



October 4, 2017

Mr. David Brandt, City Manager  
Cupertino City Hall  
10300 Torres Avenue  
Cupertino, CA 95014-3202

**RE: Vallco Mall – Resume Processing of Development Application**

Dear Mr. Brandt:

In December 2015 we asked you to suspend planning and environmental review of our Hills at Vallco project application. We did so in response to the introduction of Measure C, which would have prohibited any meaningful re-use of the Vallco mall and ultimately brought about Measure D, the countermeasure repackaging the Hills as a specific plan.

The ensuing election taught us that voters of Cupertino feel strongly that land use decisions ought to follow the normal planning process and be made by the City. Through Measure D we also learned, despite many significant benefits and a well-received design, that not everyone had become comfortable with 2,000,000 square feet of office use. The failure of Measure C also taught us that doing nothing at all at Vallco, an irreparable blight and severe drain on City resources, was considered by most of the community to be unacceptable.

In addition, the 2017 Speaker Series provided expert testimony on a range of development-related issues. Panelists confirmed to the community not only that the mall is, in fact, dead, but that the housing shortage is real and Cupertino, along with some other cities in the region, has not done and is not doing enough to address it. The obvious takeaway was that a thoughtfully conceived mixed-use plan at Vallco can provide solutions to these issues and provide for economic development and diversity in the City of Cupertino.

Meanwhile we've witnessed the worsening condition of the mall and the deepening of the housing crisis. We believe Vallco is the City's, and indeed the West Valley's, greatest opportunity to have a focused and meaningful positive impact on the housing and affordability crisis that has gone missing to date. We feel compelled to reevaluate the land use program proposed by the Hills as allowed under the existing General Plan and are now open to other possibilities.

As such we hereby request the City to reactivate the application process. When the City Council adopted the current General Plan their preference was to begin the Vallco process with a Specific Plan. In line with that, we will hold off on submitting any new project and ask that the City suspend further review of the Hills at Vallco design. Instead, we seek to collaborate with the City to develop a Specific Plan, that provides more options than we have today, to be reviewed and approved by the City Council pursuant to a certified program-level EIR.

As part of this Specific Plan and EIR process we ask that the City consider, in addition to the office-centric mixed use program envisioned by the existing General Plan ("Option 1"), two alternative program options (plus any other legally required alternatives) for the 58-acre planning area. "Option 2" would study a housing-centric program, where the plan is heavily weighted for residential use and reduces non-residential uses to a minimum. The goal of this option would be to maximize the site's ability to offer solutions to Cupertino's and the greater region's housing crisis and locate appropriate housing next to major job centers mitigating traffic, vehicle miles traveled, air pollution, and other impacts. "Option 3" would study a middle-ground between these options, so the plan area itself offers a balance between housing and job creation.

Housing at a revitalized Vallco, incorporating an array of unit types and a significant affordable component, is central to our town center strategy and the City's Housing Element strategy alike. Providing the right amount of housing should carry greater beneficial effects on affordability, traffic, the environment, the economy, and overall quality of life in Cupertino both in the near- and long-term.

There are viable projects within each of these frameworks, and at least one of these three options should result in a Specific Plan that (1) enables the development of an economically feasible project, so it is real and can happen, (2) achieves important community goals, and (3) is fiscally responsible for the City.

We know residents of Cupertino prefer land use decisions to be made through the normal city process; that is our preference as well. We think this is a great opportunity to consider new options, and we look forward to re-engaging with the City and community and once again moving forward with the normal planning process for Vallco, an important piece of Cupertino's past and now a critical piece of its future.

Regards,



Reed Moulds  
Managing Director  
Sand Hill Property Company

Cc: Mayor and City Council Members  
Ms. Aarti Shrivastava, Assistant City Manager