CALIFORNIA
AIR RESOURCES BOARD

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June 13, 2019

Ryan Hostetter
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City of Santa Maria
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Dear Ryan Hostetter:

Thank you for providing California Air Resources Board (CARB) staff the opportunity to comment on the Lineage Logistics/SunOpta Facility Expansion Conditional Use Permit Project (Project) Initial Study and Mitigated Negative Declaration (IS/MND), State Clearinghouse No. 2019059072. The Project would expand an existing 254,831 square-foot produce processing facility by installing a new 145,316 square-foot freezer using an anhydrous ammonia refrigeration system, an 11,434 square-foot engine room, a 9,870 square-foot main office, and 3,302 square-foot dock and office. The Project is located within the City of Santa Maria (City), which is the lead agency for California Environmental Quality Act (CEQA) purposes.

Existing residences are located approximately 350 feet from the Project's northeastern boundary. In addition to residences, there is a high school (Santa Maria High School), four elementary schools (Liberty Elementary, Roberto and Dr. Francisco Jimenez Elementary, Adam Elementary, and Sanchez Elementary), and a day care center (Community Action Commission) located within a mile of the Project. A future residential planned development is proposed approximately 125 feet east of the Project. The communities near the Project are surrounded by existing toxic diesel emission sources, which include existing warehouses and other industrial uses, vehicular traffic along U.S. Highway 101 (US-101), as well as aircraft operations at the Santa Maria Public Airport and the Central Coast Jet Center. Due to the Project's proximity to residences, schools, and a day care facility already disproportionately burdened by multiple sources of pollution, CARB staff 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 emissions generated during the construction and operation of the Project would negatively impact

the community, which is already disproportionally impacted by air pollution from existing freight facilities.

Lead agencies may only adopt mitigated negative declarations if the "initial study shows that there is no substantial evidence, in light of the whole record before the agency that the project, as revised, may have a significant effect on the environment". (14 CCR section 15070(b)(2).) CARB staff is concerned that the City's current IS/MND does not meet this threshold. In an effort to ensure that the Project will not have a significant effect on the environment, CARB staff has reviewed the IS/MND and has the following comments:

1. Since the existing facility currently contains cold storage space, a large percentage of the trucks serving the facility are expected to be equipment with transport refrigeration units (TRU). Residences and other sensitive receptors (e.g., day care facilities, senior care facilities, and schools) located near trucks equipped with TRUs would be exposed to high diesel particulate matter (PM) emissions resulting in a significant health impacts. According to Table 2 (Project Trips) of the IS/MND, the existing operation of the Project results in 166 average daily truck trips during the harvest season and 60 average daily truck trips during the off-season. Although the project would result in the addition of 169,922 square feet of freezer, dock, and office space, Table 2 of the IS/MND indicates that there would be no increase in truck trips above existing levels.

   CARB staff finds it difficult to understand how the Project would not result in a net increase in truck trips after the cold storage capacity of the existing freezer and production processing facility is increased by more than 50 percent. If the applicant does not plan to increase the number of trucks with TRUs entering the facility beyond the existing baseline, CARB staff urges the City to condition the Project restricting the number of trucks entering and leaving the facility to what is specified in the IS/MND. If the facility does intend to increase the number of truck trips and the number of TRUs operating within the facility, the City should revise the IS/MND and quantify the baseline emissions rates and proposed emissions rates of nitrogen oxides (NO_x) and diesel PM, as well as cancer risks, as required under CEQA.

2. Since the IS/MND did not quantify or discuss potential cancer risks at residential communities located near the Project, CARB staff believes the City should prepare a health risk assessment (HRA) for the Project. The HRA should quantify cancer risks assuming a conservative percentage of the truck fleet serving the Project during both the harvest and off-season are equipped with TRUs. Significant numbers of TRU-equipped trucks often congregate at facilities, like the proposed Project, resulting in potentially high diesel PM emissions from the TRU engines. The HRA should be based on the latest OEHHA guidance (2015 Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments).[1]

3. The Project's HRA should include an existing baseline (current conditions) and future baseline without the Project, and the future conditions 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 all baselines, the public and City planners will have a complete understanding of the potential health impacts that would result from the Project. These include the impacts from the loss of expected emission reductions as truck fleets turn over to cleaner models.

4. The Project's air quality and health impacts were modeled using CARB's 2014 Emission Factors model (EMFAC2014). Project-related air pollutant emissions from mobile sources should be modeled using CARB's latest EMFAC2017. One of the many updates made to EMFAC included an increase in the model's heavy-duty emission rates and idling emission factors to better reflect the deterioration of the emission controls, which resulted in higher PM emissions as compared to EMFAC2014. Since EMFAC2017 generally shows higher PM emissions from trucks than EMFAC2014, CARB staff is concerned that the Project's mobile source NO_x and diesel PM emissions are underestimated.

CARB staff is concerned with the conclusions found in the air quality section of the IS/MND. The City did not quantify or evaluate the Project's health risk impact on neighboring communities. In addition, the air pollutant emissions reported in the IS/MND did not estimate air pollutant and cancer risks under baseline conditions and full build-out of the freezer and processing facility. As a result, the IS/MND did not account for potential air quality impacts associated with the existing and future operation of TRUs. In this case, the IS/MND does not assess the air quality and health risk impacts from the Project adequately. Without proper analysis, it is impossible to understand the Project's air quality impacts and the resulting health risk to nearby communities. The

[1] 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/crnr/2015guidancemanual.pdf

City must adequately account for all sources that may contribute to operational emissions, and clearly articulate, supported by substantial evidence, the foundation and calculations used to assess the effectiveness of mitigation measures.

As it stands, the IS/MND does not meet the bare legal minimum of serving as an adequate informational document relative to informing decision makers and the public that there is no substantial evidence[2] in the record that the Project, as revised, may have a significant effect on the environment. (See Sierra Club v. County of Fresno (2018) 6 Cal.5th 502, 520.) CARB staff believes that there would be substantial evidence in the record to find that the Project may have a significant effect on the environment if the air quality impact analysis used EMFAC2017 to better estimate the Project's mobile source diesel PM and NO_x emissions, and accounted for diesel PM and NO_x emissions from increased TRU operation. In this event, the City would be required to prepare a full Environmental Impact Report (EIR) for the Project under the "fair argument" standard. (See No Oil, Inc. v. City of Los Angeles (1974) 13 Cal.3d 68, 83.)[3]

CARB staff recommends that the City revise the air quality section and prepare an HRA for the Project and recirculate the IS/MND for public review. Should the updated and recirculated IS/MND find, after adequately addressing informational deficiencies noted in this letter, that there is substantial evidence in the record to support a fair argument that the Project may have a significant effect on the environment, the City must prepare and circulate a draft EIR for public review, as required under CEQA.

In addition to the concerns listed above, CARB staff 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. CARB staff appreciates the opportunity to comment on the IS/MND for the Project and can provide assistance on zero-emission technologies and emission reduction strategies, as needed.

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[2] "Substantial evidence" is defined, in part, as "enough relevant information and reasonable information that a fair argument can be made to support a conclusion, even though other conclusions might also be reached.... Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts." (14 CCR §15384)

[3] The adequacy of an IS/MND is judicially reviewed under the "fair argument" standard should a party challenge the lead agencies CEQA determination. Under this standard, a negative declaration is invalid if there is substantial evidence in the record supporting a fair argument that a project may have a significant effect on the environment. (*Gentry v. City of Murrieta* (1995) 36 Cal.App.4th 1359, 1399.) This is the case "even though [the lead agency] may also be presented with other substantial evidence that the project will not have a significant effect." (CEQA Guidelines, Title 14 CCR section 15064(f)(1).) (emphasis added)

The CEQA Act places the burden of environmental investigation on the public agency rather than on the public. If a lead agency does not fully evaluate a project's environmental consequences, it cannot support a decision to adopt a negative declaration by asserting that the record contains no substantial evidence of a significant adverse environmental impact. (Sundstrom v. County of Mendocino (1988) 202 Cal.App.3d 296, 311.) If a lead agency does not study a potential environmental impact, a reviewing court may find the existence of a fair argument of a significant impact based on limited facts in the record that might otherwise not be sufficient to support a fair argument of a significant impact.
(Sundstrom v. County of Mendocino (1988) 202 Cal.App.3d 296, 311.)

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

Richard Boyd, Chief
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Attachment

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ATTACHMENT A

Recommended Air Pollution Emission Reduction Measures for Warehouses and Distribution Centers

California Air Resources Board (CARB) staff 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 recommend by CARB staff, 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 onsite. Necessary infrastructure may include the physical (e.g., needed footprint), energy, and fueling infrastructure for construction equipment, onsite 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-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 staff 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 years 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 staff 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 onsite.

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 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 today, expedite a transition to zero-emission vehicles, and be fully zero-emission beginning in 2030.

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[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 five minutes while onsite.

10. Include contractual language in tenant lease agreements that limits onsite 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.

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[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/hdvip/hdvip.htm.

[5] The regulation requires newer heavier trucks and buses must meet PM filter requirements beginning January 1, 2012. Lighter and older heavier trucks 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.