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<u>Response to Comments for the Final Environmental Impact Report (Final EIR)</u> <u>for the Proposed March Business Center</u>

On June 14, 2012, the AQMD staff commented on the Draft EIR for the proposed March Business Center, a warehouse/distribution and light industrial facility use project. This letter addresses the lead agency's responses to our comments.

The Final EIR states that the proposed project will have long term operational air quality impacts that are significant. Specifically, regional NOx emissions from trucks accessing the site will be over ten times higher than significance thresholds. Notwithstanding this significant impact, the lead agency concludes in its response to AQMD staff comments that no mitigation measures are feasible to reduce these impacts. AQMD staff disagrees with this conclusion and is concerned that the lead agency has not provided sufficient rationale to justify the lack of mitigation. Further, the response to AQMD staff comments regarding cumulative impacts and trip rates do not appear to sufficiently address AQMD staff's concerns. AQMD staff recommends that the lead agency revisit some of their responses in light of the significant impacts found for this project prior to certifying the Final EIR. Details regarding these comments are attached to this letter.

The AQMD staff is available to work with the Lead Agency to address these issues and any other air quality questions that may arise. Please contact Gordon Mize, Air Quality Specialist – CEQA Section, at (909) 396-3302, if you have any questions regarding these comments.

Sincerely,

In V. Mr. Mill

Ian MacMillan Program Supervisor, Inter-Governmental Review Planning, Rule Development & Area Sources

IM:GM Attachment

RVC121128-01 Control Number

Copy: Mr. Mark Gross, AICP, Senior Planner, MarkG@moval.org

1) Mitigation Feasibility for Significant Air Quality Impacts

AQMD staff is concerned about the lack of mitigation measures the city has proposed for warehouse projects within its jurisdiction, including the March Business Center. While these newer larger warehouses have the potential to be more efficient than older facilities, the millions of square feet of new warehousing proposed within Moreno Valley will still need to be served by thousands of heavy duty diesel trucks every day.

The residents in our region currently experience the worst air quality in the nation, and we have a very serious challenge to meet the federally required ozone standard by 2023. Heavy duty diesel trucks emit a variety of harmful pollutants including ultrafine particles, diesel particulate matter (a known carcinogen), and nitrogen oxides (NOx). NOx emissions are a primary contributor to ozone and fine particulate matter formation, and heavy duty diesel trucks are the largest source of NOx emissions in our region. Even after more stringent CARB tailpipe regulations are met, our region will still need to reduce total NOx emissions by an additional 65% by 2023. We note that the March Business Center NOx emissions are ten times higher than the significance thresholds.

What is concerning to AQMD staff is that while the city is actively expanding its role as a center of warehouse operations, it is not advancing any measures to reduce the air quality impacts from the trucks serving those warehouses. In responses to recent AQMD staff comment letters, the lead agency has stated that they have no ability to reduce emissions from trucks. We disagree. Several other lead agencies¹ and businesses² in the region have found ways to either require or incentivize lower emitting trucks, faster than required by regulation. These measures have included:

- Requiring cleaner burning trucks, such as those meeting 2010 standards
- If this isn't achievable, finding an alternative phase-in schedule to introduce newer trucks faster than regulatory standards
- Providing infrastructure for alternative fuels (for example, electric or natural gas)
- Implementing advanced technology demonstration and implementation programs
- Requiring tenants to apply for funding to retrofit and replace older, dirtier trucks

¹ -Banning Business Park

http://banning.ca.us/archives/30/July%2013,%202010%20City%20Council%20Agenda.pdf (pg.179-180) -Mira Loma Commerce Center (condition #'s Planning 047 and Planning 052)

http://www.rctlma.org/online/content/conditions_of_approval.aspx?PERMITNO=pp17788 -Palm/Industrial Distribution Center

http://www.ci.san-bernardino.ca.us/civica/filebank/blobdload.asp?BlobID=11793 (pg. 71-76) -Clean Trucks Program

http://www.cleanairactionplan.org/cleantrucks/

² -Stater Brothers

http://www.aqmd.gov/aqmp/CCP/Document/080812SBWGMtg.pdf (pg. 10) -UPS

http://www.aqmd.gov/aqmp/CCP/Document/061312SBWGMtg.pdf (pg. 4) -99 Cent

http://www.aqmd.gov/aqmp/CCP/Document/091912BHWGMtg6.pdf (pg. 6)

There also appears to be mitigation opportunities onsite that have not been fully pursued, including:

- Requiring all hostlers that only operate onsite to be alternative fueled,
- Providing enough electrical hookups for 100% of any refrigerated trucks visiting the site to plug in their TRUs
- Providing solar power on roofs to reduce reliance on fossil fuel burning power plants

AQMD staff recommends that the lead agency re-evaluate the feasibility of the above measures to reduce NOx emissions from trucks. If none of the measures are found to be feasible, additional rationale should be provided prior to certifying the Final EIR.

2) Adequacy of Environmental Analysis

In response to AQMD staff comments regarding trip rates (K-26), the lead agency makes the following statement.

"CEQA does not require that development projects be limited to the level of daily operational activity assumed in the environmental analysis. Moreover, to impose a daily limitation on the number of truck trips, as the SCQAMD suggests, would limit the economic activity at the facility and could result in disruption of business operations"

This statement appears to indicate that the lead agency believes there is a fair argument that the project will yield more trips than is analyzed in the Final EIR. Moreover, AQMD staff strongly believes that CEQA does require that an EIR evaluate all potential impacts from a project. If the lead agency believes that there is the potential for more truck traffic than was analyzed for this project because a tenant has not yet been identified, then we recommend that a high end trip rate be used, such as that recommended in the CalEEMod guidance. Higher trip rates could potentially lead to additional significant air quality impacts that may need additional mitigation. If a high end rate is not utilized to evaluate impacts, AQMD staff recommends that the lead agency limit the activity to what has been analyzed in the Final EIR. If this limit would have additional impacts, those should also be evaluated prior to certifying the Final EIR.

3) <u>Cumulative Impacts</u>

In response to AQMD staff comments regarding cumulative impacts (K-35), the lead makes the following statement.

"The air quality analysis relies on the Project's traffic study, for which a specific cumulative study area was established."

However page 4.2-22 of the Final EIR indicates that this is not true.

"Under long-term operating conditions, Project emissions would be well below SCAQMD's localized significance and carcinogenic exposure thresholds. Therefore, it is reasonable to conclude that even when combined with localized emissions from future developments within close proximity to the Project site, such emissions would not exceed SCAQMD thresholds. Accordingly, long-term operation of the Project would not expose nearby sensitive receptors to substantial localized pollutant concentrations, and a cumulative considerable impact would not occur."

The first statement implies that the cumulative traffic study was used for the cumulative air quality impact assessment. However the second statement from the Final EIR does not support this conclusion. The Air Quality Appendix of the Final EIR includes a discussion of the basin-wide risks from AQMD's MATES III study, however there is no mention of the recently approved and proposed surrounding projects that will also bring truck traffic to the area. The proposed project carcinogenic risks are less than significant, at 37% of the significance threshold. It is not clear to AQMD staff that including the truck trips from the more than 7 other warehouse projects within the vicinity will not yield a cumulatively significant health risk to sensitive receptors (e.g., residents and school children) located along truck routes serving these projects. AQMD staff recommends that the lead agency quantitatively evaluate the cumulative impact of all of these warehouse projects prior to certifying the Final EIR.

4) Onsite Solar Power Generation

AQMD staff appreciates that the project includes a component of photovoltaic solar power generation. However, after reviewing the Final EIR, it is not clear how much solar power will be generated onsite. AQMD staff recommends that the lead agency and applicant take advantage of the large roof space provided and construct the maximum amount of solar power as possible. This power generation can help to offset the need to draw power from fossil fuel burning power stations located in our basin.