

Memorandum

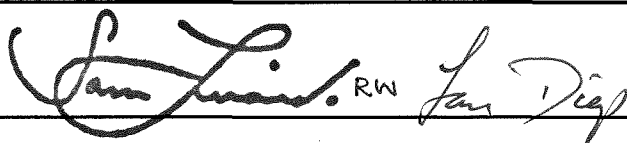
TO: CITY COUNCIL

FROM: Mayor Sam Liccardo
Councilmember Lan Diep

**SUBJECT: CONFORMING REZONING, SPECIAL
USE PERMIT AND DEVELOPMENT
EXCEPTION FOR 237 INDUSTRIAL
CENTER**

DATE: October 20, 2017

Approved

 R.W. Lan Diep

Date

10-20-17

RECOMMENDATION

Approve the recommendations outlined in the October 10, 2017 staff report related to Microsoft Corporation's (Microsoft) proposed 237 Industrial Center development at Highway 237 and Zanker Road, with the following modifications and direction to the City Manager, to:

1. Allocate up to \$100,000 for appropriate traffic calming improvements in Alviso from the \$350,000 contribution by Microsoft towards land acquisition and design of a water well; and,
2. Provide a status report to Council, by way of an Info Memo prior to the end of the year, outlining the location and construction schedule for the water well to serve the Microsoft development.

BACKGROUND

Data centers are at the core of our connected world, and Microsoft's data centers host more than 200 cloud services including Bing, MSN, Outlook.com, Office 365, OneDrive, Skype, Xbox Live and the Microsoft Azure cloud platform, which are delivered to customers 24 hours a day, 7 days a week, and 365 days a year. At Microsoft, technology innovation and environmental sustainability go hand in hand. For nearly thirty years, Microsoft has driven innovation and helped establish new standards for energy and water efficiency. Since 2012, all Microsoft corporate facilities and data centers have the distinction of operating at 100% carbon neutrality. The proposed data center in North San José - Microsoft's first investment in San José - is also designed to achieve LEED Gold certification.

We extend our thanks to Dan'l Lewin, Microsoft's former Corporate Vice President, Jonathan Noble, Director of Government Affairs, Christian Belady, General Manager of Data Center Strategy, Planning and Development, and Kevin Williams, Director of Data Center Global Real Estate for their leadership in advancing this significant investment in North San José. Congratulations to Microsoft on its recent announcement on the acquisition of the former Cilker-family owned 64-acre property. City staff, led by the Office of Economic Development, has worked admirably in supporting Microsoft's plans over the past year. We applaud their service and assure Microsoft of an expeditious entitlement process in the months ahead.