

MINUTES
TRACY CITY PLANNING COMMISSION
REGULAR MEETING
MAY 28, 2025, 7:00 P.M.
CITY OF TRACY COUNCIL CHAMBERS
333 CIVIC CENTER PLAZA

CALL TO ORDER

Vice Chair Penning called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Vice Chair Penning led the pledge of allegiance.

ROLL CALL

Roll Call found Commissioner Atwal, Commissioner Boakye-Boateng, and Vice Chair Penning present. Commissioner Orcutt present via WebEx. Commissioner English was absent. Also present were; Matthew Summers, Interim Assistant City Attorney; Scott Claar, Planning Manager; Craig Hoffman, Senior Planner; Al Gali, Associate Engineer; Gina Peace, Executive Assistant; and Jennifer Lucero, Administrative Assistant.

MINUTES

Vice Chair Penning introduced the Regular Meeting Minutes from the May 14, 2025 Planning Commission Regular Meeting.

ACTION: It was moved by Commissioner Atwal and seconded by Commissioner Boakye-Boateng to approve the May 14, 2025 Planning Commission Regular Meeting Minutes. A voice vote found Commissioner Atwal, Commissioner Boakye-Boateng, Vice Chair Penning, and Chair Orcutt in favor. Commissioner English absent. Passed and so ordered; 4-0-1-0.

DIRECTOR'S REPORT REGARDING THIS AGENDA

None.

ITEMS FROM THE AUDIENCE

None.

1. NEW BUSINESS

- A. STAFF RECOMMENDS THAT THE PLANNING COMMISSION CONDUCT A PUBLIC HEARING, AND UPON ITS CONCLUSION, RECOMMEND THAT THE CITY COUNCIL TAKE THE FOLLOWING ACTIONS (1) APPROVE A ZONING TEXT AMENDMENT ADDING ARTICLE 9.5, SMALL LOT RESIDENTIAL ZONE, TO CHAPTER 10.08 OF TITLE 10 OF THE TRACY MUNICIPAL CODE, SECTIONS 10.08.1471 THROUGH 10.08.1479 (2) APPROVE A REZONE OF THE PROJECT SITE FROM LIGHT INDUSTRIAL TO SMALL LOT RESIDENTIAL FOR FOUR PARCELS TOTALING APPROXIMATELY 22.6 ACRES IN SIZE (3) APPROVE A**

**VESTING TENTATIVE SUBDIVISION MAP FOR 275 RESIDENTIAL LOTS AND
SEVERAL COMMON AREA PARCELS (4) APPROVE A DEVELOPMENT REVIEW
APPLICATION FOR THE DEVELOPMENT OF 324 HOMES OF MIXED HOUSING
TYPES (5) DETERMINE THAT THE ZONING TEXT AMENDMENT IS EXEMPT FROM
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA
GUIDELINES SECTION 15061(B)(3) AND THE TRIWAY PROJECT IS
CATEGORICALLY EXEMPT FROM CEQA PURSUANT TO CEQA GUIDELINES
SECTION 15183, PROJECTS CONSISTENT WITH THE CERTIFIED TRACY
GENERAL PLAN ENVIRONMENTAL IMPACT REPORT.**

Craig Hoffman, Senior Planner, presented staff report and introduced Julia Adams with Brookfield Residential Properties, representing the Applicant, who presented a PowerPoint presentation. Ms. Adams introduced the Project architect, Jill Williams, from KTGY, who also presented slides to the Commission.

Commission asked clarifying questions.

Vice Chair Penning opened the Public Hearing at 7:30 p.m.

Rosario Patrick, Tracy Hills resident, addressed the Commission.

Vice Chair Penning closed the Public Hearing at 7:34 p.m.

Additional questions and discussion amongst the Commission followed.

Michael Freitag, Landscape Architect for the Project addressed questions from the Commission.

ACTION: It was moved by Commissioner Atwal and seconded by Commissioner Boakye-Boateng that the Planning Commission move to recommend that the City Council:

1. INTRODUCE AND ADOPT AN ORDINANCE THAT:

- (A) APPROVES A ZONING TEXT AMENDMENT ADDING ARTICLE 9.5, SMALL LOT RESIDENTIAL ZONE, TO CHAPTER 10.08 OF TITLE 10 OF THE TRACY MUNICIPAL CODE, SECTIONS 10.08.1471 THROUGH 10.08.1479; AND
- (B) DETERMINES THAT THE ZONING TEXT AMENDMENT CREATING THE SMALL LOT RESIDENTIAL (RSL) ZONE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3) IN THAT PROJECTS WITH NO POTENTIAL FOR CAUSING A SIGNIFICANT EFFECT ON THE ENVIRONMENT NEED NO FURTHER ENVIRONMENTAL REVIEW.

2. INTRODUCE AND ADOPT AN ORDINANCE THAT:

- (A) APPROVES A REZONE OF THE TRIWAY PROJECT SITE FROM LIGHT INDUSTRIAL TO SMALL LOT RESIDENTIAL FOR FOUR PARCELS TOTALING APPROXIMATELY 22.6 ACRES IN SIZE; AND
- (B) DETERMINES THAT THIS PROJECT IS CATEGORICALLY EXEMPT FROM CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA

GUIDELINES SECTION 15183, PROJECTS CONSISTENT WITH THE CERTIFIED TRACY GENERAL PLAN ENVIRONMENTAL IMPACT REPORT.

3. ADOPT A RESOLUTION THAT:

- (A) APPROVES A VESTING TENTATIVE SUBDIVISION MAP FOR 275 RESIDENTIAL LOTS AND SEVERAL COMMON AREA PARCELS; AND
- (B) APPROVES A DEVELOPMENT REVIEW PERMIT FOR THE DEVELOPMENT OF 324 HOMES OF MIXED HOUSING TYPES; AND
- (C) DETERMINES THAT THIS PROJECT IS CATEGORICALLY EXEMPT FROM CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15183, PROJECTS CONSISTENT WITH THE CERTIFIED TRACY GENERAL PLAN ENVIRONMENTAL IMPACT REPORT.
- (D) MODIFIES THE CONDITIONS OF APPROVAL (Exhibit B)

- a. Text amendment to dedicate the park to the City of Tracy instead of HOA.
- b. Per Memorandum dated May 28, 2025, Staff recommended Condition Modifications to C.1, C.3.13, C.3.14 and C.3.15, C.4.21, C.7.2 and F.2(3)

A roll call vote found Commissioner Atwal, Commissioner Boakye-Boateng, Vice Chair Penning, and Chair Orcutt all in favor. Commissioner English absent. Passed and so ordered; 4-0-1-0.

Commissioner English entered the dais at 8:04 p.m.

B. STAFF RECOMMENDS THAT THE PLANNING COMMISSION CONDUCT A PUBLIC HEARING, AND UPON ITS CONCLUSION, ADOPT A RESOLUTION (1) RECOMMENDING CITY COUNCIL ADOPTION OF THE 2023-2031 HOUSING ELEMENT.

Craig Hoffman, Senior Planner, presented staff report and introduced Veronica Tam, from Veronica Tam & Associates, who addressed the Commission via WebEx.

Vice Chair Penning opened the Public Hearing at 8:50 p.m.

Christan Santos, Building Industry Association, addressed the Commission, in opposition of adopting the 2023-2031 Housing Element.

Vice Chair Penning closed the Public Hearing at 8:53 p.m.

ACTION: It was moved by Commissioner Atwal and seconded by Commissioner Boakye-Boateng that the Planning Commission recommend the City Council:

- (1) DETERMINE THAT THE 2023-2031 HOUSING ELEMENT IS EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") (CALIFORNIA PUBLIC RESOURCES CODE SECTION 21000, ET SEQ.), PURSUANT TO STATE CEQA REGULATION §15061(B)(3) (14 CAL. CODE REGS. § 15061(B)(3)), THE COMMON-SENSE EXEMPTION COVERING ACTIVITIES WITH NO POSSIBILITY OF HAVING A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

- (2) DIRECT THE CITY MANAGER TO FILE A NOTICE OF EXEMPTION WITH THE COUNTY CLERK RECORDER FOR THE 2023-2031 HOUSING ELEMENT AFTER EXECUTION, AND TOGETHER, THIS WILL COMPLETE THE ENVIRONMENTAL DOCUMENT PROCESS FOR THE PROJECT, IN COMPLIANCE WITH CEQA.
- (3) ADOPT THE 2023-2031 HOUSING ELEMENT, AVAILABLE AND ON FILE IN THE CITY CLERK'S OFFICE.
- (4) DIRECT THE CITY MANAGER TO FILE A COPY OF THE 2023-2031 HOUSING ELEMENT AND ADOPTION ORDINANCE WITH THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR DOCUMENT CERTIFICATION AND FORMAL APPROVAL.

A roll call vote found Chair Orcutt, Vice Chair Penning, Commissioner Atwal, Commissioner Boakye-Boateng, and Commissioner English all in favor. Passed and so ordered; 5-0-0-0.

C. STAFF RECOMMENDS THAT THE PLANNING COMMISSION CONDUCT A PUBLIC HEARING, AND UPON ITS CONCLUSION, ADOPT A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL TAKE THE FOLLOWING ACTIONS (1) INTRODUCE AND ADOPT AN ORDINANCE APPROVING AN AMENDMENT TO THE TRACY HILLS SPECIFIC PLAN RELATED TO MAXIMUM BUILDING HEIGHT IN THE LIGHT INDUSTRIAL ZONE AND THE ADDITION OF APPENDIX E – DESIGN GUIDELINES FOR THE TRACY HILLS COMMERCE CENTER, APPLICATION NUMBER SPA21-0004 (2) ADOPT A RESOLUTION APPROVING A DEVELOPMENT REVIEW PERMIT FOR THE TRACY HILLS COMMERCE CENTER PROJECT, WHICH INCLUDES CONSTRUCTION OF SEVEN INDUSTRIAL WAREHOUSE BUILDINGS RANGING IN SIZE FROM APPROXIMATELY 117,907 SQUARE FEET TO APPROXIMATELY 355,116 SQUARE FEET, TOTALING APPROXIMATELY 1.73 MILLION SQUARE FEET, AND ASSOCIATED PARKING AND LANDSCAPING AREAS, LOCATED AT 29592 S. CORRAL HOLLOW ROAD, ON APPROXIMATELY 97.45 ACRES AT THE SOUTHWEST CORNER OF CORRAL HOLLOW ROAD AND THE DELTA MENDOTA CANAL, ASSESSOR'S PARCEL NUMBER 253-020-23, APPLICATION NUMBER D21-0012 (3) ADOPT A RESOLUTION APPROVING A VESTING TENTATIVE SUBDIVISION MAP TO CREATE 16 PARCELS AND A DESIGNATED REMAINDER PARCEL LOCATED AT THE SOUTHWEST CORNER OF CORRAL HOLLOW ROAD AND THE DELTA MENDOTA CANAL, TOTALING APPROXIMATELY 193.72 ACRES, ASSESSOR'S PARCEL NUMBERS 253-020-23, 253-020-22, 253-020-21, AND 253-020-20, APPLICATION NUMBER TSM21-0003; AND (4) DETERMINE THAT BASED ON THE ENVIRONMENTAL IMPACT REPORT THAT WAS CERTIFIED BY THE CITY COUNCIL ON APRIL 5, 2016, FOR THE TRACY HILLS SPECIFIC PLAN, AND THE CONSISTENCY ANALYSIS AND ENVIRONMENTAL CHECKLIST PREPARED BY THE CITY FOR THE TRACY HILLS COMMERCE CENTER PROJECT IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND THE CEQA GUIDELINES, NO FURTHER ENVIRONMENTAL REVIEW IS REQUIRED, PURSUANT TO CEQA GUIDELINES SECTIONS 15162 AND 15168(C)(2).

Planning Commission Minutes

May 28, 2025

Page 5

Scott Claar, Planning Manager, presented staff report and addressed questions from the Commission.

Steve Arthur, Ridgeline Property Group, Applicant, addressed the Commission and provided a PowerPoint presentation.

Vice Chair Penning opened the Public Hearing at 9:56 p.m.

Troy E. Jones, Jr., Stockton resident, Labor Union member; Rosa Martinez, Laborers Union; Rafael Gonzalez, 25-year Tracy resident; Liz Sutton, Local 104 sheet metal worker; Raul Hernandez, Stockton resident, Labor Representative/Organizer for various Union Organizations; Ron McFarland, Tracy resident and IEW Apprentice with Local 595; Manuel Zapata, lifelong Tracy resident, Andrea Mandal, Tracy Hills resident; Stephanie Pedro, Tracy Hills resident and local union member; Leanne Staas, lifelong Tracy resident; Narayanan, Tracy Hills resident; Nishant Patel, Tracy Hills resident; Mr. Patel, Tracy Hills resident; Ajith Subramoni, Tracy Hills resident; Maurice Francis, Tracy resident; Shiv, Tracy Hills resident; Ritwick, Tracy Hills resident; Rosario Patrick, Tracy Hills resident; and via WebEx, Jaswinder Singh, Tracy Hills resident; Bharat Dhillon, Tracy Hills resident; Jithender, Tracy Hills middle school student; Vishal, Tracy Hills resident; Hardeep Obhi; Tracy Hills resident; Charles; Tracy Hills resident; Jay Heer; Tracy Hills resident; Laxmikant, Tracy Hills resident; Jose Lopez, Tracy Hills resident; Sri P., Tracy Hills resident; Sai V., Tracy Hills resident; Raj; Mike E, Tracy resident; Deep Sidhu; Pradeep; Rajya Iakshmi, Tracy Hills resident; Suparn, Tracy Hills resident; Sree, Tracy Hills resident; Mueali; Vanita, high school student; Gangi, Tracy Hills resident; Bhaskar; Raj, Tracy Hills resident; Ajay; Madhu; Tara, Tracy Hills resident; Rajasri, Tracy Hills resident; each addressed the Commission about the Project.

Tracy Union Members submitted a letter to the Commission supporting responsible construction in Tracy Hills.

Vice Chair Penning closed the Public Hearing at 11:28 p.m.

ACTION: It was moved by Commissioner Atwal and seconded by Commissioner Boakye-Boateng that the Planning Commission recommend the City Council:

1. INTRODUCE AND ADOPT AN ORDINANCE THAT:

- (A) APPROVES AN AMENDMENT TO THE TRACY HILLS SPECIFIC PLAN RELATED TO MAXIMUM BUILDING HEIGHT IN THE LIGHT INDUSTRIAL ZONE AND THE ADDITION OF APPENDIX E – DESIGN GUIDELINES FOR THE TRACY HILLS COMMERCE CENTER, APPLICATION NUMBER SPA21-0004; AND
- (B) DETERMINES THAT BASED ON THE ENVIRONMENTAL IMPACT REPORT THAT WAS CERTIFIED BY THE CITY COUNCIL ON APRIL 5, 2016, FOR THE TRACY HILLS SPECIFIC PLAN, AND THE CONSISTENCY ANALYSIS AND ENVIRONMENTAL CHECKLIST PREPARED BY THE CITY FOR THE TRACY HILLS COMMERCE CENTER PROJECT IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND THE CEQA GUIDELINES, NO FURTHER ENVIRONMENTAL DOCUMENT IS REQUIRED, PURSUANT TO CEQA GUIDELINES SECTIONS 15162 AND 15168(c)(2); AND

2. ADOPT A RESOLUTION THAT:

- (A) APPROVES A DEVELOPMENT REVIEW PERMIT FOR THE TRACY HILLS COMMERCE CENTER PROJECT, WHICH INCLUDES CONSTRUCTION OF SEVEN INDUSTRIAL WAREHOUSE BUILDINGS RANGING IN SIZE FROM APPROXIMATELY 117,907 SQUARE FEET TO APPROXIMATELY 355,116 SQUARE FEET, TOTALING APPROXIMATELY 1.73 MILLION SQUARE FEET, AND ASSOCIATED PARKING AND LANDSCAPING AREAS, LOCATED AT 29592 S. CORRAL HOLLOW ROAD, ASSESSOR'S PARCEL NUMBER 253-020-23, ON APPROXIMATELY 97.45 ACRES AT THE SOUTHWEST CORNER OF CORRAL HOLLOW ROAD AND THE DELTA MENDOTA CANAL, APPLICATION NUMBER D21-0012;
- (B) APPROVES A VESTING TENTATIVE SUBDIVISION MAP TO CREATE SIXTEEN PARCELS AND A DESIGNATED REMAINDER PARCEL LOCATED AT THE SOUTHWEST CORNER OF CORRAL HOLLOW ROAD AND THE DELTA MENDOTA CANAL, TOTALING APPROXIMATELY 193.72 ACRES, ASSESSOR'S PARCEL NUMBERS 253-020-23, 253-020-22, 253-020-21, and 253-020-20, APPLICATION NUMBER TSM21-0003; AND
- (C) DETERMINES THAT BASED ON THE ENVIRONMENTAL IMPACT REPORT THAT WAS CERTIFIED BY THE CITY COUNCIL ON APRIL 5, 2016, FOR THE TRACY HILLS SPECIFIC PLAN, AND THE CONSISTENCY ANALYSIS AND ENVIRONMENTAL CHECKLIST PREPARED BY THE CITY FOR THE TRACY HILLS COMMERCE CENTER PROJECT IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND THE CEQA GUIDELINES, NO FURTHER ENVIRONMENTAL DOCUMENT IS REQUIRED, PURSUANT TO CEQA GUIDELINES SECTIONS 15162 AND 15168(c)(2).

A roll call vote found Chair Orcutt and Commissioner Atwal in favor. Commissioner Boakye-Boateng, Commissioner English, and Vice Chair Penning opposed. Motion failed; 2-3-0-0.

D. ITEMS FROM THE AUDIENCE

None.

E. DIRECTOR'S REPORT

Scott Claar informed the Commissioners that they were given new City of Tracy Planning Commission business cards, and City of Tracy e-mail addresses would be provided soon.

F. ITEMS FROM THE COMMISSION

None.

G. ADJOURNMENT

ACTION: It was moved by Vice Chair Penning and per voice vote all were in favor to adjourn.

Time: May 26 at 12:09 a.m.



Jim S. Daff

CHAIR



Scott Claar

STAFF LIAISON

ATTACHMENTS:

- Item 1.A - Memorandum – Staff requests to modify the Triway Project.
- Item 1.A - Letter from Steven J. Hassing, Attorney at Law with the Law Offices of Steven J. Hassing
- Item 1.A - Letter from Paul Campos, Sr. V.P. of Governmental Affairs with Building Industry Associates
- Item 1.A - Email from Wahid Tadros
- Item 1.B - Letter from John R. Beckman, Chief Executive Officer with the Building Industry Association of the Greater Valley
- Item 1.C - Email from Andrea Mandal
- Item 1.C - Email from Joy Ann Jessop
- Item 1.C - Email from Cherie & Raymond Levasseur
- Item 1.C - Letter with supporting documents from the Sierra Club
- Item 1.C – Letter from Tracy Union Members



**Public Comment -- Received 05.28.25
RE: Planning Commission Meeting 05.28.25
Item 1.A The Triway Project
R24-0001, ZA25-0001, TSM24-0001, D24-0003**

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

COMMUNITY AND ECONOMIC
DEVELOPMENT DEPARTMENT
MAIN 209.831.6000
FAX 209.831.6120
www.ci.tracy.ca.us

Memorandum

DATE: May 28, 2025

TOPIC: The Triway Project

Rezone (R24-0001), Zoning Code Amendment (ZA25-0001), Tentative Subdivision Map (TSM24-0001), and Development Review Application (D24-0003)

FROM: Scott Claar, Planning Manager

SUBJECT: Condition Modifications to C.1. C.3.13, C.3.14 and C.3.15, C.4.21, C.7.2 and F.2(3)

Planning Commissioners, staff requests the following condition modifications for the Triway Project.

C.1. Technical Analysis incorporated into these Conditions.

Subject to the approval of the City, the Developer shall comply with the applicable recommendations of the technical analyses/reports prepared for the Project listed as follows:

- a) "The Triway:2nd Submittal Vesting Tentative Map Traffic Review Comments Memorandum prepared by Kimley Horn, dated March 28, 2025 ("Traffic Analysis"), **or as updated by minor deviation.**
- b) "Hydraulic and Hydraulic Analysis for the Proposed Triway Development Project" prepared by West Yost Consulting Engineers, dated April 1, 2025 ("SD System Analysis").

C.3.13. The Developer shall merge the existing four (4) parcels (APN 246-130-030, APN 246-130-040, APN 246-130-060, APN 246-130-270) ~~into one parcel as shown on Sheet TM02 of the said vesting tentative subdivision map shall be resubdivided into the and then subdivide the entire subdivision into 275 residential lots as shown on sheet TM03, TM04 and TM05 of the said vesting~~ tentative map as part of the final map for the project.

April 30, 2025

Page 2 of 2

C. 3.14. ~~Prior to approval of the first final map~~, The Developer shall submit a final map offering to dedicate 155,768-square-feet public park parcel A to the City of Tracy HOA, and a 49,503-square-feet drain basin parcel B to the City of Tracy HOA.

C.3.15 ~~Prior to approval of the first final map~~, The Developer shall submit a final map offering to dedicate landscape parcels C, E, FF, HH, K, M, O, P and Z as shown on sheet TM05 of said tentative map to the HOA.

C.4.21 The developer shall rough and final grade the project and the adjacent City regional Det 2B storm drain basin in accordance with the City approved improvement plans "Detention basin 2B expansion (CIP no 76066)" prepared by Stantec, dated 7/12/2019 for Det 2B regional basin. The excavation and grading of this regional basin shall be completed prior to installation of the subdivision storm drain system. Det 2B basin is required to be operational prior to occupying the first building within the subdivision. ~~The developer may receive fee credits to be reimbursed for by other developers within the drainage area to pay their fair share contribution to the construction of this basin. The developer may receive development impact fee credits for this work in accordance with Title 13 of the City of Tracy Municipal Code. The Developer will need to enter into an Improvement Agreement in order to receive fee credits.~~

F.2 Neighborhood Park

3. The Developer is required to enter into a park-specific Subdivision Improvement Agreement. ~~The developer may receive development impact fee credits for this work in accordance with Title 13 of the City of Tracy Municipal Code. The Developer will need to enter into an Improvement Agreement in order to receive fee credits.~~

Please let us know if you have any questions.

**Public Comment -- Received 05.22.25
RE: Planning Commission Meeting 05.28.25
Item 1.A The Triway Project
R24-0001, ZA25-0001, TSM24-0001,
D24-0003**

**LAW OFFICES
OF
STEVEN J. HASSING**

ALSO LICENSED AND PRACTICING IN
WASHINGTON
ARIZONA

425 CALABRIA COURT
ROSEVILLE, CALIFORNIA 95747
TELEPHONE: (916) 677-1776
FACSIMILE: (916) 677-1770
E-MAIL: sjh@hassinglaw.com

May 20, 2025

To Whom It May Concern;

I am writing to support the Brookfield project on Valpico Road and the updated zoning standards for small lot developments. Tracy is in desperate need of missing middle housing and small lot projects like this one are lacking in our community. By allowing homes on smaller lots, Tracy will enable Tracy residents to stay in Tracy by making single family homes accessible. The three different types of proposed housing will allow Tracy residents to have options while providing these crucial missing middle housing types. Additionally, the massive public investment by the project into open space, like the 3.5 acre public park, will catalyze development in the southeast part of town that is prime for growth.

Please vote yes on the Valpico Road project and the small lot development standards.

Thank you,

Steven J. Hassing
Attorney at Law
President of Hacienda Ranch Homes, Inc
An area property owner

**Public Comment -- Received 05.24.25
RE: Planning Commission Meeting 05.28.25
Item 1.A The Triway Project
R24-0001, ZA25-0001, TSM24-0001, D24-0003**



May 24, 2025

City of Tracy
Planning Commission
Via email to: craig.hoffman@cityoftracy.org

Re: Support for Small Lot Residential Zone Ordinance

Dear Members of the Tracy Planning Commission:

The Building Industry Association (BIA) of the Bay Area writes to express strong support for the proposed ordinance to add Article 9.5, Small Lot Residential Zone to Chapter 10.08 of Title 10 of the Tracy Municipal Code.

BIA Bay Area advocates for an adequate supply of quality homes for people of all income levels in and around the region. The addition of a Small Lot Residential Zoning Code creates a path for "missing middle" housing that is characterized by being walkable to amenities and offering a range of affordability.

The type of housing that is facilitated by the proposed ordinance is relatively smaller than what has been offered in other nearby new home communities, with a broader range of affordability options to current and future Tracy residents. This type of housing can be both semi-attached duet and single-family homes, ranging in size from 1,587-2,376 sq. ft.

While many have talked about the importance of offering viable pathways to "missing middle" housing, Tracy is taking steps to make it a reality and BIA strongly commends it for doing so.

Best regards,

Paul Campos
Sr. V.P. of Governmental Affairs
pcampos@biabayarea.org

**Public Comment -- Received 05.27.25
RE: Planning Commission Meeting 05.28.25
Item 1.A The Triway Project
R24-0001, ZA25-0001, TSM24-0001, D24-0003**

From: [Craig Hoffman](#)
To: [Jennifer Lucero](#)
Cc: [Scott Claar](#)
Subject: FW: Brookfield project on Valpico Road
Date: Tuesday, May 27, 2025 3:28:01 PM

Jennifer

Please provide to the Planning Commissioners.

Thank you,

Craig Hoffman | City of Tracy
Senior Planner
Community and Economic Development – Planning Division
333 Civic Center Plaza | Tracy, CA 95376
Office: (209) 831.6426 | craig.hoffman@cityoftracy.org



From: Wahid Tadros <wtadros@cecmain.com>
Sent: Tuesday, May 27, 2025 3:18 PM
To: Craig Hoffman <craig.hoffman@cityoftracy.org>
Subject: Brookfield project on Valpico Road

Yo don't often get email from wtadros@cecmain.com. Learn w y t is is important

Caution: This is an external email. Please take care when clicking links or opening attachments.

May 27, 2025

To Whom It May Concern;

We are writing to support the Brookfield project on Valpico Road and the updated zoning standards for small lot developments. Tracy is in desperate need of missing middle housing and small lot projects like this one are lacking in our community. By allowing homes on smaller lots, Tracy will enable Tracy residents to stay in Tracy by making single family homes accessible. The three different types of proposed housing will allow Tracy residents to have options while providing these crucial missing middle housing types. Additionally, the massive public investment by the project into open space, like the 3.5-acre public park, will catalyze development in the southeast part of town that is prime for growth.

Please vote yes on the Valpico Road project and the small lot development standards.

Regards,

Wahid Tadros

Owner

APN - 246-130-030-000



Building Industry Association of the Greater Valley

1701 W. March Lane, Ste. F

Stockton, CA 95207

(209) 235-7831 • (209) 235-7837 Fax

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Fitzpatrick Homes

-UC Construction

Ryan Gerdin

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Meritage Homes

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May 28, 2025

VIA E-mail

Chair Orcutt and Commissioners
of the City of Tracy Planning Commission
333 Civic Center Plaza
Tracy, CA 95376

Re. Agenda Item 1.B. 2023- 2031 Housing Element

Chair Orcutt, the BIA previously was opposed to the certification of your Housing Element, but due to changes in city staff and several changes in the processing of development, the BIA wrote a letter to HCD supporting the 2023 2031 Housing Element.

Regretfully, city staff has returned to its ways of unnecessarily delaying the production of housing. Specifically in the Ellis project the city has required the developer to include a CFD for the project. But the city has continually delayed the processing of the CFD without explanation. Housing units in the Ellis project are needed to meet the RHNA requirements and the city is imposing a governmental constraint by requiring a CFD that it is unwilling to process. This is the definition of a governmental constraint that must be removed for the Ellis units to be included in the RHNA calculations.

The BIA is seeking a resolution of this matter by either; 1) delaying the adoption of the Housing Element until this situation is resolved; 2) removing the requirement for a CFD in the Ellis project; 3) directing staff to immediately process the CFD or; 4) removing the units from the Ellis project in the count towards achieving the RHNA numbers.

Without one of these changes the BIA will have to resume its opposition to certification of the 2023 – 2031 Housing Element.

Respectfully,

John R. Beckman
Chief Executive Officer

Public Comment -- Received 05.28.25
RE: Planning Commission Meeting 05.28.25
Item 1.C Tracy Hills Commerce Center
SPA21-0004, TSM21-0003, D21-0012

From: Andrea Mandal (triliana)
To: Tracy City Council; Planning Admin
Subject: Distribution center at Tracy hills
Date: Wednesday, May 28, 2025 5:14:55 PM

[Some people who received this message don't often get email from triliana@gmail.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

Caution: This is an external email. Please take care when clicking links or opening attachments.

Hello,

I have contacted you numerous times about this issue. I am still against it for all the reasons I stated earlier.

Our kids don't need this. Our city doesn't need this. We need to build a community not tax havens for wealthy outsiders.

**Public Comment -- Received 05.27.25
RE: Planning Commission Meeting 05.28.25
Item 1.C Tracy Hills Commerce Center
SPA21-0004, TSM21-0003, D21-0012**

From: [Joy Jessop](#)
To: [Planning Admin; Tracycitycouncil@cityoftracy.org](#)
Subject: Opposition Letter to The Tracy Commerce Project
Date: Tuesday, May 27, 2025 7:27:47 PM

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City of Tracy Planning Commission and City Council

I would like to express my opposition to the proposed Tracy Commerce Project on Corral Hollow. This project will negatively impact our quality of life through increased traffic, noise, deterioration of roads, pollution and displacement of wildlife that make the orchards and fields in that area their home. The property that this project will occupy is prime agricultural land and should remain as such. My once small town agricultural community has turned into a city with poor roads, traffic jams and increased crime. The Tracy area has seen too much growth in both warehouses and residential housing without the accompanying improvements in roads. There are many warehouses in the Tracy area that remain unoccupied. The warehouses in the International Parkway Area have caused many truck traffic problems for the residents in the area. The problems caused by truck traffic in the Hansen Road area became so severe the road has been closed off at the overpass to prevent truck traffic on their resident streets. The interchange at International Parkway and Highway 205 has been improved, but the interchange at Patterson Pass/International Parkway and Highway 580 has yet to see any improvements other than some traffic lights, which at commute times cause major backups (especially if there has been an accident on the Altamont). On Corral Hollow there has been a widening of the road in front of each residential subdivision and traffic lights added, but as soon as you are passed the subdivision the roadway narrows back down causing bottleneck traffic and accidents. Just as these streets cannot currently handle the increase in traffic, the on/off ramps and overpasses at this freeway interchange is in a deplorable state. We have seen increased truck traffic on Chrisman Road coming from warehouses on Grant Line Road trying to avoid the 205 traffic and I foresee even more truck traffic impact Chrisman Road (which is also in a deplorable state) if this project is in approved. Interstate 580, with 2 lanes for each direction cannot handle the increased traffic from all of these warehouses, not only in the Tracy area, but also Manteca and Patterson. As to the supposed jobs this project will create, I say the minimum wage warehouse jobs that will come after the build out of this project, will barely even support a single person leaving on their own in the Tracy area, let alone a family. Another concern is in regards to water. Where is the water going to come from? We are constantly under the threat of drought and water rationing.

Enough is Enough, Stop the Tracy Commerce Project! No More Warehouses!

Preserve Agricultural Land and the Agricultural Way of Life!

Sincerely,

Joy Ann Jessop

34619 Bernard Road

Tracy, CA 95377

Par Country Estates

Public Comment -- Received 05.28.25
RE: Planning Commission Meeting 05.28.25
Item 1.C Tracy Hills Commerce Center
SPA21-0004, TSM21-0003, D21-0012

From: Cherie Levasseur
To: Tracy City Council; Planning Admin
Subject: No more warehouses
Date: Wednesday, May 28, 2025 1:17:57 PM

[You don't often get email from cherielev@sbcglobal.net. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

Caution: This is an external email. Please take care when clicking links or opening attachments.

To whom it may concern, I am opposed to the new warehouses planned to be developed between Tracy Hills, Ellis, and Midway.

Tracy does not need more warehouses!

In addition, you are bringing more traffic to the lower part of Tracy and the roads are unable to handle that type of weight variance. As it's clear that our roads aren't even fit for local automobiles in. There would also be more noise to this quiet community.

Let's not lose our farming charm.

Cherie & Raymond Levasseur
1326 Poppy Hills Ln., Tracy

**Public Comment -- Received 05.27.25
RE: Planning Commission Meeting 05.28.25
Item 1.C Tracy Hills Commerce Center
SPA21-0004, TSM21-0003, D21-0012**



May 26, 2025

Tracy Planning Commission
Via e-mail
publiccomment@cityoftracy.org
forrest.ebbs@cityoftracy.org
scott.claar@cityoftracy.org

Re: Additional Comments on the Proposed Tracy Hills Commerce Center Project

Members of the Planning Commission:

At the last Planning Commission hearing on April 9 on this application, the Commission continued the item so that further information could be submitted by the applicant and city planning staff to respond to specific concerns raised by the Commissioners and city residents.

The staff report for this meeting notes that

"Approximately 25 people spoke in opposition to the project and approximately four people spoke in favor. Additionally, over 100 emails were submitted to the City in opposition to the project. Primary concerns raised by the public were related to the warehouse land use, traffic, air quality, safety, light, and noise. Following questions and comments by the Planning Commissioners, the Planning Commission voted 4-0 to continue this matter to a future date to allow more time to review the agenda materials. In response to concerns raised during the April 9th Planning Commission meeting, staff and the City's planning consultants prepared a memo for further clarification and to address a few key issues related to project design and lighting effects, traffic analyses, and air quality and air emissions (Attachment A1 – Further CEQA Clarifications Memo)."

We have read the very brief "Further CEQA Clarifications Memo." The memo concludes unconvincingly that "Staff is not recommending any new mitigation measures, as the existing mitigation measures ensure the project remains in compliance with all previously established environmental commitments." In other words, the staff and the environmental consultant have ignored all of the comments and questions that were raised at the hearing and have simply reiterated their original arguments that the project does not need any additional mitigation, beyond what was required in an environmental impact report (EIR) that was adopted almost 10 years ago!

This is a ridiculous and unsupportable position for the city staff and planning consultant to take, and it is not consistent with the requirements of CEQA.

The memo fails to address several issues that were raised by commissioners and members of the public. To cite just a few of these issues that have been ignored, the memo fails to submit:

- updated information about current traffic conditions on Corral Hollow Road;
- information about whether the project as proposed complies with the requirements of Assembly Bill 98;
- information about how the project is in conformity with recent State air quality and greenhouse gas (GHG) emission plans and guidelines;
- information about recent settlement agreements in Tracy (Costco) and elsewhere in the county; and
- information about the status of ongoing city efforts to draft a warehouse ordinance.

As we argued in our letter of April 7, 2025 (attached), the project's outdated mitigation measures originally adopted nine years ago fail to even come close to meeting a reduction in GHG and toxic diesel truck emissions. The project must be required to incorporate numerous additional measures recommended by the San Joaquin Valley Air Pollution Control District, the State Attorney General, the California Air Resources Board and other regulatory agencies, before this project can be considered for approval.

At a minimum, the approval of the project must include detailed, effective mitigation measures designed to reduce air quality, GHG and climate impacts by accomplishing the following:

- sufficient solar panels to provide power for the project

- utilize a "clean fleet" of light vehicles/delivery vans/trucks (Class 2 through 6) at the onset of business operations
- adopt standards to provide 100% electrification of all heavy-duty trucks (Class 7 and 8) using the project site by end of 2025 or when commercially available for the intended application, whichever date is later
- provide electric charging facilities on the project site sufficient to charge all electric trucks and employee vehicles

NONE of these measures were required by the Tracy Hills Specific Plan EIR adopted in 2016.

The Sierra Club urges this Commission to require the developer to incorporate the mitigation measures above and those agreed to by Costco into the project.

Sincerely,

s/s Margo Praus, Chair,

Eric Parfrey, member

Mary Elizabeth M.S., R.E.H.S., Conservation Chair

Delta-Sierra Group, Sierra Club

cc: Robert Swanson, California Attorney General's Office
Stanley Armstrong, California Air Resources Board
Patia Siong and Harout Sagherian, San Joaquin Valley Air Pollution Control
District
Aaron Isherwood and Joya Manjur, Sierra Club Environmental Law Program
Tracy City Council

Attachments:

- A. Letter to Tracy City Council regarding Costco Settlement Agreement
- B. Settlement Agreement between the Sierra Club, the City of Stockton, and Greenlaw Development, LLC (developer of the approved 203-acre Mariposa Industrial Park)
- C. Attorney General ""Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act"
- D. Los Angeles Times, "Gavin Newsom signs controversial bill regulating California warehouse development," September 29, 2024; and text of AB 98

ATTACHMENT A
LETTER TO TRACY CITY COUNCIL
REGARDING COSTCO SETTLEMENT AGREEMENT



March 3, 2025

Via Electronic Mail

Tracy City Council
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376
tracycitycouncil@cityoftracy.org
cityclerk@cityoftracy.org
cm@cityoftracy.org

Re: City Council Consideration of the Costco Warehouse Project

Dear Mayor Arriola and Honorable Members of the City Council:

The Sierra Club submits the following letter and attached documents so that decision-makers and members of the public have all relevant information needed to make an informed decision about this proposed project.

We have read the staff report and are perplexed that the report contains no mention of the settlement agreement and additional mitigation measures that were negotiated between the Sierra Club and Costco.

To ensure that the record contains all relevant documents, we have attached the settlement agreement, including the additional mitigation measures Costco has agreed to incorporate into the project. The settlement agreement was included in the Planning Commission packet for their meeting on December 4, 2024, but the agreement does not appear to be included in this City Council staff report.

We appreciate the efforts by Costco to further mitigate the air quality, greenhouse gas, and other impacts of their proposed warehouse project, beyond what the City was requiring. We expect that this level of mitigation will become the standard for all future warehouse projects that are approved in the City of Tracy, including pending projects such as the Banta warehouse and future Prologis projects in the City and County.

Press Release

See <https://www.sierraclub.org/press-releases/2024/12/sierra-club-costco-settlement-secures-groundbreaking-clean-truck>

In December, 2024 the Delta Sierra Group announced a legal settlement with Costco, the third largest retailer in the country. The agreement will require Costco's proposed 1.7-million-square-foot warehouse project in Tracy to transition to an electric truck fleet years ahead of state goals. The agreement also requires on-site solar generation, charging infrastructure and other requirements to mitigate air pollution and greenhouse gas emissions from the project (see attached press release).

Sierra Club's Delta Sierra Group, together with its legal counsel Shute, Mihaly & Weinberger and attorneys with the Sierra Club, negotiated with Costco for several months to incorporate these enhanced mitigation measures into its project plans.

Additional mitigation measures included in the Settlement Agreement

The following is a partial list of the most important "enhanced measures" agreed to by Costco. The full list of measures is included in Attachment A of the settlement agreement.

EM-1: Renewable Power: The Project applicant shall supply 100% of project electricity demand from renewable sources. The Project applicant shall procure power from a combination of onsite solar generation and direct source renewable purchased energy; however, at no time shall the Project site be supplied with any greater than 3.4 megawatts of direct source renewable purchased energy. Upon project opening, the Project applicant shall generate at least 3.8 megawatts of renewable electricity from solar facilities located on site. Such facilities may include solar photovoltaic panels on the roofs of the buildings or elsewhere on site (e.g., awnings, canopies or "solar trees" in parking area). The Project shall be designed and constructed to allow future expansion of solar facilities on site as electricity demand increases. The Project applicant shall, as part of the solar microgrid, install a battery storage system with enough capacity to power the project's basic building functions for 48 hours.

EM-6: Zero Emission Forklifts, Yard Trucks and Yard Equipment: The Project Applicant shall ensure that all exclusively on-site vehicles owned and operated by Costco (i.e., forklifts, yard goats, pallet jacks, scissor lifts, etc.) shall be electric or zero-emission vehicles, and shall provide on-site electrical charging facilities to adequately service such electric vehicles.

EM-7: Truck Idling Restrictions: The Project Applicant shall take reasonable measures to restrict truck idling (during construction and operation) onsite to a maximum of two minutes, and in no instance shall idling exceed five minutes. To achieve this limit, (a) trucks owned or operated by Costco that access the project site must be equipped with engine idle shutdown timers and (b) developer will inform drivers and operators of idling time limits by including highly visible signage at key points onsite, such as at docks and delivery areas. The Project Applicant shall train managers and employees on efficient scheduling and load management to minimize queuing and idling of trucks.

EM-8: Electric Charging: The Project Applicant shall provide electrical outlets for charging of employee e-bikes. The Project Applicant shall install conduit as infrastructure for electric vehicle charging stations onsite to allow for the Project to serve electric trucks in the future. Such conduit shall be provided on the site to serve 50% of the number of truck docking stations, with the location of conduit at the

discretion of the developer (e.g., truck trailer parking spaces or other locations). The Project Applicant shall ensure that sufficient electric vehicle charging stations are installed when necessary to serve the charging demands of electric trucks and vehicles domiciled at the Project site.

EM-14: Project Operations, Employee Trip Reduction: The Project applicant shall implement feasible Transportation Demand Management (TDM) strategies, which would decrease the VMT generated by the Project by 15 percent. Specific potential TDM strategies include, but are not limited to, the following:

- Emergency Ride Home (ERH) Program
- Existing, Agency-Run Employee Rideshare Program
- Employee Ride-Share Messaging and Promotion
- Designated Parking Spaces for Car Share Vehicles
- City Minimum or Fewer Parking Stalls
- Bicycle Parking at Front Entrance of Buildings: Secure, and Indoors or Covered
- Electrical Outlets for E-Bike Charging
- Lockers and Showers for Employees
- Onsite Food and Drink Service for Sale for Employees
- Enhanced Pedestrian Crossing Treatment within Site

The TDM Plan shall be submitted to the City for review, and the effectiveness of the TDM Plan shall be evaluated, monitored, and revised, if determined necessary by the City. The TDM Plan shall include the TDM strategies that will be implemented during the lifetime of the proposed Project and shall outline the anticipated effectiveness of the strategies. The effectiveness of the TDM Plan may be monitored through annual surveys to determine employee travel mode split and travel distance for home-based work trips, and/or the implementation of technology to determine the amount of traffic generated by and home-based work miles traveled by employees, which shall be determined in coordination with the City. Additionally, should the initial TDM Plan submitted to the City for review be projected to fall short of achieving a 15 percent decrease in VMT, the Project applicant shall pay any VMT banking fee in effect at the time of building permit issuance to secure VMT credits of a total of 15 percent for the subject building, taking into account the stated percent efficacy for the TDM measures above. Should the initial TDM Plan submitted to the City for review be projected to fall short of achieving a 15 percent decrease in VMT and a VMT banking fee is not in effect at the time of building permit issuance, the Project applicant shall make a one-time contribution to the City of Tracy transit service provider, TRACER, equal to the amount that would be calculated using the City's draft VMT banking fee of \$633.11 per VMT, as documented in the Transportation and Circulation section of the Draft EIR, to enable opportunity of transit services that would benefit the Tracy community in perpetuity and overcome the TDM Plan's shortfall in projected VMT reduction

EM-B: Zero Emission Heavy-Duty Trucks: The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language, if the facility is leased in the future, to ensure the tenants/lessees are informed of all on-going operational responsibilities.

The property owner/tenant/lessee shall ensure that a 72% of all heavy-duty (Class 7 and 8) truck trips transporting goods from the Direct Delivery Center warehouse facility on the project site to the Market Delivery Operations facilities (that 72% being the "MDO Trips") are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet making MDO Trips

fully zero-emission by December 31, 2027 or when commercially available for the intended application, whichever date is later.

A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, <https://californiahvip.org/>, or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory, <https://globaldrivetozero.org/>. In order for such vehicles to be considered are commercially unavailable, at least three (3) months prior to the deadline above, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.

In addition to the obligations above, the property owner/tenant/lessee shall ensure that, regardless of commercial availability determinations, a minimum of the following percentages of heavy-duty trucks (Class 7 and 8) making MDO Trips domiciled on the project site shall be zero-emission vehicles: 10% by December 31, 2027; 25% by December 31, 2030; 50% by December 31, 2033; 75% by December 31, 2036; and 100% by December 31, 2039.

Zero-emission heavy-duty trucks which require service can be temporarily replaced with model year 2014 or later trucks. Replacement trucks shall be used for only the minimum time required for servicing fleet trucks.

EM-C: Zero Emission Vehicles: The property owner/tenant/lessee shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) owned by the property owner/tenant/lessee that travels to and from the project site, the following "clean fleet" requirements apply: (i) 65% of the fleet will be zero emission vehicles at start of operations, (ii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

The property owner/tenant/lessee shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the project site.

EM-D: Compliance Report: For the first five (5) years following project approval, the Operator of the warehouse facilities shall submit to the Sierra Club an annual compliance report within 30 days of December 31 each year addressing compliance with EM-B and EM-C. If the Sierra Club asks the Operator any clarifying questions or requests, the Operator shall respond to such inquiry in writing within thirty (30) days. If the Operator has not fully complied with EM-B within 5 years, the Operator shall submit a compliance report to the Sierra Club within 30 days of December 31, 2030, 2033, 2036, and 2039. Once the Operator has fully complied with EM-B or EM-C by transitioning to 100% zero-emission vehicles, no further reporting for that measure shall be required.

Prior to receipt of a final certificate of occupancy for each of the two phases of the Project (DDC building and Annex building), Developer will submit to the Sierra Club a report demonstrating compliance with all applicable measures in the MMRP and measures committed to in the agreement with the Sierra Club. Developer will endeavor to provide the Sierra Club with at least thirty (30) days' prior notice in advance of submitting the reports. If the Sierra Club asks the Developer any clarifying questions or requests, the Developer shall respond to such inquiry in writing within thirty (30) days.

EM-E: Lease Agreements and Future Owners: Any tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement. All obligations of the Project Applicant in these Tracy Costco Depot Annex Enhancement Measures shall apply to any future owner or operator of the Project.

EM- H: Building Codes: Project construction shall be subject to all applicable City building codes, including the adopted Green Building Standards Code. Prior to the issuance of building permits, the applicant/developer shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Nonresidential Voluntary Measures of the applicable California Green Building Standards code, Divisions A5.1, 5.2 and 5.5, including but not limited to the Tier 2 standards in those Divisions, where applicable; provided, however, that the Tier 2 standards relating to the electric vehicle parking space requirements (e.g., CalGreen sections A5.106.5.1.2, A5.106.5.3.3, and A5.106.5.3.4) shall not pertain. Instead, Buildings 1 and 2 of the Project shall meet at least the July 2022 Green Building Standards Code mandatory requirements (effective January 1, 2023, or the requirements of a later version of the Green Building Standards Code, if applicable) for the number of employee and visitor parking stalls that shall be wired for electric vehicle charging (i.e., EV capable spaces) and that shall be active EV charging parking spaces (i.e., spaces supplied with EV Supply Equipment) upon the start of operation. Signage shall be installed at the parking stalls with EV wiring that are not active at the start of operation to indicate that such parking spaces will be converted to EV spaces once there is demand for such EV spaces. Beginning upon operation of the first building constructed and ending upon five (5) years after the completion of construction of the second building, the Project Applicant shall annually survey employees on their EV charging interest and demands and accommodate demand with additional EV charging equipment to meet demand.

Conclusion

In conclusion, we are grateful that Costco has agreed to implement these very important enhanced mitigation measures. The measures taken as a whole will go a long way to mitigate air quality and greenhouse gas emissions generated by the project. We hope and expect that all future large warehouse projects approved by the City of Tracy will also be required to implement these types of measures in their projects. We also expect that any future warehouse ordinance considered by the City will include these measures at a minimum.

Very truly yours,

Margo Praus, Chair and Eric Parfrey, member
Delta-Sierra Group

Cc: Tracy City Manager (via email)

Tracy City Clerk (via email)

Attachments:

- A. Press release from the Sierra Club
- B. Settlement Agreement between Costco and the Sierra Club

ATTACHMENT A

Sierra Club, Costco Settlement Secures Groundbreaking Clean Truck Requirements in Tracy

Measures are among the strictest ever imposed on a warehouse project in California

December 2, 2024

Contact

Sander Kushen, sander.kushen@sierraclub.org

TRACY, Calif. — The Sierra Club announced a legal settlement with Costco today that will require a massive, 1.7-million-square-foot warehouse project in Tracy to transition to an electric truck fleet years ahead of state mandates. The settlement, which resolves California Environmental Quality Act claims, also requires on-site solar generation, charging infrastructure and other requirements to mitigate air pollution and greenhouse gas emissions from the project.

"This settlement transforms what would have been business as usual diesel truck trips into a cutting edge transition plan for zero-emission vehicles," said **Eric Parfrey, a long-time activist from Sierra Club's Mother Lode Chapter**. "These clean fleet requirements, along with Costco's mandate to supply 100% of the project's electricity demand with renewable energy, will prevent toxic air pollution and save lives in San Joaquin County."

Under the agreement, 72 percent of heavy-duty trucks transporting goods from the facility to market delivery operations in other cities must be zero-emission by the end of 2027. Costco's on-site cargo handling equipment must be fully electric at the start of operations, and trucks at the project site will have to adhere to strict idling limits. The deal also requires Costco to power the project entirely with 100% renewable electricity and on-site solar generation.

The Costco settlement goes far beyond California's Advanced Clean Trucks Rule, which mandates only 11 percent of new heavy-duty truck sales be zero-emission by 2025. It represents the strongest clean fleet requirements the Sierra Club has achieved in any warehouse deal to date.

"The residents of Tracy can now breathe a bit easier," **Parfrey** added. "Warehouse projects like this have the potential to benefit communities, but local government must proactively safeguard air quality from warehouse trucks and operations. This settlement will save the lives of children, our elderly and our other most vulnerable community members."

The City of Tracy's Planning Commission will meet at 7:00 on Wednesday, December 4. The Sierra Club will be requesting that the city updates its Mitigation Monitoring and Reporting Program in order to allow the city to track the measures in the settlement.

ATTACHMENT B

Costco Settlement Agreement

See separate PDF file

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release of All Claims ("Agreement") is entered into by and between the Sierra Club, a California nonprofit public benefit association, the City of Stockton ("City"), a municipal services corporation, and Greenlaw Development, LLC, a California limited liability company ("Developer"), (collectively referred to as "Parties" or singularly "Party"), to terminate fully and finally all disputes concerning the matters set forth below.

RECITALS

WHEREAS, Developer, proposes to develop an approximately 203-acre site in the South Stockton area commonly known as the Mariposa Industrial Park for light industrial land uses (the "Project"). The conceptual site plan proposes construction and operation of 3,616,870 square feet of warehouse and ancillary office uses, approximately 1,831 auto parking spaces, 1,107 truck and trailer parking spaces, and related infrastructure. Developer has applied to the City for the following project approvals: (1) adoption of a Resolution certifying the Mariposa Industrial Park Environmental Impact Report (SCH #2020120283) ("EIR"), including a Statement of Overriding Considerations, and adoption of a Mitigation Monitoring and Reporting Program ("MMRP"); and (2) adoption of an Ordinance for the Pre-zoning of APNs 179-220-10; -11; -12; -13; -16; -17; -18-; 19; and -24 (the "Property") to Industrial, Limited (IL); and (3) adoption an Ordinance for a Development Agreement; and (4) adoption of a Resolution authorizing the filing of an annexation application with the San Joaquin Local Agency Formation Commission (collectively the "Project Approvals"); and

WHEREAS, The Sierra Club and the California Attorney General submitted comments on the EIR requesting that additional air quality and other mitigation measures be included in the EIR and MMRP for the Project and that a fund to mitigate impacts on affected residents be created; and

WHEREAS, the Parties wish to resolve fully and finally all disputes which may exist between the Parties concerning the Project Approvals.

NOW, THEREFORE, based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained above and incorporated in full below, the Parties agree as follows:

AGREEMENT

For good and valuable consideration, the receipt of which is acknowledged by each Party hereto, the Parties promise and agree as follows:

1. If the City approves the Project, and (i) the certified EIR and adopted MMRP include all of the Mitigation Measures in the attached Mariposa Industrial Project Enhanced Measures, and (ii) the authorized Development Agreement includes all of the revised terms in the attached Mariposa Industrial Project Enhanced Measures, then (iii) neither the Sierra Club nor any of its affiliates will file any complaints, claims, grievances, special proceedings or any other actions against the City or Developer with any state,

federal, or local agency or court challenging the Project Approvals or the proposed annexation of the Project site to the City of Stockton. If an affiliate of the Sierra Club is determined to have made a challenge to the Project Approvals or the proposed annexation of the Project site to the City of Stockton in violation of this Section 1, such violation shall constitute a breach of this Agreement by the Sierra Club.

2. The City will draft and consider a comprehensive Warehouse Sustainability Ordinance for future projects that establishes development standards for the construction of industrial warehousing and distribution facilities that exceed 100,000 square feet subject to periodic review for consistency with current regulatory agency recommendations before December 31, 2023. The City may incorporate the addition of warehouse sustainability requirements through its current Development Code revision/update process, provided that the ordinance is considered before December 31, 2023. City staff shall recommend adoption of the ordinance.
3. The City agrees that the Mitigation Measures in the attached Mariposa Industrial Project Enhanced Measures are designed to mitigate potentially significant environmental impacts of warehouse projects. If, prior to adopting the Warehouse Sustainability Ordinance, the City considers approving a project that proposes to develop industrial warehousing or distribution facilities that exceed 100,000 square feet, the City shall include all such applicable measures from the Mariposa Industrial Project Enhanced Measures in any Environmental Impact Report or Mitigated Negative Declaration for the project and consider requiring the project to comply with them.
4. Developer agrees to comply with the attached Mariposa Industrial Project Enhanced Measures and will comply with all applicable City building code requirements.
5. If the City approves the Project, the City will coordinate with the County of San Joaquin to develop and install signage prohibiting non-emergency vehicle access to the project site from Clark Drive or Marfargoa Road. Developer will be responsible for the costs of signage determined to be appropriate by the City and the County.
6. Developer shall pay Sierra Club \$34,350 as reimbursement for Sierra Club's attorney's fees and costs incurred in the administrative phase of the Project Approvals. Payment shall be made to the Shute, Mihaly & Weinberger LLP trust account. Developer shall make this payment within ten (10) days of the expiration of the statute of limitations set forth in Section 21167 of the Public Resources Code on actions or proceedings to attack, review, set aside, void, or annul the City of Stockton's determination of CEQA compliance for the Project Approvals, provided that no such action or proceeding has been initiated by the Sierra Club or its affiliates.
7. This Agreement shall be effective and binding upon the Parties only after the execution of both (1) this Agreement by all parties, and (2) the execution of a Memorandum of Understanding between the California Attorney General and the City relating to the City considering an ordinance to establish development standards for industrial warehouse land uses.

8. Miscellaneous.

- a. Exclusive Remedies. The Parties' sole and exclusive remedy for breach of this Agreement shall be an action for specific performance or injunction. In no event shall any Party be entitled to monetary damages for breach of this Agreement. In addition, no legal action for specific performance or injunction shall be brought or maintained until: (a) the non-breaching Party provides written notice to the breaching Party which explains with particularity the nature of the claimed breach, and (b) within thirty (30) days after receipt of said notice, the breaching Party fails to cure the claimed breach or, in the case of a claimed breach which cannot be reasonably remedied within a thirty (30) day period, the breaching Party fails to commence to cure the claimed breach within such thirty (30) day period, and thereafter diligently complete the activities reasonably necessary to remedy the claimed breach.
- b. All notices and other communications required to be provided pursuant to this Agreement shall be by electronic mail and by first class mail to the following persons at the following addresses:

SIERRA CLUB:

Margo Praus
Delta-Sierra Group
P.O. Box 9258
Stockton, CA 95208
margopraus@msn.com

with copy to:

Sierra Club
Aaron Isherwood, Coordinating Attorney
2101 Webster St., Suite 1300
Oakland, CA 94612
aaron.isherwood@sierraclub.org

with copy to:

Shute, Mihaly & Weinberger LLP
Heather Minner
396 Hayes Street
San Francisco, CA 94102
minner@smwlaw.com

GREENLAW DEVELOPMENT, LLC:

Greenlaw Partners
18301 Von Karmen Avenue, Suite 250
Irvine, CA 92612
Attn: Rob Mitchell
Email: rob@greenlawpartners.com

with copy to:

Cochran Law Group
18301 Von Karman Avenue, Suite 270
Irvine, California 92612
Attn: Thia Cochran
Email: thia@cochranlawgroup.com

with copy to:

Law Office of Daniel P. Doporto
Daniel P. Doporto
3478 Buskirk Avenue, Suite 1000
Pleasant Hill, CA 94523
Email: ddporto@doportolaw.com

CITY OF STOCKTON:

City Attorney's Office
425 N. El Dorado Street
Stockton, CA 95202
City.attorney@stocktonca.gov

with copy to:

City Manager's Office
425 N. El Dorado Street
Stockton, CA 95202
City.manager@stocktonca.gov

c. **Binding on Successors.** The terms, covenants, and conditions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assignees of the respective Parties. Developer shall record a copy of this Agreement against the Property. Developer will provide a copy of the recorded Agreement to Sierra Club within fifteen (15) days of such recording. The Parties shall give notice to all other Parties of any successor or assignee to the Party.

- d. Non-Admission of Liability. The Parties acknowledge and agree that this Agreement is a settlement of disputed claims. Neither the fact that the Parties have settled nor the terms of this Agreement shall be construed in any manner as an admission of any liability by any Party.
- e. Assistance of Counsel. The Parties each specifically represent that they have consulted to their satisfaction with and received independent advice from their respective counsel prior to executing this Agreement concerning the terms and conditions of this Agreement.
- f. Waiver. Failure to insist on compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.
- g. Severability. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.
- h. Governing Law and Venue. This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles. Any action to enforce, invalidate, or interpret any provision of this Agreement shall be brought in San Joaquin County Superior Court.
- i. Entire Agreement. This Agreement constitutes the entire agreement between the Parties who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied between the Parties to this Agreement. No representation, inducement, promise, agreement or warranty not contained in this Agreement, including, but not limited to, any purported supplements, modifications, waivers, or terminations of this Agreement shall be valid or binding, unless executed in writing by all of the Parties to this Agreement.
- j. Each of the signatories hereto represents and warrants that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign.
- k. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original but all of which shall constitute one agreement.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned execute this Settlement Agreement and EXHIBIT 1 - Settlement Agreement Release, and hereby agree to all terms and condition herein, on the dates set forth below.

SIERRA CLUB

By: Margie Powers
Name: Margie Powers
Its: Chair, Delta-Sierra Group
Date: 11/11/2022

GREENLAW DEVELOPMENT, LLC

By: Rob Mitchell
Name: Rob Mitchell
Its: Partner
Date: 11/20/22

CITY OF STOCKTON

By: _____
Name:
Its:
Date:

APPROVED AS TO FORM

By: _____
Name:
City Attorney
Date:

Attachment (1): Mariposa Industrial Project Enhanced Measures
1585908.7

The Final EIR Mitigation Measures will be revised to include the following:

AMM AIR-1: Solar Power: Owners, operators or tenants shall include with the building permit application, sufficient solar panels to provide power for the operation's base power use at the start of operations and as base power use demand increases. Project sponsor shall include analysis of (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the "clean fleet" requirements, and (b) generating capacity of the solar installation.

AMM AIR-1 (continued): CDD shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space. The photovoltaic system shall include a battery storage system to serve the facility in the event of a power outage to the extent required by the 2022 or later California Building Standards Code.

AMM AIR-1 (continued): In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation's base or anticipated power use, the applicant shall demonstrate how all available space has been maximized (e.g., roof, parking areas, etc.). Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports.

AMM AIR-1 (continued): The developer or tenant, or qualified solar provider engaged by the developer or tenant shall timely order all equipment and shall install the system when the City has approved building permits and the necessary equipment has arrived. The developer or tenant shall commence operation of the system when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the building owner shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the project.

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

EMM AIR-1: Prior to the issuance of the first building permit, the applicant/developer shall demonstrate compliance with the SJVAPCD Rule 9510 (Indirect Source Review) to reduce growth in both NOx and PM10 emissions, as required by SJVAPCD and City requirements.

AMM AIR-1: **Architectural Coatings:** Construction plans shall require that architectural and industrial maintenance coatings (e.g., paints) applied on the project site shall be consistent with a VOC content of <10 g/L. Developer or tenant is not expected to exercise control over materials painted offsite by a third party.

AMM AIR-3: **Construction Worker Trip Reduction:** Project construction plans and specifications will require contractor to provide transit and ridesharing information for construction workers.

AMM AIR-2: **SJVAPCD Regulation VIII Compliance:** Construction plans and specifications shall include a Dust Control Plan incorporating the applicable requirements of Regulation VIII, which shall be submitted to the SJVAPCD for review and approval prior to beginning construction in accordance with the requirements of Regulation VIII.

AMM AIR-2: **Emission Standards for Heavy-Duty Trucks:** The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language to ensure the tenants/lessees are informed of all on-going operational responsibilities.

The property owner/tenant/lessee shall ensure that all heavy-duty trucks (Class 7 and 8) domiciled on the project site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025 or when commercially available for the intended application, whichever date is later.

A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, <https://californiahvip.org/> or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory,

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

EXHIBIT 1 - Settlement Agreement

<https://globaldrivetozero.org/>. The City shall be responsible for the final determination of commercial availability, based on all the facts and circumstances at the time the determination is made, and may (but is not required to) consult with the California Air Resources Board before making such final determination. In order for the City to make a determination that such vehicles are commercially unavailable, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.

"Domiciled at the project site shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere)

Zero-emission heavy-duty trucks which require service can be temporarily replaced with model year 2014 or later trucks. Replacement trucks shall be used for only the minimum time required for servicing fleet trucks.

AMM AIR-3: Zero Emission Vehicles: The property owner/tenant/lessee shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) domiciled at the project site, the following "clean fleet" requirements apply: (i) 33% of the fleet will be zero emission vehicles at start of operations, (ii) 65% of the fleet will be zero emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

"Domiciled at the project site" shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere).

Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

The property owner/tenant/lessee shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the project site.

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

EXHIBIT 1 - Settlement Agreement

AMM AIR-4: Demonstrate Compliance with Clean Fleet Requirements: The applicant, property owner, tenant, lessee, or other party operating the facility (the "Operator") shall utilize the zero emission vehicles/trucks required to meet the "clean fleet" requirements in AMM AIR-2 (for Class 7 and 8 vehicles) and AMM AIR-3 (for Class 2 through 6 vehicles) above. Within 30-days of occupancy, the Operator shall demonstrate to the satisfaction of CDD staff, that the applicable clean fleet requirements are being met.

AMM AIR-4 (continued): In the event that vehicles/trucks are not commercially available for the intended application, the "clean fleet requirements" may be adjusted as minimally as possible by the CDD to accommodate the unavailability of commercially available vehicles/trucks.

AMM AIR-4 (continued) The City shall quantify the air pollution and GHG emissions resulting from any modification of this condition. Within 12 months of failing to meet a "clean fleet" requirement the property owner/tenant/lessee shall implement a Voluntary Emissions Reduction Agreement (VERA) providing pound for pound mitigation of the criteria pollutant, toxic air contaminants, and GHG emissions quantified by the City through a process that develops, funds, and implements emission reduction projects, with the Air District serving a role of administrator of the emission reduction projects and verifier of the successful mitigation effort. The VERA shall prioritize projects in the South Stockton and surrounding area. Property owner/tenant/lessee shall continue to fund the VERA each year in an amount necessary to achieve pound for pound mitigation of emissions resulting from not meeting the clean fleet requirements until the owner/tenant/lessee fully complies.

AMM AIR-4 (continued): The Operator shall implement the proposed measures after CDD review and approval. Any extension of time granted to implement this condition shall be limited to the shortest period of time necessary to allow for 100% electrification under the clean fleet requirements. The CDD staff may seek the recommendation of the California Air Resources Board in determining whether there has been a manufacturing disruption or insufficient vehicles/trucks commercially available for the intended application.

AMM AIR-4 (continued): Construction Meal Destinations: Project construction plans and specifications will require the contractor to establish one or more locations for food or catering truck service to construction workers and to cooperate with food service providers to provide consistent food service.

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

AMM AIR-5: Condition of Approved Compliance Report: The Operator shall submit a condition of approval compliance report within 30 days of, but not later than, the following dates: December 31, 2023, December 31, 2025, and December 31, 2027. The report shall outline clean fleet requirements applicable at each report interval and include documentation demonstrating compliance with each requirement. The City shall consider each report at a noticed public hearing and determine whether the Operator has complied with the applicable clean fleet requirements. If the Operator has not met each 100% clean fleet requirement by December 31, 2027, then the Operator shall submit subsequent reports every year until the 100% clean fleet requirement is implemented. The City shall consider each subsequent report at a noticed public hearing and determine whether the Operator has complied with the clean fleet requirements, including any minimal adjustments to the requirements by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks, as described in the previous paragraph. Notice of the above hearings shall be provided to all properties located within 1,000 feet of the project site and through the ASK Stockton list serve.

AMM AIR-5 (continued): After the 100% clean fleet requirement has been implemented and confirmed by the CDD, the Operator shall submit to the CDD an on-going compliance report every three years containing all necessary documentation to verify that the Operator is meeting the clean fleet requirements. At the time it confirms that the 100% clean fleet requirement has been implemented, the CDD will establish the due date for the first on-going compliance report. Each subsequent on-going compliance report shall be due within 30 days of, but not later than, the three-year anniversary of the preceding due date. The on-going compliance reports and accompanying documentation shall be made available to the public upon request.

AMM AIR-6: Zero Emission Forklifts, Yard trucks and Yard Equipment: Owners, operators or tenants shall require all forklifts, yard trucks, and other equipment used for on-site movement of trucks, trailers and warehoused goods, as well as landscaping maintenance equipment used on the site, to be electrically powered or zero-emission. The owner, operator or tenant shall provide on-site electrical charging facilities to adequately service electric vehicles and equipment

AMM AIR-7: Truck Idling Restrictions: Owners, operators or tenants shall be required to make their best effort to restrict truck idling onsite to a maximum of three minutes, subject to exceptions defined by CARB in the document: *commercial_vehicle_idling_requirements_July 2016*. Idling restrictions shall be enforced by highly-visible posting at the

EXHIBIT 1 - Settlement Agreement

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

site entry, posting at other on-site locations frequented by truck drivers, conspicuous inclusion in employee training and guidance material and owner, operator or tenant direct action as required.

AMM AIR-8: Electric Truck Charging: At all times during project operation, owners, operators or tenants shall be required to provide electric charging facilities on the project site sufficient to charge all electric trucks domiciled on the site and such facilities shall be made available for all electric trucks that use the project site.

AMM AIR-9: Project Operations, Food Service: Owners, operators or tenants shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.

AMM AIR-10: Project Operations, Employee Trip Reduction: Owners, operators or tenants shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.

AMM AIR-11: Yard Sweeping: Owners, operators or tenants shall provide periodic yard and parking area sweeping to minimize dust generation

AMM AIR-12: Diesel Generators: Owners, operators or tenants shall prohibit the use of diesel generators, except in emergency situations, in which case such generators shall have Best Available Control Technology (BACT) that meets CARB's Tier 4 emission standards.

AMM AIR-13: Truck Emission Control: Owners, operators or tenants shall ensure that trucks or truck fleets domiciled at the project site be model year 2014 or later, and maintained consistent with current CARB emission control regulations.

AMM AIR-14: All tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement.

AMM AIR-14 (continued): SmartWay: Owners, operators or tenants shall enroll and participate the in SmartWay program for eligible businesses

AMM AIR-15: Designated Smoking Areas: Owners, operators or tenants shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.

AMM AIR-16: Project construction shall be subject to all adopted City building codes, including the adopted Green Building Standards Code, version July 2022 or later. Prior to the issuance of building permits, the applicant/developer

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

EXHIBIT 1 - Settlement Agreement

<p>shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Nonresidential Voluntary Measures of the California Green Building Standards code, Divisions A5.1, 5.2 and 5.5, including but not limited to the Tier 2 standards in those Divisions, where applicable, such as the Tier 2 advanced energy efficiency requirements as outlined under Section A5.203.1.2.</p>	<p>EMM AG-1: The project shall participate in and comply with the City's Agricultural Lands Mitigation Program, under which developers of the property shall contribute agricultural mitigation land or shall pay the Agricultural Land Mitigation Fee to the City.</p>	<p>The City and Applicant will revise the proposed Development Agreement to provide the following:</p> <p>In the DA text and in Exhibit B, to clarify that cold storage facilities are prohibited on the site and transport refrigeration units (TRUs) may not enter the site. In the DA text provide that any future proposal to construct cold storage facilities on the site or to allow TRUs to enter the site would require an amendment to the Development Agreement that shall be deemed and processed as a Major Modification to the Development Agreement, an application to the City for a conditional use permit, and be subject to review under the California Environmental Quality Act and Stockton Municipal Code Chapter 16.168.</p> <p>Section 8.3 of the DA will be revised as follows:</p> <p>8.3 Mitigation Measures. Developer agrees to and shall comply with all applicable mitigation measures attached hereto as Exhibit C and with all applicable mitigation measures in the MIP EIR, as described in the Mitigation Monitoring/Reporting Program approved by the City on _____, 2023. Developer shall include in all tenant lease agreements for the project site a provision requiring the tenant/lessee to comply with all applicable requirements of the measures in this Section 8.3, a copy of which shall be attached to each to each tenant/lease agreement.</p> <p>Section 10.1 of the DA will be revised as follows:</p> <p>10.1 Annual Review. As required by California Government Code Section 65865.1 and pursuant to Section 16.128.110 of the Development Agreement Ordinance, the City of Stockton Planning Commission shall review</p>
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EXHIBIT 1 - Settlement Agreement

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

this Agreement and all actions taken pursuant to the terms of this Agreement with respect to the development of the Project every twelve (12) months at a duly-noticed public hearing to determine good faith compliance with this Agreement (“Annual Review”). Specifically, the Annual Review shall be conducted for the purposes of determining good faith compliance with the terms and/or conditions of this Agreement, including compliance with the mitigation measures in Section 8.3 of this Agreement. Each Annual Review shall also document the status of Project development. In the event the Planning Commission recommends modification or termination of this Agreement in connection with such Annual Review, the action to effectuate such modification or termination must be taken by City Council.

In the DA text, to require the City to coordinate with the County to develop and install signage prohibiting non-emergency vehicle access to the project site from Clark Drive or Marfargoa Road. The Applicant will be responsible for the costs of the signage determined to be appropriate by the City and the County.

In the text, to require the following:

Construction plans shall include a 10-foot by 65-foot landscaped berm along the 623-lineal foot and 493-lineal foot portions of the west line of the site, located north and south of Marfargoa Road, which will be required by and shown on Exhibit B to the Development Agreement. Landscaping of the berm shall include fast-growing evergreen trees to provide maximum visual screening, as determined by a qualified landscape architect. Construction plans shall also include a 10-foot wall along the 881-lineal foot and 1,316-lineal foot portions of the west line of the site, located north and south of Clark Drive, which will be required by and shown on Exhibit B to the Development Agreement. Construction plans shall also identify a 60-foot “no truck” zone along the entire length of the west line of the site, which will be required by and shown on Exhibit B to the Development Agreement. Construction plans shall also identify and prohibit building construction within a setback area located a minimum of 300 feet from the property line of residential properties along Marfargoa Road and Clark Drive. Notwithstanding the foregoing, the stairwells of ancillary/accessory buildings may encroach into the 300-foot setback area.

In the text, to provide that, prior to the issuance of a grading permit, the Applicant will provide \$200,000 to a non-profit organization serving disadvantaged residents of San Joaquin County approved by the City’s Community Development Director, to fund a program to reduce exposure to emissions and noise from vehicle and truck traffic and industrial operations, for residents located within the geographic area bounded by Munford Avenue, Mariposa Road, Little John’s Creek and the SR99 Frontage Road. The program may fund or reimburse home air filtration systems, HVAC

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

EXHIBIT 1 - Settlement Agreement

modifications, window replacements, weather stripping, or similar improvements; publicly available electric vehicle charging station(s); and/or air quality monitoring censors with publicly available real time data (such as PurpleAir censors).

ROB BONTA
Attorney General

State of California
DEPARTMENT OF JUSTICE



Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act

Table of Contents

I.	Background	1
II.	Proactive Planning: General Plans, Local Ordinances, and Good Neighbor Policies	3
III.	Community Engagement	4
IV.	Warehouse Siting and Design Considerations	5
V.	Air Quality and Greenhouse Gas Emissions Analysis and Mitigation	7
VI.	Noise Impacts Analysis and Mitigation	10
VII.	Traffic Impacts Analysis and Mitigation	11
VIII.	Other Significant Environmental Impacts Analysis and Mitigation	12
IX.	Conclusion	13

In carrying out its duty to enforce laws across California, the California Attorney General's Bureau of Environmental Justice (Bureau)¹ regularly reviews proposed warehouse projects for compliance with the California Environmental Quality Act (CEQA) and other laws. When necessary, the Bureau submits comment letters to lead agencies regarding warehouse projects, and in rare cases the Bureau has filed litigation to enforce CEQA.² This document builds upon the Bureau's work on warehouse projects, collecting information gained from the Bureau's review of hundreds of warehouse projects across the state.³ It is meant to help lead agencies pursue CEQA compliance and promote environmentally-just development as they confront warehouse project proposals.⁴ While CEQA analysis is necessarily project-specific, this document provides information on feasible best practices and mitigation measures, nearly all of which have been adapted from actual warehouse projects in California.

I. Background

In recent years, the proliferation of e-commerce and rising consumer expectations of rapid shipping have contributed to a boom in warehouse development.⁵ California, with its ports, population centers, and transportation network, has found itself at the center of this trend. In 2020, the Ports of Los Angeles, Long Beach, and Oakland collectively accounted for over 34% of all United States international container trade.⁶ The Ports of Los Angeles and Long Beach alone generate about 35,000 container truck trips every day.⁷ Accordingly, the South Coast Air Basin now contains approximately 3,000 warehouses of over 100,000 square feet each, with a total warehouse capacity of approximately 700 million square feet, an increase of 20 percent over the last five years.⁸ This trend has only accelerated, with e-commerce growing to

¹ <https://oag.ca.gov/environment/justice>.

² <https://oag.ca.gov/environment/ceqa>; *People of the State of California v. City of Fontana* (Super. Ct. San Bernardino County, No. CIVSB2121829); *South Central Neighbors United et al. v. City of Fresno et al.* (Super. Ct. Fresno County, No. 18CECG00690).

³ This September 2022 version revises and replaces the prior March 2021 version of this document.

⁴ Anyone reviewing this document to determine CEQA compliance responsibilities should consult their own attorney for legal advice.

⁵ As used in this document, “warehouse” or “logistics facility” is defined as a facility consisting of one or more buildings that stores cargo, goods, or products on a short- or long-term basis for later distribution to businesses and/or retail customers.

⁶ Data from the Bureau of Transportation Statistics, Container TEUs (Twenty-foot Equivalent Units) (2020), <https://data.bts.gov/stories/s/Container-TEU/x3fb-aeda/> (Ports of Los Angeles, Long Beach, and Oakland combined for 14.157 million TEUs, 34% of 41.24 million TEUs total nationwide) (last accessed September 18, 2022).

⁷ U.S. Dept. of Transportation, Federal Highway Administration, *FHWA Operations Support – Port Peak Pricing Program Evaluation* (2020), available at <https://ops.fhwa.dot.gov/publications/fhwahop09014/sect2.htm> (last accessed September 18, 2022).

⁸ South Coast Air Qual. Mgmt. Dist., *Final Socioeconomic Assessment for Proposed Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program and Proposed Rule 316 – Fees for Rule 2305*, at 7-8, 41 (May 2021).

13% of all retail sales and 2021 being a second consecutive record year for new warehouse space leased.⁹ The latest data and forecasts predict that the next wave of warehouse development will be in the Central Valley.¹⁰

When done properly, these activities can contribute to the economy and consumer welfare. However, imprudent warehouse development can harm local communities and the environment. Among other pollutants, diesel trucks visiting warehouses emit nitrogen oxide (NO_x)—a primary precursor to smog formation and a significant factor in the development of respiratory problems like asthma, bronchitis, and lung irritation—and diesel particulate matter (a subset of fine particulate matter that is smaller than 2.5 micrometers)—a contributor to cancer, heart disease, respiratory illnesses, and premature death.¹¹ Trucks and on-site loading activities can also be loud, bringing disruptive noise levels during 24/7 operation that can cause hearing damage after prolonged exposure.¹² The hundreds, and sometimes thousands, of daily truck and passenger car trips that warehouses generate contribute to traffic jams, deterioration of road surfaces, and traffic accidents.

These environmental impacts also tend to be concentrated in neighborhoods already suffering from disproportionate health impacts and systemic vulnerability. For example, a comprehensive study by the South Coast Air Quality Management District found that communities located near large warehouses scored far higher on California’s environmental justice screening tool, which measures overall pollution and demographic vulnerability.¹³ That

⁹ U.S. Census Bureau News, Quarterly Retail E-Commerce Sales 4th Quarter 2021 (February 22, 2022), https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf (last accessed September 18, 2022); CBRE Research, *2022 North America Industrial Big Box Report: Review and Outlook*, at 2-3 (March 2022), available at <https://www.cbre.com/insights/reports/2022-north-america-industrial-big-box#download-report> (last accessed September 18, 2022).

¹⁰ CBRE Research, *supra* note 9, at 4, 36; New York Times, *Warehouses Are Headed to the Central Valley, Too* (Jul. 22, 2020), available at <https://www.nytimes.com/2020/07/22/us/coronavirus-ca-warehouse-workers.html>.

¹¹ California Air Resources Board, Nitrogen Dioxide & Health, <https://ww2.arb.ca.gov/resources/nitrogen-dioxide-and-health> (last accessed September 18, 2022) (NO_x); California Air Resources Board, Summary: Diesel Particulate Matter Health Impacts, <https://ww2.arb.ca.gov/resources/summary-diesel-particulate-matter-health-impacts> (last accessed September 18, 2022); Office of Environmental Health Hazard Assessment and American Lung Association of California, Health Effects of Diesel Exhaust, <https://oehha.ca.gov/media/downloads/calenviroscreen/indicators/diesel4-02.pdf> (last accessed September 18, 2022) (DPM).

¹² Noise Sources and Their Effects, <https://www.chem.purdue.edu/chemsafety/Training/PPETrain/dblevels.htm> (last accessed September 18, 2022) (a diesel truck moving 40 miles per hour, 50 feet away, produces 84 decibels of sound).

¹³ South Coast Air Quality Management District, “Final Socioeconomic Assessment for Proposed Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program and Proposed Rule 316 – Fees for Rule 2305” (May 2021), at 4-5.

study concluded that, compared to the South Coast Air Basin averages, communities in the South Coast Air Basin near large warehouses had a substantially higher proportion of people of color; were exposed to more diesel particulate matter; had higher rates of asthma, cardiovascular disease, and low birth weights; and had higher poverty and unemployment rates.¹⁴ Each area has its own unique history, but many of these impacts and vulnerabilities reflect historic redlining practices in these communities, which devalued land and concentrated poverty, racial outgroups, and pollution into designated areas.¹⁵

II. Proactive Planning: General Plans, Local Ordinances, and Good Neighbor Policies

To systematically guide warehouse development, we encourage local governing bodies to proactively plan for logistics projects in their jurisdictions. Proactive planning allows jurisdictions to prevent land use conflicts before they materialize and direct sustainable development. Benefits also include providing a predictable business environment, protecting residents from environmental harm, and setting consistent expectations jurisdiction-wide.

Proactive planning can take many forms. Land use designation and zoning decisions should channel development into appropriate areas. For example, establishing industrial districts near major highway and rail corridors but away from sensitive receptors¹⁶ can help attract investment while avoiding conflicts between warehouse facilities and residential communities. Transition zones with lighter industrial and commercial land uses may also help minimize conflicts between residential and industrial uses.

In addition, general plan policies, local ordinances, and good neighbor policies should set minimum standards for logistics projects. General plan policies can be incorporated into existing economic development, land use, circulation, or other related general plan elements. Many jurisdictions alternatively choose to consolidate policies in a separate environmental justice element. Adopting general plan policies to guide warehouse development may also help

¹⁴ *Id.* at 5-7.

¹⁵ Beginning in the 1930s, federal housing policy directed investment away from Black, immigrant, and working-class communities by color-coding neighborhoods according to the purported “riskiness” of loaning to their residents. In California cities where such “redlining” maps were drawn, nearly all of the communities where warehouses are now concentrated were formerly coded “red,” signifying the least desirable areas where investment was to be avoided. See University of Richmond Digital Scholarship Lab, *Mapping Inequality*, <https://dsl.richmond.edu/panorama/redlining/#loc=12/33.748/-118.272&city=los-angeles-ca> (Los Angeles), <https://dsl.richmond.edu/panorama/redlining/#loc=13/32.685/-117.132&city=san-diego-ca> (San Diego), <https://dsl.richmond.edu/panorama/redlining/#loc=11/37.81/-122.38&city=oakland-ca> (Oakland), <https://dsl.richmond.edu/panorama/redlining/#loc=13/37.956/-121.326&city=stockton-ca> (Stockton), <https://dsl.richmond.edu/panorama/redlining/#loc=12/36.751/-119.86&city=fresno-ca> (Fresno) (all last accessed September 18, 2022).

¹⁶ In this document, “sensitive receptors” refers to residences, schools, public recreation facilities, health care facilities, places of worship, daycare facilities, community centers, or incarceration facilities.

jurisdictions comply with their obligations under SB 1000, which requires local government general plans to identify objectives and policies to reduce health risks in disadvantaged communities, promote civil engagement in the public decision making process, and prioritize improvements and programs that address the needs of disadvantaged communities.¹⁷

Local ordinances and good neighbor policies that set development standards for all warehouses in the jurisdiction are a critical and increasingly common tool that serve several goals. When well-designed, these ordinances direct investment to local improvements, provide predictability for developers, conserve government resources by streamlining project review processes, and reduce the environmental impacts of industrial development. While many jurisdictions have adopted warehouse-specific development standards, an ordinance in the City of Fontana provides an example to review and build upon.¹⁸ Good neighbor policies in Riverside County and by the Western Riverside Council of Government include additional measures worth consideration.¹⁹

The Bureau encourages jurisdictions to adopt their own local ordinances that combine the strongest policies from those models with measures discussed in the remainder of this document.

III. Community Engagement

Early and consistent community engagement is central to establishing good relationships between communities, lead agencies, and warehouse developers and tenants. Robust community engagement can give lead agencies access to community residents' on-the-ground knowledge and information about their concerns, build community support for projects, and develop creative solutions to ensure new logistics facilities are mutually beneficial. Examples of best practices for community engagement include:

- Holding a series of community meetings at times and locations convenient to members of the affected community and incorporating suggestions into the project design.
- Posting information in hard copy in public gathering spaces and on a website about the project. The information should include a complete, accurate project description, maps and drawings of the project design, and information about how the public can provide input and be involved in the project approval process. The

¹⁷ For more information about SB 1000, see <https://oag.ca.gov/environment/sb1000>.

¹⁸ <https://oag.ca.gov/system/files/attachments/press-docs/Final%20Signed%20Fontana%20Ordinance.pdf> (last accessed September 18, 2022).

¹⁹ For example, the Riverside County policy requires community benefits agreements and supplemental funding contributions toward additional pollution offsets, and the Western Riverside Council of Governments policy sets a minimum buffer zone of 300 meters between warehouses and sensitive receptors. <https://www.rivcocob.org/wp-content/uploads/2020/01/Good-Neighbor-Policy-F-3-Final-Adopted.pdf> (last accessed September 18, 2022) (Riverside County); <http://www.wrcog.cog.ca.us/DocumentCenter/View/318/Good-Neighbor-Guidelines-for-Siting-Warehouse-Distribution-Facilities-PDF?bidId=> (last accessed September 18, 2022) (Western Riverside Council of Governments).

information should be in a format that is easy to navigate and understand for members of the affected community.

- Providing notice by mail to residents and schools within a certain radius of the project and along transportation corridors to be used by vehicles visiting the project, and by posting a prominent sign on the project site. The notice should include a brief project description and directions for accessing complete information about the project and for providing input on the project.
- Providing translation or interpretation in residents' native language, where appropriate.
- For public meetings broadcast online or otherwise held remotely, providing for access and public comment by telephone and supplying instructions for access and public comment with ample lead time prior to the meeting.
- Partnering with local community-based organizations to solicit feedback, leverage local networks, co-host meetings, and build support.
- Considering adoption of a community benefits agreement, negotiated with input from affected residents and businesses, by which the developer provides benefits to the affected community.
- Creating a community advisory board made up of local residents to review and provide feedback on project proposals in early planning stages.
- Identifying a person to act as a community liaison concerning on-site construction activity and operations, and providing contact information for the community liaison to the surrounding community.
- Requiring signage in public view at warehouse facilities with contact information for a local designated representative for the facility operator who can receive community complaints, and requiring any complaints to be answered by the facility operator within 48 hours of receipt.

IV. Warehouse Siting and Design Considerations

The most important consideration when planning a logistics facility is its location. Warehouses located in residential neighborhoods or near sensitive receptors expose community residents and those using or visiting sensitive receptor sites to the air pollution, noise, traffic, and other environmental impacts they generate. Therefore, placing facilities away from sensitive receptors significantly reduces their environmental and quality of life harms on local communities. The suggested best practices for siting and design of warehouse facilities does not relieve lead agencies' responsibility under CEQA to conduct a project-specific analysis of the project's impacts and evaluation of feasible mitigation measures and alternatives; lead agencies' incorporation of the best practices must be part of the impact, mitigation and alternatives analyses to meet the requirements of CEQA. Examples of best practices when siting and designing warehouse facilities include:

- Per California Air Resources Board (CARB) guidance, siting warehouse facilities so that their property lines are at least 1,000 feet from the property lines of the nearest sensitive receptors.²⁰
- Providing adequate amounts of on-site parking to prevent trucks and other vehicles from parking or idling on public streets and to reduce demand for off-site truck yards.
- Establishing setbacks from the property line of the nearest sensitive receptor to warehouse dock doors, loading areas, and truck drive aisles, and locating warehouse dock doors, loading areas, and truck drive aisles on the opposite side of the building from the nearest sensitive receptors—e.g., placing dock doors on the north side of the facility if sensitive receptors are near the south side of the facility.
- Placing facility entry and exit points from the public street away from sensitive receptors—e.g., placing these points on the north side of the facility if sensitive receptors are adjacent to the south side of the facility.
- Ensuring heavy duty trucks abide by the on-site circulation plans by constructing physical barriers to block those trucks from using areas of the project site restricted to light duty vehicles or emergency vehicles only.
- Preventing truck queuing spillover onto surrounding streets by positioning entry gates after a minimum of 140 feet of space for queuing, and increasing the distance by 70 feet for every 20 loading docks beyond 50 docks.
- Locating facility entry and exit points on streets of higher commercial classification that are designed to accommodate heavy duty truck usage.
- Screening the warehouse site perimeter and onsite areas with significant truck traffic (e.g., dock doors and drive aisles) by creating physical, structural, and/or vegetative buffers that prevent or substantially reduce pollutant and noise dispersion from the facility to sensitive receptors.
- Planting exclusively 36-inch box evergreen trees to ensure faster maturity and four-season foliage.
- Requiring all property owners and successors in interest to maintain onsite trees and vegetation for the duration of ownership, including replacing any dead or unhealthy trees and vegetation.
- Posting signs clearly showing the designated entry and exit points from the public street for trucks and service vehicles.
- Including signs and drive aisle pavement markings that clearly identify onsite circulation patterns to minimize unnecessary onsite vehicle travel.
- Posting signs indicating that all parking and maintenance of trucks must be conducted within designated on-site areas and not within the surrounding community or public streets.

²⁰ CARB, Air Quality and Land Use Handbook: A Community Health Perspective (April 2005), at ES-1. CARB staff has released draft updates to this siting and design guidance which suggests a greater distance may be warranted in some scenarios. CARB, Concept Paper for the Freight Handbook (December 2019), *available at* https://ww2.arb.ca.gov/sites/default/files/2020-03/2019.12.12%20-%20Concept%20Paper%20for%20the%20Freight%20Handbook_1.pdf (last accessed September 18, 2022).

V. Air Quality and Greenhouse Gas Emissions Analysis and Mitigation

Emissions of air pollutants and greenhouse gases are often among the most substantial environmental impacts from new warehouse facilities. CEQA compliance demands a proper accounting of the full air quality and greenhouse gas impacts of logistics facilities and adoption of all feasible mitigation of significant impacts. Although efforts by CARB and other authorities to regulate the heavy-duty truck and off-road diesel fleets have made excellent progress in reducing the air quality impacts of logistics facilities, the opportunity remains for local jurisdictions to further mitigate these impacts at the project level. Lead agencies and developers should also consider designing projects with their long-term viability in mind. Constructing the necessary infrastructure to prepare for the zero-emission future of goods movement not only reduces a facility's emissions and local impact now, but it can also save money as demand for zero-emission infrastructure grows. In planning new logistics facilities, the Bureau strongly encourages developers to consider the local, statewide, and global impacts of their projects' emissions.

Examples of best practices when studying air quality and greenhouse gas impacts include:

- Fully analyzing all reasonably foreseeable project impacts, including cumulative impacts. In general, new warehouse developments are not ministerial under CEQA because they involve public officials' personal judgment as to the wisdom or manner of carrying out the project, even when warehouses are permitted by a site's applicable zoning and/or general plan land use designation.²¹
- When analyzing cumulative impacts, thoroughly considering the project's incremental impact in combination with past, present, and reasonably foreseeable future projects, even if the project's individual impacts alone do not exceed the applicable significance thresholds.
- Preparing a quantitative air quality study in accordance with local air district guidelines.
- Preparing a quantitative health risk assessment in accordance with California Office of Environmental Health Hazard Assessment and local air district guidelines.
- Refraining from labeling compliance with CARB or air district regulations as a mitigation measure—compliance with applicable regulations is required regardless of CEQA.
- Disclosing air pollution from the entire expected length of truck trips. CEQA requires full public disclosure of a project's anticipated truck trips, which entails calculating truck trip length based on likely truck trip destinations, rather than the distance from the facility to the edge of the air basin, local jurisdiction, or other truncated endpoint. All air pollution associated with the project must be considered, regardless of where those impacts occur.

²¹ CEQA Guidelines § 15369.

- Accounting for all reasonably foreseeable greenhouse gas emissions from the project, without discounting projected emissions based on participation in California's Cap-and-Trade Program.

Examples of measures to mitigate air quality and greenhouse gas impacts from construction are below. To ensure mitigation measures are enforceable and effective, they should be imposed as permit conditions on the project where applicable.

- Requiring off-road construction equipment to be hybrid electric-diesel or zero-emission, where available, and all diesel-fueled off-road construction equipment to be equipped with CARB Tier IV-compliant engines or better, and including this requirement in applicable bid documents, purchase orders, and contracts, with successful contractors demonstrating the ability to supply the compliant construction equipment for use prior to any ground-disturbing and construction activities.
- Prohibiting off-road diesel-powered equipment from being in the “on” position for more than 10 hours per day.
- Using electric-powered hand tools, forklifts, and pressure washers, and providing electrical hook ups to the power grid rather than use of diesel-fueled generators to supply their power.
- Designating an area in the construction site where electric-powered construction vehicles and equipment can charge.
- Limiting the amount of daily grading disturbance area.
- Prohibiting grading on days with an Air Quality Index forecast of greater than 100 for particulates or ozone for the project area.
- Forbidding idling of heavy equipment for more than three minutes.
- Keeping onsite and furnishing to the lead agency or other regulators upon request, all equipment maintenance records and data sheets, including design specifications and emission control tier classifications.
- Conducting an on-site inspection to verify compliance with construction mitigation and to identify other opportunities to further reduce construction impacts.
- Using paints, architectural coatings, and industrial maintenance coatings that have volatile organic compound levels of less than 10 g/L.
- Providing information on transit and ridesharing programs and services to construction employees.
- Providing meal options onsite or shuttles between the facility and nearby meal destinations for construction employees.

Examples of measures to mitigate air quality and greenhouse gas impacts from operation include:

- Requiring all heavy-duty vehicles engaged in drayage²² to or from the project site to be zero-emission beginning in 2030.

²² “Drayage” refers generally to transport of cargo to or from a seaport or intermodal railyard.

- Requiring all on-site motorized operational equipment, such as forklifts and yard trucks, to be zero-emission with the necessary charging or fueling stations provided.
- Requiring tenants to use zero-emission light- and medium-duty vehicles as part of business operations.
- Forbidding trucks from idling for more than three minutes and requiring operators to turn off engines when not in use.
- Posting both interior- and exterior-facing signs, including signs directed at all dock and delivery areas, identifying idling restrictions and contact information to report violations to CARB, the local air district, and the building manager.
- Installing solar photovoltaic systems on the project site of a specified electrical generation capacity that is equal to or greater than the building's projected energy needs, including all electrical chargers.
- Designing all project building roofs to accommodate the maximum future coverage of solar panels and installing the maximum solar power generation capacity feasible.
- Constructing zero-emission truck charging/fueling stations proportional to the number of dock doors at the project.
- Running conduit to designated locations for future electric truck charging stations.
- Unless the owner of the facility records a covenant on the title of the underlying property ensuring that the property cannot be used to provide refrigerated warehouse space, constructing electric plugs for electric transport refrigeration units at every dock door and requiring truck operators with transport refrigeration units to use the electric plugs when at loading docks.
- Oversizing electrical rooms by 25 percent or providing a secondary electrical room to accommodate future expansion of electric vehicle charging capability.
- Constructing and maintaining electric light-duty vehicle charging stations proportional to the number of employee parking spaces (for example, requiring at least 10% of all employee parking spaces to be equipped with electric vehicle charging stations of at least Level 2 charging performance)
- Running conduit to an additional proportion of employee parking spaces for a future increase in the number of electric light-duty charging stations.
- Installing and maintaining, at the manufacturer's recommended maintenance intervals, air filtration systems at sensitive receptors within a certain radius of facility for the life of the project.
- Installing and maintaining, at the manufacturer's recommended maintenance intervals, an air monitoring station proximate to sensitive receptors and the facility for the life of the project, and making the resulting data publicly available in real time. While air monitoring does not mitigate the air quality or greenhouse gas impacts of a facility, it nonetheless benefits the affected community by providing information that can be used to improve air quality or avoid exposure to unhealthy air.
- Requiring all stand-by emergency generators to be powered by a non-diesel fuel.
- Requiring facility operators to train managers and employees on efficient scheduling and load management to eliminate unnecessary queuing and idling of

trucks.

- Requiring operators to establish and promote a rideshare program that discourages single-occupancy vehicle trips and provides financial incentives for alternate modes of transportation, including carpooling, public transit, and biking.
- Meeting CalGreen Tier 2 green building standards, including all provisions related to designated parking for clean air vehicles, electric vehicle charging, and bicycle parking.
- Designing to LEED green building certification standards.
- Providing meal options onsite or shuttles between the facility and nearby meal destinations.
- Posting signs at every truck exit driveway providing directional information to the truck route.
- Improving and maintaining vegetation and tree canopy for residents in and around the project area.
- Requiring that every tenant train its staff in charge of keeping vehicle records in diesel technologies and compliance with CARB regulations, by attending CARB-approved courses. Also require facility operators to maintain records on-site demonstrating compliance and make records available for inspection by the local jurisdiction, air district, and state upon request.
- Requiring tenants to enroll in the United States Environmental Protection Agency's SmartWay program, and requiring tenants who own, operate, or hire trucking carriers with more than 100 trucks to use carriers that are SmartWay carriers.
- Providing tenants with information on incentive programs, such as the Carl Moyer Program and Voucher Incentive Program, to upgrade their fleets.

VI. Noise Impacts Analysis and Mitigation

The noise associated with logistics facilities can be among their most intrusive impacts to nearby sensitive receptors. Various sources, such as unloading activity, diesel truck movement, and rooftop air conditioning units, can contribute substantial noise pollution. These impacts are exacerbated by logistics facilities' typical 24-hour, seven-days-per-week operation. Construction noise is often even greater than operational noise, so if a project site is near sensitive receptors, developers and lead agencies should adopt measures to reduce the noise generated by both construction and operation activities.

Examples of best practices when studying noise impacts include:

- Preparing a noise impact analysis that considers all reasonably foreseeable project noise impacts, including to nearby sensitive receptors. All reasonably foreseeable project noise impacts encompasses noise from both construction and operations, including stationary, on-site, and off-site noise sources.
- Adopting a lower significance threshold for incremental noise increases when baseline noise already exceeds total noise significance thresholds, to account for the cumulative impact of additional noise and the fact that, as noise moves up the decibel scale, each decibel increase is a progressively greater increase in sound

pressure than the last. For example, 70 dBA is ten times more sound pressure than 60 dBA.

- Disclosing and considering the significance of short-term noise levels associated with all aspects of project operation (i.e. both on-site noise generation and off-site truck noise). Considering only average noise levels may mask noise impacts sensitive receptors would consider significant—for example, the repeated but short-lived passing of individual trucks or loading activities at night.

Examples of measures to mitigate noise impacts include:

- Constructing physical, structural, or vegetative noise barriers on and/or off the project site.
- Planning and enforcing truck routes that avoid passing sensitive receptors.
- Locating or parking all stationary construction equipment as far from sensitive receptors as possible, and directing emitted noise away from sensitive receptors.
- Verifying that construction equipment has properly operating and maintained mufflers.
- Requiring all combustion-powered construction equipment to be surrounded by a noise protection barrier
- Limiting operation hours to daytime hours on weekdays.
- Paving roads where truck traffic is anticipated with low noise asphalt.
- Orienting any public address systems onsite away from sensitive receptors and setting system volume at a level not readily audible past the property line.

VII. Traffic Impacts Analysis and Mitigation

Warehouse facilities inevitably bring truck and passenger car traffic. Truck traffic can present substantial safety issues. Collisions with heavy-duty trucks are especially dangerous for passenger cars, motorcycles, bicycles, and pedestrians. These concerns can be even greater if truck traffic passes through residential areas, school zones, or other places where pedestrians are common and extra caution is warranted.

Examples of measures to mitigate traffic impacts include:

- Designing, clearly marking, and enforcing truck routes that keep trucks out of residential neighborhoods and away from other sensitive receptors.
- Installing signs in residential areas noting that truck and employee parking is prohibited.
- Requiring preparation and approval of a truck routing plan describing the facility's hours of operation, types of items to be stored, and truck routing to and from the facility to designated truck routes that avoids passing sensitive receptors. The plan should include measures for preventing truck queuing, circling, stopping, and parking on public streets, such as signage, pavement markings, and queuing analysis and enforcement. The plan should hold facility operators responsible for violations of the truck routing plan, and a revised plan should be required from any new tenant that occupies the property before a business license

is issued. The approving agency should retain discretion to determine if changes to the plan are necessary, including any additional measures to alleviate truck routing and parking issues that may arise during the life of the facility.

- Constructing new or improved transit stops, sidewalks, bicycle lanes, and crosswalks, with special attention to ensuring safe routes to schools.
- Consulting with the local public transit agency and securing increased public transit service to the project area.
- Designating areas for employee pickup and drop-off.
- Implementing traffic control and safety measures, such as speed bumps, speed limits, or new traffic signs or signals.
- Placing facility entry and exit points on major streets that do not have adjacent sensitive receptors.
- Restricting the turns trucks can make entering and exiting the facility to route trucks away from sensitive receptors.
- Constructing roadway improvements to improve traffic flow.
- Preparing a construction traffic control plan prior to grading, detailing the locations of equipment staging areas, material stockpiles, proposed road closures, and hours of construction operations, and designing the plan to minimize impacts to roads frequented by passenger cars, pedestrians, bicyclists, and other non-truck traffic.

VIII. Other Significant Environmental Impacts Analysis and Mitigation

Warehouse projects may result in significant environmental impacts to other resources, such as to aesthetics, cultural resources, energy, geology, or hazardous materials. All significant adverse environmental impacts must be evaluated, disclosed and mitigated to the extent feasible under CEQA. Examples of best practices and mitigation measures to reduce environmental impacts that do not fall under any of the above categories include:

- Appointing a compliance officer who is responsible for implementing all mitigation measures, and providing contact information for the compliance officer to the lead agency, to be updated annually.
- Creating a fund to mitigate impacts on affected residents, schools, places of worship, and other community institutions by retrofitting their property. For example, retaining a contractor to retrofit/install HVAC and/or air filtration systems, doors, dual-paned windows, and sound- and vibration-deadening insulation and curtains.
- Sweeping surrounding streets on a daily basis during construction to remove any construction-related debris and dirt.
- Directing all lighting at the facility into the interior of the site.
- Using full cut-off light shields and/or anti-glare lighting.
- Requiring submission of a property maintenance program for agency review and approval providing for the regular maintenance of all building structures, landscaping, and paved surfaces.
- Using cool pavement to reduce heat island effects.

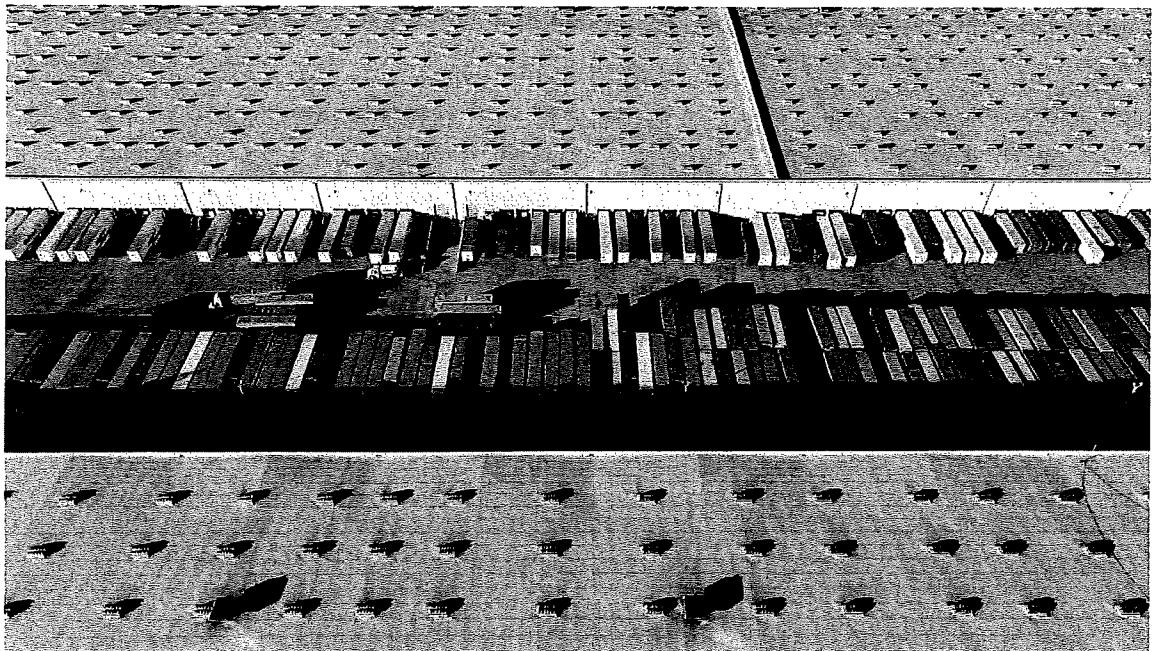
- Planting trees in parking areas to provide at least 35% shade cover of parking areas within fifteen years to reduce heat island impacts.
- Using light colored roofing materials with a solar reflective index of 78 or greater.
- Including on-site amenities, such as a truck operator lounge with restrooms, vending machines, and air conditioning, to reduce the need for truck operators to idle or travel offsite.
- Designing skylights to provide natural light to interior worker areas.
- Installing climate control and air filtration in the warehouse facility to promote worker well-being.

IX. Conclusion

California's world-class economy, ports, and transportation network position it at the center of the e-commerce and logistics industry boom. At the same time, California is a global leader in environmental protection and environmentally just development. The guidance in this document furthers these dual strengths, ensuring that all can access the benefits of economic development. The Bureau will continue to monitor proposed projects for compliance with CEQA and other laws. Lead agencies, developers, community advocates, and other interested parties should feel free to reach out to us as they consider how to guide warehouse development in their area.

Please do not hesitate to contact the Environmental Justice Bureau at ej@doj.ca.gov if you have any questions.

Gavin Newsom signs controversial bill regulating California warehouse development



A Walmart distribution center along Interstate 15 in Eastvale in the Inland Empire.

(Robert Gauthier/Los Angeles Times)

By Rebecca Plevin Staff Writer

Sept. 29, 2024 5:46 PM P

Gov. Gavin Newsom has signed a controversial bill that establishes siting and design standards for industrial warehouses that, according to supporters, would better protect the health of nearby residents.

The legislation comes as developers have converted large swaths of property along Inland Empire freeways into a logistics corridor for e-commerce, connecting goods shipped into Southern California ports with online shoppers across the nation. Although proponents of the developments say they bring jobs and infrastructure improvements, many residents living in the shadow lament the pollution, traffic and neighborhood disruption.

Beginning in 2026, Assembly Bill 98 will prohibit cities and counties from approving new or expanded distribution centers unless they meet specified standards. New warehouse developments will need to be located on major thoroughfares or local roads that mainly serve commercial uses. And warehouses will need to be set back several hundred feet from so-called "sensitive sites" such as homes, schools and healthcare facilities.

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Additionally, if a developer demolishes housing to make way for a warehouse, the bill will require two new units of affordable housing for each unit that is destroyed. The developer will have to provide displaced tenants with 12 months' rent.

Assemblymember Juan Carrillo (D-Palmdale), co-author of the legislation, previously described the measure as a "very delicate compromise" that resulted from lengthy negotiations among a group that included labor, health, environmental and business representatives.

While some labor organizations supported the bill, environmental, community and civic groups statewide objected to the secrecy in which the bill was crafted in the final days of the session and said it fails to hold warehouse developers to higher standards.

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Several cities also opposed the legislation, which, according to an analysis by the Senate Appropriations Committee, requires general plan updates that could result in one-time costs for cities and counties ranging from tens of millions to potentially hundreds of millions of dollars.

The League of California Cities is committed to fixing this "costly, burdensome bill" during next year's legislative session, President Daniel Parra said in a statement Sunday.

"AB 98 is a massive unfunded mandate that will harm our cities, stifle job growth, and threaten the economic lifeblood of communities throughout California," he said.

Environmental advocates are especially concerned about the bill's setback requirements for projects involving warehouses 250,000 square feet and larger that are within 900 feet of homes, schools, parks or healthcare facilities.

In those cases, the bill requires that truck loading bays are located at least 300 feet from the property line in areas zoned for industrial use and 500 feet from the property line in areas not zoned for industrial use. Warehouses would also need to comply with design and energy efficiency standards.

Advocates argued the bill would simply enshrine current warehouse development practices into law and undermine local efforts to advocate for the much bigger setbacks recommended by state agencies.

In a [2022 report](#) on best practices for warehouse projects under the state's environmental laws, the state attorney general's office recommends locating warehouse facilities so that their property lines are at least 1,000 feet from the property lines of sensitive sites such as homes and schools. It cites the [state Air Resources Board](#), which in 2005 estimated an 80% drop-off in pollutant concentrations at approximately 1,000 feet from a distribution center.

In a statement issued Sunday, environmental groups and community organizations called on the governor and Legislature to work with them next year to get "real protections for our communities."

"This is disappointing for our communities who will have to bear the brunt of weak standards," said Andrea Vidaurre, co-founder and policy analyst for the People's Collective for Environmental Justice in San Bernardino.



Assembly Bill No. 98

CHAPTER 931

An act to add Section 65302.02 to, and to add Chapter 2.8 (commencing with Section 65098) to Division 1 of Title 7 of the Government Code, and to add Sections 40458.5 and 40522.7 to the Health and Safety Code, relating to land use.

[Approved by Governor September 29, 2024. Filed with
Secretary of State September 29, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 98, Juan Carrillo. Planning and zoning: logistics use: truck routes.

(1) Existing law, the Planning and Zoning Law, sets forth various requirements relating to the review of development project permit applications and the issuance of development permits for specified classes of development projects.

This bill, beginning January 1, 2026, would prescribe various statewide warehouse design and build standards for any proposed new or expanded logistics use developments, as specified, including, among other things, standards for building design and location, parking, truck loading bays, landscaping buffers, entry gates, and signage. The bill would except from those design and build standards certain existing logistics use developments, proposed expansions of a logistics use development, and property currently in a local entitlement process to become a logistics use, under prescribed conditions. The bill would require a facility operator, prior to the issuance of a certificate of occupancy, to establish and submit for approval by a city, county, or city and county a truck routing plan to and from the state highway system based on the latest truck route map of the city, county, or city and county, as prescribed. The bill would require a facility operator to enforce the plan. The bill would provide for the revision of the plan in specified circumstances.

The bill would prohibit a city, county, or city and county from approving development of a logistics use that does not meet or exceed the standards outlined in the bill. The bill would require a city, county, or city and county to condition approval of a logistics use on 2-to-1 replacement of any demolished housing unit that was occupied within the last 10 years unless the housing unit was declared substandard by a building official, as specified, and payments to displaced tenants if residential dwellings are affected through purchase, as prescribed. The bill would define terms for these purposes.

(2) The Planning and Zoning Law requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city and specified land outside its

boundaries that includes, among other specified mandatory elements, a circulation element consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, any military airports and ports, and other local public utilities and facilities, all correlated with the land use element of the plan. Existing law requires, upon any substantive revision of the circulation element, that the legislative body modify the element to address specified additional issues.

This bill would require a county or city, by January 1, 2028, except as provided, to update its circulation element, as prescribed, including identifying and establishing specific travel routes for the transport of goods, materials, or freight for storage, transfer, or redistribution to safely accommodate additional truck traffic and avoid residential areas and concentrations of sensitive receptors, as defined. The bill would establish specific standards for truck routes. The bill would require a county or city to provide for posting of conspicuous signage to identify truck routes and additional signage for truck parking and appropriate idling facility locations. The bill would require a county or city to make truck routes publicly available and share maps of the truck routes with warehouse operators, fleet operators, and truck drivers. The bill would authorize the Attorney General to enforce these provisions, as provided, including by imposition of a fine of up to \$50,000 every 6 months if the required updates have not been made.

(3) Existing law provides for the creation of the South Coast Air Quality Management District in those portions of the Counties of Los Angeles, Orange, Riverside, and San Bernardino included within the area of the South Coast Air Basin, as specified. Existing law provides that the south coast district is governed by a board consisting of 13 members and requires the district to adopt rules and regulations to carry out the south coast district air quality management plan that are not in conflict with state and federal laws and rules and regulations.

This bill would require the south coast district to establish a process for receiving community input on how any penalties assessed and collected for violation of the Warehouse Indirect Source Rule are spent, as specified. The bill would require the south coast district, subject to an appropriation for this express purpose, to, beginning on January 1, 2026, and until January 1, 2032, deploy mobile air monitoring systems within the Counties of Riverside and San Bernardino to collect air pollution measurements in communities that are near operational logistics use developments. The bill would require the south coast district to use the data collected to conduct an air modeling analysis to evaluate the impact of air pollution on sensitive receptors from logistics use development operations and to submit its findings to the Legislature on or before January 1, 2033. The bill would also require the district to submit an interim report to the Legislature on or before January 1, 2028, to evaluate the impact of air pollution on sensitive receptors, as defined, from logistics use development operations in the Counties of Riverside and San Bernardino, as provided.

(4) By modifying the duties of local agencies with regard to the approval of logistics use development and requiring the revision of the circulation

element of a general plan, the bill would impose a state-mandated local program.

(5) The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Chapter 2.8 (commencing with Section 65098) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 2.8. WAREHOUSE DESIGN AND BUILD STANDARDS

65098. As used in this chapter:

(a) “21st century warehouse” means a logistics use that meets all of the following:

(1) Complies with or exceeds all requirements of the most current building energy efficiency standards specified in Part 6 (commencing with Section 100) of Title 24 of the California Code of Regulations and the California Green Building Standards Code (Part 11 of Title 24 of the California Code of Regulations), including, but not limited to, the following requirements related to:

- (A) Photovoltaic system installation and associated battery storage.
- (B) Cool roofing.
- (C) Medium- and heavy-duty vehicle charging readiness.
- (D) Light-duty electric vehicle charging readiness and installed charging stations.

(2) Has skylights in at least 1 percent of the roof area, or equivalent LED efficient lighting.

(3) Provides conduits and electrical hookups at all loading bays serving cold storage. Idling or use of auxiliary truck engine power to power climate control equipment shall be prohibited if the truck is capable of plugging in at the loading bay.

(4) Ensures that any heating, ventilation, and air-conditioning is high-efficiency.

(5) (A) Ensures that all classes of forklifts used on site, pursuant to State Air Resources Board’s Zero-Emission Forklifts regulation, as drafted, shall be zero-emission by January 1, 2030, to the extent operationally feasible, commercially off-the shelf available, and adequate power available on site.

(B) (i) If not operationally feasible, commercially off-the shelf available, or if there is inadequate power available on site, the cleanest technology commercially available shall be used.

(ii) Cost shall not be a factor in determining operational feasibility pursuant to this subparagraph.

(6) (A) Ensures that equipment used on site utilizing small off-road engines shall be zero-emission, to the extent operationally feasible, commercially off-the shelf available, and adequate power available on site.

(B) (i) If not operationally feasible, commercially off-the shelf available, or if there is inadequate power available on site, the cleanest technology commercially available shall be used.

(ii) Cost shall not be a factor in determining operational feasibility pursuant to this subparagraph.

(C) Should any equipment used on site utilizing small off-road engines be contracted out, the logistics use facility shall preferentially contract for services utilizing zero-emission small off-road engines.

(b) "Expansion of an existing logistics use" means the expansion of an existing logistics use by 20 percent or more of the existing square footage. Office space shall not be included as part of the existing square footage or in the square footage for the 20-percent expansion threshold.

(c) "Heavy-duty truck" means a class 7 or class 8 truck. As used in this subdivision:

(1) "Class 7 truck" means a truck with a gross vehicle weight rating of 26,001 to 33,000 pounds.

(2) "Class 8 truck" means a truck with a gross vehicle weight rating of greater than 33,000 pounds.

(d) "Logistics use" means a building in which cargo, goods, or products are moved or stored for later distribution to business or retail customers, or both, that does not predominantly serve retail customers for onsite purchases, and heavy-duty trucks are primarily involved in the movement of the cargo, goods, or products. "Logistics use" does not include any of the following:

(1) Facilities where food or household goods are sold directly to consumers and are accessible to the public.

(2) A building primarily served by rail to move cargo goods or product.

(3) (A) A Strategic Intermodal Facility.

(B) For purposes of this subdivision, "Strategic Intermodal Facility" means a project that satisfies all of the following requirements:

(i) Logistics facilities, including warehousing and transloading facilities, served by rail.

(ii) Intermodal freight transport services.

(iii) All facility structures and related rail operations are located within a single site footprint.

(e) "Sensitive receptor" means one or more of the following:

(1) A residence, including, but not limited to, a private home, apartment, condominium unit, group home, dormitory unit, or retirement home.

(2) A school, including, but not limited to, a preschool, prekindergarten, or school maintaining kindergarten or any of grades 1 to 12, inclusive.

(3) A daycare facility, including, but not limited to, in-home daycare.

(4) Publicly owned parks, playgrounds, and recreational areas or facilities primarily used by children, unless the development of the park and recreation areas are included as a condition of approval for the development of a logistics use.

(5) Nursing homes, long-term care facilities, hospices, convalescent facilities, or similar live-in housing.

(6) Hospitals, as defined in Section 128700 of the Health and Safety Code.

(f) "Small off-road engines" means spark-ignition engines rated at or below 19 kilowatts.

(g) "Tier 1 21st century warehouse" means a logistics use that meets all of the following:

(1) Complies with or exceeds all requirements of the most current building energy efficiency standards specified in Part 6 (commencing with Section 100) of Title 24 of the California Code of Regulations and the California Green Building Standards Code (Part 11 of Title 24 of the California Code of Regulations), including, but not limited to, the following requirements related to:

(A) (i) Photovoltaic system installation and associated battery storage.

(ii) For purposes of the photovoltaic system installation requirement in clause (i), all warehouse square footage should be considered conditioned space.

(B) Cool roofing.

(C) Medium- and heavy-duty vehicle charging readiness.

(D) Light-duty electric vehicle charging readiness and installed charging stations.

(2) Has skylights in at least one percent of the roof area, or equivalent LED efficient lighting.

(3) Has a microgrid-ready switchgear system capable of supporting distributed energy resources.

(4) Is advanced smart metering ready.

(5) Has a minimum of 50 percent of all passenger vehicle parking spaces preinstalled with conduit and all necessary physical infrastructure to support future charging of electric vehicles.

(6) Has a minimum of 10 percent of all passenger vehicle parking spaces installed with electric vehicle charging stations.

(7) Provides conduits and electrical hookups at all loading bays serving cold storage. Idling or use of auxiliary truck engine power to power climate control equipment shall be prohibited if the truck is capable of plugging in at the loading bay.

(8) Ensures that any heating, ventilation, and air-conditioning is high-efficiency.

(9) (A) Ensures that all classes of forklifts used on site, pursuant to State Air Resources Board's Zero-Emission Forklifts regulation, as drafted, shall be zero-emission by January 1, 2028, to the extent operationally feasible, commercially off-the shelf available, and adequate power available on site.

(B) (i) If not operationally feasible, commercially off-the shelf available, or if there is inadequate power available on site, the cleanest technology commercially available shall be used.

(ii) Cost shall not be a factor in determining operational feasibility pursuant to this subparagraph.

(10) (A) Ensures that equipment used on site utilizing small off-road engines shall be zero-emission, to the extent operationally feasible, commercially off-the shelf available, and adequate power available on site.

(B) (i) If not operationally feasible, commercially off-the shelf available, or if there is inadequate power available on site, the cleanest technology commercially available shall be used.

(ii) Cost shall not be a factor in determining operational feasibility pursuant to this subparagraph.

(C) Should any equipment used on site utilizing small off-road engines be contracted out, the logistics use facility shall preferentially contract for services utilizing zero-emission small off-road engines.

(h) "Warehouse concentration region" includes the Counties of Riverside and San Bernardino and the Cities of Chino, Colton, Fontana, Jurupa Valley, Moreno Valley, Ontario, Perris, Rancho Cucamonga, Redlands, Rialto, Riverside, and San Bernardino.

65098.1. (a) Commencing January 1, 2026, any proposed new or expanded logistics use development 250,000 square feet or more where the loading bay is within 900 feet of a sensitive receptor that is utilizing a site zoned for industrial use or any site where an application was submitted to the jurisdiction by September 30, 2024, to rezone as industrial and the rezone to industrial was ultimately approved shall comply with all of the following:

(1) Include all Tier 1 21st century warehouse design elements described in subdivision (g) of Section 65098.

(2) Orient truck loading bays on the opposite side of the logistics use development away from sensitive receptors, to the extent feasible.

(3) Locate truck loading bays a minimum of 300 feet from the property line of the nearest sensitive receptor to the nearest truck loading bay opening using a direct straight-line method.

(4) Have a separate entrance for heavy-duty trucks accessible via a truck route, arterial road, major thoroughfare, or a local road that predominantly serves commercial oriented uses.

(5) Locate truck entry, exit, and internal circulation away from sensitive receptors. Heavy-duty diesel truck drive aisles shall be prohibited from being used on sides of the building that are directly adjacent to a sensitive receptor property line.

(6) Include buffering and screening to mitigate for light and noise, as described in Section 65098.2.

(b) Commencing January 1, 2026, except as provided for in subdivision (c), any proposed new or expanded logistics use development that is on land that is not zoned industrial, whether developed or undeveloped, or land that needs to be rezoned, where the loading bay is within 900 feet of a sensitive receptor, shall comply with all of the following:

(1) If the logistics use development is 250,000 square feet or more it shall include all Tier 1 21st century warehouse design elements described in subdivision (g) of Section 65098. If the logistics use development is less than 250,000 square feet it shall include all 21st century warehouse design elements described in subdivision (a) of Section 65098.

(2) Orient truck loading bays on the opposite side of the logistics use development away from sensitive receptors, to the extent feasible.

(3) Locate truck loading bays a minimum of 500 feet from the property line of the nearest sensitive receptor to the nearest truck loading bay opening using a direct straight-line method.

(4) Have a separate entrance for heavy-duty trucks accessible via a truck route, arterial road, major thoroughfare, or a local road that predominantly serves commercial oriented uses.

(5) Locate truck entry, exit, and internal circulation away from sensitive receptors. Heavy-duty diesel truck drive aisles shall be prohibited from being used on sides of the building that are directly adjacent to a sensitive receptor property line.

(6) Include buffering and screening to mitigate for light and noise, as described in Section 65098.2.

(c) Commencing January 1, 2026, any proposed new or expanded logistics use development that is on land that is not zoned industrial, whether developed or undeveloped, or land that needs to be rezoned, and is located in the warehouse concentration region, shall comply with all of the following:

(1) If the logistics use development is 250,000 square feet or more it shall include all Tier 1 21st century warehouse design elements described in subdivision (g) of Section 65098. If the logistics use development is less than 250,000 square feet it shall include all 21st century warehouse design elements described in subdivision (a) of Section 65098.

(2) Orient truck loading bays on the opposite side of the logistics use development away from sensitive receptors, to the extent feasible.

(3) Locate truck loading bays a minimum of 500 feet from the property line of the nearest sensitive receptor to the nearest truck loading bay opening using a direct straight-line method.

(4) Have a separate entrance for heavy-duty trucks accessible via a truck route, arterial road, major thoroughfare, or a local road that predominantly serves commercial oriented uses.

(5) Locate truck entry, exit, and internal circulation away from sensitive receptors. Heavy-duty diesel truck drive aisles shall be prohibited from being used on sides of the building that are directly adjacent to a sensitive receptor property line.

(6) Include buffering and screening to mitigate for light and noise, as described in Section 65098.2.

(d) Commencing January 1, 2026, any proposed new or expanded logistics use development less than 250,000 square feet where the loading bay is within 900 feet of a sensitive receptor that is utilizing a site zoned for industrial use or any site where an application was submitted to the

jurisdiction by September 30, 2024, to rezone as industrial and the rezone to industrial was ultimately approved shall comply with all of the following:

(1) Orient truck loading bays on the opposite side of the logistics use development away from sensitive receptors, to the extent feasible.

(2) Locate truck entry, exit, and internal circulation away from sensitive receptors. Heavy-duty diesel truck drive aisles shall be prohibited from being used on sides of the building that are directly adjacent to a sensitive receptor property line.

(3) Include buffering and screening to mitigate for light and noise, as described in Section 65098.2.

(4) Complies with or exceeds all requirements of the most current building energy efficiency standards specified in Part 6 (commencing with Section 100) of Title 24 of the California Code of Regulations and the California Green Building Standards Code (Part 11 of Title 24 of the California Code of Regulations), including, but not limited to, the following requirements related to:

(A) Photovoltaic system installation and associated battery storage.

(B) Cool roofing.

(C) Medium- and heavy-duty vehicle charging readiness.

(D) Light-duty electric vehicle charging readiness and installed charging stations.

(5) Provides conduits at loading bays equal to one truck per every loading bay serving cold storage. Idling or use of auxiliary truck engine power to power climate control equipment shall be prohibited if the truck is capable of plugging in at the loading bay.

(6) Ensures that any heating, ventilation, and air-conditioning is high-efficiency.

(7) Have a separate entrance for heavy-duty trucks accessible via a truck route, arterial road, major thoroughfare, or a local road that predominantly serves commercial oriented uses.

(e) (1) Except as provided in paragraph (2), on or before January 1, 2028, a city, county, or city and county shall update its circulation element to include truck routes, as specified in Section 65302.02.

(2) On or before January 1, 2026, all cities and counties in the warehouse concentration region shall update its circulation element to include truck routes, as specified in Section 65302.02.

65098.1.5. (a) (1) Notwithstanding any other provision of law, any existing logistics use development in existence as of September 30, 2024, shall not be subject to the requirements described in paragraph (3) of subdivision (a) of, paragraph (3) of subdivision (b) of, or paragraph (3) of subdivision (c) of Section 65098.1, as applicable, if a new sensitive receptor is constructed, established, or permitted after the effective date of this chapter.

(2) Notwithstanding any other provision of law, if, by September 30, 2024, a proposed expansion of a logistics use development is in a local entitlement process, then the proposed expansion shall not be subject to the requirements described in paragraph (3) of subdivision (a) of, paragraph (3)

of subdivision (b) of, or paragraph (3) of subdivision (c) of Section 65098.1, as applicable, if a sensitive receptor is constructed, established, or permitted after the effective date of this chapter.

(3) Notwithstanding any other provision of law, if, by September 30, 2024, a property is currently in a local entitlement process to become a logistics use, then the proposed logistics use development shall not be subject to the requirements described in paragraph (3) of subdivision (a) of, paragraph (3) of subdivision (b) of, or paragraph (3) of subdivision (c) of Section 65098.1, as applicable, if a sensitive receptor is constructed, established, or permitted after the effective date of this chapter.

(b) (1) Any new logistics use developments that require the rezoning of land and must undergo a municipal entitlement process shall not be subject to the requirements described in paragraph (3) of subdivision (a) of, paragraph (3) of subdivision (b) of, or paragraph (3) of subdivision (c) of Section 65098.1, as applicable, if the start of the entitlement process for the logistics use began before any sensitive receptor started its own entitlement or permitting process, unless the proposed sensitive receptor was an existing allowable use according to local zoning regulations.

(2) During a logistics use development's entitlement process for a new or expanded logistics use, if a new sensitive receptor is proposed or established within the distances required by paragraph (3) of subdivision (a) of, paragraph (3) of subdivision (b) of, or paragraph (3) of subdivision (c) of Section 65098.1, as applicable, then those distance requirements shall not apply to the logistics use development so long as the logistics use development was not already subject to those requirements prior to the new sensitive receptor being proposed or established.

(c) This chapter shall not apply to any logistics projects that were subject to a commenced local entitlement process prior to September 30, 2024.

(d) The protection afforded by this section shall remain in effect from the time of the initial application submission through the completion of the entitlement process, including any necessary rezoning actions and through the development period. If no development activity occurs within five years of entitlement approvals, the protections shall be waived.

(e) This chapter shall not apply to a logistics project that received an approval by a local agency prior to the effective date of this chapter. For purposes of this subdivision, “approval” shall have the same meaning as set forth in subdivision (a) of Section 15352 of Chapter 3 of Division 6 of Title 14 of the California Code of Regulations.

65098.2. (a) Any new logistics use facility within 900 feet of a sensitive receptor shall have a buffer as follows:

(1) If the logistics use development is subject to the requirements of subdivision (a) or (d) of Section 65098.1, the buffer shall be 50 feet in width measured from the property line of all adjacent sensitive receptors that fully screen the project from the sensitive receptor.

(2) If the logistics use development is subject to either subdivision (b) or subdivision (c) of Section 65098.1, the buffer shall be 100 feet in width

measured from the property line of all adjacent sensitive receptors that fully screen the project from the sensitive receptor.

(b) Buffer areas shall include a solid decorative wall, landscaped berm and wall, or landscaped berm 10 feet or more in height, drought tolerant natural ground landscaping with proper irrigation, and solid-screen buffering trees as described in subdivision (c).

(c) Trees shall be used as part of a solid-screen buffering treatment and planted in two rows along the length of the property line adjacent to the sensitive receptor. Trees used for this purpose shall be evergreen, drought tolerant, to the extent feasible, composed of species with low biogenic emissions, of a minimum 36-inch box size at planting, and spaced at no greater distance than 40 feet on center. Palm trees shall not be utilized.

65098.2.5. The entry gates into the loading truck court for a new or expanded logistics use facility shall be positioned after a minimum of 50 feet of total available stacking depth inside the property line. The stacking depth shall be increased by 70 feet for every 20 loading bays beyond 50 loading bays, to the extent feasible.

65098.2.7. (a) The purpose of this section is to ensure that logistics use developments, beginning January 1, 2026, are sited in locations that minimize adverse impacts on residential communities and enhance transportation efficiency. This is achieved by restricting logistics use development to roadways that are suited to handle the associated traffic and that predominantly serve commercial uses.

(b) (1) Any new logistics use development shall be sited on roadways that meet the following classifications:

- (A) Arterial roads.
- (B) Collector roads.
- (C) Major thoroughfares.
- (D) Local roads that predominantly serve commercial uses.

(2) For purposes of this chapter, local roads shall be considered to predominantly serve commercial uses if more than 50 percent of the properties fronting the road within 1000 feet are designed for commercial or industrial use according to the local zoning ordinance.

(c) A waiver may be granted where siting on the designated roadways pursuant to subdivision (b) is impractical due to unique geographic, economic, or infrastructure-related reasons. The waiver shall be approved by the city, county, or city and county, provided that the applicant demonstrates all of the following:

- (1) There is no feasible alternative site that exists within the designated roadways.
- (2) A traffic analysis has been completed and submitted to the local approving authority.
- (3) The site is an existing industrial zone.
- (4) The proposed site will incorporate mitigations to minimize traffic and environmental impacts on residential areas to the greatest extent feasible.

65098.3. (a) Anti-idling signs indicating a three-minute heavy-duty truck engine idling restriction shall be posted at logistics use developments along entrances to the site and at the truck loading bays.

(b) Signs shall be installed at all heavy-duty truck exit driveways directing truck drivers to the truck route as indicated in the truck routing plan, as described in Section 65098.4, and in the state highway system.

65098.4. Prior to the issuance of a certificate of occupancy, a facility operator shall establish and submit for approval to the planning director or equivalent position for the city, county, or city and county a truck routing plan to and from the state highway system based on the latest truck route map of the city, county, or city and county. The truck routing plan shall describe the operational characteristics of the use of the facility operator, including, but not limited to, hours of operation, types of items to be stored within the building, and proposed truck routing to and from the facility to designated truck routes that, to the greatest extent possible, avoid passing sensitive receptors. The truck routing plan shall include measures, such as signage and pavement markings, queuing analysis, and enforcement, for preventing truck queuing, circling, stopping, and parking on public streets. The facility operator shall be responsible for enforcement of the truck routing plan. A revised truck routing plan shall be submitted to the planning director or equivalent position prior to a business license being issued by the city, county, or city and county for any new tenant of the property. The planning director or equivalent position shall have discretion to determine if changes to the truck routing plan are necessary, including, but not limited to, any additional measures to alleviate truck routing and parking issues that may arise during the life of the facility.

65098.5. (a) A city, county, or city and county shall not approve development of a logistics use that does not meet or exceed the standards outlined in this chapter.

(b) This section shall not be construed to restrict the existing authority of a city, county, or city and county to deny a logistics use facility altogether.

65098.6. A city, county, or city and county shall condition approval of a logistics use on the following:

(a) Two-to-one replacement of any demolished housing unit that was occupied within the last 10 years, unless the housing unit was declared substandard by a building official, pursuant to Section 17920.3 of the Health and Safety Code, prior to purchase by the developer. For each housing unit demolished, regardless of market value of the unit, two units of affordable housing for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that are deed-restricted shall be built within the jurisdiction. Funds from any fee imposed for the replacement of demolished housing units shall be placed in a housing-specific set-aside account and shall be used for housing within three years of collection.

(b) If residential dwellings are affected through purchase, the developer shall be required to provide any displaced tenant with an amount equivalent to 12 months' rent at the current rate.

65098.7. Nothing in this chapter shall be construed to supersede mitigation measures required by the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

65098.8. The Legislature finds and declares that the movement and storage of freight and the impact of this activity on public health and communities across the state as set forth in this chapter is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this chapter applies to all cities, including charter cities.

65098.9. The provisions of this chapter shall not apply to a logistics use development if it meets both of the following:

(a) The logistics use development is a mixed-use development that may create sensitive receptors on the site of the new logistics use development.

(b) There are no existing sensitive receptors within 900 feet of the loading bay.

SEC. 2. Section 65302.02 is added to the Government Code, to read:

65302.02. By January 1, 2028, except as provided for in subdivision (h), a county or city shall update its circulation element, as required by subdivision (b) of Section 65302, to do all of the following:

(a) Identify and establish specific travel routes for the transport of goods, materials, or freight for storage, transfer, or redistribution to safely accommodate additional truck traffic and avoid residential areas and sensitive receptors, as defined by Section 65098.

(b) Maximize the use of interstate or state divided highways as preferred routes for truck routes. The county or city shall also maximize use of arterial roads, major thoroughfares, and predominantly commercially oriented local streets when state or interstate highways are not utilized. Truck routes shall comply with the following:

(1) Major or minor collector streets and roads that predominantly serve commercially oriented uses shall be used for truck routes only when strictly necessary to reach existing industrial zones.

(2) Trucks shall be routed via transportation arteries that minimize exposure to sensitive receptors.

(3) On and after January 1, 2028, all proposed development of a logistics use development, as defined in subdivision (d) of Section 65098, shall be accessible via arterial roads, major thoroughfares, or roads that predominantly serve commercially oriented uses.

(A) The purpose of this section is to ensure that logistics use developments are sited in locations that minimize adverse impacts on residential communities and enhance transportation efficiency. This is achieved by restricting logistics use developments to roadways that are suited to handle the associated traffic and that predominantly serve commercial uses.

(B) For purposes of this section, local roads shall be considered to predominantly serve commercial uses if more than 50 percent of the

properties fronting the road within 1000 feet are designated for commercial or industrial use according to the local zoning ordinance.

(c) The county or city may consult with the Department of Transportation and the California Freight Advisory Committee for technical assistance.

(d) The county or city shall provide for posting of conspicuous signage to identify truck routes and additional signage for truck parking and appropriate idling facility locations.

(e) The county or city shall make truck routes publicly available in geographic information system (GIS) format and share GIS maps of the truck routes with warehouse operators, fleet operators, and truck drivers.

(f) The city or county shall provide opportunities for the involvement of citizens, California Native American Indian tribes, public agencies, public utility companies, and civic, educational, and other community groups through public hearings and any other means the planning agency deems appropriate, consistent with Section 65351.

(g) The city or county shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the changes required pursuant to this section.

(h) The warehouse concentration region, as defined in Section 65098, shall implement the provisions of this section by January 1, 2026.

(i) The Attorney General may enforce this section.

(1) The Attorney General may impose a fine against a jurisdiction that is in violation of this section of up to fifty thousand dollars (\$50,000) every six months if the required updates have not been made.

(2) Upon appropriation by the Legislature, any fines collected shall be distributed by the Attorney General and returned to the local air quality management district in which the fine was imposed and be used for the district's efforts to improve air quality.

SEC. 3. Section 40458.5 is added to the Health and Safety Code, to read:

40458.5. (a) Subject to an appropriation for this express purpose, the south coast district shall, beginning on January 1, 2026, and until January 1, 2032, deploy mobile air monitoring systems within the Counties of Riverside and San Bernardino to collect air pollution measurements in communities that are near operational logistics use developments.

(b) The south coast district shall use the data collected pursuant to subdivision (a) to conduct an air modeling analysis to evaluate the impact of air pollution on sensitive receptors, as defined in Section 65098 of the Government Code, from logistics use development operations in the Counties of Riverside and San Bernardino, including relative pollution concentrations from logistics use developments at varying distances from sensitive receptors.

(c) The south coast district shall submit its findings to the Legislature on or before January 1, 2033. On or before January 1, 2028, the south coast district shall submit an interim report to evaluate the impact of air pollution on sensitive receptors, as defined in Section 65098 of the Government Code, from logistics use development operations in the Counties of Riverside and San Bernardino, including relative pollution concentrations from logistics

use developments at varying distances from sensitive receptors. This report shall be used to assess the effectiveness of setbacks on public health.

(d) (1) The requirement for submitting a report imposed pursuant to subdivision (c) is inoperative on January 1, 2040, pursuant to Section 10231.5 of the Government Code.

(2) A report to be submitted pursuant to subdivision (c) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 4. Section 40522.7 is added to the Health and Safety Code, to read:

40522.7. The south coast district shall establish a process for receiving community input on how any penalties assessed and collected for violations of the Warehouse Indirect Source Rule are spent. The south coast district shall ensure a wide range of community groups are included in the process and that groups represent the geographic areas where there are high numbers of warehouse facilities.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

**Public Comment -- Received 05.28.25
RE: Planning Commission Meeting 05.28.25
Item 1.C Tracy Hills Commerce Center
SPA21-0004, TSM21-0003, D21-0012**

To: Tracy Planning Commission and City Council:

Supporting Responsible Construction in Tracy Hills

As Tracy residents, we are asking you to support the Tracy Hills Commerce Center project. It is important that projects which serve the greater interest of our City are not sidelined by an anti-growth narrative.

The project is more than an appropriate fit, given the neighboring airport and heavy industry. Good working-class jobs in logistics and skilled trades are the foundation of our economy, making up close to 20% of the Tracy metro area's employment. These jobs help fund our schools, pave streets, and power responsible growth.

This project fits the forecasted land use outlined in our city's General Plan. We would be proud to help build this project and show the benefits of our skilled and trained workforce. Please say yes to good jobs and more city revenue.

In solidarity, signed on behalf of fellow Tracy Families by Proud Union Members

**Kevin Kroll 95376
Edward Lopez 95304
Jorge Torres Ponce 95376
Jason Langlois 95376
Julius Quilalang 95377
Hung Thang 95376
Edgardo Aguayo 95391
Jonathon Cornejo 95112
Kim Blades 95304
Shawn Fisher 95376
Carlos Hernandez 95376
Alexander Chao 95377
Zack Nichols 95376
Sunnie Harmon 95304
Alyssa Barajas 95377
Vicki Chao 95377
Victor Chao 95377
David Harmon 95304
Damon Gan 95304
Aaron Jestus 95304**

**Andrew Martinez 95376
Arthur Lopez 95377
Joseph Taylor 95376
Ruben Aranda 95376
Eduardo Perez 95376
Ronald McFarland 95376
Nicholas Clark 95376
Eliseo Torres Ponce 95376
Benjamin Rivera 95376
Brent Delahay 95377
Jared Almason 95377
Richard Corona 95377
Ray Sanchez 95377
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