

Seagate plans hit roadblock

By LANE WALLACE
STAFF WRITER

Seagate Technology Inc., which announced two weeks ago it would be opening its 200,000-square-foot Watsonville plant in the spring of 1988, will apparently not be coming after all.

In meetings last week, city staff members told Seagate officials that an environmental impact report would be required for Seagate's proposal to open a production facility and hire up to 3,300 workers within 30 months.

It would take about six months before an EIR could be approved, and Seagate can't wait that long, Linda Gilcrest, Seagate's facilities manager, said late yesterday.

Seagate, which makes disk drives for computers, planned to manufacture a key component of those drives, a thin film, in Watsonville. Seagate makes the film at its Fremont plant but increasing demand warrants a second facility, Gilcrest said.

A six-month delay could mean Seagate would lose business to competitors, she said, adding that the company is now considering opening a thin-film production plant in the Far East.

Gilcrest wouldn't say Seagate has made a final decision not to open the Watsonville plant, but said that the EIR requirement "would have to kill" the project.

Gilcrest said city officials "told me emphatically" that an EIR would be needed.

When Seagate built its plant in 1983, an EIR was prepared in

which the company projected hiring 1,000 to 1,500 workers to manufacture disk drives.

When sales dropped, the company decided to do most of its production in the Far East, and the Watsonville plant was never opened.

City Manager John Radin said this morning that Seagate hasn't submitted the application for an official answer as to the need for an EIR, but one would almost certainly be required.

Radin said bringing in 3,300 people within 2½ years would increase the city's work force by about 35 percent and have impacts on traffic and housing that weren't covered in the original EIR.

Requiring an EIR is not an area where the city has much discretion, Radin said. The California Environmental Quality Act (CEQA) has specific guidelines on when an EIR is needed, he noted, and failure to follow those guidelines could mean trouble for the city.

"Anybody could sue us" for failing to follow CEQA standards, Radin said.

State law gives the planning director the authority to determine whether an EIR is required, he said, and there is no appeal process other than through the courts.

While expressing disappointment at the requirement for the EIR, Gilcrest emphasized that she was not blaming the city.

"I know they've got concerns. They were afraid of getting sued by the county."

Seagate has not ruled out the possibility of opening the Watsonville plant at a later time, Gilcrest said.