

CC - 6-02-2026

#14

Storm Drain Fees

Supplemental Report



## PUBLIC WORKS DEPARTMENT

CITY HALL  
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### CITY COUNCIL STAFF REPORT SUPPLEMENTAL 1

Meeting: June 2, 2026

#### Agenda Item # 14

#### Subject

Approval of Fiscal Year 2026-27 renewal of the 1992 Storm Drain Fee (with no increase) and renewal of the 2019 Clean Water and Storm Protection Fee with a 3% increase.

#### Recommended Action

1. Adopt Resolution No. 26-067 (Attachment A) approving the renewal and collection of the 1992 Storm Drain Fee with no increase in rates for Fiscal Year (FY) 2026-27.
2. Adopt Resolution No. 26-068 (Attachment B) approving the renewal and collection of the 2019 Clean Water and Storm Protection Fee with a 3% increase in rates for FY 2026-27.

#### Background:

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

#### **Q1:**

Your staff report states that the 1992 Storm Drainage Service Charge Fee has "no mechanism to enable an annual increase." Can you explain how this came to be, and what does it take to create a mechanism to increase the fee - at least by a minimal CPI when needed? Is this outside the authority of the City Council?

#### **Staff response:**

*Thank you for the question. This very question was contemplated by the Cupertino City Attorney in 2010 and outside expertise was sought at that time to evaluate the question. The 1992 fee, as established, allowed City Council to modify the amount of the fee, but did not define any methodology, schedule, or clearly defined formula for adjustment. Prop 218, as enacted in 1996, only allows increases to existing fees if the increase would be in accordance with such a schedule of adjustments with clearly defined formulas. Lacking that, increase to the 1992 fee (including establishing a defined*

*adjustment schedule) could only happen with a majority vote of property owners or a two-thirds vote of the electorate via a ballot process.*

*This question was again reviewed in 2019 during the process of establishing the 2019 Clean Water and Storm Protection Fee. At that time two options were evaluated – take the existing fee to a vote of the property owners or electorate under the requirements of Prop 218 and ask for an increase, or preserve the existing fee and go to the property owners to vote on establishing a second fee.*

*In March 2019, City Council received information on this topic and adopted ballot procedures for the 2019 Clean Water and Storm Protection fee, resulting in a vote by property owners.*

Attachments Provided with Original Staff Report:

*A – Draft Resolution 1992 Fee*

*B – Draft Resolution 2019 Fee*

*C – Clean Water and Storm Protection Fee Ordinance with Fee Report*

*D – Calendar Year 2025 AUP*

Attachments Provided with Supplemental 1:

*N/A*

CC 06-02-2026

#15

SummerHill Homes - 10268  
Bandleley Drive

Desk Item



**CITY MANAGER'S OFFICE**

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**CITY COUNCIL STAFF REPORT**

**DESK ITEM**

Meeting: June 2, 2026

Agenda Item # 15

Subject

Consider a residential project with 27 three-story townhomes, including 5 affordable units, with associated site improvements and condominium map, to replace a commercial office building on a 1.55-acre site. The project utilizes Senate Bill 330 and provisions of State Density Bonus law. (Application No(s): ASA-2025-016, TM-2025-008, & TR-2025-033; Applicant: SummerHill Homes, LLC; Location: 10268 Bandlely Drive; APNs: 326-33-097.)

Recommended Action

1. Find the project statutorily exempt from the California Environmental Quality Act (CEQA); and 2. Approve the following permits: a. Adopt Resolution No. 26-069 approving Architectural & Site Approval Permit (ASA-2025-016) (Attachment A); b. Adopt Resolution No. 26-070 approving Tentative Map (TM-2025-008) (Attachment B); c. Adopt Resolution No. 26-071 approving Tree Removal permit (TR-2025-033) (Attachment C).

Background:

City staff conducted business outreach efforts to tenants located within the Bandlely Center business center to offer business support services, including relocation assistance and information regarding available commercial space within Cupertino, due to the proposed redevelopment project by the property owner and developer.

**BANDLEY CENTER BUSINESS OUTREACH**

**Businesses at Bandlely Center**

1. Lilly StudiO Architectural Design 10268 Bandley Drive, Suite 102A	2. H&R Block (formerly named May's Tax & Business Services) 10268 Bandley Drive, Suite 108
3. Mirai Gakuen 10268 Bandley Drive, Suite 108-b	4. Jessie Ho Law Office 10268 Bandley Drive, Suite 101
5. Capybara Clay Studio 10268 Bandley Drive, Suite 103	6. De Anza Learning Center 10268 Bandley Drive, Suite 105
7. Li Wushu Academy / Enjoy Dance Studio 10268 Bandley Drive, Ste 107	

### **General Summary**

- Business outreach efforts have included site visits, phone calls, direct mail, emails, and ongoing follow-up with businesses to offer business support services and relocation assistance.
- Some businesses indicated that relocation assistance is not needed at this time, as their property owner has advised them that redevelopment is anticipated to begin in approximately one year, subject to project approval.
- Some businesses expressed interest in receiving information regarding available commercial space within the city. Businesses that requested this assistance have been provided with information on available commercial leasing opportunities.

### **Timeline of Outreach**

April 27, 2026

- Site visit to Bandley Center to visit the following businesses: Mirai Gakuen, H&R Block (formerly named May's Tax & Business Services), Jessie Ho Law Office, Li Wushu Academy / Enjoy Dance Studio, Capybara Clay Studio, Lilly StudiO Architectural Design, and De Anza Learning Center.
- Established direct contact with Mirai Gakuen and H&R Block (formerly named May's Tax & Business Services).

April 28, 2026

- Spoke to Lilly StudiO Architectural Design by phone; they expressed interest in receiving information regarding available commercial space within the city.
- Spoke to Li Wushu Academy / Enjoy Dance Studio by phone; they indicated that relocation assistance is not currently needed, as the property owner has advised that redevelopment is anticipated to begin in approximately one year, subject to project approval.
- Spoke to Capybara Clay Studio by phone; they indicated they were previously unaware of the proposed project and will consider my assistance if interested.
- Spoke to Jessie Ho Law Office by phone and message was sent to Jessie Ho.
- Multiple phone calls to De Anza Learning Center and left a voicemail offering business support services.

April 29, 2026

- Mailed letters to all businesses offering business support services, including relocation assistance.

May 11-12, 2026

- Email correspondence with Mirai Gakuen regarding their expressed interest in meeting to discuss business support services, including relocation.
- Email correspondence with Lilly StudiO Architectural Design to provide information on available commercial space.

May 13, 2026

- Held a meeting with Mirai Gakuen; they indicated that relocation assistance is not currently needed, as the property owner has advised that redevelopment is anticipated to begin in approximately one year, subject to project approval. The business expressed interest in receiving information on available commercial space but is not actively seeking relocation at this time. Available commercial space listings were provided by email correspondence following the meeting.

May 18, 2026

- Email correspondence with Lilly StudiO Architectural Design to further assist by offering introductions to property owners and brokers for available lease opportunities.

May 20, 2026

- Sent an email to De Anza Learning Center requesting to meet with the business to offer business assistance.

June 1, 2026

- Multiple phone calls to De Anza Learning Center and left a voicemail offering business support services.
- Sent an email to De Anza Learning Center requesting to meet with the business to offer business assistance.
- Site visit to De Anza Learning Center; they expressed interest in receiving information regarding available commercial space within the city. Available commercial space listings were provided by email correspondence following the site visit.

**PROPOSED UPDATES TO PROPOSED  
ARCHITECTURAL AND SITE APPROVAL PERMIT**

11. DESIGN MODIFICATION

Prior to the issuance of any building permit, the applicant shall retain a qualified professional acoustical engineer to conduct an acoustic analysis of the project plans. The acoustical engineer must certify in writing to the Director of Community Development that the proposed building

envelope design, including walls, doors, and windows, will achieve interior noise levels that do not exceed 45 dB CNEL (Community Noise Equivalent Level) within all habitable residential rooms. This requirement and subsequent certification are mandated to ensure full compliance with the City's noise standards pursuant to Cupertino Municipal Code Chapter 10.48.

Developer shall install a 8 foot tall sound attenuating fence, or other similar noise mitigating features along the southern property line. ~~The fence may be modified to a wooden good neighbor fence in the future, in the event residential uses are approved on the adjoining property.~~

#### 17. FORMATION OF A HOMEOWNER'S ASSOCIATION

Add the following final bullet point:

- Inclusion of a Notice of Neighboring Uses disclosure to residents that are going to move into the property, disclosing that the sites around them are mixed-use residential, industrial, and commercial existing area's non-residential character and commercial and industrial uses, including, but not limited to, approved trash/loading areas, permitted uses, delivery schedules, hours of activity that may be outside of standard business hours and associated noise levels.

Attachments Provided with Original Staff Report:

- A - Draft Resolution ASA-2025-016
- B - Draft Resolution TM-2025-008
- C - Draft Resolution TR-2025-033
- D - Relevant State Law
- E - CEQA Exemption and Memorandum
- F - Public Comment
- G - Project Site Plans and Rendering
- H - Phase I and Phase II peer review and reports