



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SENT VIA E-MAIL:

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avaughn@ontarioca.gov

Alexis Vaughn, Assistant Planner
City of Ontario, Planning Department
303 East B Street
Ontario, California 91764

**Draft Environmental Impact Report (EIR) for the Proposed South
Ontario Logistics Center Specific Plan Project (Proposed Project)
(SCH No.: 2021010318)**

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The City of Ontario is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. The following comments on the Draft EIR include recommended revisions to the CEQA regional construction air quality analysis for impacts from cleanup activities, CEQA air quality impacts analysis for overlapping construction and operational activities, air dispersion modeling parameters, new air quality mitigation measures, and a discussion of South Coast AQMD permits that the Lead Agency should include in the Final EIR.

Based on the Draft EIR, the Proposed Project consists of construction and operation of 5,333,518 square feet of industrial and business park uses on a 219-acre site that is located on southwest corner of Eucalyptus Avenue and South Grove Avenue within the City of Ontario. The Proposed Project site is currently used for agricultural/diary operations and developed with croplands, barns, storage structures, retention ponds, and two above ground fuel storage tanks¹. The Proposed Project is surrounded by agricultural uses to the north, east, and west, and the Chino Airport to the south. Based on the Draft EIR, existing sensitive receptors are located 150 feet east of proposed Phase 1 development and 85 feet north of proposed Phase 2 development².

The Proposed Project will be implemented in two phases. Phase 1 will allow for the development of up to 3,172,780 square feet of industrial uses in Planning Areas 1 and 2³ and is analyzed at the project level in the Draft EIR. Phase 2 would allow for the future potential development of Planning Areas 3 through 5 and would result in additional 2,160,738 square feet of industrial uses; Phase 2 is analyzed at the programmatic level in the Draft EIR⁴. Construction of Phase 1 is anticipated to begin in 2022 and will be completed 2023⁵. Phase 2 construction will follow, beginning in 2023 with completion by 2024⁶. For analyses purposes, the Lead Agency assumed both phases would be built out by 2024. Once operational, the Proposed Project at buildout is

¹ Draft EIR. Project Description. Page 3-4.

² *Ibid.* Page 4.2-5.

³ *Ibid.* Executive Summary. Page 1-4.

⁴ *Ibid.*

⁵ *Ibid.* Appendix B1 Air Quality Emissions Model Data. CalEEMod Output Files PDF pages 327 and 407.

⁶ *Ibid.*

anticipated to generate 12,446 trip-ends per day, 2,438 of which would be made by light-, medium-and heavy-heavy-duty trucks⁷. Planning Areas 2, 4, and 5 are anticipated to include refrigerated logistics uses⁸. As such, the Lead Agency assumed a total of 230 trucks with transportation refrigeration units (TRUs)⁹.

Based on a review of the Draft EIR and supporting technical documents, South Coast AQMD staff has five main comments. A summary of these comments is provided as follows with additional details provided in the attachment.

1. CEQA Regional Construction Air Quality Impacts Analysis: In the Draft EIR, the Lead Agency discussed a need to excavate and dispose contaminated soil at the Proposed Project but did not quantify emissions from soil removal and hauling activities. The Lead Agency should quantify those emissions in the Final EIR.
2. CEQA Air Quality Impacts Analysis for Overlapping Construction and Operational Activities: In the Draft EIR, the Lead Agency discussed the possibility that Phase 1 and Phase 2 may be built out sequentially, but sequential development is not a condition for the Proposed Project. It is possible that Phase 1 and Phase 2 may be built out concurrently. Therefore, air quality impacts from overlapping operational activities in Phase 1 and construction activities in Phase 2 should be evaluated in the Final EIR.
3. Air Dispersion Modeling Parameters: The air dispersion modeling performed in the Draft EIR did not use a uniform Cartesian grid and instead placed 458 discrete receptors within the modeling domain. The Lead Agency should provide additional information to justify this modeling parameter in the Draft EIR. Additionally, the Lead Agency found idling emission rates for trucks, but utilized a lower idling emission rate for modeling purposes within AERMOD. This may have underestimated the concentrations; therefore, the Lead Agency should use the higher idling emission rate in the Final EIR or provide additional information to justify a lower emission rate is appropriate to use.
4. Additional Recommended Air Quality Mitigation Measures: In the Draft EIR, operation of the Proposed Project is found to have significant and unavoidable air quality impacts from VOC, NOx, PM10, and PM2.5 emissions. The Lead Agency should include additional mitigation measures to identify clean operational trucks that are already available and in-use, require their uses by the opening date for Phase 1 in 2023, include considerations of potential cleaner technologies that will become feasible and available during the lifetime of the Proposed Project (buildout year 2024 or later), develop a process for periodic technology assessment with performance standards, ensure future buildout at the Proposed Project does not exceed what was previously evaluated in the Draft EIR, and clearly mark truck routes with trailblazer signs to ensure truck travel avoids traversing by existing sensitive receptors.

⁷ Draft EIR. Appendix I1 Traffic Analysis. PDF pages 3160 to 3162.

⁸ *Ibid.* Technical Air Quality Files. "SOL_HRA Emission Calcs".

⁹ *Ibid.*

5. Responsible Agency and South Coast AQMD Permits: If the Proposed Project will require the use of stationary equipment such as emergency generator(s) and fire pump(s), permit(s) from South Coast AQMD will be required. Removal or change in location of existing stationary source equipment may also require permit modifications. The Final EIR should include a discussion of stationary equipment that will require South Coast AQMD permits and identify South Coast AQMD as a CEQA Responsible Agency for the Proposed Project.

Pursuant to California Public Resources Code Section 21092.5(a) and CEQA Guidelines Section 15088(b), South Coast AQMD staff requests that the Lead Agency provide South Coast AQMD staff with written responses to all comments contained herein prior to the certification of the Final EIR. In addition, issues raised in the comments should be addressed in detail giving reasons why specific comments and suggestions are not accepted. There should be good faith, reasoned analysis in response. Conclusory statements unsupported by factual information will not suffice (CEQA Guidelines Section 15088(c)). Conclusory statements do not facilitate the purpose and goal of CEQA on public disclosure and are not meaningful, informative, or useful to decision makers and to the public who are interested in the Proposed Project. Further, if the Lead Agency makes the finding that the recommended new air quality mitigation measures are not feasible, the Lead Agency should describe the specific reasons supported by substantial evidence for rejecting them in the Final EIR (CEQA Guidelines Section 15091).

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 Alina Mullins, Air Quality Specialist, at amullins@aqmd.gov, should you have any questions or wish to discuss the comments.

Sincerely,

Lijin Sun

Lijin Sun

Program Supervisor, CEQA IGR

Planning, Rule Development & Area Sources

Attachment

LS:AM

SBC211116-07

Control Number

ATTACHMENT**South Coast AQMD Staff's Summary of Air Quality Analysis and Health Risk Assessment in the Draft EIR**

In the Air Quality Analysis Section of the Draft EIR, the Lead Agency quantified the Proposed Project's maximum daily construction emissions. The Lead Agency considered two different construction phases: Phase 1 and Phase 2. The Lead Agency compared the Proposed Project's construction emissions to South Coast AQMD's recommended regional air quality CEQA significance thresholds. Based on the analysis, the Lead Agency found that emissions from both Phase 1 and Phase 2 construction activities would be less than significant with implementation of mitigation measures (MM) AQ-1, which requires use of low VOC architectural coatings with no more than 10g/L of VOC¹⁰.

The Lead Agency also considered three different operational phases: Phase 1 operations, Phase 2 operations, and Project Buildout (combined operations from Phases 1 and 2). Based on the analysis, the Lead Agency found that all three operational phases would result in significant regional operational air quality impacts from VOC and NO_x emissions¹¹. Project Buildout would also result in significant air quality impacts from PM₁₀ and PM_{2.5} emissions¹². MMs AQ-2 through AQ-5 require the following: contractual specifications to use electric-powered off-road equipment during operations (e.g. forklifts and yard trucks); electric plug-ins at truck bays for cold storage warehousing; preparation and implementation of a transportation demand management program; and postage of idling restriction signage¹³. However, the Lead Agency found that air quality impacts from the Proposed Project's three operational phases would remain significant and unavoidable for VOC and NO_x emissions during Phases 1, 2, and Project Buildout, and for PM₁₀ and PM_{2.5} at Project Buildout¹⁴.

In the Draft EIR, the Lead Agency also quantified the Proposed Project's localized construction and operational emissions and compared them to the applicable South Coast AQMD's localized significance thresholds for both Phases 1 and 2. Based on the analysis, the Lead Agency found that the Proposed Project's localized construction air quality impacts would be less than significant for Phases 1 and 2¹⁵. Localized operational air quality impacts during Phases 1 and 2 would also be less than significant with implementation of MM AQ-2, which requires all off-road operational equipment be electric or zero-emission¹⁶. Additionally, the Lead Agency calculated cancer risks from Proposed Project's construction and operational activities in Phase 1 and found that the maximum cancer inhalation risk would be of 8.8 in one million and 1.39 in one¹⁷, respectively, both of which would be below South Coast AQMD's CEQA significance threshold of 10 in one million for cancer risk¹⁸. Phase 2 construction and operational activities

¹⁰ Draft EIR. Pages 4.2-21 to 4.2-24.

¹¹ *Ibid.* Pages 4.2-22 to 4.2-26.

¹² *Ibid.* Pages 4.2-26 to 4.2-27.

¹³ *Ibid.* Pages 4.2-28 to 4.2-30.

¹⁴ *Ibid.* Page 4.2-28.

¹⁵ *Ibid.* Pages 4.2-30 to 4.2-40.

¹⁶ *Ibid.*

¹⁷ *Ibid.* Pages 4.2-35 to 4.2-41.

¹⁸ South Coast AQMD's CEQA significance threshold of 10 in one million for cancer risk is based on the most current methodology recommended by the California Office of Environmental Health Hazard assessment.

were found to result in the same cancer risk of 8.8 in one million and 1.39 in one million, respectively¹⁹. Finally, the Draft EIR discussed South Coast AQMD Rules 2305 and 316²⁰.

South Coast AQMD staff's detailed comments on the Draft EIR are provided as follows.

1. CEQA Regional Construction Air Quality Impacts Analysis

Based on a review of the Air Quality Section of the Draft EIR, South Coast AQMD staff found that the Lead Agency quantified the Proposed Project's regional construction emissions from demolition and building activities but did not quantify emissions from soil removal and hauling activities²¹.

In the Hazards and Hazardous Materials Section of the Draft EIR, the Lead Agency explained that based on historical site usage (i.e. agriculture and dairy farming), the Proposed Project site may have soil contamination²². According to Mitigation Measure (MM) HAZ-2 and -3, the Proposed Project will be required to conduct a Phase II subsurface soil assessment and develop a Soil Management Plan (SMP) prior to receiving a grading permit, which will include procedures for soil excavation, handling, monitoring, and disposal protocols²³.

Soil removal and hauling activities will likely involve the use of heavy-duty, diesel-fueled trucks and generate mobile source emissions. The Lead Agency should use good faith, best efforts to provide information on the scope, types, and duration of any reasonably foreseeable soil removal and hauling activities. Therefore, South Coast AQMD staff recommends that the Lead Agency quantify emissions from removing and hauling contaminated soil and include those emissions in the Proposed Project's regional construction emissions profile to be compared to South Coast AQMD's regional air quality CEQA significance thresholds for construction to determine the level of significance in the Final EIR. If those emissions are not included in the Final EIR, the Lead Agency should provide reasons for not including them supported by substantial evidence in the record. If the reason for not including them in the Final EIR is because soil removal and disposal measures in the SMP have not been fully developed or approved prior to the certification of the Final EIR, the Lead Agency should commit to evaluating the air quality impacts from soil removal and hauling activities through a CEQA process when the measures become known and prior to allowing the commencement of any soil removal and hauling activities at the Proposed Project.

2. CEQA Air Quality Impacts Analysis for Overlapping Construction and Operational Activities

Based on a review of the Air Quality Analysis in the Draft EIR, South Coast AQMD staff found that Phase 1 and Phase 2 may be developed sequentially²⁴. However, the Lead Agency did not include a condition requiring sequential development. This could lead to a possible development scenario where construction activities in Phase 2 overlap with operational activities from Phase 1 (e.g., some components of the Phase 1 will be operational in year 2023 while components of

¹⁹ Draft EIR. *Ibid.* Pages 4.2-35 to 4.2-41.

²⁰ *Ibid.* Page 4.2-10.

²¹ Draft EIR. Appendices. CalEEMod Summer and Winter Runs. Trips and VMT

²² *Ibid.* Section 4.7 Hazards and Hazardous Materials. Pages 4.7-20 to 4.7-24.

²³ *Ibid.*

²⁴ *Ibid.* Page 3-28.

Phase 2 are under construction until year 2024). Since the air quality analysis conservatively assumes that construction of the Proposed Project will occur over three years from 2022 to 2024, it is reasonably foreseeable that construction and operation may overlap²⁵. If an overlapping construction and operation scenario is reasonably foreseeable at the time the Draft EIR was prepared, to conservatively analyze a worst-case impact scenario, South Coast AQMD staff recommends that the Lead Agency use its best efforts to identify the overlapping construction and operational years and development components, combine construction emissions (including emissions from demolition) with operational emissions, and compare the combined emissions to South Coast AQMD's air quality CEQA *operational* thresholds of significance to determine the level of significance in the Final EIR. If the air quality analysis from overlapping construction and operational activities is not included in the Final EIR, the Lead Agency should provide reasons for not including the analysis supported by substantial evidence in the record.

3. Air Dispersion Modeling Parameters

To analyze the Proposed Project's localized air quality impacts during operation, the Lead Agency performed project-specific air dispersion modeling in the Draft EIR. South Coast AQMD staff recommends that the Lead Agency revise the modeling parameters based on the following comments.

Receptor Grid

- a) Upon review of the air dispersion modeling files, South Coast AQMD staff found that the Lead Agency did not use a uniform Cartesian grid and instead placed 458 discrete receptors within the modeling domain. This placement may not have identified the maximum impacted receptors. Therefore, South Coast AQMD staff recommends that the Lead Agency use a uniform Cartesian grid with a spacing of 100 meters or less for all distances less than 1,000 feet or provide additional information to demonstrate that the maximum off-site concentrations are identified with placement of discrete receptors in the Final EIR.

Emission Rates from Idling

- b) Upon review of the technical air quality modeling files, South Coast AQMD staff found that the Lead Agency quantified the emission rates anticipated from trucks that will be idling at the Proposed Project²⁶. However, the truck idling emission rates identified by the Lead Agency were not consistent with those used to model the Proposed Project's concentrations in AERMOD; the idling emission rates utilized in AERMOD were much lower. For example, for the volume source "Idle - Building 1 Loading Docks - East" the truck idling emission rate that the Lead Agency identified in the technical air quality analysis was "8.34E-07"²⁷, but the truck idling emission rate used in AERMOD for the same volume source was "9.23E-15"²⁸. This could have underestimated concentrations from truck idling during the Proposed Project's operations and the associated health risks. Therefore, South Coast AQMD staff recommends that the Lead Agency revise the truck

²⁵ Draft EIR. Project Description. Page 3-27.

²⁶ *Ibid.* Appendix B2 Health Risk Assessment.

²⁷ *Ibid.* PDF page 663.

²⁸ *Ibid.* AERMOD Input. SOL Operations Rev2.ADI. PDF page 940.

idling emission rates in the air dispersion model or provide additional information to support that the use of the lower idling emission rates is appropriate in the Final EIR.

4. Additional Recommended Air Quality Mitigation Measures

In the Draft EIR, the Lead Agency found that the Proposed Project would result in significant and unavoidable air quality impacts from VOC, NO_x, PM₁₀, and PM_{2.5} emissions during operation. CEQA requires that the Lead Agency consider mitigation measures to minimize significant adverse impacts (CEQA Guidelines Section 15126.4) and that all feasible mitigation measures that go beyond what is required by law be utilized to minimize or eliminate any significant adverse impacts. South Coast AQMD staff recommends that the Lead Agency consider including the following operational air quality mitigation measures in the Final EIR to further reduce the Proposed Project's significant and unavoidable air quality impacts during operation.

Technology is transforming the goods transport and movement sector at a rapid pace. Zero-emissions (ZE) or near-zero emissions (NZE) cargo handling equipment and trucks are already commercially available and in-use. Therefore, the Lead Agency should use good-faith efforts to identify the available types of ZE or NZE trucks in the Final EIR and require their uses by the opening date for Phase 1 in 2023.

Clean trucks will become increasingly more feasible and commercially available as technology advances. If using ZE or NZE technologies is not feasible today, it could become feasible in a reasonable period of time during the Proposed Project's buildout schedule which was conservatively analyzed to begin in 2024 but may extend beyond 2024 (CEQA Guidelines Section 15364). Therefore, it is recommended that the Lead Agency include considerations of potential cleaner technologies that will become feasible and available during the lifetime of the Proposed Project and develop a process with performance standards to require and/or accelerate the deployment of the lowest emission technologies and the utilization of ZE or NZE heavy-duty trucks during operation (CEQA Guidelines Section 15126.4(a)). The Lead Agency can and should develop the following performance standards or any other comparable standards in the Final EIR.

- Develop a minimum amount of ZE or NZE heavy-duty trucks that the Proposed Project must use each year during operation to ensure adequate progress. Include this requirement in the Proposed Project's business development agreement(s), and contracts with operator(s).
- Establish a warehouse contractor(s), tenant(s), or operator(s) selection policy that prefers contractor(s), tenant(s), or operator(s) who can supply and use ZE or NZE heavy-duty trucks during operation. Include this policy in the Request for Proposal, procurement documents, and purchase order(s) for selecting contractor(s), tenant(s), or operator(s).
- Establish a policy to select and use warehouse-servicing vendors that use ZE or NZE heavy-duty trucks. Include this policy in the vendor contracts and business agreements.
- Establish a purchasing policy to purchase and receive materials from warehouse-servicing vendors that use ZE or NZE heavy-duty trucks to deliver materials. Include this policy in the procurement documents and purchase orders with vendors.

- Develop a target-focused and performance-based process and timeline to implement the use of ZE heavy-duty trucks during operation that is consistent with the timeline and requirement for warehouse activities under South Coast AQMD Rule 2305.
- Develop a project-specific process and criteria for periodically assessing progress in implementing the use of ZE heavy-duty trucks during operation.

Additional air quality mitigation measures to further reduce the Proposed Project's operational air quality impacts from mobile sources and design considerations that the Lead Agency should consider in the Final EIR may include the followings:

- The Lead Agency should limit the daily number of trucks allowed at the Proposed Project to levels that were analyzed in the Final EIR (2,438 daily truck tips). If higher daily truck volumes are anticipated to visit the site, especially as the Proposed Project is continued to be built out to 2024 and beyond, the Lead Agency should commit to re-evaluating the increase in daily truck trips from the Proposed Project through CEQA to determine if a higher number daily truck volumes would result a more severe air quality and health risk impacts than previously analyzed in the Final EIR prior to allowing a higher activity level.
- In the Draft EIR, the Lead Agency explains that the Proposed Project's truck routes will be limited to Merrill Avenue, Euclid Avenue, and Archibald Avenue²⁹. These routes were used to model the Proposed Project's diesel particulate matter concentrations from trucks during operation³⁰. South Coast AQMD staff recommends that the Lead Agency clearly mark truck routes with trailblazer signs to ensure truck travel utilizes these routes analyzed in the Draft EIR and avoids traversing past existing sensitive receptors (e.g. residents).

5. Responsible Agency and South Coast AQMD Permits

If implementation of the Proposed Project requires the use of stationary equipment, including but is not limited to, emergency generator(s) and emergency fire pump(s), permits from South Coast AQMD are required. The Final EIR should include a discussion on stationary equipment that will require South Coast AQMD permits and identify South Coast AQMD as a Responsible Agency for the Proposed Project. Additionally, the Proposed Project is currently developed with two above-ground storage tanks. The Lead Agency should consult with South Coast AQMD Engineering and Permitting staff to see if removal or relocation of these tanks will require modifications to permits for the tanks from South Coast AQMD. Any assumptions used in the Final EIR will be used as the basis for permit conditions and limits for the Proposed Project. The 2015 revised Office of Environmental Health Hazard Assessment (OEHHA) methodology is being used by South Coast AQMD for determining operational health risks for permitting applications and also for all CEQA projects where South Coast AQMD is the Lead Agency. Please contact South Coast AQMD's Engineering and Permitting staff at (909) 396-3385 for questions on permits. For more general information on permits, please visit South Coast AQMD's webpage at: <http://www.aqmd.gov/home/permits>.

²⁹ Draft EIR. Project Description. Page 3-11.

³⁰ *Ibid.* Technical Air Quality Files. AERMOD Run "SOL_operations_rev2".