



## Agenda Report

24-958

Agenda Date: 10/23/2024

### REPORT TO PLANNING COMMISSION

#### SUBJECT

Public Hearing: Action on an Initial Study and Mitigated Negative Declaration, Variance, and Conditional Use Permit (PLN22-00282) to Allow the Construction of a New Four-Story, 111,978 Square Foot Data Center at 1231 Comstock Street.

File No(s): PLN22-00282

Applicant: Prime Data Centers

Property Owner: 1231 Comstock Property LLC

General Plan: Low Intensity Office / Research & Development

Zoning: Low-Intensity Office / Research & Development (LO-RD)

Site Area: 1.37 acres (APN: 224-08-120)

Existing Site Conditions: The project site is developed with a one-story warehouse building and surface parking lot.

#### Surrounding Land Uses:

- North: Digital Realty Silicon Valley SJC14, Data Center
- East: Digital Realty Silicon Valley SJC15, Data Center
- South: Owens Corning, Vacant Industrial Site
- West: Digital Realty Silicon Valley, Data Center

Issues: Consistency with the General Plan and Zoning Ordinance.

Staff Recommendation: Adopt a resolution accepting the Initial Study / Mitigated Negative Declaration (IS/MND); adopt a resolution approving the Conditional Use Permit for the demolition of the existing building and construction of a new four-story, 111,978 square foot data center and site improvements at 1231 Comstock; adopt a resolution to approve a Variance to height (increasing from the maximum 70' to 87'), off-street parking (reducing from a required 25 to 21 parking spaces), and front setbacks for a fence (reducing from 15-feet to 10-feet), subject to findings and conditions of approval.

#### BACKGROUND

On December 13, 2022, Prime Data Centers applied for a Conditional Use Permit, Variance and Architectural Review (PLN22-00282) to allow for the demolition of a one-story warehouse building and to construct a new four-story, 111,978 square foot data center with rooftop mechanical equipment, landscaping, and site improvements.

Pursuant to Table 6-1 (Chapter 18.112) of the Santa Clara City Code, Conditional Use Permits and Variances are decided by the Planning Commission. For the proposed project, the Architectural Review would be decided through the Development Review Hearing process.

## **DISCUSSION**

Much of the City's industrial lands have historically been zoned as Light Industrial. With the 2010 comprehensive update of the City's General Plan, these light industrial areas were divided into multiple land use designations, including the Low-Intensity Office / Research and Development land use designation currently applied to the subject property. In February 2024, the City's adopted updated Zoning Code became effective, and in August 2024, the accompanying updated Zoning Map became effective, which rezoned the subject property to Low-Intensity Office / Research & Development (LO-RD) from Light Industrial (ML), which brought the General Plan and Zoning designations for the site into conformance.

With the adoption of the comprehensive Zoning Code Update, all sections except for Article 2, Zones, Allowable Uses, and Development Standards, went into effect on February 8, 2024. Article 2 went into effect on August 15, 2024, when the updated Zoning map became effective. Zoning Code Section 18.02.070 - Effect of Zoning Code Amendments on Projects in Progress, states that all planning permit applications that are active and that have been determined by the Project Clearance Committee to be complete before the effective date of the Zoning Code, shall be processed in compliance with the requirements in effect when the application was deemed complete. This application was deemed complete on April 24, 2024; therefore, the project was reviewed based on the prior zoning designation of Light Industrial (ML) and using the standards of the City's prior zoning code (the "Classic Code").

In the ML district a data center is not listed as an allowed use. Subject to Section 18.48.040(e) of the Classic Code, other uses that are not normally permitted, but are appropriate for the industrial district may be allowed by first securing a Conditional Use Permit.

### **Neighborhood Context**

Adjacent properties are developed with office and industrial uses. See Vicinity Map attachment. This property abuts three other properties that are also data centers and the property to the south includes industrial manufacturing. The abutting properties are zoned like the proposed project, and the property to the south is zoned LO-RD. The nearest residentially zoned property is located about 1.5 miles away to the northeast, on Lafayette Street south of Montague Expressway.

### **Consistency with the General Plan**

The project site has a General Plan land use designation of Low-Intensity Office/Research & Development (R&D). This classification is intended for campus like office development that includes office and R&D, as well as medical facilities and free-standing data centers, with manufacturing uses limited to a maximum of 20 percent of the building area. This designation is typically located in areas that provide a transition between light industrial and higher intensity office and R&D uses.

The proposed free-standing data center has a Floor Area Ratio (FAR) of 1.88; however the Low-Intensity Office/R&D designation indicates a maximum FAR of 1.0. The General Plan FAR policies were intended to predict and limit the intensity of environmental impacts of vehicle miles traveled (VMT). Data centers have low employment/occupation density, thus low VMT, and as a result a higher FAR for this land use type would not be expected to increase the number of employees and vehicle miles traveled beyond that anticipated by the FAR in the General Plan. The proposed data

center is also compatible with existing and planned land uses on neighboring properties in that the site is surround by Low Intensity Office/ R&D and High Intensity Office/R&D land use designations all of which are currently developed with free-standing data centers. The project is also consistent with the following applicable General Plan Policies:

- 5.3.1-P8: Work with property owners to improve or redevelop underutilized and vacant properties.
- 5.3.1 P9 Require that new development provide adequate public services and facilities, infrastructure, and amenities to serve the new employment or residential growth.
- 5.3.1-P12 Encourage convenient pedestrian connections within new and existing developments.
- 5.3.5 P1 Work with existing Santa Clara businesses to retain and expand employment opportunities and strengthen the existing tax base.
- 5..3.5-P12 Promote development, such as manufacturing, auto services, and data centers, in Heavy Industrial and Light Industrial classifications to complement employment areas and retail uses.

The proposal is consistent with the above policies, in that the project utilizes and improves an underutilized property for use as a data center and strengthens the existing tax base. The project includes improvements to the project frontage, including a five-foot separated sidewalk and a four-foot landscape strip in the public right-of-way. The project as proposed is on balance consistent with the city's General Plan.

#### Zoning Conformance

As stated earlier in this report, the project was reviewed based on the site's prior zoning designation of Light Industrial (ML) for zoning designation and standards conformance with the City's prior zoning code (the "Classic Code").

The ML zoning district is intended to provide an optimum general industrial environment to accommodate industries operating substantially within an enclosed building that would not be objectionable or detrimental to adjacent properties or the industrial area. A data center is not listed as an allowed use in the ML zoning district. Subject to Section 18.48.040(e) of the Classic Code, other uses that are not normally permitted, but are appropriate for the Industrial district may be allowed by first securing a Conditional Use Permit. In addition, Section 18.60.050 of the Classic Code requires a Conditional Use Permit to allow installation of electric power plants, including back-up generators. (Under the Updated Zoning Code, data centers require a Conditional Use Permit in the LO-RD and the LI zoning district, while backup generators require a minor use permit.)

The proposed building meets all ML zoning standards except for height, since the classic code has a maximum height of 70-feet, the proposed building would be 87-feet (excluding the sound attenuating mechanical screen). The LO-RD district has a height limit of 100 feet and by allowing the variance would be consistent with its current zoning designation. Chapter 18.38 of the Updated Zoning Code requires 25 parking spaces for the proposed use, while the project provides 21 surface parking spaces in total. The applicant proposes alternative parking measures to accommodate bicycles, including bicycle racks, lockers, and street improvements for bicycle infrastructure.

Section 18.60.090 of the Zoning Code establishes development standards and requirements for Data Centers in the City of Santa Clara. The proposed project meets the development standards listed in this chapter, including standards for lighting, noise reduction, and primary facades.

### Site Layout, Design, and Operation

Two driveways serve the site with access from Comstock Street, providing on-site circulation for parking, emergency services, and delivery vehicles. The project includes the undergrounding of utilities and improvements to the project frontage, including a five-foot separated sidewalk and a four-foot landscape strip in the public right-of-way.

The general site consists of the proposed building in the center of the site with a two-way drive aisle around the sides and rear of the structure for both ingress/egress and emergency access. The loading docks would be to the east side of the structure and the generators would be underground at the rear of the structure, both not visible from Comstock right-of-way. Additionally, there is a 24-foot wide and about 275-foot long landscaping strip on the right-hand side of the property, and minor landscaping beds on either side of the rear of the property and the front of the property. There will be an eight-foot-high security fence in the front of the structure 10-feet from the front setback; this fence will require a Variance from the code required 15-foot setback. Placing the fence to meet the setback would be infeasible and hinder security on the site.

The sources of operational noise from the project site would consist of the 3.0-megawatt backup diesel generators, exhaust fans, rooftop air-cooled chillers, and rooftop dedicated outdoor air systems. Design of this building adheres to the limitation of 70 dBA consistent with State and City noise requirements. The generators are for emergency backup use only and would only produce noise during a utility power failure and during short periods of routine testing and maintenance.

### Architectural Review

The applicant has revised their submission several times and worked with the Planning Division to get to a design plan that the Planning Division may support. Full review of the architecture will take place during the Development Review Hearing, to be held after the determinations are made for the Conditional Use Permit and Variance requests.

### Conclusion

The project would be compatible with adjacent land uses, maintain the industrial character of the area, and improve an underutilized property. The project is on balance consistent with the General Plan, and consistent the zoning designation with approval of Variances.

## **ENVIRONMENTAL REVIEW**

The proposed project was not exempt from the California Environmental Quality Act (CEQA) and therefore an initial study was prepared to determine whether the project may have a significant adverse effect on the environment. The Initial Study (IS) concluded that there would be no adverse physical effects, or that all potential physical effects can be reduced to a level that is less than significant through project revisions and mitigations. Any project revisions needed to mitigate any potential effects have been made, and a Mitigated Negative Declaration (MND) was prepared. An MND may be used, "when the initial study has identified potentially significant effects on the environment, but (1) revisions in the project plans or proposals made by, or agreed to by, the applicant before the proposed negative declaration and initial study are released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effect on the environment would occur, and (2) there is no substantial evidence in light of the whole record before the public agency that the project, as revised, may have a significant effect on the environment"

The prepared MND examined potential environmental impacts associated with project development and identified potential effects in the following resource areas:

- Biological
- Cultural resources
- Geology and soils
- Tribal cultural resources

With implementation of mitigation measures those identified impacts would be reduced to less than significant. A detailed discussion of the potential impacts and mitigation measures to be applied to the project are specified in the MND and shall be implemented through project conditions of approval for the project. A Mitigation Monitoring and Reporting Program (MMRP) was prepared to ensure the implementation of recommended mitigation measures. The MND and MMRP are both included as attachments. Staff recommends that the Planning Commission adopt the IS/MND and MMRP.

### **COORDINATION**

This report was coordinated with the City Attorney's Office.

### **PUBLIC CONTACT**

A community hearing for this project was held on July 10<sup>th</sup>, 2024 at 6 pm. This community meeting can be found in its entirety on the project listing page found here: [≤ https://www.santaclaraca.gov/Home/Components/BusinessDirectory/BusinessDirectory/525/2495 ≥](https://www.santaclaraca.gov/Home/Components/BusinessDirectory/BusinessDirectory/525/2495)

On October 10, 2024, a notice of public hearing was sent was mailed to property owners within 1,000 feet of the project site. At the time of this staff report, Planning staff has not received public comments in support or opposition to the proposed project.

Public contact was also made by posting the Commission agenda on the City's official notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

1. **Adopt** a Resolution adopting the Initial Study and Mitigated Negative Declaration.
2. **Adopt** a Resolution approving a Conditional Use Permit for the demolition of the existing building and the construction of a new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.
3. **Adopt** a Resolution approving the Variance to height, parking, and front setback for the new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.

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Reviewed by: Alexander Abbe, Assistant City Attorney  
Approved by: Lesley Xavier, Planning Manager

**ATTACHMENTS**

1. Initial Study / Mitigated Negative Declaration
2. Mitigation Monitoring and Reporting Program
3. Resolution Adopting the Initial Study and Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program
4. Resolution Approving a Conditional Use Permit
5. Resolution Approving Variances
6. Project Data Sheet
7. Conditions of Approval
8. Development Plans
9. General Plan Vicinity Map
10. Zoning Vicinity Map