



**Inland Empire Chapter**

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December 14, 2006  
EXECUTIVE OFFICE  
Dr. Barry Wallerstein, Chief Executive Officer  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765-4178

*fedex*  
From: Office of the Executive Officer Date: 12-15-06  
To: *Chang Insopulos*  
Cc: *BRW*  
For your action by: \_\_\_\_\_ For your info. \_\_\_\_\_ handling \_\_\_\_\_  
Date response for: \_\_\_\_\_ signature, cc: \_\_\_\_\_

**Re: Inland Empire Chapter of NAIOP Comments – Draft 2007 AQMP  
Measure EGM-01 Emission Reductions from New Development and Redevelopment**

Dear Dr. Wallerstein:

The National Association of Industrial and Office Properties (NAIOP) is the nation's leading trade association for developers, owners, investors, asset managers and other professionals in industrial, office and mixed-use commercial real estate. Founded in 1967, NAIOP comprises of more than 13,000 members throughout the United States. The Inland Empire Chapter of NAIOP represents areas of eastern Los Angeles County, San Bernardino County and Riverside County within the South Coast Air Quality Management District (District) Basin. We appreciate the opportunity to provide comments to the Draft 2007 Air Quality Management Plan (AQMP) and look forward to working with you more closely to develop a relationship that will enable us to ultimately support the final 2007 AQMP when it is submitted to the AQMD Board for adoption.

We recognize the air quality challenges facing all of us here in the Basin and will endeavor to work with you in coming up with viable solutions towards meeting these challenges. The Inland Empire will absorb a large percentage of the growth in regional population, projected to be 5.8 million people from 2003 to 2035. This population growth must be accompanied by economic growth and jobs in order to maintain our vital economic health and quality of life. It is of benefit to all of us to formulate solutions that will not only result in cleaner air but also balances economic impact as well.

We believe that in reviewing the Draft 2007 AQMP, it is clear that the District must develop a more collaborative relationship with the California Air Resources Board (CARB). No specific CARB measures are taken into account in the AQMP because CARB will not be releasing their proposed measures until January of 2007. And yet, the Draft 2007 AQMP was released in October of 2006 with consideration only of CARB's control measure concepts, not the actual measures themselves. This is of paramount importance because we believe that the bulk of the emissions reduction shortfall anticipated by the District must be made up from mobile sources. The District has represented this shortfall to be 100 tons per day (tpd) by 2014.

The AQMD has done an outstanding job in regulating and obtaining emission reductions from stationary sources. Most of the anticipated shortfall must now be obtained from mobile sources – trucks, automobiles, trains, ships, and even airplanes – for the District to come into compliance with both state and federal standards in PM2.5 and ozone standards. The emissions inventory used as a baseline by the District in the AQMP does not provide for any "credit" from any CARB rules/specific control measures nor does it take into account any of the near-term incremental benefits already provided by air quality mitigation measures that all of us currently have to implement in our development projects in the Basin. Each of our members conduct extensive environmental reviews of our projects per CEQA, which results in comprehensive and many times expensive mitigation measures that are implemented to gain approval of our projects and mitigate

their impact on the environment. We understand that the District does not track these mitigation measures and questions whether local lead agencies are enforcing them. Let us assure you that not only do our members' development projects within the Basin have numerous air quality mitigation measures that are required, but, the local agencies do a very thorough job in ensuring that they live up to their legal obligation of enforcement. In addition, many of the air quality mitigation measures that we implement are voluntary. Yet, we understand from the District's own AQMP that it does not "account" for any voluntary, incentive-based measures because they are "too difficult to quantify" and therefore no "value" is placed on them. We do not agree with this philosophy and urge the District to not only work more collegially and collaboratively with local jurisdictions to understand how air quality mitigation measures are imposed and enforced for all development projects within the Basin but also to shift its mindset to promote more incentive-based mitigation measures and to provide "credit" for the near-term incremental benefits that are already being obtained from mitigation measures in place from development projects.

The District has introduced EGM-01, a measure that will have significant impacts to the overall development community. EGM-01 is an example of a proposed measure that will add significant cost both to the development community and to the regional economy with only marginal improvements in air quality. The economic impacts include suppressing new growth and new developments within the Basin while at the same time population growth is anticipated to add almost 6 million people to our region. Increases in population without commensurate increases in affordable housing and livable wage jobs is a formula for economic depression. This newly proposed stationary source control measure, EGM-01, seeks to obtain "emission reductions from new or redevelopment projects" of NOx, VOC, and PM2.5. The measure seeks to obtain .5 tpd reduction of NOx, 1.0 tpd reduction of VOC and .5 tpd reduction of PM2.5 by 2020. Staff indicates that the District does not want to "overestimate" the emissions reduction potential of such a measure and yet the cost associated with this measure would be huge to the development community and the regional economy. We believe that such a small "return" with such high costs is unwarranted.

AQMD proposed measures have both intended and unintended consequences. The intended consequence of EGM-01 is that a nominal amount of reduction will be potentially obtained by 2020 at an enormous cost to the development community and regional economy. The unintended consequence of this measure will be that of continuing to push development further and further from the Basin, which will increase mobile source production since current (and projected) residents in cars will have to drive much longer distances to get to and from their jobs and trucks and trains will have to travel longer distances from the ports and airports to deliver goods and services. Accordingly, on balance, EGM-01 is a counterproductive measure. SCAG projections and population trends clearly indicate the continued desirability to live within the Basin. Pushing development further north, south and east will only require that all the mobile sources will be on the road longer in duration and distance and yet we all recognize that emission reductions have to be obtained mostly from mobile sources.

The Inland Empire Chapter of NAIOP would support a modified version of EGM-01 that would provide quantifiable, enforceable, cost-effective emission reductions within the control of the project developer and the local jurisdiction without the proposed fee option when additional project-specific mitigation measures are otherwise infeasible. The description provided for this source category states that typical emissions during construction phase include fugitive dust emissions, combustion emissions, off-road mobile sources (construction equipment) and on-road

mobile sources, and coating and asphalt evaporative emissions. The District already has very stringent rules in place that require mitigations to address any potential on-site emission produced during both construction and operational phases.

The Draft 2007 AQMP already includes more than a dozen even more stringent measures related to construction and development. We believe that the emissions growth projected in EGM-01 from architectural coatings, construction equipment and construction and demolition is overestimated in light of the compliance thresholds proposed in the more stringent construction related measures. We believe that the necessary reductions will be achieved by these measures already in place without the need for EGM-01 that significantly affect the development/building/construction industry. These measures range from "super compliant" architectural coating to energy efficiency and conservation to industrial fleet modernization and much, much more. NAIOP is in support of many of these "on-site" measures and our members are already implementing required and voluntary mitigation measures for their development projects.

More specifically, the Inland Empire Chapter of NAIOP supports the following:

- Enhanced use of the existing CEQA air quality impact review process and reducing construction and on-site emissions from all projects that go through CEQA review, improve consistency and thoroughness of project mitigation throughout the Basin and provide quantifiable and enforceable project emission reductions.
- No development mitigation fee option.
- No threshold option.
- Application of "reasonably" feasible emission reduction mitigation requirements within the conditions of approval for all development projects.

We strongly urge the District to eliminate from any additional consideration the EGM-01 options in the Draft 2007 AQMP that calls for fees based on the San Joaquin Valley Rule 9510 or other unspecified thresholds specified by the District. We oppose the imposition of any residual AQMD fee, whether defined as mandatory or voluntary.

We look forward to working with you to either replace or revise EGM-01 and to focus on a better working relationship on a statewide basis to obtain the bulk of necessary emission reductions from mobile sources that will help all of us achieve our mutual goal of cleaner air. We will continue to work with you to resolve these issues for the Final Draft AQMP anticipated to be released in mid-January of 2007.

Sincerely,



Robert L. Evans  
Executive Director

Cc: Dr. Joe Cassmassi  
Dr. Elaine Chang  
Members – SCAQMD Governing Board