

Seagate plant won't open as scheduled

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STAFF WRITERS

Seagate Technology wanted to stay on the "fast track" in an attempt at completing construction on its Watsonville plant by March 1, but that track may have proven too fast.

The company now says there will be a delay in the opening of operations in Watsonville.

Seagate officials made the decision after attempting to

speed up the required process for attaining building permits earlier in the week, and meeting with disapproval from some City Council members.

Joan Henderson, Seagate's manager of marketing and communications, said this morning the company is slowing down its building schedule so it can deal with the city's concerns.

"The city has been cooperative," Henderson said.

Seagate had been planning to

finish construction by March 1 and begin production in April, but those dates are "probably no longer valid," Henderson said.

The decision to delay production may have come from a Seagate corporate board meeting in Singapore.

Seagate officials requested, and were granted, a special Design Review Committee meeting today in hope of speeding the permit process for metal screening that would sur-

round an equipment area, and for cement pads on which equipment would sit.

Seagate also has proposed a change in plans that would allow it to begin operations with 409 parking spaces — not the 854 mandated by the city.

The news was announced at Tuesday's City Council meeting and did not go over well with some councilmembers.

"We're dropping everything and running for Seagate," Councilman Vido Deretich

said. "We cannot shut down the planning department for them (Seagate), there are other people in this town, too."

Mayor Betty Murphy and Councilman Dennis Osmer also expressed concern, Murphy to the point where another council member accused her of "Seagate bashing" by the end of the meeting.

But Murphy may have made her point loud enough to be heard in Singapore.

Seagate project manager Al

Robison told the council the company would file a cash bond for the cost of the remaining parking spaces.

If Seagate did not complete construction of the spaces by the second, expanded phase of operations the city would keep the money. If the spaces were completed the money would be returned.

Murphy voiced her disapproval and Osmer said the

move "shakes my faith in Seagate."

According to Carney, Robison spoke with Seagate Facilities Manager Linda Gilcrest, who was attending to company business in Singapore, and Gilcrest subsequently mentioned the issue at a board meeting.

Apparently, the Seagate board of directors in Singapore decided to push the Watsonville starting date back a month.

"Seagate indicated they will postpone the opening until the parking is done," Carney said this morning. "The board in Singapore apparently wanted to maintain good relations with the city of Watsonville."

Carney had said yesterday that Seagate would not receive preferential treatment from the Planning Department.

"We have bent over backwards to accommodate Seagate, but not at the expense of anybody else," he said. "Seagate came in and wanted approval immediately (for the metal screening) but they have to follow the same procedure as anybody else."

Seagate plans to employ 600 to 800 employees in its opening phase of operations and will be permitted to begin full-scale (3,300 employees) operations after six months if it satisfies the environmental concerns of the city.

The company originally built a 207,000-square-foot plant in 1983 but it was never used. Seagate estimates the cost of reviving the Watsonville plant at about \$25 million. Expansion plans include the construction of a cafeteria and a 100,000-square foot warehouse.

Robison said Tuesday that Seagate would be unable to complete the necessary paving for the remaining parking spaces until winter ends.

He also said that the company is "very flexible" on conditions for the metal screening but that it would be "impossible to start the plant" without construction of the concrete equipment pads.

REFERENCE

WATSONVILLE
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February 4, 1988