



Memorandum

TO: HISTORIC LANDMARKS
COMMISSION

FROM: Rosalynn Hughey

SUBJECT: DRAFT ENVIRONMENTAL IMPACT
REPORT FOR DOWNTOWN WEST
MIXED-USE PROJECT
(ASSOCIATED FILE NOS. PDC19-039,
PD19-029, GP19-009, HL20-004, HL20-005,
HP20-002, & PT20-027)

DATE: November 4, 2020

COUNCIL DISTRICTS: 3 and 6

RECOMMENDATION

Provide comments to staff on the historic preservation component of the Draft Environmental Impact Report for the Downtown West Mixed-Use Project (Associated File Nos. PDC19-039, PD19-029, GP19-009, HL20-004, HL20-005, HP20-002, & PT20-027).

BACKGROUND

The Downtown West Mixed-Use Plan (Google Project) was brought to the Historic Landmarks Commission on January 15, 2020 under the Early Referral Policy. Comments received at the meeting are recorded in the Action Minutes included in **Attachment 1** of this memorandum.

As shown in Figure 1 below, the project site is generally bounded by Lenzen Avenue and the Union Pacific Railroad tracks to the north; North Montgomery Street, Los Gatos Creek, the Guadalupe River, South Autumn Street, and Royal Avenue to the east; Auzerais Avenue to the south; and Diridon Station and the Caltrain rail line to the west. The project also includes the area bounded by Los Gatos Creek to the west, West San Fernando Street to the south, the Guadalupe River to the east, and West Santa Clara Street to the north.



Figure 1: Project Location

Project Location in Beige (Shaded) and Diridon Station Area Plan in Blue (Solid/Dashed Line)

DOWNTOWN WEST MIXED-USE PLAN (GOOGLE PROJECT)

The project, known as the Downtown West Mixed-Use Plan (Google Project), was initially filed with the City on October 10, 2019 and updated submittals were received on October 7, 2020.

The proposal is for mixed-use development on approximately 81 acres, mostly within the boundaries of the Diridon Station Area Plan (DSAP). The project involves a Planned Development Rezoning, Planned Development Permit, General Plan Amendments, Historic Landmark Boundary Amendments, Historic Preservation Permit Amendment, Vesting Tentative Map, Development Agreement, and other land use related approvals for the development of up to 5,900 residential units; up to 7,300,000 gross square feet (GSF) of office space; up to 500,000 GSF of active uses such as retail, cultural, arts, etc.; up to 300 hotel rooms; up to 800 rooms of limited-term corporate accommodations; up to two event and conference centers totaling up to 100,000 GSF; up to two central utility plants totaling approximately 130,000 GSF; logistics/warehouse(s) totaling approximately 100,000 GSF; and approximately 15 acres of open space. The project also proposes infrastructure, transportation, and public realm improvements.

All associated documents about the project can be found or linked at <https://www.sanjoseca.gov/googleproject>.

The project proposes to amend the existing landmark boundary (File No. HL20-004) of the Southern Pacific Depot Historic Landmark (now called Diridon Station) located at 65 Cahill Street. The proposed boundary amendment aims to realign the boundary to match the existing parcel (which has changed in form since 1995). The project also proposes amending the existing landmark boundary of the San Jose Water Company, located at 374 West Santa Clara Street (File No. HL20-005). The proposed boundary amendment aims to reconfigure the landmark boundary to contain the two historic resources on the site: the main office building built in 1934 and expanded in 1940, and the 1913 Transformer House, which is a contributing structure.

Concurrent with the boundary changes is an application for a Historic Preservation Permit Amendment (File No. HP20-002) to amend the existing Historic Preservation Permit (File No. HP16-002) to allow the demolition of non-historic building additions, the relocation of the transformer house to the rear of the main building and the construction of an underground garage near the walls of the main building. The applicant would amend HP16-002 to:

1. remove activities that will be completed under existing building permits prior to action on the proposed amendment, i.e., rehabilitation of the Main Building;
2. remove activities that are no longer proposed, i.e., the construction of garage access building structure and landscaping; and
3. revise the terms of HP16-002 to be consistent with the City Council's approval of the Downtown West Planned Development Permit with respect to relocation of the transformer house and demolition of non-historic building additions (if not completed prior to action on the proposed amendment). The pending Downtown West Planned Development Zoning (File No. PDC19-039), like the existing Planned Development Zoning (File No. PDCO2-046) that HP 16-002 currently refers to, allows the relocation of the transformer house and demolition of non-historic building additions. However, the new Planned Development Permit will include terms different from those in PDCO2-046 with respect to development on Block E to ensure that the findings and conditions of HP 16-002 accurately reflect the new Planned Development Permit.

HISTORIC RESOURCE ASSESSMENT

The Historical Resources Technical Report was prepared by Architectural Resources Group (ARG) covering all properties over 45 years old within the site and its immediate environs (**Attachment 2**). The study area includes several properties that are vacant and/or occupied by surface parking lots, five properties less than 45 years of age and ineligible for consideration as historic resources, and 36 properties 45 years of age or older. A map of the historic resource study area is included in **Attachment 3** of this memorandum.

ARG evaluated these 36 properties for listing in the National Register of Historic Places and California Register of Historical Resources and in the Historic Resources Inventory. Detailed evaluations for each property are located in the DPR 523 forms presented in Appendix C of the historic resources technical report.

On-Site Historic Resources

Nine of the 36 resources evaluated by ARG are located within the project site and are considered historical resources under the California Environmental Quality Act (CEQA). Of these resources, seven are newly identified through the CEQA process for the project. Six are individual historic resources, two are groupings of multiple structures, and one is a contributor to a noncontiguous Candidate City Landmark District. A map of the location of these on-site resources is included in **Attachment 4** of this memorandum.

1) 559, 563 and 567 W. Julian Street (APN 259-27-009)

This historic resource is a grouping of three individual residences located on one assessor's parcel. Together, the residences are eligible for Candidate City Landmark status as a group.

2) 343 North Montgomery Street (APN 259-27-014)

This building (Advance Metal Spinning) constructed in 1941, was previously evaluated and found to be ineligible for listing in the National Register and California Register. A 2019 analysis concurred with the previous findings. However, the building is eligible as a Candidate City Landmark because it is a "local example of industrial architecture with Streamline Moderne elements and conveys the physical landscape of the neighborhood as it was during World War II and in the early postwar era.

3) 345 North Montgomery Street (APN 259-27-015)

This building (Circus Ice Cream) constructed in 1944, was previously evaluated and found to be ineligible for listing in the National Register and California Register. A 2019 analysis concurred with the previous findings. However, the building is eligible as a Candidate City Landmark because it is a local example of industrial architecture with Streamline Moderne elements and conveys the physical landscape of the neighborhood as it was during World War II and in the early postwar era.

4) 55 and 57 S. Autumn Street, and 40 S. Montgomery Street (APNs 259-38-010, 259-38-011, 259-38-028, and 259-38-029)

The Kearney Pattern Works and Foundry was established at the site in 1922. The facility was enlarged in the 1930s, 1950s, 1960s, and 1990s. The property was previously evaluated and found to be ineligible for listing in the National Register and California Register. ARG's analysis differs from the previous findings and concludes that the subject property is eligible for listing in both the National and California Registers under Criterion A/1: Over the course of its one hundred years in operation, Kearney Pattern Works and Foundry's operations would come to reflect the broader shifts and patterns in the region's prevailing industries and play an important role in producing specialized tools and equipment required for their commercial success. In addition, the building is eligible for listing as a Candidate City Landmark.

5) 374 W. Santa Clara Street (APN 259-38-128)

The San Jose Water Company building was constructed in 1934. The main building was determined to be eligible for inclusion in the National and California Registers in 1990 under Criterion A/1 (Events and Trends) for its association with the oldest privately owned water utility in California and under Criterion C/3 (Architecture) as an excellent example of a distinctive type of office building for its period, combining Moderne and Spanish Colonial Revival elements. The 1913 transformer building was also found to be a contributing element to the historic resource. The pump house and data processing building were determined to be non-contributing. The complex is City Landmark number HL91-57.

6) 580 Lorraine Street (APN 259-47-040)

This building (Democracy Hall) was constructed in 1961 and is eligible for listing in the National Register and California Register under Criterion C/3 as a rare non-residential example of master architect Henry Hill and his associate John Kruse, and as the only known extant example of Hill's work in San José. In addition, ARG concluded the property eligible for listing as a Candidate City Landmark.

7) 150 South Montgomery Street (APN 259-48-053)

This building was constructed ca. 1934 by Harold Hellwig as an ironworks, which was in operation until 1963. The building was evaluated in 2005 for individual eligibility and found to be ineligible for listing in the National Register and California Register. ARG's analysis concurs with the previous findings. However, 150 South Montgomery Street appears to be eligible as a Candidate City Landmark because it is an example of an industrial property built during the second wave of development to occur in the area in the early twentieth century and embodies the distinctive use of building materials that is not typical of industrial buildings in the area.

8) 145 South Montgomery Street (APN 261-35-027)

This building was constructed ca. 1936 as a bakery for the Sunlite Baking Company and has been individually evaluated several times with conflicting findings. ARG's analysis concurs with the most recent findings, which found that the property is eligible for listing in the National Register and California Register under Criterion B/2 for its significant association with the locally prominent Gilliland family, and also Criterion C/3 as a distinctive local example of the Art Moderne style designed by prominent architect Ralph Wyckoff. In addition, ARG concluded that 145 South Montgomery Street appears to be an eligible Candidate City Landmark.

9) 105 South Montgomery Street (APNs 261-35-003 and 261-35-010)

The Stephen's Meat Products neon sign is listed in the Historic Resources Inventory as a Contributing Site/Structure. The sign is eligible for listing a contributor to a Candidate Commercial Signage Noncontiguous Historic District. The historic commercial signs are related to the mid-twentieth century time frame when "commercial signs were popular...as roadside attractions associated with commercial uses.

Off-Site Historic Resources Within 200 Feet

As part of the CEQA analysis for the project, ARG evaluated properties within a 200-foot radius outside of the project site. This is the area in which historic resources may be affected by physical changes on the project site.

Twenty-seven of the 36 properties evaluated by ARG are located within 200 feet of the project site. Twenty-three properties were determined to be eligible for listing in the National Register of Historic Places and California Register of Historic Resources, and for designation as City Landmarks, Candidate City Landmarks, or contributors to a City Landmark District. This includes one previously identified historic resource under CEQA (237 North Autumn Street) and two previously identified historic districts under CEQA (the Southern Pacific Depot Historic District and a portion of the Lakehouse Historic District). In addition, there are five historic resources in the portion of the Lakehouse Historic District within the 200-foot radius (396, 398, 416, and 454 West San Fernando Street and 124 Delmas Avenue) that are also individually significant historic resources under CEQA. Four properties were determined by

the City to be eligible for Candidate City Landmarks status through a reconnaissance-level survey (150 North Montgomery Street and 195, 199, and 203 North Autumn Street). These residences along North Autumn Street form a group of period buildings that may qualify as a Candidate City Landmark District.

ENVIRONMENTAL IMPACT REPORT

As the Lead Agency, the City of San José prepared an EIR to analyze the environmental impacts of the Downtown West Mixed-Use Project. **Attachment 5** of this memorandum includes the Draft EIR (also found at www.sanjoseca.gov/activeeirs). Appendix E1 of the Draft EIR is the Historic Resources Technical Report (also Attachment 2 of this memorandum) which evaluates the significance of the historic resources at the local, state, and national levels and Section 3.3 Cultural Resources of the Draft EIR discusses impacts to identified historic resources.

A Notice of Preparation (NOP) was circulated, pursuant to CEQA, which allows for comments on the scope of the environmental analysis. The NOP was circulated to local, state and federal agencies on October 23, 2019. The standard 30-day comment period concluded on November 22, 2019. The City of San Jose held a public scoping meeting on November 7, 2019 to discuss the project and solicit public input as to the scope and content of the EIR. The NOP and comments received are included in **Attachment 6** of this memorandum and in Appendix A1 of the Draft EIR.

The cultural resources analysis in Section 3.3 of the Downtown West Mixed-Use Project Draft EIR includes two project-level Significant and Unavoidable impacts (Impacts CU-1 and CU-3), three project-level Less than Significant with Mitigation impacts (Impacts CU-2, CU-4, and CU-7), two Less than Significant impacts (Impacts CU-5 and CU-6) and one cumulative Significant and Unavoidable impact (Impact C-CU-1).

Significant and Unavoidable Impacts

Impact CU-1

Project implementation would result in the demolition of five historic resources, including

- 343 North Montgomery Street (Advance Metal Spinning);
- 345 North Montgomery Street (Circus Ice Cream);
- 580 Lorraine Avenue (Democracy Hall)
- 145 South Montgomery Street (Sunlite Baking Co.); and
- Grouping of residences at 559, 563, and 567 West Julian Street.

Demolition is considered a substantial adverse change to a historic resource and a significant impact under CEQA. Therefore, this impact would be significant.

Impact CU-3

150 South Montgomery Street (Hellwig Ironworks) is proposed to be modified through one or more vertical additions above and/or horizontal additions south of the existing structure to accommodate new arts and cultural uses. The Downtown West Design Standards and Guidelines (DWDSG) and the San Jose Downtown Design Guidelines and Standards (SJDDGS) would limit the cumulative size of additions to no more than 100 percent of the existing structure's square footage (i.e., approximately 8,500 sf). Any vertical addition would not exceed one additional story, and any horizontal additions would not be taller than one story and would be set back 30 feet from the west façade of the original structure to maintain visibility to the original two-story structure. The DWDSG and SJDDGS would also require that new development on the parcels west and east of 150 South Montgomery Street maintain a minimum separation of 60 feet from the west facade of the building and that development on the parcel to the north must maintain a minimum separation of 20 feet from the building's north façade. As stated in the applicant's objectives for the project, the new addition is intended to create an "architecturally iconic civic/cultural center" through a combination and juxtaposition of historic and contemporary design elements. The scale and intent of the proposed modifications to the building, including the wide range of potential forms, sizes, locations, and design implications of possible additions, make it unlikely that the work on the building would meet the Secretary of the Interior's Standards for the Treatment of Historic Properties, resulting in a significant impact.

Less Than Significant with Mitigation Impacts

Impact CU-2

40 South Montgomery Street (Kearney Pattern Works and Foundry) is proposed to be relocated approximately 30 feet to the south to accommodate the extension of Post Street between South Montgomery and South Autumn Streets. The historic portions of 40 South Montgomery Street have been assessed as a candidate for relocation. The orientation and relationships between the historic portions of 40 South Montgomery Street and the surrounding environment would remain the same. The non-historic portions of the building, primarily fronting South Autumn Street, would be demolished. Although the proposed relocation would maintain the resource's historical relationships to the street grid, the potential exists for the building to be damaged during the relocation process. Without development and implementation of plans to stabilize the building during relocation and to repair and rehabilitate the building after relocation, impacts from relocation would be potentially significant. However, mitigation measures require the preparation of a Relocation Implementation Plan that includes a detailed description of the proposed relocation methodology and compliance with the Secretary of the Interior's Standards for Rehabilitation. Mitigation Measures CU-2a and CU-2b would reduce the impact on 40 South Montgomery Street to less than significant.

Impact CU-4

Construction on the project site would introduce new temporary sources of vibration in the vicinity of historic resources. Historical masonry structures can be particularly sensitive to ground vibrations, resulting in material damage to the historic fabric. Maintaining vibration levels below a site-specific threshold would limit the potential for damage associated with construction activities. Implementing SCA CR-3, Vibration Impacts to Adjacent and Nearby Historic Buildings, in combination with Mitigation Measure NO-2a, Master Construction Vibration Avoidance and Reduction Plan, and General Plan Policy EC-3.2, would reduce potential impacts. However, this impact would be potentially significant. Implementation of Mitigation Measure CU-4, Construction Vibration Operation Plan for Historic Structures would provide site-specific guidance related to the particular soil conditions, construction methodologies, and sensitivities of adjacent historic resources and reduce the impact to less than significant.

Impact CU-7

Project implementation would result in the redevelopment of the former Stephen's Meat Products parcel, currently a parking lot. This would necessitate removing the Stephen's Meat Products neon sign from its current location. Loss of the sign would directly affect a historic resource. This impact would be significant. However, mitigation requires the project applicant, in consultation with a qualified historic preservation professional, to remove the sign from the site. If the sign is not immediately relocated to a receiver site, it shall be placed in secure storage. Implementing Mitigation Measure CU-7 would allow the Stephen's Meat Products sign to maintain its historical and artistic integrity and ensure its relocation to an appropriate nearby location visible to the public. Therefore, implementing this mitigation measure would reduce the impact on the resource to less than significant.

Less than Significant Impacts

Impact CU-5

The project would modify the local designation boundaries of the San Jose Water Company and Southern Pacific Depot Historic District. The amended boundaries of the San Jose Water Company would continue to encompass the portion of the lot occupied by the 1934–1940 portion of the buildings, as well as the relocated 1913 transformer building. The boundaries of the Southern Pacific Depot National Register Historic District vary slightly from the boundaries of the City Landmark Historic District. These differences are located primarily along the western edge of the district, where the National Register boundaries follow the layout of the tracks and the City Landmark boundaries are more in line with the property lines. Both districts extend over W. Santa Clara Street to include the Santa Clara Street underpass and extend across Cahill Street immediately south of W. San Fernando Street. The project would modify the boundaries of the City Landmark to conform with the parcel boundaries, thus eliminating minor areas of overlap between the project site and the City Landmark just south of W. San Fernando Street and just north of W. Santa Clara Street. No contributing structures or features are located within this overlap, and most of the overlapping area is within the public right-of-way. The reduction of the City Landmark boundaries would not alter the San Jose Water Company or the Southern Pacific Depot Historic District in a material way, and both resources would retain their historic

significance and the protections currently afforded them in the Historic Preservation Ordinance. Therefore, any direct or indirect impacts would be less than significant.

Impact CU-6

New construction on the project site would be evaluated by the City of San José for consistency with the DWDSG and certain standards in the SJDDGS . Therefore, with adoption and implementation of the DWDSG together with relevant standards in the SJDDGS , new construction within the vicinity of historic resources would include design modulations to reflect the nearby resources. For this reason, character-defining features of each resource would remain intact and changes to their setting would not materially affect their significance. Impacts on historic resources from density increases resulting from surrounding development, changes in adjacent land use, or changes in circulation patterns would be less than significant.

Culmulative Impacts

Impact C-CU-1

The 2014 DSAP Final Program EIR concluded that implementation of the DSAP has the potential to contribute to cumulative impacts to historic resources at the city level. Because the boundaries of the DSAP and those of the proposed project substantially overlap, these conclusions can be equally applied to the project, which would itself result in significant and unavoidable impacts on historic resources.

For impacts found to be Significant and Unavoidable, mitigation measures are included in the Downtown West Mixed-Use Project Draft EIR to reduce these impacts; however, the impacts are not considered to be reduced to Less than Significant with Mitigation. Refer to Table S-1, *Summary of Impacts and Mitigation*, in the Draft EIR for a summary of all the impacts and mitigation measures and refer to the impact analysis in Chapter 3.3, *Cultural Resources and Tribal Cultural Resources* of the Draft EIR (Section 3.3.3, *Impacts and Mitigation Measures*) for the full analysis.

The public review period for the Downtown West Mixed-Use Project Draft EIR began on **October 7, 2020 and ends on November 23, 2020**. Written comments must be received at the Planning Department by **5:00 p.m. on November 23, 2020** in order to be addressed as part of the formal EIR review process. The full Draft EIR and associated technical reports are available at www.sanjoseca.gov/activeeirs.

Following the close of the public review period, the City of San Jose will prepare a Final EIR for the Downtown West Mixed-Use Project 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.

FUTURE ACTION

Provide comments on the Downtown West Mixed-Use Project DEIR pertaining to Cultural Resources.

The applications proposing amendments to the boundaries of the San Jose Water Company and, Southern Pacific Depot City Landmark designations and Historic Preservation Permit Amendment for the San Jose Water Company are anticipated for review by the Historic Landmarks Commission in February 2021.

/s/
ROSALYNN HUGHEY,
SECRETARY
Historic Landmarks Commission

For questions please contact Dana Peak at dana.peak@sanjoseca.gov.

Attachments:

1. January 15, 2020 Action Minutes of the HLC
2. Historic Resources Technical Report (ARG, June 2020)
3. Historic Resource Study Area Map
4. On-Site Resources Map
5. Draft EIR and associated technical reports (www.sanjoseca.gov/activeeirs)
6. Notice of Preparation of Draft Environmental Impact Report for the Downtown West Mixed-Use Project and Public Comments Received

**File nos. GP19-009, PDC19-039, PD19-029, HL20-004,
HL20-005, HP20-002, & PT20-027**

Attachment links:

1. [January 15, 2020 Action Minutes of the HLC](#)
2. [Historic Resources Technical Report \(ARG, June 2020\)](#)
3. [Historic Resource Study Area Map](#)
4. [On-Site Resources Map](#)
5. [Draft EIR and associated technical reports \(www.sanjoseca.gov/activeeirs \)](#)
6. [Notice of Preparation of Draft Environmental Impact Report for the
Downtown West Mixed-Use Project and Public Comments Received
Correspondence received after October 28,2020](#)