

Seagate to open Watsonville plant

By LANE WALLACE
STAFF WRITER

Seagate Technology will soon begin manufacturing in the 200,000-square-foot building it put up in Watsonville four years ago but never occupied, City Manager John Radin confirmed yesterday.

Radin said two officials from Scotts Valley-based Seagate met with him late last week and said the company plans to open the building next March and hire up to 3,000 people in two to

three years. Mayor Betty Murphy and Planning Director Bud Carney also attended the meeting.

Radin, contacted yesterday in San Francisco, where he was attending the League of California Cities meeting, said he couldn't recall the names of the people he met with.

Susan Heinlein, Seagate's public relations director, said she is preparing a press release on the company's Watsonville situation, but wouldn't divulge the contents of the release, or

the names of the people who met with Radin.

She said, "Watsonville will be an expansion of Seagate Magnetics," a Seagate subsidiary now operating in Fremont.

Seagate Magnetics manufactures a thin film used in Seagate's main product, computer disk drives.

Seagate was formed in 1979. The company grew rapidly and by 1982 had more than 2,000 workers in Scotts Valley, with no room to grow there.

In early 1983, the company

announced plans to build a disk-drive manufacturing plant at the Airport Industrial Park, off Airport Boulevard in Watsonville.

The company planned to start with a 200,000-square-foot building; a 25,000-square-foot cafeteria and another 100,000-square-foot building were to follow. The company said it intended to hire 1,000 people.

But by the time the first building was completed in late 1983, Seagate's fortunes had begun to fall. Sales and stock value plummeted, and the company delayed its Watsonville opening, eventually abandoning the plan altogether.

Seagate moved almost all its manufacturing to Singapore, turning the Scotts Valley headquarters into a research and development center, with limited manufacturing.

Watkins-Johnson, a Palo Alto-based high-tech firm, leased the Watsonville building from Seagate and planned to use it for some of its manufacturing

operations, but delayed those plans when sales were lower than hoped.

Watkins-Johnson officials could not be reached for comment this morning.

Recently — this year and last — Seagate has posted sharp increases in sales.

Radin said he told the Seagate officials they'll need approval of an environmental impact report before the third building (the 100,000-square-foot one) can be approved.

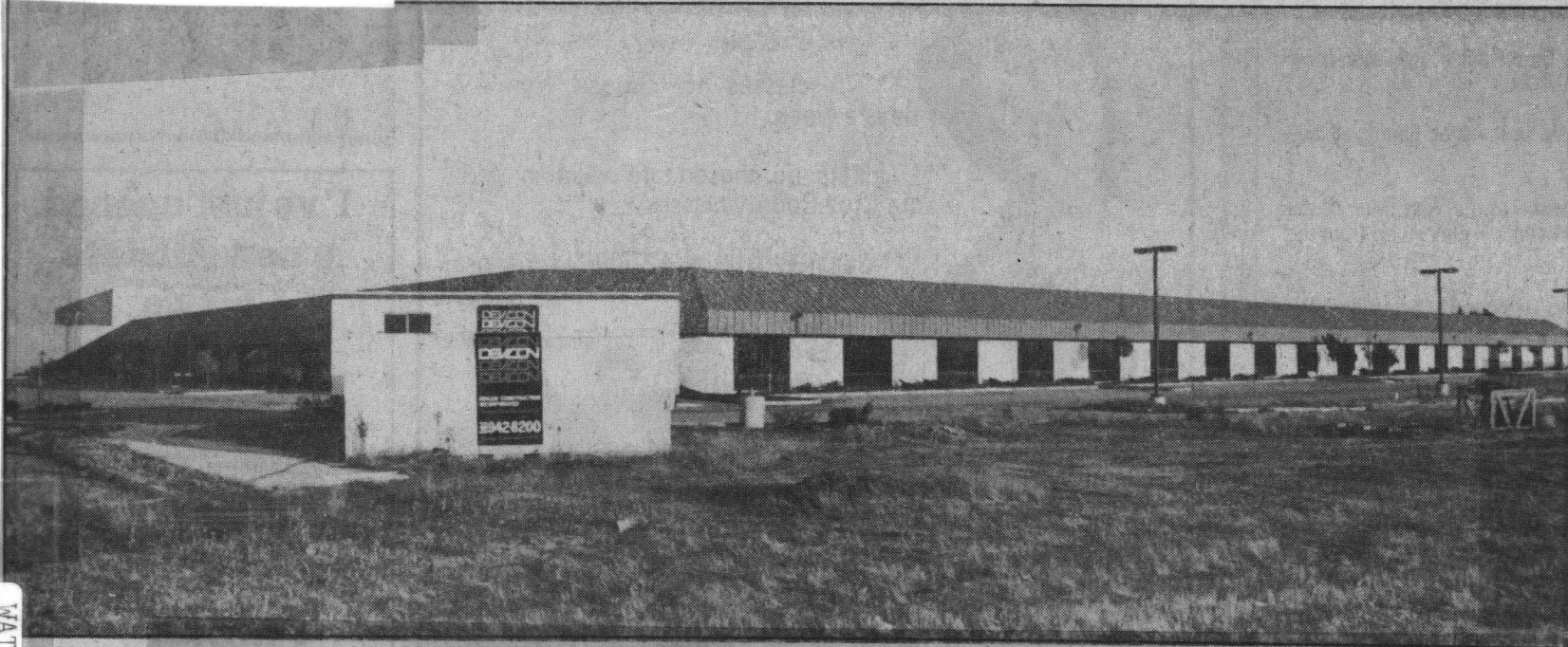
The company will need building permits for inside work at the existing building and for construction of the cafeteria (for which the foundation was poured several years ago), but those should be fairly routine.

Neil England, a city building official, said he's also heard talk of a possible fourth building, but no papers to that effect have been submitted to the building department.

While Radin had no qualms about talking about what the Seagate officials told him, he said any paperwork given to the city Planning Department would not be made public until Seagate makes an official application for building.

Some "unofficial" papers have been given to the Planning Department, said Doug Spinnelli, assistant planning director.

Mayor Murphy said this morning that no papers were exchanged at the meeting last week.



Diane Varni

After years of disuse, the Seagate building near the airport should soon be humming with activity.

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