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Governor's Office of Planning & Research

APR 15 2020

STATE CLEARINGHOUSE

Gabriel Diaz
Associate Planner
City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552

Dear Gabriel Diaz:

Thank you for providing the California Air Resources Board (CARB) with the opportunity to comment on the Notice of Preparation (NOP) for the Moreno Valley Trade Center (Project) Draft Environmental Impact Report (DEIR), State Clearinghouse No. 2020039038. The Project consists of the construction and operation of a light industrial building with a total floor area of 1,332,380 square feet, a tentative parcel map, and associated general plan and zoning code amendments. Although the future occupant(s) of the Project are unknown, the Applicant expects that the proposed light industrial building would be occupied by either a warehouse/logistics operator(s) or a fulfillment center. The Project is proposed within the City of Moreno Valley (City), California, which is the lead agency for California Environmental Quality Act (CEQA) purposes.

Freight facilities, such as warehouse and distribution facilities, 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 The Initial Study confirms this high daily volume of heavy-duty diesel truck traffic, indicating that the Project will include 224 loading docks and 278 truck trailer parking spaces within the truck court/loading areas on the Project site. If the Project use is a fulfillment center, then one of the truck court/loading areas will be replaced with 1,449 automobile parking spaces, which may include many diesel-fueled vehicles. Given the large scope of the project and its associated high daily volume of vehicle trips implied in the Initial Study, CARB requests that the City properly address the air pollution and health risk impacts that would result should the City approve the Project.

¹ With regard to significant adverse impacts associated with greenhouse gas emissions from this project, CARB has been clear that local governments and project proponents have a legal responsibility to 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.

I. The Project Would Increase Exposure to Air Pollution in Disadvantaged Communities

The Project, if approved, will expose nearby disadvantaged communities to elevated levels of air pollution. Residences are located north, northwest, and south of the Project site, with the closest residences situated within approximately 60 feet from the Project's southern boundary. In addition to residences, 2 schools (Calvary Chapel Christian School and Valley View High School) are located within 2 miles of the Project. The community is surrounded by existing toxic diesel particulate matter (diesel PM) emission sources, which include existing industrial uses and vehicular traffic along State Route 60 (SR- 60). Due to the Project's proximity to residences and schools already disproportionately burdened by multiple 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 highlights the need for further emission reductions in communities with high exposure burdens, like those in which the Project is located. The South Coast Air Quality Management District (SCAQMD) submitted a report to CARB recommending that CARB select the City of Moreno Valley for community air monitoring and/or the preparation of a community emission reduction program due to, in large part, the significant level of diesel PM within the community.² Diesel PM emissions generated during the construction and operation of the Project would negatively impact the community, which is already disproportionately impacted by air pollution from existing industrial uses and traffic on SR-60.

Through its authority under Health and Safety Code section 39711, the California Environmental Protection Agency (CalEPA) is charged with the duty to identify disadvantaged communities. CalEPA bases its identification of these communities on geographic, socioeconomic, public health, and environmental hazard criteria (Health and Safety Code, section 39711, subsection (a)). In this capacity, CalEPA currently defines a disadvantaged community, from an environmental hazard and socioeconomic standpoint, as a community that scores within the top 25 percent of the census tracts, as analyzed by the California Communities Environmental Health Screening Tool Version 3.0 (CalEnviroScreen). CalEnviroScreen uses a screening methodology to help identify California communities currently disproportionately burdened by multiple sources of pollution. The census tract containing the Project is within the top 20 percent for Pollution Burden³ and is considered a disadvantaged community; therefore, CARB

² South Coast Air Quality Management District, 2018. Community Recommendations for AB 617 Implementation Final Submittal from South Coast Air Quality Management District. Accessible at: <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/submittal-to-carb.pdf>.

³ Pollution Burden represents the potential exposures to pollutants and the adverse environmental conditions caused by pollution.

urges the City to ensure that the Project does not adversely impact neighboring disadvantaged communities.

II. It is Unclear Whether the Proposed Light Industrial Buildings Would Include Cold Storage

Since the Project description in the NOP did not explicitly state that the proposed light industrial building would not include cold storage space, there is a possibility that trucks and trailers visiting the Project site would be equipped with transport refrigeration units (TRU).⁴

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 would result in significant cancer risk. CARB urges the Applicant and City to clearly define the final use of the Project in the DEIR so the public can fully understand the potential environmental effects of the Project on their communities.⁵

If the Project will not be used for cold storage, CARB urges the City to include one of the following design measures in the DEIR:

- 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 in the DEIR, as well as include potential cancer risks from on-site TRUs in the Project's health risk assessment (HRA). The HRA prepared for the Project should account for all potential health risks from on and off-site sources (e.g., on-site generators, TRUs, heavy-duty truck traffic, etc.) and all the air pollutant reduction measures listed in Attachment A.

⁴ TRUs are refrigeration systems powered by integral diesel engines that protect perishable goods during transport in an insulated truck and trailer vans, rail cars, and domestic shipping containers.

⁵ Project descriptions "must include (a) the precise location and boundaries of the proposed project, (b) a statement of the objectives sought by the proposed project, (c) a general description of the project's technical, economic and environmental characteristics, and (d) a statement briefly describing the intended use of the EIR." (*stopthemillenniumhollywood.com v. City of Los Angeles* (2019) 39 Cal.App.5th 1, 16.) "This description of the project is an indispensable element of both a valid draft EIR and final EIR." (*Ibid.*) Without explicit acknowledgment in the project description that the proposed project will not include cold storage facilities, the current project description fails to meet the bare minimum of describing the project's technical and environmental characteristics.

In addition to the health risks associated with operations, construction health risks should be included in the air quality section of the DEIR and the Project's HRA. Construction of the Project would result in short-term diesel emissions from the use of both on-road and off-road diesel equipment. The Office of Environmental Health Hazard Assessment's (OEHHA) guidance recommends assessing cancer risks for construction projects lasting longer than two months. Since construction would very likely occur over a period lasting longer than two months, the HRA prepared for the Project should include health risks for existing residences near the Project site during construction.

The HRA prepared in support of the Project should be based on the latest OEHHA guidance (2015 Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments),⁶ and the South Coast Air Quality Management District's (SCAQMD) CEQA Air Quality Handbook.⁷ The HRA should evaluate and present the existing baseline (current conditions), future baseline (full build-out year, without the Project), and future year with the Project. The health risks modeled under both the existing and the future baselines should reflect all applicable federal, state, and local rules and regulations. By evaluating health risks using both baselines, the public and City planners will have a complete understanding of the potential health impacts that would result from the Project.

III. The DEIR Should Consider the Project's Individual and Cumulatively Considerable Air Quality and Greenhouse Gas Impacts and Associated Public Health Effects, and Not Rely on the Legally Inadequate Greenhouse Gas Impact Analysis Approach Used in the World Logistics Center Final Environmental Impact Report

CARB is concerned about the potential individual and cumulative air quality and greenhouse gas (GHG) impacts if the City approves the Project. As acknowledged in the Project's Initial Study, the Project could result in the exposure of existing and future residences to diesel PM that, when coupled with past, new, and reasonably foreseeable projects, may contribute to a significant cumulative air quality impact that is cumulatively considerable. Likewise, the Project's GHG emissions could result in a cumulatively considerable significant impact under CEQA.

CEQA requires lead agencies to consider whether the incremental effects of a proposed project are cumulatively considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects. (See Title 14, Cal. Code of Regs., § 15064, subd. (h)(1).) Numerous projects are currently being constructed within the City and will be operational at the same time as the Project.

⁶ Office of Environmental Health Hazard Assessment (OEHHA). Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments. February 2015. Accessed at: <https://oehha.ca.gov/media/downloads/cmr/2015guidancemanual.pdf>.

⁷ SCAQMD's 1993 Handbook can be found at: <http://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook>.

The most notable of these projects is the World Logistics Center (WLC), which is located within 60 feet from the Project's eastern boundary and is expected to be fully operational in the year 2035. The WLC includes the construction and operation of over 40 million square feet of warehouse space and includes 70,000 daily heavy-duty truck trips. The City released the Revised Final Environmental Impact Report (RFEIR) for the WLC (State Clearinghouse No. 2012021045) in 2018, and later in 2019, the RFEIR was revised and recirculated for public review as the Revised Recirculated Final Environmental Impact Report (RRSFEIR).^{8,9} Both the RFEIR and the RRSFEIR concluded that the operation of the WLC would expose nearby residences to volatile organic compounds (VOC), nitrogen oxides (NO_x), carbon monoxide (CO), and particulate matter 2.5 and 10 micrometers in diameter (PM_{2.5} and PM₁₀) emissions that would exceed the SCAQMD's significance thresholds by a considerable margin. Consequently, the City concluded that the WLC would result in a significant and unavoidable impact on air quality under CEQA.

CARB submitted a comment letter on the RFEIR released in 2018.¹⁰ The RRSFEIR released by the City in 2019 did not address the issues identified in CARB's 2018 comment letter. CARB's comment letter highlighted emission reduction measures to reduce the WLC's public health impacts. CARB also strongly disagreed with the City's GHG analysis approach, noted that the RFEIR mischaracterized the scope of the Cap-and-Trade Program (Program), and clarified that the Program cannot be used to avoid analyzing and mitigating the WLC's very significant GHG impacts. In both the RFEIR and the RRSFEIR, the City and Applicant declined to thoroughly analyze or mitigate project-level GHG emission sources. Instead, they improperly purported to rely on the Program to address the Project's GHG impacts. As noted by CARB in its comment letters on the WLC project, the Program does not, and was never designed to, adequately address project-level emissions from land-use projects such as freight and logistics facilities. The WLC's unlawful and irresponsible GHG analysis is currently being litigated.

CARB requests that the City not follow the legally inadequate GHG impact analysis presented in the WLC RFEIR and RRSFEIR. To reiterate, the Program does not adequately mitigate emissions from this project or any other land-use development project. Instead, the Program covers, in part, activities related to electricity generation, natural gas suppliers, operators of oil and gas extraction facilities, refinery operators, and transportation fuel suppliers at the rack. (See Title 17 Cal. Code Regs., § 95811.) The Program is not intended nor designed to mitigate GHG from, or otherwise inform, local land-use decisions. CARB strongly urges the City and Applicant to analyze and

⁸ City of Moreno Valley, 2018. Revised Sections of the Final Environmental Impact Report. July 2018. Accessible at <http://www.moval.org/cdd/pdfs/projects/wlc/FEIR-Revision2018/WLC-RevisedFEIRSections.pdf>.

⁹ City of Moreno Valley, 2019. Draft Recirculated Revised Sections of the Final Environmental Impact Report. December 2019. Accessible at <http://www.moval.org/cdd/pdfs/projects/wlc/Draft-RecirculatedRevisedFEIR.pdf>.

¹⁰ California Air Resources Board, 2018. CARB Comments on the World Logistics Center (WLC or project) Revised Final Environmental Impact Report. August 7, 2018. Accessible at <https://ww2.arb.ca.gov/sites/default/files/classic/toxics/ttdceqalist/logisticsfeir.pdf>.

adequately mitigate the Project's significant, adverse, individual and cumulative air quality and GHG impacts, especially the cumulative impacts when viewed in connection with the impacts of the WLC project. The thresholds used to evaluate the significance of air quality and GHG impacts in the DEIR must be consistent with CEQA Guidelines sections 15064 and 15064.7 and related case law.

As required under CEQA Guidelines section 15125(d), the DEIR must discuss any inconsistencies between the proposed project and applicable regional plans. Regional plans are defined, in part, as "the applicable air quality attainment or maintenance plan (or State Implementation Plan) .. regional transportation plans [and] plans for the reduction of greenhouse gas emissions." (CEQA Guidelines, § 15125(d).) In compliance with CEQA Guidelines section 15125(d), the analysis of GHG and air quality impacts must, at a minimum, evaluate the inconsistency between the Project and CARB's 2017 Scoping Plan. The DEIR must also evaluate the inconsistency between the Project and the Southern California Association of Governments' most recently adopted regional transportation plan, which includes a Sustainable Communities Strategy element¹¹ (California Government Code Section 65080, as amended by Senate Bill (SB) 375, Steinberg, [2008]).

IV. Conclusion

To reduce the exposure of toxic diesel emissions in disadvantaged communities already disproportionately impacted by air pollution, the final design of the Project should include all existing and emerging zero-emission technologies to minimize diesel and NO_x emission exposure to all neighboring communities, as well as the GHGs that contribute to climate change. CARB encourages the City and Applicant to implement the measures listed in Attachment A of this comment letter to reduce the Project's construction and operational air pollution emissions, carefully consider the Project's cumulative impact on air quality and climate change, and to not follow the legally inadequate GHG impact analysis presented in the WLC RFEIR.

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 NOP for the Project and can provide assistance on zero-emission technologies and emission reduction strategies, as

¹¹ Southern California Association of Governments, 2012. Regional Transportation 2012-2035 Sustainable Communities Strategy. April 2012. Accessible at: <http://rtpscs.scag.ca.gov/Documents/2012/final/f2012RTPSCS.pdf>.

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needed. 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, at (916) 440-8242 or via email at stanley.armstrong@arb.ca.gov.

Sincerely,



Richard Boyd, Chief
Risk Reduction Branch
Transportation and Toxics Division

Attachment

cc: See next page.

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cc: State Clearinghouse
state.clearinghouse@opr.ca.gov

Carlo De La Cruz
Senior Campaign Representative
Sierra Club
carlo.delacruz@sierraclub.org

Lijin Sun
Program Supervisor
CEQA Intergovernmental Review
South Coast Air Quality Management District
lsun@aqmd.gov

Morgan Capilla
NEPA Reviewer
U.S. Environmental Protection Agency
Air Division, Region 9
capilla.morgan@epa.gov

Taylor Thomas
Research and Policy Analyst
East Yard Communities for Environmental Justice
tbthomas@eycej.org

Andrea Vidaurre
Policy Analyst
Center for Community Action and Environmental Justice
andrea.v@ccaej.org

Stanley Armstrong
Air Pollution Specialist
Risk Analysis Section
Transportation and Toxics Division
stanley.armstrong@arb.ca.gov

ATTACHMENT A

Recommended Air Pollution Emission Reduction Measures for Warehouses and Distribution Centers

The California Air Resources Board (CARB) recommends developers and government planners use all existing and emerging zero to near-zero emission technologies during project construction and operation to minimize public exposure to air pollution. Below are some measures, currently recommended by CARB, specific to warehouse and distribution center projects. These recommendations are subject to change as new zero-emission technologies become available.

Recommended Construction Measures

1. Ensure the cleanest possible construction practices and equipment are used. This includes eliminating the idling of diesel-powered equipment and providing the necessary infrastructure (e.g., electrical hookups) to support zero and near-zero equipment and tools.
2. Implement, and plan accordingly for, the necessary infrastructure to support the zero and near-zero emission technology vehicles and equipment that will be operating on site. Necessary infrastructure may include the 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. In construction contracts, include language that requires all off-road diesel-powered equipment used during 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, such that, emission reductions achieved equal or exceed that of a Tier 4 engine.
4. 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.
5. 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-oxides of nitrogen (NO_x) standard starting in the year 2022.¹

¹: 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://www.arb.ca.gov/msprog/onroad/optionnox/optionnox.htm>.

6. In construction contracts, include language that requires all construction equipment and fleets to be in compliance with all current air quality regulations. CARB is available to assist in implementing this recommendation.

Recommended Operation Measures

1. Include contractual language in tenant lease agreements that requires tenants to use the cleanest technologies available, and to provide the necessary infrastructure to support zero-emission vehicles and equipment that will be operating on site.
2. Include contractual language in tenant lease agreements that requires all loading/unloading docks and trailer spaces be equipped with electrical hookups for trucks with transport refrigeration units (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
3. Include contractual language in tenant lease agreements that requires all TRUs entering the project site be plug-in capable.
4. Include contractual language in tenant lease agreements that requires future tenants to exclusively use zero-emission light and medium-duty delivery trucks and vans.
5. Include contractual language in tenant lease agreements requiring all TRUs, trucks, and cars entering the Project site be zero-emission.
6. Include contractual language in tenant lease agreements that requires all service equipment (e.g., yard hostlers, yard equipment, forklifts, and pallet jacks) used within the project site to be zero-emission. This equipment is widely available.
7. 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.

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.

8. Include contractual language in tenant lease agreements that requires the tenant be in, and monitor compliance with, all current air quality regulations for on-road trucks including CARB's Heavy-Duty (Tractor-Trailer) Greenhouse Gas Regulation,³ Periodic Smoke Inspection Program (PSIP),⁴ and the Statewide Truck and Bus Regulation.⁵
9. Include contractual language in tenant lease agreements restricting trucks and support equipment from idling longer than 5 minutes while on site.
10. Include contractual language in tenant lease agreements that limits on-site TRU diesel engine runtime to no longer than 15 minutes. If no cold storage operations are planned, include contractual language and permit conditions that prohibit cold storage operations unless a health risk assessment is conducted, and the health impacts fully mitigated.
11. Include rooftop solar panels for each proposed warehouse to the extent feasible, with a capacity that matches the maximum allowed for distributed solar connections to the grid.

³. In December 2008, CARB adopted a regulation to reduce greenhouse gas emissions by improving the fuel efficiency of heavy-duty tractors that pull 53-foot or longer box-type trailers. The regulation applies primarily to owners of 53-foot or longer box-type trailers, including both dry-van and refrigerated-van trailers, and owners of the heavy-duty tractors that pull them on California highways. CARB's Heavy-Duty (Tractor-Trailer) Greenhouse Gas Regulation is available at: <https://www.arb.ca.gov/cc/hdghg/hdghg.htm>.

⁴. The PSIP program requires that diesel and bus fleet owners conduct annual smoke opacity inspections of their vehicles and repair those with excessive smoke emissions to ensure compliance. CARB's PSIP program is available at: <https://www.arb.ca.gov/enf/hdvp/hdvp.htm>.

⁵. The regulation requires that 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. CARB's Statewide Truck and Bus Regulation is available at: <https://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>.