



**SAND HILL PROPERTY COMPANY**

May 3, 2017

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

RE: Initiation request for a Downtown Specific Plan Amendment with respect to 200 West Washington Avenue (Macy's property), located within the Sunnyvale Town Center and the Downtown Specific Plan area

Dear Ms. Ryan:

On behalf of 200 Washington LLC, the Owner of the Macy's property, we respectfully request the City Council initiate a Downtown Specific Plan Amendment application to allow for the long-term revitalization of the Macy's property so it will continue to contribute to the vibrancy, connectivity, and overall success of the Sunnyvale Town Center. We submit this request in coordination with the owner of the Sunnyvale Town Center property, STC Ventures LLC, in the hopes that the vision for the Sunnyvale Town Center, in its whole, can be updated, re-planned, and re-imaged.

Our proposed amendment to the 2003 Downtown Specific Plan (DSP) envisions the eventual repurposing of the outdated and functionally obsolete Macy's department store. While Macy's has not disclosed plans for the future of the Sunnyvale store, the national trend of retail store closures and changing customer demands mean a plan for future reuse of the site is prudent and timely. We propose that the building should be converted to accommodate a mix of uses, with ground floor retail uses along W. Washington Avenue, flex office/retail uses in the rear portion of the ground floor, and office use on the upper floors. This upgrade to Class A office space will help build and maintain Sunnyvale's job base, provide long-term fiscal and economic stability for the Downtown, and locate jobs near transit and new residential developments, while strengthening W. Washington Avenue as a pedestrian-friendly and active retail corridor.

The conversion of the Macy's property will:

- Create a new open-air pedestrian and bicycle connection from W. Washington Avenue to Redwood Square through the existing Macy's building. The current building configuration, a 45 feet tall blockade, is a significant visual and physical barrier that impedes the natural link between Redwood Square and the balance of the Downtown area, including major public open space, historic Murphy Avenue, transit, shopping, and dining. This new connection will be a community benefit designed to improve the vibrancy at the heart of the Sunnyvale Town Center project;

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- Extend S. Francis Street into Redwood Square in order to advance the 2003 DSP vision of restoring the historic Downtown street grid to a traditional pedestrian friendly urban pattern;
- Place high-quality employment in proximity to housing, transit and services;
- Adapt the site to accommodate smaller format retail and restaurant space facing directly onto W. Washington Avenue, rather than facing internally as the building's activity is focused today. This will complete W. Washington Avenue as a pedestrian-friendly/active retail street and replace the 600-foot stretch of inanimate building wall that exists today. The result will be a strong retail promenade that will promote the DSP's vision for the Downtown area; and
- Allow the building to be upgraded with the latest green building design features, with the intent of achieving a certified level of sustainable design.

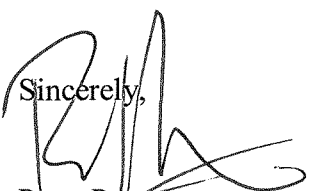
Specifically, we request that the DSP Amendment study the following modifications to the Block 18 standards contained in DSP Table 6.9:

- The conversion of the existing ground floor commercial square footage (approximately 88,500 sf.) into retail/office flex space with retail/restaurant uses activating the exterior ground floor frontages;
- The reuse of the second floor space as office use (approximately 88,500 sf.);
- The addition of new floors to the existing Macy's building (approximately three floors totaling 210,000 sf.); and
- A new public bike/pedestrian connection between W. Washington Avenue and Redwood Square through the existing footprint of the Macy's property.

We also request any and all other conforming amendments to the General Plan, DSP, and Sunnyvale Municipal Code that City staff, the Planning Commission or the 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, 6.2, and Figure 6.3 of the DSP. 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.

We have been working with STC Ventures LLC in advance of this request, and our proposed conversion will be in harmony with their proposed redevelopment plans. We anticipate a collaborative development process as we work with all parties to implement the proposed projects and modify the OREA. We also look forward to working with the City on this request to initiate a DSP Amendment and to help the Sunnyvale Town Center realize its fullest potential.

Sincerely,



Peter Paul

Principal  
Sand Hill Property Company