



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 19-0062, **Version:** 1

REPORT TO THE ZONING ADMINISTRATOR

File #: 2018-7543

Location: 150 E McKinley Avenue, Suite 100 (APN: 209-35-015)

Applicant / Owner: CITYshapers, Inc. (applicant) / STC Venture LLC (owner)

Proposed Project:

SPECIAL DEVELOPMENT PERMIT to allow full-service alcoholic beverage service, including on-site consumption and instructional tasting activities, at the approved eating establishment of the approved grocery store.

Reason for Permit: A Special Development Permit is required for restaurants that have on sale general alcohol beverage service in Downtown Specific Plan (DSP) zoning district.

Project Planner: Kelly Cha, (408) 730-7408, kcha@sunnyvale.ca.gov

Recommendation: Approve the Special Development Permit with the recommended Conditions of Approval.

PROJECT DESCRIPTION

The applicant requests for alcoholic beverage sale and services at the planned grocery store located at 150 E McKinley Avenue. The grocery store is currently under construction, and not yet in operation.

The previously approved grocery store (Whole Foods) includes a restaurant. The 5,065-square foot restaurant consists of a full kitchen, food preparation facilities, service area, and seating for customer in the inside dining room and outdoor patio, which is designed to accommodate 218 seats total. Both food and beverage service will be available in the interior and exterior dining areas. The restaurant will operate daily between 7:00 a.m. and 11:00 p.m. The restaurant requires Alcoholic Beverage Control (ABC) License Type 47 for on-site consumption of alcoholic beverage sale and service associated with food establishments.

The applicant also proposes beer, wine, and spirit tasting events at the new grocery store's main shopping area, separate from the restaurant, and require a separate ABC License (ABC License Type 86 for instructional tasting). The tasting events will feature vendors and producers and help improving customers' understanding of food and beverage pairings. During these tasting events, the event area will be separated from the main grocery store area by barriers to restrict access to customers 21 years and older. No customers will be allowed to take alcoholic beverages outside of the designated event area. The tasting event will be announced in advance and will take place between 10:00 a.m. and 9:00 p.m.

Previous Planning Projects related to Subject Application:

The property is part of the Downtown Specific Plan (DSP), and part of the Cityline project.

- Special Development Permit (2007-0030): A master Special Development Permit, which consists of six sub-blocks within Block 18 of the Downtown Specific Plan. Sub-block 5, bound by McKinley Avenue to the north, Sunnyvale Avenue to the east, Iowa Avenue to the south and Murphy Avenue to the west, was approved with a two-story commercial building primarily facing McKinley. The first floor will contain a grocery store, while the second floor will contain a movie theater.
- Miscellaneous Plan Permit (2017-7478): Off-sale Beer and wine for the approved grocery store (Whole Foods).
- Miscellaneous Plan Permit (2017-7508): Outdoor dining for the approved grocery store (Whole Foods).

Neighborhood Preservation Complaint:

Several Neighborhood Preservation cases have been filed against the property related to overgrown vegetation, graffiti, and some pedestrian safety issues. The cases were remedied and closed. Currently, there are no open Neighborhood Preservation cases on the subject property.

NEIGHBORHOOD IMPACTS / COMPATIBILITY

The grocery store was approved as part of the master Special Development Permit, and a Miscellaneous Plan Permit was approved subsequently, to allow for beer and wine sale and service. Although there are single-family homes located along Sunnyvale Avenue, the proposed restaurant is located towards the corner of Murphy Avenue and McKinley Avenue. Therefore, the anticipated impact would be minimal because the ancillary restaurant inside of the grocery store already has the beer and wine service approved, and the grocery store and proposed restaurant is located within the downtown setting with a mix of retail, office, and residential uses. The Department of Public Safety reviewed the proposed application and found no concerns.

PUBLIC CONTACT

480 notices were sent to surrounding property owners and residents adjacent to the subject site in addition to standard noticing practices, including advertisement in the Sunnyvale Sun Newspaper and on-site posting. No letters or calls were received from the public by staff.

ENVIRONMENTAL DETERMINATION

The proposed project is within the scope of the Downtown Specific Plan Environmental Impact Report (EIR) and subsequent addenda. Therefore, no new environmental review is required per California Environmental Quality Act (CEQA) Guidelines Section 15168(c). The project is also exempt under Guidelines Section 15305 (minor change to land use limitations) and Section 15061(b)(3) (it can be seen with certainty that there is no possibility that the project will have a significant effect on the environment).

ALTERNATIVES

1. Approve the Special Development Permit with recommended Conditions of Approval in Attachment 2.
2. Approve the Special Development Permit with modifications.
3. Deny the Special Development Permit.

RECOMMENDATION

Alternative 1. Approve the Special Development Permit with recommended Conditions of Approval in Attachment 2.

Prepared by: Kelly Cha, Associate Planner

Approved by: Ryan Kuchenig, Senior Planner

ATTACHMENTS

1. Vicinity and Noticing Map
2. Recommended Conditions of Approval
3. Recommended Findings
4. Floor Plan
5. Project Description Letter from the Applicant