

**NOTICE OF PREPARATION OF A
DRAFT SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT FOR THE
SUZACO MIXED-USE PROJECT**

FILE NO: H21-026
PROJECT APPLICANT: Sunstone QOZB, LLC (Attn: Matt
Conti)
APNs: 467-23-034, 467-23-035, and
467-23-37

Project Description: The project proposes to demolish three existing, two-story buildings on-site, while retaining the historic façades of the 142-150 East Santa Clara Street Landmark building at the corner of East Santa Clara and South Fourth Streets. The project would construct a four and six-story mixed-use, U-shaped building (approximately 72,600 square feet) with ground floor retail/restaurant space and one level of below-grade retail (totaling approximately 9,900 square feet), and the remaining floors would consist of office space (totaling approximately 56,000 square feet). The building would be six stories at the corner of the South Fourth Street and East Santa Clara Street intersection and four stories at the portion of the building facing East Santa Clara Street, west of the existing building to remain, and the maximum height to the top of the roof parapet would be 85 feet, not including proposed rooftop amenities and mechanical equipment. Additionally, the project proposes up to three surface parking spaces. Vehicular access to the site is proposed along South Fourth Street.

Location: The approximately 0.34-gross acre project site is located at the southwest corner of East Santa Clara and South Fourth Streets at 130 to 134 East Santa Clara Street (APN: 467-23-037); 142 to 150 East Santa Clara Street (APN: 467-23-035); and 17 South 4th Street (APN: 467-23-034). The site is currently developed with one- and two-story commercial/residential buildings, and two of the three parcels are located within the San José Downtown Commercial National Register Historic District.

As the Lead Agency, the City of San José will prepare a Supplemental Environmental Impact Report (SEIR) for the project summarized above. The City welcomes your input regarding the scope and content of the environmental information that is relevant to your area of interest, or to your agency's statutory responsibilities in connection with the proposed project. If you are affiliated with a public agency, this SEIR may be used by your agency when considering subsequent approvals related to the project.

A joint community and environmental public scoping meeting for this project will be held:

When: Wednesday, September 15, 2021 from 6:00 to 7:30 p.m.

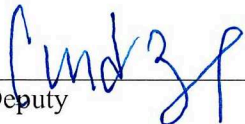
Where: Via Zoom (see instructions below and on www.sanjoseca.gov/activeeirs)

The project description, location, and probable environmental effects to be analyzed in the SEIR for the project can be found on the City's Active EIRs website at www.sanjoseca.gov/activeeirs,

including the SEIR Scoping Meeting information. According to State law, the deadline for your response is 30 days after receipt of this notice, and responses provided before the 30-day deadline are always welcome. The City will accept comments on the scope of the SEIR until **5:00 p.m. on Thursday, September 23, 2021**. If you have comments on this Notice of Preparation (NOP), please identify a contact person from your organization, and send your response via mail or email to:

City of San José, Department of Planning, Building and Code Enforcement
Attn: Shannon Hill, Environmental Project Manager
200 East Santa Clara Street, 3rd Floor Tower
San José, CA 95113-1905
E-mail: Shannon.Hill@sanjoseca.gov

Christopher Burton, Director
Planning, Building and Code Enforcement


Deputy

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August 2021

Introduction

The purpose of an Environmental Impact Report (EIR) is to inform decision-makers and the public of the environmental effects of a proposed project that an agency may approve. The EIR process is intended to provide information sufficient to evaluate a project and its potential for significant impacts on the environment, to examine methods of avoiding or reducing adverse impacts, and to consider alternatives to the project that would reduce identified significant impacts.

A Supplemental EIR instead of a Subsequent EIR can be prepared by a Lead Agency (discretionary authority) when it is determined by the discretionary authority that new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete will result in one or more significant effects not discussed in the previous EIR, and only minor additions or changes would be necessary for the previous EIR to adequately apply to the project [CEQA Guidelines Sections 15162(a)(3) and 15163(a)]. As the Lead Agency, the City of San José will prepare a Supplemental EIR (SEIR) to the Downtown Strategy 2040 Final EIR (SCH#2003042127) to address the environmental effects of the proposed SuZaCo Mixed-Use Project because the details of the project were not available at the time the Downtown Strategy 2040 Final EIR was prepared.

An Initial Study (IS) will be prepared (which will be incorporated in the SEIR as an appendix) to focus the SEIR on potentially significant issues pursuant to CEQA Guidelines Section 15178. In accordance with Sections 15120 et seq. of the CEQA Guidelines, the EIR will include the following:

- A summary of the project;
- A project description;
- A description of the existing environmental setting, probable environmental impacts, and mitigation measures;
- Alternatives to the project; and
- Environmental consequences, including (a) any significant environmental effects which cannot be avoided if the project is implemented; (b) any significant irreversible and irretrievable commitments of resources; (c) the growth-inducing impacts of the proposed project; and (d) cumulative impacts.

Project Location

The approximately 0.34-acre site [Assessor's Parcel Numbers (APNs) 467-23-034; -035; -037] is located at the southwest corner of the East Santa Clara Street and South Fourth Street intersection in downtown San José. The following addresses are associated with the project: 17 South Fourth Street (APN 467-23-034), 142-150 East Santa Clara Street (APN 467-23-035), and 130-134 East Santa Clara Street (APN 467-23-037). The site is currently developed with one- and two-story commercial

buildings and two of the three parcels are located within the San José Downtown Commercial National Register Historic District (San José Commercial District). Regional and vicinity maps of the project site are shown in Figure 1 and Figure 2 below, respectively.

Project Description: The project includes a Site Development Permit and a Historic Preservation Permit to demolish three existing, two-story buildings on-site, while retaining the historic façades of the 142-150 East Santa Clara Street Landmark building at the corner of East Santa Clara and South Fourth Streets. The project would construct a four and six-story mixed-use, U-shaped building (approximately 72,600 square feet). The building would be six stories at the corner of the South Fourth Street and East Santa Clara Street intersection and four stories at the portion of the building facing East Santa Clara Street, west of the existing building to remain (see Figure 3, *Conceptual Site Plan – Ground Floor*, and Figure 4, *Conceptual Elevations*, below), and the maximum height to the top of the roof parapet would be 85 feet, not including proposed rooftop amenities and mechanical equipment.

The building would consist of ground floor retail/restaurant space and one level of below-grade retail (totaling approximately 9,900 square feet), while the remaining floors would consist of office space (totaling approximately 56,000 square feet). Additionally, the project proposes up to three surface parking spaces. Vehicular access to the site is proposed along South Fourth Street.

The site is designated *Downtown* under the City’s General Plan and has a zoning designation of *Downtown Primary Commercial*.

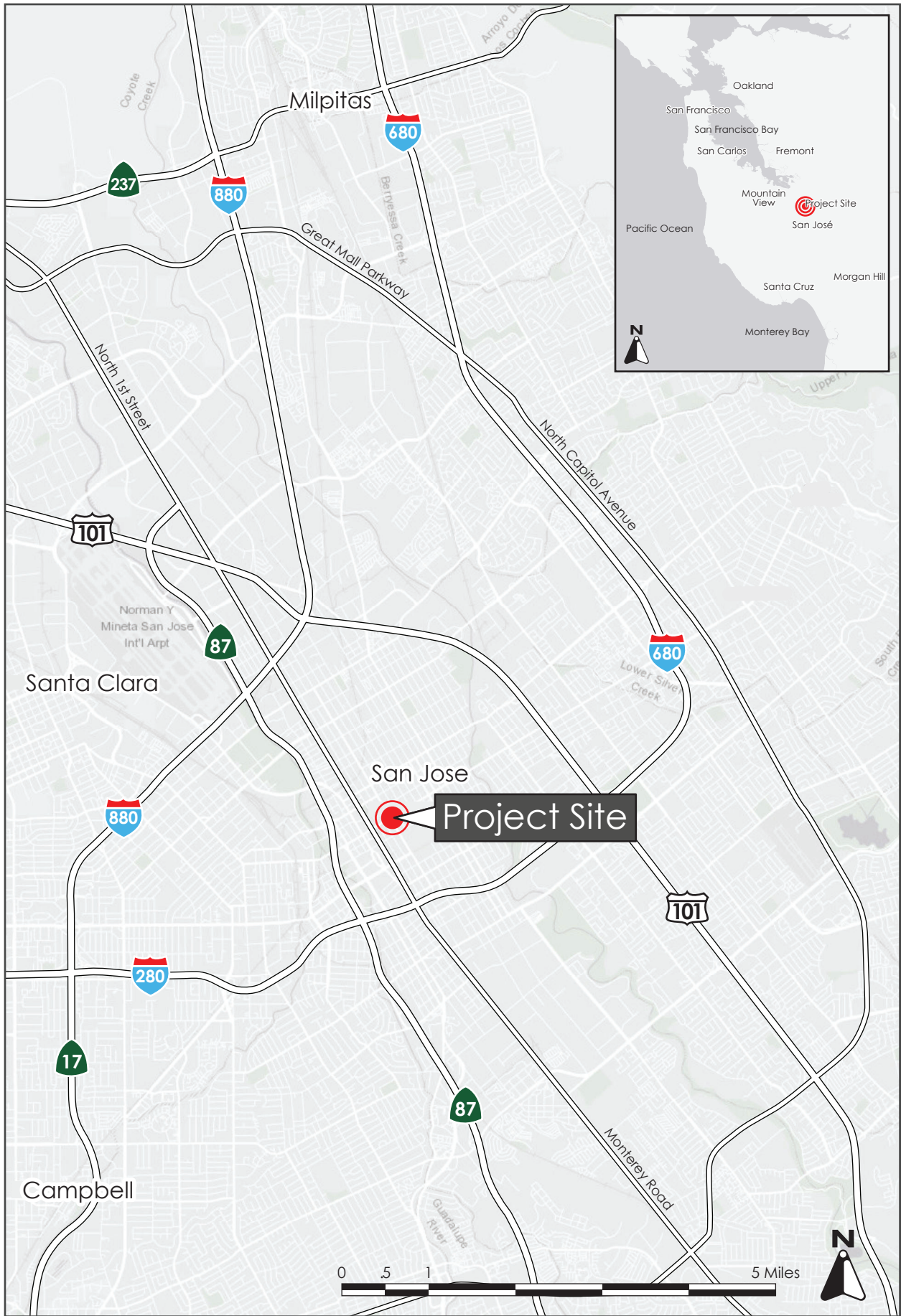
Required Project Approvals

1. Historic Preservation Permit
2. Site Development Permit
3. Lot Line Adjustment
4. Demolition, Building, and Grading Permit(s)
5. Department of Public Works Clearances

Potential Environmental Impacts of the Project

The SEIR will describe the existing environmental conditions on the project site and will identify the significant environmental effects anticipated to result from development of the project as proposed in comparison to impacts previously identified in the Downtown Strategy 2040 EIR. Mitigation measures will be identified for potentially significant impacts, as warranted. The SEIR will discuss the project’s significant environmental impacts on the topic areas described below.

- **Aesthetics** – The proposed development would demolish the three existing buildings (except for part of the historic facade of 142-150 East Santa Clara Street) and construct a six-story mixed-use building (up to 85 feet to the top of the roof parapet) in downtown San José. The SEIR will describe the existing visual setting and character of the project area and the visual changes that are anticipated to occur as a result of the proposed project. The SEIR will also discuss possible light and glare issues from the development.



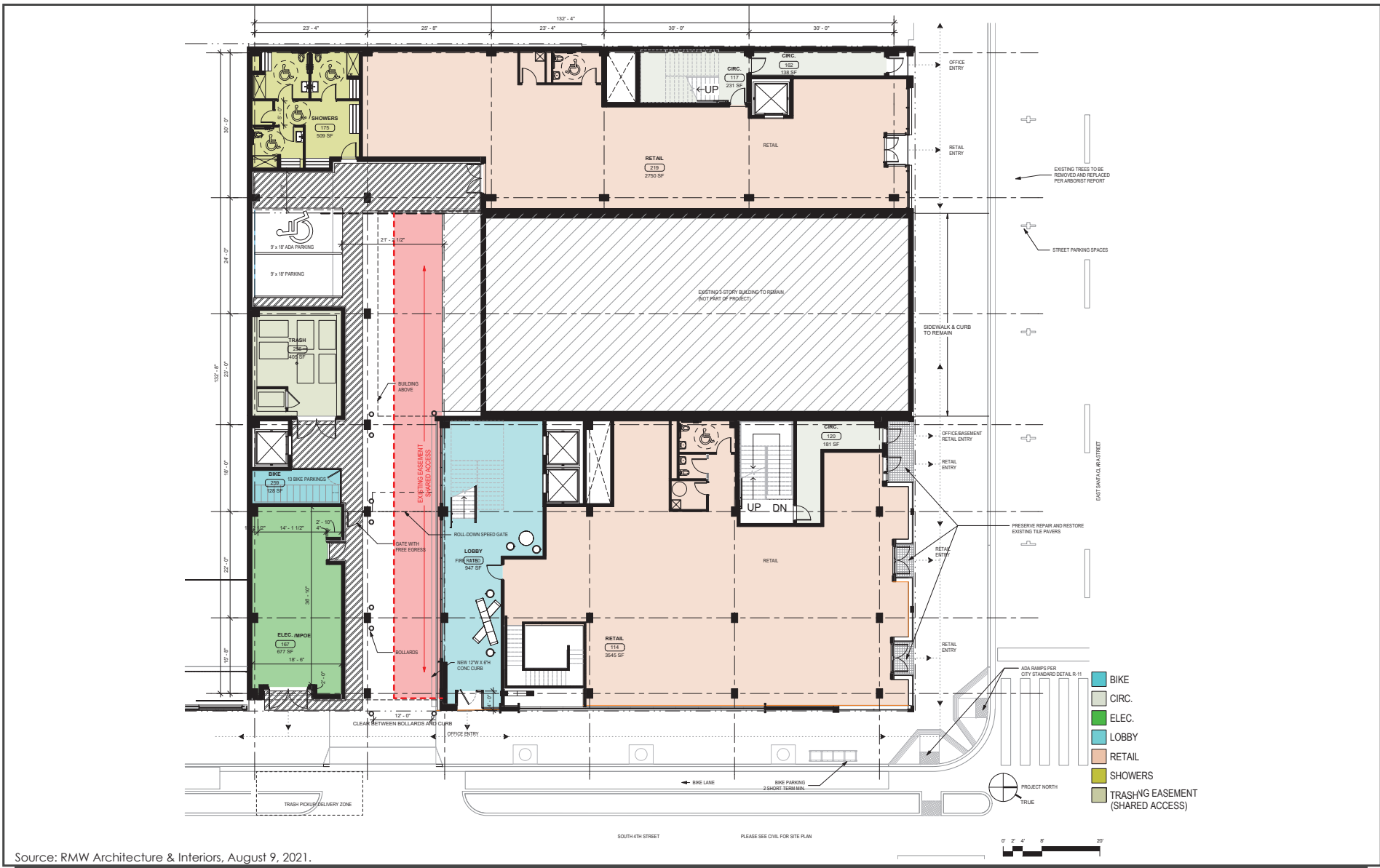
REGIONAL MAP

FIGURE 1



VICINITY MAP

FIGURE 2



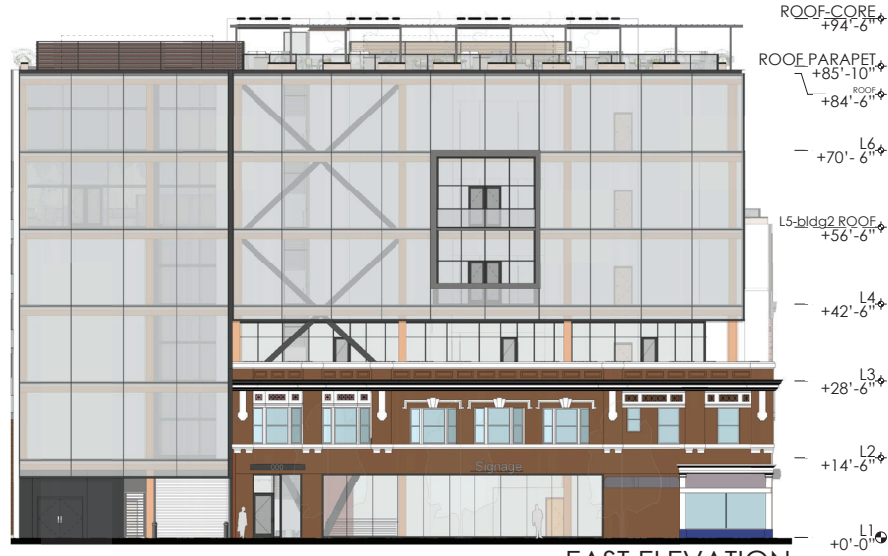
Source: RMW Architecture & Interiors, August 9, 2021.

CONCEPTUAL SITE PLAN - GROUND FLOOR

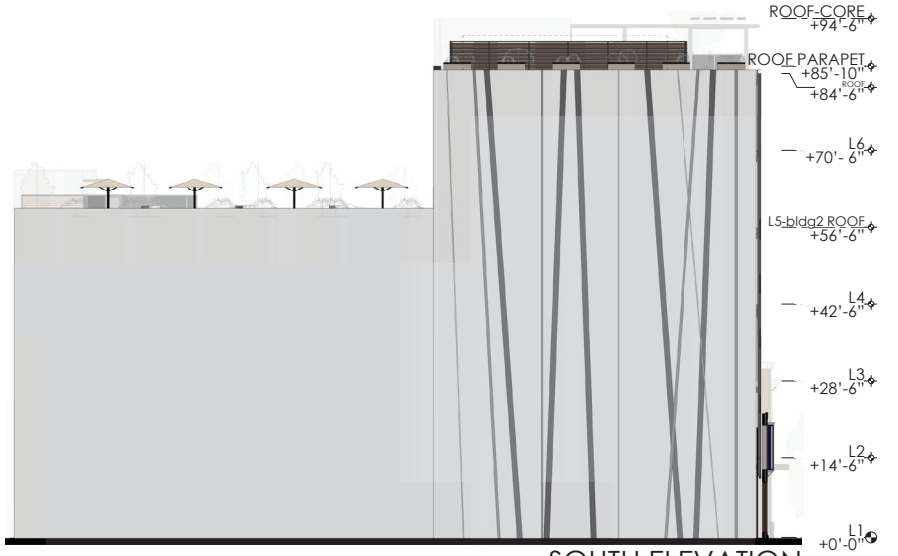
FIGURE 3



NORTH ELEVATION



EAST ELEVATION



SOUTH ELEVATION

Source: RMW Architecture & Interiors, August 9, 2021.

- **Air Quality** – The SEIR will address the regional air quality conditions in the Bay Area and discuss project construction (including health risk from toxic air contaminants) and operational impacts to local and regional air quality in accordance with the 2017 Bay Area Air Quality Management District (BAAQMD) CEQA Guidelines and thresholds.
- **Biological Resources** – Habitats in the project area are low in species diversity and include predominately urban adapted birds and animals. The SEIR will address the loss of street trees. Additionally, the SEIR will identify and discuss potential biological impacts resulting from construction and operation of the project and the project’s consistency with the Santa Clara Valley Habitat Plan.
- **Cultural Resources** – The project site is largely located within the San José Downtown Commercial Historic District which is comprised of 45 properties (27 contributing structures and 18 non-contributing properties) and is bounded by South First Street to the west, East Santa Clara Street to the north, South Third Street to the east, and East San Fernando Street to the south. The project proposes to demolish 142-150 East Santa Clara Street listed on the San José Historic Resources Inventory as a Contributing Structure in the National Register Historic District and an individually listed City Landmark (HL92-70). The project proposes to demolish 130-134 East Clara Street listed in the Historic Resources Inventory as an Identified Structure in the National Register Historic District. The SEIR will address impacts from demolition and new construction to the San José Downtown Commercial District and historical resources on and adjacent to the site, as well as impacts to potential subsurface archaeological resources. The project also proposes to demolish 17 South Fourth Street located outside the San José Downtown Commercial Historic District and not currently listed on the National Register of Historic Places, California Register of Historical Resources, or the San José Historic Resources Inventory.
- **Energy** – Implementation of the proposed project would result in an increased demand for energy on-site. The SEIR will discuss the increase in energy usage on-site and energy efficiency measures proposed by the project.
- **Geology and Soils** – The SEIR will describe the existing geologic and soil conditions and discuss the possible geological impacts associated with seismic activity and the existing on-site soil conditions.
- **Greenhouse Gas Emissions** – The SEIR will address the project’s consistency with the City’s 2030 Greenhouse Gas Reduction Strategy (GHGRS).
- **Hazards and Hazardous Materials** – The SEIR will discuss the property history, results of the site inspection and regulatory database search, and identification of any hazardous materials conditions on the site, in addition for the potential to encounter hazardous materials during demolition of the existing buildings. The potential for hazardous materials impacts which may result from implementation of the proposed project will also be addressed.

- **Hydrology and Water Quality** – The SEIR will discuss the project’s potential impacts to the storm drainage system. In addition, the SEIR will address the possible flooding issues (the site is not within a 100-year flood zone) and the project’s effect on stormwater runoff quality consistent with the requirements of the Regional Water Quality Control Board (RWQCB).
- **Land Use** – The project site is located within downtown San José and is surrounded by residential and commercial/retail land uses. The SEIR will describe the existing land uses adjacent to and within the project area. Land use impacts that would occur as a result of the proposed project will be analyzed, including the consistency of the project with land use plans, policies, and regulations.
- **Noise and Vibration** – Noise levels in the project area are primarily influenced by vehicular noise on surrounding roadways, primarily South Fourth Street and East Santa Clara Street and aircraft flyovers from the Norman Y. Mineta San José International Airport. The SEIR will discuss noise and vibration that would result from the construction and operation of the proposed project (including noise from project-generated traffic), and its impact on nearby sensitive receptors. Noise levels will be evaluated for consistency with applicable noise standards and guidelines. Additionally, the SEIR will evaluate the effects of vibration during project construction on nearby and adjacent historic buildings and adjacent buildings of conventional construction.
- **Population and Housing** – No residential uses are proposed as part of the project. The SEIR will discuss the displacement of current residents on-site. Mitigation measures will be identified for significant impacts, as warranted.
- **Public Services** – The proposed project would increase the employee population of the City which could result in an increased demand on public services, including police and fire protection and recreational facilities. The SEIR will address the availability of public facilities and services and the project’s potential to result in adverse physical impacts to public service facilities.
- **Transportation** – The project site is located within the downtown area and transportation impacts in the area were previously evaluated in the Downtown Strategy 2040 Final EIR. The SEIR will evaluate the project’s transportation impacts pursuant to Senate Bill 743 and the City’s Transportation Analysis Policy (Council Policy 5-1). The project’s consistency with programs, plans, ordinances, or policies addressing the circulations system (including transit, roadway, bicycle, and pedestrian facilities) will be discussed in the SEIR.
- **Tribal Cultural Resources** – The SEIR will discuss the project’s potential for impacts to tribal cultural resources, including impacts to potential subsurface tribal cultural resources, from project construction, and the project’s compliance with Assembly Bill 52.
- **Utilities and Service Systems** – Implementation of the proposed project could result in an increased demand on utilities and service systems compared to existing conditions due to the

increase in development density. The SEIR will examine the impacts of the project on utilities and service systems, including the sanitary sewer and storm drainage systems, water supply, and solid waste management.

- **Wildfire** –The proposed project is located in downtown San José. The SEIR will discuss project impacts on adopted emergency response and evacuation plans and risk due to wildfire.
- **Other CEQA Sections** – In addition to the resource sections noted above, the SEIR will address the project’s impacts on Agricultural Resources, Mineral Resources, and Recreation consistent with the CEQA checklist.
- **Alternatives** – The SEIR will examine alternatives to the proposed project, including a “No Project” alternative, as required by CEQA. Alternatives discussed will be chosen based on their ability to reduce or avoid identified significant impacts of the proposed project while achieving most of the identified objectives of the project.
- **Significant Unavoidable Impacts** – The SEIR will identify any significant impacts that cannot be reduced to a less than significant after incorporation of feasible mitigation measures.
- **Cumulative Impacts** – Section 15130 of the CEQA Guidelines requires an EIR to discuss the cumulative impacts resulting from the project when combined with other past, present, and reasonably foreseeable development in the project vicinity.

In conformance with the CEQA Guidelines, the SEIR will also include the following sections: 1) consistency with local and regional plans and policies, 2) growth inducing impacts, 3) significant irreversible environmental changes, 4) areas of known controversy, 5) references, 6) organizations/persons consulted, 7) SEIR author and consultants, and 8) appendices.