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Dear Paul Gonzales:

Thank you for providing the California Air Resources Board (CARB) with the opportunity to comment on the Fontana Sierra Business Center (Project) Draft Environmental Impact Report (DEIR), State Clearinghouse No. 2020100256. The Project would allow for the construction and operation of a 705,735 square foot warehouse building. Once in operation, the Project would introduce an additional 4,454 daily vehicle trips, including 400 daily heavy-duty truck trips, along local roadways. The Project is located within the City of Fontana (City), California, which is the lead agency for California Environmental Quality Act (CEQA) purposes.

Industrial development, such as those proposed under the Project, can result in high daily volumes of heavy-duty diesel truck traffic and operation of on-site equipment (e.g., forklifts and yard tractors) that emit toxic diesel emissions, and contribute to regional air pollution and global climate change.¹ Due to the Project's proximity to residences already disproportionately burdened by multiple sources of pollution, CARB's comments expressed concerns with the potential cumulative air quality impacts associated with the construction and operation of the Project.

The Project Would Increase Exposure to Air Pollution in Disadvantaged Communities

The Project, if approved, will expose nearby communities to elevated levels of air pollution. The Project-site is surrounded by residential homes, with the closest residences located within 60 feet of the Project's eastern and southern boundary. In addition to residences, Citrus High School, Jurupa Hills High School, Truman Middle School, Cypress Elementary School and Leaps and Bounds Preschool and Daycare are all located within one mile of the Project-site. The community is near existing toxic diesel particulate matter (diesel PM) emission sources, which include existing industrial uses and vehicular traffic along Interstate 10 (I-10). Due to the Project's proximity to residences, schools and daycares already burdened by multiple

1. With regard to greenhouse gas emissions from this project, CARB has been clear that local governments and project proponents have a responsibility to properly mitigate these impacts. CARB's guidance, set out in detail in the Scoping Plan issued in 2017, makes clear that in CARB's expert view, local mitigation is critical to achieving climate goals and reducing greenhouse gases below levels of significance.

sources of air pollution, CARB is concerned with the potential cumulative health impacts associated with the construction and operation of the Project.

The State of California has 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 in which the Project is located. Diesel PM emissions generated during the construction and operation of the Project would negatively impact the community, which is already impacted by air pollution from existing industrial uses and vehicular traffic along I-10

The DEIR Does Not Evaluate Air Quality and Health Risks Impacts from On-Site Transport Refrigeration Units.

The unmitigated air quality and cancer risk impacts presented in the DEIR were evaluated under the assumption that transport refrigeration units (TRU) would not operate within the Project-site. TRUs on trucks and trailers can emit large quantities of diesel exhaust while operating within the Project-site. Residences and other sensitive receptors (e.g., daycare facilities, senior care facilities, and schools) located near where these TRUs could be operating would be exposed to diesel exhaust emissions that could result in significant cancer risk.

The DEIR includes Mitigation Measure AQ-2 that would prohibit the proposed warehouse building to be used for cold storage. The Project's unmitigated cancer risk impacts were estimated under the assumption that Mitigation Measure AQ-2 would be implemented. The Health Risk Analysis (HRA) prepared for the Project and presented in Appendix H (Health Risk Assessment) of the DEIR, concluded that residences near the Project site would be exposed to unmitigated diesel PM emissions that would result in cancer risks of 4.82 chances per million during Project operation. Since the Project's cancer risks were found to be below the South Coast Air Quality Management District's (SCAQMD) 10 chances per million significance threshold, the DEIR concluded that the Project would result in a less than significant impact on public health.

Since it is clear in the DEIR that the City does not wish for the proposed warehouse building to be used for cold storage, CARB urges the City to include one of the following measures in the Project's final design:

- A Project design measure requiring contractual language in tenant lease agreements that prohibits tenants from operating TRUs within the Project-site; or
- A condition requiring a restrictive covenant over the parcel that prohibits the applicant's use of TRUs on the property unless the applicant seeks and receives an amendment to its conditional use permit allowing such use.

If the City does allow TRUs within the Project-site, CARB urges the City to model air pollutant emissions from on-site TRUs, as well as include potential cancer risks from on-site and off-site TRUs in the Project's HRA. The revised HRA should account for all potential health risks from

Project-related diesel PM emission sources such as backup generators, TRUs, heavy-duty truck traffic, and include all the air pollutant reduction measures listed below.

- Include contractual language in tenant lease agreements that requires all loading/unloading docks and trailer spaces be equipped with electrical hookups for trucks with TRU or auxiliary power units. This requirement will substantially decrease the amount of time that a TRU powered by a fossil-fueled internal combustion engine can operate at the Project-site. Use of zero-emission all-electric plug-in TRUs, hydrogen fuel cell transport refrigeration, and cryogenic transport refrigeration are encouraged and can also be included in lease agreements.²
- Include contractual language in tenant lease agreements that requires all TRUs entering the project site be plug-in capable.

The DEIR Did Not Account for Air Pollutant Emissions from Heavy Duty Trucks During On Site Grading

The DEIR did not account for mobile source air pollutant emissions from grading operations during the Project's construction phase. Based on CARB's review of the California Emissions Estimator Model (CalEEMod) outputs found in Appendix B (Air Quality Studies) of the DEIR, the City and applicant assumed that no heavy duty truck trips would be required to import or export soil during the on-site grading. Furthermore, the DEIR does not explicitly state the quantity of soil needed to grade the Project site that would support this assumption. If the Project site cannot be graded using existing on site soil, the soil will need to be imported into the Project site. If that is the case, a large number of heavy-duty truck trips may be required to transport soil.

CARB urges the City and applicant to remodel the Project's construction air pollutant emissions using accurate heavy duty truck trip estimates. Residences and other sensitive receptors (e.g., daycare facilities, senior care facilities, and schools) located near construction haul routes could be exposed to diesel exhaust emissions that were not evaluated in the DEIR. The DEIR should clearly state the total number of heavy duty truck trips expected during Project construction so the public can fully understand the potential environmental effects of the Project on their communities.

The Final EIR Used Inappropriate Vehicle Fleet Mixes to Evaluate the Project's Air Quality Impacts from Mobile Sources.

The Project's operational mobile source air pollutant emissions may have been underestimated in the DEIR by using inappropriate vehicle fleet mixes. The Project's operational air pollutant emissions and cancer risks were estimated assuming 8.8 percent of the Project's 4,454 daily vehicle trips would consist of heavy-duty trucks. The City obtained this fleet mix from the High-Cube Warehouse Vehicle Trip Generation Analysis prepared by

² CARB'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.

the South Coast Air Quality Management District.³ According to this study, the weighted average fleet mix for a fulfillment center is 91.2 percent vehicles and 8.8 percent trucks.

The Project's description states that the "applicant is pursuing the proposed Project on a speculative basis and the future occupant(s) of the Project are unknown at this time." Since the proposed warehouse building may not be used as a fulfillment center, CARB believes it would be more appropriate to base the air quality and health risk impact analysis on the fleet mix from the Fontana Truck Trip Generation Study.⁴ According to this study, 20.4 percent of the total daily vehicle trips from a warehouse greater than 100,000 square feet (heavy warehouse) would consist of trucks. This study is based on traffic counts from warehouses located within Fontana, California, where the Project is located. CARB recommends that the City conservatively reevaluate the Project's air quality and cancer risk impacts assuming 20.4 percent of the Project's total average daily traffic would consist of heavy-duty trucks.

The Final EIR Should Include More Mitigation Measures to Further Reduce the Project's Significant and Unavoidable Impact on Air Quality.

The DEIR includes four mitigation measures (MM AQ-1 through MM AQ-4) to reduce the Project's significant impact on air quality. These mitigation measures include: preparing a Transportation Demand Management program listing strategies to reduce air pollutant emissions from single-occupant vehicles, restricting the proposed warehouse building from being used for cold storage, requiring truck drives to turn off engines when not in use, limiting truck idling time to 5 minutes and making tenants aware of the Carl Moyer Program. Although these mitigation measures would reduce the Project's air pollutant emissions, the DEIR concludes that the Project's impact on air quality would remain significant after mitigation. Even where impacts will remain significant and unavoidable after mitigation, CEQA requires that all feasible mitigation measures be incorporated (see California Public Resources Code § 21081; 14 CCR § 15126.2(b)). To meet this requirement, CARB urges the City and applicant to add the emission reduction measures listed below in the FEIR.

- In construction contracts, include language that requires all off-road diesel powered equipment used during Project construction to be equipped with Tier 4 or cleaner engines, except for specialized construction equipment in which Tier 4 engines are not available. In place of Tier 4 engines, off-road equipment can incorporate retrofits that achieve emission reductions that equal or exceed that of a Tier 4 engine.
- In construction contracts, include language that requires all off-road equipment with a power rating below 19 kilowatts (e.g., plate compactors, pressure washers) used during project construction be battery powered.

³ South Coast Air Quality Management District, High-Cube Warehouse Vehicle Trip Generation Analysis. October 2016. Accessible at:

<https://www.ite.org/pub/?id=a3e6679a%2De3a8%2Dbf38%2D7f29%2D2961becdd498>

⁴ City of Fontana. Truck Trip Generation Study. August 2003. Accessible at:

<https://tampabayfreight.com/pdfs/Freight%20Library/Fontana%20Truck%20Generation%20Study.pdf>

- In construction contracts, include language that requires all heavy-duty trucks entering the construction site, during the grading and building construction phases be model year 2014 or later. All heavy-duty haul trucks should also meet CARB's lowest optional low-NO_x standard starting in the year 2022.⁵
- Include contractual language in tenant lease agreements that requires all heavy-duty trucks entering or on the Project site to be model year 2014 or later, expedite a transition to zero-emission vehicles, and be fully zero-emission beginning in 2030.
- Including language in tenant lease agreements, requiring the installing of vegetative walls⁶ or other effective barriers that separate loading docks and people living or working nearby.

Conclusion

CARB is concerned about the potential public health impacts should the City approve the Project. The FEIR should include a design measure restricting the operation of TRUs within the Project site. Should the City allow the proposed warehouse building to be used for cold storage, the City should update the Project's air quality analysis and HRA to account for the increase in air pollution and cancer risks resulting from trucks and trailers with TRUs visiting the Project site. If the heavy-duty trucks are required to import or export soil from the site during Project construct, the Project's air quality analysis and HRA should be updated to reflect such activities. The City should conservatively reevaluate the Project's air quality and cancer risk impacts in the FEIR assuming 20.4 percent of the Project's total average daily traffic would consist of heavy-duty trucks. Lastly, to reduce the Project's impact on public health, CARB urges the City to implement the mitigation measures listed in the fifth section of this letter.

Given the breadth and scope of projects subject to CEQA review throughout California that have air quality and greenhouse gas impacts, coupled with CARB's limited staff resources to substantively respond to all issues associated with a project, CARB must prioritize its substantive comments here based on staff time, resources, and its assessment of impacts. CARB's deliberate decision to substantively comment on some issues does not constitute an admission or concession that it substantively agrees with the lead agency's findings and conclusions on any issues on which CARB does not substantively submit comments.

CARB appreciates the opportunity to comment on the DEIR for the Project and can provide assistance on zero-emission technologies and emission reduction strategies, as needed.

⁵ In 2013, CARB adopted optional low-NO_x emission standards for on-road heavy-duty engines. CARB encourages engine manufacturers to introduce new technologies to reduce NO_x emissions below the current mandatory on-road heavy-duty diesel engine emission standards for model-year 2010 and later. CARB's optional low-NO_x emission standard is available at: <https://ww2.arb.ca.gov/our-work/programs/optional-reduced-nox-standards>

⁶ Effectiveness of Sound Wall-Vegetation Combination Barriers as Near-Roadway Pollutant Mitigation Strategies (2017) is available at: <https://ww2.arb.ca.gov/sites/default/files/classic/research/apr/past/13-306.pdf>.

Please include CARB 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 Stanley Armstrong, Air Pollution Specialist via email at stanley.armstrong@arb.ca.gov.

Sincerely,



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