



South Coast Air Quality Management District

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SENT VIA E-MAIL:

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Notice of Intent to Adopt a Mitigated Negative Declaration for the 2222 Rosemead Boulevard Warehouse Development (Proposed Project)

South Coast Air Quality Management District (South Coast AQMD) staff appreciate the opportunity to review the above-mentioned document. The City of South El Monte 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 MND

Based on the MND document, the Proposed Project consists of constructing a 156,877 square foot concrete tilt-up warehouse with 13 dock doors on 5.14 acres. The warehouse will consist of 113,703 square feet of warehouse space, 7,879 square feet of retail use, 20,305 square feet of accessory warehouse office use, and 14,990 square feet of warehouse storage. Based on a review of aerial photographs, South Coast AQMD staff found that the nearest sensitive receptor (e.g., the existing residential/trailer park use) is located adjacent to the south of the Proposed Project site. Project construction is anticipated to take approximately 12 months and the construction is estimated to begin in fall/winter 2024. The project is located at 2200, 2212, 2218, and 2226 Rosemead Boulevard.

South Coast AQMD Staff's Comments

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

The project description in the MND does not specify whether the Proposed Project includes allocating warehouse land for cold storage. Cold storage warehouses typically utilize more trucks and trailers equipped with TRUs compared to those without cold storage. Therefore, it is recommended that the Lead Agency revise the project description in the Final MND to clarify if cold storage would be a part of the Proposed Project, and additionally, the Final MND should provide an estimate for the number of TRU trucks and trailers that would be involved in the operation of the warehouses with cold storage. If TRUs are planned to be used, the Lead Agency should also update the emissions calculations in the Final MND to include the emissions from the TRUs in addition to the those from truck operation.

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 (NO_x) 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 site-specific 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 643,419 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 obligation¹. South Coast AQMD staff is available to answer questions concerning Rule 2305 implementation and compliance by phone or email at (909) 396-3140 or waire-program@aqmd.gov. For implementation guidance documents and compliance and reporting tools, please visit South Coast AQMD's WAIRE Program webpage.²

South Coast AQMD Air Permits and Role as a Responsible Agency

If the 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, and 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 Sections 15086, the Lead Agency is required to consult with South Coast AQMD. In addition, 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 MND 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.

¹ South Coast AQMD Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program. Accessed at: <http://www.aqmd.gov/docs/default-source/rule-book/reg-xxiii/r2305.pdf>.

² South Coast AQMD WAIRE Program. Accessed at: <http://www.aqmd.gov/waire>.

The Final MND 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

The Lead Agency is recommended to revise the CEQA analysis to address the aforementioned comments and provide the necessary evidence to sufficiently support the conclusions reached. If the requested information and analysis are not included in the final CEQA document, either the Final MND or other type of CEQA document, the Lead Agency should provide reasons for not doing so. Pursuant to California Public Resources Code Section 21092.5(b) and CEQA Guidelines Section 15074, prior to approving the Proposed Project, the Lead Agency shall consider the MND for adoption together with any comments received during the public review process and notify each public agency when any public hearings are scheduled. Please provide South Coast AQMD with written responses to all comments contained herein prior to the adoption of the Final MND. When responding to issues raised in the comments, detailed reasons supported by substantial evidence in the record to explain why specific comments and suggestions are not accepted must be provided. In addition, if the Lead Agency decides to adopt the Final MND, please provide South Coast AQMD with a notice of any scheduled public hearing(s).

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 sghadimi@aqmd.gov should you have any questions.

Sincerely,

Sam Wang

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Planning, Rule Development & Implementation

SG:SW

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