Planning and Zoning Commission

AGENDA ITEM REPORT

D.1

To: Planning and Zoning Commission

Subject: Hold a public hearing, discuss, and consider making a recommendation to Town Council regarding a Specific Use Permit (SUP) to allow for the sale of alcoholic beverages on property located at 129 N. Collins Road, which is zoned Local Retail (LR). **Case 1865-SUP/ Special Use Permit (SUP) The Assembly House Wine Co. at Park Square**.

Meeting: Planning and Zoning Commission - November 19, 2025

Department: Development Services

Staff Contact: Surupa Sen

SUGGESTED ACTION:

Staff recommend approval of the SUP request.

BACKGROUND INFORMATION:

The applicant, Eric Woerner, Assembly House Wine Company has requested an SUP to allow sale of alcoholic beverages for on-premise consumption and to allow sale of beer and wine for off-premise consumption at the property located at 129 N. Collins Road. Assembly House is a new restaurant that is currently operating under a temporary certificate of occupancy (TCO) at the building facing N. Collins Road at Park Square, Sunnyvale. The property at 129 N Collins Road is zoned Local Retail (LR) which requires approval of an SUP for any establishment that sale alcoholic beverages. This SUP application is scheduled for final approval at Town Council in January 2026, which will allow issuance of a final CO for Assembly House with zoning compliance.

The Assembly House restaurant location used to be occupied with Settlers Table restaurant till 2024. Town Council had approved an SUD Ordinance 20-30 in December 2020 to allow Settlers Table restaurant to serve alcohol for on-premise consumption only. However, the SUD Ordinance, both in description and through the exhibits attached, assigned the SUD designation to an area on the site plan “not to exceed 5,194 square feet”, and specifically to the restaurant floor plan. With the new Assembly House restaurant concept, the applicant plans to sale beer and wine for off-premise consumption (with membership) at suite 2103 located in the second building at Park Square. Additionally, the square footage designation on the current SUD is limiting the operations of the new restaurant for sale of alcoholic beverages

for on-premise consumption. As a result, staff advised the applicant to request an SUP to allow both activities on the site, while repealing the current SUD ordinance that is no longer being used, and neither can be utilized by the new restaurant/wine company.

The attached site plan for Park Square shows both buildings with a combined total square footage of 25,495 on ground floor. The building facing N. Collins Road, containing the restaurant, is a single-story retail/restaurant building, consisting of 5,585 SF in area of which the restaurant is located within Suite 1101, consisting of 2,650 SF in area.

The second building on site is a two-story office building, with covered parking, consisting of total 31,490 SF in area for two stories combined. Within this building, off-premise sale of beer and wine will occur at suite 2103 consisting of 821 SF area.

To avoid confusion in future and not to render the SUP too restrictive for future restaurant and retail tenants, the new SUP is requested to be applied to the whole property at 129 N. Collins Road. Designating the SUP to a particular suite or specific square footage, limits flexibility of operations when tenants change and new floor plan or layouts are required. In future, if a similar restaurant would like to operate in the second building or expand from the Suite 1101 to the rest of the front building, then this SUP should allow such expansion, while limiting the operations within the physical enclosures of this site.

The following restrictions apply to any establishments that sell alcoholic beverage as per Sunnyvale Unified Development Ordinance (UDO) Section 3.04.04. Supplemental Development Standards:

M. Establishments that Sell Alcoholic Beverages Standards

1. Establishments that serve alcoholic beverages subject to the following limitations and restrictions:

a. Sales near schools, churches, hospitals, and child-care facilities shall be prohibited within the distances specified in Section 109.33 and Section 109.331 of the Texas Alcoholic Beverage Code.
b. Not permitted in a drive-through, fast food or take out restaurant, snack shop, coffee shop, or cafeteria.
c. Not permitted in conjunction with a nonconforming use as defined in the zoning ordinance of the Town.
d. Shall be operated only in a general restaurant, motel, hotel or a nationally recognized private nonprofit, tax exempt, social or fraternal organization.
e. Revenues from the sale of alcoholic beverages shall not exceed 50% of the gross revenues derived from the sale of food and beverages.
f. Any bar or lounge area shall be designed so that patrons can only enter from an area within the primary use of the premises, such as a lobby, waiting room or dining room.
g. Copies of tax returns required by the state pertaining to sales of alcoholic beverages shall be made available to the Town Secretary upon demand.
h. A copy of any and all audits by the Texas Alcoholic Beverage Commission shall be mailed to the Town by certified mail upon completion of the audit.
i. Violation of applicable state and federal laws shall give the Town Council the right to call a public hearing to consider the revocation of any Special Use Permit (SUP).

The SUP request complies with the requirements of the UDO. The applicant is required to provide documentation per sections g. and h. to the Town Secretary while operating within the Town.

FINANCIAL IMPACT:

PUBLIC NOTICE:

Three letters of notification were mailed to neighboring property owners within 200 feet of the subject property on November 7, 2025. One sign has been posted on the subject property. The town has received one response in support of the SUP amendment request, at the time of writing this report.

ATTACHMENTS:

Notice Map
Park Square Site Plan
Suite 1101-Assembly House Restaurant Floor Plan
Suite 2103-Assembly House Wine Retail Floor Plan
Letter of Support