SENT VIA E-MAIL:

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<u>Mitigated Negative Declaration (MND) for the Proposed</u> 12300 Lakeland Road Development Project (Proposed Project) (SCH: 2022080100)

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The City of Santa Fe Springs is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. The following comments include recommended revisions to the CEQA localized air quality impacts analysis for construction and operation activities, South Coast AQMD regional air quality significance thresholds (operation), health risk assessment (HRA), and information about South Coast AQMD Rules 2305 and 316 that the Lead Agency should incorporate in the Final MND.

South Coast AQMD Staff's Summary of Project Information in the MND

Based on the MND, the Lead Agency proposes demolishing four existing buildings and constructing an approximately 185,294 square feet industrial warehouse building¹ located at 12300 Lakeland Road, Santa Fe Springs, on an approximately 8.45-acre site². The Project development includes 24 dock doors along the western side of the warehouse and is assumed to have 10 percent of cold storage³. According to the Project Trip Generation analysis⁴, 93 daily truck trips are associated with warehouse activities. Based on a review of aerial photographs, South Coast AQMD staff found that the nearest sensitive receptor (e.g., residence) is within 100 feet west of the Proposed Project. Construction of the Proposed Project is anticipated to begin in 2023. Operation is expected to start in 2024.

South Coast AQMD Staff's Comments

Localized Air Quality Impacts Analysis for Construction and Operation Activities

South Coast AQMD has developed both regional and localized significance thresholds. South Coast AQMD staff recommends that the Lead Agency quantify criteria pollutant emissions and compare the emissions to South Coast AQMD's CEQA regional pollutant emissions significance

³ Ibid. Page 19.

¹ MND. Page 19.

² Ibid. Page 3.

⁴ Appendix J. Page 3.

thresholds⁵ and localized significance thresholds (LSTs)⁶ to determine the Proposed Project's air quality impacts. The localized analysis can be conducted by either using the LST screening tables or performing dispersion modeling. However, the Lead Agency only includes the regional air quality impacts from the Project's construction and operation activities but not the LST air quality impacts analysis in the MND.

South Coast AQMD staff recommends the Lead Agency revise the air quality impacts analysis, including the localized emissions from construction and operation activities, and compare it to South Coast AQMD LST significance thresholds to determine the Proposed Project's localized air quality impacts in the Final MND. If the localized air quality impacts analysis is not included in the Final MND, the Lead Agency should provide reasons for not having them supported by substantial evidence in the record.

South Coast AQMD Regional Air Quality Significance Thresholds (Operation)

On the MND, the regional air quality impacts from the Project are presented under Table AQ-3: Project Operational Emissions⁷. However, the Lead Agency may have used and compared PM₁₀ PM_{2.5} emissions to the incorrect South Coast AQMD regional air quality significance thresholds. Table AQ-3 in the MND shows 55 lbs/day and 150 lbs/day as the South Coast AQMD PM₁₀ and PM_{2.5} significance thresholds. The correct PM₁₀ and PM_{2.5} significance thresholds are 150 pounds per day (lbs/day) and 55 lbs/day⁸, respectively. South Coast AQMD staff recommends the Lead Agency revise the section and reflect the correct regional PM significance thresholds from operation in the Final MND.

Health Risk Assessment (HRA)

In the AERMOD dispersion modeling for the Health Risk Assessment (HRA), the Lead Agency uses the regulatory non-default option, and the FASTALL keyword was selected. Our District and our modeling guidance require projects to use the regulatory default option in all air quality analyses and HRA unless the project provides the justification on why the regulatory non-default option has to be used. In addition, 4530 out of 8521 receptors used in the dispersion modeling do not have any terrain elevations and hill heights in the analyses. Some of those receptors are fence line grids. The zero terrain elevations and hill height will normally lower the ground level concentrations, which will under-predict the risks in HRA. Therefore, South Coast AQMD staff recommends that the Lead Agency revise the dispersion modeling files to use the regulatory default option and include actual terrain elevations and hill heights for all 8521 receptors.

In the HRA, the Lead Agency uses OEHHA derived method intake rate for residences when calculating the cancer risk from the Proposed Project. Based on South Coast AQMD Risk

⁵ South Coast AQMD's CEQA regional pollutant emissions significance thresholds can be found at: http://www.aqmd.gov/docs/default-source/ceqa/handbook/scaqmd-air-quality-significance-thresholds.pdf.

⁶ South Coast AQMD's guidance for performing a localized air quality analysis can be found at: http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/localized-significance-thresholds.

⁷ MND. Page 42.

⁸ South Coast AQMD's CEQA regional pollutant emissions significance thresholds can be found at: http://www.aqmd.gov/docs/default-source/ceqa/handbook/scaqmd-air-quality-significance-thresholds.pdf.

Assessment Guidance⁹, South Coast AQMD staff recommends the Lead Agency revise the HRA using the "RMP (Derived) Method" risk analysis method to estimate the Proposed Project's cancer risk and include the results in the Final MND. If the revised HRA is not included in the Final MND, the Lead Agency should provide reasons for not having them supported by substantial evidence in the record.

South Coast AQMD Rule 2305 and Rule 316

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, associated with warehouses and mobile sources attracted to 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. Operators are subject to an annual WAIRE Points Compliance Obligation calculated based on the annual number of truck trips to the warehouse under Rule 2305. 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, allowing South Coast AQMD to recover costs associated with Rule 2305 compliance activities. Since the Proposed Project consists of the development of one 185,294square-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 AOMD 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 CEOA mitigation measures can be identified and implemented at the Proposed Project that may help future warehouse operators meet their compliance obligation. South Coast AQMD staff is available to answer questions concerning Rule 2305 implementation and compliance by phone or email at (909) 396-3140 or waireprogram@aqmd.gov. For implementation guidance documents and compliance and reporting tools, please visit South Coast AQMD's WAIRE Program webpage¹⁰.

Conclusion

According to CEQA Guidelines Section 15074, prior to approving the Proposed Project, the Lead Agency shall consider the MND for adoption together with any comments received during the public review process. Please provide South Coast AQMD with written responses to all comments contained herein prior to the adoption of the Final MND. When the Lead Agency's position is at

⁹ South Coast AQMD Risk Assessment Procedures can be found at: http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1401/riskassessmentprocedures 2017 080717.pdf.

¹⁰ South Coast AQMD. WAIRE Program. Accessed at: http://www.aqmd.gov/waire.

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variance with recommendations raised in the comments, the 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 and reasoned analysis in response. Conclusory statements unsupported by factual information do not facilitate the purpose and goal of CEQA on public disclosure and are not meaningful, informative, or useful to decision-makers and the public who are interested in the Proposed Project.

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 Dung Nguyen, Air Quality Specialist, at dnguyen1@aqmd.gov should you have any questions.

Sincerely,

Sam Wang

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