

Big expansion, transformation of downtown Sunnyvale pushes ahead

New phase of CityLine Sunnyvale will proceed, including revamp of old Macy's site

SUNNYVALE — A major transformation of downtown Sunnyvale is pushing forward with the next phase of the CityLine development in the city's urban core following a final city approval, the project's developers said Wednesday.

CityLine Sunnyvale, a project whose builders aim to usher in a complete revamp of downtown Sunnyvale, will now proceed to the redevelopment of four choice parcels in the city's central business district, developers Sares Regis Group of Northern California and Hunter Properties said.

"We're thrilled to move onto this next phase of transformation for downtown Sunnyvale," said David Hopkins, chief operating officer with Sares Regis Group of Northern California.

The joint venture of Hunter Properties and Sares Regis Group has already constructed 198 new apartments and is completing a large retail component that includes a grocery store and multi-screen cinema. The anchors of the retail project, Whole Foods Market and AMC Theaters, are slated to be open by late 2020. Another 78 residential units are under construction.

The next phase of the project will redevelop four sites as new homes, ground-floor retail, and offices, now that the Sunnyvale City Council has given final approval to this stage of the CityLine development.

The site of a former Macy's department store will be among the properties to be redeveloped.

The next phase will feature another 792 residences, 653,000 square feet of office space, and 182,000 square feet of retail.

"This approval creates the opportunity to build upon this neighborhood and create a downtown that future generations will be able to enjoy," Hopkins said.

A one-acre public plaza is also planned. The plaza is envisioned as a new gathering area for downtown Sunnyvale, and the site will be bordered by shops and restaurants, along with the offices and homes.

A variety of activities are envisioned for the future public plaza, which will be known as Redwood Square, according to Deke Hunter, a principal executive with development firm Hunter Storm.

"Downtown serves as the focal point for the City of Sunnyvale," Hunter said. "Redwood Square will enable and encourage town square activities for large-scale public gatherings, in addition to hosting farmers' markets, concerts, and our Winter Ice Rink."

Many members of the public urged the City Council to approve an agreement with the development joint venture to allow the next phase of the project to proceed.

"I am really excited to see this project," said Kathleen Wortham, a senior policy associate with the Silicon Valley Leadership group. Wortham said she lived in downtown Sunnyvale when she first moved to the Bay Area. She added, "It is going to be great to see how downtown Sunnyvale develops."

Richard Mehlinger, a member of Liveable Sunnyvale, a community group, said residents of the city have been waiting for 13 years to see major progress in downtown Sunnyvale.

"We think this is a fantastic project," Mehlinger said.

The City Council approved the project early Wednesday on a 5-0 vote, with two council members decided to recuse themselves from the decision.

“This is an exciting moment in time,” City Councilmember Glenn Hendricks said just before the vote to approve the next phase of the project. “The developer is ready, willing, and funded to be able to move forward. This will improve the vibrancy of the downtown.”

Even before demolition of the Macy’s building occurs, likely by year’s end, it’s likely that Whole Foods and AMC Theaters could be operating as the anchors of the new downtown in Sunnyvale.

“Whole Foods will open in October, which will provide a big burst of energy for downtown Sunnyvale,” Hopkins said. “AMC Theaters is completed, and it’s just waiting for the county to lift orders as to when a movie theater can begin operation. That will inject a lot of energy as well.”

The project might also get a huge uplift because Whole Foods and AMC Theaters will operate in the same building.

“Whole Foods is as good as it gets in terms of retail use, and obviously the AMC movie theater brings activity in the evening and weekends,” Hopkins said.