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## **CityLine Sunnyvale developer unveils master plan for next phase of massive effort to overhaul downtown**

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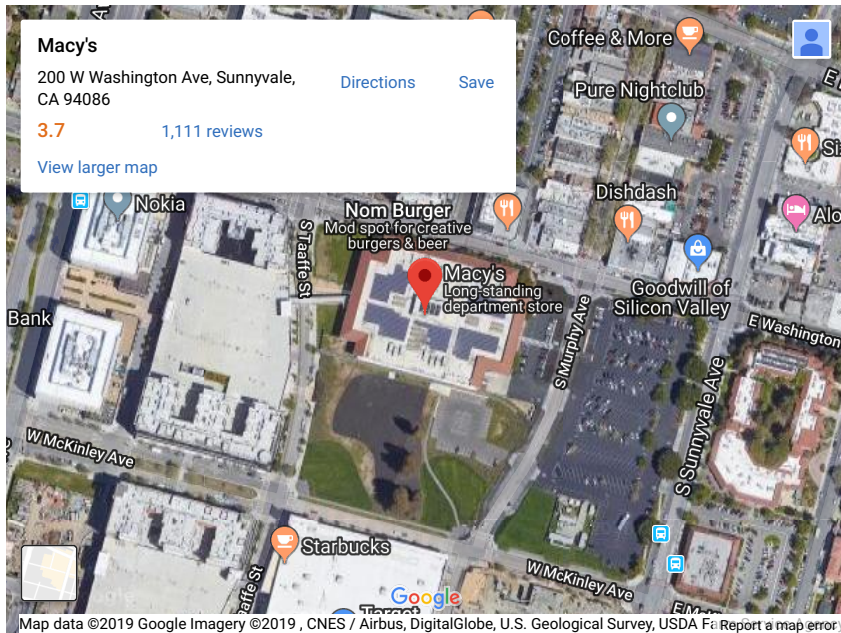
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The development group behind a massive overhaul of Sunnyvale's downtown has unveiled its vision for the next phase of development on the 36-acre project known as CityLine Sunnyvale.

Plans submitted to Sunnyvale's Planning Commission last week show that STC Venture wants to add nearly 800 residential units, 535,000 square feet of office space in three buildings and about 150,000 square feet of retail to the project beyond what is built or under construction today.

STC Venture is made up of Sares Regis Group of Northern California and Hunter Storm, a joint venture that took over the project in 2015 after it had been stalled for years following the Great Recession of 2008.

CityLine Sunnyvale includes six blocks bounded by Mathilda, Washington, Sunnyvale and Iowa avenues.



The initial phase, underway now, includes about \$20 million in public improvements and a two-story building at the corner of Murphy and McKinley avenues, where Whole Foods Market and AMC Theaters are slated to open this year. Nearby, The Flats, a three-building, 198-unit residential complex along Washington and McKinley Avenues, opened in November as part of the first phase of the project and is currently 65 percent leased.

STC Venture is working to amend the city's specific plan, which still largely reflects the project's initial 2007 proposal, to accommodate its envisioned second phase.

David Hopkins, chief operating officer at Sares Regis, says the project is a rare chance to create a mixed-use neighborhood near transit.

"Most downtowns were planned and built far before the Bay Area was what it is today," he said. "We are the fortunate ones to get actually a plan now forward to the future."

New plans for the project focus on three blocks within the development site: Blocks One, Three and Six, which each sit blocks from the Sunnyvale Caltrain Station. STC Venture also wants to extend Frances Street through the project from the Caltrain Station to the center of the development.

Notably, Block Three is where Macy's has long been located at 200 Washington Ave. Last month, STC Venture announced that the retailer was "exercising its lease termination right," on the 177,000-square-foot building and would close by April 9.

"We appreciate the many years that Macy's has served our community and wish them the best," Sunnyvale Mayor Larry Klein said in a recent statement in which he also noted the city was "exploring options for the Macy's site."

STC Venture is aiming to see specific plan changes approved by this fall and to start construction in 2020.

### **CityLine proposal block-by-block**

On Block One, at the corner of West Iowa Avenue and Aries Way, STC Venture aims to build a 150,000-square-foot office building with about 10,000 square feet of retail on the ground level.

Plans call for Macy's on Block Three to be demolished and replaced with two office buildings, each spanning 210,000 square feet of office and flex space. Combined, the two buildings would include 57,000 square feet of ground-level retail.

An apartment building, home to about 400 residential units, would sit between the office buildings and a new plaza called Redwood Square. STC Venture is asking the city to raise the height limits for the residential building from 75 feet to 110 feet.

"If you go up a small amount, you can get a significant amount of additional public open space," Hopkins said.

Across Murphy Avenue from the current Macy's site, on what is known as Block Six, a new 392-unit residential building would rise with ground-level retail and underground parking.

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