

CC 12-16-2025

#7

Attachment A - Draft
2026 Committee
Assignments

Desk Item

2026 Council Committees

Council Committees	2026 Representative	Meetings
Association of Bay Area Governments (ABAG)	Kitty Moore Primary 1 Liang Chao Primary 2 Sheila Mohan Alternate	Annually in June (Online registration will be available in April) Bay Area Metro Center Yerba Buena Conference Room 375 Beale Street San Francisco, California
County of Santa Clara Housing and Community Development Advisory Committee	Sheila Mohan Primary JR Fruen Alternate	Annually in March Sounty of Santa Clara, Board of Supervisors' Chambers, County Government Center – 70 West Hedding Street, 1st Floor, San Jose, CA 95110
Historical Society Advisory Council	Liang Chao Primary JR Fruen Alternate	3rd Wednesday of the month at 4:30 p.m. Cupertino Chamber of Commerce (hybrid in-person/zoom if possible)
Silicon Valley Regional Interoperability Authority (SVRIA) *Note: Jurisdictions rotate for 2-year terms. Cupertino served for 3 years (2020-2022).	*WVMM Rotation Saratoga - Primary Monte Sereno - Alternate	Every two months on the 4th Wednesday of the month Santa Clara PD 601 El Camino, Santa Clara
Santa Clara County Cities Association - Board of Directors	Liang Chao Primary Sheila Mohan Alternate	Monthly on the 2nd Thursday of the Month 7pm at Sunnyvale City Hall, West conference Room 456 W Olive Ave, Sunnyvale 94086
Santa Clara County Cities Association - City Selection Committee	Liang Chao Primary Ray Wang Alternate	As needed. Replaces LAC meeting at 6pm 6pm at Sunnyvale City Hall, West conference Room 456 W Olive Ave, Sunnyvale 94086
Santa Clara County Cities Association - Legislative Committee	Liang Chao Primary Ray Wang Alternate	Monthly on the 2nd Thursday of the Month 6pm at Sunnyvale City Hall, West conference Room 456 W Olive Ave, Sunnyvale 94086
League of California Cities - Annual Conference - Voting Delegate	Kitty Moore Primary Liang Chao Alternate	Annual Conference October 2026

2026 Council Committees

Council Committees	2026 Representative	Meetings
Santa Clara County Library District Joint Powers Authority - Board of Directors	JR Fruen Primary Sheila Mohan Alternate	Quarterly 1:30pm at Library Services & Support Center 1370 Dell Ave., Campbell, CA 95008
Santa Clara Valley Water Commission	Sheila Mohan Primary JR Fruen Alternate	Quarterly on the 4th Wednesday of the Month January 28, April 8, July 22, October 28 Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, CA or via Zoom teleconference unless otherwise noticed. 12:00 p.m.
Santa Clara Valley Transportation Authority (PAC) Policy Advisory Committee	Kitty Moore Primary Sheila Mohan Alternate	Monthly on the 2nd Thursday of the Month 4pm at VTA River Oaks Campus 3331 North First Street, Conference Room B-106
School Partnership and School Liaison (CUSD, FUHSD, De-Anza CC)	Liang Chao - Primary 1 Sheila Mohan - Primary 2 Kitty Moore - Alternate	Quarterly Cupertino Union School District 1309 S Mary Ave, Sunnyvale CA 94087
West Valley Mayors and City Managers	Mayor - Primary Vice Mayor - Alternate	Monthly on the 4th Wednesday of the Month 12pm Location changes monthly
State Route 85 Corridor Policy Advisory Board	JR Fruen Primary Ray Wang Alternate	Quarterly on a Wednesday or Thursday of the month selected 10am Location changes each quarter
Silicon Valley Clean Energy Authority (SVCEA) JPA	Ray Wang Primary JR Fruen Alternate	Monthly on the 2nd Wednesday of the month 7pm Cupertino Community Hall

2026 Council Committees

City of Cupertino Council Committees	2026 Representative	Meetings
Audit Committee (City of Cupertino)	Kitty Moore Ray Wang	Meets quarterly, usually 4th Monday of Quinlan Community Center, Conference Room 4:00 p.m. - 6:00 p.m.
Cupertino Public Facilities Corporation (Cupertino)	All Councilmembers	Meets annually, third Monday in November and as needed City Hall, Conference Room C
Economic Development Committee (Cupertino)	Ray Wang Primary Liang Chao Alternate	Regular meetings are held quarterly and as needed (time and location to be determined)
Disaster Council (Cupertino)	* The Mayor, or their designee per Municipal Code section 2.40.025	Meets no less than annually. City Hall, Conference Room C
Sister City Committees	Sheila Mohan Liang Chao	As needed City Hall

CC 12-16-2025

#10

Development Project
United Furniture Site

Desk Item



COMMUNITY DEVELOPMENT DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3308
CUPERTINO.GOV

CITY COUNCIL STAFF REPORT DESK ITEM

Meeting: December 16, 2025

Agenda Item #10

Subject

Consideration of a new residential development project consisting of 55-townhome-condominium units and 10 ADUs, housed within ten three-story buildings, on three contiguous parcels, totaling 2.72-acres, located on the south side of Stevens Creek Boulevard at the present location of the United Furniture site. (Application No(s): DP-2024-004, ASA-2024-008, TM-2024-005, & U-2025-004; Applicant(s): Nick Kosla (Toll Brothers); Location: 10075 E. Estates & 19610 Stevens Creek Blvd. (A.P.N.: 369-06-002, -003, -004)

Recommended Action

1. Find the project exempt from the California Environmental Quality Act (CEQA)
2. Approve the following permits:
 - a. Adopt Resolution No. 25-___ approving Development Permit (DP-2024-004) (Attachment A);
 - b. Adopt Resolution No. 25-___ approving Use Permit (U-2025-004) (Attachment B);
 - c. Adopt Resolution No. 25-___ approving Architectural & Site Approval Permit (ASA-2024-008) (Attachment C);
 - d. Adopt Resolution No. 25-___ approving Tentative Final Map (TM-2024-005) (Attachment D)

Background:

Staff's responses to questions received from councilmember are shown in italics.

Q1: The Staff Report states "A Fiscal Impact Analysis was provided by the applicant and peer reviewed by the City's third-party consultant." But I did not find them in the agenda attachments.

Staff response: Included are Attachment H, Cupertino Idlewild Fiscal Impact Analysis, drafted by BAE and dated July 25, 2024, and Attachment I, Fiscal Impact Peer Review for Cupertino Idlewild, drafted by Economic & Planning Systems, Inc. (EPS) and dated April 9, 2025.

Q2: The Fiscal Impact of any commercial site should include the revenue generated from the site when in full operation, rather than comparing with the current state when the site has intentionally been left vacant for a few years. Please provide the revenue comparison with a comparable shopping mall with a competent management team, for example the one next door, the Marketplace, so that we understand and put on the record the loss of revenue for the City.

Staff response: The EPS peer review of BAE's memo provided the fiscal impact of multiple scenarios, which include existing conditions and the center is re-leased to sales-tax-generating tenants, or assumes that retail market conditions and the competitiveness of the center result in obsolescence and full vacancy.

Q3: Attachment "E - Categorical Exemption Memorandum" is a report justifying the CEQA exemption. The report states "Pursuant to CMC Chapter 17.04, development projects must submit technical reports for air quality, hazardous materials, vehicle miles traveled (VMT), and construction vibration. ... These technical studies were also peer reviewed by PlaceWorks on behalf of the City of Cupertino." But I cannot find any section that shows the peer review of those reports.

Please point me to the relevant sections with the peer review and point me to where to find the submitted technical reports being reviewed?

Staff response: Placeworks has been retained by the City of Cupertino to peer review relevant studies that had been submitted by the developer, and if those studies were not provided, their firm completed them on behalf of the City for review and conformance with CEQA and the municipal code requirements. Please refer to Attachment J, Third-party peer review of the applicant-prepared technical reports for the Idlewild Townhomes Project, drafted by Terri McCracken and Vivian Kha of Placeworks, dated April 25, 2025.

Q4: The staff report states "The project scope falls within the Class 32 CEQA Exemption". The Attachment "E - Categorical Exemption Memorandum" claims that "none of the exceptions to categorical exemptions apply... (e) The project site is not located on a hazardous waste site;" But then the Attachment E also mentioned that "the project site is listed as an open cleanup program site (case ID 2023-17s) under the oversight of Santa Clara County Department of Environmental Health (SCCDEH) and is listed on the State Water Quality Control Board's GeoTracker website." Then, how come this site qualifies for Class 32 CEQA Exemption?

Staff response: A categorical exemption shall not be used for a project located on a site which is

included on any list compiled pursuant to Section 65962.5 of the Government Code. So, while the site is listed as an open remediation "clean-up" program site on the State Water Quality Control Board's GeoTracker website, the only portion of the GeoTracker website that is identified pursuant to Section 65962.5 of the Government Code is the LUFT (Leaking Underground Fuel Tanks) listings. The Idlewild site does not meet this standard (it is not a LUFT site) and therefore is not a qualified Cortese List site and the exemption applies.

A mitigation measure in an EIR or MND would require exactly what is being done now and would require proof of clean up (below screening levels) from the oversight agency (Santa Clara County DEH) prior to issuing construction permits. Because Santa Clara County DEH is the oversight agency and based on their latest letter, they are not going to allow the applicant to stop the SVE system until they are satisfied that the site poses no risk. The peer reviews reiterated that the site was not ready to be closed yet – the soil vapor remediation was not complete - and it appears that Santa Clara DEH is concurring that more work is necessary. Condition 7 of the draft Development Permit Resolution clearly states that no grading, construction, or work on the site can be started until DEH is satisfied with the cleanup and no grading, foundation, or building permits shall be issued until the Community Development Department has received and approved the required regulatory clearance documentation from SCCDEH demonstrating that the site is suitable for residential development.

Q5: The staff report states "As the site was not listed on the Cortese List, the project is still eligible for a Class 32 CEQA Exemption pursuant to CEQA Guideline Sections 15332 (Infill Development Projects)." Please provide evidence showing "the site was not listed on the Cortese List".

That finding seems to contract with the fact that the site is listed on one of the data resources 'identified as meeting the "Cortese List" requirements', per California Environment Protection Agency (<https://calepa.ca.gov/sitecleanup/corteselist/>).

The United Furniture site (under 10045 E. Estates) does appear in [List of Leaking Underground Storage Tank Sites from the State Water Board's GeoTracker database](#), the second of the data resources, identified as meeting the "Cortese List" requirements, with the status "OPEN - REMEDIATION".

Staff response: Please see response above. The link provided in this question does not list these sites as a LUST clean-up site. Refer to Attachment K, Response to comments on the Idlewild Townhomes Project California Environmental Quality Act (CEQA) Exemption Memo, drafted by Terri McCracken and Vivian Kha of Placeworks, dated November 11, 2025, for further clarification.

Q6: The staff report states that "Prior to the issuance of any building permits for residential construction on the project site, the applicant shall obtain written clearance from the Santa Clara County Department of Environmental Health (SCCDEH),..."

My understanding is that the City must determine that it is possible clean up/mitigate the site to a level suitable for unrestricted residential before approving a residential project on this site. But I did not find such assurance any where. Please point me to the relevant section.

Staff response: For dry cleaner cleanups in Santa Clara County, oversight is typically coordinated through the County of Santa Clara Department of Environmental Health (DEH) as they handle local site mitigation/hazardous materials.

Q7: Please provide letters from the County Department of Environmental Health on this property, including, but not limited to the Nov. 16 letter, which appeared to have arrived after the Planning Commission meeting.

Staff response: Please refer to Attachment L, Santa Clara Department of Environmental Health letters to Idlewild TIC. A letter from DEH, dated November 16 does not exist.

Q8: It was mentioned that the site would require a deed restriction due to the necessary continued cleanup. Where can I find that information? Is there any disclosure requirement to future residents, in case some of them have sensitive health issues?

Staff response: It is dependent upon the recommendation of DEH. They may then close the site with or without deed restrictions.

Attachments Provided with Original Staff Report:

- A. Draft Resolution for DP-2024-004
- B. Draft Resolution for U-2025-004
- C. Draft Resolution for ASA-2024-008
- D. Draft Resolution for TM-2024-005
- E. Categorical Exemption Memorandum
- F. Public Comment
- G. Project Site Plan and Renderings

Attachments Provided with Supplemental 1:

- H. *Cupertino Idlewild Fiscal Impact Analysis*
- I. *Fiscal Impact Peer Review for Cupertino Idlewild*
- J. *Third-party peer review of the applicant-prepared technical reports for the Idlewild Townhomes Project*
- K. *Response to comments on the Idlewild Townhomes Project California Environmental Quality Act (CEQA) Exemption Memo*
- L. *Santa Clara Department of Environmental Health letters to Idlewild TIC.*

DRAFT Memorandum

To: Nick Kosla, Toll Brothers

From: Chelsea Guerrero, BAE Urban Economics

Date: July 25, 2024

Re: Cupertino Idlewild Fiscal Impact Analysis

This memorandum presents the findings from a Fiscal Impact Analysis (FIA) to evaluate the impacts from the proposed redevelopment of the Idlewild Shopping Center in the City of Cupertino. The proposed redevelopment consists of demolition of the existing retail space and construction of a 55-unit townhome community, including ten accessory dwelling units (ADUs). The proposed project will include eleven units that will be affordable to median-income and moderate-income households in accordance with the City's inclusionary requirements. The FIA estimates the City revenues and expenditures that the Project would generate and the resulting net fiscal impact on Cupertino's General Fund. The analysis uses the City's 2024/25 Proposed Budget and other sources as cited in this report to evaluate existing City revenues and service costs and estimate the revenue and service costs associated with the proposed Project. The annual fiscal impacts from the Project are presented in constant 2024 dollars.

Summary of Findings

- **At buildout, the proposed Project will result in a net positive annual fiscal impact on the City's General Fund.** This analysis estimates that the Project will generate approximately \$137,500 in annual City General Fund revenues and approximately \$109,600 in annual City General Fund expenditures, resulting in a positive net fiscal impact of approximately \$27,900 annually (see Table 1).
- **Compared to existing conditions, the proposed Project will have a positive net impact on the City's General Fund.** As shown in Table 1, the Project site currently has a positive net annual fiscal impact of \$27,500 on the City's General Fund. At buildout, the proposed Project will increase this positive net annual fiscal impact by approximately \$400 annually.

Table 1: Net Annual Fiscal Impact Summary (2024\$)

	Existing Conditions	Proposed Project	Net Change
Annual General Fund Revenues	\$38,069	\$137,521	\$99,453
Annual General Fund Expenditures	\$10,608	\$109,619	\$99,011
Net Annual Fiscal Impact	\$27,460	\$27,902	\$442

Source: BAE, 2024.

General Fund Fiscal Impacts

This section summarizes the projected ongoing annual fiscal impacts from the proposed Project and provides an overview of the underlying methodologies and assumptions used to estimate fiscal impacts from the project.

Proposed Development Program

Table 2 shows existing uses on the Project site and the development program for the proposed Project. The table also presents assumptions regarding the estimated existing employment on the Project site and the service population generated by the proposed Project at buildout. Accepted practice in fiscal impact analysis is to define a City's service population as all residents plus a portion of the workers who work within the City to reflect the reduced service demand from commercial uses relative to residential uses. Calculating service population in this way reflects the fact that employees, who generally spend less time in the community than residents, tend to generate a smaller share of demand for services. To estimate service population, each employee is multiplied by $\frac{1}{2}$.

As shown in the table, there are an estimated 36 employees on the Project site, resulting in an existing service population of roughly eighteen. This analysis estimates that the proposed Project will accommodate approximately 186 residents at buildout and full occupancy, which represents an increase of 168 service population members compared to existing conditions.

Table 2: Existing Site Conditions and Proposed Development Program

	Existing Conditions	Proposed Project	Net Change
Total Building Square Footage	31,090	102,510	71,420
Retail Square Footage	31,090	0	(31,090)
Residential Square Footage	0	102,510	102,510
Residential Units (Townhomes)	0	55	55
Market-Rate Units	0	44	44
Below Market-Rate (BMR) Units	0	11	11
Service Population (a)	18	186	168
Residents	0	186	186
Workers	36	0	(36)
Assumptions			
Existing Conditions			
	<u>Square Feet</u>	<u>Sq. Ft. per Employee</u>	<u>Est. Existing Employees</u>
Occupied Retail Space	23,140	650	36
Vacant Retail Space	7,950	N/A	0
Proposed Project			
	<u>Number</u>	<u>Residents per Unit</u>	<u>Resident Population</u>
Market-Rate Units			
Townhomes (b)	44	2.85	125
Accessory Dwelling Units (c)	10	1.50	15
Below Market-Rate Units (d)			
2-Bedroom	2	3.00	6
3-Bedroom	5	4.00	20
4-Bedroom	4	5.00	20

Notes:

- (a) Service population equals the resident population plus a portion of the employment population to reflect the reduced service demand from commercial uses. To estimate service population, each employee is multiplied by 1/2.
- (b) Resident population for market-rate townhomes estimated based on the citywide average household size (2.85 persons per household), according to California Department of Finance estimates for 2024.
- (c) Ten of the market-rate townhomes also include an accessory dwelling unit. The fiscal analysis assumes an average household size of 1.5 persons per ADU unit, based on a recent fiscal analysis prepared by EPS for the Cupertino Homestead project (2020).
- (d) Resident population for each BMR unit is equal to the number of bedrooms plus one, which is consistent with the sale price calculation assumptions provided in the City of Cupertino BMR Housing Mitigation Program Procedural Manual.

Sources: California Department of Finance, 2024; City of Cupertino; BAE, 2024.

General Fund Revenues

Property Tax Revenue

The property taxes that accrue to a City are a function of the assessed value of real property and the City's share of the property tax collected on each parcel. Property in California is subject to a base 1.0 percent property tax rate, which is shared among local jurisdictions including the County, City, and special districts. The State requires that a portion of property tax revenues also be allocated to countywide Education Revenue Augmentation Funds ("ERAF") to offset state expenditures on local public schools. In the Tax Rate Area (TRA) where

the Project site is located, the City receives approximately 6.51 percent of the base 1.0 percent tax after accounting for estimated ERAF reductions.

This analysis estimates property tax revenues based on the anticipated sale prices of the townhomes, as summarized in Table 3. The estimated assessed values for the market-rate townhomes are based on recent sale prices for comparable townhomes in Cupertino. Sale prices for the BMR units were calculated based on the sale price calculation assumptions provided in the City of Cupertino BMR Housing Mitigation Program Procedural Manual. As shown below, the total assessed value of the Project at buildout is estimated at approximately \$100.4 million.

Table 3: Estimated Assessed Value of Proposed Project at Buildout

	Total Assessed Value at Buildout	
Median-Income BMR Units		\$2,441,880
Moderate-Income BMR Units		\$4,313,084
Market-Rate Units		<u>\$93,657,150</u>
Total Assessed Value		\$100,412,114
Assumptions		
Median-Income BMR Units	<u>Number</u>	<u>Avg. Sale Price (a)</u>
2 bedroom	1	\$426,617
3 bedroom	2	\$481,712
4 bedroom	2	\$525,920
Moderate-Income BMR Units	<u>Number</u>	<u>Avg. Sale Price (a)</u>
2 bedroom	1	\$637,702
3 bedroom	3	\$716,427
4 bedroom	2	\$763,050
Market-Rate Units		
Total Unit Net Sq. Ft.		81,441
Avg. Sale Price per Sq. Ft. (b)		\$1,150

Notes:

(a) See Appendix Table 14.

(b) Average sale price per square foot based on market comparables.

Sources: Redfin; BAE, 2024.

Based on the City's share of the base 1.0 percent property tax in the TRA in which the Project site is located (approximately 6.51 percent), the Project site would generate approximately \$65,400 per year in annual General Fund property tax revenue at buildout (see Table 4). The Project site currently generates approximately \$6,300 per year in annual General Fund property tax revenue under existing conditions.

Table 4: Annual Property Tax Revenue from Project Site

	Existing Conditions	Proposed Project	Net Change
Assessed Value of Project Site	\$9,629,371	\$100,412,114	\$90,782,743
Base 1% Property Tax Revenue from Project Site	\$96,294	\$1,004,121	\$907,827
Annual Prop. Tax Rev. to Cupertino General Fund	\$6,269	\$65,368	\$59,100

Assumptions

City of Cupertino Share of Base 1% Property Tax (a)	6.51%
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Note:

(a) This is the City's share of the base 1.0 percent property tax in the TRA where the project is located (TRA 013-003), after accounting for ERAF reductions.

Sources: Santa Clara County Assessor; BAE, 2024.

Property Tax In-Lieu of Vehicle License Fee Revenues

Beginning in FY 2005-2006, the State ceased to provide “backfill” funds to counties and cities in the form of Motor Vehicle In-Lieu Fees (VLF) as it had through FY 2004-2005. As a result of the financial restructuring enacted as part of the State’s budget balancing process, counties and cities now receive revenues from the State in the form of property tax in-lieu of vehicle license fees, or ILVLF. This State-funded revenue source is tied to a city’s total assessed valuation. In FY 2005-2006, former VLF revenues were swapped for ILVLF revenues, which set the local jurisdiction’s ILVLF “base.” The base increases each year thereafter in proportion to the increase in total assessed valuation within the jurisdiction. For example, if total assessed valuation increases by five percent from one year to the next, the ILVLF base and resulting revenues would increase by five percent. As shown in Table 5, based on the current amount of ILVLF revenue generated per \$1,000 in total citywide assessed value, the proposed Project would generate ILVLF revenues at a rate of approximately \$33,100 annually. Under existing conditions, the Project site generates an estimated \$3,200 per year in ILVLF revenues.

Table 5: Projected Annual Property Tax In-Lieu of Vehicle License Fee (ILVLF) Revenue from the Project Site

	Existing Conditions	Proposed Project	Net Change
Assessed Value of Project Site	\$9,629,371	\$100,412,114	\$90,782,743
ILVLF Revenue from Project Site	\$3,178	\$33,136	\$29,958

Assumptions

Total Citywide Taxable Assessed Value, FY 2021-22	\$28,807,715,978
FY 2021-2022 ILVLF Revenue	\$9,401,632
ILVLF Revenue per \$1,000 in Assessed Value	\$0.33

Sources: Santa Clara County Assessor; California State Controller's Office; BAE, 2024.

Property Transfer Tax Revenue

The City will receive revenue from real estate transfer taxes when the homes on the Project site are sold. The City's current tax rate is \$0.55 per every \$1,000 in value. This analysis assumes that the homes on the Project site will turn over every eight years, equal to an annual turnover rate of 12.5 percent. Based on these assumptions, annual property tax revenues are estimated at \$6,900 (see Table 6).

Table 6: Estimated Annual Property Transfer Tax from the Proposed Project

Assessed Value of Residential Townhomes	\$100,412,114
Estimated Annual Property Transfer Tax	\$6,903

Assumptions

Property Transfer Tax Rate (per \$1,000 of Assessed Value)	\$0.55
Estimated Annual Residential Turnover Rate	12.5%

Source: BAE, 2024.

Sales Tax Revenue

The proposed project would generate sales tax revenue from new taxable retail spending by residents at City retailers. BAE estimated annual taxable expenditures by residents in the proposed Project based on 2023 taxable sales data for Cupertino and Santa Clara County from the California Department of Tax and Fee Administration. The analysis assumes that new residents in the proposed Project will spend approximately \$8,200 per person on taxable purchases in Cupertino each year (see Appendix Table 15).

Existing on-site retail sales were estimated based on benchmark taxable sales per square foot numbers by store type from HdL ECONSolutions California Retail Analytics for 2024. This source is based on their compilation of information from a mix of similar stores by type for each store category. The assumptions and calculations are provided in Appendix Table 16.

Table 7 shows the estimated annual taxable sales generated by existing retail tenants on the Project site and the estimated total annual taxable sales from resident spending in Cupertino at buildout of the proposed Project. As shown, new residents in the project would collectively spend approximately \$1.5 million per year on taxable purchases in Cupertino, resulting in General Fund sales tax revenues totaling approximately \$15,200 per year. Annual sales tax revenue from existing on-site retail sales is estimated at approximately \$27,000.

Table 7: Estimated Annual Sales Tax Revenue from the Project Site

	Existing Conditions	Proposed Project	Net Change
Estimated Taxable Sales from Retail Space on Site (a)	\$2,699,000	\$0	(\$2,699,000)
Estimated Taxable Sales from New Resident Spending	\$0	\$1,524,828	\$1,524,828
Total Taxable Sales Attributable to the Project	\$2,699,000	\$1,524,828	(\$1,174,172)
General Fund Sales Tax Revenue	\$26,990	\$15,248	(\$11,742)
Assumptions			
Annual Taxable Sales in Cupertino per Resident (b)			\$8,198
Cupertino Share of Sales Tax Receipts			1.0%

Notes:

(a) The taxable sales estimates for the existing tenants were based on information provided by the applicant and benchmark taxable sales per square foot numbers by store type from HdL ECONsolutions California Retail Analytics for 2024. This source is based on their compilation of information from a mix of similar stores by type for each store category. See Table 16.

(b) See Table 15.

Sources: HdL, 2024; BAE, 2024.

Other General Fund Revenues

Other revenues that tend to increase as the City's service population increases include utility user tax and franchise fees. This analysis estimates these revenues on an average revenue per service population basis, as shown in Table 8. At buildout, annual General Fund revenues attributable to the proposed Project would total \$16,900. Under existing conditions, the Project site generates approximately \$1,600 annually from these sources.

Table 8: Estimated Other Annual General Fund Revenue from the Project Site

	Existing Conditions	Proposed Project	Net Change
Service Population on Project Site (a)	18	186	168
Other Annual General Fund Revenues	\$1,632	\$16,866	\$15,233
Assumptions		FY 2024-25 (b)	
Utility User Tax			\$4,130,140
Franchise Fees			\$3,509,346
Total Other General Fund Revenues			\$7,639,486
Current Cupertino Service Population (c)			84,252
Other General Fund Revenue per Service Population Member			\$90.67

Notes:

(a) Service population is defined as all residents plus one-half of employment. See Table 2.

(b) Revenues based on the FY 2024-25 Proposed Budget.

(c) See Appendix Table 12.

Sources: Cupertino FY 2024/2025 Proposed Budget; BAE, 2024.

General Fund Expenditures

The City's General Fund expenditures generally increase as the service population increases, with some exceptions for General Fund expenditures that tend to be relatively fixed and do not change based on changes in the service population. To estimate the costs that would likely increase as the service population increases, BAE analyzed the City's budgeted General Fund expenditures in the 2024/2025 Fiscal Year Proposed Budget. This analysis provides an adjustment to these figures to estimate the portion of costs that tend to increase as the City's population and workforce increases, as compared to the portion that are generally fixed and do not increase as the City's service population increases. Examples of fixed costs include salaries for certain executive positions, such as department heads and the Chief of Police, as well as costs for some non-personnel expenditures categories that could include fixed assets, utilities, and special projects. The resulting total net variable General Fund expenditures per member of the service population is shown in Table 9. This figure was multiplied by the projected service population in the proposed Project at buildout (186) to estimate the annual General Fund expenditures generated by the proposed Project.

Table 9: Net Variable General Fund Expenditures by Department, City of Cupertino, 2024/2025 Proposed Budget

Department	FY 2024-25 Proposed Budget General Fund	Percent Variable (b)	Net Variable General Fund Expenditures	Net Variable General Fund Expenditures per Service Population Count
	Expenditures (a)			
General Government (c)	\$15,170,440	10%	\$1,517,044	\$18.01
Law Enforcement	\$18,648,806	90%	\$16,783,925	\$199.21
Innovation and Technology	\$3,122,993	(d)	(d)	(d)
Parks and Recreation	\$6,122,536	75%	\$4,591,902	\$54.50
Community Development	\$11,460,954	50%	\$5,730,477	\$68.02
Public Works	\$28,040,398	75%	\$21,030,299	\$249.61
Non-Departmental	\$7,372,862	(d)	(d)	(d)
Total	\$89,938,989	55.2%	\$49,653,647	\$589.35

Assumptions

Current City Service Population (e)	84,252
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Notes:

- (a) General Fund expenditure shown are net of charges for service and other offsetting revenues.
- (b) Assumes that a percentage of costs will not be impacted by an increase in the service population; the remaining variable costs will increase as service population increases.
- (c) Includes Administration, Administrative Services, and Council and Commissions expenditures.
- (d) The proposed Project is not expected to generate additional ongoing Innovation and Technology expenditures or Non-Departmental expenditures.
- (e) See Appendix Table 12.

Sources: City of Cupertino FY 2024/25 Proposed Budget; BAE, 2024.

Table 10 applies the current net variable costs per member of the service population to the net increase in service population generated by the proposed Project and the existing service population on the Project site. These projected expenditures account for the City's ongoing

operating service costs and do not account for any one-time capital improvements or other one-time costs. As shown, the estimated annual General Fund expenditures attributable to new residents in the proposed Project totals approximately \$109,600. The existing service population on the Project site currently generates annual General Fund expenditures totaling approximately \$10,600.

Table 10: Estimated Annual City of Cupertino General Fund Expenditures Attributable to the Project Site

Department	Net Variable General Fund Expenditures per Service Population (a)	Existing Conditions	Proposed Project	Net Change
General Government (b)	\$18.01	\$324	\$3,349	\$3,025
Law Enforcement	\$199.21	\$3,586	\$37,053	\$33,468
Parks and Recreation	\$54.50	\$981	\$10,137	\$9,156
Community Development	\$68.02	\$1,224	\$12,651	\$11,427
Public Works	<u>\$249.61</u>	<u>\$4,493</u>	<u>\$46,428</u>	<u>\$41,935</u>
Total	\$589.35	\$10,608	\$109,619	\$99,011
Assumptions				
Project Site Service Population (c)		18	186	168

Notes:

(a) See Table 9.

(b) Equal to net variable General Fund operating expenditures per service population multiplied by the service population associated with each scenario.

(c) Service population from the project as shown in Table 2.

Sources: City of Cupertino Proposed FY 2024/25 Budget; BAE, 2021.

Summary of Net Fiscal Impacts to City of Cupertino General Fund

Table 11 summarizes the annual recurring net General Fund fiscal impact of the Project at full build out and occupancy in 2024 dollars. The proposed Project will have a positive annual fiscal impact on the City's General Fund, generating approximately \$137,500 in annual City General Fund revenues and approximately \$109,600 in annual City General Fund expenditures. The positive net fiscal impact from the proposed Project totals \$27,900 and represents a slight increase compared to the existing positive net fiscal impact generated by the Project site (approximately \$27,500).

Table 11: Estimated Net Annual Fiscal Impact to the City of Cupertino General Fund Attributable to the Project Site

	Existing Conditions	Proposed Project	Net Change
Annual General Fund Revenues	\$38,069	\$137,521	\$99,453
Property Tax	\$6,269	\$65,368	\$59,100
ILVLF	\$3,178	\$33,136	\$29,958
Property Transfer Tax	\$0	\$6,903	\$6,903
Sales Tax	\$26,990	\$15,248	(\$11,742)
Other Revenues	\$1,632	\$16,866	\$15,233
 Annual General Fund Expenditures	 \$10,608	 \$109,619	 \$99,011
General Government	\$324	\$3,349	\$3,025
Law Enforcement	\$3,586	\$37,053	\$33,468
Parks and Recreation	\$981	\$10,137	\$9,156
Community Development	\$1,224	\$12,651	\$11,427
Public Works	\$4,493	\$46,428	\$41,935
 Net Fiscal Impact	 <u>\$27,460</u>	 <u>\$27,902</u>	 <u>\$442</u>

Note: Figures presented in 2024 dollars.

Source: BAE, 2024.

APPENDIX A: SUPPORTING FISCAL IMPACT ANALYSIS CALCULATIONS

Table 12: 2024 Service Population, City of Cupertino

Residents	59,471
Workers	<u>49,561</u>
Service Population (a)	84,252

Notes:

(a) Service population equals the resident population plus a portion of the employment population to reflect the reduced service demand from commercial uses. To estimate service population, each employee is multiplied by 1/2.

Sources: California Department of Finance, 2024; US Census ACS 2018-2022; BAE, 2024.

Table 13: 2023/2024 Assessed Value of Project Site

Assessor's Parcel Number	FY 2023-24 Assessed Value		
	Land	Improvements	Total Value
369-06-002	\$3,021,533	\$101,595	\$3,123,128
369-06-003	\$1,658,974	\$97,146	\$1,756,120
369-06-004	<u>\$4,731,984</u>	<u>\$18,139</u>	<u>\$4,750,123</u>
Total, Project Site	\$9,412,491	\$216,880	\$9,629,371

Sources: Santa Clara County Tax Collector; BAE, 2024.

Table 14: Affordable Townhome Sale Prices, 2024

	Household Size		
	3 Person	4 Person	5 Person
Median Income (90% AMI)			
Household Income (a)	\$149,250	\$165,850	\$179,150
Max. Monthly Housing Budget (b)	\$3,731	\$4,146	\$4,479
Monthly Payments (b)	\$3,731	\$4,146	\$4,479
Principal and Interest	\$2,629	\$2,968	\$3,241
Homeowners Insurance	\$88	\$88	\$88
Property Taxes	\$416	\$470	\$513
Mortgage Insurance	\$169	\$191	\$208
Homeowners' Association Fees	\$430	\$430	\$430
One-Time Payments			
Down Payment	\$21,331	\$24,086	\$26,296
Upfront Mortgage Insurance	\$7,093	\$8,008	\$8,743
Maximum Affordable Home Price	\$426,617	\$481,712	\$525,920
Moderate Income (110% AMI)			
Household Income (a)	\$182,450	\$202,750	\$218,950
Max. Monthly Housing Budget (b)	\$5,321	\$5,914	\$6,386
Monthly Payments (b)	\$5,321	\$5,914	\$6,386
Principal and Interest	\$3,929	\$4,414	\$4,702
Homeowners Insurance	\$88	\$88	\$88
Property Taxes	\$622	\$699	\$744
Mortgage Insurance	\$252	\$284	\$423
Homeowners' Association Fees	\$430	\$430	\$430
One-Time Payments			
Down Payment	\$31,885	\$35,821	\$38,152
Upfront Mortgage Insurance	\$10,602	\$11,911	\$12,686
Maximum Affordable Home Price	\$637,702	\$716,427	\$763,050
Ownership Cost Assumptions			
% of income for housing costs - Median Income Units (b)	30%	of gross annual income	
% of income for housing costs - Moderate Income Units (b)	35%	of gross annual income	
Down payment (c)	5.00%	of home value	
Annual interest rate (d)	6.75%	fixed	
Loan term	30	years	
Upfront mortgage insurance (e)	1.75%	of loan amount	
Annual mortgage insurance (f)			
Home values ≤\$726,200, LTV ≤ 95%	0.50%	of mortgage	
Home values ≤\$726,200, LTV > 95%	0.55%	of mortgage	
Home values >\$726,200, LTV ≤ 95%	0.70%	of mortgage	
Home values >\$726,200, LTV > 95%	0.75%	of mortgage	
Annual homeowners insurance (g)	\$1,050		
Annual property tax rate (h)	1.17%	of home value	
Homeowners' Association Fees (i)	\$430	monthly	

Notes:

(a) Based on California Department of Housing and Community Development (HCD) income limits for 2024. Median income (90% AMI) and Moderate Income (110% AMI) limits were calculated based on the median income by household size reported in the HCD income limit tables.

(b) Monthly payment amounts and maximum monthly housing budgets are based on the methodology for determining BMR sale prices as described in the City of Cupertino BMR Housing Mitigation Program Procedural Manual.

(c) Minimum down payment per City of Cupertino BMR ownership program.

(d) Average weekly rate for a 30-year fixed rate mortgage as of 07/18/2024 per Freddie Mac.

(e) The standard upfront mortgage insurance premium required for FHA loans.

(f) The standard mortgage insurance premium requirement for FHA loans based on the sale price and loan to value ratio.

(g) Homeowners insurance estimates are based on an average of quoted insurance premiums provided by the California Department of Insurance for homes in the City of Cupertino, effective May 1, 2023.

(h) Property tax rate applicable to the Project site.

(i) Average of HOA fees among recently-sold townhomes in Cupertino.

Sources: California Department of Housing and Community Development, 2024; Federal Housing Administration, 2024; Freddie Mac, 2024; California Department of Insurance, 2023; Redfin.com, 2024; Santa Clara County Assessor, 2024; City of Cupertino BMR Housing Mitigation Program Procedural Manual, 2020; BAE, 2024.

Table 15: Estimated Annual Taxable Sales per Resident, Cupertino, 2023

Business Category	2023 Taxable Sales per Capita (a)		Sales Leakage (b)	Estimated % of Resident Taxable Sales in City (c)	Estimated New Sales in City (d)
	Cupertino	Santa Clara County			
Retail and Food Services					
Motor Vehicle and Parts Dealers	\$43	\$2,464	98%	2%	\$43
Home Furnishings and Appliance Stores	\$2,441	\$1,115	-119%	85%	\$948
Bldg. Materials, Garden Equip. & Supplies	\$482	\$1,117	57%	43%	\$482
Food and Beverage Stores	\$745	\$754	1%	85%	\$641
Gasoline Stations	\$1,276	\$1,283	1%	85%	\$1,090
Clothing and Clothing Accessories Stores	\$857	\$1,278	33%	67%	\$857
General Merchandise Stores	\$601	\$1,614	63%	37%	\$601
Food Services and Drinking Places	\$4,444	\$3,375	-32%	85%	\$2,869
Other Retail	\$667	\$2,995	78%	22%	\$667
Total (e)	\$11,556	\$15,996			\$8,198

Notes:

(a) 2023 data inflated to 2024 dollars based on the SF-OAK CPI Index. Population estimates for 2024 per the California Department of Finance:

Cupertino: 59,471

Santa Clara County: 1,903,198

(b) Retail spending for Cupertino residents is assumed to be equal to per capita spending in Santa Clara County. If Cupertino residents spend fewer dollars per capita than in Santa Clara County, the analysis assumes the difference leaks out to other shopping centers in the county. A zero percent leakage indicates that residents can get all shopping needs met in Cupertino. Negative figures indicate that Cupertino receives a net injection, i.e. more sales than are likely attributable to just Cupertino residents.

(c) Based on data in column (b); estimates the percentage of resident spending within a category that will occur in Cupertino. While zero percent or negative leakage indicates residents could meet their shopping needs within the City, shoppers are still likely to seek goods and services outside Cupertino. To be conservative, the maximum capture has been estimated at 85 percent of sales.

(d) Equals (Taxable Sales per Capita in Santa Clara County) x (Estimated % of Resident Sales in City). Assumes that Cupertino will capture most of new residents' retail spending in categories with low/no leakage and little spending in high leakage categories, based on current spending patterns. Also assumes that the mix of retail offerings in Cupertino remains relatively consistent.

(e) Total does not include taxable sales in the category classified as "All Other Outlets", as these taxable sales consist primarily of business-to-business sales taxes that would not be impacted by resident population growth.

Sources: CA Department of Finance; CA Department of Tax and Fee Administration; BAE, 2024.

Table 16: Estimated Taxable Sales from Retail at Project Site

Business/Use	Gross Area (Sq. Ft.)	Taxable Sales per SF (a)	Total Taxable Sales
Furniture Store	22,040	\$100	\$2,204,000
Falafel Restaurant	1,100	\$450	\$495,000
	23,140	\$117	\$2,699,000

Note:

(a) The taxable sales estimates for the existing tenants were based on information provided by the applicant and benchmark taxable sales per square foot numbers by store type from HdL ECONSolutions California Retail Analytics for 2024. This source is based on their compilation of information from a mix of similar stores by type for each store category.

Sources: HdL, 2024; BAE, 2024.

MEMORANDUM

To: Gian Martire, Senior Planner
City of Cupertino Community Development Department

From: Economic & Planning Systems, Inc. (EPS)

Subject: Fiscal Impact Peer Review for Cupertino Idlewild; EPS
#251005

Date: April 9, 2025

The Economics of Land Use



This memorandum provides a third-party peer review of a fiscal impact analysis concerning the redevelopment of the Idlewild Shopping Center in the City of Cupertino. The goal of the review is to evaluate the assumptions, findings, and methodology of a report ("Report") prepared by BAE Urban Economics. ("BAE") for Toll Brothers, the project applicant.¹ The City of Cupertino (City) engaged Economic & Planning Systems, Inc. (EPS) to conduct this peer review.

The BAE fiscal impact analysis estimates the effect of a proposed residential development on the City of Cupertino's General Fund budget, accounting for both new tax revenues and incremental public service costs. The analysis provides an estimate of ongoing net fiscal impact at project stabilization, once the project is fully built and occupied. All fiscal impact estimates cited are in constant 2025 dollars.

The proposed project is a 55-unit townhome-style condominium community with ten Accessory Dwelling Units (ADUs). Out of the 55 total townhomes, 11 units are designated as affordable for median and moderate-income households. The fiscal impact of the existing retail buildings at the site is treated as the baseline condition (i.e., fiscal effect in the absence of redevelopment), to measure net change affecting the General Fund.

For this peer review, EPS prepared an independent fiscal impact analysis to evaluate BAE's results, and to test assumptions related to the project and retail baseline. EPS compares its analysis results to BAE's reported results. This memorandum

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¹ The original report is titled "Cupertino Idlewild Fiscal Impact Analysis" ("Report"), dated July 25, 2024.

describes key affirmations or differences in assumptions, methodology, and findings. The Appendix to this memorandum contains a table set that details the EPS fiscal analysis.

Project Description

The City received an application for a residential project on a 2.72-acre site located on Stevens Creek Boulevard at the current Idlewild Shopping Center site ("Proposed Project"). The Proposed Project would consist of 55 townhomes and ten ADUs. Eleven of the townhomes are designated as Below Market Rate (BMR) units consistent with the City's inclusionary requirements. The Project is expected to increase the City's resident population by 186 persons.² The site is currently a shopping center, which includes 23,140 square feet of retail space occupied by a furniture supply store and a restaurant, as well as 7,950 square feet of vacant retail space.³ The combined 31,090 square feet of existing retail space informs the analytical baseline from which the fiscal impact analysis measures the net effect of the Proposed Project. BAE concludes that the fiscal impact of the Proposed Project is essentially net neutral, calculating a General Fund impact of less than \$500 annually.

Key Findings

1. **BAE's analysis concludes that the Proposed Project is likely to generate a neutral fiscal impact on the City's General Fund. EPS peer review and modeling corroborates this finding, with impact results ranging from net neutral to slightly positive depending on anticipated household size within the Proposed Project and/or the economic potential of existing retail.**

EPS tested fiscal impact results under four scenarios, with the estimated net fiscal impact (the net fiscal impact of the proposed project minus that of the existing retail center) of each presented in **Table 1**. Adjusting the methodology to comport with typical EPS practice, and assuming the household size reported by BAE, EPS estimates that the annual fiscal impact of the Proposed Project at project buildout is \$100 (Scenario 1). However, data specific to townhomes in the region (as opposed to the overall citywide household size of 2.85) suggests household size could be lower. Assuming household size is 2.06, EPS finds the Proposed Project could result in a positive annual fiscal impact of \$17,800 (Scenario 2).

Furthermore, the fiscal impact ranges from \$15,100 to \$28,300 depending on the economic potential of existing retail at the center (i.e., whether 7,950 square feet

² Population estimate reported by BAE.

³ Square footages and current vacancies reported by BAE.

of retail remains vacant (Scenario 1 and 2), or if occupancy has potential to increase versus market conditions result in further decreases. In **Table 1**, Scenario 3 assumes that the center is re-leased to sales-tax-generating tenants while Scenario 4 assumes that retail market conditions and the competitiveness of the center result in obsolescence and full vacancy.⁴

The BAE Report assumes that the current vacancy of 7,950 square feet remains, which is reasonable. However, given uncertainty in the retail market and the competitiveness of this center, EPS conducted a sensitivity analysis. These sensitivity tests further demonstrate that the fiscal impact of the Proposed Project will likely be fiscally neutral, concurring with the BAE results, though factors such as household size and the potential for retail result in modestly positive or negative net impacts.⁵

Table 1 Fiscal Impact Summary Scenario Results

Annual Revenue/ Expense Category	Estimated Annual Net-Net Fiscal Impact			
	Scenario 1: Modified Methodology	Scenario 2: Adjusted HH Size	Scenario 3: Adj. HH Size + Impr. Baseline	Scenario 4: Adj. HH Size + Vacant Baseline
General Fund Revenues	\$104,300	\$101,200	\$96,100	\$121,300
General Fund Expenditures	<u>\$104,200</u>	<u>\$83,400</u>	<u>\$81,000</u>	<u>\$93,000</u>
Net Impact on General Fund	\$100	\$17,800	\$15,100	\$28,300

*Values rounded to nearest hundred.

2. **EPS finds BAE's assumptions regarding market-rate and BMR townhome pricing to be reasonable given current market conditions.**

For the market-rate townhomes, key assumptions EPS reviewed included townhome sales prices in the Cupertino region. EPS reviewed recent comparable townhome sales from 2022 to 2024 and can conclude that the Report's assumed

⁴ Scenarios 3 and 4 also reflect the townhome-specific household size assumption.

⁵ EPS ran a test scenario wherein the Improved Baseline of Scenario 3 was added to the Modified Methodology of Scenario 1 without adjusting the household size. In this scenario (larger household sizes and a more fully occupied shopping center), the net fiscal impact becomes slightly negative. This bolsters the finding that this project should be considered as having a net neutral impact, as the result will shift between positive and negative depending on the actual outcome of certain assumptions.

townhome sales price of \$1,150 per square foot is on the higher end of townhome prices, but reasonable given strong demand in the local housing market. For the BMR townhomes, EPS reviewed 2024 household income limits for Santa Clara County provided by the State of California Housing and Community Development Department as well as the City's inclusionary housing policy. EPS also reviewed home pricing assumptions such as mortgage insurance and interest rates, which affect BMR pricing. Based on current economic conditions and comparable projects, EPS concludes that BAE's BMR home pricing assumptions are reasonable and appropriate for the fiscal analysis.

3. EPS finds BAE's methodology for estimating fiscal impacts follows generally accepted approaches, with sufficient citations and documented calculations to enable EPS peer review of the study methodology and results.

Key assumptions used in estimating fiscal costs and revenues are included, and the Report's summary tables are accompanied by more detailed narratives and tables provided in later sections and appendices. Most estimates use an average cost method to estimate impacts (i.e., average General Fund cost per unit of development) on a per service population basis, while selected categories alternatively use the case study approach (i.e., estimated using assumptions specific to the theoretical prototype land uses). Both methods are appropriate and standard for fiscal impact analyses.

4. In some instances, EPS and BAE preferred methodology and assumptions differ, such as with the calculation of new sales tax revenue, new transfer tax revenue, and the inclusion of business license tax revenues for the existing commercial site.

EPS and BAE use different methods for the calculation of sales tax revenue attributed to the new residential development. EPS typically uses a case study approach to account for the spending power of new households. BAE uses a per resident method based on citywide taxable sales. The per resident method results in a higher level of taxable sales and sales tax revenue. In the fiscal model EPS created to replicate BAE's results, EPS uses the case study method, and a more conservative result is reflected in the EPS results.

For the baseline sales tax revenue calculation, BAE uses the case study approach while EPS received the site's actual historical sales tax revenue data from the City. BAE estimates the annual on-site taxable sales from the existing commercial uses based on HdL California Retail Analytics data. EPS confirms these estimates are reasonable based on review of the HdL data source. The EPS methodology utilizes the actual data, which BAE did not have access to, resulting in a sales tax revenue estimate for the existing shopping center of about \$10,000 less per year.

This results in the net fiscal impact improving by \$10,000, as the loss in revenue by redeveloping the shopping center is reduced by \$10,000.

For the calculation of transfer tax revenue associated with the Proposed Project, EPS's fiscal impact model assumes a lower turnover rate than the BAE model. As a result, the EPS transfer tax revenue estimate is more conservative and slightly lower than BAE's estimate. The lower transfer tax revenue is reflected in the EPS results.

Finally, BAE's analysis does not account for the revenues the City receives from business license taxes paid by the existing commercial site. EPS added an estimate of business license tax the City is currently receiving from the furniture store and restaurant to the baseline portion of the fiscal analysis, as the redevelopment of this site into a residential use would remove this revenue source.

5. BAE's per service population methodology for calculating Recreation & Community Services expenditures includes workers, which potentially understates the project's costs to the City's current General Fund.

For the calculation of General Fund expenditures, as described above, both BAE and EPS use the per service population methodology. However, for Recreation & Community Services, EPS assumes that local parks in Cupertino are primarily resident serving. Instead of distributing the cost of Recreation & Community Services across the entire service population made up of residents and workers, EPS only considers residents, as they are most likely to be served by the City's Recreation & Community Services. The exclusion of workers results in EPS's higher cost estimate, which is reflected in the EPS results.



CUPERTINO IDLEWILD FISCAL IMPACT TABLES



CUPERTINO IDLEWILD FISCAL IMPACT TABLES

SCENARIO 1: EPS METHODOLOGY

Table 1
Fiscal Impact Summary Results
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Revenue / Expense Category	Fiscal Impact Baseline	Fiscal Impact at Project Buildout	Net Fiscal Impact
General Fund Revenues	\$29,500	\$133,800	\$104,300
General Fund Expenditures	<u>\$9,600</u>	<u>\$113,800</u>	<u>\$104,200</u>
Net Impact on General Fund	\$19,800	\$19,900	\$100

Source: Economic & Planning Systems

Table 2
Proposed Development Program
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Units	Total New Residents ¹	Average Price Point ²	Avg. Ann. HH Income ³
Market Rate Ownership				
Townhomes	44	125	\$2,128,572	\$452,871
ADUs	<u>10</u>	<u>15</u>		
Total Market Rate	54	140		
Below Market Rate Ownership				
2-Bedroom	2	6	\$532,160	
3-Bedroom	5	20	\$599,070	
4-Bedroom	<u>4</u>	<u>20</u>	<u>\$644,485</u>	
Total BMR	11	46	\$614,088	\$187,986
Total New Program	65	186		

[1] Multiplies Market Rate unit values by average persons per household assumption from **Table**

4. Below Market Rate household sizes estimated as number of bedrooms plus one.

[2] Derived from BAE memorandum "Cupertino Idlewild Fiscal Impact Analysis" dated July 25, 2024.

[3] See **Appendix Table A-1** for how Market Rate value is calculated. Below Market Rate value based on 2024 Santa Clara County Median Income Limits as applied to the development program.

Source: BAE; Economic & Planning Systems

Table 3
Existing Development Program
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Square Feet	Empl. Density	Employees ¹	Service Population ²	Assessed Value ³
<u>Existing Retail</u>					
Furniture Store	22,040	650	34	17	
Falafel Restaurant	1,100	650	2	1	
Vacant	<u>7,950</u>	0	<u>0</u>	<u>0</u>	
Total Existing Retail	31,090		36	18	\$9,629,371

[1] Per BAE memorandum "Cupertino Idlewild Fiscal Impact Analysis" dated July 25, 2024.

[2] Estimates service population as 50% of employee count.

[3] Assessed Value Information for APNs 369-06-002, -003, and -004 as of 6/30/2023 per Santa Clara County Office of the Assessor.

Source: BAE; Santa Clara County Department of Tax and Collections; Economic & Planning Systems

Table 4
General Assumptions
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Citywide Total	Source
Total Housing Units	21,837	Department of Finance 2024
Population	59,471	Department of Finance 2024
Persons per Household	2.85	Department of Finance 2024
Worker Population	49,561	ACS 2022 5-Year Estimates
Service Population	84,252	Population + (0.5 * Jobs)

Source: DOF; Census ACS; LEHD; Economic & Planning Systems

Table 5
Estimated Assessed Value of Proposed Development
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Description	Assumption ¹	Total
<u>Market Rate Housing</u>		
Average Est. Sale Price	\$2,128,572 per Unit	
Number of Units	44 Units	\$93,657,150
<u>Below Market Rate Housing</u>		
Average Est. Sale Price	\$614,088 per Unit	
Number of Units	11 Units	<u>\$6,754,964</u>
Total New Assessed Value		\$100,412,114

[1] Assumption values per **Table 2**.

Source: Economic & Planning Systems

Table 6
General Fund Revenue Summary
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Description	FY 2024-25 General Fund Revenues*	Impact Estimating Factors
Sales Tax	\$11,648,962	1.00% of estimated taxable sales
<u>Property Tax</u>		
Property Tax in Lieu of VLF	\$10,894,681	see Table 8
Other Property Tax	\$22,280,296	6.51% of base property tax rate (1%)
Transient Occupancy Tax	\$7,731,947	- not impacted
Utility Tax	\$4,130,140	\$49.02 per service population
Franchise Fees	\$3,509,346	\$41.65 per service population
Business License Tax	\$744,690	see Table 11
<u>Other Taxes</u>	\$939,639	
Property Transfer Tax	\$878,901	\$0.55 per \$1,000 in value
Licenses & Permits	\$3,665,866	- not impacted
Use of Money & Property	\$4,697,122	- not impacted
Intergovernmental	\$2,471,990	- not impacted
Charges for Services	\$15,102,136	- not impacted
Fines & Forfeitures	\$395,000	- not impacted
Miscellaneous	\$1,210,653	- not impacted
Other Financing Sources	\$367,000	- not impacted
Transfer-In	<u>\$15,000</u>	- not impacted
Total Revenues	\$89,804,468	

*Per Cupertino's FY 2024-25 Adopted Budget.

Source: City of Cupertino; Economic & Planning Systems

Table 7
General Fund Expenditure Summary
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	FY 2024/25 Proposed GF Expenditures*	Percent Variable ¹	Annual Variable Expense	Estimating Factors	Per Service Pop. GF Expenditures
General Government ²	\$15,170,440	10%	\$1,517,044	84,252 Service Pop.	\$18.01
Police ³	\$18,648,806	90%	\$16,783,925	84,252 Service Pop.	\$199.21
Innovation and Technology ⁴	\$3,122,993	-	\$0	84,252 Service Pop.	\$0.00
Recreation & Community Services	\$6,122,536	75%	\$4,591,902	59,471 Resident	\$77.21
Planning & Community Development	\$11,460,954	50%	\$5,730,477	84,252 Service Pop.	\$68.02
Public Works ⁵	\$28,040,398	75%	\$21,030,299	84,252 Service Pop.	\$249.61
Non-Departmental	<u>\$7,372,862</u>	-	<u>\$0</u>	84,252 Service Pop.	<u>\$0.00</u>
Total Expenditures	\$89,938,989		\$49,653,647		\$612.06

*Per Cupertino's FY 2024-25 Adopted Budget.

[1] Percentage of costs that are population-dependent, as opposed to fixed costs or costs recovered through fees or charges.

[2] Includes Administration, Administrative Services, and Council and Commissions.

[3] Reflects the contract portion of the police department's budget. Modeling assumes no change in the structure of the contract terms.

[4] Formerly known as Public Affairs and includes services such as videography, applications, IT and GIS.

[5] Includes administration, environmental programs, development services, service center, grounds, streets, trees and right of way, facilities and fleet, transportation, and other programs.

Source: City of Cupertino; Economic & Planning Systems

Table 8
Property Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Existing Development	Project Total
Property Tax			
Assessed Value ¹	a	\$9,629,371	\$100,412,114
One Percent Base Property Tax	$b = a * 1.0\%$	\$96,294	\$1,004,121
Cupertino General Fund			
Property Tax Revenue²	$c = b * 6.51\%$	\$6,269	\$65,368
Property Tax In-Lieu of VLF			
Existing Citywide Property Tax In-Lieu of VLF ³	$d = \$11,003,490$		
Citywide Taxable Assessed Value ⁴	$e = \$33,715,982,769$		
Percentage of Citywide Assessed Value	$f = a / e$	0.0286%	0.2978%
Cupertino General Fund			
Property Tax In-Lieu of VLF	$d * f$	\$3,143	\$32,770

[1] Existing value per **Table 3**, New Project value per **Table 5**.

[2] City of Cupertino's Post-ERAF property tax allocation factor for Tax Rate Area 013-003 per Santa Clara County Department of Tax and Collections (Tax Year 2024-2025).

[3] Per FY2024-25 SB1096 VLF Summary Schedule for Cities - Santa Clara County Controller-Treasurer Department.

[4] Per Santa Clara County Assessor's Annual Report 2024-2025.

Source: Santa Clara County Controller-Treasurer Department; Santa Clara County Assessor; Economic & Planning Systems

Table 9
Property Transfer Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Assumptions / Estimating Factors	Formula	Total
<u>Assessed Value</u>			
Market Rate Ownership	Table 5	$a = \$93,657,150$	\$93,657,150
Below Market Rate Ownership	Table 5	$b = \$6,754,964$	\$6,754,964
<u>Turnover Rate</u>¹			
Market Rate Ownership	10.0% Annually	$c = a * 10\%$	\$9,365,715
Below Market Rate Ownership	10.0% Annually	$d = b * 10\%$	<u>\$675,496</u>
Average Annual Value Turnover		$e = c + d$	\$10,041,211
Real Estate Transfer Tax Revenue	\$0.55 per \$1,000 AV	$= (e / 1,000) * \$0.55$	\$5,523

[1] Both types of units assumed to sell on average every ten years.

Source: Economic & Planning Systems

Table 10
General Fund Annual Sales Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Existing Development	New Project		
			Market Rate	Below Market Rate	Total
Residential Spending					
Estimated Annual Household Income ¹	<i>a</i>	-	\$452,871	\$187,986	-
Household Taxable Retail Spending as a Percent of Income ²	<i>b</i>	-	14.3%	22.1%	-
Taxable Retail Spending per Household	<i>c = a * b</i>	-	\$64,932	\$41,485	-
Household Count ¹	<i>d</i>	-	44	11	55
Total Retail Spending from Households	<i>e = c * d</i>	-	\$2,857,013	\$456,337	\$3,313,351
Taxable Retail Sales Captured in Cupertino ³	<i>f = e * 40%</i>	-	\$1,142,805	\$182,535	\$1,325,340
Annual General Fund Household Sales Tax Revenue ⁴	<i>f * 1.00%</i>	-	\$11,428	\$1,825	\$13,253
On-Site Retail Sales					
Annual General Fund On-Site Retail Sales Tax Revenue ⁵		\$17,100	-	-	-

[1] per **Table 2**.

[2] Based on Bureau of Labor Statistics Consumer Expenditure Survey for respective income groups.

[3] Assumes 40 percent of taxable retail spending by Cupertino residents is captured by the retailers within the City.

[4] per **Table 6**.

[5] Based on City-Provided actuals from Project Site for FY 2023/24.

Source: Bureau of Labor Statistics (BLS) Consumer Expenditure Survey; Economic & Planning Systems

Table 11
Estimated Business License Tax Revenues
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Assumptions / Estimating Factors		Existing Total
<u>Existing Retail Sq. Ft.</u>			
Furniture Store			22,040
Falafel Restaurant			1,100
<u>Business License Tax¹</u>			
<u>Furniture Store</u>			
Basic Annual Fee		Flat Fee	\$174
Annual Fee per Sq. Ft.	\$0.0413	per Sq. Ft.	\$910
<u>Falafel Restaurant</u>			
Basic Annual Fee		Flat Fee	\$174
Annual Fee per Sq. Ft.	\$0.0474	per Sq. Ft.	<u>\$52</u>
Total Annual			\$1,310

[1] per City of Cupertino Business License Taxes Effective January 1, 2024.

Source: City of Cupertino; Economic & Planning Systems

Table 12
Other General Fund Revenues
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Revenue Source	Assumptions / Estimating Factors ¹	Existing Development	New Project
Utility Tax	\$49.02 per service population	\$882	\$9,118
Franchise Fees	\$41.65 per service population	\$750	\$7,747

[1] See **Table 6** for revenue estimates and **Table 2** and **Table 3** for estimated service populations.

Source: Economic & Planning Systems

Table 13
Annual General Fund Expenditures
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Expenditure Item	Expenditure Estimation Factors ¹	Existing Development	New Project
General Government	\$18.01 per service pop.	\$324	\$3,349
Police	\$199.21 per service pop.	\$3,586	\$37,053
Recreation & Community Services	\$77.21 per resident	\$0	\$14,362
Planning & Community Development	\$68.02 per service pop.	\$1,224	\$12,651
Public Works	<u>\$249.61</u> per service pop.	<u>\$4,493</u>	<u>\$46,428</u>
Total Annual Expenditures	\$612.06 per service pop.	\$9,627	\$113,843

[1] See **Table 7** for cost estimates and **Table 2** and **Table 3** for estimated service populations.

Source: Economic & Planning Systems

Table 14**Annual General Fund Fiscal Impact Detail of Proposed Project****Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005**

Annual General Fund Impacts	Existing Development (Rounded)	Proposed Project (Rounded)	Net
<u>General Fund Revenues</u>			
Sales Tax	\$17,100	\$13,300	-\$3,800
Property Tax	\$6,300	\$65,400	\$59,100
Property Tax in Lieu of VLF	\$3,100	\$32,800	\$29,600
Utility Tax	\$900	\$9,100	\$8,200
Franchise Fees	\$700	\$7,700	\$7,000
Business License Tax	\$1,300	\$0	-\$1,300
Property Transfer Tax	\$0	\$5,500	\$5,500
Total Revenues	\$29,500	\$133,800	\$104,300
<u>General Fund Expenditures</u>			
General Government	\$300	\$3,300	\$3,000
Police	\$3,600	\$37,100	\$33,500
Recreation & Community Services	\$0	\$14,400	\$14,400
Planning & Community Development	\$1,200	\$12,700	\$11,400
Public Works	\$4,500	\$46,400	\$41,900
Total Expenditures	\$9,600	\$113,800	\$104,200
Annual Net Impact on General Fund	\$19,800	\$19,900	\$100

*Values shown are rounded to the nearest hundred. Numbers may not sum due to rounding.

Source: Economic & Planning Systems

Appendix Table A-1
Annual Market Rate Household Income Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Market Rate
Sale Price ¹	a	\$2,128,572
Downpayment	$b = a * 0.2$	\$425,714
Mortgage	$c = a - b$	\$1,702,857
Annual Payments	$d = PMT \text{ fn: } 30\text{-Yr @ } 5\%$	\$110,773
Taxes, Insurance, & Maintenance	$e = a * 0.02$	\$42,571
Annual HOA Dues ²	f	\$5,160
Total	$g = d + e + f$	<u>\$158,505</u>
Annual Household Income³	$f / 0.35$	\$452,871

[1] per **Table 2**.

[2] Developer estimates HOA dues at \$430 per month.

[3] Assumes total annual housing costs are equal to 35% of annual household income.

Source: Economic & Planning Systems



CUPERTINO IDLEWILD FISCAL IMPACT TABLES

SCENARIO 2: EPS METHODOLOGY + ADJUSTED HH SIZE

Table 1
Fiscal Impact Summary Results
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Revenue / Expense Category	Fiscal Impact Baseline	Fiscal Impact at Project Buildout	Net Fiscal Impact
General Fund Revenues	\$29,500	\$130,700	\$101,200
General Fund Expenditures	<u>\$9,600</u>	<u>\$93,000</u>	<u>\$83,400</u>
Net Impact on General Fund	\$19,800	\$37,700	\$17,800

Source: Economic & Planning Systems

Table 2
Proposed Development Program
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Units	Total New Residents ¹	Average Price Point ²	Avg. Ann. HH Income ³
Market Rate Ownership				
Townhomes	44	91	\$2,128,572	\$452,871
ADUs	<u>10</u>	<u>15</u>		
Total Market Rate	54	106		
Below Market Rate Ownership				
2-Bedroom	2	6	\$532,160	
3-Bedroom	5	20	\$599,070	
4-Bedroom	<u>4</u>	<u>20</u>	<u>\$644,485</u>	
Total BMR	11	46	\$614,088	\$187,986
Total New Program	65	152		

[1] Multiplies Market Rate unit values by average persons per household assumption from **Table**

4. Below Market Rate household sizes estimated as number of bedrooms plus one.

[2] Derived from BAE memorandum "Cupertino Idlewild Fiscal Impact Analysis" dated July 25, 2024.

[3] See **Appendix Table A-1** for how Market Rate value is calculated. Below Market Rate value based on 2024 Santa Clara County Median Income Limits as applied to the development program.

Source: BAE; Economic & Planning Systems

Table 3
Existing Development Program
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Square Feet	Empl. Density	Employees ¹	Service Population ²	Assessed Value ³
<u>Existing Retail</u>					
Furniture Store	22,040	650	34	17	
Falafel Restaurant	1,100	650	2	1	
Vacant	<u>7,950</u>	0	<u>0</u>	<u>0</u>	
Total Existing Retail	31,090		36	18	\$9,629,371

[1] Per BAE memorandum "Cupertino Idlewild Fiscal Impact Analysis" dated July 25, 2024.

[2] Estimates service population as 50% of employee count.

[3] Assessed Value Information for APNs 369-06-002, -003, and -004 as of 6/30/2023 per Santa Clara County Office of the Assessor.

Source: BAE; Santa Clara County Department of Tax and Collections; Economic & Planning Systems

Table 4
General Assumptions
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Citywide Total	Source
Total Housing Units	21,837	Department of Finance 2024
Population	59,471	Department of Finance 2024
Persons per Household	2.06	Census ACS 2022 1-Year Estimates Public Use Microdata Sample ¹
Worker Population	49,561	ACS 2022 5-Year Estimates
Service Population	84,252	Population + (0.5 * Jobs)

[1] For the "Santa Clara County (Southwest)--Cupertino, Saratoga Cities & Los Gatos Town PUMA, CA" geography.

Source: DOF; Census ACS; LEHD; Economic & Planning Systems

Table 5
Estimated Assessed Value of Proposed Development
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Description	Assumption ¹	Total
<u>Market Rate Housing</u>		
Average Est. Sale Price	\$2,128,572 per Unit	
Number of Units	44 Units	\$93,657,150
<u>Below Market Rate Housing</u>		
Average Est. Sale Price	\$614,088 per Unit	
Number of Units	11 Units	<u>\$6,754,964</u>
Total New Assessed Value		\$100,412,114

[1] Assumption values per **Table 2**.

Source: Economic & Planning Systems

Table 6
General Fund Revenue Summary
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Description	FY 2024-25 General Fund Revenues*	Impact Estimating Factors
Sales Tax	\$11,648,962	1.00% of estimated taxable sales
<u>Property Tax</u>		
Property Tax in Lieu of VLF	\$10,894,681	see Table 8
Other Property Tax	\$22,280,296	6.51% of base property tax rate (1%)
Transient Occupancy Tax	\$7,731,947	- not impacted
Utility Tax	\$4,130,140	\$49.02 per service population
Franchise Fees	\$3,509,346	\$41.65 per service population
Business License Tax	\$744,690	see Table 11
<u>Other Taxes</u>	\$939,639	
Property Transfer Tax	\$878,901	\$0.55 per \$1,000 in value
Licenses & Permits	\$3,665,866	- not impacted
Use of Money & Property	\$4,697,122	- not impacted
Intergovernmental	\$2,471,990	- not impacted
Charges for Services	\$15,102,136	- not impacted
Fines & Forfeitures	\$395,000	- not impacted
Miscellaneous	\$1,210,653	- not impacted
Other Financing Sources	\$367,000	- not impacted
Transfer-In	<u>\$15,000</u>	- not impacted
Total Revenues	\$89,804,468	

*Per Cupertino's FY 2024-25 Adopted Budget.

Source: City of Cupertino; Economic & Planning Systems

Table 7
General Fund Expenditure Summary
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	FY 2024/25 Proposed GF Expenditures*	Percent Variable ¹	Annual Variable Expense	Estimating Factors	Per Service Pop. GF Expenditures
General Government ²	\$15,170,440	10%	\$1,517,044	84,252 Service Pop.	\$18.01
Police ³	\$18,648,806	90%	\$16,783,925	84,252 Service Pop.	\$199.21
Innovation and Technology ⁴	\$3,122,993	-	\$0	84,252 Service Pop.	\$0.00
Recreation & Community Services	\$6,122,536	75%	\$4,591,902	59,471 Resident	\$77.21
Planning & Community Development	\$11,460,954	50%	\$5,730,477	84,252 Service Pop.	\$68.02
Public Works ⁵	\$28,040,398	75%	\$21,030,299	84,252 Service Pop.	\$249.61
Non-Departmental	<u>\$7,372,862</u>	-	<u>\$0</u>	84,252 Service Pop.	<u>\$0.00</u>
Total Expenditures	\$89,938,989		\$49,653,647		\$612.06

*Per Cupertino's FY 2024-25 Adopted Budget.

[1] Percentage of costs that are population-dependent, as opposed to fixed costs or costs recovered through fees or charges.

[2] Includes Administration, Administrative Services, and Council and Commissions.

[3] Reflects the contract portion of the police department's budget. Modeling assumes no change in the structure of the contract terms.

[4] Formerly known as Public Affairs and includes services such as videography, applications, IT and GIS.

[5] Includes administration, environmental programs, development services, service center, grounds, streets, trees and right of way, facilities and fleet, transportation, and other programs.

Source: City of Cupertino; Economic & Planning Systems

Table 8
Property Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Existing Development	Project Total
<u>Property Tax</u>			
Assessed Value ¹	a	\$9,629,371	\$100,412,114
One Percent Base Property Tax	$b = a * 1.0\%$	\$96,294	\$1,004,121
Cupertino General Fund			
Property Tax Revenue²	$c = b * 6.51\%$	\$6,269	\$65,368
<u>Property Tax In-Lieu of VLF</u>			
Existing Citywide Property Tax In-Lieu of VLF ³	$d = \$11,003,490$		
Citywide Taxable Assessed Value ⁴	$e = \$33,715,982,769$		
Percentage of Citywide Assessed Value	$f = a / e$	0.0286%	0.2978%
Cupertino General Fund			
Property Tax In-Lieu of VLF	$d * f$	\$3,143	\$32,770

[1] Existing value per **Table 3**, New Project value per **Table 5**.

[2] City of Cupertino's Post-ERAF property tax allocation factor for Tax Rate Area 013-003 per Santa Clara County Department of Tax and Collections (Tax Year 2024-2025).

[3] Per FY2024-25 SB1096 VLF Summary Schedule for Cities - Santa Clara County Controller-Treasurer Department.

[4] Per Santa Clara County Assessor's Annual Report 2024-2025.

Source: Santa Clara County Controller-Treasurer Department; Santa Clara County Assessor; Economic & Planning Systems

Table 9
Property Transfer Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Assumptions / Estimating Factors	Formula	Total
<u>Assessed Value</u>			
Market Rate Ownership	Table 5	$a = \$93,657,150$	\$93,657,150
Below Market Rate Ownership	Table 5	$b = \$6,754,964$	\$6,754,964
<u>Turnover Rate¹</u>			
Market Rate Ownership	10.0% Annually	$c = a * 10\%$	\$9,365,715
Below Market Rate Ownership	10.0% Annually	$d = b * 10\%$	<u>\$675,496</u>
Average Annual Value Turnover		$e = c + d$	\$10,041,211
Real Estate Transfer Tax Revenue	\$0.55 per \$1,000 AV	$= (e / 1,000) * \$0.55$	\$5,523

[1] Both types of units assumed to sell on average every ten years.

Source: Economic & Planning Systems

Table 10
General Fund Annual Sales Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Existing Development	New Project		
			Market Rate	Below Market Rate	Total
Residential Spending					
Estimated Annual Household Income ¹	<i>a</i>	-	\$452,871	\$187,986	-
Household Taxable Retail Spending as a Percent of Income ²	<i>b</i>	-	14.3%	22.1%	-
Taxable Retail Spending per Household	<i>c = a * b</i>	-	\$64,932	\$41,485	-
Household Count ¹	<i>d</i>	-	44	11	55
Total Retail Spending from Households	<i>e = c * d</i>	-	\$2,857,013	\$456,337	\$3,313,351
Taxable Retail Sales Captured in Cupertino ³	<i>f = e * 40%</i>	-	\$1,142,805	\$182,535	\$1,325,340
Annual General Fund Household Sales Tax Revenue ⁴	<i>f * 1.00%</i>	-	\$11,428	\$1,825	\$13,253
On-Site Retail Sales					
Annual General Fund On-Site Retail Sales Tax Revenue ⁵		\$17,100	-	-	-

[1] per **Table 2**.

[2] Based on Bureau of Labor Statistics Consumer Expenditure Survey for respective income groups.

[3] Assumes 40 percent of taxable retail spending by Cupertino residents is captured by the retailers within the City.

[4] per **Table 6**.

[5] Based on City-Provided actuals from Project Site for FY 2023/24.

Source: Bureau of Labor Statistics (BLS) Consumer Expenditure Survey; Economic & Planning Systems

Table 11
Estimated Business License Tax Revenues
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Assumptions / Estimating Factors		Existing Total
<u>Existing Retail Sq. Ft.</u>			
Furniture Store			22,040
Falafel Restaurant			1,100
<u>Business License Tax¹</u>			
<u>Furniture Store</u>			
Basic Annual Fee		Flat Fee	\$174
Annual Fee per Sq. Ft.	\$0.0413	per Sq. Ft.	\$910
<u>Falafel Restaurant</u>			
Basic Annual Fee		Flat Fee	\$174
Annual Fee per Sq. Ft.	\$0.0474	per Sq. Ft.	\$52
Total Annual			\$1,310

[1] per City of Cupertino Business License Taxes Effective January 1, 2024.

Source: City of Cupertino; Economic & Planning Systems

Table 12
Other General Fund Revenues
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Revenue Source	Assumptions / Estimating Factors ¹	Existing Development	New Project
Utility Tax	\$49.02 per service population	\$882	\$7,451
Franchise Fees	\$41.65 per service population	\$750	\$6,331

[1] See **Table 6** for revenue estimates and **Table 2** and **Table 3** for estimated service populations.

Source: Economic & Planning Systems

Table 13
Annual General Fund Expenditures
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Expenditure Item	Expenditure Estimation Factors ¹	Existing Development	New Project
General Government	\$18.01 per service pop.	\$324	\$2,737
Police	\$199.21 per service pop.	\$3,586	\$30,280
Recreation & Community Services	\$77.21 per resident	\$0	\$11,736
Planning & Community Development	\$68.02 per service pop.	\$1,224	\$10,338
Public Works	<u>\$249.61</u> per service pop.	<u>\$4,493</u>	<u>\$37,941</u>
Total Annual Expenditures	\$612.06 per service pop.	\$9,627	\$93,033

[1] See **Table 7** for cost estimates and **Table 2** and **Table 3** for estimated service populations.

Source: Economic & Planning Systems

Table 14
Annual General Fund Fiscal Impact Detail of Proposed Project
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Annual General Fund Impacts	Existing Development (Rounded)	Proposed Project (Rounded)	Net
<u>General Fund Revenues</u>			
Sales Tax	\$17,100	\$13,300	-\$3,800
Property Tax	\$6,300	\$65,400	\$59,100
Property Tax in Lieu of VLF	\$3,100	\$32,800	\$29,600
Utility Tax	\$900	\$7,500	\$6,600
Franchise Fees	\$700	\$6,300	\$5,600
Business License Tax	\$1,300	\$0	-\$1,300
Property Transfer Tax	\$0	\$5,500	\$5,500
Total Revenues	\$29,500	\$130,700	\$101,200
<u>General Fund Expenditures</u>			
General Government	\$300	\$2,700	\$2,400
Police	\$3,600	\$30,300	\$26,700
Recreation & Community Services	\$0	\$11,700	\$11,700
Planning & Community Development	\$1,200	\$10,300	\$9,100
Public Works	\$4,500	\$37,900	\$33,400
Total Expenditures	\$9,600	\$93,000	\$83,400
Annual Net Impact on General Fund	\$19,800	\$37,700	\$17,800

*Values shown are rounded to the nearest hundred. Numbers may not sum due to rounding.

Source: Economic & Planning Systems

Appendix Table A-1
Annual Market Rate Household Income Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Market Rate
Sale Price ¹	a	\$2,128,572
Downpayment	$b = a * 0.2$	\$425,714
Mortgage	$c = a - b$	\$1,702,857
Annual Payments	$d = PMT \text{ fn: } 30\text{-Yr @ } 5\%$	\$110,773
Taxes, Insurance, & Maintenance	$e = a * 0.02$	\$42,571
Annual HOA Dues ²	f	\$5,160
Total	$g = d + e + f$	<u>\$158,505</u>
Annual Household Income³	$f / 0.35$	\$452,871

[1] per **Table 2**.

[2] Developer estimates HOA dues at \$430 per month.

[3] Assumes total annual housing costs are equal to 35% of annual household income.

Source: Economic & Planning Systems



CUPERTINO IDLEWILD FISCAL IMPACT TABLES

SCENARIO 3: EPS METHODOLOGY + ADJUSTED HH SIZE + IMPROVED BASELINE RETAIL

Table 1
Fiscal Impact Summary Results
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Revenue / Expense Category	Fiscal Impact Baseline	Fiscal Impact at Project Buildout	Net Fiscal Impact
General Fund Revenues	\$34,600	\$130,700	\$96,100
General Fund Expenditures	<u>\$12,000</u>	<u>\$93,000</u>	<u>\$81,000</u>
Net Impact on General Fund	\$22,600	\$37,700	\$15,100

Source: Economic & Planning Systems

Table 2
Proposed Development Program
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Units	Total New Residents ¹	Average Price Point ²	Avg. Ann. HH Income ³
Market Rate Ownership				
Townhomes	44	91	\$2,128,572	\$452,871
ADUs	<u>10</u>	<u>15</u>		
Total Market Rate	54	106		
Below Market Rate Ownership				
2-Bedroom	2	6	\$532,160	
3-Bedroom	5	20	\$599,070	
4-Bedroom	<u>4</u>	<u>20</u>	<u>\$644,485</u>	
Total BMR	11	46	\$614,088	\$187,986
Total New Program	65	152		

[1] Multiplies Market Rate unit values by average persons per household assumption from **Table**

4. Below Market Rate household sizes estimated as number of bedrooms plus one.

[2] Derived from BAE memorandum "Cupertino Idlewild Fiscal Impact Analysis" dated July 25, 2024.

[3] See **Appendix Table A-1** for how Market Rate value is calculated. Below Market Rate value based on 2024 Santa Clara County Median Income Limits as applied to the development program.

Source: BAE; Economic & Planning Systems

Table 3
Existing Development Program
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Square Feet	Empl. Density	Employees ¹	Service Population ²	Assessed Value ³
<u>Existing Retail</u>					
Furniture Store	22,040	650	34	17	
Falafel Restaurant	1,100	650	2	1	
Other Retail ⁴	6,396	650	10	5	
Vacant (5%)	<u>1,555</u>	0	<u>0</u>	<u>0</u>	
Total Existing Retail	31,090		45	23	\$9,629,371

[1] Per BAE memorandum "Cupertino Idlewild Fiscal Impact Analysis" dated July 25, 2024.

[2] Estimates service population as 50% of employee count.

[3] Assessed Value Information for APNs 369-06-002, -003, and -004 as of 6/30/2023 per Santa Clara County Office of the Assessor.

[4] This Scenario contemplates the existing retail center at 95% occupancy.

Source: BAE; Santa Clara County Department of Tax and Collections; Economic & Planning Systems

Table 4
General Assumptions
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Citywide Total	Source
Total Housing Units	21,837	Department of Finance 2024
Population	59,471	Department of Finance 2024
Persons per Household	2.06	Census ACS 2022 1-Year Estimates Public Use Microdata Sample ¹
Worker Population	49,561	ACS 2022 5-Year Estimates
Service Population	84,252	Population + (0.5 * Jobs)

[1] For the "Santa Clara County (Southwest)--Cupertino, Saratoga Cities & Los Gatos Town PUMA, CA" geography.

Source: DOF; Census ACS; LEHD; Economic & Planning Systems

Table 5
Estimated Assessed Value of Proposed Development
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Description	Assumption ¹	Total
<u>Market Rate Housing</u>		
Average Est. Sale Price	\$2,128,572 per Unit	
Number of Units	44 Units	\$93,657,150
<u>Below Market Rate Housing</u>		
Average Est. Sale Price	\$614,088 per Unit	
Number of Units	11 Units	<u>\$6,754,964</u>
Total New Assessed Value		\$100,412,114

[1] Assumption values per **Table 2**.

Source: Economic & Planning Systems

Table 6
General Fund Revenue Summary
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Description	FY 2024-25 General Fund Revenues*	Impact Estimating Factors
Sales Tax	\$11,648,962	1.00% of estimated taxable sales
<u>Property Tax</u>		
Property Tax in Lieu of VLF	\$10,894,681	see Table 8
Other Property Tax	\$22,280,296	6.51% of base property tax rate (1%)
Transient Occupancy Tax	\$7,731,947	- not impacted
Utility Tax	\$4,130,140	\$49.02 per service population
Franchise Fees	\$3,509,346	\$41.65 per service population
Business License Tax	\$744,690	see Table 11
<u>Other Taxes</u>	\$939,639	
Property Transfer Tax	\$878,901	\$0.55 per \$1,000 in value
Licenses & Permits	\$3,665,866	- not impacted
Use of Money & Property	\$4,697,122	- not impacted
Intergovernmental	\$2,471,990	- not impacted
Charges for Services	\$15,102,136	- not impacted
Fines & Forfeitures	\$395,000	- not impacted
Miscellaneous	\$1,210,653	- not impacted
Other Financing Sources	\$367,000	- not impacted
Transfer-In	<u>\$15,000</u>	- not impacted
Total Revenues	\$89,804,468	

*Per Cupertino's FY 2024-25 Adopted Budget.

Source: City of Cupertino; Economic & Planning Systems

Table 7
General Fund Expenditure Summary
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	FY 2024/25 Proposed GF Expenditures*	Percent Variable ¹	Annual Variable Expense	Estimating Factors	Per Service Pop. GF Expenditures
General Government ²	\$15,170,440	10%	\$1,517,044	84,252 Service Pop.	\$18.01
Police ³	\$18,648,806	90%	\$16,783,925	84,252 Service Pop.	\$199.21
Innovation and Technology ⁴	\$3,122,993	-	\$0	84,252 Service Pop.	\$0.00
Recreation & Community Services	\$6,122,536	75%	\$4,591,902	59,471 Resident	\$77.21
Planning & Community Development	\$11,460,954	50%	\$5,730,477	84,252 Service Pop.	\$68.02
Public Works ⁵	\$28,040,398	75%	\$21,030,299	84,252 Service Pop.	\$249.61
Non-Departmental	<u>\$7,372,862</u>	-	<u>\$0</u>	84,252 Service Pop.	<u>\$0.00</u>
Total Expenditures	\$89,938,989		\$49,653,647		\$612.06

*Per Cupertino's FY 2024-25 Adopted Budget.

[1] Percentage of costs that are population-dependent, as opposed to fixed costs or costs recovered through fees or charges.

[2] Includes Administration, Administrative Services, and Council and Commissions.

[3] Reflects the contract portion of the police department's budget. Modeling assumes no change in the structure of the contract terms.

[4] Formerly known as Public Affairs and includes services such as videography, applications, IT and GIS.

[5] Includes administration, environmental programs, development services, service center, grounds, streets, trees and right of way, facilities and fleet, transportation, and other programs.

Source: City of Cupertino; Economic & Planning Systems

Table 8
Property Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Existing Development	Project Total
Property Tax			
Assessed Value ¹	a	\$9,629,371	\$100,412,114
One Percent Base Property Tax	$b = a * 1.0\%$	\$96,294	\$1,004,121
Cupertino General Fund Property Tax Revenue²	$c = b * 6.51\%$	\$6,269	\$65,368
Property Tax In-Lieu of VLF			
Existing Citywide Property Tax In-Lieu of VLF ³	$d = \$11,003,490$		
Citywide Taxable Assessed Value ⁴	$e = \$33,715,982,769$		
Percentage of Citywide Assessed Value	$f = a / e$	0.0286%	0.2978%
Cupertino General Fund Property Tax In-Lieu of VLF	$d * f$	\$3,143	\$32,770

[1] Existing value per **Table 3**, New Project value per **Table 5**.

[2] City of Cupertino's Post-ERAF property tax allocation factor for Tax Rate Area 013-003 per Santa Clara County Department of Tax and Collections (Tax Year 2024-2025).

[3] Per FY2024-25 SB1096 VLF Summary Schedule for Cities - Santa Clara County Controller-Treasurer Department.

[4] Per Santa Clara County Assessor's Annual Report 2024-2025.

Source: Santa Clara County Controller-Treasurer Department; Santa Clara County Assessor; Economic & Planning Systems

Table 9
Property Transfer Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Assumptions / Estimating Factors	Formula	Total
<u>Assessed Value</u>			
Market Rate Ownership	Table 5	$a = \$93,657,150$	\$93,657,150
Below Market Rate Ownership	Table 5	$b = \$6,754,964$	\$6,754,964
<u>Turnover Rate¹</u>			
Market Rate Ownership	10.0% Annually	$c = a * 10\%$	\$9,365,715
Below Market Rate Ownership	10.0% Annually	$d = b * 10\%$	<u>\$675,496</u>
Average Annual Value Turnover		$e = c + d$	\$10,041,211
Real Estate Transfer Tax Revenue	\$0.55 per \$1,000 AV	$= (e / 1,000) * \$0.55$	\$5,523

[1] Both types of units assumed to sell on average every ten years.

Source: Economic & Planning Systems

Table 10
General Fund Annual Sales Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Existing Development	New Project		
			Market Rate	Below Market Rate	Total
Residential Spending					
Estimated Annual Household Income ¹	<i>a</i>	-	\$452,871	\$187,986	-
Household Taxable Retail Spending as a Percent of Income ²	<i>b</i>	-	14.3%	22.1%	-
Taxable Retail Spending per Household	<i>c = a * b</i>	-	\$64,932	\$41,485	-
Household Count ¹	<i>d</i>	-	44	11	55
Total Retail Spending from Households	<i>e = c * d</i>	-	\$2,857,013	\$456,337	\$3,313,351
Taxable Retail Sales Captured in Cupertino ³	<i>f = e * 40%</i>	-	\$1,142,805	\$182,535	\$1,325,340
Annual General Fund Household Sales Tax Revenue⁴	<i>= f * 1.00%</i>	-	\$11,428	\$1,825	\$13,253
On-Site Retail Sales					
<u>Actual On-Site Retail Sales Parameters</u>					
Occupied Square Feet	<i>g</i>	23,140	-	-	-
Annual Retail Sales Tax Revenue ⁵	<i>h</i>	\$17,100	-	-	-
<u>Retail Sales Assuming 95% Occupancy</u>					
Occupied Square Feet	<i>i</i>	29,536	-	-	-
Annual Retail Sales Tax Revenue	<i>j = h * (i / g)</i>	\$21,826	-	-	-
Annual General Fund On-Site Retail Sales Tax Revenue	<i>= j</i>	\$21,826	-	-	-

[1] per **Table 2**.

[2] Based on Bureau of Labor Statistics Consumer Expenditure Survey for respective income groups.

[3] Assumes 40 percent of taxable retail spending by Cupertino residents is captured by the retailers within the City.

[4] per **Table 6**.

[5] Based on City-Provided actuals from Project Site for FY 2023/24.

Source: Bureau of Labor Statistics (BLS) Consumer Expenditure Survey; Economic & Planning Systems

Table 11
Estimated Business License Tax Revenues
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Assumptions / Estimating Factors		Existing Total
<u>Existing Retail Sq. Ft.</u>			
Furniture Store			22,040
Falafel Restaurant			1,100
<u>Business License Tax¹</u>			
<u>Furniture Store</u>			
Basic Annual Fee		Flat Fee	\$174
Annual Fee per Sq. Ft.	\$0.0413	per Sq. Ft.	\$910
<u>Falafel Restaurant</u>			
Basic Annual Fee		Flat Fee	\$174
Annual Fee per Sq. Ft.	\$0.0474	per Sq. Ft.	\$52
Total Annual			\$1,310

[1] per City of Cupertino Business License Taxes Effective January 1, 2024.

Source: City of Cupertino; Economic & Planning Systems

Table 12
Other General Fund Revenues
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Revenue Source	Assumptions / Estimating Factors ¹	Existing Development	New Project
Utility Tax	\$49.02 per service population	\$1,103	\$7,451
Franchise Fees	\$41.65 per service population	\$937	\$6,331

[1] See **Table 6** for revenue estimates and **Table 2** and **Table 3** for estimated service populations.

Source: Economic & Planning Systems

Table 13
Annual General Fund Expenditures
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Expenditure Item	Expenditure Estimation Factors ¹	Existing Development	New Project
General Government	\$18.01 per service pop.	\$405	\$2,737
Police	\$199.21 per service pop.	\$4,482	\$30,280
Recreation & Community Services	\$77.21 per resident	\$0	\$11,736
Planning & Community Development	\$68.02 per service pop.	\$1,530	\$10,338
Public Works	<u>\$249.61</u> per service pop.	<u>\$5,616</u>	<u>\$37,941</u>
Total Annual Expenditures	\$612.06 per service pop.	\$12,034	\$93,033

[1] See **Table 7** for cost estimates and **Table 2** and **Table 3** for estimated service populations.

Source: Economic & Planning Systems

Table 14
Annual General Fund Fiscal Impact Detail of Proposed Project
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Annual General Fund Impacts	Existing Development (Rounded)	Proposed Project (Rounded)	Net
<u>General Fund Revenues</u>			
Sales Tax	\$21,800	\$13,300	-\$8,600
Property Tax	\$6,300	\$65,400	\$59,100
Property Tax in Lieu of VLF	\$3,100	\$32,800	\$29,600
Utility Tax	\$1,100	\$7,500	\$6,300
Franchise Fees	\$900	\$6,300	\$5,400
Business License Tax	\$1,300	\$0	-\$1,300
Property Transfer Tax	\$0	\$5,500	\$5,500
Total Revenues	\$34,600	\$130,700	\$96,100
<u>General Fund Expenditures</u>			
General Government	\$400	\$2,700	\$2,300
Police	\$4,500	\$30,300	\$25,800
Recreation & Community Services	\$0	\$11,700	\$11,700
Planning & Community Development	\$1,500	\$10,300	\$8,800
Public Works	\$5,600	\$37,900	\$32,300
Total Expenditures	\$12,000	\$93,000	\$81,000
Annual Net Impact on General Fund	\$22,600	\$37,700	\$15,100

*Values shown are rounded to the nearest hundred. Numbers may not sum due to rounding.

Source: Economic & Planning Systems

Appendix Table A-1
Annual Market Rate Household Income Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Market Rate
Sale Price ¹	a	\$2,128,572
Downpayment	$b = a * 0.2$	\$425,714
Mortgage	$c = a - b$	\$1,702,857
Annual Payments	$d = PMT \text{ fn: } 30\text{-Yr @ } 5\%$	\$110,773
Taxes, Insurance, & Maintenance	$e = a * 0.02$	\$42,571
Annual HOA Dues ²	f	\$5,160
Total	$g = d + e + f$	<u>\$158,505</u>
Annual Household Income³	$f / 0.35$	\$452,871

[1] per **Table 2**.

[2] Developer estimates HOA dues at \$430 per month.

[3] Assumes total annual housing costs are equal to 35% of annual household income.

Source: Economic & Planning Systems



CUPERTINO IDLEWILD FISCAL IMPACT TABLES

SCENARIO 4: EPS METHODOLOGY + ADJUSTED HH SIZE + VACANT BASELINE RETAIL

Table 1
Fiscal Impact Summary Results
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Revenue / Expense Category	Fiscal Impact Baseline	Fiscal Impact at Project Buildout	Net Fiscal Impact
General Fund Revenues	\$9,400	\$130,700	\$121,300
General Fund Expenditures	<u>\$0</u>	<u>\$93,000</u>	<u>\$93,000</u>
Net Impact on General Fund	\$9,400	\$37,700	\$28,300

Source: Economic & Planning Systems

Table 2
Proposed Development Program
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Units	Total New Residents ¹	Average Price Point ²	Avg. Ann. HH Income ³
Market Rate Ownership				
Townhomes	44	91	\$2,128,572	\$452,871
ADUs	<u>10</u>	<u>15</u>		
Total Market Rate	54	106		
Below Market Rate Ownership				
2-Bedroom	2	6	\$532,160	
3-Bedroom	5	20	\$599,070	
4-Bedroom	<u>4</u>	<u>20</u>	<u>\$644,485</u>	
Total BMR	11	46	\$614,088	\$187,986
Total New Program	65	152		

[1] Multiplies Market Rate unit values by average persons per household assumption from **Table**

4. Below Market Rate household sizes estimated as number of bedrooms plus one.

[2] Derived from BAE memorandum "Cupertino Idlewild Fiscal Impact Analysis" dated July 25, 2024.

[3] See **Appendix Table A-1** for how Market Rate value is calculated. Below Market Rate value based on 2024 Santa Clara County Median Income Limits as applied to the development program.

Source: BAE; Economic & Planning Systems

Table 3
Existing Development Program
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Square Feet	Total Ann. Taxable Sales	Empl. Density	Employees	Service Population	Assessed Value ¹
<u>Existing Retail</u>						
Furniture Store	0	\$0	650	0	0	
Falafel Restaurant	0	\$0	650	0	0	
Vacant (100%)	<u>31,090</u>	<u>\$0</u>	0	<u>0</u>	<u>0</u>	
Total Existing Retail	31,090	\$0		0	0	\$9,629,371

[1] Assessed Value Information for APNs 369-06-002, -003, and -004 as of 6/30/2023 per Santa Clara County Office of the Assessor.

Source: BAE; Santa Clara County Department of Tax and Collections; Economic & Planning Systems

Table 4
General Assumptions
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Citywide Total	Source
Total Housing Units	21,837	Department of Finance 2024
Population	59,471	Department of Finance 2024
Persons per Household	2.06	Census ACS 2022 1-Year Estimates Public Use Microdata Sample ¹
Worker Population	49,561	ACS 2022 5-Year Estimates
Service Population	84,252	Population + (0.5 * Jobs)

[1] For the "Santa Clara County (Southwest)--Cupertino, Saratoga Cities & Los Gatos Town PUMA, CA" geography.

Source: DOF; Census ACS; LEHD; Economic & Planning Systems

Table 5
Estimated Assessed Value of Proposed Development
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Description	Assumption ¹	Total
<u>Market Rate Housing</u>		
Average Est. Sale Price	\$2,128,572 per Unit	
Number of Units	44 Units	\$93,657,150
<u>Below Market Rate Housing</u>		
Average Est. Sale Price	\$614,088 per Unit	
Number of Units	11 Units	<u>\$6,754,964</u>
Total New Assessed Value		\$100,412,114

[1] Assumption values per **Table 2**.

Source: Economic & Planning Systems

Table 6
General Fund Revenue Summary
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Description	FY 2024-25 General Fund Revenues*	Impact Estimating Factors
Sales Tax	\$11,648,962	1.00% of estimated taxable sales
<u>Property Tax</u>		
Property Tax in Lieu of VLF	\$10,894,681	see Table 8
Other Property Tax	\$22,280,296	6.51% of base property tax rate (1%)
Transient Occupancy Tax	\$7,731,947	- not impacted
Utility Tax	\$4,130,140	\$49.02 per service population
Franchise Fees	\$3,509,346	\$41.65 per service population
Business License Tax	\$744,690	- not impacted
<u>Other Taxes</u>	\$939,639	
Property Transfer Tax	\$878,901	\$0.55 per \$1,000 in value
Licenses & Permits	\$3,665,866	- not impacted
Use of Money & Property	\$4,697,122	- not impacted
Intergovernmental	\$2,471,990	- not impacted
Charges for Services	\$15,102,136	- not impacted
Fines & Forfeitures	\$395,000	- not impacted
Miscellaneous	\$1,210,653	- not impacted
Other Financing Sources	\$367,000	- not impacted
Transfer-In	<u>\$15,000</u>	- not impacted
Total Revenues	\$89,804,468	

*Per Cupertino's FY 2024-25 Adopted Budget.

Source: City of Cupertino; Economic & Planning Systems

Table 7
General Fund Expenditure Summary
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	FY 2024/25 Proposed GF Expenditures*	Percent Variable ¹	Annual Variable Expense	Estimating Factors	Per Service Pop. GF Expenditures
General Government ²	\$15,170,440	10%	\$1,517,044	84,252 Service Pop.	\$18.01
Police ³	\$18,648,806	90%	\$16,783,925	84,252 Service Pop.	\$199.21
Innovation and Technology ⁴	\$3,122,993	-	\$0	84,252 Service Pop.	\$0.00
Recreation & Community Services	\$6,122,536	75%	\$4,591,902	59,471 Resident	\$77.21
Planning & Community Development	\$11,460,954	50%	\$5,730,477	84,252 Service Pop.	\$68.02
Public Works ⁵	\$28,040,398	75%	\$21,030,299	84,252 Service Pop.	\$249.61
Non-Departmental	<u>\$7,372,862</u>	-	<u>\$0</u>	84,252 Service Pop.	<u>\$0.00</u>
Total Expenditures	\$89,938,989		\$49,653,647		\$612.06

*Per Cupertino's FY 2024-25 Adopted Budget.

[1] Percentage of costs that are population-dependent, as opposed to fixed costs or costs recovered through fees or charges.

[2] Includes Administration, Administrative Services, and Council and Commissions.

[3] Reflects the contract portion of the police department's budget. Modeling assumes no change in the structure of the contract terms.

[4] Formerly known as Public Affairs and includes services such as videography, applications, IT and GIS.

[5] Includes administration, environmental programs, development services, service center, grounds, streets, trees and right of way, facilities and fleet, transportation, and other programs.

Source: City of Cupertino; Economic & Planning Systems

Table 8
Property Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Existing Development	Project Total
Property Tax			
Assessed Value ¹	a	\$9,629,371	\$100,412,114
One Percent Base Property Tax	$b = a * 1.0\%$	\$96,294	\$1,004,121
Cupertino General Fund			
Property Tax Revenue²	$c = b * 6.51\%$	\$6,269	\$65,368
Property Tax In-Lieu of VLF			
Existing Citywide Property Tax In-Lieu of VLF ³	$d = \$11,003,490$		
Citywide Taxable Assessed Value ⁴	$e = \$33,715,982,769$		
Percentage of Citywide Assessed Value	$f = a / e$	0.0286%	0.2978%
Cupertino General Fund			
Property Tax In-Lieu of VLF	$d * f$	\$3,143	\$32,770

[1] Existing value per **Table 3**, New Project value per **Table 5**.

[2] City of Cupertino's Post-ERAF property tax allocation factor for Tax Rate Area 013-003 per Santa Clara County Department of Tax and Collections (Tax Year 2024-2025).

[3] Per FY2024-25 SB1096 VLF Summary Schedule for Cities - Santa Clara County Controller-Treasurer Department.

[4] Per Santa Clara County Assessor's Annual Report 2024-2025.

Source: Santa Clara County Controller-Treasurer Department; Santa Clara County Assessor; Economic & Planning Systems

Table 9
Property Transfer Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Assumptions / Estimating Factors	Formula	Total
<u>Assessed Value</u>			
Market Rate Ownership	Table 5	$a = \$93,657,150$	\$93,657,150
Below Market Rate Ownership	Table 5	$b = \$6,754,964$	\$6,754,964
<u>Turnover Rate¹</u>			
Market Rate Ownership	10.0% Annually	$c = a * 10\%$	\$9,365,715
Below Market Rate Ownership	10.0% Annually	$d = b * 10\%$	<u>\$675,496</u>
Average Annual Value Turnover		$e = c + d$	\$10,041,211
Real Estate Transfer Tax Revenue	\$0.55 per \$1,000 AV	$= (e / 1,000) * \$0.55$	\$5,523

[1] Both types of units assumed to sell on average every ten years.

Source: Economic & Planning Systems

Table 10
General Fund Annual Sales Tax Revenue Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Existing Development	New Project			
			Market Rate	Below Market Rate	Total	
Residential Spending						
Estimated Annual Household Income ¹	<i>a</i>	-	\$452,871	\$187,986	-	
Household Taxable Retail Spending as a Percent of Income ²	<i>b</i>	-	14.3%	22.1%	-	
Taxable Retail Spending per Household	<i>c = a * b</i>	-	\$64,932	\$41,485	-	
Household Count ¹	<i>d</i>	-	44	11	55	
Total Retail Spending from Households	<i>e = c * d</i>	-	\$2,857,013	\$456,337	\$3,313,351	
Taxable Retail Sales Captured in Cupertino ³	<i>f = e * 40%</i>	-	\$1,142,805	\$182,535	\$1,325,340	
Annual General Fund Household Sales Tax Revenue⁴		<i>= f * 1.00%</i>	-	\$11,428	\$1,825	\$13,253
On-Site Retail Sales						
Total On-Site Retail Sales Tax Revenue ⁵		<i>g</i>	\$0	-	-	-
Annual General Fund On-Site Retail Sales Tax Revenue⁴		<i>= g * 1.00%</i>	\$0	-	-	-

[1] per **Table 2**.

[2] Based on Bureau of Labor Statistics Consumer Expenditure Survey for respective income groups.

[3] Assumes 40 percent of taxable retail spending by Cupertino residents is captured by the retailers within the City.

[4] per **Table 6**.

[5] per **Table 3**.

Source: Bureau of Labor Statistics (BLS) Consumer Expenditure Survey; Economic & Planning Systems

Table 11
Other General Fund Revenues
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Revenue Source	Assumptions / Estimating Factors ¹	Existing Development	New Project
Utility Tax	\$49.02 per service population	\$0	\$7,451
Franchise Fees	\$41.65 per service population	\$0	\$6,331

[1] See **Table 6** for revenue estimates and **Table 2** and **Table 3** for estimated service populations.

Source: Economic & Planning Systems

Table 12
Annual General Fund Expenditures
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Expenditure Item	Expenditure Estimation Factors ¹	Existing Development	New Project
General Government	\$18.01 per service pop.	\$0	\$2,737
Police	\$199.21 per service pop.	\$0	\$30,280
Recreation & Community Services	\$77.21 per resident	\$0	\$11,736
Planning & Community Development	\$68.02 per service pop.	\$0	\$10,338
Public Works	<u>\$249.61</u> per service pop.	<u>\$0</u>	<u>\$37,941</u>
Total Annual Expenditures	\$612.06 per service pop.	\$0	\$93,033

[1] See **Table 7** for cost estimates and **Table 2** and **Table 3** for estimated service populations.

Source: Economic & Planning Systems

Table 13**Annual General Fund Fiscal Impact Detail of Proposed Project****Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005**

Annual General Fund Impacts	Existing Development (Rounded)	Proposed Project (Rounded)	Net
<u>General Fund Revenues</u>			
Sales Tax	\$0	\$13,300	\$13,300
Property Tax	\$6,300	\$65,400	\$59,100
Property Tax in Lieu of VLF	\$3,100	\$32,800	\$29,600
Utility Tax	\$0	\$7,500	\$7,500
Franchise Fees	\$0	\$6,300	\$6,300
Business License Tax	\$0	\$0	\$0
Property Transfer Tax	\$0	\$5,500	\$5,500
Total Revenues	\$9,400	\$130,700	\$121,300
<u>General Fund Expenditures</u>			
General Government	\$0	\$2,700	\$2,700
Police	\$0	\$30,300	\$30,300
Recreation & Community Services	\$0	\$11,700	\$11,700
Planning & Community Development	\$0	\$10,300	\$10,300
Public Works	\$0	\$37,900	\$37,900
Total Expenditures	\$0	\$93,000	\$93,000
Annual Net Impact on General Fund	\$9,400	\$37,700	\$28,300

*Values shown are rounded to the nearest hundred. Numbers may not sum due to rounding.

Source: Economic & Planning Systems

Appendix Table A-1
Annual Market Rate Household Income Estimate
Cupertino Toll Brothers Fiscal Impact Analysis Peer Review; EPS #251005

Item	Formula	Market Rate
Sale Price ¹	a	\$2,128,572
Downpayment	$b = a * 0.2$	\$425,714
Mortgage	$c = a - b$	\$1,702,857
Annual Payments	$d = PMT \text{ fn: } 30\text{-Yr @ } 5\%$	\$110,773
Taxes, Insurance, & Maintenance	$e = a * 0.02$	\$42,571
Annual HOA Dues ²	f	\$5,160
Total	$g = d + e + f$	<u>\$158,505</u>
Annual Household Income³	$f / 0.35$	\$452,871

[1] per **Table 2**.

[2] Developer estimates HOA dues at \$430 per month.

[3] Assumes total annual housing costs are equal to 35% of annual household income.

Source: Economic & Planning Systems

MEMORANDUM

DATE April 25, 2025

TO Gian Martire, Senior Planner
City of Cupertino, Community Development Department

FROM Terri McCracken and Vivian Kha

SUBJECT Third-party peer review of the applicant-prepared technical reports for the Idlewild Townhomes Project

On behalf of the City of Cupertino, PlaceWorks has conducted a peer review of the following technical studies:

- » *Idlewild Shopping Center, Cupertino, California, Phase I Environmental Site Assessment*, dated October 25, 2023, prepared by ENGEO
- » *Environmental Peer Review, Idlewild Shopping Center*, dated November 30, 2023, prepared by ENGEO

Because the ENGEO's environmental peer review report only referenced reports prepared through November 2023, PlaceWorks has also reviewed the reports that were prepared after November 2023 and posted on State Water Board Resources Control Board's online database, GeoTracker.

The following includes general comments on the technical reports as well as comments referencing specific sections of the reports. In our review of the technical reports, we have provided the following recommendations for textual updates to improve the clarity of the report for optimized consistency with the California Environmental Quality Act (CEQA) review document that the technical reports will support. Comments are not inclusive of formatting, grammatical, or typographical errors.

PEER REVIEW COMMENTS
ENGEO Phase I Environmental Site Assessment
for the Proposed Residential Project at Idlewild Shopping Center
19610-19590 Stevens Creek Boulevard and 10025-10075 East Estates Drive
Cupertino, CA

PROJECT: Proposed Residential Project at Idlewild Shopping Center
DOCUMENT TITLE: ENGEO, October 25, 2023, <i>Idlewild Shopping Center, Cupertino, California, Phase I Environmental Site Assessment.</i>
REVIEWER: Dr. Cathleen Fitzgerald, PE, Senior Engineer
DATE: April 25, 2025
General Comments
<p>This is the best written Phase I Environmental Site Assessment (ESA) report that PlaceWorks has reviewed to date. The site has a complex history and ENGEO did a great job summarizing the previous site investigations and issues regarding releases into soil and soil gas from the former dry cleaning operation at the site.</p> <ol style="list-style-type: none"> 1) The Phase I ESA meets the requirements specified in American Society for Testing and Materials (ASTM) Standard E1527-21 and the Environmental Protection Agency (EPA) Standards and Practices for All Appropriate Inquiries (Title 40 Code of Federal Regulations Part 312). PlaceWorks agrees that the previous occupancy of a dry cleaning business on the property is considered a Recognized Environmental Condition (REC) and that future development of the property would require ongoing maintenance and monitoring, institutional controls, and deed restrictions (controlled REC). 2) It should be noted that the Phase I ESA is dated October 25, 2023. Phase I ESAs are typically valid for six months after completion. If the Phase I ESA is older than one year, it is no longer considered valid and a new report must be obtained. According to the Santa Clara County Assessor's Office, there has been no transfer of property since 2022. This is consistent with the Title Report provided as an appendix in the Phase I ESA. It is unclear whether Toll Brothers has purchased the property within the required time frame for which the Phase I ESA is valid. If not, a new Phase I ESA would be required if the property purchase has not yet occurred. 3) It should be included, possibly in the Executive Summary or Conclusions sections, that a previous Phase I ESA conducted by Path Forward identified the potential for organochlorine pesticides (OCPs) and metals to be a REC based on prior agricultural use of the property. However, a subsequent Phase II ESA conducted by Path Forward included soil sampling and testing at the site and the results did not show the presence of OCPs or metals in excess of residential Environmental Screening Levels (ESLs). Therefore, this would no longer be considered a REC; however, it should be noted why this is no longer included. 4) Although technically not required in a Phase I ESA, many consultants are now including a section in the report regarding vapor intrusion. ENGEO mentions in Section 1.6 the ASTM E2600-15 Standard regarding Vapor Encroachment Screening and states that there are three potential petroleum hydrocarbon carbons and four volatile organic compound (VOC) sources within the Tier I radius of 0.1 miles and 0.33

miles, respectively, and then refers to Sections 3.3.1.2 for more information. However, Section 3.3.1.2 only discusses five sites. It appears that Vallco Shopping Center may be considered both a VOC and a total petroleum hydrocarbons (TPH) site; it is not clear whether the project site was included as one of the VOC sites. Therefore, it is suggested that a section toward the end of the report be added that addresses vapor intrusion and why the off-site properties within the screening criteria have been ruled out as vapor intrusion sources based on closure status, groundwater flow direction, delineation of the plume, etc.

- 5) There is one minor issue in the last sentence of the executive summary. It states that the findings for this report are valid until September 5, 2023. Yet the site inspection was conducted on October 13, 2023 and the report is dated October 25, 2023. This may be a typo due to preparation of a previous Phase I ESA but this sentence should be deleted.

Specific Comments

Comment No.	Document Section/Page	Comments	Response
1	Executive Summary, page 3	As noted above, the statement that “findings from this report are valid until September 5, 2023 and updates of portions of the assessment may be necessary after March 5, 2023” is inconsistent with the date of the Phase I ESA, which is October 25, 2023.	
2	Section 1.6, <i>Indoor Air Quality</i> , page 6	As stated above in the General Comments, it is unclear whether the three potential petroleum hydrocarbon sources within 0.1 mile of the project site and the four VOC sources within 0.33 miles of the project site have been ruled out as potential vapor intrusion sources. A separate section to the report regarding the vapor intrusion findings is recommended.	
3	Section 2.0, <i>Site History and Previous Environmental Reports</i> , pages 6-13	ENGEO presented a well written, comprehensive summary of previous investigations conducted at the site. No changes necessary.	
4	Section 3.3, <i>Environmental Record Sources</i> , pages 17-21	While many Phase I ESA consultants rely solely on the EDR report, ENGEO has done additional research using other databases, such as GeoTracker and EnviroStor, to present a detailed description of off-site potential sources of concern. As discussed above in the General Comments, it is suggested that the results of these off-site source investigations be summarized in a vapor intrusion section that summarizes why these sources are not potential vapor intrusion issues at the project site.	

PEER REVIEW COMMENTS
ENGEO Environmental Peer Review
for the Proposed Residential Project at Idlewild Shopping Center
at 19610-19590 Stevens Creek Boulevard and 10025-10075 East Estates Drive
Cupertino, CA

PROJECT: Proposed Residential Project at Idlewild Shopping Center, Cupertino, CA			
DOCUMENT TITLE: ENGEO, November 30, 2023, <i>Environmental Peer Review, Idlewild Shopping Center.</i>			
REVIEWER: Dr. Cathleen Fitzgerald, PE, Senior Engineer			
DATE: April 25, 2025			
General Comments			
<p>The environmental peer review report prepared by ENGEO did an excellent job of summarizing the investigations that were conducted to date (i.e., through November 2023) and the end of the report contained comments and recommendations regarding future work at the site. PlaceWorks has included additional comments on the reports reviewed by ENGEO in the specific comments below. No response by ENGEO is required since these comments just provide supplemental information.</p> <p>PlaceWorks has also reviewed the reports that were prepared after November 2023 and posted on GeoTracker. Comments on the additional investigations conducted at the site are provided at the end of the specific comments. Most of the comments relate to the fact that both PlaceWorks and ENGEO did not agree that the site remediation was complete and that the soil vapor extraction (SVE) system should be turned off. However, the latest posting on GeoTracker by the Santa Clara County Department of Environmental Health (SCCDEH) concurs that additional remediation at the site is required.</p>			
Specific Comments			
Comment No.	Document Section/Page	Comments	Response
1	Path Forward, <i>Subsurface Investigation Report</i> , page 2, second paragraph	It should additionally be noted that the results of the soil matrix evaluation did not detect organochlorine pesticides (OCPs) or metals that exceeded residential ESLs. Therefore, impacts from prior agricultural use of the site can be eliminated. Also, semi-volatile organic compounds (SVOCs) and polychlorinated biphenyls (PCBs) were also below detection levels or below residential Environmental Screening Levels (ESLs).	
2	Path Forward, <i>Subsurface Investigation Report</i> , page 2,	ENGEO correctly identified that benzene detection limits in most cases were higher than the residential ESLs (typo in the second sentence in the ENGEO report). However, it should also be noted that the benzene residential risk-based screening level (RBSL) is incorrectly stated as 3,200 ug/m3 in the Path	

	fifth paragraph	Forward report, Table 2. It should be 3.2 ug/m3. Therefore, virtually all the benzene soil gas concentrations could potentially exceed the residential RBSLs. Since benzene was detected in the former watch repair facility at concentrations above the indoor air commercial ESL, benzene cannot be ruled out as a potential concern in soil gas. It should also be noted that chloroform detection limits were also higher than the residential RBSLs; therefore, the presence of chloroform in the soil gas samples cannot be ruled out.	
3	Path Forward, <i>Additional Investigation Report</i> , page 3	PlaceWorks concurs with ENGEO's summary of this report and the assumption that shallow groundwater is not likely to be impacted due to the depth to groundwater and subsurface geology at the site. PlaceWorks also concurs that the lateral extent of tetrachloroethylene (PCE) in soil gas is delineated by the off-site soil gas data collected at the Vallco site by the soil gas probes along the north side of Stevens Creek Boulevard (SV-8 and SV-10).	
4	Path Forward, <i>Regulatory Path for Remediation</i> , page 4	PlaceWorks agrees with ENGEO and disagrees with Path Forward's assumption that the most effective remedial action would be soil excavation. Due to elevated PCE concentrations in the deep vapor probes (15 feet bgs), excavation is not a viable option. However, PlaceWorks does agree with the statement that vapor mitigation systems would be required for future development, as well as deed restrictions and ongoing operation and maintenance monitoring.	
5	Terraphase, <i>Indoor Air and Soil Gas Sampling Results</i> , page 4, second paragraph	<p>PlaceWorks disagrees with Terraphase's statement in this report that extensive remedial actions do not appear to be warranted; however, further reports and investigations were subsequently conducted. Terraphase also states that it is unlikely that PCE crossed Stevens Creek Boulevard and impacted the Vallco site. The evidence used is the concentration of soil gas in B-7 at the site of 20 ug/m3. However, probe B-4 at the northern edge of the Idlewild property had a soil gas concentration of 2,400 ug/m3 and soil gas could easily have migrated across Stevens Creek Boulevard to result in soil gas concentrations at probes SV-8 and SV-10 of 30 to 80 ug/m3 at the Vallco site. Finally, Table 1 in the report should have used residential instead of commercial ESLs as an evaluation of the soil gas and indoor air results. This was corrected in later reports.</p> <p>If soil vapors from the Idlewild site did migrate onto the Vallco property, it probably is no longer relevant because Vallco is not doing any further investigation of the source of the PCE vapors along the north side of Stevens</p>	

		Creek Boulevard. The proposed mixed-use development on the Vallco site (Block 1, which is directly across Stevens Creek Boulevard from the project site) would include a subsurface mechanically ventilated garage. The applicant developed modified ESLs based on the subsurface garage configuration and enhanced ventilation and a soil removal action was conducted at the site. Soil vapor confirmation samples were below the modified ESLs and no further action is planned in this area.	
6	Terraphase, <i>Soil Gas Investigation Report</i> , page 6	It should also be noted that the Terraphase Soil Gas Investigation Report used commercial ESLs instead of residential ESLs to compare soil gas concentrations in Tables 1 and 2. Also, there is no mention in the report that chloroform was present in one of the soil gas samples in concentrations exceeding both the commercial and residential ESLs. PlaceWorks agrees with the assumption that installation of a SVE system is warranted and that groundwater beneath the site is not likely to be impacted. However, the statement that PCE concentrations would be reduced to below residential ESLs in six months is overly optimistic.	
7	Terraphase, <i>Soil Vapor Investigation and Soil Vapor Extraction Pilot Test</i> , page 6	Terraphase proposed collecting indoor air samples and an ambient outdoor air sample at the adjacent property to the west as well as three nested soil monitoring probes at the adjacent property (B-14 through B-16). PlaceWorks has seen no evidence that this additional sampling was ever conducted. Terraphase also proposed a SVE pilot test program, which was subsequently implemented. Tables 1 and 2 in this report still use commercial ESLs for concentration comparisons.	
8	Terraphase, <i>Soil Vapor Extraction Pilot Scale Test Work Plan</i> , page 6	Terraphase provides the details for the SVE pilot test. PlaceWorks has no comments regarding this report.	
9	Terraphase, <i>Preliminary Results of Soil Vapor Extraction Pilot Test</i> , page 8	<p>Terraphase stated in the Soil Vapor Extraction Test Workplan that the following data would be obtained from the test but these data are missing in the report:</p> <ul style="list-style-type: none"> • Vacuum readings at B10 through B12 and SSV-1 through SSV-8. Only vacuum readings at B10 and B12 were reported. • Step tests and constant rate tests would be conducted. No data were reported from these tests. • Vacuum at all monitoring wells and SSV monitoring reports would be recorded. Only vacuum from B10 through B12 were reported; SSV-7 and SSV-8 had no reported vacuum. There are no reports from SSV-1 through 	

		<p>SSV-6.</p> <ul style="list-style-type: none"> • Vapor flow monitoring would be recorded. No data were presented. • Soil gas baseline photoionization detector (PID) readings would be recorded from B-10 through B-12 and SSV-1 through SSV-8. No PID readings were reported except from SVE well, SVE-01. • Soil vapor samples would be collected from the SVE-01 well, B-10 through B-12, and the SSV monitoring points. No data from the SSV monitoring points were reported. • The sub-slab radius of influence would be determined by measuring vacuum in the SSV monitoring points. No data calculating the radius of influence (ROI) were reported nor were there vacuum measurements from the SSV vapor pins. • In the reporting section of the workplan, it is stated that the ROI of the SVE well would be estimated, potential influence on sub-slab gradients would be determined, optimal flow and vacuum rates would be identified, and the anticipated mass of volatile organic compounds (VOCs) removed would be estimated. None of these items were reported. <p>Also, the tables in the report continue to use commercial ESLs as a comparison. In a previous report, it was stated that Terraphase would conduct indoor and ambient air monitoring at the adjacent property. It does not appear that this effort was conducted. Although two vapor pins (SSV-7 and SSV-8) were installed at the adjacent property, there was air leakage when collecting the VOC samples during the SVE pilot test. Therefore, accurate concentrations of VOCs in soil gas at the adjacent property could not be determined.</p>	
10	Terraphase, <i>Remedial Action Plan</i> , page 8	<p>The remedial action plan is missing several elements that are needed to determine the effectiveness of the proposed SVE system, as noted in the comment above. The appendix includes the preliminary results of the soil vapor extraction test but is simply the previously submitted technical memorandum dated August 4, 2023 that does not contain any new or additional information.</p> <p>Table 1 now correctly contains the residential RSLs. However, the detection limits for benzene, chloroform, and trichloroethylene (TCE) in most of the soil vapor samples exceed the residential RSLs. Therefore, it is not known if these chemicals of concern are present at the site. It is not known why SSV-4</p>	

		<p>through SSV-6 were not part of the sampling program; an explanation should be provided since this was reported to be part of the sampling program in the SVE Pilot Test Workplan.</p> <p>It is unclear whether the remedial goal of a PCE concentration less than 460 ug/m3 in shallow soil gas would be protective to future residential occupants. This is based on an attenuation factor of 1,000, whereas the ESLs use an attenuation factor of 0.03. A vapor barrier and passive venting system may be able to achieve this attenuation factor, but additional verification and supporting documentation are needed. It may be possible to use the J&E model and site-specific soil parameters to verify this assumption, but if grading operations remove the fine-grained material in the shallow subsurface and replace it with coarser fill material, this would be more conducive to vapor transport.</p> <p>Also, the SVE well is screened from 7 to 23 feet bgs, which makes its relatively easy to remove PCE soil vapors in the gravel and coarse grained soil layers that are at deeper depths, but the fine-grained silty clays in the upper 10 feet at the site show a much smaller radius of influence which will take a longer time to remediate.</p>	
11	<p>ENGEO, <i>Environmental Review Comments</i>, page 9</p>	<p>In general, PlaceWorks agrees with ENGEO's review comments on the previous reports and provides additional information and/or clarification.</p> <ul style="list-style-type: none"> • While PlaceWorks believes that releases from the property may have impacted the former Vallco site (see comment #5), it does not require further investigation since remediation has already been implemented at the Vallco site. • PlaceWorks concurs that benzene may be a chemical of concern at the site, because the detection limits in soil gas exceed the residential ESLs. Therefore, benzene cannot be ruled out as a chemical of concern. Also, chloroform and TCE detection limits in many cases exceed the residential ESLs and could be potential chemicals of concern. • The concentration of PCE in the 15-foot sample from B-13 of 7,100 ug/m3 is concerning and may indicate the vapor plume is migrating onto the adjacent property at depth. The vapor pins next to the sidewalk show air leakage and therefore the analytical results are not conclusive. PlaceWorks concurs with ENGEO that indoor air sampling at the adjacent property would be warranted to ensure that occupants in the building are not adversely impacted. 	

		<ul style="list-style-type: none"> PlaceWorks concurs with ENGEO that the preliminary results of the soil vapor extraction test lack monitoring and operational data that are critical for sizing and evaluating the SVE system. The boring log for SVE-01 has subsequently been posted on the GeoTracker website. PlaceWorks agrees with ENGEO that there should be supporting evidence to validate the time frame of 12 to 18 months to reach the remedial goal for PCE concentrations in soil vapor to be below residential ESLs at the site. PlaceWorks concurs with ENGEO that the remedial goal to reach PCE concentrations at the site below 460 ug/m3 may not be protective to residential occupants or may not meet approval by SCCDEH. PlaceWorks also believes that the ultimate vapor mitigation system proposed at the site (i.e., vapor barrier and passive venting system) should be configured so that an active venting system could be implemented, if needed. 	
Additional Comments			
12	Terraphase, <i>Idlewild SVE System Status Update</i> , August 12, 2024	<p>Since ENGEO reviewed reports up to November 2023, PlaceWorks is supplementing this review with additional information posted on the GeoTracker website since that time period.</p> <p>The Terraphase SVE System Status Update Report is a one page memorandum reporting the PCE concentrations after four weeks of SVE operation. However, no information on the installation and configuration of the SVE system is provided. Vapor probes B-10 through B-12 were sampled and show reductions in PCE concentrations. However, levels are still well above residential ESLs.</p>	
13	Terraphase, <i>Soil Vapor Extraction Operations</i> , December 24, 2024	<p>This report summarizes the results from the operation of the SVE system at the site from June to December 2024. Comments regarding the report follow:</p> <ul style="list-style-type: none"> Section 3.1, <i>Timeline</i> – It is stated that SVE system monitoring and soil vapor probe sampling was conducted on November 14, 2024. However, no data are present in the report for this sampling period Section 4.1, <i>Soil Sampling</i> – Soil samples from 15 locations were collected within the former dry cleaner unit and analyzed with PID readings. A PID reading around 1 ppmv is considered a significant indicator for PCE. One ppmv of PCE is equivalent to 6,783 ug/m3. Several of the PID readings exceeded 1 ppmv. However, the conclusion was that there were no significant hot spots. Without a confirmatory soil sample 	

		<p>analysis by the laboratory to determine the actual PCE concentration from at least one of the locations with elevated PID readings, it is not possible to determine the actual concentration of PCE in soil.</p> <ul style="list-style-type: none"> • Section 4.3.1, <i>Western Adjoining Property</i> – Although the Vapor Pin samples had non-detect concentrations of PCE, it is concerning that vapor probe B-14 still has PCE concentrations of 50, 540, and 310 ug/m³ at the 5, 15, and 25-foot depths, respectively. The 15 and 25-foot PCE concentrations are significantly above the commercial ESL of 67 ug/m³. Therefore, PlaceWorks recommends that the indoor air sampling that Terraphase proposed in one of the previous reports be conducted to ensure there are no indoor air health issues at the adjacent commercial building. • Section 4.4, <i>Pressure Radius of Influence (ROI)</i> – It is stated that based on high vacuums at 25 feet bgs at B-11 and B-12, the pressure radius of influence is at least 100 feet. A vacuum of 0.02 to 0.1 inch of water or more is indicative of the extraction well's influence at that point. The vacuum readings in B-12 at 5 feet bgs are below this number, as are the readings for SSV-2. There is no calculation provided as to how the ROI was determined but it would be less than 100 feet for the shallow vadose zone. This is concerning because the shallow vadose zone will take a much longer time to remediate due to the fine-grained sediments in the subsurface at these depths. However, the results do show that PCE concentrations in the shallow zone in the vicinity of wells B-10 and B-11 have decreased over time so there is an indication that the shallow subsurface is remediated to some extent. PlaceWorks would like to see calculations of the ROI for both the shallow and deeper vadose zone and vacuum measurements at well B-14 to see if the vacuum extends to this location. • Section 5, <i>Conclusions and Recommendations</i> – While PlaceWorks agrees that rebound testing should be conducted at the site, we disagree that the SVE system should be shut down. The PCE concentrations in soil gas have decreased but are still well above the remediation goal of 460 ug/m³ that was proposed in the Remedial Action Plan (RAP). The rationale that PCE concentrations in soil gas have decreased significantly is not sufficient to support system shutdown. How much contaminant mass was in the vadose zone, how much was removed, and how much is remaining? In the workplan, it was stated that the potential influence on 	
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		<p>sub-slab gradients would be determined, optimal flow and vacuum rates would be identified, and the anticipated mass of VOC removed would be estimated. There has been no reporting on these issues. Also, there are enhancements to SVE operation that could be implemented to address remaining vadose zone contamination, such as connecting additional wells to the SVE system, pulsing, active or passive air injection, etc.</p>	
14	<p>Terraphase, <i>One Month SVE Rebound Testing Report</i>, March 12, 2025</p>	<p>This report provides the results of rebound testing after shutdown of the SVE system. The 30-day rebound period was from January 23, 2025 to February 24, 2025. Concentrations in the SVE influent well increased from 650 ug/m³ to 1,100 ug/m³, an increase of approximately 69 percent. PCE concentrations in wells B-11 at 15 and 25 feet bgs were 1,000 and 1,500 ug/m³, respectively, which is well above the remedial goal of 460 ug/m³. PCE concentrations in well B-14 at 15 feet were reported to be 770 ug/m³, which is also above the remedial goal.</p> <p>Although PlaceWorks concurs that significant mass has been removed with operation of the SVE system, there are no calculations showing the amount of mass removed by the system and the amount of mass remaining in the subsurface. Typically, a graph is provided that shows the amount of mass (in lbs) removed by the SVE system and when it reaches an asymptotic limit, that is when rebound testing is typically conducted. Also, the graphs presented in the report should show the PCE concentrations along the y axis on a logarithmic scale, since it appears that the remaining PCE concentrations are zero due to the scale of the graph.</p> <p>PlaceWorks does not believe that the SVE system should be shut down at this time, since the PCE concentrations in the sampled soil vapor probes rebounded at the end of the 30-day period and remain well above the remedial goal of 640 ug/m³.</p> <p>The Terraphase report states that the PCE concentrations in the surface are well below levels where a properly installed vapor mitigation system will protect future inhabitants, but no supporting calculations or justification for this assumption is provided. Terraphase also states that continued operation of the SVE system would not result in further reductions of PCE in the subsurface. Again, no supporting evidence is provided.</p> <p>If the amount of PCE mass removed has reached an asymptotic limit (a graph should be provided as evidence) and PCE concentrations remain above remedial action goals, there are modifications to the SVE system that can be</p>	

		<p>made to further reduce PCE concentrations in the subsurface, such as pulsing the SVE system, active or passive air injection, adding additional wells to the network, etc.</p> <p>Also, the PCE concentrations remaining in the subsurface at the adjacent western property (B-14 at 770 ug/m3 at 15 feet bgs) are concerning. The PCE concentration at B-13, which is adjacent to B-14, was 7,100 ug/m3 when last sampled in 2022. There does not appear to be an established boundary for the PCE soil vapor concentrations in the 15-foot samples to the west of the site and there are no vacuum measurements in B-14 to show if the ROI extends to this area. Also, it is not known whether the occupants of the adjacent building are being exposed to indoor air concentrations that exceed commercial ESLs and indoor air sampling should be conducted.</p>	
15	Email from Terraphase to SCCDEH, March 31, 2025	The email states that the client has decided to restart the SVE system and install a second extraction well, but no further details were provided.	
16	Letter from SCCDEH, April 3, 2025	The letter states that SCCDEH does not agree with shutting down the SVE system, based on the results in the SVE Rebound Testing Report. However, they also note that via email, Terraphase stated that the SVE system would be restarted and a new SVE well would be installed. The SCCDEH states that they had not received a work plan for the new well installation and work should not proceed until the work plan is approved by SCCDEH. Also, SCCDEH states that quarterly remediation progress reports are required, including system flow rates, operational run time, well head vacuum readings, and mass removal calculations. The quarterly progress reports are due July 31, 2025, October 31, 2025, and January 30, 2026.	

MEMORANDUM

DATE November 11, 2025

TO Gian Martire, Senior Planner
City of Cupertino, Community Development Department

FROM Terri McCracken and Vivian Kha

SUBJECT Response to comments on the Idlewild Townhomes Project California Environmental Quality Act (CEQA) Exemption Memo

The CEQA Exemption Memo prepared by PlaceWorks in October 2025, found that the Idlewild Townhomes Development Project (proposed project) meets the criteria for categorically exempt in-fill development projects in CEQA Guidelines Section 15332 and because none of the exceptions to the categorical exemptions in CEQA Guidelines Section 15300.2 apply, it will not have a significant effect on the environment pursuant to CEQA and a Notice of Exemption is appropriate for the proposed project. The following is provided for clarification in response to Vice Mayor Kitty Moore's comments submitted on November 11, 2025.

Section 2.2.2, *Existing Site Conditions*, of the CEQA Exemption Memo discusses the findings of the Phase I Environmental Site Assessment (ESA) prepared by ENGEO for the proposed project, dated June 11, 2025. However, the discussion of the project site's listing on the State Water Quality Control Board's (SWRCB) GeoTracker website as an open cleanup program site (case ID 2023-17s) under the oversight of Santa Clara County Department of Environmental Health (SCCDEH) is not germane to the exemption analysis as it was part of the existing site conditions at the time the CEQA Exemption Memo was drafted.

As described in Section 4.5, *CEQA Guidelines Section 15300.2(e): Hazardous Waste Sites*, of the CEQA Exemption Memo, pursuant to CEQA Guidelines Section 15300.2 (Exceptions), a categorical exemption shall not be used for a project on a site that is included on any list compiled pursuant to Section 65962.5 of the Government Code. Further described in Section 4.5, the required lists of hazardous material release sites compiled pursuant to Government Code Section 65962.5 are commonly referred to as the "Cortese List." Because the statute was enacted more than 20 years ago, some of the provisions refer to agency activities that were conducted many years ago and are no longer being implemented and, in some cases, the information required in the Cortese List does not exist. Those requesting a copy of the Cortese Lists are now referred directly to the appropriate information resources contained on internet websites hosted by the boards or departments referenced in the statute, including California Department of Toxic Substance Control's (DTSC) online EnviroStor database and the SWRCB's online GeoTracker database. These two databases include hazardous material release sites, along with other categories of sites or facilities specific to each agency's jurisdiction.

As stated in Section 4.5, while the project site is listed as an open cleanup program site on the GeoTracker website, the project site is not included on the Hazardous Waste and Substances Site List (Cortese) pursuant to Government Code Section 65962.5 as of May 2025, the time the CEQA Exemption Memo was initially drafted, and as of November 11, 2025. Additionally, the project site is also not listed on any of the following CalEPA's Cortese List Data Resources as of November 11, 2025:

- » List of Hazardous Waste and Substances sites from DTSC’s EnviroStor database
- » List of Leaking Underground Storage Tank Sites from SWRCB’s GeoTracker database
- » List of solid waste disposal sites identified by SWRCB with waste constituents above hazardous waste levels outside the waste management unit
- » List of “active” Cease and Desist Orders and Cleanup and Abatement Orders from SWRCB
- » List of hazardous waste facilities subject to corrective action pursuant to Section 25187.5 of the Health and Safety Code, identified by DTSC

As such, while the project site is listed as an open remediation “cleanup” program site on the GeoTracker website, the only portion of the GeoTracker website that is identified pursuant to Government Code Section 65962.5 are the Leaking Underground Fuel Tanks (LUFT) listings. The Idlewild site does not meet this standard (it is not a LUFT site) and therefore is not a qualified Cortese List site.

In response to Vice Mayor Moore’s concern about when the project site was checked for listing/applicability (May 2025) and when the CEQA Exemptions Memo was published (October 2025), PlaceWorks has checked again for any updates. As of November 11, 2025, the project site is not listed on the Hazardous Waste and Substances Site List (Cortese) pursuant to Government Code Section 65962.5 or any of the CalEPA’s Cortese List Data Resources listed above. Therefore, the exception under CEQA Guidelines Section 15300.2(e) still does not apply to the proposed project.

ENGEO also prepared an Environmental Peer Review of all the investigations that were conducted for the proposed project by Path Forward and Terraphase up until November 2023. As part of the peer review of ENGEO’s Environmental Peer Review, PlaceWorks supplemented the review with additional information posted on the GeoTracker website as of April 25, 2025, that were not included in ENGEO’s Environmental Peer Review. The following is an excerpt from the Peer Review Memo prepared by Cathy Fitzgerald for the City of Cupertino on April 25, 2025. The complete Peer Review Memo is attached for convenience.

Date	Report	Notes
August 12, 2024	Terraphase, Idlewild SVE System Status Update	The Terraphase SVE System Status Update Report is a one page memorandum reporting the PCE concentrations after four weeks of SVE operation. However, no information on the installation and configuration of the SVE system is provided. Vapor probes B-10 through B-12 were sampled and show reductions in PCE concentrations. However, levels are still well above residential ESLs.
December 24, 2024	Terraphase, Soil Vapor Extraction Operations	This report summarizes the results from the operation of the SVE system at the site from June to December 2024. Comments regarding the report follow: <ul style="list-style-type: none"> Section 3.1, <i>Timeline</i> – It is stated that SVE system monitoring and soil vapor probe sampling was conducted on November 14, 2024. However, no data are present in the report for this sampling period Section 4.1, <i>Soil Sampling</i> – Soil samples from 15 locations were collected within the former dry cleaner unit and analyzed with PID readings. A PID reading around 1 ppmv is considered a significant indicator for PCE. One ppmv of PCE is equivalent to 6,783 ug/m3. Several of the PID readings exceeded 1 ppmv. However, the conclusion was that there were no significant hot spots. Without a confirmatory soil sample analysis by the laboratory to determine the actual PCE concentration from at least one of the locations with elevated PID readings, it is not possible to determine the actual concentration of PCE in soil.

Date	Report	Notes
		<ul style="list-style-type: none"> Section 4.3.1, <i>Western Adjoining Property</i> – Although the Vapor Pin samples had non-detect concentrations of PCE, it is concerning that vapor probe B-14 still has PCE concentrations of 50, 540, and 310 ug/m³ at the 5, 15, and 25-foot depths, respectively. The 15 and 25-foot PCE concentrations are significantly above the commercial ESL of 67 ug/m³. Therefore, PlaceWorks recommends that the indoor air sampling that Terraphase proposed in one of the previous reports be conducted to ensure there are no indoor air health issues at the adjacent commercial building. Section 4.4, <i>Pressure Radius of Influence (ROI)</i> – It is stated that based on high vacuums at 25 feet bgs at B-11 and B-12, the pressure radius of influence is at least 100 feet. A vacuum of 0.02 to 0.1 inch of water or more is indicative of the extraction well's influence at that point. The vacuum readings in B-12 at 5 feet bgs are below this number, as are the readings for SSV-2. There is no calculation provided as to how the ROI was determined but it would be less than 100 feet for the shallow vadose zone. This is concerning because the shallow vadose zone will take a much longer time to remediate due to the fine-grained sediments in the subsurface at these depths. However, the results do show that PCE concentrations in the shallow zone in the vicinity of wells B-10 and B-11 have decreased over time so there is an indication that the shallow subsurface is remediated to some extent. PlaceWorks would like to see calculations of the ROI for both the shallow and deeper vadose zone and vacuum measurements at well B-14 to see if the vacuum extends to this location. Section 5, <i>Conclusions and Recommendations</i> – While PlaceWorks agrees that rebound testing should be conducted at the site, we disagree that the SVE system should be shut down. The PCE concentrations in soil gas have decreased but are still well above the remediation goal of 460 ug/m³ that was proposed in the Remedial Action Plan (RAP). The rationale that PCE concentrations in soil gas have decreased significantly is not sufficient to support system shutdown. How much contaminant mass was in the vadose zone, how much was removed, and how much is remaining? In the workplan, it was stated that the potential influence on sub-slab gradients would be determined, optimal flow and vacuum rates would be identified, and the anticipated mass of VOC removed would be estimated. There has been no reporting on these issues. Also, there are enhancements to SVE operation that could be implemented to address remaining vadose zone contamination, such as connecting additional wells to the SVE system, pulsing, active or passive air injection, etc.
March 12, 2025	Terraphase, <i>One Month SVE Rebound Testing Report</i>	<p>This report provides the results of rebound testing after shutdown of the SVE system. The 30-day rebound period was from January 23, 2025 to February 24, 2025. Concentrations in the SVE influent well increased from 650 ug/m³ to 1,100 ug/m³, an increase of approximately 69 percent. PCE concentrations in wells B-11 at 15 and 25 feet bgs were 1,000 and 1,500 ug/m³, respectively, which is well above the remedial goal of 460 ug/m³. PCE concentrations in well B-14 at 15 feet were reported to be 770 ug/m³, which is also above the remedial goal.</p> <p>Although PlaceWorks concurs that significant mass has been removed with operation of the SVE system, there are no calculations showing the amount of mass removed by the system and the amount of mass remaining in the subsurface. Typically, a graph is provided that shows the amount of mass (in lbs) removed by the SVE system and when it reaches an asymptotic limit, that is when rebound testing is typically conducted. Also, the graphs presented in the report should show the PCE concentrations along the y axis on a logarithmic scale, since it appears that the remaining PCE concentrations are zero due to the scale of the graph.</p>

Date	Report	Notes
		<p>PlaceWorks does not believe that the SVE system should be shut down at this time, since the PCE concentrations in the sampled soil vapor probes rebounded at the end of the 30-day period and remain well above the remedial goal of 640 ug/m3.</p> <p>The Terraphase report states that the PCE concentrations in the surface are well below levels where a properly installed vapor mitigation system will protect future inhabitants, but no supporting calculations or justification for this assumption is provided. Terraphase also states that continued operation of the SVE system would not result in further reductions of PCE in the subsurface. Again, no supporting evidence is provided.</p> <p>If the amount of PCE mass removed has reached an asymptotic limit (a graph should be provided as evidence) and PCE concentrations remain above remedial action goals, there are modifications to the SVE system that can be made to further reduce PCE concentrations in the subsurface, such as pulsing the SVE system, active or passive air injection, adding additional wells to the network, etc.</p> <p>Also, the PCE concentrations remaining in the subsurface at the adjacent western property (B-14 at 770 ug/m3 at 15 feet bgs) are concerning. The PCE concentration at B-13, which is adjacent to B-14, was 7,100 ug/m3 when last sampled in 2022. There does not appear to be an established boundary for the PCE soil vapor concentrations in the 15-foot samples to the west of the site and there are no vacuum measurements in B-14 to show if the ROI extends to this area. Also, it is not known whether the occupants of the adjacent building are being exposed to indoor air concentrations that exceed commercial ESLs and indoor air sampling should be conducted.</p>
March 31, 2025	Email from Terraphase to SCCDEH	The email states that the client has decided to restart the SVE system and install a second extraction well, but no further details were provided.
April 3, 2025	Letter from SCCDEH	The letter states that SCCDEH does not agree with shutting down the SVE system, based on the results in the SVE Rebound Testing Report. However, they also note that via email, Terraphase stated that the SVE system would be restarted and a new SVE well would be installed. The SCCDEH states that they had not received a work plan for the new well installation and work should not proceed until the work plan is approved by SCCDEH. Also, SCCDEH states that quarterly remediation progress reports are required, including system flow rates, operational run time, well head vacuum readings, and mass removal calculations. The quarterly progress reports are due July 31, 2025, October 31, 2025, and January 30, 2026.

At the time of the peer review, the latest posting on GeoTracker website (April 3, 2025) by the SCCDEH concurs that additional remediation at the site is required.

As Vice Mayor Moore notes, the most recent letter posted on the GeoTracker website to date (October 20, 2025) was not considered as it was not available at the time of the peer review. The letter states that the SCCDEH does not agree with that the current PCE concentration in the subsurface are below the Environmental Screening Level (ESL) for both commercial and residential land uses by one to two orders of magnitude and are expected to be effectively mitigated by a properly installed vapor mitigation system and will not represent a risk for vapor intrusion for future occupants of the site. The letter also requires written notification of when the SVE system will be shutdown to initiate a second rebound test and reiterates that in order to adequately demonstrate that soil vapor concentrations have reached equilibrium, the SVE rebound monitoring period shall last a minimum of six months after SVE shutdown with a minimum of three soil vapor sampling events during the rebound monitoring period.

Upon review of the latest documentation, PlaceWorks finds that the most recent letter from SCCDEH reaffirms that additional remediation at the site is required. Another quarterly progress report was due to SCCDEH on October 31, 2025, but the information is not currently available on the GeoTracker website.

As part of project approval, the proposed project would be subject to the following Condition of Approval, as reviewed, edited, and approved by the SCCDEH on November 6, 2025:¹

Environmental Remediation and Ongoing Monitoring

Prior to the issuance of any building permits for residential construction on the project site, the applicant shall obtain written clearance from the Santa Clara County Department of Environmental Health (SCCDEH), confirming that the site has been adequately investigated and remediated for contamination associated with the former dry-cleaning operations. The clearance documentation shall verify that all recognized environmental conditions have been addressed and that contaminant concentrations meet applicable residential cleanup standards established under State of California regulatory guidance for unrestricted residential use OR submit a long-term mitigation and monitoring plan approved by SCCDEH to the City of Cupertino Community Development Department as described below.

If the SCCDEH determines that residual contamination remains on-site at concentrations that require engineering controls, vapor mitigation systems, or ongoing monitoring, the applicant shall comply with all post-remediation monitoring, reporting, and maintenance requirements imposed by the SCCDEH. The applicant shall provide the City of Cupertino Community Development Department with copies of all ongoing monitoring reports, system performance data, and final closure documentation, as applicable, until the oversight agency issues a final case closure or no further action determination for the site.

No grading, foundation, or building permits shall be issued until the Community Development Department has received and approved the required regulatory clearance documentation from SCCDEH demonstrating that the site is suitable for residential development.

¹ Email correspondence from Aaron Costa, County of Santa Clara, Supervising Hazardous Materials Specialist (aaron.costa@deh.sccgov.org) to Gian Martire, Senior Planner (GianM@cupertino.gov) and Luke Connolly, Assistant Director of Community Development (LukeC@cupertino.gov) on November 6, 2025.

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PEER REVIEW COMMENTS
ENGEO Environmental Peer Review
for the Proposed Residential Project at Idlewild Shopping Center
at 19610-19590 Stevens Creek Boulevard and 10025-10075 East Estates Drive
Cupertino, CA

PROJECT: Proposed Residential Project at Idlewild Shopping Center, Cupertino, CA			
DOCUMENT TITLE: ENGEO, November 30, 2023, <i>Environmental Peer Review, Idlewild Shopping Center.</i>			
REVIEWER: Dr. Cathleen Fitzgerald, PE, Senior Engineer			
DATE: April 25, 2025			
General Comments			
<p>The environmental peer review report prepared by ENGEO did an excellent job of summarizing the investigations that were conducted to date (i.e., through November 2023) and the end of the report contained comments and recommendations regarding future work at the site. PlaceWorks has included additional comments on the reports reviewed by ENGEO in the specific comments below. No response by ENGEO is required since these comments just provide supplemental information.</p> <p>PlaceWorks has also reviewed the reports that were prepared after November 2023 and posted on GeoTracker. Comments on the additional investigations conducted at the site are provided at the end of the specific comments. Most of the comments relate to the fact that both PlaceWorks and ENGEO did not agree that the site remediation was complete and that the soil vapor extraction (SVE) system should be turned off. However, the latest posting on GeoTracker by the Santa Clara County Department of Environmental Health (SCCDEH) concurs that additional remediation at the site is required.</p>			
Specific Comments			
Comment No.	Document Section/Page	Comments	Response
1	Path Forward, <i>Subsurface Investigation Report</i> , page 2, second paragraph	It should additionally be noted that the results of the soil matrix evaluation did not detect organochlorine pesticides (OCPs) or metals that exceeded residential ESLs. Therefore, impacts from prior agricultural use of the site can be eliminated. Also, semi-volatile organic compounds (SVOCs) and polychlorinated biphenyls (PCBs) were also below detection levels or below residential Environmental Screening Levels (ESLs).	
2	Path Forward, <i>Subsurface Investigation Report</i> , page 2,	ENGEO correctly identified that benzene detection limits in most cases were higher than the residential ESLs (typo in the second sentence in the ENGEO report). However, it should also be noted that the benzene residential risk-based screening level (RBSL) is incorrectly stated as 3,200 ug/m3 in the Path	

	fifth paragraph	Forward report, Table 2. It should be 3.2 ug/m3. Therefore, virtually all the benzene soil gas concentrations could potentially exceed the residential RBSLs. Since benzene was detected in the former watch repair facility at concentrations above the indoor air commercial ESL, benzene cannot be ruled out as a potential concern in soil gas. It should also be noted that chloroform detection limits were also higher than the residential RBSLs; therefore, the presence of chloroform in the soil gas samples cannot be ruled out.	
3	Path Forward, <i>Additional Investigation Report</i> , page 3	PlaceWorks concurs with ENGEO's summary of this report and the assumption that shallow groundwater is not likely to be impacted due to the depth to groundwater and subsurface geology at the site. PlaceWorks also concurs that the lateral extent of tetrachloroethylene (PCE) in soil gas is delineated by the off-site soil gas data collected at the Vallco site by the soil gas probes along the north side of Stevens Creek Boulevard (SV-8 and SV-10).	
4	Path Forward, <i>Regulatory Path for Remediation</i> , page 4	PlaceWorks agrees with ENGEO and disagrees with Path Forward's assumption that the most effective remedial action would be soil excavation. Due to elevated PCE concentrations in the deep vapor probes (15 feet bgs), excavation is not a viable option. However, PlaceWorks does agree with the statement that vapor mitigation systems would be required for future development, as well as deed restrictions and ongoing operation and maintenance monitoring.	
5	Terraphase, <i>Indoor Air and Soil Gas Sampling Results</i> , page 4, second paragraph	<p>PlaceWorks disagrees with Terraphase's statement in this report that extensive remedial actions do not appear to be warranted; however, further reports and investigations were subsequently conducted. Terraphase also states that it is unlikely that PCE crossed Stevens Creek Boulevard and impacted the Vallco site. The evidence used is the concentration of soil gas in B-7 at the site of 20 ug/m3. However, probe B-4 at the northern edge of the Idlewild property had a soil gas concentration of 2,400 ug/m3 and soil gas could easily have migrated across Stevens Creek Boulevard to result in soil gas concentrations at probes SV-8 and SV-10 of 30 to 80 ug/m3 at the Vallco site. Finally, Table 1 in the report should have used residential instead of commercial ESLs as an evaluation of the soil gas and indoor air results. This was corrected in later reports.</p> <p>If soil vapors from the Idlewild site did migrate onto the Vallco property, it probably is no longer relevant because Vallco is not doing any further investigation of the source of the PCE vapors along the north side of Stevens</p>	

		Creek Boulevard. The proposed mixed-use development on the Vallco site (Block 1, which is directly across Stevens Creek Boulevard from the project site) would include a subsurface mechanically ventilated garage. The applicant developed modified ESLs based on the subsurface garage configuration and enhanced ventilation and a soil removal action was conducted at the site. Soil vapor confirmation samples were below the modified ESLs and no further action is planned in this area.	
6	Terraphase, <i>Soil Gas Investigation Report</i> , page 6	It should also be noted that the Terraphase Soil Gas Investigation Report used commercial ESLs instead of residential ESLs to compare soil gas concentrations in Tables 1 and 2. Also, there is no mention in the report that chloroform was present in one of the soil gas samples in concentrations exceeding both the commercial and residential ESLs. PlaceWorks agrees with the assumption that installation of a SVE system is warranted and that groundwater beneath the site is not likely to be impacted. However, the statement that PCE concentrations would be reduced to below residential ESLs in six months is overly optimistic.	
7	Terraphase, <i>Soil Vapor Investigation and Soil Vapor Extraction Pilot Test</i> , page 6	Terraphase proposed collecting indoor air samples and an ambient outdoor air sample at the adjacent property to the west as well as three nested soil monitoring probes at the adjacent property (B-14 through B-16). PlaceWorks has seen no evidence that this additional sampling was ever conducted. Terraphase also proposed a SVE pilot test program, which was subsequently implemented. Tables 1 and 2 in this report still use commercial ESLs for concentration comparisons.	
8	Terraphase, <i>Soil Vapor Extraction Pilot Scale Test Work Plan</i> , page 6	Terraphase provides the details for the SVE pilot test. PlaceWorks has no comments regarding this report.	
9	Terraphase, <i>Preliminary Results of Soil Vapor Extraction Pilot Test</i> , page 8	<p>Terraphase stated in the Soil Vapor Extraction Test Workplan that the following data would be obtained from the test but these data are missing in the report:</p> <ul style="list-style-type: none"> • Vacuum readings at B10 through B12 and SSV-1 through SSV-8. Only vacuum readings at B10 and B12 were reported. • Step tests and constant rate tests would be conducted. No data were reported from these tests. • Vacuum at all monitoring wells and SSV monitoring reports would be recorded. Only vacuum from B10 through B12 were reported; SSV-7 and SSV-8 had no reported vacuum. There are no reports from SSV-1 through 	

		<p>SSV-6.</p> <ul style="list-style-type: none"> • Vapor flow monitoring would be recorded. No data were presented. • Soil gas baseline photoionization detector (PID) readings would be recorded from B-10 through B-12 and SSV-1 through SSV-8. No PID readings were reported except from SVE well, SVE-01. • Soil vapor samples would be collected from the SVE-01 well, B-10 through B-12, and the SSV monitoring points. No data from the SSV monitoring points were reported. • The sub-slab radius of influence would be determined by measuring vacuum in the SSV monitoring points. No data calculating the radius of influence (ROI) were reported nor were there vacuum measurements from the SSV vapor pins. • In the reporting section of the workplan, it is stated that the ROI of the SVE well would be estimated, potential influence on sub-slab gradients would be determined, optimal flow and vacuum rates would be identified, and the anticipated mass of volatile organic compounds (VOCs) removed would be estimated. None of these items were reported. <p>Also, the tables in the report continue to use commercial ESLs as a comparison. In a previous report, it was stated that Terraphase would conduct indoor and ambient air monitoring at the adjacent property. It does not appear that this effort was conducted. Although two vapor pins (SSV-7 and SSV-8) were installed at the adjacent property, there was air leakage when collecting the VOC samples during the SVE pilot test. Therefore, accurate concentrations of VOCs in soil gas at the adjacent property could not be determined.</p>	
10	Terraphase, <i>Remedial Action Plan</i> , page 8	<p>The remedial action plan is missing several elements that are needed to determine the effectiveness of the proposed SVE system, as noted in the comment above. The appendix includes the preliminary results of the soil vapor extraction test but is simply the previously submitted technical memorandum dated August 4, 2023 that does not contain any new or additional information.</p> <p>Table 1 now correctly contains the residential RSLs. However, the detection limits for benzene, chloroform, and trichloroethylene (TCE) in most of the soil vapor samples exceed the residential RSLs. Therefore, it is not known if these chemicals of concern are present at the site. It is not known why SSV-4</p>	

		<p>through SSV-6 were not part of the sampling program; an explanation should be provided since this was reported to be part of the sampling program in the SVE Pilot Test Workplan.</p> <p>It is unclear whether the remedial goal of a PCE concentration less than 460 ug/m3 in shallow soil gas would be protective to future residential occupants. This is based on an attenuation factor of 1,000, whereas the ESLs use an attenuation factor of 0.03. A vapor barrier and passive venting system may be able to achieve this attenuation factor, but additional verification and supporting documentation are needed. It may be possible to use the J&E model and site-specific soil parameters to verify this assumption, but if grading operations remove the fine-grained material in the shallow subsurface and replace it with coarser fill material, this would be more conducive to vapor transport.</p> <p>Also, the SVE well is screened from 7 to 23 feet bgs, which makes its relatively easy to remove PCE soil vapors in the gravel and coarse grained soil layers that are at deeper depths, but the fine-grained silty clays in the upper 10 feet at the site show a much smaller radius of influence which will take a longer time to remediate.</p>	
11	<p>ENGEO, <i>Environmental Review Comments</i>, page 9</p>	<p>In general, PlaceWorks agrees with ENGEO's review comments on the previous reports and provides additional information and/or clarification.</p> <ul style="list-style-type: none"> • While PlaceWorks believes that releases from the property may have impacted the former Vallco site (see comment #5), it does not require further investigation since remediation has already been implemented at the Vallco site. • PlaceWorks concurs that benzene may be a chemical of concern at the site, because the detection limits in soil gas exceed the residential ESLs. Therefore, benzene cannot be ruled out as a chemical of concern. Also, chloroform and TCE detection limits in many cases exceed the residential ESLs and could be potential chemicals of concern. • The concentration of PCE in the 15-foot sample from B-13 of 7,100 ug/m3 is concerning and may indicate the vapor plume is migrating onto the adjacent property at depth. The vapor pins next to the sidewalk show air leakage and therefore the analytical results are not conclusive. PlaceWorks concurs with ENGEO that indoor air sampling at the adjacent property would be warranted to ensure that occupants in the building are not adversely impacted. 	

		<ul style="list-style-type: none"> PlaceWorks concurs with ENGEO that the preliminary results of the soil vapor extraction test lack monitoring and operational data that are critical for sizing and evaluating the SVE system. The boring log for SVE-01 has subsequently been posted on the GeoTracker website. PlaceWorks agrees with ENGEO that there should be supporting evidence to validate the time frame of 12 to 18 months to reach the remedial goal for PCE concentrations in soil vapor to be below residential ESLs at the site. PlaceWorks concurs with ENGEO that the remedial goal to reach PCE concentrations at the site below 460 ug/m3 may not be protective to residential occupants or may not meet approval by SCCDEH. PlaceWorks also believes that the ultimate vapor mitigation system proposed at the site (i.e., vapor barrier and passive venting system) should be configured so that an active venting system could be implemented, if needed. 	
Additional Comments			
12	Terraphase, <i>Idlewild SVE System Status Update</i> , August 12, 2024	<p>Since ENGEO reviewed reports up to November 2023, PlaceWorks is supplementing this review with additional information posted on the GeoTracker website since that time period.</p> <p>The Terraphase SVE System Status Update Report is a one page memorandum reporting the PCE concentrations after four weeks of SVE operation. However, no information on the installation and configuration of the SVE system is provided. Vapor probes B-10 through B-12 were sampled and show reductions in PCE concentrations. However, levels are still well above residential ESLs.</p>	
13	Terraphase, <i>Soil Vapor Extraction Operations</i> , December 24, 2024	<p>This report summarizes the results from the operation of the SVE system at the site from June to December 2024. Comments regarding the report follow:</p> <ul style="list-style-type: none"> Section 3.1, <i>Timeline</i> – It is stated that SVE system monitoring and soil vapor probe sampling was conducted on November 14, 2024. However, no data are present in the report for this sampling period Section 4.1, <i>Soil Sampling</i> – Soil samples from 15 locations were collected within the former dry cleaner unit and analyzed with PID readings. A PID reading around 1 ppmv is considered a significant indicator for PCE. One ppmv of PCE is equivalent to 6,783 ug/m3. Several of the PID readings exceeded 1 ppmv. However, the conclusion was that there were no significant hot spots. Without a confirmatory soil sample 	

		<p>analysis by the laboratory to determine the actual PCE concentration from at least one of the locations with elevated PID readings, it is not possible to determine the actual concentration of PCE in soil.</p> <ul style="list-style-type: none"> • Section 4.3.1, <i>Western Adjoining Property</i> – Although the Vapor Pin samples had non-detect concentrations of PCE, it is concerning that vapor probe B-14 still has PCE concentrations of 50, 540, and 310 ug/m³ at the 5, 15, and 25-foot depths, respectively. The 15 and 25-foot PCE concentrations are significantly above the commercial ESL of 67 ug/m³. Therefore, PlaceWorks recommends that the indoor air sampling that Terraphase proposed in one of the previous reports be conducted to ensure there are no indoor air health issues at the adjacent commercial building. • Section 4.4, <i>Pressure Radius of Influence (ROI)</i> – It is stated that based on high vacuums at 25 feet bgs at B-11 and B-12, the pressure radius of influence is at least 100 feet. A vacuum of 0.02 to 0.1 inch of water or more is indicative of the extraction well's influence at that point. The vacuum readings in B-12 at 5 feet bgs are below this number, as are the readings for SSV-2. There is no calculation provided as to how the ROI was determined but it would be less than 100 feet for the shallow vadose zone. This is concerning because the shallow vadose zone will take a much longer time to remediate due to the fine-grained sediments in the subsurface at these depths. However, the results do show that PCE concentrations in the shallow zone in the vicinity of wells B-10 and B-11 have decreased over time so there is an indication that the shallow subsurface is remediated to some extent. PlaceWorks would like to see calculations of the ROI for both the shallow and deeper vadose zone and vacuum measurements at well B-14 to see if the vacuum extends to this location. • Section 5, <i>Conclusions and Recommendations</i> – While PlaceWorks agrees that rebound testing should be conducted at the site, we disagree that the SVE system should be shut down. The PCE concentrations in soil gas have decreased but are still well above the remediation goal of 460 ug/m³ that was proposed in the Remedial Action Plan (RAP). The rationale that PCE concentrations in soil gas have decreased significantly is not sufficient to support system shutdown. How much contaminant mass was in the vadose zone, how much was removed, and how much is remaining? In the workplan, it was stated that the potential influence on 	
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		<p>sub-slab gradients would be determined, optimal flow and vacuum rates would be identified, and the anticipated mass of VOC removed would be estimated. There has been no reporting on these issues. Also, there are enhancements to SVE operation that could be implemented to address remaining vadose zone contamination, such as connecting additional wells to the SVE system, pulsing, active or passive air injection, etc.</p>	
14	<p>Terraphase, <i>One Month SVE Rebound Testing Report</i>, March 12, 2025</p>	<p>This report provides the results of rebound testing after shutdown of the SVE system. The 30-day rebound period was from January 23, 2025 to February 24, 2025. Concentrations in the SVE influent well increased from 650 ug/m³ to 1,100 ug/m³, an increase of approximately 69 percent. PCE concentrations in wells B-11 at 15 and 25 feet bgs were 1,000 and 1,500 ug/m³, respectively, which is well above the remedial goal of 460 ug/m³. PCE concentrations in well B-14 at 15 feet were reported to be 770 ug/m³, which is also above the remedial goal.</p> <p>Although PlaceWorks concurs that significant mass has been removed with operation of the SVE system, there are no calculations showing the amount of mass removed by the system and the amount of mass remaining in the subsurface. Typically, a graph is provided that shows the amount of mass (in lbs) removed by the SVE system and when it reaches an asymptotic limit, that is when rebound testing is typically conducted. Also, the graphs presented in the report should show the PCE concentrations along the y axis on a logarithmic scale, since it appears that the remaining PCE concentrations are zero due to the scale of the graph.</p> <p>PlaceWorks does not believe that the SVE system should be shut down at this time, since the PCE concentrations in the sampled soil vapor probes rebounded at the end of the 30-day period and remain well above the remedial goal of 640 ug/m³.</p> <p>The Terraphase report states that the PCE concentrations in the surface are well below levels where a properly installed vapor mitigation system will protect future inhabitants, but no supporting calculations or justification for this assumption is provided. Terraphase also states that continued operation of the SVE system would not result in further reductions of PCE in the subsurface. Again, no supporting evidence is provided.</p> <p>If the amount of PCE mass removed has reached an asymptotic limit (a graph should be provided as evidence) and PCE concentrations remain above remedial action goals, there are modifications to the SVE system that can be</p>	

		<p>made to further reduce PCE concentrations in the subsurface, such as pulsing the SVE system, active or passive air injection, adding additional wells to the network, etc.</p> <p>Also, the PCE concentrations remaining in the subsurface at the adjacent western property (B-14 at 770 ug/m3 at 15 feet bgs) are concerning. The PCE concentration at B-13, which is adjacent to B-14, was 7,100 ug/m3 when last sampled in 2022. There does not appear to be an established boundary for the PCE soil vapor concentrations in the 15-foot samples to the west of the site and there are no vacuum measurements in B-14 to show if the ROI extends to this area. Also, it is not known whether the occupants of the adjacent building are being exposed to indoor air concentrations that exceed commercial ESLs and indoor air sampling should be conducted.</p>	
15	Email from Terraphase to SCCDEH, March 31, 2025	The email states that the client has decided to restart the SVE system and install a second extraction well, but no further details were provided.	
16	Letter from SCCDEH, April 3, 2025	The letter states that SCCDEH does not agree with shutting down the SVE system, based on the results in the SVE Rebound Testing Report. However, they also note that via email, Terraphase stated that the SVE system would be restarted and a new SVE well would be installed. The SCCDEH states that they had not received a work plan for the new well installation and work should not proceed until the work plan is approved by SCCDEH. Also, SCCDEH states that quarterly remediation progress reports are required, including system flow rates, operational run time, well head vacuum readings, and mass removal calculations. The quarterly progress reports are due July 31, 2025, October 31, 2025, and January 30, 2026.	

County of Santa Clara

Department of Environmental Health
Hazardous Materials Compliance Division
Site Mitigation Program
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716
(408) 918-3400 FAX (408) 280-6479



Date: 6/15/2023

SENT VIA ELECTRONIC MAIL ONLY

Nicole Yuen
Department of Toxic Substances Control
Berkeley Regional Office
Nicole.Yuen@dtsc.ca.gov

John Wolfenden
Regional Water Quality Control Board
San Francisco Bay
John.Wolfenden@waterboards.ca.gov

Notification of Intent to Enter into a Remedial Action Agreement

Required by CA Health & Safety Code, Sections 101480 & 101487

Section I: Local Agency Information

Name: County of Santa Clara, Department of Environmental Health (DEH)
Address: 1555 Berger Drive, Suite 300, San Jose CA 95112

Local Officer: Dr. Marilyn Underwood, Director, Department of Environmental Health
marilyn.underwood@deh.sccgov.org
408-918-1976

Section II: General Site Information

Site Information

Site Name: One-Hour Dry Cleaners
Local Case Number: TBD
Site Address: 10045 East Estates Drive, Cupertino, CA 95014

GeoTracker ID: [T10000021095](#)
APN: 369-06-002

Responsible Party or Project Proponent Information

Name: Idlewild TIC
Primary Contact: Victor M. Castello
Email: vcastello@redwoodeg.com
Address: PO Box 254, Saratoga, CA 95071

Phone: (408) 450-4816

Property Owner Information (if different from Responsible Party)

Joseph Nancy Castello, an individual; Rosalie Castello Flores, an individual; Tamara M. Foglesong, an individual; Jennifer Castello, an individual; Rick Costello II, an individual; Victor M. Castello, an individual; Gina C. Wagner, an individual; Geno I. Castello, an individual; Victoria M. Castello, an individual; Rosalyn J. Castello, an individual; Trust for Dana E. Clover under the 1996 Grace M. Clover Living Trust U/D/T November 5, 1996; Ryan Andersen, as successor trustee of the Trust for Dana E. Clover under the 1996 Grace M. Clover Living Trust U/D/T November 5, 1996; Cara Clover Borromei, an individual; Danica Cavigliano, an individual; and Nicolas Cavigliano, an individual (collectively referred to as "Idlewild Tenants in Common [TIC]").

Primary Contact: Victor M. Castello
Email: vcastello@redwoodeg.com
Address on file with Assessor: 2323 Gunar Drive, San Jose, CA 95124

Phone: (408) 450-4816

Board of Supervisors: Sylvia Arenas, Cindy Chavez, Otto Lee, Susan Ellenberg, S. Joseph Simitian
County Executive: Jeffrey V. Smith

Section III: Agency Involvement & Background

DEH is not aware of any planned local, state, or federal regulatory involvement at the waste release site beyond the scope of work described in this notice. A review of EnviroStor and GeoTracker identified open cases located within approximately 500 feet of the waste release site, as listed below.

Site Name	ID Number	Site Address	Lead Agency
Vallco Town Center	T10000017167	10123 North Wolfe Road	DEH
19720 Stevens Creek Blvd	T10000016970	19720 Stevens Creek Blvd	DEH

Contamination associated with the above case(s) may be affecting the waste release site.

Section IV: Operational and Release Information

Land-use (past, current, and planned, if known):

Currently commercial use with previous dry cleaner tenant. Historical and future use unknown but likely extends off site.

Type of Contamination:

☒Petroleum ☐PFAS/PFOAs ☐Pesticides ☒Chlorinated Solvents ☐PCBs ☐Metals
☐Dioxins/Furans ☐Semi-Volatiles (e.g., PAHs) ☒Unknown ☐Other:

Maximum Concentrations Detected (if known): Soil and groundwater conditions are unknown. Applicant has provided preliminary information identifying a maximum concentration of tetrachloroethene (PCE) in soil gas at 30,000 micrograms per cubic meter. Indoor air concentrations of PCE and benzene were also reported, with the indoor air concentration of benzene reportedly exceeding indoor air screening criteria. The nature and extent of contamination is unknown.

Extent of Contamination:

☐Limited to Source Property ☐Extends Beyond Source Property ☒Unknown

Threatened Receptors:

☐Water Well ☐Surface Waters ☐Residence ☐School/Daycare ☒Unknown ☐Other:

Section V: Planned Investigation and Remediation

Anticipated Investigation Type:

☒Groundwater ☒Soil ☒Soil Vapor ☐Surface Water ☐Air

The planned oversight by DEH is to direct additional investigations, if needed, in order to complete the conceptual site model (CSM) and understand potential risk(s) to on-site and off-site receptors. Interim remedial actions may be required to protect human health. Once the CSM is better understood, DEH will direct the development and implementation of a site management plan and/or remedial action plan or similar document, including cleanup goals, as well as any long-term mitigation measure(s) needed to protect human health and the environment.

Section VI: Local Officer Acknowledgement


I, Marilyn Underwood, acknowledge the following statements:

1. The information in this notification is accurate and complete to the best of my knowledge.
2. DEH has the technical expertise and staff resources available to provide regulatory oversight for the waste release site identified in this notification. Information supporting this statement has been submitted to the California Department of Toxic Substances Control (DTSC) and San Francisco Bay Regional Water Quality Control Board (Regional Water Board) within the past 12 months, as required by Health and Safety Code, Section 101480(b)(2).

Please inform DEH whether DTSC or the Regional Water Board will retain oversight authority for the waste release site. The attached form has been provided to assist you. If DEH receives no response within 30 days of the date of this notice, DEH will proceed with entering into a Remedial Action Agreement pursuant to Health and Safety Code, Section 101480(f)(2).

If you need any additional information about this project, please contact Senior Hazardous Materials Specialist Travis Flora at (408) 918-3486 or travis.flora@deh.sccgov.org.

Sincerely,

DocuSigned by:

D1103599CB5C4C2...

Marilyn C. Underwood, PhD
Director, Department of Environmental Health

Attachments: DTSC Determination of Regulatory Oversight
Regional Water Board Determination of Regulatory Oversight

cc: Marikka Hughes, Department of Toxic Substances Control, Site Mitigation Program
(Marikka.Hughes@dtsc.ca.gov)

Steven McMasters, State Water Resources Control Board, Division of Water Quality
(Steven.McMasters@waterboards.ca.gov)

DTSC Determination of Regulatory Oversight

The California Department of Toxic Substances Control (DTSC) may use this attachment to inform DEH whether they will retain oversight authority for the waste release site described below. If DEH receives no response within 30 days of the date of this notice, DEH will proceed with entering into a Remedial Action Agreement pursuant to Health and Safety Code, Section 101480(f)(2).

Site Information

Site Name: One-Hour Dry Cleaners GeoTracker ID: T10000021095
Local Case Number: TBD APN: 369-06-002
Site Address: 10045 East Estates Drive, Cupertino, CA 95014

DTSC Determination

- ☒ DTSC will not retain oversight authority for the waste release site.
☐ DTSC will retain oversight authority for the waste release site.

Please provide the following information only if retaining oversight authority for the waste release site.

Reason for retaining oversight authority:

If retaining oversight authority, the DTSC will post public records regarding the waste release site on the following website:

☐ www.envirostor.dtsc.ca.gov ☐ Other: _____

This determination was made by:

Name: Nicole Yuen

Phone: _____

Email: nicole.yuen@dtsc.ca.gov

Signature:  BD38F5A73BA7425...

Date: 6/15/2023

Regional Water Board Determination of Regulatory Oversight

The Regional Water Board may use this attachment to inform DEH whether they will retain oversight authority for the waste release site described below. If DEH receives no response within 30 days of the date of this notice, DEH will proceed with entering into a Remedial Action Agreement pursuant to Health and Safety Code, Section 101480(f)(2).

Site Information

Site Name: One-Hour Dry Cleaners GeoTracker ID: T10000021095
Local Case Number: TBD APN: 369-06-002
Site Address: 10045 East Estates Drive, Cupertino, CA 95014

Regional Water Board Determination

- ☒ Regional Water Board will not retain oversight authority for the waste release site.
☐ Regional Water Board will retain oversight authority for the waste release site.

Please provide the following information only if retaining oversight authority for the waste release site.

Reason for retaining oversight authority:

If retaining oversight authority, the Regional Water Board will post public records regarding the waste release site on the following website:

☐ www.geotracker.waterboards.ca.gov ☐ Other: _____

This determination was made by:

Name: John Wolfenden
Phone: 5106222444
Email: john.wolfenden@waterboards.ca.gov

Signature:  0E5B4696F950495...

Date: 6/15/2023

County of Santa Clara

Department of Environmental Health

Hazardous Materials Compliance Division

Site Mitigation Program

1555 Berger Drive, Suite 300

San José, CA 95112-2716

(408) 918-3400



7/31/2023

SENT VIA ELECTRONIC MAIL ONLY

Idlewild TIC

c/o Mr. Victor M. Castello

PO Box 254, Saratoga, CA 95071

vcastello@redwoodeg.com

**SUBJECT: REMEDIAL ACTION AGREEMENT
ONE-HOUR DRY CLEANERS
10045 EAST ESTATES DRIVE, CUPERTINO, CA 95014
APN: 369-06-002
GEOTRACKER ID NO.: T10000021095**

Dear Mr. Castello:

The Department of Environmental Health (DEH) has received your application requesting regulatory oversight. At your request, DEH is assuming the role as the lead regulatory oversight agency for the remedial action as allowed by California Health and Safety Code sections 101480 through 101490. As indicated on your application for oversight, **JOSEPH NACY CASTELLO, AN INDIVIDUAL; ROSALIE CASTELLO FLORES, AN INDIVIDUAL; TAMARA M. FOGLESONG, AN INDIVIDUAL; JENNIFER CASTELLO, AN INDIVIDUAL; RICK CASTELLO II, AN INDIVIDUAL; VICTOR M. CASTELLO, AN INDIVIDUAL; GINA C. WAGNER, AN INDIVIDUAL; GENO I. CASTELLO AND VICTORIA M. CASTELLO, HUSBAND AND WIFE; ROSALYN J. CASTELLO, AN INDIVIDUAL; RYAN ANDERSEN, SUCCESSOR TRUSTEE OF THE TRUST FOR DANA E. CLOVER UNDER THE 1996 GRACE M. CLOVER LIVING TRUST U/D/T NOVEMBER 5, 1996; CARA CLOVER BORROMEI, AN INDIVIDUAL; DANICA CAVIGLIANO, AN INDIVIDUAL; AND NICOLAS CAVIGLIANO, AN INDIVIDUAL (COLLECTIVELY, “IDLEWILD TENANTS IN COMMON” OR “IDLEWILD TIC”)** have requested to be the Responsible Party¹ for the remedial action.

TERMS OF AGREEMENT

By entering into this Remedial Action Agreement (“Agreement”) with the DEH, you agree to the following terms and conditions:

- All subsequent written directives from DEH regarding testing, monitoring, and analysis to determine the nature, extent, and risk of contamination, potential remedial action or mitigation

¹ Responsible Party as defined in Health and Safety Code Section 101480.

measures to be taken, and cleanup goals (including deadlines for required submittals), collectively referred to as Remedial Action, will be considered a part of this Agreement.

- DEH will utilize the State of California GeoTracker database to store all documents related to this case. This case is subject to California regulations for electronic submittal of information for all cleanup cases in California (Title 23, Division 3, Chapter 30, Articles 1 and 2; Title 27, Division 3, Subdivisions 1 and 2). To be considered complete, all required submittals must be uploaded to the GeoTracker database by specified submittal due dates. Please note, DEH will not accept paper or email submittal of documents for review.
- DEH review of and response to all technical documents (work plans, site management plans, remedial action plans, completion reports, etc.) may take between 30 and 45 days after documents have been uploaded to GeoTracker. DEH will not expedite review of documents based on the Responsible Party's schedule.
- Regardless of the level of oversight from DEH, you are responsible for the timely reporting, investigation, and cleanup of soil and groundwater pollution such that the beneficial uses of waters of the State are protected, and in compliance with appropriate laws, regulations, and policies. You are also responsible for compliance with any new laws or regulations that may be applicable during the term of this Agreement.
- If, at any time, the Responsible Party is not in compliance with directives from DEH that constitute a portion of this Agreement, the DEH can, with adequate notice, terminate this Agreement. If the Agreement is terminated prior to adequate completion of the remedial action, the case may be referred to the Department of Toxic Substance Control (DTSC) or Regional Water Quality Control Board (RWQCB) for issuance of a State Corrective Action Order, Cleanup and Abatement Order, or other order or enforceable agreement, as appropriate, for further remedial action directives.
- If, upon further characterization, DEH determines that the release of waste that is the subject of this Agreement is sufficiently complex, may present such a significant potential hazard to human health or the environment, or may not be in the best interest of the DEH to continue as lead agency, the case may be referred to the DTSC or RWQCB for further action. In the event this case is referred to and accepted by the DTSC or RWQCB, this Agreement is terminated.
- Pursuant to Section 25262 of the Health and Safety Code, a Responsible Party may request the designation of an administering or lead agency other than DEH when required to conduct corrective action. Please contact DEH for further information about the State Site Designation Committee process.
- Remedial action must follow acceptable industry standards regarding testing, monitoring, and analyses to determine the type and extent of the contamination caused by the released waste, and the appropriate cleanup, as determined by DEH, of the released waste to eliminate or mitigate the associated risk to human health or safety or the environment.
- After determining that the Responsible Party has completed the remedial action required by DEH to protect human health, safety, and the environment, and that a permanent remedy for the release

Idlewild TIC
Page 3 of 4

of waste has been achieved, a case closure letter will be issued to the Responsible Party that certifies that no further action is required.

- As allowed by Health and Safety Code section 101490, DEH will invoice the Responsible Party to recover the reasonable and necessary costs for oversight of the identified release up to and including implementing this Agreement. DEH staff time will be invoiced quarterly at the rate specified in the County Fee Ordinance at the time the DEH work is performed. The current hourly charge rate is \$195 per hour under the County's fee schedule adopted by the Board of Supervisors. Effective August 1, 2023, the rate will increase to \$237 per hour.
- Failure to pay oversight invoices within 30 days may result in a 25% late charge and could result in assignment of the charges to the County's Department of Revenue for legal collections, and potential termination of this Agreement with subsequent referral to the DTSC or RWQCB. DEH response to technical documents and/or issuance of final closure may also be delayed.

RESPONSE REQUIRED

To execute this Agreement, please sign and date below where indicated. By signing this Agreement, you acknowledge that you have read and accept the Terms of Agreement herein and that you are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind the Responsible Party to this Agreement. Upon receipt of the executed Agreement, a new project will be opened in the State of California GeoTracker database.

If you have any questions, please contact the Site Mitigation Program coordinator, Travis Flora at (408) 918-3486 or by email at travis.flora@deh.sccgov.org.

Sincerely,

DocuSigned by:

Marilyn C. Underwood, PhD

D1103599CB5C4C2...

Marilyn C. Underwood, PhD
Director, Department of Environmental Health

DocuSigned by:

Joseph Nancy Castello

6737C87426914D7...

Joseph Nancy Castello, an Individual

8/1/2023

Date Executed

DocuSigned by:

Rosalie Castello Flores

2CD6745E08B648C...

Rosalie Castello Flores, an Individual

8/2/2023

Date Executed

DocuSigned by:

Tamara M. Foglesong

B7B8AFE6502B47A...

Tamara M. Foglesong, an Individual

8/2/2023

Date Executed


Idlewild TIC
Page 4 of 4

DocuSigned by:

4A36B85282A246F...
Jennifer Castello, an Individual

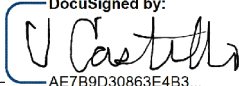
7/31/2023

Date Executed

DocuSigned by:

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Rick Castello II, an Individual

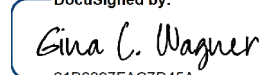
8/1/2023

Date Executed

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Victor M. Castello, an Individual

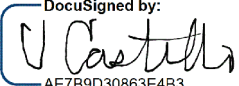
7/31/2023

Date Executed

DocuSigned by:

21B6997FAC7D45A...
Gina C. Wagner, an Individual

7/31/2023

Date Executed

DocuSigned by:

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Victor M. Castello (Power of Attorney) for
Geno I. Castello and Victoria M. Castello,
Husband and Wife

7/31/2023

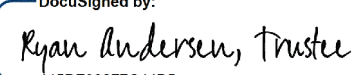
Date Executed

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Rosalyn J. Castello, an Individual

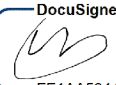
7/31/2023

Date Executed

DocuSigned by:

445DF88277C44B5...
Ryan Andersen, Trustee of the Trust for
Dana E. Clover under the 1996 Grace M. Clover
Living Trust U/D/T November 5, 1996

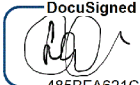
7/31/2023

Date Executed

DocuSigned by:

FE1AA5344EB84E7...
Cara Clover Borromei, an Individual

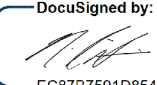
8/2/2023

Date Executed

DocuSigned by:

485BFA621CB54C0...
Danica Cavigliano, an Individual

8/9/2023

Date Executed

DocuSigned by:

EC87B7591D8543D...
Nicolas Cavigliano, an Individual

8/2/2023

Date Executed

County of Santa Clara

Department of Environmental Health

Hazardous Materials Compliance Division

1555 Berger Drive, Suite 300
San José, CA 95112-2716
(408) 918-3400
www.ehinfo.org/hazmat



January 17, 2025

SENT VIA ELECTRONIC MAIL ONLY

Idlewild TIC
c/o Victor Castello
PO Box 254
Saratoga, CA 95071
vcastello@redwoodeg.com

Re: One-Hour Dry Cleaners
10045 East Estates Dr., Cupertino, CA 95014
APN: 369-06-022
Site Cleanup Program Case No. 2023-17s
GeoTracker ID No. T10000021095

Dear Mr. Castello,

The Department of Environmental Health (DEH) has reviewed the [Soil Vapor Extraction Operations Report](#) (Report) submitted by Terraphase Engineering and dated December 24, 2024. The Report includes data collected from several site investigations and sampling events spanning from June 2021 to December 2024. Some of the data included in the Report was collected from properties adjacent to the currently regulated property (Assessor's Parcel Number 369-06-002).

The Report states that a soil vapor extraction (SVE) system began operating in June 2024 to reduce elevated concentrations of tetrachloroethylene (PCE) in soil gas reported beneath both the subject property and adjacent properties. The Report also states that PCE concentrations in soil gas in select soil gas monitoring wells have been declining since the SVE system began operation and recommends discontinuing active SVE remediation and initiating rebound testing.

It is acceptable to DEH to temporarily discontinue the SVE system operation and initiate rebound testing; however, the DEH does not concur with the rebound testing protocol proposed in the Report. The DEH requires the following soil gas sampling locations and depths to be sampled during rebound testing:

B-10 at five and ten feet
B-11 at five, fifteen, and twenty-five feet
B-14 at five, fifteen, and twenty-five feet

At minimum, soil gas samples at the above sampling locations and depths shall be collected at least one week after SVE system shut-down, and again at least one month after SVE system shut-down.

It is imperative to be able to demonstrate that subsurface soil gas conditions have reached steady-state equilibrium in order to evaluate the true effectiveness of the SVE system. Therefore, an additional round of sampling at these locations will likely be required after the reporting of the one week and one month rebound testing. If there is significant rebound observed, DEH will require you to restart the SVE system and attempt to remove additional source mass.

Board of Supervisors: Sylvia Arenas, Betty Duong, Otto Lee, Susan Ellenberg, Margaret Abe-Koga
County Executive: James R. Williams

REQUIRED SUBMITTAL

You are required to submit the following technical report to DEH (Attention: Mr. Aaron Costa) via GeoTracker according to the following schedule.

One Month SVE Rebound Testing Report – Due by March 28, 2025

Technical reports are required pursuant to our authority under Section 101480 of the California Health and Safety Code. Each report shall include conclusions and recommendations for the next phases of work required to protect water resources, human health and safety, and the environment at the site. All required work shall be performed in a prompt and timely manner. Revisions to the schedule shall be requested at least two (2) weeks prior to the due date in writing with appropriate justification for the anticipated delays and a proposed revised schedule.

The California Business and Professions Codes (Sections 6735, 7835, and 7835.1) require work plans and technical or implementation reports containing geologic or engineering evaluations and/or judgments must be performed under the direction of an appropriately registered or certified professional.

PERJURY STATEMENT

All proposals and reports submitted to this office must be accompanied by a cover letter from the Responsible Party which states, at a minimum, the following:

"I declare, under penalty of perjury, that the information and/or recommendations contained in the attached proposal or report is true and correct to the best of my knowledge."

This letter must be signed by an officer or legally authorized representative of the Responsible Party. In the future, reports that are either missing perjury statements, or include perjury statements that are not signed by a legally authorized representative of the Responsible Party, will be denied by DEH.

ELECTRONIC DATA SUBMITTAL REQUIREMENTS

As stated in the DEH [directive letter](#) dated August 14, 2024, you are required to electronically submit any report and data required by a regulatory agency for a cleanup site in accordance with the Electronic Reporting Regulations (Chapter 30, Division 3 of Title 23 & Division 3 of Title 27, CCR). You are required to complete electronic data submittal over the Internet to the case file established for the subject site in the State Water Resources Control Board (SWRCB) GeoTracker database. Once a report and data are successfully uploaded, as required, you have met the reporting requirement (i.e., the compliance measure for electronic data submittal are the actual uploads themselves).

The DEH requires all analytical data (including geochemical data) for all soil, vapor, and water samples that are collected for the purpose of subsurface investigation or remediation are required to be submitted in specified EDF format to GeoTracker. Groundwater, soil, and vapor samples include, but are not limited to, monitoring well samples, borehole samples, gas and vapor samples, groundwater grab samples, piezometer samples, stockpile samples, and samples from drinking water wells. Other electronic data submittal requirements include boring logs and well screen intervals, depth to water data, locational data, elevation data, and site maps. For additional details, please visit the following GeoTracker Reporting Requirements webpage:

https://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal/report_rqmts.html.

If you have any questions, please feel free to contact me at (408) 918-1954 or via email.

Sincerely,

Aaron

Costa

Aaron Costa

Supervising Hazardous Materials Specialist

Site Cleanup Program

aaron.costa@deh.sccgov.org

Digitally signed by
Aaron Costa
Date: 2025.01.17
10:02:53 -08'00'

cc: Jeff Lawson, Silicon Valley Law Group (jsl@svlg.com)
Jeff Raines, Terraphase Engineering (jeff.raines@terrphase.com)
File – GeoTracker

County of Santa Clara

Department of Environmental Health

Hazardous Materials Compliance Division

1555 Berger Drive, Suite 300
San José, CA 95112-2716
(408) 918-3400
www.ehinfo.org/hazmat



April 3, 2025

SENT VIA ELECTRONIC MAIL ONLY

Idlewild TIC
c/o Victor Castello
vcastello@redwoodeg.com

Re: One-Hour Dry Cleaners
10045 East Estates Dr., Cupertino, CA 95014
APN: 369-06-022
Site Cleanup Program Case No. 2023-17s
GeoTracker ID: [T10000021095](#)

Dear Mr. Castello,

The Department of Environmental Health (DEH) has reviewed the [2025 One-Month Soil-Vapor Extraction \(SVE\) Rebound Testing Report](#) (Report) submitted by Terraphase Engineering and dated March 12, 2025. The Report does not include a required perjury statement signed by a legally authorized representative of Idlewild TIC. If future submittals fail to include the required perjury statement, DEH will deny the submittal.

The Report states that the soil vapor extraction (SVE) system was shut-down on January 23, 2025, to monitor for rebound. Soil gas samples were then collected from select monitoring locations immediately following SVE shut-down, one week after shut-down, and one month after shut-down. Based on the results of the rebound monitoring events, the Report recommends permanent shut-down of the SVE system, and states that continued SVE operation is not likely to result in significant further removal of tetrachloroethene (PCE) from the subsurface.

The DEH does not agree with the recommendation at this time. Based on the information provided in the Report, the DEH concludes that soil gas concentrations have not reached equilibrium. In order to demonstrate that soil gas concentrations have reached equilibrium, the SVE rebound monitoring period shall be for at least 6 months after SVE shutdown.

On March 31, 2025, the DEH received an email from Terraphase Engineering stating that the SVE system will be restarted, and an additional SVE well will be installed and connected to the existing SVE system. The DEH notes that the decision to restart the SVE system and install a new SVE well is counter to the conclusions and recommendations made in the Report. Additionally, the DEH has not received a work plan for the new SVE well installation. The DEH does not recommend proceeding with well installation without an approved work plan as it could result in the requirement for additional work.

Since you have notified DEH that the SVE system will be restarted, you are required to submit quarterly remediation progress reports to DEH documenting the operational parameters of the system, including, at minimum, the system flow rates, the operational run time, well head vacuum readings, and mass removal calculations based upon laboratory analyzed samples.

Board of Supervisors: Sylvia Arenas, Betty Duong, Otto Lee, Susan Ellenberg, Margaret Abe-Koga
County Executive: James R. Williams

REQUIRED SUBMITTAL

You are required to submit the following technical report to DEH (Attention: Mr. Aaron Costa) via GeoTracker according to the following schedule.

Quarterly Remedial Progress Reports

2Q25 Report

July 31, 2025

3Q25 Report

October 31, 2025

4Q25 Report

January 30, 2026

Technical reports are required pursuant to our authority under Section 101480 of the California Health and Safety Code. Each report shall include conclusions and recommendations for the next phases of work required to protect water resources, human health and safety, and the environment at the site. All required work shall be performed in a prompt and timely manner. Revisions to the schedule shall be requested at least two (2) weeks prior to the due date in writing with appropriate justification for the anticipated delays and a proposed revised schedule.

The California Business and Professions Codes (Sections 6735, 7835, and 7835.1) require work plans and technical or implementation reports containing geologic or engineering evaluations and/or judgments must be performed under the direction of an appropriately registered or certified professional.

PERJURY STATEMENT

All proposals and reports submitted to this office must be accompanied by a cover letter from the Responsible Party which states, at a minimum, the following:

"I declare, under penalty of perjury, that the information and/or recommendations contained in the attached proposal or report is true and correct to the best of my knowledge."

This letter must be signed by an officer or legally authorized representative of the Responsible Party. In the future, reports that are either missing perjury statements, or include perjury statements that are not signed by a legally authorized representative of the Responsible Party, will be denied by DEH.

ELECTRONIC DATA SUBMITTAL REQUIREMENTS

As stated in the DEH [directive letter](#) dated August 14, 2024, you are required to electronically submit any report and data required by a regulatory agency for a cleanup site in accordance with the Electronic Reporting Regulations (Chapter 30, Division 3 of Title 23 & Division 3 of Title 27, CCR). You are required to complete electronic data submittal over the Internet to the case file established for the subject site in the State Water Resources Control Board (SWRCB) GeoTracker database. Once a report and data are successfully uploaded, as required, you have met the reporting requirement (i.e., the compliance measure for electronic data submittal are the actual uploads themselves).

The DEH requires all analytical data (including geochemical data) for all soil, vapor, and water samples that are collected for the purpose of subsurface investigation or remediation are required to be submitted in specified EDF format to GeoTracker. Groundwater, soil, and vapor samples include, but are not limited to, monitoring well samples, borehole samples, gas and vapor samples, groundwater grab samples, piezometer samples, stockpile samples, and samples from drinking water wells. Other electronic data submittal requirements include boring logs and well screen intervals, depth to water data, locational data, elevation data, and site maps. For additional details, please visit the following GeoTracker Reporting Requirements webpage:

https://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal/report_rqmts.html.

Reports submitted without accompanying electronic data submittals will be considered incomplete and may be denied. Please be advised that DEH may not close your case without this complete information.

If you have any questions, please feel free to contact me at (408) 918-1954 or via email.

Sincerely,

**Aaron
Costa**

Digitally signed by
Aaron Costa
Date: 2025.04.03
16:43:00 -07'00'

Supervising Hazardous Materials Specialist
Site Cleanup Program
aaron.costa@deh.sccgov.org

cc: Jeff Lawson, Silicon Valley Law Group (jsl@svlg.com)
Jeff Raines, Terraphase Engineering (jeff.raines@terrphase.com)
File – GeoTracker

County of Santa Clara

Department of Environmental Health

Hazardous Materials Compliance Division

1555 Berger Drive, Suite 300

San José, CA 95112-2716

(408) 918-3400

www.ehinfo.org/hazmat



August 29, 2025

SENT VIA ELECTRONIC MAIL ONLY

Idlewild TIC

c/o Victor Castello

vcastello@redwoodeg.com

Re: One-Hour Dry Cleaners
10045 East Estates Dr., Cupertino, CA 95014
APN: 369-06-022
Site Cleanup Program Case No. 2023-17s
GeoTracker ID No. T10000021095

Dear Mr. Castello,

The Department of Environmental Health (DEH) has reviewed the [2025 Second Quarter Soil Vapor Extraction \(SVE\) Progress Report](#) (Report) prepared by Terraphase Engineering and dated August 8, 2025. The DEH does not accept the Report because it does not satisfy the requirements included in previous DEH directive letters.

REASONS FOR DENIAL

The Report does not include a cover letter signed by an officer or legally authorized representative from the Responsible Party as required in the DEH [directive letter](#) dated January 17, 2025 and the DEH [directive letter](#) dated April 3, 2025.

The Report does not include any of the minimum operational parameters of the SVE system required in the April 3, 2025 DEH directive letter. Additionally, no information related to whether the SVE system was operating during the three soil vapor sampling events was provided. Therefore, the DEH cannot determine the validity of the reported soil vapor concentrations or evaluate the performance of the SVE system.

The Report includes two boring logs associated with soil boring B-15 and soil vapor extraction well SVE-02. The electronic data (GEO_BORE) for these boring logs were not submitted to GeoTracker as part of the Report submittals. The electronic data submittal requirements have been included in all DEH directive letters and were specifically emphasized in the DEH directive letter dated April 3, 2025. The boring logs included in the Report were also labeled as "Draft". In order for the DEH to accept the boring logs, they need to be finalized, which includes being checked and signed by a professional geologist.

Board of Supervisors: Sylvia Arenas, Betty Duong, Otto Lee, Susan Ellenberg, Margaret Abe-Koga
County Executive: James R. Williams

REQUIRED SUBMITTAL

In order for the DEH to evaluate the information presented in the Report, you are required to submit a Revised Second Quarter SVE Progress Report that includes all the required information outlined in this letter.

If SVE operational information (flow rates, run time, well head vacuum readings, mass removal calculations) was not collected and logged on field data sheets during the second quarter field visits, the DEH will not comment on the conclusions and recommendations included in the Report. Please submit the following technical report to DEH (Attention: Mr. Aaron Costa) via GeoTracker according to the following schedule.

Revised 2Q25 SVE Progress Report – Due by October 3, 2025

Technical reports are required pursuant to our authority under Section 101480 of the California Health and Safety Code. Each report shall include conclusions and recommendations for the next phases of work required to protect water resources, human health and safety, and the environment at the site. All required work shall be performed in a prompt and timely manner. Revisions to the schedule shall be requested at least two (2) weeks prior to the due date in writing with appropriate justification for the anticipated delays and a proposed revised schedule.

The California Business and Professions Codes (Sections 6735, 7835, and 7835.1) require work plans and technical or implementation reports containing geologic or engineering evaluations and/or judgments must be performed under the direction of an appropriately registered or certified professional.

PERJURY STATEMENT

All proposals and reports submitted to this office must be accompanied by a cover letter from the Responsible Party which states, at a minimum, the following:

"I declare, under penalty of perjury, that the information and/or recommendations contained in the attached proposal or report is true and correct to the best of my knowledge."

This letter must be signed by an officer or legally authorized representative of the Responsible Party. In the future, reports that are either missing perjury statements, or include perjury statements that are not signed by a legally authorized representative of the Responsible Party, will be denied by DEH.

ELECTRONIC DATA SUBMITTAL REQUIREMENTS

You are required to electronically submit any report and data required by a regulatory agency for a cleanup site in accordance with the Electronic Reporting Regulations (Chapter 30, Division 3 of Title 23 & Division 3 of Title 27, CCR). You are required to complete electronic data submittal over the Internet to the case file established for the subject site in the State Water Resources Control Board (SWRCB) GeoTracker database. Once a report and data are successfully uploaded, as required, you have met the reporting requirement (i.e., the compliance measure for electronic data submittal are the actual uploads themselves).

For additional details, please visit the following GeoTracker Reporting Requirements webpage:
https://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal/report_rqmts.html.

If you have any questions, please feel free to contact me at (408) 918-1954 or via email.

Sincerely,

A handwritten signature in blue ink that reads "Aaron Costa".

Digitally signed by Aaron
Costa
Date: 2025.08.29 10:01:07
-07'00'

Supervising Hazardous Materials Specialist
Site Cleanup Program
aaron.costa@deh.sccgov.org

cc: Jeff Lawson, Silicon Valley Law Group (jsl@svlg.com)
Jeff Raines, Terraphase Engineering (jeff.raines@terrphase.com)
File – GeoTracker

County of Santa Clara

Department of Environmental Health

Hazardous Materials Compliance Division

1555 Berger Drive, Suite 300

San José, CA 95112-2716

(408) 918-3400

www.ehinfo.org/hazmat



October 20, 2025

SENT VIA ELECTRONIC MAIL ONLY

Idlewild TIC

c/o Victor Castello

vcastello@redwoodeg.com

Re: **One-Hour Dry Cleaners**
10045 East Estates Dr., Cupertino, CA 95014
APN: 369-06-022
Site Cleanup Program Case No. 2023-17s
GeoTracker ID No. [T10000021095](#)

Dear Mr. Castello,

The Department of Environmental Health (DEH) has reviewed the [Revised 2025 Second Quarter Soil Vapor Extraction \(SVE\) Progress Report](#) (Report) prepared by Terraphase Engineering and dated September 30, 2025. The Report documents operational parameters of the SVE system and soil vapor concentrations of tetrachloroethene (PCE) at several sampling locations across the site. DEH accepts the Report.

The Report states “*Current PCE concentrations in the subsurface are well below levels of concern and are expected to be effectively mitigated by a properly installed vapor mitigation system, which will protect future occupants living at the Site.*” The DEH does not agree with this statement. The current concentrations of PCE reported beneath the site exceed the Environmental Screening Level (ESL) for both commercial and residential land uses by one to two orders of magnitude and continue to represent a risk for vapor intrusion.

The Report also states “*Both SVE wells (SVE-01 and SVE-02) will continue to operate with the system running. A second rebound test is planned for later this year in anticipation that the results will show the PCE mass remaining in the ground is no longer a significant threat to human health or the environment.*” The DEH requires written notification of when the SVE system will be shutdown to initiate a second rebound test. **Please note that in order to adequately demonstrate that soil vapor concentrations have reached equilibrium, the SVE rebound monitoring period shall last a minimum of six months after SVE shutdown with a minimum of three soil vapor sampling events during the rebound monitoring period.**

REQUIRED SUBMITTALS

You are required to submit the following documents to DEH (Attention: Mr. Aaron Costa) via GeoTracker according to the following schedule.

3Q25 SVE Progress Report – October 31, 2025

Notification of SVE System Shutdown for Rebound Testing – Prior to SVE System Shutdown

Technical reports are required pursuant to our authority under Section 101480 of the California Health and Safety Code. Each report shall include conclusions and recommendations for the next phases of work required to protect water resources, human health and safety, and the environment at the site. All required work shall be performed in a prompt and timely manner. Revisions to the schedule shall be requested at least two (2) weeks prior to the due date in writing with appropriate justification for the anticipated delays and a proposed revised schedule.

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https://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal/report_rqmts.html.

If you have any questions, please contact me at (408) 918-1954 or via email.

Sincerely,

 Digitally signed
by Aaron Costa
Date: 2025.10.20
08:26:44 -07'00'

Aaron Costa
Supervising Hazardous Materials Specialist
Site Cleanup Program
aaron.costa@deh.sccgov.org

cc: Jeff Lawson, Silicon Valley Law Group, jsl@svlg.com
Jeff Raines, Terraphase Engineering, jeff.raines@terrphase.com
Gian Paolo Martire, City of Cupertino Planning, gianm@cupertino.gov
File – GeoTracker

County of Santa Clara

Department of Environmental Health

Hazardous Materials Compliance Division Site Mitigation Program

1555 Berger Drive, Suite 300
San Jose, CA 95112-2716
(408) 918-3400 FAX (408) 280-6479



August 14, 2024

APN: 369-06-002

Idlewild TIC
c/o Mr. Victor M. Castello (vcastello@redwoodeg.com)
PO Box 254, Saratoga, CA 95071

Sent Via Electronic Mail Only

Re: Case Name: One-Hour Dry Cleaners
10045 East Estates Drive, Cupertino, CA 95014
Site Cleanup Program Case No. 2023-17S
GeoTracker ID No. T10000021095

Dear Mr. Castello:

The purpose of this letter is to notify you that your application for regulatory oversight under the County of Santa Clara Department of Environmental Health (DEH) Site Cleanup Program has been approved, and the Remedial Action Agreement has been fully executed. DEH has created a case file in the State Water Resources Control Board online GeoTracker database, which will be used to store and review relevant environmental documents related to the case. The GeoTracker case can be accessed online at <http://geotracker.waterboards.ca.gov/> under the site address 10045 East Estates Drive, Cupertino, CA 95014, or the case name "One-Hour Dry Cleaners," or GeoTracker Global ID No. T10000021095.

To evaluate potential environmental risk related to your project, DEH requires a complete Conceptual Site Model (CSM) to adequately characterize the nature and extent of contamination in soil, groundwater, and soil gas beneath the site. To begin our review of the CSM, please upload to GeoTracker all relevant environmental documents for review, such as Phase I and Phase II reports, and any other technical reports associated with the site.

Once all relevant environmental documents have been uploaded to GeoTracker, please submit the attached verification letter to confirm all relevant environmental documents, such as Phase I and Phase II reports, and any other technical reports associated with the site, including all historical reports used as references in submitted reports, have been uploaded to GeoTracker. The verification letter shall list all documents uploaded to GeoTracker for DEH review (please attach an additional page if necessary). At a minimum, each document title, author, and document date shall be listed. Incomplete, draft, and unsigned reports shall not be accepted. If you need DEH approval to obtain a City building permit, please also provide contact information for your City planner/inspector on the verification letter. As indicated in the Remedial Action Agreement, review and response to technical documents may take up to 45 days following submittal to GeoTracker; however, DEH will not begin review of the initial documents until the verification letter is uploaded to GeoTracker.

Required Submittal

The following document shall be submitted to DEH (Attention: Mr. Gerald O'Regan) via GeoTracker according to the following schedule.

GeoTracker Upload Verification Letter – Prior to the start of DEH review of the case file

Technical reports are required pursuant to our authority under Section 101480 of the California Health and Safety Code. Each report shall include conclusions and recommendations for the next phases of work required to protect

Board of Supervisors: Sylvia Arenas, Cindy Chavez, Otto Lee, Susan Ellenberg, S. Joseph Simitian
County Executive: James R. Williams

water resources, human health and safety, and the environment at the site. All required work shall be performed in a prompt and timely manner. Revisions to the schedule shall be requested at least two (2) weeks prior to the due date in writing with appropriate justification for the anticipated delays and a proposed revised schedule.

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Perjury Statement

All proposals and reports submitted to this office must be accompanied by a cover letter from the Responsible Party which states, at a minimum, the following:

"I declare, under penalty of perjury, that the information and/or recommendations contained in the attached proposal or report is true and correct to the best of my knowledge."

This letter must be signed by an officer or legally authorized representative of the Responsible Party.

Electronic Data Submittal Requirements

The Electronic Reporting Regulations (Chapter 30, Division 3 of Title 23 & Division 3 of Title 27, CCR) require electronic submission of any report and data required by a regulatory agency for a cleanup site. You are required to complete electronic data submittal over the Internet to the case file established for the subject site in the State Water Resources Control Board (SWRCB) GeoTracker database. Once a report and data are successfully uploaded, as required, you have met the reporting requirement (i.e., the compliance measure for electronic data submittal are the actual uploads themselves).

Analytical data (including geochemical data) for all soil, vapor, and water samples that are collected for the purpose of subsurface investigation or remediation are required to be submitted in specified EDF format to GeoTracker. Groundwater, soil, and vapor samples include, but are not limited to, monitoring well samples, borehole samples, gas and vapor samples, groundwater grab samples, piezometer samples, stockpile samples, and samples from drinking water wells. Other electronic data submittal requirements include boring logs and well screen intervals, depth to water data, locational data, elevation data, and site maps. For additional details, please visit the following GeoTracker Reporting Requirements webpage:

https://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal/report_rqmts.html.

I will be the DEH caseworker for this site, so please direct future correspondence to me. If you have any questions, please feel free to contact me at (408) 918-1974 or via email.

Sincerely,

Gerald O'Regan Digitally signed by Gerald O'Regan
Date: 2024.08.14 16:11:08 -07'00'

Gerald O'Regan, PG
Environmental Health Geologist
Site Cleanup Program
Gerald.Oregan@cep.sccgov.org

Attachment: GeoTracker Upload Verification Letter

cc: Jeff Lawson, Silicon Valley Law Group (jsl@svlg.com)
Jeff Raines, Terraphase Engineering (jeff.raines@terrphase.com)
File – GeoTracker

Date:

APN: 369-06-002

Subject: GeoTracker Upload Verification Letter
Case Name: One-Hour Dry Cleaners
10045 East Estates Drive, Cupertino, CA 95014
Site Cleanup Program Case No. 2023-17S
GeoTracker ID No. T10000021095

Dear Mr. O'Regan:

The following environmental documents have been uploaded to GeoTracker for your initial review and represent all relevant technical reports associated with the site, including all historical reports used as references in other reports.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Contact info for City planner/inspector (if applicable).

City: _____ Contact Name: _____ Email: _____

I declare, under penalty of perjury, that this information is true and correct to the best of my knowledge.

Sincerely,

Idlewild TIC
c/o Mr. Victor M. Castello (vcastello@redwoodeg.com)
PO Box 254, Saratoga, CA 95071

CC 12-16-2025

#11

City Hall Improvements Project

Supplemental Report



PUBLIC WORKS DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3354
CUPERTINO.GOV

CITY COUNCIL STAFF REPORT SUPPLEMENTAL 1

Meeting: December 16, 2025

Agenda Item # 11

Subject

Determine City Hall Improvements project scope and resources, approve budget modification in the amount of \$54,000,000 and authorize design-build delivery methods.

Recommended Action

For the Capital Improvement Programs (CIP) City Hall Improvements project (Project),

1. Approve the proposed scope of the Project:
 - a. Risk Category IV Renovation of Structural System
 - b. Maintain Current Footprint: Reconfigure Interior, no vertical or horizontal expansion
 - c. No Parking Expansion
 - d. Upgrades to Infrastructure and Accessibility
2. Adopt Resolution No. 25-XXX approving Budget Modification No. 2425-425, increasing appropriations by \$54,000,000 in the Capital Improvement Fund for the Project (420-99-250);
3. Authorize the City Manager to undertake a design-build project delivery method for the Project;
4. Adopt Resolution No. 25-XXX approving the procurement of a design-build contract for the Project.

Staff's responses to questions received from councilmember are shown in italics.

Q1: Could you please answer questions raised here?

Specify which ASCE 41 performance level was assumed, or whether the existing building fails Life Safety or merely falls short of Immediate Occupancy.

This distinction matters. Across the Bay Area, cities with mid century city halls

similar to Cupertino's have generally accepted Life Safety performance, pursued targeted upgrades, and continued occupancy.

The need for Risk Category IV has not been clearly justified. Most administrative buildings operate under Risk Category II, with Risk Category IV reserved for facilities that must remain fully operational immediately following a major earthquake. Council has not been shown why City Hall, as currently staffed and used, requires this designation.

It is also unclear whether Public Works staff at the service yard, who are directly responsible for post earthquake response and recovery, are afforded the same level of seismic protection as City Hall staff. If continuity of operations is the stated objective, this disparity requires explanation. Much of City Hall staffing appears clerical, while Public Works personnel perform essential field operations.

Staff response:

The City has conducted a professional seismic evaluation of the existing City Hall building. The analyses were prepared by licensed structural engineers and were performed in accordance with applicable industry standards, including ASCE 07-05 and ASCE 41, which are nationally recognized for evaluating the seismic performance of existing buildings. The structural analyses are available for review here: <https://www.cupertino.gov/Your-City/Departments/Public-Works/Capital-Improvement-Programs-Projects/City-Hall-Project>

City Council directed staff to proceed with Risk Category IV, given the differential in cost between category II and IV was minimal. This reflects the City's desire for City Hall to remain usable and functional following a major seismic event so that essential governance and public-facing services can continue when the community most needs them. Administrative buildings are typically categorized as Risk Category II, however, it is not uncommon for primary civic facilities to adopt a higher standard due to continuity-of-operations goals.

The service center building is a one-story, wood-frame structure, which performs differently in seismic events than a multi-story concrete building. Wood-frame, single-story structures are inherently lighter, more flexible, and far less likely to experience catastrophic collapse. These differences reflect a technical application of engineering principles rather than differing levels of concern for safety.

Attachments Provided with Original Staff Report:

A – Draft Resolution_Budget Modification

B – Draft Resolution_Design Build project

C – 2025 Cost Estimates_City Hall

D – 2022 Cost Estimates_City Hall

Attachments Provided with Supplemental 1:

N/A