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Connect with the
Bay Area Air District:



February 11, 2021

Rozalynne Thompson
City of Milpitas Planning Department
455 East Calaveras Boulevard
Milpitas, CA 95053

Re: 1000 Gibraltar Drive Draft EIR

Dear Ms. Thompson,

Bay Area Air Quality Management District (Air District) staff has reviewed the Draft Environmental Impact Report (DEIR) for 1000 Gibraltar Drive (Project). The proposed Project involves demolition of all existing on-site buildings, parking lots and associated improvements, and construction of a new 491,040-square foot tilt-up concrete creative industrial building with two supporting offices at the northwest and southwest corners and surface parking on all sides of the building. Approximately 486,130 square feet of warehouse and 4,910 square feet of office space is proposed. The proposed building has been designed to accommodate up to two separate tenants with proposed uses including Advanced Manufacturing, E-Commerce, Light Assembly, Warehouse/Distribution, and possibly other permitted uses within the City's Industrial (M-2) zone.

The Air District staff appreciates and supports efforts to incorporate best practices into the Project's design and mitigation measures to minimize impacts such as installing on-site solar panels for a portion of the Project's energy consumption, installing on-site electrical vehicle charging units, and eliminating natural gas use at the Project site. However, even with the Project's design and mitigation measures included in the DEIR, the Project is expected to result in significant and unavoidable impacts to air quality and greenhouse gases.

Mobile Source Emissions Reduction Measures

The DEIR anticipates that Project operational-related nitrogen oxides (NOx) emissions, primarily from mobile sources, will lead to a significant and unavoidable impact after incorporating all available on-site control measures (Impact AIR-2). Staff recommends that all heavy-duty trucks entering or on the Project site be model year 2014 or newer to reduce NOx emissions. Staff further recommends the use of trucks with the best available NOx control technology offered at the time of Project construction and operations.

Even with Project design features and an on-site mitigation measure, the DEIR finds that air quality impacts from the Project still exceeds thresholds. Therefore, Mitigation Measure AIR-2, Emissions Offsets would require the project applicant to offset the NOx emissions before 2024 below the threshold of significance by either implementing a specific offset program (e.g., equipment replacement), funding the implementation of an emission reduction project through payment of a mitigation offset fee to the BAAQMD's Bay Area Clean Air Foundation, or a combination of the two approaches, in an amount sufficient to mitigate residual emissions.

Please be aware that the Air District does not currently have a fee program for offsetting emissions. These are occasionally conducted on a case-by-case basis based on available projects. We recommend that Mitigation Measure AIR-2 replace “BAAQMD’s Bay Area Clean Air Foundation” with “an independent third-party approved by the City, such as the Bay Area Clean Air Foundation...”. This will allow the Project applicant to seek additional options if the Air District has no available projects at the time. Air District staff will follow up with the City to provide specific suggested language as requested.

Health Risk Assessment Methodology

Air District staff reviewed the health risk assessment (HRA) analysis and recommends that the DEIR analysis include evaluation of construction and operation activities to determine health risk to additional residential sensitive receptors as well as workers on-site. Staff recommends quantitatively evaluating potential impacts on the residential neighborhood approximately 820 feet west of the site boundary, just north of the Great Mall, and on the maximum exposed worker to determine significance and to maintain transparency between the Project and community members.

The DEIR states that cumulative impacts are less-than-significant, however stationary sources were not included within the project assessment area. Air District staff recommends that emissions from stationary sources be quantified in addition to the Project’s impacts. Staff recommends including the emissions from backup generators on the northern adjacent Flextronics International, USA Inc property as well as gas dispensing facilities and backup generators near the eastern Project site boundary. The Air District can provide technical assistance and support to ensure that best available data and methodologies are used in the HRA; please contact Air District staff to discuss further.

Greenhouse Gas Measures to Reduce Emissions

The DEIR states that as part of Mitigation Measure GHG-1 (GHG1), one option may be to increase installation of Level 2 EV charging stations from 22 to 37. However, it is unclear what percentage of parking spaces will have EV chargers installed. Likewise, although GHG1 calls for providing conduit for 50 EV charging stations for future EV trucks, it is unclear what percentage of truck parking/loading spaces will be EV capable. Air District staff recommends that the DEIR state the percentage of charging stations for both light-duty vehicles (i.e., passenger vehicles) and heavy-duty vehicles (i.e., trucks) relative to total parking spaces for the proposed measure, and that GHG1 commit to installation of additional EV supply equipment for both light- and heavy-duty applications. In addition, given the recent Executive Order N-79-20, which calls for all medium- and heavy-duty vehicles in the State to be zero-emission by 2045 for all operations where feasible, staff recommends the DEIR include a discussion of whether the proposed inclusion of electric vehicle charging infrastructure is fully consistent with the Executive Order and the broader goals of carbon neutrality. Lastly, the DEIR also states that the Project will commit to using 10 percent of renewable energy resources, however the details of this commitment are unclear. Air District staff recommends that the Project applicant clarify the commitment within the proposed measure.

Compliance with Air District Permitting Requirements

The Project’s proposed equipment (e.g., fire pump engine, boiler, etc.) may require Air District permits (Authority to Construct/Permit to Operate). To apply for an Authority to Construct/Permit to Operate, please

visit <https://www.baaqmd.gov/permits/apply-for-a-permit>. If you have any questions regarding the Air District's permits, please contact Barry Young, Senior Advanced Projects Advisor, at byoung@baaqmd.gov or (415) 940-9641.

We encourage the City to contact Air District staff with any questions and/or to request assistance during the environmental review process. If you have questions regarding these comments, please contact Alesia Hsiao, Senior Environmental Planner, at (415) 749-5169 or ahsiao@baaqmd.gov, or Matthew Hanson, Environmental Planner, at (415) 749-8733 or mhanson@baaqmd.gov.

Sincerely,



Greg Nudd
Deputy Air Pollution Control Officer

cc: BAAQMD Director Margaret Abe-Koga
BAAQMD Chair Cindy Chavez
BAAQMD Director Rich Constantine
BAAQMD Director Rob Rennie