as part of initial mitigation efforts. Staff placed temporary barriers at the entry as a pilot. One neighbor has raised issues with these barriers due to “increased parking” on Arnold Drive. An adjoining neighbor has suggested relocating the swing gate to Arnold Drive which would necessitate further discussion on street abandonment and liability. Following action of the City Council, it is recommended that the temporary barriers be removed.

Required Improvement for Re-Opening. The City Building Official visited the site and identified minor issues with the ADA parking space and no issues with the accessible path of travel from the ADA parking space. The ADA parking space would need to be re-striped and new compliant signage added (see Attachment 4, Photo 2). Correction of these items is necessary to re-open the parking lot. Estimated cost for all work is approximately. $1,500.

As noted previously, the Parks and Recreation Commission (PRC) discussed the possible re-opening of the two parking lots (see Attachment 5--PRC Minutesof March 24, 2026). A number of residents spoke to the Commission and advocated for keeping the lots closed. The general consensus of those speaking was that the closures had significantly reduced nuisance issues. The Police Department provided summary data of activity in the vicinity of the two parking lots. The data is of limited value in that there was a change in the data collection system. The data indicates less activity which coincides with community comments. Data and commentary reflect the post-Covid era in which many of the issues including camping on parking lots would not be permitted to occur/continue. Staff appreciates the community input and by no means questions their experieces. Staff will note that it remains unclear if the results were causal or corollary and whether re-opening would result in the same Covid-era issues. City staff can say

firsthand that there remain challenges at Las Animas Park with vandalism, graffiti and other nuisance activities with the vast majority of the activity not occurring in the two open parking lots (which are not gated or restricted). We can also attest that the vast majority of the activity we note is not reported to the Police Department and therefore not captured in their data. The PRC acknowledged that the additional parking spaces could be beneficial to overall park use, notably the new pickleball courts, but recommended keeping the lots closed, pending a more comprehensive plan/implementation for Las Animas Park. It is anticipated that the City Council will receive similar neighbor input during consideration of this item.

There are currently 121 off-street improved parking spaces between Las Animas East (54) and Las Animas West (67) Parking Lots. Wayland and Hanna Parking Lots represent a total of 38 improved parking spaces which are currently not available for use. There exists on-street parking adjacent to Las Animas as well. The Wayland and Hanna Parking Lots are located closest to existing homes and one approach to re-opening could be to set hours of operation for the parking lots from, for example, Sunrise to Sunset or 8:00 am to 6:00 pm. This would limit use to daylight hours and reduce nuisance impacts. At present, the Public Works Department does not have the means to close and lock the swing gates in the evening but could accommodate morning unlocking. Daytime usage would reduce/eliminate the need for additional/new lighting. With regard to the small portion of Hanna Street, the City could further restrict/eliminate parking altogether in conjunction with the re-opening of the lot. Enforcement would fall to Gilroy Police Department.

Staff has attempted to provide the City Council and community with a factual assessment of the existing conditions, overall park challenges and potential benefits of re-opening under certain circumstances.

The question of re-opening ultimately is a policy decision of the City Council.

ALTERNATIVES

Alternative 1--Re-open only Wayland Lane Parking Lot. This alternative would provide 23 additional parking spaces for Las Animas Park and offer alternative access to neighborhoods to the east. As noted, there would be costs associated with bring ADA parking and access up to code. It is anticipated that community members/neighbors will not be supportive of reopening.

Alternative 2--Re-open only Hanna Street Parking Lot. This alternative would provide approximately 23 additional parking spaces for Las Animas Park and offer alternative access to neighborhoods to the east. Additionally, the parking lot would provide additional/alternate parking for the new pickleball courts. As noted, there would be

costs associated with bring ADA parking up to code. It is anticipated that community members/neighbors will not be supportive of re-opening.

Alternative 3--Re-opening both Wayland and Hanna parking Lots. Opening both parking lots would provide additional parking spaces for patrons of Las Animas Park. As noted, there would be costs associated with bring ADA parking and access up to code. It is anticipated that community members/neighbors will not be supportive of re-opening.

Alternative 4--Take no action. This alternative would leave both parking lots closed until some indeterminate time. The action would not necessitate addressing ADA compliance in and connecting to the parking lots. The park would continue to operate less 38 parking spaces. There would be no costs associated with bringing ADA parking and access up to code. It is anticipated that many community members/neighbors will be supportive of leaving the lots closed.

FISCAL IMPACT/FUNDING SOURCE

Staff is seeking guidance from the City Council. There are ADA costs associated with re-opening one or both of the parks. Wayland Lane Parking lot ADA costs are estimated to be $30,000. Hanna Street parking lot ADA costs are estimated to be $1,500. While not directly related to re-opening, staff has identified future ADA path of travel work near the tennis courts which will exceed $100,000. This work is not currently funded or included in the Five Year CIP.

PUBLIC OUTREACH

The Parks and Recreation Commission considered the request at their March 24, 2026 meeting. Community members provided comment and were made aware of the upcoming City Council meeting.

NEXT STEPS

Next steps will be driven by the decision of the City Council.

Attachments:

1. Attachment 1--FAIR Memo
2. Attachment 2 September 28, 2023 Council Report
3. Attachment 3 Photos of Wayland Lot
4. Attachment 4 Photos of Hanna Lot
5. Attachment 5 Special meeting minutes 3-24-2026

Las Animas Wayland Parking Lot

During covid, homeless were allowed to shelter in place in city parks and parking lots. Unfortunately, under the leadership of the previous city administrator, police were not directed to do sweeps of the Wayland and Hanna Street Parking Lots at Las Animas Park when crime occurred.

Being the Wayland Parking lot is concealed, individuals set up camping in the parking lot and drug dealing and drug use became a lifestyle. There are neighbors who live right adjacent to this parking lot that got fed up with the criminal behavior. After enduring gang fights, weapons, and consistent drug use, a group of neighbors from the neighborhood got together and convinced the City Council to close both city parking lots permanently.

One neighbor gave the Council at a City Council meeting, a petition with 98 signatures in strong support of closing down the two parking lots – Hanna Street (because that is where she lived) and Wayland. Based on her petition and a few neighbors' arguments that night, the Council voted to close the two lots. However, when she emailed the petitions to each of the Council members after the meeting and the petitions were looked over, there were only 20 valid signatures. The rest of the signatures were from different parts of the city and countryside which were not valid since the signers had never experienced firsthandwhat the neighbors were going through.

Since that time, the Gilroy Tennis Club Board members have tried to get the Wayland Parking lot re-opened. A gate was installed at the entryway to this parking lot which was to be locked at 10:00 every night. Any car refusing to leave, was to be towed at the owner's expense. After two nights, our former city administrator suspended this policy because car owners were refusing to move. The city manager would not have them towed because he said it was too much work for the city employees—even though, the tow truck company would do all the paperwork.

So for three years now, this parking lot has been permanently closed. Our club would like to have it re-opened and policed correctly. My vice-president, Bob Nettleblad, and I have spoken with the Police Chief, various police officers and the mayor. Police and the police chief have said there is no problem in policing the lots.

It is important to have the Wayland Parking lot re-opened because of its close proximity to our tennis courts. At night with it getting dark so early, there are no lights between the handball courts and the Mantelli Parking Lot. We are walking in darkness and feel unsafe listening to the various voices in the park that we cannot see. We feel that keeping the lot closed, is a serious safety issue.

I have tried to set up a meeting with the home owners' association to no avail. These people like the serenity of the closed lot and do not want to see it re-opened. However, it can be argued that every resident knew what he or she was moving next to when the home was purchased. This is a city owned park supported by tax payers. Tennis players, Little League families and people coming to walk their dogs have all been inconvenienced by a few people who want it kept closed for their own wishes.

It would never be suggested that the parking lot should be returned to its original crime ridden state. What is being suggested is that we open it on a trial basis and the police patrol the park regularly. The parking lot could be locked up first when the City's security team comes on duty. There are solutions that need to be addressed. Shutting down of city run property is not the way to deal with criminal activity. We want this activity extinguished not moved around the City. Opening up these lots on a trial basis to see what needs to be mitigated is the best way to get a win for all.

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(We are arguing for the Wayland Parking lot but we have no objection to whatever is decided for the Hanna Street parking lot.)

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Request to Reopen the Wayland Parking Lot at Las Animas Veterans' Park**
Meeting Date:	February 23, 2026
From:	Matt Morely, City Administrator
Department:	Administration
Submitted by:	Bryce Atkins, Deputy Director of Community Development
Prepared by:	Bryce Atkins, Deputy Director of Community Development

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Council consideration of a future agenda item regarding the potential reopening of the Wayland Parking Lot at the Las Animas Veterans' Park.

EXECUTIVE SUMMARY

N/A

BACKGROUND

Council Member Carol Marques provided the attached FAIR Memo to Interim City Administrator Brad Kilger. Staff has reviewed the FAIR Memo, and Interim City Administrator Harjot Sangha approved its placement on this agenda.

This FAIR Memo requests an item to discuss the reopening of the Wayland Parking Lot at the Las Animas Veterans' Park. Should Council determine to proceed with this item for future discussion, staff time will be spent preparing the agenda item to discuss the following items, though more elements may need research and/or analysis:

- **Public Works**

  - Logistics and costs of opening and closing the gate daily, including who is responsible (private security or GPD).
  - Cost of addressing an ADA-compliant path of travel to and from the parking lot.
  - Cost of lighting the path of travel to and from the parking lot.
  - Cost of parking lot infrastructure improvements, including ADA parking striping and signage, pavement rehabilitation, additional lighting, surveillance cameras, etc.

- **Police**
  - Potential for increased patrols.
  - Record of calls for service to the parking lot.

- **Community relations**
  - Engagement with local community members to garner public input for Council consideration.

- **Council considerations**
  - Metrics for determining whether and when the parking lot may need to be re-evaluated for closure, partial reopening, or full reopening.

ANALYSIS

None — this is a first step in the FAIR Memo process on whether the City Council would like to give direction for the item to be brought back to a future agenda meeting for discussion and potential action. Per the FAIR Memo, the original Council action involved closure of both the Wayland and Hanna parking lots. Further analysis will be conducted if the Council approves the topic for a future agenda and can include discussion regarding one or both of the closed parking lots.

ALTERNATIVES

Council may approve or deny the request for a future agenda item.

FISCAL IMPACT/FUNDING SOURCE

None — this is a first step in the FAIR Memo process. A detailed fiscal impact analysis will be conducted by staff if the Council approves the topic for a future agenda.

PUBLIC OUTREACH

This item was included on the publicly posted agenda.

NEXT STEPS

If approved, staff will schedule the future agenda item at a subsequent Council meeting consistent with the Future Agenda Item Request Policy.

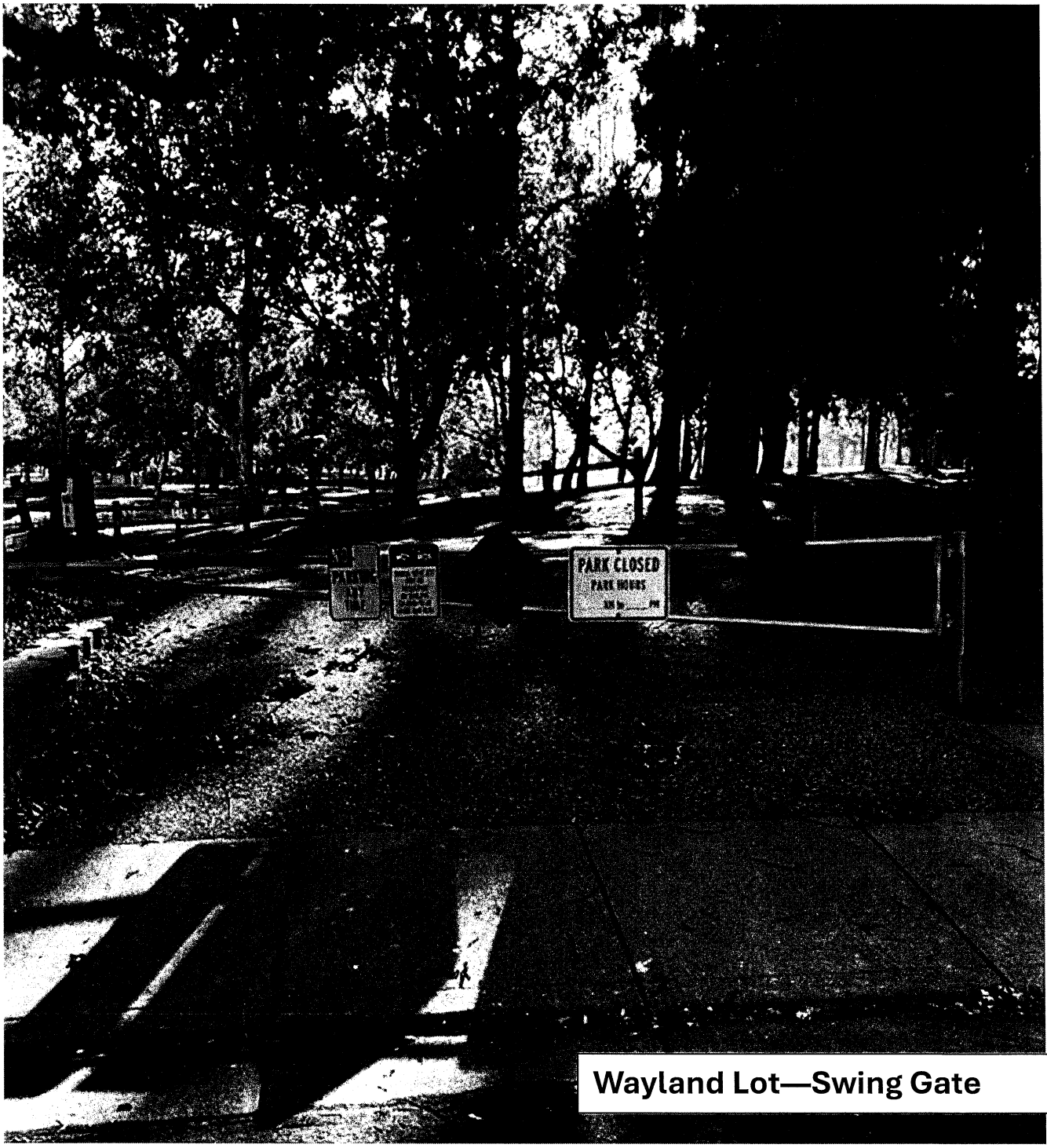
Attachments:

1. FAIR Memo: Las Animas Wayland Parking Lot

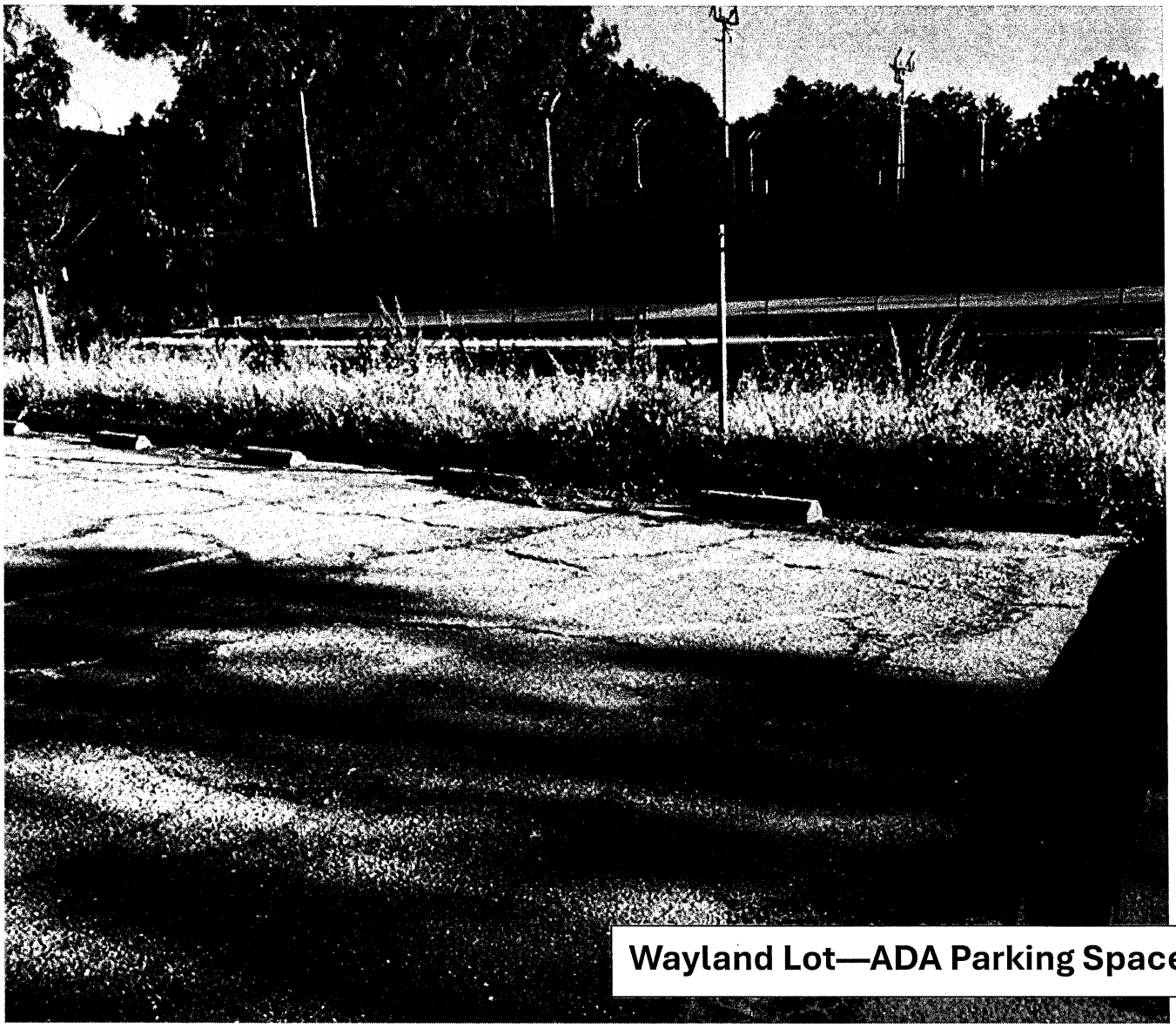
Attachment 3

Wayland Lot

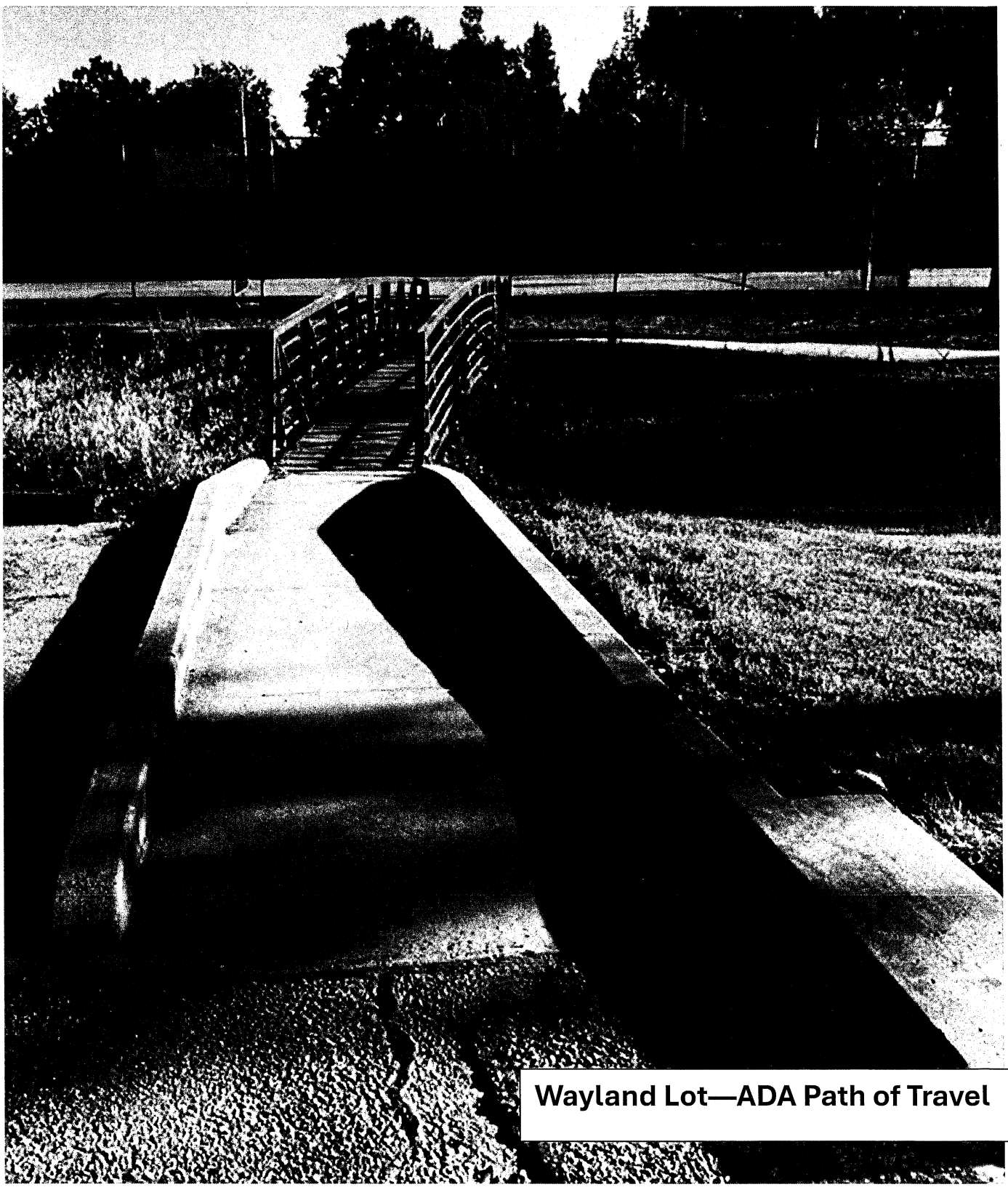
Photos



Wayland Lot—Swing Gate



Wayland Lot—ADA Parking Space

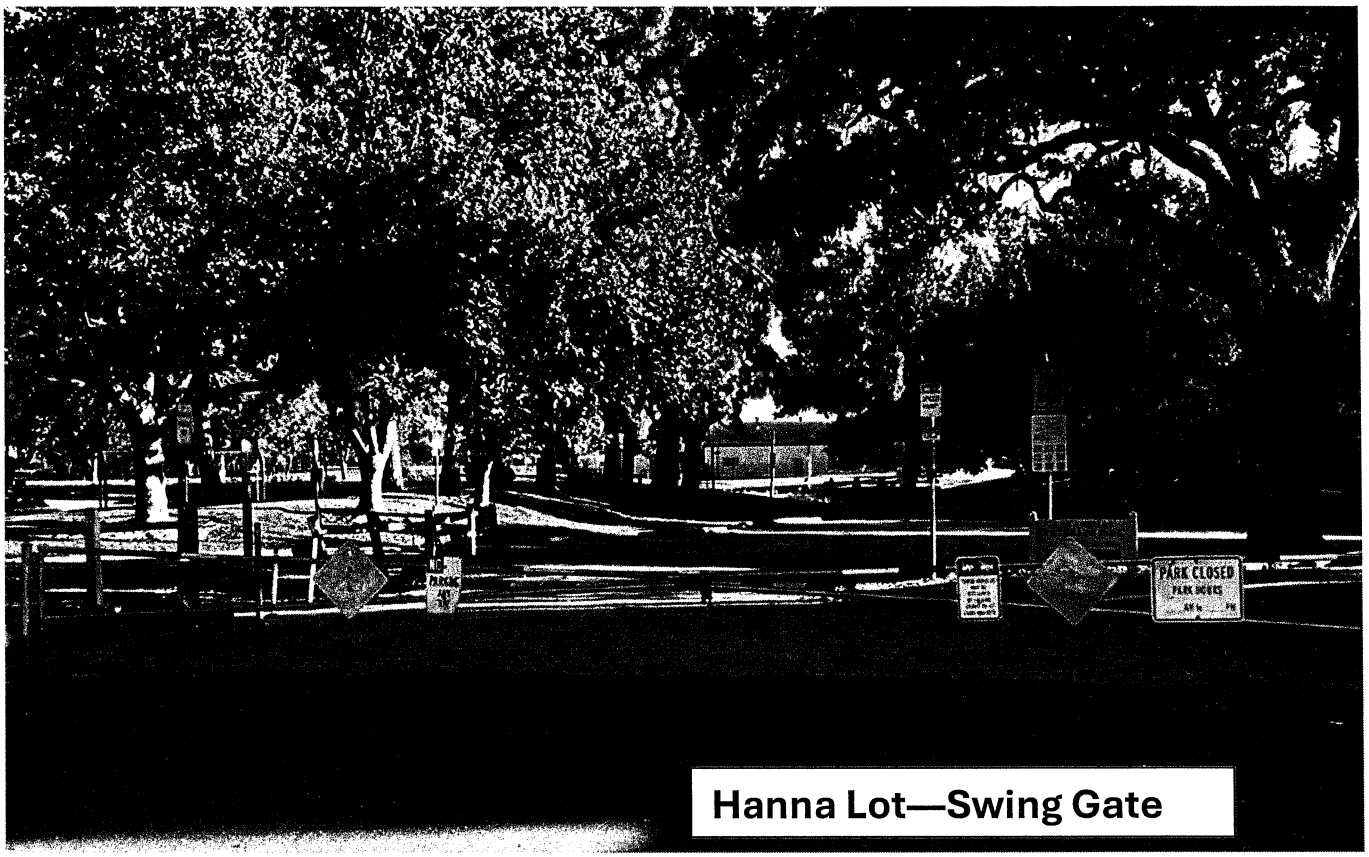


Wayland Lot—ADA Path of Travel

Attachment 4

Hanna Lot

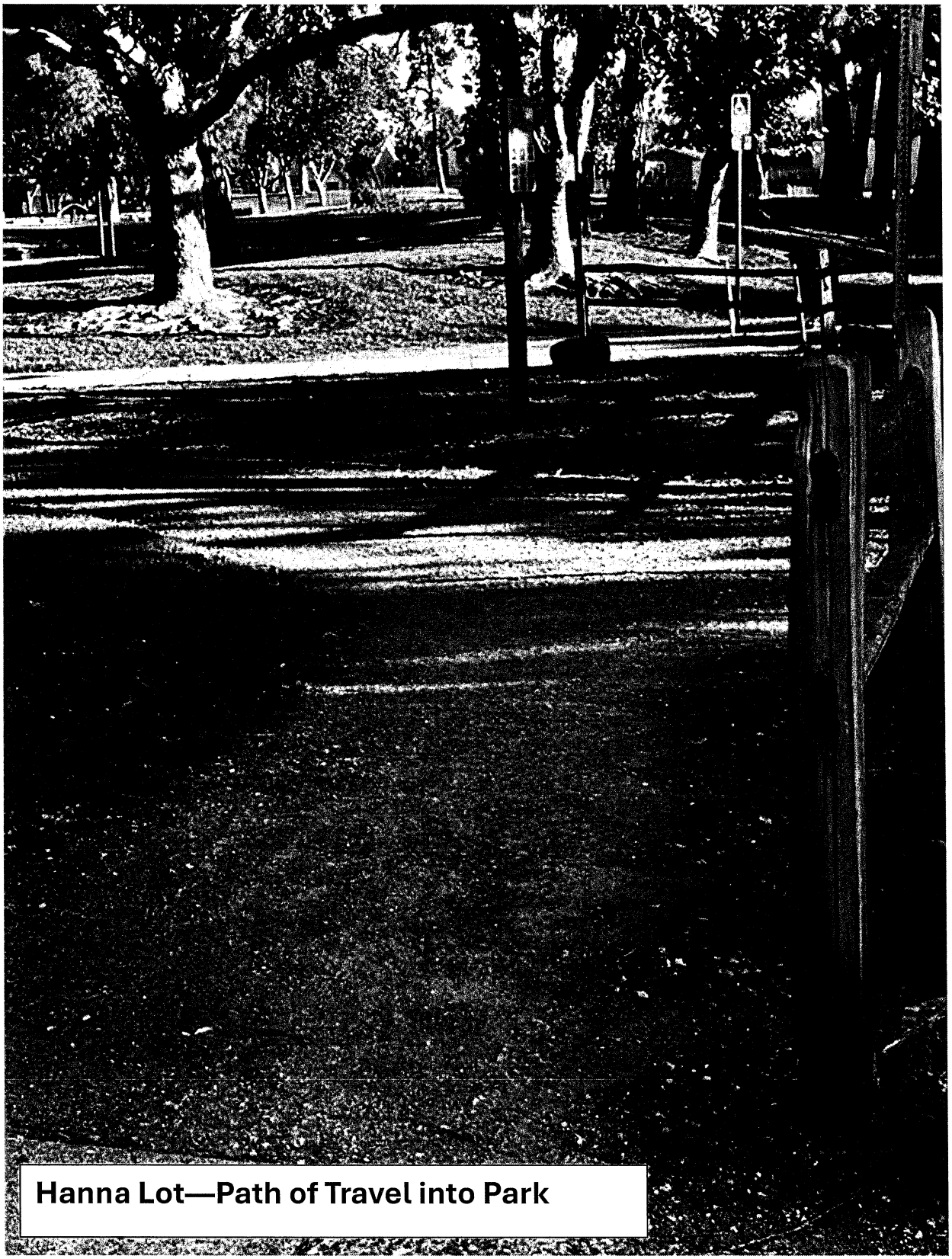
Photos



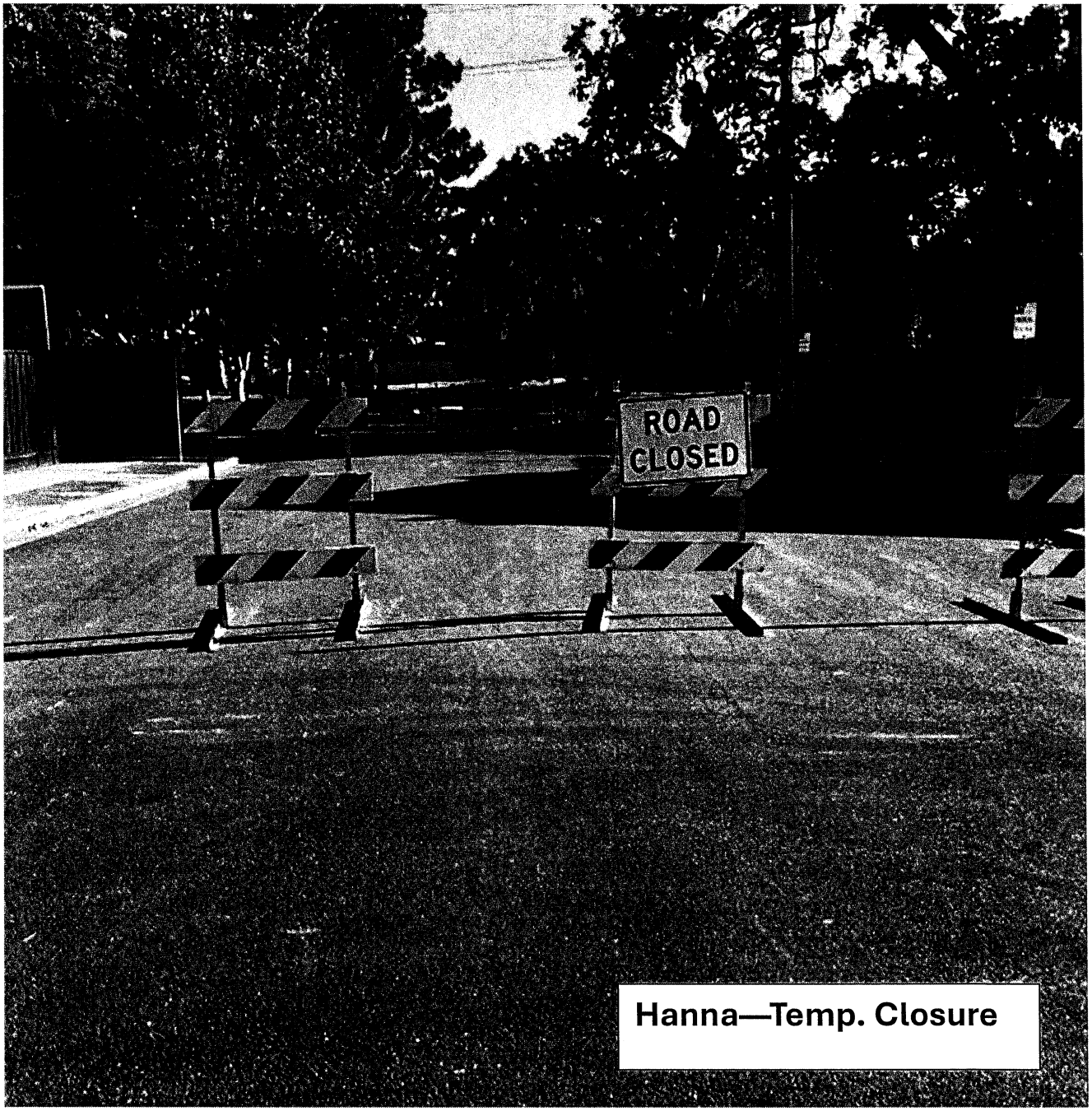
Hanna Lot—Swing Gate



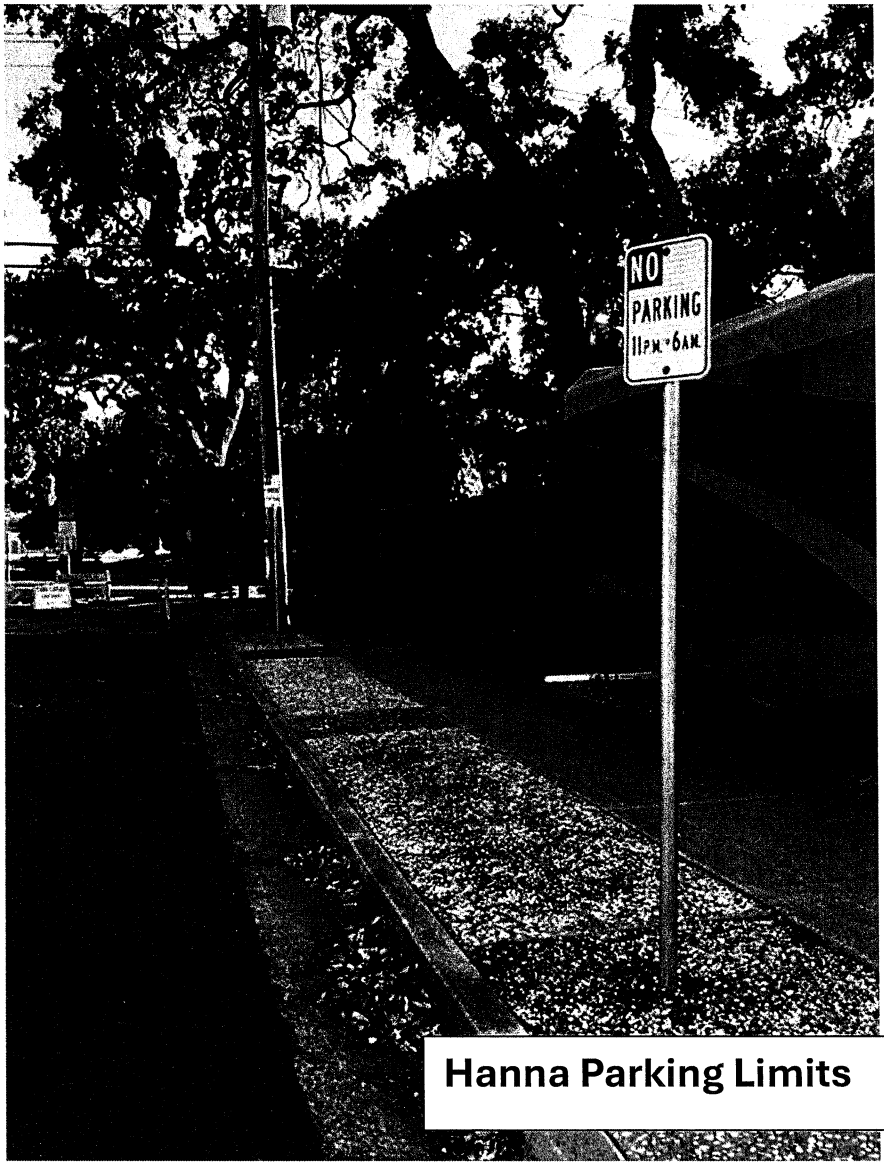
Hanna Lot—ADA Space



Hanna Lot—Path of Travel into Park



Hanna—Temp. Closure



Hanna Parking Limits

City of Gilroy
Parks and Recreation Commission
Special Meeting Minutes
March 24, 2026 I 6:00 PM

1. CALL TO ORDER

Chair Javier Martinez called the meeting to order at approximately 6:00 PM, noting the presence of a quorum and welcoming Commissioners, staff, and members of the public.

2. ROLL CALL

Attendance	Attendee Name
Present	Javier Martinez, Chair Emily Miller, Vice Chair Luis Ramirez, Commissioner Andrew Brinton, Commissioner Greg Felios, Commissioner Jesse Jimenez, Commissioner
Absent	Salvatore Bozzo, Commissioner

3. FLAG SALUTE

Vice Chair Miller led the Pledge of Allegiance

4. SECRETARY'S REPORT

Secretary reported that the meeting agenda and packet were posted on March 18, 2026, in compliance with the Brown Act.

5. APPROVAL OF MINUTES

Motion: Approve the minutes as presented

RESULT: Pass
MOVER: Vice Chair Emily Miller
SECONDER: Commissioner Luis Ramirez
AYES: Commissioners Felios, Martinez, Brinton, Jimenez, Ramirez
ABSENT: Commissioner Bozzo

6. APPROVAL OF AGENDA

6.1 Approval of March 24, 2026, Parks and Recreation Commission Special meeting agenda

The Commission reviewed the agenda for the March 24, 2026 meeting.

Motion: Approve the March 24, 2026 agenda as presented
RESULT: Pass
MOVER: Commissioner Ramirez
SECONDER: Commissioner Felios
AYES: Chair Martinez , Vice Chair Miller, Commissioners Felios, Martinez, Brinton, Jimenez,

Ramirez
ABSENT: Commissioner Bozzo

7. INTRODUCTIONS

Staff introduced Ryan Osenton, Project Manager with Public Works, who would be presenting the Civic Center Master Plan item.

8. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Mila Krupa– Community Member

Expressed ongoing concerns about lack of shade at playgrounds, noting increasing temperatures limit usability for children. She encouraged adding natural shade trees in addition to structures and identified Carriage Hill and Sunset Parks as examples.

Malachi Diaz – Community Member

Presented a proposal for a disc golf course with a defined loop layout, signage, and safety guidelines. He proposed a community kickoff event and requested staff collaboration to refine the plan.

9. NEW BUSINESS

9.1 Civic Center Master Plan and Draft Environmental Impact Report Update

Presenter Ryan Osenton – Public Works Project Manger

Mr. Osenton presented the Civic Center Master Plan and Draft Environmental Impact Report. He explained that the existing plan was adopted in 2002 and that significant population growth has created increased demand for updated civic facilities.

He reviewed conditions of existing buildings, including City Hall, Wheeler Auditorium, the Senior Center, and the Annex, noting that these facilities are aging and require substantial reinvestment. He explained that one factor prompting the plan update was the cost of major system upgrades, including multi-million-dollar estimates for building systems such as HVAC.

Mr. Osenton outlined proposed redevelopment elements including:

- New City Hall
- Multi-generational facility
- Recreation facility with aquatic components
- Civic park space

He clarified that the police station and library are not part of the redevelopment scope. He also stated that the public comment period for the Environmental Impact Report remains open through Friday.

Public Comment

Alicia – Community Member

Alicia provided comments regarding the pool design and encouraged the City to review facilities in Morgan Hill, specifically noting preference for centrally located stairs and channel features.

She also encouraged the City to consider inclusive programming, referencing Mitchell Park Community Center and Ada's Café in Palo Alto as examples of spaces that provide opportunities for individuals with developmental disabilities.

In response, staff noted that the project remains at a very early stage and that programming for the buildings has not yet been developed but agreed that the idea was a valuable one to consider.

Commission Discussion

Commissioners asked questions regarding project scope, timeline, and community use.

9.2 Update of Las Animas (Oaks) Restroom Installation

Presenter Matt Jones – Deputy Public Works Director

Matt Jones reported the replacement of a 30-year-old restroom with a modular CXT unit, completed largely in-house over 6.5 months (336 labor hours).

He credited John Souza for leading the project and noted a target opening date of April 10.

Commission Discussion:

Commissioners asked questions regarding:

- the anticipated installation timeline
- long-term maintenance requirements
- durability and performance of modular restroom units
- how the new facility will improve park usability and accessibility

Staff responded that the selected unit type has performed well at other locations and is expected to provide a reliable long-term solution for park users.

9.3 Discussion and Recommendation Closure of El Roble Tennis Courts

Presenter John Doughty – Public Works Director / Staff Liaison

Mr. Doughty stated that the El Roble courts are in extremely poor condition and described them as unsafe and no longer playable. He noted ongoing complaints from the public and stated that the courts present liability concerns.

He explained that repair is not feasible and recommended closure and eventual removal, with the possibility of relocating courts to a more visible and appropriate area.

Public Comment

Allison Robinson – Community Member

Ms. Robinson emphasized the importance of maintaining recreational space and stated that local families already lack access to sufficient courts.

She encouraged the City to replace or repurpose the courts rather than eliminate them and suggested basketball or pickleball as alternatives.

Commission Discussion

Commissioners discussed safety concerns, liability, and potential future improvements, including replacement options such as basketball or pickleball courts.

Motion: Close the El Roble tennis courts due to safety concerns
MOVER: Vice Chair Miller
SECONDER: Commissioner Ramirez
AYES: Vice Chair Miller, Commissioners Felios, Jimenez, Ramirez
NAYES: Chair Martinez, Commissioner Brinton
ABSENT: Commissioner Bozzo
RESULT: Motion Passed (4–2)

9.4 Discussion and Recommendation on Potential Reopening of the Wayland and Hanna Parking Lots

Staff presented background regarding the continued closure of the Hanna and Wayland side parking lots at Las Animas Park. The presentation included discussion of prior Council direction, safety concerns, operational challenges, ADA-related issues, pavement and lighting conditions, and neighborhood impacts.

Staff explained that the Hanna Street area had previously been barricaded in advance of July 4 due to concerns about fireworks and other problematic activities. Staff also explained that the Wayland lot is a unique site adjacent to a planned unit development and has generated recurring concerns from nearby residents.

Public Comment

Mario Maciel – Community Member

Mr. Maciel, a long-time Gilroy resident living adjacent to the parking lots, expressed opposition to reopening them. He stated that nearby residents experience ongoing impacts related to crime, homelessness, and disruptive behavior. He referenced past incidents affecting his household and emphasized that the park should remain a safe and positive asset for the neighborhood.

Joe Pagoaga – Community Member

Mr. Pagoaga stated that he moved to the neighborhood during a time when significant issues were occurring at the Wayland parking lot, which impacted his quality of life. He noted that he works in park operations and is familiar with similar challenges. He shared that nearby residents remain concerned and referenced a letter submitted by a neighbor who was unable to attend.

Letter read by Joe Pagoaga on behalf of Shannon Glasper – Wayland Court HOA Treasurer – Community Member

Ms. Glasper expressed opposition to reopening the Wayland parking lot, citing ongoing impacts to nearby residents, including safety concerns, disruptive behavior, and reduced quality of life. She emphasized that the burden of these impacts falls primarily on adjacent homeowners and noted that alternative parking options remain available.

Alicia – Community Member

Alicia expressed concerns regarding reopening the Wayland and Hanna parking lots, citing potential impacts to neighborhood safety and quality of life. She encouraged careful consideration of long-term effects and balancing public access with resident well-being.

Daniel Medina – Community Member

Mr. Medina expressed support for reopening the parking lot, citing concerns about loss of public access, aesthetics, and emergency access. He also noted issues related to overflow parking and safety in surrounding areas.

Skip Bloom – Community Member

Mr. Bloom expressed opposition to reopening the Wayland parking lot, citing past issues including noise, disruptive behavior, and safety concerns. He stated that conditions improved following the closure.

Daphne Deithcman – Community Member

Ms. Deitchman expressed support for keeping the parking lots closed, citing personal safety concerns and improved conditions since closure. She noted that reopening could negatively impact neighborhood safety.

Araceli Vaquera – Community Member

Ms. Vaquera expressed concerns about reopening the Wayland parking lot, citing prior negative impacts to neighborhood safety and quality of life. She supported maintaining the closure and prioritizing resident well-being.

Commission Discussion

Commissioners discussed the tradeoffs between neighborhood impacts and public access, as well as safety, enforcement, emergency access, parking demand, condition of the lots, possible future resurfacing, lighting, and the need for broader community input.

Motion: Recommended City Council keep the Hanna and Wayland parking lots at Las Animas Veterans Park closed pending further evaluation and community input
MOVER: Vice Chair Emily Miller
SECONDER: Commissioner Luis Ramirez
AYES: Chair Martinez , Vice Chair Miller, Commissioners Felios, Martinez, Brinton, Jimenez, Ramirez
ABSENT: Commissioner Bozzo
RESULT: Motion Passed Unanimously (6–0)

9.5 Update on Maintenance Efforts at Los Arroyos Park

Presenter Matt Jones – Deputy Public Works Director

Mr. Jones provided an update on maintenance and sidewalk repair efforts, noting a more targeted and proactive approach due to staffing and operational constraints. He reported that staff have been identifying and addressing trip hazards in phases, prioritizing high-use areas, including a location near the KinderCare preschool.

Commissioners asked questions about prioritization, long-term maintenance, and how staffing levels affect the pace of repairs.

9.6 Discussion and Possible Action to Affirm Formal Parks and Recreations Commission Tabling

Staff introduced the item regarding Parks and Recreation Commission participation in community outreach efforts, including opportunities for Commissioners to engage with the public through tabling and event attendance.

Staff explained that participation in community events provides an opportunity for Commissioners to connect directly with residents, share information about parks and programs, and gather feedback from the community.

Staff also discussed the possibility of coordinating logistics for tabling, including staffing, materials, and scheduling, and emphasized the importance of ensuring consistent messaging and representation when participating in public events.

Commission Discussion

Commissioners discussed:

- interest in participating in community events and outreach efforts
- the value of engaging directly with residents to better understand community needs
- opportunities to increase visibility of the Commission and its role
- coordination with staff to identify appropriate events and expectations for participation

Commissioners expressed general support for increased outreach and indicated interest in participating in future events as opportunities arise.

Direction to Staff

The Commission provided general direction to staff:

- identify upcoming events suitable for Commission participation
- provide additional information regarding logistics and expectations
- coordinate future opportunities for outreach and engagement

No formal action was taken.

10. OLD BUSINESS

10.1 NONE

11. DEPARTMENT UPDATE

11.1 Public Works Park Maintenance and Operations Updates

Staff provided updates on ongoing park maintenance efforts, including repairs to park infrastructure and addressing safety-related issues such as damaged amenities and general upkeep.

Staff noted that maintenance work continues across multiple park locations and is prioritized based on safety, usage, and available resources.

11.2 Recreation Division Updates

Staff provided updates on recreational programming and community activities within the park system.

Staff discussed ongoing and upcoming programs and noted continued efforts to provide opportunities for community engagement through park-based activities.

11.3 Parks CIP Updates

Staff provided updates on current and upcoming park-related projects, including coordination and progress on improvements discussed throughout the meeting.

Staff noted that project timelines and priorities continue to be evaluated based on available funding and operational capacity.

12. COMMISSIONER PARK REPORTS AND COMMENTS

Commissioners provided updates regarding park conditions, recent site visits, and community feedback.

Commissioner Jesse Jimenez shared observations related to park conditions and noted the importance of ongoing maintenance to address issues before they become larger concerns.

Vice Chair Emily Miller discussed recent community interactions and emphasized the importance of maintaining clean, safe, and accessible park spaces.

Commissioner Luis Ramirez provided observations regarding park usage and noted continued activity at various park locations. He emphasized the importance of maintaining amenities such as restrooms, lighting, and seating areas.

Commissioners also discussed:
- general park conditions across multiple locations
- maintenance needs and response times
- safety-related concerns, including lighting and trip hazards
- the importance of maintaining high-quality park facilities for the community

Commissioners acknowledged recent maintenance efforts and emphasized the importance of continued communication with staff regarding park conditions and improvements.

13. DIRECTOR'S REPORT

John Doughty provided updates on ongoing projects and coordination efforts within the Parks and Recreation Department.

Mr. Doughty reported that a fully executed Memorandum of Understanding (MOU) for the Story Walk at San Ysidro Park has been received. Staff noted that coordination with the school district and final site logistics are ongoing, and installation is anticipated in May.

He also discussed opportunities to align the project rollout with upcoming community events, including Party in the Park at San Ysidro Park, to enhance community engagement and visibility.

14. FUTURE COMMISSIONER INISTIATED ITEMS

Commissioner Jesse Jimenez asked about the appropriate process for bringing forward future discussion items and whether commissioner-initiated topics should be included under this section.

Staff clarified that this section is intended for identifying future agenda items and that coordination with staff would be needed to schedule items for upcoming meetings.

Commissioners also discussed the value of including a more structured opportunity on the agenda for Commissioner report-outs, including participation in meetings, events, and other related activities.

Staff indicated that adjustments to the agenda format could be considered to better capture Commissioner updates and feedback.

Commissioners also discussed follow-up related to the disc golf proposal, and staff noted that additional review and coordination may be needed before bringing the item back for future consideration.

15. ADJOURNMENT

Meeting ended at 8:38 pm