

Agenda Item 10.4 SuZaCo Project SEIR Adoption, Site Development Permit, HP (Demolition) Permit

Mike Sodergren <[redacted]>

Tue 11/29/2022 5:42 PM

To: The Office of Mayor Sam Liccardo <[redacted] District1
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<[redacted] District5 <[redacted] District 6 <[redacted] District7
<[redacted] District8 <[redacted] District9 <[redacted] District 10
<[redacted] City Clerk <[redacted]

Cc: Mike Sodergren <[redacted]> <[redacted]> Ben Leech
<[redacted] Lynne Stephenson <[redacted]>

2 attachments (521 KB)

PACSJ SuZaCo DEIR Comments 8-11-22PM FINAL.pdf; SuZaCo Project NOP Comments 9-23-21a.pdf;

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Honorable Mayor, Vice Mayor and City Council Members,

First off, thank you for your service to the people of San Jose through many years, with a special shout out for your tireless service over the past couple of years. While we may disagree on policy matters, your character, wisdom and work ethic have never been in question. For those of you who are moving on, may you and your families be blessed in whatever you do next.

As for Agenda Item 10.4, you are being asked to make a very late in the year decision to greenlight the demolition of three (3) turn of the century buildings, two (2) which are located within a National Register Historic District. One the two buildings is a beautiful Wolfe and McKinsey building that is a City Landmark that was home to one of the first Asian-American owned businesses in San Jose.

You are being asked to accept that while this project will cause significant damage to San Jose's historic fabric (through demolition), this is unavoidable based on an Applicant produced 2021 Economic Hardship Report that has been accepted by the City as fact. The Report asserts that it is financially unreasonable to pursue adaptive reuse of a building that somehow, someway managed to provide shelter and a street level retail storefront to people of modest means for well over 100 years. The developer admits that they knew they were buying a City Landmark with all sorts of code regarding its protection, when they acquired the building in 2018. And yet, since the building was acquired, 9-families with Ellis Act projection have lost "affordable" housing, and most recently, the street level (mom 'n pop vs. big box/big brand) businesses that somehow managed to survive COVID-19, are now gone too. And now, demolition is being sought. It seems clear that that was the goal from the beginning, offering only to leave the facade on E. Santa Clara Street mostly intact and a modified facade facing 4th street in place....everything else goes to the scrap heap. Once again, the Opportunity Zone gold rush has catalyzed the displacement of tenants who live and work in what was once an affordable place to live and work. And now, three (3) historic buildings will be left unoccupied and vulnerable to total loss. As is all too often the case, there is no stated plan for interim occupancy of any parts of the buildings set for demolition as the developer finishes the design, seeks financing and lines up its construction team..

And, why is this happening? The sad answer is so that San Jose can add a high cost, speculative, boutique mixed use commercial building that will somehow do what the City Hall building you are sitting in and the the developer's beautiful MIRO project across 4th and E. Santa Clara Streets have failed to do, clean up the social ills of the East Santa Clara Street neighborhood.

In our scoping and EIR comments, PAC*SJ has requested a Project Alternatives analysis that is adequate to meet CEQA standards of review. We have asked for a cumulative impacts analysis that can show why this approval of this project won't set a terrible precedence that puts the entirety of San Jose's historic districts at risk? Thus far, the responses to these and other matters inadequately address the City's General Plan Goals,

Code and Design Guidelines, and are likely to be challenged unless agreement on some additional preservation provisions can be reached before the end of the year.


PAC*SJ has met with the principles early on and as recently as yesterday afternoon. They are good people whose mission is to build things. Their MIRO project is beautiful. They know where PAC*SJ stands on this project, so it really comes down to what the City wants to see happen to its City Landmarks and Historic Districts. PAC*SJ wants to believe that the City sees the need to pursue high density infill development that integrates with the pieces of San Jose that make us unique, but the developer and preservation community need the City to engage on this. .

Beyond today's meeting, PAC*SJ and the Applicant (Bayview Development) have agreed to continue to work together to see what we can come up with to avoid PAC*SJ and potentially other members of the public challenging an affirmative decision on this project by the City. PAC*SJ has shared that the demolition of a City Landmark in a National Historic District crosses multiple lines in the sand. The Planning Commission Chair, repeatedly called this an Adaptive Reuse project. It is not. It is the demolition of three historic buildings while executing a facadectomy that will gut a Landmark building, and put at risk, the physical integrity of two adjacent buildings, and the health of the City's historic districts..

PAC*SJ respectfully requests that the City consider deferring this item for consideration by a new City Council in 2023 versus kicking the ramifications of a Lead Agency approval of the demolition of a City Landmark in a National Register Historic District based on the current conclusions by City Staff. Perhaps, Council could appoint its Office of Economic Development to work on a better adaptive reuse solution that keeps this wonderful historic asset in place for future generations to enjoy as a building that is truly and genuinely San Jose.

Thank you,

Mike Sodergren
Board Vice President & Advocacy Committee Chair
Preservation Action Council of San Jose (PAC*SJ)
1650 Senter Road
San Jose, CA 95113

 .
PS: I have attached a copy of PAC*SJ's Scoping Comments from 9/23/21 and 8/11/22 Draft EIR Comments in support of PAC*SJ's position on this project as currently proposed.

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August 11, 2022

Shannon Hill
Environmental Project Manager
City of San José Department of Planning, Building and Code Enforcement
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San José CA 95113-1905

VIA EMAIL (Shannon.hill@sanjoseca.gov)

RE: SuZaCo Mixed Use (H21-026) DEIR PAC* SJ COMMENTS

Dear Ms. Hill,

The Preservation Action Council of San Jose (PAC* SJ) appreciates this opportunity to comment on the Draft Environmental Impact Report (DEIR) for the SuZaCo Mixed-Use Project, located within the Downtown Commercial Historic District at the southwest corner of East Santa Clara and North Fourth Streets (142-150 East Santa Clara Street, 130-134 East Santa Clara Street, and 17-19 South Fourth Street).

As currently proposed, the project proposes new construction of an up to 6-story, 85' tall, ~72,600 sq. ft. U-Shaped Mixed Use Class-A Commercial Office Building on three parcels currently developed with three sound buildings that represent a very significant period of San Jose's History. Each of the extant buildings is or has [REDACTED] actively occupied and are/were providing affordable housing, restaurant and retail services with a positive economic impact to the City. The buildings on E. Santa Clara Street are wholly located within and are contributing structures to the Downtown Commercial Historic District which is listed on the National Register of Historic Places. The third building faces S. Fourth Street just outside the Historic District, but visually consistent with the historic buildings on E. Santa Clara Street. The proposed project physically interfaces with and impacts the integrity of a building located between the project's East and West portions. For example, the building at 136-140 E. Santa Clara will be enveloped on 3-sides by the SuZaCo project. The DEIR cites "an engineer's report provided by the project applicant and the concerns expressed by a party not identified within the DEIR with moving the extant historic buildings from the project site to a receiver site due to a brick masonry "party wall." Two of the buildings owned by the developer are located wholly within the eastern panhandle portion of San Jose's only National Landmarked Downtown Historic Commercial District (home to multiple landmarks) with the third located

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just south of the Historic District's boundary to the south. Currently, the developer is offering to retain only the East and North public facing façades of one of the three buildings, the circa 1913 State Meat Market building which is located at 142-150 E. Santa Clara Street. PAC* SJ will address its recommendation in the "Alternatives" section of this letter, but will note here that if the project proposes to save two facades, there is no reason why it should not preserve all four walls, not just two.

PAC* SJ largely concurs with the historic analysis of project impacts in the Cultural Resources Section of the document. However, we would be remiss not to point out (again as we have repeated noted) that the 142-150 East Santa Clara Street State Market building, a designated City Landmark and anchoring Contributor to the Downtown Commercial Historic District, is a prime candidate for use of historic preservation incentives, including both Federal and State Tax Credits, the State Historical Building Code, and the Mills Act Historical Property Contract. It is disappointing to see this project leave those incentives on the table, ignoring General Plan and Council policies for the preservation of Historic Landmarks.

San Jose City Policies

The City Council Policy on the Preservation of Historic Landmarks states the following: "It is the policy of the City of San Jose that candidate or designated landmark structures, sites, or districts be preserved wherever possible." The Policy further states: "The financial profile and/or preferences of a particular developer should not, by themselves, be considered a sufficient rationale for making irreversible decisions regarding the survival of the City's [REDACTED] ces." The DEIR clearly discloses that the project would not be consistent with the purpose and intent of this policy.

As analyzed in the EIR, various General Plan policies have been adopted for the purpose of reducing or avoiding impacts related to cultural resources. As noted in 3.5 Land Use Planning Section of the DEIR, the project would conflict with many of these (LU-13-1, 13-2, 13-3, 13.4, 13.6, 13.7, 13.8, etc.) , most specifically Policy LU: 13-1 Preserve the integrity and fabric of candidate or designated Historic Districts; and Policy LU:13-2: Preserve candidate or designated landmark buildings, structures and historic objects, with first priority given to preserving and rehabilitating them for their historic use, second to preserving and rehabilitating them for a new use, or third to rehabilitation and relocation on-site. Please note the conflict with LU-13-6 for the portion of the proposed project affecting the City Landmark and Contributing Structure to the National Register of Historic Places listed San Jose Downtown Commercial Historic District, State Meat Market at 142-150 E. Santa Clara Street (Parcel 467-23-35). This Land Use Policy seeks conformance to the Secretary of the Interior Standards.

The Envision San Jose 2040 General Plan acknowledges the importance of historic resources not just in policies, but in Major Strategy #9 - Destination Downtown: “Downtown San José is the cultural heart of San José and it provides employment, entertainment, and cultural activities more intensely than in any other area. The Downtown also consists of valuable historic resources, buildings with distinctive architecture, and unique neighborhoods where residents have convenient access to urban activities and amenities. As San José’s largest and most vibrant urban area, Downtown contributes towards the positive identity of the City to the region, the nation and abroad.”

Cultural Resource Management

Historic resource management involves evaluating the significance of buildings within a project’s footprint, and as such the 1901 Wolfe & McKenzie designed building (130-134 East Santa Clara Street) no longer retains enough integrity to qualify as a historic resource. The 1939 concrete building (17-19 South Fourth Street) does, however, appear to retain integrity. While the analysis establishes the building would not qualify as a historic resource for the purposes of CEQA, as part of maintaining the City’s Historic Resources Inventory, the building should be listed as an Identified Structure potentially eligible as a Structure of Merit, regardless of whether the project goes forward.

Cultural Resource Impacts

██████████s with the critical conclusion that the “demolition of the City Landmark’s interior, roof, and west and south walls would result in the loss of the historical resource as a building and loss of its significance and eligibility as a City Landmark, Therefore, the proposed project would cause substantial adverse change in the significance of the historical resource located at 142-150 East Santa Clara Street.” The plaster finish on the walls to be retained should also be consistently listed in the character defining features proposed to be removed by the project.

In its review of Project Impacts in Section 3.3.2.1, Page & Turnbull evaluated “whether the Project would cause a substantial adverse change to this designated City Landmark (the State Meat Market Building).” Please see the summary (below) of Dept. of Interior Standards and Page & Turnbull’s conclusions (highlighted in yellow) relative to the project’s compliance with the Standards:

Standard 1 – A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.

....”a new six-story mixed-use building is proposed to be constructed behind the existing historic façades and the east historic façade is proposed to be altered, which would significantly change the appearance of the historic resource and its environment. **Therefore, the proposed project does not comply with Standard 1.**”

Standard 2 – The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.

.....”The building’s two-story massing is a character-defining feature of the historic building. The proposed new building would be up to six stories tall and would change the historic character of the property. The proposed project would remove the plaster cladding on the exterior of the building, which is original to the design of the building. Removal of the plaster cladding would remove historic material that is a character-defining feature of the property, In addition, removal of the interior, roof, and west and south walls would only leave two of the original walls of the building. As a result, it would no longer exist as a building. **Therefore, the proposed project does not comply with Standard 2.**”

Standard 5 – Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.

██████████ ed project would remove the plaster cladding on the exterior of the building, which is original to the design of the building. Alterations to the east historic façade would include the addition of a new entrance and glazing at the southern portion of the façade which would remove some original masonry wall and two original punched openings. The rear and side building façades, as well as the building’s interior, contribute to its character-defining massing, materials, and historic uses and are proposed to be demolished. **Therefore, the proposed project does not comply with Standard 5.**”

Standard 9 – New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.

...”The contemporary design of the new building does not relate architecturally or materially to the design of the historic building. The construction of four new stories would significantly

change the historic integrity of the property and its environment. **Therefore, the project does not comply with Standard 9."**

Standard 10 – New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

..."While removal of the new construction would restore the retained north historic façade and rehabilitate with alterations the retained east historic façade, the essential form and integrity of the historic resource would be compromised by the demolition of the building's interior, roof, and west and south walls. **Therefore, the proposed project does not comply with Standard 10."**

The analysis of the project's impact to the Commercial District, concludes that "The project would retain the character-defining features of the north and east facades of the contributing building to the San José Commercial District at 142-150 East Santa Clara Street. The proposed rehabilitation and the new construction would allow these features to be preserved and thereby remain as a visually prominent part of the East Santa Clara Street streetscape." The analysis should clarify whether the enough character-defining features will remain, with the removal of the plaster finish and other changes, to retain the streetscape and "contribute to the overall character" of the Commercial District.

Cumulative Impacts

Section 15355 of the State CEQA Guidelines defines a cumulative impact as the condition **two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts...** The cumulative impact from several projects is the change in the environment which results from the incremental impact of the project when added to other closely related past, present, and reasonably foreseeable probable future projects. Cumulative impacts can result from individually minor but collectively significant projects taking place over a period of time" (California Code of Regulations [C.C.R.] Section 15355).

PAC* SJ believes that any project within the Downtown Commercial Historic District and this project in particular contributes to a larger impact/effect if analyzed in the context of other projects in that area. Unfortunately, the DEIR asserts in section 3.5.2.2, without supporting analysis, that the impact of the proposed SuZaCo Project (as currently designed) would NOT be cumulatively considerable (less than significant cumulative impact) .In section 3.3.2.2, the Report asserts that the proposed project would NOT diminish the historic integrity and significance to the extent it would no longer be eligible for listing in the NRHP. While PAC* SJ agrees that any one project with so called "significant but unavoidable" impacts may not

result in a loss of a historic district's eligibility in and of themselves, but respectfully asserts that this is a very narrow view of how to review projects that are proposing the demolition of historic resources, and is not consistent with the letter and spirit of CEQA's requirements. In the context of looking at the long list of currently entitled and reasonably foreseeable future projects within the Historic District and within 1,200' of this project, PAC* SJ asserts that the cumulative impact is not accounted for in this project's DEIR. PAC* SJ believes that a 3D model of the downtown area is needed for the Historic Landmark Commission, Planning Commission, Staff, and elected officials to make informed land use decisions such as this one. Most importantly, the absence for this information makes it extremely difficult for the public to assess the impact of this project, and to weigh in on what should be approved or recommended.

Mitigation Measures

The standard and potentially specific mitigation measures for addressing significant historic resource impacts should be included. Standard mitigation measures would include documentation, salvage, and creation of an educational exhibit. Should a future project be proposed that were to impact the proposed project's retention of the two walls, we would expect new environmental review for that project.

Section 2.2 Project Description states that the Commercial District is comprised of 45 properties (27 contributing structure and 18 non-contributing properties). Preserving its fragile integrity while allowing for rehabilitation and compatible infill is central to best practices in urban planning. Any measures that can strengthen the survey and rehabilitation of the Commercial District should be incorporated into Downtown projects. The Summary Project List Within Half-Mile Radius (Table 3.0-1) could highlight projects within the Commercial District and any impacts. Documentation should include the current condition of the Downtown Commercial Historic District in the area of the proposed project. Relevant survey work to address historic resource management Downtown could also be included as a specific mitigation measure.

In EIR Scoping Comments on 9/23/21, PAC* SJ requested the inclusion of a list of "financial and physical mitigations measures" should staff recommend approval of this project via a statement of overriding consideration. That was not addressed within the DEIR

Alternatives

The Report notes that the City considered the following alternatives to the proposed project:

- Location Alternative (Considered but rejected)
- No Project – No Development Alternative

- Preservation Alternative 1: Relocation of 142-150 East Santa Clara Street Building (Considered but rejected)
- Preservation Alternative 2: Complete Retention of the City Landmark Building at 142-150 East Santa Clara Street

PAC* SJ offers the following comments relative to each Alternative:

Location Alternative:

The Report asserts the following:"If the project were proposed on an alternate site within the downtown, it is likely that existing building(s) on that site would need to be demolished to accommodate the proposed development because there are limited undeveloped parcels downtown. San José's downtown core is located within the historical boundary of the City of San José as indicated on the Thomas White 1850 map. Therefore, it would be difficult to avoid impacts to historical resources since the downtown area contains a concentration of older buildings developed in the late 19th and early 20th centuries and downtown contains many designated historic districts and landmarks."

PAC* SJ Response: The City ignores the possibility of locating the project on any one of the City's 21 downtown surface parking lots. One such parking lot not mentioned within the EIR is located immediately to the south of the proposed project (Parcel 467-23-33). This parcel is NOT listed within the Report's Table 3.0-1: Summary Project List Within Half-Mile Radius, so assuming the Table is up-to-date and correct, there is no foreseeable project competing for a better use of that space. Use of that space would presumably enable the Project Applicant to meet all of its project objectives without demolition of any buildings located within and/or [REDACTED] adjacent to the Historic Commercial District. PAC* SJ acknowledges that the project's owners may not be able to acquire this property but would appreciate any information that would evidence a serious effort to identify and secure alternative locations for projects like this that seek to demolish San Jose's rapidly diminishing and irreplaceable historic fabric.

No Project – No Development Alternative

The Report asserts the following: "this alternative would not meet any of the project objectives, nor would this alternative meet the City's goal and vision of encouraging job growth in the downtown area."

PAC* SJ Response: The Report does not include an explanation of how specifically, the proposed addition of this particular project's Class-A Office Space and Restaurant & Retail space proposed project relates to meeting the City's Goals. Stated differently, how much Class-A office space has been created against General Plan goals, and is this addition

necessary. Given all the other entitled and pending projects noted in Table 3.0-1 of this report, is this project in fact necessary to meet its Mixed Use/Commercial development goals, or should the City apply equal or greater weight to complying with its Historic Preservation Ordinance and General Plan preservation goals and policies?

Preservation Alternative 1: Relocation of 142-150 East Santa Clara Street Building

The Report asserts the following:....”An engineer’s report provided by the applicant states that the brick masonry building is not seismically sound and it is constructed with a party wall related to the adjacent building on East Santa Clara Street. As a result, it may not be feasible to relocate the SuZaCo Mixed-Use Project 132 Draft Supplemental EIR City of San José June 2022 building without causing substantial damage to or collapse of the historic resource. This alternative would continue to conflict with the Historic Preservation Ordinance and General Plan policies adopted for the purpose of avoiding or mitigating impacts to historic resources.

PAC* SJ Response: Although PAC* SJ strongly prefers that the building remain in its current location and context, a plan and budget estimate from a reputable mover (e.g. Kelly Brothers) for moving the State Meats Market building to a receiver site should have been pursued and reported. PAC* SJ is interested in determining the value of historic properties, and one metric in determining this number is based on the cost of arranging for a receiver site and the moving of the building(s).

Note: It is concerning that the Engineering Report (not included in the EIR document set) expresses concern with the stability of the “Party Wall” between a City Landmark and the adjacent building at 136, 138, 140 E. Santa Clara Street, and between the “middle building” [REDACTED] at 130-134 E. Santa Clara Street. Please also note that the middle building is also a contributing historic structure of the Historic District that is not a part of the proposed project, but dramatically impacted by the project.

Preservation Alternative 2: Complete Retention of the City Landmark Building at 142-150 East Santa Clara Street

The Report asserts the following: “Retention of the entire City Landmark building would preclude inclusion of the below-grade retail space in this alternative and would reduce new office space by approximately 34,560 square feet. Further reductions in the new office space may also be required to accommodate the back of house functions and utilities as noted above. With this alternative, the new office space would be reduced to less than 30,000 square feet. The existing nine residential units and approximately 5,760 square feet of retail space would remain in the City Landmark building. This alternative would not meet project objective 1 to provide commercial development in the Downtown Strategy Plan area on an infill site along transit corridors because the site contains a designated City Landmark and

would not be considered suitable for infill development. This alternative would likely not meet project objectives 4 and 5 to construct a commercial development that is marketable and has the potential able to attract investment capital and construction financing and to create a modern Class A office project because the City Landmark could constrain the ability to provide large, open floor plates and would reduce the size of the interior spaces.”

PAC* SJ Response: Assertions of Alternative 2 negatively impacting the project’s ability to meet project objectives 1, 4 & 5 are not conclusionary without any supporting data. PAC* SJ asserts that the Project Developer should provide information that would provide a financial comparison. If a serious initiative has not taken place to model this, PAC* SJ asks that the assertion in the project goals cannot be met with this alternative be struck from the report before consideration for entitlement. Also, as requested in our 9/23/21 Scoping Comments, derivatives of Alternative 2 or perhaps an Alternative 3 (Partial Retention of the City Landmark Building at 142-150 East Santa Clara Street) should have been included in the DEIR. One derivative option not addressed within the EIR is an overbuild where the existing building(s) are largely retained in situ while substantially meeting all other project objectives regarding form and function. The City has recently authorized an overbuild project for the Montgomery Hotel. Another option is partial demolition of the City Landmark with setbacks (also noted in PAC* SJ’s scoping letter) that preserve the prominence of the historic buildings along E. Santa Clara. Except for the Hotel Clariana at the corner of E. Santa Clara and South 3rd Street, all of the buildings on the block between 4th and 3rd are 1-3 Stories in height. The street-wall is not at ~85-100’

Of the “Alternatives” included within the DEIR, PAC* SJ most appreciates and supports the environmentally superior alternative, Preservation Alternative 2: Complete Retention of the [REDACTED] Building at 142-150 East Santa Clara Street, as it would avoid a significant impact to a City Landmark building while preserving nine housing units. PAC* SJ notes that even the “environmentally superior option” results in the loss of two other historic buildings as a result of this project. In conclusion, the SuZaCo project (as currently proposed) will result in significant, negative environmental impacts to San Jose’s historic fabric including the demolition of a City Landmark, contributing structures to the Downtown Commercial Historic District and beyond.

The project results in a negative impact to the environment cumulatively when added to the list of currently entitled and foreseeable projects as shown in Table 3.0-1 and beyond.

The project’s objectives include the creation of additional square footage of Class-A Commercial Office space versus prevailing affordable housing and promises the return of street level restaurant and retail space (plus below grade retail) that PAC* SJ can only presume will be unaffordable (without financial subsidy) to existing mom & pop tenants. Despite the amount of information included within the DEIR and supporting historic reports, the City



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asserts that the loss of historic fabric is unavoidable. PAC* SJ does not believe that the loss of a City Landmark and damage to a Historic District should ever be viewed as unavoidable.

PAC* SJ would strongly recommends that the project owner identify and secure another location for the project. Alternatively, PAC* SJ believes the circa 1913 142-150 East Santa Clara Street City Landmark and anchoring Contributor to the Commercial District should be preserved and incorporated into any new development proposal. PAC* SJ notes that this building is a prime candidate for use of historic preservation incentives – in particular Federal and State tax credits that were NOT referenced as a part of Alternative 2. Demolition of the building is a significant impact, and mitigation measures should be included to address that impact while proactively supporting the life of the Commercial District. While PAC* SJ strongly opposes projects which demolish or damage San Jose’s historic resources, any approval of the demolition of a City Landmark and contributing structure should include a significant financial mitigation requirement be paid to the City or an organization commissioned by the City for the funding of future preservation incentive programs.

Sincerely,

Mike Sodergren
Board V.P. & Advocacy Committee Chair
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Cc: Historic Landmarks Commission



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September 23, 2021

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VIA EMAIL (Shannon.Hill@sanjoseca.gov)

RE: SUZACO MIXED USE (H21-026) DSEIR SCOPING COMMENTS

Dear Ms. Hill,

The Preservation Action Council of San Jose (PAC* SJ) appreciates the opportunity to provide DSEIR scoping comments for the proposed SuZaCo Mixed Use Project at the Southwest Corner of S. 4th and E. Santa Clara.

As currently proposed, this up to 6-story, ~72,600 sq. ft. U-Shaped Mixed Use Commercial Office Building project seeks to demolish three buildings representing a very significant period of San Jose's History. In addition, the proposed project physically impacts the integrity of buildings located between and around the project's East and West portions. For example, the building at 136-140 E. Santa Clara will be enveloped on 3-sides by the SuZaCo project. It is no small matter that two of the buildings owned by the developer are located wholly within the eastern neighborhood portion of San Jose's only National Landmarked Downtown Historic Commercial District with the third located just south of the Historic District's boundary. Currently, the developer is offering to retain only the East and North public facing façades of one of the three buildings, the circa 1913 State Meat Market building which is located at 142-150 E. Santa Clara Street.

PAC* SJ strongly opposes the project as currently described as it proposes to demolish culturally and architecturally significant structures in a National Registered Historic District at its Northeast corner and in the immediate shadow of the lead agency charged with protecting the integrity of its historic districts. PAC* SJ opposes this project not only for the considerable extent of proposed demolition, but also for its glassy design, height, and massing differential to closely located historic building within the Historic District. This project is inconsistent with the typical 1- to 3-story street wall facing E. Santa Clara Street between 3rd and 4th Streets. When combined with other nearby projects within and just outside the Historic District, the cumulative impact of this and other projects seeking entitlements adjacent to/ or fully within San Jose's Commercial Historic District should be reviewed in detail. Quite frankly, it is hard to imagine that San Jose's Downtown Strategy 2040 Integrated Program EIR envisioned

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projects that would seemingly ignore the lead agency's General Plan Policies such as LU-13.1 to preserve the integrity and fabric of designated historic districts and LU-13.2 to preserve and rehabilitate with first priority given to preserving and rehabilitating them for their historic use, second to preserving and rehabilitating them for a new use or third for rehabilitation and relocation on-site.

This project DSEIR should include a detailed analysis of the physical impact of the proposed development on other historic structures and the Historic District as a whole, along with a detailed analysis of multiple alternatives that eliminate or substantially reduce the demolition of existing historic fabric, as well as project alternatives that retain the existing buildings in situ, either as freestanding structures or incorporated in the proposed project. Related to this, PAC* SJ requests a Good Faith review of a project of reduced scale and massing on the project site. Project alternatives should include (but not be limited to):

- Adaptive reuse of the proposed project site's existing historic structures without demolition with a program that fits existing total space and constraints.
- Adaptive reuse of the existing historic structure with a contemporary addition that does not require extensive demolition of the existing historic building.
- Partial demolition with new construction set back at least 25 feet from the historic East Santa Clara Street façade, with a smaller set back along Fourth Street in order to preserve the appearance of a freestanding two-story historic structure from the public

In addition, the developer has shared with the PAC* SJ one of the objectives for the SuZaCo project is to help address social issues such drug use, homelessness, mental illness, prostitution, etc. that they believe are affecting the confidence of prospective residents of their massive 630-unit Mixed Use Miro project located across the street at 167 E. Santa Clara Street. While PAC* SJ concurs that there are highly visible social issues in and around Fourth and Santa Clara Street (and across all of San Jose), the applicant's request to demolish irreplaceable historic assets in order to provide a new building that they envision will create a safer environment for "the influx of (1,000+) new residents" for their Miro project, seems to ignore other more direct options for addressing the applicants concerns. Given that the applicant for the SuZaCo project views their connection between this and their Miro project as important, it seems reasonable that any alternatives analysis should include a no-project alternative that directly addresses concerns about the social and safety of its future Miro residents. This analysis should include an evaluation of additional policing, code enforcement, lighting, private security and enhanced programming. It is unclear how the social issues near the Miro project will be remedied by replacing the existing historic mixed-use businesses and affordable housing units with a new mixed use commercial project. Perhaps the Miro project should be considered part of the project area for the purpose of analyzing feasible project alternatives for additional office and retail space, or alternative site configurations and/or alternative project site locations such that



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potential adverse impacts can be satisfactorily mitigated.

PAC* SJ also requests that this SEIR address/explain the City of San Jose's policies and code that have thus far prevented/disincentivized the preservation of historic affordable housing at this location, and in particular, what alternatives to these policies might be available to this developer as they seek to invest in historic areas with prevailing affordable housing units. PAC* SJ wonders if there might be equity issues that should be examined given the loss of affordable housing that is proposed here.

Finally, a robust summary of financial and physical mitigation measures applicable to this project should be provided should the City decide to approve this project and provide a statement of overriding consideration to justify the granting of demolition permits. PAC* SJ is particularly interested as to how the historic fabric will be preserved and how San Jose will be able to fund the protection of its historic fabric as it simultaneously seeks to meet its Envision 2040 Program Goals on a project-by-project basis.

Sincerely,

J. Michael Sodergren
Vice President & Advocacy Committee Chair
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