

General Plan Amendment Request Application

Comprehensive Project Description

19900 Stevens Creek Boulevard

BACKGROUND

19900 Stevens Creek Boulevard, LLC, owner of 19900 Stevens Creek Boulevard, respectfully submits this General Plan Amendment requesting an additional allocation of 16,000 square feet of office land use designation within the Heart of The City Specific Plan area specifically to allow our property to continue the entitlement processing with a goal of finalize our goal of bringing a business start-up incubator and/or medical land use(s) currently in the City of Cupertino Land Use Modification entitlement process.

19900 Stevens Creek Boulevard is a 1.92-acre property with an existing 26,000+/- square foot structure located on the south side of Stevens Creek Boulevard between South Blaney Avenue and Portal Avenue. The current tenant is Scandinavian Designs, a furniture store.

GENERAL PLAN AMENDMENT REQUEST

The applicant is currently in the planning process of revitalizing and modernizing the existing building and property which has brought about negotiations with two potential "end users" – a business start-up incubator operation and a medical office operation. The current office land use square footage allocation available within the Heart of the City Specific Plan area is insufficient to allow either end user. The applicant is therefore requesting a General Plan Amendment to increase this office land use allocation within the Heart of the City Specific Plan area in order to bring either end user to the City. Specifically, our GPA requests an increase in the allocation of office land use square footage an additional 16,000 square feet in order for us to implement our impending Land Use Modification application for the end-user.

PROPOSED PROJECT COMPLIANCE WITH COMMUNITY VISION 2040 – GUIDING PRINCIPALS

The Cupertino General Plan – Community Vision 2040 – adopted by City Council on December 4, 2014 it is a *"roadmap to the future that encompasses the hopes, aspirations, values and dreams of the Cupertino community"*.

Goal LU-9 of Community Vision 2040 states *"Promote a strong local economy that attracts and retains a variety of business"*. Under this Land Use Goal is Strategy LU-9.1.5 which states: *"Incubator Work Space. Encourage the development of flexible and affordable incubator works space for start-ups and new and emerging technologies"*. Perhaps no single Community Vision 2040 goal, vision or policy is more implemented by our GPA request than this one which would allow us to bring to Cupertino a true business start-up incubator land

use – the seed that brings about sustainable and diverse employers to the City and contributes to economic vitality.

Inarguably the most important portion of the General Plan is the Guiding Principles. Immediately below represents how our proposed General Plan Amendment, and ultimate end user, meets the goals and desired future values General Plan Guiding Principles:

GENERAL PLAN GUIDING PRINCIPLE	APPLICATION – GUIDING PRINCIPAL CONSISTENCY AND AUGMENTATION
<u>Develop Cohesive Neighborhoods</u> <i>Ensure that all neighborhoods are safe, attractive and include convenient pedestrian and bicycle access to a "full-service" of local amenities such as parks, schools, community activity centers, trails, bicycle paths and shopping.</i>	<i>The GPA will allow the applicant to rejuvenate, enhance and bring this 40+ year old building and existing property as a whole to a more modern and attractive condition including new landscaping, lighting and building façade enhancement.</i>
<u>Improve Public Health and Safety</u> <i>Promote public health by increasing community-wide access to healthy foods; ensure an adequate amount of safe, well-designed parks, open space, trails and pathways; and improve safety by ensuring all areas of the community are protected from natural hazards and fully served by police, fire, paramedic and health services.</i>	<i>The GPA will allow the applicant to improve community safety by both bringing this 40+ year old building to current building codes and seismic safety as well as improve the ability for emergency personnel to protect the property and surrounding properties by providing currently non-existent vehicular access easements between neighboring properties.</i>
<u>Enhance Mobility</u> <i>Ensure the efficient and safe movement of cars, trucks transit, pedestrians, bicyclists and disabled persons throughout Cupertino in order to fully accommodate Cupertino's residents, workers, visitors and students of all ages and abilities.</i>	<i>Applicant's proposed project will provide vehicular access easement between properties allowing a reduction in vehicular traffic on Stevens Creek Boulevard by implementing a parallel local vehicular pathway that will enhance mobility.</i>
<u>Ensure a Balanced Community</u> <i>Offer residents a full range of housing choices necessary to accommodate the changing needs of a demographically and economically diverse population, while also providing a full range of support uses including regional and local shopping, education, employment, entertainment, recreation, and daily needs that are within easy walking distance.</i>	<i>An approval of the GPA would provide the ability of bringing a business start-up incubator use (which will bring diverse employment opportunities to the city with potential of seeding a new and robust business to the city) and/or a medical facility (which will bring a strong and essential community support service to the community).</i>
<u>Support Vibrant and Mixed-Use Businesses</u> <i>Ensure that Cupertino's major mixed-use corridors and commercial nodes are vibrant, successful, attractive, friendly and comfortable with inviting active pedestrian spaces and services that meet the daily needs of residents and workers.</i>	<i>The potential for a business start-up incubator end user is a mixed-use business in the truest sense. This type of land use within the Heart of the City Specific Plan area will provide a vibrant and attractive diversity.</i>
<u>Ensure Attractive Community Design</u> <i>Ensure that buildings, landscapes and streets are attractively designed and will maintained so they can complement the overall community fabric by framing major streets and offering desirable and active pedestrian spaces.</i>	<i>The GPA will allow the applicant to work with city staff to implement an attractive community design for the existing 40+ year old building and substandard landscape and hardscape.</i>
<u>Support Education</u> <i>Preserve and support Cupertino's excellent public education system by partnering with local school districts and De Anza College to improve school facilities and infrastructure, developing quality City facilities and programs that enhance learning, and expanding community-wide access to technology infrastructure.</i>	<i>The GPA will assist the applicant in enhancing the existing building which increases the appraised value of the property and thus increases the property taxes collected that financially support the Cupertino education districts.</i>

Preserve the Environment

Preserve Cupertino's environment by enhancing or restoring creeks and hillsides to their natural state, limiting urban uses to existing urbanized areas, encouraging environmental protection, promoting sustainable design concepts, improving sustainable municipal operations, adapting to climate change, conserving energy resources and minimizing waste.

The GPA will assist the applicant in modernizing and developing currently non-existing bio-retention areas that preserve the environment and are adapted to treat storm water runoff and incorporate pollutant removal mechanisms. Filtered runoff is collected in a perforated underdrain and returned to the storm drain system improving sustainable operations.

PROPOSED PROJECT COMPLIANCE WITH COMMUNITY VISION 2040 – PLANNING AREAS

The subject property is located in the 'Central' subarea of the Heart of the City Specific Plan. The Vision for the Heart of the City area within Community Vision 2040 is for *"tree-lined boulevard that forms a major route for automobiles, but also supports walking, biking and transit. The Stevens Creek Boulevard corridor will continue to function as Cupertino's main mixed-use, commercial and retail corridor"*

The GPA request will allow us to implement a rejuvenated landscape plan that will implement the vision of the tree-lined Stevens Creek Boulevard. With commercial land uses to our west, office use to our north and residential to our east, our proposed business start-up incubator and/or medical end user land use continues the mixed use vision for the Heart of the City.

PROPOSED PROJECT COMPLIANCE WITH COMMUNITY VISION 2040 – LAND USE

Goal LU-3 states *"Ensure that project site planning and building design enhance the public realm and integrate with adjacent neighborhoods"*

The GPA request will allow us to position the property to implement a city vision of connecting internal streets by providing vehicular access easements between adjacent properties (Policy LU-3.1). It will also allow us to rejuvenate the existing building, hardscape and landscape and develop an attractive building more in the manner to which is conducive to the Stevens Creek Boulevard corridor (Policy LU-3.3).

Goal LU-4 states *"Promote the unique character of planning areas and the goals for community character, connectivity and complete streets in streetscape design"*

The GPA request will allow us to implement the 'Complete Street' policy by providing a mechanism to connect internal streets with adjacent properties. (Policy LU-4.1).

Goal LU-5 states *"Ensure that employment Centers and neighborhoods have access to local retail and services within walking or bicycling distance"*

With numerous retail, restaurants, public services and amenities within walking and biking distances of the subject property, as well as our application vision to provide

bike parking within the development, the GPA request will continue to implement the mixed uses policy along Stevens Creek Boulevard. (Policy LU-5.2).

Goal LU-9 states *"Promote a strong local economy that attracts and retains a variety of business"*

Perhaps no single Community Vision 2040 goal is more implemented than this one. The GPA request would allow us to bring to Cupertino a true business start-up incubator land use – the seed that brings about sustainable and diverse employers to the City and contributes to economic vitality. (Policy LU-9.1.3). More specifically, Strategy LU-9.1.5 calls for *"Incubator Work Space. Encourage the development of flexible and affordable incubator works space for start-ups and new and emerging technologies"*. Our GPA request implements this exact Strategy.

Goal LU-17 states *"Retain and enhance as a walkable, bikeable commercial mixed-use boulevard with neighborhood centers, office and limited residential"*

With numerous retail, restaurants, public services and amenities within walking and biking distances of the subject property, as well as our application vision to provide adequate bike parking within the development, the GPA request will continue to implement the mixed uses policy along Stevens Creek Boulevard. (Policy LU-17.1).

SUMMARY OF NET FISCAL IMPACTS OF THE PROPOSED PROJECT

Although the current land use is retail commercial and the proposed land use through the GPA request is office, the net fiscal impact is less than what would be anticipated given these uses. The current use is a furniture retail store and a deed restriction placed against title by the city in the 1980's requires this use to remain unless the existing parking lot is enhanced and the number of stalls is increased. Therefore, under the current condition of the property, a "traditional" retail operation could not exist.

Provided below is a breakdown of estimated net fiscal impacts between the existing furniture store and the use based on our GPA request. In summary it shows that, due to a couple of key expectations, it can be estimated that the GPA requested land use (or proposed future use) has a slight net fiscal advantage over the existing use. These key expectations are:

1. Due to the longevity of the existing land use, coupled with the restriction to keep it this use as a furniture store, property taxes are significantly below normal and well below the GPA requested use once the building is rejuvenated.
2. Based on a Workonomix survey by Accounting Principals where the average worker spends over \$3,000 annually in coffee and lunch at surrounding retail operations and it is estimated this same group spends more than \$1,000 annually locally on ancillary items, coupled with the knowledge that the

current use has a limited number of employees vs an office use, and, that should we be successful in our efforts to implement the GPA the property taxes generated would be significantly higher than the current use, the net fiscal impacts of the proposed project is negligible.

3. Expectations 1 and 2 above off-set the difference between the retail use and GPA requested proposed use.

Furniture Store Scenario⁽¹⁾			
Net Sales Floor Area	16,000		
Average Sales Per SF	160		
Annual Sales	2,560,000		
Tax Rate	8.75%		
Annual Sales Tax	224,000	\$	224,000
# of Employees	5		
Average Spent Per Year	4,000		
Annual Spent by Employees	20,000		
Annual Sales Tax	1,750	\$	1,750
Property Tax	31,226	\$	31,226
Total Tax Generated for Furniture Store		\$	256,976
GPA Request			
Floor Area	28,125		
# of Employees per 250SF	113		
Average Spent Per Year	4,000		
Annual Spent by Employees	450,000		
Annual Sales Tax	39,375	\$	39,375
New Assessed Property Tax			
Purchase	12,100,000		
Building Improvements	3,500,000		
Tenant Improvements	4,218,750		
Total Value	19,818,750		
Tax Rate	1.327465358%		
Property Tax	263,087	\$	263,087
Total Tax Generated for Office Use		\$	302,462
<i>(1) Based on an editorial from Furniture Today periodical</i>			