



South Coast Air Quality Management District

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Mitigated Negative Declaration (MND) for the Proposed Panattoni Project

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The following comments are meant as guidance for the Lead Agency and should be incorporated into the Final MND.

South Coast AQMD Staff's Summary of Project Description

The Lead Agency is proposing to construct three light industrial buildings for either warehousing only or warehousing and manufacturing uses totaling 292,400 square feet on 14.3 acres (Proposed Project). The Proposed Project is located on the southwest corner of East 223rd Street and Tesoro Campus Drive within the City of Carson. Construction of the Proposed Project is anticipated to occur over 13 months beginning October 2020, and the Proposed Project becomes fully operational by December 2021¹. During construction, a maximum of 27,400 cubic yards of soil may be imported². Once operational, the Proposed Project is expected to generate 104 daily truck trips for the warehousing only use option, or 107 and 59 daily truck trips for the manufacturing and warehousing uses option, respectively³. Upon review of Exhibit 4.13-1: *Noise Measurement Locations* in the MND and aerial photographs, South Coast AQMD staff found that the closest residential sensitive receptors are located within 1,509 feet of the Proposed Project⁴.

South Coast AQMD Staff's Summary of the Air Quality Analysis and Health Risk Assessment

In the Air Quality Analysis section, the Lead Agency quantified the Proposed Project's construction and operational emissions and compared those emissions to South Coast AQMD's recommended regional and localized air quality CEQA thresholds. Based on the analysis, the Lead Agency found that the regional construction and operational air quality impacts will be less than significant⁵. However, the Lead Agency found that the Proposed Project's localized PM10 and PM2.5 emissions from construction activities would be 10.67 pounds per day (lbs/day) and 5.43 lbs/day, respectively, which would exceed South Coast AQMD's air quality CEQA localized significance thresholds for PM10 and PM2.5 at 7 lbs/day and 5 lbs/day, respectively⁶. After implementation of South Coast AQMD Rule 403 – Fugitive Dust⁷, the Proposed Project's localized construction emissions from PM10 and PM2.5 would be reduced to less than

¹ MND. Chapter 2: Project Description. Page 2-12.

² MND. Chapter 4: Air Quality. Page 4.3-5.

³ *Ibid.* Pages 4.17-6 to 4.17-7.

⁴ *Ibid.* Page 4.13-6.

⁵ *Ibid.* Pages 4.3-6, 4.3-8, and 4.3-13.

⁶ *Ibid.* Pages 4.3-12.

⁷ South Coast AQMD. Rule 403. Last amended June 3, 2005. Accessed at: <http://www.aqmd.gov/docs/default-source/rulebook/rule-iv/rule-403.pdf>.

significant at 5.89 lbs/day and 3.45 lbs/day, respectively⁸. The Lead Agency did not perform a mobile source Health Risk Assessment (HRA) in the MND⁹.

Summary of South Coast AQMD Staff's Comments

Based on a review of the MND and supporting technical documents, South Coast AQMD staff has concerns about the Proposed Project's air quality impacts for construction. First, the Lead Agency did not quantify emissions from the Proposed Project's haul truck trips to import 27,400 cubic yards of soil, and construction emissions may have been underestimated in the MND. South Coast AQMD staff recommends that the Lead Agency quantify emissions from haul truck trips in the Final MND. Second, although the Proposed Project will include operation of warehouse uses, the Lead Agency did not perform a mobile source HRA. South Coast AQMD staff recommends that the Lead Agency perform a mobile source HRA in the Final MND, calculate cancer risk from transportation and idling of truck emissions, and compare cancer risk to South Coast AQMD's CEQA significance threshold of 10 in one million to determine the level of significance for health risk impacts¹⁰. Third, South Coast AQMD recommends that the Lead Agency incorporate mitigation measures in the Final MND to further reduce the Proposed Project's construction and operational emissions. Finally, since the Proposed Project could include manufacturing uses, South Coast AQMD permits may be required. Please see the attachment for more information.

Conclusion

Pursuant to 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, responses should provide sufficient details giving reasons why specific comments and suggestions are not accepted. There should be good faith, reasoned analysis in response. Conclusory statements unsupported by factual information do not facilitate the purpose and goal of CEQA on public disclosure and are not meaningful, informative, or useful to decision makers and the public who are interested in the Proposed Project. Further, when the Lead Agency makes the finding that the recommended mitigation measures are not feasible, the Lead Agency should describe the specific reasons supported by substantial evidence for rejecting it in the Final MND (CEQA Guidelines Sections 15070 and 15074.1).

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 Margaret Isied, Assistant Air Quality Specialist, at misied@aqmd.gov, should you have any questions.

Sincerely,

Lijin Sun

Lijin Sun, J.D.

Program Supervisor, CEQA IGR

Planning, Rule Development & Area Sources

Attachment

LS:MI

LAC200626-02

Control Number

⁸ MND. Chapter 4: Air Quality. Page 4.3-12.

⁹ *Ibid.* 4.3-14.

¹⁰ South Coast AQMD has developed the CEQA significance threshold of 10 in one million for cancer risk. When South Coast AQMD acts as the Lead Agency, South Coast AQMD staff conducts a HRA, compares the maximum cancer risk to the threshold of 10 in one million to determine the level of significance for health risk impacts, and identifies mitigation measures if the risk is found to be significant.

ATTACHMENT

1. Air Quality Impacts – Haul Truck Trips

In the MND and supporting technical documentation, the Lead Agency estimated that approximately 27,400 cubic yards of soil would be required to be imported to the Proposed Project during the construction phase¹¹. However, the Lead Agency did not quantify emissions from haul truck trips that will be used to import the soil¹². The use of heavy-duty, diesel-fueled trucks for soil import will result in emissions, particularly from NOx. The MND has likely underestimated the Proposed Project's construction emissions from haul truck trips for soil import. Therefore, South Coast AQMD staff recommends that the Lead Agency calculate emissions from haul truck trips that will deliver imported soil to the Proposed Project 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 haul truck trips are not included in the Final MND, the Lead Agency should provide reasons for not including them supported by substantial evidence in the record.

2. Mobile Source Health Risk Assessment

As stated above, the Proposed Project will involve either the operation of a warehouse or warehouse and manufacturing uses, which are expected to generate 104 daily truck trips for the warehousing only use, or 107 and 59 daily truck trips for the manufacturing and warehousing uses, respectively¹³. Diesel particulate matter (DPM) will be emitted from the transportation and idling of trucks visiting the Proposed Project. DPM has been identified by the California Air Resources Board (CARB) as a toxic air contaminant (TAC) based on its carcinogenic effects¹⁴. However, upon review of the MND, South Coast AQMD staff found that the Lead Agency did not perform a quantitative mobile source HRA.

One of the basic purposes of CEQA is to inform decision-makers and the public about the potential, significant environmental effects of proposed activities (CEQA Guidelines Section 15002(a)(1)). A mitigated negative declaration is appropriate when the Lead Agency finds that the project will not have a significant effect on the environment after incorporating mitigation measures (CEQA Guidelines Sections 15070 to 15075). Reasons to support this finding shall be documented as substantial evidence in the MND. Therefore, South Coast AQMD staff recommends that the Lead Agency perform a mobile source HRA¹⁵ in the Final MND and compare cancer risk to South Coast AQMD's CEQA significance threshold of 10 in one million to determine of the level of significance for the Proposed Project's health risk impacts during operation¹⁶; otherwise, the Lead Agency has not met CEQA's requirement. An analysis of all toxic air contaminant impacts due to the use of equipment potentially generating air pollutants should also be included.

3. Recommended Air Quality Mitigation Measures

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. The Proposed Project's

¹¹ MND. Chapter 2: Project Description. Page 2-12.

¹² Appendix A: Air Quality/Greenhouse Gas/Energy Data. PDF Page 444.

¹³ *Ibid.* Pages 4.17-6 to 4.17-7.

¹⁴ CARB. August 27, 1998. Resolution 98-35. Accessed at: <http://www.arb.ca.gov/regact/diesltac/diesltac.htm>.

¹⁵ South Coast Air Quality Management District. *Health Risk Assessment Guidance for Analyzing Cancer Risk from Mobile Source Diesel Idling Emissions for CEQA Air Quality Analysis*. Accessed at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mobile-source-toxics-analysis>.

¹⁶ South Coast AQMD has developed the CEQA significance threshold of 10 in one million for cancer risk. When South Coast AQMD acts as the Lead Agency, South Coast AQMD staff conducts a HRA, compares the maximum cancer risk to the threshold of 10 in one million to determine the level of significance for health risk impacts, and identifies mitigation measures if the risk is found to be significant.

localized construction emissions from PM10 and PM2.5 were mitigated to 5.89 lbs/day and 3.45 lbs/day, respectively¹⁷, which were slightly below South Coast AQMD's air quality CEQA localized significance thresholds for PM10 and PM2.5 at 7 lbs/day and 5 lbs/day, respectively¹⁸. To further reduce the Proposed Project's construction emissions as well as operational emissions from mobile sources, South Coast AQMD staff commends that the Lead Agency include additional air quality mitigation measures for implementation at the Proposed Project in the Final MND. For more information on potential mitigation measures as guidance to the Lead Agency, please visit South Coast AQMD's CEQA Air Quality Handbook website¹⁹.

Construction-related Air Quality Mitigation Measures

- a) Require the use of off-road diesel-powered construction equipment that meets or exceeds CARB and U.S. Environmental Protection Agency (USEPA) Tier 4 Final off-road emissions standards for equipment rated at 50 horsepower or greater during construction of the Proposed Project. Such equipment will be outfitted with Best Available Control Technology (BACT) devices including a CARB certified Level 3 Diesel Particulate Filter (DPFs). Level 3 DPFs are capable of achieving at least 85 percent reduction in particulate matter emissions. A list of CARB verified DPFs are available on the CARB website.

To ensure that Tier 4 Final construction equipment or better would be used during the Proposed Project's construction, South Coast AQMD staff recommends that the Lead Agency include this requirement in applicable bid documents, purchase orders, and contracts with construction contractor(s). Successful contractor(s) must demonstrate the ability to supply the compliant construction equipment for use prior to any ground disturbing and construction activities. A copy of each unit's certified tier specification, model year specification, and CARB or South Coast AQMD operating permit (if applicable) shall be available upon request at the time of mobilization of each applicable unit of equipment. Additionally, the Lead Agency should require periodic reporting and provision of written documents by construction contractor(s) to ensure compliance, and conduct regular inspections to the maximum extent feasible to ensure compliance.

In the event that construction equipment cannot meet the Tier 4 Final engine certification, the Project representative(s) or contractor(s) must demonstrate through future study with written findings supported by substantial evidence that is approved by the Lead Agency before using other technologies/strategies. Alternative applicable strategies may include, but would not be limited to, construction equipment with Tier 4 Interim or Tier 3 emission standards and reduction in the number and/or horsepower rating of construction equipment.

- b) During construction, the Proposed Project will require a maximum of 27,400 cubic yards of soil import²⁰. To reduce construction NOx emissions from haul truck trips, the Lead Agency should require the use of zero-emissions (ZE) or near-zero emissions (NZE) haul trucks during construction, such as trucks with natural gas engines that meet the CARB's adopted optional NOx emission standard of 0.02 grams per brake horsepower-hour (g/bhp-hr). At a minimum, require that truck operator(s)/construction contractor(s) commit to using 2010 model year or newer engines that meet CARB's 2010 engine emission standards of 0.01 g/bhp-hr for particulate matter (PM) and 0.20 g/bhp-hr of NOx emissions or newer, cleaner trucks. To monitor and ensure ZE, NZE, or 2010 model year or newer trucks are used at the Proposed Project, the Lead Agency should require that truck operator(s)/construction contractor(s) maintain records of all trucks

¹⁷ MND. Chapter 4: Air Quality. Page 4.3-12.

¹⁸ *Ibid.* Pages 4.3-12.

¹⁹ South Coast AQMD. Accessed at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook>.

²⁰ MND. Chapter 2: Project Description. Page 2-12.

associated with the Proposed Project's construction and make these records available to the Lead Agency upon request. Alternatively, the Lead Agency should require periodic reporting and provision of written records by truck operator(s)/construction contractor(s) and conduct regular inspections of the records to the maximum extent feasible and practicable.

Operational-related Air Quality Mitigation Measures for Mobile Sources

- c) During operation, the Proposed Project will involve 104 daily truck trips for the warehousing only use, or 107 and 59 daily truck trips for the manufacturing and warehousing uses, respectively. To reduce emissions from those trucks, the Lead Agency should require the use of ZE or NZE trucks during operation, such as trucks with natural gas engines that meet the CARB's adopted optional NOx emission standard of 0.02 grams per brake horsepower-hour (g/bhp-hr). At a minimum, the project operator(s) shall ensure, through sale or leasing agreements, that the truck fleet consist of trucks that meet the emissions standards of a 2010 vehicle model, and as trucks are replaced they are replaced with the newest available model. To monitor and ensure that ZE, NZE, or 2010 model year or newer trucks are used at the Proposed Project, the Lead Agency should require that operators maintain records of all trucks and equipment associated with the Proposed Project's operation and make these records available to the Lead Agency upon request. Alternatively, the Lead Agency should require periodic reporting and provision of written records by operators and conduct regular inspections of the records to the maximum extent feasible and practicable.

Technology is transforming the transportation sector at a rapid pace. Cleaner trucks such as ZE or NZE trucks are increasingly more feasible and commercially available as technology advances. If using ZE or NZE trucks as a mitigation measure to reduce the Proposed Project's operational air quality impacts is not feasible today, cleaner trucks could become feasible in a reasonable period of time within the lifetime of the Proposed Project (CEQA Guidelines Section 15364). Therefore, it is recommended that the Lead Agency develop a process with performance standards to deploy the lowest emission technologies and incentivize the use of ZE or NZE heavy-duty trucks during operation (CEQA Guidelines Section 15126.4(a)). The Lead Agency can and should develop the performance standards as follows or any other comparable standards in the Final MND.

- Develop a minimum amount of ZE or NZE heavy-duty trucks that the Proposed Project must use during each year of the operation to ensure adequate progress. Include this requirement in the Proposed Project's tenant selection and operation management bid documents and business agreement.
- Establish a tenant/truck operator(s) selection policy that prefers tenant/truck operator(s) who can supply the use of ZE or NZE heavy-duty trucks at the Proposed Project. Include this policy in the bid documents and business agreement.
- Develop a target-focused and performance-based process and timeline to review the feasibility to implement the use of ZE or NZE heavy-duty trucks during operation. Include this process and timeline in the Proposed Project's tenant selection and operation management bid documents and business agreement.
- Develop a project-specific process and criteria for periodically assessing progress in implementing the use of ZE or NZE heavy-duty trucks during operation. Include this process and criteria in the Proposed Project's tenant selection and operation management bid documents and business agreement.

4. South Coast AQMD Permits and Rules

Since the Proposed Project may include manufacturing uses, South Coast AQMD should be consulted in advance to determine permit requirements and/or South Coast AQMD rules that the Proposed Project must comply. The Lead Agency should initiate consultation with South Coast AQMD as required under CEQA Guidelines Section 15096(b). After consultation, if it is determined that a permit from South Coast AQMD is required for manufacturing operation, South Coast AQMD should be identified as a Responsible Agency for the Proposed Project in the Final MND. The Final MND should also include discussions of all applicable South Coast AQMD rules that the Proposed Project must comply. Any assumptions used in the Air Quality Analysis in the Final MND will be used as the basis for evaluating permit under CEQA and imposing permit conditions and limits for the Proposed Project. Generally, operation of portable engines and portable equipment units of 50 horsepower (hp) or greater that emit particulate matter require a permit from South Coast AQMD or registration with the Portable Equipment Registration Program (PERP) through CARB²¹. The Lead Agency should consult with South Coast AQMD's Engineering and Permitting staff to determine if the Proposed Project will involve uses of equipment requiring a South Coast AQMD permit or if registration under the PERP through CARB²². Should there be any questions on permits, please contact the South Coast AQMD's Engineering and Permitting staff at (909) 396-3385. For more general information on permits, please visit South Coast AQMD's webpage at: <http://www.aqmd.gov/home/permits>. For more information on the PERP Program, please contact CARB at (916) 324-5869 or visit CARB's webpage at: <https://ww2.arb.ca.gov/our-work/programs/portable-equipment-registration-program-perp>.

²¹ South Coast Air Quality Management District. *Portable Equipment Registration Program (PERP)*. Accessed at: <http://www.aqmd.gov/home/permits/equipment-registration/perp>.

²² *Ibid.*