



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 16-1080, Version: 1

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### REPORT TO PLANNING COMMISSION

#### **SUBJECT**

**FILE #:** 2016-7944

**Location:** 225 S. Taaffe Street (Block 18 of Downtown Specific Plan bounded by Mathilda, Washington, Sunnyvale and Iowa Avenues)

**Proposed Project:** Adopt the Tenant Design Guidelines for storefront design, commercial signage and tenant improvements for retail uses within the Sunnyvale Town Center project

**Applicant/Owner:** STC Venture LLC (applicant/owner)

**Environmental Review:** No additional environmental review is necessary; the adoption of the proposed Tenant Design Guidelines is within the scope of the previous environmental analysis for the Downtown Program Improvement Update, pursuant to CEQA Guidelines Section 15168(c)(2) and is categorically exempt pursuant to CEQA Guidelines Section 15305.

**Staff Contact:** Hanson Hom, (408) 730-7450, [hhom@sunnyvale.ca.gov](mailto:hhom@sunnyvale.ca.gov)

#### **REPORT IN BRIEF**

**General Plan:** Downtown Specific Plan

**Zoning:** Downtown Specific Plan (DSP)

**Existing Site Conditions:** completed office buildings on Mathilda Avenue; partially completed residential/retail buildings; partially completed public parking structures and street improvements; and surface parking lots

#### **Surrounding Land Uses**

**North:** (across Washington Avenue) mixed-use developments and commercial businesses and restaurants on S. Murphy Avenue; (south side Washington Avenue) Macy's store

**South:** (across Iowa Avenue) commercial, office, and residential uses; (north side Iowa Avenue) Target store

**East:** (across Sunnyvale Avenue) commercial, office and residential uses

**West:** (across Mathilda Avenue) commercial, office and residential uses

**Issue:** architectural design and signage for retail storefronts

**Staff Recommendation:** Find that the proposed Tenant Design Guidelines is exempt from CEQA review and approve the Tenant Design Guidelines for the Sunnyvale Town Center project.

#### **Proposed Project**

The Tenant Design Guidelines (TDG) outlines standards and guidelines for improvement of retail tenant spaces within the Sunnyvale Town Center project (see Attachment 2). The design treatment of ground floor retail spaces is critical for achieving a distinctive sense of place, a quality downtown environment and an inviting pedestrian scale and setting. The TDG strives to promote a cohesive retail and entertainment district while also differentiating the project area into four zones to encourage variations in the visual character of each zone. The TDG includes an Area Plan (see TDG, p. 4) that

outlines the four zones:

- W. McKinley and W. Washington: this zone is intended to be the major shopping streets for the project and the streets serve as gateways into the downtown;
- Redwood Square: this zone is intended to be a vibrant retail, restaurant and entertainment zone and includes the future movie theater;
- S. Murphy Avenue: this street would include a variety of retail uses with emphasis on relating the architectural design to the character of historic S. Murphy Avenue; and
- W. Iowa Avenue: this street is primarily a residential street, and any commercial storefronts or signage will be required to respect nearby residential uses.

The TDG contains design guidelines for storefront design, tenant signage and interior improvements that pertain to all four zones. Slight variations in sign treatment are described for each zone. It should be noted that the differentiation between the zones relates more to the types of tenants that will be sought rather than the design of the retail spaces. The tenancing plan will be described in a separate Retail Leasing Plan being prepared by the property owner for review by the Successor Agency Executive Director (City Manager) pursuant to the 2016 Modified and Restated Amended Disposition and Development and Owner Participation Agreement. The property owner has indicated that W. McKinley Avenue may emphasize apparel stores, whereas Redwood Square may exhibit more restaurant and entertainment uses.

The TDG will be used by the developer and City to review plans for individual tenant improvements and signage. Each tenant is required to submit an application for a Miscellaneous Plan Permit (MPP) for approval of storefront design plans (including outdoor seating if applicable). These tenant plans will be reviewed by staff for consistency with the TDG as well as applicable design guidelines in the Downtown Specific Plan, the conditions of approval pertaining to the project's Special Development Permit, and the City's Zoning Code.

## **BACKGROUND**

### **Existing Land Use Entitlements**

A master land use and site development plan for the Sunnyvale Town Center project that covers Block 18 of the DSP was approved on February 6, 2007 by the City Council (SDP 2007-0030). The DSP and the SDP for Block 18 have been amended since the 2007 approval. The land use plan envisioned a mixed use pedestrian oriented development with Block 18 divided into six sub-blocks (commonly referred to as Blocks 1-6) by extending McKinley Avenue, Murphy Avenue and Taaffe Street through the project site. The approved uses for the Sunnyvale Town Center project currently consist of the following:

- a) Approximately 931,385 square feet of retail and restaurant uses, including a multiplex movie theater with up to 2,950 seats and a maximum of 90,000 square feet of restaurants (excluding outdoor seating). Most of the retail space is located on the ground floor of the buildings.
- b) Approximately 315,000 square feet of office space.
- c) 292 residential units.
- d) Maximum 200-room hotel.
- e) Four multi-level parking structures to support the approved uses.

**Note:** The approved retail and restaurant square footage includes the existing Macy's and Target

stores (on parcels under separate ownership) and the retail space that was to be included in the buildings (only the steel skeletons were built) in Redwood Square that are currently being demolished.

The Final Amended Conditions of Approval for the Town Center Special Development Permit (SDP 2016-7290) specify the requirement for the TDG and a Master Sign Program:

A18.7 A Final “Tenant Design Criteria Manual” which regulates the storefront treatment and displays, is required and is subject to the review and approval of the Planning Commission. The Final “Tenant Design Criteria Manual” shall reference compliance with the Downtown Specific Plan design guidelines.

A18.1 All individual storefront tenant improvements require approval of a Miscellaneous Plan Permit (MPP) prior to the issuance of a building permit to ensure compliance with the “Final Tenant Design Criteria Manual”.

G.8.d A Master Sign Program shall be submitted as part of the final architectural plans that are subject to review and approval by the Planning Commission. The Master Sign Program shall address individual tenant wall signs, awnings signage, fin signs, temporary signage allowances, shopping center ground signs, major tenant wall signage, information or directional kiosk signage, cinema marquee, or any other form of commercial advertisement intended to be located within Block 18.

## **EXISTING POLICY**

The following City goals and policies are relevant to the proposed TDG:

### **General Plan:**

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|----------------|---|
| POLICY LT-2.2a | Promote downtown as a unique place that is interesting and accessible to the whole City and the region.   |
| POLICY LT-7.4  | Create a strong, identifiable central business district that provides regional and citywide shopping opportunities.   |
| GOAL CC-3      | Ensure that buildings and related site improvements for private development are well designed and compatible with surrounding properties and districts.   |
| POLICY CC-3.1  | Place a priority on quality architecture and site design which will enhance the image of Sunnyvale and create a vital and attractive environment for businesses, residents and visitors, and be reasonably balanced with the need for economic development to assure Sunnyvale’s economic prosperity. |

### **Downtown Specific Plan:**

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|--------------------------|--|
| <b>Goal E</b>            | Improve the street character.  |
| <b><u>POLICY E.2</u></b> | Improve the quality of key vehicular and pedestrian linkages that function as important feeders into the downtown, such as Sunnyvale, Washington and Iowa Avenues. |

## **ENVIRONMENTAL REVIEW**

Adoption of the proposed Sunnyvale Town Center TDG is considered a "project" for purposes of the California Environmental Quality Act, Public Resources Code § 21000, et seq. ("CEQA"). However, in accordance with CEQA Guidelines Section 15168(c)(2), the Project is within the scope of previous

environmental analysis for the Downtown Program Improvement Update, and subsequent environmental review is not required. In addition, the Project is categorically exempt from CEQA pursuant to CEQA Guidelines Sections 15305, and none of the exceptions to the exemptions specified in CEQA Guidelines Section 15300.2 have occurred. Therefore, no additional analysis is required to comply with CEQA before the Planning Commission takes action on the proposed TDG.

## **DISCUSSION**

The TDG is intended to complement existing City design guidelines and Sign Code regulations and do not replace or supersede these guidelines and regulations. City regulations and required approvals are referenced in the TDG, and the TDG was revised as necessary to comply with applicable City provisions. Staff reviewed the TDG relative to the following City policies and regulations:

### Downtown Specific Plan (DSP)

The DSP contains General Design Guidelines that apply to retail tenants in the Town Center project. These Guidelines address various design elements such as building facades, windows, building materials, colors and signage (see Attachment 3 for excerpt from DSP, pp. 26-31). Further design direction is provided in the DSP through annotated photographs and drawings that explain the desired architectural treatment for retail storefronts. The TDG references the DSP Guidelines (p. 7) and contains supplemental project-specific design guidelines for storefronts, awnings and canopies. After reviewing the TDG to evaluate consistency with the DSP Guidelines, staff concludes that the TDG reinforces and further articulates the DSP. The two documents will provide complementary guidance to retail tenants for preparing their storefront design and sign plans for review and approval by the property owner and City staff.

### Murphy Avenue Design Guidelines

The DSP signage guidelines (D.10) require that signs along the extension of Murphy Avenue shall comply with the criteria listed in the Murphy Avenue Design Guidelines.

<http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CDD/Non-Residential/MurphyAvenueDesignGuidelines.pdf>.

The TDG contains a reference to these sign guidelines for the S. Murphy Avenue zone where compatibility with Historic Murphy Avenue is most important (see TDG, p. 15).

### Sunnyvale Sign Code (Sunnyvale Municipal Code (SMC) Chapter 19.44)

SDP Condition G.8.1 as referenced above requires approval of a Master Sign Program. The TDG includes a master sign program; however, the proposed standards and guidelines only pertain to tenants leasing under 10,000 square feet. For tenants leasing over 10,000 square feet, which will be limited given the configuration of the approved retail space, the developer will submit a separate sign proposal for staff review at a later date. For example, the movie theater space will exceed 10,000 square feet and is a unique use that warrants a separate review for signage.

The TDG sign guidelines were reviewed for compliance with the provisions of the Sign Code that pertain to the Town Center project (Block 18 of DSP). Block 18 is located within the Downtown Specific Plan Zoning District (SMC Chapter 19.28), and the sign regulations for this district refer to the city-wide Sign Code (SMC Chapter 19.44) for applicable standards and requirements. The Sign Code defines Block 18 as a Regional Retail Business District. This district allows “one square foot of sign for every one lineal foot of building frontage,” and “300 square feet maximum sign area” (see Table 19.44.160(b)). The TDG states the same lineal foot standard, although the maximum sign area

is reduced to 200 square feet per tenant. (Since the guidelines only pertain to tenants leasing under 10,000 square feet, it is unlikely this maximum would feasibly be reached.) Wall signs are also limited to 70 percent of the width of the tenant's leased frontage to further minimize sign clutter. Additionally, more elegant and sophisticated signage is encouraged for the district through creatively designed signs that are externally lit (e.g., with gooseneck lights or halo lighting), while internally lit cabinet signs are prohibited.

While the TDG contains more specific design guidelines and standards for signage than the Sign Code, staff did not identify any exceptions to City regulations that would require special findings pursuant to SMC Section 19.44.230. Additionally, it is not intended that the TDG guidelines restate all City requirements. Compliance with the Sign Code, is incorporated in the TDG (see TDG, p. 9). The TDP also states that "where conflicts occur between the TDG and City codes, the City codes shall apply" (see TDP, p. 7).

Special Development Permit (SDP 2016-7290):

Conditions of approval that specifically apply to retail tenant improvements have been excerpted and included in the TDG as Appendix A for information to tenants. In addition to design requirements, initial storefront/tenant improvements for tenants that exceed 5,000 square feet are required to "strive to meet a LEED Silver standard" per a condition of the SDP. A hardship or infeasibility exemption can be granted by the Director of Community Development pursuant to the City's Green Building Regulations (SMC Chapter 19.39).

## **PUBLIC CONTACT**

Public contact was made through placing a public notice in the Sunnyvale Sun on November 25, 2016, posting the agenda on the City's official notice bulletin board and the City's website and having the agenda and report available in the Reference Section of the City Library. In addition, notice boards were posted along the project boundary. Notices were sent to all property owners and tenants within at least 500 feet of the site (2020 notices) (Attachment 1); email messages with notices were also sent to all neighborhood associations, Sunnyvale Chamber of Commerce, Sunnyvale Downtown Association, Auto Dealer Association, and the Moffett Park Business and Transportation Association.

## **ALTERNATIVES**

1. Find that the adoption of the proposed Tenant Design Guidelines is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15305, and none of the exceptions to the exemptions specified in CEQA Guidelines Section 15300.2 have occurred, and that no additional environmental review is necessary as the proposed amendments are within the scope of the previous environmental analysis for the Downtown Program Improvement Update, pursuant to CEQA Guidelines Section 15168(c)(2).
2. Approve the Sunnyvale Town Center Tenant Design Guidelines.
3. Approve the Sunnyvale Town Center Tenant Design Guidelines with modifications.
4. Do not approve the Tenant Design Guidelines and provide direction to staff.

## **RECOMMENDATION**

Alternative 1 and 2: Find that the adoption of the proposed Tenant Design Guidelines is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15305, and none of the exceptions to the exemptions specified in CEQA

Guidelines Section 15300.2 have occurred, and that no additional environmental review is necessary as the proposed amendments are within the scope of the previous environmental analysis for the Downtown Program Improvement Update, pursuant to CEQA Guidelines Section 15168(c)(2); and approve the Sunnyvale Town Center Tenant Design Guidelines.

Reviewed by: Andrew Miner, Planning Officer

Reviewed by: Trudi Ryan, Director of Community Development

Prepared and Approved by: Hanson Hom, Assistant City Manager/Chief of Downtown Planning

### **ATTACHMENTS**

1. Public Noticing Radius Map
2. Sunnyvale Town Center Tenant Design Guidelines
3. Downtown Specific Plan, excerpt of General Design Guidelines (pp. 26-31)