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PRESS RELEASE

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Cupertino and Vallco Developer Agree on Impact Fees, Look Forward to Construction of Housing at Former Mall Site

CUPERTINO, CA— The City of Cupertino has reached an agreement with Vallco Property Owner regarding the payment of impact fees by The Rise project, located at the former Vallco Shopping Mall site. With the fee dispute resolved, the project will move forward, bringing new opportunities and progress.

The City approved the project to redevelop the Vallco Mall in 2018 under Senate Bill 35, a state law that provides for staff-level, expedited review of qualifying housing and mixed-use projects. The second of two modifications to the original project was approved in February 2024. The modified project includes 2,699 housing units (890 of which would be affordable to lower-income households), 226,386 square feet of retail, and approximately 1.9 million square feet of office space.

The agreement provides a framework that allows both parties' focus to shift toward the construction of the project. "I am pleased that the City and the developer are able to put the dispute regarding impact fees behind us and work together towards building new housing in our community," said Cupertino Mayor Sheila Mohan. "I am particularly eager to see the construction of 890 affordable units move forward, which will greatly expand the availability of affordable housing in Cupertino."

Like most cities in California, Cupertino imposes fees on new development projects to compensate for the development's impact on affordable housing, transportation, parks and recreation, and other city services. Vallco Property Owner has disputed the validity of fees assessed by Cupertino.

The agreement resolves that dispute. Under the agreement, The Rise project will pay transportation impact fees of approximately \$10.3 million and will make other payments to

the City totaling \$32 million over the life of the project. The Cupertino City Council will consider two fee waivers necessary to implement the agreement at its upcoming July 16 meeting.

“We greatly appreciate the City’s diligence and collaboration during this complex fees discussion. With this crucial agreement on the application of City fees to the project completed, we can look ahead to construction beginning in the fall, and to the emergence of The Rise,” said Reed Moulds, The Rise Project Executive.

A copy of the agreement between the City and Vallco Property Owner can be found on the [City’s website](#).

About the City of Cupertino

Cupertino, California, is on the western edge of Silicon Valley against the foothills of the Santa Cruz Mountains. With a population of 64,000 people within 13 square miles, Cupertino is 42 miles south of San Francisco and is home to high-tech companies, most notably Apple Inc.

About The Rise

The Rise (<http://therisecalifornia.com>) will be a vibrant new social heart for Cupertino with world-class shopping and dining, homes for all lifestyles and life stages, workplaces that reimagine the traditional experience and an array of immersive outdoor spaces for public gathering and celebration.

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