

5. [20-0342](#) **Proposed Project:** Introduction of an Ordinance Approving and Adopting a **DEVELOPMENT AGREEMENT** between the City of Sunnyvale and STC Venture LLC (CityLine) and related entities: STC Venture Block B, LLC; STC Venture 200WA, LLC; STC Venture Block 3RWS, LLC, and STC Venture Block 6, LLC
File #: 2020-7182
Zoning: DSP Block 18
Applicant / Owner: STC Venture LLC (applicant/owner)
Environmental Review: Environmental Impact Report
Project Planner: Trudi Ryan, tryan@sunnyvale.ca.gov

Director Trudi Ryan presented the staff report and a slide presentation.

Commissioner Harrison asked Director Ryan about the methodology for distributing

the Below Market Rate units among the lower income groups. Director Ryan explained that staff applied the City standard of 15% to the 525 base number of units to determine five percent allocated to the very local income group and ten percent to the low income groups. She further explained that 58 units are part of the Commercial Core bonus that could have been developed on Block 1a with the 35% state density bonus and 15% of those units were identified as affordable for the moderate income group. She added that City Council directed staff to explore a variety of affordable levels. Commissioner Harrison also asked why 96% of Redwood Square counted toward the park in-lieu fee. Director Ryan answered that the final calculation is a result of all the credits that the applicant received.

Chair Howard opened the Public Hearing.

Dave Hopkins, representing Sares Regis, and Deke Hunter, representing Hunter Storm, presented information about the proposed project and details regarding the Development Agreement with a slide presentation.

Commissioner Howe asked Mr. Hopkins if the individual housing units would be individually metered for electricity and water. Mr. Hopkins confirmed that that are individual meters for both utilities and that tenants would be tracked individually and pay according to their usage.

Michael Johnson, Executive Director of the Sunnyvale Downtown Association, voiced the organization's support for the Development Agreement and the associated proposed project.

Richard Mehlinger, representing Liveable Sunnyvale, endorsed the Development Agreement and the associated proposed project.

Joey Branzuela, member of Sprinkler Fitters Local 483, spoke in favor of the DSP Amendment, Development Agreement, and associated proposed project.

Xiomara Cisneros, representing Bay Area Council, encouraged the Commissioners to recommend the Development Agreement and associated proposed project to City Council.

Eric Haynes, Business Representative of Sheet Metal Workers Local 104, spoke in favor of the DSP Amendment, Development Agreement, and associated proposed project.

Mike Serrone, representing Livable Sunnyvale, communicated the organization's support for the Development Agreement and the associated proposed project.

Rob Lister, resident of Sunnyvale, spoke in general support of the Development Agreement and the associated proposed project and noted his preference for more green space in Redwood Plaza.

Edmundo Escarcega, Business Representative for UA Local 393, urged the Commissioners to support the DSP Amendment, Development Agreement, and associated proposed project.

Gavin Lohry, representing Catalyze SV, communicated the organization's support for the Development Agreement and associated proposed project and noted the organization's recommendations for improvement.

David E. Segura, retired member of Sprinkler Fitters Local 483, spoke in favor of the DSP Amendment, Development Agreement, and associated proposed project.

Kat Wortham, Sunnyvale resident and representing the Silicon Valley Leadership Group, communicated her and the organization's support for the Development Agreement and associated proposed project.

Will Smith, Business Agent with International Brotherhood of Electrical Workers Local 332, urged the Commissioners to support the Development Agreement and associated proposed project.

Alex Shoor, Executive Director of Catalyze SV, advocated for Catalyze SV's recommendations for improvements to the proposed project and encouraged the Commissioners to support them.

Dylan Boldt, with Sprinkler Fitters Local 483, spoke in favor of the DSP Amendment, Development Agreement, and the associated proposed project.

Mr. Hopkins presented additional information about the Development Agreement and associated proposed project.

Commissioner Harrison asked the applicants if the construction phasing has changed considering the COVID-19 pandemic. Mr. Hopkins responded that Block 3

consisting of the existing Macy's building, Redwood Square Park, and the Redwood Square building have been identified as the most important to develop because it satisfies the Development Requirements of required housing and office space and would improve the surrounding uses. Mr. Hunter added that the Commission will review the changes they have made to the proposed project that are more sensitive to the current uncertain environment such as the creation of more open space and echoed the importance of Block 3 as an integral part of completing downtown.

Chair Howard closed the Public Hearing.

MOTION: Vice Chair Simons moved and Commissioner Howe seconded the motion for Alternatives 1 and 3 - (1) Make the findings required by Resolution No. 371-81 (Attachment 3 to the Report); and (3) Recommend to City Council the Introduction of an Ordinance Approving and Adopting a Development Agreement between the City of Sunnyvale and STC Venture LLC and related entities: STC Venture Block B, LLC; STC Venture 200WA, LLC; STC Venture Block 3RWS, LLC, and STC Venture Block 6, LLC (Attachment 2 to the Report).

The modifications are as follows:

- 1.) Specify that the approved list of tree species that staff will develop, as mentioned in the motion for Agenda Item 3 to supplement Downtown Specific Plan B-3.5, apply to the proposed project for this Development Agreement.
- 2.) Revise Attachment 2, Draft Ordinance and Development Agreement, to correct the typographical errors so that "Moffett Park Specific Plan" is replaced with "Downtown Specific Plan" and "SEIR" is replaced with "FEIR".

Vice Chair Simons commented that he can make the findings and that he has reviewed many versions of the DSP during his tenure on the Commission, noting his excitement if this version is implemented. He recognized others' issues with building height and noted that he is more comfortable with taller buildings if they are accompanied by nice, appropriate architecture and believes that it is appropriate for the cost of living and providing open space. He also indicated his sensitivity to tree selection and landscaping because it affects the quality of developments and remarked on his enthusiastic support for this Development Agreement.

Commissioner Howe stated that he can make the findings and that the Development Agreement is largely between the Office of the City Manager, Office of the City Attorney, City Council, and the developer and is therefore glad that significant

changes are not being made to it. Commissioner Howe added that the applicant's proposed project and past projects are of high quality and that he is looking forward to the opening of Whole Foods. He commended the applicant and staff on their work.

Commissioner Harrison stated that she will support the motion and that it will be a great endeavor.

Commissioner Olevson stated that he will support the motion, that he can make the findings, and that he thoroughly supports the highly qualified team of developers that have striven to improve downtown. He thanked the applicants and stated his interest in the proposed project moving through the process as quickly as possible.

Chair Howard stated that he will support the motion and can make the findings.

The motion carried by the following vote:

Yes: 5 - Chair Howard
Vice Chair Simons
Commissioner Harrison
Commissioner Howe
Commissioner Olevson

No: 0

Absent: 1 - Commissioner Weiss

Recused: 1 - Commissioner Rheaume

Assistant Director Miner stated that this recommendation will be forwarded to the City Council for consideration at the August 11, 2020 meeting.

Mr. Hunter thanked staff for their hard work and support.