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Initial Study/Mitigated Negative Declaration (IS/MND) for
2411 North Glassell Street Warehouse Project (Proposed Project)
(SCH No: 2026040637)

The South Coast Air Quality Management District (South Coast AQMD) appreciates the opportunity to comment on the above-referenced document. The City of Orange is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. To provide context, South Coast AQMD has provided a brief summary of the Proposed Project information and prepared the following comments which are organized by topic of concern.

Summary of Proposed Project Information in the IS/MND

Based on the IS/MND, the Proposed Project consists of demolition of three existing buildings on a 12.1 acre site to redevelop one-story (plus mezzanine), 298,988 square foot industrial building with manufacturing and warehousing uses.[1] The building would be set back approximately 88 feet from Glassell Street and 18 feet from Fletcher Avenue.[2] The Project site is surrounded by residential, commercial, and industrial development. An active Burlington Northern Santa Fe (BNSF) railroad borders the site to the east. A former railroad spur borders the site to the south but is no longer operational. The nearest sensitive receptors to the Project site are residences along Fletcher Avenue, located approximately 54 feet north of the Project site's northern boundary.[3]

Construction of the Proposed Project is anticipated to occur over a duration of 17 months in one phase which includes demolition, site preparation, grading, building construction, paving, and architectural coating. Demolition activities are expected to generate approximately 2,600 tons of debris. The Project is expected to result in the import of approximately 2,200 cubic yards of soil during the grading phase. No soil export is anticipated to occur during construction.[4]

[1] IS/MND, p. 1.
[2] IS/MND, p. 23.
[3] IS/MND, p. 3.
[4] IS/MND p. 26.

South Coast AQMD Comments

South Coast AQMD Air Permits and Role as a Responsible Agency

Since the implementation of the Proposed Project would require the use of new stationary and portable sources, including but not limited to emergency generators, fire water pumps, boilers, etc., one or more air permits from South Coast AQMD will be required. The Final CEQA document should include a discussion about the potentially applicable South Coast AQMD rules that may be applicable to the Proposed Project. Those rules may include, for example, Rule 201 – Permit to Construct,[5] Rule 203 – Permit to Operate,[6] Rule 401 – Visible Emissions,[7] Rule 402 – Nuisance,[8] Rule 403 – Fugitive Dust,[9] Rule 1110.2 – Emissions from Gaseous and Liquid Fueled Engines,[10] Rule 1113 – Architectural Coatings,[11] Rule 1166 – Volatile Organic Compound Emissions from Decontamination of Soil,[12] Rule 1470 – Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines,[13] etc.

It is important to note that if air permits from the South Coast AQMD are required, South Coast AQMD's role under CEQA will become the Responsible Agency of the Proposed Project. Per CEQA Guidelines Section 15086, the Lead Agency is required to consult with South Coast AQMD. CEQA Guidelines Section 15096 sets forth specific procedures for a Responsible Agency, including making a decision on the adequacy of the CEQA document for use as part of the process for conducting a review of the Proposed Project and issuing discretionary approvals. Also, as set forth in CEQA Guidelines Section 15096(h), the Responsible Agency is required to make Findings in accordance with CEQA Guidelines Section 15091 for each significant effect of the project and issue a Statement of Overriding Considerations in accordance with CEQA Guidelines Section 15093, if necessary. Lastly, as set forth in CEQA Guidelines Section 15096(i), the Responsible Agency may file a Notice of Determination.

Moreover, it is important to note that if a Responsible Agency determines that a CEQA document is not adequate to rely upon for its discretionary approvals, the Responsible Agency must take further actions listed in CEQA Guideline Section 15096(e), which could have the effect of delaying the implementation of the Proposed Project. In its role as CEQA Responsible Agency, the South Coast AQMD is obligated to ensure that the CEQA document prepared for this Proposed Project contains a sufficient project description and analysis to be relied upon in order to issue any discretionary approvals that may be needed for air permits.

For these reasons, the final CEQA document should be revised to include a discussion about any and all new stationary and portable equipment requiring South Coast AQMD air permits, provide the evaluation of their air quality and greenhouse gas impacts, and identify South Coast AQMD as a Responsible Agency for the Proposed Project as this information will be relied upon as the basis for the permit conditions and emission limits for the air permit(s). Please contact South Coast

[5] South Coast AQMD, Rule 201 is available at: https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-201.pdf
[6] South Coast AQMD, Rule 203 is available at: https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-203.pdf
[7] South Coast AQMD, Rule 401 is available at: https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-401.pdf
[8] South Coast AQMD, Rule 402 is available at: https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-402.pdf
[9] South Coast AQMD, Rule 403 is available at: https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-403
[10] South Coast AQMD, Rule 1110.2 is available at: https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/r1110_2.pdf
[11] South Coast AQMD, Rule 1113 is available at https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/r1113.pdf
[12] South Coast AQMD, Rule 1166 isa available at: https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1166.pdf
[13] South Coast AQMD, Rule 1470 is available at: https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1470.pdf

AQMD's Engineering and Permitting staff at (909) 396-3385 for questions regarding what types of equipment would require air permits. For more general information on permits, please visit South Coast AQMD's webpage at https://www.aqmd.gov/home/permits.

Use of Outdated AERMOD and AERMAT Model Versions

According to the modeling outputs provided in Appendix B – Health Risk Assessment, of the IS/MND, it appears that AERMOD version 23132 and AERMET version 16216 were used for the health risk assessment modeling. However, U.S. EPA's current preferred and recommended model versions, as of the latest release, are AERMOD version 24142 and AERMET version 24142, released in April 2024.[14] Use of outdated model versions is inconsistent with EPA's Guideline on Air Quality Models (40 CFR Part 51, Appendix W) and may result in inaccurate or non-conservative health risk estimates. To ensure accuracy and consistency with federal modeling guidelines, the Lead Agency should re-run the dispersion modeling using the most recent EPA-recommended versions of AERMOD and AERMET (version 24142) and revise the health risk results accordingly.

Air Quality and Health Risk Assessment – Fire Pump Assumptions and Proximity to Sensitive Receptors

The air quality analysis and health risk assessment (HRA) prepared for the proposed project relies on an assumption that a 238 horsepower diesel fire water pump [15] would be operated for a maximum of 50 hours per year, consistent with South Coast AQMD Rule 1470 for testing and maintenance. However, this assumption may not represent a conservative or reasonably foreseeable worst-case scenario for purposes of CEQA analysis. Permits for emergency diesel engines are typically limited to up to 50 hours per year for maintenance and testing and no more than 200 hours per year of total operation (this includes emergency use). Therefore, the CEQA document should evaluate emissions associated with up to 200 hours per year of operation of the diesel fire water pump engine. Alternatively, if a lower number of operating hours is assumed, South Coast AQMD staff would need to include a permit condition explicitly limiting annual operating hours to those assumed in the CEQA document.

Based on the assumption that the fire pump would operate 50 hours per year, the HRA indicates that the unmitigated combined construction and operational cancer risk is 10.07 in one million, which exceeds the South Coast AQMD significance threshold. According to table AQ-9 in the IS/MND, with the implementation of MM AQ-1, the combined construction and operational cancer risk for the maximally impacted sensitive receptor would be 9.48 in one million, just below the South Coast AQMD's threshold.[16] Because diesel exhaust emissions also contribute to localized air quality impacts, the air quality analysis is similarly sensitive to the assumed operating hours and associated emission rates.

Given the extremely narrow margin between the mitigated risk level and the significance threshold, the result appears highly sensitive to underlying assumptions. In this context, the

[14] EPA's Air Quality Dispersion Modeling - Preferred and Recommended Models, Accessible at: https://www.epa.gov/scram/air-quality-dispersion-modeling-preferred-and-recommended-models
[15] Appendix A – AQ Energy and GHG Impact Analysis. p. 98.
[16] Appendix B – Health Risk Assessment. p. 30.

assumed 50 hours per year operation of the diesel fire pump may underestimate potential emissions, particularly because emergency engines are allowed to operate beyond routine testing hours during actual emergency events and may reasonably be tested or maintained more frequently over the life of the project.

Therefore, it is recommended that the Lead Agency to: 1) re-run the air quality analyses and HRA using a more conservative fire pump operational scenario, such as up to 200 hours per year, to evaluate whether the project's criteria pollutant emissions and cancer risk would exceed the South Coast AQMD threshold under a reasonable worst-case condition; 2) evaluate the incremental air quality impacts and cancer risk contribution of the fire pump separately, to understand its relative impact given the project's proximity to sensitive receptors.

Close Proximity to Railroad

The IS/MND states that an active BNSF railroad borders the project site to the east. The CEQA document should clarify whether transportation by rail will be utilized as part of the Proposed Project's operations.

If rail is or could be utilized, locomotive emissions should be evaluated and included in the air quality analysis and HRA, as applicable. Diesel locomotive emissions may contribute to localized air quality and health risk impacts, particularly given the project's proximity to sensitive receptors.

If rail use is not proposed, the CEQA document should explicitly state this and provide supporting rationale to ensure that all reasonably foreseeable operational scenarios have been adequately considered.

Use of South Coast AQMD's Mass Rate Localized Significance Threshold (LST) Look-Up Table to Analyze the Proposed Project's Localized Air Quality Impact is not Consistent with LST Methodology Guidance

The localized significance threshold (LST) analysis in the IS/MND appears to incorrectly rely on the LST screening tables to determine the significance of localized air quality impacts. As indicated in Table 3-2 of the LST methodology,[17] these screening tables are not applicable for projects larger than five acres. Since the Proposed Project site size is approximately 12 acres and would include combustion sources from diesel fire water pump and emission sources from manufacturing, reliance on the LST screening tables may underestimate localized air quality impacts. Therefore, it is recommended that the Lead Agency conduct site-specific dispersion modeling to accurately assess the localized air quality impacts from both construction and operational phases of the Proposed Project and include the results in the Final CEQA document.

Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program

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

[17] South Coast AQMD Final Localized Significance Threshold Methodology available at: https://www.aqmd.gov/docs/default-source/ceqa/handbook/localized-significance-thresholds/final-lst-methodology-document.pdf

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 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 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 298,988 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 obligation[18]. 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 webpage.[19]

Adequacy of Cumulative Air Quality and Air Toxics Analysis

The IS/MND includes a cumulative air quality analysis based on the South Coast AQMD's recommended threshold methodology, which concludes that the Project would not result in a cumulatively considerable net increase in criteria pollutants because emissions are below established thresholds.

While this approach is consistent with SCAQMD guidance for evaluating criteria pollutants, it does not appear to include a comprehensive evaluation of cumulative air toxics impacts. Specifically, the analysis does not address the Project's incremental contribution to existing and reasonably foreseeable sources of toxic air contaminants (TACs), such as diesel particulate matter, in the Project vicinity. This is particularly important because the HRA indicates that the Project's cancer risk is at or near the South Coast AQMD significance threshold, and sensitive receptors are located in close proximity (approximately 54 feet). In addition, the Project site is adjacent to an active railroad and located near other potential emission sources, which may contribute to cumulative exposure.

[18] 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.
[19] South Coast AQMD WAIRE Program. Accessed at: http://www.aqmd.gov/waire.

Therefore, while the criteria pollutant analysis concludes that impacts are less than significant, the Lead Agency should provide additional analysis or clarification demonstrating that the Project's contribution to cumulative air toxics impacts would not be cumulatively considerable. This may include a qualitative discussion of nearby sources and background conditions, or a more detailed evaluation of cumulative health risk, as appropriate.

Additional Recommended Air Quality, Human Health Risks, and Greenhouse Gases Mitigation Measures and Project Design Considerations

The HRA demonstrates that the Proposed Project's cancer risk is at or near the South Coast AQMD significance threshold, with unmitigated risk exceeding the threshold and mitigated risk only marginally below it. In addition, sensitive receptors are located approximately 54 feet from the Project site. Given this proximity and the limited margin below the significance threshold, additional feasible mitigation measures are warranted to ensure that the Project's air quality and health risk impacts remain less than significant under CEQA.

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. To further reduce the Proposed Project's air quality impacts, South Coast AQMD recommends incorporating the following mitigation measures and project design considerations into the Final MND.

Mitigation Measures for Operational Air Quality Impacts

Mobile Sources

1. Require zero-emission (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.

   Note: 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 Rule and the Heavy-duty Low NOx Omnibus Regulation, ZE and NZE trucks will become increasingly more available to use.

2. Require a phase-in schedule to incentivize the use of cleaner operating trucks to reduce any significant adverse air quality impacts.

   Note: South Coast AQMD staff is available to discuss the availability of current and upcoming truck technologies and incentive programs with the Lead Agency.

3. Limit the daily number of trucks allowed at the Proposed Project to levels analyzed in the Final MND. 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.

4. Provide electric vehicle (EV) charging stations or, at a minimum, provide electrical infrastructure, and electrical panels should be appropriately sized. Electrical hookups should be provided for truckers to plug in any onboard auxiliary equipment.

Other Area Sources

1. Maximize the use of solar energy by installing solar energy arrays.

2. Use light-colored paving and roofing materials.

3. Utilize only Energy Star heating, cooling, and lighting devices and appliances.

Design Considerations for Reducing Air Quality and Health Risk Impacts

1. Locate diesel firewater pumps and other stationary diesel-powered equipment away from sensitive receptors (e.g., residences, schools, daycare centers, etc.) to minimize localized air quality and health risk impacts.

2. 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.).

3. 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.

4. Design the Proposed Project such that any truck check-in point is inside the Proposed Project site to ensure no trucks are queuing outside.

5. Design the Proposed Project to ensure that truck traffic inside the Proposed Project site is as far away as feasible from sensitive receptors.

6. Restrict overnight truck parking in sensitive land uses by providing overnight truck parking inside the Proposed Project site.

Conclusion

The Lead Agency is recommended to revise the CEQA analysis to address the aforementioned comments and provide the necessary evidence to sufficiently support the conclusions reached. If the requested information and analysis are not included in the final CEQA document, either the Final MND or other type of CEQA document, the Lead Agency should provide reasons for not doing so. Pursuant to California Public Resources Code Section 21092.5(b) and 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 and notify each public agency when any public hearings are scheduled. 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. In addition, if the Lead Agency decides to adopt the Final MND, please provide South Coast AQMD with a notice of any scheduled public hearing(s).

Thank you for the opportunity to provide 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 Jivar Afshar, Air Quality Specialist, at jafshar@aqmd.gov should you have any questions.

Sincerely,

Sam Wang

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