

From: Kitty Moore [REDACTED]
Sent: Thursday, August 23, 2018 2:42 AM
To: Amy Chan <amyc@cupertino.org>
Cc: City Council <CityCouncil@cupertino.org>; Darcy Paul <DPaul@cupertino.org>; Rod Sinks <RSinks@cupertino.org>; Steven Scharf <SScharf@cupertino.org>; Barry Chang <BChang@cupertino.org>; Savita Vaidhyanathan <s vaidhyanathan@cupertino.org>; Cupertino City Manager's Office <manager@cupertino.org>; Aarti Shrivastava <AartiS@cupertino.org>
Subject: Re: Yes to Costco at Vallco

Sent this back to city, hope others are writing...

Dear Interim Manager Chan,

Thank you for the detailed response.

Several problems with Sand Hills' and the city's continued pushback on helping the retail portion at Vallco include:

1. The Vallco Shopping District is intended to be a shopping, dining, and entertainment destination for Santa Clara County according to the General Plan and we have a reasonable expectation that will occur.
2. In order for retail to succeed, it needs to be planned for success and not as a cast off, buried in pack and stack, to be relegated to feeding the masses who live and work at the location as a cafeteria and odds and ends supply with claustrophobic cave-like parking.
3. Santana Row, for example, has had 33 store front changes and found that the luxury market was not their identity. The restaurants take in)\$1,000-\$2,000 per SF and retail underperforms Valley Fair by hundreds of dollars per SF.
4. Retail under residential with underground parking is not a successful arrangement for retail. Shoppers prefer horizontal layout for retail. (Source: CAREA Real Estate Amazon Effect Seminar which Cupertino's Economic Development Manager attended)
5. Costco has requested to be in on the design because they want to be in a successful location and have identified the east side property off Vallco Parkway.



Dear Costco Member,

At Costco, we are constantly trying to improve service to our members. With this in mind, we are hoping to be included in the redevelopment plans for the Vallco Fashion Mall at the corner of Vallco Parkway and North Wolfe Road. Our new building would help revitalize the space where the mall currently exists, and would be the first Costco location to open in Cupertino.

The City of Cupertino is currently developing a plan for the Vallco site. This is where we need your help. It is a fact that individuals who oppose projects tend to make their objections known, while those in favor do not express their views. As we aim to be included in the Vallco redevelopment plan, we need your input.

Please demonstrate your support by completing our short online [survey](#) (less than three minutes). Your answers will help us gauge interest of having Costco in Cupertino, as well as a Costco Gas Station. They will also give us a tangible show of support that we will be able to provide to the city.

If you would like more information about our proposed warehouse and gas station, please contact your Costco representative, Mike Dobrota, at [\(714\) 978-5030](tel:7149785030) with your questions and concerns.

Many thanks in advance for your assistance, and most importantly, thank you for being a Costco member. Sincerely,

A handwritten signature in black ink, appearing to read "Jack S. Frank", is positioned below the text. The signature is fluid and cursive, with a long horizontal line extending to the right.

Jack S. Frank
Vice President Real Estate
Costco Wholesale

6. Sears had analyzed Sand Hills' previous plans and found that the excessive traffic would actually hurt their operations and reduce visitor traffic to their store. Link attached.

7. Because the city refuses to remedy the DEIR traffic study to account for the inevitable plethora of restaurants the developer will rely on, the excessive traffic from being a cafeteria has not been addressed. Restaurants generate 4-10 times the traffic as retail. The city is accepting ITE code 810 for a regular shopping center rather than requiring a realistic number. Therefore, we can expect no difference should the developer actually provide what the residents would like: a Costco with a Costco gas station.

8. Cupertino has been unwilling to challenge San Jose regarding the Marriott at Stevens Creek Blvd. and Stern Ave. This project removes one of the only remaining gas stations in the area.

<http://bettercupertino.blogspot.com/2018/08/95-high-stern-avenue-7-story-hotel.html?m=1>

Costco would provide a gas station in a prime location near the freeway.

9. The Specific Plan process yielded no defined result because the city required a 35% Density Bonus. We have learned a hard lesson on what the "concessions" mean from VTC SB35:

<http://bettercupertino.blogspot.com/2018/08/have-we-been-tricked-by-city-in-vallco.html?m=1>

10. It is apparent the city/Sand Hill has no interest in listening to experienced local real estate experts or working with a valuable retailer, Costco, who is clearly interested in participating in the process to be a success.

11. The city, and developer, together, are working to provide what will likely be a failing retail scheme from the outset, and show no interest in resident requests and solid commercial interest about retail.

Sears letter: <https://files.acrobat.com/a/preview/ca6e1eeb-4a4b-4d7d-960f-8893d0eaa1fc>

Best regards,

Kitty Moore