



De Anza Properties

December 1, 2018

Amy Chan
Interim City of Cupertino
10300 Torre Avenue
Cupertino, CA 95014

Dear Amy Chan,

This letter accompanies our new application for a General Plan Amendment to build a new Hotel on the Goodyear site which was authorized unanimously last year by the council and without community opposition. In the process, the council requested some final design changes. We have stepped the project back and we worked extensively with a new architect and community leaders to improve the street presence.

In the prior application several community benefits and amenities were offered in exchange for reasonably prompt approval. However, approval delays has caused the project to increase in cost by over 15 to 20%. In the current market, many projects are being delayed or terminated due to construction cost increases. Therefore, we cannot offer the community benefits package we offered previously.

Nonetheless, we are determined to build now, despite the cost increase, because we believe the project will be successful and food for Cupertino. This hotel will produce over \$700,000 yearly in hotel tax, allowing you to diversify the city's tax base which is too reliant on one major company. Much of the new hotel revenue will be from businesses that reside in Sunnyvale, San Jose, and other surrounding communities. Hence, there will be a transfer of revenue from other cities to Cupertino. In addition, we project xxx new jobs for our community that will help increase employment opportunities and diversify the city's job base.

The project has 155 rooms as designed. We are submitting a garage with parking of 211 spaces but we wish to have the option of reducing the parking to 156 spaces based on our ability to provide 40 valet parking spaces. We believe this is a reasonable plan since hotel patrons do not require once car per room.

Traffic is a prime issue for the entire valet and our prime location for a new hotel will reduce hotel car traffic through the community. As we are situated on the Cupertino border, much of the room stays will likely be from companies located in Sunnyvale, San Jose and Mountain View.

Let me conclude with a little bit of history. We talked to the city about building a new hotel on the Goodyear site almost ten years ago. City staff asked us to fund a major portion of the General Plan so that we could move forward. We were happy to help although we were ultimately disappointed that other projects benefited from our contribution to the General Plan and we did not. Since then, there have been many delays as we tried to work with previous city staff and councils. We sincerely hope the council allows us to move forward with a project that's good for Cupertino.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized initial 'J' followed by a long, horizontal line that ends in a small hook.

John Vidovich
De Anza Properties