SENT VIA E-MAIL:

June 2, 2023

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Mitigated Negative Declaration (MND) for the Proposed 301 Tennessee Street Warehouse Project (Proposed Project) (State Clearinghouse Number: 2023050084)

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The City of Redlands is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. The following comments recommended revisions to the localized construction and operation impacts analysis, CEQA regional air quality impacts analysis for cleanup activities during construction, construction mitigation measures, additional recommended air quality mitigation measures, South Coast AQMD Rules 2305 and 316, and information about South Coast AQMD permits and responsible agency that the Lead Agency should include in the Final MND.

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

Based on the MND, the Proposed Project proposes developing an approximately 197,397 square feet light industrial warehouse building and demolishing an existing manufacturing warehouse and a single-family house. The Proposed Project is located at the northwest corner of State Street and Tennessee Street on an approximately 10.98-acre site.² The Proposed Project would involve about 10% of warehouse operations for cold storage.³ According to the Traffic Section of the MND, the Proposed Project would generate 238 daily truck trips for the warehousing portion and 43 daily truck trips for the cold storage portion. ⁴ Based on the Site Plan drawing, the Proposed Project would have 25 loading docks⁵ associated with the warehouse operation. Trucks access the Proposed Project site via driveways on Kansas Street and Tennessee Street (primary access), and State Street (secondary access). Based on the aerial photographs, South Coast AQMD staff finds that the nearest sensitive receptors are within 265 feet southeast (Kindergarten & Kids Care), 350 feet south (Redlands Christian Middle School), and about 760 feet southeast (apartments) of the Proposed Project site. The tentative construction schedule of the Proposed Project is estimated to begin in June 2023 and end in May 2024.⁷

¹ MND. Pages 3 and 4.

² *Ibid*. Page 3.

³ *Ibid*. Page 4.

⁴ Ibid. Page 78.

⁵ *Ibid*. Page 12. ⁶ *Ibid*. Page 4.

⁷ *Ibid*. Page 23.

South Coast AQMD Staff's Comments on the MND

Localized Construction and Operation Impacts Analysis

Under Section 4.3 - Air Quality in the MND, the Lead Agency only discusses the regional construction and operation impacts but not the localized impacts of the Proposed Project. However, the localized impacts analysis is only included in Appendix A: Air Quality, Greenhouse Gases, Energy Report, and Health Risk Assessment. Therefore, South Coast AQMD staff recommends that the Lead Agency revise to include the localized construction and operation impacts analysis in the Final MND so that the analysis is consistently discussed throughout the MND and its appendices.

CEQA Regional Air Quality Impacts Analysis for Cleanup Activities During Construction

Based on the Hazards and Hazardous Materials Section in the MND and Appendix C: Phase I Environmental Site Assessment, hazardous substances are likely to present at the property, such as soil impacted by VOCs and total petroleum hydrocarbon (TPH)¹⁰. Furthermore, the Limited Phase II Site Investigation has identified VOC contamination at the northern portion of the Proposed Project site, and VOC concentrations have slightly impacted the groundwater.¹¹ It is recommended that soil vapor extraction (SVE) be implemented to remediate soil at the Proposed Project site.¹² Hence, the Lead Agency discusses the Mitigation Measures (MM) HAZ-2 through MM HAZ-4 for the remediation and monitoring activities.¹³ However, the MND contains no analysis of the air quality impacts that quantifies the emissions associated with the remediation activities during construction.

Cleanup activities will likely involve using heavy-duty, diesel-fueled trucks for soil export, resulting in emissions from truck hauling activities and vehicle trips by workers that will be required to conduct cleanup activities. Additionally, cleanup activities will likely require the use of additional equipment that may differ from typical equipment for grading and site preparation for construction. Because cleanup activities are reasonably foreseeable, the Lead Agency should use good faith and best efforts to provide information on the scope, types, and duration of cleanup activities, quantify emissions from cleanup activities, and include those emissions in the Proposed Project's construction emissions profile to be compared to South Coast AQMD's air quality CEQA significance thresholds for construction to determine the level of significance in the Final MND. Alternatively, if emissions from cleanup activities are not included in the Final MND, the Lead Agency should include a new air quality mitigation measure in the Air Quality Section of the Final MND to commit to evaluating the potential environmental impacts from cleanup activities through CEQA prior to commencing any cleanup activities. If a new air quality mitigation measure is not included in the Final MND, the Lead Agency should provide reasons supported by substantial evidence in the record to explain why a new air quality mitigation measure is not included.

⁸ *Ibid.* Appendix A: Air Quality, Greenhouse Gases, Energy Report, and Health Risk Assessment. Pages 57 and 58.

⁹ *Ibid.* Appendix C: Phase I Environmental Site Assessment.

¹⁰ *Ibid*. Page 53.

¹¹ *Ibid*. Page 54.

 $^{^{12}}$ Ibid.

¹³ *Ibid*. Page 55

In addition, the hazardous landfill that accepted contaminated soils is not identified in the MND. The Lead Agency should identify the hazardous landfill for the contaminated soil and estimate the distance (e.g., one-way truck trip length) from the Proposed Project site. When quantifying emissions from transportation and off-site disposal, the Proposed Project's construction emissions from haul truck trips for transporting and disposing of contaminated soil should be calculated based on the appropriate one-way truck trip length. Therefore, South Coast AQMD staff recommends that the Lead Agency estimate the amount of contaminated soil that would be removed, calculate the construction emissions reflecting the correct number of hauling truck trips and the hauling trip lengths in CalEEMod and include them in the Final MND. If the number of hauling truck trips and the one-way truck trip lengths are not calculated for quantifying emissions from haul truck trips for transporting contaminated soil, the Lead Agency should provide reasons for not re-calculating it supported by substantial evidence in the record.

Recommended Revision to the Construction Mitigation Measures

Under Section 4.3 - Air Quality in the MND, the unmitigated health risks from the Proposed Project's construction resulted in significant¹⁴ as the cancer risks exceed South Coast AOMD Air Quality Significance Thresholds. 15 Hence, the Lead Agency proposes the implementation of MM AIR-1 to "ensure all off-road diesel-powered construction equipment of 50 horsepower or more used for the project is equipped with Level 3 diesel particulate filters or equivalent. 16" In addition, the California Emission Estimator Model (CalEEMod) analysis in Appendix A assumes the use of Tier 2 construction equipment¹⁷ during the construction period. Although the implementation of MM AIR-1 would reduce the cancer risks from Proposed Project's construction activities below the South Coast AQMD Air Quality Significance Thresholds, South Coast AQMD staff recommends that the Lead Agency take a further step and consider the use of cleaner and better technologies (e.g., Tier 4F construction equipment) with the diesel particulate filters, if and where feasible, to further reduce or minimize the impacts of the Proposed Project's construction activities to the sensitive receptors and off-site workers. The Lead Agency is encouraged to revise the MM to use cleaner technologies during construction and includes the revision in the Final MND. If the revised MM is not included in the Final MND, the Lead Agency should provide reasons for not having them supported by substantial evidence in the record.

Additional Recommended Air Quality Mitigation Measures

In the event that the Proposed Project results in significant adverse air quality impacts, CEQA requires that all feasible mitigation measures that go beyond what is required by law be utilized to minimize these impacts. Any impacts resulting from mitigation measures must also be analyzed. Several resources to assist the Lead Agency with identifying potential mitigation measures for the Proposed Project include South Coast AQMD's CEQA Air Quality Handbook, ¹⁸ South Coast

¹⁴ *Ibid*. Page 27.

¹⁵ South Coast AQMD Air Quality Significance Thresholds. Access at: http://www.aqmd.gov/docs/default-source/ceqa/handbook/south-coast-aqmd-air-quality-significance-thresholds.pdf

¹⁶ *Ibid*. Page 29.

¹⁷ *Ibid*. Appendix A. Page 44.

¹⁸ South Coast AQMD's CEQA Air Quality Handbook. Access at: https://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook

AQMD's Mitigation Monitoring and Reporting Plan for the 2022 Air Quality Management Plan, ¹⁹ and Southern California Association of Government's Mitigation Monitoring and Reporting Plan for the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy. ²⁰

Mitigation measures for operational air quality impacts from mobile sources that the Lead Agency should consider in the Final MND may include the following:

- Require zero-emissions (ZE) or near-zero emission (NZE) on-road haul trucks, such as heavy-duty trucks with natural gas engines that meet the CARB's adopted optional NOx emissions standard at 0.02 grams per brake horsepower-hour (g/bhp-hr), if and when feasible. Given the state's clean truck rules and regulations aiming to accelerate the utilization and market penetration of ZE and NZE trucks, such as the Advanced Clean Trucks Rule²¹ and the Heavy-Duty Low NOx Omnibus Regulation²², ZE and NZE trucks will become increasingly more available to use. The Lead Agency should require a phasein schedule to incentivize using these cleaner operating trucks to reduce any significant adverse air quality impacts. South Coast AQMD staff is available to discuss the availability of current and upcoming truck technologies and incentive programs with the Lead Agency. At a minimum, require the use of the 2010 model year²³ that meets CARB's 2010 engine emissions standards at 0.01 g/bhp-hr of particulate matter (PM) and 0.20 g/bhp-hr of NOx emissions or newer, cleaner trucks. Where appropriate, include environmental analyses to evaluate and identify sufficient electricity and supportive infrastructures in the Energy and Utilities and Service Systems Sections in the CEQA document. Include the requirement in applicable bid documents, purchase orders, and contracts. Operators shall maintain records of all trucks associated with project construction to document that each truck used meets these emission standards and make the records available for inspection. The Lead Agency should conduct regular inspections to the maximum extent feasible to ensure compliance.
- Limit the daily number of trucks allowed at the Proposed Project to levels analyzed in the Final CEQA document. If higher daily truck volumes are anticipated to visit the site, the Lead Agency should commit to re-evaluating the Proposed Project through CEQA prior to allowing this higher activity level.
- Provide electric vehicle (EV) charging stations or, at a minimum, provide the electrical infrastructure, and electrical panels should be appropriately sized. Electrical hookups should be provided for truckers to plug in any onboard auxiliary equipment.

¹⁹ South Coast AQMD's 2022 Air Quality Management Plan can be found at: http://www.aqmd.gov/home/air-quality/cleanair-plans/air-quality-mgt-plan (Chapter 4 - Control Strategy and Implementation)

²⁰ Southern California Association of Governments' 2020-2045 RTP/SCS can be found at: https://www.connectsocal.org/Documents/PMND/certified/Exhibit-A_ConnectSoCal_PMND.pdf

²¹ CARB. June 25, 2020. *Advanced Clean Trucks Rule*. Accessed at: https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks.

²² CARB has recently passed a variety of new regulations that require new, cleaner heavy-duty truck technology to be sold and used in state. For example, on August 27, 2020, CARB approved the Heavy-Duty Low NOx Omnibus Regulation, which will require all trucks to meet the adopted emission standard of 0.05 g/hp-hr starting with engine model year 2024. Accessed at: https://ww2.arb.ca.gov/rulemaking/2020/hdomnibuslownox.

²³ CARB adopted the statewide Truck and Bus Regulation in 2010. The Regulation requires diesel trucks and buses that operate in California to be upgraded to reduce emissions. Newer heavier trucks and buses must meet particulate matter filter requirements beginning January 1, 2012. Lighter and older heavier trucks must be replaced starting January 1, 2015. By January 1, 2023, nearly all trucks and buses will need to have 2010 model year engines or equivalent. More information on the CARB's Truck and Bus Regulation is available at: https://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm.

Mitigation measures for operational air quality impacts from other area sources that the Lead Agency should consider in the Final MND may include the following:

- Maximize the use of solar energy by installing solar energy arrays
- Use light-colored paving and roofing materials
- Utilize only Energy Star heating, cooling, and lighting devices, and appliances
- Use of water-based or low-VOC cleaning products that go beyond the requirements of South Coast AQMD Rule 1113

Furthermore, the Final MND needs to clarify the routes designated for trucks associated with the Proposed Project development. Thus, design considerations for the Proposed Project that the Lead Agency should consider included in the Final MND to further reduce air quality and health risk impacts include the following:

- Clearly mark truck routes with trailblazer signs so that trucks will not travel next to or near sensitive land uses (e.g., residences, schools, daycare centers, etc.)
- Design the Proposed Project such that truck entrances and exits are not facing sensitive receptors and trucks will not travel past sensitive land uses to enter or leave the Proposed Project site
- Design the Proposed Project such that any check-in point for trucks is inside the Proposed Project site to ensure that no trucks are queuing outside
- Design the Proposed Project to ensure that truck traffic inside the Proposed Project site is as far away as feasible from sensitive receptors
- Restrict overnight truck parking in sensitive land uses by providing overnight truck parking inside the Proposed Project site

South Coast AQMD staff also suggests the Lead Agency review the references (listed below) and consider including the additional recommended mitigation measures in the Final MND:

- State of California Department of Justice: Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act²⁴
- South Coast AQMD 2022 South Coast Air Quality Management Plan, ²⁵ specifically:
 - Appendix IV-A South Coast AQMD's Stationary and Mobile Sources Control Measures
 - o Appendix IV-B CARB's Strategy for South Coast
 - Appendix IV-C SCAG's Regional Transportation Strategy and Control Measures
- United States Environmental Protection Agency (U.S. EPA): Mobile Source Pollution Environmental Justice and Transportation²⁶

²⁴ State of California – Department of Justice. Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act. Access at: https://oag.ca.gov/system/files/media/warehouse-best-practices.pdf

²⁵ 2022 South Coast AQMP. Access at: http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan

²⁶ United States Environmental Protection Agency (U.S. EPA): Mobile Source Pollution - Environmental Justice and Transportation. Access at: https://www.epa.gov/mobile-source-pollution/environmental-justice-and-transportation

South Coast AQMD Rules 2305 and 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 (DPM). These emission reductions will reduce public health impacts for communities near warehouses from mobile sources associated with 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 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 optin to earn Points on behalf of the tenants if they choose because certain actions to reduce emissions may be better achieved during 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 developing warehouses (unrefrigerated and refrigerated) under industrial land use up to a maximum of 197,397 square feet, 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 AOMD 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 the compliance obligation.²⁷ 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 webpage.²⁸

South Coast AQMD Permits and Responsible Agency

If implementing the Proposed Project would require new stationary equipment, including but not limited to emergency generators, fire water pumps, boilers, etc., permits from South Coast AQMD are required. The Final MND should include a discussion on stationary equipment requiring South Coast AQMD permits and identify South Coast AQMD as a Responsible Agency for the Proposed Project. Any assumptions used for the stationary sources in the Final MND will also be used as the basis for the permit conditions and limits for the Proposed Project. Please contact South Coast AQMD's Engineering and Permitting staff at (909) 396-3385 for questions on permits. For more general information on permits, please visit South Coast AQMD's webpage at: http://www.aqmd.gov/home/permits.

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²⁷ 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.

²⁸ South Coast AQMD WAIRE Program. Accessed at: http://www.aqmd.gov/waire.

Conclusion

Pursuant to California Public Resources Code Section 21092.5(b) 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 responding to issues raised in the comments, detailed reasons supported by substantial evidence in the record to explain why specific comments and suggestions are not accepted must be provided.

We appreciate the opportunity to review the Proposed Project. Thank you for considering these comments. 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 Danica Nguyen, Air Quality Specialist, at dnguyen1@aqmd.gov should you have any questions.

Sincerely,

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SW:DN SBC230510-08 Control Number