

Sunnyvale Macy's Demolished, Downtown Sunnyvale Project Nearing Final Phases



The long-standing Macy's building in Downtown Sunnyvale is now a pile of rubble. Crews started demolishing the building in late June and moving out the debris.

Developers are hoping the building permits will be approved for this latest piece of the CityLine Sunnyvale development in mid-October. If that happens, construction can begin before 2022 arrives.

"This Block Three project it's going to be completely game changing for the entire downtown," said Dave Hopkins, COO of Development with Sares Regis Group of Northern California. "So, Sunnyvale is going to all of a sudden have a downtown that competes with the best downtowns in Silicon Valley and up the Peninsula."

The Block Three project includes the development of 600,000 sq. ft. of office space and 480 residential units at the site where the Macy's building once stood. It also creates Redwood Square, a planned open area designed for public gatherings. Developers plan to keep almost all of the redwood trees currently on the site and build Redwood Square around them.

Even if work does begin in mid-October, Hopkins says plans are underway to bring an ice rink back to Downtown Sunnyvale for the holidays as long as it is safe to do so.

The Block Three project is expected to be the last major piece of development in the Downtown Sunnyvale area, though smaller projects are planned in the future.

Developers say despite COVID-19, the demand on both the retail and residential side is there.

“The retail side obviously struggled early on, everything shut down, but retail has come roaring back,” said Curtis Leigh of Hunter Properties. “The great news is retailers want good sites and this is a good site.”

Leigh says he expects to have approximately 85 percent of the retail units leased in the next few months. Ulta Beauty opened its doors in July, right next door to Salon Republic, which opened in December 2020. With the AMC Theaters and Whole Foods already open and the arrival of restaurants Urban Plate and Pacific Catch in early 2022, the added retail is having a positive impact on the residential side of things.

“I just think people saw through the pandemic and knew there was a point in time they’d want to be back there and enjoy all the amenities. So, it was really nothing as dramatic as we feared,” said Hopkins.

Nearly all of the available residential units are leased. The Flats West will begin moving in new residents on August 1. 40 percent of those units are already pre-leased.

The demolition of the Macy’s building marks a milestone in the redevelopment of Downtown Sunnyvale. The Macy’s building was one of the last pieces remaining from the old Downtown area. It served the Sunnyvale community for more than 40 years before deciding to close its doors in early 2019.



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