

RESPONSE TO COUNCIL QUESTIONS RE: 11/12/19 CITY COUNCIL AGENDA

Agenda Item #2.A: (19-1165)

Action on Second Amendment to the Exclusive Negotiations Agreement with Republic Metropolitan LLC for the site located at 500 Benton Street [APN: 230-08-078]

Council Question: Republic has said that they've determined that they can build a project on top of Santa Clara's well and that the well doesn't have to be moved. Has a determination been made by City staff, or the civil engineering consultants? Are there 2 replacement wells required?

Staff Response: Republic has not proposed building their project on top of the existing well, however in January 2019 they did submit a planning application with a proposal to build on top of the new well. They did not vet this proposal with the City. Due to minimum vertical clearance requirements for operations and maintenance, the City advised that their proposal was not feasible. They have since proposed another design.

Most buildings would never be built over a well and this design is not recommended. Republic has engaged Todd Ground Water (TGW) for the proposed well feasibility study at the proposed development site location. Water Department Staff is working with TGW to provide information for the proposed site. TGW has submitted conceptual well location plans with different locations within the development site about 3 times (June 19, September 11, October 11).

Staff has provided the comments/feedback on the conceptual plan submitted. None of the conceptual plans provided for review showed the existing well staying at its current location with the proposed project build around it. Our understanding of the project was that the current well location is not feasible with the proposed development.

Water Department has requested two wells. The first well location is to replace the existing well with same or better Water Quality and production. The second location is a well site (approximately 100'x100') for any future well. It is important to note that the current City property has potential for multiple wells to serve the City level of service over an extended period of time.

Council Question: There is an additional \$25K for expenses for consultants and legal. Is that amount shared with VTA? Was an estimate of additional costs for the city done?

Staff Response: VTA and City have been sharing consulting work and have been using the Developer's deposit to fund this work. The consultants engaged to date have been from VTA's consultant list. To date the Developer has provided a total deposit of \$50,000 to the City. See the proposed overall budget attached.

Council Question: Has Republic submitted a proposal to planning or started the environmental work other than the analysis on the well?

Staff Response: Republic submitted a Planning Application in January 2019. The application went to Project Clearance Committee but there were significant issues with the proposed site plan. The Developer has not submitted a subsequent application. Without a firm project description, the CEQA work has not commenced.

Council Question: Since production of a term sheet is the trigger for a possible early termination, has staff seen a recent version of a term sheet, or has that process not started yet?

Staff Response: The Developer submitted a term sheet in March 2019. The parties have not negotiated the term sheet as there has not been clarity around the scope of the project and the Developer has not submitted a pro forma with full underwriting assumptions for City or VTA staff to review.

Santa Clara Station
Estimated Schedule of Consultant Costs*

Task	Consultant	Scope	Estimated Cost*
Architectural Peer Review	Dahlin Group	Provide architecture peer review including analysis of potential phased project	\$25,000
Economic Peer Review	Economic & Planning Systems, Inc	Assist with economic review on ENA and term sheet negotiations	\$35,000
Access Study	IBI	Evaluate access impacts and multi-modal improvement strategies for buses, shuttles, taxis, pedestrians, bicycles, etc.	\$80,000
Legal	Hanson Bridgett LLP	Legal review and negotiation	\$175,000
TOTAL			\$315,000

* The above estimate costs are subject to change and do not limit the right of VTA or the City of Santa Clara to invoice for additional costs.