

Notice of Availability

Tracy Costco Depot Annex – Recirculated Draft Environmental Impact Report

LEAD AGENCY

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PROJECT TITLE: Tracy Costco Depot Annex

PROJECT LOCATION: The Project site is located at 16000 West Schulte Road in unincorporated San Joaquin County, California. The Project site is within the Tracy Sphere of Influence (SOI) 10-Year Planning Horizon and is immediately adjacent to the Tracy city limits to the north of the site. The Project site is immediately south of the intersection of Bud Lyons Way and West Schulte Road. The Project site is bounded on the north by West Schulte Road, on the west by an unnamed driveway serving the adjacent rural residence, on the south by the Delta Mendota Canal, and on the east by vacant agricultural land. The Project site is not included on the lists of sites enumerated under Section 65962.5 of the Government Code (Hazardous Waste and Substances Site List maintained by the Department of Toxic Substances Control).

PROJECT DESCRIPTION: The Project site includes two distinct planning boundaries defined below. The following terms are used throughout the Draft EIR to describe the planning boundaries within the Project site:

- Project Site (or Annexation Area) – totals 104.46 acres and includes the whole of the Project, including the proposed 103.0-acre Development Area, and 1.46 acres of land along the Delta Mendota Canal (which would not be developed as part of the proposed Project).
- Development Area – includes a 103.0-acre parcel (Assessor's Parcel Number [APN] 209-230-02) that is intended for the development of up to 1,736,724 square feet (sf) of industrial uses.

The Project would include the construction and subsequent operation of two warehouse buildings that would serve as an annex to the existing Costco Depot located approximately 1.5-miles to the west of the Project and as a Direct Distribution Center (DDC). The two buildings (approximately 543,526 sf for Building 1 and 1,193,198 sf for Building 2) total approximately 1,736,724 sf on the Project site. The smaller Building 1 is anticipated to serve as the annex by providing additional storage for high-turnover merchandise processed through the nearby Costco Depot, a pallet repair facility, and a return to vendor facility for large items returned to a Costco warehouse. The larger Building 2 is anticipated to serve as a DDC, an ecommerce distribution center primarily for large and bulky items ordered online by Costco members for direct delivery through Market Delivery Operations (MDO) located in various smaller cities in the Northern California region. DDC warehouses distribute ordered goods to the MDOs for delivery (by appointment) to the members. Cold

storage would not be provided as part of the proposed Project.¹ The Project also would include the required circulation, parking, and utility improvements.

The Project site is designated as Agriculture by San Joaquin County's General Plan Land Use Map and is zoned as AG-40 Agriculture by the County. The site currently has a City General Plan land use designation of Industrial (I). The San Joaquin County Local Agency Formation Commission (LAFCO) will require the Project site to be pre-zoned by the City of Tracy in conjunction with the proposed annexation. The City's pre-zoning will include the Light Industrial (M-1) zoning designation for Project site. Additionally, the proposed Project would result in the annexation of the Annexation Area into the City of Tracy.

SIGNIFICANT ENVIRONMENTAL EFFECTS: The Recirculated Draft EIR identifies significant environmental impacts related to the following environmental topics: Cumulative Aesthetics; Cumulative Agricultural Resources; Air Quality; Cumulative Air Quality; Cumulative Noise; and Cumulative Transportation and Circulation. All other environmental issues were determined to have no impact, less than significant impacts, or less than significant impacts with mitigation measures incorporated into the project.

PUBLIC REVIEW PERIOD: The City of Tracy prepared and publicly circulated a Draft Environmental Impact Report (EIR) for the proposed Tracy Costco Depot Annex Project (proposed Project) on September 16, 2022, inviting comment from the general public, agencies, organizations, and other interested parties. A Notice of Availability (NOA) was filed with the State Clearinghouse (SCH # 2020080531) and the County Clerk, and was published in a local newspaper pursuant to the public noticing requirements of the California Environmental Quality Act (CEQA). The Draft EIR was available for public review and comment from September 16, 2022 through October 31, 2022.

Upon review of certain comments received on the Draft EIR during the prior (2022) public comment period, the City concluded that the air quality and greenhouse gas quantitative analyses should be revised to employ more conservative assumptions concerning the distance that project trucks may travel. This Recirculated Draft EIR employs models of emissions that have been rerun assuming that the average trip length for all project truck trips is 29 miles. This reflects the average truck trip length within the county transportation model. The county model is actually a three-county model covering San Joaquin, Stanislaus and Merced Counties, all of which are within the San Joaquin Valley Air Pollution Control District boundaries. The Sierra Club, in its comments on the Draft EIR, had suggested that the Draft EIR assume average truck trip lengths of 25 miles, so the assumptions within this document are more conservative than that suggestion. Because the increased truck travel distances leads to air quality impacts that are substantially more severe than indicated in the Draft EIR, the City has prepared this Recirculated Draft EIR.

In addition, the Project applicant responded to the comments on the Draft EIR by incorporating into the proposed Project numerous new and additional measures and strategies to reduce emissions and vehicle trips.² The Project Description chapter and the

¹ That is, there would be no refrigerated warehouse operations or transport refrigeration units (TRUs) as part of the Project. The City will include condition of approval precluding cold uses for the Project.

² See letter from Christine Lasley, Costco, to Victoria Lombardo, City of Tracy.

other sections herein have been updated to reflect such Project commitments, as well as other Project refinements (such as construction schedule, etc.).

In accordance with CEQA Guidelines Section 15088.5 (c), if the revision is limited to a few chapters or portions of the EIR, the lead agency need only recirculate the chapters or portions that contain significant new information. This Recirculated Draft EIR includes the following chapters:

- Chapter 1.0: Introduction
- Chapter 2.0: Project Description
- Section 3.2: Air Quality
- Section 3.7: Greenhouse Gases, Climate Change and Energy
- Chapter 4.0: Other CEQA-Required Topics
- Chapter 5.0: References

These chapters will substitute for and supersede those contained in the previously-circulated Draft EIR. Those chapters and sections of the previously-circulated Draft EIR that are not listed above remain valid and are operative and effective parts of the overall EIR.

In accordance with State CEQA Guidelines, Section 15088.5, the City is recirculating this revised Draft EIR, with associated appendices, to provide the public and agencies with ample opportunity to review and comment on the updated analysis and new project information. Procedures for commenting on this revised analysis are detailed below.

A 45-day public review period for the Draft EIR will commence on December 22, 2023 and end on February 5, 2024 for interested individuals and public agencies to submit written comments on the document. **Comments submitted as part of the previous Draft EIR review period will be considered and do not need to be resubmitted.** Written comments concerning the Recirculated Draft EIR are due by 5:00 p.m. on February 5, 2024 and should be submitted to the attention of Genevieve Federighi, Associate Planner, at the City of Tracy, 333 Civic Center Plaza, Tracy, CA 95376; or by e-mail to Genevieve.federighi@cityoftracy.org, 209.831.6435. Copies of the Recirculated Draft EIR are available for review at the City of Tracy Planning Division (333 Civic Center Plaza, Tracy) and the Tracy Branch Library (20 East Easton Avenue, Tracy). The Recirculated Draft EIR also may be reviewed at the City of Tracy's website:

<https://www.cityoftracy.org/our-city/departments/planning/specific-plans-environmental-impact-reports-and-initial-studies/-folder-77>