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Appendix 1A Draft Environmental Impact Report for 237 Industrial Center Project

Draft Environmental Impact Report
237 Industrial Center Project

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

City of San Jose

June 2017

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Department of Planning, Building and Code Enforcement
HARRY FREITAS, DIRECTOR

NOTICE OF AVAILABILITY OF A DRAFT ENVIRONMENTAL IMPACT REPORT (EIR) AND PUBLIC COMMENT PERIOD

A Draft Environmental Impact Report (DEIR) for the 237 Industrial Center. The project site, approximately 64.5 acres, is primarily fallow farmland with two single-family houses, a mobile home, and farm-related accessory structures located near the southern portion of the site. The site is currently supported by well water and a septic tank system. The project includes two development options. Option 1 proposes approximately 1.2 million square feet of light industrial development and Option 2 proposes a 436,880 square foot data center (49.5 megawatts) with a PG&E substation to provide the electrical needs for the data center on approximately 26.5 acres of the site and approximately 728,000 square feet of light industrial development. The project (both development options) would require rezoning from A(PD) – Agricultural Planned Development to LI Light Industrial. **Location:** The 64.5-acre project site is located north of Highway 237 between Zanker Road and Coyote Creek in the City of San José. APN: 015-31-054.
Council District: 4

File Nos.: C15-054 and SP16-053.

The proposed project will have potentially significant environmental effects with regard to air quality, biological, cultural agricultural, hazardous materials, transportation, and cumulative transportation resources. The California Environmental Quality Act (CEQA) requires this notice to disclose whether any listed toxic sites are present at the project location. The project location is contained in the Cortese List of toxic sites.

The Draft EIR and documents referenced in the Draft EIR are available for review online at the City of San José's "Active EIRs" website at www.sanjoseca.gov/activeeirs and are also available at the following locations:

Department of Planning, Building, and Code Enforcement
200 East Santa Clara St., 3rd Floor
San José, CA 95113
(408) 535-3555

Dr. MLK Jr. Main Library
150 E. San Fernando St.,
San José, CA 95112
(408) 277-4822

Alviso Branch Library
5050 N. 1st Street
San José, CA 95002
(408) 263-3626

The public review period for this Draft EIR begins on **June 1st, 2017 and ends on July 17th, 2017.** Written comments must be received at the Planning Department by **5:00 p.m. on July 17th, 2017**, in order to be addressed as part of the formal EIR review process. Comments and questions should be referred to Kieulan Pham in the Department of Planning, Building and Code Enforcement at 408-535-3844, via e-mail: Kieulan.Pham@sanjoseca.gov, or by regular mail at the mailing address listed for the Department of Planning, Building, and Code Enforcement, above (send to the attention of Kieulan Pham). For the official record, please your written comment letter and reference File Nos. C15-054 and SP16-053.

Following the close of the public review period, the Director of Planning, Building, and Code Enforcement will prepare a Final Environmental Impact Report that will include responses to comments received during the review period. At least ten days prior to the public hearing on the EIR, the City's responses to comments received during the public review period will be available for review and will be sent to those who have commented in writing on the EIR during the public review period.

Harry Freitas, Director
Planning, Building and Code Enforcement

Deputy

Date

5/26/17

PREFACE

This document has been prepared by the City of San José as the Lead Agency in conformance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines. This Environmental Impact Report (EIR) provides program-level environmental review for the proposed 237 Industrial Center Project. The purpose of an EIR is clarified in Sections 15121, 15146, and 15151 of CEQA:

§15121. Informational Document.

(a) An EIR is an informational document, which will inform public agency decision makers and the public of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project. The public agency shall consider the information in the EIR, along with other information which may be presented to the agency.

(b) While the information in the EIR does not control the agency's ultimate discretion on the project, the agency must respond to each significant effect identified in the EIR by making findings under Section 15091 and if necessary by making a statement of overriding considerations.

§15146. Degree of Specificity. The degree of specificity required in an EIR will correspond to the degree of specificity involved in the underlying activity which is described in the EIR.

(a) An EIR on a construction project will necessarily be more detailed in the specific effects of a project than will an EIR on the adoption of a local general plan or comprehensive zoning ordinance because the effects of the construction can be predicted with greater accuracy.

(b) An EIR on a project such as the adoption or amendment of a comprehensive zoning ordinance or local general plan should focus on the secondary effects that can be expected to follow from the adoption or amendment, but the EIR need not be as detailed as an EIR on the specific construction project that might follow.

§15151. Standards for Adequacy of an EIR. An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently considers environmental consequences. An evaluation of the environmental effects of the proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection, but for adequacy, completeness, and a good-faith effort at full disclosure.

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SUMMARY

The project includes two development options. Option 1 proposes approximately 1.2 million square feet of light industrial development. Option 2 proposes a 436,880 square foot data center (49.5 megawatts) with a PG&E substation to provide the electrical needs for the data center on approximately 26.5 acres of the site. The data center is considered to be Phase 1 of this development option, which also includes approximately 728,000 square feet of light industrial development (no additional data center uses) on the remaining 38 acres of the site. The light industrial land uses proposed as part of Option 2 would be similar to those proposed under the Option 1 project option in terms of uses and density.

The following is a summary of the significant impacts and mitigation measures addressed within this EIR. The project description and full discussion of impacts and mitigation measures can be found in of this EIR.

Significant Impacts	Mitigation Measures
Air Quality	
Impact AQ-1: The proposed project would result in a significant impact related to the production of NOx during generator testing.	**MM AQ-1.1:** Prior to issuance of a building permit, the project applicant shall submit a generator operations plan to the Building Division staff and ensure that generator operations for or maintenance and testing purposes shall be limited so that the combined operation of all 24 engines does not exceed 360 hours in any consecutive 12-month period and the average load factor does not exceed 30 percent during testing. **MM AQ-1.2:** The operator of the data center shall retain records as required by the Bay Area Air Quality Management District (BAAQMD) as a condition of the Permit to Operate that includes: 1) date and times of all reliability-related testing, and 2) engine load during the testing. **MM AQ-1.3:** Prior to issuance of any building permit, the project applicant shall submit the records noted above in MM AQ-1.2 as part of the operator's Permit to Operate conditions, to BAAQMD for approval. **MM AQ-1.4:** Prior to approval of any project-specific light industrial development on the project site (e.g., plan development permit or equivalent), excluding the data center use, the Project applicant shall submit a Transportation

Significant Impacts	Mitigation Measures
Air Quality	
	Demand Management (TDM) Plan to the satisfaction of the Transportation Manager of the Department of Public Works and the PBCE Supervising Environmental Planner. The TDM Plan shall contain the following components or equivalent measures to result in a 10% reduction in weekday mobile emissions: • Eco Pass, Clipper Card, or equivalent for all employees, providing free rides on Santa Clara County's local transit agency, the Santa Clara Valley Transportation Authority (VTA) 25% Transit Subsidy for transit agencies other than the VTA, including Caltrain, ACE, Capitol Corridor, and BART; • Free "Last Mile" Shuttles to local train systems (e.g. Caltrain, Amtrak, ACE) and VTA Light Rail Transit; • Internal Carpool Matching Program utilizing zip code matching; • Personalized Commute Assistance offered by a Commute Coordinator; • Preferred parking for Carpools and Vanpools located near entrances to every building; • Bicycle Lockers and/or Bicycle Racks near entrances to every building; • Showers for cyclists and pedestrians, offering clean towel service, complimentary toiletries, hair dryers, and ironing boards; and • Support Citywide Car Share programs. **Less than Significant Impact with Mitigation**

Significant Impacts	Mitigation Measures
Agricultural Resources	
Impact AGR-1: The proposed project would result in the loss of land designated as Prime Farmland.	As discussed in the Envision San José 2040 General Plan FPEIR, there are no feasible mitigation measures available to reduce the loss of agricultural land within areas previously planned and designated for development within the City's Urban Growth Boundary. The General Plan FPEIR concluded that the loss of agricultural land in the City is significant and unavoidable. **Significant and Unavoidable Impact**
Biological Resources	
Impact BIO-1: Construction activities could result in significant impacts to nesting migratory and other protected bird species.	**MM BIO-1.1:** If initial site disturbance activities, including tree, shrub, or vegetation removal, are to occur during the breeding season February 1st to August 31st inclusive, a qualified biologist shall conduct pre-construction surveys for nesting migratory birds onsite and within 250 feet (for raptors) of the site, where accessible. The survey shall occur within 14 days of the onset of ground disturbance if disturbances are to commence between February 1st and June 30th and within 30 days prior to the onset of ground disturbance between July 1st and August 31st. If a nesting migratory bird were to be detected, an appropriate construction-free buffer shall be established in consultation with the California Department of Fish and Wildlife (CDFW). The actual size of the buffer, which shall be determined by the project biologist, would depend on species, topography, and type of activity that would occur in the vicinity of the nest. The project buffer would be monitored periodically by the project biologist to ensure compliance. After the nest is completed, as determined by the biologist, the buffer would no longer be required. **MM BIO-1.2:** The Santa Clara Valley Habitat Plan (SCVHP) identifies the project site to be within 250 feet of potentially suitable tricolored blackbird nesting habitat occurring along Coyote Creek. The project applicant shall

Significant Impacts	Mitigation Measures
Biological Resources	
	conduct surveys for tricolored blackbirds within 250 feet of this habitat, where visual access is possible, prior to start of construction following protocols in Condition 17 in Chapter 6 of the SCVHP. Such protocols include: • Prior to any ground disturbance, a qualified biologist shall complete a background assessment to determine if there has been nesting at the site or near the site in the past five years. This includes checking the California Natural Diversity Database (CNDDB), contacting local experts, and looking for evidence of historical nesting (i.e., old nests). • If nesting in the past five years is not evident, the qualified biologist shall conduct a preconstruction survey in areas identified in the habitat survey as supporting potential tricolored blackbird nesting habitat. Surveys shall be made at the appropriate times of year when nesting use is expected to occur, and shall document the presence or absence of nesting colonies of tricolored blackbird. Surveys shall conclude no more than two calendar days prior to construction, per Condition 17 of Chapter 6 in the SCVHP. • Should a nesting colony of tricolored blackbirds be located, a 250-foot construction-free buffer shall be established from the edge of all hydric vegetation associated with the nest site and the buffer shall be avoided, and the California Department of Fish and Wildlife (CDFW) and U.S. Fish and Wildlife Service (USFWS) shall be notified immediately. • If construction occurs in the project area during the nesting season and when the 250-foot buffer is in place around active nesting habitat, a qualified biologist shall conduct periodic monitoring of the site to ensure the

Significant Impacts	Mitigation Measures
Biological Resources	
	250-foot buffer is enforced. The biologist shall have the authority to increase the buffer size if needed based on tricolored blackbird behavior at the active nesting area. • If active tricolored blackbird nesting occurs within 250 feet of the project site and off-site utility alignment areas and construction occurs during the active nesting period resulting in the need for a buffer, the qualified biologist shall conduct training for construction personnel in avoidance procedures, buffer zones, and safety protocols to ensure no impacts to the nest. **Less than Significant Impact with Mitigation**
Impact BIO-2: Any actions related to site development that result in the mortality of burrowing owls shall constitute a violation of the Federal Migratory Bird Treaty Act and provisions of the California Fish and Game Code. Therefore, the mortality of burrowing owls would be a significant impact under CEQA.	**MM BIO-2.1:** To mitigate impacts to occupied burrowing owl habitat, the project applicant shall pay the burrowing owl fee as specified in the SCVHP for each acre of occupied burrowing owl nesting habitat impacted as a result of project buildout. Fees shall also be required from the loss of foraging habitat on the agricultural fields on-site (approximately 60 acres; Zone B fees) and annual grassland off-site (approximately 31.5 acres; Zone A fees). **MM BIO-2.2:** The project applicant shall conduct preconstruction surveys to ascertain whether or not burrowing owls occupy burrows on the site and along the utility alignments off-site prior to construction. The preconstruction surveys shall be performed by a qualified biologist and shall consist of a minimum of two surveys, with the first survey no more than 14 days prior to initial construction activities (i.e. vegetation removal, grading, excavation, etc.) and the second survey conducted no more than 2 days prior to initial construction activities. If no burrowing owls or fresh sign of burrowing owls are observed during preconstruction surveys, construction may continue. However, if a burrowing owl is observed during these surveys, occupied burrows shall be identified by

Significant Impacts	Mitigation Measures
Biological Resources	
	the monitoring biologist and a buffer shall be established, as described below: • If an active nest is found, a qualified biologist shall establish a 250-foot non-disturbance buffer around all nest sites. If the biologist determines that the nest is vacant, the non-disturbance buffer zone may be removed, in accordance with measures described in the SCVHP. The biologist shall supervise hand excavation of the burrow to prevent reoccupation only after receiving approval from the wildlife agencies (CDFW and USFWS) in accordance with Chapter 6, Condition 15 of the SCVHP. • For permission to encroach within 250 feet of such burrows during the nesting season (February 1st through August 31st), an Avoidance, Minimization, and Monitoring Plan (AMMP) shall be prepared and approved by the City and the wildlife agencies prior to such encroachment in accordance with Chapter 6 of the SCVHP. **MM BIO-2.3:** Should a burrowing owl be located during the non-breeding season (September through January), a 250-foot buffer shall be established and construction activities shall not be allowed within the 250-foot buffer of the active burrow(s) used by any burrowing owl unless the following avoidance measures are adhered to: - A qualified biologist shall monitor the owls for at least three days prior to construction to determine baseline foraging behavior (i.e., behavior without construction). - The same qualified biologist shall monitor the owls during construction. If the biologist determines there is a change in owl nesting and foraging behavior as a result of construction activities, these activities shall

Significant Impacts	Mitigation Measures
Biological Resources	
	cease within the 250-foot buffer. - If the owls are gone from the burrows for at least one week, the project applicant may request approval from the habitat agency to excavate all usable burrows within the construction area to prevent owls from reoccupying the site. After all usable burrows are excavated, the buffer zone shall be removed and construction may continue; **MM BIO-2.4:** In the event the voluntary relocation of site burrowing owls does not occur (defined as owls having vacated the site for 10 or more consecutive days), the project applicant can request permission to engage in passive relocation during the non-breeding season through the standard SCVHP application process (Section 6.8 of the SCVHP). If passive relocation is granted, additional measures may be required by the Habitat Agency. If the owls voluntarily vacate the site for 10 or more consecutive days, as documented by a qualified biologist, the project applicant could seek permission from the Santa Clara Valley Habitat Agency to have the qualified biologist take measures to collapse vacated and other suitable burrows to ensure that owls do not recolonize the site, in accordance with the SCVHP. **Less than Significant Impact with Mitigation**
Impact BIO-3: The project would cause permanent impacts to riparian vegetation and seasonal wetlands as a result of installation of the potential stormwater outfall at Coyote Creek and project construction in the southwest corner of the site.	**MM BIO-3.1:** Prior to the start of any grading or other soil disturbing activities, the project applicant shall be required to prepare a Stormwater Pollution Prevention Plan (SWPPP) consistent with the City's NDPES C3 provisions. **MM BIO-3.2:** A qualified biological monitor shall visit the project site daily during outfall

Significant Impacts	Mitigation Measures
Biological Resources	
	construction to verify that these measures are being fully implemented and are effective. **MM BIO-3.3:** Removal of riparian vegetation and/or trees for the potential installation of the outfall shall be limited to the minimum extent required. **MM BIO-3.4:** The project applicant shall ensure that all seed mixtures used for revegetation of the impacted riparian habitat of Coyote Creek shall be native or sterile non-native species only. No invasive non-native plant species shall be used for revegetation. **MM BIO-3.5:** The project applicant shall comply with all requirements of the CDFW, U.S. Army Corps of Engineers (USACE), and Regional Water Quality Control Board (RWQCB) permits required for the construction of the outfall, including any additional mitigation measures and all monitoring requirements. **Less than Significant Impact with Mitigation**
Impact BIO-4: Construction activities on-site could result in significant impacts to trees that may be retained.	**MM BIO-4.1:** The project applicant, in consultation with a certified arborist or biologist, shall submit a Tree Protection Plan (TPP) to the Supervising Environmental Planner of the Department of Planning, Building, and Code Enforcement for trees to be preserved. The TPP shall include, but is not limited to: • Number of trees and location of trees to be protected • Final landscaping proposal • Tree Protection Zone (TPZ) • Size and location of TPZ • Specific recommendation and suggestions or recommendation for each TPZ if applicable • Maintenance methodology for tree protection zones during the entire demolition and construction period

Significant Impacts	Mitigation Measures
Biological Resources	
	• Irrigated schedule • Pruning schedule for preserved trees, if applicable • Herbicides and other products recommended to be used on preserved trees **Less than Significant Impact with Mitigation**
Cultural Resources	
Impact CUL-1: Construction of the proposed project could result in significant impacts to subsurface cultural resources should they be located on-site.	**MM CUL-1.1:** Prior to the issuance of any grading permit, the project applicant shall be required to complete subsurface testing to determine the extent of possible resources on-site. Subsurface testing shall be completed by a qualified archaeologist. Based on the findings of the subsurface testing, an archaeological resources treatment plan shall be prepared by a qualified archaeologist and submitted to PBCE Supervising Environmental Planner and Historic Preservation Officer for approval prior to the issuance of grading permits. **MM CUL-1.2:** The project applicant shall implement the approved treatment plan prior to the issuance of grading permits. The approved treatment plan shall utilize data recovery methods to reduce impacts on subsurface resources. **MM CUL-1.3:** All prehistoric and historic-era features identified during exploration shall be evaluated by a qualified archaeologist based on the California Register of Historical Resources criteria consistent with the archaeological treatment plan. After completion of the field work, all artifacts shall be cataloged and the appropriate forms shall be completed and filed with the Northwest Information Center of the California Archaeological Inventory at Sonoma State University by the qualified archaeologist in coordination with the PBCE Supervising Environmental Planner and Historic Preservation Officer prior to issuance of occupancy permits (temporary or final).

Significant Impacts	Mitigation Measures
Cultural Resources	
	MM CUL-1.4: In the event that prehistoric or historic resources are encountered during excavation and/or grading of the site, all activity within a 50-foot radius of the find shall be stopped, the Director of PBCE shall be notified, and a qualified archaeologist shall examine the find. The archaeologist shall evaluate the find(s) to determine if they meet the definition of a historical or archaeological resource and make appropriate recommendations regarding the disposition of such finds prior to issuance of building permits. If the finds do not meet the definition of a historical or archaeological resources, no further study or protection is necessary prior to project implementation. If the find(s) does meet the definition of a historical or archaeological resource, then it shall be avoided by project activities. If avoidance is not feasible, adverse effects to such resources shall be mitigated in accordance with the recommendations of the archaeologist. Recommendations shall include collection, recordation, and analysis of any significant cultural materials. A report of findings documenting any data recovery would be submitted to the Director of PBCE and the Northwest Information Center. The project applicant shall ensure that construction personnel does not collect or move any cultural material, and shall ensure that any fill soils that may be used for construction purposes do not contain any archaeological materials. **MM CUL-1.5:** 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 shall be stopped. The Santa Clara County Coroner shall be notified immediately and shall make a determination as to 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 shall notify the Native American Heritage Commission (NAHC) within 24 hours of the identification. Once the NAHC identifies the

Significant Impacts	Mitigation Measures
Cultural Resources	
	most likely descendants (MLD), the descendants shall make recommendations regarding proper burial (including the treatment of grave goods), which shall be implemented in accordance with Section 15064.5(e) of the CEQA Guidelines. The archaeologist shall recover scientifically-valuable information, as appropriate and in accordance with the recommendations of the MLD. A report of findings documenting any data recovery shall be submitted to the Director of PBCE and the Northwest Information Center. **Less than Significant Impact with Mitigation**
Greenhouse Gas Emissions	
Development of light industrial development on-site after 2020 could contribute to the previously identified significant GHG emission impacts resulting from implementation of the planned development considered in the Envision San José 2040 General Plan.	The project would implement feasible energy efficiency measures to minimize impacts and would not result in any new or greater impacts than were previously identified in the Envision San José 2040 Supplemental FPEIR. The impact would be significant and unavoidable as disclosed in the Envision San José 2040 Supplemental FPEIR. **Significant Unavoidable Impact**
Hazards and Hazardous Materials	
Impact HAZ-1: Implementation of the proposed project could release pesticide chemicals from on-site soils into the environment, and expose construction workers to residual agricultural soil contamination.	**MM HAZ-1.1:** A Site Management Plan (SMP) shall be prepared and implemented (as outlined below) and any contaminated soils found in concentrations above established thresholds shall be removed and disposed of according to California Hazardous Waste Regulations or the contaminated portions of the site shall be capped beneath the planned development under the regulatory oversight of the Santa Clara County Department of Environmental Health (SCCDEH) or State Department of Toxic Substances Control (DTSC). The contaminated soil removed from the site shall be hauled off-site and disposed of at a licensed hazardous materials disposal site.

Significant Impacts	Mitigation Measures
Hazards and Hazardous Materials	
	Components of the SMP shall include, but shall not be limited to: • A detailed discussion of the site background; • Preparation of a Health and Safety Plan by an industrial hygienist; • Notification procedures if previously undiscovered significantly impacted soil or free fuel product is encountered during construction; • On-site soil reuse guidelines based on the California Regional Water Quality Control Board (RWQCB), San Francisco Bay Region's reuse policy; • Sampling and laboratory analyses of excess soil requiring disposal at an appropriate off-site waste disposal facility; • Soil stockpiling protocols; and • Protocols to manage ground-water that may be encountered during trenching and/or subsurface excavation activities. **MM HAZ-1.2:** All contractors and subcontractors at the project site shall develop a Health and Safety Plan (HSP) specific to their scope of work and based upon the known environmental conditions for the site. The HSP shall be approved by the PBCE Supervising Environmental Planner and Environmental Services Department (ESD) and implemented under the direction of a Site Safety and Health Officer. The HSP shall include, but shall not be limited to, the following elements, as applicable: • Provisions for personal protection and monitoring exposure to construction workers; • Procedures to be undertaken in the event that contamination is identified above action levels or previously unknown contamination is discovered;

Significant Impacts	Mitigation Measures
Hazards and Hazardous Materials	
	• Procedures for the safe storage, stockpiling, and disposal of contaminated soils; • Provisions for the on-site management and/or treatment of contaminated groundwater during extraction or dewatering activities; and • Emergency procedures and responsible personnel. The SMP shall be submitted to SCCDEH, DTSC, or equivalent regulatory agency for review and approval. Copies of the approved SMP shall be provided to the PBCE Supervising Environmental Planner and Environmental Services Department (ESD) prior to issuance of grading permits. **Less than Significant Impact with Mitigation**
Transportation	
Impact TRAN-1: Implementation of the proposed project would have a significant impact on the Zanker Road/Montague Expressway and Oakland Road/Montague Expressway intersections under existing plus project conditions. The City has determined that impacts related to this option do not require mitigation.	The City has determined that impacts related to this option do not require mitigation. **No Mitigation Required**
Impact TRAN-2: Implementation of the proposed project would have a significant impact on the mixed-flow lanes of seven directional freeway segments and HOV lanes of three directional freeway segments. Phase 1 of Option 2 (data center construction only) would not result in this impact.	There are no feasible mitigation measures available to reduce project impacts on local freeway study segments to a less than significant level as it is beyond the capacity of any one project to acquire right-of-way and add lanes to a state freeway. Furthermore, no comprehensive project to increase freeway capacity on either SR 237 or I-880 has been developed by Caltrans or VTA, so there is no identified improvement projects in which to pay fair share fees. Transportation demand management measures, if implemented, would reduce these impacts but not to a less than significant level. Therefore, the project's

Significant Impacts	Mitigation Measures
Transportation	
	impacts to freeway segments would be significant and unavoidable. Phase 1 of Option 2 (data center only) would not result in this impact. **Significant Unavoidable Impact**
Cumulative Transportation	
Impact TRAN(C)-1: The proposed project would have a cumulatively considerable contribution to two intersections. The data center alone would not result in these impacts.	**MM TRAN(C)-1.1:** The LOS at the Zanker Road/SR 237(N) intersection would be improved over background conditions with the addition of a second southbound through lane. This improvement would reduce the average delay to LOS B in the PM Peak Hour. **Less Than Significant with Mitigation**

SUMMARY OF ALTERNATIVES

The California Environmental Quality Act (CEQA) requires that an EIR identify alternatives to the proposed project. The CEQA Guidelines specify that the EIR should identify alternatives that "will feasibly attain most of the basic objectives of the project but will avoid or substantially lessen any of the significant effects of the project." The purpose of the alternatives section is to determine whether there are alternatives of design, scope, or location that will substantially lessen the significant impacts, even if those alternatives "impede to some degree the attainment of project objectives," or are more costly. [CEQA Guidelines Section 15126.6(b)]

In order to comply with CEQA, it is important to identify alternatives that reduce the significant impacts that are anticipated to occur if the project is implemented and to try to meet as many of the project's objectives as possible. The CEQA Guidelines emphasize a common sense approach. The alternatives should be reasonable, "foster informed decision-making and public participation," and must focus on alternatives that avoid or substantially lessen the significant impacts. The stated objectives of the project proponent are to:

Pursuant to CEQA Guidelines Section 15124, the EIR must identify the objectives sought by the proposed project. The project applicant has stated the following objectives:

1. Support the community values outlined in the Envision San José 2040 General Plan, including, among others, the Innovative Economy goals by providing key infrastructure improvements driving today's businesses, and Quality Education and Services by significantly increasing property tax revenue to local agencies.

2. Support the implementation of the Alviso Master Plan vision for the project site as well as the "Focused Growth" Major Strategy from the Envision San José 2040 Plan, including a focus on economic growth, fiscal sustainability, and environmental sustainability.

3. Allow for the construction and operations of a data center of approximately 440,000 square feet that will house computer servers, supporting equipment, and associated office uses in an environmentally controlled structure with redundant subsystems systems (cooling, power, network links, storage, fire suppression, etc.) 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.

4. Provide operational electric power to the proposed data center via an electric substation, and provide other utility infrastructure to serve the project (as well as other planned growth in the vicinity consistent with the City's infrastructure planning and partnership objectives), including water, storm drainage, sanitary sewer, electric, natural gas, and telecommunications, as well as new roadway infrastructure.

5. Support San José's stated job creation objectives by allowing for the construction of up to 1.2 million square feet of new light industrial uses that are compatible with nearby land uses, which would then further stimulate economic activity and employment generation.

6. Develop a light industrial campus that is well-designed per industry standards and properly integrates the planned uses and related improvements including, among others, parking, loading docks, vehicle access, and bicycle and pedestrian connections.

7. Develop a light industrial campus that is well-designed per industry standards and properly integrates light industrial uses, data center uses, parking, loading docks, vehicle access, and bicycle and pedestrian connections.

8. Incorporate, as feasible, environmentally sustainable features into the project, such as appropriate bird-friendly building design components, and the creation of an environmental buffer zone along Coyote Creek consistent with the City's Riparian Corridor Policy setback of 100 feet.

9. Meet the growing demand for light industrial uses, which may include a data center to support the region's growing businesses and work force population in support of Envision San José 2040 General Plan's Major Strategy #4, which calls for development supporting San José's growth as a center of innovation.

10. Construct new on- and off-site infrastructure improvements, including water, storm water, sanitary sewer, electric, natural gas, and telecom facilities to allow the proposed development as well as the implementation of the San José-Santa Clara Regional Wastewater Facility Master Plan which created economic development areas west of the project site. (Separate environmental review was completed for the Master Plan by the City of San José in late 2013.)

The project would result in the following significant and unavoidable impacts:

1. Implementation of the proposed project would result in the development of 64.5 acres of land designated as Prime Farmland. Same significant unavoidable impact identified in the Envision San José Final Supplemental PEIR.

2. Implementation of the data center/light industrial development option would result in the development of new land uses after the year 2020, resulting in unmitigated GHG emissions impacts. Same significant unavoidable impact identified in the Envision San José Final Supplemental PEIR.

3. Implementation of the project would have a cumulatively considerable contribution to the Zanker Road/Tasman Drive intersection. Same significant unavoidable impact identified in the North San José Development Policy FEIR.

The alternatives analysis in the EIR focuses on alternatives that would reduce or avoid these impacts, which are primarily caused by the scale of the proposed development. An alternative location is not discussed in this analysis because the project applicant does not own other properties that could be used as alternative sites. In addition, impacts to traffic congestion on SR 237 and I-880, which is one of the project's significant and unavoidable impacts, would likely occur at any alternative location in the vicinity of the site. Similarly, greenhouse gas impacts would occur as a result of the project wherever it is proposed in the City. The project site is designated as Prime Farmland, as are other properties in the northernmost portions of San José that are large enough to accommodate the project. The project site is located in an area of other heavy industrial uses and is of sufficient size to

accommodate the proposed project. It is also located away from sensitive receptors and is flat topographically. Therefore, a location alternative is infeasible and was not evaluated further.

The following options were evaluated as alternatives to the proposed project:

- No Project – No Development
- No Project – Existing Zoning
- Reduced Scale – Data Center Only
- Reduced Scale – Light Industrial Only
- Reduced Development – Data Center and Reduced Light Industrial Development

NO PROJECT – NO DEVELOPMENT ALTERNATIVE

The CEQA Guidelines stipulate that an EIR specifically include a "No Project" alternative. The purpose of including a No Project alternative is to allow decision-makers to compare the impacts of approving the project with the impacts of not approving the project. The Guidelines specifically advise that the No Project alternative is "what would be reasonably expected to occur in the foreseeable future if the project is not approved, based on current plans and consistent with available infrastructure and community services." [Section 15126.6(e)(2)] The Guidelines emphasize that an EIR should take a practical approach, and not "…create and analyze a set of artificial assumptions that would be required to preserve the existing physical environment [Section 15126.6(e)(3)(B)]."

Since the approximately 64.5-acre project site is currently vacant with minimal development, including two residences, a mobile home, and farm-related accessory structures, the No Project - No Development Alternative would be the continued use of the site in this manner. The project site is, however, currently designated *Light Industrial* in the City's General Plan.

Comparison of Environmental Impacts: The No Project - No Development Alternative would avoid the proposed project's environmental impacts. The No Project - No Development Alternative would avoid conversion of Prime Farmland to non-agricultural uses. In addition, traffic and GHG emissions would not be generated in excess of what is currently generated by the low-intensity uses on-site. Since no demolition or construction would take place on the project site, no new environmental impacts would occur.

Feasibility of the No Project – No Development Alternative: Implementation of the No Project - No Development Alternative would occur if the proposed project is not approved, which is feasible. However, the existing development on-site is inconsistent with the General Plan land use designation of the site. The project site is designated for development in the City's General Plan as well as the Alviso Master Plan. It is expected that the site will eventually be developed with light industrial uses at some point in the future.

Relationship to Project Objectives: The No Project - No Development Alternative would not meet any of the project objectives.

NO PROJECT – EXISTING ZONING ALTERNATIVE

The No Project - Existing Plans Redevelopment Alternative assumes that the proposed project is not approved, but that another future project is built consistent with existing plans and policies. According to the Alviso Master Plan and the General Plan, the site has a land use designation of *LI – Light Industrial*, which allows for a maximum FAR of 1.5 (1-3 stories).

The project site was originally part of the USDataport project which included the LECEF, as well as up to approximately 2.3 million square feet of data center communication facility uses in warehouse-style buildings on the original 174-acre site. Building heights of up to 100 feet are allowed by the existing *A(PD)* zoning. The existing *A(PD)* zoning designation of the site could be implemented; however, it is expected rezoning would be required due to the fact that some of the previously approved development has been constructed, thus requiring a new site plan to take into account building locations, access, and site circulation. However, it can be reasonably expected that in the foreseeable future, based on the current General Plan and zoning designations on the site, a light industrial development would ultimately be constructed on-site.

This alternative assumes development on the project site similar to the currently proposed project, which is consistent with the General Plan designation for the site. The uses, however, would primarily be data center related. The proposed conforming zoning of *Light Industrial* is consistent with the General Plan; however, a Special Use Permit (SUP) is required for the currently proposed data center.

Comparison of Environmental Impacts: Development on the site consistent with the existing *A(PD)* zoning, which are data center related, would increase traffic at local intersections and on freeways; however, because the uses would be mostly data center related, they would be less than the proposed project. The traffic report prepared for the USDataport project is no longer current, however, trip generation for the USDataport project was significantly less than that of the proposed project (both Option 1 and Option 2). Thus, this Alternative would generate less traffic and the significant unavoidable impacts at freeway segments and impacts at the intersections on Montague Expressway would not occur.

The No Project - Existing Zoning Alternative would result in the same significant unavoidable impacts related to the loss of Prime Farmland as the currently proposed project and as described in the Envision San José 2040 General Plan FPEIR. The existing zoning of the site allows the construction of light industrial uses, primarily data center related. It was estimated at the time of the preparation of the USDataport EIR that approximately 89 emergency back-up generators would be required. Therefore, the proposed project, which includes 24 emergency back-up generators would generate less greenhouse gas emissions when compared to the project allowed under the current *A(PD)* zoning.

Greenhouse gas emissions impacts would be significant unavoidable with either the proposed project or the No Project – Existing Zoning Alternative. As with the currently proposed project, the No Project - Existing Zoning Alternative would have significant NOx impacts. Mitigation measures would be implemented similar to those required of Option 2, and significant unavoidable impacts would not be anticipated.

This Alternative would result in comparable impacts to trees, riparian habitat (if the outfall to Coyote Creek is constructed), burrowing owls, and tree-nesting birds and raptors. Mitigation measures requiring pre-construction surveys during nesting season as well as tree protection measures would be incorporated to reduce significant impacts. Participation in the Santa Clara Valley Habitat Conservation Plan, including the implementation of required conditions, would reduce impacts to a less than significant level. The No Project - Existing Zoning Alternative would result in soil disturbance, thereby resulting in potential hazardous materials impacts related to agricultural pesticides. Mitigation would still be required similar to the proposed project.

Feasibility of the No Project – No Development Alternative: Implementation of this Alternative would be feasible in terms of consistency with the existing land use designations for the site, the goals of the City of San José for this region, and with the surrounding land uses. However, it is expected that rezoning would be required due to the fact that some of the previously proposed development was already constructed and new access points, building locations, and circulation plans may be required.

Relationship to Project Objectives: The No Project - Existing Zoning Alternative would meet most of the project objectives, including constructing a data center. However, rezoning to accommodate the currently configured site and additional infrastructure or different infrastructure components could be required.

REDUCED SCALE – DATA CENTER ONLY ALTERNATIVE

The Reduced Scale - Data Center Only Alternative would result in the development of a data center on the northern portion of the 64.5-acre site without any additional light industrial uses. Under Option 2, the project proposes a 436,880 square foot data center with a PG&E substation on approximately 26.5 acres of the site. Under the Reduced Scale Data Center Only Alternative, the size of the data center is not anticipated to be larger than what is proposed and some of the roadways and the extension of utilities to the site would still be required. It is assumed that the laydown area (approximately 10 acres) would be utilized for approximately 10 years and ultimately left in its current state.

Comparison of Environmental Impacts: Development of the site with the Reduced Scale - Data Center Only Alternative would generate no more than 433 daily traffic trips, with 39 trips in the AM Peak Hour and 40 trips in the PM Peak Hour (refer to Table 3.13-7). Because this Alternative would generate no more than 40 peak hour trips, construction of the data center would not result in any significant freeway segments and/or intersection impacts. Similar to the proposed project, development of a Reduced Scale - Data Center Only project would result in the conversion of Prime Farmland to a non-agricultural use. This Alternative would result in a significant and unavoidable impact as stated in the General Plan EIR. However, if the remainder of the site (ultimately 38 acres) is left in its current state, this portion of the site would remain as Important Farmland until another use is proposed.

Because the data center is proposed to be constructed and operational by 2020 and vehicle trips related to this Alternative are relatively small, the greenhouse gas emission impacts would be less than significant. In addition, this Alternative is consistent with the San José General Plan and with the City of San José GHG Reduction Strategy; therefore, a significant unavoidable impact would not

occur. As with the currently-proposed project, the Reduced Scale - Data Center Only Alternative would have significant NOx impacts to sensitive receptors related to the testing of emergency generators. Mitigation measures would be implemented similar to those required of Option 2, and significant impacts would not be anticipated.

This Alternative would result in fewer impacts to biological resources, as less land would be affected. However, the construction of a 26.5-acre data center and use of approximately 10 acres as a laydown area for equipment staging for up to 10 years could disturb wildlife species and adversely affect trees to be preserved, the construction of the outfall may still be required. Mitigation measures requiring pre-construction surveys during nesting season as well as tree protection measures would be required to reduce significant impacts. The Reduced Scale - Data Center Only Alternative would result in soil disturbance, thereby resulting in potential hazardous materials impacts related to agricultural pesticides, although the amount of land affected would be less. Mitigation would still be required similar to the proposed project.

Feasibility of the No Project – No Development Alternative: Implementation of this Alternative would be feasible in terms of the goals of the City of San José and the vision of the Alviso Master Plan for this region.

Relationship to Project Objectives: This Alternative would meet most of the objectives, with the exception of those related to job creation and economic growth. The provision of additional light industrial uses on the remainder of the site (ultimately 38 acres) would enhance the economic potential of the site by increasing property taxes, economic activity, and employment generation. The development of the entire site is consistent with General Plan policies related to Innovative Economy as well as the Alviso Master Plan and RWF Plant Master Plan.

REDUCED SCALE – LIGHT INDUSTRIAL ONLY ALTERNATIVE

In an effort to avoid or reduce significant impacts resulting from the proposed project, this alternative evaluates a Reduced Scale - Light Industrial Only Alternative. To reduce traffic impacts to a less than significant level at the intersections of North First Street/Montague Expressway and Zanker Road/Montague Expressway and impacts to freeways, Option 1 of the project (1.2 million square feet of light industrial uses) would need to be reduced by 90 percent.[1] This equates to approximately 120,000 square feet of light industrial uses on the 64.5 acre site. To reduce freeway impacts only, the project would need to be reduced by 85 percent or approximately 180,000 square feet. At one story in height, that would be approximately 2.75 and 4.1 acres of light industrial development, respectively.

Comparison of Environmental Impacts: Under Option 1 (1.2 million square feet of light industrial development), the proposed project would result in an unacceptable LOS at the Zanker Road/Montague Expressway and Oakland Road/Montague Expressway intersections during at least one peak hour. Significant unavoidable impacts to freeway segments on SR 237 and I-880 would also occur. Reducing the project to 120,000 square feet of light industrial development would avoid both intersection and freeway impacts. A light industrial project of no more than 180,000 square feet would avoid significant unavoidable impacts to the local freeway segments. The Reduced Scale -

[1] Personal communication, Robert Del Rio, Hexagon Transportation Consultants, May 15, 2017.

Light Industrial Only Alternative would result in the conversion of up to 4.1 acres of Prime Farmland to a non-agricultural use, when compared to 64.5 acres that would be converted with the proposed project. While significantly less land would be converted, there would still be a loss of Prime Farmland, which would be a significant unavoidable impact. This impact was previously identified in the General Plan FPEIR. Development under this Alternative (up to approximately 4.1 acres of light industrial development) would be consistent with the City's General Plan and would not result in greater GHG emissions impacts than those evaluated for the site in the General Plan FPEIR.

This Alternative would be constructed by 2020 and would conform to the City's GHG Reduction Strategy; therefore GHG emissions impacts would be less than significant. This Alternative would avoid a significant unavoidable impact associated with the currently proposed project. The primary emissions from this Alternative would be from traffic (employees and vendor delivery trips) associated with daily operations. If the light industrial development was reduced to the levels described above under transportation impacts, significant air quality impacts would not be anticipated.

This Alternative would result in some impacts to trees to be preserved on-site and tree-nesting birds and raptors. Impacts to burrowing owls would be significantly reduced as less land area would be affected. The outfall to Coyote Creek may or may not be required with such a reduced footprint of development. Percolation on-site may be sufficient to accommodate stormwater on-site. Mitigation measures requiring pre-construction surveys during the nesting season as well as tree protection measures would be incorporated to reduce significant impacts. Conditions of the SCVHP would still be required; however, at a significantly reduced level. Impacts would remain less than significant with the implementation of identified mitigation measures. The Reduced Scale - Light Industrial Only Alternative would result in less soil disturbance, thereby resulting in a reduced potential for hazardous materials impacts related to agricultural pesticides. Mitigation would still be required similar to the proposed project.

Feasibility of the No Project – No Development Alternative: Because this Alternative would need to be reduced by approximately 85 – 90 percent to avoid both traffic and freeway impacts, it would be physically feasible, but economically infeasible to implement this Alternative. The extension of utilities to the site would still be required, which would be cost prohibitive given the size of the Alternative.

Relationship to Project Objectives: This Alternative would not meet most of the objectives of the proposed project. A data center would not be constructed and the amount of light industrial space provided would not achieve the economic strategies of the General Plan. The Reduced Development - Light Industrial Only Alternative would only provide up to approximately 180,000 square feet of light industrial space and would not be able to accommodate as many new jobs, compared to full project implementation. The project area would remain underutilized and would not meet project objectives to the extent of the entire proposed development.

REDUCED DEVELOPMENT – DATA CENTER AND REDUCED LIGHT INDUSTRIAL DEVELOPMENT ALTERNATIVE

In an effort to avoid or reduce significant impacts resulting from the proposed project, a reduced scale alternative that includes the proposed 436,880 square foot data center and less light industrial development was evaluated. As with the Reduced Scale – Light Industrial Development Only Alternative, the amount of light industrial development would have to be significantly reduced to avoid traffic impacts to freeways and at the intersections of North First Street/Montague Expressway and Zanker Road/Montague Expressway. It has been determined that the light industrial portion of Option 2 of the project (data center and light industrial uses) would need to be reduced by 85 percent to avoid intersection and freeway impacts and 80 percent to avoid only the freeway impacts.[2] This equates to approximately 109,200 square feet (85 percent reduction) or 145,600 square feet (80 percent reduction) of light industrial uses square on approximately 38 acres of the 64.5 acre site. At one story in height, that would be approximately 2.5 and 3.34 acres of light industrial development, respectively.

Comparison of Environmental Impacts: Under Option 2 of the proposed project, (a 436,880 square foot data center and 728,000 square feet of light industrial development), the proposed project would result in an unacceptable LOS at the Zanker Road/Montague Expressway and Oakland Road/Montague Expressway intersections during at least one peak hour. Significant unavoidable impacts to freeway segments on SR 237 and I-880 would also occur. Reducing the project to a 436,880 square foot data center and 109,200 square feet of light industrial development would avoid both intersection and freeway impacts. A light industrial project of no more than 145,600 square feet would avoid significant unavoidable impacts to the local freeway segments.

The Reduced Scale – Data Center and Light Industrial Alternative would result in the conversion of up to 29.84 (26.5 acres for the data center and 3.34 acres for the light industrial uses) of Prime Farmland to a non-agricultural use, when compared to 64.5 acres that would be converted with the proposed project. While significantly less land would be converted, there would still be a loss of Prime Farmland, which would be a significant unavoidable impact. This impact was previously identified in the General Plan FPEIR.

Development under this Alternative (up to approximately 29.84 acres of data center and light industrial development) would be consistent with the City's General Plan and would not result in greater GHG emissions impacts than those evaluated for the site in the General Plan FPEIR. As with Option 2 of the proposed project, it is anticipated that the data center portion of the project would be constructed by 2020 and would conform to the City's GHG Reduction Strategy; however, the light industrial portion may not be. Therefore, GHG emissions impacts would continue to be significant unavoidable and this Alternative would not avoid a significant unavoidable impact associated with the currently proposed project. The primary emissions from this Alternative would be from traffic (employees and vendor delivery trips) associated with daily operations. If the light industrial development was reduced to the levels described above under transportation impacts, significant air quality impacts would not be anticipated.

[2] Personal communication, Robert Del Rio, Hexagon Transportation Consultants, May 24, 2017.

This Alternative would result in some impacts to trees to be preserved on-site and tree-nesting birds and raptors. Impacts to burrowing owls would be reduced as less land area would be affected. The outfall to Coyote Creek may or may not be required with such a reduced footprint of development. Percolation on-site may be sufficient to accommodate stormwater on-site. Mitigation measures requiring pre-construction surveys during the nesting season as well as tree protection measures would be incorporated to reduce significant impacts. Conditions of the SCVHP would still be required; however, at a reduced level. Impacts would remain less than significant with the implementation of identified mitigation measures. The Reduced Scale - Light Industrial Alternative would result in less soil disturbance, thereby resulting in a reduced potential for hazardous materials impacts related to agricultural pesticides. Mitigation would still be required similar to the proposed project.

Feasibility of the No Project – No Development Alternative: This Alternative would reduce the light industrial portion of the project by approximately 80 - 85 percent to avoid both traffic and freeway impacts; however, the data center, at its proposed size would be constructed. Therefore, this Alternative would be feasible in terms of the goals of the City of San José and the vision of the Alviso Master Plan for this region.

Relationship to Project Objectives: This Alternative would meet most of the objectives, with the exception of those related to job creation and economic growth. Reducing the amount of light industrial development would reduce the economic potential of the site including property tax revenues, economic activity, and employment generation. The Reduced Development-Light Industrial Alternative would only provide up to approximately 145,600 square feet of light industrial space and would not be able to accommodate as many new jobs, compared to full project implementation. The project area would remain underutilized and would not meet project objectives to the extent of the entire proposed development.

ENVIRONMENTALL SUPERIOR ALTERNATIVE

The CEQA Guidelines state that an EIR shall identify an environmentally superior alternative. Based on the above discussion, the environmentally superior alternative to the proposed project is the No Project Alternative because all of the component's significant environmental impacts would be avoided. However, 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."

As seen in Table 9.0-1 (refer to *Section 9.0, Environmentally Superior Alternative*), none of the project alternatives avoid all significant environmental impacts. Any development on land would result in a significant and unavoidable impact to the loss of land designated as Prime Farmland. In addition, any construction on-site would result in soil disturbance, thereby resulting in potential hazardous materials impacts related to agricultural pesticides. Development that would affect trees to be retained would be required to conform to the City's Tree Ordinance and implement mitigation measures to avoid impacts to nesting raptors and migratory birds. Impacts to burrowing owls and riparian habitat would also occur.

The Reduced Scale - Data Center Only and Reduced Scale - Light Industrial Only Development Alternatives would generate significantly fewer traffic trips compared to both project options and

impacts to freeways and intersections would not occur. Both Alternatives would likely be developed and operational prior to 2020 and, therefore, would result in a less than significant impact related to GHG emissions. As seen in Table 3.2-5: Operational Emissions for the Project (refer to *Section 3.2, Air Quality*), the Data Center would not result in ROG, $PM_{2.5}$, and PM_{10} emissions above established BAAQMD thresholds; however, the operation and maintenance of the data center generators would produce NOx emissions over the established thresholds. If the size of the light industrial development was reduced, the light industrial development would not result in ROG, NOx, $PM_{2.5}$, and PM_{10} emissions above established BAAQMD thresholds. As a result, the Reduced Scale - Light Industrial Development Only Alternative would be the environmentally superior alternative to the proposed project.

KNOWN AREAS OF CONTROVERSY

Pursuant to Section 15123(b)(2) of the state CEQA Guidelines, an EIR shall identify areas of controversy known to the lead agency including issues raised by agencies and the public. The Notice of Preparation (NOP) for the *237 Industrial Center Project* circulated on May 27, 2016. Key issues raised by residents of the City of San José, public agencies, and members of the community include:

- Impacts to special status species at Coyote Creek
- Impacts to migratory and resident bird species
- Construction impacts to the Coyote Creek Riparian Corridor
- Impacts to the bird population from increase human activity
- Impacts to animal movement and connectivity
- Traffic/Freeway Impacts
- Air Quality Impacts

SECTION 1.0 INTRODUCTION

1.1 PURPOSE OF THE ENVIRONMENTAL IMPACT REPORT

The City of San José, as the Lead Agency, has prepared this Draft Environmental Impact Report (EIR) for the proposed project in compliance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines.

As described in CEQA Guidelines Section 15121(a), an EIR is an informational document that assesses potential environmental impacts of a proposed project, as well as identifies mitigation measures and alternatives to the proposed project that could reduce or avoid adverse environmental impacts (CEQA Guidelines 15121(a)). As the CEQA Lead Agency for this project, the City of San José is required to consider the information in the EIR along with any other available information in deciding whether to approve the project. The basic requirements for an EIR include discussions of the environmental setting, environmental impacts, mitigation measures, cumulative impacts, alternatives, and growth-inducing impacts. It is not the intent of an EIR to recommend either approval or denial of a project. The environmental impacts associated with the proposed project are primarily related to air quality and biological resources. These issues are discussed in Sections 3.2 and 3.3 of this EIR, respectively.

1.2 EIR PROCESS

1.2.1 Notice of Preparation and Scoping

In accordance with Sections 15063 and 15082 of the CEQA Guidelines, the City prepared a Notice of Preparation (NOP) for this EIR. The NOP was circulated to local, state, and federal agencies on May 20, 2016. The standard 30-day comment period concluded on June 27, 2016. The NOP provided a general description of the proposed project and identified possible environmental impacts that could result from implementation of the project. The City of San José also held a public scoping meeting on June 9, 2016 to discuss the project and solicit public input as to the scope and contents of this EIR. The meeting was held at Hyatt House San José/Silicon Valley, 75 Headquarters Drive, San José, CA 95134. Appendix A of this EIR includes the NOP and comments received on the NOP.

1.2.2 Draft EIR Public Review and Comment Period

Publication of this Draft EIR will mark the beginning of a 45-day public review and comment period. During this period, the Draft EIR will be available to local, state, and federal agencies and to interested organizations and individuals for review. Notice of this Draft EIR will be sent directly to every agency, person, and organization that commented on the NOP. Written comments concerning the environmental review contained in this Draft EIR during the 45-day public review period should be sent to:

City of San José Department of Planning, Building and Code Enforcement (PBCE)
Kieulan Pham, Environmental Project Manager
200 East Santa Clara Street, 3rd Floor Tower
San José CA 95113-1905
Phone: (408) 535-3844
E-mail: Kieulan.pham@sanjoseca.gov

1.3 FINAL EIR/RESPONSES TO COMMENTS

Following the conclusion of the 45-day public review period, the City will prepare a Final EIR in conformance with CEQA Guidelines Section 15132. The Final EIR will consist of:

- Revisions to the Draft EIR text, as necessary;
- List of individuals and agencies commenting on the DEIR; and
- Responses to comments received on the DEIR, in accordance with CEQA Guidelines (Section 15088);
- Copies of letters received on the DEIR.

Section 15091(a) of the CEQA Guidelines stipulates that no public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings. If the Lead Agency approves a project despite it resulting in significant adverse environmental impacts that cannot be mitigated to a less than significant level, the agency must state the reasons for its action in writing. This Statement of Overriding Considerations must be included in the record of project approval.

1.3.1 Notice of Determination

If the project is approved, the City will file a Notice of Determination (NOD), which will be available for public inspection and posted within 24 hours of receipt at the County Clerk's Office for 30 days. The filing of the NOD starts a 30-day statute of limitations on court challenges to the approval under CEQA (CEQA Guidelines Section 15094(g)).

1.4 PUBLIC PARTICIPATION IN ENVIRONMENTAL REVIEW

The City of San José, as required by CEQA, encourages public participation in the environmental review process. Opportunities for comments by public agencies and the public include responding to the Notice of Preparation (NOP) of the Draft EIR, written comments on this Draft EIR, and presentation of written or verbal comments at future public hearings.

In accordance with Section 15082 of the CEQA Guidelines, in August 2015 a NOP was circulated to the public and responsible agencies for input regarding the analysis in this EIR. A scoping meeting was held on August 25, 2015 to provide an opportunity for members of the community to comment on the project and contents of the EIR. This EIR addresses those issues which were raised by the public and responsible agencies in response to the NOP and at the scoping meeting. The NOP and the public responses to the NOP are presented in Appendix A of this EIR.

Future public participation opportunities, in addition to submitting written comments on the Draft EIR, will include San José Planning Commission and City Council hearings. Comments on the project may be sent to the San José Environmental Project Manager (Kieulan Pham) at any time. Written comments can be sent to Kieulanpham@sanjoseca.gov or to the following address: 200 East Santa Clara Street, 3rd Floor, San José, California, 95113 Attn: Kieulan Pham.

1.5 ORGANIZATION OF THE DRAFT EIR

The Draft EIR is organized into the following sections:

- **Summary**: Provides a summary of the project, the impacts that would result from its implementation, mitigation measures recommended to reduce, eliminate, or avoid significant impacts, and project alternatives.
- **Chapter 1, Introduction and Purpose**: Discusses the overall purpose of the Draft EIR, provides a summary of the project and the CEQA process, and summarizes the organization of the Draft EIR.
- **Chapter 2, Project Description**: Provides a description of the project site, the proposed site development, project details and objectives, and the required discretionary approvals.
- **Chapter 3, Environmental Setting, Impacts, and Mitigation**: Describes the existing conditions and regulatory requirements, analyzes the project's environmental impacts, provides mitigation measures (if needed) for each environmental resource area, analyzes cumulative impacts, and contains significance conclusions.
- **Chapter 4, Cumulative Impacts**: Evaluates impacts that may result from the approval of past, present, and reasonably foreseeable future projects, in conjunction with the proposed project.
- **Chapter 5, Growth-Inducing Impacts**: Evaluates whether the project could cause additional growth beyond that which is proposed by the project applicant.
- **Chapter 6, Significant and Irreversible Environmental Changes**: Details the effects of the project on nonrenewable resources and the potential for the project to cause irreversible damage to the environment.
- **Chapter 7, Significant and Unavoidable Impacts**: Provides a brief summary of the impacts that were found to be significant and unavoidable in the analysis in Chapter 3.
- **Chapter 8, Alternatives:** Evaluates four alternatives to the project in addition to the No Project-No Development Alternative and the No Project-Existing Zoning Alternative, and explains why various other alternatives that were considered were not carried forward for detailed evaluation.
- **Chapter 9, Environmentally Superior Alternative**: Contains a table summary of the project alternatives table and identifies which alternative is the environmentally superior alternative.
- **Chapter 10, References**: Contains a complete list of all documents and references used as the basis for the environmental impact analysis.
- **Chapter 11, Lead Agency and List of Preparers**: Contains a list of the Lead Agency staff members and consultants who assisted in preparation of the Draft EIR.

1.6 REFERENCE AVAILABILITY

This EIR and all documents referenced in it are available for public review at the Department of Planning, Building, and Code Enforcement (PBCE), located at 200 East Santa Clara Street, San José, California, 95113 on weekdays during normal business hours. In addition, the EIR can be viewed on the City of San José's website in the "Active EIRs" page:
http://www.sanjoseca.gov/index.aspx?NID=2434

SECTION 2.0 PROJECT INFORMATION AND DESCRIPTION

2.1 PROJECT DESCRIPTION

2.1.1 Background Information

The 64.5-acre project site is comprised of one parcel (APN 015-31-054) located north of Highway 237 between Zanker Road and Coyote Creek in the City of San José, as shown on Figures 2.0-1, 2.0-2, and 2.0-3. The project also includes the extension of utilities and roadways onto the project site, primarily on property held by the City of San José west of the site (APNs 15-31-028, -044, -050, -061, -062, and -063). The areas of off-site disturbance for both utilities and roadways are shown on Figures 2.0-4 and 2.0-5 and described in Section 2.1.4, below. These off-site areas were evaluated in this EIR in terms of potential impacts to biological and sub-surface cultural resources as described in Sections 3.3 and 3.4, of this DEIR respectively.

The project site is designated *Light Industrial* under the adopted Envision San José 2040 General Plan and is zoned *A(PD)* for the previously approved 174.4-acre US Dataport project on this site and adjacent property that was never built. That project included up to 2.23 million square feet of low intensity industrial uses consisting of communications facilities in warehouse style buildings, landscaping, and an access driveway. It also included an energy center, which ultimately became the Los Esteros Critical Energy Facility (LECEF) in the central portion of the original site. The project site is located within the Alviso Master Plan area and is identified as *Light Industrial* in the land use plan.

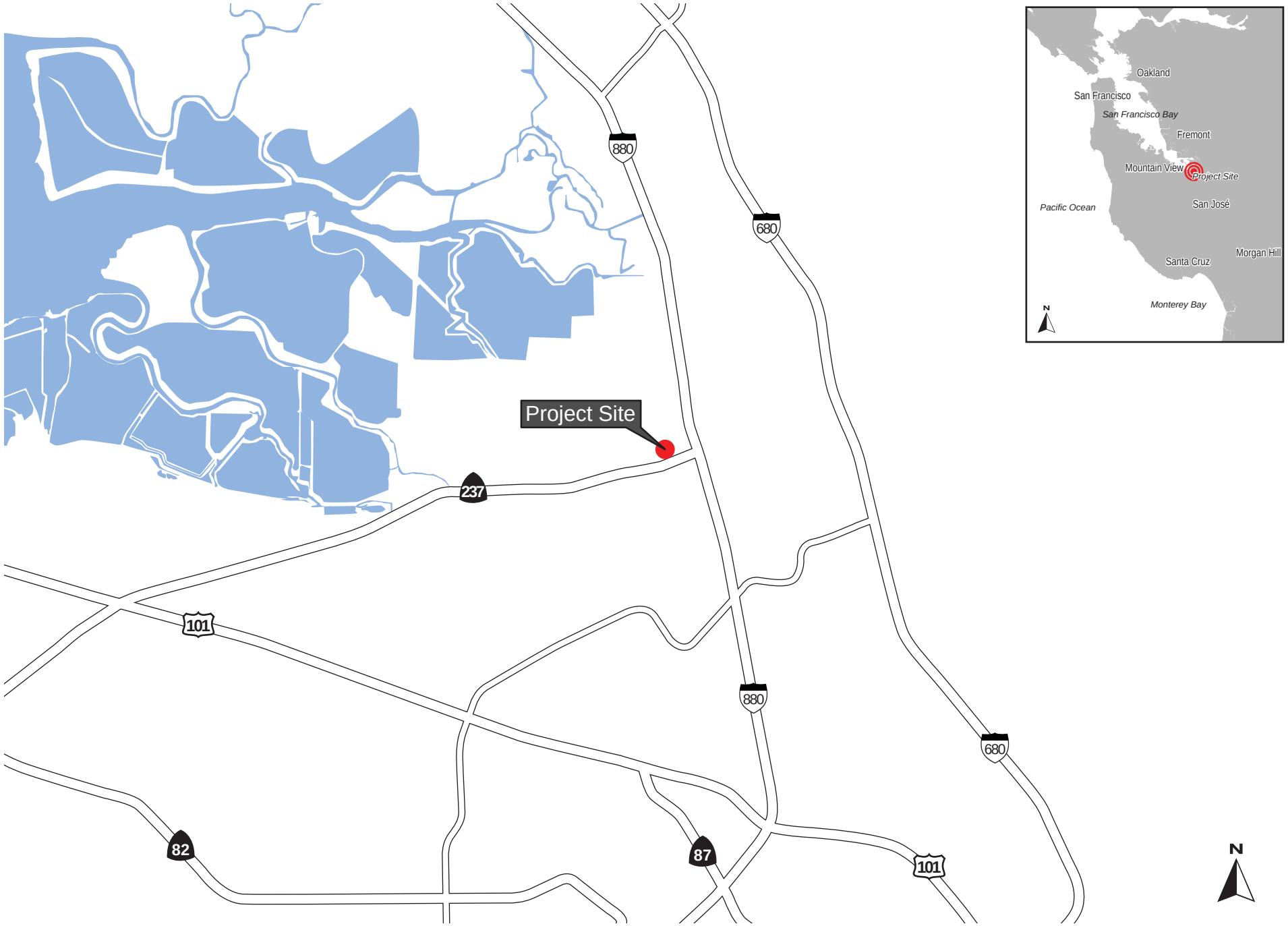
The project site is primarily fallow farmland with two single-family houses, a mobile home, and farm-related accessory structures located near the southern end of the site. The site is currently supported by well water and a septic tank system. The site is accessed by Alviso-Milpitas Road, which runs along the southern boundary of the site. Alviso Milpitas Road connects to Ranch Drive on the east side of Coyote Creek in Milpitas and to Zanker Road west of the site in San Jose. The site is adjacent to the western bank of Coyote Creek, and east of the LECEF and an existing PG&E substation north of the LECEF, as shown on Figure 2.0-4.

2.1.2 Proposed Development

The project includes the rezoning of the project site to *Light Industrial*, consistent with the General Plan land use designation of the site. The project includes two light industrial development options:

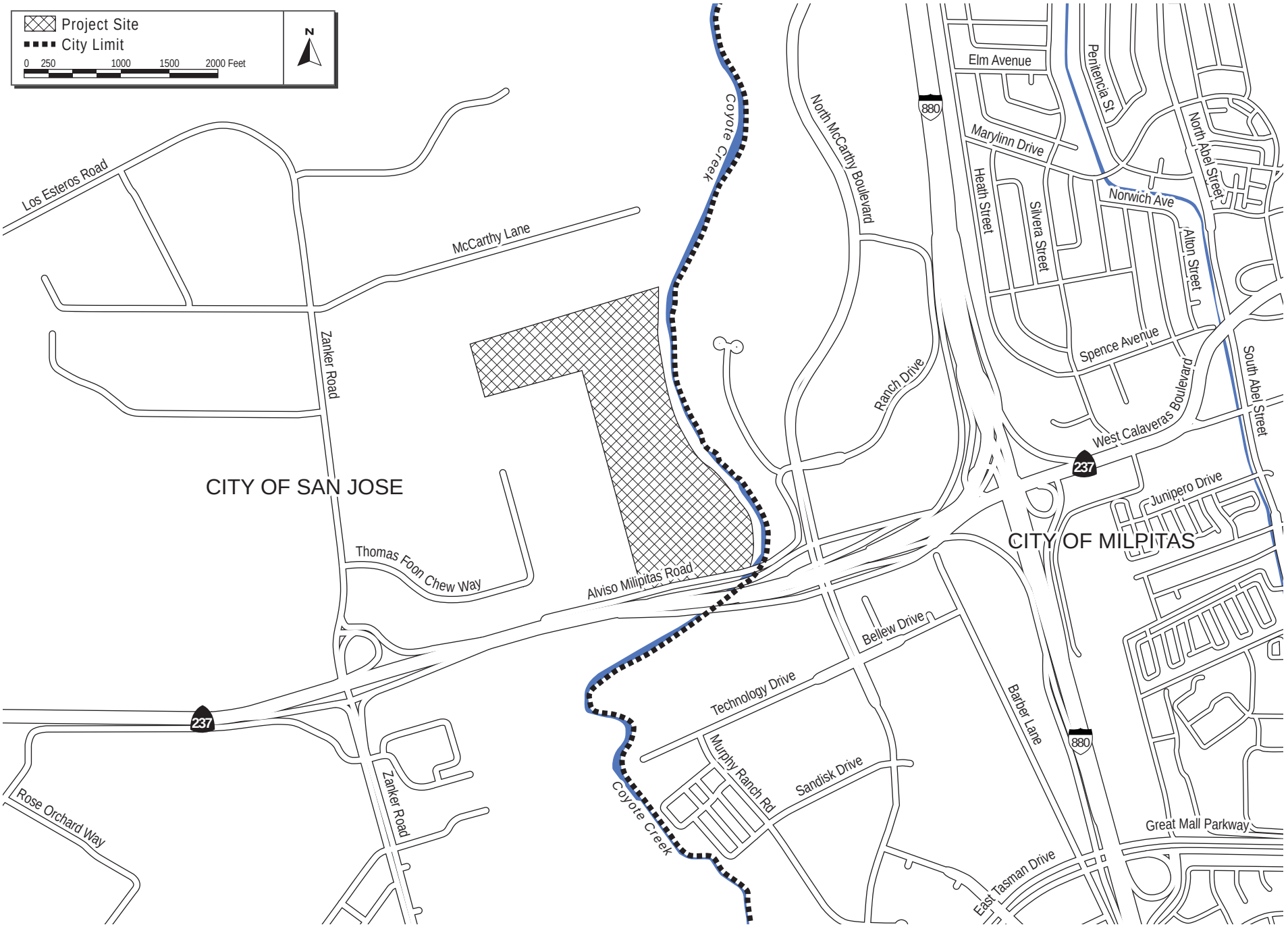
- Light industrial development option (Option 1): This option proposes approximately 1.2 million square feet of light industrial development, consistent with all of the requirements for the light industrial zoning district; and

- Data center/light industrial development option (Option 2): This option proposes a 436,880 square foot data center (49.5 megawatts) with a PG&E substation to provide the electrical needs for the data center on approximately 26.5 acres of the northern portion of the site. The data center is considered to be Phase 1 of this development option, which also includes approximately 728,000 square feet of light industrial development (no additional data center uses) on the remaining 38 acres of the site. This option requires a Special Use Permit (SUP) in the *Light Industrial* zoning district for the data center component of the project. The light



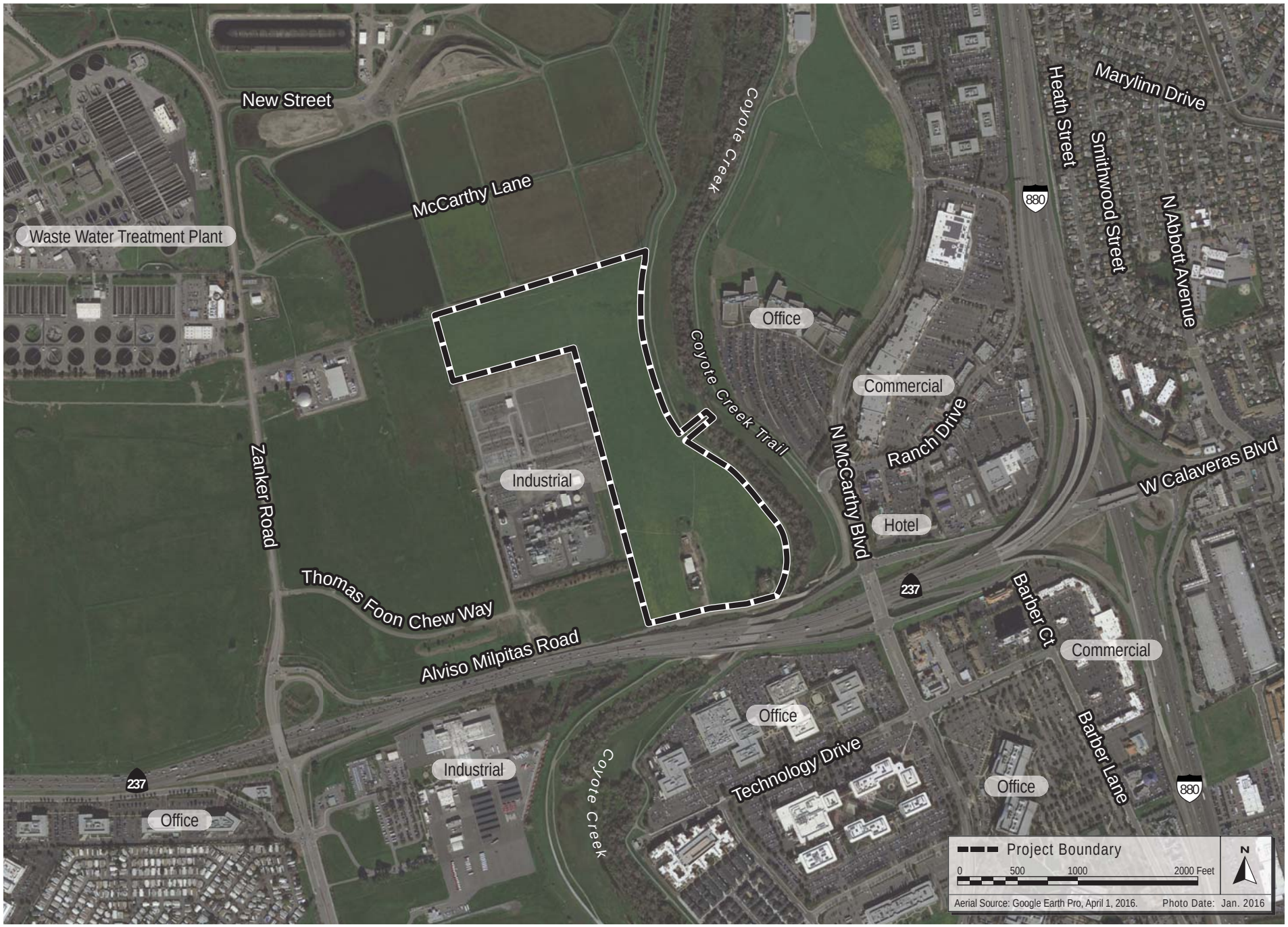
REGIONAL MAP

FIGURE 2.0-1



VICINITY MAP

FIGURE 2.0-2



AERIAL PHOTOGRAPH AND SURROUNDING LAND USES

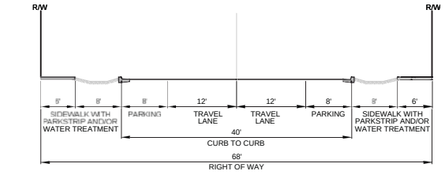
FIGURE 2.0-3

NOTE: NEW PUBLIC ROADS MAY CONTAIN ANY COMBINATION OF STORM DRAIN, SANITARY SEWER, ELECTRIC, GAS, FIBER OPTIC, OR OTHER UTILITIES AS REQUIRED FOR THE PROPOSED PROJECT.

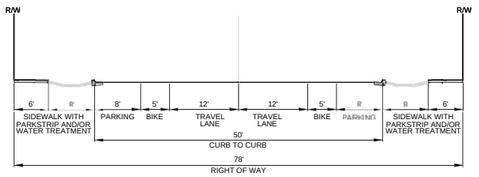
SOURCE: HMH Engineers

OFF-SITE UTILITIES IMPROVEMENTS

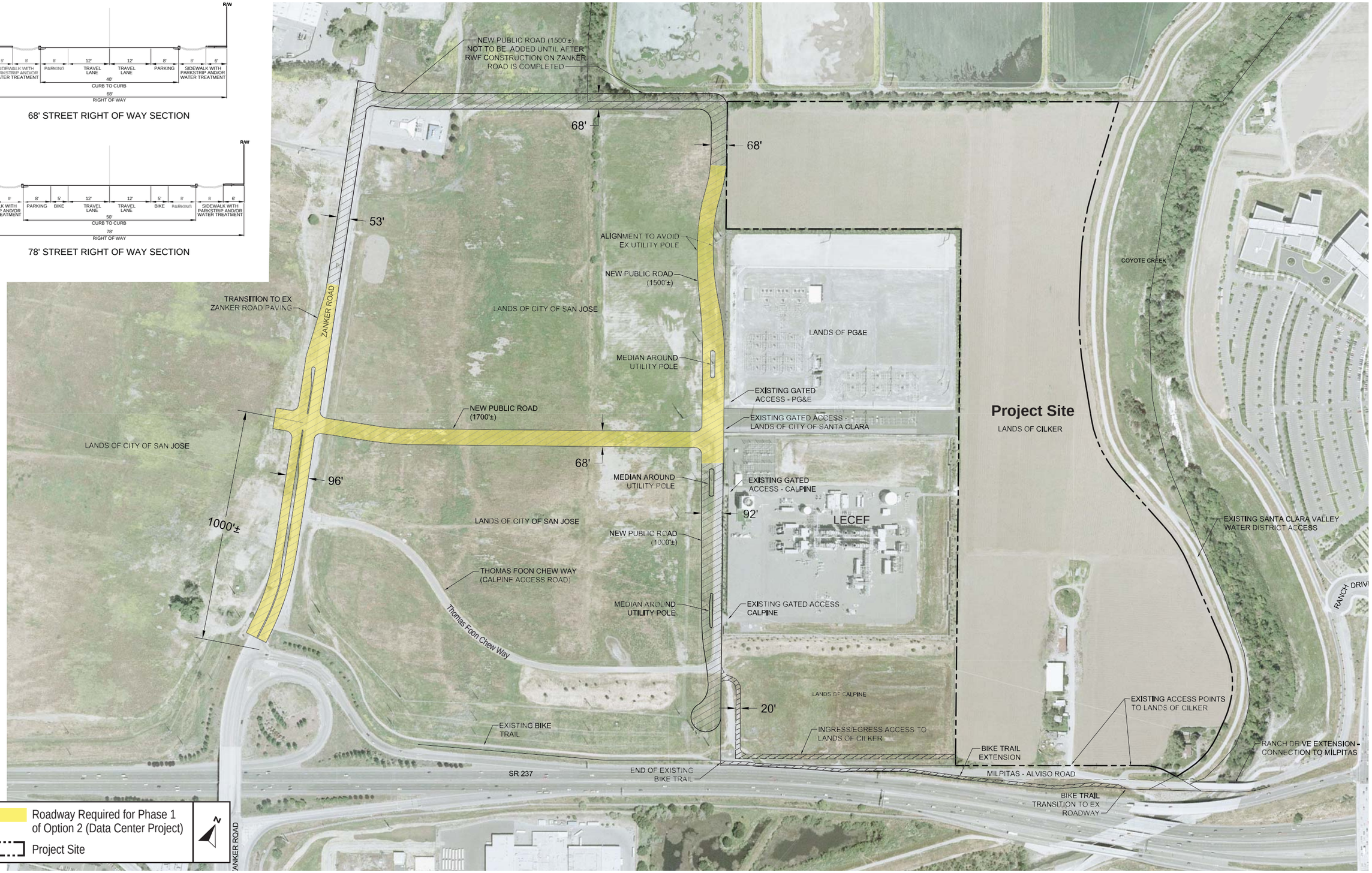
FIGURE 2.0-4



68' STREET RIGHT OF WAY SECTION



78' STREET RIGHT OF WAY SECTION



SOURCE: HMH Engineers. April 21, 2016.

ROADWAY IMPROVEMENTS

FIGURE 2.0-5

industrial land uses proposed as part of Option 2 would be similar to those proposed under the Option 1 project option in terms of uses and density, consistent with the light industrial zoning district.

2.1.3 General Plan and Zoning Designations

2.1.3.1 *2040 San José General Plan*

The *Light Industrial* General Plan designation allows for a range of light industrial uses and excludes uses with unmitigated hazardous or nuisance effects. Warehousing, wholesaling, and light manufacturing are examples of typical uses in this designation. *Light Industrial* designated properties may also contain service establishments that serve only employees of businesses located in the immediate industrial area. Office and higher-end industrial uses, such as research and development, are discouraged in order to preserve the scarce, lower cost land resources that are available for companies with limited operating history (start-up companies) or lower cost industrial operations. The maximum FAR is 1.5 with buildings from one to three stories.

Because of the limited supply of land available for industrial suppliers/services firms in the City, Land Use Policies in the Envision San José 2040 General Plan (General Plan) restrict land use changes on sites designated Light Industrial.

Alviso Master Plan

The project site is also identified *Light Industrial* under the Alviso Master Plan. Consistent with the General Plan, under the Alviso Master Plan this designation allows a wide variety of industrial uses, excluding any uses with unmitigated hazardous or nuisance effects. Examples of typical uses are warehousing, wholesaling, light manufacturing, and industrial supplier/service businesses (i.e., businesses which provide needed services or supplies to other businesses). As approved in the 2001 General Plan Amendment for a 140-acre site located north of Highway 237 and approximately 2,000 feet east of Zanker Road, including the project site (GP 01-T-05), buildings heights of up to 100 feet are allowed on the property. Development must also comply with the City's Riparian Corridor Policy Study which requires 100-foot setbacks from nearby waterways and precludes buildings, outdoor storage, parking and other paved areas, and ornamental landscaping within the setback zone.

Only low intensity uses (i.e., those with low employment densities) are allowed in the Light Industrial area located near Coyote Creek. Appropriate screening and landscaping is required in light industrial areas. Uses adjacent to the marshland and Coyote Creek need to be environmentally sensitive by minimizing both point and non-point source pollution and other potential adverse impacts.

2.1.3.2 *Zoning*

The project site is currently zoned *A(PD)*, and would be rezoned to *LI – Light Industrial* consistent with the General Plan designation. All requirements of the Light Industrial zoning district related to setbacks, parking, lighting, landscaping, and performance standards would be implemented.

A Special Use Permit (SUP) would be required to allow the construction of a data center on approximately 26.5 acres of the site (Option 2). The existing zoning on the site allows building

heights up to 100 feet. This height allowance would be maintained for the data center option of the proposed project.

2.1.4 Regional Wastewater Facility Master Plan

The San José-Santa Clara Regional Wastewater Facility (RWF), which is jointly owned and operated by San José and Santa Clara, serves San José, Santa Clara, Campbell, Los Gatos, Monte Sereno, Cupertino, Milpitas, Saratoga, and parts of Sunnyvale, Los Altos, and unincorporated Santa Clara County. The General Plans for these communities include policies and/or objectives related to the adequate provision of wastewater treatment and sanitary sewer services.

In November 2013, the RWF Master Plan was updated to include a number of technical improvements and changes to the allowed land uses on some the RWF's 2,684 acres, as shown on Figure 2.0-6. The RWF Master Plan shows development potential on lands located west of the project site and the extension of roadways over City held lands to facilitate the future development of these lands. The proposed project includes the extension of roadways and utilities to serve both the project site and City held lands, south of the site and east of Zanker Road.

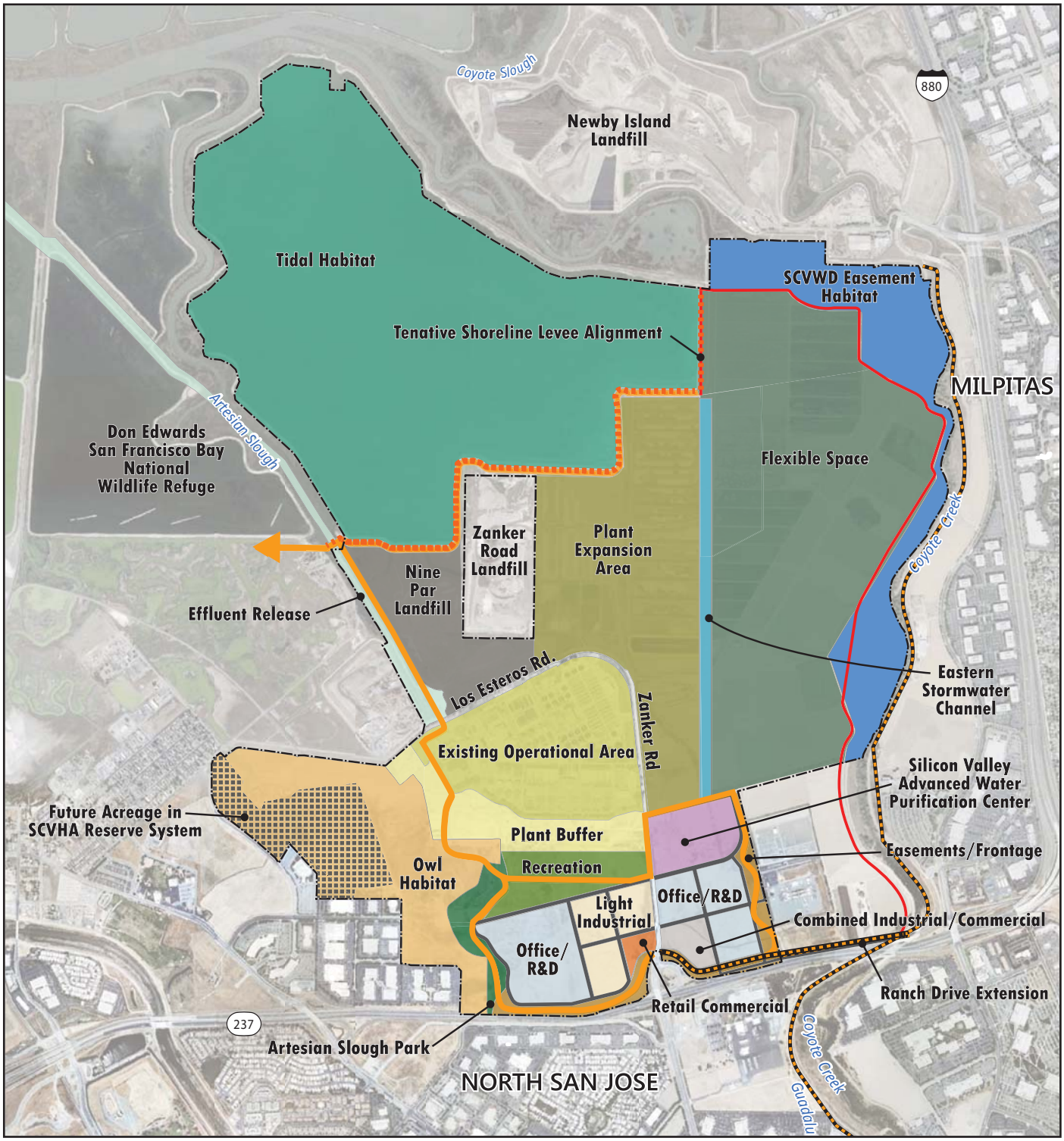
The Treatment Plant Advisory Committee (TPAC) was formed in 1959 to advise the San José and Santa Clara City Councils on RWF operation, maintenance, repair, and improvements, as well as administration of related programs and policies. The proposed project, which includes the extension of utilities on City held lands to serve the site and future RWF land development, would be reviewed by TPAC at one of their regularly scheduled meetings. The project is consistent with the General Plans of the City of San José and Santa Clara, and the RWF Master Plan.

2.2 DEVELOPMENT OPTIONS

2.2.1 Light Industrial Development Option (Option 1)

The light industrial development option (Option 1) would include up to seven two-story light industrial buildings with a maximum height of 45 feet and a floor area ratio (FAR) of approximately 0.43, as shown on Figures 2.0-7 and 2.0-8. The buildings would range between 306,656 gross square feet (Building #2) and 490,040 gross square feet (Building #6). Approximately 2,621 parking spaces would be provided in surface lots surrounding the buildings. Types of uses could include warehousing, wholesaling, light industrial manufacturing, and associated service establishments.

The proposed structures would include up to 108 truck loading docks; however, as shown on Figure 2.0-7, they would not be located adjacent to the riparian corridor of Coyote Creek.



Legend

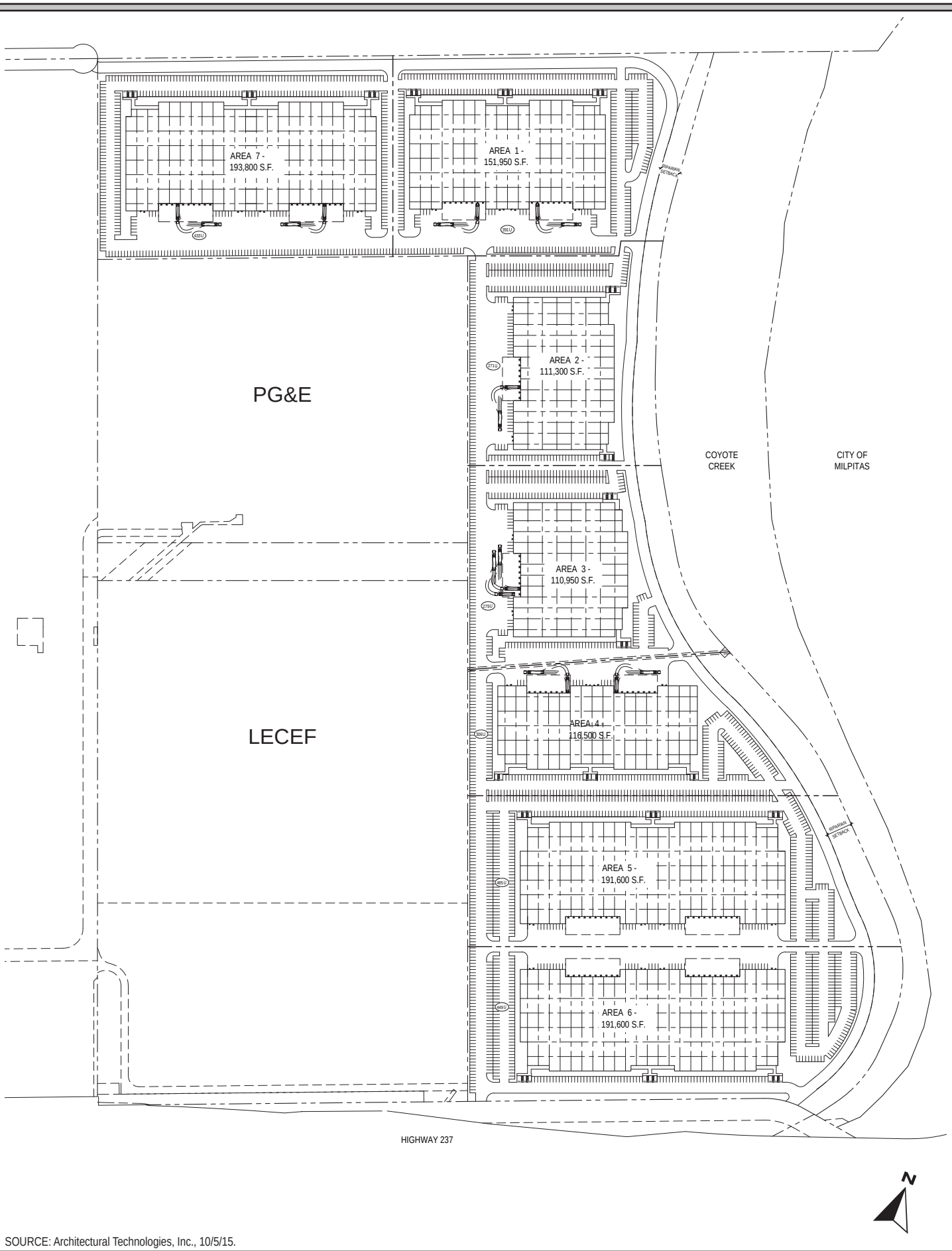
- Project Boundary
- Existing Levee
- Tentative Shoreline Levee
- Existing Trail
- Proposed Trail
- Proposed Boardwalk Trail

Updated June 9, 2016

0 0.25 0.5 1 Mile

N

RWF MASTER PLAN FIGURE 2.0-6

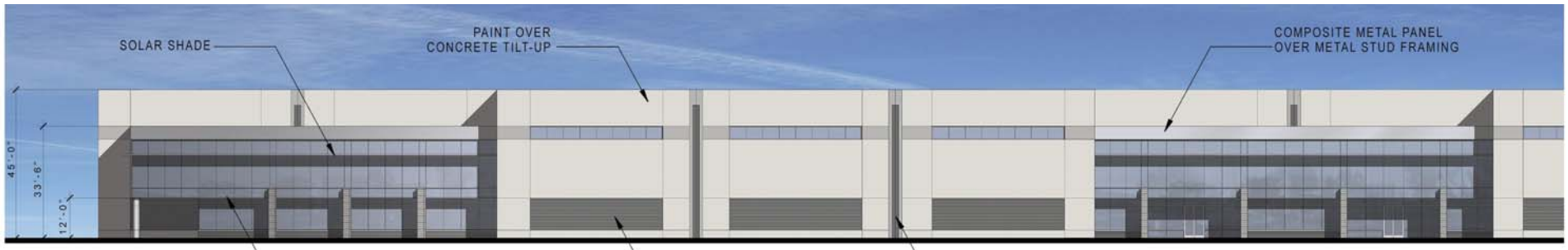


SOURCE: Architectural Technologies, Inc., 10/5/15.

LIGHT INDUSTRIAL SITE PLAN FIGURE 2.0-7

TYPICAL 2-ENTRY
FRONT ELEVATION

TYPICAL 2-ENTRY
SIDE ELEVATION



TYPICAL 3-ENTRY
FRONT ELEVATION
ENLARGED

TYPICAL 3-ENTRY
SIDE ELEVATION

SOURCE: Architectural Technologies, Inc. 10/19/15.

LIGHT INDUSTRIAL ELEVATIONS FIGURE 2.0-8

2.2.2 Data Center/Light Industrial Option (Option 2)

The data center/light industrial development option (Option 2) would include four main buildings for the Phase 1 data center uses on 26.5 acres of the 64.5-acre site, as shown on Figure 2.0-9. Project elevations and an architect's rendering are shown on Figure 2.0-10. The largest building is Building B which is approximately 284,900 square feet and up to 100 feet tall. The remaining three buildings would be a maximum of 55 feet tall. Each of these contain data center equipment, computers, and servers.

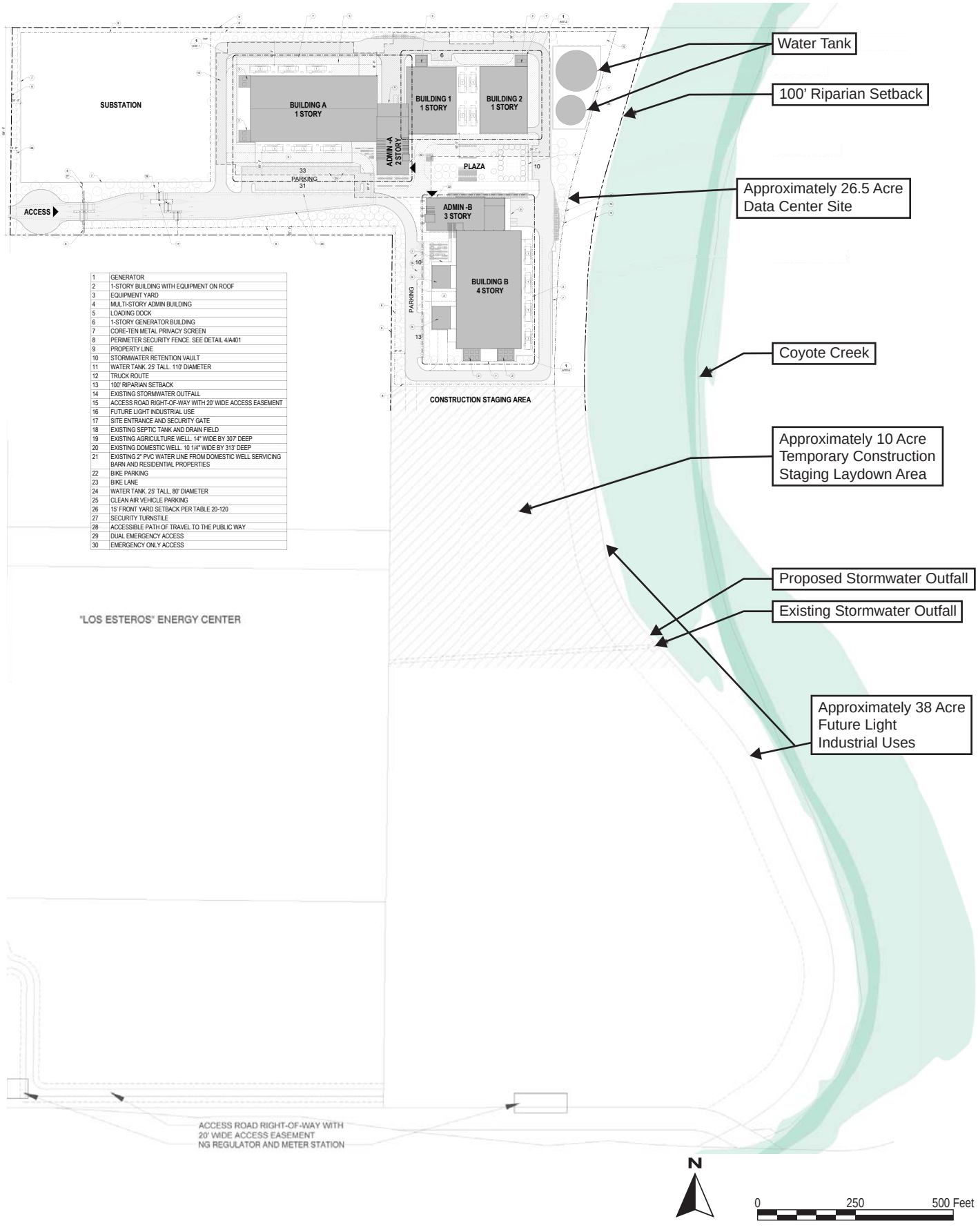
The data center use includes cooling towers (700 kW/cell with 20 cells/10 packs) and 24, 2,000 kW emergency diesel generators (Caterpillar 3516C) to provide power to the data center uses should there be an electrical power outage. The generators would use diesel-fueled engines that meet U.S. EPA Tier 2 emission standards. The diesel would be stored underneath each generator in above ground belly tanks.

A new approximately 103,300 square foot PG&E electrical substation with a maximum allowable height of 100 feet would be constructed along the northern boundary of the project site, west of the proposed data center to provide operational electrical power to the data center. Approximately 103 parking spaces would be provided in two surface lots located adjacent to the main buildings of the data center. Parking spaces would be provided at the substation consistent with PG&E requirements. Three truck loading docks would be located on the data center site. The data center would be fenced with iron fencing.

Option 2 requires that approximately 10 acres of the site be utilized for a temporary (up to 10 years) construction staging laydown area, as shown on Figure 2.0-9. Ultimately this area, as well as the remainder of the site (a total of approximately 38 acres), would be developed with up to 728,000 square feet of light industrial uses similar to what is proposed in the light industrial development option (Option 1). Heights of the light industrial uses would not exceed 45 feet and an FAR of 0.43 is expected. Parking for these light industrial would be consistent with City code requirements pending final design of this portion of the site.

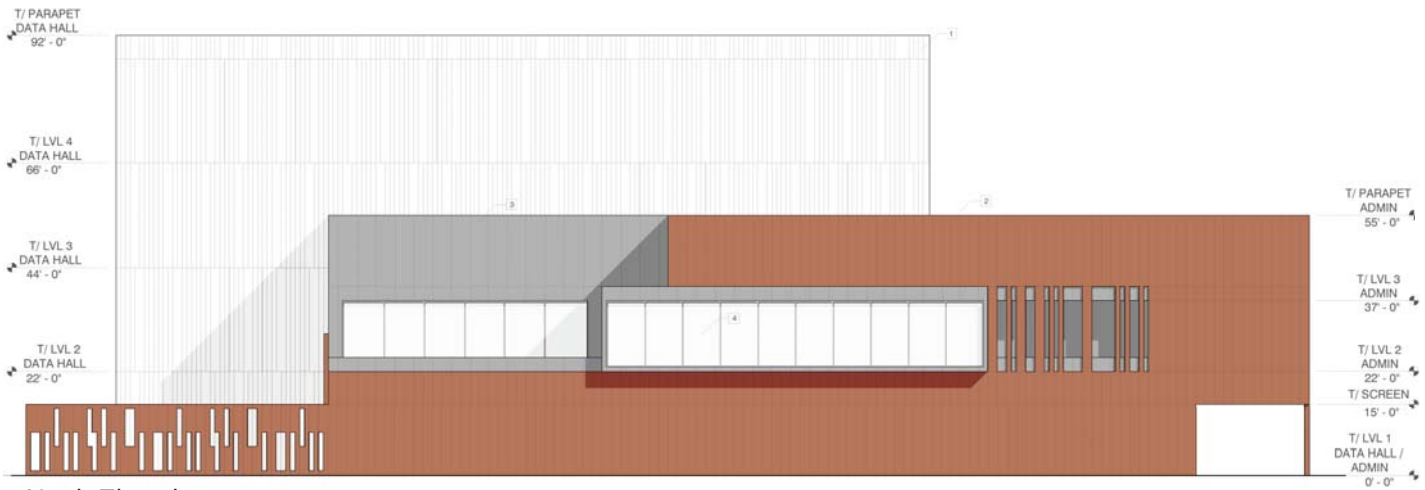
The data center also requires the installation of two 25-foot tall water storage tanks to be located in the northeastern portion of the site, as shown on Figure 2.0-9. The tanks would be approximately 110 feet and 80 feet in diameter and together, contain approximately 3.5 million gallons of water. The water would be used for backup to the recycled system source used to cool the facility and fire suppression, if necessary.

Both development options require the import of grading for positive drainage. Option 1 is anticipated to require the import of approximately 1,000 cubic yards of fill. Option 2 would require importing approximately 124,000 net new cubic yards of fill to be spread on the data center portion of the site. Both options also include a 100-foot riparian setback from Coyote Creek. The setback area would include landscaping consistent with the City's Riparian Corridor Policy Study and would be utilized for stormwater treatment. A small portion of the setback areas would be utilized for the potential construction of a stormwater outfall to Coyote Creek, as described in detail below.

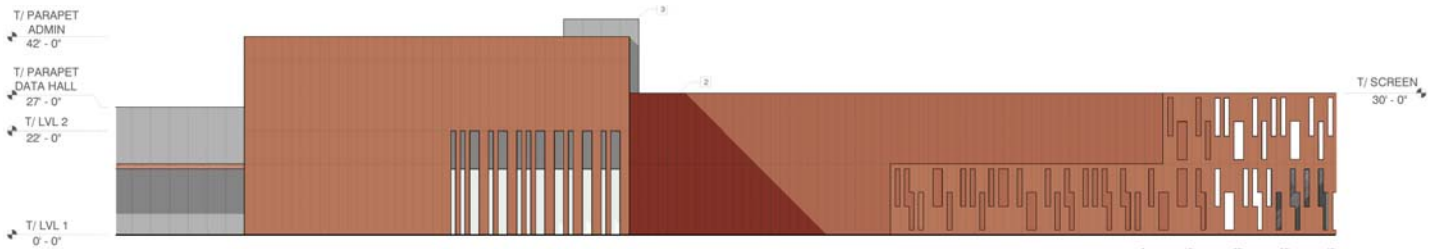


1	GENERATOR
2	1-STORY BUILDING WITH EQUIPMENT ON ROOF
3	EQUIPMENT YARD
4	MULTI-STORY ADMIN BUILDING
5	LOADING DOCK
6	1-STORY GENERATOR BUILDING
7	CORE-TEN METAL PRIVACY SCREEN
8	PERIMETER SECURITY FENCE. SEE DETAIL 4/A401
9	PROPERTY LINE
10	STORMWATER RETENTION VAULT
11	WATER TANK. 25' TALL. 110' DIAMETER
12	TRUCK ROUTE
13	100' RIPARIAN SETBACK
14	EXISTING STORMWATER OUTFALL
15	ACCESS ROAD RIGHT-OF-WAY WITH 20' WIDE ACCESS EASEMENT
16	FUTURE LIGHT INDUSTRIAL USE
17	SITE ENTRANCE AND SECURITY GATE
18	EXISTING SEPTIC TANK AND DRAIN FIELD
19	EXISTING AGRICULTURE WELL. 14" WIDE BY 307' DEEP
20	EXISTING DOMESTIC WELL. 10 1/4" WIDE BY 313' DEEP
21	EXISTING 2" PVC WATER LINE FROM DOMESTIC WELL SERVICING BARN AND RESIDENTIAL PROPERTIES
22	BIKE PARKING
23	BIKE LANE
24	WATER TANK. 25' TALL. 80' DIAMETER
25	CLEAN AIR VEHICLE PARKING
26	15' FRONT YARD SETBACK PER TABLE 20-120
27	SECURITY TURNSTILE
28	ACCESSIBLE PATH OF TRAVEL TO THE PUBLIC WAY
29	DUAL EMERGENCY ACCESS
30	EMERGENCY ONLY ACCESS

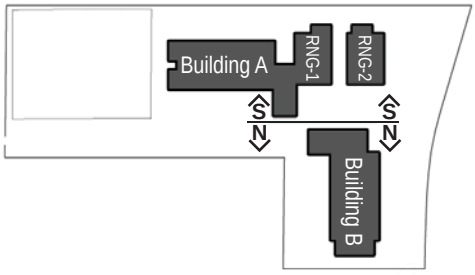
DATA CENTER SITE PLAN FIGURE 2.0-9



North Elevation



South Elevation



DATA CENTER ELEVATIONS AND RENDERING FIGURE 2.0-10

2.2.3 Utility Improvements

There are very few existing utilities on-site; therefore, potable and reclaimed water, sanitary sewer, stormwater, electrical, natural gas, and telecom (fiber optics) facilities would be extended onto the site, as shown on Figure 2.0-4. Most of the extended utilities would be constructed within the rights-of-way of the future public streets proposed as part of the project.

This EIR evaluates the environmental impacts of extending utilities to the site as well as to the City of San José held lands located south of the site and east of Zanker Road. The development of these lands was included as part of the RWF Master Plan as shown on Figure 2.0-6 and assumed in the Envision San José 2040 General Plan. The program-level environmental impacts of development of these lands have been evaluated in the respective EIRs prepared for the RWF Master Plan and the Envision 2040 San José General Plan. These documents can be found on the City's Department of PBCE's "Completed EIRs" page under File Nos. PP11-043 and PP09-011, respectively, at http://www.sanjoseca.gov/index.aspx?NID=2435.

The project components below are included in both development options of the proposed project.

2.2.2.1 *Stormwater Conveyance and Biofiltration*

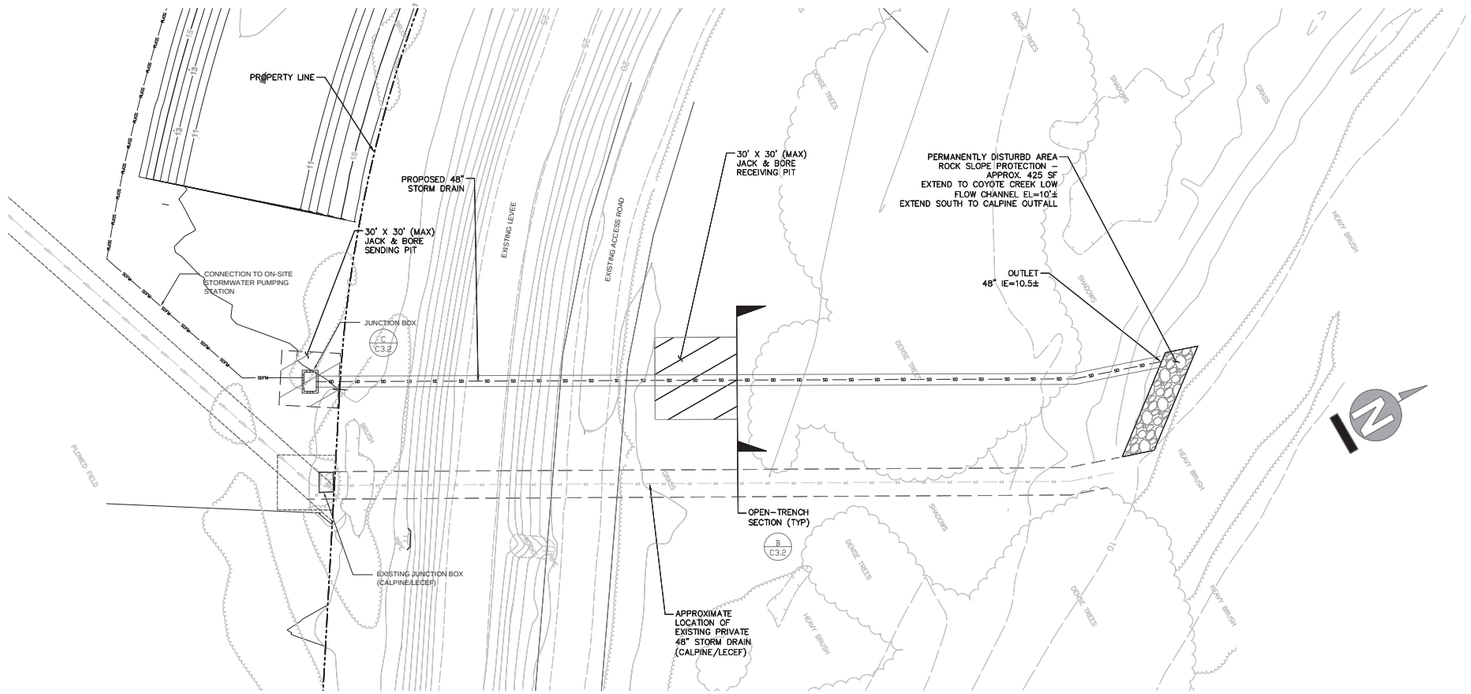
The proposed project (both options) includes two scenarios for the conveyance of stormwater during the 10-year rainfall event on the project site as well as from the City held properties located to the west of the site, east of Zanker Road.

The first scenario would be to construct a new stormwater outfall to Coyote Creek adjacent to the existing LECEF outfall approximately 1,800 feet downstream (north) of the SR 237 Bridge crossing, as shown on Figure 2.0-4. The new outfall (Figure 2.0-11) would require a new pipe be installed through the existing SCVWD levee located on the west side of the creek. The existing LECEF outfall cannot be utilized by the project, as it is a private facility that is not sized to accommodate the project site alone or with the City held lands east of Zanker Road.

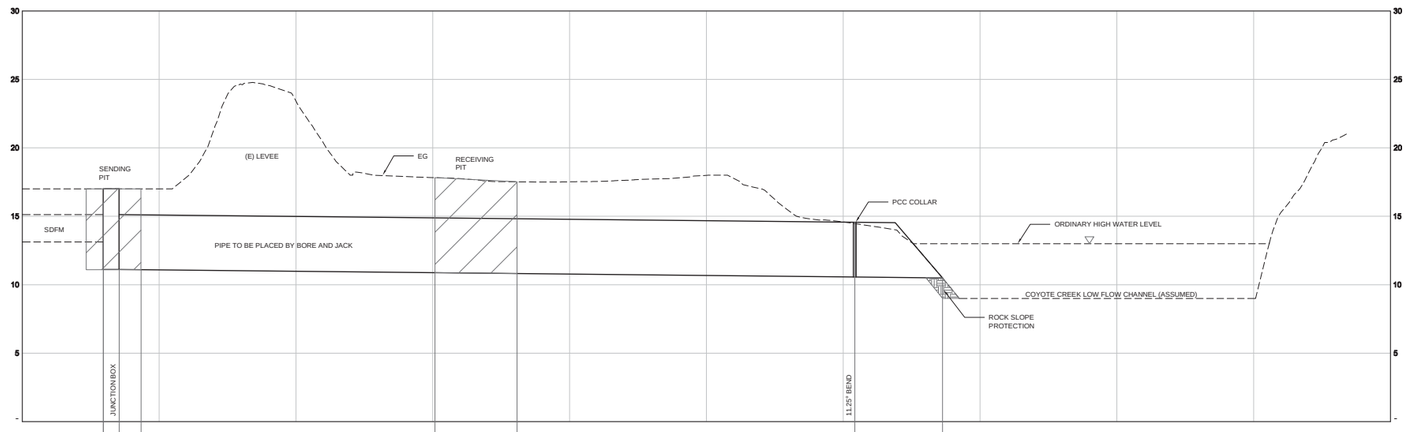
Stormwater flows from the site would be discharged to Coyote Creek via a forcemain into a new gravity outfall pipe that would discharge flows into the main creek channel. It is anticipated that this alternative would require permits from the California Department of Fish and Wildlife (CDFW), U.S. Army Corps of Engineers (USACE), Regional Water Quality Control Board (RWQCB), and Santa Clara Valley Water District (SCVWD).

The second scenario would be to direct stormwater to the City of San José's existing Oakmead Pump Station located on the Guadalupe River, south of SR 237 and approximately two miles southwest of the project site. New stormwater pipes would be required to convey flows to the southwest across City held lands and upgrades/increases to pipes located in existing public streets near the pump station. Improvements to the pump station itself would not be required as it is sized to accommodate run-off from the site.

If the Oakmead Pump Station is utilized to accommodate the proposed project, the outfall to Coyote Creek would not be required. Both alternatives would require the construction of up to two pump or lift stations for the conveyance of stormwater to either the possible outfall or the Oakmead Pump



PROPOSED CREEK OUTFALL PLAN



GROUND LEVEL (FT)		17.00	17.00	17.82	17.52	14.48	10.50	
PIPE INVERT LEVEL (FT)		11.10	11.08	10.87	10.81	10.56	10.50	
STATIONING (FT)		0+00.00	0+08.00	1+15.44	1+45.44	2+88.86	3+00.94	
GRADIENT	0.002						0.002	
PIPE DIAMETER AND CLASS	48"						48"	
PIPE MATERIAL	RCP						CMP	

PROPOSED CREEK OUTFALL PROFILE

POTENTIAL STORMWATER OUTFALL

FIGURE 2.0-11

Station. The pump or lift stations would be located on-site and/or within the new sanitary sewer pump station building to be constructed as described below in Section 2.2.3.1.

A stormwater biofiltration system would be included in the project within the 100-foot riparian setback from Coyote Creek in accordance with the C.3 provisions of the City's Municipal NPDES permit. The stormwater drainage system has been designed to incorporate source control measures and numerically-sized Low Impact Development (LID) stormwater treatment measures, including minimizing runoff through site design and source control. A stormwater retention vault may be required in the northeastern portion of the site. The biofiltration system would be designed based on its ultimate distance from the existing Coyote Creek levee and the potential for it to result in seepage and/or slope instability.

2.2.3.1 *Sanitary Sewer Pump Station*

The City of San Jose is requiring the project applicant to install a new public sanitary sewer pump station to serve the project site and the City-owned undeveloped land west of the site. Based on preliminary sizing calculations by the City of San Jose, the pump station would be required to provide a capacity of approximately seven (7) MGD and would occupy a land area of approximately 5,000 square feet. The proposed location as shown on Figure 2.0-4.

The pump station facility improvements would likely include holding tanks, sumps, redundant submersible pumps, a control building, and generators for backup power. The pump station would require a 70 kilowatt (kW) backup emergency diesel generators. The public sanitary sewer pump station may connect to the underground vault system owned and operated by the LECEF, or a new connection to the gravity sewer trunk lines in Zanker Road would be constructed.

The project would also require gravity sanitary sewer lines that run from the project site to the holding tanks/sumps at the new public sanitary sewer pump station. The gravity sewer lines would follow the alignment of the new public streets that would be built as part of the project's roadway infrastructure improvements (Figure 2.0-5).

2.2.3.2 *Water Supply*

The project is in the San Jose Municipal Water System's (SJMWS) North San Jose/Alviso service area. Potable water supply for this area is wholesale water purchased from the San Francisco Public Utilities Commission (SFPUC) with some backup supply available from locally produced groundwater. Non-potable supply, which is used primarily for irrigation and industrial purposes, is obtained from the South Bay Water Recycling (SBWR) system.

The proposed project would utilize both recycled and potable water. Recycled water would be utilized for cooling tower uses and landscaping. Potable water would be utilized for restrooms, water fountains, eye wash stations, etc. Potable water would only be used for cooling tower uses if the recycled supply is interrupted. Both potable and recycled water lines would be installed within existing and proposed roadways.

SJMWS has determined that there are sources available to provide for project water demands consistent with their Urban Water Management Plan (UWMP). As a condition of approval, the applicant would provide for the purchase of an approximately 2,500 square foot property within

SJMWS's North San José/Alviso service area for the future installation of a new groundwater well. It is anticipated that a future well site, as a public facility, could be located on property owned by the City, where the Developer would work with the City to determine a pro rata fair share contribution towards this facility. The well would be located and constructed by SJMWS in conformance with the provisions of their Urban Water Management Plan.

2.2.2.3 *Extension of Electricity, Gas, and Fiber Optics*

The proposed project also requires the extension of electricity, gas, and fiber optics to the project site and the City held lands east of Zanker Road. Many of these utility locations can be seen on Figure 2.0-4 and most would be located within the rights-of-way of the proposed new public streets.

2.2.4 Site Access

Access to the project site is currently only allowed via Milpitas-Alviso Road along the southern boundary of the site. Most of the alignment of this roadway is not improved to City of San José standards for a public street. As shown on Figure 2.0-5, both options of the proposed project would require widening of and improvements to Zanker Road and the extension of new roadways from Zanker Road to the project site as described below. The roadway extensions would be construction on land currently held by the RWF (Cities of San José and Santa Clara).

The future Zanker Road/Nortech Parkway intersection would require signalization with both project options. The signal would be a three-way signal, because the extension of Nortech Parkway to the west is not part of the proposed project. It is intended that the signal would be able to accommodate a fourth leg when Nortech Parkway is ultimately extended.

Option 1 would require the construction of two new 68-foot wide, two-lane roadways from Zanker Road; one along the northern boundary of the site to be constructed after technical improvements included in the Regional Wastewater Facility Master Plan are completed, and one at the extension of Nortech Parkway, west of Zanker Road. This option also includes a new 68- to 92-foot wide north-south roadway to be constructed on the western boundaries of the existing PG&E and LECEF properties. The north-south roadway would intersect with the new northern roadway. It would include a cul-de-sac at the southern end and a new 20- to 30-foot wide access roadway to the project site.

Option 2 roadways can be divided into two phases. The first phase would be the construction of the data center in the northern portion of the site. This phase would only require the Nortech Parkway extension roadway from Zanker Road. At the LECEF property, another roadway would intersect with the Nortech Extension to allow access to the data center to the north. The roadway would end at a cul-de-sac and a secure gated entry to the data center site, as shown on Figure 2.0-9.

The second phase of Option 2 would include the construction of all of the roadways described in Option 1 and shown on Figure 2.0-5.

Milpitas-Alviso Road becomes Ranch Drive at Coyote Creek in the City of Milpitas. This roadway is currently utilized by LECEF truck traffic and provides bicycle/pedestrian access to the Coyote Creek Trail on the east side of Coyote Creek. This access would be maintained for the existing

LECEF, however, truck and employee traffic from the proposed project (either option) would not have access to Ranch Drive. Traffic on Ranch Drive related to the proposed project would be limited to emergency vehicle access only.

The proposed project (full development of Option 1 or Option 2) also includes the extension of a Class I improved trail from Ranch Drive along the southern boundary of the site to the end of the existing bike trail, as shown on Figure 2.0-5. Thomas Foon Chew Way, which currently provides access to the LECEF and PG&E substation would not be affected by the proposed project. Traffic generated by the existing LECEF and PG&E substation would be able to utilize the new public streets included in the proposed project which could improve traffic access to the existing facilities west of the site.

2.2.5 Construction Schedule

It is anticipated that Option 1 would be constructed in generally one 20-month phase. Option 2 would be constructed in two construction phases: 1) data center and substation, and 2) light industrial uses. The first phase would be constructed over approximately 30 months. Building A would be the first constructed with Buildings 1 and 2 and Building B to follow. A specific timeframe for the light industrial development included in Option 2 has not been determined.

2.3 PROJECT OBJECTIVES

Pursuant to CEQA Guidelines Section 15124, the EIR must identify the objectives sought by the proposed project. The project applicant has stated the following objectives:

1. Support the community values outlined in the Envision San José 2040 General Plan, including, among others, the Innovative Economy goals by providing key infrastructure improvements driving today's businesses, and Quality Education and Services by significantly increasing property tax revenue to local agencies.

2. Support the implementation of the Alviso Master Plan vision for the project site as well as the "Focused Growth" Major Strategy from the Envision San José 2040 Plan, including a focus on economic growth, fiscal sustainability, and environmental sustainability.

3. Allow for the construction and operations of a data center of approximately 440,000 square feet that will house computer servers, supporting equipment, and associated office uses in an environmentally controlled structure with redundant subsystems systems (cooling, power, network links, storage, fire suppression, etc.) 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.

4. Provide operational electric power to the proposed data center via an electric substation, and provide other utility infrastructure to serve the project (as well as other planned growth in the vicinity consistent with the City's infrastructure planning and partnership objectives), including water, storm drainage, sanitary sewer, electric, natural gas, and telecommunications, as well as new roadway infrastructure.

5. Support San José's stated job creation objectives by allowing for the construction of up to 1.2 million square feet of new light industrial uses that are compatible with nearby land uses, which would then further stimulate economic activity and employment generation.

6. Develop a light industrial campus that is well-designed per industry standards and properly integrates the planned uses and related improvements including, among others, parking, loading docks, vehicle access, and bicycle and pedestrian connections.

7. Develop a light industrial campus that is well-designed per industry standards and properly integrates light industrial uses, data center uses, parking, loading docks, vehicle access, and bicycle and pedestrian connections.

8. Incorporate, as feasible, environmentally sustainable features into the project, such as appropriate bird-friendly building design components, and the creation of an environmental buffer zone along Coyote Creek consistent with the City's Riparian Corridor Policy setback of 100 feet.

9. Meet the growing demand for light industrial uses, which may include a data center to support the region's growing businesses and work force population in support of Envision San José 2040 General Plan's Major Strategy #4, which calls for development supporting San José's growth as a center of innovation.

10. Construct new on- and off-site infrastructure improvements, including water, storm water, sanitary sewer, electric, natural gas, and telecom facilities to allow the proposed development as well as the implementation of the San José-Santa Clara Regional Wastewater Facility Master Plan which created economic development areas west of the project site. (Separate environmental review was completed for the Master Plan by the City of San José in late 2013.)

2.4 USES OF THE EIR

This EIR provides decision-makers in the City of San José and Santa Clara and the general public with relevant environmental information to use in considering the proposed project. This EIR is intended to be used for appropriate discretionary approvals necessary to implement the proposed project. This EIR will be relied upon for the following project-specific discretionary approvals necessary to implement the project as proposed, including the potential stormwater outfall to Coyote Creek and the sanitary sewer pump station.

<u>City of San José Approvals</u>:

- Rezoning (No.)
- Development Permit
- Building Clearance
- Public Works Clearance
- Grading Permit
- Tree Removal Permit
- Special Use Permit (Option 2)

- Development/Cooperation Agreements

Other Agency Approvals:

Potential Stormwater Outfall to Coyote Creek:

- U.S. Army Corps of Engineers, Section 404 Nationwide Permit
- Regional Water Quality Control Board, Section 401 Clean Water Act Permit
- California Department of Fish and Wildlife, Streambed Alteration Agreement
- Santa Clara Valley Habitat Agency, Valley Habitat Plan
- Santa Clara Valley Water District, Encroachment Permit Application

Sanitary Sewer Pump Station and Data Center (Option 2) Emergency Generators:

- BAAQMD, Air Quality Permits/Permit to Operate

Extension of Utilities under SR 237:

- Caltrans Encroachment Permit(s)

SECTION 3.0 ENVIRONMENTAL SETTING, IMPACTS, AND MITIGATION

This section presents the discussion of impacts related to the following environmental subjects in their respective subsections:

3.1	Aesthetics	3.9	Hydrology and Water Quality
3.2	Air Quality	3.10	Land Use and Planning, Population/ Housing, and Agricultural Resources/Forestry
3.3	Biological Resources	3.11	Noise and Vibration
3.4	Cultural Resources	3.12	Public Services/Recreation
3.5	Energy	3.13	Transportation/Traffic
3.6	Geology and Soils/Mineral Resources	3.14	Utilities and Service Systems
3.7	Greenhouse Gas Emissions		
3.8	Hazards and Hazardous Materials		

The discussion for each environmental subject includes the following subsections:

ENVIRONMENTAL SETTING

This subsection: 1) provides a brief overview of relevant plans, policies, and regulations that compose the regulatory framework for the project and 2) describes the existing, physical environmental conditions at the project site and in the surrounding area, as relevant.

IMPACTS

This subsection: 1) includes thresholds of significance for determining impacts, 2) discusses the project's consistency with those thresholds, and 3) discusses the project's consistency with applicable plans. For significant impacts, feasible mitigation measures are identified. "Mitigation measures" are measures that will minimize, avoid, or eliminate a significant impact (CEQA Guidelines Section 15370). Each impact is numbered using an alphanumeric system that identifies the environmental issue. For example, **Impact HAZ-1** denotes the first potentially significant impact discussed in the Hazards and Hazardous Materials section. Mitigation measures are also numbered to correspond to the impact they address. For example, **MM NOI-2.3** refers to the third mitigation measure for the second impact in the Noise section.

The project's consistency with applicable plans (such as General Plans, specific plans, and regional plans) is also discussed within this subsection pursuant to CEQA Guidelines Section 15125(d).

CONCLUSION

This subsection provides a summary of the project's impacts on the resource.

Important Note to the Reader

The California Supreme Court in a December 2015 opinion [*California Building Industry Association v. Bay Area Air Quality Management District*, 62 Cal. 4th 369 (No. S 213478)] confirmed that CEQA, with several specific exceptions, is concerned with the impacts of a project on

the environment, not the effects the existing environment may have on a project. Therefore, the evaluation of the significance of project impacts under CEQA in the following sections focuses on impacts of the project on the environment, including whether a project may exacerbate existing environmental hazards.

The City of San José currently has policies that address existing conditions (e.g., air quality, noise, and hazards) affecting a proposed project, which are also addressed in this section. This is consistent with one of the primary objectives of CEQA and this document, which is to provide objective information to decision-makers and the public regarding a project as a whole. The CEQA Guidelines and the courts are clear that a CEQA document (e.g., EIR or Initial Study) can include information of interest even if such information is not an "environmental impact" as defined by CEQA.

Therefore, where applicable, in addition to describing the impacts of the project on the environment, this chapter will discuss Planning Considerations that relate to policies pertaining to existing conditions and its effects on the project. Such examples include, but are not limited to, locating a project near sources of air emissions that can pose a health risk, in a floodplain, in a geologic hazard zone, or in a high noise environment.

3.1 AESTHETICS

3.1.1 Environmental Setting

3.1.1.1 *Regulatory Framework*

San José General Plan

The Envision San José 2040 General Plan include policies applicable to all development projects in San José.

Policy CD-1.1: Require the highest standards of architecture and site design, and apply strong design controls for all development projects, both public and private, for the enhancement and development of community character and for the proper transition between areas with different types of land uses.

Policy CD-1.18: Encourage the placement of loading docks and other utility uses within parking structures or at other locations that minimize their visibility and reduce their potential to detract from pedestrian activity.

Policy CD-1.23: Further the Community Forest Goals and Policies in this Plan by requiring new development to plant and maintain trees at appropriate locations on private property and along public street frontages. Use trees to help soften the appearance of the built environment, help provide transitions between land uses, and shade pedestrian and bicycle areas.

Policy CD-4.9: For development subject to design review, ensure the design of new or remodeled structures is consistent or complementary with the surrounding neighborhood fabric (including but not limited to prevalent building scale, building materials, and orientation of structures to the street).

Policy CD-10.2: Require that new public and private development adjacent to Gateways and freeways (including 101, 880, 680, 280, 17, 85, 237, and 87), and Grand Boulevards consist of high-quality materials, and contribute to a positive image of San José.

Alviso Master Plan

The following policies are specific to aesthetics and visual resources and are specific to the proposed project.

Environmental Protection Policy 3: The riparian corridors adjacent to Coyote Creek and Guadalupe River should be preserved intact. Any development adjacent to the waterways should follow the City's Riparian Corridor policies.

City of San José Riparian Corridor Policy Study

The City of San José's Riparian Corridor Policy Study defines a riparian corridor as any defined stream channel, including the area up to the bank full-flow line, as well as all riparian (streamside vegetation in contiguous adjacent uplands. The policy study states that riparian setbacks should be measured 100 feet from the outside edges of riparian habitat or the top of bank, whichever is greater. The following guidelines of the policy study are applicable to determining aesthetic impacts for projects adjacent to Coyote Creek.

Guideline 2B: Glare. Building materials should not produce glare that would adversely impact the riparian corridor. Windows should not be mirrored but otherwise their use is not limited.

Guideline 2E: Lighting. All trail corridors, except for the Guadalupe River Downtown, are closed after sunset, and as such do not have lighting (except for security lighting at bridge under crossings). For all other developments, lighting within the corridor and setback areas should be avoided. Lighting on development sites should be designed and sited to avoid light and glare impacts to wildlife within the riparian corridor. Any lighting located adjacent to riparian areas should be as low as feasible in height (bollard lighting is preferred) and must be directed downward with light sources not visible from riparian areas.

3.1.1.2 *Existing Conditions*

Visual Character of the Project Site

The project site is primarily fallow farmland and can be seen from SR 237, but is not readily visible from Zanker Road or the east side of Coyote Creek, where a levee blocks views of the site (See Photos 1 and 2). Development on-site includes two single-family houses, a mobile home, and three farm-related accessory structures located near the southern end of the site. One of the single-family houses, located at the southeastern corner of the site, is a one-story Craftsman Prairie-style house with Mission Revival influences (Edgar A. Jackson House), as shown in Photo 3.

The structures on the site are mostly hidden by large shrubs and trees, as shown in Photos 4, 5, 6, and 7. Vehicular access to the houses and accessory structures is provided by a paved pathway in the central portion of the site.

Surrounding Land Uses

The project area is primarily agricultural land. The project site is bounded by Alviso-Milpitas Road to the south, lands of the RWF and the LECEF and PG&E substation to the west, lands of the RWF to the north, and Coyote Creek to the east.

Alviso-Milpitas Road becomes Ranch Road at Coyote Creek and provides trail and limited vehicle access to McCarthy Boulevard in Milpitas. South of Alviso-Milpitas Road is State Route 237 (SR 237), a six-lane freeway that extends in an east/west direction between Sunnyvale and Milpitas, as shown in Photo 9.

West of the project site is the LECEF facility and associated electrical substation, as shown on Photo 10. The energy facility is surrounded by a wall and a chain link fence. There is a berm located immediately adjacent to the fence with trees and shrubs. High power transmission lines are located west of the facility.

The San José-Santa Clara Regional Wastewater Facility is located north and northwest of the project site. The main building, located on the west side of Zanker Road, is primarily glass and stucco. The building is an irregular-shaped two-story building and is set back from the roadway with a surface parking lot and landscaped areas. Drying beds for the RWF are located immediately north of the

PHOTO 1: View of the project site, looking south.

PHOTO 2: View of the project site, looking northeast.

PHOTOS 1 AND 2

PHOTO 3: View of existing Edgar A. Jackson house in the southeastern corner of the site, looking north from Alviso-Milpitas Road.

PHOTO 4: View of the farm complex in the south central portion of the site, looking northwest from the paved pathway.

PHOTOS 3 AND 4