

EXHIBIT I



**Application for Environmental
Leadership Development Project**

April 18, 2012



Application for Environmental Leadership Development Project

Project Information

Project Title: Apple Campus 2

Project Applicant: Apple Inc.

Project Location: Cupertino, California

Project Description: Apple Inc. ("Apple") is proposing to create Apple Campus 2 (the "Project"), an integrated, unified, and secure state-of-the-art office and research campus designed to serve as a model workplace for the 21st century. The Project will replace and rebuild 2.66 million square feet of existing aging office buildings and surface parking lots on a 176-acre infill site with 3.3 million square feet of high-performance energy- and water-efficient buildings, below-grade and structured parking, and more than 115 acres of landscaped green space, nearly three times as much as before.

The Project's focal point is a 2.8 million square-foot ring-shaped main office building, which will consolidate 12,000 Apple employees together into one integrated workspace around an expansive courtyard. Additional Project structures include ancillary research buildings, a central plant, a corporate auditorium, a corporate fitness center, and above- and below-grade parking. These buildings will be integrated into the site's newly created and expanded green space, which will be landscaped with native vegetation and approximately 6,000 trees, including orchard trees reflecting the region's agricultural past.

The Project will be entirely powered by renewable energy, which will primarily be generated on-site from fuel cells and more than 650,000 square feet of solar panels installed on building roofs, making the Project one of the largest corporate campus solar installations in the world. The Project will also promote alternative transit through the provision of a comprehensive Transportation Demand Management (TDM) program, an on-site Apple Transit Center, employee shuttles, pedestrian- and bicycle-friendly design, and 300 on-site electric car charging stations with built-in capacity to expand. These features will place the Project at the forefront of an emerging low-carbon economy in California.

A detailed description of the Project is attached as **Exhibit A**.

Consistency with Statutory Requirements for CEQA Streamlining

The following information (in addition to the Project Description attached as Exhibit A) is submitted to establish that the Project satisfies the statutory requirements for CEQA streamlining as further informed by the criteria set forth in the Governor's Guidelines for Streamlining Judicial Review under CEQA (Public Resources Code (PRC) Section 21178 et seq.).

- **Information to show the project is residential, retail, commercial, sports, cultural, entertainment, or recreational in nature.**

The Project is commercial in nature. Apple Campus 2 is designed to be a workplace for approximately 13,000 Apple employees who are primarily engaged in product development, engineering, and technical and administrative support activities. The 2.8 million square-foot main office building will accommodate 12,000 employees. Additional research and development buildings comprising approximately 300,000 square feet will accommodate another 1,000 employees. Ancillary structures include a corporate fitness center, central plant, and above-grade parking structure. The Project also features a 120,000 square-foot, 1,000-seat corporate auditorium where Apple will introduce its new products. Proposed site plans for the Project are attached as **Exhibit B**. Renderings of the Project are attached as **Exhibit C**.

- **Information to show the project will qualify for LEED silver certification. The application shall specify those design elements that make the project eligible for LEED silver certification, and the applicant shall submit a binding commitment to delay operating the project until it receives LEED silver certification. If, upon completion of construction, LEED silver certification is delayed as a result of the certification process rather than a project deficiency, the applicant may petition the Governor to approve project operation pending completion of the certification process.**

The Project is designed to meet and exceed the standards for LEED silver certification. Qualifying design elements include, but are not limited to:

- Reduction of employee automobile trips through an aggressive Transportation Demand Management (TDM) program, including employee shuttle service, transit pass subsidies, and pedestrian- and bike-friendly design
- Provision of electric vehicle charging stations for 300 vehicles, with built-in capacity to expand
- Maximization of open space (nearly threefold increase in landscaped space compared to existing site)
- Reduction of stormwater runoff through use of rainwater collection systems and reduced impervious surface area and, potentially, a green roof on the fitness center
- Reduction of water use by 30-35% compared to typical commercial development through use of low flow fixtures and drought-tolerant landscaping
- Reduction of energy use by at least 30% compared to typical commercial development through use of LED lighting, natural ventilation, and maximal use of outdoor air for building cooling
- On-site renewable energy generation using solar panels and fuel cells, making the Project one of the largest corporate campus solar installations in the world.
- Recycling or salvage of at least 50% of construction waste
- Use of low VOC-emitting interior building materials

A preliminary LEED point tally for the Project is attached as **Exhibit D**. Because final LEED certification is never granted until after a project is operational, Apple intends to petition the Governor "to approve project operation pending completion of the certification process," as provided for in the Governor's Guidelines, assuming the statute is not corrected before then.

- **Information to show the project will achieve at least 10 percent greater transportation efficiency than comparable projects. "Transportation efficiency" is defined as the number of vehicle trips by employees, visitors, or customers to the project divided by the total number of employees, visitors, and customers. The applicant shall provide information setting forth its basis for determining and evaluating comparable projects and their transportation efficiency, and how the project will achieve at least 10 percent greater transportation efficiency. For the purposes of this provision, comparable means a project of the same size, capacity and location type.**

The Project will be primarily accessed by Apple employees, with employee services on site and no public access due to security considerations. In order to promote employee transportation efficiency, Apple intends to implement and expand upon the successful Transportation Demand Management (TDM) program used at its nearby corporate headquarters campus at 1 Infinite Loop in Cupertino ("Headquarters"). The Headquarters TDM program has resulted in a rate of employee trips in single-occupancy vehicles of 72% in the AM peak hour and 68% in the PM peak hour, well below the average of 82.6% in for other workplaces in Cupertino (based on 2000 U.S. Census "Journey to Work" data, not available for 2010 census data). Apple has also received transportation data from a comparable development on condition of anonymity confirming that the Headquarters TDM program achieves 10% fewer vehicle trips per employee. Due to the sensitivity of this type of information, Apple does not have access to other public comparable information.

The Headquarters TDM program features:

- Coach shuttle service for Apple employees to and from locations in San Francisco, the East Bay, and the South Bay, including local shuttle service to Los Altos, Los Gatos, and Campbell
- Coach shuttle service to public transit stations for Caltrain, Altamonte Commuter Express (ACE), and Valley Transportation Authority (VTA)
- Commute website with transit and shuttle information and carpool matching and bike route matching services
- \$100/month transit subsidy per employee
- \$20/month bike subsidy for bicycle commuters who do not use local transit
- Bicycle racks, pumps, lockers, and showers available at the campus
- Bicycle sharing program
- On-site services that reduce the need for midday errands

Because the Project site is just one mile from Headquarters, and is nearly identical in terms of its proximity to major highways, roads, transit lines, and regional population centers, it is expected that the Headquarters TDM program would result in similar employee single-occupancy vehicle trip rates for the Project. Apple hopes to further improve these rates at the Project by expanding the TDM program to offer, in addition to the amenities listed above, expanded long-distance coach shuttle service and an electric car sharing program.

Given that the Project's TDM program improves upon the Headquarters program, which has already been shown to reduce the employee single occupancy vehicle commute rate by 10% compared to the local average, the Project will achieve at least 10% greater transportation efficiency than comparable projects.

- **Information to show the project is located on an infill site, defined at Public Resources Code section 21061.3, and in an urbanized area, as defined at Public Resources Code section 21071**

The Project is located on an infill site. Under PRC section 21061.3, an "infill site" is defined as a site that "has been previously developed for qualified urban uses." A "qualified urban use," in turn, is defined as "any residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses." PRC § 21072. The Project site has previously been developed for commercial use. The site is currently occupied by a corporate campus, office buildings, and associated parking lots. The existing buildings provide approximately 2.66 million square feet of office space. Approximately 140 acres of the 176-acre site are paved or occupied by structures. An aerial photo depicting the site and its existing use is attached as **Exhibit E**.

The Project is located in an urbanized area. Under PRC section 21071, an "urbanized area" is defined, in part, as an incorporated city with a population of 100,000 if that city and not more than two incorporated contiguous cities have a combined population of at least 100,000. The Project is located in the City of Cupertino, an incorporated city with a population of 58,302 according to the 2010 census. The adjacent City of Santa Clara is an incorporated city with a population of 116,468, according to 2010 census data. Because the combined population of Cupertino and contiguous cities is more than 100,000, Cupertino qualifies as an urbanized area. A regional map showing Cupertino and adjacent cities is attached as **Exhibit F**. 2010 Census data for the cities of Cupertino and Santa Clara is attached as **Exhibit G**.

- **For a project that is within a metropolitan planning organization for which a sustainable communities strategy or alternative planning strategy is in effect, information to show the project is consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy, for which the State Air Resources Board, pursuant to subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, has accepted a metropolitan planning organization's determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets. For the purposes of this provision, "in effect" means that the sustainable communities strategy or the alternative planning strategy has been adopted by the metropolitan planning organization, and that the Air Resources Board has accepted the metropolitan planning organization's determination that the sustainable communities strategy or alternative planning strategy meets the adopted greenhouse gas reduction targets and is not the subject of judicial challenge.**

Senate Bill 375 requires that each metropolitan planning organization in the state prepare a Sustainable Communities Strategy (SCS) as part of a regional transportation plan (RTP). The Project is within the jurisdiction of the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG), who are jointly responsible for developing the Bay Area's SCS. However, the Bay Area's SCS is

not scheduled to be adopted until 2013. Therefore, there is currently no SCS in effect for the Project area. A timeline for the development and adoption of the Bay Area SCS is attached as **Exhibit H**.

Although the Bay Area's SCS will not be adopted until 2013, the California Air Resources Board (CARB), ABAG and MTC have adopted a greenhouse gas (GHG) reduction target for the SCS, requiring a reduction of per-capita CO₂ emissions from cars and light-duty trucks by 7% by 2020 and by 15% by 2035 (compared to a 2005 baseline). CARB's Executive Order adopting these targets is attached as **Exhibit I**. Not only is the Project consistent with these targets, it will serve as a model for how the Bay Area can achieve them. As described above, the Project's aggressive TDM program is expected to result in an employee non-drive alone commute rate of approximately 30% or more, exceeding current regional rates. In addition, for those employees who do drive, the provision of 300 electric vehicle charging stations will promote and facilitate electric vehicle use, thereby contributing to region-wide per-capita emissions reductions.

- **Information to show that the applicant has notified a lead agency prior to the release of the draft environmental impact report that it intends to certify a project for streamlined environmental review under the Jobs and Economic Improvement Through Environmental Leadership Act of 2011. Written acknowledgment from the lead agency of the applicant's intent to apply for certification may be used to satisfy this requirement.**

The City of Cupertino, lead agency for the Project, has been notified that Apple is seeking certification for the Project under the Jobs and Economic Improvement through Environmental Leadership Act. Written acknowledgement from the City of Cupertino regarding Apple's intent to apply for certification is attached as **Exhibit J**.

- **Information to show that the project will result in a minimum investment of \$100 million in California through the time of completion of construction.**

Given the size and scope of the Project (complete redesign of a 176-acre site over a period of approximately 30-36 months, including demolition and replacement of over 2.6 million square feet of building space, site regrading, construction of over 3.3 million square feet of new building space, and landscaping of more than 115 acres), it will far exceed the \$100 million minimum investment requirement of PRC section 21183(a).

- **Information to show that the project will satisfy the prevailing and living wage requirements of Public Resources Code section 21183(b).**

The Project will create high-wage, highly skilled construction jobs and permanent jobs that pay prevailing wages and living wages as required by PRC section 21183(b). The Project is within Santa Clara County, which has not adopted a living wage, so the jobs that result from the Project will earn wages at least meeting the State of California's prevailing wages for the area as identified by the California Department of Industrial Relations. Union labor will be utilized for the Project's construction, and union labor wage rates align with prevailing wage rates.

It is estimated that Project construction will generate 22,967 person years of employment, which will translate into 9,187 full time construction jobs over a 30-36 month construction period. Including indirect and induced impacts, the construction of the Project will generate approximately 13,238 jobs in Santa Clara County over the 2.5 year construction period.

As for permanent jobs, Apple is currently the second largest technology employer in Silicon Valley, with approximately 13,000 full-time employees based in Cupertino. The Project will enable Apple to locate an additional 6,000 to 10,000 permanent employees in Cupertino by 2015. For every one new Apple job, an additional 1.5 jobs are created within Santa Clara County as a result of expenditures by Apple and by Apple employees. Therefore, in addition to the construction jobs, the total number of direct, indirect, and induced new jobs generated in Santa Clara County by the Project ranges from 15,000 to 25,000.

- **Information establishing that the project will not result in any net additional greenhouse gas emissions. This information includes (1) a proposed methodology for quantifying the project's net additional greenhouse gas emissions, and (2) documentation that quantifies both direct and indirect greenhouse gas emissions associated with the project's construction and operation, including emissions from the project's projected energy use and transportation related emissions; and quantifies the net emissions of the project after accounting for any mitigation measures. This information is subject to a determination signed by the Executive Officer of the Air Resources Board that the project does not result in any net additional greenhouse gas emissions, following the procedures set forth in section 6 of the Governor's Guidelines.**

The Project will not result in any net additional greenhouse gas (GHG) emissions. The proposed methodology for quantifying the Project's GHG emissions is attached as **Exhibit K**. This proposed methodology has been shared with the City of Cupertino, the lead agency for the Project, as well as the California Air Resources Board. It accounts for one-time emissions impacts due to Project construction and vegetation change, as well as annual Project operations emissions from 2016 through 2020, using the widely accepted California Emissions Estimator Model (CalEEMod). Where available, the proposed methodology uses site-specific data for employee numbers, trip rates, energy use, and number of trees, both for the existing site and for the Project. Where site-specific data is not available, CalEEMod defaults have been used.

Based on this methodology, current emissions generated by existing site use are approximately 28,064 metric tons of carbon dioxide equivalent (MT CO₂e) per year. Because the site is in a state of transition in preparation for the Project, it is currently underutilized and the existing conditions are not reflective of historic emissions. Exhibit K also estimates emissions for "full occupancy" as approximately 54,290 MT CO₂e/year.

Project construction emissions, including both direct and indirect emissions, are estimated to be approximately 14,391 MT CO₂e. Other one-time emissions impacts consist of an emissions reduction of 1,223 MT CO₂e based on the planting of new trees and vegetation. Thus, the total one-time emissions from the Project are estimated to be approximately 13,168 MT CO₂e.

Operational emissions from the Project are estimated to be approximately 27,814 tons MT CO₂e in 2016, declining to 24,376 MT CO₂e by 2020. As operational emissions will be approximately 3,688 tons MT CO₂e below the existing 2011 emissions by 2020, the improved operations will fully offset the one-time emissions during the early years of operation.

Accordingly, using either the existing 2011 conditions or "full occupancy" conditions as the baseline, the Project will result in no net additional greenhouse gas emissions. It is worth noting that a fully occupied site using the existing buildings would have annual operational emissions approximately 26,476 MT CO₂e greater than the Project's 2016 emissions.

Detailed GHG emissions calculations are provided in Exhibit L.

- **Information documenting a binding agreement between the project proponent and the lead agency establishing the requirements set forth in Public Resources Code sections 21183(d) (all mitigation measures will be conditions of approval and enforceable, and environmental mitigation measures will be monitored and enforced for the life of the obligation), (e) (applicant will pay costs for hearing by Court of Appeal), and (f) (applicant will pay costs of preparing the administrative record).**

Apple's acknowledgement and agreement with the City of Cupertino, as lead agency for the Project, regarding Apple's obligations under PRC sections 21183(d), (e), and (f) is attached as Exhibit M.

Name of Applicant Representative: TERRY REAGAN

Title of Applicant Representative: SENIOR DIRECTOR

Signature of Applicant Representative: 

Date: 4.18.12

Attachments:

- Exhibit A:** Project Description
- Exhibit B:** Apple Campus 2 Site Plan
- Exhibit C:** Apple Campus 2 Renderings
- Exhibit D:** Preliminary LEED Point Tally
- Exhibit E:** Aerial Photo of Existing Site
- Exhibit F:** Regional Map
- Exhibit G:** 2010 Census Data
- Exhibit H:** Bay Area SCS Timeline
- Exhibit I:** CARB Executive Order Approving Greenhouse Gas Emissions Targets
- Exhibit J:** Written Acknowledgement of Notice
- Exhibit K:** Greenhouse Gas Emissions Methodology
- Exhibit L:** Greenhouse Gas Emissions Calculations
- Exhibit M:** Acknowledgement of Obligations

Exhibit A: Project Description

Apple Campus 2
Project Description
April 2012



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Apple Campus 2

Apple proposes to create Apple Campus 2 - an integrated, unified and secure 21st Century campus surrounded by green space. This new development will provide a serene environment reflecting Apple's brand values of innovation, ease of use and beauty. The state-of-the-art office, research and development facilities will sustainably replace and rebuild the entire site, which comprises approximately 176 acres. The project replaces the current disjointed assemblage of aging corporate facilities with a single high performance office, research and development building and supporting facilities.

Apple selected the internationally renowned architectural firm Foster + Partners, headed by Norman Foster, as architects. Foster + Partners has drawn upon its global leadership in sustainability and design to help achieve Apple's goals. The general contractor will be a joint venture of DPR Construction and Skanska USA Building Inc.

The signature building accommodates up to 12,000 employees and comprises approximately 2.8 million square feet over four stories, resulting in a significant reduction of overall building footprint. The building is located and designed to minimize the visual impact on adjacent residential neighborhoods and to enhance the existing deep landscape setbacks at the periphery.

Campus amenities will include a striking restaurant within the Main Building, a separate Corporate Fitness Center comprising approximately 100,000 square feet and a 1,000-seat Corporate Auditorium comprising approximately 120,000 square feet. Parking will be provided under the Main Building and in one multi-story parking structure along the 280 Freeway. The Campus will feature an on-site Central Plant, also situated along the 280 Freeway, which serves all buildings on the main site and east of North Tantau.

In addition, research facilities accommodating up to 1,000 employees and comprising approximately 300,000 square feet will be located east of North Tantau Avenue. These buildings will house technical support functions that need to be located adjacent to the Main Building.

The proposal includes a development allocation of 300,000 square feet of office, research and development space, accommodating up to 1,200 employees, for

subsequent development within the project area. This 300,000 square feet has not been designed or sited and any future specific proposal will be the subject of a separate application and approval process.

Integration and unification of the currently divided parcels will be achieved by reclaiming Pruneridge Avenue as green space. Access to the Hamptons Apartments from North Wolfe Road at Pruneridge Avenue will remain. The project replaces existing asphalt and hardscape with more than 115 acres of landscaped green space. The landscape design of meadows and woodlands will create an ecologically rich oak savanna reminiscent of the early Santa Clara Valley. It will incorporate both young and mature trees, and native and drought tolerant plants, that will thrive in Santa Clara County and minimize water consumption. The increase in permeable surfaces will promote natural drainage and improve water quality in Calabazas Creek. The thoughtful and extensive landscaping will recall Cupertino's pre-agricultural and agricultural past, which will be further celebrated by preserving and relocating the Glendenning Barn to a more appropriate off-site setting.

Apple Campus 2 will promote creativity and collaboration by consolidating up to 14,200 Apple employees in one location. Apple will continue to occupy the existing Infinite Loop Campus, as well as other buildings within Cupertino. However, a number of buildings in Cupertino will be freed up for other users.

The project aligns with Cupertino's existing framework set forth in its General Plan for the Vallco Park North Employment Center. It maintains the residential neighborhoods, minimizes additional infrastructure demands and expands the existing perimeter protection to meet Apple's security needs. The project will strengthen Cupertino's competitive position in Silicon Valley and help Apple continue to attract the industry's leading talent.

Apple Campus 2 will become a model for the 21st century workplace - a fantastic place to work, to create, to collaborate, and to shape future technology.

Project Objectives

Apple Campus 2 will result in replacement and rebuilding of the entire approximately 176-acre site with a mix of office, research and development and ancillary land uses. The main objective of the project is to redevelop the project site with a new, unified, secure and private Apple campus. The project's specific objectives are to:

- Create an innovative and beautiful campus near Apple's Infinite Loop facility that consolidates Apple's engineers and support personnel in a single distinctive office, research and development building. The consolidation will promote shared creativity and collaboration and spur invention of the next several generations of Apple products.
- Achieve the security and privacy required for the invention of new products by eliminating any public access through the site, and protecting the perimeters.
- Create a landscape environment that gives Apple's employees opportunities for recreation and reflection.
- Reduce the overall building footprint, thereby significantly increasing the amount of landscaped green space.
- Provide on-site amenities for Apple's employees, in order to promote employees' health and wellbeing and reduce off-campus travel.
- Provide an on-site venue for the introduction of Apple's new products that will generate surprise and delight, and enable the products to be introduced at Apple's corporate home.
- Create a physically unified campus community that improves internal circulation and eliminates unnecessary access points by consolidating the existing properties within one campus.
- Enable a commuting culture where thoughtful site planning and regional connectivity prioritize transit and alternative commute modes.
- Create a campus plan that incorporates flexibility to respond to Apple's future business needs.
- Accommodate up to 14,200 employees over a two phase development.
- Power the Campus with 100% renewable energy.
- Generate the majority of energy on-site with photovoltaics and fuel cells with directed biogas to minimize the reliance on the electricity grid.
- Maximize the energy efficiency of building and information technology systems.
- Minimize use of potable water by preparing the site to receive recycled water in the future, capturing rainwater and using gray water, and improving runoff by increasing permeable surfaces.
- Increase material reuse, recycling from solid waste sources and composting during both the Campus construction and operations.
- Exceed economic, social, and environmental sustainability goals through integrated design, development and operations that minimize the environmental footprint and greenhouse gas emissions.
- Become a source of pride to Cupertino and its residents, and generate tax revenue that will enable the City to achieve many of the projects it envisions to improve quality of life.
- In short, create an inspiring 21st Century workplace reflecting Apple's brand values of innovation, ease of use and beauty, and enabling Apple to extend its Cupertino roots and home into the future.

Location

The approximately 176-acre site is bounded by the 280 Freeway, Wolfe Road, Homestead Road and North Tantau Avenue as shown on Exhibit A-1 and described more fully in Exhibit A-2. The Campus also includes parcels located to the east of North Tantau Avenue.

Site Development Overview and Detail

Apple is seeking from the City the entitlements and approvals listed below. Apple may supplement this list as the project develops. Apple may seek additional approvals from the appropriate local, regional, state and federal agencies.

- Legislative Approvals
 - General Plan Amendments
 - Remove Park designation
 - Remove Pruneridge as a Minor Collector in Circulation Element
 - Zoning Amendments – Rezone park site to P(MP)
 - Development Agreement for the entire Property to vest the Project Approvals

- Project Level Approvals
 - Vesting Tentative Map, including approval of a grading plan
 - Conditional Use Permit
 - Planned Development Permit
 - Pruneridge Street Vacation and associated agreements
 - Land Transfer Agreement with City for Pruneridge right-of-way
 - Utility Relocation & Easement Agreements with City (and applicable utilities)
 - Tree Removal Permit
 - Streamside Modification Permit
 - Architectural Site Approval
 - Environmental Review
 - Other approvals as necessary for utility, pedestrian and vehicular crossings of Calabazas Creek

Apple anticipates commencing construction immediately after approval and expects construction to be completed by the fall of 2015.

As indicated, Apple Campus 2 replaces the current outdated office, research and development buildings. The result is an incremental net new development, as described in Table 1.

Site

Although there will be an incremental increase in gross office and research and development floor area of less than 20%, the efficient use of the site will result in almost tripling the landscaped area. Underground and structured parking will replace 9,220 parking spaces – releasing almost three times more open space. The new open space will be developed using native and drought tolerant trees and landscaped to minimize water consumption. The increased permeability will assist in controlling site water run-off and help to improve local water quality.

The sloping site will be re-graded to provide a level ground floor for the Main Building.

	Existing Site	Apple Campus 2	Net New Development
Phase 1 Number of Employees (Current Capacity)	9,800	13,000	+3,200
Phase 1 Number of Employees (Current Occupancy)	4,844	13,000	+8,156
Phase 2 Number of Employees	n/a	1,200	+1,200
Phase 1 Office, Research and Development Occupied Area (sq ft) (Main Building)	2,392,000	2,820,000	+428,000
Phase 1 Ancillary Use Occupied Area (sq ft) (Corporate Auditorium & Corporate Fitness Center)	0	220,000	+220,000
Phase 1 Ancillary Use Occupied Area (sq ft) (East of Tantau Research Facilities)	265,000	300,000	+35,000
Phase 2 Office R+D Occupied Area (sq ft)	n/a	300,000	+300,000
Parking Space Capacity	9,220	10,500	+1,280
Site Coverage (sq ft)	1,400,000	1,000,000	-400,000
Number of Trees on Site	4,273	6,000	+1,727
Permeable Landscape (sq ft)	1,856,000	5,275,000	+3,419,000

Table 1 Site Development Overview

Transportation and Parking

Replacement and rebuilding the outdated existing facilities provides the opportunity to consolidate twenty-four driveways into ten access points, thereby advancing the City's policy on managing access to major streets. The proposed access and circulation plan will reduce the impact on traffic associated with numerous driveways, eliminate conflicts that jeopardize safety for pedestrians, bicyclists and motorists, enhance emergency access to the site and simplify way finding.

Site Access

Primary vehicular access to the site for employees and visitors will be via a new intersection located approximately 240 feet north of the intersection of North Wolfe Road and Pruneridge Avenue, thereby allowing separation of Campus traffic from Hamptons Apartments' traffic. This new intersection will have a 3-leg (tee) configuration. The eastern leg will be a new private service road inside the main campus site. This service road will provide access to the visitor parking area, belowgrade parking garage and parking structure located near the southern boundary of the site.

A secondary access point is provided on North Tantau Avenue, south of Calabazas Creek. This access serves the above-grade parking structure, as well as providing service access to the Central Plant, additional access to the garage beneath the Main Building, maintenance access to Calabazas Creek and secondary emergency fire access to the Hamptons Apartments. This intersection also provides access to the site's property located east of North Tantau Avenue and south of Calabazas Creek. The existing properties located east of North Tantau Avenue will retain their existing dedicated driveways.

Apple's employee shuttles and service and delivery vehicles access the site from an intersection on North Tantau Avenue south of Homestead Road. This intersection provides access to the project's Corporate Transit Center for Apple's employees adjacent to North Tantau Avenue, as well access to a loading dock, service area and the Corporate Auditorium at the lower basement level.

A service and emergency access point to the Corporate Fitness Center is located on an existing curb cut on Homestead Road.

Apple employees traveling by foot or on bicycle may access the site from the primary entrance on Wolfe Road, where public transit stops, and from the project's transit center on North Tantau Avenue. Additional pedestrian and bicycle access will be provided adjacent to the Corporate Fitness Center and the North Tantau Avenue site access.

On-Site Circulation and Emergency Access

A private internal service road will connect from North Wolfe Road to North Tantau Avenue. This service road will provide access to the visitor parking area, below-grade parking garage and parking structure located near the southern boundary of the site.

A security plaza will be built east of North Wolfe Road, beyond which only employees or credentialed visitors will be granted access. Beyond the security plaza, the service road will split into two directions; one direction would remain below-grade to access the basement parking garage and the other direction would rise to grade and follow the approximate southern boundary of the site to provide access to the above-grade parking structure and ultimately connect to the vehicle access point at North Tantau Avenue, south of Calabazas Creek. Employee entry from North Tantau Avenue includes a secondary security plaza.

The service road's bridge over Calabazas Creek is intended to entirely span the creek's right-of-way, thereby avoiding impacts on the Creek. Located near the bridge abutments, the service road provides a maintenance easement for Santa Clara Valley Water District vehicles.

Emergency responders access the site from the primary access via Wolfe Road, the secondary employee access point from North Tantau Avenue, and the project's transit center/service area access from North Tantau Avenue. The Hamptons Apartments' primary emergency vehicle access from Wolfe Road via Pruneridge remains in the same location, and a new secondary emergency access to the complex is provided from the service road at the southern boundary of the site.

Vacation of Pruneridge Avenue

Pruneridge Avenue will be vacated from the terminus of North Wolfe Road to North Tantau Avenue. This vacation will create a physically unified campus community that respects Apple's security and privacy needs by eliminating public access through the Campus, and it will improve internal circulation.

Pruneridge Avenue will remain open from its intersection with North Wolfe Road to the entrance to the Hamptons Apartments. The segment of Pruneridge Avenue would function principally as access to the Hamptons, as well as serve vehicles exiting from the Apple Campus 2 visitor parking lot. Traffic demand on this segment of Pruneridge Avenue would be reduced from existing conditions, allowing the roadway to be reduced to two lanes.

Through traffic formerly using Pruneridge Avenue is routed to parallel facilities including Homestead Road, Vallco Parkway and Stevens Creek Boulevard. One existing transit route on Pruneridge Avenue requires re-routing to utilize Homestead and Wolfe Roads. Similarly, closure of the existing bike lanes on Pruneridge Avenue will require bicyclists to use the bike lanes on Homestead Road, or to travel down an improved Tantau Avenue to Vallco Parkway. Utilities located beneath Pruneridge Avenue will either be relocated or provided with an access easement.

The second emergency access for the Hamptons Apartments off Tantau Avenue will be rerouted via Apple's service road adjacent to the 280 Freeway.

Off-Site Improvements

Apple proposes to improve Wolfe Road by adding additional lanes that increase both capacity and storage and maintain the City's Level of Service (LOS) standard. Lanes added to Wolfe Road include two southbound left turn lanes at the new site entrance, an additional northbound lane from I-280 to the new site entrance, and an additional right turn lane on the I-280 northbound off ramp. North Tantau Avenue will be widened in the vicinity of the employee entrance on the east side of the site.

North Wolfe Road will be widened to provide three continuous through lanes and one shared through/right turn lane at Pruneridge Avenue. The proposed widening would occur entirely on the eastern side of the North Wolfe Road. The I-280 northbound off-ramp to the north would be widened to provide a second right turn lane.

A northbound Class II bicycle lane will be provided adjacent to the curb on North Wolfe Road between I-280 and Pruneridge Avenue. North of Pruneridge Avenue, a Class I off-street pedestrian/bicycle pathway will be provided on the east side of North Wolfe Road. Northbound bicyclists will cross the main campus entrance on the pedestrian phase of the new traffic signal, then transition back to a Class II on-street bicycle lane.

At the intersection of North Wolfe Road and Pruneridge Avenue, the eastern leg of the intersection will be reduced in width to two lanes (one lane in each direction).

A new three-legged (tee) intersection will be created approximately 240 feet north of the intersection of North Wolfe Road and Pruneridge Avenue (Figure 5). The northbound North Wolfe Road approach will consist of two through lanes and two right turn lanes. The southbound North Wolfe Road approach will consist of three through lanes and two left turn lanes with approximately 330 feet of storage. Widening of North Wolfe Road will accommodate the additional lanes. The proposed widening after Pruneridge will occur entirely on the east side of the roadway within the City-owned right-of-way and on Apple-owned property.

North Tantau Avenue will be widened south of Calabazas Creek and north of the I-280 overcrossing. The widening will allow for a five lane cross-section south of the employee access intersection. The bridge over I-280 will be reconfigured to consist of three traffic lanes instead of four lanes of traffic, providing bike lanes in both directions and sidewalks on both sides of the street, thereby creating a significantly improved link to Vallco and Main Street retail areas and the recreational opportunities south of I-280.

Parking

There will be approximately 9,000 employee parking spaces on the main site of Apple Campus 2, with an additional 1,000 to 1,500 parking spaces located east of North Tantau Avenue. The parking spaces on the main site will be divided between a basement below the Main Building and an above-grade parking structure at the southern site boundary. While Apple Campus 2 will be Apple's center for research and development, 1 Infinite Loop will remain the primary location for visitors. Nonetheless, Apple Campus 2 will provide about 150 visitor surface parking spaces with access directly from the new Apple-dedicated entrance point off Wolfe Road, and an approximately 150 visitors spaces in the surface parking lot east of Tantau Avenue. The careful management of parking is an essential component of Apple's Transportation Demand Management program. The specifics are as follows:

- **Basement Parking:** A portion of the total required parking will be located in a basement positioned directly under the Main Building, but which has a larger overall footprint. There is one primary vehicular access point for employees with separate ramps serving each level. Employee access to the parking is from the southern part of the basement.
- **Parking Structure:** In addition to the basement parking, most of the remainder of the employee parking will be accommodated in a multi-story parking structure along the southern edge of the site, adjacent to Interstate 280.
- **Visitor Parking:** There will be two visitor parking lots on site. Approximately 150 surface parking spaces will be provided within a secure zone within the site accessible from North Wolfe Road. Access to this area is controlled by a manned security kiosk, which also monitors pedestrian and bicycle access into the site. The location of this visitor parking lot is just north of Pruneridge Avenue, across from the vehicular entry to the Hamptons Apartments. About 150 secure surface parking spaces for visitors will be provided east of North Tantau Avenue.

East of North Tantau Avenue: There will be up to 750 parking spaces for the research facilities located on the North Tantau Avenue sites. This includes about 350 event parking spaces will be provided for Corporate Auditorium and other visitors.

Utilities and Grading

Pruneridge Avenue Utility Relocations

The Pruneridge Avenue street vacation requires the relocation of the existing utilities within its right-of-way. Preliminary studies and discussions with utility providers indicate that the following improvements may be required in the adjacent public streets:

- **Sanitary Sewer:** Upsize and deepen the existing sewers in North Wolfe Road (between Pruneridge Avenue and East Homestead Road) and in East Homestead Road (between North Wolfe Road and Tantau Avenue).
- **Storm Drain :** Install a parallel pipe to the existing storm drain in North Wolfe Road (between Pruneridge Avenue and East Homestead Road). The design of this storm drain is pending hydraulic analysis and consultation with the City
- **Water:** Increase the size of the existing water line in East Homestead Road (between North Wolfe Road and Tantau Avenue).
- **Electrical, ICT:** Install new conduits from the intersection of North Wolfe Road and Pruneridge Avenue to Tantau Avenue and Pruneridge Avenue via North Wolfe Road, East Homestead Road, and Tantau Avenue.
- **Gas:** Install a gas pipe on Tantau Avenue between East Homestead Road and Pruneridge Avenue to maintain connectivity within PG&E's gas network.

Surrounding Streets Utility Improvements

Utility connections for the Project are likely to require utility improvements in the surrounding streets. Preliminary studies and discussions with utility providers indicate that the following improvements may be required in the adjacent public streets:

- **Electricity:** Install new conduits with feeder circuits from the intersection of North Wolfe Road and East Homestead to the Central Plant via East Homestead and Tantau Avenue. New feeder circuits may be required from Pacific Gas and Electric's (PG&E) distribution network to the Central Plant.
- **Recycled Water:** Apple is discussing with various recycled water providers the possibility to bring a recycled water supply to the site. The recycled water could connect to the site along Homestead Road, North Wolfe Road or Pruneridge Avenue. The above relocations are preliminary, subject to confirmation with the utility providers during design coordination and review.

Calabazas Creek Crossings

The entry road between Tantau Avenue and the Parking Structure bridges Calabazas Creek adjacent to the southern site boundary. The primary utility trench between the Central Plant and the building crosses the Creek at this location. The footings for the creek crossings will be located beyond the top of the bank and will not impact Calabazas Creek.

Grading

The intent of the site grading strategy is to:

- Locate buildings out of the flood plain zone, and outside the top of the Calabazas Creek bank, such that the buildings will not be affected by Creek flows during a 100-year storm event.
- Generally grade the site away from the buildings toward the perimeter streets so that site storm water does not pose a flood risk to the buildings.
- Maintain a constant relationship between the elevation of the buildings and the surrounding landscape.
- Integrate storm water management treatment systems into the site grading strategy.
- Import top soil for planted areas.

The following areas of the Campus will require significant excavation:

- Two levels of basement parking located under the Main Building.
- Ramps to the underground parking and loading dock storage areas.
- Excavation and foundations for the Parking Garage and Central Plant.
- The basement elements of the Corporate Auditorium and Corporate Fitness Center.
- Site grading excavation.
- Research and Development facilities.

Preliminary studies indicate a significant off-haul over several months.

Building Overview

Main Building

The focal point of the proposed development is the four-story office, research and development building comprising 2.8 million sq. ft. gross floor area above ground. This area also includes the in-building employee services, meeting spaces, office entrance areas, and circulation zones.

- **Employee Restaurant and Dining Facilities:** There will be about 60,000 sq. ft. dining facility with movable seating at ground level for 2,100 occupants, as well as about 20,000 sq. ft. mezzanine to seat an additional 600 people, with 1,750 seats on terraces for outdoor dining.
- **Meeting Rooms:** Approximately 83,000 sq. ft. of space will be dedicated to meetings and breakout spaces within the communal zones of the building.
- **Kitchen and Loading Dock:** At the Lower Basement level, there will be a double-height kitchen and service loading dock, which together have a floor area of 130,000 sq. ft. The kitchen is located directly under the restaurant, and the loading dock is located outside the footprint of the main building above.
- **Plant Rooms:** There is 260,000 sq. ft. of space allocated for mechanical rooms within the Main Building, some of which is located below grade, and some of which is located within the roof build-up above the 4th floor.
- **Engineering and Testing Spaces:** Approximately 15% of the main building area is allocated for technical support spaces.

Corporate Fitness Center

To the southeast of the Main Building, the proposed project also includes a Corporate Fitness Center of about 100,000 sq. ft. for use by employees. It will contain changing rooms, showers, laundry facilities, gym equipment, multi-purpose rooms for group classes, a basketball court, cafe and other related facilities.

Corporate Auditorium

An assembly space with fixed seating for 1,000 people is proposed for the southern part of the site comprising about 120,000 sq. ft. with pedestrian access off North Tantau Avenue, north of Calabazas Creek. The building also will contain a large lobby space, restrooms, and some back-of-house facilities, including a catering kitchen. The Corporate Auditorium facility will have its own dedicated parking lot with about 350 parking spaces.

Research Facilities

Approximately 300,000 sq. ft. of research facilities and up to 750 parking spaces will be located on the eastern side of North Tantau Avenue.

Central Plant

Co-location of services within a large integrated development will improve efficiency of the current disjointed development. In addition to the mechanical space within the Main Building (primarily located under the roof build-up), the project will locate the mechanical equipment that serves buildings on the main site and east of North Tantau Avenue in one location, containing fuel cells, back-up generators, chillers, condenser water storage, hot water storage, electrical substation, water and fire pumps.

Phase 2 Development

Phase 2 includes programmatic approval of an additional 300,000 square feet of development capacity for up to 1200 employees that could occur anywhere on the Apple Campus 2 property, providing limited flexibility to address future operational or business needs. Implementation of Phase 2 will require the issuance of a Planned Development/Use Permit to address project level site and architectural issues associated with any proposed development. Additionally, specific terms related to Phase 2 may be addressed in the Development Agreement.

Environmental Sustainability

Apple's commitment to environmental sustainability is provided through state-of-the-art high performance buildings, a climate-responsive design, a comprehensive multi-modal transportation plan, a compact land use that reduces building and parking footprints and the heat island effect, and a landscape plan reminiscent of the natural California landscape, including the use of native and drought-tolerant vegetation. Access to daylight, views and natural ventilation are considerations to provide strong inside-outside connections. The environmental sustainability features are designed to reduce greenhouse gas emissions, minimize natural resources consumption and to improve the air, water, light and micro-climate quality of the site.

Site

- Co-location of services within the large integrated campus development will improve efficiency of the current disjointed land use.
- The number of inter- and intra-campus car trips generated will be reduced.
- The Central Plant serves as a primary consolidation point for heating, cooling and electricity for both the buildings and the overall site.
- Approximately 9000 of the 10,500 parking spaces provided on-site will be provided in sub-grade levels or in a parking structure.
- In excess of 5,000 trees will be planted on the site, including fruit trees, in addition to retaining approximately 1,000 trees currently on the site.
- The project would increase the permeable area on site from about 42 acres to approximately 118 acres.

Energy

- The main campus building will incorporate a variety of technologies that help to achieve Apple's energy efficiency performance goals. Initiatives currently under review include high efficiency radiant conditioning systems, LED electric lighting, natural ventilation, and green information and communication technologies.
- 300 electrical vehicle charging stations will be provided, with built-in capacity to expand.
- Buildings will be designed to allow for passive heating and cooling and high performance building systems.

- The project's overall energy needs will be provided by renewable energy. The majority will be generated on-site through the use of photovoltaic and fuel cells with directed biogas. These will be supplemented by grid purchased renewable energy if needed during periods of peak demand.
- About 640,000 sq.ft. of photovoltaics will be installed on the main building and parking structure roofs.

Mobility

- Apple will expand its current Transportation Demand Management (TDM) program, which achieves a 28% reduction in peak hour trips, to integrate the most effective and cutting-edge practices aimed at achieving an even greater reduction in peak hour trips.
- Key Elements of the TDM program include expansion of the employee shuttle program to access all regional public transportation systems and communities with concentrations of Apple employees targeting employees residing within 15-minutes of the Campus. Management of the site's limited parking supply will be used as an incentive for employees to take advantage of Apple's alternative commute options.

Water

- A recycled water mains connection to the site is under consideration. Apple is currently discussing the potential recycled water line with several agencies, including South Bay Water Recycling, the Santa Clara Valley Water District, City of San Jose, CalWater, and the Cities of Sunnyvale, Santa Clara, and Cupertino. Current discussions could include one of several alignments. One alignment would extend the line from the existing City of Sunnyvale Water Pollution Control Plant to along Wolfe Road. Another route would provide an alignment from South Bay Water Recycling's existing network to the Apple Campus 2 site via Pruneridge Avenue or Homestead Road.
- The reduction of impermeable surfaces on site, green roof system on the Corporate Fitness Center and roof rainwater capture from the Main Building roof will promote natural drainage, reduce the storm water runoff and improve water quality in Calabazas Creek.

- Landscaping will incorporate both young and mature trees, and native and drought tolerant plants, that will minimize water consumption.
- Water efficiency initiatives include the evaluation of low flow fixtures.
- Water use would be reduced to 30 percent below a typical commercial development within the Silicon Valley area.

Waste

- Apple will expand its current waste management program, which achieves a diversion rate of 78%.
- During construction of Apple Campus 2, the goal is to divert construction and demolition waste from landfills by finding multiple alternative uses, such as recycling, reuse on site or other sites.
- Key elements of the waste management program during operations are the increase of material reuse, recycling from solid waste sources and composting.

Public Health, Safety and Welfare

In the process, Apple will exceed sustainability requirements set by the Cupertino Green Building Ordinance (GBO), the California Green Building Standards Code ("CalGreen", Title-24, Part 11), and the Californian Energy Efficiency Standards (Title 24, Chapter 6). The Cupertino GBO and CalGreen have been recently enacted and represent a new level of sustainability – thereby setting a significant performance baseline for Apple Campus 2 to exceed.

Site Connectivity, Linkages and Public Improvements

As part of the proposed project, Apple endeavors to improve the quality of public spaces surrounding the site to enhance the pedestrian and bicycle experience, as follows:

North Tantau Avenue

- Providing a fully landscaped median along North Tantau Avenue from the I-280 bridge to Homestead Rd (where space permits).
- Providing fully detached sidewalks along North Tantau Avenue from I-280 to Homestead, in all locations where existing trees and topography allow.
- Improving the bicycle and pedestrian links on the Tantau Bridge across I-280 by providing sidewalks on both sides, and a bicycle lane, which is separated from vehicular traffic by a landscaped barrier. This will connect the east-west bicycle and pedestrian links from Pruneridge Avenue east of North Tantau Avenue to East Homestead Road, and it will enhance the bicycle and pedestrian connectivity to Vallco Parkway and North Wolfe Road south of I-280.
- Restriping and/or providing colored bike lanes on both sides of the street.
- Establishing a link from the Calabazas Creek crossing of Tantau Avenue to its junction with Vallco Parkway to the South across I-280 through specialty paving, signage, way finding and other features.
- Reducing the number of curb cuts and left-turn lanes on North Tantau Avenue.
- Introducing public art in a location around the site perimeter still to be determined.
- Creating distinctive architectural elements and landscaping at the Corporate Auditorium entrance to the project site at the intersection of North Tantau and Pruneridge Avenue.
- Improving and upgrading utility connections impacted by the project.

North Wolfe Road

- Providing fully detached sidewalks along North Wolfe Road from I-280 to Homestead, in all locations where existing trees and topography allow.
- Increasing vehicular capacity of North Wolfe Road to allow for increased traffic demand.
- Establishing an off-street bicycle lane in connection with the Campus' new entry.
- Planting new trees along North Wolfe Road wherever trees will be removed.
- Retaining existing trees and enhancing the buffer to the site with new planting wherever practicable.
- Improving and upgrading utility connections impacted by the project.
- Restriping and/or providing colored bike lanes on both sides of the street.

East Homestead Avenue

- Reducing the number of curb cuts and left-turn lanes to improve pedestrian and bicycle safety.
- Connecting bicycle path with North Tantau Avenue and North Wolfe Road.
- Restriping and/or providing colored bike lanes on both sides of the street.
- Potentially expanding the recycled water system to service the proposed project, as well as parks and other sites in the area that could benefit from the use of recycled water.
- Improving and upgrading utility connections impacted by the project.

Vallco Parkway

- Providing fully detached sidewalks along Vallco Parkway adjacent to the Apple sites, in all locations where existing trees and topography allow.
- Connecting bicycle path with North Tantau Avenue and North Wolfe Road.
- Restriping and/or providing colored bike lanes on both sides of the street.

Exhibit A-1 Visualization 1



View of Landscaped Green Space for Apple Employee Recreation

Exhibit A-2 Visualization 2



View of Main Building and Green Space Linkage

Exhibit A-3 Visualization 3



View of High Performance Office, Research and Development Building

Exhibit A-4 Visualization 4



Aerial View of Main Building from Parking Structure

Exhibit A-5 Site Connectivity, Linkages and Public Realm Improvements

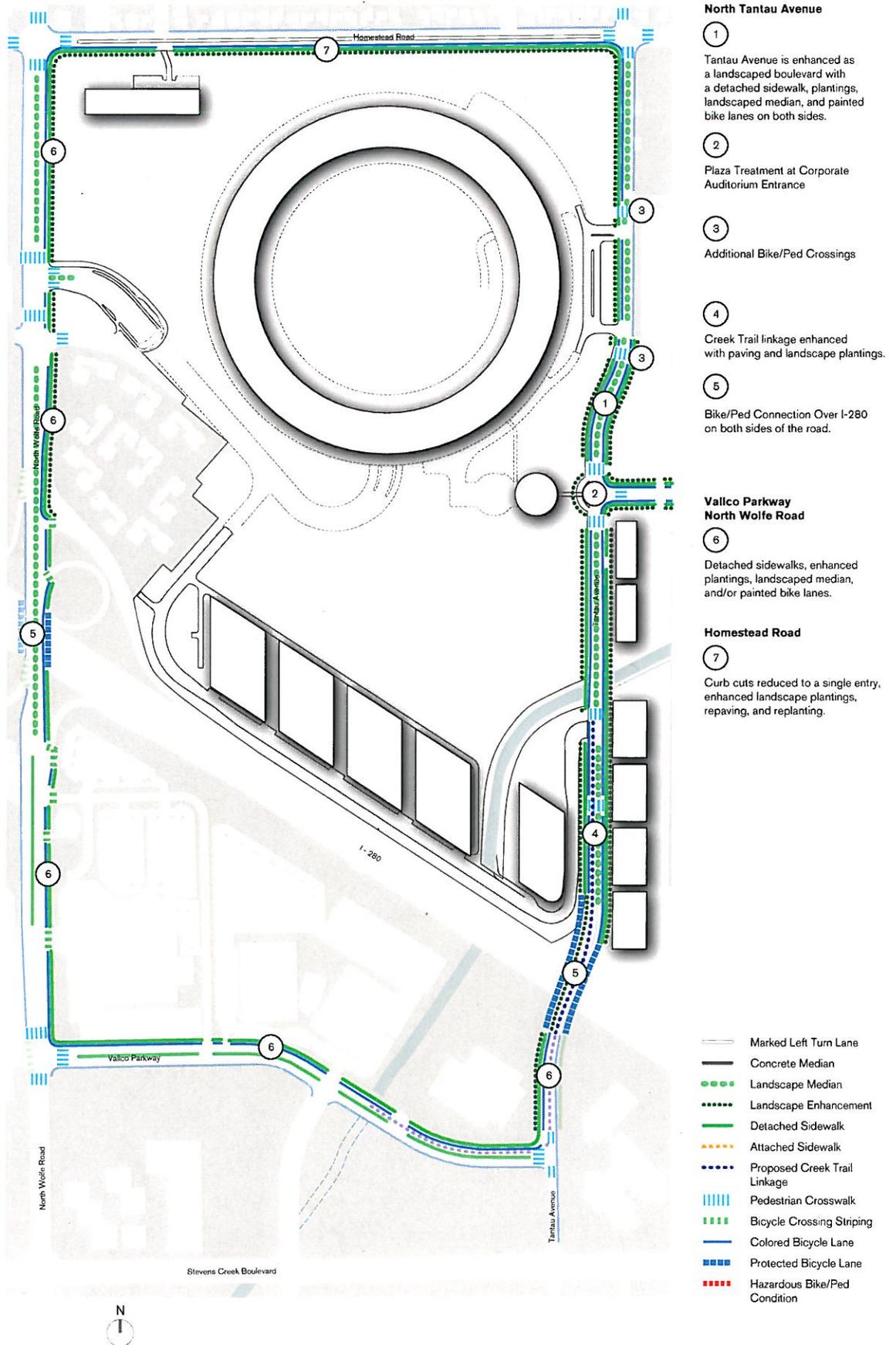


Exhibit A-6 Site Map and Gross Site Areas

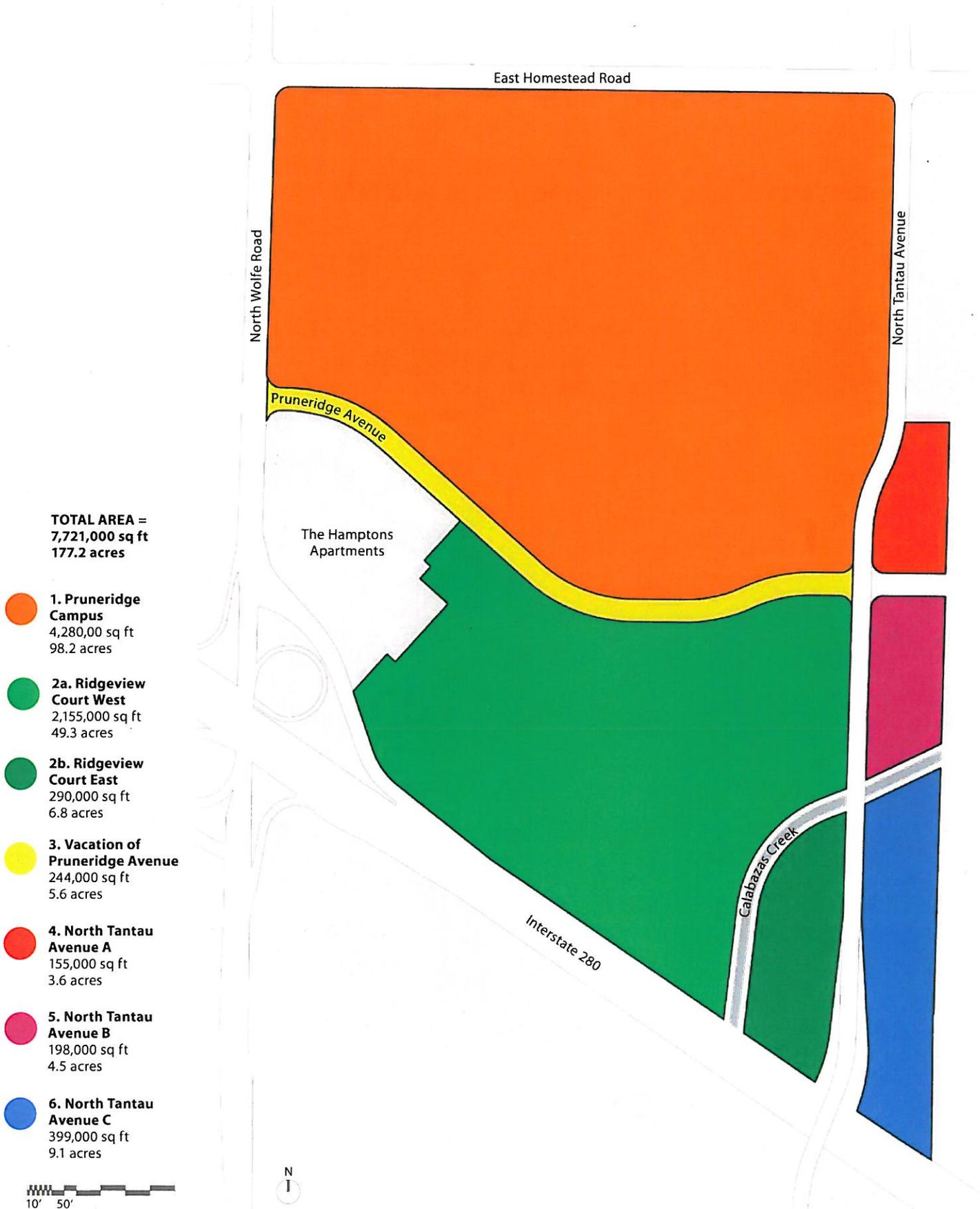


Exhibit A-7 Description of Site

The plots that will be combined to create Apple Campus 2 are all located within the North Vallco District and have been designated by the City of Cupertino as a center for employment.

The site comprises a series of mostly adjacent parcels, which Apple currently owns, as follows:

Plot 1: Pruneridge Campus

19111 Pruneridge Avenue, APN: 316 07 044, 316-07-045, 316-07-046, Zoning P/MP

This site (formerly the Hewlett Packard campus) is bounded by East Homestead Road to the north, Pruneridge Avenue to the south, North Tantau Avenue to the east, and North Wolfe Road to the west. It contains 9 buildings, comprising approximately 1.3 million sq. ft. of office space.

Site Area: 98.2 acres

Plot 2: Ridgeview Court

10600 Ridgeview Court, APN: 316 06 045, Zoning P/MP
10400 Ridgeview Court, APN: 316 06 046, Zoning P/MP
10500 Ridgeview Court, APN: 316 06 053, Zoning P/MP
10501 N Tantau Avenue, APN: 316 06 052 Zoning P/MP
10555 Ridgeview Court, APN: 316 06 048, Zoning P/MP
19050 Pruneridge Avenue, APN: 316 06 033, Zoning P/MP
19310 Pruneridge Avenue, APN: 316 06 051, Zoning P/MP
19320 Pruneridge Avenue, APN: 316 06 050, Zoning P/MP
10435 N Tantau Avenue, APN: 316 06 039, Zoning P/MP
APN: 316 06 038 (Vacant), Zoning P/MP
APN: 316 06 049 (Vacant), Zoning P/MP

This site is bounded by Pruneridge Avenue to the north, the 280 Freeway to the south, North Tantau Avenue to the east and the Hamptons Apartments (owned by the Irvine Company) to the west. It contains 9 buildings currently used by Apple as part of its Ridgeview campus, and contains about 1 million sq. ft. of office space. In 2009, a portion of this site was re-zoned by the City to allow for office use.

Site Area: 56.1 acres

Plot 3: Vacation of Pruneridge Avenue

This single site includes a portion of Pruneridge Avenue, currently owned by the City of Cupertino, bounded by the access point to the Hamptons Apartments to the west, and continuing to North Tantau Avenue to the east. The vacation of this portion of Pruneridge Avenue will require an amendment to the Cupertino General Plan, which designates Pruneridge Avenue as a minor collector road.

Site Area: 5.6 acres.

Plot 4: North Tantau Avenue Site A

10700 N Tantau Avenue, APN: 316 09 028, Zoning P/MP
10670 N Tantau Avenue, APN: 316 09 019, Zoning P/MP
APN: 316 09 027 (Vacant), Zoning P/MP

This site is bounded by 10900 North Tantau Avenue to the north (APN 316 09 029), Pruneridge Avenue to the south, North Tantau Avenue to the west and the City of Cupertino – City of Santa Clara boundary line to the east. There are detached single-family homes to the east.

Site Area: 3.6 acres

Plot 5: North Tantau Avenue Site B

10600 N Tantau Avenue, APN: 316 18 035, Zoning P/MP
APN: 316 18 012 (Vacant), Zoning P/MP

This site is bounded by Pruneridge Avenue to the north, Calabazas Creek to the south, North Tantau Avenue to the west and the City of Cupertino – City of Santa Clara boundary line to the east. There are detached single-family homes to the east.

Site Area: 4.5 acres

Plot 6: North Tantau Avenue Site C

10300 N Tantau Avenue, APN: 316 18 025, Zoning P/MP
10430 N Tantau Avenue, APN: 316 18 027, Zoning P/MP
APN: 316 18 026 (Vacant), Zoning P/MP

This site is bounded by Calabazas Creek to the north, the 280 Freeway to the south, North Tantau Avenue to the west and the City of Cupertino - City of Santa Clara boundary line to the east. There are detached single-family homes and the Jenny Strand Park to the east.

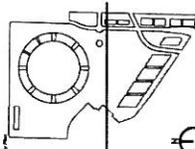
Site Area: 9.1 acres

Plots 4, 5 and 6 contain about 260,000 sq. ft. of office space.

Exhibit B: Apple Campus 2 Site Plan

1. All dimensions are in feet unless otherwise noted.
 2. All elevations are in feet unless otherwise noted.
 3. All bearings are in degrees, minutes and seconds unless otherwise noted.
 4. All areas are in square feet unless otherwise noted.
 5. All areas are in square feet unless otherwise noted.
 6. All areas are in square feet unless otherwise noted.
 7. All areas are in square feet unless otherwise noted.
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 9. All areas are in square feet unless otherwise noted.
 10. All areas are in square feet unless otherwise noted.

NO.	DESCRIPTION	DATE	BY	CHECKED
1	PRELIMINARY	10/15/11	JW	ML
2	REVISED	11/15/11	JW	ML
3	REVISED	12/15/11	JW	ML
4	REVISED	01/15/12	JW	ML
5	REVISED	02/15/12	JW	ML
6	REVISED	03/15/12	JW	ML
7	REVISED	04/15/12	JW	ML
8	REVISED	05/15/12	JW	ML
9	REVISED	06/15/12	JW	ML
10	REVISED	07/15/12	JW	ML



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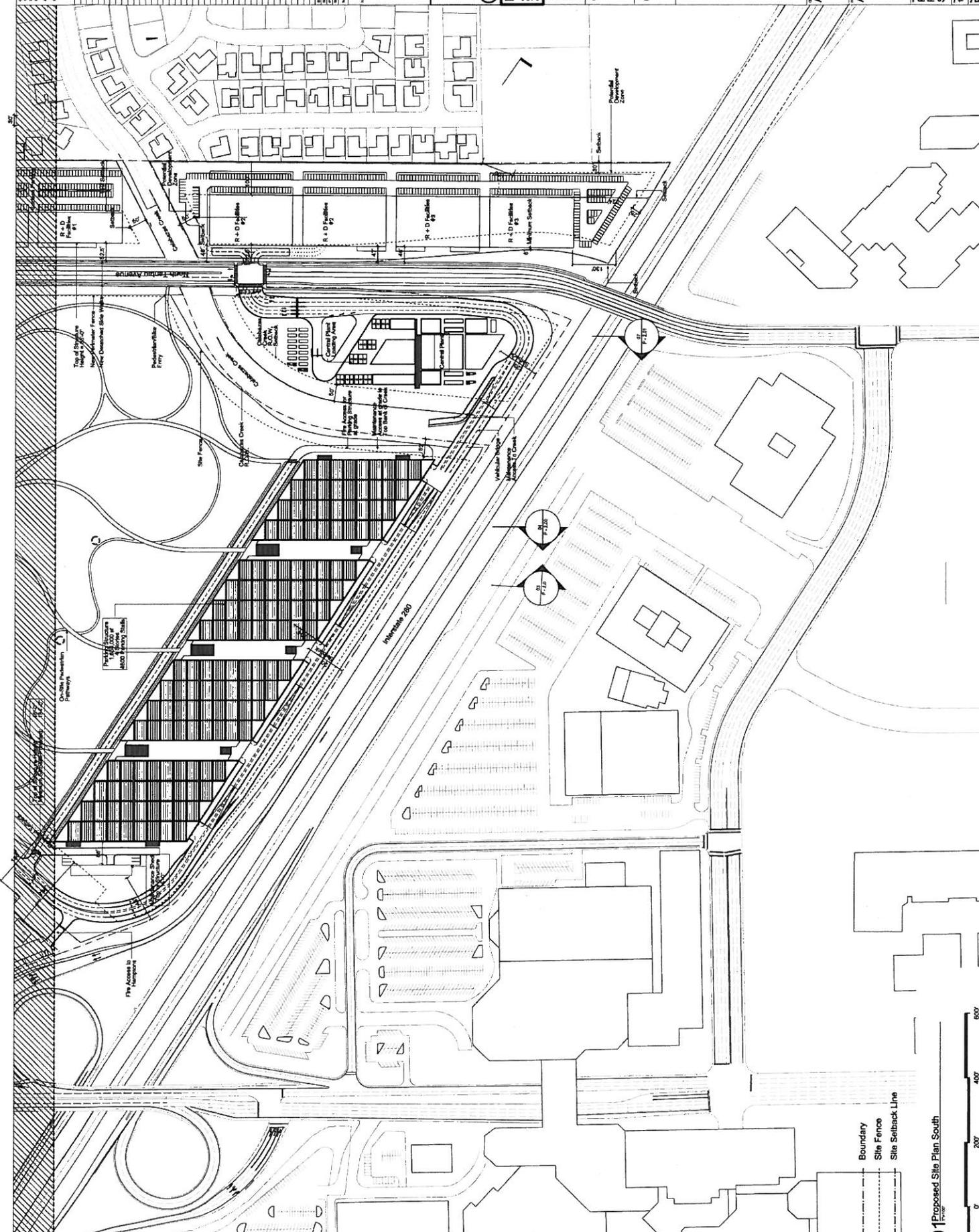
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Boundary
 Site Fence
 Site Setback Line

0 1 Proposed Site Plan_South



Exhibit C: Apple Campus 2 Renderings

Exhibit D: Preliminary LEED Point Tally

Exhibit E: Aerial Photo of Existing Site

Exhibit F: Regional Map

Regional Location

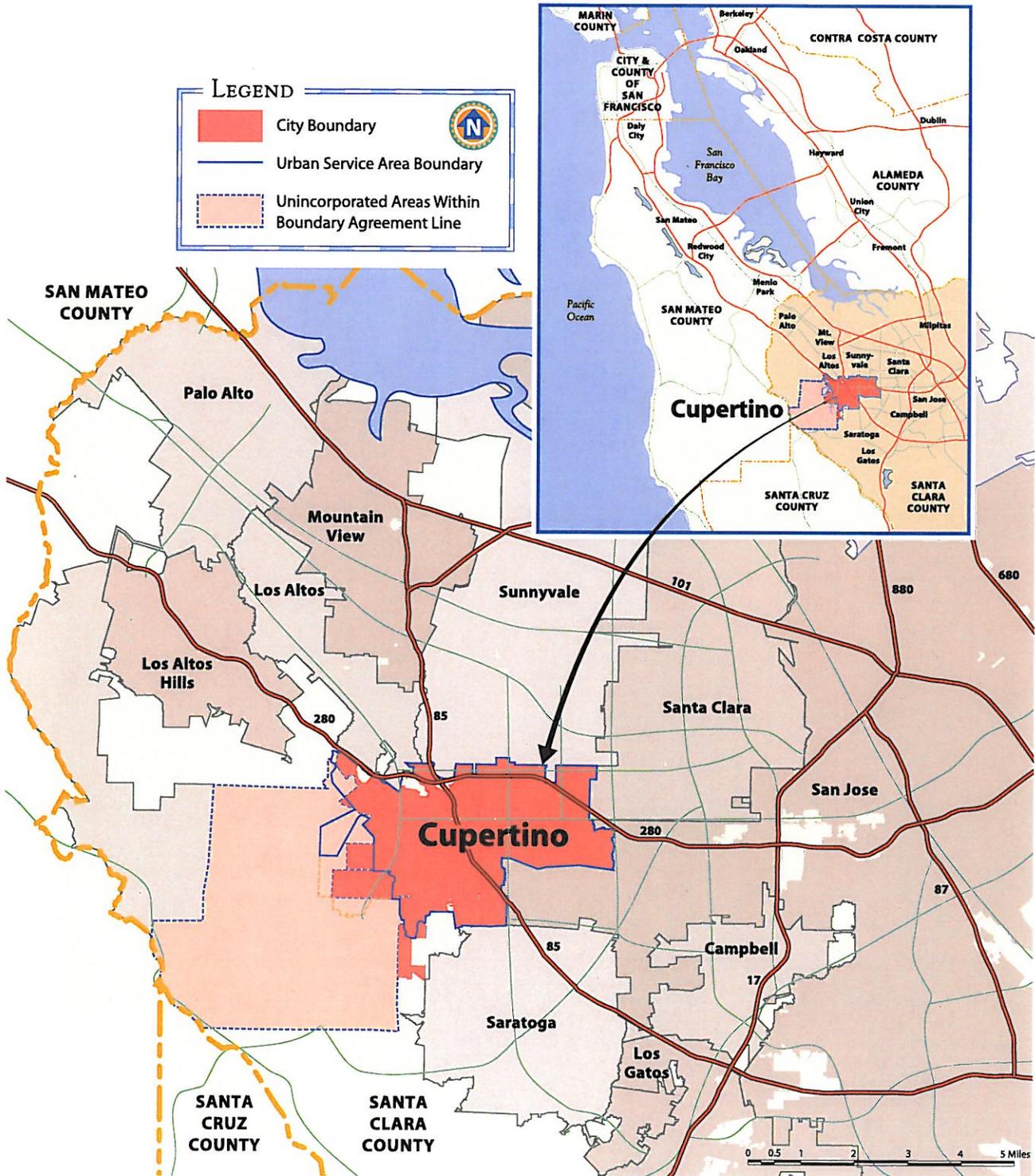


Figure 2-A. Cupertino Regional Location



Exhibit G: 2010 Census Data

Cupertino (city), California

People QuickFacts	Cupertino	California
Population, 2011 estimate	NA	37,691,912
Population, 2010	58,302	37,253,956
Population, percent change, 2000 to 2010	15.3%	10.0%
Population, 2000	50,546	33,871,648
Persons under 5 years, percent, 2010	5.4%	6.8%
Persons under 18 years, percent, 2010	27.6%	25.0%
Persons 65 years and over, percent, 2010	12.5%	11.4%
Female persons, percent, 2010	50.7%	50.3%
White persons, percent, 2010 (a)	31.3%	57.6%
Black persons, percent, 2010 (a)	0.6%	6.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.2%	1.0%
Asian persons, percent, 2010 (a)	63.3%	13.0%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	0.1%	0.4%
Persons reporting two or more races, percent, 2010	3.3%	4.9%
Persons of Hispanic or Latino origin, percent, 2010 (b)	3.6%	37.6%
White persons not Hispanic, percent, 2010	29.3%	40.1%
Living in same house 1 year & over, 2006-2010	86.5%	84.0%
Foreign born persons, percent, 2006-2010	48.9%	27.2%
Language other than English spoken at home, pct age 5+, 2006-2010	62.0%	43.0%
High school graduates, percent of persons age 25+, 2006-2010	97.0%	80.7%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	74.7%	30.1%
Mean travel time to work (minutes), workers age 16+, 2006-2010	24.0	26.9
Housing units, 2010	21,027	13,680,081
Homeownership rate, 2006-2010	64.6%	57.4%
Housing units in multi-unit structures, percent, 2006-2010	30.4%	30.7%
Median value of owner-occupied housing units, 2006-2010	\$993,500	\$458,500
Households, 2006-2010	19,575	12,392,852
Persons per household, 2006-2010	2.87	2.89
Per capita money income in past 12 months (2010 dollars) 2006-2010	\$49,890	\$29,188
Median household income 2006-2010	\$120,201	\$60,883
Persons below poverty level, percent, 2006-2010	4.6%	13.7%
Business QuickFacts	Cupertino	California
Total number of firms, 2007	5,768	3,425,510
Black-owned firms, percent, 2007	F	4.0%
American Indian- and Alaska Native-owned firms, percent, 2007	F	1.3%

EXHIBIT II

EXHIBIT 2

Section 21180(b)(1) of the Public Resources Code requires that, for a project to be eligible for judicial streamlining under CEQA, it must “achieve[] and maintain[] a 10-percent greater standard for transportation efficiency than for comparable projects.” “‘Transportation efficiency’ means the number of vehicle trips by employees, visitors, or customers of the residential, retail, commercial, sports, cultural, entertainment, or recreation use project divided by the total number of employees, visitors, and customers.”

Because the Apple 2 project, providing a campus and research facility for over 12,000 employees, is fairly unique, direct comparisons for transportation efficiency are difficult. The comparison is made more difficult because Apple competitors in the high tech sector believe that employee and visitor trip information may provide competitive information, and the sector is not readily willing to share that information. At the request of the Governor’s Office, Apple made a number of additional inquiries and found that many companies were unwilling to share their commute data with other companies, many companies simply do not measure their participation in commute programs in a manner comparable to Apple (for example, a company may measure 45% participation in its bus pass program, but have no data on how many actually ride the bus each day), and, a couple of the companies contacted by Apple simply are not tracking anything.

Apple was able to obtain information, provided on a confidential basis, from a competitor . As part of the AB 900 review, we have reviewed the confidential information, but have not included it in the public file.

Apple has provided the following information as part of its application:

“The Project will be primarily accessed by Apple employees, with employee services on site and no public access due to security considerations. In order to promote employee transportation efficiency, Apple intends to implement and expand upon the successful Transportation Demand Management (TDM) program used at its nearby corporate headquarters campus at 1 Infinite Loop in Cupertino (“Headquarters”). The Headquarters TDM program has resulted in a rate of employee trips in single-occupancy vehicles of 72% in the AM peak hour and 68% in the PM peak hour, well below the average of 82.6% in for other workplaces in Cupertino (based on 2000 U.S. Census “Journey to Work” data, not available for 2010 census data). Apple has also received transportation data from a comparable development on condition of anonymity confirming that the Headquarters TDM program achieves 10% fewer vehicle trips per employee. Due to the sensitivity of this type of information, Apple does not have access to other public comparable information. The Headquarters TDM program features:

- Coach shuttle service for Apple employees to and from locations in San Francisco, the East Bay, and the South Bay, including local shuttle service to Los Altos, Los Gatos, and Campbell

- Coach shuttle service to public transit stations for Caltrain, Altamonte Commuter Express (ACE), and Valley Transportation Authority (VTA)
- Commute website with transit and shuttle information and carpool matching and bike route matching services
- \$100/month transit subsidy per employee
- \$20/month bike subsidy for bicycle commuters who do not use local transit
- Bicycle racks, pumps, lockers, and showers available at the campus
- Bicycle sharing program
- On-site services that reduce the need for midday errands

Because the Project site is just one mile from Headquarters, and is nearly identical in terms of its proximity to major highways, roads, transit lines, and regional population centers, it is expected that the Headquarters TDM program would result in similar employee single-occupancy vehicle trip rates for the Project. Apple hopes to further improve these rates at the Project by expanding the TDM program to offer, in addition to the amenities listed above, expanded long-distance coach shuttle service and an electric car sharing program. Given that the Project's TDM program improves upon the Headquarters program, which has already been shown to reduce the employee single occupancy vehicle commute rate by 10% compared to the local average, the Project will achieve at least 10% greater transportation efficiency than comparable projects."

In addition, we asked Apple to provide (and we made an independent review) of comparisons based on the Institute of Transportation Engineers' Trip Generation Manual. The ITE Trip Generation Manual aggregates trip generation studies from across the country, and provides per-employee and per-building area trip generation averages for a wide variety of building types. Further, it provides daily as well as peak hour (AM and PM) trip estimates. Though the ITE Trip Generation Manual does not provide trip generation rates specific to California or a particular locale within the state, such location-specific figures are not presently readily available for comparison to a proposal such as Apple Campus 2.

The daily trip attraction rate to the proposed Apple Campus 2 is estimated at 3.59 trips per employee, compared with an average of 3.62 for Single Tenant Office and 2.77 for research and Development (as estimated by ITE Trip Generation). Meanwhile, the AM and PM peak hour trip attraction rates for the proposed campus are 0.32 and 0.33 respectively, compared with 0.53 and 0.50 respectively (Single Tenant Office) and 0.43 and 0.41 (Research and Development). Because AM and PM peak hour trips tend to be commute trips, rather than shorter trips to meetings, lunch or errands, it makes sense to use these for the comparison, and each shows that Apple Campus 2 proposal will save substantially more than ten percent of trips relative to ITE averages.

Finally, Apple also did a mode-split comparison to the city and county averages and found a 10% improvement against local averages, when comparing mode-by-mode.

Based on this information – programs to be instituted by Apple, the existing Campus commute information, the ITE Manual evaluation, the comparison to city and county averages, and, our review of the confidential comparison with the competitor, we conclude that the Project meets the 10 greater standard for transportation efficiency required by AB 900.

EXHIBIT III



May 18, 2012

Apple, Inc.
Attn: Terry Reagan

Re: Apple Campus 2, Cupertino, Ca
Prevailing & Union Wage Rate Comparison

Per your request, we are confirming wage information for the field craft labor working on the Apple Campus 2 project. We intend to contract with Union affiliated contractors and pay wages as negotiated through appropriate collective bargaining agreements for non-artisan on site craft labor. These wages are anticipated **to meet or exceed** the prevailing wages for job classifications as set forth by California's Department of Industrial Relations (DIR).

Below is a subset of job classifications and median wages from the DIR Database that will comprise a majority of the construction jobs created by the project:

Trade Classification	Project Rates
Construction Laborer – Area 1	\$44.18
Carpenter – Area 1	\$62.48
Cement Mason and Concrete Finisher	\$49.01
Electrician	\$78.48
Operating Engineer – Group II	\$49.45
Plumber	\$81.84
Sheet Metal Worker	\$81.14

These values represent base wages plus H&W & Benefits for Santa Clara County based on 3Q2011 determinations. Taxes & insurances not included.

These rates were developed using the current *Bay Area Building Trades Collective Bargaining Agreements*, and for this area, the rates are virtually the same.

If you have any questions, please let me know.
Thank you.

Gavin R. Keith
Preconstruction Director
DPR Skanska, A Joint Venture

EXHIBIT IV



Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov

Edmund G. Brown Jr.
Governor

June 14, 2012

Mr. Ken Alex, Director
Office of Planning and Research
Office of Governor Edmund G. Brown Jr.
State Capitol, First Floor
Sacramento, California, 95814

Dear Mr. Alex:

Pursuant to Assembly Bill 900, the Governor may certify certain projects for streamlining under the California Environmental Quality Act if certain conditions are met. One condition for the Governor's certification is that a project does not result in any net additional emissions of greenhouse gases (GHG), including GHG emissions from employee transportation, as determined by the Air Resources Board (ARB).

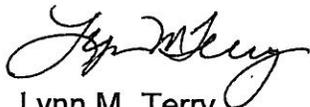
On April 18, 2012, Apple Inc. submitted to ARB information regarding the GHG emission estimates for its proposed Apple Campus 2 project in Cupertino, California. ARB staff conducted an independent analysis of the baseline and project operational emissions and concluded that the project will not result in any net additional GHG emissions relative to the baseline.

I have enclosed an ARB Executive Order noting our determination. ARB staff's evaluation of the Apple Campus 2 project is included in Attachment A and the documentation submitted by Apple Inc. is included in Attachments B, C, and D.

Mr. Ken Alex, Director
June 14, 2012
Page 2

If you have any questions regarding ARB's evaluation or determination, please contact Mr. Kurt Karperos, Assistant Chief, Planning and Technical Support Division at (916) 322-5350 or kkapero@arb.ca.gov.

Sincerely,



Lynn M. Terry
Deputy Executive Officer

Enclosures

cc: Mr. Kurt Karperos
Assistant Chief
Planning and Technical Support Division

**State of California
AIR RESOURCES BOARD**

EXECUTIVE ORDER LP-12-002

**Relating to Determination of Any Net Additional Greenhouse Gas Emissions
Pursuant to Public Resources Code section 21183, subd. (c)**

For Apple Campus 2 Project, Apple Inc.

WHEREAS, in September 2011, Governor Brown signed Assembly Bill 900, "Jobs and Economic Improvement through Environmental Leadership Act" (AB 900);

WHEREAS, in accordance with the AB 900, the Governor may certify certain projects for streamlining under the California Environmental Quality Act (CEQA) if certain conditions are met;

WHEREAS, in accordance with California Public Resources Code section 21183, subdivision (c), one condition for the Governor's certification is that the project does not result in any net additional emission of greenhouse gases (GHGs), including GHG emissions from construction and operation of the project, as determined by the Air Resources Board (ARB);

WHEREAS, the Governor's Guidelines for applications for the CEQA streamlining require, for purposes of ARB's determination on GHGs, that an applicant submit electronically to ARB a proposed methodology for quantifying a project's net additional GHGs and documentation that the project does not result in any net additional GHGs;

WHEREAS, Apple Inc. (Apple) submitted GHG documentation to ARB on the proposed Apple Campus 2 Project (Project) on April 18, 2012;

WHEREAS, the Application for Environmental Leadership Development Project (Application), the Net Zero Energy Strategy for Apple Campus 2 (Energy Strategy), and the Statement of Construction Emissions and Participation in California's Direct Access Program (Construction Statement) submitted by Apple for the Apple Campus 2 Project included the Project's estimated GHG emissions for the 2011 full occupancy baseline and estimated GHG emissions for the Project's operational and construction emissions;

WHEREAS, to substantiate GHG emission estimates submitted by Apple in the Application, ARB staff conducted an independent assessment of GHG emissions for the 2011 full occupancy baseline and the Project's 2016 operational emissions using independently acquired, appropriate data inputs and methods;

WHEREAS, based on ARB staff's independent assessment, the estimated GHG emissions for the full occupancy baseline in 2011 are as follows:

1. Indirect Operation-Related GHG Emissions for the Energy Sector: 23,839 metric tons of carbon dioxide equivalent (MTCO₂e) emissions from electricity and natural gas use to support operation of the facility;
2. Direct Operation-Related GHG Emissions for the Mobile Sector: 29,744 MTCO₂ from fossil fuel combustion due to employee transportation, including employee commute and transit trips, and visitor and vendor trips;
3. Indirect Operation-Related GHG Emissions for the Waste Sector: 533 MTCO₂e emissions from waste disposal;
4. Indirect Operation-Related GHG Emissions for the Water Sector: 366 MTCO₂e emissions from water usage;
5. Total Project Operational GHG Emissions: 54,482 MTCO₂e from full occupancy operation of the Project in 2011;

WHEREAS, based on ARB staff's assessment, the estimated GHG emissions for Project operations in the full Phase 1 build-out year 2016 are as follows:

1. Indirect Operation-Related GHG Emissions for the Energy Sector: Net zero GHG emissions from energy use as a result of a net zero energy strategy proposed by Apple for the Project in which 100 percent of the Project's energy needs will be met with:
 - a. Reduction of energy use by at least 30 percent compared to a typical commercial development through energy efficient, green building design;
 - b. Onsite generation of renewable energy using a 12 MW capacity solar array, and a 6 MW Fuel Cell installation on-site powered by 100 percent directed biogas, and;
 - c. Meeting the remaining energy needs with clean, grid-purchased renewable energy generated off the Project site;
2. Direct Operation-Related GHG Emissions for the Mobile Sector: 33,661 MTCO₂ from fossil fuel combustion due to employee transportation, including employee commute and transit trips, and visitor and vendor trips;
3. Indirect Operation-Related GHG Emissions for the Waste Sector: 729 MTCO₂e emissions from waste disposal;
4. Indirect Operation-Related GHG Emissions for the Water Sector: 373 MTCO₂e emissions from water usage, which incorporates the proposed reduction in water use by at least 30 percent compared to a typical commercial development;

5. Total Project Operational GHG Emissions: 34,763 MTCO₂e from full occupancy operation of the Project in 2016;

WHEREAS, based on information provided by Apple, the Project will generate a total of 47,819 MTCO₂e from the equipment used for construction activities from both on-site and off-site equipment and motor vehicles;

WHEREAS, based on ARB staff's independent assessment, Apple's proposed design and operational elements will result in total GHG emissions from project operations in 2016 lower than the 2011 full occupancy baseline GHG emissions;

WHEREAS, Apple has committed to fully offsetting the construction emissions of the Project from 2013 to 2015 by participation in California's Direct Access program for supplying renewable power to Apple-owned buildings in Cupertino, California;

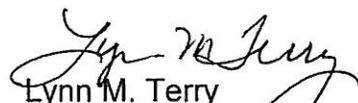
WHEREAS, mitigation of all Phase 1 Project GHG emissions from construction shall occur contemporaneously with construction of the Project;

WHEREAS, ARB staff has reviewed the Application and ARB staff's assessment with the lead agency prior to finalizing its determination;

WHEREAS, ARB's review, evaluation, and assessment of the Project's GHG emissions is for the limited purpose of the Governor's findings and certification under AB 900; ARB's determination is not in lieu of any findings or determination required to be made by the lead agency or a responsible agency pursuant to any other requirement under state or federal law, including CEQA; the lead agency remains responsible for full compliance with CEQA for this project;

NOW, THEREFORE, based on ARB staff's assessment of the Project's 2011 full occupancy baseline and 2016 operational emissions (Attachment A), and the Application for Environmental Leadership Development Project, the Net Zero Energy Strategy for Apple Campus 2, and the Statement of Construction Emissions and Participation in California's Direct Access Program submitted by Apple Inc. (Attachments B, C and D), I determine that the Apple Campus 2 Project will not result in any net additional greenhouse gas emissions pursuant to Public Resources Code section 21183(c).

Executed at Sacramento, California this 14th day of June 2012.


Lynn M. Terry
Deputy Executive Officer

Attachment A
Air Resources Board
Staff Assessment

AB 900 -- Apple Campus 2 Project ARB Staff Evaluation

Apple, Inc. (Apple) is proposing development of Apple Campus 2, a major office and research campus located in Cupertino, California. Apple is seeking certification for the Apple Campus 2 project under Assembly Bill 900, the Jobs and Economic Improvement through Environmental Leadership Act (AB 900). AB 900 provides for streamlined judicial review under the California Environmental Quality Act (CEQA) if certain conditions are met. One condition is that the project does not result in any net additional greenhouse gas (GHG) emissions as determined by the Air Resources Board (ARB). As part of the determination, ARB staff has prepared this technical evaluation of the GHG emissions from the Apple Campus 2 project. The evaluation includes a brief description of the Apple Campus 2 project, a summary of the AB 900 net zero GHG emissions requirement, a technical review of GHG emissions information provided by Apple in their AB 900 application, an ARB staff assessment of Apple's proposal for achieving net zero, and staff's recommendation on the AB 900 GHG emissions determination for the project.

Project Description

The Apple Campus 2 project is planned for development on 176 acres situated in the northeast section of the City of Cupertino bordering on the City of Santa Clara. The site is currently home to a corporate business park owned by Apple. The proposed project includes demolition of the existing buildings followed by redevelopment of the site to include construction of a 2.8 million square foot ring-shaped office building, R&D buildings totaling 300,000 square feet, a corporate auditorium, an employee fitness center, and above- and below-ground parking facilities. Approximately 13,000 Apple employees are anticipated to work at the Apple Campus 2 site. Most of the increase in employee population will result from the consolidation of other Apple campuses elsewhere in Cupertino to Apple Campus 2.

AB 900 Net Zero Additional GHG Emissions Requirement

AB 900 provides streamlined judicial review for development projects if, among other conditions, the "project does not result in any net additional emission of greenhouse gases, including greenhouse gas emissions from employee transportation, as determined by the State Air Resources Board pursuant to Division 25.5. (commencing with Section 38500) of the Health and Safety Code." (Pub. Resources Code §21183, subd. (c).)

Per the Governor's Guidelines for AB 900 applications, applicants shall submit a proposed methodology for quantifying the project's GHG emissions and documentation that the project will not result in any net additional GHG emissions. The documentation must quantify direct and indirect GHG emissions associated with the project's construction and operation, including GHG emissions from employee transportation, and the net emissions of the project after accounting for any mitigation measures. The

project's net emissions, after mitigation, will be monitored and enforced consistent with section 21183, subdivision (d) of the Public Resources Code.

The role of ARB staff in the GHG emissions determination of a proposed AB 900 project is limited to an evaluation of the quantification methods and documentation submitted by the project applicant for purposes of the Governor's certification. ARB staff will evaluate the technical elements of a project application, including existing emissions in the absence of the project (i.e., baseline), input data and assumptions used for emissions and mitigation calculations, quantification methods, and an estimate of the project's net GHG emissions after any mitigation.

Apple's Proposed Baseline and Project GHG Emissions

Baseline Emissions

The Apple Campus 2 project information received by ARB on April 18, 2012, consists of a brief narrative, the GHG emission estimates for two different baseline scenarios, and the final results of emission calculations for the project's construction and operation. Apple's application incorporated estimates of the following two baselines: (1) 2011 Actual Occupancy Baseline—GHG emissions based on the current actual occupancy of the existing buildings; and, (2) 2011 Full Occupancy Baseline—GHG emissions as if the existing buildings were fully occupied. The current actual occupancy of the site is about half of the full capacity given that Apple is relocating employees to other locations in anticipation of the project.

The application states that use of the 2011 Actual Occupancy Baseline provides consistency with the CEQA analysis by the lead agency, but that use of the 2011 Full Occupancy Baseline may provide a more realistic estimate if the project will result in net zero additional GHGs given that the site has historically operated at full occupancy and would likely do so again if the project were not built. ARB staff acknowledges that the 2011 Full Occupancy Baseline is an acceptable baseline for evaluating the project's net GHG emission impacts given: 1) in the absence of the project, the site would likely continue to serve as one of several Apple campuses in Cupertino and would be filled to its capacity of 9,500; and, 2) the footprint of the 9,500 baseline population, whether at the current project site or a location elsewhere in Cupertino provides an estimate of the total emissions from which reductions may be achieved from the project.

2011 Full Occupancy Baseline presented in Apple's application includes emissions from energy use, transportation, waste and water. The application states that baseline emissions from energy use, mobile, and waste were estimated using the California Emissions Estimator Model (CalEEMod), an emissions quantification model designed and developed by a consulting firm in conjunction with local air districts to quantify criteria pollutant and GHG emissions from land use development projects in California. The project application states that baseline emissions from water were quantified by City of Cupertino consultants based on water demand analysis and incorporated directly into the Apple Campus 2 project application.

Table 1 below summarizes Apple’s assessment of GHG emissions from a 2011 Full Occupancy Baseline. Emissions from a 2011 Full Occupancy Baseline total 54,290 metric tons of carbon dioxide equivalent per year (MTCO₂e/year). The application indicates that this estimate is based on full occupancy of the existing buildings with 9,500 employees with a total facility (office plus ancillary use) floor space of 2,657 thousand square feet (ksf).

Table 1
Apple’s GHG Emissions for
2011 Full Occupancy Baseline

Sector	Emissions (MTCO ₂ e/year)
Energy	25,297
Mobile	25,469
Waste	654
Water	2,870
Total	54,290

Project Operational Emissions

Project operational emissions incorporate mitigation measures at the time construction is completed and the site is at full occupancy. The project application states that construction is expected to be completed in the fall of 2015. Project operational emissions are presented in the application beginning in 2016 and extending through 2020. The application indicates that 2016 operational year emissions are highest with emissions in subsequent years declining due to transportation-related reduction measures at the State level (e.g., Pavley standards).

In 2016, the Apple Campus 2 site is expected to have a population of 13,000 employees with 3,340 ksf floor space, including offices, research facilities, an auditorium, and a corporate fitness center. Operational emissions from the project include estimates of emissions from energy use, transportation, waste, and water.

The project application states that Apple commits to net zero energy for the project and states that 100 percent of the energy requirements of the project will be met through a three-tiered strategy combining efficiency and conservation, on-site renewable energy from 650,000 square feet of solar panels with a total capacity of 12 MW, a 100 percent biogas sustained fuel cell with an annual output of 47 GWh, and off-site renewable energy from Apple’s participation in California’s Direct Access program for commercial customers and from the purchase of renewable energy credits.

Transportation-related emissions included in the application account for employee commute, local non-commute trips by Apple employees, visitor and vendor trips, and Apple Transit trips provided by Apple coaches/shuttles. Activity information for worker commute trips, local non-commute trips, visitor trips, and vendor trips were developed

by Apple using CalEEMod scaling emissions to reflect the expected increase in trip rates in 2016 based on the increase in project size relative to the baseline. Emission factors used for Apple Transit were adjusted to account for the anticipated increase in biodiesel use for Apple coaches.

The project application considers transportation emissions reductions from the installation of charging stations for 300 employee-driven electric vehicles. The project application indicates that all 300 electric vehicles are assumed to be charged using zero emission electricity generated at the project site. The use of net zero energy for charging electric vehicles results in a 564 MTCO₂e reduction in light-duty vehicle emissions in 2016.

The project application states that 2016 operational emissions from waste are calculated using CalEEMod defaults applying the same diversion rate (81%) used for the baseline analysis. Project emissions from water use reference the same water demand analysis used for estimating the project's baseline emissions.

The application indicates that the project site will include replacement of existing switchgear and distribution-scale equipment with fewer, high-performance pieces of equipment, resulting in a substantial decrease or elimination of any potential emissions of SF₆.

Table 2 below summarizes Apple's 2016 project operational emissions presented in the application. Total emissions of 27,814 MTCO₂e are based on the project's full occupancy of 13,000.

Table 2
Apple's 2016 Project Operational GHG Emissions

Sector	Emissions (MTCO ₂ e/year)
Energy	--
Mobile	27,428
Waste	268
Water	118
Total	27,814

Project Construction Emissions

The application states that one-time construction emissions for the project were estimated using CalEEMod default values based on the area of the project and the expected number of trips required for excavation and fill. The estimated emissions provided in the application from construction equal 14,391 MTCO₂e.

Subsequent to submitting the application, Apple provided ARB staff with revised information indicating that the total one-time estimated emissions from project

construction are 47,819 MTCO₂e. This estimate was developed based on a direct assessment of several factors, including the number, type, and power consumption of equipment used on-site during construction.

The application estimates one-time sequestration benefits associated with the addition of approximately 1,700 trees to the existing site.

ARB Staff Assessment of Apple Campus 2 GHG Emissions

ARB staff conducted an independent assessment of the baseline and operational GHG emissions for the Apple Campus 2 project. In some cases, the application from Apple did not provide documentation of the inputs, assumptions, calculation methods, or other relevant information to enable ARB staff to replicate the emission calculations. Staff therefore used independently acquired, appropriate data inputs to develop these estimates. In other cases, ARB staff used independent data and methods to develop estimates that were missing from the application entirely. The methodology and references for staff's independent evaluation are shown in Attachment 1.

Staff conducted an analysis of 2011 Full Occupancy Baseline emissions and 2016 Project Operational emissions from sectors included in the application: energy, mobile, waste, and water. The full occupancy baseline refers to the existing buildings on the development site with total facility floor space of 2,657 thousand square feet and a population of 9,500 employees. The 2016 project refers to the complete build out of the project with a total floor space of 3,340 thousand square feet of floor space and approximately 13,000 employees.

Baseline Emissions

For energy use, staff developed GHG emissions estimates for electricity and natural gas consumption from the Project square footage data and factors for energy consumption per unit area. Staff used a comprehensive study of commercial sector energy use conducted by California Energy Commission (CEC) to obtain factors for energy use per square foot. The factors were applied to baseline square footage to obtain total annual energy consumption. The emission factor used to convert energy use to emissions was developed by ARB staff using total statewide energy consumption data from CEC and total electricity GHG emissions from ARB's statewide GHG inventory, and incorporates reductions from California's Renewable Portfolio Standard.

To estimate emissions from the mobile sector, staff used vehicle trip data, combined with trip length and vehicle emission factors to develop emissions estimates for commute trips, non-commute trips, visitor/vendor trips, and Apple Transit. Data on total vehicle trips and trip length were essentially the same as those used in Apple's application, with the exception of commute trips. For commute trips, staff used an average one-way trip length of 11.98 miles/employee/day rather than 9.5 mile trip length suggested by Apple. The 11.98 mile trip length is referenced in the San Francisco Bay Area Regional Transportation Plan and staff believes it is more representative of an

average one-way trip length in the Bay Area. Staff used vehicle class-specific CO2 emission factors from EMFAC2011 for all mobile sector GHG emission calculations. Staff calculated waste emissions using number of employees, average annual waste generation per person, a waste diversion rate, and an emission factor based on metric tons of GHGs emitted per metric ton of municipal solid waste deposited in a landfill. Staff used commercial solid waste generation data from the City of Los Angeles to develop estimates for annual per capita waste generation. Waste diversion rate data were obtained from CalRecycle and the GHG emission factor for landfilled waste was developed by ARB staff using information from ARB's statewide GHG inventory.

Staff calculated emissions from the water use associated with the project's office buildings and landscaping. For office buildings, the total square footage of office space was used, combined with an average water use factor developed by the City of Milpitas for professional/administrative offices and a GHG emission intensity factor in tons of CO2 per acre-foot were used to estimate GHG emissions. The emission intensity factor for water was developed in a report issued by the University of California for California EPA's Water Energy Team of the Climate Action Team (WetCat).

To calculate emissions from water used for landscaping, staff used the total landscaped area and factored the average water use factor for park/recreational areas in gallons per day per acre and by an emissions intensity factor in tons of CO2 per acre-foot. Table 3 summarizes staff's assessment of GHG emissions from the 2011 Full Occupancy Baseline.

Table 3
ARB Staff Assessment of GHG Emissions for
2011 Full Occupancy Baseline

Sector	Emissions (MTCO2e/year)
Energy	23,839
Mobile	29,744
Waste	533
Water	366
Total	54,482

Project Operational Emissions

In 2016 the project is expected to have a population of 13,000 employees with a total floor space from all buildings of 3,340 ksf. Staff calculated operational emissions from the project's energy use, transportation, waste, and water with anticipated mitigation measures, based on information provided in Apple's application.

Staff used the same quantification methods to develop emissions estimates for the project in 2016 as were used for calculating baseline emissions with the following major exceptions:

- 1) Accounted for GHG emissions from energy demand mitigated by the energy generation on-site.
- 2) Office space electricity and natural gas usage incorporate a 30 percent energy efficiency improvement relative to the baseline calculations; this is consistent with efficiency gains proposed by Apple.
- 3) Emissions associated with electricity consumption from charging electric vehicles were developed from the total expected number of electric vehicles, the expected total daily miles driven, unit energy demand for existing electric vehicle technology (based on USEPA data on the Nissan Leaf), number of charges per year (assumed to equal the number of workdays), and a GHG emission factor developed by staff using data from CEC and ARB's GHG inventory.
- 4) Some emissions from the mobile sector (for Commute and Non-Commute trips) were assumed to be offset by the use of electric vehicles consistent with electric vehicle use data proposed by Apple.
- 5) Emissions from water use incorporate a 30 percent increase in water efficiency in 2016 as suggested by Apple.

Staff calculated mitigated emissions from using solar panels based on Apple-provided information on total capacity of the proposed solar arrays, combined with data from the California Statewide Utility Codes and Standards Program on average energy generation from solar panels in the Santa Clara climate zone, and an ARB developed emission factor. Mitigated emissions from the use of Apple's proposed use of biogas sustained fuel cells were estimated by staff using total capacity and operating hours from Apple's application and an ARB-developed emission factor. Staff assumed 10 percent downtime for fuel cell system maintenance per year.

Based on a comparison of the total annual energy demand against the total annual on-site energy generation using conservative estimates, staff agrees that Apple should be able to generate sufficient energy to offset the annual energy demands for normal operations. Therefore, staff concurs that the Apple project can potentially have net zero emissions from the energy sector.

Table 4 below summarizes staff's assessment of Apple's 2016 project operational emissions.

Table 4
 ARB Staff Assessment of
 2016 Project Operational GHG Emissions

Sector	Emissions (MTCO ₂ e/year)
Energy	--
Mobile	33,661
Waste	729
Water	373
Total	34,763

Construction Emissions

The application indicates that the project's future year reductions will fully offset construction emissions. The application states that construction emissions were quantified using CalEEMod default values based on the total square footage of the project and on the estimated number of haul/vendor trips required to import/export expected fill. The estimate of construction emissions stated in the application is 14,391 MTCO₂e.

Staff contends that some operation of the current facilities will likely continue during the course of construction, and therefore, the annual operational and construction emissions during the construction phase could be greater than the baseline operational emissions. If the facility is completely demolished within the first month of construction, most of the 9,500 Apple employees will continue to work in the area and will continue to exact their carbon footprint. The GHG emissions from the construction activities will amount to an increase in emissions above and beyond the baseline operational emissions.

Therefore, staff believes that amortization of the GHG emissions from construction through reductions achieved over the operational life of the project is not an acceptable mitigation approach since it allows a net increase in GHG emissions during the construction phase.

On June 8, 2012, Apple provided ARB staff with revised information indicating that the total one-time estimated emissions from project construction are 47,819 MTCO₂e. This estimate was developed based on a direct assessment of several factors, including the number, type, and power consumption of equipment used on-site during demolition and construction.

Conclusions and Recommendations

ARB staff reviewed the GHG emission estimates and the methodology provided by the applicant. ARB staff also conducted an independent analysis of the baseline and project operational emissions and mitigation measures using data sources other than those used by the applicant.

Based on an evaluation of the documentation provided in the application, and staff's independent assessment of baseline and project operational emissions, staff concludes that project operational emissions in 2016 will be net zero additional emissions relative to the baseline as shown in Table 5 below.

Table 5
ARB Staff Assessment of 2011 Full Occupancy Baseline and
2016 Project Operational GHG Emissions (MTCO₂e/year)

Sector	2011 Full Occupancy Baseline	2016 Project Scenario	Net Increase
Energy	23,839	--	-23,839
Mobile	29,744	33,661	3,917
Waste	533	729	196
Water	366	373	7
Total	54,482	34,763	-19,719

Apple will participate in California's Direct Access program to offset construction GHG emissions from the Apple Campus 2 project. Based on information provided by Apple, the anticipated construction emissions anticipated over the expected three-year construction phase beginning 2013 through 2015 are 47,819 MTCO₂e. Construction emissions will be fully offset through the purchase of 100 percent renewable power through the Direct Access program for Apple facilities in Cupertino and in the Cupertino area. Apple's participation in the Direct Access program is expected to contemporaneously offset Apple Campus 2 construction emissions from 2013 through 2015 in Cupertino.

Attachment 1

ARB's GHG Assessment Methodology for Apple Campus 2

1. Energy sector

1.1. Total Energy Demand

1.1.1. Office Space Electricity

$$\text{CO}_2\text{e Emissions} = \text{Total Area [ft}^2\text{]} \times \text{Energy Use Rate} \left[\frac{\text{kWh}}{\text{ft}^2 \cdot \text{yr}} \right] \times (1 - \% \text{ Efficiency}) \times \frac{1}{1000} \left[\frac{\text{MWh}}{\text{kWh}} \right] \times \text{CO}_2\text{e EF} \left[\frac{\text{MTCO}_2\text{e}}{\text{MWh}} \right]$$

Where:

$$\text{Energy Use Rate}^i = 17.70 \left[\frac{\text{kWh}}{\text{ft}^2 \cdot \text{yr}} \right]$$

$$\text{CO}_2\text{e EF}^{ii} = 0.372 \left[\frac{\text{MTCO}_2\text{e}}{\text{MWh}} \right]$$

1.1.2. Office Space Natural Gas

$$\text{CO}_2\text{e Emissions} = \text{Total Area [ft}^2\text{]} \times \text{Energy Use Rate} \left[\frac{\text{kBtu}}{\text{ft}^2 \cdot \text{yr}} \right] \times \frac{1}{3.412} \left[\frac{\text{kWh}}{\text{kBtu}} \right] \times (1 - \% \text{ Efficiency}) \times \frac{1}{1000} \left[\frac{\text{MWh}}{\text{kWh}} \right] \times 0.372 \left[\frac{\text{MTCO}_2\text{e}}{\text{MWh}} \right]$$

Where:

$$\text{Energy Use Rate}^{iii} = 21.90 \left[\frac{\text{kBtu}}{\text{ft}^2 \cdot \text{yr}} \right]$$

$$\text{CO}_2\text{e EF}^{ii} = 0.372 \left[\frac{\text{MTCO}_2\text{e}}{\text{MWh}} \right]$$

EXHIBIT V

April 12, 2012



Aarti Shrivastava
City of Cupertino
Director of Community Development
10300 Torre Avenue
Cupertino, CA 95014-3202

Re: Apple Campus 2 Project: Acknowledgement of Obligations under Public Resources Code § 21183(d), (e) and (f)

Dear Ms. Shrivastava:

As you are aware, Apple Inc. has applied to the California Governor to request certification of the Apple Campus 2 Project (the "Project") as a Leadership Project subject to streamlined environmental review pursuant to the Jobs and Economic Improvement through Environmental Leadership Act of 2011 (the "Act"), California Public Resources Code § 21178 et seq. By this letter, Apple acknowledges and agrees to its obligations under the Act as set forth at Public Resources Code § 21183(d), (e), and (f).

As required by Public Resources Code § 21183(d), Apple agrees that all mitigation measures required pursuant to CEQA to certify the Project under the Act shall be conditions of approval, and those conditions will be fully enforceable by the City of Cupertino (the "City") or another agency designated by the City. Apple Inc. agrees that all environmental mitigation measures required to certify the Project under the Act will be monitored and enforced by the City for the life of the obligation.

As required by Public Resources Code § 21183(e), Apple Inc. agrees to pay the costs of the Court of Appeal in hearing and deciding any case, including payment of the costs for the appointment of a special master if deemed appropriate by the court, in a form and manner specified by the Judicial Council, as provided in the Rules of Court adopted by the Judicial Council pursuant to the Act.

As required by Public Resources Code § 21183(f), Apple Inc. agrees to pay the costs of preparing the administrative record for the Project, in a form and manner specified by the City, concurrent with review and consideration of the Project pursuant to CEQA and the Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Oppenheimer", is written over a horizontal line.

Peter Oppenheimer
SVP and Chief Financial Officer

Acknowledged and agreed to by:

A handwritten signature in purple ink, appearing to read "Aarti Shrivastava", is written over a horizontal line. The date "05/24/12" is written to the right of the signature.

Aarti Shrivastava
Community Development Director
City of Cupertino

Apple
1 Infinite Loop
Cupertino, CA 95014

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