



South Coast Air Quality Management District

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SENT VIA E-MAIL:

July 1, 2021

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Mitigated Negative Declaration (MND) for the Slover and Oleander Industrial Building (Project)

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-referenced document. The Project consists of construction and operation of a 205,949-square-foot warehouse on 8.6 acres. The City of Fontana was the Lead Agency under the California Environmental Quality Act (CEQA) for the Project and prepared the MND, which was likely circulated for a 30-day public review and comment period from March 22, 2021 to April 22, 2021¹. South Coast AQMD staff became aware of the MND on June 23, 2021. Because South Coast AQMD staff did not receive the MND for review before the end of the comment period, these comments are being provided outside of the comment period.

As a reminder, South Coast AQMD is a CEQA commenting agency. Staff reviews and may comment on the technical adequacy of the air quality analysis and health risk assessment, as well as recommend mitigation measures, as appropriate, to ensure that project's emissions and health risk impacts are adequately and sufficiently evaluated, disclosed, and mitigated to the maximum extent feasible. Please send CEQA documents upon completion and public review directly to South Coast AQMD at the address shown in the letterhead (Attention: Program Supervisor, CEQA Intergovernmental Review (IGR)) as CEQA documents that are submitted to the State Clearinghouse are not forwarded. In addition, please send all appendices and technical documents related to the air quality, health risk, and greenhouse gas analyses and electronic versions of all emission calculation spreadsheets, and air quality modeling and health risk assessment input and output files (not PDF files). Any delays in providing all supporting documentation for our review will require additional review time beyond the end of the comment period.

It is also important to note that on May 7, 2021, South Coast AQMD's Governing Board adopted Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program, and Rule 316 – Fees for Rule 2305. Rules 2305 and 316 are new rules that will reduce regional and local emissions of nitrogen oxides (NOx) and particulate matter (PM), including diesel PM. These emission reductions will reduce public health impacts for communities located near warehouses from mobile sources that are associated with

¹ MND. Accessed at: <https://www.fontana.org/DocumentCenter/View/34679/Slover-Oleander-IS-MND-2021-03-22>.

warehouse activities. Also, the emission reductions will help the region attain federal and state ambient air quality standards. Rule 2305 applies to owners and operators of warehouses greater than or equal to 100,000 square feet. Under Rule 2305, operators are subject to an annual WAIRE Points Compliance Obligation that is calculated based on the annual number of truck trips to the warehouse. WAIRE Points can be earned by implementing actions in a prescribed menu in Rule 2305, implementing a site-specific custom plan, or paying a mitigation fee. Warehouse owners are only required to submit limited information reports, but they can opt in to earn Points on behalf of their tenants if they so choose because certain actions to reduce emissions may be better achieved at the warehouse development phase, for instance the installation of solar and charging infrastructure. Rule 316 is a companion fee rule for Rule 2305 to allow South Coast AQMD to recover costs associated with Rule 2305 compliance activities. Since the Proposed Project consists of the development of a 205,949-square-foot warehouse, the Proposed Project's warehouse owners and operators will be required to comply with Rule 2305 once the warehouse is occupied. Therefore, South Coast AQMD staff recommends that the Lead Agency review South Coast AQMD Rule 2305 to determine the potential WAIRE Points Compliance Obligation for future operators and explore whether additional project requirements and CEQA mitigation measures can be identified and implemented at the Proposed Project that may help future warehouse operators meet their compliance obligation². South Coast AQMD staff is available to answer questions concerning Rule 2305 implementation and compliance by phone or email at (909) 396-3140 or waire-program@aqmd.gov. For implementation guidance documents and compliance and reporting tools, please visit South Coast AQMD's WAIRE Program webpage³.

Sincerely,

Lijin Sun

Lijin Sun, J.D.

Program Supervisor, CEQA IGR

Planning, Rule Development & Area Sources

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SBC210623-01
Control Number

² South Coast AQMD Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program. Accessed at: <http://www.aqmd.gov/docs/default-source/rule-book/reg-xxiii/r2305.pdf>.

³ South Coast AQMD WAIRE Program. Accessed at: <http://www.aqmd.gov/waire>.