

SENT VIA E-MAIL:

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<u>Notice of Availability of a Draft Environmental Impact Report for the</u> <u>Distribution Park Commercial and Industrial Project - SPA 22-05380, TPM</u> <u>38730, DPR 22-00037, DPR 22-00038 (Proposed Project)</u>

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

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

Based on the Draft EIR, the project consists of constructing a 271,098 square foot non-refrigerated industrial warehouse building for the storage of non-perishable goods with 34 truck loading docks and 78 truck parking spaces, a 52,000 square foot hotel, and two sit-down restaurants on 17.1 acres.¹ Based on a review of aerial photographs, the nearest sensitive receptor, a residential mobile home park, is located to the west across Painted Canyon Street.² Construction of the Proposed Project is anticipated in Phase I, beginning in late 2024, with completion expected in 2025.³ Phase II construction would start in 2025 and be completed in 2026. The project is located north of East Dawes Street, east of Painted Canyon Street, south of Ramona Expressway, and west of the Camper Resorts of America facility.⁴

South Coast AQMD Staff's Comments

Overlapping Construction and Operational Activities

As stated in the Draft EIR, the Project would be constructed in four phases: 1) 4,000 square-foot restaurant and on- and off-site improvements; 2) 271,098-square-foot warehouse building and related improvements; 3) hotel and related on-site improvements; and 4) 5,000 square foot restaurant. Phase I would first be constructed in late 2024, with completion anticipated in 2025. Phase II construction would begin in 2025 and be completed in 2026. Phase I is scheduled to commence in late 2024 and is expected to be completed by 2025. Phase II will begin in 2025 and

¹ Distribution Park Commercial and Industrial Project Draft EIR. Page 15.

² *Ibid.* Page 130.

³ *Ibid.* Page 89.

⁴ *Ibid.* Page 15.

is anticipated to be finished by 2026. However, the document does not specify whether construction activities will overlap with operational activities, and the Draft EIR does not analyze the scenario of overlapping construction and operational activities. Therefore, South Coast AQMD staff recommends that the Lead Agency revise the air quality analysis section to consider the overlapping construction and operation. The estimated overlapped emissions should then be compared to South Coast AQMD's regional air quality CEQA operational thresholds to determine their level of significance, which should be included in the Final EIR. If the overlapped emissions analysis is not included in the Final EIR, the Lead Agency should provide reasons for not having them supported by substantial evidence in the record.

Inconsistencies and Incorrect Information in Emission Calculations

According to Appendix B - Air Quality Impact Analysis, the Lead Agency utilizes the California Emissions Estimator Model (CalEEMod) version 2020.4.0 to analyze the Proposed Project's regional and localized construction and operational emissions. The findings are presented in Tables 5 to 11. Some slight inconsistencies exist between the CalEEMod output files (Construction Emissions by Year, Mitigated) and the estimated maximum mitigated daily construction emissions presented in Table 5. For instance, the total mitigated emissions of nitrogen oxides (NOx) during construction for the Year 2024 in the CalEEMod output tables show 42.1 pounds per day (lbs/day) (see p. 88) while Appendix B - Air Quality Impact Analysis shows the total NOx emissions during construction as 36.0 lbs/day (see Table 5, p. 37). This slight difference between what was calculated using CalEEMod and what was presented in Appendix C must be addressed, and the Draft EIR should be revised accordingly.

Comprehensive Evaluation of Cancer Risks for Sensitive Receptors Near the Proposed Project Site Using AERMOD.

Based on a review of aerial photographs, several sensitive receptors have been observed on both sides adjacent to the Proposed Project site. However, upon thorough examination of the AERMOD files by South Coast AQMD staff, it was noted that only seven discrete Cartesian coordinates representing residential areas were identified as sensitive receptors in the vicinity of the project site. Analyzing the cancer risks for only these seven receptors may not be sufficient to represent all the residential areas around the Proposed Project site. This raises concerns about the potential underestimation of the cancer risks, especially for receptors near the Proposed Project site that may not have been adequately accounted for in the modeling. South Coast AQMD staff recommend that the Lead Agency re-evaluate the health risks impact using the AERMOD model, ensuring a comprehensive identification of all sensitive receptors near the Proposed Project site to accurately assess the cancer risks posed to the surrounding community.

Cumulative Impacts during Operation

As mentioned in Draft EIR, the project consists of constructing a 271,098 square foot nonrefrigerated industrial warehouse building for the storage of non-perishable goods, the Proposed Project is within the Perris Valley Commerce Center Specific Plan (PVCCSP) planning area.⁵ The PVCCSP was adopted by the City of Perris pursuant to a certified Environmental Impact

⁵ *Ibid*. Page 8.

Report (EIR) on 1/10/2012.⁶ Prior to certification of the PVCCSP, a Draft EIR was released for public review and comment between 7/20/2011 – 9/6/2011.⁷ During this public review period, the South Coast AQMD submitted a comment recommending that the Lead Agency include a more robust analysis of cumulative impacts in the Final EIR. Specifically, the South Coast AQMD asked that the lead agency revisit the estimated number of trucks projected to serve the site, provide additional analysis demonstrating that the project will not significantly impact sensitive receptors during operation and that it will not cause a significant air quality and air toxics impact, and to evaluate additional mitigation measures to further reducing any significant air quality and air toxics impacts. The PVCCSP has been revised and amended many times since 2012, and the most recent Perris Valley Commerce Center Specific Plan Amendment No. 12 was approved on January 11, 2022.⁸ However, the cumulative impacts from the revised projects in PVCCSP are not updated, and a robust analysis of cumulative air quality and air toxics impacts from the revised projects in PVCCSP is not included in the PVCCSP or this Draft EIR.

According to the City of Perris webpage under Planning – Environmental Documents for Public Review,⁹ other development projects are located near the Proposed Project site. Such as the Draft EIR for the OLC3 Ramona Expressway and Perris Boulevard Commercial Warehouse Project¹⁰ (prepared in September 2023), Ramona Gateway Project¹¹ (prepared in October 2022), IS/MND for Redlands Avenue East Industrial Project¹² (prepared in September 2022) and IS/MND for Development Plan Review 22-00008 project. Per CEQA Guidelines Section 15065(a)(3), South Coast AQMD staff is primarily concerned with the cumulative air quality impacts from increased concentrations of air toxics in the PVCCSP region. Pursuant to the California Environmental Quality Act (CEQA) which requires an analysis of direct, indirect, and cumulative impacts, South Coast AQMD has initiated a public process to develop additional guidance for evaluating cumulative air quality impacts from increased concentrations of air toxics for projects. Up to date, there have been 5 working group meetings (WGMs) allocating to proposed cumulative impact policy development. For more general information on the WGMs 1 to 5, please visit South Coast AQMD's webpage at https://www.aqmd.gov/home/rules-compliance/ceqa/ceqa-policy-development-(new).

Therefore, South Coast AQMD staff recommends that, at minimum, the Lead Agency perform a qualitative analysis to provide the potential cumulative impacts from air toxics in consideration by listing all surrounding past, present, and probable future projects. 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.

⁶ ORDINANCE NUMBER 1284.

Accessed at: https://www.cityofperris.org/home/showpublisheddocument/2923/637250482796800000

⁷ Perris Valley Commerce Center Specific Plan Final EIR. 9.0 Introduction, Public Review Summary. Page 9.0-1 Accessed at: <u>https://www.cityofperris.org/home/showpublisheddocument/2645/637455522835370000</u>

⁸ Perris Valley Commerce Center Specific Plan Amendment No. 12, approved January 11, 2022, available at <u>https://www.cityofperris.org/home/showpublisheddocument/2647/637799977032200000</u>

⁹ City of Perris. Planning – Environmental Documents. Access at: <u>https://www.cityofperris.org/departments/development-</u> services/planning/environmental-documents-for-public-review.

¹⁰ OLC3 Ramona Expressway and Perris Boulevard Commercial Warehouse Project: <u>https://www.cityofperris.org/home/showpublisheddocument/17150/638296920955929505</u>.

¹¹ Ramona Gateway Project:

https://www.cityofperris.org/home/showpublisheddocument/15530/638023987310626068

¹² Redlands Avenue East Industrial Project. Access at: <u>https://www.cityofperris.org/departments/development-</u> services/planning/environmental-documents-for-public-review/-folder-328

Rule 2305: Warehouse Indirect Source Rule - Warehouse Actions and Investments To Reduce Emissions (WAIRE) Program

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 AQMD to recover costs associated with Rule 2305 compliance activities. Since the Proposed Project consists of the development of a 427,224 square foot warehouse, the Proposed Project's warehouse owners and operators will be required to comply with Rule 2305 once the warehouse 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 obligation¹³. South Coast AQMD staff is available to answer questions concerning Rule 2305 implementation and compliance by phone or email at (909) 396-3140 or waireprogram@aqmd.gov. For implementation guidance documents and compliance and reporting tools, please visit South Coast AQMD's WAIRE Program webpage.¹⁴

South Coast AQMD Air Permits and Role as a Responsible Agency

If implementation of the Proposed Project requires the use of new stationary and portable sources, including but not limited to emergency generators (for the hotel building), fire water pumps (for the warehouse building), boilers, etc., air permits from South Coast AQMD will be required. The final CEQA document, whether a MND or EIR, should include a discussion about the potentially applicable rules that the Proposed Project needs to comply with. Those rules may include, for example, Rule 201 – Permit to Construct,¹⁵ Rule 203 – Permit to Operate,¹⁶ Rule 401

¹³ South Coast AQMD Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program. Accessed at: <u>http://www.aqmd.gov/docs/default-source/rule-book/reg-xxiii/r2305.pdf</u>.

¹⁴ South Coast AQMD WAIRE Program. Accessed at: <u>http://www.aqmd.gov/waire</u>.

¹⁵ South Coast AQMD. Rule 201 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-201.pdf</u>

¹⁶ South Coast AQMD. Rule 203 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-203.pdf</u>

– Visible Emissions, ¹⁷ Rule 402 – Nuisance, ¹⁸ Rule 403 – Fugitive Dust, ¹⁹ Rule 1110.2 – Emissions from Gaseous and Liquid Fueled Engines, ²⁰ Rule 1113 – Architectural Coating, ²¹ Rule 1166 – VOC Contaminated Soil Excavation, ²² Rule 1179 – Publicly Owned Treatment Works Operation, ²³ Regulation XIII – New Source Review, ²⁴ Rule 1401 – Air Toxics, ²⁵ Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants, ²⁶ Rule 1470 – Requirements for Stationary Diesel Fueled Internal Combustion and Other Compression Ignition Engines, ²⁷ etc. It is important to note that when air permits from South Coast AQMD are required, 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 Sections 15086, 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 the process for conducting a review of the Proposed Project and issuing discretionary approvals. Moreover, it is important to note that if a Responsible Agency determines that a CEQA document is not adequate to rely upon for its discretionary approvals, the Responsible Agency must take further actions listed in CEQA Guideline Section 15096(e), which could have the effect of delaying the implementation of the Proposed Project. In its role as CEQA Responsible Agency, the South Coast AQMD is obligated to ensure that the CEQA document prepared for this Proposed Project contains a sufficient project description and analysis to be relied upon in order to issue any discretionary approvals that may be needed for air permits. South Coast AQMD is only approvals in its current form in the Draft EIR is inadequate to be relied upon for this purpose.

For these reasons, the final CEQA document should be revised to include a discussion about any and all new stationary and portable equipment requiring South Coast AQMD air permits, provide

¹⁷ South Coast AQMD. Rule 401 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-401.pdf</u>

¹⁸ South Coast AQMD. Rule 402 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-402.pdf</u>

 ¹⁹ South Coast AQMD. Rule 403 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-403</u>
²⁰ South Coast AQMD. Rule 1110.2 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/r1110_2.pdf</u>

²¹South Coast AQMD. Rule 1113 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/reg-</u>xi/r1113.pdf

²² South Coast AQMD. Rule 1166 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1166.pdf</u>

²³ South Coast AQMD. Rule 1179 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-</u>1179.pdf

²⁴ South Coast AQMD. Regulation XIII available at <u>https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xiii</u>

²⁵ South Coast AQMD. Rule 1401 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1401.pdf</u>

²⁶ South Coast AQMD. Rule 1466 available <u>https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-</u>1466.pdf

²⁷ South Coast AQMD. Rule 1470 available at <u>https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1470.pdf</u>

the evaluation of their air quality and greenhouse gas impacts, and identify South Coast AQMD as a Responsible Agency for the Proposed Project as this information will 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 https://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 Sahar Ghadimi, Air Quality Specialist, at <u>sghadimi@aqmd.gov</u> should you have any questions.

Sincerely,

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