



# South Coast Air Quality Management District

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March 24, 2020

## **Draft Environmental Impact Report (Draft EIR) for the Proposed Ontario Ranch Business Park Project (SCH No.: 2019050018)**

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The following comments are meant as guidance for the Lead Agency and should be incorporated into the Final EIR.

### South Coast AQMD Staff's Summary of Project Description

The Lead Agency proposes to develop 1,559,028 square feet of industrial, cold storage, and non-cold storage uses and 236,000 square feet of business park uses totaling 1,905,027 square feet on 85.6 acres (Proposed Project). The Proposed Project will be developed on an existing dairy farm and is located on the northeast corner of Merrill Avenue and Euclid Avenue in the City of Ontario. Construction of the Proposed Project is anticipated to begin in October 2020 and be completed in two phases by November 2022<sup>1</sup>. At full buildout, the Proposed Project will include 269 dock doors<sup>2</sup> and involve 796 daily truck trips<sup>3</sup>. Based on reviews of *Aerial View of Project Site*<sup>4</sup> in the Draft EIR and aerial photographs, South Coast AQMD staff found that the Proposed Project is located immediately east of existing residential uses<sup>5</sup>.

### South Coast AQMD Staff's Summary of the Air Quality Analysis and Health Risk Assessment

The Lead Agency quantified the Proposed Project's regional and localized construction and operational emissions and compared those emissions to South Coast AQMD's recommended air quality CEQA significance thresholds. For informational purposes, the Lead Agency quantified and disclosed the Proposed Project's regional emissions from overlapping construction and operational activities in the Draft EIR.

Based on the regional air quality impacts analysis in the Draft EIR, the Lead Agency found that the Proposed Project's regional construction air quality impacts would be significant for volatile organic compounds (VOCs) and nitrogen oxides (NOx) at 305 pounds per day (lbs/day) and 125 lbs/day, respectively<sup>6</sup>. Additionally, the Lead Agency found that the Proposed Project's regional operational air quality impacts would also be significant for VOCs and NOx at 61 lbs/day and 129 lbs/day, respectively<sup>7</sup>. The Lead Agency is committed to implementing 12 air quality mitigation measures (MMs)<sup>8</sup>, including, but not limited to, requiring the use of U.S. Environmental Protection Agency (EPA) Tier 4 Interim construction equipment, the use of electric powered off-road equipment during operation, and

<sup>1</sup> Draft EIR. Chapter 5: Environmental Analysis. Page 5.2-28 to 5.2-29.

<sup>2</sup> Draft EIR. Chapter 1: Executive Summary. Page 1-6.

<sup>3</sup> Draft EIR. Chapter 5: Environmental Analysis. Page 5.2-27.

<sup>4</sup> Draft EIR. Chapter 3: Project Description. Figure 3-3 – Aerial Photograph.

<sup>5</sup> *Ibid.*

<sup>6</sup> Draft EIR. Chapter 5: Environmental Analysis. Page 5.2-31.

<sup>7</sup> *Ibid.* Page 5.2-32.

<sup>8</sup> *Ibid.* Page 5.2-46 to 5.2-47.

electrification of truck/dock bays that serve cold storage facilities. After implementation of these mitigation measures, the Proposed Project's regional construction VOCs emissions and NOx emissions were reduced to less than significant at 66 lbs/day and 99 lbs/day, respectively<sup>9</sup>. However, regional operational VOCs and NOx emissions would remain significant and unavoidable after mitigation<sup>10</sup>. Based on the localized air quality impacts analysis in the Draft EIR, the Lead Agency found that the Proposed Project's localized construction and operational air quality impacts would be less than significant<sup>11</sup>.

The Lead Agency also conducted a construction health risk assessment (HRA) and an operational HRA. The Lead Agency found that the Proposed Project's combined construction and operational incremental inhalation cancer risk would be 7.6 in one million<sup>12</sup>, which would not exceed South Coast AQMD's CEQA significance threshold of 10 in one million for cancer risk.

#### Summary of South Coast AQMD Staff's Comments

Based on reviews of the Draft EIR and technical documents, South Coast AQMD staff found that the Lead Agency used a shorter exposure duration than is recommended to estimate the Proposed Project's operational health risk impacts, which may have been underestimated in the Draft EIR. Since the Proposed Project will be developed in close proximity to sensitive receptors, the Lead Agency should consider and discuss state and South Coast AQMD's guidance that recommends a buffer between warehouse uses and sensitive land uses such as residences in the Final EIR.

To further reduce construction emissions, South Coast AQMD staff recommends the existing air quality construction mitigation measures (MM-AQ-1 and MM-AQ-11) be strengthened to require the use of Tier 4 Final construction equipment and additional air quality construction mitigation measures be incorporated in the Final EIR to require the use of zero-emissions (ZE) or near-zero emissions (NZE) on-road vehicles. Lastly, since the Proposed Project is greater than 50 acres, the Lead Agency should include a discussion in the Final EIR on the specific requirements of South Coast AQMD Rule 403(e) – Additional Requirements for Large Operations<sup>13</sup> and information on other applicable South Coast AQMD Rules. Please see the attachment for more information.

#### Conclusion

Pursuant to California Public Resources Code Section 21092.5(a) and CEQA Guidelines Section 15088(b), South Coast AQMD staff requests that the Lead Agency provide South Coast AQMD staff with written responses to all comments contained herein prior to the certification of the Final EIR. In addition, issues raised in the comments should be addressed in detail giving reasons why specific comments and suggestions are not accepted. There should be good faith, reasoned analysis in response. Conclusory statements unsupported by factual information will not suffice (CEQA Guidelines Section 15088(c)). Conclusory statements do not facilitate the purpose and goal of CEQA on public disclosure and are not meaningful, informative, or useful to decision makers and to the public who are interested in the Proposed Project. Further, if the Lead Agency makes the findings that the recommended revisions to the existing air quality mitigation measures and additional recommended mitigation measures are not feasible, the Lead Agency should describe the specific reasons supported by substantial evidence for rejecting them in the Final EIR (CEQA Guidelines Section 15091).

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<sup>9</sup> *Ibid.* Page 5.2-20.

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.* Page 5.2-33 and 5.2-37.

<sup>12</sup> *Ibid.* Page 5.2-52.

<sup>13</sup> South Coast AQMD. Rule 403. Last amended June 3, 2005. Accessed at: <http://www.aqmd.gov/docs/default-source/rulebook/rule-iv/rule-403.pdf>.

Richard Ayala

March 24, 2020

South Coast AQMD staff is available to work with the Lead Agency to address any air quality questions that may arise from this comment letter. Please contact Margaret Isied, Assistant Air Quality Specialist, at [misied@aqmd.gov](mailto:misied@aqmd.gov) or (909) 396-2543, should you have any questions.

Sincerely,

*Lijin Sun*

Lijin Sun, J.D.

Program Supervisor, CEQA IGR

Planning, Rule Development & Area Sources

Attachment

LS:MI

SBC200218-05

Control Number

## ATTACHMENT

### 1. **Health Risk Assessment (HRA)**

Sensitive receptors are people that have an increased sensitivity to air pollution or environmental contaminants. Sensitive receptors include schools, daycare centers, nursing homes, elderly care facilities, hospitals, and residential dwelling units. As stated above, the Proposed Project involves operation of warehouses, including cold storage uses, that will generate approximately 796 truck trips per day. Based on reviews of *Aerial View of Project Site*<sup>14</sup> in the Draft EIR and aerial photographs, South Coast AQMD staff found that existing residential uses are located immediately west of the Proposed Project. Surrounding sensitive receptors (e.g., residents) would be exposed to diesel particulate matter (DPM) from the transportation and idling of heavy-duty, diesel-fueled trucks visiting the Proposed Project. DPM has been identified by the California Air Resources Board (CARB) as a toxic air contaminant (TAC) based on its carcinogenic effects<sup>15</sup>.

In the Air Quality Analysis Section of the Draft EIR, the Lead Agency conducted a combined construction and operational HRA<sup>16</sup>. The Lead Agency found that the Proposed Project's combined construction and operational incremental cancer risk would be 7.6 in one million<sup>17</sup>, which would not exceed South Coast AQMD's CEQA significance threshold of 10 in one million for cancer risk<sup>18</sup>. However, upon review of *Table 5: Cumulative Analysis Results – With Mitigation* in Appendix C2, South Coast AQMD staff found that the Lead Agency calculated the Proposed Project's cancer risk to residential receptors from operation based on a 28-year exposure duration<sup>19</sup>.

The Proposed Project's operational health risk impacts may be underestimated because the Lead Agency used a shorter exposure duration for sensitive receptors (e.g., residential receptors). The South Coast AQMD's CEQA significance threshold of 10 in a million for cancer risk is based on a 30-year exposure duration for sensitive receptors. Since the Lead Agency compared the Proposed Project's cancer risk to the South Coast AQMD's CEQA significance threshold of 10 in a million to determine the level of significance for the Proposed Project's health risk impacts, the Lead Agency should use a 30-year exposure period for sensitive receptors (residents living west of the Proposed Project) to recalculate the Proposed Project's health risks from operation in the Final EIR.

### 2. **Guidance Regarding Warehouses Sited Near Sensitive Receptors**

South Coast AQMD staff recognizes that there are many factors Lead Agencies must consider when making local planning and land use decisions. To facilitate stronger collaboration between Lead Agencies and South Coast AQMD to reduce community exposure to source-specific and cumulative air pollution impacts, South Coast AQMD adopted the *Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning*<sup>20</sup> in 2005. Additional guidance is available in the CARB's *Air Quality and Land Use Handbook: A Community Health Perspective*, available at: <https://www.arb.ca.gov/ch/handbook.pdf>. For warehouses that accommodate more than 100 trucks per day, or more than 40 trucks with operating transport refrigeration units (TRUs) per day, a 1,000-foot

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<sup>14</sup> Draft EIR. Chapter 3: Project Description. Figure 3-3 – Aerial Photograph.

<sup>15</sup> CARB. August 27, 1998. Resolution 98-35. Accessed at: <http://www.arb.ca.gov/regact/diesltac/diesltac.htm>.

<sup>16</sup> *Ibid.* Page 5.2-52.

<sup>17</sup> *Ibid.*

<sup>18</sup> South Coast AQMD has developed the CEQA significance threshold of 10 in one million for cancer risk. When South Coast AQMD acts as the Lead Agency, South Coast AQMD staff conducts a HRA, compares the maximum cancer risk to the threshold of 10 in one million to determine the level of significance for health risk impacts, and identifies measures if the risk is found to be significant.

<sup>19</sup> Appendix C2: Health Risk Assessment. Page 20.

<sup>20</sup> South Coast AQMD. May 2005. *Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning*. Accessed at: <http://www.aqmd.gov/home/library/documents-support-material/planning-guidance/guidance-document>.

separation between sensitive land uses (e.g., residential uses)<sup>21</sup> and the operating warehouse is recommended. Since operation of the Proposed Project includes cold storage facilities with TRUs and approximately 796 daily truck trips, South Coast AQMD staff recommends that the Lead Agency review and consider these guidance documents when making local planning and land use decisions.

### 3. Recommended Revisions to Existing Air Quality Mitigation Measures (MM)-AQ-1 and MM AQ-11

CEQA requires that all feasible mitigation measures that go beyond what is required by law be utilized to minimize or eliminate any significant adverse air quality impacts. The Proposed Project's regional construction NOx emissions were mitigated to 99 lbs/day, which were slightly below South Coast AQMD's regional air quality CEQA significance threshold of 100 lbs/day. To further reduce those emissions, South Coast AQMD staff recommends that the Lead Agency strengthen MM-AQ-1 and MM-AQ-11 for medium and large constructional equipment by making the following revisions shown in strikethrough and underline in the Final EIR.

#### *MM AQ- 1*

Construction contractors shall, at minimum, use equipment that meets the United States Environmental Protection Agency's (EPA) Tier 4 ~~Interim~~ Final emissions standards for off-road diesel-powered construction equipment with more than 50 horsepower for all Phase 1 rough grading and rough grading soil hauling activities, unless it can be demonstrated to the City of Ontario Building Department that such equipment is not available. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by Tier 4 ~~Interim~~ Final emissions standards for a similarly sized engine, as defined by the California Air Resources Board's regulations. Prior to construction, the project engineer shall ensure that all construction (e.g., demolition and grading) plans clearly show the requirement for EPA Tier 4 ~~Interim~~ Final emissions standards for construction equipment over 50 horsepower for the specific activities stated above.

#### *MM AQ-11*

Construction contractors shall, at minimum, use equipment that meets the United States Environmental Protection Agency's (EPA) Tier 4 ~~Interim~~ Final emissions standards for off-road diesel-powered construction equipment with more than 50 horsepower for all Phase 2 building construction activities, unless it can be demonstrated to the City of Ontario Building Department that such equipment is not available. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by Tier 4 ~~Interim~~ Final emissions standards for a similarly sized engine, as defined by the California Air Resources Board's regulations. Prior to construction, the project engineer shall ensure that all construction (e.g., demolition and grading) plans clearly show the requirement for EPA Tier 4 ~~Interim~~ Final emissions standards for construction equipment over 50 horsepower for the specific activity stated above. During construction, the construction contractor shall maintain a list of all operating equipment in use on the construction site for verification by the City of Ontario. The construction equipment list shall state the makes, models, Equipment Identification Numbers, and number of construction equipment onsite. Equipment shall be properly serviced and maintained in accordance with the manufacturer's recommendations. Construction contractors shall also ensure that all nonessential idling of construction equipment is restricted to 5 minutes or less in compliance with Section 2449 of the California Code of Regulations, Title 13, Article 4.8, Chapter 9.

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<sup>21</sup>CARB. *Air Quality and Land Use Handbook: A Community Health Perspective*. Page 4. Accessed at: <https://www.arb.ca.gov/ch/handbook.pdf>.

#### 4. **Additional Recommended Air Quality Mitigation Measures**

CEQA requires that the Lead Agency considers mitigation measures to minimize significant adverse impacts (CEQA Guidelines Section 15126.4) and that all feasible mitigation measures that go beyond what is required by law be utilized to minimize or eliminate any significant adverse air quality impacts. The Proposed Project's regional operational air quality impacts, particularly from NOx, would remain significant and unavoidable after mitigation. To further reduce the Proposed Project's construction and operational NOx emissions, and to comply with CEQA requirements, South Coast AQMD staff commends that the Lead Agency include additional air quality mitigation measures for implementation at the Proposed Project in the Final EIR. For more information on potential mitigation measures as guidance to the Lead Agency, please visit South Coast AQMD's CEQA Air Quality Handbook website<sup>22</sup>.

##### *Construction-related Air Quality Mitigation Measures*

- a) Require construction equipment such as concrete/industrial saws, pumps, aerial lifts, material hoist, air compressors, forklifts, excavator, wheel loader, and soil compactors be electric or alternative-fueled (i.e., non-diesel). Information on companies and electric powered equipment that can and should be used during construction is available at: <https://www.forconstructionpros.com/construction-technology/article/21107531/electrified-construction-equipment-gaining-momentum>.

##### *Operation-related Air Quality Mitigation Measures*

Near-zero emissions (NZE) heavy-duty truck engines are commercially available. Examples of commercially available NZE heavy-duty truck engines that meet CARB's optional low NOx standards include, but are not limited to, Cummins Westport 8.9- and 6.7-liter natural gas engines and Roush Cleantech 6.8- liter compressed natural gas and liquefied petroleum gas engines<sup>19</sup>. Therefore, NZE heavy-duty trucks should be required for use during operation.

On March 3, 2017, the South Coast AQMD's Governing Board adopted the 2016 Air Quality Management Plan (2016 AQMP)<sup>23</sup>, which was later approved by CARB on March 23, 2017. Built upon the progress in implementing the 2007 and 2012 AQMPs, the 2016 AQMP provides a regional perspective on air quality and the challenges facing the South Coast Air Basin (Basin). The most significant air quality challenge in the Basin is to achieve an additional 45 percent reduction in nitrogen oxide (NOx) emissions in 2023 and an additional 55 percent NOx reduction beyond 2031 levels for ozone attainment.

Implementation of the Proposed Project contributes to Basin-wide NOx emissions. Requiring the use of ZE heavy-duty trucks supports South Coast AQMD's efforts to attain state and federal air quality standards as outlined in the 2016 AQMP, specifically for NOx emissions reductions. Requiring the use of ZE heavy-duty trucks also fulfills the Lead Agency's legal obligation to mitigate the Proposed Project's significant air quality impacts and complies with CEQA's requirements for mitigation measures. Therefore, South Coast AQMD staff recommends that the Lead Agency make a stronger commitment to require the use of cleaner trucks during operation.

- b) Require the use of zero-emissions (ZE) or near-zero emissions (NZE) on-road vehicles and off-road equipment during operation, such as trucks with natural gas engines that meet the CARB's

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<sup>22</sup> South Coast AQMD. Accessed at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook>.

<sup>23</sup> South Coast AQMD. March 3, 2017. 2016 Air Quality Management Plan. Accessed at: <http://www.aqmd.gov/home/library/clean-air-plans/air-quality-mgt-plan>.



adopted optional NO<sub>x</sub> emission standard of 0.02 grams per brake horsepower-hour (g/bhp-hr). At a minimum, the City may require that operators commit to using 2010 model year or newer engines that meet CARB's 2010 engine emission standards of 0.01 g/bhp-hr for particulate matter (PM) and 0.20 g/bhp-hr of NO<sub>x</sub> emissions or newer, cleaner trucks and equipment. To monitor and ensure ZE, NZE, or 2010 model year or newer trucks are used at the Proposed Project, the Lead Agency should require that operators maintain records of all trucks and equipment associated with the Proposed Project's operation, and make these records available to the Lead Agency upon request. Alternatively, the Lead Agency should require periodic reporting and provision of written records by operators, and conduct regular inspections of the records to the maximum extent feasible and practicable. To facilitate implementation of this mitigation measure, the Lead Agency shall require operators of the proposed facilities to provide the vendor trucks information to incorporate energy efficiency improvement features through the Carl Moyer Program – including truck modernization, retrofits, and/or aerodynamic kits and low rolling resistance tires – to reduce fuel consumption.

If implementing ZE heavy-duty trucks are impractical or infeasible to include in the Final EIR, the Lead Agency should develop and include performance standards to achieve the use of ZE heavy-duty trucks (CEQA Guidelines Section 15126.4(a)). The Lead Agency can and should develop the following performance standards or any other comparable standards in the Final EIR.

- Develop a minimum amount of ZE heavy-duty trucks that the Proposed Project must use each year to ensure adequate progress. Include this requirement in the Proposed Project's Business or Management Plan.
  - Establish a contractor(s)/truck operator(s) selection policy that prefers contractor(s)/truck operator(s) who can supply ZE heavy-duty trucks at the Proposed Project. Include this policy in the Request for Proposal for selecting contractor(s)/truck operator(s).
  - Develop a target-focused and performance-based process and timeline to implement the use of ZE heavy-duty trucks during operation.
  - Develop a project-specific process and criteria for periodically assessing progress in implementing the use of ZE heavy-duty trucks during operation.
- c) Limit the daily number of truck trips allowed at the Proposed Project to the level that was analyzed in the Final EIR (e.g., 796 daily truck trips). If it is reasonably foreseeable before the EIR is certified that the Proposed Project would generate more than 796 daily truck trips, the Lead Agency should take into account additional daily truck trips and re-evaluate the Proposed Project's air quality and HRA impacts (CEQA Guidelines Section 15088.5). If information becomes available, after the Proposed Project is approved, suggesting that the Proposed Project will generate more than 796 daily truck trips, the Lead Agency is required to determine if a Subsequent EIR is required under CEQA Guidelines Section 15162. This recommended mitigation measure is to ensure that the modeling assumption of 796 daily truck trips used to quantify the Proposed Project's operational emissions and health risks will serve as a condition of project approval.
- d) Design the Proposed Project such that any check-in point for trucks is well inside the Proposed Project site to ensure that there are no trucks queuing outside of the facility.

##### **5. South Coast AQMD Rule 403(e), Permits, and Responsible Agency**

The Lead Agency included a discussion of general compliance with South Coast AQMD Rule 403 – Fugitive Dust in the Draft EIR<sup>24</sup>. Since the Proposed Project is a large operation of approximately 85.6

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<sup>24</sup> Draft EIR, Chapter 5: Environmental Analysis, Page 5.2-11.

acres<sup>25</sup> (50-acre sites or more of disturbed surface area; or daily earth-moving operations of 3,850 cubic yards or more on three days in any year) in the South Coast Air Basin, the Lead Agency is required to comply with Rule 403(e) – Additional Requirements for Large Operations<sup>26</sup>. Additional requirements may include, but are not limited to, Large Operation Notification (Form 403 N), appropriate signage, additional dust control measures, and employment of a dust control supervisor that has successfully completed the Dust Control in the South Coast Air Basin training class<sup>27</sup>. Therefore, South Coast AQMD recommends that the Lead Agency include a discussion to demonstrate specific compliance with South Coast AQMD Rule 403(e) in the Final EIR. Compliance with South Coast Rule 403(e) will further reduce regional and localized emissions from particulate matters during construction.

The Proposed Project is located on an existing dairy farm. In the event that methane is encountered and requires the implementation of any remediation, control, or capture<sup>28</sup>, South Coast AQMD should be consulted in advance to determine permit requirements and/or South Coast AQMD rules that the Proposed Project must comply. The Lead Agency should initiate consultation with South Coast AQMD as required under CEQA Guidelines Section 15096(b). After consultation, if it is determined that a permit from South Coast AQMD is required for remediating, controlling, or capturing methane emissions, South Coast AQMD should be identified as a Responsible Agency for the Proposed Project in the Final EIR. The Final EIR should also include discussions of all applicable South Coast AQMD rules that the Proposed Project must comply. Any assumptions used in the Air Quality Analysis in the Final EIR will be used as the basis for permit conditions and limits for the Proposed Project. Generally, operation of portable engines and portable equipment units of 50 horsepower (hp) or greater that emit particulate matter require a permit from South Coast AQMD or registration with the Portable Equipment Registration Program (PERP) through CARB<sup>29</sup>. The Lead Agency should consult with South Coast AQMD's Engineering and Permitting staff to determine if the Proposed Project will involve uses of equipment requiring a South Coast AQMD permit (e.g., prior to start of soil disturbing activities during construction) or if registration under the PERP through CARB<sup>30</sup>. Should there be any questions on permits, please contact the South Coast AQMD's Engineering and Permitting staff at (909) 396-3385. For more general information on permits, please visit South Coast AQMD's webpage at: <http://www.aqmd.gov/home/permits>. For more information on the PERP Program, please contact CARB at (916) 324-5869 or visit CARB's webpage at: <https://ww2.arb.ca.gov/our-work/programs/portable-equipment-registration-program-perp>.

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<sup>25</sup> Draft EIR. Chapter 1: Executive Summary. Page 1-5.

<sup>26</sup> South Coast AQMD. Rule 403. Last amended June 3, 2005. Accessed at: <http://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-403.pdf>.

<sup>27</sup> South Coast AQMD Compliance and Enforcement Staff's contact information for Rule 403(e) Large Operations is (909) 396-2608 or by e-mail at [dustcontrol@aqmd.gov](mailto:dustcontrol@aqmd.gov).

<sup>28</sup> Draft EIR. Chapter 1: Executive Summary. Page 1-27.

<sup>29</sup> South Coast Air Quality Management District. *Portable Equipment Registration Program (PERP)*. Accessed at: <http://www.aqmd.gov/home/permits/equipment-registration/perp>.

<sup>30</sup> *Ibid.*