

December 18, 2007

Ms. Jennifer Hageman
Development Services Department
City of Sacramento
2101 Arena Blvd, Suite 200
Sacramento, CA 95834

**SUBJECT: NOP for a DEIR for Natomas Crossing P04-264
SMAQMD # SAC200400124C**

Dear Ms. Hageman:

Thank you for providing the project listed above to the Sacramento Metropolitan Air Quality Management District (District). Staff comments follow.

Alternative analysis

It's our understanding that the City will perform a project-level environmental analysis of Natomas Crossing, a proposed large, regional retail shopping center on Quadrant C, a 47 acre parcel at the southwest corner of I-5 and Arena Blvd, boarded by East Commerce Way. The project is proposed to contain 483,245 sq ft of retail, 82% of it being in big and medium box formats. In addition, the environmental document will discuss the impacts of Quadrant B at a program level. Quadrant B is projected to contain 319,500-426,000 sq feet of more retail uses.

The project will require a change in zoning from Employment Center and limited commercial to Shopping Center. In addition, it will require General Plan and North Natomas Community Plan amendments from Offices and Mixed-Uses to Regional Commercial. The project Justification Statement included in the development application stated *"the City Department of Economic Development has recently completed a report noting that there's a significant oversupply of land zoned to accommodate offices in North Natomas, after taking into consideration historical demand and additional supply being added within the Downtown Sacramento submarket."* Justification for the project appears to be driven by the perception there's currently an oversupply of office designations, as well as the need for City sales tax dollars and the desire to provide more shopping opportunities for the North Natomas residents.

Those justifications notwithstanding, this proposed change in uses could well negatively affect the regional jobs/housing balance and air quality in general. In order to understand the air quality impact of the change in zoning and Plans, the District would be very interested in seeing an analysis of the difference in environmental effects between the project and the future program which is 100% commercial/retail as compared to the non-project alternative as well as a **third project alternative**, one which could be more mixed use, including office, retail and residential. It's understood that per CEQA, the document will need to discuss the project as related to its no-project alternative, but we are suggesting a third alternative which could include residential, office, retail and no industrial uses.

The Blueprint Preferred Scenario had much of the land along the I-5 corridor in Natomas designated as a mixture of housing and commercial (office and retail in varying proportions). The North Natomas Community Plan, too, envisioned more of a mixture of uses. This project, as currently configured, seems to represent another example of the ongoing erosion of the vision of North Natomas as different from typical auto-centric sprawl.

Cumulative effects

In addition, the project will be very close to another large retail development, Commerce Station. We suggest this environmental document discuss the cumulative effect of these two retail developments as well as other developments nearby on air quality, traffic and jobs-housing balance in North Natomas.

Also, as we believe this project is another example of the erosion of the North Natomas Community vision, we suggest the document discuss the cumulative impacts of this erosion throughout North Natomas in a larger context. In other words, if this project is approved, it will join other North Natomas projects which have involved changes to the North Natomas Community Plan. The DEIR should analyze what is the cumulative effect of all the changes in land use designations for current and already approved nearby (North Natomas) projects on the environment. In particular, the document should examine how these incremental changes in land use designations have and will affect traffic, air quality, and alternative transportation mode compatibility.

Greenhouse Gas/ climate change analysis

The emerging issue of climate change has gained a great deal of attention in the past several years. As you know, on September 27, 2006, the State of California passed into law AB32, the Global Warming Solutions Act of 2006 which requires the State to reduce its carbon emissions by approximately 25% by the year 2020. Since then, the California Attorney General has raised the issue of GHG and global warming in many comment letters and in conversations with municipalities throughout the state. Some of those precedent-setting letters point out that one of the most important environmental impacts of vehicle emissions is greenhouse gases (GHG) and the resulting climate change.

The major anthropogenic greenhouse gases are carbon dioxide, methane, and nitrous oxide. Developing this project invariably will result in increases in emissions of greenhouse gases that contribute to global warming. Global warming, in turn, threatens to have serious consequences on the State of California, including the loss of snowpack, an increase in the risk of large wildfires, reductions in the quality and quantity of agricultural production, exacerbation of California's air quality problems, and adverse impacts on human health from increased heat stress and heat related deaths, and increases in asthma, respiratory and other health problems.

Accordingly, the California Environmental Quality Act requires the City to analyze the incremental effect the construction and operation of the project will have on the cumulative environmental impact of global warming. In other words, the environmental document should clearly describe the greenhouse gas emissions that will be generated from the project and specific alternatives and mitigation measures to reduce those emissions.

Currently, neither the District, state, nor federal government have specific thresholds of significance for project-related greenhouse gases, but that does not mean that the emissions cannot be analyzed and that the City can't attempt to mitigate those emissions. Evaluating land use in terms of global warming presents new and difficult challenges, yet the profoundly serious threats of climate change require that governments at all levels do their best to reduce greenhouse gasses. Only in this way can the state attain the goals embodied in AB 32. This District recommends the DEIR analyze the Greenhouse emissions associated with the project and commit to mitigation measures to lessen those emissions.

Design

In terms of project design, we suggest that pedestrian and bicycle amenities be maximized. The Natomas Landing residential project is directly across the street from this project. We suggest sidewalks, bulb outs, and pedestrian count-down timers be installed in the cross walk spanning East Commerce Way at the center of the project so as to facilitate pedestrian activity. In addition, the smaller, neighborhood-serving retail which will line East Commerce Way should contain pedestrian access points oriented to the sidewalk and not just to the parking lot in the middle of the project. Consideration should be given to placing entrances to these buildings on the east side as well as on the parking lot side.

Adequate bicycle parking should be provided to the project and well-marked pedestrian pathways should provide safety, shade and encouragement to pedestrians who walk through the large parking lot. A pathway needs to connect the future transit stop(s) and the rows of commercial buildings. Bicycle access should be examined and optimized. Our understanding at this point is that there will not be bicycle lanes on East Commerce Way and there may be a bicycle path way on the west side of the project, running next to I-5. That does not seem to be an optimal bicycle route. Features like effective bicycle lanes and pedestrian walkways can be helpful in earning points for an Air Quality Mitigation Plan.

Project and Program level air quality analysis

As you know, the District has adopted CEQA thresholds of significance for use in preparing and reviewing environmental documents. Separate thresholds were established for the construction phase and operational phase of projects. Those thresholds are available at www.airquality.org.

Because of the size of this project, we believe it will generate short term (construction) and perhaps long-term (operations) air quality impacts which may be in excess of the established District thresholds. An air quality analysis should be done on the project in order to determine if those impacts are significant. Relative to the construction impacts, if those impacts are significant, the SMAQMD standard construction mitigation measures should be used. Those measures include both on-site strategies and the possibility of a mitigation fee. They can be found on our website, www.airquality.org. A mitigation measure should be written which both specifies the specific project-level construction mitigation (including fee amount, if appropriate) and provides flexibility for the program level component which will be analyzed in a future environmental document.

If the project is significant for operational impacts, we recommend the creation and implementation of an Air Quality Mitigation Plan (AQMP) which would seek to reduce emissions by 15%. We recommend that the AQMP be endorsed by us and included in the DEIR. In order to achieve this timing, we recommend that the proponent work with us **as early as possible** in order to create that Plan and have us review it prior to publication of the DEIR. Many of the measures are design level measures and need to be incorporated into the project early. A copy of the District's "Recommended Guidance for Land Use Emission Reductions" is attached. I will be the proponent's point of contact.

Please note: an AQMP is distinct and different from the City's Transportation Systems Management & Air Quality Plan requirement which springs from the 1994 North Natomas Community Plan document. We have found a 2002 "Natomas Crossing Air Quality/Transportation Systems Management Plan" in our files. That document does not satisfy the CEQA-based requirement for an Air Quality Mitigation Plan for projects with significant air quality impacts.

All projects are subject to SMAQMD rules and regulations in effect at the time of construction. Please see the attached document describing SMAQMD Rules which may apply to this project.

Please send the environmental document, including the air quality analysis to me. If you have questions, please contact me at 874-4885 or jborkenhagen@airquality.org

Sincerely,



Jeane Borkenhagen
Associate Air Quality Planner Analyst

cc:	Larry Robinson	SMAQMD
	Greg Guardino	Alleghany Properties LLC
	Tom Pace	City of Sacramento
	Ed Cox	City of Sacramento
	Becky Heieck	North Natomas TMA

Enc: SMAQMD Rules & Regulations Statement
Recommended Guidance for Land Use Emission Reductions, Version 2.4

SMAQMD Rules & Regulations Statement

*The following statement is recommended as standard condition of approval or construction document language for **all** construction projects within the Sacramento Metropolitan Air Quality Management District (SMAQMD):*

All projects are subject to SMAQMD rules and regulations in effect at the time of construction. A complete listing of current rules is available at www.airquality.org or by calling 916.874.4800. Specific rules that may relate to construction activities may include, but are not limited to:

Rule 201: General Permit Requirements. Any project that includes the use of equipment capable of releasing emissions to the atmosphere may require permit(s) from SMAQMD prior to equipment operation. The applicant, developer, or operator of a project that includes an emergency generator, boiler, or heater should contact the District early to determine if a permit is required, and to begin the permit application process. Portable construction equipment (e.g. generators, compressors, pile drivers, lighting equipment, etc) with an internal combustion engine over 50 horsepower are required to have a SMAQMD permit or a California Air Resources Board portable equipment registration.

Rule 403: Fugitive Dust. The developer or contractor is required to control dust emissions from earth moving activities or any other construction activity to prevent airborne dust from leaving the project site.

Rule 442: Architectural Coatings. The developer or contractor is required to use coatings that comply with the volatile organic compound content limits specified in the rule.

Rule 902: Asbestos. The developer or contractor is required to notify SMAQMD of any regulated renovation or demolition activity. Rule 902 contains specific requirements for surveying, notification, removal, and disposal of asbestos containing material.

Other general types of uses that require a permit include dry cleaners, gasoline stations, spray booths, and operations that generate airborne particulate emissions.