

March 18, 2021

Michael Hren
City of Merced
Planning and Permitting Division
678 West 18th Street,
Merced, CA 95340

Project: Initial Study #20-36

District CEQA Reference No: 20210200

Dear Mr. Hren:

The San Joaquin Valley Unified Air Pollution Control District (District) has reviewed the project referenced above from the City of Merced (City). The project consists of development of a gas station with convenience store, a drive-through restaurant, and office retail building (Project). The Project is located at 1995 W. Olive Ave., in Merced, CA (APN 058-030-037).

Project Scope

The Project consists of a General Plan Amendment (GPA) and a Site Utilization Plan (SUP) Revision for 3.38-acres of land. The GPA and SUP would change the two General Plan designation from Commercial Office (CO) and Manufacturing/Industrial (IND) to Business Park (BP). The Project will occupy 3.06-acres that includes one 4,284 square foot fuel dispensing area with eight pumps, one 4,088 square foot convenience store, one 2,805 square foot drive-through restaurant, and one 4,837 square foot office retail building, and pave 70,115 square feet of space with 89 parking spaces. The Project will have 120 fuel deliveries per year. Construction for the Project will last nine months. Per the Air Quality Analysis (AQ Analysis) Operation of the Project will have an average daily traffic of 1,811 vehicles.

The Initial Study and the AQ Analysis currently demonstrate that the criteria pollutant emissions would have a less than significant impact. Other potential significant air quality impacts related to Toxic Air Contaminants (see information below under Health Risk Assessment), Ambient Air Quality Standards, Hazards and Odors, may require assessments and mitigation. More information can be found in the District's Guidance for Assessing and Mitigating Air Quality Impacts at:

https://www.valleyair.org/transportation/GAMAQI_12-26-19.pdf

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ATTACHMENT 7

The District offers the following comments:

1) Project Related Criteria Pollutant Emissions

1a) Construction Emissions and Operational Emissions:

Although the AQ Analysis currently demonstrates that the criteria pollutant emissions would have a less than significant impact, the CalEEMod results include construction of 35,600 square feet of pavement. The AQ Analysis states there will be 70,115 square feet of paved asphalt. In order to get a better representation of the Project, the CalEEMod analysis shall also assess the proposed 70,115 square feet of pavement.

In addition, with the proposed Project being located near a freeway, it is anticipated that it would serve vehicles that are traveling from other areas or towns. The District recommends using a more conservative value for the estimated trip distance traveled by those vehicles. The District recommends 50 miles when the value is unknown.

1b) Impacts from Toxic Air Contaminant Emissions

a. Truck Travel Emissions:

California Air Resources Board's (CARB) Emission Factors (EMFAC) model was used to estimate emissions from truck travel and idling. The following are recommendations for selecting the appropriate criteria in order to better represent the toxic air contaminant emissions from truck travel:

- Onroad Emission Rate Output is to be selected.
- The San Joaquin County is the county to be selected based on project location.
- Year 2022 is to be selected as the Calendar Year.
- The "Annual Average" is to be selected as the data input for Season.
- If specific project level truck fleet information is not available, the EMFAC2007 "HHDT" category is to be selected for Vehicle Category.
- A conservative estimate of five years from Calendar Year (i.e. 2017) is to be selected for Model Year.
- Speed bins 5, 10, and 15 are to be selected as the input data for Speed.
- "Diesel" is to be selected for Fuel Type for diesel trucks.

1c) Health Risk Screening/Assessment

The assessment in the AQ Analysis pointed to the results that used a sensitive receptors distance location range of 250 - 500 meters in the District's prioritization calculator and concluded that the Project will be insignificant to sensitive receptors. However, the closest sensitive receptors distance should be used to determine if a Health Risk Assessment is required. Located directly east of the Project, there is a closer sensitive receptor (i.e.: worker) located less than 100 meters of the proposed Project. Based on that, a Health Risk Assessment is required.

In addition, the AQ Analysis states the Project would dispense up to 2,000,000 gallons of gasoline per year; however, the assessment evaluated only 1,000,000 gallons of gasoline. The District recommends the assessment calculate the toxic emissions from the Project using the value 2,000,000 gallons of gasoline.

In general, A Health Risk Screening/Assessment identifies potential Toxic Air Contaminants (TAC's) impact on surrounding sensitive receptors such as hospitals, daycare centers, schools, work-sites, and residences. TAC's are air pollutants identified by the Office of Environmental Health Hazard Assessment/California Air Resources Board (OEHHA/CARB) that pose a present or potential hazard to human health. A common source of TACs can be attributed to diesel exhaust emitted from both mobile and stationary sources. List of TAC's identified by OEHHA/CARB can be found at: <https://ww2.arb.ca.gov/resources/documents/carb-identified-toxic-air-contaminants>

The District recommends the development project(s) be evaluated for potential health impacts to surrounding receptors (on-site and off-site) resulting from operational and multi-year construction TAC emissions.

- i) The District recommends conducting a screening analysis that includes all sources of emissions. A screening analysis is used to identify projects which may have a significant health impact. A prioritization, using the latest approved California Air Pollution Control Officer's Association (CAPCOA) methodology, is the recommended screening method. A prioritization score of 10 or greater is considered to be significant and a refined Health Risk Assessment (HRA) should be performed.

For your convenience, the District's prioritization calculator can be found at: http://www.valleyair.org/busind/pto/emission_factors/Criteria/Toxics/Utilities/PRIORITIZATION%20RMR%202016.XLS.

- ii) The District recommends a refined HRA for development projects that result in a prioritization score of 10 or greater. Prior to performing an HRA, it is recommended that development project applicants contact the District to review the proposed modeling protocol. A development project would be considered to have a significant health risk if the HRA demonstrates that the project related health impacts would exceed the District's significance threshold of 20 in a million for carcinogenic risk and 1.0 for the Acute and Chronic Hazard Indices, and would trigger all feasible mitigation measures. The District recommends that development projects which result in a significant health risk not be approved.

For HRA submittals, please provide the following information electronically to the District for review:

- HRA AERMOD model files
- HARP2 files
- Summary of emissions source locations, emissions rates, and emission factor calculations and methodology.

More information on toxic emission factors, prioritizations and HRAs can be obtained by:

- E-Mailing inquiries to: hramodeler@valleyair.org; or
- Contacting the District by phone for assistance at (559) 230-6000; or
- Visiting the District's website (Modeling Guidance) at:
http://www.valleyair.org/busind/pto/Tox_Resources/AirQualityMonitoring.htm.

2) District Rules and Regulation

The District issues permits for many types of air pollution sources and regulates some activities not requiring permits. A project subject to District rules and regulation would reduce its impacts on air quality through compliance with regulatory requirements. In general, a regulation is a collection of rules, each of which deals with a specific topic. For example, *Regulation II - Permits* encompasses multiple rules associated with the permitting of emission sources such as Rule 2010 (Permits Required), Rule 2201 (New and Modified Stationary Source Review), and others.

2a) District Rules 2010 and 2201 - Air Quality Permitting for Stationary Sources

Stationary Source emissions include any building, structure, facility, or installation which emits or may emit any affected pollutant directly or as a fugitive emission. District Rule 2010 requires operators of emission sources to obtain an Authority to

Construct (ATC) and Permit to Operate (PTO) from the District. District Rule 2201 requires that new and modified stationary sources of emissions mitigate their emissions using best available control technology (BACT).

This Project will be subject to District Rule 2010 (Permits Required) and Rule 2201 (New and Modified Stationary Source Review) and will require District permits.

Prior to commencing construction on any permit-required equipment or process, a finalized Authority to Construct (ATC) must be issued to the Project proponent by the District. For further information or assistance, the project proponent may contact the District's Small Business Assistance (SBA) Office at (559) 230-5888.

2b) District Rule 9510 (Indirect Source Review)

The purpose of District Rule 9510 (Indirect Source Review) is to reduce the growth in both NO_x and PM₁₀ emissions associated with development and transportation projects from mobile and area sources associated with construction and operation of development projects. The rule encourages clean air design elements to be incorporated into the development project. In case the proposed project clean air design elements are insufficient to meet the targeted emission reductions, the rule requires developers to pay a fee used to fund projects to achieve off-site emissions reductions.

The proposed Project is subject to District Rule 9510 because it will receive a project-level approval from a public agency and will equal or exceed 2,000 square feet of commercial space. When subject to the rule, an Air Impact Assessment (AIA) application is required no later than applying for project-level approval from a public agency. In this case, if not already done, please inform the project proponent to immediately submit an AIA application to the District to comply with District Rule 9510.

An AIA application is required and the District recommends that demonstration of compliance with District Rule 9510, before issuance of the first building permit, be made a condition of Project approval.

Information about how to comply with District Rule 9510 can be found online at: <http://www.valleyair.org/ISR/ISRHome.htm>.

The AIA application form can be found online at: <http://www.valleyair.org/ISR/ISRFormsAndApplications.htm>

2c) District Regulation VIII (Fugitive PM10 Prohibitions)

The Project will be subject to Regulation VIII. The project proponent is required to submit a Construction Notification Form or submit and receive approval of a Dust Control Plan prior to construction.

Information on how to comply with Regulation VIII can be found online at:
http://www.valleyair.org/busind/comply/PM10/compliance_PM10.htm.

2d) Other District Rules and Regulations

The Project may also be subject to the following District rules: Regulation VIII, (Fugitive PM10 Prohibitions), Rule 4102 (Nuisance), Rule 4601 (Architectural Coatings), and Rule 4641 (Cutback, Slow Cure, and Emulsified Asphalt, Paving and Maintenance Operations). In the event an existing building will be renovated, partially demolished or removed, the project may be subject to District Rule 4002 (National Emission Standards for Hazardous Air Pollutants).

The list of rules above is neither exhaustive nor exclusive. Current District rules can be found online at: www.valleyair.org/rules/1ruleslist.htm. To identify other District rules or regulations that apply to this Project or to obtain information about District permit requirements, the applicant is strongly encouraged to contact the District's Small Business Assistance (SBA) Office at (559) 230-5888.

3) District Comment Letter

The District recommends that a copy of the District's comments be provided to the Project proponent.

If you have any questions or require further information, please contact Keanu Morin by e-mail at keanu.morin@valleyair.org or by phone at (559) 230-5805.

Sincerely,
Brian Clements
Director of Permit Services



For John Stagnaro
Program Manager

BC:km