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Draft Environmental Impact Report (EIR) for the Proposed Banning Commerce Center Project (Proposed Project) (SCH No.: 2022090102)

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The City of Banning is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. To provide context, South Coast AQMD staff (Staff) has provided a brief summary of the project information and prepared the following comments organized by topic of concern.

South Coast AQMD Staff's Summary of Project Information in the Draft EIR

Based on the Draft EIR, the Proposed Project will develop an approximately 1,320,284 square feet (sq. ft) industrial building on a 131.28-acre site.[1] The Proposed Project will consist of approximately 640,200 sq. ft of warehousing and approximately 640,200 sq. ft of high-cube fulfillment uses.[2] The Proposed Project will provide an unspecified number of dock doors on the northwest and southeast faces of the building,[3] and is expected to generate 524 daily truck trips.[4] The Proposed Project site is currently vacant, with mostly undeveloped land, and is located north of Interstate I-10, west of vacant land and the California Highway Patrol Banning West Weigh Station, and south and east of vacant lands.[5] Based on aerial photographs, Staff found that the nearest sensitive receptors (e.g., residential) are approximately 400 feet west of the Proposed Project site. Construction is anticipated to occur over 18 months, beginning in Spring 2024 and ending in Winter 2025.[6]

South Coast AQMD Staff's Comments on the Draft EIR

Warehouse Cold Storage Land Use and Associated Emissions from Transport Refrigeration Units (TRU)

The project description in the Draft EIR does not specify whether the Proposed Project intends to include cold storage usage; it only mentions that approximately 640,200 sq. ft would be for

[1] Draft EIR. p. 3-6.
[2] *Ibid*.
[3] *Ibid*. p. 3-7.
[4] *Ibid*. p. 4.7-19.
[5] *Ibid*. p. 3-1.
[6] *Ibid*. p. 3-9.

warehousing and approximately 640,200 sq. ft for high-cube fulfillment uses.[7] However, the Draft EIR discusses the trip generation[8] based on the following Institute of Transportation Engineers (ITE) land use categories, which include cold storage:

- ITE Land Use 150 - Warehousing: 396 daily truck trips.
- ITE Land Use 155 - High-Cube Cold Fulfillment Center: 128 daily truck trips.

The inconsistency that occurs between the Proposed Project's description and trip generation analysis may also result in the underestimation of total emissions from the Proposed Project's analysis in the California Emissions Estimator Model (CalEEMod) run (the Lead Agency utilized CalEEMod for quantifying the operational emissions). Based on the CalEEMod output files, 524 daily truck trips are entered under the "unrefrigerated warehouse-no rail" land use type. Cold storage warehouses utilize more trucks and trailers equipped with TRUs than warehouses without cold storage. The small diesel engines that are commonly used to provide power to TRUs generate large quantities of diesel exhaust emissions while operating.

As a result, Staff recommends the Lead Agency revise the project description in the Final EIR to clarify and explicitly state whether cold storage facilities are part of the Proposed Project and, if applicable, provide an estimate of the number of TRU trucks and trailers associated with the operation of this warehouse(s). If there are potential uses for TRUs, the Lead Agency is recommended to revise the calculations in the Final EIR to quantify the emissions from the TRUs in addition to the operational truck emissions and the health risk assessment (HRA) modeling.

Inconsistency in Land Use Type and Truck Trips Generation Associated with the Operation

a. Land Use Type

In Appendix K1 – Traffic Impact Analysis, the trip generation is calculated in accordance with the land use categories ITE 150 – Warehousing and ITE 157 – High-Cube Cold Storage Warehouse.[9] However, different land use categories were relied upon to calculate the trip generation in the Draft EIR. Table A shows the discrepancies between Draft EIR and Appendix K1.

Table A – Land Use Type Associated with Truck Trips Generation

	Draft EIR[10]	**Appendix K1**
Land Use Type	ITE 150 ITE 155	ITE 150 ITE 157

In addition, the Draft EIR's project description states that the analysis was based on an even split of dedicating 640,200 sq. ft for warehousing uses, and approximately 640,200 sq. ft for high-cube fulfillment uses.[11]. However, Appendix K1 presents different percentages in terms of warehouse size (e.g., 75% and 25%, respectively). For context, Figure 1 is a screenshot that captures the analysis in Appendix K1.

[7] *Ibid*. Page 3-6.
[8] *Ibid*. Page 4.7-19.
[9] Appendix K1 – Traffic Impact Analysis. Tables 1 and 2. Pages 1.1-18 and 1.1-19.
[10] *Ibid*. Page 4.7-19.
[11] *Ibid*. Page 3-6.

Figure 1: Screenshot Capture from Appendix K1

TABLE 2: PROJECT TRIP GENERATION SUMMARY (ACTUAL VEHICLES)

			AM Peak Hour			PM Peak Hour			
Land Use	Quantity	Units[1]	In	Out	Total	In	Out	Total	Daily
Actual Vehicles:									
Warehousing (75%)	990.000	TSF							
Passenger Cars:			119	30	149	34	114	149	1,100
2-axle Trucks:			2	1	3	3	2	5	100
3-axle Trucks:			2	2	4	3	3	6	124
4+-axle Trucks:			7	5	12	10	9	19	372
Total Truck Trips (Actual Vehicles):			11	8	19	16	14	30	596
Total Trips (Actual Vehicles)[2]			130	38	168	50	128	179	1,696
High-Cube Cold Storage (25%)	330.000	TSF							
Passenger Cars:			25	1	26	6	23	29	452
2-axle Trucks:			1	2	3	2	2	4	86
3-axle Trucks:			0	1	1	1	0	1	28
4+-axle Trucks:			2	4	6	3	3	6	134
Total Truck Trips (Actual Vehicles):			3	7	10	6	5	11	248
Total Trips (Actual Vehicles)[2]			28	8	36	12	28	40	700
Passenger Cars			144	31	175	40	137	178	1,552
Trucks			14	15	29	22	19	41	844
Total Trips (Actual Vehicles)[2]			**158**	**46**	**204**	**62**	**156**	**219**	**2,396**

[1] TSF = thousand square feet

[2] Total Trips = Passenger Cars + Truck Trips.

The discrepancy in the assumptions of warehouse size could possibly affect the operational emissions analysis as the trip rates and trip generations are associated with the size. Moreover, this discrepancy could, in turn, result in different daily truck trips, affecting operational emissions and HRA results.

b. Truck Trip Generation

Staff found that the Proposed Project trip generation values presented in Appendix K1 are entirely different from the daily truck trips presented in the Draft EIR and CalEEMod output files. For context, Table B shows the differences between the number of truck trips reported in the Draft EIR, CalEEMod output files, and Appendix K1.

Table B – Discrepancies in Number of Truck Trips Reported in the Proposed Project's CEQA Documents

Land use	Draft EIR[12]	CalEEMod[13]	Appendix K1[14]
Unrefrigerated Warehouse	396	524	596
Cold Storage	128	--	248

Due to the substantial inconsistencies in these files, the Lead Agency is recommended to make the following revisions in the analysis: 1) identify and apply the correct land use type in the truck trip generation calculations; 2) ensure the project description matches the assumptions used in the

[12] *Ibid*. p. 4.7-19.

[13] Appendix B1 – Air Quality Assessment. CalEEMod Output File. pp. 72/85 and 73/85.

[14] Appendix K1 – Traffic Impact Analysis. Table 2. p. 1.1-19.

analysis (e.g., land use type size); 3) clarify the number of trucks and TRUs trucks (for cold storage); 4) re-evaluate the operational emissions associated with those trucks in the air quality and HRA analysis, and update all the corresponding appendices, and include the updated information in the Final EIR.

Cumulative Impacts during Operation

CEQA Guidelines Section 15355 defines cumulative impacts as two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts, and the individual effects may be changes resulting from a single project or a number of separate projects. In addition, CEQA Guidelines Section 15130 requires an EIR to include a discussion that examines whether a project's incremental impacts are cumulatively considerable. The Draft EIR for the Proposed Project does not appear to analyze the potential cumulative impacts from another warehouse project that is located within the vicinity of the Proposed Project and is currently undergoing CEQA review by the Lead Agency.[15]

Specifically, according to the City of Banning's website, this other project plans to develop a similar-sized warehouse, approximately 1,420,722 sq. ft,[16] that would generate 313 additional daily truck trips.[17] If both projects are approved by the Lead Agency, the total potential cumulative effects from the additional daily diesel truck trips that would be generated from both projects would be 837 (e.g., 524 and 313 daily truck trips associated with the Proposed Project and the other project, respectively). Moreover, these additional 837 trucks would pass by sensitive receptors (e.g., residents west of Hathaway Street) daily. It is also noteworthy that Union Pacific Railroad (UPRR) and Banning Municipal Airport, each with substantial existing vehicle and truck traffic, are located south of the Proposed Project. In light of all of these combined factors, the area would be exposed to increased concentrations of air toxics, particularly diesel particulate matter (DPM), within the City of Banning.

Therefore, South Coast AQMD staff recommends that, at minimum, the Lead Agency include a qualitative analysis that considers the potential cumulative impacts of air toxics by listing all surrounding past, present, and probable future projects within the vicinity of the Proposed Project. In light of the large increase in daily truck trips, the Lead Agency may also perform a more detailed and robust quantitative analysis of cumulative air toxic and potential health risk implications to be included in the Final EIR.

Potential Operational Emissions from Railroad and Airport

It is unclear if the Proposed Project plans to utilize the UPRR and/or the Banning Municipal Airport for goods movement as part of its operation. In the event the UPRR and/or Banning Municipal Airport transportation services are utilized during the Proposed Project's operation phase, it is possible that the operational emissions in the Draft EIR are underestimated. Thus, the Lead Agency is recommended to revise the operational emissions and include those coming from

[15] City of Banning, First Hathaway Logistics Project, SCH No. 2022040441. Available at https://engagebanning.civilspace.io/en/projects/first-hathaway-logistics.

[16] City of Banning, First Hathaway Logistics Project, SCH No. 2022040441. Draft EIR. Page 3.2-1. Available at https://www.banningca.gov/DocumentCenter/View/14407/First-Hathaway-Logistics-Project-Draft-EIR.

[17] City of Banning, First Hathaway Logistics Project, SCH No. 2022040441. Draft EIR. Page 4.2-32. Available at https://www.banningca.gov/DocumentCenter/View/14407/First-Hathaway-Logistics-Project-Draft-EIR.

UPRR and/or Banning Municipal Airport. If UPRR and Banning Municipal Airport are not part of the Proposed Project's operation, Staff recommends the Lead Agency clarify this in the Final EIR.

Additional Recommended Air Quality and Greenhouse Gases Mitigation Measures and Project Design Considerations

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. To further reduce the Proposed Project's air quality impacts, South Coast AQMD recommends incorporating the following mitigation measures and project design considerations into the Final EIR.

Mitigation Measures for Operational Air Quality Impacts

Mobile Sources

1. Require zero-emission (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.

   Note: 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 Rule and the Heavy-duty Low NOx Omnibus Regulation, ZE and NZE trucks will become increasingly more available to use.

2. Require a phase-in schedule to incentivize the use of cleaner operating trucks to reduce any significant adverse air quality impacts.

   Note: South Coast AQMD staff is available to discuss the availability of current and upcoming truck technologies and incentive programs with the Lead Agency.

3. Limit the daily number of trucks allowed at the Proposed Project to levels analyzed in the Final EIR. If higher daily truck volumes are anticipated to visit the site, the Lead Agency should commit to re-evaluating the Proposed Project through CEQA prior to allowing this higher activity level.

4. Provide electric vehicle (EV) charging stations or, at a minimum, provide electrical infrastructure, and electrical panels should be appropriately sized. Electrical hookups should be provided for truckers to plug in any onboard auxiliary equipment.

Other Area Sources

1. Maximize the use of solar energy by installing solar energy arrays.

2. Use light-colored paving and roofing materials.

3. Utilize only Energy Star heating, cooling, and lighting devices and appliances.

Design Considerations for Reducing Air Quality and Health Risk Impacts

1. Clearly mark truck routes with trailblazer signs so that trucks will not travel next to or near sensitive land uses (e.g., residences, schools, daycare centers, etc.).

2. Design the Proposed Project such that truck entrances and exits are not facing sensitive receptors and trucks will not travel past sensitive land uses to enter or leave the Proposed Project site.

3. Design the Proposed Project such that any truck check-in point is inside the Proposed Project site to ensure no trucks are queuing outside.

4. Design the Proposed Project to ensure that truck traffic inside the Proposed Project site is as far away as feasible from sensitive receptors.

5. Restrict overnight truck parking in sensitive land uses by providing overnight truck parking inside the Proposed Project site.

Lastly, the South Coast AQMD also suggests that the Lead Agency conduct a review of the following references and incorporate additional mitigation measures as applicable to the Proposed Project in the Final EIR:

1. State of California – Department of Justice: Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act[18]

2. South Coast AQMD 2022 Air Quality Management Plan,[19] specifically:
   a) Appendix IV-A – South Coast AQMD's Stationary and Mobile Source Control Measures
   b) Appendix IV-B – CARB's Strategy for South Coast
   c) Appendix IV-C – SCAG's Regional Transportation Strategy and Control Measure
3. United States Environmental Protection Agency (U.S. EPA): Mobile Source Pollution - Environmental Justice and Transportation.[20]

[18] State of California – Department of Justice, Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act. Available at: https://oag.ca.gov/system/files/media/warehouse-best-practices.pdf

[19] South Coast AQMD, 2022 Air Quality Management Plan (AQMP). Available at: http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan

[20] United States Environmental Protection Agency (U.S. EPA), Mobile Source Pollution - Environmental Justice and Transportation. Available at: https://www.epa.gov/mobile-source-pollution/environmental-justice-and-transportation

South Coast AQMD Air Permits and Role as a Responsible Agency

If implementation of the Proposed Project would require the use of new stationary and portable sources, including but not limited to emergency generators, fire water pumps, boilers, spray booths, etc., air permits from South Coast AQMD will be required, and the role of South Coast AQMD would change from a Commenting Agency to a Responsible Agency under CEQA. In addition, if South Coast AQMD is identified as a Responsible Agency, per CEQA Guidelines Sections15086, the Lead Agency is required to consult with South Coast AQMD. CEQA Guidelines Section 15096 sets forth specific procedures for a Responsible Agency, including making a decision on the adequacy of the CEQA document for use as part of evaluating the applications for air permits. For these reasons, the Final EIR should include a discussion about any new stationary and portable equipment requiring South Coast AQMD air permits and identify South Coast AQMD as a Responsible Agency for the Proposed Project.

The Final EIR should also include calculations and analyses for construction and operation emissions for the new stationary and portable sources, as this information will also be relied upon as the basis for the permit conditions and emission limits for the air permit(s). Please contact South Coast AQMD's Engineering and Permitting staff at (909) 396-3385 for questions regarding what types of equipment would require air permits. For more general information on permits, please visit South Coast AQMD's webpage at: http://www.aqmd.gov/home/permits.

Conclusion

As set forth in California Public Resources Code Section 21092.5(a) and CEQA Guidelines Section 15088(a-b), the Lead Agency shall evaluate comments from public agencies on the environmental issues and prepare a written response at least 10 days prior to certifying the Final EIR. As such, please provide South Coast AQMD written responses to all comments contained herein at least 10 days prior to the certification of the Final EIR. In addition, as provided by CEQA Guidelines Section 15088(c), if the Lead Agency's position is at variance with recommendations provided in this comment letter, detailed reasons supported by substantial evidence in the record to explain why specific comments and suggestions are not accepted must be provided.

Thank you for the opportunity to provide comments. 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 Danica Nguyen, Air Quality Specialist, at dnguyen1@aqmd.gov should you have any questions.

Sincerely,

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