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Memorandum

Date: June 14, 2007

To: City of Sacramento
Planning Commission

From: Jennifer Hageman
Senior Planner, Development Services Department

RE: Panhandle Annexation and PUD FEIR
Final EIR – Errata

The FEIR was circulated to all commentors on the DEIR. Public Resources Code Section 21092.5 requires that the lead agency provide a written proposed response to each public agency which commented on the EIR. Due to the interest in this project, the City also provided copies of the FEIR to the remaining commentors on the DEIR, although not required to do so. The following show the revisions to the FEIR in response to the comments.

The following also show revisions made to correct errors in the DEIR and the FEIR.

The revisions to the text of either the Draft EIR or the Final EIR, in response to the comment letters on the FEIR or staff initiated changes, in are shown in ~~shaded strikethrough~~ (for deleted text) and underline (for inserted text). The text that is ~~strikethrough~~ and underlined, but not shaded, shows the revised text as it currently appears in the FEIR.

I. The following revision is made to correct an error regarding mitigation in the FEIR.

- A. Further research by the City determined that Mitigation Measure 4.4.3 is not necessary for the Panhandle Annexation and PUD. Upon annexation into the City, the property owners would be subject to payment of development fees for infrastructure projects as outlined in the North Natomas Financing Plan at the time of building permit issuance. The NNFP included \$13.8 million for North Natomas' share of the Natomas-Airport Light Rail Extension (DNA) project costs. The development fees adopted to implement the NNFP allocated this fair share contribution. In addition, affected property owners are required to dedicate the light rail right of way and station parcels pursuant to the terms of the North Natomas Land Acquisition. For these reasons, no additional DNA contribution to address freeway congestion mitigation is necessary for the project.

On Page 3.0-53 of the FEIR, as a part of response G-3, the City added mitigation measure 4.4.3 to help mitigate the traffic impacts of the project. Based on the above, the City deletes the 2nd paragraph of Response G-3 as it appears in the FEIR on Page 3.0-53, Mitigation Measure 4.4.3 as it appears on Pages 3.0-53 and -54, and the text shown in underline on pages 3.0-55 and 56.

II. The following revision is made on Page 3.0-17, last paragraph, FEIR, to correct an error in the Master Response – Environmental Effects of Climate Change on the Project and the Project’s Contribution to Climate Change:

The following statement is deleted because it is not correct. The DEIR did not determine that impacts from GHG emissions would be cumulatively considerable and significant and unavoidable. As noted on Page 4.5-36 of the DEIR, Impact 4.5-8 addressed the project’s increased emissions of ozone-precursor pollutants (Reactive Organic Gases and Nitrous Oxide) that would exceed the Air District’s significance thresholds and contribute to future concentrations of ozone, an emission for which the region is currently in non-attainment. The impact analyzed only ozone-precursor pollutants.

As stated in Paragraph 2 on that page, “no emission thresholds have been established under federal, state or local laws for greenhouse gases associated with urban development”.

Conclusion

The adoption of air quality and traffic mitigation measures identified in the DEIR should help to reduce vehicle miles traveled associated with the project and, therefore, mitigate carbon dioxide emissions from mobile sources. In addition, adoption of energy efficiency measures in residential dwellings should result in less demand for natural gas for heating, further mitigating carbon dioxide emissions. ~~However, even with these mitigation measures, the City of Sacramento, as noted in the DEIR, has determined that the impacts from GHG emissions – primarily carbon dioxide emissions will be cumulatively considerable and significant and unavoidable.~~

III. The following revisions to the EIR are in response to comments made on the FEIR. These changes to not result in either a new impact or an increase in the severity of an impact; therefore, no recirculation of the environmental document is necessary.

- A. The SMAQMD sent a letter on May 22, 2007 that commented on the Final EIR for the project. The following revisions to Mitigation Measure 4.5-1a were made after discussions between the City, the applicant, and the Sacramento Regional Air Quality District (SMAQMD). The revision allows flexibility in the amount of the mitigation fee, as currently calculated, to account for any future changes in fee structure, construction phasing, types of equipment, and/or area of disturbance. This revision applies to text on Page 2.0-33 of the FEIR, Page 2.0-21 of the DEIR, and Page 4.5-20 of the DEIR.

MM 4.5.1a

Prior to the issuance of grading permits for the Panhandle PUD, project applicant shall prepare a construction mitigation plan and implement air quality emission reduction measures. The construction mitigation plan shall be reviewed and approved by SMAQMD staff prior to beginning construction. At a minimum, the construction mitigation plan shall include the following measures:

The following measures shall be included to reduce NO_x and visible emissions from heavy-duty diesel equipment.

The project shall provide a plan for approval by the City, in consultation with SMAQMD, demonstrating that the heavy-duty (>50 horsepower), off-road vehicles to be used in the construction project, including owned, leased, and subcontractor vehicles, will achieve a project-wide fleet-average 20-percent NO_x reduction and 45-percent particulate reduction compared to the most recent CARB fleet average at the time of construction. Acceptable options for reducing emissions include the use of late-model engines, low-emission diesel products, alternative fuels, particulate matter traps, engine retrofit technology, after-treatment products, and/or such other options as become available.

The project applicant shall submit to the City and SMAQMD a comprehensive inventory of all off-road construction equipment, equal to or greater than 50 hp, that

will be used an aggregate of 40 or more hours during any portion of the project. The inventory shall be updated and submitted monthly throughout the duration of the project, except that an inventory shall not be required for any 30-day period in which no construction operations occur. At least 48 hours before subject heavy-duty off-road equipment is used, the project representative shall provide the SMAQMD with the anticipated construction timeline including start date, and the name and phone number of the project manager and onsite foreman.

The project shall ensure that emissions from off-road, diesel-powered equipment used on the project site do not exceed 40-percent opacity for more than 3 minutes in any 1 hour, as determined by an on-site inspector trained in visual emissions assessment. Any equipment found to exceed 40-percent opacity (or Ringlemann 2.0) shall be repaired immediately, and the SMAQMD shall be notified of non-compliant equipment within 48 hours of identification. A visual survey of all in-operation equipment shall be made at least weekly, and a monthly summary of visual survey results shall be submitted to SMAQMD throughout the duration of the construction project, except that the monthly summary shall not be required for any 30-day period in which no construction operations occur. The monthly summary shall include the quantity and type of vehicles surveyed, as well as the dates of each survey. The SMAQMD and/or other officials may conduct periodic site inspections to determine compliance.

The project applicant shall pay into the SMAQMD's construction mitigation fund to offset construction-generated emissions of NO_x that exceed SMAQMD's daily emission threshold of 85 lbs/day. The project applicant shall coordinate with the SMAQMD for payment of fees into the Heavy-Duty Low-Emission Vehicle Program designed to reduce construction related emissions within the region. Fees shall be paid based upon the ~~current~~-SMAQMD NO_x Reduction Fee in place at the time of fee payment. That fee is currently of \$14,300/ton of NO_x emissions generated, but will likely change over time. This fee shall be paid prior to issuance of building grading permits. Detailed construction information for the proposed project is not yet available. However, based upon the preliminary URBEMIS emissions modeling, the expected payment for remaining construction related NO_x emissions over the significance threshold is \$3,202,578. ~~would average approximately \$607,135.00.~~ This amount was derived from an estimate of the total unmitigated emissions over the SMAQMD's thresholds. ~~It is important to note that these fees are based on an average 60-month construction period, assuming all development would occur simultaneously, commencing in mid-2007.~~ If the projected construction equipment or construction phases, or the disturbed area change, the applicant shall coordinate with the SMAQMD to determine if the mitigation fee needs to be recalculated, raised, or lowered, if project-specific construction information demonstrates different emissions than estimated in the EIR. ~~resulting in lower emissions, the project applicant will consult with the SMAQMD to recalculate a lower fee based on project-specific construction information that demonstrates lower emissions than estimated in the Panhandle Annexation and PUD FEIR.~~

All heavy-duty equipment shall be properly tuned and maintained in accordance with manufacturers' specifications. Construction equipment will utilize the Best Available Technology (BAT) so as to minimize vehicle emissions to the extent possible. This may include the use of diesel particulate filters and cooled exhaust gas recirculation or equivalent measures on all off-road and on-road diesel equipment in the construction phase of the project. The project proponent will review amendments to CARB and SMAQMD regulations and City of Sacramento ordinances during construction, and comply immediately with newly adopted regulations, including those for equipment idling, which would reduce the cumulative release of pollutants.

- B. The following revisions to Mitigation Measure 4.5-1a was made after discussions between the City, the applicant, and the Sacramento Regional Air Quality District (SMAQMD). The SMAQMD sent a letter on May 22, 2007 that commented on the Final EIR for the project, requesting clarification of the amount of required reduction of the ozone precursor emissions. A 50-percent reduction of ozone precursor emissions by commercial uses is not always feasible.

This revision applies to text on Page 2.0-37 of the FEIR, Page 2.0-24 of the DEIR, and Page 4.5-25 of the DEIR.

MM 4.5.3

Prior to the issuance of grading permits, the project applicant will coordinate with the SMAQMD and the City of Sacramento and develop a project Air Quality Mitigation Plan (AQMP). In accordance with the North Natomas Community Plan, the AQMP shall reduce ozone precursor emissions ~~reactive organic gas emissions~~ associated with new residential development by a minimum of 20 percent compared to the single occupant vehicle baseline. Emissions associated with new non-residential developments shall reduce ozone precursor emissions ~~reactive organic gas emissions~~ by a minimum of 15 percent, with achievement of 50 percent to the extent feasible, compared to the single occupant vehicle baseline (North Natomas Community Plan 1994). Project applicants shall coordinate with the SMAQMD to determine the specific mitigation measures to be included in the AQMP. The AQMP shall be reviewed and endorsed ~~approved~~ by SMAQMD staff prior to issuance of grading permits ~~project implementation~~. Grading permits shall not be issued for the project unless the project applicant has received a letter of endorsement for the project AQMP from the SMAQMD.

Available measures to be included in the AQMP include, but are not limited to the following:

Bicycle/Pedestrian/Transit Measures

Short-term and long-term bicycle parking facilities

End of trip facilities: showers, lockers, and changing space

Proximity to bicycle path/bicycle lanes: located within ½ mile of Class I or II bicycle lanes and include comparable network that connects to the off-site lanes

Pedestrian network internally linking all uses and connecting to existing and planned external streets and pedestrian facilities contiguous with the site

Pedestrian/bicycle safety and traffic calming measures in excess of City requirements

Parking Measures

Employee and/or customer paid parking system

Parking reduction less than code

Parking lot design with pedestrian pathways between transit facilities and building entrances

Off-street parking

Site Design Measures

High density office or mixed-use proximate to transit

Orient toward existing transit, bicycle, or pedestrian corridor

High density residential development

Multiple and direct street routing (grid style)

Affordable housing component

Mixed-Use Measures

Urban, suburban and other mixed-use

Building Component Measures

No fireplaces or woodburning stoves

Include ozone destruction catalyst on air conditioning system

Install Energy Star labeled roof materials

Exceed Title 24 energy requirements by 20 percent

Provide shade and/or use light-colored materials and open grid pavement for at least 30 percent of the project's non-roof impervious surfaces

Green roof

TDM and Miscellaneous Measures

Include permanent transit management association membership and funding

Provide complimentary electric lawnmower to each residential buyer

Commercial and Public Facilities

Provide preferential carpool/vanpool parking spaces

Provide transit facility improvements (e.g., pedestrian shelters, route information, benches, lighting)

Provide bicycle storage/parking facilities

Provide shower/locker facilities

Provide incentives to employees to rideshare or take public transportation

Provide a parking lot that provides clearly marked and shaded pedestrian pathways between transit facilities, pedestrian walkways and trails, and building entrances

Residential Uses

~~Prohibit use of wood-burning stoves or fireplaces within interior and exterior areas. Install only USEPA-certified gas-fired fireplaces.~~

~~Install Energy Star or ground source heat pumps~~

~~Install Energy Star labeled roof materials~~

~~Exceed Title 24 energy standards~~

~~Include incentives for purchasers of new residential dwellings to incorporate solar-powered energy systems~~

IV. The following is a revision to the text of Exhibit 1A – Exhibit A to Attachment 1 -CEQA Findings of Fact and Statement of Overriding Considerations for the Panhandle Annexation and Planned Unit Development Project (Page 149 of the CPC Staff Report). This revision clarifies the proposed density for Alternative 2.

b. Alternative 2 – Community Plan Alternative

Community Plan Alternative: The Community Plan Alternative considers that the proposed annexation (and associated reorganization actions) would take place, and the Northern Portion would be developed under existing North Natomas Community Plan designations (1994). This alternative would retain the open space buffers under the North Natomas Community Plan associated with Elkhorn Boulevard (250-foot) and along the eastern boundary. The roadway network for the Northern Portion was assumed to be the same as the Panhandle PUD and the approved high school and middle school site is included in this alternative. Proposed annexation and amendments to the General Plan and North Natomas Community Plan for the Southern Portion would be the same as the proposed project under this alternative. The Community Plan Alternative would yield 2,949 residential units. Alternative 2, including its environmental impacts, is described in Section 6.3 of the Draft EIR.

Impacts from the Community Plan Alternative would be similar to the project for noise, human health/hazards, biological resources, cultural and paleontological resources, geology and soils, hydrology and water quality, and visual resources. Impacts from the Community Plan Alternative would be better for land use and open space, agricultural resources, population/housing/employment, traffic, air quality, and public services and utilities. These impacts would be better due to fewer units and a smaller development footprint since the project would not extend east of the powerlines.

Facts in Support of Finding of Infeasibility: Alternative 2 includes annexation of the project site to the City of Sacramento and would therefore be consistent with Project Objectives 1 through 4. Alternative 2 is inconsistent with many of SACOG's Seven Principles of Smart Growth (Blueprint principles) of maximizing infill opportunities by taking advantage of existing assets and compact development. Compared to the proposed project, Alternative 2 falls short of meeting SACOG's Principles of Smart Growth and does not include the range of housing types and densities. Therefore, Alternative 2 is inconsistent with Project Objective 9.

In a portion of the area designated as open space in Alternative 2, the Panhandle PUD proposes parks and the 45.6 acre Ninos Parkway, a regional-connecting two-mile open space parkway with recreation amenities and a multi-purpose trail. The proposed project identifies a financing source for the improvements to and maintenance of Ninos Parkway, whereas funding sources for the acquisition and maintenance of open space on the east side of Alternative 2 is unknown. Alternative 2 does not include as many acres of parkland or the Ninos Parkway, including its recreation amenities. Therefore Alternative 2 is inconsistent with Project Objective 12.

The Blueprint principles and the Community Plan focus on the need to establish connections between communities to reduce traffic and enhance pedestrian

amenities. Alternative 2 provides little connectivity with other communities in the area, in particular with respect to its eastern side and the creation of a large open space area, which preclude accessibility to and from the site on its eastern boundary. In contrast, the proposed project anticipates future development on the eastern side with the construction of subdivision stubs for future roadways and a large park site in the southwest corner of the Panhandle PUD. Ninos Parkway and its trail will also provide connectivity between the Panhandle site and the surrounding area. Thus, in contrast to Alternative 2, the proposed project furthers the objective of establishing regional connectivity.

Under Alternative 2, the project area would develop with 2,949 residential units and all development would occur west of the powerline easement. No development would occur east of the powerline easement. The developable area under Alternative 2 is approximately 423 gross acres and the average density over the project area would be approximately 7.0 units per gross acre. The Proposed Project includes several features that are not anticipated in Alternative 2 including a middle school/high school site (61.1 acres), required parkland (41.1 acres) detention basins (20.8 acres) and the Ninos Parkway (45.6 acres). These features will reduce the developable area of the Proposed Project to approximately 429.9 acres. The average density of the Proposed Project (3,075 units) over the project area would be approximately 7.2 units per gross acre. Compared to the Proposed Project, Alternative 2 includes fewer units on less land area and is less dense overall.

Under Alternative 2, project area would develop with 2,949 residential units resulting in 25,481 new daily trips within the project area and its vicinity. Though this is approximately 9,000 fewer trips generated than under the proposed project, this would still add traffic to project area intersections and result in the degradation of the operational levels of service particularly for the following intersections:

- a. National Drive/Elkhorn Boulevard
- b. SR 99 Northbound and Southbound ramps/Elkhorn Boulevard
- c. I-5 Northbound and Southbound ramps/Del Paso Road
- d. National Drive/Del Paso Road
- e. Kenmar Drive/Del Paso Road
- f. National Boulevard/Truxel Road/Del Paso Road
- g. Gateway Park Boulevard/Del Paso Road
- h. Sorento Road/Del Paso Road

While Alternative 2 would reduce significant environmental effects of the project, this alternative generally does not completely avoid the significant impacts identified (the only exceptions are Impacts 4.3.1, 4.3.4, and 4.5.5).