



South Coast Air Quality Management District

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Mitigated Negative Declaration (MND) for the Proposed Goodman Commerce Center Project (Proposed Project)

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The City of Cypress is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. The following comments include recommended revisions to the CEQA air quality impacts analysis for transport refrigeration units (TRUs), information about South Coast AQMD Rules 2305 and 316, and information about South Coast AQMD rules and permits that the Lead Agency should include in the Final MND.

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

Based on the MND, the Proposed Project consists of construction and operation of two warehouses totaling 390,268 square feet¹ on 18.6 acres². One warehouse will total 204,909 square feet and the other warehouse will total 185,359 square feet³. The MND assumes that 50% of the warehouse space will be refrigerated and 50% of all trucks accessing the Proposed Project Site will have TRUs⁴. Furthermore, the Proposed Project will have a total of 50 loading docks⁵ and is expected to involve 194 truck trips per day⁶. The Proposed Project site is located near the northwest corner of Plaza Drive and McDonnell Drive in the City of Cypress, Orange County. Construction of the Proposed Project is anticipated to begin in March of 2023, occur in a single phase, and last 12 months⁷. Operation is expected to begin in 2024⁸.

South Coast AQMD Staff's Comments

Transport Refrigeration Units (TRUs)

In the MND the Lead Agency proposes the operation of two warehouses totaling 390,268 square feet and assumes that 50% of the warehouse space may be refrigerated⁹. The CalEEMod output file in Appendix A also shows that the Proposed Project was modeled using the Land Use code of

¹ MND. 2.0 Project Description. Page 2-7.

² *Ibid.* Page 2-1.

³ *Ibid.* Page 2-7.

⁴ *Ibid.*

⁵ *Ibid.*

⁶ Appendix F. Traffic Analysis. Page 38.

⁷ MND. 2.0 Project Description. Page 2-12.

⁸ Appendix F. Traffic Analysis. Page 1.

⁹ MND. 2.0 Project Description. Page 2-7

Refrigerated Warehouse-No Rail for half of the warehouse space (195,130 square feet)¹⁰. The MND further states that 50% of all trucks accessing the Proposed Project Site would have TRUs¹¹. The Lead Agency does not, however, discuss in further detail information related to the use of these TRUs, such as the number of TRU trucks and the emissions generated from these TRUs (which are separate and in addition to the truck emissions that the TRUs are installed on). The negligibility of TRU information and their associated air quality emissions leads to underestimated operational emissions. South Coast AQMD staff therefore recommends that the Lead Agency review and revise emission calculations to include the pertinent TRU information, such as the number of TRU trucks and TRU emission calculations in addition to the truck emissions, and incorporate them in the Air Quality sections of the Final MND. If the TRU information and their associated emissions are not included in the Final MND, the Lead Agency should provide reasons for not including such revisions, supported by substantial evidence in the record.

South Coast AQMD Rule 2305 and Rule 316

On May 7, 2021, South Coast AQMD's Governing Board adopted Rule 2305 – Warehouse Indirect Source Rule WAIRE Program, and Rule 316 – Fees for Rule 2305. Rules 2305 and 316 are new rules that will reduce regional and local emissions of NOx and particulate matter (PM), including diesel PM, from mobile sources that are associated with warehouse activities. These emission reductions will reduce public health impacts for communities located near warehouses. 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 development of approximately 390,268 square feet of warehouse uses (with both buildings totaling more than 100,000 square feet each of indoor warehouse floor space),¹² the Proposed Project's warehouse owners and future 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. Such information should be incorporated into the Final CEQA document. South Coast AQMD staff is available to answer questions concerning Rule 2305 implementation and compliance by phone or

¹⁰ Appendix A. Goodman Commerce Center Project, Summer. Page 39.

¹¹ MND. 2.0 Project Description. Page 2-7.

¹² *Ibid.*

¹³ 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>.

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 webpage¹⁴.

South Coast AQMD Permits and Responsible Agency

If implementation of the Proposed Project would require the use of new stationary equipment including but not limited to emergency generators, fire water pumps, boilers, etc., permits from South Coast AQMD are required. The Final MND 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. Any assumptions used for the stationary sources in the Final MND will also be used as the basis for the permit conditions and limits for the Proposed Project. 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>.

Conclusion

Pursuant to 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. 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, responses should provide sufficient details 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 do not facilitate the purpose and goal of CEQA on public disclosure and are not meaningful, informative, or useful to decision makers and the public who are interested in the Proposed Project.

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 Evelyn Aguilar, Air Quality Specialist, at eaguilar@aqmd.gov should you have any questions.

Sincerely,

Sam Wang

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Planning, Rule Development and Implementation

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