



## Agenda Report

21-728

Agenda Date: 7/1/2021

### REPORT TO HISTORICAL AND LANDMARKS COMMISSION

#### **SUBJECT**

Public Hearing: Consideration of an Environmental Impact Report for the demolition of historically significant properties and the new construction of a data center at 1200-1310 Memorex Drive

#### **BACKGROUND**

Skybox Development LLC filed an application on August 8, 2019 proposing to demolish the existing industrial buildings on-site and to construct a new four-story data center at 1200 Memorex Drive. The 9.18-acre subject project site was developed with three buildings: a three-story, approximately 350,037 square foot building, a two-story, approximately 45,986 square foot building, and a one-story, approximately 2,944 square foot building. The buildings are concentrated in the northwestern portion of the site adjacent to Memorex Drive and consist of a mix of architectural styles and materials typical of light industrial warehouse uses, including cinderblocks, stucco, and large windows.

The property was developed in 1961, with additions constructed in 1964 and 1966, as the first world headquarters of Memorex Corporation, one of the many electronics start-up companies that catalyzed the Santa Clara Valley's transformation into "Silicon Valley" during the postwar era. As a multifaceted industrial campus including a manufacturing plant, research and development facilities, and administrative offices, the subject property conveys popular trends in industrial development during the postwar era. Memorex Corporation holds particular significance within the context of the development of the modern electronics and computer industry due to its early innovations in the field of peripheral computer equipment. In 1968, while still headquartered at the subject property, Memorex released the first independently produced hard disk drives that were compatible with IBM computers. Memorex Corporation's development of the first IBM-compatible hard drive had a significant impact on the early electronics industry, and the product itself was both developed and manufactured at the subject property in the late 1960's. The Memorex Corporation continued operations on the site through approximately 1993. The buildings have since been divided into numerous suites utilized by various industrial tenants.

A Historic Resource Evaluation completed by the Architectural Resources Group (ARG) in December 2019 determined that the project site is eligible for listing in the California Register of Historical Resources (CRHR) for its association with the development of the modern electronics industry and in the broader context of Silicon Valley's development in the 1960s and 1970s. The Draft EIR evaluates the potential for the project to impact the historic resource on the site. The Historic Resource Evaluation completed for the site determined that the property is eligible for listing in the CRHR under Criterion 1, Association with Significant Events. To be considered eligible for listing under CRHR Criterion 1, a property must be associated with one or more events important in a defined historic context. This criterion recognizes properties associated with single events, a pattern of events,

repeated activities, or historic trends. The event or trends, however, must clearly be important within the associated context. Further, mere association of the property with historic events or trends is not enough, in and of itself, to qualify under this criterion: the specific association must be considered important as well. The subject property is eligible under Criterion 1 for its association with the development of the modern electronics industry and in the broader context of Silicon Valley's development in the 1960s and 1970s.

In order for a building to qualify for listing on the CRHR, it must display significance under one or more of the California Register criteria and retain historical integrity. Based on an integrity analysis completed for the property, the building currently retains its integrity of location, design, setting, material, feeling, and association. The property retains a degree of integrity of workmanship.

Because the property is eligible for listing on the CRHR under Criterion 1, and the three buildings retain their integrity, the existing development on the site is considered a historical resource under CEQA.

The proposed development is a four-story 472,920 square foot data center building with an attached six-story 87,520 square foot ancillary use office and storage component, for a combined square footage of 560,440, along with the associated substation, generator equipment yard, paved parking areas and landscaping. The data center building would be approximately 85 feet in height, with additional screening features extending to a height of 99 feet.

A Draft Environmental Impact Report (DEIR) was prepared in accordance with CEQA and was released on June 15, 2021 for 45-day public and will close on July 30, 2021. The Draft EIR is available for review on the City's website at [www.santaclaraca.gov/CEQA](http://www.santaclaraca.gov/CEQA).]

## **DISCUSSION**

The DEIR examined environmental impacts associated with project development and identified potential cultural resources, air quality, geology and soils, biological resources, and hazardous and hazardous materials impacts that with incorporation of mitigation measures into the project would reduce all but cultural resources impacts to less than significant. Despite implementing all feasible mitigation measures, the DEIR concluded that the proposed project would result in significant unavoidable cultural resources impacts with demolition of the former headquarters of the Memorex Corporation and the final site design of the proposed data center. While the former headquarters of the Memorex Corporation are not currently listed on the City's Inventory of Architecturally or Historically Significant Properties, they are buildings proposed for demolition that are eligible for listing on the California Register of Historic Resources as determined in the DEIR analysis.

In considering a project, CEQA requires decision-makers to balance economic, legal, social and technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. To approve a project that has a significant unavoidable environmental impact, decisionmakers must make findings, supported by substantial evidence, that the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable environmental effects. In accordance with CEQA Guidelines 15124 (b), the City of Santa Clara and Developer have identified project objectives for evaluation of the proposed project and the development of a range of alternatives in the EIR for consideration in the findings or statement of overriding considerations.

The former headquarters of the Memorex Corporation located on the site qualifies as a historical resource under CEQA due to its eligibility for listing on the CRHR under Criterion 1, Association with Significant Events. The significance of an historical resource is considered to be “materially impaired” when a project demolishes or materially alters the physical characteristics that justify the determination of an historical resources’ significance. The project would demolish the existing improvements on site and therefore would have a significant and unavoidable impact on a historical resource.

According to CEQA Guidelines Section 15126.4(b), all feasible mitigation must be completed even if it does not mitigate project impacts below a level of significance. Although recordation of a resource prior to demolition does not mitigate the physical impact on the resource, it serves a “legitimate archival purpose. The project would include the following mitigation to record the building, however, the mitigation would not fully offset the loss and the impact would remain significant and unavoidable.

The project would demolish the existing improvements on site and therefore would have a significant and unavoidable impact on the historical resource. Mitigation measures that may be incorporated include a Historic American Buildings Survey (HABS) Recordation, video documentation, interpretive display, and oral history collection. Prior to project implementation, the historical resource will be recorded to Historic American Buildings Survey (HABS) standards established by the National Park Service. Video documentation of the subject property will supplement HABS documentation by recording the exterior and interior of the industrial complex at 1200 - 1310 Memorex Drive, as it appears, prior to project implementation. Using visuals in combination with active narration, the documentation shall include as much information as possible about the spatial arrangement, circulation patterns, historic use, current condition, construction methods, and material appearance of the historic resource. Both onsite and offsite interpretive displays may be appropriate mitigation measures for the demolition of the industrial complex at 1200 - 1310 Memorex Drive. Onsite displays should be located in a prominent space, such as a lobby, where they may be viewed by employees and visitors to the property. Displays should be permanent and should address the history and architectural features of the industrial complex at 1200 - 1310 Memorex Drive and its operation during the property’s period of significance. The project will prepare an oral history collection that focuses on the operation of the Memorex Corporation between 1961 and 1971, when the subject property served as the company headquarters. To the extent feasible, at least one former employee of the Memorex Corporation who was employed at the subject property shall be interviewed.

The project may result in impacts to unknown subsurface cultural resources; however, this is determined to have less than significant impact on the historical resource. In the event that prehistoric or historical resources are encountered during excavation and/or grading of the site, all activity within a 50-foot radius of the find will be stopped, the Director of Community Development will be notified, and the archaeologist will examine the find and make appropriate recommendations prior to issuance of building permits. If the find is deemed significant, a Treatment Plan will be prepared and provided to the Director of Community Development.

The project could disturb human remains, should they be encountered on the site, however this is determined to have less than significant impact on the historical resource. In the event that human remains are discovered during excavation and/or grading of the site, all activity within a 50-foot radius of the find will be stopped. The Santa Clara County Coroner will be notified and shall determine whether the remains are of Native American origin or whether an investigation into the cause of death is required. If the remains are determined to be Native American, the Coroner will notify the Native

American Heritage Commission (NAHC) immediately. Once the NAHC identifies the most likely descendants, the descendants will make recommendations regarding proper burial, which will be implemented in accordance with Section 15064.5(e) of the CEQA Guidelines.

The project description and full discussion of the impacts and mitigation measures can be found in Section 2.0 Project Information and Description and Section 3.0 Environmental Setting, Impacts, and Mitigation of this DEIR.

### **ENVIRONMENTAL REVIEW**

An Environmental Impact Report was prepared for the project by the environmental consultant firm David J. Powers & Associates, in accordance with the California Environmental Quality Act (CEQA). The Draft Environmental Impact Report (DEIR) and Notice of Availability were posted on the City's website at

<https://www.santaclaraca.gov/Home/Components/BusinessDirectory/BusinessDirectory/372/3649>

on June 17, 2021, and circulated for 45-day review from June 17, 2021 to August 2, 2021, , in accordance with CEQA requirements.

The DEIR examined environmental impacts associated with project development and identified potentially significant cultural resources, biological resources, geology and soils, and noise impacts that with incorporation of mitigation measures would reduce the potentially significant impacts to less than significant. A detailed discussion of the potential impacts and mitigation measures to be applied to the project are specified in the DEIR and would be implemented through project conditions of approval for the project.]

### **PUBLIC CONTACT**

The notice of public meeting for this item was posted at three locations within 300 feet of the project site and was mailed to property owners within 300 feet of the project site. No public comments have been received at the time of preparation of this report.

### **RECOMMENDATION**

Staff recommends that the Historical and Landmarks Commission recommend that the City Council approve and certify the Environmental Impact Report for the proposed data center project at 1200-1310 Memorex Drive.

Prepared by: Tiffany Vien, Assistant Planner

Approved by: Gloria Sciara, Development Review Officer

### **ATTACHMENTS**

1. Draft Environmental Impact Report
2. Historic Resource Evaluation
3. Historic Resource Impact Analysis
4. Preservation Alternative Analysis
5. Development Plans