

May 1, 2017

Trudi Ryan, Director
Community Development Department
City of Sunnyvale
456 W. Olive Street
Sunnyvale, CA 94086

RE: Initiation Request for an Amendment to the Downtown Specific Plan

Dear Ms. Ryan:

On behalf of STC Venture LLC, the new owner of the Sunnyvale Town Center, we request that the City of Sunnyvale formally initiate a General Plan Amendment to allow the future development within Block 18 of the Downtown Specific Plan (“DSP”).¹ This request is submitted in conformance with Section 19.92.040(a) of the Sunnyvale Municipal Code. The required fees and application form are being submitted concurrently with this letter.

As brief background to this request, this past Summer, the City Council took a series of important actions to facilitate the long-term revitalization of the Sunnyvale Town Center. Following those actions, STC Venture LLC took ownership of the Town Center. And, with the support of the City, we were able to immediately begin implementing the first improvements required by the 2016 Modified and Restated Amended Disposition and Development Agreement. These improvements will restore the Sunnyvale Town Center’s credibility in the market and provide immediate benefits to those who live and work in downtown Sunnyvale.

These improvements include, but are not limited to:

- Revitalizing the area surrounding Redwood Square by removing the steel structure that formerly blocked public access to, and views of, Redwood Square;
- Completing design review and approval for the Theater building, with ground floor retail.
- Executing a lease with Whole Foods, which will bring important new grocery shopping and other amenities to the residents who call downtown Sunnyvale home;
- Beginning construction on the three residential buildings consisting of 198 apartments along Washington and McKinley Avenues; and
- Submitting plans for the completion of the infrastructure within and around the Town Center, including the extension of Murphy Street to connect with McKinley Avenue;

While these immediate improvements are critically important, when the City approved the Special Development Permit and other actions last summer, the City Council set a deliberately short (approximately two-year) time limit on the temporary parking and landscaping conditions surrounding Redwood Square. The explicit goal of this short timeframe was to ensure that the

¹ STC Venture LLC holds title (either in fee simple, leasehold or by easement) of all of Block 18 of the DSP, with the exception of the parcels owned by Macy’s, Target and Bank of the West. .

owners of the Town Center would soon begin longer-term plans for the development of this area beyond the minimum improvements described above.

To that end, we are pleased to formally begin that process by requesting that the City initiate the DSP amendment process. Our team is excited to develop our vision for a vital, energized, sustainable Downtown Sunnyvale that will become both a local and regional destination. We have retained a design team who shares our view that a walkable downtown, integrated in the existing fabric of Downtown Sunnyvale with seamless connections to transit and the historic Murphy Street, will create activity and energy every day, throughout the day. We ultimately see this as our opportunity to update the planning of the Town Center to meet today's multigenerational demand for a downtown neighborhood that provides an economically vibrant mix of residential, office, retail, theater and open space opportunities.

The improvements will include:

- Creating a new “Heart” for Downtown Sunnyvale at Redwood Square that will become a gathering point and provide a major public open space that can be used for the downtown community to gather during public events;
- Connecting the heart to the Caltrain station and historic Murphy Street with a pedestrian friendly experience;
- Restoring the historic street grid by extending Murphy Avenue into the Town Center in a manner that creates an attractive pedestrian environment and treats Murphy Avenue as Downtown Sunnyvale's “Main Street”;
- Develop a rich, sidewalk level experience along all main streets, including tree lined walks and a variety of public spaces mixed with shopping and market experiences;
- Building heights and massing that compliments the adjacent context while creating a rich variety of texture and expression;
- Placing a significant portion of the parking structure adjacent to Murphy Avenue on block 6 underground, thereby making the Murphy Avenue streetscape more attractive for pedestrians and creating a seamless connection between Redwood Square and historic Murphy Avenue;
- Developing employment and housing that are located near Caltrain, encouraging and enhancing train ridership, and integrating with attractive bicycle and pedestrian opportunities;
- Building densities of residential uses to alleviate housing shortages, create additional housing, including affordable housing, near high-quality job opportunities, and promote activity and a strong sense of community within a vital working, livable, 24-7 Downtown neighborhood with services, jobs, and transit;
- Increasing landscaping and street trees along streets to soften architecture and locating taller buildings in the center to create a focal point on the City's skyline while protecting adjacent uses;

To achieve this vision, we request that the City Council initiate a DSP amendment that includes the following modifications to the Block 18 standards contained in Table 6.9 (Block 18) of the DSP:

1. Replace the development capacity for 200 hotel rooms with an additional 362,000 square feet of office space (for a total of 686,000 square feet) within Block 18;
2. Allow for up to 790 residential units (in lieu of the current limit of 292 units);

3. Allow for a reduction in the development capacity of retail to a total of 675,000 square feet (in lieu of the current limit of approximately 1,000,000 square feet).
4. Set the maximum height of Block 18 based on that approved through a special development permit. This approach is consistent with the approach taken for some other development standards within Block 18. It will also provide for both flexibility and design control by the City, and replace the varying height limits that currently exist today for theater and other types of uses.

Second, we request that the description of the development surrounding the Town Square within Block 18 (page 73 of the Downtown Specific Plan)² be amended to reflect an updated vision for Redwood Square as a public plaza, lined with a combination of ground floor retail and active spaces, designed to form a vibrant and active heart of the Downtown

Finally, we request the initiation of any and all other conforming amendments to the General Plan, DSP and Sunnyvale Municipal Code that City staff, the Planning Commission or City Council believe are necessary to fully implement the scope of development outlined above. Such changes may include, without limitation, conforming changes to Tables 6.1 and 6.2 and Figure 6.3 (Heights) of the DSP.

We look forward to the City's approval of this request to initiate a General Plan Amendment and to working with you and other downtown stakeholders to help the Sunnyvale Town Center realize its fullest potential.

Sincerely,

David N.P. Hopkins

STC Venture LLC

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² Conforming amendments may also be required at introductory references, including pages 5 and 22 of the DSP.

Planning Division Application Form
Signature Block

05/03/17

STC Venture, LLC,
a Delaware limited liability company

By: SRGNC MF Downtown Sunnyvale, LLC,
a Delaware limited liability company
Administrative Member

By: SRGNC MF, LLC,
a Delaware limited liability company
Manager

By:
Dave Hopkins
Senior Vice President

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