

March 22, 2018

Mr. Orlando Hernandez
Senior Planner
City of Fontana
Community Development Department
Planning Division
8353 Sierra Avenue
Fontana, California 92335

Dear Mr. Hernandez:

Thank you for providing California Air Resources Board (CARB) staff the opportunity to comment on the City of Fontana's (City) Recirculated Draft Environmental Impact Report (RDEIR) for the proposed West Valley Logistics Center Specific Plan, State Clearinghouse No. 2012071058 (Project). The proposed Project, located in the City of Fontana, includes the construction and operation of seven warehouse buildings, totaling 3,473,690 square feet, as well as general and specific plan amendments to change the existing land use designation from residential/planned community to industrial.

CARB staff has concerns with the air pollution impacts that would result should the City approve the proposed Project and a land use change from residential/planned community to industrial to build a large warehouse logistics center. Freight facilities, such as warehouse/distribution facilities, are frequented daily by volumes of heavy-duty diesel trucks and equipment that emit toxic diesel emissions and contribute to regional pollution, as well as global climate change. Residential homes are immediately adjacent to the east and south of the proposed Project site. In communities already impacted by diesel pollution from existing freight operations, the proposed land use change will exacerbate the adverse health impacts already experienced by these residents.

The RDEIR states that the proposed Project is inconsistent with the criterion outlined in the South Coast Air Quality Management District's (SCAQMD) 1993 California Environmental Quality Act (CEQA) Air Quality Handbook (see Chapter 12, Sections 12.2 and 12.3).¹ Accordingly, the proposed Project would have the potential to cause National Ambient Air Quality Standard or California Ambient Air Quality Standard violations. It would also result in growth not accounted for in the 2016 Air Quality Management Plan (AQMP). Therefore, the proposed Project has the potential to conflict with the 2016 AQMP, and a potentially significant air quality impact could

¹ <http://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook>

result. The RDEIR further states that no feasible mitigation is available and therefore concludes that impacts associated with the proposed Project would be significant and unavoidable. This conclusion is not accurate.

Fundamental Inadequacies in the Proposed Project's Impact Assessment

CARB staff finds that the RDEIR fails to adequately assess health and air quality impacts, and potentially underestimates daily truck traffic. Specifically, the RDEIR's health risk assessment (HRA) does not follow the methodology outlined in the 2015 Guidance Manual for the Preparation of Health Risk Assessments (2015 Guidance), prepared by the Office of Environmental Health Hazard Assessment.² The 2015 Guidance methodology applies age-sensitivity factors and higher breathing rates to estimate air toxics exposure in children, which results in higher risk. Therefore, the maximum incremental cancer risk attributable to the proposed Project's diesel particulate matter (DPM) risk of 3.79 in a million, as presented in the RDEIR, is likely underestimated.

Furthermore, the DPM emissions used to evaluate the health risk are also likely underestimated. The DPM emissions were calculated using truck trip estimates based on the Institute of Transportation Engineers (ITE) Trip Generation Manual (9th Edition, 2012). The 2012 9th Edition does not factor in variations of daily truck trips for operational differences in varying types of high-cube warehouses (i.e. transload, fulfillment center, cold storage, or parcel hub), as outlined in the High-Cube Vehicle Trip Generation Analysis, prepared by ITE for the SCAQMD (October 2016). Therefore, the estimated 2,432 truck trips per day presented in the RDEIR may be too low, which would result in an underestimation of DPM.

Moreover, the RDEIR fails to adequately evaluate DPM from transport refrigeration units (TRUs) associated with cold storage or climate-controlled facilities. The RDEIR indicates the proposed Project could include up to 5 percent of the total warehouse space for climate-controlled operations based on the real estate broker's (Lee & Associates) current tenancy for other properties under their control. Based on the modeling inputs, TRU emissions were not included in the modeling assumptions. The DPM emissions and health risk associated with cold storage operations (versus a dry storage warehouse of similar size) could be 60 percent higher.

Finally, the RDEIR fails to analyze air quality and health impacts where construction activities overlap with operational activities.

² <https://oehha.ca.gov/media/downloads/cnr/2015guidancemanual.pdf>

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The RDEIR Fails to Impose Feasible Mitigation Measures

The RDIER concludes that construction and operational NOx emissions will remain significant and unavoidable, as well as operational volatile organic compounds and greenhouse gases, with mitigation. Even where impacts will remain significant and unavoidable after mitigation, CEQA nevertheless requires that all feasible mitigation measures be incorporated (see Cal. Pub. Resources Code § 21081; 14 CCR § 15126.2(b)). Therefore, if the City approves the proposed Project and land use change, despite the issues raised in this letter, the mitigation measures outlined in the attachment should be incorporated into the Final EIR.

Reducing Impacts to Overburdened Communities

The State of California has recently placed additional emphasis on protecting local communities from the harmful effects of air pollution through the passage of Assembly Bill 617 (AB 617) (Garcia, Chapter 136, Statutes of 2017). AB 617 is a significant piece of air quality legislation that highlights the need for further emission reductions in communities with high exposure burdens, like those near the proposed Project. The 44 acres surrounding Buildings 6 and 7 are located in a designated disadvantaged community, as defined by the California Environmental Protection Agency (CalEPA). Furthermore, the adjacent communities south and southeast of the proposed Project are disadvantaged communities. CalEPA defines a disadvantaged community as a community that scores within the top 25 percent of all census tracts, as analyzed by the California Communities Environmental Health Screening Tool Version 3.0 (CalEnviroScreen). CalEnviroScreen identifies California communities that are disproportionately burdened by multiple sources of pollution.

To that end, we urge you to ensure that the community is not adversely impacted by the proposed Project and land use change. The latest health science tells us that we must be even more vigilant to protect children, who experience higher doses and are more sensitive to air pollution than previously understood.

If the Lead Agency chooses to approve the proposed land use change and Project, despite the flaws in the analysis and the acknowledged air quality impacts, the Final EIR needs to include substantial air quality mitigation by employing all feasible zero and near-zero emission technologies, and other reduction strategies. Our attached comments on the proposed Duke Warehouse Project in Perris, California (Elizabeth Yura to Nathan Perez, February 24, 2017, see sections titled "Project Design Features and Mitigation Measures" and "Other Recommendations") provide viable options to increase the mitigation for warehouse projects. Additionally, given the RDEIR

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assumed that up to 5 percent of the facility could be cold storage operations, the City should include this restriction as part of a conditional use permit.

CARB staff appreciates the opportunity to comment on the RDEIR for the proposed Project and is able to provide assistance to you in identifying zero and near-zero technologies and emission reduction strategies. Please include CARB on your State Clearinghouse list of selected State agencies that will receive the Final Environmental Impact Report.

If you have questions, please contact Robbie Morris, Air Pollution Specialist, Exposure Reduction Section at (916) 327-0006 or via email at robbie.morris@arb.ca.gov. You may also contact me at (916) 322-8285 or via email at richard.boyd@arb.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Richard Boyd". The signature is written in a cursive style with a long horizontal stroke at the end.

Richard Boyd, Chief
Risk Reduction Branch
Transportation and Toxics Division

Attachment

cc: See next page.

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cc: Morgan Capilla
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Attachment



Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

Mary D. Nichols, Chair
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov

Edmund G. Brown Jr.
Governor

February 24, 2017

Mr. Nathan Perez
Associate Planner
Planning Division
135 North "D" Street
Perris, California 92570

Dear Mr. Perez:

Thank you for providing the Air Resources Board (ARB) the opportunity to comment on the Notice of Preparation (NOP) for the Duke Warehouse at Southwest Corner of Indian Avenue and Markham Street (Project) Draft Environmental Impact Report (DEIR). The proposed Project consists of constructing a 668,681 square foot warehouse building and associated infrastructure on a 31-acre site.

The Project site is currently vacant land, surrounded by primarily, mixed use, commercial and industrial businesses, undeveloped agricultural land and public roads. The NOP indicates that the proposed Project is being constructed as speculative, meaning the developer will find an operator for the warehouse after the Project is entitled. Features of the proposed Project include 271 employee/visitor parking stalls, 162 truck stalls, and 104 truck docks.

Should the results of the DEIR analysis find an increase in health risk in the immediate area, the proposed Project should utilize all existing and emerging zero-emission technology and implement land use decisions that minimize diesel particulate matter (PM) exposure to the neighboring community. The final Project conditions should provide for the use of those technologies now and in the future. This will serve to better protect the health of nearby residents from the harmful effects of fine particle pollution, including diesel PM, and help achieve emission reductions required to attain air quality standards for all pollutants and reduce greenhouse gases.

Additionally, a full health risk assessment should be conducted and the air quality and health risk assessment should use both the existing conditions baseline and a future conditions baseline.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

Furthermore, the DEIR should include an analysis of the significant cumulative impacts of the proposed Project for both operational and construction air quality impacts (California Environmental Quality Act (CEQA) Guidelines, Section 15130). Cumulative impact is referred to as "two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts" (CEQA Guidelines Section 15355).

Project Design Features and Mitigation Measures

If the results of the DEIR analysis find an increase in health risk, the majority of the potential localized cancer risk for the proposed Project will likely be attributable to an increase in diesel PM from the construction and long-term operation of the facility. Consequently, ARB staff recommends actions to support the deployment of zero and near-zero emission technology to reduce localized health risk and regional emissions. If the analysis shows significant health or air quality impacts, the following project design features should be included and/or further developed as a mitigation measure:

- 1) Incorporate zero and near-zero emission technologies that are commercially available now and in the future. Support the deployment of zero emission technologies including zero emission (such as battery electric or fuel cell electric) forklifts, battery electric and hybrid electric medium-duty trucks to the fullest extent feasible. These technologies are commercially available today. Additional advancements, especially for on-road trucks, are expected in the next three to five years. ARB's Technology and Fuels Assessments provide information on the current and projected development of mobile source technologies and fuels, including current and anticipated costs at widespread deployment. The assessments can be found at <http://www.arb.ca.gov/msprog/tech/tech.htm>.
- 2) Implement, and plan accordingly for, the necessary infrastructure to support the zero emission and near-zero emission technology vehicles and equipment that will be operating onsite. This includes physical (e.g. needed footprint), energy, and fueling infrastructure for construction equipment, on-site vehicles and equipment, and medium-heavy and heavy-heavy duty trucks.
- 3) Given that the future tenant is unknown, implement and plan accordingly to provide sufficient plug-in capabilities for transport refrigeration units (TRUs) to eliminate the amount of time that a transport refrigeration system powered by a fossil-fueled internal combustion engine can operate at the Project site. Use of zero emission all-electric plug-in transport refrigeration systems, hydrogen fuel cell transport refrigeration, and cryogenic transport refrigeration is encouraged.

ARB's Technology Assessment for Transport Refrigerators provides information on the current and projected development of TRUs, including current and anticipated costs. The assessment is available at https://www.arb.ca.gov/msprog/tech/techreport/tru_07292015.pdf.

- 4) Ensure the cleanest possible construction practices and equipment is utilized. For off-road construction equipment, utilize those that meet Tier 4 emission standards where possible and Tier 3, at a minimum. Other practices include eliminating idling of diesel-powered equipment, requiring the use of zero and near-zero emission equipment and tools, and providing the necessary infrastructure (e.g. electric hookups), to support that equipment. In addition, require that all construction fleets be in compliance with all current air quality regulations. ARB staff is available to provide assistance in implementing this recommendation.
- 5) Require that all medium-heavy and heavy-heavy duty trucks, including any alternative fuel vehicles, meet or exceed the 2010 emission standards. Support the deployment of zero and near-zero technologies including utilizing zero emission (such as battery electric or fuel cell electric) forklifts and battery electric and hybrid electric medium-duty trucks to the fullest extent feasible. ARB's Technology and Fuels Assessments provide information on the current and projected development of mobile source technologies and fuels, including current and anticipated costs at widespread deployment. The assessments can be found at <http://www.arb.ca.gov/msprog/tech/tech.htm>.
- 6) Consider including contractual language in tenant lease agreements that includes tenants be in and monitor compliance with all current air quality regulations for on-road trucks including ARB's Heavy-Duty Greenhouse Gas Regulation, Periodic Smoke Inspection Program, and the Statewide Truck and Bus Regulation. ARB staff is available to provide assistance in implementing this recommendation.
- 7) Consider including contractual language in tenant lease agreements that require future tenants use cleaner technologies over time as they become available and feasible. This can be accomplished by requiring tenants to develop an annual Technology Review Program to identify any new emissions-reduction technologies that may reduce emissions at warehouse distribution centers, including the feasibility of zero and near-zero emissions technologies for heavy-duty trucks, yard equipment, forklift, and pallet jacks. If the technology review demonstrates the new technology will be effective in reducing emissions and the City of Perris (City) determines that installation or use of the technology

is feasible, the tenant shall implement such technology within 12 months of the City's determination.

Air Quality Analysis and Health Risk Assessment

A health risk assessment (HRA), dated January 2017, is currently available for public review. This HRA should be revised to include the following:

- 1) Evaluate proposed Project criteria air pollutant and greenhouse gas emissions using the California Emission Estimator Model (CalEEMod). The most recent version of CalEEMod is available at www.caleemod.com.
- 2) The health risk assessment should utilize the most current Office of Environmental Health Hazard Assessment guidance for that assessment, which is presently the 2015 Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments available at http://oehha.ca.gov/air/hot_spots/hotspots2015.html.
- 3) Include a health risk and air quality analysis utilizing both the existing conditions baseline (current conditions) and a future conditions baseline (full build out year, without the Project). This analysis will be useful to the public in understanding the full impacts of the Project. It is important to ensure that the public has a complete understanding of the environmental impacts of the proposed Project, as compared to both existing conditions and future conditions.
- 4) Table 3 in the HRA used an average daily truck traffic (ADT) rate for the proposed Project of 230 ADTs. ARB concurs with the South Coast Air Quality Management District (SCAQMD) that the ADT should be based on daily vehicle trips of 1.68 and 0.64 daily truck trips per 1,000 square feet of warehouse space. Therefore, revise Table 3 utilizing this formula.

Other Recommendations

- 1) Although the proposed Project includes use of a truck route approved under the 2012 Perris Valley Commerce Center Specific Plan, ARB recommends additional coordination with the existing local community while considering truck traffic impacts and circulation that will result from the proposed Project.
- 2) Develop and consider a project design that incorporates applicable guiding principles, as well as potential criteria in evaluating projects proposed by State or local agencies, as outlined in the California Sustainable Freight Action Plan.

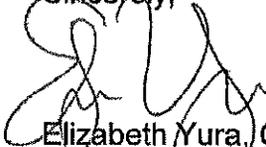
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(Action Plan). The Action Plan can be found at <http://www.dot.ca.gov/casustainablefreight/theplan.html>. ARB staff is available to assist in implementing this recommendation.

ARB staff appreciates the opportunity to comment on the NOP for the proposed Project and is able to provide assistance for successful implementation and deployment of a state-of-the-art facility that serves the region's distribution and air quality needs, while protecting public health.

Please include ARB on your State Clearinghouse list of selected State agencies that will receive the DEIR as part of the comment period. If you have questions, please contact Robbie Morris, Air Pollution Specialist, at (916) 322-0006 or via email at Robbie.Morris@arb.ca.gov.

Sincerely,



Elizabeth Yura, Chief
Emission Assessment Branch
Transportation and Toxics Division

cc: See next page.

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cc: State Clearinghouse
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