



COMMUNITY DEVELOPMENT DEPARTMENT

CITY HALL

10300 TORRE AVENUE • CUPERTINO, CA 95014-3255

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CITY COUNCIL STAFF REPORT

Meeting: March 5, 2012

Subject

Update on the General Plan Amendment process, Council authorization for a budget amendment to add \$150,507 to the budget for the General Plan Amendment process, and approval of contracts with MIG as the planning consultant and The Planning Center/DC&E as the environmental consultant.

Recommended Action

Staff recommends that the City Council approve the following:

1. Scopes of work for the General Plan Amendment (GPA), Vallco Shopping District Specific Plan and associated Environmental Impact Reports (EIR) (See Attachment A - Proposed scopes of work for General Plan Amendment, Vallco Specific Plan, and EIRs); and
2. Budget amendment for an additional amount of \$150,507 to fund costs of the General Plan Amendment process not currently budgeted, for a total budget amount of \$1,036,545; and
3. Authorize the City Manager to approve the attached contract with MIG as the planning consultant for the General Plan Amendment in the amount not to exceed \$476,096 (Attachment B - Draft Contract with MIG for the General Plan Amendment). The scope for this contract would be the GPA with an option for the City to authorize the Vallco Shopping District Specific Plan at a later date. If the City decides to proceed with the Vallco plan in the future, staff would return to Council with a contract amendment, and additional budget authority, to add the necessary funds for the Vallco Plan.
4. Authorize the City Manager to approve the attached contract with The Planning Center/DC&E to prepare the Environmental Impact Report (EIR) for the General Plan Amendment in the amount not to exceed \$393,490 (Attachment C - Draft Contract with The Planning Center/DC&E for the General Plan Amendment EIR). This contract would also include the option for the City to authorize an EIR for the Vallco Specific Plan at a later date.

5. Authorize the City Manager to approve Contract Change Orders (CCO) for contracts for Items 3 and 4 above to the extent that total expenditures do not exceed the total amount of the project budget.

Background

At the August 21, 2012 meeting, the City Council authorized staff to proceed with the initiation of a General Plan Amendment and requested that staff return back to Council with the following (see Attachments D - General Plan Amendment Outline, E - August 21, 2012 City Council report and F - Minutes of the August 21, 2012 City Council meeting):

1. Scope of work for the General Plan Amendment process, including the timing of a Specific and/or Master Plan for the Vallco Shopping District in conjunction with the General Plan Amendment process; and
2. Proposal to fund the General Plan Amendment process, including the City share and the contributions made by property owners of key opportunity sites to share in the cost of reviewing and studying their particular sites (with a mechanism to be developed as part of the General Plan Amendment process to determine the fair share apportionment of contributions by property owners based on payments made in advance and those that are deferred); and
3. List of BQ (Quasi-Public Building) properties where the CG (General Commercial) zoning is proposed to be added.

Discussion

A. Scope of Work for the General Plan Amendment (MIG)

The proposed scope of work for the General Plan Amendment includes:

- Increases in the citywide development allocations as follows:
 - 2-3 million square feet of office allocation
 - 2 million square feet of commercial allocation
 - 1,000 – 1,500 rooms to the hotel allocation
- Review of seven (7) opportunity sites
- Preparation of the following reports:
 - Initial report on settings and opportunities
 - Visioning strategies and framework
 - Concept Alternatives analysis and report including three land use and design concept alternatives for each site
 - Economic and Market Study
 - Draft and Final General Plan
- A community outreach process, including the following:
 - One initial city-wide postcard notice
 - All legal noticing as required

- Project website
- Three community visioning meetings and 5 stakeholder meetings
- Timeline – 12 – 15 months

Staff originally recommended including the following opportunity sites in the General Plan Amendment (see Attachment G - Map of properties in original staff proposal):

1. Church site at Stelling and Homestead Roads – commercial overlay
2. PG&E site at Blaney Avenue and Homestead Road – commercial overlay
3. Vallco Shopping District – land use alternative analysis

The following property owners have also requested that the City also include their sites in the Amendment process and consider new regulations that would be specific to their sites (see Attachment H - Map of properties whose owners have requested to be included):

1. Target/Bottegas(Baja Fresh shopping center)/Leong (Fatima’s restaurant) – for increase in height and land use alternatives for mixed-use
2. Stevens Creek Business Center (east of the Whole Foods site) – for increase in height and land use alternatives for mixed-use
3. Cupertino Inn – for increase in height and additional hotel rooms
4. City Center – for increase in height, additional office allocation and land use alternatives for mixed-use
5. Mirapath (near the PG&E site) – for commercial overlay
6. Cupertino Village – for increase in height and additional hotel and commercial allocation

As discussed with Council, the additional review proposed by these property owners goes beyond the scope that staff would ordinarily consider including in the General Plan Amendment. However, staff believes that analyzing the above sites, which are major sites for potential development within the City, will allow increased community involvement and provide for a more comprehensive community-wide discussion of land use and height alternatives. Similarly, although inclusion in the GPA process will not guarantee any particular outcome for these property owners, it will allow the opportunity for a community-wide dialogue on heights, land use and development allocation. Therefore, staff is willing to add this level of review, provided these property owners are willing to cover the costs of review for their properties upfront. That cost allocation process is discussed below.

B. Cost Allocation Process for Interested Properties

To date, most of the interested property owners who approached the City about including their sites in the GPA process have agreed to the “fair share” allocation process, and staff recommends that the sites of those who agree to pay be included in the study.

The fair share allocation for each additional site requested for inclusion would be based on the following factors:

1. Base cost – for each site
2. Area charge – sites scattered over more than one area
3. Height increase review
4. Land Use change – CG overlay
5. Land Use change – Residential
6. Development allocation
7. Site size

Attachment I - Fair Share Weighting and Allocation, shows the allocation of weighted factors and costs among the various properties. Property owners who have agreed to share in the cost of reviewing their sites will be charged total consultant costs and 10% for administrative costs, based on their weighted factors.

A number of property owners in staff’s original proposal (four of the five property owners in Vallco Shopping District and two property owners with sites that have Quasi-Public land use) will not be funding the consultant fee at this time. These properties will be required to pay fair share of total consultant costs, staff and miscellaneous costs (estimated at about 35% of consultant costs) and carrying costs at a rate of 4% per year. This will be translated into a cost per square foot for these properties, which will be paid by applicants when projects are approved. The cost of increasing overall development allocation (office, commercial and hotel) will be calculated separately and a general advance planning fee will be proposed (on a per square foot basis) for projects that request additional development allocation. A consultant will calculate these fees at the end of the process.

The following property owners have informed staff that they are willing to fully fund the fair share of consultant costs from the beginning of the process:

1. Volckmann (Stevens Creek Business Center)
2. Vidovich (Cupertino Inn)
3. Prometheus (City Center)
4. (Doris Yeh) Mirapath

5. Kimco (Cupertino Village)
6. KCR (site north of JC Penney in the Vallco Shopping District)

For the fair share allocation of consultant costs for each of these properties, please see Attachment K - General Plan Payment Schedule and Applicant Share. Staff notes that this fair share allocation is based on consultant costs as part of the current scope. Any increased scope and related consultant costs will also be apportioned among the various parties using the same weighting factors. Since the Target/Bottegas/Leong properties have not committed to funding their fair share from the beginning of the process, staff is not recommending adding them to the GPA as an opportunity site at this time.

Consultant Contracts

On October 1, 2012, Requests for Proposals (RFPs) were sent out for a qualified planning and environmental consultant to prepare the General Plan Amendment, Vallco Shopping District Specific Plan and associated Environmental Impact Report (EIR). The City conducted consultant interviews in November and December 2012. The results of the interview unanimously placed MIG as the first choice for the prospective planning consultant, and The Planning Center/DC&E as the first choice for the EIR consultant for the project.

The total cost for the General Plan, and its associated EIR would be \$1,036,545 including miscellaneous costs and contingency. The cost to prepare the Vallco Specific Plan and EIR is \$495,407 including miscellaneous costs and contingency. The City would be able to save approximately \$103,197 by preparing the two documents concurrently and having a joint EIR (see Attachment J - General Plan Amendment and Specific Plan Cost). However, the current requested budget for the GPA of \$1,036,545 will not accommodate concurrent preparation.

Therefore, staff recommends that the Council approve contracts with MIG and The Planning Center/DC&E that fund the General Plan Amendment and EIR only. Staff recommends this approach because it allows the City to proceed with the General Plan Amendment and the larger issue of land use alternatives for the Vallco Shopping District, while deferring the Specific Plan. The General Plan Amendment process will involve the Vallco Shopping District property owners in developing three land use alternatives, which can inform the Specific Plan process. It will also require a smaller contribution by the City.

However, staff has drafted these contracts to give the City the option to authorize the Vallco Shopping District Specific Plan and separate EIR within 6 months of starting the

General Plan process. If and when the City chooses to move forward on the Specific Plan, staff would need additional approval before authorizing this option. The benefit of including this option is that it helps streamline the Specific Plan process if and when the City does decide to proceed because it sets the scope and rates.

Budget Amendment Request and Fiscal Impact

The total cost for the General Plan and EIR that staff is recommending is \$1,036,545.

The Council has budgeted \$350,000 toward this effort for FY2012-13. The fair share for property owners who have agreed to contribute upfront to the consultant costs will total \$436,037 (not including 10% for administrative costs). Staff is therefore requesting that the Council approve a budget amendment to allow the City to fund the balance of \$150,507 from unassigned reserves at this time. The remaining balance of \$100,000 that is needed would come from salary cost savings from the Community Development Department. This will allow the City to proceed with the General Plan Amendment and EIR.

Prepared by: Aki Honda Snelling, Senior Planner

Reviewed by: Aarti Shrivastava, Community Development Director

Approved for Submission by: David Brandt, City Manager

Attachments:

- A. Proposed scopes of work for General Plan Amendment, Vallico Specific Plan, and EIRs
- B. Draft Contract with MIG for the General Plan Amendment
- C. Draft Contract with The Planning Center/DC&E for the General Plan Amendment EIR
- D. General Plan Amendment Outline
- E. August 21, 2012 City Council report
- F. Minutes of the August 21, 2012 City Council meeting
- G. Map of properties in original staff proposal
- H. Map of properties whose owners have requested to be included
- I. Fair Share Weighting and Allocation
- J. General Plan Amendment and Specific Plan Cost
- K. General Plan Payment Schedule and Applicant Share

City Clerk Grace Schmidt read the title of Ordinance No. 13-2106.

Wong moved and Sinks seconded to read the ordinance by title only and that the City Clerk's reading would constitute the second reading thereof. Ayes: Mahoney, Santoro, Sinks, and Wong. Noes: Chang.

Wong moved and Sinks seconded to enact Ordinance No. 13-2106. Ayes: Mahoney, Santoro, Sinks, and Wong. Noes: Chang.

PUBLIC HEARINGS

13. Subject: Municipal Code Amendment to Chapter 14.18, Protected Trees (continue to March 19)

Recommended Action: Continue to March 19

Description: Application No.(s): MCA-2012-02; Applicant: City of Cupertino; Location: citywide, Municipal Code Amendment to Chapter 14.18, Protected Trees and review for future potential amendments

Under postponements, this item was continued to March 19.

Council recessed from 8:10 to 8:19.

ORDINANCES AND ACTION ITEMS

14. Subject: Update on the General Plan Amendment process, Council authorization for a budget amendment to add \$150,507 to the budget for the General Plan Amendment process, and approval of contracts with MIG as the planning consultant and The Planning Center/DC&E as the environmental consultant (continued from February 19)

Recommended Action: Staff recommends that the City Council approve the following: 1.) Scopes of work for the General Plan Amendment (GPA), Vallco Shopping District Specific Plan and associated Environmental Impact Reports (EIR); and 2.) Budget amendment for an additional amount of \$150,507 to fund costs of the General Plan Amendment process not currently budgeted, for a total budget amount of \$1,036,545; and 3.) Authorize the City Manager to approve the attached contract with MIG as the planning consultant for the General Plan Amendment in the amount not to exceed \$476,096. The scope for this contract would be the GPA with an option for the City to authorize the Vallco Shopping District Specific Plan at a

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Cupertino City Council
Successor to the Redevelopment Agency

later date. If the City decides to proceed with the Vallco plan in the future, staff would return to Council with a contract amendment to add the necessary funds for the Vallco Plan; and 4.) Authorize the City Manager to approve the attached contract with The Planning Center/DC&E to prepare the Environmental Impact Report (EIR) for the General Plan Amendment in the amount not to exceed \$393,490. This contract would also include the option for the City to authorize an EIR for the Vallco Specific Plan at a later date; and 5.) Authorize the City Manager to approve Contract Change Orders (CCO) for contracts for Items 3 and 4 above to the extent that total expenditures do not exceed the total amount of the project budget

Written communications for this item included a staff PowerPoint presentation.

Director of Community Development Aarti Shrivastava and Senior Planner Aki Honda Snelling reviewed the staff report via a PowerPoint presentation.

Staff noted that they would provide Council with information about The Planning Center/DC&E before hiring them.

Richard Abdalah said that the Cupertino Chamber of Commerce supports the plan to proceed with the GPA.

Jennifer Griffin said that this would be an important year and a half and the public isn't used to going through General Plan Amendments since the City can only have four in a year. She said she hopes that the PG&E and church sites won't have housing overlays because Cupertino needs retail. She asked Council to make sure not to increase the traffic load in the City and to respect the Heart of the City when making its decision.

Tamon Norimoto representing PG&E said that the site on N. Blaney Ave. has been included in the GPA for potential commercial use. He noted that PG&E is not looking to sell the yard on N. Blaney Ave. and won't be participating in the fair share allocation. He said they look forward to continued partnership with the City.

Jerry Leap representing Cupertino Inn and Mr. John Vidovich said that they support the GPA as recommended in staff report and urged Council to move forward with the process.

Wong moved and Sinks seconded, accepting friendly amendments by Wong and Sinks, to approve Scopes of work for the General Plan Amendment (GPA), Vallco

Shopping District Specific Plan and associated Environmental Impact Reports (EIR) as recommended with an amendment to: 1. Exclude the church site on Homestead and Stelling Roads as an opportunity site; and 2. Include the PG&E site at Blaney Avenue and Homestead Road as an opportunity site - review adding CG (General Commercial) zoning and/or School (BA – Public Facility) uses to the BQ (Quasi-Public Building) zoning. The motion carried unanimously.

Wong moved and Sinks seconded to authorize a Budget amendment for an additional amount of \$150,507 to fund costs of the General Plan Amendment process not currently budgeted, for a total budget amount of \$1,036,545. The motion carried unanimously.

Wong moved and Sinks seconded to authorize the City Manager to approve a contract with MIG as the planning consultant for the General Plan Amendment in the amount not to exceed \$476,096. The scope for this contract would be the GPA with an option for the City to authorize the Vallco Shopping District Specific Plan at a later date. If the City decides to proceed with the Vallco plan in the future, staff would return to Council with a contract amendment to add the necessary funds for the Vallco Plan. The motion carried unanimously.

Wong moved and Sinks seconded to authorize the City Manager to approve a contract with The Planning Center/DC&E to prepare the Environmental Impact Report (EIR) for the General Plan Amendment in the amount not to exceed \$393,490. This contract would also include the option for the City to authorize an EIR for the Vallco Specific Plan at a later date. The motion carried unanimously.

Wong moved and Sinks seconded to authorize the City Manager to approve Contract Change Orders (CCO) for contracts for Items 3 and 4 above to the extent that total expenditures do not exceed the total amount of the project budget. The motion carried unanimously.

~~REPORTS BY COUNCIL AND STAFF~~

~~Written communications for this item included a letter from the Mayor of Cupertino, Italy.~~

~~Council members highlighted the activities of their committees and various community events.~~