

FRIDAY, JULY 25, 2025

CITY MANAGER'S

WEEKLY LETTER TO COUNCIL

Mayor Liang Chao
Vice Mayor Kitty Moore
Councilmember JR Fruen
Councilmember Sheila Mohan
Councilmember R "Ray" Wang

Dear City Council,

I hope this message finds you well. Please find below this week's updates on recent and upcoming City news and events.

GENERAL UPDATES

Q1 2025 Sales Tax Update

The City receives quarterly sales tax data from HDL. Q1 of 2025 indicates year-over-year growth in multiple sectors such as Casual Dining, Service Stations, Grocery Stores, Specialty Stores, Sporting Goods/Bike Stores, and Garden/Agricultural Supplies. However, overall year-over-year actual sales were down. The top 25 sales tax generators for Q1 2025 (listed alphabetically) were:



- 99 Ranch Market
- Alcatraz Ai
- Alexander's Steak House
- Apple
- Argonaut Window & Door
- Aria Gas And Market
- Benihana
- BJ's Restaurant & Brewhouse
- California Dental Arts
- Chevron
- Cupertino Car Wash
- Galpao Gaucho
- Great Gas Cupertino
- Haidilao Hot Pot
- Insight Direct
- Insight Public Sector
- Kura Revolving Sushi Bar
- Lazy Dog Café
- PGA Tour Superstore
- Rotten Robbie
- Safeway
- Shane Company
- Target
- TJ Maxx
- Whole Foods Market

Quarterly Sales Tax Reports can be found on the City's website at cupertino.gov/budgetreport.



Permanentente Creek Restoration Project Breaking Ground

On July 22, Heidelberg Materials and Santa Clara County District 5 Supervisor Margaret Abe-Koga hosted a groundbreaking event to celebrate the start of the multi-million-dollar Permanentente Creek Restoration Project. The event marked a significant milestone in efforts to enhance the natural environment and restore local ecosystems.

Encroachment Permit for The Rise

The City is processing an encroachment permit to be issued this week associated with The Rise development (formerly Vallco Town Center). The work involves moving PG&E and Verizon utility vaults and conduits along Wolfe Road, north of Vallco Parkway, to prepare for future roadway improvements as part of the project.



Work is scheduled to start Monday, July 28 and will continue for about 20 weekdays, from 9:30 a.m. to 3:30 p.m. Four street trees will be removed to facilitate vault and utility work, but the City is working to minimize removals and preserve as many trees as possible, limiting any loss to areas directly affected by construction. Replacement trees will be provided as part of future offsite improvements.



**PARTNERSHIP
OPEN HOUSE:**
Together, We Rise
Engage and Empower: Join community and business leaders to explore how we can drive positive change together.

Hosted by:
Patrick Ahrens
Your District 26 Representative

West Valley Community Services Town Hall

On July 24, Councilmember J.R. Fruen and Councilmember Sheila Mohan joined a community Town Hall hosted by West Valley Community Services, in collaboration with Assemblymember Patrick Ahrens and with participation from Supervisor Margaret Abe-Koga.

The event marked the official launch of West Valley's new strategic goals and featured discussions on key policy initiatives at the state level, with potential implications federally. The Town Hall also served as a forum to begin developing collaborative, community-driven solutions.

New Control Room

The control room renovation project at Community Hall officially began on Wednesday, July 23. Our team and contractors are working in staggered shifts, six days a week, with extended 11-hour workdays to ensure steady progress through—and beyond—the first Council meeting scheduled for September 3.

This is a complex, multi-phase initiative that includes constructing an entirely new control room in the building's back office, installing upgraded lighting systems, implementing a modernized electronic voting system, updating the dais infrastructure, and completing several other critical AV and infrastructure improvements.

Given the scope and pace of the project, we're committed to maintaining clear timelines while minimizing disruption to regular City operations.



2026 Major Sporting Events

City staff are attending monthly planning calls with regional, federal, and sporting partners, including the Bay Area Host Committee, to align planning efforts for major events in 2026. Ongoing coordination helps ensure a clear understanding of regional happenings and any opportunities for the City to participate.

Quiet Paddle Request Begins August 1

To balance recreational use with neighborhood quiet hours, the City is requesting the use of quiet pickleball equipment starting August 1.

Pickleball players are encouraged to use USA Pickleball-certified quiet paddles and balls during designated quiet times: from dawn to 9 a.m. and 7 p.m. to 9 p.m. daily.

Other mitigation methods are also underway. Signage will be posted at courts to support this effort, which aims to reduce noise during early morning and evening hours while preserving access to the sport. Public outreach is currently underway. For more information on pickleball hours, court rules, and the waiting system, please visit cupertino.gov/pickleball.



City Hall Parking Lot Painting Phase 1

City's Streets Division will begin Phase 1 of re-striping the City Hall parking lot on Tuesday, July 29, from 5 a.m. to 11 a.m. This work will refresh stall lines and markings in the designated orange areas (as shown in image). Any vehicles parked in this area must be moved to the green areas by Monday evening. Signage will be posted starting Friday, July 25, to notify employees and visitors of the upcoming work.

New SB 330 Preliminary Application Submitted for Bandley Drive Site

On July 15, the City received a new SB 330 Preliminary Application for a proposed housing development application located at 10268 Bandley Drive. The applicant, Summerhill Homes, anticipates proposing to remove the existing office building to construct a three-story townhome development with 27 new residential units (including 5 affordable units) on a 1.55-acre lot. The site, which is not on a Priority Housing Element site, currently houses multiple commercial office tenants. The applicant intends to utilize State Density Bonus Law which allows additional market rate units for the provision of affordable units, waivers to development standards, and incentives/concessions to reduce costs to provide housing. The City's website has been updated to reflect this new SB330 Preliminary application here: [Major Residential Projects](#).

UPCOMING EVENTS



Annual India Flag Raising Ceremony

I hope you'll join me for the India Flag Raising Ceremony hosted by City of Cupertino and the Cupertino-Bhubaneswar Sister City Initiative. The event will take place on Friday, August 15 at 3 p.m. at the Civic Center Plaza.

National Night Out

The City is excited to participate again in National Night Out, an annual community-building event that strengthens partnerships between residents and law enforcement. This year's celebration takes place on Tuesday, August 5 from 6 p.m. to 8 p.m. across Cupertino neighborhoods. More information on the event is at cupertino.gov/nationalnightout.



Lehigh Quarry Public Meeting

Santa Clara County Supervisor Margaret Abe-Koga invites residents to an important community meeting to discuss the current status of the Lehigh/Heidelberg Cement Plant and Permanente Quarry. The meeting will share key information, and offer residents an opportunity to ask questions and voice their concerns. The meeting will occur on Thursday, July 31, from 6:30 to 8:30 p.m. at Quinlan Community Center.

MEETINGS AND RESIDENT CONCERNS

Tenant Relocation Meeting for McClellan Terrace Residents

On Tuesday, July 8, Interim Deputy City Manager Kirsten Squarcia attended a community meeting regarding tenant relocation services for McClellan Terrace residents. The meeting was hosted by OPC (a TranSystems Company), which will be responsible for facilitating the relocation process. Volz Company and Prometheus were also listed as hosts, but representatives from those organizations were not in attendance. The relocation process is being undertaken due to the acquisition of the property by the Foothill-De Anza Community College District (FHDA), which intends to convert the site into student housing. Below is a summary of the information shared by OPC:

- Interviews are currently being conducted with all households to gather information on household size, income, and other relevant details.
- Once completed, the relocation plan will be made available to all project households for a 30-day review and comment period.
- The relocation plan is scheduled to be presented to the Foothill-De Anza College District Board for approval in Fall 2025.
- After board approval, OPC staff will begin reaching out to collect documentation confirming household identification and income.
- Once documentation is submitted, individual household benefits will be calculated based on each household's specific circumstances.
- Notices of Eligibility will be issued to households starting in January 2026.
- Residents are advised not to move out of the community until they receive a Notice of Eligibility.
- The site is expected to be fully vacated by June 2026.

Finch Property Timeline Update

The City is currently conducting due diligence on the Finch Avenue property, which is expected to take 6–8 weeks. CUSD is anticipated to bring the item to its Board in August to appoint negotiators. Once due diligence is complete and negotiators are in place, the City expects to begin discussions in the fall.

Meeting with Audit Commission Chair

On Monday, I met with Audit Commission Chair Eno Schmidt for a productive conversation on broad municipal topics. With the next Audit Commission meeting scheduled for July 28, we also reviewed current commission activities and priorities. It was a valuable discussion, providing helpful insights into ongoing and upcoming City matters.

Meeting with AlphaX RE Capital

On July 24, Mayor Chao met with representatives from Alpha X, a women-founded real estate company based in Cupertino. During the meeting, Alpha X shared their perspective on the permitting process for Accessory Dwelling Units (ADUs) in Cupertino and other cities. Alpha X also highlighted state legislation pertaining to ADUs such as Assembly Bill 1033, Senate Bill 9, and Senate Bill 1123. Mayor Chao was joined by Economic Development Manager Daniel Degu.

Food Network Quarterly Meeting

On July 25, Block Leader Coordinator Marta Drown attended the Food Network Quarterly Meeting on my behalf. This meeting is part of a bigger effort to help organizations quickly find and share information, work together, and communicate before, during, and after disasters, while also helping local governments share important disaster information. The agenda included a look at the Food Network's mission and tools, a discussion about training and planning needs for disaster readiness, and a roundtable where organizations shared updates to improve coordination. Overall, this collaborative approach helps ensure that everyone will be better prepared to respond and support the community during emergencies.

Residential Burglary Arrest and Property Recovery

On June 20, a residential burglary occurred on the 10000 block of Empire Avenue. Suspects broke into a residence and stole nearly \$18,000 in jewelry and two Porsche vehicles. The vehicles were then used by the suspects in a crime spree.

Thanks to the efforts of law enforcement, the three suspects were located in a San Jose Hotel and both vehicles have been recovered along with most of the jewelry. Also found in the suspects' possession were stolen mail and materials related to identity theft. Read the full press release with additional details by the Sheriff's Office here: ["Cupertino home burglary investigation uncovers widespread Bay Area theft ring"](#).

Input on Non-Resident and Special Interest Groups

Concerns were raised about non-residents and special interest groups meeting with City staff on issues that may impact local infrastructure, quality of life, and service availability for Cupertino residents. In response, I shared that while staff may occasionally coordinate with individuals and organizations beyond City boundaries, all such interactions follow professional standards and transparent processes, including public noticing and Council oversight where appropriate. Staff is mindful of how time and engagement are perceived.

City Manager Weekly Letters and Reports Now Online!

At the end of each week, the City Manager shares updates via email with Council on recent and upcoming City news and events, detailing departmental accomplishments, ongoing projects, and upcoming initiatives to keep the council informed about the daily operations of the City. These letters are available on the City Manager's Office page at cupertino.gov/citymanagersoffice.

At every Council meeting, the City Manager provides brief comments on recent City news, and updates for the community to stay informed on important issues. These are included on Council agendas under "City Manager Reports". Archives of these reports for public access are available on the City Council page at cupertino.gov/citycouncil.

KUDOS RECEIVED

Positive Feedback on Interim City Manager Appointment

Since Council's approval of the Interim City Manager contract, I've received thoughtful and encouraging feedback from both community members and commissioners recognizing this leadership transition. I sincerely appreciate the continued support from Council and the community as we move forward together.

INFORMATIONAL MEMOS

The following Informational Memos have been added to the City website. The information can be accessed at cupertino.gov/memos.

- [07 – July 24, 2025 – Lawrence Mitty Park and Trail, CIP Project Updates](#)
- [07 – July 24, 2025 – Monthly Treasurer's Investment Report for June 2025](#)
- [07 – July 24, 2025 – Monthly Treasurer's Report for June 2025](#)
- [07 – July 24, 2025 – Details of when vacancies were posted from 2022 and 2023](#)
- [07 – July 24, 2025 – Mayor and Commission Chairs Meeting on July 16, 2025](#)
- [07 – July 24, 2025 – Fourth Quarter Update for Year Two of the FY 23-25 City Work Program](#)
- [07 – July 24, 2025 – Economic Development Update](#)
- [07 - July 24, 2025 - Article 34 Application \(provided to Council on July 24, 2025\)](#)
- [07 - July 24, 2025 - CalPERS comparison and City's Investment in PARS 115 Pensions Trust](#)

Wishing you a wonderful weekend. Thank you for your partnership and support!

WARM REGARDS,



Tina Kapoor

INTERIM CITY MANAGER