SENT VIA E-MAIL:

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Mitigated Negative Declaration (MND) for the Proposed Compass Danbe Centerpointe Project (Proposed Project)

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The City of Moreno Valley is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. The following comments included recommended air quality mitigation measures and information on South Coast AQMD Rules 2305 and 316 that the Lead Agency should include in the Final MND.

Based on the MND, the Proposed Project consists of two warehouses totaling 389,603 square feet on 17.7 acres. The Proposed Project is located on the southeast corner of Alessandro Boulevard and Frederick Street in the City of Moreno Valley. Based on a review of aerial photographs, South Coast AQMD staff found that existing residential uses are located within 120 feet of the Proposed Project's northern boundary facing Alessandro Boulevard. Construction of the Proposed Project will occur in a nine-month period. At full buildout in June 2022, the Proposed Project will generate 742 vehicle trips per day, including 518 passenger vehicle trips and 224 truck trips. Forty-two loading docks will be located along the southern boundary of the Proposed Project away from residents¹. However, three truck entrances will be located at the Proposed Project's northern boundary directly facing the existing residential uses. Based on the technical appendix², trucks will be traveling on Alessandro Boulevard next to the existing residential uses.

South Coast AQMD Staff's Comments

Based on a review of the MND and supporting technical appendices, South Coast AQMD staff has two comments.

1. Recommended Air Quality Mitigation Measures during Operation

The Proposed Project will generate 224 truck trips per day, which is estimated by South Coast AQMD staff to be 102 trucks per day. These truck trips will be sharing the same Alessandro Boulevard as residents living north of the Proposed Project. The California Air Resources

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¹ MND. Page 21.

² Appendix A2: Mobile Source Health Risk Assessment Technical. Exhibit 2-A. Page 12.

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Board's (CARB) Air Quality and Land Use Handbook: A Community Health Perspective³ is a general reference guide for evaluating and reducing air pollution impacts associated with new projects that go through the land use decision-making process. Based on the Handbook, CARB recommends a 1,000-foot separation between sensitive land uses and a distribution center that accommodates more than 100 trucks per day. To reduce the Proposed Project's air quality and health risk impacts on nearby residents, South Coast AQMD staff recommends that the Lead Agency include air quality mitigation measures in the Final MND.

Mitigation measures for operational air quality impacts from mobile sources that the Lead Agency should include in the Final MND consist of the following:

- Require zero-emissions (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. 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 Rule⁴ and the Heavy-Duty Low NOx Omnibus Regulation⁵, ZE and NZE trucks will become increasingly more available to use. The Lead Agency should require a phase-in schedule to incentive the use of these cleaner operating trucks to reduce any significant adverse air quality impacts. South Coast AOMD staff is available to discuss the availability of current and upcoming truck technologies and incentive programs with the Lead Agency. At a minimum, require the use of 2010 model year⁶ that meet CARB's 2010 engine emissions standards at 0.01 g/bhp-hr of particulate matter (PM) and 0.20 g/bhp-hr of NOx emissions or newer, cleaner trucks. Include environmental analyses to evaluate and identify sufficient electricity and supportive infrastructures in the Energy and Utilities and Service Systems Sections in the CEQA document, where appropriate. Include the requirement in applicable bid documents, purchase orders, and contracts. Operators shall maintain records of all trucks associated with project construction to document that each truck used meets these emission standards, and make the records available for inspection. The Lead Agency should conduct regular inspections to the maximum extent feasible to ensure compliance.
- Provide electric vehicle (EV) charging stations or at a minimum, provide the electrical infrastructure and electrical panels should be appropriately sized. Electrical hookups should be provided for truckers to plug in any onboard auxiliary equipment.

³ CARB's *Air Quality and Land Use Handbook: A Community Health Perspective* can be found at: http://www.arb.ca.gov/ch/handbook.pdf.

⁴ CARB. June 25, 2020. Advanced Clean Trucks Rule. Accessed at: https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks.

⁵ CARB has recently passed a variety of new regulations that require new, cleaner heavy-duty truck technology to be sold and used in state. For example, on August 27, 2020, CARB approved the Heavy-Duty Low NOx Omnibus Regulation, which will require all trucks to meet the adopted emission standard of 0.05 g/hp-hr starting with engine model year 2024. Accessed at: https://www2.arb.ca.gov/rulemaking/2020/hdomnibuslownox.

⁶ CARB adopted the statewide Truck and Bus Regulation in 2010. The Regulation requires diesel trucks and buses that operate in California to be upgraded to reduce emissions. Newer heavier trucks and buses must meet particulate matter filter requirements beginning January 1, 2012. Lighter and older heavier trucks must be replaced starting January 1, 2015. By January 1, 2023, nearly all trucks and buses will need to have 2010 model year engines or equivalent. More information on the CARB's Truck and Bus Regulation is available at: https://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm.

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Mitigation measures for operational air quality impacts from other area sources that the Lead Agency should include in the Final MND consist of the following:

- Maximize use of solar energy by installing solar energy arrays.
- Use light colored paving and roofing materials.
- Utilize only Energy Star heating, cooling, and lighting devices, and appliances.
- Use of water-based or low VOC cleaning products that go beyond the requirements of South Coast AQMD Rule 1113.

Design considerations for the Proposed Project that the Lead Agency should consider to further reduce air quality and health risk impacts include the following:

- Re-design the Proposed Project such that truck entry and exit points are not facing sensitive receptors and are not located along Alessandro Boulevard.
- Prohibit trucks from traveling on Alessandro Boulevard and passing next to sensitive land uses to enter or leave the Proposed Project site.
- Re-design the Proposed Project such that any check-in point for trucks is inside the Proposed Project site to ensure that there are no trucks queuing and/or idling outside on Alessandro Boulevard next to sensitive land uses (e.g., residences).
- Clearly mark truck routes with trailblazer signs, so that trucks will not travel next to or near sensitive land uses (e.g., residences).
- Design the Proposed Project to ensure that truck traffic inside the Proposed Project site is as far away as feasible from sensitive receptors.
- Restrict overnight truck parking in sensitive land uses by providing overnight truck parking inside the Proposed Project site.

2. South Coast AQMD Rule 2305 and Rule 316

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 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 sitespecific custom plan, or paying a mitigation fee. Warehouse owners are only required to submit limited information reports, but they can opt in 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 AOMD to recover costs associated with Rule 2305 compliance activities. Since the Proposed Project consists of the development of 389,603 square feet that would be used for warehouse activities, the Proposed Project's warehouse owners and operators will be required to comply with Rule 2305 once the warehouse

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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 obligation⁷. 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 webpage⁸.

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 air quality 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 me at lsun@aqmd.gov, should you have any questions.

Sincerely,

Lijin Sun

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Program Supervisor, CEQA IGR

Planning, Rule Development & Area Sources

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⁷ 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.

⁸ South Coast AQMD WAIRE Program. Accessed at: http://www.aqmd.gov/waire.