Letter B-5


# Air Resources Board

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

**Matthew Rodriquez**
*Secretary for*
*Environmental Protection*

**Edmund G. Brown Jr.**
*Governor*



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CITY OF MORENO VALLEY
Planning Division


April 16, 2013

Mr. John Terell
Planning Official
Community and Economic Development Department
Planning Division
14177 Frederick Street
Post Office Box 88005
Moreno Valley, California 92552

Dear Mr. Terell:

The California Air Resources Board (ARB) is providing comments regarding the Draft Environmental Impact Report (EIR) for the proposed World Logistics Center (Center) a 3,918 acre project which includes 2,710 acres for logistics warehousing to be developed by the project applicant Highland Fairview. This new facility provides an opportunity to create a state-of-the-art-facility that promotes the use of the cleanest technologies available during both the construction phase and full project build-out.

The Center includes a number of features that attempt to mitigate the impacts of the increase in diesel truck traffic in the region as well as emissions from project construction. These features include designated truck routes to direct trucks away from a nearby residential community, design principles that include special edge treatments to provide a buffer between the Center and an existing residential community, sustainability principles that encourage active transportation, and the requirement for all heavy-duty trucks entering the facility to meet or exceed 2010 emission standards or be powered by an alternative fuel. Nonetheless, the long-term operation of diesel trucks will have a significant impact in the region. Given the magnitude and scope of the Center, these features need to be expanded to include emerging zero-emission technology for the equipment that will serve the facility. — 1, 2

At full project build-out, emissions from diesel trucks will be the largest contributor to cancer risk from the Center. ARB staff believes that technology capable of — 3

zero-emissions will be available for additional applications, including trucks, in the early years of full project build-out. The final project conditions should support development of this technology and provide for its use to better protect the health of nearby residents from the harmful effects of fine particle pollution (including diesel particulate matter), ensure the emission reductions required to attain air quality standards for all pollutants, and reduce greenhouse gases. 3

**Background**

The proposed Center project area covers 3,918 acres in eastern Moreno Valley (near Highway 60 and roughly 75 miles east of the Ports of Los Angeles and Long Beach). The entire project area is covered by a City of Moreno Valley General Plan Amendment that proposes to redesignate 2,635 acres for logistics development, with the remaining area designated for use as public utility, open space, or utility extensions. Currently, the Center project area is designated as a mix of residential, commercial, business park, and open space land uses.

Within the project area, 2,710 acres are included in a proposed World Logistics Center Specific Plan (Specific Plan). The Specific Plan allows for up to 41.4 million square feet of high-cube logistics (logistics development) including 20,000 square feet of land for logistics support for vehicle fueling, as well as 200,000 square feet of warehouse and related uses (light logistics). The project area will be built-to-suit under the requirements of the Specific Plan, individual development permits, and mitigation required as a result of the EIR. It is proposed that the Center be built in two phases with development build-out years of 2017 for Phase 1 and 2022 for Phase 2. At full project build-out it is expected that on average about 58,300 non-diesel vehicles and 12,700 heavy duty diesel vehicles will operate at the facility daily. 4

Existing land use surrounding the proposed Center is the Highland Fairview Corporate Park and State Route 60 to the north; San Jacinto Wildlife Area and Lake Perris State Recreation Area to the south; vacant hillsides and scattered Residential to the east; and Suburban Residential Neighborhood to the west.

The draft EIR presents several analyses of the Center's potential air quality impacts at both a regional and local level. The document presents two scenarios: 1) the "No Project" scenario in which assumes full build-out of the City of Moreno Valley General Plan in 2035 except for the project site, and 2) the "With Project" scenario which assumes the project were built-out in accordance with its proposed phased build-out schedule and then added to the No Project scenario. Both of the scenarios reflect the benefits of adopted ARB and federal regulations that are reducing emissions from the transportation sector over time. The draft EIR also assesses the maximum individual 5

cancer risk (risk) to residents in the neighboring residential community from Center emissions. When risk from the two scenarios is compared, there is an estimated net increase in risk from the Center (with proposed mitigation) of 20.9 chances in a million. 5

The draft EIR also presented year-by-year estimated greenhouse gas emissions from Center operations in 2014 through 2022. Even after all feasible mitigation is implemented, Center-related greenhouse gas emissions will exceed the South Coast Air Quality Management District significance threshold of 10,000 million metric tons of carbon dioxide equivalents per year by a wide margin. At full project build out in 2022 (including all mitigation and project design features), total projected greenhouse gas emissions exceed 665,000 million metric tons of carbon dioxide equivalents per year. Impacts related to greenhouse gas emissions and climate change will be significant and unavoidable. 6

ARB staff concludes that the proposed Center would increase the health risk in the immediate area and the project should utilize all existing and emerging zero-emission technology and implement land use decisions that minimize diesel exposure to the neighboring community. 7

**Recommendations**

The majority of the localized cancer risk for the Center is attributable to the increase in diesel PM from the construction and long-term operation of the facility. The draft EIR estimates a net increase in diesel PM from the Center's total operational emissions of 24 pounds per day in 2017 and 54 pounds per day in 2022 (total operations include truck yards, local roadways internal to the project site, local surface streets, and main freeway segments in the project area). Consequently, ARB staff recommends actions to support the development, demonstration, and deployment of zero- and near zero-emission technology to reduce localized health risk and regional emissions. We believe that use of these technologies is feasible within the build-out years of the Center, consistent with the California Environmental Quality Act definition: 8

> *"Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors. (California Code of Regulations, title 14, section 15364)*

The Specific Plan should be modified to require the use of the cleanest technologies within the Center as a project and lease condition accordingly:

1. From the onset, require that all medium-heavy and heavy-heavy duty trucks, including any alternative fuel vehicles, meet or exceed the 2010 emission standards. As it becomes available, require that trucks traveling between the Center and any ports or railyards within 100 miles use zero/near zero technology.
2. Require, to the greatest extent possible, on-site service vehicles and equipment use zero emission technology and, if zero-emission technology is unavailable, that all vehicles and equipment meet the cleanest applicable emission standard.
3. Require, when available, the use of zero-emission property maintenance equipment.

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In addition, proposed mitigation measure 4.3.6.2A (construction equipment exhaust mitigation) should require the use of electric construction tools, when available and feasible, rather than just provide electric hookups. In addition, require all construction fleets be in compliance and monitor compliance with current air quality regulations for off-road equipment. Proposed mitigation measure 4.3.6.3B (localized construction and operations emission mitigation) should require all tenants be in compliance and monitor compliance with all current air quality regulations for on-road trucks including ARB's Heavy-Duty Greenhouse Gas Regulation and Truck and Bus Regulation. ARB is available to provide assistance in implementing this recommendation.

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ARB recommends these additional mitigation measures to further minimize impact to the surrounding community:

1. The developer, Highland Fairview, or the City of Moreno Valley provide incentives for tenants to encourage the use of alternative modes of commuting by their employees including, but not limited to, active transportation, public transportation, car pool, and the use of zero-emission vehicles. These same methods of transportation should be strongly encouraged or required for movement within the Center area.

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2. Shift the proposed development along the west side of the project area to focus on light logistics or other uses to ensure that any operations of diesel trucks or equipment are at least 1000 feet away from residential occupied or zoned property or other sensitive receptor.

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3. Minimize all traffic, beyond just heavy-duty truck traffic, by limiting the use of the "D" Street entrance to only local residents.

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4. Increase the required distance from any on-site fueling stations to residential occupied or zoned property or other sensitive receptor from 250 feet to 1,000 feet. 13

**Closing**

ARB staff appreciated the opportunity to comment on the draft EIR. Given the scale of the facility and the risk associated with the increase in diesel PM from the Project, it is critical that the draft EIR and Specific Plan incorporate the use of advanced technologies as they become available. We are pleased 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. If you have questions, please call me at (916) 324-0062 or contact Mr. Jack Kitowski, Assistant Division Chief, Stationary Source Division at (916) 445-6102 or jkitowsk@arb.ca.gov. 14

Sincerely,

Cynthia Marvin, Chief
Stationary Source Division

cc: Jack Kitowski
Assistant Division Chief
Stationary Source Division

State Clearinghouse #2012021045

## RESPONSES TO LETTER B-5

## California Air Resources Board

**Response to Comment B-5-1.** The commenter has accurately described the project characteristics related to truck emissions, although it should be noted there will be an alternative fueling station that will open during the first phase of development to serve trucks that use liquefied or compressed natural gas as vehicle fuel. It should be noted the Specific Plan area has been reduced from 2,710 acres to 2,610 acres (3.7 percent reduction) due to the removal of 100 acres in the southwest corner of the Specific Plan. This results in a reduction of 1 million square feet of logistics warehousing which is now 40.6 million square feet down 2.4 percent from the original 41.6 million square feet. The WLC implementation schedule was revised or extended from 10 to 15 years, so Phase 1 is now scheduled for completion in 2022 rather than in 2017, or from approximately 2015 to 2022, compared to the five-year time period assumed in the Draft Environmental Impact Report (DEIR) (i.e., 2012 to 2017). The second phase is scheduled for 2023 to 2030. Therefore, the quantitative impact analyses for 2017 in the original DEIR were eliminated in the revised DEIR (see Final (F) EIR Volume 2).

**Response to Comment B-5-2 and B-5-3.** The commenter suggested mitigation measure, as discussed below. Please see the Mitigation Monitoring Reporting Program (FEIR Volume 1) for a list of the mitigation measures.

| Suggested Mitigation Measure | Response |
|---|---|
| Emerging zero-emission technology for the equipment that would serve the facility should be implemented. The project should support development of this technology. | **Partially Included.** The project requires non-diesel emergency generators, forklifts, and service equipment. Please also refer to Master Response-3, Zero Emission and Hybrid Electric Trucks, Vehicles, and Equipment. |

**Response to Comment B-5-4.** The commenter has accurately summarized the project information presented in the DEIR. Also refer to Response to Comment B-5-1 for changes made to the size and phasing of the proposed project.

**Response to Comment B-5-5.** The commenter presents a summary of the scenarios in the DEIR.

The cancer risks as estimated in the DEIR are located in Table 4.3.AB for locations in the residential areas across Redlands Boulevard. The cancer risks were recalculated in the revised air quality analysis (FEIR Volume 2 Appendix D) and FEIR (Volume 2 Section 4.3 Air Quality) based on the revised construction and occupancy schedule, new traffic volumes, and realignment of roadways. Please refer to the FEIR and/or Master Response-1.

**Response to Comment B-5-6.** The commenter has accurately summarized the conclusions of the DEIR relative to the original proposed project and its emission of greenhouse gases. Refer to Response to Comment B-5-1 indicating the reduction in the size of the proposed project. In addition the phasing of the project has changed.

**Response to Comment B-5-7.** The commenter states the World Logistics Center (WLC) will increase the health risk in the immediate area and should use all available zero-emission technology. As discussed in Section 4.3 of the EIR and Master Response-1 and Master Response-2, the project will not increase health risk in the immediate area. Nonetheless, the WLC Specific Plan (SP) proposes an alternative fueling station that will open during the first phase of development to serve trucks that use liquefied or compressed natural gas as vehicle fuel. In addition, future development under the WLCSP will comply with vehicle fleet fuel requirements at the time of development approval. However, the project will support a variety of future users which are unknown at this time,

so it is not possible to specify or require future users to have zero emission or alternative fuel fleets since most logistics companies use independent contractors and truck drivers rather than maintain their own fleets.

Finally, it should be noted that the project has committed under various mitigation measures to requiring the most stringent levels of emission mitigation under existing emission control regulations including the use of Model Year 2010 engine diesel trucks and Tier 4 off-road construction equipment.

**Response to Comment B-5-8.** The commenter discusses the particulate matter (PM) emissions. Refer to the updated air quality and health risk assessment for a refinement of the PM and cancer risk values (FEIR Volume 2 Appendix D).

The commenter recommends actions to support the development, demonstration, and deployment of zero- and near-zero emission technology. The commenter believes the technologies are feasible within the build-out years of the project. However, as discussed in Master Response: Zero Emission and Hybrid Electric Trucks, Vehicles, and Equipment in Response to Comment Letter C-3, those technologies are not feasible for the project.

The commenter suggested mitigation measures, as discussed below.

| Suggested Mitigation Measure | Response |
|---|---|
| 1. From the onset, require that all medium-heavy and heavy-heavy duty trucks, including and alternative fuel vehicles, meet or exceed the 2010 emission standards. | **Already Included.** This was a project design feature in the DEIR and is now part of MM 4.3.6.3B. |
| 2. As it becomes available, require that trucks traveling between the Center and any ports or rail yards within 100 miles use zero/near zero technology. | **Not Included.** See Master Response: Zero Emission and Hybrid Electric Trucks, Vehicles, and Equipment in Response to Comment Letter C-3. |
| 3. Require, to the greatest extent possible, onsite service vehicles and equipment use zero emission technology, and if zero-emission technology is unavailable, that all vehicles and equipment meet the cleanest applicable emission standard. | **Partially Included.** Low-emission and zero-emission technologies are required for onsite equipment, as stated in Specific Plan Section 12.3: "The use of diesel-powered service yard vehicles (yard goats, etc.) is prohibited at all times within the Specific Plan area. Pallet jacks, forklifts, and other onsite equipment used during building operation (indoors or outdoors) shall be powered by electricity, natural gas, propane, or other non-diesel fuel." The commenter requests that onsite service vehicles also have zero emission technology; however, it is not feasible to require this as discussed in Master Response: Zero Emission and Hybrid Electric Trucks, Vehicles, and Equipment in Response to Comment Letter C-3. |
| 4. Require, when available, the use of zero-emission property maintenance equipment. | **Partially Included.** As a project design feature, the forklifts will be fueled by alternative fuel. In addition, Mitigation Measure 4.3.6.3B requires that the yard trucks be powered by alternative fuel. The landscaping equipment emissions are negligible as estimated by the CalEEMod land use emission model; therefore, according to the emissions analysis, it is not necessary to implement zero-emission landscaping |

| Suggested Mitigation Measure | Response |
|---|---|
| | equipment. The WLCSP Section 12.4 requires that electric power sources will be provided both indoor and outdoor to accommodate electric property maintenance equipment. |

**Response to Comment B-5-9.** The commenter suggested mitigation measures, as discussed below.

| Suggested Mitigation Measure | Response |
|---|---|
| Mitigation measure 4.3.6.2A should require the use of electric construction tools, when available and feasible, rather than just provide electrical hookups. | **Incorporated.** This language is incorporated in MM 4.3.6.2A. |
| Require all construction fleets be in compliance and monitor compliance with current air quality regulations for off-road equipment. | **Incorporated.** This language is incorporated in MM 4.3.6.2A. |
| Mitigation measure 4.3.6.3B should require all tenants be in compliance and monitor compliance with all current air quality regulations for on-road trucks including ARB's Heavy-Duty Greenhouse Gas Regulation and Truck and Bus Regulation. | **Incorporated.** This language is incorporated in MM 4.3.6.3B. |

**Response to Comment B-5-10.** The commenter suggested a mitigation measure, as discussed below.

| Suggested Mitigation Measure | Response |
|---|---|
| The developer, Highland Fairview, or the City of Moreno Valley provide incentives for tenants to encourage the use of alternative modes of commuting by their employees including, but not limited to, active transportation, public transportation, car pool, and the use of zero-emission vehicles. These same methods of transportation should be strongly encouraged or required for movement within the Center area. | **Already Included.** MM 4.3.6.4A requires that tenants participate in Riverside County's rideshare program, which encourages carpooling and public transportation. In addition, all tenants will need to comply with the requirements of South Coast Air Quality Management District (SCAQMD) Rule 2202, which accomplishes the same goals as requested by the commenter. |

**Response to Comment B-5-11.** Shifting the land use designation from LD to LL along the west side of the project would have no effect on the presence of diesel trucks and equipment in that area. Neither designation includes any restriction on the type of vehicles that can access future buildings.

The Specific Plan provides for a 250-foot setback for buildings and truck access/parking facilities from adjacent residential zoned areas.

The commenter suggested a mitigation measure, as discussed below:

| Suggested Mitigation Measure | Response |
|---|---|
| Shift the proposed development along the west side of the project area to focus on light logistics or other uses to ensure that any operations of diesel trucks or equipment are at least 1,000 feet away from residential occupied or zoned property or other sensitive receptor. | **Not Included.** Please refer to Master Response-4 in the Response to Comment Letter C-3 concerning the 1,000 foot buffer. |

**Response to Comment B-5-12.** The commenter recommends limiting use of the Street D entrance (now renamed the Cactus Avenue Extension) to local residents only, as a means to minimize traffic.

Section 21101.6 of the California Vehicle Code states that local authorities may not place gates or other selective devices on any street which deny or restrict the access of certain members of the public to the street, while permitting others unrestricted access to the street. Local authorities may prohibit vehicles based on size (weight or height) as is being proposed for the Cactus Avenue Extension, but they cannot limit access to a public street based on the residence of the driver. On that basis, heavy trucks would be prohibited from using the Cactus Avenue Extension.

The commenter suggested a mitigation measure, as discussed below:

| Suggested Mitigation Measure | Response |
|---|---|
| Minimize all traffic, beyond just heavy-duty truck traffic, by limiting the use of the "D" street entrance to only local residents. | **Not Included.** The Cactus Street extension is a public street. While the project does place restrictions on heavy-duty vehicles, prohibiting use of the street, the City cannot limit street access to only nearby residents. In addition, there is no way to distinguish among light vehicles those that are operated by local residents as opposed to nearby communities like Lake Perris. As a result, the proposed limitation is infeasible. |

**Response to Comment B-5-13.** Any on-site fueling station is a "stationary source" under AQMD rules and as such, will be subject to all applicable rules and regulations regarding layout and design at such time as a specific site is selected and a project is proposed. In addition to AQMD rules, any proposed fueling station will be subject to a discretionary Plot Plan process which will evaluate the specific design and any potential impacts on nearby uses. No significant impact has been identified and therefore no specific mitigation is required.

The commenter suggested a mitigation measure, as discussed below.

| Suggested Mitigation Measure | Response |
|---|---|
| Increase the required distance from any onsite fueling stations to residential occupied or zoned property or other sensitive receptor from 250 feet to 1,000 feet. | **Partially Included.** The proposed onsite fueling station shall be placed a minimum of 1,000 feet from any offsite residential occupied or zoned property or other sensitive receptors pursuant to MM 4.3.6.3C. As a stationary source, rules established by the SCAQMD will determine the location and controls placed on the facility to ensure that there is no impact on residential areas. |

**Response to Comment B-5-14.** The commenter summarized their earlier comments and recommendations. Future development within the WLCSP may take advantage of alternative fuel or zero emission vehicles, and will comply with all fleet and/or fuel requirements at the time of development approval in the future. The project will support a variety of future users which are unknown at this time, so it is not possible to require future users to have zero emission or alternative fuel fleets since most logistics companies use independent contractors and truck drivers rather than maintain their own fleets.

## Letter B-6: Santa Ana Regional Water Quality Control Board (April 25, 2013)