

FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS

CEQA requires the City to balance the benefits of the Project against its significant unavoidable environmental effects in determining whether to approve the Project. Since the EIR identifies project-level significant impacts of the Project that cannot feasibly be mitigated below a level of significance, the City must state in writing its specific reasons for approving the Project in a “statement of overriding considerations” pursuant to sections 15043 and 15093 of the CEQA Guidelines.

In making the statement of overriding considerations, “CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered ‘acceptable’.” (CEQA Guidelines, Section 15093(a).)

The City has examined a reasonable range of alternatives to the Project, as more fully documented in the EIR. Based on this examination, the City has determined that (1) there are numerous tradeoffs in impacts associated with the various alternatives, (2) the alternatives would result in varying degrees of achieving the Project goals and objectives, (3) the “No Project Alternative” is the environmentally superior alternative; and, (4) because the CEQA Guidelines Section 15126.6(e)(2) states that if the environmentally superior alternative is the “No Project Alternative”, the EIR shall also identify an environmentally superior alternative among the other alternatives, the “Preservation Alternative – Retain Historical Resource” becomes the environmentally superior alternative; however, this alternative would threaten the economic viability and feasibility of the Project.

Project Goals and Objectives

The stated objectives of the Project proponent, Skybox Data Centers, are to:

1. Redevelop the 9.18-acre site with a state of the art data center capable of supporting at least 60 MW of IT power in an environmentally controlled structure with redundant subsystems (cooling, power, network links, storage, fire suppression, etc.) along with sufficient ancillary office and storage space to accommodate the needs of future tenants (estimated to require up to 472,920 square feet of data center space and 87,520 square feet of ancillary space). The data center shall be located near a reliable large power source, and emergency response access, and being located such that it can be protected, to the maximum extent feasible, from security threats, natural disasters, and similar events. The project shall include backup power generation facilities that provide sufficient generation capacity, reliability, and redundancy to meet the needs of future tenants.
2. Provide operational electric power to the proposed data center via an electric substation, and provide other utility infrastructure to serve the project, including water, storm drainage, sanitary sewer, electric, natural gas, and telecommunications. Extend a 60 kilovolt (kV) overhead transmission line to connect the substation to the existing electrical grid.
3. Meet high sustainability and green building standards by designing the data center to meet US Green Building Code LEED and Cal-Green standards for any new construction.

4. Incorporate the most reliable and flexible form of backup electric generating technology considering the following evaluation criteria
 - Commercial Availability and Feasibility. The selected backup electric generation technology must currently be in use and proven as an accepted industry standard for technology. It must be operational within a reasonable timeframe where permits and approvals are required.
 - Technical Feasibility. The selected backup electric generation technology must utilize systems that are compatible with one another.
 - Reliability. The selected backup electric generation technology must be extremely reliable in the case of an emergency loss of electricity from the utility.
 - Industry Standard. The selected backup electric generation technology must be considered industry standard or best practice.
5. Construct a high-quality data center that is marketable and produces a reasonable return on investment for the project applicant and its investors and is able to attract investment capital and construction financing.

These goals and objectives are in conformance with the City of Santa Clara's General Plan land use goals.

Environmental Impact Analysis

The EIR found that the proposed project could have a number of significant environmental impacts, but identified mitigation measures to reduce most of these impacts to less than significant levels. The EIR identified air quality, noise and vibration, geology and soils, hydrology and water quality, biological resources, hazards and hazardous materials impacts that can be reduced to a less than significant level with mitigation measures incorporated into the project. Nevertheless, despite implementing all feasible mitigation measures, the EIR also concluded that the proposed project would have the following significant unavoidable impact that cannot be mitigated to a less than significant level if the project is implemented. Based on the conclusions in the EIR, implementation of the proposed project would result in a Significant Unavoidable impact from the demolition of the existing historical resource on site.

Consistent with CEQA requirements, a reasonable range of alternatives was evaluated that could feasibly avoid or lessen any significant environmental impacts while substantially attaining the basic objectives of the proposed project. The EIR identifies three project alternatives to the proposed development that were considered but rejected. These include: a "Location Alternative" in which the project would be developed on an alternative site; an "Adaptive Reuse of the Historical Resource Alternative" in which the project would reuse the existing structures on the site through renovations that avoid demolition; and, a "Preservation Alternative – Retain Portion of Historical Resource" in which the project would retain a portion of the historical resource on the site, but not enough to avoid the significant impact. The EIR also identifies two other analyzed alternatives. These include a "No Project Alternative" in which there is no new development, with continued operation of the existing uses on the project site and a "Preservation Alternative – Retain Historical Resource" in which the project would retain the majority of the character defining features of the historical resource while demolishing other portions of the existing development not considered character defining features, allowing for the construction of a smaller data center facility without a significant impact.

The CEQA Guidelines state that an EIR shall identify an environmentally superior alternative. The environmentally superior alternatives to the proposed project are the No Project Alternative and the Preservation Alternative - Retain Historical Resource Alternative.

Statement of Overriding Considerations

The City finds that each of the specific economic, legal, social, technological, environmental, and other considerations and the benefits of the Project independently outweigh the remaining significant, adverse impact and is an overriding consideration independently warranting approval. The remaining significant adverse impact identified above is acceptable in light of each of the following overriding considerations:

- (i) The Project will provide a data center which is considered a beneficial land use for the City in that they help to meet a growing demand for internet use, and make a significant positive contribution to the City's revenue, while generating a low demand for services and do not exacerbate regional or local traffic congestion.
- (ii) The Project will include high quality design, which will be confirmed as part of the Architectural Review process, and variation in architectural style of the structures will enhance the character of the surrounding area, and provide a visually interesting streetscape; and,
- (iii) The Project will incorporate environmentally sustainable practices ("green building") in project construction, promoting energy conservation, to offset air quality and global climate change impacts as well as to serve as an example for future projects in the City.

For the foregoing reasons, the City finds that the Project's benefits would outweigh, and therefore override, any adverse environmental impacts that could potentially remain after recommended mitigation measures are implemented. In making this determination, the City incorporates by reference the Findings of Fact set forth above, as well as all of the supporting evidence cited therein and in the administrative record.