



COMMUNITY DEVELOPMENT DEPARTMENT

CITY HALL

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CITY COUNCIL STAFF REPORT

Meeting: November 21, 2017

Subject

Authorization of consultant services and budget for specific plan and environmental review of the Vallco Shopping District Special Area.

Recommended Action

Staff recommends that the City Council:

1. Authorize the City Manager to:
 - a. Execute a consultant agreement with Opticos Design to provide services to the City for the preparation of a specific plan for the Council's consideration, for an amount not to exceed \$850,000 (Attachment A).
 - b. Execute a consultant agreement with David J. Powers and Associates, Inc. to provide services to the City for the preparation of an Environmental Impact Reports (EIR) for the Council's consideration, for an amount not to exceed \$821,940. This amount includes services of transportation consultant Fehr and Peers, who will be a subconsultant under the David J. Powers and Associates, Inc. contract. (Attachment B).
 - c. Execute a consultant agreement with EPS to provide services to the City for economic impact analysis for an amount not to exceed \$147,000 (Attachment C).
 - d. Negotiate and execute additional future amendments to the agreements listed in Items 1a. – c. above, up to a total of \$2,405,549, which includes the contract amounts listed above, 15% administrative fee on consultant contracts and a 15% contingency, to the extent that funds are appropriated for the amendments and the total expenditures are cost-recovered from the applicant.
2. Approve an increase to the Fiscal Year 2017-18 Planning and Community Development – Mid to Long Term Planning program budget of \$2,405,549.

Background

On December 4, 2014, the City Council amended the General Plan to adopt changes to the text, the land use map, and the vision for the Vallco Shopping District. The

amendments for the Vallco Shopping District envision the complete redevelopment of the Special Area into a vibrant mixed-use “town center” and a destination for shopping, dining and entertainment.

The Council allocated the following mix of uses subject to preparation and approval of a Specific Plan:

1. Minimum of 600,000 sq.ft. of retail uses
2. 389 residential units in the Housing Element
3. Maximum of 2,000,000 sq.ft. of office

In addition, the 2005 General Plan allowed 191 hotel rooms in the Vallco Mall Area which was continued in *Community Vision 2105-2040* upon Council direction to keep the rest of the development allocation in the General Plan unchanged.

Cupertino’s General Plan: *Community Vision 2015-2040* requires that zoning and community form for the Vallco Shopping District Special Area be established through a specific plan, which would specify development parameters such as the pattern of land uses, design standards, guidelines and infrastructure improvements.

On October 4, 2017, Reed Moulds, Managing Director of Sand Hill Property Company, submitted a letter to request that the City of Cupertino initiate a specific plan process for the Vallco Shopping District Special Area. The letter further requested a suspension of work on the previous project submitted for the site and stated that Sand Hill Property Company would not submit any new project design until adoption of a Specific Plan (Attachment D).

Discussion

A specific plan can clarify elements such as height limits, slope lines, preferred forms, patterns, connectivity and building placement, whether for residential, office, commercial, transit, parks, recreation and/or open space uses. Through a co-design process, dialogue, online tools and in-person design workshops, the community may influence the ultimate look and feel of the Vallco Shopping District Special Area. Residents, property owners, businesses and members of the Cupertino community would have opportunities to define expectations that are visually documented. The proposed timeline and work plan is outlined within Attachment A.

Specific plans must be consistent with the adopted general plan, comply with CEQA and allow the community to create standards for the development in a collaborative and transparent process. A development agreement may also be included as part of the specific plan process. The adoption of a specific plan may be defined by development

agreements and vesting tentative maps. It should be noted that the specific plan process does not limit or preclude the City Council from considering other alternatives for the Vallco Shopping District Special Area, which may occur concurrently with the specific plan process. The specific plan process is designed to be nimble and adjust to new information received from the community and to present such information and alternatives to the City Council for final decision.

In addition to the Specific Plan, the City must conduct appropriate environmental review in conformance with the California Environmental Quality Act (CEQA.) Execution of the consultant contract will enable the City to prepare adequate environmental documentation to enable the City Council to consider the adoption of a Specific Plan. The economics consultant will verify the economic feasibility and fiscal impacts to the City of various development options at the Vallco Shopping District Special Area.

Fiscal Impact

Contracts over \$175,000 require City Council authorization. The contract costs and associated administrative costs exceed the current budget for the project by \$2,405,549; therefore, the Planning and Community Development – Mid to Long Range program budget has to be increased by the difference. Cost associated with this contract, and any future amendments, will be 100% recovered. The City will receive a 15% fee for administrative overhead for managing the contract, which will result in a net positive fiscal impact of a minimum of \$272,841. Expenditures and revenue are summarized in the spreadsheet as follows:

1. Specific Plan	\$	850,000.00
2. EIR	\$	821,940.00
3. Economics	\$	147,000.00
4. Total contract amount	\$	1,818,940.00
5. 15% administrative fee	\$	272,841.00
Item 4 + 5 above	\$	2,091,781.00
15% contingency	\$	313,767.15
Total budget	\$	2,405,548.15

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<u>Approved by:</u>	Aarti Shrivastava, Assistant City Manager

David Brandt, City Manager

Attachments:

- A. Specific Plan Scope of Work and Cost Estimate
- B. Environmental Impact Review Scope of Work and Cost Estimate
- C. Economics Consultant Scope of Work and Cost Estimate
- D. Letter from property owner, dated October 4, 2017